COUNCIL OF THE CITY OF WINNIPEG
Tuesday, March 20, 2007

The Council met at 9:34 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 Nordman.

ROLL CALL

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

Mr. Speaker: Thank you. The notice calling the meeting is read madam clerk.

Pursuant to Section 79(1) of The City of Winnipeg Charter, the City Clerk was directed by His Worship Mayor Katz to arrange a Special Meeting of Council on Tuesday, March 20, 2007, at 9:30 a.m., to consider the 2007 Operating Budget.

Richard Kachur
City Clerk

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

Mr. Speaker: Thank you. Pages, we have Simone Jaman of Miles MacDonnell Collegiate resides in Elmwood - East Kildonan Ward. Thank you. Welcome and guests, of guests and announcements, Councillors I'd like to welcome into the chambers our budget people, here is, led by our Chief Administrator, Annitta Stenning, followed by Joanne Ferrier, Betty Holstein Boyer and Ramona Hodges, thank you for coming here today. They're the backbone of our budget process. Next, to continue, delegations, Mr. Nick Ternette, in opposition to Item 1, Nick you have ten minutes.

DELEGATIONS

Nick Ternette: Yes, Mayor Sam Katz and Members of City Council. As you are all aware, in the past two, actually three operating budgets under Mayor Sam Katz I have been critical primarily on these issues, one, on the lack of citizen participation throughout the budget process and two, the lack of vision. That is, there has been no philosophical direction taken by the Mayor, except to present a pro business budget. This year there was again not even a minimal attempt to involve the public in shaping this 2007 operating budget.

As opposed to other years under former Mayor Susan Thompson and former Mayor Glen Murray when there was at least an attempt to involve citizens during this process. As I have pointed out before under Susan Thompson, consultants, consultations included all day workshops, including representatives from neighbourhoods, businesses, seniors, unions and students. Glen Murray held town hall meetings across the city where citizens were invited to give their ideas about what they felt about the operating budget, should include.

And may I remind City Council for those who haven't thought about it, that the provincial government have expanded their citizen participation during the development of the provincial budget, where members of the N.D.P. caucus have travelled across the province asking citizens what they think should be included in their budget.

Since Mayor Sam Katz adopted the notice that citizens should be run, the city should be run like a business, citizens don't matter any more, regardless of whether they represent the Chamber of Commerce, small businesses, or community groups, and/or activists, and while most citizens don't care, my being an example here because I'm the only representative, the only person speaking on this budget today, whether they are involved or not, it is in my belief a very tragic loss for democracy.

On the other hand, my interest was peeked when Councillor Clement introduced the 2000 operating budget as being clean and green. For a second I imagined that this budget had a certain philosophical drift to it. Words can evoke emotions or tap into unconscious biases

and should word choices make it relative easy to convince others that you're right or least that you know what you are talking about.

I'm not opposed as I said to the zero percent property tax increase, nor and this may come as a surprise to some and has to some of my friends, am I opposed to the reduction of the business tax from nine-and-a-half percent to seven-and-a-half percent, equally for all businesses and that's the issue that I was really supporting, not necessarily the reduction of tax, but, as opposed to the previously having it aptly apply only to the downtown businesses. I believe that if you're going to have business tax it's going to be equally applied throughout the city.

However, I am significantly concerned about the raiding of the two reserves. However, the fiscal stabilization reserve and workers compensation reserve, even though and I take this seriously, Council will recommend, have explained that these two funds have accumulated more money than what is needed, kind of like a pension plan and therefore, they're now only taking back what it not needed. On the other hand, I am concerned about Mayor Katz and his executive digging into the pockets of the four S.O.A.'s, the Winnipeg Fleet Management Agency, the Winnipeg Parking Authority, the Winnipeg Golf Services and the Glacial Sand and Gravel executive. So those four S.O.A.'s told Councillors that they have no say in whatever or not, whether funds should be diverted to the city budget process. And by doing so, the S.O.A.'s have been forced to adapt their budget accordingly. Not only that, this has cost these S.O.A.'s to have to borrow money to balance their own budgets.

And again there is no recognition of the need for some kind of a new deal and we have now been talking this for years, for the City of Winnipeg, by recognizing that cities cannot continue to finance themselves by property and business taxes alone in the 21st century. Cities must be recognized constitutionally as independent entities within their own, with their own taxing powers. Not excluding having a portion of possibility of the provincial, of the income tax going to cities. Eighty percent of people live in urban areas, so there must be better fiscal arrangements made between the federal, provincial and municipal governments.

There is no mention in this budget of the city receiving a greater portion of the gas tax from the federal government, and/or the V.L.T. revenues from the provincial government for example and there is nothing about removing education taxes, all the education taxes from the property tax bill which this Council has adopted many times and talked about, nothing in this particular 2007 legislation that we're looking at. But, to my disappointment and of course, clean and green was merely a slogan. The emphasis in this budget is purely focused on clean, not green. The budget implies planting 165 trees and 500 flower boxes downtown, increasing street cleaning and expanding litter pickup services to seven days a week and expanding a .5 million dollars for removal of graffiti which will make it cleaner.

And when the city says greener, but I don't think so, cleaner, yes, green, no. I'm not opposed as I said to being clean, however, this beautification is not green. As I said, words have meaning and people in the community understand that green has a completely different meaning than what Council thinks green is. And even though I'm no disagreement for example with Councillor Clement that more money is needed for tree pruning resulting in these trees being pruned every twelve years instead of every forty years, it really doesn't matter, because it doesn't even meet Councillor Clement's standard of once every seven years and does nothing to significantly contribute to an ecological, sustainable green city and that is the word that any environmentalist talks about.

Never mind Councillor Steeves's assertions that the city is spending 1.5 billion dollars over the next two decades on the water treatment plant as being very green. For one thing that's part of the capital budget and not the operating budget as he himself have to admit and the city would never have to spend that

kind of money if it weren't truly green for the last decade or so.

The fact is that the City of Winnipeg has done little around environmental concerns when compared to other cities. In fact, in the recent poll, we ranked 21st in terms of environmental issues from all Canadian cities. Many cities rather than waiting for the federal or you know provincial or the United States, state governments, are developing local initiatives to address such environmental crisis as global warming. Smaller cities than Winnipeg are pursuing strategies such as reducing energy waste and pollution. One city has developed a green guide for home owners and builders so that more energy efficient and environmentally sound buildings and homes can be constructed.

For your information, Calgary's L.R.T. is now completely wind powered. Now that is what I call green and the federal government is pouring billions of dollars into public transportation, mainly expanding, if you look at it, subways and L.R.T.'s in all other large Canadian cities except Winnipeg. Portland, Oregon has an extensive development expanding their L.R.T. not B.R.T. They have further developed their bicycle lanes in businesses which has resulted in 13% of their residents relying on public transportation to go to work, 2% bicycling to work, and 11% car pooling. When will Winnipeg reach those kind of figures? I wonder. Other cities are using various strategies to get citizens out of their cars in order to reduce greenhouse emissions.

So, what do we need in this budget, is a commitment and some kind of imagination by the Mayor and City Councillors to go beyond planting trees and flowers and to address the real environmental problems facing the city. Then, perhaps, green will become more than just a slogan. Thank you very, very much.

Mr. Speaker: Thank you, any questions Councillors? Councillor Gerbasi.

Councillor Gerbasi: Thank you Mr. Speaker, thank you Nick for your presentation. I was just going to ask you, there's one issue that I've been raising and I haven't really heard anyone else raising it and I know you generally have spoken about the environment and I'm just wondering if you share my concern about the continued use of durasban for mosquito larviciding as opposing to switching to the biological agent, you know that 1.5 million has been removed that was expected to be spent wasn't spent in this budget on that and we're delaying that. Do you have any comments on that?

Mr. Speaker: Mr. Ternette.

Nick Ternette: Mr. Speaker, yes Councillor Gerbasi, of course I share your concern immensely as you know. We formed a cancer brigade last summer. There are three of us who are cancer victims all which as a result of the use of pesticides and primarily some of the pesticide use in terms of mosquito and whatever else. So, yes that kind of a, that kind of significantly concerns me because we should be using organically other kinds of chemicals that are clearly proven not to be harmful to the citizens. I think the issue of pesticide use is all related to environmental and health use and it hasn't been tied to the fact that a significant amount of cancer increase has happened as a result of the uses of that, of the kind of chemical that you're talking about and it would have been much better if this Council would have adopted a green policy which this is something I would be green if we would move towards away from any kind of pesticides that is harmful to us as human beings and so, yes, I support you all the way on that issue.

Mr. Speaker: Councillor Smith.

Councillor Smith: Yes. Mr. Ternette, you know you haven't spoken of really the good things about this budget. Like for example, transit fares not being hiked. Can you comment on that?

Nick Ternette: Mr. Chairperson, I want to be very careful. As a budget insofar as operating in terms of a business perspective this is not a bad budget. My main critique was because there's an attempt to sell this as a philosophical

document and that is bullshit. Sorry that's all I can use and the public won't buy it. The public won't buy it and that's what I'm here for to criticize.

I sympathize very strongly. I think that more police in the schools is excellent. The tree pruning program is an improvement, some of the beautification programs in terms of graffiti removal, significant and I agree with you bus fares are not going up but you must remember, that the bus fares went up significantly more than a nickel or a dime last time and Mayor Katz made a commitment, and at least this is one commitment he's kept, that there would be no bus and fare increases this coming year. What about next year though? That's the question.

Right now people are using the buses. Every time I take the bus they're packed, for those who haven't gone on public transportation, these buses are too small. You know everybody, every time I go, and this is not rush hour, this is at two o'clock, one o'clock, what else, I have to stand especially every Portage bus, it's packed and you know why because we have significant increase of immigrants and those people do not have cars, they use public transportation because I can tell you all the languages that I hear on the bus, English is a minority language today and that's the issue.

The issue is that we need more buses and where are all these new buses that were promised in the capital budget from last year. I haven't seen them, not yet one, I've seen one articulation bus out there. So I don't know where all this is, but yes I agree it's good that we don't increase bus fares otherwise you'd have a lot of citizens out here, again but the point is, there was a bigger increase last time. We're at the two dollar range so obviously it covered any deficits, but I'm worried about what'll happen next year.

Mr. Speaker: Thank you. Thank you Mr. Ternette.

Nick Ternette: Thank you.

Mr. Speaker: That is it for delegations. The report of the Executive Policy Committee dated March 14, 2007, His Worship will be introducing the report and I'll be asking the Chair of Finance to speak to the budget. Mr. Mayor.

REPORT OF THE EXECUTIVE POLICY COMMITTEE
DATED MARCH 14, 2007

Mayor Katz: Thank you Mr. Speaker. On behalf of the Executive Policy Committee, I'm pleased to move that Council endorse the draft 2007 operating budget as amended by Executive Policy Committee. Normally I try to leave the details of the budget to my colleagues from the budget team, but this budget has too much good news to ignore, so I want to speak on three issues.

First, the process, often we hear complaint that there is not enough consultation around each budget. Some will say there is never enough and it is especially challenging to consult thoroughly for a budget in the year after a fall election. But, this year, Mr. Speaker, the budget process improved significantly and I think it's important to acknowledge the improvement.

The Winnipeg City Summit identified visible public services and crime prevention as priorities and that feedback was factored into an E.P.C. planning meeting and a Council seminar early last summer. At the Council seminar in 2006, Councillors identified crime prevention, infrastructure renewal and visible, clean and green services as priorities we all shared. The operating budget was drafted to reflect that direction and it was tabled for a month of consideration before this meeting with an extra Council seminar to ensure Councillors could follow up on important issues. We've also heard from dozens of public delegations as we prepared or reviewed this budget and we've acted on many of their suggestions.

And finally, the budget is easier to review and a more useful document. Thank you to the budget team for implementing my commitment from 2004 to make service-based budgeting a reality. Now, citizens and Councillors alike will have a budget

that's more accountable and easier to follow.

Secondly, I want to talk about revenue. This year is the tenth consecutive year of property tax freezes or cuts. But it's also the year we're scheduled to equalize business taxes across the city with the cut outside downtown, to 7.75% rate. I know some Councillors will express their doubts about this step. You all know I believe it's important to help Winnipeg compete for jobs and investment. But to the sceptics, please consider this; a vote for this business tax reduction doesn't have to be an endorsement of any future plans or proposals. In the long term, I believe we have to balance further business tax reductions with both savings and new revenue options and discussions about both should begin this year, shortly after we've let Councillor Fielding's commission do its work.

Third, I want to touch on services. Members of Executive Policy Committee have always said they wanted to reinvest in front line services. I think this budget proves that this commitment is real once and for all. The police service now has a street crime unit that's fully funded. The police service will be able to buy two electronic plate readers with auto theft prevention dollars in this budget and we fully funded CrimeStat as well. Patients will receive better care thanks to investments in patient management software for our Fire Paramedic Service. We've improved service levels for snow haulage, park maintenance and litter control and for those who've said this budget doesn't have enough green, there's an expansion of Henteleff Park, the expansion of our tree planting capacity and more tree planting this year. We'll protect the urban forest, improving tree pruning service levels to a twelve year cycle, Mr. Speaker, down from forty-two year cycle when I was elected.

We've kept transit fares frozen to help build ridership and of course, our utilities budget finances over a billion dollars in clean water and waste water improvements. As always, we have to be aware of risks in the future whether it's the sustainability of our Special Operating Agencies or the health of our infrastructure and we are on top of those risks more than ever. But while we weigh those factors for 2008 and beyond, don't lose sight of what this budget achieves right now, in 2007.

We've proven that we can manage risks properly. There are benefits for tax payers, for citizens, for neighbourhoods. Last year together as a group we set out priorities in early June. Ten months later we have a document that delivers on all of these priorities and a little more where we could find the availability. I'm excited to see every one at City Hall working together, Mr. Speaker, constructively and I'm proud to have played a part in this budget process.

I want to thank the budget committee, Councillors O'Shaughnessy, Clement, and Leipsic, as well as the administration and specifically to the four pillars sitting right beside me who all helped make this budget what it is today. I ask that everybody join with me in supporting this budget, Mr. Speaker and at this point in time I would like to turn it over to the Chair of Finance Mr. Speaker, thank you.

Mr. Speaker: Thank you Mr. Mayor. Councillor O'Shaughnessy.

Councillor O'Shaughnessy: Thank you Mr. Speaker, thank you Mr. Mayor and special thanks to Deputy Mayor Brenda Leipsic and brilliant Bill Clement for the work they've done this winter season on this budget. As many of you know for health reasons I was very limited in my capacities here and I wish I didn't have to say that because I also have to say that this is a landmark budget for the City of Winnipeg.

The Mayor has gone over just about all of the reasons, but they need to be reemphasized, before I go further though, the four pillars and I look at the centre column here, Joanne Ferrier for the work they've done and always done and in this year especially in changing from a traditional budget to a service-based budget, the financial aspects of that are absolutely overwhelming and it's come through in flying colours.

We now have a budget that not only the financial analysts can read, but the public of Winnipeg can read too, with clarity. They know how much it costs not just for policing, but they know how much it costs for each service within the Police Service, within the Fire Paramedic Service, within the labyrinth over three departments that is our parks service. People can now see and you know they've been able to see it, it's been there and with do apologies to Nick, people don't come out when they're pleased, they come out when they have something to complain about and hello everybody who is not here.

Financially, we've had, oh one more thing on the process, this was, we just come through an election, this is a very compressed period for preparing a budget. Council couldn't do advanced budgeting because it can't commit the following Council. Work at the political level cannot even be done on this single year budget until after the election was completed. So, for a compressed system coming up with a whole new data base being service-based budgeting, it's, well maybe it's a bit much to call it a miracle but it's a very important and special thing that's with us.

The Mayor's outlined a number of changes this year. We've, through both our budgets, put a huge additional investment in infrastructure. We've added significant funds to our crime prevention, and to making our city more liveable, whether it be starting in January with the capital budget, whether it be more books in our libraries, cutting grass more often in the city, picking up more litter, the special attention paid to our downtown. It's not just a new way of compiling the budget; it's a whole new budget, a whole new way of providing better services in our city for the people who pay the price. The people who live in this city and make it grow and glow every day.

Financially, all major reserves in this city are now over the top. The reserves we have, the fiscal stabilization and mill rate reserves which are leaders in this country, which we set lofty goals for, are now, after being raided and raped with our assessment problems of a little more than a decade ago, turning, when we turned 40 million dollars into zero, we've now turned that replacement reserve to that the mill rate stabilization. Excuse me, we've turned those major reserves to 75 million dollars and growing, over the lofty goals we set for ourselves for recovery. We found our workers comp reserve into a huge surplus, hopefully because we have safer working conditions for our employees, but I can't verify that, but our reserves are at a point now where we have been fully replenished to higher standards than ever and the funds that keep coming in that don't have to go in there any more, are going into turning tree pruning from forty-two years to twelve years and hopefully onto eight by next year and on from there, into more police services for our people, into a cleaner and brighter city for everyone and these are the things that this budget is doing.

The Mayor talked about lowering business tax for businesses outside of the inner city, while still freezing taxes for all homes and all other forms of property in the city for a decade. While Calgary has grown in taxes, about 50% in that time, we are lower than we were ten years ago. We've actually had decreases. Edmonton, Calgary, they're in the fifty percent range and continuing to grow about five percent a year. It's amazing. But we've been able to do while improving services, while adding services and taking care of our people.

I said in introducing the capital budget that it was the best one I'd ever seen for this city. Well this current budget, by far, with the changes to service-based budgets, to let everyone see it clearly, to the enhancements in all departments, to again, lowering in the overall scheme of things, lowering taxes in this city, I think this Council has done a phenomenal job and it couldn't be done in one year. There has to be preparation. The change for years, this city used one time monies to fill ongoing holes. We had just about a decade of that. That's gone, okay, it's 99% gone. Ongoing funding, funds ongoing costs, one time funds we used for one time projects. It's a very responsible system we have in place, and

what's more encouraging, we've set a rock base that's there for the future and I think we have done a job. Now, all we have to do is do it better.

Mr. Speaker: Thank you Councillor O'Shaughnessy. Councillor Leipsic.

Councillor Leipsic: Thank you Mr. Speaker, as a new member of Executive Policy Committee and a new Councillor, I think four and half months right now, the budget process was also very new to me. I've now experienced just how much time and work is invested to get that first draft into our agenda. I want to thank Mayor Katz for his leadership and allowing me the opportunity to learn and participate. I must also acknowledge Councillor O'Shaughnessy and Clement for working so patiently and diligently with me on E.P.C.'s budget committee. They both were very, very kind and spent many extra hours helping me along.

I must also recognize Joanne Ferrier and her team in administration, plus, Mr. Brian Kelcey for all the work they did before the budget even reached us and for all the patience again, support and especially the great senses of humour. We also had some very interesting times there.

Most of all, I want to thank all my fellow Councillors here for being very kind and giving me patience when I asked for their priorities and concerns informally. I hope that this kind of open dialogue will go on for as long as I'm here on Council. I certainly intend to continue practising as we have been the last while. While other Councillors have their priorities represented in this budget, the true test for me is, does it answer my ward's priorities, absolutely. I can say it certainly does.

Citizens in Lindenwoods can measure performance of our new street crime unit with CrimeStat which is now fully funded and if Council supports a Police Commission to add to that accountability we have budgeted for that. Thanks to service-based budgeting, residents can now expect better tree pruning and snow clearing. We know back lanes will actually be cleaned by the city for the first time in memory and especially River Heights' back lanes that are in desperate need of cleaning, plus, I think, Councillor Smith would and Councillor Gerbasi and I also want to see more done with back lanes next year but that's another budget.

We know we can expect windrows to be cleared on neighbourhood community streets and expect cleaner parks. We know our community centres will see more operating dollars to maintain service levels. We preserved our, or improved our front line services and we've done it in a budget that keeps taxes low.

Before I was elected last October, critics of City Hall told me over and over again to expect closed door government that wasn't going to be responsive to outsiders. But, when residents of my ward and officials from Winnipeg One School Division and parents in my ward, asked the city to support placing more police officers in schools at the very end of the budget process, I offered my support along with Councillor Gerbasi. At best, I hoped that they should at least be heard, but instead of a closed door, what we found was that Mayor Katz and E.P.C. were certainly willing to listen and respond. Even now, as we work to pass this budget, we're also working to add resources for school police officers, adding one more layer as we shift our attention from managing crime to preventing crime.

So, what's next after this, for me, I already know what I hoped to see this summer as we prepare for 2008, it's clear that the priorities we heard at the City Summit are reflected in this budget. So I want all Councillors and citizens to set clear priorities together, at the beginning of the budget process for 2008, just as we did last year. I want to see administration continue its work to give us better information, whether it's tracking outcomes in service-based budgeting or publishing an inventory of capital assets that we as Councillors can review. And I agree with Mayor Katz and Councillor Swandel who both said publicly that they want to review the operating charters of our S.O.A.'s like Animal Services Agency to make sure they can deliver services sustainably.

I'm confident these things are going to happen. We can build on the positive experience of this budget when we start work on our plan for 2008. I hope all Councillors will join me in supporting the 2007 budget so we can kick that process off with a positive a start as ever. Thank you Mr. Speaker.

Mr. Speaker: Thank you Councillor. Councillor Gerbasi.

Councillor Gerbasi: Good morning and thank you Mr. Speaker. There are many things in this budget that I am very happy to support, and, but I would like to put some concerns on the record about a few issues that I think should be a higher priority and also some concerns about future budgets.

I was very pleased to see an increase in, to arts funding, in keeping with the commitment that was made under Mayor Glen Murray and continued by this Council. It is crucial for Winnipeg to build on its strengths and clearly a vibrant arts community is one of the best things about Winnipeg. I appreciate the increased support for programming and operating funding for community clubs. It is essential that as we fix bricks and mortar in facilities we don't lose sight of the real purpose of community centres which is to provide programs and involve people of all ages in healthy and meaningful activities.

It is very refreshing not to have the usual transit fare increase debate and that goes, and the debate that goes with it. Keeping fares reasonable is part of keeping transit accessible to everyone. I do want to put, in regards to transit; I do want to put again my concerns on the record about transit bus operating hours. If you look at the amount of transit bus operating hours from 1982 to 2006, today we are actually slightly down from where we were twenty-five years ago. The city continues to cover a larger footprint and spreading the same amount of service over a larger and larger city is going to cause longer bus waiting times regardless of our best efforts.

And finally, after years of asking, the province has promised to fund transit operating costs at a 50/50 level with the city. If the political will is there this could provide an opportunity for us to invest more and reduce the long waits that many transit riders have, so I hope in future budgets that Council will consider adding more bus time to improve frequency of service.

I was also pleased to see a hundred thousand dollars included for long term planning from that was recommended by the property committee. It's very clear that we do not have enough capacity in the Planning Department to deal with the need for secondary plans in the inner city and suburban neighbourhoods and in new green field developments. I think Council is realizing the advantages of planning development ahead in new developing areas such as Waverley West, but also in existing neighbourhoods that are undergoing change.

The Osborne Village Development Plan for example has changed City Centre Community Committee meetings dramatically because developers know what to expect, and the community knows the development will happen according to a plan that everyone has bought into, we rarely have any opposition to new development that's happening in Osborne Village. It's night and day from when rezoning, rezonings were generally very adversarial processes that were frustrating and discouraging for both residents and developers. It took eight years to get that plan and mainly because our planners do not spend most of their time doing reactive short-term planning in response to immediate applications. If we could catch up and have longer plans in place we would have a more functional city, we'd have our planners freed up to do planning.

I do have one concern though in that the wording of the motion was, that was adding this funding to the budget, described it as funding for planning as a one time thing, one time only, and I think it's a little ironic to fund long term planning funding to be there for one year with no clear plan for it to continue. This is something that should continue and I also hope that the intention of the funding is to hire more planning capacity in the

department not to use one time consultants and then be right back to the same issue in next year's budget. A well planned city is a city that works and thrives and we have a long way to go.

I'm also disappointed and I've mentioned earlier that Council is delaying implementation of its insect control strategy that we passed in 2005. To quote directly from the strategy document it states, beginning in 2005 a biological based larviciding program will be phased in over three years in order to reduce the city's use of chemical pesticides. In order to switch to biologically, biological environmentally friendlier larvicide we have to spend money, because biological larvicide is much more expensive than the chemical durasban. This year there was 1.5 million dollars for this step, was removed as a cost saving measure. I'm sure the department put this forward as a way to meet budgetary target but this is really a political decision.

The city has known for years the federal government is expected to ban durasban, yet the city is currently still using durasban for 68% of mosquito larviciding. Just because the federal government is taking its time in implementing the ban that has been expected for years doesn't justify our inaction. We know that the effects of these chemicals is a significant environmental issue. We know that these chemicals build up in the ecosystem and in people's bodies and could have serious health consequences. This budget is being called clean and green but we are using the word green far too loosely when we continue practices such as this.

I also want to state that we definitely should be meeting our commitment to the aboriginal community and to other levels of government in spending 1.4 million on the aboriginal programming component of the Winnipeg Partnership Agreement. The partnership agreement is a 75 million dollar agreement and most of our share of it was bundled into programs we're already doing and this is fair because we know that the city is the level of government with the least amount of money.

However, we made a commitment and I believe it's ethically wrong of us to ignore that commitment. Council first voted to consider this in the 2005 budget process. Several of us have asked about this 1.4 million in every budget since and we've always been told it'll be considered next year. Considering the high percentage of aboriginal people in Winnipeg and the need to provide supportive services that address the huge inequities between our communities, we really don't have an excuse not to act.

The delegations of E.P.C. made some very good points but the most moving one to me was the young man who talked about how education and training for aboriginal youth was the most important thing we could do to make things better. I was very pleased to hear the Mayor state at E.P.C. that it is not a matter of if, but when, in terms of meeting this obligation. And so I guess according to the motion passed on E.P.C., this means it will be up for consideration again in 2008, better late than never but I sincerely hope we don't have to have this same debate again next year.

It's nice to have ten million dollars to spend on enhanced services in Public Works, certainly keeping the city cleaner and more beautiful is something our citizens desire and deserve. I would point out that this opportunity to invest is there because for the last ten years, various Councils have been fiscally responsible. Responsible to the point that the debt was significantly reduced, reserves are flushed and belts were tightened. Perhaps they were tightened too much and now we are addressing that; however it should be understood that the only reason we can address it this year is because the hard choices were made to put us in a better financial position today along with generous increases for police and other grants from other levels of government.

I still remain and finally, I still remain concerned about the sustainability of this budget. This is a one year budget and I understand why it's a one year budget because we just had an election but decisions in it such as a permanent

business tax reduction will have to be dealt with every year. They are one year decisions. That loss of revenue will be an issue in every future budget and some of this money used in this budget was one time money, for example, the 4.5 million from the Fleet Agency is gone after 2008 yet we're making decisions that go forward for several years ahead.

The situation with our Special Operating Agencies has to change and I'm heartened to here that that's being looked at by E.P.C. We can't keep raiding their profits and then wondering why they aren't as profitable as they should be and this is something in fairness that always gone on.

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

Councillor Gerbasi: So I'm not criticizing the current E.P.C., they were setup in an unfortunate way, but we still need to plan our budget in the longer term.

As you know, there was also a lot of uncertainties as to how we can sustain the level of services in this budget. As you know there's a commission set up to further reduce business taxes of 53 million dollars. We're all waiting to see the rabbit come out of that hat, but citizens have a reason to be concerned about that goal. Another concern, I just want to mention, because I doubt anyone else will, is that we need our employees to not only provide direct service, but to plan, respond to change and deal with the risks we face as a city. In this budget there's an additional two million dollars in cuts to management staff over and above last year's cut of twenty nine people. We are also short six members of our senior management team and I'm concerned that this can only go on for so long before the city starts to make mistakes.

It's also hard to be comfortable with a one year budget without knowing the projections for the next few years, so I hope that the intention is to produce a three year budget next year. I do appreciate the service-based budgeting. It is something that we've been talking about for a long, long time and I'm glad that it got done. The budget process was better this year so I thank the Mayor for that, having a seminar where we can speak directly to the administration with our questions is essential. So, I do support many things in this budget. There isn't any time left to talk about everything, but I appreciate some, many things in it and I will be supporting the budget. Thank you, Mr. Speaker.

Mr. Speaker: Thank you Councillor Gerbasi. Councillor Smith, you're the last speaker.

Councillor Smith: Yes, Mr. Speaker, I rise to support this operating budget. I can't remember the last time I supported an operating budget. This is a historic budget, as it marks the end of slashing basic services. I've spoken often of the need to increase our tree pruning. With former Mayor Glen Murray we cut back tree pruning to a thirty-seven year cycle, not forty-two, thirty-seven years and you know I was at a meeting of the Spence Neighbourhood Association and the Mayor was there and I said don't let him get away from this meeting without asking him why we're pruning the trees on a thirty-seven year cycle, because it weakens the trees number one and secondly, it makes the neighbourhoods darker and more inviting for crime. So tree pruning is very, very important, especially with the older neighbourhoods where we have a lot of mature trees.

So I'm extremely happy this budget increases tree pruning so that trees will be pruned every twelve years, which is closer to what they should be pruned every eight years. And this budget improves maintenance of our streets and back lanes, maintenance of our parks and improves snow clearing. This budget puts an end to yearly hikes in transit fares. It's supportive of the arts, but restoring services that have suffered a thousand cuts does not make this a great budget. It is not particularly a green budget. We could do far more, but we can thank the Mayor for putting his dog to death by a thousand cuts.

Now, the one thing that I really dislike about this budget is the reduction of the business tax. We've had no justification for it. This is tax, the businesses receive increased services, in fact this budget is going to increase the services to businesses and yet we're cutting the business tax. And you know, and I don't know how were going to find the fifty something million dollars for the long term plans to eliminate the business tax. You know, I just think it's based on faith you know rather than, you know we shouldn't be reducing the business tax unless we get in effect a substitute for it, so that we can in effect maintain and improve our services.

So this is a minimal budget, but it's a budget that I can finally support and I'm happy to support, because it's, you know, we've always had in the past, Mayors saying oh no cuts in services, yet we had to increase cuts in services over the years. So you know, this puts an end to that and I'm very, very happy with this budget for that reason.

Mr. Speaker: Councillor Smith you were not the last one to speak. I have three more that are on the list now. Councillor Swandel.

Councillor Swandel: Thank you Mr. Speaker. A little under the weather today but I do want to get a couple of points on the record on the budget. First item I'd like to talk about is something that jumped out at me when, as I was going through this budget book and last years budget book, and that was revenues, you see an increase in property tax revenues, the increase this year was 14 million dollars increase in property tax revenue. Our increase last year was only 8 million dollars, so that increased component has risen by 75% over last year's increase. And I think that's, that certainly is a great indicator for the City of Winnipeg.

Other things that are on the revenue side that we had increases in were the amount of interest that was paid to the City of Winnipeg, an additional 1.5 million dollars in interest paid to the City of Winnipeg which shows that we have growth in our capital, cash reserves. There was also an increase in regulation fees of 3.3 million dollars and that shows that some of the revenue that we gained in order to hold the line on taxes is coming from a shift of other forms of taxation and I don't know if any of you recall when we went through the new deal process, certainly there was a strong argument made to be shifting away from property taxation and into other ways of, into other revenue streams and that is definitely a good indicator that we're starting to make some headway in that regard.

One other item that hasn't been raised here today is something that we absorbed this year in addition to the usual things that we're absorbing and inflation like the increased cost of fuel; we also absorbed the decrease in the payments from Manitoba Hydro to the City of Winnipeg regarding the sale of Winnipeg Hydro. That was a five million dollar decrease in revenue for us this year but we've been able to take on that challenge.

There's a couple of places where I wear some hats, with the Property and Development and Special Operating Agencies and, of course, back in the ward as well and I want to just touch in some small items in those three areas. Councillor Gerbasi mentioned Property and Development and the additional funding that's gone in for long term planning and I got to tell you, the way that came about is we had a wonderful presentation from the administration that walked us through the whole service-based budgeting process from their perspective and they really didn't have an ask, other than there was some comments and commentary around the need to be able to do a little bit more of the secondary planning for areas like for example, the Exchange District so we have something more solid on paper and this came about as the committee looking at them and saying you know, what would this cost if we had to do something to help you in this regard and we came up with a number of 100,000 dollars to be used at the discretion of the Director and the only place we could find the funding was in one time funding. So it wasn't really, the administration wasn't strongly asking for this money but we know from our

experiences and in particular Councillor Gerbasi mentioned the Osborne Village secondary plan and I've just been through the Waverley West secondary planning process and there's others in the mix. They're wonderful tools and they really help us in doing our jobs and drilling down into taking things from Plan Winnipeg and bringing them right down to the community level. So as identified as an area that was money well spent and when we took it to Executive Policy Committee, it was well received and we were able to deliver that money in the budget.

The clean and green initiatives that we've been talking a bit about today really will make a great impact in the St. Norbert Ward. I know I've, wonderful space, green spaces and it will be great to see some more cleanliness and tree pruning and I want to make particular mention and express my appreciation, I'm sure the entire wards appreciation for the million dollars that was put in the budget to assist in the relocation of the Henteleff Nursery so that we can utilize that space in connection with the Henteleff Park, which is a passive park that's being developed along the river and along St. Mary's Road and certainly is well received in the St. Norbert Ward.

There's been some commentary regarding the Special Operating Agencies and how monies have moved from the Special Operating Agencies into the budgets and have created a need for the Special Operating Agencies to be doing some either internal borrowing or external borrowing. I got to tell that it's not the first time that this argument or this item has been raised. We started tackling it last year and I think the auditor in her report on Special Operating Agencies identified the need to get the budgets out ahead or the business plans of the S.O.A.'s out ahead of the city's budget and this year for the first time we have done that and which is why this rises a little more to the surface and through that process, leading up to the city budget coming here today and Councillor Leipsic referred to this already, we identified the concerns and we've talked about going and reviewing the operating charges and putting some controls and distribution policy, a dividend policy, return on investment policy, whatever you want to call it, that better enabled the S.O.A.'s to stand alone as the entities that they were intended to be, so that we have this transparency that we can see how this small portion of the city operates and in fact that we are seeing some progress in addressing the concerns in that. So, that matter has been addressed.

In closing, you know, I'd just like to say that you know I can stand up here and say the earth is round and somebody, I'm sure would stand up and argue that no it's flat. When you look at this budget in its entirety you can only conclude that this is a well thought out budget that delivers on the priorities of citizens and respects the pocket books of those same citizens by holding the line on taxes. I'm pleased to support this budget and I'm confident saying that this is a good budget and yes, Mr. Speaker, the earth is round.

Mr. Speaker: Thank you. Councillor Vandal.

Councillor Vandal: Thank you Mr. Speaker. I rise in this chamber this morning in support of the budget. I can say that on the heels of the announcement of the federal budget that this is the golden age to be in government, where the economy is humming, revenues are being generated, and the inter-relationships between governments have never been better and I think we're seeing the effects of that in our city today.

I'm supporting this budget for two principle reasons. Number one, in terms of services, services are protected and services are in fact enhanced in many respects whether we're talking about protection services, police and fire services, paramedics, snow clearing, tree pruning. There's money in there for arts. There's money in there for housing and I think that's all very, very positive and I just want it give an example of how far we've moved as a government.

When I was elected here in '95, in 1996 I believe, it was my first budget and the budget that we discussed on this floor

presented a, I think it was a two percent property tax increase, and holding, and I'm not sure on the business tax but a two percent property increase and the only way we could achieve those increases were by closing down two out of four pools in St. Boniface and I believe about two bus routes in St. Boniface and that was the best that we could do back in '96 and that's how far we've moved, eleven years later. And I think we've come to this point through a variety of reasons, prudent budgeting on, in the years of Susan Thompson and Glen Murray which has allowed us to save a whole lot of dollars in terms of interest on debt. The fact that our reserves are fully funded is incredibly positive and we're starting to see some of the juice spin-off from those reserves and I think a great work by the administration and the departments on getting the best bang for our dollars and really that's why we're here.

The other reason I'm going to support the budget is that in consulting with the business owners in my ward and the business associations, it became, it is very clear that there is a level playing field relative to the business tax rate that all businesses pay and now whether you own a business in the downtown or you're in Southdale, you're in Windsor Park or you're on Provencher or on Marion, there's a uniform business rate and I think that's very important and that's something that is positive.

I do have concerns with the budget as I always do as I think we all; it's hard to buy into 100% of a huge budget as the operating is. I'm concerned about Winnipeg Partnership Agreement; in fact I'm very disappointed that there is no dollars per se in W.P.A. in this budget. In 2004 there were ten members of the existing Council who stood up and said yes we do support 1.4 million in Winnipeg Partnership Agreement and we have brought this issue to the table. We've discussed it, we've debated it. The Mayor has pointed out there has been some positive initiatives relative to the North End Wellness Centre, I believe at the last Council meeting which is part of Winnipeg Partnership Agreement I'm told and frankly, I believe the Mayor when Mayor Katz says that it's not a matter of if, it's a matter of when, that we find some funding for the issues in partnership with the urban aboriginal community. So that concerns me. It's on the table, it's not going away. We will continue to discuss this issue.

The other concern I have is that I don't get a sense of where we are going, relative to next year, the year after that and the year after that. We know that the majority of this Council are pledged to elimination of the business tax, its 57 million dollars of revenue according to the numbers we have today. I don't know how much we're going to hive off next year, is it going to be 10 million of business tax revenue, is it going to be 15, is it going to be 20. How much of it is it going to be the year after that. More importantly what are those effects on civic services, all the services enhancements I've mentioned. What are those effects of business tax diminution, what are the affects on property tax rates going forward. Those are issues which I understand we couldn't put a three year budget together this year, I'm hoping that next year when we discuss the operating budget we're able to look into the future and, I hope we have a three year budget. Predictability I think is something that's positive not only for our civic services, but for the business out there and we need to look at the plan on where we're going to be in three years.

In closing, I want to congratulate of course Mayor Katz, Councillor O'Shaughnessy, Councillor Leipsic and Councillor Clement. I know that certainly two out of the three have been there for the lean years and have contributed to the surpluses we have today and it's a good job. Thank you.

Mr. Speaker: Councillor Browaty.

Councillor Browaty: Thank you Mr. Speaker. I rise today in support of the operating budget. There are many things in this budget that I think are very, very good and the people in North Kildonan I believe will be very much in favour of what is in this budget today.

First off, property taxes have been frozen, again. Time and time again people have been taxed to the limit. Hearing that property taxes are frozen is very strong. The fairness and equity by bringing the business tax rates down throughout the entire city of Winnipeg, I think is also a very strong move and very much something I can support. And I do believe contrary to what some other people say that this is a clean and green budget.

On the clean side, some things are clean, some things are green but again, there's a lot of really good things in this budget. As has been mentioned many a times, getting the tree pruning cycle down to twelve years, great. The one time spending on new trees, trees reduce carbon emissions, if that's not green I don't know what is. Increased street cleaning, having a city that looks good is so important. I've had the opportunity to travel around even just in the Midwest and you see clean cities and it makes such a difference.

The notion of picking up garbage on the weekends, having a downtown that looks clean on Saturday night because you know it was a mess on Friday night is important. I think that really makes a difference in people's perceptions and people's ideas of what's important in the downtown core and in the city. Things like median beautification, also very important and very strong and small things, well I guess on the other side of things there's also the realization that a lot of green initiatives are capital intensive. Things like investment in transit, putting air conditioning on buses is going to make riding the bus a lot more enjoyable and reasonable during summer months.

And I think market conditions and better services is going to drive people to transit in the years ahead. The fact we've got the downtown Hydro tower going up. Parking rates are going up in a huge way downtown. That's going to drive people onto Winnipeg transit. There's going to be a big extension of express buses in North Kildonan down a big section of the area that hasn't express busses in the past. That's going to make transit more reliable and more efficient for the people up in North Kildonan. Those things make sense, I mean they're small things but they make a lot of sense for the people in North Kildonan.

Again, the city is participating in the climate, in the F.C.M. climate change action plan. Greenhouse gas emissions are on their way down. We'll be hearing numbers on that in the weeks ahead and if there are any problems I have with this budget is I still think there's still some low hanging fruit, some more efficiencies that can be found in the city's operations, I look forward to my colleague Scott Fielding's, Mayor's Economic Opportunity Commission, its going to continue working to fine those efficiencies and reducing business tax to make Winnipeg a more competitive environment to continue doing business here in Winnipeg.

So, again I congratulate the Mayor and the members of the budget team, Councillor O'Shaughnessy, Deputy Mayor Leipsic and Councillor Clement for all of their hard work, as well as the administration. This is my first budget and having a service-based budget I think has made it a lot easier to get my head around a lot of the numbers and a lot of things that are going on. So, again I congratulate you and I look forward to supporting today's budget. Thank you.

Mr. Speaker: Councillor Fielding.

Councillor Fielding: Good morning. I'm pleased to rise today and voice my support for the 2007 operating budget. I'd first like to thank Mayor Katz for his leadership and his guidance throughout the budgetary process. I'd also like to thank Councillor Leipsic from the subcommittee as well as Councillor Clement and Councillor O'Shaughnessy for guiding us along the process, there are long hours in crafting this budget and finally I'd also like to thank administration for their knowledge, expertise and without their experience and sense of things we wouldn't have been able to get to where we are today.

During the last election campaign I heard loud and clear from the residents of St. James they want us to invest in

infrastructure, public safety, tax relief and more focus on green initiatives and I'm pleased the operating budget is a step in the right direction towards addressing some of these priorities. Like many of the residents of St. James, I'm not a downtown City Hall insider, but I was elected to get things done here at City Hall. I promised to make the community and all of Winnipeg a better place to live, work and raise a family. To do this we need to make Winnipeg a more effective, more competitive city, a city where taxes are low, a place where businesses can grow and locate here because of the business friendly tax environment, the city where jobs are created and a place for opportunity for all our children.

This is why I'm very pleased for the 10th consecutive budget in a row we've been able to freeze property taxes and I believe that a number of my colleagues here deserve a lot of credit around the table for the last number of years for being able to do this. Ten years ago we were one of the heavily taxed jurisdictions in the country and to this day we're in the middle of the pack. Hard work, tough decisions and a desire to make Winnipeg a more competitive place have moved us to that realm. So once again, I'd like to tip my hat to the Councillors that were a part of that over the last decade.

While we've made some solid progress, much more work needs to be done. Let's face it, people don't move to a city where we're in the middle of the pack, they move to a city where there's some better economic opportunity that's happening and attract people for Winnipeg business climate. The other side of the tax lever of course is the job killing business tax that's out there right now. I've heard time and time again from small business owners how happy they are that Mayor Katz has made a commitment to kill the business tax over a course of a number of years, you here time and time again, on the businesses, it's a tax on tax and there's no benefits that they're receiving for this service.

The business tax is a (in audible) tax and spend mentality that's existed here at City Hall for far too long. I'm pleased to report that the Mayor's Economic Opportunity Commission is working hard to develop options to offset the, offset the revenues associated with the elimination of the business tax. The final report will contain a solid list of recommendations that we can debate full here in City Council.

Before coming more competitive and creating opportunities, we also need to make business easier to do here in the City of Winnipeg. I commend the Mayor for initiating the Red Tape Commission and also putting a time line working with Councillor Wyatt in terms of implementing all the recommendations associated with that red tape. I think this will send a message to all businesses that Winnipeg is truly open for business. As a small business owner I can tell you first hand the problems that are associated with some of the red tape that are there.

Part and parcel from making Winnipeg a more competitive city, it's also a quality of life issue. We need to make a greener, more attractive city for our citizens, our visitors and potential business investors. I applaud the increased green initiatives such as a tree planting, increased tree pruning as well as reducing the cycle down from forty years to twelve years. I think there's a 180 new planters and new floral installations downtown, another 330 for image routes, increased service levels for litter control and street cleaning. These are all solid and tangible items in the budget that will make us more green.

Turning to public safety, change needs to happen when it comes to street safety. I'm very encouraged this budget makes crime and crime prevention a major priority. I've heard hundreds of stories of when I was campaigning of people that had crime stories whether it's themselves or the neighbours, were victims of crime. Citizens of Winnipeg have said loudly and clearly enough is enough. We need to get the situation under control. This budget is a step in the right direction. It takes action.

Crime has been highlighted in the past few weeks with instances that happened on Wellington Crescent as well in the north end where auto theft has taken and

tried to mow down innocent pedestrians on our streets. We need to get tough with criminals that are doing these crimes; we need to ensure that they're behind bars as opposed to causing the crimes. We know it's the same group of fifty, practically still takes the same group of fifty to two hundred individuals that are one's that are stealing all our cars and we need to ensure that these people are behind bars.

The police can tell you the crime, the criminals are laughing at us right now. You've got the open revolving door justice system that needs to be worked on the federal level and I strongly support the federal government's initiative to impose mandatory minimum sentences for these, for these criminals as well as putting judges or police officers on the selection committee for judges. From a city perspective, I'm very encouraged that we have allocated money for auto theft initiatives in this budget.

Look at the stats, auto theft and auto attempt of thefts have increased by upwards of 21% in my area, division two from January to March from last year to this year. Best practices whether you're using electronic plate, readers or using bait cars, these types of initiatives best practices from other areas are very important to make sure that we have, have and succeed in terms of auto theft. I also support the tracking of these criminals using GPS ankle bracelets. Halifax has done some very good policy, for 100,000 dollars they've invested in these GPS systems, the top 25 offenders in terms of the auto theft are tracked, monitored, they know exactly where they are at that point and if they rip off the GPS systems, then they're violation of their Criminal Code, so they're pulled back.

We must be open to new ideas in crime. We as a city should also look at more, adding more resources to our police team, police officer dedicated to tracking criminals that are out there stealing our cars. I'll fight to ensure that the priorities around, these are priority here around City Hall. CrimeStat is another excellent example of new ideas for crime fighting. I was very pleased that the funding for CrimeStat and the street crime unit was made permanent in this year's budget. It's a work to enhance the crime prevention and increase response services. It would also provide accountability and transparency to our citizens, after all it's their money that we're spending and it's their criminal justice system.

Turning to how we spend money at City Hall, I believe that this is, if not the most important role for us as City Councillors, I can tell you I take this role very seriously. I know that the two million dollars which we budgeted for this year in various administration internal efficiencies are, in real people talk, cuts. While this is a good first step, the question to ask is can we do better. Two million dollars represents .0002 percent of total City Hall spending. I'm sure that there's more efficiencies out there, I suspect there is.

I feel strongly that in future budgets we're going to have to make some tough decisions and look at reducing our spending. Our city needs to be more competitive and ensure that our citizens are getting the most bang for their taxpayer dollars. The time has also come to take a top to bottom review of all the services that we're delivering here as a city. We need to take a very strong and long look at what we're mandated to do and how we're doing it.

This document before us today is a good today budget, but we need to ensure that we're here for tomorrow, ensure that we think about tomorrow. When debating this budget, I think of my young daughter Paige and the people of her generation. We need to ensure that the city that we're leaving is as efficient and smart in terms of dealing with things as when we first came. One time transfers of revenues from reserve funds are helping us today.

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

Councillor Fielding: One time transfer fees of revenues from reserve funds have helped us today but we must, but may not be around for tomorrow to address future needs. We need to ensure the sustainability and provide our citizens with

the best services while spending their money wisely.

In closing this budget represents a good first step towards addressing the needs and priorities of Winnipeg whether it be taxation, crime, the environment, for these reasons I'm happy to support this year's operating budget. Thank you.

Mr. Speaker: Thank you Councillor Fielding. We have four more speakers. Councillor Steeves you're next.

Councillor Steeves: Thank you Mr. Speaker. I want to thank Councillor Fielding for his wonderful words. I really actually enjoyed that speech and his words on the budget. Very well prepared and well researched, it's nice to hear if I could still refer to him as a new Councillor coming into his own so well, very impressive. On an equal note, I want to chastise my colleague from Daniel McIntyre and evil attempt at reverse psychology by supporting the budget, trying to get me not supporting it. That is absolutely unbelievable. I'm not going to fall into that trap, Mr. Speaker, I can assure you. I can assure you.

This is refreshing. I'm hearing a degree of unanimity that I haven't heard in a long time in this Council and I think that's telling, I think Councillor O'Shaughnessy made reference to the lack of people in the chamber and while that's on one hand that's a bit discouraging, I think he's right in terms of his I guess general assessment that if people are overall pleased with the direction of City Hall they're less inclined to come and attend and put comments on the record. I think he's right again when he says that people have grave concerns and heavens knows we've all seen him in this chamber from time to time, they're not shy about coming down and voicing their displeasure which is exactly the way that it should be.

Mr. Speaker, revenue wise, I wouldn't have thought that what we've accomplished as a Council over the course of the last decade was even possible. There's been comments about the, what other cities have tried to do in terms of taxation over the course of the last years and to think that it has been I guess, at least ten years now in that there hasn't been a tax increase for the citizens of this city, is honestly nothing short of remarkable in the context of a large Canadian city. People really should appreciate that this has not been done to my knowledge, in modern history, in the country of Canada. To have a Council that's been this unified over the course of a decade, staying the course and trying to rationalize, get more efficient and achieve the end results that we've had to achieve in the context of not asking the citizens that we represent to pay more money, is really and truly remarkable, it's a testament.

It's a Testament, I think to the people around this table, it's a testament to the administration that supports us and it's a testament to the people of this city who have watched it and been a part of that process as well. Philosophically as Councillor Vandal mentioned, I think we're doing the right thing and that it has been relatively speaking good times over the course of the last several years and these are times when governments should, by definition, I think, be leaning up and becoming more efficient.

There are times in I guess our economic cycles where governments can be expected to spend more money but traditionally and historically and I think properly, those are times of economic struggle and that hasn't been the case over the course over the last few years. I think we're doing the right thing as a city, as a province and frankly as a nation in the way we've watched the money that we're spending. And all the while it's been a process we've been watching our debt, we've been managing that and that's allowed us to free up ourselves in terms of extra revenue.

All in all a really positive revenue structure and although revenue is scarcely a thing that you can talk about in a sexy or positive way especially when it's going well, the real I think, the real triumph of this budget and budgets that have gone before is the fact that we've been able to accomplish what we've been able to accomplish baring in mind all of

those revenue constraints and the service appears to be going up in areas that we've prioritized. I think as a Council we've said this is what's important. This is what we want to do and we've really tried to focus our resources on those exact projects, Mr. Speaker and it's laid out in the budget before you.

As the representative of the Police Service, the Fire Paramedic Service, Community Services and Assiniboine Park, I think I can assure the citizens of Winnipeg that we're going in the right direction in all of those. As a Police Service, although doubtlessly certain specific challenges exist in this city, on a per capita basis, the City of Winnipeg does very, very well comparatively with other Canadian cities across the nation in terms of how many police officers we have in our city, trying to keep our citizens safe. They are of course very professional, competent people doing the very best work that they can and I think on a day to day basis they do excellent work.

We're seeing just over a six million dollar increase in that budget, thanks to our provincial government in large part, who have been great partners on that file and I think I can say globally without going into the specific programs mentioned by Councillor Fielding who presided me, we are doing a great job of policing, we've asked our police service to do a lot more in the course of the last couple of years with CrimeStat now moving into maybe some S.O.R.'s and some different things. We've asked them to be agile, flexible on and on the ground; I think they've responded very, very well.

Our Fire and Paramedic Service remains robust in spite of the fact that we've had some real and specific challenges over the course of last year, some, one particular incident that made things very, very tough on the service. I think as we come out of it, the service is to receive just over five million dollars in additional funding, again it's positive, could always use more, always striving to achieve better and better and better response times, ours are competitive Mr. Speaker, it could always be better but I think in terms of the service the people in this city receive, very, very strong.

Same thing in our Community Services Department, we had some specific issues at committee and coming through the budget on museum funding and the like but as you know it's one of those situations where money is always very, very difficult to come by. Sometimes we can say yes, sometimes we have to say no and that's just the way it is. It's never a reflection on what we think are good programs, it's just often the fact that we simply cannot fund as many things as we want to fund, Mr. Speaker.

The Assiniboine Park process is going through a new governance model. We had to sort of kick that back a notch I suppose; we had to do a little bit of work as a Council like we had to do for this budget. I'm hoping we can come out of that process with a positive resolution on Assiniboine Park and it may be Mr. Speaker that ongoing we have to find a little bit more revenues to support that very important piece of our city, the jewel of the city as a lot of people like to call it. So look for that in upcoming months.

To our provincial partners, I want to begin with a thank you with respect to the police and file. I think they've been more than fair on that file. I know we have our challenges in other areas but they should be acknowledged as being fair partners in good support in that area, we couldn't have gotten to this point in terms of policing without their support. They've been good friends on that.

Just two things maybe as constructive criticism, we're probably are coming into a provincial election. It would be nice if we could have again a robust, candid and up front discussion about school taxes on our tax roles that should be part of the discussion that goes forward in the provincial election and I hope it is, it generally is. You know they've done some work outside of Winnipeg. You know that Winnipeg remains; Manitoba remains the jurisdiction in the country with Saskatchewan that has proportionally the very highest percentage of school taxes

and school revenue on the local property tax rolls.

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

Councillor Steeves: And there's fully five provinces and territories, Mr. Speaker, that have no school taxes on their local rolls and imagine the competitive disadvantage when Councillor O'Shaughnessy talks about how Calgary has gone from here to here, well the truth of the matter is, you would think that in the normal context, while we've stayed flat, that this would make us way more competitive, but I think when people who are comparing cities look at things like the tax roll, the tax assessment that goes along with a certain house. They don't distinguish between the school and the property taxes and the competitive advantage that we should enjoy Mr. Speaker, simply doesn't get credited to us and it's really too bad. What we're saying, move us from the 45, 50% where we are now, drop it down to around 25% if you want to maintain that local autonomy.

If you watched the federal budget as well yesterday Mr. Speaker, you would have noted that there was an unprecedented level of transfer funding from the federal to the provincial level. I don't think we've ever seen anything like this in modern history and therefore programs of social service and things like that, from a community perspective because we're having so much problems with our recidivism, car thieves, people coming out and just going through that revolving door as was mentioned, I'm hoping that some of this funding will maybe find its way into policing, but also into those programs where they're dealing with these young people in a social services type of milieu to try and ensure that they're not becoming re-involved in crime whether its through probation, recognisance, or where ever the tools are available to them which I'm sure are overtaxed right now.

With that Mr. Speaker, I'll stand down; I offer my support with thanks to our administrative team. Councillor Clement, I was sorry that Councillor O'Shaughnessy going through what he's going through wasn't able to be as a part of it as we would have liked him to, but I guess life is sometimes like that. It's been a great experience. I look forward to the ongoing co-operation of Council with respect to these budgets. They are obviously one of the most important things we do.

Mr. Speaker: Thank you Councillor Steeves, right on time. Councillor Thomas.

Councillor Thomas: Thank you. First I want to say that finally service-based budgeting, something that I've been asking for, for eighteen years, I am so happy to see this. While some maybe, some may see it as a matter of form rather than substance, it's significant to have this form in order to make it not only more understandable to the citizens, more accountable for the services that we put in.

And I also wanted to say that increasing services, increased street sweeping, ploughing of sidewalks that is much appreciated, I'm sure in every part of the city. Partly, it's from being able to access excess reserves and partly it's from increased revenue from the province, but I'm really pleased to see an additional 28 million dollars in revenue in the budget this year. I'm pleased that we have not had to endure the nickel/dime increase to transit fares. I'm delighted that there's more money for arts, I'm delighted that we've kept the housing initiatives in there. I'm pleased that our reserves are now fully funded. There was some efforts made to do that awhile back and it's nice to see that those reserves are now being able to put back into operations.

I also have some concerns. The first concern I have is that I will agree with the one delegation that we had here today, that we definitely need to have more community consultation up front with regard to the directions that we're going in and also more consultation with Councillors. Previously we had implemented priority setting sessions, where Councillors sat around for a day and talked about let's not focus on what we disagree on, let's focus on what we

agree on and establish five priorities, we came out with a series of priorities which was housing, downtown first, more money for police operations, more dollars for works and operations. Those kinds of initiatives that we talked about and we established that we haven't done this, this Council hasn't done this and normally that happens within a month of a new Council being elected and we've now been here over five months and that priority setting session has not occurred with all of us and I certainly would like to see that. That would have been helpful in establishing both the operating and the capital budget in setting our priorities.

Yes, we're clean but we aren't green. We should be talking about some initiatives that we could do with the community, perhaps even providing incentives for green initiatives. We can become a model after all the institute for, the International Institute for Sustainable Development is here. Let's consult with them about what we can do. We don't have the great largesse that the federal government has. We don't have even the revenues that the provincial government has, but we have noted how a few dollars can go a long way, so let's think about that. And a number of these initiatives that I'm bringing forward has to do with not having the opportunity to raise it in an all day seminar which we have done in the past.

I am uncomfortable with the arbitrary decision to reduce by another two million dollars the management team without saying where it's going to come from, how we're going to do that, I'm very uncomfortable about that. I don't want us to do that again.

Environmental mosquito controls. If we're really going to be green, let's be green. Sometimes doing the right thing will cost a bit more money, and I think that environmental mosquito controls, making a healthy environment for our children and our grandchildren are important. Let's do that.

I would have liked to have seen more thoughts about transit. We stabilized transit but I think we should actually be looking, if we're really going to talk about being green and reducing the head times and adding routes and by not letting rapid transit continue to languish. Get it started. Take the route that's going to the university and get it started right away.

Several people have mentioned, measured, mentioned the S.O.A.'s and, that was a mistake when we set them up, from the amount of demand that we're making of the S.O.A.'s to bring back to the city. It was surprising to find out that even though there had been a profit made in our, some of our reserves, that because of the amount of money that they had to give back to us, they ended up having to borrow and that's not good. While we certainly would like our S.O.A.'s to continue to distribute to the city, not at compromising those initiatives.

Libraries, I'm glad to see 50,000 dollars more to the collection. It was definitely important that we do something about that, but we should be looking at where we are in terms of other municipalities across the country and we haven't had that discussion or that analysis with regard to how library services are operated across the country because we are still very low when you compare us across the thirty-four major operating systems, we end up coming 28, 29, 30, 31, we should be looking at how we're doing that. And our number of hours, did you know that the regional libraries are closed at six o'clock on Fridays. This is when a lot of kids do research. They have to go to the downtown library; perhaps having the regional libraries open in our community up until nine o'clock on Fridays would be a way to start.

The aboriginal initiatives, 1.4 million, let's not just talk about it, let's just do something about it. I had been told in the past that we were.

Mr. Speaker: Councillor Pagtakhan moves two minute extension, all in favour, contrary? Carried.

Councillor Thomas: Thank you. I had been told that we were doing something about the aboriginal initiatives. This is the largest population of aboriginal people in any city across Canada is here, and I

think having 1.4 million dollars to focus on what the aboriginal community needs is important and we have to start doing that.

Finally, the inner city workers that were cut last year from eleven to seven, I notice they've been kept at that level. We've got to look at putting more back here. It was to helping our youth at risk and to helping the inner city youth, at a minimum get it back up to eleven again. I thought it was quite ironic at the times that I'm looking at, a community centre in the most high need area in my ward, that we have a Minister from the federal government come down here and announce more dollars for at risk youth. We're sending mixed messages out to our community and it would help if we got together and discussed it as a group so we could solidify our direction.

Given all that, given the concerns that I still have, but my satisfaction with some of the initiatives that have been brought forward, I'm giving this budget my support but I would really like to see these concerns addressed in next year's budget. Thank you.

Mr. Speaker: Thank you Councillor Thomas. Councillor Pagtakhan.

Councillor Pagtakhan: Thank you very much Mr. Speaker and I just want to say to thank to all my colleagues who have spoken before. I think a lot has been said so I'll keep my comments brief. I'm glad to hear that with regards to the Special Operating Agencies, that we're going to be looking at distribution policy. We really don't want to see our Special Operating Agencies tread water. We want to see them flourish and evolve in a positive way and to actually make strategic investments in their particular operations.

Regarding this budget, I'm very pleased with the budget actually, there's a lot of good things to say about this, but I'm particularly pleased about three things here. That we're having an increase in the materials budget for the libraries and I'm glad to hear Councillor Thomas talking about where we are, nationally. I think we're actually about twenty-ninth out of sixty-four place nationally and there's a long way to go, but I know that there's a lot of work that we need to do as a Council working with our Library Department to actually increase our materials budget on a go forward basis, but this year I'm glad to see that there is an increase in that budget and I'm very pleased about that.

As well I'm mostly pleased about the operating dollars that are going into the community centres. I think that's definitely a good thing to increase the quality of life for our citizens in our communities and I also want to thank Mayor Katz for his commitment to making Winnipeg a national leader across this country as it relates to affordable housing and E.P.C.'s commitment and the Mayor's commitment to providing another million dollars towards affordable housing initiatives.

Also, I'm also very happy to see that there's organizations have come to City Hall here and City Council to make delegations in terms of increasing their funding and that, they've actually been listened to like Heritage Winnipeg, the G.C.W.C.C., the Winnipeg Boys and Girls Club and Take Pride, I know that all those organizations are wonderful initiatives for Winnipeg and wonderful projects, I want to thank the Mayor and E.P.C. for their work in listening to those organizations and actually finding some dollars to make it happen for them.

So with that I'll just want to end my comments and say that I'm, congratulate Councillor O'Shaughnessy, Clement and Leipsic as well as members of the administration and E.P.C. and Mr. Mayor for a job well done. I will be supporting this budget, thank you.

Mr. Speaker: Councillor Wyatt.

Councillor Wyatt: Thank you Your Worship. I just want to add to a lot of the comments made today on the budget, it looks very positive and I think that's well based. This is clearly a budget that listens, Mr. Speaker and more importantly I think it's a budget that listens but it's also a Mayor and Council that listens.

You will recall last year at the City Summit that took place, at the City Summit, some

very core ideas, some major issues came out of that summit involving citizens of our city, leaders in our city, concerns with regards to improvements to downtown Winnipeg, concerns with the need for City Council to concentrate on core civic services and also to make our city a city of opportunity.

We have in the last number of months made strides in all of these areas, including today. We, before Christmas we voted on the city of opportunity platform which will move us in the right direction to make Winnipeg competitive and open for business and as well a place for young people to stay and to grow and to raise families. We've through our successive capital budgets made core services, Mr. Speaker, a primary responsibility and a big part of the budget picture.

Bridges and roads and sidewalks and lanes, they may not be sexy but they are something, Mr. Speaker which we have made a priority because we know that they are a priority to the citizens of Winnipeg and we have heard them. And now, downtown as well, with regards to downtown improvements that a major issue that came out of the City Summit last year, we have in this budget, Mr. Speaker, an increase, city wide 500,000 dollars more for graffiti removal, including a big focus on heritage buildings in downtown Winnipeg.

Downtown litter collection services, an extra 100,000 dollars for seven days a week litter collection in the downtown. Tree planting, 250,000 dollars, Mr. Speaker for tree planting, 165 new trees in the downtown alone. Tree pruning, 920 trees in the downtown, extra funding for the pruning of those trees to ensure that our downtown looks beautiful. Street sweeping, 350,000 dollars, street flushing and sidewalk flushing, I didn't even know what that was until this budget. We had this in the budget. 50,000 dollars for street flushing and 100,000 dollars for sidewalk flushing involving one of our partners, the BIZ, in this program. Litter collection, 60,000 dollars, Mr. Speaker, litter collections but teaming up with the BIZ zone again and the Boys and Girls Club potentially to do litter collection.

An education campaign about not littering, involving Take Pride Winnipeg, 25,000. Flowers and image routes, thinking of Councillor Smith there, 94,000 dollars, almost 95,000 dollars in the downtown and Exchange snow removal improvements, almost 100,000 dollars Mr. Speaker, to improve the snow removal in the Exchange District specifically with regards to sidewalks and the concerns raised there.

This is a budget that is listed, a million dollars Mr. Speaker in the budget for housing. That's significant, this is the first time we've put money in the operating budget for housing which we've budgeted for and we have not had to rely on surpluses. In the past we've always done it on the basis if we have a surplus, the money goes to housing, now it's in the budget and its there. That is a significant commitment by this Council Mr. Speaker.

But we also have I'd like to think that, all I'm going to say, an E.P.C. that listens, an E.P.C. that's listening also to members, all Members of this Council. When Councillor Pagtakhan came forward and raised the issue with regards to snow clearing in the Exchange District, we've addressed that concern. Councillor Smith budget after budget has raised and rightfully so, raised the issue with regards to tree pruning, we've listened, going from thirty-seven years or forty-two years, I'm not too sure what it is, Harvey, down to twelve years tree pruning cycle.

Councillor Gerbasi came before Standing Committee and raised the issue of planters and the need for more secondary planning and we listened, we put 100,000 dollars, amended the budget and added 100,000 dollars more for secondary planning. Is it enough, no, but it's a start. Councillor Vandal, the issue with regards to Pendergast Centre in his community, always on the agenda and never gets solved, it's being solved. And Councillor Thomas, as she rightfully says, she's been pushing for service-based budgeting for years and now we've listened.

It's, I think it's a significant budget, Mr. Speaker, because of the fact that we have a Council that I think is working

together. I've been here now, this is my fifth year and I can honestly say that, this is the first time where we've had a discussion and a debate on a budget where we've had this kind of support and I think it's there because we're working together and I welcome that and I think our citizens of our city welcome it and I think it's positive, our challenges we have Mr. Speaker are great, we know that and they'll be great today, they're great yesterday and they're great, they'll be great tomorrow.

But the reality is Mr. Speaker; I think the public has very little patience for infighting and bickering. They want to see us working together, they want to see us pulling together, they want to see us co-operating. And we're all of different political stripes, Mr. Speaker, N.D.P, Liberal, Conservative, Independent, maybe Green, I don't know, but the fact of the matter is, Mr. Speaker, we are a Council and we're sixteen members working together and we're working together in the right directions for the citizens of Winnipeg.

Has it been made easier because there's a little bit more money, absolutely, absolutely, that always helps, doesn't it Mr. Speaker, but the reality is we work together when it came to deciding how we can do that, that's the crucial thing. Didn't have to be that way and I've seen Councils in the past, okay, a number of years ago where it wasn't, we're working together and I think that's a wonderful thing and I congratulate all members of Council, E.P.C., non E.P.C. Members of Council, the three Councillors who work behind the scenes to pull together this budget, I'd like to thank the administration for all their hard work and due diligence, because they do a tremendous job. Being on E.P.C. now, I can see more of that than I did before and it's very impressive and of course His Worship the Mayor, who's led this and who's made this possible today and who's made it possible for us to endorse this budget which I believe by the sounds of it will be unanimous.

There's one remaining black eye Mr. Speaker, that I will speak to, because my colleague from St. Vital did raise it and we will be discussing it again tomorrow and that's school taxes and the school taxes issue has not gone away. It's still with us. It still makes our city uncompetitive with regards to our property taxes. Tomorrow Councillors, we're going to have where we're required by law to vote on this by the province. We have no choice, if we vote against it we've been told, we go to jail or loose our seats at the very least and Mr. Speaker, tomorrow I'm sad to say, that we're going to have to vote on a special levy coming forward of school taxes going up an average of 4.2%. Another 15 million dollars being collected from the citizens of Winnipeg for the school divisions. That now, Mr. Speaker, means the school taxes as of that vote tomorrow will be, or because of the votes of the school division will be 53.5% of the total property taxes in Winnipeg, the average home owner will be paying 53.5% Mr. Speaker, on the property tax bill to school taxes.

That is going up every year, every year and I hear what, the concept of going down and saying right, let's reduce it down, work out a formula and bringing it down 25%, until the issue with regards to the school divisions and their uncontrolled spending is solved, if we bring it down to 25.

Mr. Speaker: Extension of two minutes, all in favour, contrary? Carried.

Councillor Wyatt: If we bring it down 25% the reality is Mr. Speaker, in ten years we'll be talking about it again because it'll slowly creep back up again and it won't be solved. It's unsustainable. It's out of control and we as a Council have to stand up with all the other municipalities of this province and say this is ridiculous, this is got to end.

Our house is in order, Mr. Speaker. Our house is in order. The province demanded for years that our house be in order, our house is in order. I would dare say our house is in order today more than it ever has been since Uni-city, January 1, 1972, Mr. Speaker. I think you may remember that, Mr. Speaker. Our house is in more, and you can correct me if I'm wrong, but I would say our house is in

order more today than it ever has been in twenty-four years, twenty-five years, Mr. Speaker and yet, you know, and yet, thirty-five years actually, and yet, Mr. Speaker, the reality is we still have this huge problem that is actually ironically paying for the education of our young people who then, for instance Statistics Canada, are moving to other jurisdictions, not probably because the taxes are lower, but are moving to jurisdictions where the property taxes are lower and that's the irony of irony.

So we have to lobby the province to say enough is enough is enough. That is the one black eye that we still are dealing with and it's not our black eye. It's the provincial government's black eye, it's the city's black eye by default and we have to resolve that issue Mr. Speaker, and it's not the fault of this government in power, it's government after government whatever political party's in power, this has been an issue. We have to help them find a solution but we have to do it now. Thank you Mr. Speaker.

Mr. Speaker: Thank you Councillor Wyatt.

Councillor Wyatt: Oh, and I'll be voting for this budget.

Mr. Speaker: Thank you. Thank you. I hope so. Councillor Nordman.

Councillor Nordman: I rise before you today, Mr. Speaker, to support this budget and not to prolong this love-in that we're experiencing this morning, I'd just like to share some of the comments that Councillor Steeves and Councillor O'Shaughnessy did make, that I think we kind of feel like Jeff Stoughton and Glen Howard at the Hamilton Brier today because there's nobody here to really experience this.

It's good news. I'd just like to comment on three things. Number one, the constituency that I have come from in my business life, are very excited about the expansion of the business tax reduction to include all businesses in the city not just the centre of the city, so congratulations to the committee for taking the wisdom and making that decision.

Also, two of the boards that I sit on, Take Pride Winnipeg and Heritage Winnipeg, are most appreciative of the new funds that they've received. In Heritage Winnipeg's case it's been dozens of years, according to them, since they've seen an increase. So I think we're supporting agencies that do great work in this city of Winnipeg.

I congratulate all of my colleagues on City Council that worked so hard to make this happen. As a rookie Councillor, I think it's interesting to be able to come in with this type of budget presentation and not have to switch my paradigm from whatever it was before. So, going forward I think this is a real opportunity and I certainly agree with Councillor Vandal's proposition and Councillor Gerbasi that we should be looking two, three years out to, as we go forward. To the administration and the support that you've given our Finance Committee, I do appreciate it and I will be supporting this. Thank you.

Mr. Speaker: Councillor Clement, you're the last speaker.

Councillor Clement: Actually I don't think so; I think the Mayor's going to sum up.

Mr. Speaker: No he's closing, he's closing Bill, you're the last speaker.

Councillor Clement: Thank you Mr. Speaker and it's a wonderful day. It's a, I think it's a, Mr. Speaker, it sounds like anyway we haven't had the vote yet, but I think the last time there was a unanimous vote on a current budget was 1987, so that's pretty neat.

Before I start, Mr. Speaker I'd like to as well thank our staff sitting behind me and a few others. I know that over the course of the budget meetings and I've been in most of them for the last twelve or thirteen years or so, I raise their stress levels in many of the meetings, and I don't do it for all the wrong reasons, Mr. Speaker, because they always find ways of helping me out and they walk in with gobs of new information the next, at the next meeting to be very helpful, so it's always been an interesting time going through the budgets.

An interesting thing happened a few years ago. We started looking at this whole issue. When I first got here, we were borrowing 100, 110 million dollars a year to spend on capital. And if you think about that and you borrow 100 million dollars and then another 100 million and another 100 million and you think about having to service that kind of money, it's incredible.

I became the Chairman of Finance in 1989 and I had it all explained to me rather slowly because I, there were a lot of nooks and crannies in this building that I hadn't seen yet and over at the administration building and I got it and I started thinking about the longer term and it took awhile to get a little bit of momentum going, Mr. Speaker on that, but we finally got some in the 90's and the mid 90's under Rick Frost's guidance, at the time and finally in 1998, there was a meeting of Council held in the Radisson Hotel and seven members of this chamber were in that meeting that day. And there were three initiatives that were voted on as the top priorities and one of them, Mr. Speaker, was that we weren't going to borrow any more money.

And it's really nice to be able to see that people that are elected on three and four year cycles could stick to their guns like this and myself, I appreciate it a lot because I believe I understood the numbers very, very well and I think that most people would put me a little bit right of centre, Mr. Speaker, although after this last election, I think I'm a moderate around here. Who'd thought, eh?

But the fact is, is that most of the people that are in this room that stuck to their guns and some others that have moved on, were a little left of my thinking but they saw the wisdom in not borrowing the money. Do you know that in 1998, the debt servicing that year was 126.9 million. That's right off the top of the current budget, gone, out the window, other than the 35 million of that that we were spending on capital. And the projection in only four years from that date was that in 2002, it was going to be 157 million dollars right off the top to service the debt if we kept on going.

But we didn't and we turned that around and what that's done now today is that number has dropped from 126.9 down to 99.5. But what's interesting is, inside that number, the cash to capital has increased by 17 million dollars during that time and it's continuing to grow and the other one is continuing to drop and the net effect on all of this, the net difference in debt payments today verses then is 44.8 million dollars. That's 44.8 million real dollars that we in this chamber had to spend this year that we didn't have in 1998. And that's what's happened over the course of this time.

So I congratulate the other six of you for hanging in there with me on that program because it was well thought out but tough to sell to people who had to bite their lips when we were cutting services and other things at that time. But I think we did the right thing to buy ourselves some time and I think it's proven out and I'm very, very proud of where we are today in terms of that.

As far as some of the things that we hear about, I mean Russ talked about a lot of the numbers. It's clear we're spending more money on services this year than we have for a long time. And you know it's tough when you choose words sometimes. I guess when I spoke I should have said the city was going to be clean and pretty. I never ever talked, when I spoke, about the environment, but I guess if you are environmentally friendly you own the word green. I don't know, but that's not where we were coming from, that's not where I was coming from anyway.

I understand the issues and I certainly support them, in fact, Mr. Speaker, just last Wednesday I think it was, Councillor Steeves had a list and I wish he would have brought it today and sent it out to everybody, but it was about this long of initiatives that the city has entertained environmentally over the last number of years and it was an impressive list of things. Certainly nowhere near what we have to do as a community to move forward in that regard, in fact the world from that aspect, but the fact is, is that

we've done a lot of things environmentally.

If that's not what this is all about, so I'll change it. I'll call it clean and pretty if that makes a few people feel better about it, but the bottom line is, is that we are spending more money on services and I always thought that planting trees and pruning trees and planting flowers and cleaning up the dirt was making things look a little nicer and I think that what this budget does is follow through on those things.

But a couple of things I'd like to clear up. First of all, the fiscal stabilization reserve and mill rate stabilization reserve are sound and they are at the level that they have to be at. The nine million dollars that we took out of those two reserves, Mr. Speaker, was not raiding the reserves. It was raiding the surplus in the reserves, if you have to use that word which I find a little bit distasteful, the fact of the matter is, is we took the surplus off of the top that wasn't required for those two funds. It's that simple. There's no magic to it and I actually set it up front, I said at the seminar with Councillors and I said it at E.P.C., there was nothing hidden or clandestine about it, it was right up front, here's where we're getting the money.

Mr. Speaker: The Mayor moves a two minute extension, all in favour, contrary? Carried.

Councillor Clement: Workers compensation, the surplus, three million dollars, we raided it, Mr. Speaker. Well the fact is, is that it was surplus money as well but this is the other interesting thing about that, and you know, I read these things in the paper from time to time and it's not that what they state isn't accurate, it's just not the whole story, and as an example, while it's true we took 2.9 million dollars out of the workers compensation surplus, what did we do with it, Mr. Speaker, what we did was we said how much is in this budget that's one time money.

We talked about the Henteleff Nursery today, it's being moved, its a million dollars. Well are we going to have to spend a million dollars next year to move the Henteleff Nursery, no, in five years, no, in ten years, no. Its one time money. The tree pruning we put an extra 500,000 dollars into it, we did it one time. Whether we can keep that kind of money in it next year, I don't know, but we had it this year. Where did we get the one time money from, we got it from the surplus in the workers compensation account.

We didn't raid the workers compensation account. We didn't use it stupidly. We took it and we used it against one time items that we don't need money to spend on next year. So, that's the part you didn't get to read because they probably just didn't allow enough columns for the poor people that were writing that column. And that's the way it goes sometimes.

I want to also talk about this W.P.A. thing that Dan Vandal raised because it's an important issue. First of all, I don't vote for things without thinking about them and I don't do it lightly. I want to, I'll do this as quick as I can, Harry. We've already identified 23.6 million dollars of our 25 million, has the province identified their 25 million to date in this five year program. I don't think anybody in here can answer that.

But we've identified 23.6 of our 25 million and the other 1.4 is over five years, it's not meant to be 1.4 million in this council year. That's only 280,000 dollars over a five year deal and we could throw in what we did at the north end Y was 250,000 dollars, never mind the 365 we chewed in taxes, the 6.4 million we're going to spend on a new community centre at that old X. Who do you think's going to be playing out of that community centre, you know. We're not even counting that money. We're way beyond where we're supposed to be with that and everybody is saying we're going to spend the 1.4 as well but we have to organize ourselves and come forward with the proper program, so I wouldn't lose a lot of sleep about that one. I think we're going to be there for that.

I have to close I guess Harry, but I'd just like to say that it's really nice to be able to have a budget, hopefully unanimous and see everybody trying to work as well together. No documents ever perfect and nobody said this one was, but it's a lot

better than I've seen for a long time and we're getting a lot of fruit and if I understand yesterday's budget, Mr. Speaker, the program, the infrastructure program federally is going to be increased by five years and that's another, if it's the same numbers, another 40 million dollars a year for five years in capital that's not in our budget, oh and ten and beyond. Thank you, Mr. Speaker and certainly I'm supporting the budget.

Mr. Speaker: Thank you Councillor Clement. Before I call the Mayor to close, I would like to, all 15 Members of Council have spoken, all have spoken positive. I'm one that did not speak; Councillor Smith had said this is his first budget that he'll be supporting. This is the first budget for me in operation, in operating that I will not speak and I've not spoken.

I'll be supporting the budget but mainly, Mr. Mayor; oh do you want me to maybe to speak? Councillors, I would like to say this. I want to thank you, Mr. Mayor, for the two seminars that we had with the administration, I think that was very helpful and I want to thank you and especially Brian Kelcey, you were very instrumental in getting that arranged and also to the administration, thank you, to the Clerks, thank you. Mr. Mayor, closing remarks before we vote.

Mayor Katz: Thank you Mr. Speaker. My belief has always been that man is a goal oriented being and after my first operating budget, I set a goal that during my term as Mayor that I will hopefully, along with the administration and E.P.C., get the support of Councillor Harvey Smith on an operating budget.

I am very proud to say that has happened, Mr. Speaker. But I'm even more proud to say as a result of the conversation I've heard around the Council chambers today, that this will be the first time in twenty years, Mr. Speaker, it was actually March 26, 1986, where Council approved an operating budget unanimously. I'm very proud to hear the comments, I'm also proud to hear some of the concerns and what I'd like to do at this particular point in time is try and address two of the concerns that were raised here today.

Councillor Gerbasi was very accurate in saying there is 1.5 million dollars that is not in the budget in order for us to speed up the process where we no longer have to use durasban. That is an accurate statement and it was our goal to phase it out as quickly as possible. There has been a change made, but as we all know, it's supposed to be phased in over a period of time and although I believe it was 68% durasban that's being used, just for clarification, that is being used in areas where there is no residential development and there is no public in those areas, so it is being used in a very defined area at this point in time and our goal is to complete that phase out program and no longer use durasban.

The other area was the area of the Winnipeg Partnership Agreement and the aboriginal component. Mr. Speaker, I can tell you that our commitment is for 25 million dollars. You can play with the numbers, 23.6, plus the 1.4 adds up to 25. Out of that 25 million Mr. Speaker, there are four components. The aboriginal component is a very significant one and they're all divided approximately equally. I can tell you today at this time, the city is well on its way to completing over 50% of that commitment to the aboriginal component with three years left to date.

I have no doubt in my mind that we will fulfil that commitment, and I hope that people will realize this is not a 1.4 million dollar issue, this is 25 million dollars and the facts are, it is one of the components, I think we all know how important it is and we will most definitely fulfil that commitment of the aboriginal component.

I can only say it was very positive to hear the comments, both constructive and on the negative side. I call them concerns, as has been said by many Councillors here, there is no such thing as a perfect budget, but I do believe that the committee, along with the administration, along with the Councillors, along with the public, have tried to take everything in consideration and to make this a very good budget. Not a perfect budget, Mr. Speaker, but a very good budget and I thank everyone for their input and I thank everyone for making this a very monumental day and

on that, Mr. Speaker, I will sit down. Thank you very much.

Mr. Speaker: Councillors on Item number 1, the 2007 operating budget, recorded votes. All in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

City Clerk: Thank you, it's a unanimous vote. Congratulations, Mr. Mayor. Okay Mr. Mayor, we get down to the end of agenda, By-laws.

EXECUTIVE POLICY COMMITTEE CONSIDERATION OF BY-LAWS

Mayor Katz: I'll move that the following By-laws be read a first time Mr. Speaker, By-laws No. 47/2007, 48/2007, 49/2007 and 84/2007.

Mr. Speaker: All in favour, contrary? Carried.

Clerk: By-laws No. 47/2007, 48/2007, 49/2007 and 84/2007.

Mayor Katz: I'll move that By-laws No. 47/2007 to 49/2007 both inclusive and By-law No. 84/2007 be read a second time.

Mr. Speaker: All in favour, contrary? Carried.

Clerk: By-laws No. 47/2007 to 49/2007 both inclusive and By-law No. 84/2007.

Mayor Katz: I'll move that the rule be suspended and By-laws No. 47/2007 to 49/2007 both inclusive and 84/2007 be read a third time and that same be passed and ordered to be signed and sealed.

Mr. Speaker: All in favour, contrary? Carried. Councillor Smith moves adjournment and madam clerk roll call.

ROLL CALL

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

Council Adjourned at 11:36 A.M.