COUNCIL OF THE CITY OF WINNIPEG
Thursday, January 25, 2007

The Council met at 9:36 a.m.

The Clerk advised the Speaker that a quorum was present.

The Speaker called the meeting to order.

The opening prayer was read by Councillor Gerbasi.

ROLL CALL

Clerk: Mr. Speaker Councillor Lazarenko, His Worship Mayor Katz, Councillors Browaty, Clement, Fielding, Gerbasi, Leipsic, Nordman, Pagtakhan, Smith, Steeves, Swandel, Thomas, Vandal, Wyatt.

Mr. Speaker: Thank you. Leave of absence for Councillor Mike O'Shaughnessy, Justin Swandel moves it, all in favour, contrary? Carried. Notice calling the meeting is read, would you please, madam clerk

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 Thursday, January 25, 2007, at 9:30 a.m., to consider the 2007 Annual Capital Budget and the 2008 to 2012 Five-Year Capital Forecast.*

Richard Kachur
City Clerk

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

Mr. Speaker: Thank you. Pages today Councillors we have Bryce Brousseau of Vincent Massey Collegiate resides in St. Norbert Ward and Simone Jamal of Miles MacDonnell Collegiate resides in Elmwood - East Kildonan Ward. Welcome. Welcome of guest and announcements, Mr. Clerk there's none? Delegations, Councillor Gerbasi.

DELEGATIONS

Councillor Gerbasi: Thank you Mr. Speaker I would ask Council to waive the rules to allow two additional speakers in opposition to the budget. Those speakers would be Phyllis Watson of the Council of Women of Winnipeg and Gary Swanson of CUPE Local 500 and I would ask Council to allow five minutes to speak with no additional questions

Mr. Speaker: Thank you, you've heard the motion, all in favour, contrary? Carried. Delegations, first is Mr. Ken Klassen in opposition to item 1 of report 'A' of the Executive Policy Committee dated January 17, 2007, Mr. Klassen. Mr. Klassen you have ten minutes. I'll give you, I'll give you.

Ken Klassen: This has all been written in the last few days and there may be some errors regarding lounges and airports and hotels. I think the cover of the title says it all small moves, how to develop a more affordable responsible action plan to address Kenaston congestion concerns. Mr. Mayor I want to change the vocabulary around this issue. We should not be talking about widening Kenaston but solving congestion problems.

So really what I'm going to focus in on in this presentation is one item in your capital budget in your 2007 capital budget and your 1.5 million dollars for a functional design study to widen Kenaston from Taylor Avenue to Academy. I wanted to express concern about alarming lack of opportunity for the public and the community to review or comment on this proposal, point on majoring consistent between this proposal and key policies adopted by the City of Winnipeg. I want to raise some awareness on this Council about some serious economic, social, environmental implications and I want to provide some positive suggestions. I believe there is truly an alternative rather than dividing community, I think you can unite the community. There is some common ground here.

What I read about the report, one of the things I've done is how badly are Winnipeg's streets. How congested are they. I do travel a lot throughout North America, overseas, Winnipeg is one of the least congested cities I've ever seen and what I did I went to Stats Canada and said well let's get an independent

measure of it and low and behold I found out they have done that. I looked at the nine largest urban centres in Canada; Winnipeg is the second least congested city when you measure it by average travel time to get to work, only Quebec City is better.

We in Winnipeg try to build our way of congestion by adding more roads. I said well, who's the biggest expert on congestion in North America. Who's regarded as the expert on congestion. Is it the Texas Transport Institute, in fact they're affiliated with the Transport Institute here in Winnipeg. They have come to the conclusion that you cannot build your way out of congestion simply by adding more roads. You do occasionally need to add more roads to assist them but they studied the eighty-five largest urban centres in the United States, 81 out of 85 cities that try to build their way out of congestion have failed and they suggest a more balanced approach and they talk about it a little bit there.

Let's go on to the issue of transportation priorities for Winnipeg. What do Winnipeggers really want, you know we hear anecdotal evidence and Councillors your ears get bent all the time, I'm sure. We just spent three years and 800,000 dollars asking the residents of Winnipeg what are their priorities. On page four of your report those are their priorities and look, expanding regional road system, it was the lowest priority. The lowest priority.

Now let's get to this functional design study to widen Kenaston. Mr. Mayor you pledged in Sam's vision, you had seven principles that you were going to make your decision making on and one of them was the triple bottom line, it has to make not only economic sense but environmental sense and social sense and I would argue that when I stand on Kenaston I see three out of every four cars only has one person in it during peek periods and to demolish an existing neighbourhood to widen a regional street to support more of that type of transportation I don't think is very, very sustainable and Deputy Mayor Leipsic you made a summary statement about sort of the triple bottom line, you said I support economic development but not the kind that sacrifices neighbourhoods. This is going to sacrifice a neighbourhood. This is one of the most ambitious road widening projects in any major Canadian city since Toronto tried to do the Spadina Expressway and failed, okay.

I'm very concerned, I found out this week that low and behold Winnipeg has civic guidelines for civic participation in public works projects and I've included it in an appendix and if you look at that, there's seven steps, step six is the functional design study, steps one through five, what happened, nothing. We're talking today about step number six already. There's been no public consultation, no public meetings about this with the community whatsoever and no opportunity for myself to go and suggest alternatives.

You look at timing. I looked at the Waverley West transportation review that was used to support Plan Winnipeg amendment. ND Lea who this Council has trusted time and time again in their reports of professionalism says two additional lanes north of Grant are not needed for another twenty-five years. So we're bringing an expansion forward twenty-five years, that's incredible. I called Canada Lands last week; they knew nothing about this, nothing and you have a policy about integrating transportation and land use, okay. You cannot do a plan to widen a regional street ahead of a land use plan, they have to be integrated.

It ignores the SURF report. You don't have to spent 1.5 million dollars to do a preliminary cost benefit analysis to see whether or not this thing's going to fly, okay. You can do much less expensive preliminary cost benefit analysis and see whether it's worth adding to the list of options, one of several options. Something else, this only talks about Taylor to Academy. It doesn't talk about St. James Bridge, what's going to happen to St. James Bridge. You're going to create an enormous bottle neck. My prediction is, this is going to quickly snowball. I heard Bill Larkin; he was throwing around a figure of 90 million

dollars because you're going to have to reconfigure St. James Bridge if you have more capacity on Route 90. You don't want an hour glass effect at the bridge.

And Councillors you're setting yourselves up for failure. This proposal to widen Kenaston is going to fall under the Federal Environmental Assessment Act, Canadian Environmental Assessment Act. The federal government cannot transfer any lands without doing an environmental screening; they'd have to do comprehensive review. You are compelled under that act; I looked at the act and legislation, I've talked to some people, you have to look at all the alternatives. The alternatives have not been looked at.

Okay. So my conclusions and recommendations, so I've given you five conclusions and recommendations. Number one, premature to spend 1.5 million dollars on funds for the design study, okay, take that out of the budget. I'm sure you have lots of other very worthy projects that could use that. Make a provision in the 2007 capital budget in your five year forecast to explore other less expensive alternatives, you know maybe at the end of the day widening is the solution but maybe not but we haven't looked at all those other solutions and in my report here I've identified what I think are some of the key solutions that I've seen in other communities.

We talked about and Councillor Clement you spoke quite eloquently during the Plan Winnipeg review where it was proposed to widen Kenaston and you mused out loudly and then you said, well you know what, is this really the way to go. You know maybe if we just improve the intersections, the critical intersections like Grant and Corydon. I talk about what they call instant management, I see very aggressive clearing of accidents and stalled vehicles, it doesn't seem to happen here in Winnipeg, better road information systems and so on. A combination of measures, it would be very, very interesting to see that combined with our capacity in the intersections whether that will give you much of the same relief.

I've also mentioned, including a 175,000 dollars to retain a consultant to look at the C.N. Oak Point subdivision. Okay that's been recommended to you before; I've included in the appendix a lot of key quotes and comments. I for the life of me I don't understand why that's never been looked at and I just think we've got to look at Oak Point. You know, ideally the recreational trail, bank it for land, maybe at some future point in twenty years or something like that, maybe a transit corridor, but bank it, you know let's take the long term look.

You have to I think to in point number four, throw in money there, at least I'd say, I'm just guessing here but about 125,000 dollars for a comprehensive transportation amendment management study. Okay this is what people like the Texas Transport Institute, they have six hundred people thinking about this type of stuff all the time and this is what they say to communities, it is far, far, cheaper to encourage transportation demand management and I don't have time here to explain what it is but just Google Victoria Transport Policy Institute, you'll find out everything about transportation demand management. The cities that we compete with, this is what they're doing to drive down their cost and delay expensive new infrastructure so they can put more money into their existing infrastructure.

And last, please integrate anything you're doing with your transportation plan with Canada Lands. I feel when I've talked to these two groups they're not getting along too well right now and they're not sort of talking to each other. Canada Lands should not have it hear it from me that you're doing proposals like this. Somebody needs to pick up the phone and say to Canada Lands, hey we're thinking of this, what are you doing or what's the status and stuff like that, okay.

So anyway, I think the rest of the report speaks for itself. I'm going to build and add the report and I'm going to be going and talking to the people that you're going talking to for funding. I'm going to be reminding them, under the Canadian Environmental Assessment Act their obligations for public consultation which I

don't think has occurred. I'm going to remind them about the obligations to explore every possible alternative. That's what I'm going to be doing.

So I've given you your own little green sheet, too so as you go through the report, you can tick off yes or no, and whether or not you think if you've got all yes's, great, go ahead and widen Kenaston. If you've got even one or two or three no's, maybe this thing needs to be put on the back burner and given a little bit more thought. So that's all I'm asking. Please read the report. Give it more thought. Don't put the cart before the horse.

Mr. Speaker: Thank you Mr. Klassen. There may be some questions. Any questions Councillors? Councillor Thomas.

Councillor Thomas: Yes, thank you Ken for coming forward. I find your report very enlightening and I appreciate your comment that the city has had a long history of expanding its capacity on its regional street systems faster than its ability to maintain and repair it. Given that, would you state that the priorities that Council set out a number of years ago, that first priority would be a pair of existing priority and second would be expansion of existing and the third and bottom priority would be creating new infrastructure. Would it be your opinion that these priorities have not been followed in this budget?

Ken Klassen: Absolutely not and you know I guess one of the things that concerns which I'm really interested in demographics and you know, the birth rate is now below the replacement rate, it's about 1.8 I think, 1.9 and we need 2.1. Within a generation we're going to have more deaths than births. For the last sixty years other than maybe three or four years, Manitoba has always been a net looser in interprovincial migration where our population has thankfully been propped up the last few years through a lot of gains in international immigration. So all this infrastructure that you've got in this budget right now, there's going to be a generation coming after us and they're the people who are going to have to support all of this and you're going to see flat or declining populations, okay. We're already seeing these effects in some European countries that I visit and they're very, very, very careful about adding expensive new infrastructure because they know in twenty or twenty-five years they're going to have fewer taxpayers to support that so they want to make dam sure anything they add is very, very cost effective and absolutely needed and that's what I'm asking you to do is do that same due diligence and like I say, if at the end of the day, if it's cost effective and widening is the only solution, fine, I can live with that but the due diligence has not been done.

Mr. Speaker: Councillor Thomas, your second supplementary.

Councillor Thomas: Yes, thank you. My second question is with regard to the existing infrastructure. Would it be your opinion that the statements that have been made previously about eliminating potholes, that they have been accomplished by this budget or ignored?

Ken Klassen: You know what, I have to confess, I didn't look at the budget. I'm not a pothole expert. I don't think I'm really qualified to comment on that.

Mr. Speaker: Councillor Gerbasi.

Councillor Gerbasi: Thank you Mr. Speaker, thank you Ken for coming and speaking to us today and I appreciate your opinion on Kenaston, it makes a lot of sense to me. But I'm wondering, as someone who participated throughout the Plan Winnipeg process we've had over many years, are you, I know you probably haven't had time in a week and a half to really study this budget but it doesn't really take that much study to question whether or not this goes along with our city plan and is there a disconnect here between our city plan that's been vetted through citizens in the approach that we agreed to take with that plan and what's in this budget before us today, in terms of all the new infrastructure as opposed to investing in existing infrastructure?

Mr. Speaker: Mr. Swanson, I mean Mr. Klassen.

Ken Klassen: Well my background (in audible), my specialty is in sustainable buildings and communities, and my clients are like in the last six months, ShungHai, Beijing, London, Dublin places like that and I cannot believe what's going on in these communities, okay. They see the writing on the wall when it comes to issues of energy, security and fossil fuels and climate change and what have you and I step off the plane in Winnipeg and the air is still very clean here and things like that, I like coming back home but I feel like I'm in a time warp so I see these what I would consider to be world class cities and a city like Dublin is not that much larger than Winnipeg, it's just over a million people.

They are taking dramatic, bold action because they believe that we are in serious trouble and that we need to put more emphasis on energy efficiency, okay. And one of the things I don't see in this capital budget is anything to do with climate change, okay. The City of Winnipeg has, you've come up with a climate change action plan for your own civic operations and I commend you for that, but that's less than two percent of the city's emissions. The other ninety-eight percent are the rest of the community. As a municipal government, through this budget, through your transportation and land use plant, you're responsible for about fifty percent or you influence about fifty percent of the emissions in this city and you know if you read the tea leaves, I'm just back from Ottawa twelve hours ago, I can tell you if you want to get infrastructure dollars in the future, more and more, you better be able to say to people like the federal government and I'm sure the provincial government, that we're solving some problems for you. We're solving some of our transportation problems but we're killing a lot of greenhouse gas emissions that you can claim as credit, okay.

The world is changing. I'm really worried that we're being left behind and when I go to a third world country like China, you know like Winnipeg's sister city Chengdu, per capita income of 2,000 dollars, they're putting in subway systems and public transport to get cars off the road. And I go wow; they can afford that with 2,000 dollars per capita. But anyway we're falling behind, we're falling behind and it's just, it's not a issue in this budget, in Plan Winnipeg it does going back to your question, it does talk about the issue of climate change, this is not a climate change budget. This is get in your car and drive budget. Let the good times roll, you know. And city after city after city after city that I see, is saying no, we've got to tell people things have to change.

Mr. Speaker: That's it Councillor. Mr. Mayor.

Mayor Katz: Ken, thank you very much for appearing here today, I noticed on two occasions you referenced Canada Lands Corporation, I appreciate you pointing that out, are you aware of the fact that representatives of Canada Lands Corporation met with me in my office over a year ago and discussed this issue and obviously we talked about what we wanted to do with Kapyong and the three things that were discussed was one, housing, two, recreation and three, the widening of Kenaston. Since I have to formulate a question, that's the way of telling you they are aware of it.

Ken Klassen: Well, I talked to Canada Lands I guess it was last week and they informed me that they had met with you but what I'm saying is that there's not a lot of chatter going back and forth and meeting a year ago a lot changes in a year, okay and I'm saying that there was no communication whatsoever with this capital budget and Canada Lands. They knew nothing about the 1.5 million dollars and widening of Kenaston and I do not think that Canada Lands necessary is locked into widening of Kenaston. There maybe alternative solutions.

Mr. Speaker: Councillor Swandel.

Councillor Swandel: Thank you Mr. Speaker, morning Ken. I've heard some of this before at E.P.C. and certainly there's some merit to what you say but I just wanted to clarify or have you clarify, the statements on the Texas Transport

Institute, they don't say not to build roads, they say that roads can't be the only solution and in your document here it goes on to talk about things like transit improvement, better traffic signal operations you know and to list some other accident management or incident, aggressive incident management. Can you speak to that just to clarify that we're not talking about the elimination of building roads.

Ken Klassen: No, absolutely not. Really what the Texas Transport Institute says is roads are necessary but not necessary roads and really what they're saying is it's been a habit in the United States to try and build their way out of congestion to the exclusion of these other options and what you do is you drain your bank account and you've got so many roads. So really what they're saying is it has to be more balanced approach and the Texas Transport Institute is actually saying what the people who did the SURF report right here in Winnipeg are saying is cost benefit analysis. You screen these projects beforehand, okay and see whether or not they're cost effective, okay and then you rank them and see which ones give you the biggest bang for the buck.

Our per capita income or growth here, economic growth is not as strong as in Ottawa, Vancouver, Calgary, Edmonton and so on, so we have to be much more careful and strategic over how we use our dollars and how we invest them and the way to do that is through a cost benefit analysis and if a road expansion or extension or whatever can pass the test, great, fine. But let us compete against transportation management programs, a comprehensive one for the city against transit investment and so let them all compete in a free market and compare them equally.

Mr. Speaker: Councillor Vandal your second supplementary.

Councillor Swandel: I guess, are you aware conversation that in this capital budget there's 12 million dollars on traffic signal enhancements, there are 4.5 million dollars in the innovative transit program, there's additional monies for new technologies and buses. There is the transit improvement program that in its budgets and estimates runs out to a six year total of 24 million dollars. You're aware that we are doing those things in these budgets as well as just Kenaston wide.

Ken Klassen: Yeah, but I guess what I'm saying is that the balance is not balanced, it's really tilted and a few years ago what I did is I did an analysis of the capital budgets for you know for three or four other Canadian cities in Winnipeg and I'm not saying that we don't do anything, we do do trails and do make investments in transit and so on, but it is a proportion, ours was the most tilted towards expansion of the supply. The part of Winnipeg I live in, I have seen in the last, you know since the mid 1990's I've seen a new Moray Bridge, the Kenaston underpass, the extension of Bishop Grandin to Kenaston, the widening of Kenaston on the southerly portion, tally it all up 100 million dollars. How much has gone to expand transit during that same period in that part of the city, zero. It's more of a keep even.

Mr. Speaker: Okay, question period has expired. Thank you Mr. Klassen. Next delegation is Jim Jaworski also in opposition to Item 1 of report 'A' of the Executive Policy Committee. Mr. Jaworski you have 5 minutes.

Jim Jaworski: All right. Good morning Councillors. Watch what happened to our downtown area, now that the under class have become the overwhelming majority of the people on its streets. We can now see a visible loss of professionals who are most likely to spend money at downtown shops than as for it on the streets that we have now. I used to remember twenty, twenty-five years ago when I was a teenager, when I visited downtown to go to the Library, to Eaton Place and to Winnipeg Square. Now we have a downtown mall, Portage Place, where the security guards wear bullet-proof vests. The under class and unemployed use it as some sort of shelter from the elements and from each other.

Last couple of years there have been stabbings, shootings and people stealing others backpacks just outside the mall. There are scant, any middle class or upper class shoppers there. If I had a family I wouldn't even let my kids go to the mall. Truth hurts, doesn't it?

What makes Portage Place different from the other downtown shopping centres like Toronto's Eaton Centre or Vancouver's Pacific Centre is what it lacks here, rail rapid transit, a subway or SkyTrain, that's what. I've seen it and I've read it for myself. Perhaps it's time to consider demolishing Portage Place and putting in new ordinary retail store fronts that don't have a mall element. How does this fit into the proposals for extension to the Kildonan Corridor, widening of St. Anne's Road and McGillivray. It does because not having an investment in mass transit system for Winnipeg you're, it does by, because by not investing in a mass transit system for Winnipeg you're jeopardizing the very economic well being of our city.

The so-called environmentalists who like to favour bus rapid transit, they say no, Winnipeg doesn't need the L.R.T. or subway, they say we can't afford it. But what they're really saying and this is anecdotal evidence, brought on for more than two years discussion on the new Winnipeg.com and Skyscraperpage.com, is that they don't want Winnipeg to grow quickly. It might hurt them in some way. Maybe they'll get stressed out and dream of living in the country with some scenery that's code for mountains or something like that.

Basically they're anti-urbanists and anti-progressive, the complete opposite of what they say their values are. The Wilson subway plan on the other hand was written a long time ago, yes, but it is still a valid plan for moving Winnipeggers out of the 1950's and into the 21st century, as far as mass transit is concerned. How many of the Councillors have read it. It should be adopted as the plan for Winnipeg.

So in effect we really don't need another 300,000 dollar consultant study as to why people don't use the bus, we already know why. They're too slow and a B.R.T. does nothing but serve sprawl Ville which is what Waverley West will turn out to be.

An underground subway line running under the streets of Winnipeg would put back the life into downtown Winnipeg and help move commuters from other parts of Winnipeg to and from work. At the same time the shovels, at the same time that the shovels were to go into the ground for a Winnipeg subway, it would begin to pay for itself through tax increment financing where the value of land would increase tax revenues and that is something that government is always talking about, spreading the tax base rather than narrowing it. Our population would then rise within ten years from 615,000 to over a million, wow. Suddenly people would come to Winnipeg and say what a beautiful city you have and how easy it is to get around on your subway. The middle class would return to Winnipeg in droves. I leave it up to you to decide our fate. Thank you.

Mr. Speaker: Thank you. No questions. Thank you Mr. Jaworski. The following delegations will be heard in five minute slot each one, Phyllis Watson and Mr. Gary Swanson. Is Phyllis Watson here? Ms. Watson you have five minutes.

Phyllis Watson: Good morning and thank you for giving me the opportunity to speak to you on behalf of the Council of Women of Winnipeg. There are two areas of concern that we have that, arising out of the capital budget which I would like to raise this morning. One of them has been addressed by Ken and Mr. Jaworski so I won't belabour it but you all are aware that because you've seen this often, that the Council of Women has had ongoing concern with land use decisions, the pattern of opening up new tracts of land to solve any real or perceived needs without looking at other alternatives.

And there are repercussions in future capital budgets as we've seen. It is time to debate these kind of projects when the development decisions are being made. The one, the particular ones in the capital budget are widening St. Anne's from SouthGlen to Allgate and widening

McGillivray from Waverley to Columbia Drive. Other cities now, Calgary and Halifax come to mind, are starting to require that developers pay for these kind of projects, these kind of projects, as a condition of receiving permission to develop the land.

I'll move on to the other area that we are concerned about and that relates to the financing of capital expenditures and consideration being given to P3's which our counsels have policy on both at the federal and the local level. Concern particularly at the federal level for P3's being used for building public use buildings of like schools and medical facilities and jails and things like that. Which of course are not in this, in your bailiwick.

However, the concept, certain elements of the concept are the same and I'm referring, I have information that I've gleaned from some conversations with the city officials and also with a study that was done in 1997 on particularly the Charleswood Bridge.

P3 sounds like a simple concept, P3. But it's got complex and it's not, there's not only one kind of P3 there can be as many things, many variables, many, many variables. Some or all of designing, building, owning, operating and maintaining a capital budget, can be part or not part of the agreement. The associated costs of some of those functions are more predictable than others. Financing whether it's within the P3 or done by the public partner is another option. So, nothing is an essential element of a P3 and everything can be negotiated.

The Charleswood Bridge and approximately 10 million dollar project undertaken twelve years ago has been described as highly successful. The designing and the building was on time and on budget. Being that it was new construction on previously unbuilt land that should not be considered such a remarkable feat and it was only the bridge that was in the P3. Approximately 20 million dollars more, you're probably more familiar with these numbers than I am I know, was financed conventionally by the city and as far as I know that portion was also on time and on budget.

It's when we look at the payments to the partners that there are questions. We are making payments totalling approximately 42 million dollars over a period of thirty years for this 10 million dollar asset. Those payments cover both the partner's financing costs and some risk being accepted by the partner for ongoing maintenance. There's a, I believe a floor amount of some 4 million dollars that the city is willing to pay out and the rest, the owner of the bridge is absorbing. And in the case of this particular agreement there's also a confidentiality clause which allows the private partner to veto the release of any information to the public.

So the result is that we will never know whether the agreement was really win/win. We can guess that the cost to the partners borrowing was at a higher rate, was lowering the risk of future maintenance costs an acceptable trade off. The debate can't be held because information is not available.

Mr. Speaker: Ms. Watson your time is up. Have you got?

Phyllis Watson: Just a, okay.

Mr. Speaker: Okay, go ahead.

Phyllis Watson: It's completely unacceptable for the public to be barred from obtaining all information on a public expenditure. This new budget has three proposed P3's, two in the same order of magnitude as the Charleswood Bridge, McGillivray and the police offices. The Disraeli, 91 million, ten times roughly as the Charleswood Bridge and looking to start it this year, it's a really big deal. We are concerned that we're rushing ahead into a politically popular decision at the moment and that it's not going to be the best for the city or we don't know if it's going to be the best for the city because it hasn't been discussed and it hasn't the opportunity for public involvement and all information being laid on the table, has not been there. We are concerned that there must be complete transparency and

that in any agreement there must be no confidentiality clauses.

Mr. Speaker: Thank you. Thank you Ms. Watson. Mr. Swanson, you have five minutes. There's no questions. Thank you. Thanks for your appearance. Mr. Swanson, five minutes.

Gary Swanson: Yes, thank you Mr. Speaker, Your Worship, Councillors, thank you for the opportunity to speak to the capital budget. We believe that there are many positive things and many positive items in this year's capital budget and we're quite pleased to see that there's been an increase in reinvestment into the public infrastructure of City of Winnipeg.

We also are very happy to see some capital investment in traffic signals. Our members of the traffic signals are working with antiquated equipment and welcome the opportunity to get the latest up to date technology to help move the citizens of Winnipeg around.

CUPE on the national scene and of course lately locally has been quite vocal about P3's and my discussion here is to present to you our concerns about P3's. And I also want to say, congratulate Council, because you've moved the Charleswood Bridge payments out of the operating budget and into the capital budget for everybody to see and I think that's a very positive thing to do.

I also want to congratulate you also that you put a cap on P3's of at least twenty-five percent. However, we still have a great deal of many concerns about P3's and we have a tremendous research arm in CUPE and as well we follow the research of many other organizations that have investigated P3's around the world. Transparency is very, very important to us and we've applied under FIPPA to get access to the Charleswood Bridge data and we've been advised that the consortium that built the bridge may invoke a clause on business confidentiality.

So that concerns us because how do you really know that that deal was the best deal for the citizens of Winnipeg if you can't get all the data. We know the public sector costing is always open to public scrutiny and we also know that Local 500 members on the operating side of the city's budget are constantly being told their service delivery must be more efficient. The work we do is fully costed and it's transparent to the public.

In terms of financing P3's, we believe that civic governments, for that matter, provincial and federal governments can borrow money much more cheaply than the private sector. We also know that in terms of amortizing the cost of a capital project that the city doesn't generally over shorter period of time than the private sector.

If we had financed the Charleswood Bridge it would have been done over twenty years, however, using the, building it with a consortium we're financing that over thirty years and everybody knows it has a mortgage and the longer you amortize your mortgage the more money you pay in interest.

Another concern that we have is hidden costing and researchers are telling us across the world that not all the costing is transparent in terms of applying it to the infrastructure project and what we would like to see is the full costing of what it will cost the city if you P3 the Disraeli Bridge or the freeway in terms of its legal costs, your technical costs, your design costs and your administrative costs.

The next concern is ownership and because the private sector would own the structure, great care needs to be taken in the business arrangement by Council in front of it or by civic government. But our concern is about unanticipated changes over time that can increase the cost of that P3 and if you build a building and you, and I think that one of the proposals to build a police station, we know that policing changes over time and that the infrastructure that houses that policing service will have to change with the way the police operate.

And so what happens then because you don't own the building, it's owned by somebody else and how are you going to,

how are you going to negotiate that change and is it going to cost us a lot more money to do it.

And our last comment and we have, we only have five minutes so I wanted to be brief, is the risk transfer and the, what we've seen in terms of research is that the more complicated the project is, the less likely that the public sector wants or the private sector wants to be involved in that project, because their risk increase with the complexity of the project. And yet, that's exactly what government wants, to share that risk and so I think for P3's to really work, they want the most simple projects and that's why I think the widening of Kenaston probably will be the better one to research on behalf of Council. Thank you for the opportunity to speak.

Mr. Speaker: Thank you Mr. Swanson. Thank you that's it for the delegation. The Executive Policy Committee report, Mr. Mayor.

REPORT "A" OF THE EXECUTIVE POLICY COMMITTEE DATED JANUARY 17, 2007

Mayor Katz: Thank you Mr. Speaker. I would just like to make a few introductory remarks and then let Councillor Clement introduce the report. First of all, I would very much like to thank Councillor O'Shaughnessy, Councillor Clement and Councillor Leipsic along with our administration for working so hard and diligently in a very short period of time to prepare this capital budget. I would also like to say that I think the theme of this budget is basically beat the clock. The clock is ticking. If you look at average inflation for 2006, it was thirty percent Mr. Speaker.

So the purpose of this is for us to finally start acting and making the necessary changes that need to be made and hopefully we won't have any further disruptions or delays with our police service as a result of us having to delay the construction of the facilities, as well as hopefully we don't have any further deterioration of the Disraeli Freeway. With that in mind, I would ask Councillor Clement to introduce the report.

Mr. Speaker: Thank you Mr. Mayor, Councillor Clement.

Councillor Clement: Thank you Mr. Mayor and I'll pitch hit for my friend Mike who I hope isn't watching this on TV, I hope he's relaxing. I'd also like to thank our staff Mr. Speaker, these meetings can get a little stressful from time to time and often what we decide one day has to be in print the next day and things like that and they work long hours to try and make this all happen and they do it every year in both the capital and current budget. And I'd also like to thank Councillor Leipsic for putting up with Mike and I. We can get a little animated from time to time doing this and we've been through it before and can't understand sometimes why people can't put things in a language that we understand and we have to fight for that and claw every once in a while with that type of thing.

In any case, the capital budget is a little different this year than in the past because we've added some P3's and of course that's spurred some questions and controversy and that was anticipated and I suspect we'll hear more of that this morning. This is a very expansive set of projects, there's no question about that Mr. Speaker. I'd like to thank the provincial government for providing us with an extra 21 million dollars this year, they're actually giving us another 29 million dollars next year and further from that, there's another 25 million dollars that is in all of our numbers right out through 2012, which is a, which is money we didn't have last year.

I'd also like to point out that the federal money which climbs to approximately 39 million in 2009, disappears in the outside years of this document because we don't have a long-term agreement with the feds and if my good friend Mr. Steeves and his disciples at F.C.M. put lots of pressure on the federal government to continue that program then we'll have another 40 million dollars a year approximately to back-fill into the later years of this budget to do even more work which is what we're

hoping, but right now we can't prove we have that money, so it's not in this document.

Another thing that we've done is we've increased the transfer from current to capital in each year by 2 million dollars. That's something that I've argued for, frankly in fact if you recall, last year I argued to increase it a wee bit as well because of inflationary matters, number one and just the fact, just the reality that we have more work to do and the capital budget should be increased on a year over year basis in any case and so we are doing that.

The issue of P3's has come up and I had a little bit to do with the Charleswood Bridge over time. I can remember that it actually was approved in this chamber fourteen times, believe that or not. That's how many times it was, different people tried to kill it and change it and you know it's amazing, we built that bridge in 1995, it took 25,000 vehicles a day approximately off of Kenaston. Well they're still there on the Charleswood Bridge and the other twenty-five are back and the reason that they're back is because there's been other developments around the city and I know that developing is a terrible thing.

It gives work to surveyors, excavators, concrete workers, framers who had to buy the lumber somewhere, furnishings like carpet suppliers, appliance suppliers, toilets and sinks and landscapers and any other enumerable number of people that drive our economy and it's a terrible thing of course that this is all going on.

But notwithstanding that, the reality is, it is going on and I've heard today that we shouldn't be talking about widening Kenaston because we haven't talked to Canada Lands; we've got a Plan Winnipeg document. Well I might remind you that Waverley West wasn't in the Plan Winnipeg document. That was a Plan Winnipeg amendment that got voted on in this chamber and was approved and so there's a reality there that there's things that are changing all the time and Plan Winnipeg and I've said this before, I'll say it again, is meant to be a guide for us, it's not meant to etch everything in stone that it says in that document.

We are allowed to have the flexibility, that's why the provincial government gave us the ability to change it by having public hearings, etcetera which were held on Waverley West as everybody knows. And this issue of Canada Lands is an interesting one. I have tried talking to those folks to find out where they're at, the reason we can't talk to Canadian Lands in any meaningful way Mr. Speaker is because they don't have control over the land yet, the military still does. I don't know why it takes six, seven years to do this but and it's costing us hundreds of thousands of dollars as a country to not deal with these initiatives.

We don't know whether they're going to keep the houses, knock them all down and create land for different type of development or what they want to do. But the reality is that we're going to want to talk to them about things like widening Kenaston and until you've got a design, you've got nothing to talk about. And that's all that we're spending the money on, is a design and I listened to Mr. Klassen and he's quite right about all these environmental issues and public hearings and all this type of thing. They all will take place, everything would be transparent but you have to have something to show people and that's what the design is meant to provide.

The, and it will probably, in fact I would bet money that it will include drawings on how the St. James Bridges would have to be altered to make this work. There's a number of projects in here, we're widening St. Anne's. Well why are we doing that, well because a whole pile of people live out there and there's traffic backed up.

I was in Miami a couple of weeks ago and you're in the downtown, they've got a train that leaves the downtown. They've got a bus system, an elevated bus system that moves people within the downtown, nowhere else. But interestingly, within and I was staying right downtown on the waterfront where I was at a conference and within three blocks of that hotel, right

in the heart of the city, we were on the interstate, heading in every different direction and there were elevated bridges and overpasses going in every which way, every different direction that you could imagine to make that happen and to make traffic flow in and out of that metropolis and you know we haven't built those over time.

Every time we try to building something that even remotely looks like a freeway, we all of a sudden have to have traffic signals at just about every intersection. Talking about flyovers and underpasses is something we're just not supposed to consider but the reality is, is that everybody else builds them and I don't know why we don't. I just don't understand it.

I heard something this morning about emissions and fuel and those types of things and it may well be that our document is not level, it's slanted or whatever, but at least it's got some slant to it. It didn't have much slant to it a few years ago and one of the examples of that is the 12 million dollars being spent on traffic signalization. It's certainly going to allow traffic to flow easier which has got to save fuel; it's got to save on the emissions going into the atmosphere. There is no question that we're trying to do things that work with those types of initiatives.

We're, we've got hybrid buses in the document. We approved some of them last year. They haven't started coming yet but the money is in here for them. And we've, I think there's twenty of them in there, we're buying other buses, everything that we're doing in that regard is going to improve transit. We're spending millions of dollars in other areas of transit, making it better. Is it a rapid transit system, no, that hasn't, we haven't landed on that issue yet, but on many of the initiatives around rapid transit which require a lot of funding are in this document and that's what we're spending this money on.

So, I think that this is a fairly good document. Issues like the police stations, well, you know, we sat here, we've talked about trying to give the police the tools they need to service our city. We've got the cash to build the first one. The others were moved out. Why were they moved out, because we've got a building across the street that's costing us millions and millions of dollars and more millions every year to change the cladding. I don't know why they built that building and the way that they did back in the late 60's, haven't got a clue why it was done like that. But the bottom line is, is that work got repairing it and it's costing us a lot of money.

This budget by using the P3 model to do the police stations is going to allow all of those police stations to be built in this term. We're going to build one in '07, one in '08 and one in '09 and we're going to have that whole model in place and we're going to give our police officers the type of facilities that they deserve to have Mr. Speaker, to operate. And I don't know about you, but I knocked on about 7,000 doors three months ago and I know what was the first thing on people's lips and it was all about police and policing within the communities and this has got to help and we have to at least give them the tools and we're trying to do that as best we can. But their working conditions are a little less than desirable I would suggest. All you got to do is take a drive around and have a look at where they're working and you'll figure that out pretty quick.

The lady said here a little while ago, you know, we don't know the answer to some of these things. Well that, I guess that's true. We also don't know the answers the other way. She doesn't know if what we're planning to do here is going to work or not. She also doesn't know whether it will. She's forgot to put that part in. And you know, its fine for everybody to be cautious and that type of thing, but I know the type of scrutiny that these major projects go under. I lived through the Charleswood Bridge and the parkway and I saw what took place and I saw the public participation and intervener funding and everything else that goes on in today's democracy to allow that type of input. I can't imagine how you could have more input than that for the public and that will continue on these projects that require that from other levels of government and

they do, wherever there's federal money involved.

So, I think this is a pretty good, a pretty good document. There are some issues, there always is. Disraeli, it's a lot of money and we're going to try and design it properly so that there's bicycle paths going over it, proper pedestrian facilities on it, so that we move towards an active transportation program, that's one last thing I want to clarify Mr. Speaker, if you give me a few seconds, there was a story in the Free Press about this 1.5 million dollars in recreational funding for recreational bike trails that was, that's in the budget and there's 1.5 this year and next year and a million beyond that. That money is for recreational bicycle paths and walkways, it's got nothing to do with regional street sidewalks, if you check in last year's language we took the word pedestrian out because both the regional sidewalks and pedestrian cycle facilities were in the same account. We've now separated them.

We've got a separate account with 100,000 dollars in it for regional sidewalks. That 1.5 million is all for recreational bike paths unlike the story in the Free Press where it was suggested that this has something to do with active transportation, it absolutely has nothing to do with that whatsoever, active transportation, that report will be coming forward in the next couple of months. When it does, anything associated with that which will involve cycling amenities built into our roads and bridges, etcetera, will be dealt with through the cost of those projects and through our current budgeting.

It's got nothing to do with that account whatsoever, in fact the young lady who actually wasn't mentioned in the article, who actually has been the representative, in fact she spoke at Public Works and talked to me and asked me that specific question, she knew the actual answer. The gentlemen that was actually interviewed by the Free Press on that although he was at Public Works was also, he spoke although he didn't phone and ask and the Free Press didn't phone and ask me either. So I don't want anybody to be confused about what that 1.5 million is. That has absolutely nothing to do with active transportation at all. It is all for recreational trails, anyway.

Mr. Speaker: Councillor Clement, thank you.

Councillor Clement: I listened to you three times yesterday.

Mr. Speaker: Thank you.

Councillor Clement: Anyway Mr. Speaker, with that I'll move all of the clauses that are in front of us from 1 to 14 and I would like to see everybody support it, thank you.

Mr. Speaker: Thank you. Councillor we have one motion, motion number 1, Councillor Thomas.

EXECUTIVE POLICY COMMITTEE MOTIONS

Motion No. 1
Moved by Councillor Thomas
Seconded by Councillor Vandal

BE IT RESOLVED THAT the Panel / Molson street widening between Munroe to Kimberly be reinstated in the year 2007 as it was in the approved 2006 capital budget;

AND THAT the second phase of the Panet / Molson Street widening between Kimberly and Grassie be reinstated for the year 2009.

Councillor Thomas: Thank you Mr. Speaker. My motion is be it resolved that the Panet/Molson Street widening between Munroe and Kimberley be reinstated in the year 2007 as it was in the approved budget of, capital budget in 2006 and that the second phase of Panet/Molson widening in Kimberley and Grassie be reinstated for the year 2009.

Mr. Speaker the residents in my area have been patiently waiting since this was removed from the budget in 1999 in order that we fund our capital budget without borrowing. It had been reinstated when there was an opportunity in 2005. Citizens were disappointed to have it pushed back

to 2006 and 2007, but they were really expecting it this year. With 179,000 point five new money for public works and many new projects that have never been in the budget before, I don't believe there is a justifiable reason to move this project back again.

People are driving in ditches to get around. It's a hazard to the children in the area, particularly the private school on the east side. It's difficult for emergency traffic coming from the south to access Concordia Hospital which is one of the, I think it's the second busiest hospital in the city of Winnipeg. So I would do that for those reasons.

It was brought to my attention that I didn't say where the money would be coming from which is what someone normally does when they did that. We were just thrown this out. It was done fairly quickly at Public Works, so may I suggest that even though there's a number of new budgets that's there, something that has been on the works for a long time but the amount has increased from about six million to about ninety million, which is the Disraeli Bridge, may I suggest that the money can come out of that, because I don't think we'll be spending all the money in this year of 2007, so in 2008 the money that's in the budget now can be used for the Disraeli Bridge.

It's a very simple request. There is so much more housing, Eaglemere and Valley Gardens are now totally full and there's traffic that's going down north through this area to North Kildonan on Panet and Molson. And with the work that's going to be done on the Disraeli, the majority of which I understand they're really be getting to at the end of 2007, beginning of 2008 that you might have to close the bridge.

I'd like this street widened beforehand so that the additional traffic that my other major routes going through Elmwood - East Kildonan to access the North Kildonan area and beyond be taken care of beforehand so that they're not working on this street the same time they're working on the bridge. I believe it's a reasonable request with I think 231 million of new money and 179.5 in the Public Works, Streets/Bridges area; I don't think this is an unreasonable request. Thank you.

Mr. Speaker: Thank you. Councillor Gerbasi speaking to the motion and the clause.

Councillor Gerbasi: Thank you Mr. Speaker. There is some positive things in the budget which I will talk about first. Clearly we're able to do more for infrastructure due to the increased federal and provincial funding. We've received which is certainly a benefit to all the transit funding from the federal government, one time money that we're spending on some improvements, will be spent so I'm thankful for that. I was pleased to see that the continued investment in riverbank stabilization of one million dollars continues in this budget, I think that's important. It's never really enough but it certainly a big improvement over what we saw in past budgets, last year was the first time we got that new million dollars so I appreciate that.

I'm pleased to see the public art program being supported and continuing into the future. If we don't invest in the cultural sector we risk losing young people and we risk losing our status as an interesting and diverse city, so I appreciate that Council recognize the importance of that program. I was also pleased to see new funding for cycling paths. However, I am concerned that if we're going to invest significant dollars which we should do, that we should be priorizing where that money should go in a way that is fair and well thought out and based on a long term plan.

The active transportation study recommended hiring an active transportation coordinator to work with the stakeholders to create a true cycling plan for the city. This is clearly something that needs to happen and has not happened. So I hope that will happen in the operating budget process. We also need to think of the cycling paths as not just a pretty recreational trail to ride around the neighbourhood but we need a network of

commuting paths as an alternate to the automobile, as an alternative to the automobile.

I was very disappointed that this budget reflects the approach of spending a fortune on expanding and widening suburban roadways. People may be able to get into their SUV and get to the big box store a few minutes faster now eventually, but we are investing very little in public transit and rapid transit seems to be off the radar screen completely. I had to dig very deep in the budget to find out that the detailed design studies for the rapid transit corridors that are still in the budget but they aren't mentioned anywhere in writing.

Furthermore there are no funds included in the later years of the budget to start making rapid transit a reality. The Rapid Transit Task Force report and Plan Winnipeg which recommends the transit corridors but the Rapid Transit report more recently which the Mayor claimed to support indicates that we must put funds away and start lobbying other levels of government for matching dollars.

The message being sent by this budget is that we will not see a rapid transit system in this city for years to come. We are experiencing what is now being called a climate crisis and we must start taking action on reducing dependency on the automobile. We're talking about keeping young people here but then we fall behind every other major city who are all actively building rapid transit system. Clearly there's a lack of political will in spite of the strong public desire for rapid transit particularly among young people.

The other major concern I have about this budget is that it takes us in a new, a very significantly different fiscal direction. If this budget passes today, this Council is effectively borrowing 107 million dollars over and above all the new federal and provincial funding. Although a pretty picture is being painted of the three, of the P3 model, last time I checked, money does not grow on trees or magically become available. Borrowing is borrowing and we are simply borrowing from a different kind of bank.

The first question we should be asking is do we wish to borrow this much money. If that is the decision, then let's be open and clear about borrowing this money which Council has avoided doing for the last ten years so that we could reduce our debt and reduce the burden on future generations, we've avoided doing that and we are changing directions in a massive way and the public needs to understand that and we who are making that decision need to understand that.

And my next question is, are we paying too much to borrow or will we pay too much to borrow if we go to this P3 model. Before we make that decision we should have some transparent numbers to show that this will not essentially result in mortgaging our future. It is very hard to find out how much P3's actually cost us over the life of the project as it was stated earlier; there's a confidentiality clause around the Charleswood Bridge project.

So because it's a private business deal, it's less transparent and that is obviously a concern. It's a common sense, it's also common sense that long term lease payments to the private sector which cannot borrow at the same low rates as the city and amortizing it over a longer period of time is going to cost more.

The capital budget shows a 10 million dollar a year lease payments for the Disraeli Bridge starting in 2010. Does that mean this is for twenty years or thirty years. Are we paying 300 million for a 100 dollar million, a 100 million dollar bridge and how much would we be paying if we simply borrowed the money from a bank. I don't know and I suspect most of you don't know either.

I would urge you as Councillors to recognize the responsibility you have to future generations when you make these kinds of decisions. In the Mayor's State of the City speech he made a statement that the only bridge project to come in on time and on budget was the Charleswood Bridge, a P3 and I really wanted to put comments on the record largely for the sake of our administration. I really have to object to this inaccurate statement.

The Maryland and Sherbrook Bridges were redone in the last two years, on time, on budget with accolades and letters of thanks from businesses and community members who thought the city did a fabulous job. Maybe that could have been put in the speech because it really would help the morale of our staff who have to sit there in a public place and be told that they've never done anything on time and on budget. If that was the truth, fine but it's not the truth.

Another example is the Esplanade Riel. Here is what really happened with the Esplanade Riel because some of you are new on Council and might not know this. The vehicular bridge came in five million under budget and the pedestrian bridge cost more but combined, the bridge came in on budget within the envelope. What confuses the issue is that Council broadened the scope of the project after the fact and added in additional roadway work and it is important to note that the bridge project did in fact come in on budget within the original envelope for the project.

The pedestrian project was a few months late due to the complexity of building the restaurant on the bridge but we are talking here about a pedestrian bridge which by the way, that bridge is now on every post card in Winnipeg and every document that most, many of you Councillors put out and the Mayor because it's a fabulous project.

So all I'm asking for is some honesty and clarity and truthfulness in this debate about these decisions we're making. I would also point out that a week and a half is not an appropriate time frame to make this kind of massive decision to completely change our fiscal plan and go into borrowing at this kind of level and with this kind of approach. Obviously there should have been an information session for Councillors on the topic of P3's far beyond a quick overview of the budget that we received. This condensed time frame for such an important budget process represents an embarrassing lack of interest in any non E.P.C. member participating and not to mention citizens.

In conclusion, I regretfully will be unable to support this budget because of these concerns and I did support the budget last year because of the, because housing programs were saved and the riverbank was put back in and there were some good decisions last year. So it's not like I automatically won't support, but we do not know the true cost of going into this, going in this direction.

Mr. Speaker: Councillor Nordman moves extension of two minutes All in favour, contrary? Carried.

Councillor Gerbasi: We haven't taken the time to weather it is prudent to spend 100 million dollars, 107 million dollars to go into debt and whether we're going into debt in the right way. And I also find the lack of commitment to rapid transit, the focus on expediting suburban roadway expansion to be truly disappointing in a day and age where we face a global climate crisis. This budget completely ignores our city plan, the priorities outlined in it which were vetted through the public and our budgets are supposed to reflect that plan and based on that I will not be supporting this budget today. Thank you Mr. Speaker.

Mr. Speaker: Thank you Councillor. Any further speakers? Councillor Smith.

Councillor Smith: Yes, Mr. Speaker. You know this budget I cannot support, because it's we're asked to really buy a pig in a poke. Now many of you don't know that expression but that means we should be examining and evaluating and knowing the total cost of the projects. We're not doing that.

If for example, we were building these 3P projects in a traditional way, what would be the cost. How does it compare with the costs under the present arrangement. And you know, it's really, it's really important to know what the costs are. You know, like here we are, elected people voting on a budget and we have no idea, absolutely no idea if the traditional method was used what the cost would be. You know, it's incredible. It's like we're saying we don't care.

It's important for us to go ahead and know what the finance costs are and to know the costs of all these three projects compared to a traditional way of doing it. Now, let me tell you this, there are some advantages to these three P3's. They are faster. So you know when you have inflation, we do make a saving. But we have nothing to compare, nothing to evaluate. There's been no Council workshop, Council seminar on the three P's; most people do not know on this Council much about them whatsoever.

In fact you know, I asked Michael Ruta for information and he supplied me with a report put out by one of the large accounting firms and they listed the water treatment plant as a 3P. Now he just, I just, he just phoned me this morning and told me that was an error, it shouldn't have been in this document. But you know there's just no information about them. We have no idea what we're doing. It's just, it's ludicrous. So that's the fundamental part of this budget.

Now how about the things that the budget is not doing, you've heard me talk about lane renewal. You know, in a capital budget of 2002-2007, it was 4,281,000 dollars allocated to lane renewal. This year, 2007-2012 it's 749,000. What a drop. You know, I know that some of you Councillors from the suburbs who have new lanes or don't have lanes at all, cannot see the fact that maintaining the lanes in the old city of Winnipeg. But the fact is you know, as an individual, if your right arm is in intense pain you don't say well that's all right I have a good left arm. You know. The city as a whole should be considered, just because you don't have back lanes that are a problem for you, you should be thinking about the city, about what is needed to be done in the areas.

Now, let's look at regional and local street systems. Aside from building new roads, I mean you know, that's crazy, we're not maintaining what we have. In the, in this budget we're spending 243,346,000 from 2007-2012. Compare that to 2002-2007 when we spent 261,236,000. In other words we spent more before we were getting the federal gas money and so forth. This is ludicrous. We are not maintaining what we have.

You know when the Mayor talked to me on the phone about the budget; I said I want to maintain what we have. That's my first priority and improving on it. We're not doing that obviously with the streets. The reforestation program, you know in 2002-2007 we allocated 3,490,000 dollars for reforestation, replacing trees, this budget 2007-2012, 2,349,000. In other words we have a total loss in our forestry department of 1,142,000 dollars. We're not trying to maintain. You know it's just, it's absolutely astounding that we're, we don't look after what we have. That's why I cannot support this budget. We're not dealing with things that have to be done to maintain what we have. Thank you.

Mr. Speaker: Councillor Steeves.

Councillor Steeves: Thank you Mr. Speaker. I'll rise in support of the capital budget. I think this is a bright day for City Hall, Mr. Speaker and I think this is something that we can all be not entirely proud of every single aspect as a collective whole, maybe generally, pretty supportive as a group, I hope. I know some people voice their concerns of potential non support. I might hold out some hope that by the end of this debate maybe people will rethink that position because I think it's important that from time to time this Council re-establish some cohesion and some coactivity on some of these very important issues. I'll talk a little bit more about that later.

There's a lot of great specific things in this budget and Councillor Clement alluded to the police station, we had the full presentation at Standing Committee Mr. Speaker and I don't want to talk too much detail or too much length about that. But I as a citizen am really looking forward to the advent of these police stations, particularly the one in the east that's going to be serving St. Boniface, Transcona and St. Vital.

The infrastructure that exists currently for some of these police stations is really in a pretty sorry state of repair. And it's not one of those issues that gets a lot of

attention in terms of civic infrastructure because not the public can't see it on a day to day basis and if they can, they probably have more important issues in their lives than our infrastructure but it is very, very important. These are the types of things that I think on a longer term basis are going do those things that are important to our citizens like increasing police visibility, getting police back out there on the streets, increasing patrols in some of the areas that have, I guess over the last ten years, seen decreasing amount of service or at least the perception there of, a very, very positive thing, I think.

I guess I want to spend a little bit of time talking specifics of St. Vital; the St. Anne's Road project has come up. This has been a project that's been in the capital budget but varied over the course of the last six years. This project was a great example I think of community participation and co-operation. You'll recall Mr. Speaker that originally some dispute over the SouthGlen Bridge out in that area of St. Vital, a hugely divisive issue, Save our Seine was involved, a long history of Council decisions that have kind of gone bad, massive congestion in that area. However, at the end of the day, people got together and the bridge was built and after a lot of acrimony, a lot of co-operation, people now, very, very happy with the project and everybody saw what happened was part of the process and a good example of how it can work.

The St. Anne's road project and that bridge incidentally, spurred the commercial development of south St. Vital at SouthGlen and St. Anne's and Compark, which is a huge retail outlet mall, very, very big that is serving that part of the community that was very, very underserved as a result of that, the developer took a portion of St. Anne's and then fronted the money to the city to have the portion between Nova Vista out to not quite ward, twinned.

So, a synergy and an example I think Mr. Speaker of how one project can lead to another good project, can lead to another good project and then on top of that, our provincial government through the P.S.F.B. is building a new French high school at the end of the current construction. So, that's going to be served and these people, a very welcome project in St. Vital and these people are very excited about this project going ahead as well.

So I mean while we spent a lot of time talking about things that don't work, I think in our administration, we spend a lot of time talking about problems, I want to highlight this project as an example of a string of events that have happened in my community, each and every single one of which was increasingly positive. This really is a great program and a wonderful thing to see happen in my community.

Grateful that the St. Vital Park erosion project could stay in the budget, however, I have to take a bit of a, I guess a hit on it in terms of it had to be moved back. There was some troubles with some, there was some troubles with the tenders coming back more expensive and I know that everybody has their priorities and obviously sometimes everyone doesn't get everything they want. I thought it might be done this year, looks like it's not going to be, it's going to be pushed back but I guess I have to live with that and I suppose I'm very grateful that it's in the capital budget process and I don't harbour any bitterness, but I do want to thank Mr. Speaker for your diligence on this project. You've been a wonderful asset and a wonderful, I guess, supporter of this project, the people of St. Vital thank you for that.

In look at the context of the capital budget I do want to remind folks and Councillor Clement touched on this as well. We are seeing a lot of new money come into the city of Winnipeg and other cities across Canada by virtue of the collective voice that we've spoke with over the course of the last ten years and no one single person in this chamber can take all of the credit and this Council can't take all of the credit but each one of us I think can take some of the credit, this Council can take some of the credit along with other Council's across this country in that we spoke with a collective voice to the

federal government and said this is a problem.

We highlighted it in a million different ways right across this country saying infrastructure is in a dire way and this is something that the Canadian population as a whole really didn't have as part of their psyche ten years ago. If this was a Council meeting twelve years ago you wouldn't have infrastructure as a national issue in all probability because it just hadn't been raised in that context. I think through the Federation of Canadian Municipalities, which I'm lucky enough to be the Vice-president of, it's provided us that vehicle where we can speak with that collective voice and we can achieve things that ordinarily would be perfectly impossible. I'm talking about things like the G.S.T. rebate, the new transit money, the funds we've been accessing through the green funds out of Ottawa and obviously the gas tax which is resulted in a huge benefit to the citizens that we represent.

On the P3 issue, just briefly, it's an issue of a lot of concern to people, I just want to highlight this and people are right on both sides of the issue here. P3's are a game of inches, really it is. P3's in my humble opinion Mr. Speaker is not the disaster that people might make it out to be in terms of, in terms of administration nor Mr. Speaker is it a windfall for any of us. Regardless of whether our major capital projects move through under P3's or under the traditional method of financing, either way the diligence and the responsibility of stewarding these projects is going to rest with our administration.

I want to say quite clearly, right here, right now, we will have to look at each project individually and make the best decision based on the information available to us when the time comes. It is equally possible to benefit from a P3 as it is to screw up from a P3, equally possible to benefit from traditional financing as is to screw up in terms of traditional financing. All the way through, we can't hand off P3's and say.

Mr. Speaker: Councillor Vandal moves extension of two minutes, all in favour, contrary? Carried.

Councillor Steeves: We can't hand off P3's and wash our hands of it and say you know what, just because it's a P3 we don't have to be involved. If we do choose to go down that road it's only going because it makes sense for us financially, it makes sense to the people that we represent and we are going to be involved every single step of the way, obviously, we have to be. We have to keep an open mind.

I have some concerns about the capital budget, it won't cause me to vote against it but I've always had concerns about the money we're spending on the water and waste utility for some of the capital upgrades. Our own administration if you spend some time with Barry MacBride, some of our senior administration, they have some real concerns about the expenditures of this money and the resulting effect that they're going to achieve by virtue of that expenditure. We anticipate now Mr. Speaker, over time we're going to be spending 1.3 billion dollars on these projects for arguably negligible depreciation of the phosphorous content in Lake Winnipeg which is the end result that we're trying to achieve by this massive, massive expenditure. That's why we're doing some of the things we're doing. Councillor Clement's Infrastructure Committee is pulling some of this stuff on to the table for further examination.

This is a lot of money for a very, very questionable benefit and it's difficult to argue it because all of us care about these issues of sustainability, but what we're really asking Council to do over the course of the next few weeks is look at the end result and is this necessarily the most responsible use for this money and if it is, I mean, if it is, is it really fair that the city of Winnipeg taxpayers should be covering this on their tax bill.

Councillor Gerbasi talks about things like borrowed money and credit rating and concerns like that and she's quite right, think of the effect that something like this

might have because we are going to be borrowing huge amounts of money to do that. I don't do this to start an argument Mr. Speaker, only to sort of underline that this is a huge concern that has to be dealt with.

On the whole though Mr. Speaker, very, very pleased with the budget and I'll conclude with that with thanks to our administration who, geese I would hate to have their job over the course of the last month, it is terrible to listen to us jibber back and forth and have to try to make sense of it and then come back a week later with exactly what we said and have us say that's not what we said, it's awful, it's just awful. I feel for them, but they do a wonderful, wonderful job of doing it. Councillor Clement, O'Shaughnessy, Leipsic for your leadership and getting us this far, our thanks.

Mr. Speaker: Thank you Councillor Steeves and I concur with you on. Our administration do a fine job and they're thick skinned also, I've been doing this for a number of years. Councillor Vandal you're next.

Councillor Vandal: Thank you Mr. Speaker. I want to begin by thanking the Finance Chairperson, Councillor Mike O'Shaughnessy who unfortunately is not with us today and also want to thank the committee who he was working with for bringing this budget forward.

I think it's appropriate that Councillor O'Shaughnessy was Chair of Finance because I believe that the real credit to this budget goes back to the early 90's and the years and the years of very disciplined budgeting under first Mayor Thompson and later Mayor Murray. And if you go to page eight and page nine of the documents that have been submitted to us by the administration, you'll see a fact that I think is pretty impressive.

We all remember the year 1999, the year of the Pan American games when they were here in Winnipeg and our city shone like never before. In 1999 we were paying, we owed 463 million dollars in debt, capital debt. Seven years later, we owe 233 million dollars. We have reduced it by 49%. Put into dollar terms, we have paid off 232 million dollars of capital debt in the last eight years and that I think is very impressive.

The savings on the operating side are equally impressive. In 1999 we were paying 27 million dollars more from the property tax and the business tax to finance that capital debt. In eight years we have shaved 27 million dollars from our operating budget. That is truly impressive and that buys a lot of room for flexibility. When you add the provincial dollars, I believe it's 21 million dollars this year, 29 next year, when you add the federal dollars, the gas tax, the G.S.T. rebates, the additional win smart money, you realize that this is a time to reinvest and we are in relatively speaking, pretty good shape, financially. And I have always been one who's advocated that it's time to reinvest in our city and that's why there is much good investment here.

The vehicle we have chosen for this reinvestment is triple P's and we are authorizing 117 million dollars in triple P's over the course of the six year budget and we have budgeted 49 million dollars in lease payments to pay that back.

I want to be clear here, I'm not one who believes that triple P's are some new age way of financing municipal projects that have recently been invented. In fact, I would argue that the first, one of the first triple P's was the Genstar Lindenwood development which have netted the city many millions of dollars in tax revenue. What we are doing by investing this 117 million dollars, is filling the gap that we've made over the last eight years and Councillor Gerbasi is absolutely right, it is new financing. It is money that we owe. It is a debt that we are incurring and I would say its debt financing through another method.

Now, some people around this table might not agree with me. I've had this conversation with Councillor O'Shaughnessy and we've agreed to disagree but it is money that we owe and when Councillor O'Shaughnessy and Mayor Katz fly off to New York City, I'm not sure when that occurs, to talk with the

bond raters, they are going to assess us on how much money we owe and they will rate us accordingly, to the bonds.

So, nevertheless, further on triple P's, the devil is in the details. There's many different forms, many different details that have yet to come out in the triple P's and I understand that and I am somewhat concerned about that, but I'm assuming that the umbrella of 117 million dollars is the number we need to keep our eye on at this time and as the triple P's are rolled out, the details will accompany them to the various Standing Committees and Executive Committee I hope.

The 20 million dollar investment in police stations is absolutely necessary. I think that's going to make our city stronger in the long run, it's going to put more officers on the street. It's going to rationalize police administration. I've been through the St. Boniface police station, I can tell you it's time for a new police station and I'm proud that the first one's going to be on the east side of St. Boniface. It's moved a little further east than what I would have thought when I was here last time but nevertheless, it's positive.

Relative to the Disraeli Freeway, I can tell you that this is going to be an incredibly complex project. 91 million dollars is huge, and this is one that we have to keep our eye on very closely. The benefits of three P's are elimination of risk, cost certainty, innovation in maintenance and I think it's going to be contingent upon us at Public Works and Executive Committee to make sure that we're keeping an eye on all of those elements which I've just described.

Relative to the rest of the budget, I don't want to pretend that I'm head over heels in love with absolutely everything in this document. You can never be. I never was head over heels in love with everything when I was on Executive Committee as Chairperson of Property and Development but nonetheless there are some incredibly positive things. 176 million dollars of investment in Public Works, 42 million dollars in Transit is as large as I've seen in my time here, 12 million dollars in Rec's and Leisure is positive, 20 million dollars in police I think is needed, water and waste, 136 million dollars, I certainly hear Councillor Steeves' concerns with those numbers.

Nevertheless, this is something we have to deal with; it's mandated by the Clean Environment Commission. The sewer overflows into the Red River are well documented. It's something that we should not have to have our citizens live through and it's an investment we have to make. Nonetheless, those are my comments. I'll wait to see what the other comments are and the wrap up, thank you.

Mr. Speaker: Count the Mayor, Mr. Mayor you're next.

Mayor Katz: Thank you Mr. Speaker. I'm going to try and address one point and I very much appreciate Councillor Vandal referencing P3's and I think he made some very astute comments. It's been mentioned twice today on the floor of Council that the city of Winnipeg can borrow at a lower rate than others and the comment keeps on being made but no one really says what that is. So just for information purposes, the difference between the public sector and the private sector is .78%, Mr. Speaker, that's number one.

Number two, when you talk about a P3, the key thing is I'm willing to bet that there are Members of Council as well as members in this gallery that at time have gone out and leased a vehicle as opposed to purchasing it. I guarantee you there are people in this room. And the reason they do that is quite simply, because one, it's advantageous to go that route or two, they don't have the necessary funds to buy that vehicle Mr. Speaker, but yet they can afford to make the payments and have access to that vehicle.

That's what this is really all about. As was mentioned earlier, is that we have to reinvest in our community. We don't have the sufficient funds today to do everything but here is a situation where we can speed up the process by using P3's and I will agree with comments made from Councillor Steeves and Councillor

Vandal, P3's are not the Messiah, they're also not the devil, okay. They're very good if they're done properly. What I find very difficult to understand is how anybody can criticize a potential P3, whether it's Disraeli, whether it's widening of McGillivray or whether it's the police stations until you've seen it. How can you possibly criticize something until you've seen it and what I've said on many occasions before and I'll say it again, I wasn't the Mayor in 1993 when the first P3 was approved, but I have said that all P3's we do will be totally transparent so that every Councillor on this floor has the necessary information to make a positive or negative decision.

When they vote, regardless of how they vote, they should be informed. I know there are Councillors here when the first P3 was done, I believe probably three. I'm assuming whether they voted for or against, they made an educated vote. I would like to believe that and I will believe that until proven wrong on that situation.

But in the end, I think we have to understand P3's will be open, they will be transparent, all the information will be supplied and at that point in time, you can say you know what, this is very good or this is very bad, for whatever your reason may be. But in the interim I say to you, P3's will help us beat back the clock, whether it's the maintenance factor, whether it's the inflation factor, whether it's the cost of construction, whatever the case may be, it's time for us to act, we just can't sit on our hands. Thank you Mr. Speaker and I will be supporting this budget.

Mr. Speaker: Thank you Mr. Mayor. Councillor Swandel.

Councillor Swandel: Thank you Mr. Speaker. I rise in support of the budget and I just want to make a few points. Just to speak to some of the items that were put forward by delegations today, there was mention of developer, developers paying for items such as the twinning of McGillivray or the twinning of St. Anne's and I just want to let my colleagues know that if you look at the budget, you will see that portions of those projects are in fact paid for by developers. In one case I think it's over thirty percent of the project is paid for by developers. The rest is dealt with by the public as a whole as part of our regional transportation which means that all citizens use it and therefore there is some of, there's a need for all of us to pay for it not just the developers who are in close proximity to it. So we have a balanced approach in what developers pay for and what the taxpayers as a whole pay for.

Mr. Klassen in addressing the widening of Kenaston and some other matters made some very good points and you know I agree a great deal with much of what Mr. Klassen said. I think its incumbent on us to be moving ahead in doing much of what's suggested. I didn't get to ask my final supplemental, was you know to ask Mr. Klassen where he lives, because well I know him to be very well informed on what he's talking about, we also need to be cognizant of the fact that he does live only three houses away from Kenaston or the future widening of Kenaston so you should be cognizant of that when we're taking that information.

P3's which seems to be the sort of hot topic of the day, you know, I debated this on radio with CUPE, I've looked at it you know and for somebody to say we need to do more research you know, you go on the internet, you make some calls, do a half a day of research work on your own and you can find the myths, the pros, the cons, all the arguments for or against P3's and what it comes down to at the end of the day is that we're buying an outcome and it's in a very controlled fashion.

We're entering into agreements that we have control over, whether or not we accept there is shared risks, there's innovation, there is some of the items that Councillor Vandal was bang on mentioning some of the positives. You know there are examples, certain examples out there of failures of P3's and what it comes down to is bad agreements were entered into. We don't have a bad agreement in front of us right now, we have a process to go forward into an agreement and look at it.

Now we can talk about the you know debt verses lease payments and, but we have to also do that in considering you know equity and revenue, you know our revenue sources here in the city and the cost of doing nothing, the cost of absorbing inflation and doing nothing and waiting when we can do cash to capital or funding through other, other funding sources, and that, you know that may mean that we sit here with a broken city for longer.

One of the most important things that wasn't mentioned today is there was a bit of a mention around the lack of transparency or accountability in P3's and confidential agreements. With P3's we're held to a standard, the standard that is put forward by the conditions set out by the public sector accounting board and those standards and those principles by that board, they're a guidance that improve the quality of information by, reported by Canadian public sector entities with due consideration for the cost and the benefits to preparers and users and which recognize changing priorities in the environment. They're there, the development of a single set of high quality international, accepted, public sector accounting standards together with other standard setters to support our standard setting activities by actively assisting implementation and providing timely guidance on current issues.

These standards that are given to us as public sector folks are higher than what we commonly are referred to as generally accepted accounting principles and they're one of the tools that give us security in going forward in P3's.

And what I want to finish with is just a little bit of a story. As a young lad growing up in Ireland my father would tell us ghost stories and he would tell us the stories of the Banshees wailing and what the Banshees were in Ireland were these ghosts or these entities that would wail and they would be wailing because there was, a death was being predicted or was coming or that was why the banshees would wail. But I think what this budget does is get the Banshees wailing Mr. Speaker, if it gets the Banshees wailing the death that we see, is the death of our infrastructure deficit and that's what this budget does for the citizens of Winnipeg. It sets us out on that path of eliminating our infrastructure deficit, getting back to the point where we should be, thank you.

Mr. Speaker: Thank you Councillor. No further speakers? Councillor Wyatt.

Councillor Wyatt: Thank you Mr. Speaker. I rise to support the capital budget before us here today and just to say some very specific comments with regards to it. I think a lot has been said already but to also say that I think there is some major improvements over last year's capital budget and to set the record straight also with regards to a lot of the transit work that is going on.

A lot of the recommendations that came out of the rapid transit report, task force, have been adopted and are being implemented with this capital budget. I'll refer to the 7 million dollars in diamond lanes and cue-jump lanes, that's a rapid transit recommendation. 800,000 for origin destination studies, for the first time in years we haven't had origin destination studies Mr. Speaker in the city, that's a rapid transit recommendation. 2.5 million total for bus, electronic departure displays, again, smart technology, another rapid transit recommendation. I'm going to go on Mr. Speaker, because I want to make it very clear of the investment we're making in transit with this budget. 1.7 million in bus stop upgrades in this budget alone, I'm not talking about by the way the years out, I'm talking in '07, these are '07 numbers, another rapid transit recommendation.

22.5 million in new buses and that includes the articulated buses that we are now going out and purchasing, two immediately and another eighteen to follow. These are the hybrid buses, Mr. Speaker that we've been talking about for years in this city. It's finally happening. And, air conditioned buses by the way, Mr. Speaker, air conditioned buses, another rapid transit recommendation.

Mr. Speaker, the list goes on. We, you know the WinSmart 700,000 for the

WinSmart showcase. Again, the rapid transit task force talked about these technologies. In total Mr. Speaker, 42 million dollars being invested in rapid, in transit and transit improvements which include all the recommendation, a lot of the recommendations, not all but a lot of the recommendations from the task force in this year alone, 42 million dollars worth of improvements and over six years 144 million dollars, almost 145 million dollars in transit improvements and transit upgrades.

It's a huge change of what we've been doing for the last four years. I haven't seen an investment like this before in transit. This is the first time this has been happening and it's welcome. I was the Chair of the task force and I'm glad to see this here today and I think we should all be celebrating this and everybody who was on the rapid transit task force and part of it and supported it, should be supporting this budget because these are the kinds of improvements that we need to be making into our transit system. These are the kinds of things that we've been hearing about and we are adopting these recommendations that we adopted over, thank you Councillor, for the message.

The reality, the reality of this Mr. Speaker, the realty is we have to support this. I mean to turn around and say no to this budget, we could say no to these improvements and I found that outrageous. A lot of this money is coming from the provincial and federal government, it should be recognized, but that was one of the recommendations in the rapid transit task force. We knew we couldn't do this alone. We needed to have the support of the provincial government and of the federal government like they do in other cities across this country.

I mean, across this country it's no different and we're doing that. We're doing that and we're making these major investments. This is a wonderful improvement and a wonderful, a wonderful item to see in our budget today. Let's keep it in perspective, too Mr. Speaker. We got a 2 billion dollar budget and it was noted before, a 2 billion dollar budget over the next six years, over half of that is coming from our water and waste and sewer improvements. The reality is over half.

So if you want to talk about being green and being environmental, that's it right there. A lot of the improvements that we're investing in Mr. Speaker, improvements that we will benefit our citizens for years to come, there's things that are not exactly exciting, talking about sewer and water, it's things that we can't really cut a ribbon on but I'll tell you what Mr. Speaker, those are the kinds of investments that years from now, when our children and our grandchildren look back, will be able to say you know what, these guys had foresight. They had the ability to see into the future.

Kind of what we say about our grandfathers and great grandfathers when they came along and built the aqueduct. We're doing the same now. We're making huge investments today so that we don't have the kind of headaches and problems that our children and grandchildren surely will in the future if we do not do it today. So let's be very clear, over a billion dollars of investment in sewer and water and land drainage in a capital budget.

I want to talk about public private partnerships as well Mr. Speaker and there's been a lot of discussion on the floor about it. I am a supporter of the public private partnerships here before us today. I've made it very clear in previous Council meetings that I have a concern with regards to public private partnerships when it comes to services and the public private partnerships of the servicing our city with various city services but when it comes to infrastructure and bridges and roads I think we don't really have much of a choice at this point in time.

We have a Council policy when it comes to borrowing and I don't want to go there and open that can of worms and start and open that Pandora box to allow us to start borrowing again, but the reality is we have some major infrastructure costs today. Some huge infrastructure costs and we have some safety issues. The Disraeli Bridge is crumbling, we know that. It's a 91 million dollar expense. So

what are we going to do, decide that we're going to put that off when we have all these other infrastructure needs or force ourselves to fund the Disraeli Bridge and the rest of the city and all the other infrastructure needs in the city, rise to a halt and stops.

We have a practical challenge, a practical problem that needs a practical solution and public private partnerships are that solution. It's not the Mecca and I think speakers have said that today. We know that we have to fund that in the future. But as Councillor O'Shaughnessy who is not here today has pointed out in Council seminars previously, is the goal is to limit that to twenty five percent of our cash to capital flow out of the budget so that we know exactly what we're going to be budgeting for in the future so it's sustainable and doable.

Mr. Speaker, this is not something, it's new, I agree. It's new for this Council. It wasn't new eleven years ago. We've already done one. We did it to the Charleswood Bridge but it's new for this Council so it's a little scary and I understand that sometimes when something's new it is scary but the reality is, as has been stated before, there's going to be more discussions about the future P3's coming forward and I welcome those discussions and I think our Council has finally been able to find a way to make some of the investments we need to make, crucial investments we need to make without holding off for future years.

By not making the investments today Mr. Speaker, we know what the cost of construction is and the costs of construction and the rising costs of construction have been. Estimates of anywhere from ten to twenty percent annually we're facing with rising cost of construction. So we can either build today with regards to this infrastructure or pay more later.

We know we're going to have to do the work and we know we have not only existing infrastructure needs but we also have the needs with regards to new strategic infrastructure in our city. Our city is growing. The economy is growing. The city is doing better today than it ever has in recent memory and the fact of the matter is if we as a City Council cannot invest in some new and crucial strategic infrastructure throughout this city, we face the prospect, the real prospect that we will start to negatively impact the growth and development of our city and that would be the wrong thing for us to do. And I think we're trying to grapple with that with this budget and we're trying to deal with that and that's a positive thing Mr. Speaker. I want to just comment on the overall.

Mr. Speaker: Councillor Fielding moves extension of two minutes, all in favour, contrary? Carried.

Councillor Wyatt: What I feel is the over arching umbrella of this budget and what we've done here. There has been a philosophical change that has occurred in the last two years in this Council. There's been a philosophical change, we've literally turned the whole ship and we're moving in a different direction and it's a direction that I welcome and I think the majority of the citizens of this city welcome the direction. It's a return to the back to the basics of municipal government. It's a return to start investing in what a lot of people said that's not what cities should be about. They can't be about pipes, pavement and police. Well folks, for our citizens of the city, our job is about pipes, pavement and police and for a long time we had lost that focus Mr. Speaker.

We had forgotten about that and I think now we are actually coming back to that and realizing that we have to start investing in the very basic services that make a municipality work, that make a municipality strong, that allows us to go forward into the future for the growth of our city and for the citizens of our city.

For too long we were distracted I think on too many different causes and little you know, dreams if you want to call it that. This is back to the basics budget, capital budget. It talks about bridges, it talks about roads, it's investing in police stations like we've never invested before, it's investing in sewer pipes and water

pipes. Mr. Speaker, it is not sexy but this is why we were elected to make sure that these investments are made and that we start to do them and for too long we haven't had that focus.

That is the philosophical change that has taken place with this budget. That's why I think there is a bit of a discussion on this budget and why there might be a bit of a concern regarding it because it is a change. It's a great change. It's a welcome change and it's one that will make our city stronger and healthier for the future. So Mr. Speaker, I will be supporting this budget whole heartedly and I urge every Councillor to do the same. Thank you.

Mr. Speaker: Councillor Fielding.

Councillor Fielding: Thank you Mr. Speaker. First of all I'd like to, enjoyed your speech and I like the passion that you show for the city anyways Councillor Wyatt. Good morning, I'm pleased to rise today to speak to the 2007 budget. During the past election campaign I heard loud and clear from the people out there that they want more money for road repair, more money for infrastructure and more money for police services. It's the infrastructure stupid is what I heard time and time again and I think this budget is a step in the right direction towards this.

Our infrastructure deficit is in the billions now, but thankfully this budget will increase the funding by 148% from last year and we're on track to closing some of the gap that we've established in terms of the infrastructure needs. More important, this forward looking document before us today recognizes the fact that construction costs are expected to skyrocket in the neighbourhood between thirty and forty percent over the next number of years. We could only have this forward looking approach years ago; we could have had a freeway as Councillor, where you know more infrastructure in terms of a freeway running through the city.

You know Councillor Clement talked a little bit about that before. Unfortunately, we didn't have those parameters and that foresight well back into the past. But I'm pleased the Chief Peguis Trail will finally get its extension, I know it's a definite need out in that area as talking to Councillor Browaty in terms of some of the issues. The widening of Inkster Boulevard and the work being done on Kenaston and McGillivray are a few projects that I've heard applause from the citizens when I talked to them about the infrastructure needs that we have and I think the Kenaston work is crucial, with Waverley West coming on line, further developments possibly of the barracks as well as the traffic flows we're talking about at St. James is very important that we get the design work done immediately.

The synchronization of traffic lights is something that I've been advocating for years and I think makes sense. During my travels throughout the campaign, knocking on doors, I heard time and time again about the traffic woes, the problems. I think we probably all experienced when you travelling to the Polo Park area. So I'll be pushing hard as a Councillor to ensure that this program incorporates or are working hard to incorporate this into the Polo Park region with all the developments happening and potential develop that's on the works I think it's very important that this area is incorporated with it.

These improvements are going to benefit everybody. Traffic flows will be faster, it'll be better for the businesses that are part of it and also for the environment in terms of the emissions and traffic flows that are there. One aspect of the 2 billion dollars in capital projects before us today and as we talked about has had a lot of conversations, is the P3's.

The P3's are innovative way to maximize our investment for the taxpayer's money. For anyone questioning the benefits of public/private partnerships, the stats been quoted today, but of the fifteen last capital projects that we've had only one has finished on time on budget of course being the Charleswood Bridge. The cost of the construction as we mentioned, the cost of construction, our projects I think are estimated somewhere in the neighbourhood of thirty percent increases

every year. I think the province is somewhere around forty percent.

We really need to get these, the projects on time, sooner, done a lot sooner as it's going to save the taxpayers money. We need to find ways to make our systems, our dollars, spend our dollars wisely and spent more efficiently. Speaking of roads and bridges, our bridges and budgets, I don't have to remind anyone that the cost overruns that we were talking about with the Norwood Bridge before. And one thing I pushed for during the election campaign which I'm committed to working for is evening and weekend construction.

As I just noted, you know we don't have a freeway running through the city and anyone that does a lot of time commuting from some of the suburbs anywhere in there, know the traffic times that you wait. Now this is a problem. It's very important and I heard time and time again for it. So I'll push hard for this to happen. I think it's something good for the environment; it's good for other areas. If you look at other jurisdictions, you look at Edmonton, Calgary, Saskatoon, Regina, Grand Forks they all use this effectively and we need to look at this, by the way, P3's use this effectively now as well.

Let's be clear as I'm talking about in terms of, we're not going to have residential streets where construction will be going on at three or four in the morning for residential streets but I think you can look at Portage Avenue, major thoroughfares like this, it makes sense, it just makes sense to bring it on board to get the traffic flows moving quicker.

I'm also very pleased beyond the traffic flows I'd like to talk just about some of the residential streets that are coming on line as well, dipping into my area of St. James-Brooklands. A number of residential regional roads are incorporated, Portage Avenue from Whitewall, Ness Avenue from Belvidere to Moorgate and King Edward from Saskatchewan to Ellice are all incorporated in this as well as a few residential streets are incorporated. I think we need to work harder in terms of some of the residential streets to find the money because time and time again, talking to residents, this is the number one issue for them.

Of course something has to be said in terms of some of the bike paths as well. I know the funding has increased by 1.5 million dollars, I think it's important, its essential and it makes, it turns the quality of life why someone might want to live in our communities is a very important element. Our new bike paths in Winnipeg could help explore some of the breath taking communities that we have here and speaking of parks, I'm very pleased to see that 75,000 dollars were allocated to Bruce Park which is right in my ward. I know there's a number of stakeholders, the Friends of Bruce Park, the Rotary Club have been lobbying and talking about this for years so I'm very excited this is a part of it. It's an important part of making St. James-Brooklands and the city a better place to live, invest and a liveable society.

Having a young family we spend a lot of time in the playgrounds and I can tell you on behalf of my young daughter Paige and the other kids of St. James and the city I think it's important that we do reinvest and I'm happy the budget incorporates this.

And the last thing I'd like to touch upon is the four new police stations that we talked about with the P3's. You know time and time again, crime is probably the number two issue when speaking with people on the streets in St. James and Brooklyns and I'm a victim of crime myself. I was broken into three times last year and I think when we provide resources, the tools for these P3's, the administration of it, I think it's important, it's going to help in terms of every aspect of things with the administration. So if we can get them on line quicker with the P3's it just makes good common sense.

In conclusion, I'm pleased to support the document and I notice that others are pleased as well. Chris Lorenc, the President of Manitoba Heavy Construction Association quote said a very impressive program focusing on the right priorities with a balanced, strategic and astute use of private/public

partnerships. Other municipalities and provincial governments would be wise to follow the balanced and progressive approach.

So the stakeholders that are out there, the people that know it best are giving us praise for this so I think this is an important aspect of it. And more importantly, the people that we represent have shown positively that this is an important step forward in terms of answering the number one issue out there for everyone in the streets and this is infrastructure. Thank you Mr. Speaker.

Mr. Speaker: Councillor Thomas.

Councillor Thomas: Mr. Speaker, my multifaceted heritage also includes some Irish and I remember a tale from when I was growing up, the tale of the Blarney Stone which included the gift of the gab but as we all know the Blarney Stone while it has the idea of having charming words doesn't have much substance and I'm concerned about that.

And my concern is specifically with regard to P3's because there are many unanswered questions with regard to P3's. You'll see later is really not good enough because later it'll be too late. Did get an inkling of that when the Mayor suggested that only about .78 of a percent would be the additional amount or on 91 million dollars, I don't, I haven't figured out for the police station what that would be but on 91 million dollars, that comes up to about 709,000 dollars or approximately fourteen blocks of street repair at 50,000 dollars a block, for a TBO. Now I've heard 20,000, I've heard 50,000, so I'm being generous by saying 50,000. If it's 20,000 dollars a block, you can double that figure. Fourteen blocks of street repair and Mr. Speaker we do need street repair.

I wanted to tell you another story and the story is when I was buying, not leasing my new car, because it is more cost effective to lease, to buy, rather than to lease, although leasing is convenient, my car dealer said to me I can offer you one percent above prime and I said that's fine but I've already been to my credit union and they've told me that I can get prime. Oh, he said. Well I think I can lower that and give you a half a percent above prime. At that point I laughed and I said you know why I get prime because I don't make deals like that. When I can get prime I don't go for half a percent above prime. And so I would suggest that to you as a Council, if you can get prime, why are you going .78 above that figure. So please don't do that.

This is a time to focus on improving our existing infrastructure. After many years of struggling with both the provincial and the federal government to get somewhere the amount of money that we feel that we justifiably deserved for our infrastructure renewal, they've come through a little bit. Now I really feel they need to give much more but they have come through a little bit. But I say don't blow the wad on a bunch of new furniture when the roof leaks. You need to be able to maintain what you have. Yes our population has increased and yes that requires an assessment of what amount of additional new infrastructure is required to support that population and that I will agree but we also have many potholes.

One of our delegations talked about the need for us to do alternative energy. If we want more bikes on the street, we need to fix those potholes, because believe me, as someone who cycles part-time, it's incredibly hard when you're cycling, to hit those potholes every once in a while. And I like the new recreational bike paths but let's face it, if we want our commuter cyclists to commute, to use the street, they're on the streets, they're not on the recreational, beautiful, treed, bike paths. So we need to do more to fix the streets. The existing streets, before we start planning a new and I really don't see a plan for doing that and I'm very uncomfortable about that.

So, those are some of my cautions. More information about P3's, don't blow the wad on a whole bunch of new projects when we haven't done enough to fill that infrastructure deficit that we've been told about. Many years advised by our administration, many years that it exists, now is the opportunity to get rid of some of that backlog of things that have been

hanging around and have been waiting too long to be fixed. Thank you very much Mr. Speaker.

Mr. Speaker: Councillor Nordman.

Councillor Nordman: Thank you Mr. Speaker. I'd just like to rise today and support the budget but share with you a couple of thoughts that have come to me as we have gone through this process today. One of the things that sort of came across to me as I like Councillor Clement and many others knocked on seven or eight thousands doors back in October was a comments is, why would you like to do this and I think today, finally demonstrates to me why I'd like to be here on City Council. The first sixty days or so of our time here was a curious time and I often asked myself why am I here but I think the discussion today is sort of enlightened me as to what this body really can accomplish and do.

From my perspective and Councillor Clement sort of referred to a group of citizens back in the early 90's that were carrying the ball for the Charleswood Bridge, well I was one of those individuals and it was a curious scenario how it all unfolded and for those of you who don't know I'll tell you in as quick a time as I can, that the city ballpark spent about 4 million dollars expropriating land, having already done some design work and every time our organization was called, was to come to E.P.C. or to come to Community Committee or come before the whole Council and try and keep the Charleswood Bridge in the five year cap and it kept getting pushed back and pushed back and pushed back. One day in about 1994, I'm not sure which year, but about then, the Premier of the day, Gary Filman threw 13 million dollars on the table and said use it or lose it for the Charleswood Bridge.

Well now there was 17 million dollars that didn't have to be spent by the city and that's how the first P3 was created and the 10 million dollars that was subsequently spent by the private/public, the first private/public partnership came to be and that's, that was that 10 million dollars, the back end of the 17 that had already been spent.

So, they're will I'm sure be public participation in the, as we go forward and do the review on these. At the end of the exercise and just to use sort of today's vernacular, this is very much a getter done budget and I think that's what the people of the city of Winnipeg decided on October 25th was to go forward with proactive and positive results and I think by supporting this today we're acting on their wishes, so thank you.

Mr. Speaker: Councillor Pagtakhan.

Councillor Pagtakhan: Thank you Mr. Speaker. I'll just be brief. I just want to say that on many fronts I'm really happy to be supporting this budget. I think it's really an unprecedented budget. I'm going to thank colleagues Councillor O'Shaughnessy, Councillor Clement and Mr. Mayor and all the folks in the administration for their hard work and diligent work on that and Deputy Mayor Leipsic as well.

I'm particularly happy about the public art funding that's its still there, especially also the downtown enhancement program, it gives the folks of the Exchange District BIZ an opportunity to I think, before I think will be a great plan for the Old Market Square redevelopments, so I'm really happy about downtown enhancement programs in the years out and for this year as well for the capital budget.

Also, really happy to see that there's a building communities initiative monies this year and many years out, 50/50 shared with the province of Manitoba, I think this goes a long way and is demonstrated in the past how our shoulder neighbourhoods, our mature neighbourhoods and older neighbourhoods within the city all across the city have benefited tremendously from previous building communities initiative monies and projects, so I'm really happy on that front.

And finally, I just want to thank my good friend Councillor Clement for really injecting a healthy dose of capital dollars within the playground structures and parks improvements, accounts, I think that's a great thing and I thank you very much for remembering that and Mr.

Mayor as well for that's really go a long way. And I'm also really happy with, to see that we're having some really good investments within our recreational bike paths as well but I think there's definitely more room for improvement. I'd like to also see on years out some dollars for regional bike lanes and not just bike paths but actual bike lanes and to have a strong active transportation policy and strong active transportation investments in the future. So I will be supporting this and I want to thank all my colleagues for all their hard work, thank you.

Mr. Speaker: Councillor Browaty.

Councillor Browaty: I rise today to briefly speak on the capital budget here. First of all I think it's a very strong budget with very closely reflects the priorities the people were telling us at the door. You know we need to invest in the pipes, pavement and policing. It's not sexy as Councillor Wyatt pointed out, but it's what people want and that's what people expect out of their city.

So I'm very excited that this budget addresses a lot of the concerns that I was hearing at the door. I think the balance; I think the budget uses a balanced approach. Some projects we're doing, we're funding out of funds that are actually in the bank. Some of it we're going to be you know using the new P3 model but we're doing it responsibly. We're not going out and maxing out the credit card, we've set a cap; you know a maximum of twenty-five percent that's going to be done in capital in terms of P3 models so I think that's an appropriate way to go about doing this.

So in terms of some of the projects that I think are most exciting, I have to say I'm biased, the Chief Peguis Trail is going to go straight through the North Kildonan Ward is long overdo. It's not like its some new project; this has been on the books for decades. The Winnipeg Area Transportation Study from 1968 spoke of it. The, in 1981 a very thorough design study was done, community consultations were done, plans were made, in 1981 and in January of 1982, this is just a very small portion of it, the executive summary, a very thorough report was done, it recommended at that time that the first phase from Main Street to Henderson Highway including the bridge be done by 1985 and the second phase, from Lagimodiere to, sorry from Henderson to Lagimodiere be done between 1986 and 1990. So I mean when this report came out in 1982, January, I turned five years old that month, just to give you an idea of the scope here.

It's been that long coming. The city's owned land, foresight to reserve that land, so the point being this is long overdo and I'm ecstatic that this project is moving ahead on the agenda. There's a lot of other things, the reinvestment in transit, this morning one of the delegations suggested this is not a green budget, I thoroughly disagree. As Councillor Wyatt pointed out, huge investments in transit, I mean we also, I do agree with what Councillor Steeves was saying that we do need to see a cost benefit relationship to everything that is being doing, that's being done in terms of our water and sewer project. Yes we need to make these investments. You know it is a long term investment but we do need to look at what the cost benefits are and what other things can be done.

So again I think there's still more that needs to be done. I haven't seen the numbers, I haven't seen the information. Maybe, you know, it is you know a good cost benefit right off the bat, so. Again, I applaud Councillor O'Shaughnessy, the Mayor's office, Councillor Clement and Councillor Leipsic for all of their work and as well the administration. This is a big undertaking that was done I understand quite quickly and I do applaud it. Thank you.

Mr. Speaker: No further speakers. We'll go now into the motion that is before us motion number 1,

Councillor Thomas: Don't I get to close on the motion?

Mr. Speaker: You'll be closing. Yes, you'll speak. Yes you speak to your, to your motion.

Councillor Thomas: Okay thank you Mr. Speaker. I don't have too much to say because there weren't too many questions or concerns so my assumption is that people are going to support this because they didn't give me any reasons why they wouldn't. So I don't have too many questions to answer at this point. So I'm assuming that people see the logic of my argument and will support this motion. Thank you.

Mr. Speaker: Thank you. Councillor Clement.

Councillor Clement: Thank you Mr. Speaker and thank everybody for their comments. Some are certainly questioning the validity of what we're doing and others are championing it and that's typical. I think I'd like to say this about the P3's, real quickly.

First of all, a P3 is a capital asset lease under public sector accounting board rules. Corporate Finance has a long standing policy of recording P3 lease liabilities as debt which was raised and so we're acknowledging that. In our financial statements we are very transparent and open about risk of too many P3's which is why we capped the available money at twenty-five percent of the total cash to capital fund, which is all cash, and while you can suggest it's a different way of borrowing and that may be so, the fact is is, is that we're capping at an amount that we can find affordable and Councillor Vandal is quite right, our bond rating people will look at that and we're aware of that which is why we capped it at a lower number.

All P3 lease payments are recorded in the capital budget. When you take this document, you go through it right out through 2012, you'll see every dollar on the Disraeli Freeway as an example where it's placed in that calendar year so you know exactly how much of that twenty-five percent is being used in each calendar year.

The department must compare to public sector costs and finally, in terms of your pig in a poke comment, Councillor Smith, all P3's are large enough that they will have to go through Council again and individual assessments of the merits of each. So they all come back for us to discuss, once we have a document to discuss. So, I think that's a very positive thing. It's not a pig in a poke Harvey, in fact, we are going to have the opportunity to review these on an ongoing basis, and so your comments are very valid and we, but we already were there and doing that, and I probably should have said that when I introduced the document.

In terms of, are we doing something different, Dan you raised that. I don't think I have to explain to anybody here how hard I fought to not have tax increases and to pay down debt by not borrowing and was involved in the implementation of that not only under Susan Thompson but even to a greater extent with Councillor, with former Councillor Murray, former Mayor Murray.

You're quite right our debt has dropped by half and I'm very proud of that. And it's actually provided us with 31 million actually going into '07, of money that we didn't have ten years ago that we're actually paying interest with. So, it's a very positive thing. So why would we move the course slightly, because frankly, the costs are going through the roof on a lot of things. We're moving to P3's as a reinvestment in our infrastructure. Notwithstanding that, we're still spending 45 million dollars this year in '07 renewing regional and residential streets, we're spending 42 million on transit, we're doing other things, we're putting up a million and a half dollars into playground structures which Councillor Pagtakhan just talked about, that's a hundred thousand dollars for every ward and it's up to the Councillor where that money is going to get spent. That's what's in this document.

The, but riding along on this P3 issue and the reinvestment is by doing it now, we're going to save money, I think anyway on the actual costs of the projects, because of just the escalating costs. We're just going, weren't moving some of it forward, that's what the P3 basically does, we're spending more now and it'll be a little less

later but it's going to be more cost effective to do it.

And I can't tell you all of the numbers off the top of my head, but the one thing that does get missed when we talk about P3's, is the maintenance and I can tell you that I've sat in this chamber, I'm in my 24th year here and we just finished repairing and renewing the Maryland and Sherbrook Bridges for the third time since I've been in this chamber. Three times we fixed that same pair of bridges in the time that I've been in this chamber.

I get phone calls about the Charleswood Bridge on an ongoing basis, people say Bill why are they fixing the bridge, there's nothing wrong with it. Well they are the numbered company that owns it and they're maintaining it because they have to give it back to us in year thirty in proper condition. So they're making dam sure it's in proper condition because they're maintaining it on an ongoing basis and if we were maintaining it, it would cost us more money than the .78, trust me.

Thank you Mr. Speaker and with that I'll move the motion, or move the document as its here in front of us and I hope everybody supports it.

Mr. Speaker: Thank you. Thank you. I just want to echo the sentiments of some of the Members of Council. I'm sure all Members of Council, the work that's involved preparing a budget such as this, the cooperation we've had from the administration, all of the administrators right from the top to the bottom and also, with all the, yeah, let's hear it for them and also the involvement that we've had with the Councillors' Assistants.

All of this was possible, I know that 27 years that I have, this has been one of the in many, many years that we were able to debate and ask questions and participation by each and every member of Council. So with that, due diligent, diligence was practised and due process was done in this fashion. Also, special thanks to our clerks, the staff, the Clerks Department that prepare all of the reports that we have here and I want to thank you, personally as the Speaker, to the Clerks office.

Okay, now we'll call the question on the motion of Councillor Thomas, seconded by Councillor Vandal, motion number 1, all in favour? Recorded vote has been called for. All in favour of the motion number 1 please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Gerbasi, Thomas, Vandal and Mr. Speaker Councillor Lazarenko.

Nays

His Worship Mayor Katz, Councillors Browaty, Clement, Fielding, Leipsic, Nordman, Pagtakhan, Smith, Steeves, Swandel and Wyatt.

City Clerk: The vote Mr. Speaker, Yeas 4, Nays 11.

Mr. Speaker: That's lost. On the clause, recorded vote on the clause, all in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Katz, Councillors Browaty, Clement, Fielding, Leipsic, Nordman, Pagtakhan, Steeves, Swandel, Vandal, Wyatt and Mr. Speaker Councillor Lazarenko.

Nays

Councillors Gerbasi, Smith, Thomas.

City Clerk: The vote Mr. Speaker, Yeas 12, Nays 3.

Mr. Speaker: It's carried. Councillor Leipsic moves adjournment. Roll call please, oh sorry, oh By-laws. Yes, the Mayor. Mayor, Sam Katz you move the By-laws.

EXECUTIVE POLICY COMMITTEE CONSIDERATION OF BY-LAWS

Mayor Katz: Thank you Mr. Speaker. I will do exactly as instructed. I'll move that By-law 32/2007 be read a first time.

Mr. Speaker: All in favour, contrary? Carried. Councillor Thomas wants to be recorded in opposition. Well that's it. Councillor Leipsic moves adjournment. Council now adjourned. All in favour, contrary? Carried. Roll call.

ROLL CALL

Clerk: His Worship Mayor Katz, Councillors Browaty, Clement, Fielding, Gerbasi, Leipsic, Nordman, Pagtakhan, Smith, Steeves, Swandel, Thomas, Vandal, Wyatt, Mr. Speaker Councillor Lazarenko.

Council Adjourned at 11:58 A.M.