REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

DATED MARCH 3, 1997

On motion of Councillor Silva, Clause 2 of the Report of the Committee on Finance and Administration, dated March 3, 1997, was considered.

Animal Services By-law Amendments
File EL-4 (Vol. 27)

885 - 2. Council in May, 1899, passed a Pound By-Law which included a section proclaiming that every dog in the city be licensed. That requirement has remained in succeeding by-laws, including a consolidated Pound By-law No. 262/73, passed in January 1973, following amalgamations of the various municipalities, and the current legislation, the Animal Services By-law No. 2443/79.

Renewal date for dog licenses has been fixed for several years at January 1. Proof of a rabies vaccination prior to licensing a dog was incorporated in the 1973 By-law, as a result of concerns expressed by residents of undeveloped rural areas in Assiniboine Park and St. James Assiniboia.

The Animal Services Division has identified five goals that are fundamental to its core business function, customer service improvement and financial stability, as follows:

- Increase public awareness and participation
- Improve public image
- Improve customer service
- Increase the health and safety of neighbourhoods
- Become financially self sustaining

In order to reach these goals amendments to By-Law No. 2443/79 are required to improve the licensing process for both customers and administration and reduce the taxpayer burden.

Staggered Licensing and Payment System

January 1 is the current date for renewal of dog licenses. A new tag is issued annually, upon payment. Presently, payment is by cash or cheque, in person or by mail, at Animal Services, or the Winnipeg Humane Society, or Kindness Kennels, or the License Branch, supplemented with the rabies vaccination receipt.

The recommended amendments would result in a renewal date based upon the first letter of the dog owner's last name, (see Appendix "A") thus staggering renewal dates throughout the year. Complaints have been received with respect to the January 1 date, citing inclement weather, and proximity to the Christmas season. A stainless steel "permanent tag" issued at the time of the first license payment, and revalidated annually, would replace the annual tag. In addition to the forms of payment now accepted, if the rabies declaration requirement was removed, banking institutions and ATM's would be viable methods of payment, as well as allowing customers to use debit/credit cards in person or over the phone.

Rabies Vaccination

At the present time Winnipeg is one of two cities in Canada which requires proof of vaccination prior to licensing. This requirement is not an inducement to either purchase a license or have a dog vaccinated. The City of Winnipeg issues approximately 10,000 dog licenses annually. Approximately 50,000 dogs are vaccinated annually. The total dog population in Winnipeg is in the 85,000 to 100,000 range.

Report of the Committee on Finance and Administration dated March 3, 1997

Under current legislation, approximately 800 dogs are released unlicensed from impoundment at Animal Services, due to the lack of proof of vaccination. Owners are cautioned that they have five days to return with the vaccination receipt and purchase a license, or be subjected to charge under the By-Law. This results in the owner either ignoring the warning and having Animal Services staff tracking the situation, and prosecuting the owner, or the owner complaining about the cost of the vet and the license in such a short time frame. In addition, the City loses approximately $20,000.00 in revenue.

Approximately 2,000 dogs are adopted from the Humane Society annually. The Humane Society does not provide a rabies vaccination service. Owners who return to the Humane Society with a vaccination receipt receive a "first year free" dog license. This service costs the City of Winnipeg approximately $30,000.00 annually.

The Committee on Finance and Administration was advised that any initiatives to improve license sales are severely impacted by the requirement for proof of vaccination. Only 10 to 15% of the total dog population is licensed. Dog owners appear to realize the importance of maintaining their dog's health, as the majority of dogs are vaccinated. However, there is no relationship in the owner's mind between vaccination and licensing.

Education and advertising programs similar to those in other cities in Canada are necessary to raise this issue publicly. Animal Services does provide a quarantine process for all animals that bite, and a monitoring process to track rabies is in place. Animal Services is prepared to work with local veterinarians and the Humane Society to develop a long term education program dealing with the licensing and rabies issues.

The Committee on Finance and Administration referred this issue to the Ad Hoc Committee on Licensing and Animal Control, which Committee recommended that the requirement for a rabies vaccination prior to licensing should still be maintained.

The Committee on Finance and Administration also did not concur in the recommendation of the administration to remove the requirement for a rabies vaccination prior to licensing.

License Fees

The last license fee increase was in 1988. To partially reflect the 31.3% increase in CPI since then, it is recommended that a 20% increase be implemented, increasing annual license fees for whole dogs from $25.00 to $30.00, and sterilized dogs from $12.50 to $15.00. For comparative purposes, Vancouver's fees are $54.00 and $34.00, Edmonton's are $42.00 and $18.00 and Calgary's are $36.50 and $22.50.

The Committee on Finance and Administration referred this item to the Ad Hoc Committee on Licensing and Animal Control. On February 20, 1997, the Ad Hoc Committee considered the matter and heard representation and reviewed briefs from Dr. Grant Spearman, President, Manitoba Veterinary Medical Association, Mr. Wayne Bellingham, President, Manitoba Association of Dog Owners, and Ms Doreen Nevraumont, Provincial Director, Canadian Kennel Club and Ms Susanne Oliver, Manitoba Association of Dog Owners. The Ad Hoc Committee concurred in the administrative recommendations to increase license fees. The Committee on Finance and

Administration also recommended that a two-year license become an available option for pet owners who may wish to purchase one.

Sale of Licenses by Veterinarian Clinics

The Ad Hoc Committee further recommended that the Animal Services By-law be amended to accommodate the sale of Dog Licenses from Veterinary Clinics and that Veterinarian Clinics charge a fee of $3.50 for issuing a dog license, which fee would be paid out of the license fee. The Committee further recommended that the Veterinary Clinic would fax a copy of the License being issued to the Animal Services Division on the day of the sale, and would be required to reimburse the City on a monthly basis for license fees collected.

Voluntary Registration of Cats

In addition, the Ad Hoc Committee recommended that a voluntary registration of cats be implemented by the City, in cooperation with veterinarians, so that pet owners could be notified immediately if the cat was turned in to the Humane Society or the Animal Services Division.

Report of the Committee on Finance and Administration dated March 3, 1997

The Committee on Finance and Administration has concurred in the recommendations of the Ad Hoc Committee on Licensing and Animal Control and submits same for the adoption of Council.

The Committee on Finance and Administration therefore recommends:

I. That the Animal Services By-law No. 2443/79 be amended as follows:

A. That sections 17 and 18, governing licensing and license fees of dogs in the City of Winnipeg, be amended as follows:

i) amend the annual renewal date of January 1, to a staggered date as detailed in Appendix "A";

ii) that the requirement for a rabies vaccination prior to licensing not be removed;

iii) increase the annual dog license fee from $25.00 to $30.00 for whole dogs, and from $12.50 to $15.00 for sterilized dogs;

iv) replace the current license tag with a "validated license tag".

B. To provide for Veterinary Clinics to be able to sell dog licenses and be permitted to charge a fee of $3.50 to issue the license, which fee would be paid out of the license fee collected.

II. That a voluntary registration of cats be implemented by the Animal Services Department.

III. That the option of a two-year license be investigated.

IV. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

Inasmuch as the report from the Administration has not yet been submitted, the Executive Policy Committee recommends that Council grant an extension of time of 60 days to allow for consideration of this matter.

Moved by Councillor Silva,

That the recommendation of the Executive Policy Committee be adopted.

Carried.

REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

DATED JULY 4, 1997

On motion of Councillor Silva, the Report of the Committee on Finance and Administration, dated July 4, 1997, was considered clause by clause.

Moved by Councillor Silva,
That the Consent Agenda, Clauses 1,2,3 and 4 be adopted.

Carried.

Recommendations for Amusement Tax Exemption
File FL-6 (Vol. 15)

886 - 1. The Committee on Finance and Administration has considered recommendations received from the Winnipeg Arts Advisory Council for exemption to the Amusement Tax By-law.

The Committee on Finance and Administration submits draft by-law and recommends:

That the following list of exemptions be added to subsection 7(6) of the Amusement Tax By-law No. 3107/81, namely:

Groundswell New Music Series for:
1997/98 season as follows:
"Christina Petrovska" - October 18, 1997 at Eckhardt-Gramatté Hall
"The Viola in My Life" - December 2, 1997 at the Winnipeg Art Gallery
"Scenes from a Novel" - January 13 and 14, 1998 at Prairie Theatre Exchange
"...And She Took Flight" - March 12, 1998 at Le Centre Culturel Franco-Manitobain
"Cosmic Collisions" - April 18, 1998 at Le Centre Culturel Franco-Manitobain

La Fédération des Ainé Franco-Manitobains Inc. for:
"Le Theatre des aines" on November 6-8, 1997 at Le Centre Culturel Franco-Manitobain

Manitoba Racing Power Boat Assoc. Inc. for:
"Molson Hydrofest Regatta" on August 22-24, 1997 on the Red River

Rozmai School of Dance for:
"25th Anniversary Concert" on October 18, 1997, at the Pantages Playhouse Theatre

University of Winnipeg - Music Committee for:
1997/98 Virtuosi Concerts as follows:

"Henriette Schellenberg, Stephen Sitarski, Bryan Epperson & Imgard Baerg" on September 7, 1997, at Jubilee Place

"Chamber Music Unlimited with Andrew Burashko" on October 17, 1997, at the Winnipeg Art Gallery
"Steven Dann & Guests" on November 23, 1997, at the Winnipeg Art Gallery

Cedar Gathering: Manitoba First Peoples Art Market, Inc. for:
"Music Festival" on July 26, 1997 at the Walker Theatre

Alapan Association of Manitoba for:
"Donna Cruz Live in Canada" on September 6, 1997 at the Manitoba Centennial Concert Hall

I. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

Adopted by consent.

Report of the Committee on Finance and Administration dated July 4, 1997

Assessment Issues: 1997 Operating Plans and Funding Requirements
File AA (Vol. 15)

887 - 2. There are three major areas of challenge that will face the Assessment Department in 1997. These include the completion of the 1998 General Assessment ('Reassessment'), preparation of the 1998 Business Assessment and the resolution of Outstanding Business and Realty Assessment Appeals. The Department with the assistance of the City Clerks, Corporate Finance and Corporate Services Departments will define and execute a series of plans intended to ensure that these challenges are successfully met.

1998 GENERAL REALTY ASSESSMENT

The Municipal Assessment Act requires that a general assessment be conducted for 1998. This will mean that all of the approximate 195,000 properties in the City will have to be reassessed at a 1995 level of value. The reassessment will be conducted using upgraded versions of the Department's computer systems. It is planned that the reassessment process will be completed and that the Rolls and Notices be delivered on or before June 30, 1997.

The Assessment Department's primary objective in 1997 is to help in improving the City's general financial predictability and stability by the timely delivery of a high quality 1998 Assessment Roll. The strategy for 1998 roll production has two main points. First, quality improvement measures will be implemented. Second, steps will be taken to minimize the number of appeals filed and to maximize the time available to hear appeals prior to the preparation of 1998 tax statements.

The Assessment Department with the support of the Corporate Services Department have and will continue to implement numerous enhancements to its computer systems as a part of the 1998 reassessment effort. Generally, system enhancements fall into one of two categories. First, new and improved analysis and calculation tools are being put in the hands of assessors. Second, the mass appraisal algorithms and data bases are being changed so as to provide the capability to fine tune values much more precisely than in previous assessments.

In general terms assessments are only as good as the data that goes into their preparation. For the 1998 reassessment the Assessment Department has taken a very aggressive approach towards owners of Commercial property who have in the past been unwilling to provide essential data. Recent changes to the Manitoba Assessment Act were an important aid to this effort. In particular, the new more stringent penalties for those who do not supply essential data appear to have had an effect. By way of example the response rate to requests for Income and Expense information increased from about 37% for the 1994 General Assessment to 71% for the upcoming assessment.

BETTER METHODS AND PROCEDURES:

Application of Market Modifiers

A significant change from the 1994 reassessment concerns the degree of precision with which the assessors are able to make adjustments. Previously adjustments to parameters would cause changes to assessed values across the entire City. The computer systems have been redesigned so that these adjustments can be made for any of approximately 150 small and generally homogenous areas of the City. This new capability provides a tool that assessors can use to tackle the under/over assessed property issue.

Direct Sales Comparison

The Assessment Department maintains a data base wherein verified information concerning every sale of real property that occurs in the City is recorded. For property types where there are a sufficient number of sales it is possible to generate assessed values using sale prices as the basis. It is also possible to use this data base to test the accuracy of assessments produced by other methods. The Assessment Department intends to use the direct sales comparison method for the valuation of the approximately 15,000 condominium units in the City for the 1998 Roll

Report of the Committee on Finance and Administration dated July 4, 1997

QUALITY MEASURES:

Office Review

This is the first of three entirely new "quality improvement" steps that will be used in refining residential assessment. Basically, this is a process wherein assessors analyse data regarding assessments to identify areas where statistically generated values are not "performing." That is, areas where there is a wide disparity between the assessments and known bona fide sales. Based on their findings the assessors can then adjust parameters in an attempt to arrive at values that more closely match actual sales.

Field Review

The second of the new "quality improvement" measures is field review. In this step, assessors will go out and physically inspect individual properties and/or areas where, even after the adjustments at the office review stage have been made, assessments are still not performing. Field reviews will probably be most effective in dealing with instances where the assessment data bases are not accurate. It is likely that these circumstances will most often occur in some of the older parts of the City where condition and quality of a property can significantly influence value.

Preview

Preview is an as yet undefined process whereby property owners would be invited to examine their own and other assessments. The intent here would be to develop some public understanding as to what assessments are about but also as another check on data. If, for example, an owner, upon viewing the data the assessor had used in preparing his or her assessment, noticed that the data was incomplete or inaccurate, a processing for correcting that error could be initiated and a possible appeal avoided. This program is still in the early planning stages.

DEALING WITH APPEALS:

Communications and Public Relations

It is thought that professionally executed communication and public relations strategy with clear well though out objectives will be a key factor in ensuring a successful reassessment. The Assessment Department has requested the cooperation of the Corporate Services Communications and Strategic Planning groups. Staff from the three areas have begun meeting to map out the required strategy and will work to implement that strategy as a part of the reassessment process.

Advisory Groups

Assessment Department and Corporate Services staff have been working towards the setting up of three process Advisory Groups. One Residential and two Commercial groups have been appointed by the Mayor. One of the Commercial groups will focus on the area of Multi-Family properties, the other on the remaining commercial property types. The groups will be asked to review the work of the Assessment Department valuation staff with a view to identifying areas where accuracy of the 1998 Roll can be improved. A secondary task will be to give advise with respect to how the department might reshape itself or its methodologies so as to continuously improve its operations and the quality of its Rolls in future.

Mid-Summer Roll Closing

The 1998 Realty Roll will close and notices will be issued on June 30, 1997. This is the earliest ever delivery date for a City of Winnipeg Assessment Roll. While it would have been desirable to deliver the roll even earlier, to do so proved to be physically impossible. Nonetheless, this date is approximately 8 months before the 1998 tax roll closing. The intent is to allow considerable time for the resolution of appeals prior to the issuance of tax bills for 1998.

Report of the Committee on Finance and Administration dated July 4, 1997

1997 / 1998 BUSINESS ASSESSMENT / TAX ROLLS

The Assessment Department proposes to implement a plan whereby all business premises in the City would be physically inspected in 1997. Additional staff will be required to perform this complete Business Assessment canvass and the necessary staff would be hired into the appropriate CUPE positions for a term not to exceed six months.

Due to resource limitations a complete canvass has not been carried out for approximately six years. The consequence is that the Business Assessment Roll has been out of date. A temporary expedient, a licence-in-lieu of Business Tax, has been used to recover back Business Taxes for the current plus two previous years. This back-licencing process allowed the City to levy and collect approximately $2 million in back taxes for the years 1994 through 1996.

This situation is not a desirable one either for the City or the taxpayers. The goal should be to be as current as possible. The Department proposes to hire and train approximately 35 presently laid off CUPE staff to assist in this effort and the work would be completed before the end of 1997.

The additional cost to perform the full canvass is estimated at approximately $500,000.00. It is thought that this amount will be more than offset by additions to the Business Assessment Roll. An added benefit would be that the program could employ available CUPE staff who have "hour guarantees" under the terms of their collective agreement. CUPE staff employed in this program would "work down" those guarantees thus reducing the City's overall liability in that regard.

OUTSTANDING AND POTENTIAL APPEALS:

1996 AND PRIOR YEARS BOARD OF REVISION REALTY AND BUSINESS ASSESSMENT APPEALS

There were 2,617 appeals filed with the Board of Revision in respect of the 1996 Assessment Roll. A plan to deal with these, and others left over from prior years, was developed by the Assessment Department in consultation with the Board of Revision. The 1996 and prior years backlog of Realty Appeals outstanding at the Board of Revision was reduced to virtually nothing by the end of October 1996. The exceptions were a small number held over because of some unusual or special circumstance (eg. a point of law being argued before the Courts).

1997 BOARD OF REVISION REALTY APPEALS

Approximately 2,700 appeals were filed in respect of the 1997 Roll. All of these appeals have now been heard by the Board of Revision except for a few cases similar to those described above. This work was completed about one month before Tax Bill Update (the last date when changes to the roll can be made prior to the production of 1997 tax bills).

1996 AND PRIOR YEARS MUNICIPAL BOARD APPEAL BACKLOG

There are presently approximately 320 appeals filed with the Municipal Board but as yet not set down for hearing. These appeals, plus a number in progress, some dating from the 1990 general assessment, represent a potential liability of approximately $9.4 million as at the end of December 1996. This cost of appeal refunds grows daily because of the accrued interest due and payable in the event of a Board ordered assessment reduction. At the current pace of approximately 15 hearings per month it will take between 25 and 30 months to clear the existing backlog of appeals.

The rate at which hearings are held is to be increased to 40 per month or 2 per day. Assuming this pace is maintained, the existing backlog could be cleared in 8 months. The effects of the strategy would be closely monitored to insure that costs being incurred do not exceed the benefits being realized.

CONSIDERATIONS AND ISSUES:

Municipal Board

The Municipal Board controls the scheduling of hearings. However, both the Chairman of the Board and the Minister responsible have indicated that they wish to accelerate the rate at which appeals are heard. A 40 hearing per month pace seems achievable.

Report of the Committee on Finance and Administration dated July 4, 1997

Corporate Services - Legal Services

City lawyers will take conduct of cases before the Municipal Board where appropriate (perhaps for 20 to 25 cases per month). Legal Services estimates that to implement this plan the services of three additional lawyers, a junior (research person), support staff and equipment would be required. The estimated cost of this would be in the area of $205,000. Two lawyers have already been brought on staff.

Assessment - Commercial Branch - Appeals Unit

The majority of the high value or high risk appeals pending at the Municipal Board are in respect of commercial properties. To deal with this situation the Assessment Department has established and is staffing a special appeals unit specifically tasked with expediting Municipal Board appeals. This unit is working in cooperation with Legal Services and Corporate Finance to ensure that cost of tax refunds on appeal are minimized.

Use of External Agents/Agencies on Appeals

The Assessment Department does not have sufficient staff resources to expedite appeals (at both the Municipal Board and the Board of Revision) and at the same time carry out the 1998 general assessment. In order to increase the number of hearings additional assessors/ appraisers who could act as the City's "expert witnesses" will be required. The Assessment Department issued a letter requesting expressions of interest in performing this work from a number of local and national firms. A number of favourable responses have been received.

Costs and Benefits

The current allowance (at December 30, 1996) for tax refunds that would flow from Municipal Board decisions in favour of the appellant is $9.4 million. Interest on these refunds continues to accrue daily. It follows that for every day saved there will be real dollar savings for the City. Corporate Finance Department has estimated, assuming a rate of hearing of 40 per month versus 15 and an interest rate of 5%, the City could break even while spending approximately $450,000 on expediting these appeals. Other benefits of this strategy are the elimination of uncertainty and the clearing of the system in order to make way for appeals that may be filed in the future.

1998 BOARD OF REVISION REALTY APPEALS

It is impossible to predict the volume of appeals that will be filed at the Board of Revision in respect of the 1998 Realty Assessment. The Assessment Department intends to do everything it can to ensure that 1998 assessments are fair and equitable and to convince potential appellants of that fact. Nonetheless, it is possible that large numbers of appeals may be filed in spite of the Department's best efforts.

Funding for the operation of the Board of Revision is included in the City Clerks Department Current Estimates. The Chair of the Board of Revision, the City Clerk and the City Assessor deem it prudent to make provision for the worst case scenario. The current best guess as to the worst case is that about 20,500 appeals could be filed. A strategy for dealing with this number of appeals in the time from Roll Closing (June 30, 1997) until Tax Bill Update (about March 15, 1998) is being developed.

1998 Costs to Deal With Appeals

There is no specific provision made in the 1998 Current Estimates to fund the cost that may be incurred in dealing with any appeals that may remain outstanding in 1998. The Director of Corporate Finance has provided an amount of $5.6 million in the 1998 Estimates the cover the potential cost of refunds on appeal and the costs to process those appeals through the City's systems.

Report of the Committee on Finance and Administration dated July 4, 1997

1997 CURRENT ESTIMATES

The 1997 Current Estimates of the Assessment, City Clerks and Corporate Services Departments include provision for funding required to implement the various strategies outlined in this report.

ASSESSMENT DEPARTMENT

Communications / Public Relations	$225,000.00
Computer Systems Additions and Enhancements	$335,000.00
Business Assessment Canvass	$500,000.00
Professional Services (External Appraisers, Consultants)	$250,000.00

CITY CLERKS

Board of Revision Operation and Support	$576,000.00

Grand Total (included in 1997 Current Estimates)	$,886,000.00

ALLOWANCE FOR TAX REFUNDS ON APPEAL

It is proposed that the costs associated with expediting the hearing of 1997 and prior appeals presently backlogged at the Municipal Board be funded from the allowance for assessment appeals account in the tax supported budget. In past this allowance has been used to fund the cost to expedite appeals in general. The current proposal continues that past practice.

Assessment Department - External Appraisers (to act as expert witnesses)	$700,000.00
Corporate Services - Legal Services - Additional Lawyers plus support (Already funded)	$205,000.00
Total (to be funded from Appeals Allowance)	$700,000.00

The Committee on Finance and Administration recommends:

I. That the 1997 Operating Plans for the following issues be approved in principal, namely:

A. The production of the 1998 General Realty Assessment Roll.

B. The production of the 1997 and 1998 Business Assessment / Tax Rolls.

C. The resolution of 1997 and prior years Assessment Appeals as well as those appeals which potentially may be filed in respect of the 1998 General Assessment Roll.

II. That this summary of 1997 Current Estimates of funding requirements for the implementation the above noted plans be received as information.

III. That funds from the Allowance for Assessment Appeal Refunds continue to be used to expedite the hearing of Municipal Board and other appeals.

IV. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

Adopted by consent.

Report of the Committee on Finance and Administration dated July 4, 1997

Proposed Leave and License for a Portion of Jones Street and Public Lane North of Rupertsland AvenueFile ED(34) (Vol. 1)

888 - 3. In 1995, Mr. Matthew Iskra purchased the property at 171 Rupertsland Avenue located at the northwest corner of Rupertsland Avenue and Jones Street. The surveyor's certificate for the property forwarded to the Zoning Branch revealed that a fence and various shrubs were encroaching into street right-of-way in the location shown outlined on Misc. Plan No. LSWK 9505.

The subject encroachment is on street right-of-way. The regularizing of such an encroachment can either be processed by the Zoning and Permits Branch by way of an annual encroachment license or by the Real Estate Division by way of a Leave and License Agreement. Since the encroachment is for a residential use, the Department policy has been to enter into a Leave and License Agreement rather than an encroachment license. The fees charged for a residential leave and license used for landscape and maintenance purposes are based on a nominal charge of $1.00 plus realty taxes. In this case the annual realty taxes amount to $19.46. Briefly, the proposed terms and conditions of agreement are as follows:

Terms	Annually continuing basis
Purpose	Landscaping and maintenance of an existing fence
Rental	$1.00 per annum, plus as additional rental an amount equivalent to realty taxes
Cancellation	30 days notice by either party

The Streets and Transportation Department has no objections to a Leave and License Agreement being executed.

The Lord Selkirk-West Kildonan Community Committee has no objection to the proposed Leave and License.

The Committee on Finance and Administration recommends:

I. That a Leave and License be granted to Matthew Iskra for the use of the subject portion of James Street and the public lane north of Rupertsland Avenue as shown on Misc. Plan No. LSWK 9505, at a rental rate of $1.00 plus an amount equivalent to realty taxes, in accordance with terms and conditions outlined and in a form satisfactory to the City Solicitor/Manager of Legal Services.

II. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

Copy of Misc. Plan No. LSWK 9505 is on file in the office of the City Clerk.

Adopted by consent.

Renewal of Lease between the Federal Government and the City for the Oakbank Nursery File FI-2.3(Vol. 3)

889 - 4. On January 8, 1980, the Committee on Finance approved a lease of the property known as the Bird's Hill Nursery comprising approximately 53.1 acres and located east of Bird's Hill Park from the Federal Government for a five year term at a total rental of $1.00 to provide the Forestry Branch of the Parks and Recreation Department with a suitable nursery facility. The agreement was subsequently renewed for two additional five year terms. The last lease expired May 31, 1995.

The Parks and Recreation Department has advised that the Oakbank Nursery forms an integral part of the Department's nursery operations and is jointly used with the Canadian Forestry Service for the cultivation of nursery stock and tree research studies. The subject leased property possesses ideal soil conditions for the growth of evergreen trees and as such, nursery operations will be focused in this direction over the term of the agreement.

Report of the Committee on Finance and Administration dated July 4, 1997

The Parks and Recreation Department wishes to renew the lease agreement which expired on May 31, 1995. The Parks and Recreation Department and Canadian Forestry Service met and mutually agreed on the terms and conditions and for the length of the term to change from 5 years to 12 years. The only significant change to the original terms and conditions involves the City agreeing to pay the annual property taxes assessed on the parcel estimated at $900.00 per year.

In brief, terms and conditions of lease are as follows:

1. Terms of lease to be for a twelve (12) year period from June 1, 1995 to May 31, 2007.

2. City to pay the annual Municipal Taxes to the Rural Municipality of Springfield.

3. City responsible for utilities, repair and maintenance, insurance, refuse disposal and security.

4. City not to erect any signs, other buildings or alter existing building without the approval of the Lessor.

5. Lessor has the right to entry for storage purposes and tree research.

6. City to indemnify the Lessor from and against all claims arising out of the use of the land by the City.

7. Lease subject to cancellation upon one full year's notice by either party, in order that the City has sufficient opportunity to remove its nursery stock.

The Committee on Finance and Administration recommends:

I. That a twelve year lease renewal with the Federal Government, Forestry Canada, for the Oakbank Nursery be approved in accordance with the terms and conditions as outlined and in a form satisfactory to the City Solicitor/Manager of Legal Services.

II. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

Adopted by consent.

REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

DATED JULY 15, 1997

Proposed Lease of the Former Winnipeg Canoe Club Golf Course - The City of Winnipeg to the Germanic Cultural Centre of Manitoba Inc.
File PR-2.4.1 (Vol. 2)

890 - Note: Clause 1 has been laid over to a Special Meeting of the Executive Policy Committee to be held prior to the Council meeting to be held on July 23, 1997.

Laid over by the Executive Policy Committee
at the Special Meeting held on July 22, 1997

COMMITTEE ON FINANCE AND ADMINISTRATION

CONSIDERATION OF BY-LAWS

891 - On motion of Councillor Silva, By-law No. 7074/97, a by-law of The City of Winnipeg to amend the Amusement Tax By-law No. 3107/81, was read a first, second and third time, the rule being suspended for the third reading, and was passed and ordered to be signed and sealed. File FL-6 (Vol. 15)

COMMITTEE ON FINANCE AND ADMINISTRATION

QUESTION PERIOD

892 - Councillor Steek inquired about the credit rating the City of Winnipeg received from Moody's and requested a comparison with that of the Province of Manitoba.

Councillor Silva advised that the City was rated by both Standard and Poor's Credit Agency and Moody's, noting that the City was downgraded by one agency in 1996 but not by the other. Councillor Silva agreed to confirm his information and provide it, along with the requested provincial information, to all Members of Council.

For information purposes, Councillor Steek advised that the City was downgraded by Moody's from an A3 credit rating to an A1 credit rating, noting that the Province of Manitoba is deemed to be at the height of fiscal prudence yet their credit rating is identical to the City of Winnipeg's.

The Speaker called the Deputy Speaker, Councillor Prystanski, to the Chair and left the Chamber.

Councillor Thomas referred to Clause 1 of Report "A" of the Committee on Works and Operations, dated July 8, 1997, regarding the full-time truck route designation of Hespeler Avenue, and questioned why the clause was laid over for an additional 60 days by the Executive Policy Committee.

The Deputy Speaker ruled the question posed by Councillor Thomas out of order inasmuch as under the rules of procedure governing Standing Committee question periods, questions can only be posed on issues directly within the Standing Committee's purview.

Councillor Steek requested Councillor Silva to clarify, in view of the fact that the Deloitte and Touche report arrived on April 9, 1997 and was not released until mid July 1997, why the report was not shared with the balance of Council.

The Deputy Speaker advised that the question does not fall under the purview of the Committee on Finance and Administration and should be dealt with by the Executive Policy Committee.

Councillor Thomas challenged the ruling of the Chair on both the ruling made on Councillor Steek's question and the ruling made on her own question.

The question, "Shall the ruling of the Chair be sustained?" was put and the ruling of the chair was declared sustained.

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

Councillor Steek further questioned if the Chairperson of the Committee on Finance and Administration, Councillor Silva, or any other member of the Executive Policy Committee, had seen the external auditor's report prior to the document being released at the July 16, 1997 meeting of the Executive Policy Committee.

Committee on Finance and Administration - Question Period (continued)

Council recessed at 11:59 a.m., and reconvened at 1:37 p.m., same members present except Councillors Golden and O'Shaughnessy.

Councillors Clement, Golden, Steek and Her Worship Mayor Thompson entered the meeting after Council had reconvened, the Deputy Speaker in the Chair.

In response to Councillor Steek's question, Councillor Silva advised that the Deloitte and Touche report was not commissioned by the Executive Policy Committee, noting that the Chief Financial Officer, Mr. Gannon, in response to a request to provide a due diligence report to the Executive Policy Committee, commissioned the external report from Deloitte and Touche and as well, a report from the internal auditor, Gail Stephens.

In addition, Councillor Silva noted that the Executive Policy Committee was aware of the existence of the administrative report from reference made by Mr. Gannon and advised that the Executive Policy Committee was not in possession of the document until it was formally tabled at the July 16, 1997 meeting of the Executive Policy Committee.

The Deputy Speaker declared that the time for question period had expired.

Councillor Murray challenged the ruling of the Chair.

The question, "Shall the ruling of the Chair be sustained?" was put and the ruling of the chair was declared sustained.

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