REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

DATED OCTOBER 28, 1996

On motion of Councillor Steek, the Report of the Committee on Finance and Administration dated October 28, 1996, was considered clause by clause.

Moved by Councillor Steek,
That the Consent Agenda, Clauses, 1,2,3,4,5,6,7,8,9 and 11 be adopted.

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

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

The motion to adopt the Consent Agenda, Clauses 2,3,4,5,6,7,9 and 11 was put and declared carried.

Means and Implications of Providing an Exemption from the Municipal Portion of Property Tax to Veterans Association of Winnipeg

File FL-2.5 (Vol. 11)

53 - 1. Council, at its meeting held on January 24, 1996, ruled automatic referral of the following motion to the Committee on Finance and Administration under Rule 16.1 of the Procedure By-law No. 5400/90:

Moved by Councillor Lazarenko,
Seconded by Councillor O'Shaughnessy,

Whereas the 50th anniversaries of VE and VJ days have now passed;

And Whereas Veterans Association hold their lands and buildings for charitable purposes on behalf of their members and the community at large;

And Whereas the lands and buildings of all Veterans Associations are deemed to be exempt from property tax levies in Saskatchewan and Alberta, to the extent that those properties are not licensed under Liquor Control Acts;

And Whereas non-profit cultural organizations have received land, buildings, continuing fiscal support and exemption status from property tax;

And Whereas the Veterans Associations now receive an exemption from the school levy (Sec. 23.1.f of The Municipal Assessment Act) and would and could be exempted from the municipal portion of the property tax;

Therefore Be It Resolved That the City of Winnipeg study the means and the implications of providing to the Veterans Association of Winnipeg an exemption from the municipal portion of the property tax.

Council, on April 24 and July 24, 1996, granted 60-day extensions of time within which to report on the matter. The Committee on Finance and Administration has requested a report on this issue which has not been received to date, and therefore, requests a further 60-day extension of time within which to report back to Council.

Moved by Councillor Steek,
Adoption of the clause.

Carried.

Report of the Committee on Finance and Administration dated October 28, 1996

By-law to Amend By-law No. 201/72 - to Impose a Licence Fee in Lieu of Business Tax upon certain persons carrying on Business in the City of Winnipeg

File EL-1 (Vol. 30)

54 - 2. The City of Winnipeg By-law No. 201/72 Section 2(1) and 2(2) currently provide as follows:

2(1) "Subject to subsection(2), each licence hereunder shall be issued for a calendar year or some part thereof ending on December 31, and the licence fee hereinbefore specified shall be paid in full in either case; provided however that should any person carrying on business subject to a licence hereunder cease to carry on such business before, or commence to carry on such business on or after, the first day of July of any year, such persons shall be liable to pay only one-half the licence for such year."

2(2) "Where a trade for which a licence is required under this By-law is carried out pursuant to a temporary conditional use order or a temporary variance order, a license may be issued for a period of twelve months consistent with the order, notwithstanding the fact that period does not coincide with the calendar year."

The By-law as noted above currently sets different fees in lieu of business tax upon certain persons carrying on business in the City of Winnipeg dependant on when business commences and whether the business is approved with a temporary conditional or variance order or unconditionally.

On November 18, 1981, Council adopted a recommendation from the former Committee on Finance to amend the by-law, in response to a situation where an application for a licence was received with respect to a trade operated under a temporary conditional use order. The amendment permitted licences under By-law No. 201/72 to be issued for any twelve month period consistent with these types of temporary use orders and to provide that licences for Home Occupations may be issued for a period other the calendar year in order to be consistent with temporary conditional use orders or temporary variance orders.

Adoption of the amendment created a situation where the licence fee in lieu of business tax for Home Occupations is set at a different amount dependant on when business commences and whether the business commencing on May 1, 1995, and ending on May 1, 1996, the license fee would be $52.50 higher for the applicant with an unconditional use permit versus the applicant with a conditional use or temporary variance order for the same period of time.

The following Table No. 1 indicates the number of new temporary conditional use or variance orders issued in the calendar years 1994, 1995 and the first 5 months of 1996. It also indicates the total number of licences issued in each of the calendar years.

CALENDAR YEAR	NO. OF TEMPORARY CONDITIONAL USE OR VARIANCE ORDERS	NO. OF LICENCES ISSUED
1994	84	3381
1995	82	3204
1996 to May 31	39	2776

The following Table No. 2 outlines the difference using 1995 and 1996 licence fees as an example and represents a period between May 15, 1995 and May 15, 1996. The licence fee was $125.00 in 1996.

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Table No. 2

LICENSE PERIOD	COST OF LICENCE UNCONDITIONAL APPROVAL	COST OF LICENCE CONDITIONAL USE OR VARIANCE ORDER
May 15, 1995 to Dec. 31, 1995 Full Year Fee - $ 120.00 1/2 Year Fee - $ 60.00	$ 120.00	$ 80.00
Jan. 1, 1996 to May 15, 1996 Full Year Fee - $ 125.00 1/2 Year Fee - $ 62.50	$ 62.50	$ 52.00
Total Licence Fee Payable	$ 182.50	$ 132.00
Differences	$50.50	

This report provides two options to permit licence fees to be equalized for all businesses required to be licenced under by-law No. 201/72. Option No. 1 is the preferred options as fewer businesses fall into this category and there appears to be little impact on revenues. In reality, revenues may increase slightly as businesses in this category would then be required to pay a licence fee equal to all other businesses.

Option No. 1:

Amend By-law No. 201/72 by deleting Section 2(2). This option will eliminate the lower fee currently being assessed to businesses approved with a temporary conditional use order or a temporary variance order under the City's zoning by-laws. All businesses would then be required to pay the same licence fee for the same purpose for the same period of time.

Option No. 2:

Amend By-law No. 201/72 by deleting Section 2 (1) and 2 (2) of the by-law and substituting it with a new Section 2 as follows:

2(1) Each licence shall be issued for the calendar year, or the portion of the calendar year which is remaining on the date it is issued.

(2) Where a licence is issued part way through the year, the licence fee shall be prorated by multiplying 1/12 of the annual licence fee by the number of months or portion of a month during which the licence will be in effect.

(3) Where a person ceases to carry on business part way through the year, he is entitled to a refund equivalent to 1/12 of the annual licence fee multiplied by the number of months remaining in the year.

Option No. 2 would eliminate the differential in the fees for businesses applying for a licence by amending the by-law allowing for the proration of all licenses based on the actual number of months in a calendar year that a business occupies premises. All businesses would then be required to pay the same licence fee for the same purpose for the same period of time. The by-law would also then be consistent with the following:

a) The City of Winnipeg Act S.M. 1989-90, c.10

Business tax and licence in lieu of business tax are assessed on a pro rata basis for the portion of the calendar year that the business occupies the premises.

b) The City of Winnipeg Licence By-law No 6551/95

A licence is required for approximately 88 separate trades and a licence is issued for any part of a licence year upon payment of a fee calculated at the rate of 1/12 of the annual fee for each month or portion of a month during which the licence will be in effect.

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Option No. 2, although effective, is not the preferred method as revenues will be affected in both the first year and final year of a businesses operation. Approximately 565 new licences were issued during the calendar year of 1995 which under this proposal would have been prorated on a monthly basis resulting in a loss of revenue to the City.

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

I. That By-law No. 201/72, being a by-law to impose a licence fee in lieu of business tax upon certain person carrying on business in the City of Winnipeg, be amended by deleting Section 2 (2) of the by-law.

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.

Recommendation for Amusement Tax Exemption

File FL-6 (Vol. 14)

55 - 3. 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:

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

Theatre Projects Manitoba Inc. for their season at the Colin Jackson Theatre:
"Readings: - January 9 and 10, 1997
"Short Shots" - February 27 to march 8, 1997
"The Tomato King" - May 21 to 31, 1997

University of Manitoba School of Music for:
Ivory Echoes Series Concert featuring 1866 "Brahms" piano - December 2, 1996 at Eva Clare Hall
University Singers - Prairie Performances Concert series - February 6 and 7, 1997 at Winnipeg Art Gallery
University Choirs and university Singers - spring Concert - March 21, 1997 at the School of Music
Jazz Ensembles Big Band Showcase - November 23, 1996 and March 8, 1997 at UMSU
Jazz Orchestra and Ensemble - April 8, 1997 at Centre Culturel Franco-Manitobain
Symphony Orchestra Concerts - January 19 and April 6, 1997 at Centre Culturel Franco- Manitobain

1998 Winnipeg Brier Society Inc. for:
"1998 Labatt Brier - Canadian Men's Curling Championship" - March 7 to 15, 1998 at the Winnipeg Arena

Winnipeg Jewish theatre for:
"10 x 10" - December 7, 1996, at Pantages Playhouse Theatre

Winnipeg Philharmonic Choir and Assiniboine South Youth Choir for:
"Christmas Serenade" on November 30, 1996, at the Covenant Christian Reformed Church

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 October 28, 1996

Appointment of Sinking Fund Trustees for the City of Winnipeg
FilesFI-4 (Vol 4) and GC-7 (Vol. 26)

56 - 4. Under Section 31492) of The City of Winnipeg Act, provision is made for the appointment of Sinking Fund Trustees for the City of Winnipeg as follows:

"314(2) The corporation referred to in subsection (1) shall consist of four trustees, of which the treasurer shall be one, and the other three trustees, none of whom shall be a member of council, shall be appointed by council."

Under Section 314(3) of The City of Winnipeg Act, provisions is made for the remuneration for trustees as follows:

"314(3) The three trustees appointed by the council shall each be paid such amount as the council may determine; and the trustees shall be entitled to pay out of the sinking fund all expenses and disbursements, including legal expenses, legal or other professional advice, secretary's salary and clerical assistance, incurred or made by them in connection with the administration of the sinking fund."

On February 9, 1993, the Lieutenant-Governor-in-Council, on recommendation of City Council, appointed the following trustees for them commencing January 1, 1993, and terminating December 31, 1995:

Mr. Alan G. Howison, of The City of Winnipeg, in the Province of Manitoba
Mr. Marshall G. Smith, of The City of Winnipeg, in the Province of Manitoba
Mr. C. Mark Zeilstra, of The City of Winnipeg, in the Province of Manitoba.

Messrs. Howison, smith and Zeilstra have served the city very well in their capacity as Sinking Fund Trustees, and have indicated their willingness to stand for re-appointment.

Since December 31, 1973, the trustees' fees have been fixed at $100.00 per meeting attended. A trustee fee of $250.00 per meeting attended will partially offset inflationary increases over the last 23 years, will recognize the increase in the additional funds under management in recent years and will fairly compensate the trustees for their services. The trustees meet approximately 10 times per year-total annual fees approximately $2,500.00.

By comparison, the City of Winnipeg Employee Benefits Board's Investment Committee members receive a remuneration of $200.00 per meeting attended, plus a fixed fee of $4,500.00 per year for members and $6,000.00 per year for the Chairman. Messer's. Howison, Smith and Zeilstra are members of this Investment Committee.

The Committee on Finance and Administration recommends:

I. That the following names be recommended to the Lieutenant-Governor-in-Council for the appointment as Sinking Fund Trustees for the terms indicated:

Name	Term
Mr. Marshall G. Smith	January 1, 1996-October 31, 1999
Mr. Alan G. Howison	January 1, 1996-October 31, 1997
Mr. C. Mark Zeilstra	January 1, 1996-October 31, 1997

II. That the remuneration for the Sinking Fund Trustees be increased from $100.00 to $250.00 per trustee for each meeting attended.

Adopted by consent.

Report of the Committee on Finance and Administration dated October 28, 1996

Proposed Leave and License Agreement to use part of Bishop Grandin Boulevard / Dakota S treet - St. Vital Square Ltd.

File ED(35) (Vo. 1)

57 - 5. Council, at its meeting held on January 23, 1991, approved the use, by way of leave and license, of the subject street right-of-way shown attached on Misc. Plan No. SBSV 7959, to St. Vital Square Ltd. for parking purposes and to accommodate easier traffic flow in its shopping centre lot. The agreement was for a five year term at a rental of $3,675.00 per annum plus realty taxes and expired on January 31, 1996.

The Streets and Transportation Department has advised that it has no objection to the continued use of the property for a further five year term, under similar terms and conditions of previous agreement. Briefly, the proposed terms and conditions of renewal which St. Vital Square Ltd. are agreeable to are as follows:

Term	Five (5) years, commencing February 1, 1996 to January 31, 2001
Rental	$4,000.00 per annum, plus as additional rental an amount equivalent to realty taxes
Insurance	Public Liability insurance of at least $1,000,000.00 naming the City of Winnipeg as additional insured and containing a cross-liability clause
Cancellation	180 days notice by either party

The Land and Development Services Department has advised that the land has an assessed value of $45,900.00. The Committee on Finance and Administration is of the view that the proposed rental rate should be 10% of the assessed value, and is recommending that the rental charge be $4,590.00 per annum, plus as additional rental, an amount equivalent to realty taxes.

The Committee on finance and Administration therefore recommends:

I. That a Leave and License be granted to St. Vital Square Ltd. to use that portion of Bishop Grandin Boulevard/Dakota Street shown hatched on Misc. Plan No. SBSV 7959, at a rental rate of $4,590.00 per annum plus realty taxes, in accordance with the 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. SBSV 7959 is on file in the office of the City Clerk.

Adopted by consent.

Option to Purchase City Lands Adjacent to 578 McTavish Street by Owners of Marion Trucking

File FI-2.4(35) (Vol. 3)

58 - 6. The land and Development Services Department is in receipt of an Option to Purchase from the owners of Marion Trucking, 578 McTavish Street, to acquire the adjacent subject City property shown as “Subject City Property” on Misc. Plan No. RIEL 8815/3 which is surplus to the Streets and Transportation Department’s requirements for “Street Right-of-Way for the Proposed Eastern Corridor”.

The discussions with Marion Trucking have been on going for some time and at one time they were looking at acquiring most of the lands east of the subject property over to Dawson Road north with a lease for access at the corner of Provencher Boulevard and Dawson Road North.

The Streets and Transportation Department has indicated that it has no objection to the sale of the subject property and makes the following additional comments:

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1. A lot grading plan is not required to be provided by Marion Trucking. The intent is that the existing piles of rubble be removed from the site. The site should then be leveled and graded in a manner suitable to the use intended by Marion Trucking.

2. any ditching which falls within the property controlled by Marion Tucking should be identified only as existing drainage ditches. Marion Trucking should have the right to adjust the depth and location of these ditches as the need occurs.

Special terms and conditions:

1. The applicant agrees to accept the lands subject to a CNR right-of-way for tracks located on a portion of the property as shown on Misc. Plan No. RIEL 9379.

2. The applicant is aware that currently situated in, on and about the lands is miscellaneous debris, soil, concrete and material and that the applicant upon exercising its option shall be wholly responsible for same and any and all costs which it may incur in removing the said material with the tipping fee to be at the internal City rate of $15.10 per tonne.

   Comment:

   The District Engineer of the former South East District has indicated that the cost of cleaning up and leveling the area could easily exceed $25,000.00 and that sale of the subject City land should be “as is” with the owner responsible for debris removal and leveling.

It is the opinion of the Land and Development services Department that the price offered by Marion Trucking being responsible for the removal of the debris on the site. The purchaser has agreed to remove the debris, however, on the condition that permission be given to dump the waste material at the internal City tipping rate of $15.10 per tonne. The standard tipping rate for the general public is $40.00 per tonne.

In the opinion of the Land and Development Services Department, the purchaser being permitted to utilize the City’s internal tipping fee is a reasonable accommodation. The debris and concrete had been dumped on the property from various City road projects over the years. Discussions have taken place with the Manager of Solid Waste and agreement reached that the removal of the material will be co-ordinated with personnel from Solid Waste.

3. The City to conduct soil tests and an environmental assessment of the subject property to prove to the applicant that the lands satisfy all environmental, health and safety matters. In the event the report proves the land to be satisfactory the applicant shall reimburse the City for the cost of the said environmental assessment up to an amount of $7,000.00. It is estimated that the environmental Phase I and II assessment will be less than $7,000.00.

   Comment:

   The Land and Development Services Department is supportive of the request by the purchaser to have the City conduct soil tests and an environmental assessment of the property with the applicant paying up to $7,000.00 towards the assessment in addition to the sale price provided that the sale proceeds. The City needs to know what the condition of the property is in order to be able to market it. The cost of the environmental assessment is to be charged to the Land Operating Reserve Cost of Land Sold Account Number 09-554302-000101.

It has also been recommended that the titles of the subject property and that of Marion Trucking’s existing holding be consolidated in order to avoid the (further) conveyance of the physically land-locked parcel without the City’s approval and the purchaser is agreeable to this additional condition.

The subject property has no frontage on a street that is physically open at present. Lacombe Street is not an open thoroughfare. Construction of the proposed Eastern Corridor is forecast at twenty years into the future.

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The Water and Waste Department recommended that upon conveyance of the subject property by the City to Marion Trucking through the registration of a plan of survey or subdivision or through a metes and bounds description, the Real Estate Division will deposit the amount of $17,446.00 in Land Drainage Capacity Charges Account 03-229302-000101 to account for the TSR.

In its consideration of the 1996 Current Estimates Council has directed that revenue in the amount of $4.964 M be generated in the sale of surplus City owned properties. The net sale proceeds arising from this transaction will be credited to the General Revenue Account.

The Committee on Finance and Administration recommends:

I. That the subject City property as identified on Misc. Plan No. RIEL 8815/3 be declared surplus to the City's requirements.

II. That an Option to Purchase City-owned property as shown on Misc. Plan No. RIEL 8815/3 be granted to Marion Trucking as outlined herein and in a form satisfactory to the City Solicitor/Manager of Legal Services.

III. That the net proceeds from the sale be credited to the General Revenue Account.

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.

Copies of Misc. Plan RIEL 8815/3 and Misc. Plan No. RIEL 9379 are on file in the office of the City Clerk.

Adopted by consent.

Proposed Transfer of Jurisdiction - Proposed McPhillips Street Widening, Jefferson to Leila Avenues - Parks and Recreation Department to the Streets and Transportation Department
File FI-2.4.4.1 (Vol. 5)

59 - 7. On March 21, 1996, the Board of Commissioners authorized the Director of the Land and Development Services Department to negotiate for the acquisition of the lands required for the proposed widening of the East side of McPhillips Street to facilitate a six lane divided roadway between Jefferson Avenue to Leila Avenue.

The subject City-owned property as illustrated on Misc. Plan No. LSWK 9639 is required by the Streets and Transportation Department for this proposed project. Construction of this proposed street widening is scheduled to commence during the 1997 construction season.

This proposed project will require 3.048 metres (10 feet) of the 6.096 metres (20 feet) of "Public Reserve" lands.

In a memorandum dated June 26, 1996, the Parks and Recreation Department advised that it is supportive of the proposed transfer to the Streets and Transportation Department in accordance with the terms and conditions as identified on Schedule "A".

On July 9, 1996, the Streets and Transportation Department indicated satisfaction with the various recommendations of the parks and Recreation Department as specified herein.

On September 17, 1996, the Lord Selkirk-West Kildonan Community Committee concurred in the recommendation to transfer jurisdiction of the land area required to the Streets and Transportation Department for the proposed McPhillips Street Widening Project.

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Any costs associated with this matter can be charged to Capital Account No. 01 = 118117 - 340199 WL 055.

The Committee on Finance and Administration recommends:

I. The property legally described as part Lot 1, Plan 24,403; Part Lots 24/25, Block 14, Plan 6900 identified on Misc. Plan No. LSWK 9639 be transferred from the jurisdiction of the Parks and Recreation Department to the Streets and Transportation Department.

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.

Pursuant to Section 156(2) of The City of Winnipeg Act, the approval of at least two-thirds majority of Council is required on the transfer of jurisdiction of any property that has been designated or acquired for park purposes.

Copy of Misc. Plan No. LSWK 9639 is on file in the office of the City Clerk.

Adopted by consent.

Proposed Management Agreement for the St. Vital Mustangs Football Club - Maple Grove Park

File PR-2 (Vol. 82)

60 - 8. On April 28, 1993, Council adopted a recommendation of the Executive Policy Committee which authorized the Administration to enter into a Management Agreement with the St. Vital Mustangs Football Club for use of the Maple Grove Fieldhouse and football fields.

During the period between April, 1993 and June, 1996, representatives from the Parks and Recreation Department and the St. Vital Mustangs Football Club met on many occasions to discuss and monitor the construction of the new fieldhouse and fields; club operations; current operating problems and difficulties. During the fall and winter of 1995/96, terms and conditions of a Management Agreement were discussed amongst the Department and Club and then finalized as indicated on Schedule “A”.

The subject City-owned land and Fieldhouse is assessed as exempt for realty taxation purposes being as the City is considered to be the “occupier” of the land and building by the Assessment Department. This interpretation is based on current provisions within The Manitoba Municipal assessment Act and understanding of same by the Parks and Recreation Department.

In the future, The Act may be revised by the Provincial Government or the Assessment Department’s interpretation may be changed in response to case law decisions and as such, the manager (St. Vital Mustangs Football Club) could be deemed to be the “occupier” and would then require a school tax exemption from the assessment Department. If same is granted, the City may enact a by-law exempting the property from municipal taxes. Should the Manager not qualify for an exemption , the City will be liable for realty taxes owing as the Manager will not be required to pay realty taxes as part of this proposed agreement. Therefore, a clause is proposed to be added to the management agreement requiring the City to pay any such realty taxes, provided that the manager is not in breach of the agreement.

The Committee on Finance and Administration recommends:

I. That a Management Agreement for the use of the Maple Grove Fieldhouse and Football Fields, be approved with the St. Vital Mustangs, in accordance with the terms and conditions as identified on Schedule “A” and in a form satisfactory to the City Solicitor/Manager of Legal Services.

II. That the City pay any future realty taxes provided that the manager is not in breach of the Management Agreement.

III. 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.

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Pursuant to Section 156(2) of The City of Winnipeg Act, the approval of at least two-thirds majority of Council is required on a Management Agreement of property designated or acquired for park purposes.

Copy of Schedule "A" is on file in the office of the City Clerk.

Moved by Councillor Steek,
That the clause be referred back to the Committee on Finance and Administration.

The motion to refer was put.

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

Yea: Councillors Murray, O'Shaughnessy, Silva, Steek and Thomas. 5

Nay: Councillors Clement, Golden, Lazarenko, Lubosch, Phillips, Vandal, Her Worship Mayor Thompson, Councillors Angus and Prystanski.

and the motion to refer was declared lost.

Moved by Councillor Steek,
Adoption of the clause.

Carried.

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

Award of Contract for Armoured Car Services
- Tender No. P.D. 96-095
File GL-9 (Vol. 9)

61 - 9. The present armoured car services arrangement between the City of Winnipeg and Brink's Canada Ld. expires December 31, 1996.

Arrangements for armoured car services for the transportation of cash, cheques and related materials for various City departments are made by the Corporate Finance Department, Financial Services Division, Money Management and Treasury Branch.

Tenders for armoured car services were last invited in September, 1991.

Tenders closed on August 23, 1996, with two bids received as follows:

Brink's Canada Ltd.	$ 17,182.50
Loomis Armored Car Service Ltd.	$837,857.64

The bid submitted by Brink's Canada Ltd. was in full conformance with the specifications and was accompanied by a Bid Bond which has since been certified by the Corporate Services Department, Legal Services Division.

The Brink's bid is a unit priced contract and is fixed for the period January 1, 1997 to December 31, 2001 as follows:

1997	$ 98,777.50
1998	$101,107.00
1999	$103,486.50
2000	$105,766.00
2001	$108,095.50

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The amounts are based on regular scheduled services. Payment for special services provided under this contract are in addition to the amount of $517,182.50.

Brink's Canada Ltd. is the current contractor and has performed armoured car service for the City since 1992.

The bid being recommended for acceptance is the low bid that met specifications.

The Committee on Finance and Administration recommends:

I. That a contract for armoured car services be awarded to Brink's Canada ltd., the lowest bidder meeting specifications, in the conditional amount of $517, 182.50.

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

Adopted by consent.

Jen-Den Investments Ltd. and Refund of Water and Sewer Maintenance Levies
File WW-2.3 (Vol. 10)

62 - *Note: Clause 10 has been referred back by Executive Policy Committee to the Committee on Finance and Administration.*

Referred back by the Executive Policy Committee to the Committee on Finance and Administration

CNR/City of Winnipeg Agreement related to the Southwest Transit Corridor
File TT-5.1 (Vol. 6)

63 - 11. The City of Winnipeg has executed an agreement with the CN dated October 13, 1994 replacing an earlier agreement with the CN dated May 13, 1968 which entitled the City to purchase or lease certain CN lands for the Southwest Transit Corridor as well as the Grant Avenue Extension. This agreement requires that certain rights with respect to lands in the Donald/Main and Ft. Rouge Corridor areas be exercised by the City on or before December 31, 1996.

The City of Winnipeg/CN Agreement dated October 13, 1994, entitles the City to purchase, at 1967 assessed value, lands known in the agreement as:

Ft. Rouge Corridor lands (for the Southwest Transit Corridor)
Donald-Main lands (for the Southwest Transit Corridor)
Grant Avenue Extension lands (for the Grant Avenue Extension)
Brandon Avenue lands (for the Grant Avenue Extension)

In addition, this agreement also allows for the City to lease the eastern portion of the CN Letellier Subdivision right of way between the CN main line and Bison Drive for 41.00 per year for 99 years commencing January 1, 1990. This lease for the Letellier lands has not been executed to date as the agreement calls for the lease to be executed within 180 days after receipt by CN of notice from the City that possession is required and includes a commitment that relocation costs be at the expense of the City. This lease can be executed any time up until the year 2089.

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The 1994 agreement also entitles the City of Winnipeg to lease or obtain easement rights to various other lands in the Ft. Rouge Corridor area, and in the East Yard/Via Station area. No easement agreement have been executed at this time because they cannot be prepared until such time as a field survey is completed. A lease of lands in the East Yards has not been executed to date because the agreement requires the City to commence construction of the East Yard Corridor within six months of executing the lease agreement. This lease can be executed any time up until the year 2089.

By way of background, on May 13, 1968, the former Metropolitan Corporation of Greater Winnipeg and the Canadian National Railway Company entered into a written agreement to exchange certain properties. Certain portions of this agreement were exercised shortly after the agreement was signed. The portions exercised at the time saw the City take possession of lands located on the north side of Assiniboine Avenue between Fort Street and Garry Street formerly occupied by the Transit garage and administrative building at 10 Fort Street.

On September 5, 1985, the Board of Commissioners appointed a task force to review the 1968 agreement and to advise the Board of all unresolved issues and City requirements associated with the agreement.

On October 3, 1985, the Board of Commissioners considered a report from the task force advising of the results of its meetings with CN and recommending a negotiating position with respect to possible renegotiation of the 1968 agreement.

On April 17, 1986, the Board of Commissioners instructed the Task Force to negotiate with the CN in accordance with the negotiating position submitted by the task force.

In May of 1986, VIA Rail met with the Board of Commissioners and requested that the City, in the renegotiation of the 1968 agreement, accommodate a VIA maintenance facility in the Ft. Rouge Yards.

On December 23, 1987, Council approved the terms and conditions for the renegotiation of the 1968 agreement, and as well approved the terms and conditions for the establishment of a VIA Rail maintenance facility in the Ft. Rouge Yards.

On August 28, 1989, the City of Winnipeg signed a Memorandum of Understanding with VIA Rail Canada Inc. to accommodate the VIA Rail maintenance facility in the Ft. Rouge Yards and to provide for the Southwest Transit Corridor in the area of the VIA Rail Station on Main Street.

On October 13, 1994, the City of Winnipeg, the Canadian National Railway, and Via Rail Canada Inc. finalized a Tri-Party agreement to accommodate the VIA Rail maintenance facility and the Southwest Transit Corridor.
On October 13, 1994, the City of Winnipeg and the Canadian National Railway also finalized an agreement to replace the 1968 Metro/CN agreement.

On November 17, 1994, Council approved the 1996 to 2001 Five Year Capital Program which contained funding for the first phase of the Southwest Transit Corridor in the years 1998 and 1999. The first phase of the Southwest Transit Corridor was proposed to run from Pembina Highway and Jubilee Avenue, through the Ft. Rouge yards, along the Donald/Main lands, and terminating in the River Avenue and Main Street area, by connecting with roadways being constructed as part of the Main-Norwood bridge project.

On April 24, 1996, Council approved the 1997 to 2002 Five Year Capital Program which eliminated any funding for the Southwest Transit Corridor during the period of the Five Year Program.

With respect to the Donald/Main lands and the Ft. Rouge Corridor lands, the 1994 agreement indicates that the "City shall request transfer documents in favour of the City or its designate by the 31st of December, 1996". In addition, the agreement calls for the transfer and possession of these lands to take place within 18 months of receipt of written notice by CN. Other than for the Brandon lands, of which the City is currently taking possession, the Donald/Main lands and the Ft. Rouge Corridor lands are those upon which the City must act with most urgency.

With respect to the Donald/Main lands, the agreement requires the CN to relocate or remove at the City's expense, its facilities and equipment within 18 months of written notice for possession by the City. In the Ft. Rouge Corridor area, the agreement calls for the CN to remove its facilities and equipment at its own expense within 18 months of receiving written notice from the City. Costs associated with these relocations are not identifiable by

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either the City or CN at this time. An estimate of the cost of these relocations can only be prepared after the completion of a detailed legal land survey. Such a filed survey would be contracted out and is expected to take 1 to 1 1/2 years to complete.

Since the elimination of the Southwest Transit Corridor from the 1997 to 2002 Five Year Capital Program causes some considerable uncertainty regarding Council's priority for the Transit facility, it would appear to be in the City's best interest at this time to maintain its options for the future, while at the same time minimizing costs for the present. Representatives of CN have indicated that it maybe possible for CN to agree to amend the existing agreement to allow the City additional time to make decisions in respect of its projects. However, CN would be concerned that any extension be related to a reasonable period of time. CN has also indicated that should the City choose not to deal with/act on the existing agreement, that CN is not interested in re-negotiating a new agreement.

This would suggest that the most advantageous option is to attempt to negotiate an extension to the deadlines contained in the current agreement.

If the CN is not prepared to agree to this amendment to the 1994 agreement, then the following is being recommended by Committee as being the second most advantageous alternative for the City.

C. failing an agreement to extend the December 31, 1996 deadline, that the Administration be authorized to advise the CN that the City of Winnipeg requests the transfer of the Donald/Main and Ft. Rouge Corridor lands as per the October 13, 1994 agreement, and to request that the CN agree to the deferral of the relocation of certain CN infrastructure within the Donald/Main and Ft. Rouge Corridor lands until such time as the relocation is required for purpose of constructing the Southwest Transit Corridor.

Comment:

This recommendation would defer the expense of relocating existing CN telecommunication lines etc. until required for purposes of constructing the Southwest Transit Corridor. This option would also have the advantage of deferring the cost to the CN of relocating its plant within the Ft. Rouge Corridor area, thus CN should be agreeable to this recommendation. The cost implication of exercising the City's rights by December 31, 1996, under the 1994 agreement, including land acquisition (based on 1967 assessments, per the Agreement), survey and land transfer costs, a contingency allowance, finance and administration charges, as well as GST is estimated to be $360,000.00. This amount does not include relocation/removal costs.

And finally, if CN is not prepared to consider any of these alternatives, the City still has the opportunity to exercise its option (which must be exercised by December 3, 1996) in accordance with the 1994 agreement. If not exercised, these portions of the agreement will lapse and the City will lose its existing opportunity to obtain title to the Ft. Rouge Corridor lands and the Donald/Main lands.

Comment:

This alternative is not desirable at this time as it requires the City to pay for currently unidentifiable relocation costs in the Donald/Main area before there is any formal commitment to the Southwest Transit Corridor by City Council. However, if the City ever intends to construct the Southwest Transit Corridor, and failing successful negotiations to extend deadlines with CN, this recommendation provides opportunity for land acquisition in order for this project to be accomplished.

The Committee on Finance and Administration was advised that ongoing discussions have taken place with CN and CN has indicated they no longer want to be responsible for realty taxes as of December 31, 1996, and that if the City were to obtain title for these l ands beyond the existing option period, the expectation of CN is that the price of these lands would then be changed to reflect their current market value.

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The Committee on Finance and Administration recommends:

I. That the Land and Development Services Department and the legal Services Division of the Corporate Services Department be authorized to:

A. Negotiate and execute an amendment to the Canadian National Railway (CN) City of Winnipeg agreement dated October 13, 1994 which will extend the December 31, 1996 deadline contained therein for the City to request transfer of certain CN lands in the Donald/Main area and in the Ft. Rouge Corridor area required for the South West Transit Corridor; and to defer the relocation of certain CN infrastructure within the Donald/Main and Ft. Rouge Corridor lands until such time as the relocation is required for purposes of constructing the Southwest Transit Corridor; and

B. Proceed with the field survey work necessary to comply with the terms and conditions of the Agreement; and

C. Failing an agreement to extend the December 31, 1996 deadline, that the Administration be authorized to advise the CN that the City of Winnipeg requests the transfer of the Donald/Main and Ft. Rouge Corridor lands as per the October 13, 1994 agreement, and to request that the CN agree to the deferral of the relocation of certain CN infrastructure within the Donald/Main and Ft. Rouge Corridor lands until such time as the relocation is required for purposes of constructing the Southwest Transit Corridor.

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

Adopted by consent.

COMMMITTEE ON FINANCE AND AMINISTRATION

CONSIDERATION OF BY-LAWS

64 - On motion of Councillor Steek, By-law No. 6910/96, 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. 14)

On motion of Councillor Steek, the rule was suspended and By-law No. 6917/96, a by-law of The City of Winnipeg to amend By-law No. 201/72, being a By-law to impose a license fee in lieu of business tax upon certain persons carrying on business in The City of Winnipeg, 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 EL-1 (Vol. 30)

COMMITTEE ON FINANCE AND ADMINISTRATION

QUESTION PERIOD

65 - Councillor Angus requested an update on the budget deliberations, specifically the 45 million dollar debt problem resulting in a 15 percent tax increase and questioned when the budget process would begin.

Councillor Steek noted that the 45 million dollars would not translate into a 15 percent tax increase and stated that options would be explored to deal with the matter. Councillor Steek also noted that information on the budgetary process would be forthcoming.

Councillor Lubosch referred to the snow clearing reserve and questioned how the City would replenish the reserve if only 12 million dollars was appropriated each year.

Councillor Steek noted that the budget for snow clearing had been set at 12.7 million dollars and that these monies were not intended to top up the reserve. Councillor Steek noted that the matter of the reserve and additional appropriations for the snow clearing budget would be deliberated during the budget process.

Councillor Silva referred to the possibility of some form of snow insurance and questioned if the City of Winnipeg would be exploring such.

Councillor Steek agreed to take the question under advisement.

Councillor Phillips questioned the percentage of a property tax bill that would be allocated to snow clearing.

Councillor Steek referred the question to Councillor Clement. Councillor Clement stated that the calculation was complex but estimated it to be approximately $38.00 for an average house.

Councillor Murray referred to the March budgetary deadline and raised a concern over the lack of time required to address the five big issues.

Councillor Steek noted that the budget deadline was March 31, 1996 and suggested that there would ample time for all Members of Council to input in the decision making process.

Councillor Murray raised a concern that there would not be sufficient time to introduce issues such as the Solid Waste Utility, which could potentially remove ten million dollars from the tax bill.

Councillor Steek noted that Council would quite likely be faced with the most difficult budget in the history of the City of Winnipeg. In addition, Councillor Steek suggested that it could be possible for Council to bring forward a policy for issues such as the Solid Waste Utility in a short time frame of two to three months.