COUNCIL OF THE CITY OF WINNIPEG
Wednesday, March 26, 2008

The Council met at 9:32 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 Pagtakhan.

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.

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 this day, Wednesday, March 26th, 2008, at 9:30 a.m. to consider the following matters: 2008 Operating Budget, the 2009-2010 Preliminary Financial Plan and the 2008 Mill Rates for the Education Support Levy and Special Levy.

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

Mr. Speaker: We have Pages. Simone Jaman of Miles MacDonnell Collegiate, resides in Elmwood-East Kildonan ward. Welcome. (Applause).

DELEGATIONS

Mr. Speaker: Delegations. The first delegation is Manfred Hirsch.

Councillor Gerbasi: Mr. Speaker, Point of Order please.

Mr. Speaker: Yes Councillor Gerbasi.

Councillor Gerbasi: Thank you Mr. Speaker, I'd like to ask Council to suspend the rules to hear Mike Davidson of CUPE, Local 500 as an extra delegation, for five minutes only, no questions. Thank you.

Mr. Speaker: Thank you. All in favour? Contrary? Carried.

Mr. Hirsch, Paragon Industries Limited, in support of Item 1 of the report of the Executive Policy Committee dated March the 20th, 2008 regarding the 2008 Operating Budget and 2009-2010 Preliminary Financial Plans. Mr. Hirsch followed by Nick Ternette, followed by Jim Baker.

No sign of Mr. Hirsch? Okay, we'll stand him down. Mr. Ternette, you're in opposition to Item 1 of the report of the Executive Policy Committee. You have 10 minutes sir. Mr. Hirsch is not here. If he comes here, he'll get on if he's on time. Yup, you go ahead sir, thank you. Ten minutes Nick.

Nick Ternette: Thank you Mr. Speaker, Mayor Katz and City Councillors, as I said last year and I repeat again, the Budget process in 2008 stinks. Over a three week timeline, the public continues to be excluded from providing input into the proposed Budget. Overall, there's a continuous concern that City Hall is not listening to its citizens nor providing meaningful paths for their input.

The already convoluted process of the civic budget became even more difficult to follow for the public last Thursday. A new document was filed that has never been seen by the public nor by non-EPC Councillors. This new document looked at the Budget from a service-pay view.

Now this may, and we've argued it before, a good change but it's difficult for the public to compare it to previous budgets. It's one more example of how the City offers minimal opportunity for citizens to engage in meaningful debate with their elected officials.

Now this year at least CUPE 500 and the Winnipeg Labour Council held eight neighbourhood meetings to try to ascertain Winnipeg citizens' concerns, criticisms, and visions for the City as a whole, averaging 40 to 50 concerned citizens per town hall meeting.

Concerns raised by these citizens included unfair distribution of the tax system, high cost of public/private

partnerships, lack of transparency and citizen engagement.

Now in regards to the 2008 Budget, I obviously, as many others here who are in the audience today oppose public funding being slashed from $500,000 to $100,000 for the public arts in 2008. As identified in the Winnipeg Public Art policy, its own policy, "public art reflects the identity of a City, gives voice to a community, and builds relationship between diverse groups. Public art gives meaning to place by interpreting the social, cultural, historical, and natural environment."

As the "Winnipeg Free Press" said, "public art can make the difference between interesting and creative City and one that is merely functional and utilitarian. Public art also provides work for artists while enhancing the overall quality of life in a community."

It seems that Councillors have fallen into the trap of accepting "Winnipeg Sun" Tom Brodbeck's attack on public art as a waste of taxpayers' money. That doesn't take in to account that public art belongs to all the citizens of Winnipeg, unlike private art where an artist does work for one person, public art is accessible to all Winnipeggers.

The second area of concern to me is the cut of nearly six full-time equivalent positions, and of course with the new Budget there were cuts in every area, at least in this case I'm concerned about the community development and the recreation field.

For once I felt enthusiasm a couple weeks ago in the Community Services in conjunction with the Police Services were studying the possibility of adding additional staff and support for inner city community centres as a means of fighting youth crime, including gang activities. If you're cutting staff, as you're cutting staff all over, how can you possibly implement that plan?

I remember being a coach and a volunteer at the West End Community Centre, now called the Burton Cummings, in the 1960's. How important were community centres then? At that time they were the center of recreation and leisure activities. Everyone congregated at the community centre, including families and kids on sports teams.

But even more important, community centres were decentralized, whether they were big or small, the City paid for a program director and a janitor for each of the community centres. The program director, in conjunction with the board of directors, that is the volunteers, developed programs for that community centre, and different centres had different programs depending on the needs of that particular community.

The significance of a paid community program director was that the person was professionally paid to develop recreational programs. He or she would work with the board of directors and say which program was best for that particular community centre and who needed to be hired to make that program successful.

The devaluation of inner city community centres began in 1975 when they were centralized. The program directors and other staff were abolished, and a central body was set up by the City to allocate money to each of the centres based on the size and programming of that centre.

Now in regards to rapid transit, you know, and the comments that were made with the petition that was handled, I would like Councillors, and I've included reference material, if you look at the reference material behind my speech, to refer to an article called "Fast lane policy, bus rapid transit is anything" published on the Seattle Stranger website.

That report says that "BRT technology has proven costly, inflexible, and anything but rapid. Study after study has shown that BRT attracts fewer transit riders, and, more importantly, fewer newer transit riders than LRT", and fewer meaning those that get out of the car and start using public transportation. "Because of higher ridership on LRT, the cost per passenger mile, which is a measure of cost effectiveness is actually lower for

LRT than BRT". One should be very well aware of that significance.

Insofar as future budgets are concerned, it is important to note that the preamble to the 2008 Operating Budget states that the Financial Plans for 2009 and 2010 remain in significant shortfall positions; $38.4 million dollars in 2009 projections and $55.4 million dollars for 2010. This is without eliminating the business tax.

Now, I want to say and I want to ask why have we returned to one year only, one-year budgets. The former Mayor Glen Murray introduced a three year budget cycle. And that, this year this Budget seems to have abandoned that reform in favour of deficit projection instead of real budgets.

The Budget further states that further work, including alternative service delivery mechanisms and new revenue streams will be required to implement creative solutions. Again, I would honestly suggest that the current committee on Alternative Service Delivery be made in to a full standing committee and that it regularly solicits the views of the public. For instance, the public was never part of the debate about privatizing garbage collection.

Without increased Provincial funding, which it seems unlikely as it's been indicated by many of the, by the NDP itself, City Council will have to raise property taxes next year. Could it raise enough taxes to cover that size of deficits? Seems to be unlikely.

While the Mayor's Economic Opportunities Commission recommendations are not overtly being implemented in 2008, a lot of them will have to be adopted in 2009 and 2010 under your own proposal in terms of dealing with the deficit.

The Mayor's EOC report suggests $20 million dollars could be saved through public/private partnerships. $5 million of that would come from turning over swimming pools and recreation centres to volunteers or contracting them out. Every study that there is shows that contracting out ends up costing us much, much more to the taxpayer in the end.

The EOC recommends offloading a number of services on neighbourhood associations including pools, play structure, park maintenance, street cleaning, and a number of other services which they didn't really define. The suggestion that neighbourhood associations take over and pay for these services is absolutely nonsensical.

Other savings recommended in the EOC report that may be included in the 2009 Budget include tendering out the management of golf courses as well as offloading the cost of certain City services in commercial districts including street cleaning and enforcing of Anti-Panhandling By-law. These will be taken over by members of the Business Improvement Zones. And the final suggestions which I see you're going to be looking at the possibility, is the use of volunteers instead of paid professionals in public libraries.

Quite likely myself and also out here, out there listening today, all of us reject those proposals presented in the EOC report. We don't want to see more civic services contracted out. We do not want to see a public/private partnership as potentially a transfer of public assets to private assets. So we reject all these recommendations because they do not serve the interests of the public.

But more important than my view or even your view as Councillors, in the view of ordinary Winnipeggers, democracy requires that citizens have the right to be heard before there's any further privatization of the services they pay for. If a proposal does make sense, it will stand up to public scrutiny, and if it doesn't, it shouldn't be proceeded with. Councillors must show more faith in the people they serve by opening up the Budget process to all Winnipeggers. Thank you very, very much. (Applause).

Mr. Speaker: Thank you Mr. Ternette. Thank you. Ladies and gentlemen, ladies and gentlemen, please, we have a Procedural By-law that I have to abide by.

I also advise you there is no demonstration to a point. I know what you want to do, you really mean it, but it's a law, it's a law. So we have to abide by it. Mr. Ternette there is some questions. Councillor Smith, your first question.

Councillor Smith: Yes, through you Mr. Speaker.

Mr. Speaker: Okay hang on.

Councillor Smith: Nick, could you make it clear what your position is? Are you urging us to vote against this Budget?

Nick Ternette: Absolutely. Yes, Councillor.

Mr. Speaker: Your second question, Councillor. No further questions. Thank you Mr. Ternette.

Nick Ternette: Thank you.

Mr. Speaker: Jim Baker, Manitoba Hotel Association, in opposition to Item 1. You have five minutes Mr. Baker.

Jim Baker: Mr. Ternette wrote my speech so I…

Mr. Speaker: Okay, so you can just ad-lib to it.

Jim Baker: Thank you very much. Good morning Your Worship, Councillors. Thank you very much for this opportunity. I'm here to represent the Winnipeg hotels. I work for the Manitoba Hotel Association, and as you all know, we've been engaged to assist that group in beginning a destination marketing fee, and here we are today looking at a Budget that includes a 5% room tax and just a brief little history of what we've done and our position.

The Hotel Association, on behalf of its membership, along with Travel Manitoba, Destination Winnipeg, and the Winnipeg Convention Centre, partnered on an intensive study of the competitive marketplace with the intention of understanding both the need for a marketing fund, best practices across the country, and the human and financial impact such a fund would have.

The report from the consultants clearly identified the need for a fund, referenced what the competitive set is doing in terms of marketing funds and recommended uses for the funds. The partners did their homework and adopted a clear and transparent plan of action.

A destination marketing fund presents the City and private industry with an opportunity to partner in a way that is creative, thoughtful, and results orientated. A 2% destination marketing fund can accomplish what we all want in a way that allows our tourism industry to grow and thrive. The ripple effect on the economy benefits everyone.

As an industry, and I believe I can speak for the broader industry, as has the Chamber of Commerce, Travel Manitoba, and many others, we repeat our disappointment in the City's action of enacting a 5% tax on hotel rooms.

We do note that the Mayor and the Deputy Mayor have moved from using all or part of the tax for general revenues to a position where the dollars will be used for incremental marketing through Destination Winnipeg, used to augment the dollars the City designates for the acquisition of events and meetings, and to extend its subsidy to the Winnipeg Convention Centre.

The similarities to the plan proposed by our industry are appreciated. As an association, we will closely watch the unfolding of the new by-law, the allocation of the funds and the measurement of the success in bringing more visitation to our City.

We want a voice in that process that will unfold, a voice that has value and a voice that has been earned. That's my presentation.

Mr. Speaker: Thank you Mr. Baker. Questions. Councillor Smith followed by Councillor Gerbasi. Councillor Smith, your first question.

Councillor Smith: Yes, with the passage of this Budget today, are you still going to go ahead as a Hotel Association with your destination fee?

Jim Baker: No. There's no room for that.

Councillor Smith: Okay.

Mr. Speaker: Councillor Gerbasi, your first question.

Councillor Gerbasi: I guess, thank you for your presentation. I'm just wondering how did we get to a point where we have two separate taxes, opposing. You know, how did it get to this point where there was this lack of communication or is there anything you can comment about the situation because it's obviously an awkward situation.

Jim Baker: Yeah I think there is really two independent actions happening at the same time. Since 1980, the City has looked at a room tax, and it was a 5% room tax presented in 1980. So every year I know that the budget process has on its to-do list considered a room tax. And indeed, the current Mayor has asked me what our position has been in past years, and it's been part of my job to find out whether it's happening or not.

So that goes back, our Association was always against the use of a room tax for general revenues or for capital projects, but the environment, the competitive environment has changed, and SARS kicked this off with devastation in the industry in Toronto.

And the industry got together and said we're going to collect money to put Toronto back on the map, and they instituted an industry-driven destination marketing fee. You can trade off those names. Taxes is a legal act. Fee is something that's done without the need for an act.

So as I said, we partnered with Destination Winnipeg, Travel Manitoba, Winnipeg Convention Centre to say where are we in Winnipeg competitively, in the marketplace for meetings and conventions, events, that type of thing. And what that study showed is we were the only City of any size that didn't have the hotels collecting money, directing that into marketing the City.

So we began the process of developing that fund, getting the consensus from our members, and this is a process that's gone on for virtually two years. And as part of that process, it was always intended, indeed we did have meetings to say this is what we're going to do. And this is the benefits. And it's a win/win position.

Now, Council or EPC or the Budget Committee, the to-do list again, room tax, So the discussions we did have was, you know, you're proposing a charge, we're proposing a charge. We're saying don't do yours because it's going to go into general revenues whereas ours will produce benefits. It will lever a whole bunch of things.

Indeed what we anticipated is that our fund, the then acquisition portion of that would actually offset some of the City's Budget that they use all the time. I mean it's been going on for years and years. I can't find that in the Budget documents but somehow every year dollars come out for bids, guarantees and that type of thing. So the two actions were going at the same time, and then there's a level of tolerance where you couldn't put the two together.

So the City says we want to have our tax and you do what you want to do. And we said we want to do our destination marketing fee, you do what you want to do. So here we are today, the expression bloodied but not bowed.

Mr. Speaker: Councillor Gerbasi, your second question.

Councillor Gerbasi: There's some confusion about where the revenue from this new tax that's in this Budget is going to go. I hear you saying it's going into general revenue. I don't see it going, that's what it looks like in the Budget books because it isn't clarified. Do you believe it's going to in fact, go into general revenue or go into something else?

Jim Baker: Well I know there's a lot of discussion about the budgeting process and to be very truthful, this is the first time I've really dug into those documents. I quit being a chartered accountant because of those kind of documents. (Laughter).

What the Budget showed me as it first came out was a revenue item relating for half a year of collecting a 5% fee, but I couldn't see where that $1.75 million dollars was allocated, right. So the assumption is it's not allocated, it goes in to general revenues.

I have further learned that, you know of course, a by-law has to be written, has to be approved, has to, you know. So time will unfold and what I understand is that as time passes, it will be clearer where that money is going. The document itself doesn't show that. So it of course raises concern.

The other thing that we're very concerned about is that the Budget indicates that the revenue from a 5% tax is in the order of $3-1/2 million dollars. In fact, it's more like $7-1/2. So we have a concern about the rate differential because our real concern about the 5% is the competitiveness when Winnipeg becomes the highest taxed hotel room in the country. Thank you.

Mr. Speaker: Your final question, Councillor Gerbasi. That's it? There's no further questions?

Councillor Thomas: I had my hand up.

Mr. Speaker: Councillor Thomas, your first question.

Councillor Thomas: Thank you. First Jim I want to apologize for not having the opportunity to meet with you before the Budget with the additional stuff that was dropped, I didn't have the time, and I still intend to meet with you after the Budget process to go into detail with what your concerns are because it seems that you have justification for a lot of them.

My question has to do with in the past two years there's been a 2% decrease to businesses as a whole resulting in $9 million dollars less revenue. What would you feel about rather than specifically targeting the hotel industry, since all businesses from all over the City, whether they are restaurants or shoe stores or whatever, since they all benefit from more tourism coming, if we actually reinstated that 2% so that all businesses share in this equally, and that $9 million dollars was dedicated to agencies such as the Convention Centre, Tourism Winnipeg.

Mr. Speaker: Okay Councillor Thomas, your question.

Councillor Thomas: That's my question, and CentreVenture and programs like this, a few of which that you may come up with yourself…

Mr. Speaker: Mr. Baker can you reply?

Councillor Thomas: Which I hope that I'd be meeting with you on. What do you think about that?

Jim Baker: Yeah Lillian, I get your question. It's why is the hotel business the target of this? And clearly when our presentation was made to EPC, we demonstrated that the hotels received 19% of the spend, so there's 80% where the dollars go elsewhere.

When we did our work on developing the destination marketing fund, indeed the report indicated that there are other beneficiaries out there. But what we thought is we're the hotel industry. We better get our house in order first. We better get consensus from our members. And we had always anticipated that at some point in time we could deal with the car rental agencies and the others.

But, it was all about the rate being appropriate. I mean, everywhere you go, there's something tacked onto a room or onto a car rental fee. I mean Florida makes I don't know how many hundreds of millions of dollars every time you rent you know every car rental there has a tax, a tourism tax.

So we just thought that we would take first steps. We would look after ourselves. We would start seeing the benefits, and we also thought that the dollars that we

were going to be able to generate would be enough to kick start things. And then if, of course, successes become evident and there's more dollars needed to get even greater successes, maybe we could bring some other people on board.

Mr. Speaker: Your second question, Councillor Thomas.

Councillor Thomas: Yes my second question is with regard to there's been estimates of it being $1.5. Your concern is that it's more like $7 million and my question before was everybody fairly got, all the businesses, the 2% reduction that occurred to them was about $9 million dollars, $2 and then $7, and it looks like all of that is coming back, and one industry is being hit and if you would comment on the fairness of that…

Mr. Speaker: Okay.

Councillor Thomas: or how you would feel about putting a tax back on…

Mr. Speaker: Thank you. Stop.

Councillor Thomas: everybody and the revenue being dedicated to that industry.

Mr. Speaker: Okay, Mr. Baker.

Jim Baker: It's not fair, you know, but I've heard this before. Life isn't fair.

Clearly in Thompson they now, because this Budget is passing a room tax, they are going to propose a tax on restaurant meals and on on-premise beverages. I think alcoholic beverages. So they're spreading that load.

My reaction to that is, is that you know enough is enough. We felt that the program we had developed would address the need and produce the results. We certainly don't want to see any other form of gouging on any other industries because the 5% is more than enough.

Councillor Thomas: Okay, thank you.

Mr. Speaker: Thank you. Councillor Browaty, your first question.

Councillor Browaty: Thank you Mr. Speaker. Have any of your members expressed concern that two points out of the 5% proposed hotel tax are to go to capital funding for a Convention Centre, a venue that in many respects competes for the same business as the hotel patrons, the same businesses?

Jim Baker: Well the Convention Centre is a very important asset to the hospitality industry, to the taxis, and to the restaurants, and certainly to the hotels.

We do compete with the Convention Centre on functions, but, nevertheless, the Fairmont competes with the Delta. So there is that friendly competition.

The policy of our Hotel Association in Canada, our policy, is we're not in favour of a room tax that goes into capital programs. However, we recognize a need that an asset like the Convention Centre has to be maintained to meet the needs.

And a number of the Councillors here have sat on that board, and they understand that the Convention Centre is actively engaged in a business plan towards that.

At this point in time, until you see a business plan, it's pretty difficult to say, and that's my personal opposition is squirreling away money before you see a plan and complicating the marketplace with a 5% where you don't even know if it's needed.

Mr. Speaker: Thank you Mr. Baker. Time for questions expired. Thank you, sir.

The next delegation is Mike Davidson from CUPE 500. Mike Davidson. Mr. Davidson, you have five minutes.

Mike Davidson: Good morning Mr. Speaker, Your Worship and City Councillors, and I thank you for the opportunity to be able to speak here today.

Local 500 are dedicated employees of the City of Winnipeg, and we are proud of the services that we provide. It is important to emphasize that our members and their

families are also taxpayers and users of the City services. Therefore, we speak to you in our roll as both providers and users of City services and as your neighbours.

We believe this Budget does not deal with essential needs of our physical infrastructure and social programs for the present and into the next decade. While it may look innocent, the Budget proposal being considered today is putting Winnipeggers at risk, especially in the future and only deferring difficult financial decisions that must be made.

We are very concerned about the insufficient funding for maintaining the City's physical infrastructure. By deferring maintenance costs and not adequately resourcing the upkeep of our roads, water and sewer network, civic buildings, and parks, it will only put our City further behind in addressing longstanding infrastructure and service needs.

Without adequate funding the roads will continue to fall apart. When trees are not regularly pruned it leaves the public vulnerable to more property damage after major storms, for example. When sidewalk maintenance budgets are cut, it makes it more difficult for people in wheelchairs. Reductions to snow removal means seniors can't get out of their homes. By under-funding park grass cutting, there will be more mosquitoes, and it will restrict summertime social activities and discourage tourism.

Winnipeg's social and cultural programs, pools, children, youth, and senior programs, for example, are already crumbling because of the lack of City funding and policy support. This Budget will reduce service more, undermining our sense of neighbourhood and community. If we cannot maintain pools and recreation centres and programs, young people will not have the opportunity for clean and healthy social contact. If we under-fund our animal control and health inspection services, we will run the danger of serious health risks for the public.

So very simply, if the Budget does not allocate sufficient funding to maintain the physical inventory of infrastructure and social programs, we will be faced with greater costs in the future.

And, as a parent with three children, all three of my children have enjoyed the Learn to Skate programs that the City of Winnipeg has offered. They're great programs. All three of my children have taken part in the Learn to Swim programs at our City pools that are serviced by City CUPE members, City staff, and when I was much younger, I took part in the Baby and Swim program operated at Bonivital Pool, a great program, and I appreciate that those services were there for me and my children while they were growing up.

To end this, I know there are no other, I know that there are other parents and citizens in our City who feel the same and want a level of service that will maintain the quality of life in this City. They want to be able to go to parks that are well kept. They want streets maintained and places for their kids and their neighbourhood kids to play in a safe environment.

We urge, Local 500 today, City Councillors to reject the proposal to cut these services. We have major needs to pay for now and now is the time to seriously consider increasing City revenue, not cutting costs.

Thank you again for the opportunity to speak here.

Mr. Speaker: Any questions? No questions. Thank you. Okay. We will get on, no more delegations. We'll get on with the, before the report of Executive Policy Committee Councillor Clement, you have a question?

Councillor Clement: Yes, I have a question Mr. Speaker, and I was wondering if you could, I see that there's about half a dozen motions.

Mr. Speaker: I'll be dealing with them right now. I'll be dealing with them.

Councillor Clement: I have a question about them.

Mr. Speaker: Well first hear what I have to say and then I'll recognize you.

Councillors, we have a total of six motions that have been filed within the last moment. We've been trying to get motions underway giving us the clerks ample time, the staff ample time to digest those motions that are before us, and the Procedural By-law, as you're aware, does not allow more than two motions on the main item.

So with Council concurrence…

Councillor Gerbasi: Point of Order.

Mr. Speaker: What's your Point of Order Councillor Gerbasi?

Councillor Gerbasi: Well, well I guess, I've never heard… Can you point out where in the Procedural By-law there's a limit on the number of motions? Thank you. (Inaudible)

Mr. Speaker: Councillor Gerbasi, let me finish. So what has happened here now is that we've got motions that are a total of six, and I will ask for Council to suspend the rule and allow these motions and any questions can be deliberated concurrently.

Councillor O'Shaughnessy: So it is so moved Mr. Speaker?

Mr. Speaker: Okay all in favour? Contrary? Carried.

Councillor Gerbasi: Point of Order Mr. Speaker.

Mr. Speaker: Just a minute, you will. Just hold it. Councillor Clement is first. Councillor Clement.

Councillor Gerbasi: Before you vote on it.

Mr. Speaker: Councillor Clement. We did. Councillor Clement.

Councillor Gerbasi: Point of Order.

Councillor Clement: Well that was one of the issues Mr. Speaker, thank you for clarifying that.

The second issue that I'm wondering about is whether, when each mover of the motion presents their opening comments about it, I was wondering if they could clarify whether in fact their intent is to have a tax increase by virtue of the motion.

And the reason I'm asking that is that generally when we get motions at this time, there is an account number that tells us where the money's going to come from, and there's no account numbers attached to any of these.

Councillor Gerbasi: Point of Order Mr. Speaker.

Councillor Clement: Am I? Am I done? I listen to you when you get up all the time.

Mr. Speaker: Councillor, Councillor Clement, please continue.

Councillor Clement: I'm sorry Mr. Speaker, but you know it's just a simple question. And all I'm asking for is a clarification. Typically when a motion gets made on the floor of Council during the Budget debate, if the intent is not to have a tax increase, there should be an account number attached with the motion to tell where the money's going to come from.

If that's not the intent and if the intent is that they're intending to have a tax increase, I would just like to know that before each motion. That's all I'm asking.

Mr. Speaker: I'm sure Councillor Clement, each and everyone who has presented a motion will speak to that. Councillor Gerbasi you don't have a Point of Order but go ahead.

Councillor Gerbasi: Well it's okay. I'll leave it for now.

Mr. Speaker: Because I've asked, I've asked for the suspension of the rule and allow all of these motions and questions be delivered concurrently. And the question was all in favour? It was yes. And what is your concern?

Councillor Gerbasi: My question is I just want to be clear and understand what the process will be today. The movers of the motion can introduce their motion and close on it? That's…

Mr. Speaker: You'll have, look, you're one of the movers I assume and others.

Councillor Gerbasi: And by the way, I gave it to the clerk yesterday.

Mr. Speaker: That's good.

Councillor Gerbasi: I just would like you, that on the record.

Mr. Speaker: I'm just saying, I didn't say about you. I said we have six motions that have been filed here this morning at the last minute. Yesterday I talked with the clerk. The clerk said there was no motions yesterday afternoon.

Councillor Gerbasi: Well, it was later in the afternoon.

Mr. Speaker: But you'll have a chance, each and everyone who has moved a motion before Council will have a chance to deliberate this. You'll have 10 minutes to speak, and I'm sure you'll be able to address the purpose of your motion and why you want Council to concur with that motion. A common sense. We talked about communication. This is not a way of communicating all members of Council just to walk it on the floor at the last moment and start dealing with it. You have a Point of Order or what is it?

Councillor Thomas: A Point of Personal Privilege actually. The Operating Budget really wasn't handed to people until late in the week. And there was Good Friday and Easter Sunday and Easter Monday, so there really was only one working day in which to hand in motions. And it was very difficult to prepare with this illusory budget Mr. Speaker.

Mr. Speaker: Thank you Councillor Thomas.

Councillor Thomas: I would say that for Personal Privilege that considering the manner in which this Budget was handled that everybody in Council be given…

Mr. Speaker: Thank you and I'm sure you'll include these motions right here before us. We don't have time. Let's get on with the... Let's get on with the report of the Executive Policy Committee. Mr. Mayor. And then we will deal with the motions.

**REPORT OF THE EXECUTIVE POLICY COMMITTEE
DATED MARCH 20, 2008**

Mayor Katz: Thank you Mr. Speaker, I would like to introduce Items 1 and 2 of the report dated March the 20th.

Mr. Speaker: All in favour? Contrary? Carried.

Councillor O'Shaughnessy: Move adjournment. (Laughter).

Mr. Speaker: Councillor O'Shaughnessy has moved adjournment. It takes precedent over the list.

Councillor Gerbasi: You know I'll need to make a Point of Order.

Mayor Katz: Mr. Speaker, I'll start over because I believe some people may not have been paying attention. So we'll do this one more time.

I would like to introduce the report of March the 20th and introduce Items 1 and 2 of the report.

Mr. Speaker: Thank you. We've got motions. Councillor O'Shaughnessy? Just a minute, go ahead.

Councillor O'Shaughnessy: No, I just wanted to be first on the speaker's list after that half hour or the one hour of introducing the amendment.

Mr. Speaker: Madam Clerk.

Item 1 - 2008 Operating Budget - 2009 and 2010 Preliminary Financial Plans, File FE(2008)

Councillor Vandal: Is anyone going to introduce the Budget?

Councillor O'Shaughnessy: We just did.

Councillor Gerbasi: Point of Order Mr. Speaker, just for clarification. I'm sorry but it's because it's a special meeting and there's motions on it obviously it has to be debated. Am I right?

Mr. Speaker: The Mayor has introduced Items...

Councillor Gerbasi: It's not going to be a Consent Agenda?

Mr. Speaker: The Mayor has introduced Items 1 and 2.

Mayor Katz: I will introduce Item 1 which is obviously our Budget. Mr. Speaker, since the Budget was tabled by EPC in draft form, I have listened to Councillors. I have listened to delegations. I've had phone conversations, and I've communicated with citizens through emails. And there's no doubt Mr. Speaker, that we face a mammoth challenge in this Budget.

And I'm sure that each one of us on the floor of Council probably has an idea for their own draft Budget if they could do it all by themselves. But, as you know, that's not the nature of democracy, and that's not how this Council works.

I stand before Council today to ask for your support of this Budget as I believe it represents a balance between many ongoing interests of major importance to our City, and I also believe that there is a significant reluctance of our citizens to support a major increase in property taxes.

When EPC first met to discuss the draft Budget, we faced the prospect of nearly a $30 million dollar deficit Mr. Speaker, and I know that there are Councillors on the floor today who very much believe that it's time for a significant increase in property taxes.

I also know that there are many on the floor who believe that our spending could be cut much more. To both sides of this debate, I guess what I have to say, it's my job to steward this Budget through and get as much consensus as possible.

I'd like to also discuss some of the highlights of this Budget:

Funding for Police, Fire, and Paramedics continues to grow in this Budget;

The Budget also proposes new spending in key areas: $1 million Aboriginal youth programs;

A first time ever investment of $2.75 million dollars to establish a rapid transit reserve;

The 11th straight year for a property tax freeze;

It also includes a one-time take back of $400,000 dollars from the public art program;

As I've said before, further reductions in business tax must be postponed. We simply cannot afford any loss of any future revenue;

As well, a hotel tax of 5%. This would go towards funding an event fund for items such as the Grey Cup, Junos, World Curling, et cetera, as well as monies to go towards destination marketing through Destination Winnipeg, as well as future Convention Centre renewal and expansion;

We also have an increase in tipping fees, Mr. Speaker, and a move to full cost recovery for the permit department.

As Council will see in 2009 and 2010, we are facing massive challenges. We're looking at deficits in the tens of millions of dollars.

With this in context, I ask Council to support the Budget and an 11th year of property tax freezes, increases in

revenues through fees, new spending on priority items such as Aboriginal youth and rapid transit.

And at this point in time Mr. Speaker, I very much look forward to a good, constructive debate on the floor of Council. Thank you.

Mr. Speaker: Thank you Mr. Mayor. Motion No. 1 Councillor Gerbasi.

Motion No. 1
Moved by Councillor Gerbasi
Seconded by Councillor Smith

WHEREAS $500,000 was approved in the 2008 Capital budget on December 18th, 2007 for the City's Public Art Program;

AND WHEREAS funding of $400,000 has been cut from the Public Art Program for 2008 and that revenue transferred to the 2008 Operating Budget;

AND WHEREAS Winnipeg's Public Art Program has been looked upon as a model program by other cities;

AND WHEREAS Public Art plays a key role in enhancing the vibrancy, uniqueness, diversity and building a sense of community;

AND WHEREAS numerous community projects that enhance our public parks and spaces and involve neighbourhood groups, inner city youth and Aboriginal people will not proceed if this funding is not restored;

AND WHEREAS administrative costs in the Public Art Policy have been within Council approved policy;

AND WHEREAS City Council has made a commitment to support Winnipeg's efforts to be the Cultural Capital of Canada in 2010;

THEREFORE BE IT RESOLVED THAT the Public Art Program funding be restored to $500,000 for the year 2008.

Councillor Gerbasi: Thank you Mr. Speaker. My motion is in regards to the $400,000 dollar cut to public art, and I'm asking that this Council restore it.

And I don't have a line number in the Budget as Councillor Clement had asked. When they added in $500,000 dollars for the Graffiti Art Gallery last week, at the last minute, I applauded that. I don't know where they got that money from, but I don't have access to that kind of information. I'm sure if EPC and the Mayor are committed to make some changes to the Budget, they can find them like they did on Thursday when they made that decision.

It's a huge disappointment that our acclaimed public art program has been rendered dead for 2008. This cut of $400,000 dollars means virtually no projects can proceed this year, and I'm not reassured by the claim that this cut is for one year only.

The public art budget was approved last December in the 2008 Capital Budget. If it was seen as appropriate to retroactively raid that fund to balance this Budget, there is no reason to think that it won't happen again.

Public art plays a huge role in what makes our City an interesting, vibrant, and a place to live and a place unlike other places. Major cities across Canada understand this. It's too bad that some members of this Council don't have an understanding of how beneficial this program is.

Misleading and exaggerated complaints about the administrative costs of the public art program are the excuse that have been given for this cut to the arts. Hopefully this argument has been put to rest by WAC's clear response to these unfair accusations.

I would like to remind you that when Council unanimously approved the public art policy, the amount was set for administration was 15%. The Winnipeg Arts Council has met those Council-approved requirements. To carry out complex community projects as this

program does, you need one full-time professional staff, and this is how much it costs within a $500,000 dollar budget.

I'm not sure if all of Council are really aware of the exciting things that were planned through our public art program that now will be delayed or perhaps never see the light of day. Public spaces that have been or would be enhanced in the future because of our public art program include Old Market Square, Assiniboine Park, the Millennium Library, Vimy Ridge Park, the Circle in Osborne Village, the Bishop Grandin greenway, the University of Winnipeg and Kildonan Park. Imagine what a great City we could have if we go forward and support all of this instead of taking this step backwards into mediocrity.

Other smaller community projects that have occurred or were supposed to occur in the future include projects in the Spence Neighbourhood, bike racks in West Broadway done by inner city kids, Elwick Community, Manitoba Urban Native Housing, the Immigrant and Refugee Community Organization, Dorchester House and the Eritrean Community. These projects create a sense of belonging and connections for marginalized people.

The value of all of this to enhancing the quality of life, community participation, and making Winnipeg a unique, beautiful, and interesting City cannot be measured only in dollars and cents.

I was thrilled that the Mayor and EPC agreed to support the Graffiti Art Gallery, and I've always been thankful for the continued support to Art City in West Broadway. We know that art is about more than statues and paint. Public art and community participation in art is a way to prevent crime, and it gives people a sense of hope and connection.

A few years ago, I talked to the Mayor about our vision of transforming the Circle in Osborne Village from a crime-infested scourge to a beautiful visual landmark and a source of community pride. He was very supportive at the time. Well this cut to public art will set that vision back to the back burner, if not off the table, and that's only one example of many.

Furthermore, this Council has endorsed the effort to try to claim the title of Cultural Capital of Canada in 2010. Our bid for this title may be put in jeopardy with this decision. I urge Council to reconsider this cut to the arts and to support the motion to restore the funding to public art. Thank you, Mr. Speaker.

Mr. Speaker: Thank you. The next speakers will be able to speak after we are through with the motions.

Councillor Vandal, you have two motions on the floor, Item 2 and No. 3.

Councillor Vandal: So I get 20 minutes?

Mr. Speaker: Would you like to speak to both of them?

Councillor Vandal: Pardon me?

Mr. Speaker: Want to speak to the both of them?

Councillor Vandal: Mr. Speaker, it's not going to take me more than a couple of minutes on each one.

Mr. Speaker: Okay, thank you.

Motion No. 2
Moved by Councillor Vandal
Seconded by Councillor Gerbasi

WHEREAS the May 2004 Council commitment clearly stated that $1.4 million be made available for Aboriginal youth issues;

WHEREAS the 2008 Winnipeg Operating budget includes $ 1 million for an Aboriginal youth strategy;

THEREFORE BE IT RESOLVED THAT another $400,000 be included in the 2008 operating budget for an Aboriginal youth strategy

Councillor Vandal: My Motion No. 2 is quite straightforward. "Whereas on May 2004 Council committed clearly, clearly committed that $1.4 million dollars be

made available for Aboriginal youth issues; Whereas the 2008 Winnipeg Operating budget includes $1 million for Aboriginal youth strategy; Therefore, be it resolved that another $400,000 be included in the 2008 Operating budget for an Aboriginal youth strategy."

And if somebody wants to know where to take the money, I can say that you can take it out of the Mill Rate Stabilization Fund. The actual number, I don't know what it is, but I'm sure that the staff could find out.

Mr. Speaker, as this Budget unfolds, I'm going to be fairly critical of some parts of the Budget, but there are some parts of the Budget which I think are positive, and this is one of them.

And I can imagine behind closed doors as Executive Committee hashed out the big picture on this Budget that I can imagine that it was Mayor Katz who championed the $1 million dollars in Aboriginal youth issues, and I thank him for that.

However, there is money missing. Back in '04 there was a commitment to $1.4 million. There's $400,000 dollars missing. And what this motion simply states is that in order to respect the Council decision that was made in May of '04, when I was not here and in fact, Mayor Katz was not here, that we need to find another $400,000 to make good on that commitment.

And I think that the issue of Aboriginal youth issues is something that's incredibly important to the future of this City. Opportunity and challenges define Aboriginal youth issues, and I think this $400,000 will be well invested and will be a legacy to the future of the City of Winnipeg. So I encourage everyone on this Council to support this motion. Thank you.

Mr. Speaker: Now No. 3. Motion No. 3.

Motion No. 3
Moved by Councillor Vandal
Seconded by Councillor Pagtakhan

WHEREAS the Winnipeg Housing Steering Committee have recommended that $2 million be included in the 2008 Operating budget for housing issues in Winnipeg;

AND WHEREAS the 2008 Winnipeg Operating budget have allocated $1 million for housing;

THEREFORE BE IT RESOLVED THAT another $1 million be added to the 2008 operating budget, for a total of $ 2 million housing investment in the 2008 Operating budget.

Councillor Vandal: Number 3 is, "Whereas the Winnipeg Housing Steering Committee have recommended that $2 million dollars be included in the 2008 Operating budget; And whereas there is only $1 million dollars included in this Operating budget; Be it resolved that another $1 million dollars be added to the 2008 housing budget for the City of Winnipeg."

We know that our housing strategy is doing tremendous work across the oldest neighbourhoods of the City of Winnipeg. When we signed a Memorandum of Understanding five, six years ago with the Federal government, with the Provincial government, it was actually very, very difficult politically to get to that point.

There were all sorts of arguments about it's not our mandate to invest in housing. It's the Federal government's mandate, it's the Provincial government's mandate. Why are we getting in to this? But we did. We showed some boldness. We demonstrated some leadership. We signed the agreement. We've been funding the housing program since that time.

The housing is now a permanent line item in our Operating Budget, and that's all very positive. We're on the cutting edge of success in the City of Winnipeg, but the need is greater than the demand. Right now we're doing tremendous work in five

or six housing improvement zones. We should be in about 10 or 12 housing improvement zones.

There was a report that was tabled here several months ago demonstrating the success of the program. The housing stock had improved. Neighbourhoods had become safer. And in fact, assessments have gone up. This is a program that will actually make us money in the long term.

So I'm suggesting that we find another million dollars and we invest it in our housing strategy, and that there will be long-term, incredible long-term benefits to the entire City. Not only social benefit, not only housing benefit, but there will be financial benefit. And this is a motion that should be approved. Thank you.

Mr. Speaker: Thank you Councillor Vandal. There are three motions presented by Councillor Pagtakhan, No. 4, 5 and 6. Councillor Pagtakhan, would you like to speak to all three?

Councillor Pagtakhan: Thank you, Mr. Speaker. Yes. I'll address Item No., Motions No. 4, 5 and 6 together.

Motion No. 4
Moved by Councillor Pagtakhan
Seconded by Councillor Thomas

WHEREAS Winnipeg's Library system provides all citizens with high quality, responsive and innovative library services in a cost effective manner which foster the individual pursuit of knowledge and enhance the cultural, economic and intellectual vitality of the community;

AND WHEREAS the Winnipeg Public Library is fundamental to literacy development for all citizens of all ages;

AND WHEREAS the Winnipeg Public Library provides public access to the electronic world of information including but not limited to: on-line search tools, CD-ROMS, DVD's, E-Books, E-Journals, special on-line databases, and wireless and internet access;

AND WHEREAS there were over 300,000 computer bookings throughout the Library system in 2007;

AND WHEREAS Council established a Library Reserve Fund in 1994, and amended in 2001 to allocate revenues generated from overdue fines, replacement fees for lost items, room rentals, non resident fees and photocopy fees to a special reserve fund dedicated for ongoing technological improvements within the Winnipeg Public Library system;

AND WHEREAS the Library Reserve Fund has been used exclusively to upgrade, enhance and expand the technological base of the Library;

AND WHEREAS it is the intent of the policy to utilize system generated revenue back into Winnipeg's Public Library system;

AND WHEREAS, the proposed reallocation of $679,000.00 from the Library Reserve Fund into General Revenue is counter to Council Policy;

AND WHEREAS the Winnipeg Public Library Board as a whole has not had the opportunity to understand the long term planning implications, and to provide meaningful input to the Winnipeg Public Service relative to this reallocation;

THEREFORE BE IT RESOLVED THAT the proposed one-time transfer of $400,000.00 from the Library (IT) Reserve Fund to balance the budget, not be proceeded with;

AND BE IT FURTHER RESOLVED that the $279,419.00 transfer in 2008, as per Council Policy to the Library (IT) Reserve Fund be reinstated.

Councillor Pagtakhan: The first motion is before us. Motion No. 4 is about reinstating the Library Reserve Fund Mr. Speaker.

We have a Council policy that was established in 1994 and amended in 2001. And that Council policy states that the revenue that the library generates

through system generated revenue from fines, room rentals, non-resident fees, photocopy fees, replacement fees for lost items, go back into the Library Reserve Fund.

And Mr. Speaker, there is incredible work that has been done in our library system relative to information technology and access to our citizens relative to cd-roms, dvds, e-books, e-journals, online databases, wireless and internet access.

Those are huge things. We are in an information age Mr. Speaker, and this motion is going to chop nearly $700,000 dollars from the Library Reserve Fund so that we can balance our Budget.

And on a go-forward basis Mr. Speaker, basically what's going to happen is that the Library Reserve Fund is going to be decimated to about $600,000 dollars on a go-forward basis.

What's more Mr. Speaker is that the Winnipeg Library Board, which is mandated to provide input into policy and to the Budget, has not had an opportunity to discuss this with the Mayor, with EPC, even with the manager of Library Services in greater detail and the impacts on a go-forward basis.

So my motion's very clear Mr. Speaker. We're talking about services, maintaining the services, the future implications that this will have, the precedent that it sets on a go-forward basis and that we should not touch this as per the Council policy established in 1994 and amended in 2001. I'm asking that the transfer of $400,000 and the $279 transfer in 2008, both be reinstated.

Motion No. 5
Moved by Councillor Pagtakhan
Seconded by Councillor Gerbasi

WHEREAS the Community Development and Recreation Services Division offers free admission to the Children's Drop-In Play Program in various schools and recreation centres and community centres;

AND WHEREAS the Children's Drop-In Play Program is offered at limited locations and during limited times;

AND WHEREAS the provision of recreation services is a core service of the City of Winnipeg's operations;

THEREFORE BE IT RESOLVED that the $430,929.00 savings realized by way of Vacancy Management in Community Services be realigned to salaries and operating accounts to increase the provision of recreational services in all communities as it relates to after school programming, arts programming, and community partnerships on a go forward basis;

AND BE IT FURTHER RESOLVED that a policy discussion take place to realize the intent of this motion at the Standing Policy Committee on Protection & Community Services.

Councillor Pagtakhan: On No. 5.

Mr. Speaker: On No. 5, yes.

Councillor Pagtakhan: Okay. I'll read the therefore be it resolved into the record. "Therefore be it resolved that the $430,929 savings realized by way of vacancy management in Community Services be realigned to salaries and operating accounts to increase the provision of recreational services in all communities as it relates to after-school programming, arts programming, and community partnerships on a go-forward basis."

Mr. Speaker right now, Community Services within their Community Development and Recreation Services division has a free drop-in play program that's offered in various schools, community centres, and leisure centres across this City, across the City, Mr. Speaker.

However, we have an opportunity here for almost $450,000 dollars in vacancy management. We should use that opportunity Mr. Speaker, and have a larger policy discussion in terms of how

we can utilize those monies, those savings back in to our communities to provide more free play programs for kids within our communities.

Mr. Speaker there's a ton of schools and community centres within the north end, the west end, the inner city, all parts of the City that have pockets of socio-economic hardship.

This is an opportunity for us to have a discussion, to utilize these in terms of salaries and operational costs, to beef up, to shore up, to offer greater recreational services to our communities. We should not be using this to balance the Budget Mr. Speaker.

Motion No. 6
Moved by Councillor Pagtakhan
Seconded by Councillor Gerbasi

WHEREAS the City's wading pools are popular and well used recreational amenities during the summer months;

THEREFORE BE IT RESOLVED that the $490,000.00 transfer to the Recreation Programming Reserve for the extended wading pool and outdoor pool season be reinstated.

Councillor Pagtakhan: Finally, the $490,000, we are taking, we are transferring $490,000 into general revenues to balance the Budget.

Mr. Speaker, this is the Recreational Programming Reserve established way back in 1976.

Mr. Speaker: Councillor, excuse me, but that's Motion No. 6 now, right?

Councillor Pagtakhan: Yes.

Mr. Speaker: Okay go ahead.

Councillor Pagtakhan: And wading pools and outdoor pools are a huge, popular public amenity within any community. You can go to any single part of the City and you can see how well used they are.

Mr. Speaker you know, if we, if we… This motion probably wouldn't be here today if we even took the time perhaps to have a special meeting about a wading pool. You know when you look at the kids' face, when you look at adults' faces who are enjoying the amenities of outdoor pools, our wading pools. It's incredible, absolutely incredible. Every year I go and I drive down Burrows and I see Aberdeen School there and sometimes it is not, it is not open and I'm wondering what's going on.

We have a staggered system right now, Mr. Speaker, where we don't even have the resources to keep all 93 wading pools open all the time throughout the summer. We're crippling, it's like erosion, Mr. Speaker. I don't even know if everybody in here realizes here that we have a staggered approach.

We shouldn't be staggering the wading pools open in the summer here, Mr. Speaker. A lot of the people who live in the inner City, the west end, the downtown, the north end, they don't have cottages. They don't have transportation some of them to go to the beach. The wading pools offer that recreational amenity to these folks, to the adults, to people of all ages Mr. Speaker. This is a huge thing.

And I'm worried that if we transfer this $490,000 dollars out, okay, fine, someone's going to say, listen, well we'll try and find the money. Well where are we going to find the money if it's already been allocated to balance the Budget? That's what I'm concerned with. It doesn't even go so far as to say how we're going to plan for this should a hot summer hit us in the middle of August Mr. Speaker.

I remember a couple of years ago, Councillor Wyatt, Councillor Smith, who both sat on Protection and Community Services in our first year here on Council with Councillor Wyatt, we fought hard to make sure that we had an extended pool season. We got that money. Mr. Speaker, I figure that this will cripple that intent and that we will not have that ability to do that and perhaps we'll have to cut something else from Community Services.

That really worries me Mr. Speaker, and that's what this motion is all about. It's about ensuring that we have the wading pools kept open, that we don't have a staggered policy, and that we allow the folks who utilize these amenities year in and year out as a core service of the City, for that to be maintained with this $490,000 dollars preserved within the Recreation Programming Reserve Mr. Speaker.

Mr. Speaker: Thank you. Now for the speakers, Councillor O'Shaughnessy.

Councillor O'Shaughnessy: Thank you Mr. Speaker. The Mayor has outlined the basic differences in this Budget over last year, the increase in spending on Police, Fire and Ambulance, and the number of employees in those areas; the increase in snow clearing; the increase in Transit where we had an increase of over a million rides last year and are expecting similar or even greater this year, but, once again, the subsidy had to go up $3 million dollars to accommodate it; the creation of a rapid transit reserve of $2-3/4 million dollars.

The Budget this year, $767,577,467 dollars. An increase of $26.334 million dollars over last year. This is not a Budget full of cuts. But increasing spending in the areas outlined of Police, Fire, Ambulance, snow clearing, Transit, et cetera, there's been a corresponding decrease in our overhead areas, the departments that are not directly providing face-to-face service to the public. Once again, we've made cuts in those areas.

There have been and will be complaints that one-time monies from last year for special programs were not repeated. One-time means one-time. There are even more monies in this year's Budget for one-time things for 2008. Everything you build in doesn't have to be ongoing forever.

There have been complaints. There was a rally here this morning. Equivalent-wise, there was an anti-budget rally in the City of Selkirk, the City of Steinbach. That would have been one person showing up. That is the ratio of that dramatic discontent.

The public opinion poll that appeared in one of the major dailies in Winnipeg last week showed that after all the criticism was out, after all the bickering about budget and cuts and under-funding and such, the number one thing the public wanted still after all this publicity was out there was don't increase our taxes. Well Mr. Chairman, we haven't with this Budget increased people's taxes.

We've spent more money on protection, on transit, et cetera, as I had outlined earlier. We have maintained the increased level of services for beautification of the City that we instituted last year. But you know, we could have increased, had the same Budget that some people say is awful, we could have increased taxes 7% to pay for it even after all these drastic cuts people say but we found a way to do it.

Many of the school divisions can't say the same. The one that I'm having a problem with in my ward, Seven Oaks, is increasing taxes 4.2%. And they've had a lot higher growth than the City in general. It's a very high-growth area right now.

The choices, what I'm going to say I guess is that choices had to be made. Choices are made. It's easy to stand back and take potshots and not be accountable as to I would raise your taxes 7%, I would raise your taxes 5%, I would cut, I would, I'll say something and it's a little silly, but close the libraries. I would do something else. Well there are plenty of ways to do it. We have a landed on a very sensitive way.

When we met last week and we heard the delegations from all over Winnipeg, there were a certain few that made ultimate sense, and we have adjusted spending within this Budget, within accounts that were already there, we have adjusted spending to help the Boys and Girls Club and Rossbrook House and the Graffiti Gallery, et cetera. We have listened. But we chose, once again for the 11th straight year, not to raise people's taxes.

You can agree with it, you can disagree with it, but that is our stand, and a poll that we had nothing to do with confirms

that the number one thing the public wants out of us is don't increase our taxes. Number two, increase our protection. Number three, enhance our infrastructure.

I think we've done a very good job of doing that in this Budget and hope, well, hope that the majority of Council agree with that and that we can get on with providing these services to the citizens of Winnipeg. Thank you.

Mr. Speaker: Thank you Councillor O'Shaughnessy. Councillor Smith, to the motion and the main item.

Councillor Smith: Well, Mr. Speaker, there's things about this Budget that I really like. I really support the Graffiti Gallery adjustment that was done last week. I'm one of the founding members of the Graffiti board and I'm very close to the director of the Graffiti Gallery. In fact, I was over at his place for Easter Sunday brunch. So I fully support that allocation of half a million in endowment fund. I think it's worthwhile. I think they do a lot of good work. I see kids at risk learning skills and doing well. So the Graffiti Gallery is something that I really strongly support.

But you know this Budget has things that I do not like. I do not like the cut in arts funding. Let me tell you I've had more emails on this issue of the cuts to the arts public funding. Let me, I just want to read you a few excerpts that I received in emails.

One says this: "We need to be following examples of cities like Chicago which has so much public art which enhances public space and is a tourist magnet." In other words, people are attracted to Chicago because of the art.

Next one: "Without public art, a City becomes just another gray prairie City, lifeless and demonstrates a lack of interest in our communities, peoples, and culture." That's so true.

Another one says this: "I consider public art to be an integral component in the life, growth, and character of any city. It is widely understood that a livable world-class city is more than commerce and infrastructure. Art and culture are necessary. Art attracts, inspires, transforms, challenges, and most importantly, tells our stories. Winnipeg public art program is not a frill."

And you know in having this cut, this is a new program getting underway. It's had a fair amount of success with the projects it's had to date.

But I want to deal with, the Mayor says, and I guess Councillor Clement is saying, where is the money coming from? I will tell you an answer. The EPC Secretariat. What do they do? You know, they're really part of the Mayor's staff and we didn't always have it. It's a recent addition in recent years. And they haven't got a clear record of achieving much in my mind.

Along with the Mayor's office, a total of $1,791,804 dollars are spent on the Mayor's office. I think that's where we should start chopping. That's where we need to chop. We got along well with it for years without having this EPC Secretariat. And I'd like to hear someone defend what they do and how important they are to the City.

Now we heard from CUPE. You know, basically we've cut services. We've cut core services. I know the Mayor, this Mayor and the last Mayor said we'd never cut, but we've cut every year. This year we're cutting street cleaning and litter collection, an $800,000 cut, sidewalk construction and maintenance, a $3 million dollar cut. And you heard CUPE explain the detail.

When you cut people, you cut services. I'll repeat that. When you cut people, you cut services. These people are not there sleeping on the job, they're working, providing public service to the citizens of Winnipeg.

Now, this Mayor by the way, I should tell you that the former Mayor, well, many a time he made things out of nothing. I remember one time they took away the office for Insect Control, or not Insect Control, for The Coalition to Save the Elms. So Senator Spivak and myself and

Dorothy Dobbie were in his office to get alternate space to in effect replace the space that was taken from us.

Well, you know, Mayor Murray said we're doing all this with Insect Control where you're having a pilot project with bats, with dragonflies, and he went on and on like that. I went down to my office and phoned Insect Control. We weren't doing any of that, not one bit of it. It was just all made up at the spur of the moment to impress. Now this Mayor is not like that. But he is, he does delete information that we should have.

For example, he attacks the Province in library funding in not having an increase. Well let me tell you this, three years ago Councillor Wyatt and I moved an increase for the library funding that hadn't taken place in years and years and years. We're still near the bottom of the heap of major cities in supporting our libraries. You know it really is disheartening.

So, Councillor Wyatt came up with a motion that I sort of liked, I agreed to second it and let me read part of it because he's withdrawn this, he's not putting it forward now and I want you to understand what his concerns were.

"Last year Council unveiled an Operating Budget that highlighted a clean and green theme with regards to improving garbage pickup, litter pickup, park maintenance, and with a focus on the Downtown Image Routes in certain regional parks. The rest of the park and open space system in the City is still suffering from years of reductions in service levels." This motion that he had was going to restore $10,885,000 to the Budget.

And he went to a lot of trouble. You know, he went to a lot of effort with the department to find out what the cuts had been over the years. Neighbourhood community park maintenance cycle, mowing, add seven cycles restoring service levels of late '80's, $2,330,000, and he goes on and on in that vein. We have had cuts in service, very clear cuts. There's no doubt about it.

You know and then we have this also from the department, from Mr. Ruta yesterday, on street cleaning and litter collection. What does this mean? Decreases primarily due to refinement of service base allocations and efficiencies. What have they done differently than they did, like...

This Budget, there's so many things wrong with this Budget, so many cuts, so many things at random that I cannot support it. And you have to understand, I supported the Budget last year…

Mr. Speaker: Councillor Gerbasi moves a two minute extension of time.

All in favour? contrary? Carried.

Councillor Smith: I supported the Budget last year. That was a mistake. And I supported it because there were things in it that I really liked, pruning of trees down to a 12-year cycle. Things of that nature that I was strongly supporting, but at the same time, we've cut services all across the board as CUPE has outlined today, and we should not support this Budget. Thank you.

Mr. Speaker: Councillor Gerbasi, she's the last speaker.

Councillor Gerbasi: Yeah right. Okay. This is the 10th budget process Mr. Speaker, I've been involved in, and it has been, I have to say it's been the most confusing and disorganized one I have seen.

There was a loss, and I'd like to point out there is a lost opportunity here to make this Budget a three year budget as we have three years left in this term of Council. A three year budget would have given some predictability for businesses and residents.

However, the projections in the Budget show for the outlying years a deficit of $40 million in 2009 and $55 million in 2010, and since the City isn't allowed to have a deficit, these budget projections don't really tell the true story.

This Budget neglects to tell us whether the Mayor and EPC intend to raise taxes, cut business taxes, cut services over the term of the next Council. Where is the plan?

The Mayor has stated in the media that we are likely to see a property tax increase next year, yet he has not backed away from the commitment to eliminate the business tax of $56 million per year over the next six years.

Clearly, unless something changes, we will see a shift from the burden of taxation onto residential taxes from business tax, and I also expect the City will not be able to provide the same level of service unless some new source of money miraculously materializes.

I want to make it clear that I do support the move to service-based budgeting. But this year, the service-based budget was released after the final changes were already decided and the public's opportunity to be heard was over. And this new format, this document was lacking detail, explanations, and previous year comparisons. This dog's breakfast of various unexplained numbers led to great confusion and frustration, not to mention a lack of transparency.

It is crucial that Councillors who vote on a budget understand what they're voting for and not to take someone's word for it that everything is fine. We are accountable to those who elect us. But, beyond the flawed process, this Budget contains many other issues that should be of grave concern to citizens.

The draft Budget contains a line for most departments called operational efficiencies. These huge amounts of money have to be slashed from each department. It is anybody's guess what the impact on service will be from these cuts.

How much, here's how much unexplained money must be cut from front-line departments: Public Works $5.9 million; Community Services almost $500,000; Planning, Property and Development, $600,000; Water and Waste $1.3 million. There has been no clear explanation as to how this level of funding can disappear without having an impact.

The 70 job reductions in this Budget are over and above the cuts to these departments that I just mentioned and over and above that, there are vacancy management targets larger than we've ever seen before, meaning there will be a lot less staff around to do the work, and all of this is after 11 years of belt tightening to freeze or reduce taxes.

How do these cuts affect service and also the City's ability to properly plan and respond to risk and change? These types of harsh reductions year after year erode the public service's ability to do what they're here for, to serve the public.

I would also want to point out a more specific issue. I have learned that seven positions have been eliminated from the Real Estate department alone, a very small part of the Planning department. No one has explained how this work will get done with seven people.

I also notice that recommendation 10 of the Budget asks the public service to consider alternative operating arrangements for Building Services, Civic Accommodations, and Real Estate. Before Councillors vote on this Budget, there should be a very clear explanation of what "alternative operating arrangements" means.

Is there a plan to contract out our Real Estate Services? I'm not convinced it is in the best interest of citizens to have a private developer or a real estate agent in charge of managing and selling City property. These are complex arrangements, there are complex arrangements with non-profit housing groups, daycares, City parklands and other issues that must be dealt with.

The public good sometimes must be put before the goal of making money. We need a public service that has the capacity to address these issues with proper accountability. We need public servants to deal with selling City land.

I support the motion of the Housing Committee, the Winnipeg Housing and Homelessness Initiative has been an incredible success. Our own public service reports have shown the benefit of investing in our inner city, supporting community housing plans and working in partnership with community groups. By investing in the inner city, the entire City becomes more stable, sustainable, and safer for everyone.

The fragile recovery we have seen in neighbourhoods such as West Broadway, Spence, William Whyte, Point Douglas and Centennial should continue to be supported, but we have also identified at the beginning of the housing policy nine other neighbourhoods that are in major need of support that are not funded for housing yet.

Another huge concern is that construction costs have gone through the roof. These same costs that the City faces on projects are also faced by non-profit housing groups.

Furthermore, the new approach of cost recovery for permits and development fees will mean that every non-profit housing project will cost more. Yet we're giving the same amount of money each year.

We have neighbourhoods that have no housing funding. We have a continued need in existing housing improvement zones, and we have escalating costs of construction, inflation and City fees. I hope this Council will support the motion to increase our investment in the inner city. A healthy city centre makes a healthy city.

On Transit, this year, as in the past 20 years, there will be no increase in Transit bus operating hours. Once again the Transit department must scramble to spread the same number of hours over an increasingly sprawled out City.

Each time this Council approves more suburban development they talk about the revenue the City will get from new property assessment. Yet that revenue is not used to provide the additional service to the new areas. Instead, the same Transit operating hours are spread thinner and thinner. The inner city suffers and so do the suburbs. All Winnipeggers end up with an insufficient frequency of Transit buses.

This Budget puts $2.7 million in a future fund for rapid transit. I'm not sure if $2.7 will cover the increased costs of waiting even one more year to start building it. Capital projects are not built this way. The City needs to commit to the project, finance it, and get building it before the costs escalate even more, if rapid transit is in fact, truly a priority.

If we waited until we had all the money before we built roads and bridges we'd never build another one. We have an opportunity with this potential $18 million in new Federal money to finally get Winnipeg started on rapid transit if the Province and the City agree to fund the rest. We need more than $2.7 million for this to happen.

Furthermore, rapid transit should be paid for the same way other capital projects are, not on the backs of fares paid by Transit users. Automobile users don't pay a toll or a special tax to drive their cars on the roads. This Budget, by the way, also includes unfair Transit fare increases that are far above the rate of inflation. Why are we penalizing those who choose public transit when they are making a choice that benefits everyone by reducing congestion and greenhouse gases? Wake up!

One-time funding, I just received an email, just before I made my speech, answering one of my questions I'd asked, which is really tough to work into your speech I might add. One-time funding last year has not been repeated. What we're talking about is $500,000 for tree planting, $250,000 for graffiti...

Mr. Speaker: Councillor Thomas moves extension of two minutes.

All in favour? Contrary? Carried.

Councillor Gerbasi: $25,000 for litter collection. Okay these are one-time enhancements. Why are they one-time

enhancements? Has these needs disappeared? What is? Where is the plan and is beautification and clean and green no longer a priority? One-time makes no sense.

Furthermore, it isn't, I'm going to have to jump ahead. In conclusion, I put to you that this Budget is seriously flawed. This is a Budget that decimates our innovative and nationally acclaimed public art program unless you're going to change your mind and support my motion, which I would appreciate. It freezes Transit bus operating hours and raises Transit fares excessively. This Budget contains unexplained and excessive slashing of our public service's capacity to do its job well. And, finally, this Budget lacks a fiscally or socially sustainable vision that Winnipeggers deserve. Thank you Mr. Speaker.

Mr. Speaker: Councillor Thomas.

Councillor Thomas: Thank you Mr. Speaker. This Budget is part illusion and part delusion. Where the object of this poorly mastered shell game is to play find the cut. Like all cons, the object is to keep you looking elsewhere and not to focus on the reality of the situation. This Budget says don't look behind the curtain and definitely do not look inside the bracket.

However, when you do have the temerity to uncover all the shells to find that kernel of truth, you discover that that kernel of truth has been removed completely and that you are staring at a series of empty shells.

Even with the last minute pomp and circumstance around the presentation of the mirage called the service-based budget, the comparison to reality is removed. There is no comparison to the past budget, and if you try to look up the information yourself, you find a new set of shells because the service categories have changed. Departments have been moved about. Responsibilities have been switched. And there have been spasmodic jerks in so many directions that following the money is difficult.

Some service categories have been moved several times, each time a person, a service, or a priority disappears, but we have been told today that it is a stand-pat budget. It may stand-pat, but look where it is standing. Its base is quicksand, and with every squirm, this Budget sinks deeper into the morass of denial. The only way out is to tell the truth, the truth about what is there and what is not there.

This Budget is not honest with the citizens of Winnipeg. How could citizens offer their considered opinions when the facts were hidden from them? Sidewalk repair, street maintenance, insect control, park cuts, all kept undercover, keeping the citizens in the dark. And the Mayor would not fess up when all went wrong because it is somebody else's fault. It seems it's always somebody else's fault. The only thing that has happened here is that we have looked behind the curtain and discovered the master delusionist.

It is time to start over with this Budget, and it is time to start with the truth. No more shell game and to begin with citizen input. This Budget has nowhere to go but down, and it cannot be supported, and I will not do so. Thank you Mr. Speaker.

Mr. Speaker: Councillor Steeves.

Councillor Wyatt: Point of Order Mr. Speaker. I move that we go in to Committee of the Whole?

Mr. Speaker: You have to get suspension of the rules first to present your motion. Why don't you go on the Speakers' list and we'll hear the motion? Mr. Clerk? Okay, go ahead. Okay, the question has been put by Councillor Wyatt that we go in to Committee of the Whole. You need two thirds of the vote. You need two thirds of the vote of Council.

Councillor Clement: Some Councillors don't understand what that means Mr. Speaker.

Mr. Speaker: That means you can speak all you want. You can speak a number of times. There's no limit. You can move… Okay here, I'll read it out to you. "The rules of Council should observe

Committee of the Whole as far as may be applicable with the following exceptions: no motions will require to be seconded; no motion for any adjournment shall be allowed; and the number of times of speaking on any question shall not be limited." Can continue until tomorrow morning. There you go. So are you ready for the question Councillors?

Councilor Gerbasi: Recorded vote please.

Mr. Speaker: All in favour of moving it in to Committee of the Whole. No recorded vote? Recorded vote has been called for.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Gerbasi, Pagtakhan, Smith, Thomas, Vandal, Wyatt.

Nays

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

City Clerk: The vote Mr. Speaker, Yeas 6, Nays 9.

Mr. Speaker: It's Lost.

We'll continue. Councillor Steeves followed by Councillor Leipsic and Councillor Vandal. Councillor Steeves.

Councillor Steeves: I actually thought Councillor Leipsic was ahead of me Mr. Speaker.

Councillor Leipsic: Oh go ahead.

Councillor Steeves: You're okay? Okay. (Inaudible) Thank you Mr. Speaker, I'll rise to speak on the Budget and I'll try to assume most of the comments on the various motions in my comments as I move forward.

I want to begin by acknowledging this is a difficult issue, and I want to also begin by thanking the members of the gallery, the folks who have come out to their City Hall to, I guess be a part of the process. I completely anticipate, Mr. Speaker, that there are probably members of the gallery that, at the end of the day, will not agree with the decision that I will make personally, but that does not mean that I don't appreciate their attendance and their willingness to get involved in this process.

I think most Councillors would agree there's nothing worse than speaking in front of an empty chamber with nobody being involved. So I welcome folks who come down to City Hall and be a part of the process. It adds to it.

I'm going to also in some of my preliminary comments, extend my thanks to our administrative team who have helped in preparation of this Budget. Normally what happens during my budget speech each year, I run out of time and I forget to do that. So Mike Ruta, Jo-Anne Ferrier, Betty Holsten Boyer and your team that supports all of you, thank you very much for the innumerable meetings that we've had and the support that you've given us.

I think that, it might come as no surprise to folks in the gallery to learn that as we're going through this process the requests to administration are almost insurmountable at times and even this past weekend, the holiday weekend, with some of the issues that rose in the popular media that had to be addressed probably for today we called upon our administrative team to get involved over the course of that week and they did an admirable job of doing so and I thank them for it.

Councillor O'Shaughnessy mentioned I think a key point that has to be acknowledged by everybody here in the gallery. This Operating Budget represents and increase of $26-1/2 million dollars in operating expenditures. That's an increase of 4%. If you couple that with our increase in the Capital Budget from $288, cash-supported, the cash-supported side,

from $288 to $305, that's an increase of $17 million dollars or roughly 6%.

So between our Operating budgets and our Capital budgets we're increasing our expenditures as a City by 4% and 6% on the two sides. It probably doesn't average out to exactly 5% but it's probably not far off.

So as a City, the Budget that we're putting on the table represents an increase in spending from the City of Winnipeg of 5%. Now I want to be careful to acknowledge that that's not all City of Winnipeg money. Some of it represents funding from other levels of government, which is gratefully acknowledged and accepted.

Having said that, it has always been, I think, this Council's intention to talk about net money, whether it's I guess the position clearly articulated by the Federation of Canadian Municipalities on behalf of municipalities right across this nation or if people take themselves back to the New Deal discussions that we had several years ago with the Province of Manitoba. It has always been the City of Winnipeg's position that while we do need additional resources and additional funding for certain things we're not necessarily interested in increasing the overall net tax load of the citizens that we represent.

So with that 5%, I hope people can acknowledge that it might feel like this is a dreadful and hard Budget that's been put on the table by the City of Winnipeg, and I completely acknowledge there's some areas where you might look at that and you might say, well yeah, this is very, very difficult, but please consider that as a citizen. This Budget represents 5%, well, the Operating side 4% more, the Capital side 6% more, in spending from this institution.

We try to sort of put ourselves in a position in the marketplace that we think is fair. Now 5% increase overall may or may not be fair in your estimation. Maybe you're a person who thinks we shouldn't be increasing it that much or maybe you're a person who thinks the time has come for us to increase it more than 5% overall. I don't know. But as the Mayor alluded to, what we're trying to do here is to find a fair balance, and I'm going to suggest Mr. Speaker, the 5% might be a reasonable suggestion of balance.

Having said that, it is tough with some of the increases in inflationary costs that we've seen in this Budget. What we've tried to do throughout this process is focus on the core services and the things that we need to do as a City. Things that we have to do, represented by Mike Davidson who does an admirable job as a representative of CUPE coming forward with, representing the people that work so hard for us, and we completely acknowledge that as a 16 person Council, we need these people to carry forward what we think is important.

What we're trying to do is focus back into those things and say, we have obligations, not wishes, but obligations to do certain things. Granted strong debate as to whether or not some things are obligations or whether or not we're living up to our obligations, but that's what we're trying to do here, and it has not been simple.

From a Community Services standpoint, I guess that I have some obligation to speak as the chair of that committee. It's been a difficult budget on the Community Services side, certainly. There's been a lot of discussion about that and probably will be are more.

Winnipeg Fire Paramedic Service, there's a substantial increase, probably representing the increased costs, the aging population, contributions from other levels of government. But the fact is, I think our Winnipeg Fire Paramedic Service is going to be better able to take care of the citizens that we represent, and I think that is a good news story again this year.

Conversely, with our Police Service, I don't think anyone takes a lot of pleasure in the idea that we have to increase our Police Services budget by this much in this Budget, but I think it's universally acknowledged Mr. Speaker, by both Council and citizenry alike that

regrettably, this is a necessary expense in the context of some of the challenges our Police Service is facing in this City. I'm not happy about it, but I think everybody acknowledges that it's something that we have to do.

There are some things that we've tried to stretch out and we've tried to do that are new. I don't speak on behalf of every member of Council, but I am Mr. Speaker, a supporter of a rapid transit program for this City. I would love to see the day come when we can move in a concrete fashion, if that's a pun, in that direction towards building a transit system that is more sustainable, that I guess more people can access more quickly and that serves people better.

This might be a modest start, but it is a start, and I recognize, and this is one of those things I want to highlight. There are many people on this Council, there are some people on this Council who I recognize are probably not staunch rapid transit supporters, but they have elected to put a little water in their wine and support this because they see it as a spirit of compromise.

The hotel tax not moving onto business tax, which represents a stigma to this City and the tipping fees, those are hard things to do. Those are challenges that we've had to do through our business community, and I know that that hasn't really resonated very well with a lot of people both on this Council and outside of Council. But I think…

Mr. Speaker: Councillor Vandal moves extension of two minutes.

All in favour? Contrary? Carried.

Councillor Steeves: But I think again Mr. Speaker its representative of what this Budget truly is.

It's a challenge I think in some ways for a lot of different sectors of the population, not just for people of certain special interest groups or here legitimately advancing certain ideas, but also other sectors of the population that have specific interests who again have some concerns. But these are the challenges that come forward necessarily as part of the budget process.

Not everyone is going to get everything they want in these budgets, and I personally would love to have seen more money in here for public art. Regrettably in the context of the Budget and as a person who takes responsibility for bringing this Budget forward to Council at this time, it just wasn't something that we could get to, and we could reach.

Other members of Council, and I think probably unanimously here are going to support the Graffiti Gallery getting some strong additional funding. It's not exactly public art, I suppose, but it is along the same vein and does a lot of the same things I hope and accomplishes some of the same goals, although admittedly not identical.

What's difficult about this, again, as Councillor O'Shaughnessy alluded to, from our Council colleagues who won't be supporting the Budget, and I anticipate there's some, what are the other ideas? Fairly and squarely put to you, are you saying you are asking us to increase taxation because I have not heard that from you. Will I hear it from you when you sum up, because it's hard for us to know where to go on these budget processes?

We've put forward some ideas and they are torn apart but there are no ideas that are put forward to sort of bridge some of this financial gap. If we are truly here in the spirit of cooperation Mr. Speaker, am I, am I beyond my authority to ask my Council colleagues who won't be supporting the Budget where will the new revenue come from?

Mr. Speaker: Thank you Councillor. Councillor Leipsic.

Councillor Leipsic: Thank you Mr. Speaker. I'd like to begin by saying it isn't my 10th budget as my neighbour Councillor Gerbasi, it's my second. But I can tell you it was probably the most difficult process I've experienced at City Hall in my time here. The last few months were extremely stressful for everyone on

EPC and the Mayor of course, but tough choices had to be made.

I'd like to begin by thanking our Chief Financial Officer, Mr. Ruta and staff who were again, extremely helpful, patient, and working under great duress and time restrictions. So I thank you.

I'd like to say when we began we had some aims and goals. We wanted a balanced budget. We didn't want service cuts. We asked all departments to share the cuts or the pain, excluding the Police, Fire, and ultimately Public Works. We also did not want to see a property tax increase this year, so we could hold the line for 11 years and proudly say that. We did seek new sources of revenue and we will continue to do same. We must. It's simply a mathematical financial fact.

Maybe this Budget isn't perfect Mr. Speaker, but questions such as the Graffiti Gallery, certainly these monies which will be held by Winnipeg Foundation, while important for crime prevention, et cetera, perhaps it wasn't my first choice. There were many other areas that had to be considered: public art, playgrounds, community centres, constant lobbying by MTC endowment, by Manitoba Opera, trails people, bike paths people. The list goes on and on.

But in the end Mr. Speaker, consensus is necessary because we have to come forward with a Budget and choices were made, hard, difficult choices. But I believe we've come up with the best possible Budget. Lots of lessons have been learned. One important one I think that I acknowledged is not simply that we're going to start the next budget process tomorrow. I think we've already started it to preserve everybody's sanity and physical health too.

We have achieved an excellent package. We were, I'm proud to say, fiscally responsible, and I can hold my head up high and say that to people in my ward. I can look at myself in the mirror, and I'm proud of what we accomplished under extremely difficult circumstances. We were doing our utmost to be fair to all Winnipeggers.

I'd also like to say, I thank the people who have taken the trouble to come here today to hear us. Unlike Councillor Steeves, doesn't bother me if sometimes I have to speak to an empty gallery, but, I know. I want to say and I've maintained it throughout my life, I don't care where you sit politically or where we are with ideas. The important thing is you care and you come out and you send emails and you phone, and good for you because I think we all have to do that and be part of the process.

So Mr. Speaker, I will heartily endorse our Budget today. Thank you.

Mr. Speaker: Councillor Vandal.

Councillor Vandal: Thank you Mr. Speaker. First of all, I want to say that as far as I'm concerned, this Budget was conceived back, in large part back in November or December during the great Winnipeg water debates we had in this Council and the great bus rate debates.

For those of you who don't remember back in November this Council approved the largest transfer in Winnipeg history from the Winnipeg Water utility to general revenue also known as the Operating Budget. $32.5 dollars million went in 2008 from water revenue to general revenue, and that was wrong.

It was especially wrong because Mayor Katz had campaigned on the promise to completely eliminate transfers from the water revenue to general revenue, and in fact, he went the other way. They've actually increased.

Now on top of that, back in November, I believe, this Council approved, I didn't vote for it, a 25 cent increase in Transit fees. Now this was unprecedented certainly in my history of being here, which is about 12 years with a two year holiday, a 25 cent Transit increase. And that was significant because finally the Provincial government had come to the table with 50/50 cost sharing on a Transit agreement, finally after about 15 years.

So we have more money from the Province, so what's the first thing we do is

we reduce the amount of dollars that we actually invest in Transit, and then we implement a 25 cent hike, some of that to offset the Operating Budget which we're talking about here this morning. So all these dots are connected.

Mr. Speaker I'm from the old school. I believe that when a politician makes a promise, that they should be held accountable. And if a politician breaks that promise, then that politician has a responsibility to come clean, to come to the public, to go on television, to tell other City Councillors why those promises are being broken.

Now I've referenced the water transfer broken promise back in November, and we've had a good discussion about that. Now I'm going to reference another promise which is being broken, and I've actually dug up an old document, "Sam's Action Plan for Winnipeg."

"Sam's Action Plan for Winnipeg 2004", under Taxes and the Economy, implement a complete elimination of the business tax. Not a partial elimination, a complete elimination. And if you keep reading down the document that by 2007 business tax will be 7.75 across the City and ½ percent reduction for all businesses each year thereafter. A ½ percent reduction for all businesses after 2008 and each year thereafter.

Now, Mr. Speaker, through you to Mayor Katz with the utmost of respect, I challenge Mayor Katz to tell this Council why this promise, even though I don't think it was a good one, why this promise is being broken, and what your plans are for the business tax over the next three years.

Mr. Speaker when I peruse through the Action Plan, promises made in '04, promises made in '06, I don't see anything in those documents about a hotel tax. I don't see anything in those documents about a 5% hotel tax which apparently will go to the Convention Centre, which apparently will go to Tourism Winnipeg, Destination Winnipeg, but just may end up in general revenue.

At a time when the Canadian dollar is at an all-time high, which is a very real disincentive for Americans to come over the border, to come and visit our City at any time of the year, at a time when the U.S. economy is faltering, can you think of a worse time to implement a 5% hotel tax? A total new tax which was never spoken of anywhere in any campaign promise, in any campaign literature, in any platform debate. Never.

Now I understand, I can hear the other side, I can hear Councillor Steeves now as chair of the Federation of Canadian Municipalities, our challenges are great at the City, our challenges are mighty, and our challenges are many. But the reality is Mr. Speaker if you compare this Budget to a budget five years ago you're going to see so much Federal money in this Budget and so many Doer dollars that a new tax is simply not justifiable.

Let me cite a few examples. A $50 million dollar gas tax agreement with the Federal government and the Provincial government, which I understand is being renewed indefinitely. That's great news for the City. That's money that was not here four, five years ago.

Let's talk about some Doer dollars. Let's just look in the Budget. In 2008 alone, there is $9 million dollars for Fire Fighters and protection services, 100% funded by Doer dollars. That was not here four, five years ago, and that's a great thing for the City. I'm supportive of that.

Let's talk about Transit. Finally after 15 years, we get a 50/50 cost-share agreement with the Province of Manitoba, probably about $16 to $17 million dollars. 50/50 cost sharing on Transit, something that had not been a reality for 15 years, and that's a great thing for the City and I support it.

Infrastructure deals, $50 million dollars for roads, for bridges. GST rebates, VLT revenues. This morning, I heard on the radio that there was going to be $15 million dollars for Police Officers for our Province or our City, I'm not sure how that's going to shake down.

And the Mayor needs to be commended for this because obviously you've done a good job with the other levels of government. But now is not the time given that context to introduce a 5% hotel tax which ultimately is going to hurt the tourism aspects of the City of Winnipeg.

Mr. Speaker, I'm going to base my comments on this original document we received about three years ago because frankly, the other one, I'll get to the other one later. There is a number, and Councillor Gerbasi has honed in on it, that's pretty prevalent and common in that document. It's called operational efficiencies. There's no explanation, there's no sense. Does that mean less staff? Does that mean service reductions? We don't know. I guess it's going to unfold as the year unfolds.

Public Works, $5.9 million dollars cut, operational efficiencies. I shouldn't say cut, it's an operational efficiency; Paramedics, half a million dollars operational efficiencies; Community Services, half a million dollars; Planning, Property and Development $614,000 dollars, operational efficiencies, on top of half a million dollars of staff reductions; Assessment, arguably the most important department in the City of Winnipeg, our Assessment department, $300,000 dollars, operational efficiencies undefined; City Clerks, $276,000 dollars operational efficiencies; Corporate Finance and CAO Secretariat $270,000 operational efficiencies; public art, straight up cut, $4 million.

And, Mr. Speaker, when you look at the documents, the only department, the only line item that is actually getting an increase is the Mayor's office.

Mr. Speaker: Councillor Nordman moves extension of two minutes.

All in favour? Contrary? Carried.

Councillor Vandal: And that was cited in the media some time ago. But you're going from $500,000 plus, to $825,000 dollars plus a $300,000 and change increase in the Mayor's office, and I would like the Mayor to address that as he wraps up on this document.

Other issues in the Budget, Mr. Speaker there are many. Rapid transit, let's get serious. Does the Executive Committee think that the public and this Council is stupid? Why would we fund rapid transit on the operating side rather than the capital side? Maybe Councillor Clement can explain that to me because you're the transportation guy. Why would we fund it out of the operating side as opposed to the capital side? And do we really think that $2.7 million dollars in '08 is going to make a dent in any significant rapid transit system? That's an insult.

CentreVenture, $150,000 cut or $100,000 cut I understand. Recommendation no. 10 which looks at alternative arrangements for Civic Accommodations, Civic Buildings and Real Estate. What does that mean? Perhaps Councillor Swandel can clarify what exactly alternative real estate arrangements mean.

Mr. Speaker we talked about process. I can go on about that. It stinks. Councillor Steeves or Councillor Smith, sorry I get the two confused, (laughter) identified that.

Mr. Speaker, a budget, a three-year budget could be a road map for the future of the City. It could be an opportunity to paint a vision. It could be an opportunity to paint the vision that is exciting, that has soul, that is sustainable, and yet some predictability. And what do we have?

We're going to clunk together today and we're going to put together a Budget that's equal on paper, that's balanced on paper, but the reality is, in 2009, we have a $38 million dollar deficit. In 2010, we have a $55 million dollar deficit. We don't know where property taxes are going, where services are going, where business taxes are going. There's no plan. There's no plan.

Mr. Speaker: Councillor Vandal.

Councillor Vandal: I think the first thing that needs to happen Mr. Speaker, the first thing that needs to happen is the

Mayor needs to stand up and he needs to come clean on the total abolition of the business tax.

Mr. Speaker: Councillor Vandal.

Councillor Vandal: Once that is done…

Mr. Speaker: Your time is up.

Councillor Vandal: We can roll up our sleeves and we can move forward.

Mr. Speaker: Thank you.

Councillor Vandal: Exactly.

Mr. Speaker: Councillor Nordman you're next.

Councillor Nordman: I rise today to support the Budget Mr. Speaker. I will have very brief comments.

A couple of things that were reinstated or increased were apparently a grant to Heritage Winnipeg, which they certainly appreciate.

As far as the 5% hotel tax is concerned, I still have a bit of conflict, I spent just about 20 years in the meeting and convention and travel business, so I have a pretty good understanding of what is meant by bringing business to Winnipeg.

The Winnipeg Convention Centre, 35 odd years ago was developed to bring the business to Winnipeg, not to necessarily compete with the existing hotel properties that are here, and by increasing their capacity, by doing an expansion and a refit over there, which the hotel tax in part will somewhat support, will allow more business to come to Winnipeg over time.

I'm not sure if 5% is the right number, but I guess over time, we'll have to evaluate that and see a year from now if Mr. Baker's numbers are right or if the City's numbers are right.

I certainly think at the end of this exercise, my constituents in St. Charles ward will be pleased to know that there's more money being put towards protection and community services.

The reality for the folks at the west end of Portage Avenue, rapid transit would certainly be an advantageous utility that we can look forward to in the future, but Portage Avenue runs pretty well right now, and rapid transit for me is not a big budget item, although we've put the two point whatever million dollars in the fund.

So I would just put it on the record that I support the Budget. Thank you.

Mr. Speaker: Councillor Wyatt.

Councillor Wyatt: Mr. Speaker I was disappointed that my motion to go into Committee of the Whole was defeated. The older, the good old folks on Council here who have been here a while I'm sure remember the days when it was not uncommon to have Committee of the Whole during budget debate. As a matter of fact, it was fairly common.

And to see a motion like this where we're discussing our most important issue that comes before us in many ways, every year and not to go in to Committee of the Whole to talk as many times as we need to because of time limitations is unfortunate, because there's lots to discuss.

And I had some words prepared but Councillor Vandal I think made some comments that I think deserve response to. I want to first of all thank Councillor Vandal for raising the issues with regards to the water utility transfer. It's a long time issue. It's clear, it should be noted that he supported many budgets where the utility transfer was made in the past, and many budgets ranging in the tens of millions of the utility transfer.

For the first time, though, thanks to the fact he raised it at the end of last year, a commitment has now been made in 2009 to move away from those transfers, to end the transfer, to end the system of the utilities subsidizing the actual general revenues. So I want to thank him for making that contribution to the process because it's been going on for many years. Many Councillors have supported those budgets and it's just simply wrong.

The business tax. I'm not too sure where the Councillor is going with this, but you don't have to go far to see the state of the City and the state of the infrastructure in the City to realize that we're not in a position right now to turn around and be giving up revenue right, left, and centre. And the Councillor wants an explanation. I think it's the reality of the situation we're facing today and there's nothing wrong with recognizing that reality.

A commitment that might have been made four years ago where construction costs in the last two years have increased at time and again 15% to 30%, Mr. Speaker, that in and of itself I thinks speaks to volumes as to why elimination or reduction of the business tax at this point in time is not reasonable. And the Councillor knows that.

The hotel tax idea, the concept and the idea that's now being implemented, this is an idea Mr. Speaker that went back actually to Glen Murray's days when the honourable Councillor sat on the Executive Policy Committee and Mr. Murray advocated for alternative taxes and this was one of them, the hotel tax. There's no good time to introduce a new tax Mr. Speaker. We can always find reasons and excuses not to do it.

But the reality of the matter is this money, part of the money is going to be to fund the operations of the Convention Centre, common, Mr. Speaker, across North America with regards to hotel taxes. Part of the money is to marketing and to promoting the City and special events and part of the money is to be set aside for future Convention Centre expansion.

Now, that's vision. That speaks to the future of the downtown, the future of the City. If we don't expand the Convention Centre Mr. Speaker, we go from a tier-two convention centre city down to a tier-three, quite quickly in the next 10 years, if we do nothing to expand the Convention Centre. We need to expand it.

The Doer dollars, I could go on the entire next four and a half minutes about that Mr. Speaker. The reality is if you want to really open the books and let's look at opening the books and seeing exactly the kind of money that's now flowing from Ottawa to the Province of Manitoba, the blank cheque that is literally coming from the Federal government to the Provincial government and how little of that is actually being flowed back to the communities that are providing the basic core services of the people is an embarrassment, Mr. Speaker, an abject embarrassment.

And the Premier has something to answer for. He's giving crumbs off the table when he's inheriting hundreds, not tens of millions, hundreds of millions of new dollars coming, literally billions throwing to the Province of new money, and crumbs are coming back to municipalities that are supplying the core services.

$8 million or $7 million dollars for fire protection? Wonderful, Mr. Speaker, but literally when you look at the big picture and the reality of what's happening out there and the taxpayer should be aware of this, crumbs to the core services and the roads and the infrastructure that make this City work and make the economy work.

CentreVenture, for the first time, CentreVenture is on the road to becoming self-sustainable. Why the $150,000 reduction? Because they're actually starting to charge for development fees Mr. Speaker, and starting to make their own budget work on a sustainable, self-sustainable basis.

The good Councillor is familiar when CentreVenture was set up. Is familiar with Centre Plan and where CentreVenture came from. This was the concept behind CentreVenture that it would be self-sufficient, and it's well on its way to doing that.

Mr. Speaker I will not disagree, and there's many motions here that I wished I had time to speak to, which I don't think I will. I don’t, actually I don't disagree with most of the motions. I like some of the motions that are before us here today. They're fairly, you know, some of them I think have been well thought out.

But there's definitely Mr. Speaker, a, you know and this has not been developed, this has not happened overnight. This is developed over many years under previous Mayors and previous administrations, but there has developed, you know, a culture with regards to developing our Budget which is relatively closed.

I want to thank the Mayor, this Mayor, for involving all of EPC in the development of the Budget. This was something that was brand new. But the reality is I think we have to take the next step now, and we have to work towards involving all of Council.

We are indeed smaller than the Provincial cabinet. Yes, you could argue that the existing Provincial cabinet you have is really being run by one person, but that having been said, the reality is we are smaller than Provincial cabinet. If we wanted to, we could work together. Every Councillor has good ideas. I think the very fact some of these motions are here today represents some of those good ideas and every Councillor has issues and concerns.

I've had concerns with regards to parks and playgrounds. I've had concerns with regards to sidewalks. Every Councillor has had concerns, but I think if we had a more inclusive process that also reached out to the public and got public consultation, which I think is crucial, that we could improve upon our Budget process.

We have to though Mr. Speaker, and I've been one of the few members of Council to openly say, we have to abandon this culture or this cult of zero. We have a cult of zero. No matter what we try to do, whatever savings we find, whatever efficiencies we find, they're plowed back in the Budget not to target improving services to our constituents, not to target improving or enhancing a service but rather we plow it back in to reach zero. We've done it now for 11 years. Susan Thomson, Mayor Murray, and now our Council.

Mr. Speaker the reality is, since, or the statistics are clear, if we had simply since we started this process of zero kept up with the rate of inflation, we would have actually if we had the rate of inflation increases in our tax, we would have $160 million dollars, $161 million dollars more right now as a City.

If we let's say we're only going to increase taxes half the rate of inflation. Remember the last 10 years or so, inflation has only been 2% or less. So if we said a 1% tax increase, we would have $80 million dollars more. A ¼, Mr. Speaker, let's say we're going to go ¼ of the rate of inflation, which is let's say ½ a percent increase, each of those years, there would be $40 million dollars more today for the City to work with.

We have in many ways Mr. Speaker...

Mr. Speaker: Councillor Browaty moves extension of two minutes.

All in favour? Contrary? Carried.

Councilor Wyatt: created the crisis upon ourselves. Yes, we now because of the infrastructure deficit, we do need other sources of revenue to get ourselves out. We have a $3.3, based on the latest trends report of the City's own document, a $3.3 billion infrastructure deficit. We're not going to resolve that through property taxes. We're going to need other forms of revenue.

And let's be honest and frank about it. We're going to need some form of sales tax or something to this effect to start to resolve these issues. But Mr. Speaker when it comes to our Operating Budget, our costs go up every year.

So it comes down to this. Do we want to have one vision of a City where we continue to go down the road of zero percent increases or cuts in taxes, where we have to start asking ourselves, what are the services we're going to cut? That's what it is going to come down to in serious big ways.

What are the services? Are we going to start reducing the fire protection, wading pools? What are we going to reduce? The libraries in the City? These are the questions that would have to be asked

Mr. Speaker if we continue down this road, and there may be some on Council who are prepared to go that route.

Or there is the other vision which it says that we should start reinvesting in the core services of this City because we believe that it makes for a safer city, a healthier city, that there is such a thing called quality of life. When companies look to relocate or build in a city or grow in a city, they want to ensure that their homeowners and their businesses aren't going to be broken into right, left or centre because there's a quality of life in this City. I think you can kind of get where I stand on the two visions.

So Mr. Speaker, that's the choice we have and the city that we want to build, but we have to do it I think in an inclusive way as Council together. I think the rhetoric that I've heard in this chamber so far disappoints me because I think it's becoming more antagonistic instead of less antagonistic. A year ago Mr. Speaker, this was voted on unanimously by all of us. So we have some work to do, and it takes leadership on all of our parts to pull together.

And for the sake of the citizens, I urge all Council members to do that and to indeed an awkward Budget, an imperfect Budget, but to support this Budget. Thank you.

Mr. Speaker: Thank you Councillor. Councillor Browaty.

Councillor Browaty: Thank you Mr. Speaker. I rise today to support the Budget but to express some concerns I have with a number of items.

First of all, I'm going to steal a line from my colleague from St. Norbert. It scares the bejesus out of me to think that its taken a, that for the last 11 years we've been taking low-hanging fruit and finding efficiencies. Luckily we got to reinvest that into core services.

The Mayor's Economic Opportunities Commission has provided the high-level road map when it comes to finding new ways of maintaining services while reducing the costs of operating the City but the majority of its recommendations have not yet been implemented.

I believe there are more opportunities to find efficiencies while maintaining services and maintaining the property tax freeze while delivering upon the Mayor's goal of reducing and eventually eliminating the business tax.

I believe the hotel taxes proposed have some serious flaws. I'm not opposed to a hotel tax that helps the tourism industry specifically. It can be used as means to attract events like the Junos, the Grey Cup, as well as smaller events. The City of Edmonton is known now for having funds available to it to basically buy events in many cases.

The tax is comprised of two components, 3% going to general revenue and 2% going to a type of reserve account for the Winnipeg Convention Centre from what I've been told. The 3% component should not go into general revenue but be specifically earmarked and accounted toward destination marking activities that are spent and used in conjunction with hotels and the entire tourism industry.

I'm fine if part of the City's current contribution to Destination Winnipeg, that portion that is related to marketing our tourism attractions comes out of the City's budget and it is in fact a new tax and I'm fine with that. But I'm even more concerned though with the 2% that's planned to go directly towards the Convention Centre.

Since long before this debate, I believe we need to look at the business of our Convention Centre. Does it make sense? Is there a business plan for us to expand the facility? Should we look at contracting out the operation of the facility to reduce the burden to Winnipeg taxpayers which is somewhere between $2.1 and $3 million dollars today? If we go down this road, it should be done in a very competitive way.

Looking at some of the local players first off, can Canad Inns use their catering and event management acumen to provide more efficiency? Could True North

operate the facility and work to finish the skywalk to the MTS Centre and market those two facilities together and produce a bigger Convention Centre that way? Could one of the larger facility management companies out there like Spectator Management Group (SMG), or even Aramark operate the facility and provide greater efficiencies as they save our taxpayers money?

A new public opinion poll by Probe Research for the Winnipeg Free Press this past weekend identified roads and the property tax freezes as the key concerns. They didn't talk about public art or these other things. They talked about roads and property tax freezes. That's what our bosses want, the people who elected each and every one of us.

There is only one taxpayer and many of them are experiencing increased school taxes as Councillor O'Shaughnessy pointed out. They're also going to see from us, from the City of Winnipeg, huge water and sewer rate increases for the hundreds of millions of dollars in capital projects that are mandated by the Province, much of which according to legitimate science is just unnecessary. Where are the Doer dollars to fund these unnecessary projects?

I applaud EPC for addressing the public arts funding this year and while continuing to focus on the core municipal services, the 3 P's - pipes, pavement, and policing. I am fully in favour of public art, but I don't believe it needs to be publicly funded art. I applaud all private groups that incorporate art and high unique design principles in all they do.

This year the Richardson Building at Portage and Main installed sculptures along with new lighting effects and attractive signage. That improves the esthetics of the community, but again it's not a dollar of taxpayer's money going in to it. Even visionaries like Martin Bergen at Edison Rentals that decided to use a high design standard, whether you like it or not, at Fort Garry Place. That's public art but it's not publicly paid for.

There is also significant private donations of art that regularly makes places like the Winnipeg Art Gallery. Nick Ternette just mentioned, mentioned this morning and I've received similar emails to the effect that art needs to be accessible to people. Let's talk about that. Half a million dollars would send 83,333 people to the Winnipeg Art Gallery at their regular adult admission price of $6.00.

At the Metropolitan Museum of Art in New York City, the suggested contribution, the suggested admission price is $20.00 but if you can't afford that, you can pay less. In my mind this is a more positive approach to making art accessible to all. In fact earlier this month, the Art Gallery had a free admission day to kick off Manitoba Arts and Cultural Week.

Going back to Councillor Gerbasi's motion this morning about public art. I don't know if the public is fully aware of some of the proposals that are out there for the 2008 allocation. $204,000 dollars was planned for a new sculpture on the grounds of City Hall. An artist in residence project at City Hall would hire a photographic artist that would be engaged to document the day-to-day activities of public sector workers to bring life to the workings of a City. That was a $60,000 project. You know, no ill respect to them, but $60,000 dollars to go around taking photos of civic employees to have on archives? It just doesn't seem to make sense to me.

Our arts contributions have increased over the years. In 2002 it's more than doubled art funding between 2002 and 2007 in all public art, from less than $2.4 million dollars to just under, about $4.8 million dollars in 2007, but it more than doubled in that five-year timeframe.

There's other projects underway right now. The City of Winnipeg Archives has an artist in residence developing a permanent documentary film installation, and it's not completed yet, it's underway, at a cost of $96,000 dollars. There's the Vimy Ridge Memorial Park that's had a lot of publicity, $105 grand. There's a project that hasn't started yet, and I encourage if there's a way to still pull this back, we should look at it. I'm amazed some of

these artistes, first piece in the jardin de sculpture. Why are we starting a new sculpture garden with public money at this point? Is that really a priority of people? Is it roads? Is it a property tax freeze? I don't think so.

We have to have balance, we are the leaders, but I don't think public art, publicly funded art is the highest priority around this table right now, and those are some of my comments today about the Budget. I will be supporting it and I hope we can continue property tax freezes in the future.

Mr. Speaker: Thank you. Councillor Fielding.

Councillor Fielding: Thank you very much. I'd first like to recognize Councillor Browaty. It must be something in the water. We share offices downstairs and I agree with a lot that he had to say here today.

But I rise today to speak to the 2008 Operating Budget. I'd first like to recognize Councillor O'Shaughnessy, Councillor Clement, as well as Councillor Leipsic, as well as the administration for putting together the document. I know that the budget-making process is a very tough process and there's a lot of competing interests and priorities here at City Hall that we need to fulfill.

In my opinion, the most important issue facing our great City is really making it more efficient and spending our taxpayer dollars more effectively. Although I don't think this is a perfect Budget, it does give some signals that we are slowly moving in the right direction in terms of becoming more efficient and making Winnipeg a city of opportunity, not just for families but for businesses and for people who want to come to our community.

Mr. Speaker there are a number of things in the Operating Budget that I very much, I very much like and would like to acknowledge. I was extremely pleased to see for the 11th consecutive year a property tax freeze. This is an accomplishment that I think Mayor Katz, EPC Councillors, and Councillors who have been here for a longer period of time deserve a lot of credit for. This is an accomplishment that really is, is something that isn't, that hasn't been done in North American cities. Winnipeg has gone from one of the highest property taxed jurisdictions really in the Canadian cities to I believe about the fourth lowest, I think that's an accomplishment that needs recognition.

Of course, I think it's been acknowledged by Councillor O'Shaughnessy and I think also Councillor Browaty, it's the school taxes that have gone up and so if you compare school taxes and municipal taxes together, we're not as competitive as we should be. So maintaining a property tax freeze as other people have mentioned in a Probe opinion poll in the Free Press is a top priority for our citizens. And I can tell you that over the next number of years I will be fighting hard to maintain that property tax freeze because I still think there is efficiencies to find here at City Hall.

Another area of the Budget that I'm very much pleased to see was the focus on public safety and infrastructure funding. Police and Fire Paramedics represent close to 38% of our existing Operating Budget to date. Spending these priorities is something that Winnipeggers can and do very much support. I'm very proud of the fact that we've been able to put a lot of Police Officers on the street to make our community safer.

You know around City Hall there tends to be three answers to every question, every issue that comes up: yes, no, and blame the Province. Well, the fact of the matter is I think the Province deserves some credit and the Federal government deserves some credit for stepping up to the table and providing some Police Officers. It's much needed in that respect to make our community safer. So very much support that initiative.

Public safety is a significant area of investment in this year's Budget. Neighbourhood safety and crime prevention strategies along with the Crime Stat Model Policing, as well as the continuation of the Street Crime unit is very important and will continue to make

our community safe. This year's Budget also provides more money for walking street Police, which is I think we hear from all of our citizens, more of a presence will make our community safer.

Another area where I think the Budget shows some signs of progress is in terms of spending our dollars more effectively. I do believe that there are some modest gains in that area, but I'd also like to see a more aggressive approach to reducing our expenditures here at City Hall. There's a number of areas where the City should be looking at to save money while providing the same level of core services to our citizens.

At the end of the day I don't think it's our citizens, they want to make sure that we have the core services, it doesn't matter how we deliver them to them. They want to ensure that these services are there for everyone to enjoy.

In the Economic Opportunity Commission, which I'll speak a little bit more of later on, we mentioned the YMCA. That's a good example of a non-profit organization that's able to provide great recreational activities at a cost that's in fact more comparable to our City.

So I'm open to, well all employees to come up with some great efficiency ideas of how we can do it. We want to work with our staff. They're the ones that best know where the cost savings can come.

Public arts funding, I couldn't have said it better than my, Councillor Browaty has, but one of the things I love about driving around Winnipeg is really the art, the art that's there. And a lot of it is done by the private sector, whether it's the Bears on Broadway, it's a statue at the Forks, whether it's the numerous other examples of private work that are great that are out there. It's something that I enjoy.

The key to this is that the society's creating wonderful artwork, if you will, by the private sector alone. I therefore applaud the reduction of spending on things such as the statue at City Hall, videos of City programs, and pictures of City workers as it were. Really, I'd like to challenge anyone on this committee to prove to the taxpayers of what taking pictures, visual images of our City employees at work is going to benefit our citizens. So that's something that I very much support reductions in some of the spending.

I also believe that there's some progress made in internal department savings. There are some reductions to full-time positions, but in my opinion, it is the right decision to make and will make our City more efficient and more lean. Tipping fees is another area that I very much support. I think the reasons for this is what its going to do is it's going to really encourage people to dump less garbage, and encourage them to recycle efforts.

I received an email from a constituent of mine, Mr. Kelly Switzer, that talked exactly about that. Where he had suggested that although he was a business, although he was a business owner and vice president of the company, applauded what our efforts was in terms of that because it's going to do exactly that, reduce the amount of garbage flow that goes into our systems as well as encouraging recycling.

Cost recovery and permanent inspection fees. Well, this is something that I very much support. This is an idea that was brought up at the Economic Opportunity Commission, probably not one of the first items that we would have moved on, but I think it makes sense. If we're going to provide these services, which I don't think anyone will argue we do, we need to have a cost recovery system where the cost of producing these services are reimbursed.

Well in every budget, there's a number of items that you also dislike or you wouldn't have worked on it, and once again, I do appreciate the work the Budget Committee did. The main area of concern for me is the business tax and I can tell you that I was disappointed that no further reductions in the business tax were incorporated in this year's Budget.

I know that it's something that the Chamber of Commerce, the Taxpayers' Federation, the Canadian Federation of

Independent Business and a number of different or other organizations are supportive of as well. The City has done a good job of keeping our property taxes low, but really it's time to move aggressively at eliminating our business tax.

Businesses pay close to $56 million dollars in business tax. That's above and beyond the $100 million dollars in property taxes which they pay right now. It simply is a tax on tax with no additional services and sends a negative message to outside businesses as well as internal businesses if we are open to business.

Small and medium-sized businesses really are the backbone of our economy. They produce the most amount of jobs, they produce the most amount of our GDP and as such we need to find ways to eliminate the business tax to become more competitive.

As many of you know, I was the chair of the Economic Opportunity Commission and I can tell you that I spent seven months, seven long months of my life coming up with some great ideas with some great people around the table and this is a plan where we can eliminate this in six years.

This is a plan that was endorsed by the Chamber of Commerce, the Real Estate Board, the Canadian Federation of Independent Business, the Taxpayers' and a number of other business organizations that are out there and small and medium-sized businesses came out to speak about this.

I can also tell you that as a Commission I was criticized by a lot of the special interests in terms of some of the options that I put forward. My good friend Councillor Vandal spoke initially and coined the phrase the "Scott Fielding report" in terms of the Economic Opportunity Commission. Well, I can tell you that I'm proud of that title that he's given me because I think there's some darned good ideas in this report and things that we can implement to make us more efficient as a City.

I know Councillor Vandal is such a proponent of the business tax and talked extensively about it, I'm going to return the favour to him. In fact, from now on, I'll call the business tax the Dan Vandal business tax from here on. (Inaudible)

Mr. Speaker: Councillor Pagtakhan moves extension of time.

All in favour? Contrary? Carried.

Councillor Fielding: Over the next number of years, I will be fighting to maintain the commitment that Mayor Katz and myself made to the business community in terms of eliminating the business tax because I think it's the right system to go after.

Another area of concern that I have is in terms of the hotel tax. You know, I've been perfectly open, whether it be in the media, whether it be to anyone that asks in terms of the hotel tax. I think the Hotel Association's position initially in terms of destination marketing whether it be self-regulated is the way to go.

I've also talked quite extensively with the hoteliers that are in my area and quite frankly they represent the suburban hotels, the hotels that are in and around the airport and what they're telling me is that they don't see a benefit to the percentage that goes to the Convention Centre, the 2% that's supposed to go to the redevelopment of the Convention Centre.

I think there has been a great idea that has come up that Councillor Browaty talked about it in terms of what Leo Ledohowski has talked about in terms of buying the Convention Centre. What this would do is allow the service to be there and reduce the taxpayers' money that we funnel into the Convention Centre by $2 million dollars in the City, $3.0 million dollars by the Province overall and there's one taxpayer here. So I think that's an idea. I think we need to see the merits of it and to move on it from there, but I think that's an idea, it's a starting point that we need to seriously take a look at.

My final area of concern Mr. Speaker, is the concern with the rapid transit fund. I first of all have never been completely convinced of the merits of the rapid transit system. I've not seen any timelines that have been associated with reductions of the length and period of time it would take you to get from point "a" to point "b" in the first initial stages of it.

And quite frankly, to spend hundreds of millions of dollars on rapid transit, whether it be $2.75 million dollars in my opinion is a waste of taxpayers' money. What I would like to see is an increase in terms of the existing transit system. I do very much believe if you are able to provide a comfortable ride as well as an ability to reduce the timeframes getting from point "a" to point "b", you will increase ridership, but I don't think this has to be done.

One more issue the $2.7 million dollars in a tough budgetary year, in terms of a reserve, I'm not supportive of but in conclusion, I will be supporting the Budget. I think it does send some signals that we are moving in the right direction and a property tax freeze is something important to all our citizens.

Mr. Speaker: Thank you Councillor. Councillor Pagtakhan.

Councillor Pagtakhan: Thank you Mr. Speaker. I just want to sort of zero in on one particular part of this Budget that I'm very happy about and it's the recognition of the work and support that the Mayor and EPC has provided in tipping this Budget towards Graffiti Art Gallery, Rossbrook House and The Winnipeg Boys and Girls Club.

Myself and Councillor Gerbasi, moved a motion in Protection and Community Services, our special meeting, to recognize the good work of those organizations and the fact that the Mayor and the EPC has recognized that, I really want to congratulate them and applaud them for that work. As well, as to recognize the work of our CAO and our CFO and the team of the CFO in preparing this Budget. It definitely was a tough one.

But there was a question posed to us Mr. Speaker with these motions. Do you or do you not support a tax increase? Why is that being proposed in a vacuum Mr. Speaker? Why not ask can we not have a cogent and a meaningful discussion in terms of what a tax increase could look like?

On the face of it Mr. Speaker, I'm not supportive of a tax increase. However, I am Mr. Speaker open to a discussion in terms of what that tax increase could look like if in fact we were to go down that road. What does a 1% look like? What does "x" amount of percent look like? 3%? 5%? What does that look like? What does it translate into Mr. Speaker in terms of millions of dollars and where are the potentials for that extra, for those extra funds?

Mr. Speaker, we, infill housing is a huge thing, a huge need within this City. I mean Councillor, Councillor Vandal sort of hit it on the head there. Why rapid transit? Why are we funding that out of operations?

Well the same thing for housing Mr. Speaker. Why are we funding housing out of the Operating Budget? That should be a capital priority. That's what builds our tax base Mr. Speaker. There is opportunities for infill housing within our City. And I just want to say on that note that I do support the motion by Councillor Vandal for an extra $2 million dollars.

This motion is about recognizing incredible work that's happening in the neighbourhoods that are now identified as housing improvement zones but Mr. Speaker we have 14 neighbourhoods in decline that need help, that need to be recognized.

In 2006, in the Centennial neighbourhood, 10 new infill housings were built. This year in 2008, 10 more are going to be built. Those are huge things. Those are, that is building our tax base Mr. Speaker, and there's an incredible amount of work that each of the neighbourhood housing improvement zones are doing. This $2 million dollars is needed.

We're at the beginning now of another Memorandum of Understanding between the City, the Provincial government, and the Federal government. We need to be leaders and this motion for another million dollars will show us as leaders. Mr. Speaker, we are already recognized as the poster child of Canada, in Canada in terms of tri-level support for housing in a municipality, and that's a huge thing.

So I want to applaud Councillor Vandal for putting this motion forward. I think it's a very timely motion. It's something that will reap many benefits throughout our entire City.

And I also want to say that I appreciate the report today from CUPE, Local 500. Just in going over the last page, they said here "we think the public is ready for a tax increase. In a survey CUPE did with the Winnipeg public in November last year, 57% of the respondents said they would consider modest tax increases if they knew the City was committed to improving public services."

Mr. Speaker that is, in my opinion, sort of a barometer for us to utilize and a barometer to answer the question that Councillor Steeves posed and Councillor Clement posed, do you support a tax increase?

Well to answer that, we should be having a discussion Mr. Speaker. Perhaps we should have, we should engage the public with focus groups. Will it be tough, will it be challenging? Absolutely. The budget process is very complex and it's not easily understood. But we need to engage them with focus groups to create a community budget as proposed by CUPE, Local 500. I like what they're saying and I think that we should definitely have a discussion.

These motions I think are very reasonable motions and in terms of process Mr. Speaker, what is today the end and the final decision, in my opinion, it's a beginning of discussions with this whole Council chamber. The decisions we make today relative to these motions are really, it's going to have huge impacts.

With public art Mr. Speaker, that is a huge thing. Winnipeg is known as a Cultural and Arts Capital of Canada. Within the Exchange District Mr. Speaker, we have a whole host of artists, incredible artists that are doing wonderful work.

The Winnipeg Arts Council has a public art manager that is administering public art within our City. They're working hard. We're at the very beginning of this new program that we have identified as a Council policy, and now we are sort of sweeping and taking some funds on a one-time basis.

Well Mr. Speaker I mean you can't blame me for being skeptical. If we're breaking Council policy then that's where my skepticism is coming from. We need to recognize that the public art is something that makes us a vibrant city. It allows, it allows a greater interface with the public at large who don't normally go to galleries and public art institutions. They can appreciate the value of art when they see it in public domains. That's a huge thing.

And Mr. Speaker we are investing in our Old Market Square, and this public art program, the cut that we're doing, this one-time cut, I think will jeopardize some of those great public arts programs that are happening in the inner city, the west end, throughout all parts of the City. And I just, I really want to support Councillor Gerbasi's motion to reinstate this back up to $500,000 dollars for 2008.

I also want to say that I support Councillor Vandal's motion for the Aboriginal youth strategy. Mr. Speaker the Aboriginal youth population is the fastest growing demographic in our City of Winnipeg. There are many issues, challenges; a lot of our Aboriginal youth are over-represented in the justice system.

I think his motion is very reasonable to help create some more programs and more, to build more capacity within our Aboriginal youth and within the Aboriginal community right here in our City of Winnipeg.

So those are my comments Mr. Speaker. I just want to say that I think that we really

do need to have a larger discussion on revenue, these sources of revenue. I do believe that we do need more sources of revenue from, perhaps a share of the PST, to get some dollars from the GST, perhaps. Where are those discussions? Are those discussions taking place? You know I'm not privy to those discussions? We should be having more Council seminars relative to that, to have a unified strategy Mr. Speaker.

I would have loved to see this Budget Mr. Speaker become a unanimous Budget as it was last year. And I think that we've hit the wall, but we definitely need to have a large discussion in terms of what does a tax increase look like if ever we are to implement one. We don't have that information in front of us Mr. Speaker. We haven't had that discussion, and I think like I say, although today is judgment day, I think we're just at the very beginning of the process in terms of some meaningful and some cogent discussion on this Budget.

Mr. Speaker: Councillors its 12:00 o'clock. We still have two more speakers and then we have six speakers to the motion. There's six motions to deal with and then we have to deal with Items 1 and plus also report No. 2. So do you want to stand adjourned to 1:30 p.m.?

It's been moved by Councillor Swandel.

All in favour of reconvening at 1:30 p.m.

Reconvened meeting of Winnipeg City Council of March 26, 2008 at 1:30 p.m.

Mr. Speaker: Councillors we have a quorum. Those of you who are downstairs please come. Okay we do have a quorum now.

EXECUTIVE POLICY COMMITTEE MOTIONS

Mr. Speaker: Councillors, Council Leipsic, you have a very important motion that you want to introduce.

Councillor Leipsic: Yes I have Mr. Speaker. I'd like to read a motion that addresses most despicable hateful action outside the Council courtyard this morning.

I'll read the motion.

Motion No. 7
Moved by Councillor Leipsic
Seconded by Councillor Lazarenko

WHEREAS a special meeting of Council to discuss the 2008 Operating Budget was held on March 26, 2008;

AND WHEREAS the group "Winnipeg Is Not For Sale" held a demonstration in the courtyard prior to the meeting;

AND WHEREAS examples of racial discrimination and hatred were observed at the rally;

THEREFORE BE IT RESOLVED that City Council denounce any form of hatred and racial discrimination and any actions to insight hateful and racial discrimination.

Mr. Speaker: Thank you Councillor. I don't think there is any speakers to this. I just call the question.

All in favour? Contrary? Carried.

Okay now get back to the agenda, Councillor Clement, you have the floor to speak to the, what's before us here today.

Councillor Clement: Thank you Mr. Speaker. There's been a lot of comments made today. I wanted to start by talking about the fact that this is the 12th budget in the last 13 years that has either been zero or -2, something I'm very proud of, and I think many of the other Councillors in this room are.

The reason I mention that is that coinciding with that is we stopped borrowing money Mr. Speaker, in 1998. Had we kept borrowing money, because I've heard it said that you know if we just did a point a year, or a point and a half a year and put it into services and all those kinds of things, and how wonderful the world would be.

Well, let me share this with you. That in 1998, had we kept borrowing, the debt service by 2002 on a year-over-year basis would have been approximately $159 million dollars and rising Mr. Speaker. As a result of not borrowing, that debt has dropped in 2008 to $92.2 million, and frankly, the difference is about $70 million dollars. And if you divide that by 4.1, you'll find out how many points you would have had to increase taxes to be able to sustain what we've done just by not borrowing. It's a huge number. And that $70 million dollars a year that we actually have cash to spend as a result of doing what we did, that's huge. So that's the other side of that coin that's all.

I heard talk this morning about the Mayor not doing what he's supposed to in terms of his literature during an election campaign. I guess I'll like to point out, in terms of this transfer, I believe it was Councillor Vandal that raised it, the fact of the matter is on December the 6th, we passed a motion in this chamber that we were going to deal with that issue of transfer to general revenues in this calendar year. And in fact, I'm pretty sure that Councillor Vandal even voted for it at the time. So I'm not sure. He must have forgot that part.

As far as business tax goes Mr. Speaker, you know, I appreciate that the Mayor said he wanted to remove business tax. I know that we had an Economic Commission look at it and they made a recommendation that was received as information that it be done over six years. The Chamber of Commerce jumped all over that six years, but that wasn't really very realistic Mr. Speaker. That's a lot of money.

And I can tell you myself that I have no problem trying to eliminate business tax, but I've been very clear from the beginning about two things: (a) I believe that a significant portion of that has to be portioning, which is what's been done virtually everywhere else when this has been eliminated.

And the second thing that I've made very clear is that there's no way in Hades that I'm going to support any kind of a tax increase the same year that there's any kind of a business tax reduction. So I'd be surprised if anybody in this room would go down that path, as a matter of fact.

So this nonsense that somebody hasn't followed through, nobody ever wrote anywhere that it was going to be done within a specific timeframe, only that we'd all like to do it and see it eliminated in some fashion.

Heard another issue today, interestingly, called Doer dollars. Well it's interesting because a week after the EPC had presented a draft document Mr. Speaker, one week after, all we had from Minister Ashton was a one page document that basically told us nothing, nada. To this day I'm still unclear as to what we're getting from the Provincial government. Somehow magically, the school divisions have known for two months. We haven't got a clue.

So it's easy to say, well, you know, there's $9 million dollars for Fire Fighters or Police or picking at some kind of an easy number to get at but, and even the Transit one, the 50% one. I know what that was supposed to mean, but I can guarantee you we haven't got 50% of the dollars yet. We don't know what year we're getting them either. Because in fairness, the Provincial government announces the same thing over and over and over ad nauseam and eventually it gets there, but that's the facts Mr. Speaker.

There was an issue with Handi-Transit that was raised, and I'd like to speak to it for a second because this is not something that EPC dreamed up or any member of EPC dreamed up. It actually came directly from the administration, and they told us that we could reduce Handi-Transit by $800,000 dollars. And you know what the reason was for it?

They said because we have so many low-floor buses now in our system, that many people that use Handi-Transit are actually using the low-floor buses and therefore, there's less need on the Handi-Transit basis. And that's living within the rules and I appreciate that. That doesn't mean somebody can't change the rules and add

more flex and all that kind of stuff. But under the existing rules, they felt that they can live without $800,000 dollars of the money that they had the previous year. That's the accurate, that's what's accurate about that one.

There was some motions earlier today that I'd like to speak to briefly. Motion No. 1 talks about public art. Well, we asked everybody for reductions frankly, all the way across the board, every department, Police, Fire, Ambulance, everybody and there were two choices with art.

We could either reduce the grant that we give to the Winnipeg Arts Advisory Council. I can just imagine the furor that would have caused. Or we could take a one year hit, a one year hiatus on public art which we thought was a lot simpler and a lot less punitive to the arts community.

It was that simple. There was no big clandestine issue there. The world is not falling apart. Public art is not falling apart. It's a one year deal. And if you check the other documents notwithstanding there's $40 million dollar issues, and the money's not missing in those documents.

Motion No. 2, Councillor Vandal raised this too and I'm sorry he's not here, he raised this issue of $1.4 million for the Aboriginal youth strategy. I don't know where this number $1.4 got dreamt up exactly because it was an accurate number but it was within the Winnipeg Partnership Agreement.

And in actual fact, we have fulfilled the Winnipeg Partnership Agreement and in fact the number wasn't even $1 million dollars, it was $976,000 dollars, so it was actually a surplus in that Aboriginal youth account of $24,000 dollars. That's what's accurate. There never was a number $1.4 that was a separate account. It was all part of that agreement.

Then this Winnipeg Housing Initiative and I appreciate where Councillor Pagtakhan was coming when he started talking about this. But the fact of the matter is, is that the $1 million dollars that we had in the Budget last year was one-time money. We've actually made it a budget item. We have a real $1 million dollars ongoing. So while I appreciate that there was a recommendation for $2, I mean, like where did the number come from? Like why didn't they say $3 or $4? The fact of the matter is, is that it was probably picked out of the sky a wee bit and that's fair, and often times that happens.

But the fact of the matter is this is a huge change in policy, notwithstanding I still think it's a Federal issue. Sometimes you have to deal with things in a more collegial way, and so I've supported this $1 million dollars and I will, but I can't support $2.

And the last motion dealt with about these library issues, and I was having a little bit of trouble following Councillor Pagtakhan exactly on the numbers because he used two different ones.

Mr. Speaker: Councillor Swandel moves extension.

All in favour? Contrary? Carried.

Councillor Clement: As I understand what we did here, the Library Reserve had over $600,000 dollars in, and we took about $400,000 dollars out of it which left $279,000. And my understanding is is that with the way that the money rolls into the reserves that there will be over $600,000 dollars in it over the course of this year as well.

So it's really going to have the same amount of money in it this year as it had last year and there wasn't any list where they were going to spend it. They may have one. If they have it, they hadn't shared it at that point in time.

So you can talk about efficiencies all you want Mr. Speaker, there's a number of things. I appreciate this Budget has been difficult. It's been difficult for all of us. I've been I think at every meeting since January the 7th, and they were virtually every day. And I've been in a lot of budget processes over the years. Everybody knows that I've been fairly close to the budget documents for a long time. I've got to tell you this is by far the toughest budget I've ever had to work with. Some

of it was because we went to a service-based budget. There's no question about that, and it's difficult to draw the numbers in.
When you've got Public Works who has snow removal over here and they've got some over here in Public Works, or Public Works some of it's over here in parks, some of it's in building services, and then you lump it all together, you can follow it, but I'm not going to tell you it's easy to follow it in the document. And it's a new document, so we're all having the same bit of fun with it, but it wasn't because somebody was trying to withhold information or do some kind of a clandestine effort here to confuse everybody.

The fact of the matter is it's a different document than we've ever had, and so it's got different numbers in it. And it's really that simple and I appreciate that it is frustrating. It was frustrating for us too when we were going through it, and that's why it took so long.

In any case, I think that on balance Mr. Speaker, it's a very good Budget. It does a lot of very, very good things. I'm a little nervous for the future, to be honest with you, but I believe that we've done the right thing and that it's a Budget well worth supporting Mr. Speaker.

Mr. Speaker: Thank you, Councillor. The final speaker is Councillor Swandel.

Councillor Swandel: Thank you Mr. Speaker. Let me start by saying last week we got in to some very passionate debate here on the floor of Council. I pushed the envelope a bit with Councillor Vandal and I think too with Councillor Gerbasi. And that resulted in Councillor Vandal making some comments in public that he had regretted and apologized both publicly and privately. You know I think that's fair game. You know we, having some passion around here is a good thing.

This morning to see the image of Adolf Hitler in our courtyard is crossing the line. It so far crossed the line that I don't know what to say about it. I came in here at 7:00 o'clock this morning and started writing a speech where I was going to push hard at our colleagues here who do present their opposition with passion, and I believe that that passion is important in what we do.

We have our friends from CUPE and the Labour Council that come and appear and present their arguments here. They do it with passion. They do it with integrity. And I'm sure they're going to be painted in the light of the heinous act that happened out here today. I don't believe that they should be. I think these are good and decent people, and what happened outside here today is probably the actions of one silly individual.

And I hope that we will hear loud and public apologies from that individual. And I hope that we go on respecting how we conduct ourselves here and encourage all of us to act with our passion and that we welcome strong opposition. It is great in making law.

With that said, I want to talk about the Budget. You know, it's really easy to bring a budget that spends for political purposes, and we could all stand up and celebrate it. We could all go out and do our campaigns and get re-elected.

The fact that this Budget is opposed by both the right and the left, the business community and our friends in the Labour Council and CUPE, tells us, it should tell us that we're doing something right. What, you know what we're really doing here is getting our house in order. There's still some work to do to get our house in order.

I'm going to start just by going through the motions. I don't have a lot of time, but I'll start with Councillor Vandal's motion on the Aboriginal programming statement. You know, the fact that the motion itself is inaccurate, and I reminded Councillor Vandal of this this morning and he still brought the motion forward. Councillor Clement has made the comment and clarified that.

But the one thing that people should realize, that at that same Council meeting of May 19th, 2004, there was another item on that agenda. The other item on that agenda was the ability for Councillors

to have access to our PeopleSoft accounting system. Any member of this Council has had for the last three and a half, four years, had the ability to go in to our accounting system and see actual year-to-date figures.

As a matter of fact, at the end of the year, you could see 2007 actuals and compare them to the year previous or in going through the budget process, you could compare them in the budget process. Which is what I for one did going through the budget process. So you could see where there were excesses and you could see where there were surpluses.

You know, certainly our greatest problem was in dealing with the cost overruns of snow clearing and, you know, we certainly added monies in the Budget there. But, you know, let's not be silly around here. 2004 every member of this Council has had access to this information. So to stand here and say you don't understand what's going on means you're not doing your work.

I want to get back over to Councillor Gerbasi's motion on public art. You know, I believe strongly in public art. I think that we made a mistake when we put a half million dollars forward in public art money without having a good policy, and I think there are some better ways to manage public art and the funding of public art in the City of Winnipeg.

I'll say this, that in going through this process and, yes, it was somewhat crammed getting down to the end to define the dollars to make some things work. It was difficult. I think that I could squeeze another $100,000 dollars out of this Budget for public art. And I'll tell Councillor Gerbasi if you want to amend your motion that it reads that $100,000 dollars be added with the condition that money could be found in the existing Budget, I would gladly support that motion.

I don't think I could find $400,000 dollars, but I think I could find $100,000 dollars. I can't do it on the fly here on the floor, but you know, I can give you my commitment that I believe that I could find $100,000 dollars within the existing Budget as presented and hopefully we can get that done.

Some of the other motions are just factually inaccurate and misstatements. You know, whether it's recreation funds that were put forward or the library dollars put forward, all the information isn't there, and you know, to get into detail, I just don't have enough time. But certainly the Councillors have access to the accounting system, they have all the documentations. And when I had questions, I just called Mike Ruta or Jo-Anne Ferrier or emailed them and I had answers usually the same day. So it's not that the information isn't available. It's that some individuals choose not to access the information.

I want to talk about the Doer dollars. The Doer dollars as Councillor Vandal has monikered them, I would call them the half Doer dollars. Because what the Doer dollars lack is there's no mechanism of sustainability. You know you could fund 12 Police Officers or 20 Ambulance folks today, but unless there is a guarantee that you will fund the incremental increases going forward, you know, what does that mean? That means that we have to continue to find that money and the increases on a go-forward basis.

You know, you want to talk about Doer dollars, or as I call them the half Doer dollars, let's talk about the $13 million dollars in taxes that the City of Winnipeg pays to the Province of Manitoba, by Provincial Sales Tax and a couple other small Provincial taxes. Whereas the Federal government rebates that money to us, the Provincial government doesn't.

The City of Winnipeg is also one of the, is the only municipality in Manitoba that subsidizes the billing of ambulance services for social assistance clients. Any other municipality in the Province, there is no subsidy for those services. I think that runs in the range of about $3 million dollars that we're subsidizing the Provincial government.

I don't have much time left, so I want to talk for a little bit about other

misinformation. Somebody alluded to a reduction of $5.9 million dollars in Public Works through efficiencies, and when you look at the actual Budget, the line, we've actually added the funds where they need to be added.

One of the things that they don't mention is that there was also about a $6 million dollar extraction of expenses from the Public Works budget. When we shifted the debt servicing costs for the swimming pools over to Community Services, that's where that money now lies. So there's many examples of where the misinformation has been here.

People ask what do we mean by operational efficiencies? I'll tell you the most obvious one is our new green vehicle policy. We've already saved just in acquisition and operating for this year over $400,000 dollars in efficiencies in the City of Winnipeg.

But Mr. Speaker, there's one thing that has been talked about and is probably the most important thing we could learn out of this budget process, is the process needs fixing. I think there is hope, you know, conversations have already started about how do we do this. There's talk about the creation of a Treasury Board model.

Mr. Speaker: (Inaudible) extension.

All in favour? Contrary? Carried.

Councillor Swandel: The Treasury Board model, and nobody knows exactly what it might look like, but it certainly would be involved in budget preparation. I would hope that that would start as early as April of this year. Things like the ASD opportunities could certainly be a part of this.

Employee-created efficiencies, other successful organizations all have the ability or the mechanism for employees to go somewhere and make representations of their perception of what, how they think that this could be a more efficient organization.

We can also on an ongoing basis have the presentations by the departments to show the service base, their service bases and the relationship to how they're spending their dollars, and that could happen on a monthly basis or a bi-weekly basis or several times a year, whatever you want to do.

And of course, ongoing financial oversight, you know, we have access to this information, this PeopleSoft information. I could go in right now and I could look at where Public Works is spending this year, year to date, compared to last year, year to date, and I could see the flags. This is what we need to do. We need to be able to provide better financial oversight, knowing when we make statements of efficiencies that we're actually doing the right thing, and that we're made to holding the line on services, but at the same time doing it in a more cost effective fashion.

Mr. Speaker, my comments I leave you with are those of hope in a process that will improve our system of doing the budget going forward. Thank you.

Mr. Speaker: Thank you Councillor. We have six motions to deal with now. I'm going to ask the movers to speak in the closing debate on their motions. Motion No. 1, Councillor Gerbasi.

Councillor O'Shaughnessy: We start with 6.

Councillor Gerbasi: Do we start with 6 or 1?

Mr. Speaker: No, we'll be voting from 6 to 5, from 6 to 1. (Inaudible).

Councilor Gerbasi: Thank you.

Mr. Speaker: You're closing Motion No. 1.

Councillor Gerbasi: Thank you very much. Thank you Mr. Speaker. I'd like to make a few comments. First of all, I greatly appreciate Councillor Swandel's gesture, if that is in fact possible. I don't think I can start amending anything at this point of the meeting but if it is possible for EPC to come and put some money back into it that would be wonderful and I

appreciate you hearing the discussion and respecting that. If that can really happen, I'm very grateful.

I'd like to, a couple of the comments that were made, Councillor Browaty and Fielding both talked about particular art pieces that they themselves didn't think were of value and they had criticisms of.

I prefer, and our policy is very clear, that arts projects are done at arm's length, and I think that's for very good reason. I think we want juries of artists to be deciding what the art looks like not members in this room, and I think there's a very good reason for that. I certainly don't want to be making those decisions. I don't think any of us should be. I think we should leave that to the people who can do that. We shouldn't be cherry-picking projects we personally don't like. That's not what this is about.

Other cities do not simply leave public art to the private sector. Obviously the private sector does put art, the Richardson Building, and that's wonderful, but other cities also have public art programs because those programs put things in parks and pocket parks, and they do community projects like bike racks in West Broadway with inner city kids and so on. So there is a need and a place for this program, so I just wanted to kind of clarify that.

Other cities, when you look across the country and I don't have all the numbers with me, but I've heard over the years as we brought in this program and those of you who were here heard that as well, that other cities spend much more than Winnipeg's budget, much higher amounts than we do in Winnipeg. But yet with this small budgeted amount you've heard about today in my earlier comments and you've heard from the Arts Council the effectiveness of what they do with those dollars.

I'd also point out that Winnipeg is a very efficient city. We provide our services, and you've heard this from our reports from our administration and our business plans and our trends reports that we provide services at a much lower per capita rate. It's something to be proud of. So we are efficient but, you know, Councillor, I think it was Councillor Browaty that said pipes, police, and pavement, that's what we're about. Efficiency, pipes, police and pavement. We're about a little bit more than that, I guess that's what I'm putting to you, or we can be if we want to be.

What kind of city do we want? That's what we decide in our Budget, and we've supported the arts, and this Council has supported the arts. Councillor Clement has become an avid arts supporter over the years, and we all know this because he's always, he came along and supported it because he came to understand, and we all have learned a lot over the years about how much art, how much the arts… (Inaudible) Mr. Speaker, tell him to be quiet.

This Council has come a long way in understanding the importance of investing in the arts and because it creates an interesting and vibrant city. And yes, it is about priorities. If your priorities are only pavement or only police, you know, we could have a pretty, what kind of a vision of the city are we going to have? We're going to have a pretty dismal, boring, perhaps efficient place.

But what kind of place do we want for our children, our grandchildren to grow up in? What kind of a city? Do we want to be anywhere? No, we don't, because we support arts. This Council has increased arts funding, and I thank, Mayor Katz has in his term has supported arts funding.

And I guess I just don't understand why we would yank out this program for a year. I outlined in my earlier comments, and I won't go on much longer, but I did outline in my earlier comments the array of programs that are so positive that are going to be set back and no work will be done for a whole year.

Honestly, there must be a better way and if Councillor Swandel, as he said, is committed to adding some funding, and perhaps he can work with all of EPC and they can find a maybe a couple hundred thousand would be even better, but a hundred thousand, we'd take whatever

we could get if this could be done after the Budget.

But I urge you to support this and fully restore a program that deserves our support. Because this is our, these choices we make about our City really matter, and public art is what makes our City special among other things, but it is important. Thank you Mr. Speaker.

Mr. Speaker: Thank you Councillor. Councillor Vandal on Motion No. 2 and No. 3. Can you address the both of them at the same time?

Councillor Vandal: Thank you Mr. Speaker. This has been a good passionate debate. I hope it's been respectful. It's always been my intent to focus on the issues, to focus on promises, platforms, and not personalities.

There are positive initiatives in the Budget, and two of them are housing and Aboriginal youth issues. There's a million dollars in the Budget for an Aboriginal youth strategy, and I want to thank Mayor Katz because he committed to this well over a year ago. And as I said this morning, I could imagine in the backrooms of where this was discussed that the Mayor was a champion of this, and it's becoming a reality today.

However, when this was adopted in May of 2004, this was part of the Winnipeg Partnership Agreement which was a $25 million dollar commitment by the City of Winnipeg. I believe it was $6 to $8 million dollars in the urban Aboriginal portfolio. There were tax credits. There was land, there was services in kind, but there was supposed to be $1.4 million dollars in real money. And there's a million dollars here in real money and my point is that there should be $400,000 dollars more in real money.

Notwithstanding the fact that somebody may say that we've spent this on this program and with this organization and that's fine. But my understanding of this, that there was $1.4 million dollars of real money, so there's $400,000 that's not here, and my motion clearly says let's find another $400,000.

Relative to the housing, there's a million dollars for, to be invested in inner city housing major improvement areas. I believe we're in to five or six major improvement areas. There were 12 or 13 major improvement areas in the City.

This is a benefit to those communities, not only in increased housing stock, not only in general community development, in safety issues, but there is an economic return in terms of increased assessments which accrues to the City of Winnipeg, which is the cornerstone of what we do.

Councillor Clement has mentioned usually we find account numbers. Well, I can't find account numbers, but I can find accounts. In fact, I look at the Annual Fiscal report for the last year ending '06, I don't believe we have our '07 yet, but we can charge this back to the Mill Rate Stabilization Fund of which there's $32 million dollars as of the end of '06, probably some more now.

We can charge it back to the Fiscal Stabilization account of which there's almost $50 million dollars in the Fiscal Stabilization accounts. Under Capital reserves, there's an account called "Other" that has $10 million dollars in it, and Special Purposes reserves, there's an account called "Other" which has $17 million dollars in that reserve, which is probably more like $19 at this point.

So I don't know the account numbers to these reserves, but I know that any one of the administrative personnel at the back do. So if you have trouble finding money to top up some of these requests, I'm sure that this $270 million dollars of reserves can absorb that, although I don't know the account numbers.

Generally that's my summary. It's been a good debate and I hope I can count on your support for these motions. Thank you.

Mr. Speaker: Thank you Councillor. Motions No. 4, 5 and 6, Councillor Pagtakhan would you close debate on all three.

Councillor Pagtakhan: Thank you Mr. Speaker. Let me just start by saying that I really pride myself in the ability to represent the constituents of Point Douglas and will do what I can to represent their best interests and the interests of the boards and commissions that I serve on.

Mr. Speaker, I heard an ascertation that some of the information contained in my motions was inaccurate and I just want to address that. Relative to Motion No. 4 with regards to "that therefore be it resolved that the proposed one-time transfer of $400,000 from the Library IT reserve fund to balance the Budget not be proceeded with" and that the number for the second be it resolved "$279,000 transferred in 2008 as per Council policy to the Library Reserve fund be reinstated".

On the first therefore be it resolved Mr. Speaker, that's in this book here, the 2008 Preliminary Operating Budget, the Overview tab, page 40, line number 10. It lists various transfers. That's where that information is coming from. The $279,419 is coming from a special meeting that we had with Protection Community Services from the director of Community Services, Mr. Speaker, in which he did provide us with some information saying that part of the expenditures here are eliminating of transfer to the Recreation Programming reserve for the, sorry, eliminating the transfer to the Library IT reserve a one-time of $279,419.

I also want to share that I've had some discussions with the director and that the opening balance as of January of this year was $1.455 million dollars, and it's further that the proposed transfer to the mill rate support $400,000 as stated in the Operating Budget document will reduce the balance to $1.055 million.

Projected expenditures during 2008 Mr. Speaker, will reduce the Library reserve balance to approximately $687,000 by December 31st/08 and basically, exactly. Mr. Speaker, the opening balance was $1.455. We're talking about the capacity of this library, public library to provide responsive and innovative services towards citizens based on technology information, and that is always constantly changing Mr. Speaker.

I'm just saying we need to acknowledge the fact that the opening balance was $1.455 million dollars Mr. Speaker, and on a go-forward basis this document is saying it's going to be $600,000 dollars. That's a $700,000 dollar difference. That's what I'm just trying to say Mr. Speaker. And I'm saying that as a representative on the Winnipeg Public Library Board, that these two figures should be reinstated to allow the capacity, to leave that capacity there as per our Council policy of 1994 and amended in 2001.

On Motion No. 5 Mr. Speaker, I just want to say that again, this figure of $430,929 dollars is an opportunity Mr. Speaker. It is in the vacancy management section of this Preliminary Operating Budget document, the Tax-Supported tab, Mr. Speaker, page 40, line 10, column 3. It's factual information.

And I'm saying Mr. Speaker that one of the key strategies of community, Protection and Community Services relative to recreation Mr. Speaker, is to strategically review the provision of recreation leisure activities within the existing facilities and infrastructure within the City of Winnipeg.

I'm saying Mr. Speaker that if we vote not to reinstate this, this is an opportunity that's going to disappear. And if we were going to be left with an indelible reminder that we have vacated a huge opportunity to provide Mr. Speaker, recreational services in communities relative to after school programming, arts programming, community partnerships, on a go-forward basis.

And I just want to say that the last therefore be it resolved Mr. Speaker, is really what we do here at City Hall. We discuss policy, we create policy. I'm saying let's talk about this at Protection and Community Services. I think it's a very good motion.

And finally Mr. Speaker, on No. 6, Motion No. 6, this figure that I got, the $490,000 dollars again comes from a presentation

we received at a public open meeting, a special meeting of Protection and Community Services wherein which we received a public, a document from our administration presenting that we will eliminate the transfer to the Recreation Programming reserve for the extended waiting pool and outdoor pool season.

Mr. Speaker, we, that is a, if we eliminate that and it is very warm in the middle of August, you know, that's when we traditionally shut down our wading pools, well I fear that we won't, it worries me that we might not have the funds to keep the wading pools open after we've transferred this money to balance the Budget. That's all I'm saying Mr. Speaker.

And I checked the internet, on the Community Services website it says here the key strategy there is "to prioritize for the delivery of recreational services for Winnipeg's highest need children and youth as a positive alternative to illicit activity".

Mr. Speaker, in Luxton community, in the Aberdeen community, some of those wading pools are staggered. They're not open every single day during the summertime, but they should be Mr. Speaker. I've put a call in to our administration. They've verified that approximately 10 years we've been doing this staggering of wading pools within Winnipeg.

Perhaps the effects aren't felt, you know, in the suburban communities, but I can tell you without a doubt, they are felt within the inner city, the downtown, the west end, the older shoulder neighbourhoods of our City. They are felt, they are often, they're desired. I'm speaking up for those children that can't speak here today Mr. Speaker, that utilize those facilities. So that's all I'm saying.

I mean, I was asked a question here, well, it wasn't directly asked of me Mr. Speaker, but it was a question saying, where would we find, would I support a tax increase, yes or no? I answered that question, all right, but today there's three motions that I have here Mr. Speaker. Is it acceptable that we not proceed with this, yes or no?

Mr. Speaker: Thank you. Before we, before we proceed with the voting, and Councillors, would you please get back to your seats, I just want to wish our Page Simone Jaman on her Happy 18th Birthday on Monday. Happy Birthday. (Applause).

Okay, now what we'll do is we'll in reverse order on the Motions from 6 to 1, on Motion No. 6, do you want a recorded vote, or a? A recorded vote has been called for. (Inaudible) You will, after we get through this with. Who's calling the recorded vote? Councillor Thomas has called a recorded vote.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Gerbasi, Pagtakhan, Smith, Thomas, Vandal, Wyatt, and Mr. Speaker Councillor Lazarenko.

Nays

His Worship Mayor Katz, Councillors Browaty, Clement, Fielding, Leipsic, Nordman, O'Shaughnessy, Steeves, Swandel.

City Clerk: The vote Mr. Speaker, Yeas 7, Nays 9.

Mr. Speaker: The Motion is Lost.

On Motion No. 5. I assume the same, a recorded vote to be called.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Gerbasi, Pagtakhan, Smith, Thomas, Vandal, Wyatt.

Nays

His Worship Mayor Katz, Councillors Browaty, Clement, Fielding, Leipsic, Nordman, O'Shaughnessy, Steeves, Swandel, and Mr. Speaker Councillor Lazarenko.

City Clerk: The vote Mr. Speaker, Yeas 6, Nays 10.

Mr. Speaker: It's Lost.

Motion No. 4, be the same.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Gerbasi, Pagtakhan, Smith, Thomas, Vandal.

Nays

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

City Clerk: The vote Mr. Speaker, Yeas 5, Nays 11.

Mr. Speaker: It's Lost.

Motion No. 3, I assume the same, recorded vote has been called for.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Gerbasi, Pagtakhan, Smith, Thomas, Vandal, Wyatt and Mr. Speaker Councillor Lazarenko.

Nays

His Worship Mayor Katz, Councillors Browaty, Clement, Fielding, Leipsic, Nordman, O'Shaughnessy, Steeves, Swandel.

City Clerk: The vote Mr. Speaker, Yeas 7, Nays 9.

Mr. Speaker: It's Lost.

Motion No. 2. A recorded vote.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Gerbasi, Pagtakhan, Smith, Thomas, Vandal.

Nays

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

City Clerk: The vote Mr. Speaker, Yeas 5, Nays 11.

Mr. Speaker: The Motion is Lost.

Motion No. 1, recorded vote has been called for.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Gerbasi, Pagtakhan, Smith, Thomas, Vandal.

Nays

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

City Clerk: The vote Mr. Speaker, Yeas 5, Nays 11.

Mr. Speaker: It's Lost.

Now, we get into the item, Operating Budget, Item No. 1 and Mayor Katz.

Mayor Katz: Thank you Mr. Speaker. It's been an interesting day to say the least. I think I'd like to try and keep this as positive as possible. I very much appreciate Councillors expressing their opinion, and sometimes we know there's no wrong, there's no right. And I regret the fact that I never got the opportunity to speak to some of those motions Mr. Speaker. I was of the opinion that I would be able to close prior to the vote, but I still hope to address some of those issues.

Mr. Speaker, there were several comments made today, and I think you heard me make reference to Sir Winston Churchill once before where the quote from Sir Winston Churchill was "a lie gets half way around the world before the truth has a chance to get its pants on." I'm afraid today that in my opinion that quote is probably very appropriate.

The first thing I would very much like to address, and there were comments made by Councillor Smith and Councillor Vandal regarding the Mayor's budget, and Mr. Speaker I would very much like to table this email which went to every single Councillor on the floor of Council.

It was from Councillor Mike O'Shaughnessy, chair of Finance. "Contrary to information presented in Friday's Winnipeg Sun about cost cutting alleging a 59% increase in the Mayor's Office budget, I would like to present the facts.

In the Mayor's 2008 citizen's speech, he announced that Council and Mayor's office expenses would now be posted online. We have continued improving the way City Hall expenses are reported by correcting the way office budgets had been reported in the past.

In addressing these issues, previous administrations' practices of including Mayor's office expenses in the budgets of City Clerks and Executive Policy Committee Secretariat was noted and corrected to provide transparent and accurate reporting to the citizens of Winnipeg. These positions and expenses previously reported in City Clerks, and EPC Secretariat were shifted back to the Mayor's Office in 2008.

The net result to taxpayers showed the elimination of five positions and a decrease of $578,249 in the overall budget. We've worked hard to find efficiencies in all areas of our City's public service. The Mayor's Office was treated no different."

I would hope that all Councillors read their emails, and if someone just intentionally decided to neglect it, shame on you Mr. Speaker. The realities are there was reference to a, I guess they call it the old, the shuffle game and, or the shell game Mr. Speaker. The realities are in days gone by, there was a shell game. Mayor's expenses were hidden in other areas so other people would take responsibility.

When we found that out, we corrected it. And there's some members who spoke about that on the floor of Council. They were part of that EPC. Maybe they knew about it, maybe they did not, we'll never know. But no more Mr. Speaker, we've changed it and made it right.

Also, Councillor Vandal talked about the transfer of utilities to general revenue. Mr. Speaker, it was alluded here before, it was this Mayor and this Council that voted and addressed the issue of no more transfers starting 2009, and it's very interesting how Councillor Vandal forgot that in 2002, there was an increase in 18% in our water rates because there was a transfer to general revenue from the water utility.

Once again, I announced in my State of the City Address, maybe it's time to change how we do business and should be treating the water utility transparent. And that was supported unanimously by Council. So I guess maybe you can call that selective memory, but the realities are we've addressed that problem as well.

You know, when I heard some of the passionate pleas to make changes with some of the motions, Mr. Speaker, I'd love to see $5 million dollars in Winnipeg Housing and Homelessness Initiative. As everybody on the floor of Council knows, it was yours truly who made sure we had a line item in our Budget because prior to me becoming the Mayor, it did not exist. And we knew it was something that even though we weren't totally responsible for, we had to play a part in the solution and address the problem.

But Mr. Speaker like everything else, we need to find the revenue. I would love to say yes to every single item that comes forward. Once again, we have to address priorities. This was not an easy Budget. I'm not happy that we couldn't find money. Maybe next year we will.

I certainly understand Councillor Pagtakhan's passionate desire to enhance that and Councillor Vandal. Okay, it's not a bad motion. We just don't have the money right now. It's reality. It's no different than we deal with things in our personal lives.

And the same thing applies for arts. You know, it's funny how you forget when we, when I got here Mr. Speaker, it was only in 2002, there was $2,174,000 dollars that went to WAC. What is it now Mr. Speaker? More than double. It was only 2004 that we started $500,000 every year - '04, '05, '06, '07. Would we like to have it in '08? Yes.

If you have to make a cut I would love to hear someone say here's a better area to cut from. Cut from here so we can do that. And I certainly understand and commend Councillor Swandel for at least trying to find some more money. We should all be doing that because the answers are there. You've just got to work for it and look for it.

There's something I wanted to assure Councillor Pagtakhan. I know everybody wants to represent their wards and I've said it before I believe the Mayor's position is to represent the entire City. And I remember it wasn't that long ago as a private citizen I was reading the papers, and they were talking about how they were going to have to close wading pools. I can tell you, we didn't find it funny out there. That wasn't humorous.

And I can assure Councillor Pagtakhan that as long as I'm Mayor, we won't be closing any wading pools. It's not going to happen. Just like when we run out of money for snow removal, we find it somewhere. Okay. We go, we do what we have to do and there's no question this is a priority. Whether it's a wading pool in whatever part of the City or it's a spray pad, we're actually trying to enhance our recreational facilities and that's what we've been doing for a long time.

Mr. Speaker I heard so many comments and one that I have to address because I believe that Councillor Vandal is genuine on it, but he's just made an honest mistake. The motion in May of 2004 specifically stated "up to $1.4 million dollars". Councillor Vandal knows that. He worked with the Winnipeg Partnership Agreement.

And he also knows that since that point in time, we've put in for the North End Wellness Centre $250,000 dollars cash, $450,000 dollars in land. The Neeginan Village, housing for Aboriginal students, $1,833,000 dollars. As well as Mr. Speaker, we also for the Ndinawe funding for youth program $150,000. Councillor

Clement got it right. Not only have we fulfilled that commitment, but the real number was $976,000. We left it at a million dollars because I believe this is a priority.

You know, maybe I'll live long enough Mr. Speaker, I sincerely doubt it, where we can all work together to do the hard work and roll up our sleeves and find the answers as opposed to criticizing others for making the difficult decisions because you want to look good for whatever the reason may be.

Every single delegation that appeared here today, I'd love to say yes, you got it, you got it. It's yours, it's done. God, how easy would that be? Wouldn't that be nice? Do you know how difficult it is to make that tough decision and balance the Budget and keep property taxes frozen? That takes guts, courage, integrity, and I thank the Councillors for supporting this Budget because I certainly will be.

Mr. Speaker: Thank you Mr. Mayor. I would assume there's going to be a recorded vote called. Councillor Gerbasi.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

Councillors Gerbasi, Pagtakhan, Smith, Thomas, and Vandal.

City Clerk: The vote Mr. Speaker, Yeas 11, Nays 5.

Mr. Speaker: It's Carried.

Mr. Mayor on the Item No. 2 which is the 2008 Mill Rate, Madam Clerk, would you please.

Item 2 - 2008 Mill Rates for the Education Support Levy and Special Levy, File FL-3

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker I believe everybody is very familiar with The Public Schools Act. This is something we do every year. I know in previous years, there was, some Councillors wanted to make a protest. We talked about whether the Mayor, the Speaker, the Councillors could go to jail. I'm assuming everybody knows what this is all about. If anybody has any questions or brings up any issues, I would be happy to address them Mr. Speaker.

Mr. Speaker: If not, Councillor Wyatt. (Laughter).

Councillor Wyatt: Mr. Speaker, two, three, four, five six, seven, eight, so sixth, seventh year, seventh year, speaking on this item Mr. Speaker. I've always voted against it since 2002 since being elected to this chamber and I continue to, and will do so today because I have seen absolutely no change in how business is being conducted with regards to school taxes and the fact that we as a municipality have to collect the school taxes, and yet clearly the spending issue with regards to school taxes has not addressed by the Provincial government and is in many ways out of control.

And I have the statistics, armed with them Mr. Speaker, to back that claim up. That from 1990 to 2007, school taxes have gone up actually by a hundred, school division revenues have gone up by 137%. 137% works out to approximately 8% a year. Over that period of time, inflation was slightly above 2%. So school division revenues, their property taxes have increased, they have increased their taxes four times the rate of inflation. Mr. Speaker this is outrageous.

The only thing that has saved the taxpayers of Winnipeg from this blight, if you like and poor management, is the fact that the Province has of course, introduced or increased their Provincial Education Tax Credit against that. It still

works out Mr. Speaker to a net increase of $155 million dollars over that 17 year period of time or 52%, or an average of 3% a year, again 50% above the rate of inflation per year in that period of time.

Putting that in perspective Mr. Speaker, our revenues, our property tax revenues, this is property taxes in 1990 were $326.7 million. In 2007, which is the latest figures I have, were $397.7 million for a net difference of $67 million more. Most of those increases occurred in the early 1990's I'll add. That's a change Mr. Speaker of 21% or 1.24% a year, 1.24% a year and inflation Mr. Speaker in that same period of time went up 46%. So our increase in revenues went up 21%, inflation went up 46%. We have absorbed as a municipality 25% of the cost of inflation.

And yet here we are again being required by Provincial law to levy taxes which clearly have a serious underlying structural flaw or inherent flaw in the manner in which the school divisions operate and they are an animal of the Province. I do not blame the School Trustees. I believe in many ways they are given the tools that they have to do the job and that's about it. They in many ways are restricted and are tied in or boxed in to the situation. But the Provincial government, and it's not just this government, but it's also the previous government because I'm going back now to 1990, this has been an issue that has been not addressed year after year after year.

I will remind that this Council's official position as of last year, we took a decision here that we are calling on the Provincial government to remove education taxes completely from the tax bill. This is Council policy. So I would encourage all Councillors who supported that policy last year to vote against this. It will send a strong message to Broadway.

Indeed, we may have to reconvene tomorrow and vote again because again, Provincial legislation is such that we have to vote on this, we have no choice. This is an artificial vote, if you like. An artificial vote because we can't really vote no they tell us. We have to vote yes. Well, I'm suggesting to you Councillors that the time has come to send a message again. We sent a message last year. We have to send a message again because the issue is not going away.

The taxes before you again, show clearly what is happening this year. They're going up, my division alone they're going up 3.5%, again far above the rate of inflation. They're now going to be, they are basically approaching 54% of the entire tax bill is going to be education taxes. Unprecedented.

When are we going to draw a line in the sand and say enough is enough? I think one of the very reasons we had today, a huge debate about our property taxes. The biggest concern that we have with regard to our property taxes is actual tax room. We feel we don't have the tax room to raise our taxes because of what's happening over here and I think that's a very legitimate concern Mr. Speaker.

But at the end of the day we have our own challenges as well, and we're facing them in this Budget and we will next year. But we need to have a leadership from Broadway to start to address this question and this problem, and it's not happening. So I would encourage every member of Council who feels the same way to join with me to vote against this clause. Thank you.

Mr. Speaker: Councillor Swandel.

Councillor Swandel: Thank you Mr. Speaker. I'm not going to be as bold as Councillor Wyatt. I will be supporting the clause. But I do want to make a couple of comments.

You know I've watched in the last year, both the Federal and Provincial governments run huge surpluses and you see a huge increase since 2005 of the surplus, or the transfers going from the Federal government to the Province. You know the Provincial government certainly has the wherewithal to deal with the education tax in a different way and to create the room.

You know its interesting, really interesting numbers in that the total transfers from the Federal government to the Province have increased by $650,000 dollars and at the end of 2007 their record amount in the stabilization fund, in their fiscal stabilization fund was $663 million. You know the room is certainly there. You know these transfers are, and equalization payments are there. You know the government was able to put some sort of transfer out to the school division, to the school divisions early in the year to assist them in their budget process but yet nothing came to the municipalities.

Certainly is tempting to stand up and to shut this down because there is so many conversations and arguments to be made or to be had, the arguments to be made that would actually be in the best interests of the single taxpayer that we all represent to ensure that we're spending their dollars wisely. All three levels, or all four levels of government in this case.

But you know, as much as I admire Councillor Wyatt for his stand on this issue and certainly his numbers speak for themselves, you know, I'm a little embarrassed to say that I actually have to support the clause. I think it's a bit of housekeeping that we have to do, but it's something that we should keep the pressure on the Province and hopefully get this matter resolved sometime in the future.

Mr. Speaker: Councillor Smith.

Councillor Smith: Well, I won't support the clause. I'll join with Councillor Wyatt. Let me tell you this. You know, if we act, support the clause, and we do every year, nothing will change. If we show some guts and we all unanimously vote against this clause today, it puts the Province in a position to respond. And I think we should do that. I've had enough of this. I think we should all act together.

Mr. Speaker: Councillor Gerbasi.

Councillor Gerbasi: I've had enough of it too. I hear the same thing every year for the last 12 years or 10 years but it feels like 12 right now.

I'd like to point out I have children that have gone through the public school system. I have a grandchild now. I want to support our public schools and I don't even know if any people around here are really thinking about what it would do if you completely took all the taxation off of, and just had it in general revenue. You'd get a different government in and you'd have cuts to the public school system. But that's not what we're debating today. We're legally obliged to vote for this.

There is another side to this argument. I don't support the Council policy of taking this completely off. They're making, the Province has taken a number of steps over the last number of years to reduce the levy. What about the education of our kids? That's important too and I just thought I'd make that point.

But I'm going to be voting for it because we don't really have a choice. It's nice to be able to stand up and take a stand, but it doesn't really count for much. We've got to vote for it so let's get on with it. Thank you Mr. Speaker.

Mr. Speaker: Any further speakers? Councillors just remember The Charter, The Winnipeg Charter. Is this going to be a recorded vote? A recorded vote has been called for. Councillor Smith has called for one.

All in favour of Item 2, oh just a minute, just a minute. Mayor do you want to close? You want to close debate?

Mayor Katz: Mr. Speaker, I think it's all been said.

Mr. Speaker: Okay thank you Mr. Mayor. Okay.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

Councillors Browaty, Smith, and Wyatt.

City Clerk: The vote Mr. Speaker, Yeas 13, Nays 3.

Mr. Speaker: Item 2 is Carried.

Mr. Mayor, By-laws. To be read a first time (Inaudible).

EXECUTIVE POLICY COMMITTEE CONSIDERATION OF BY-LAWS

Mayor Katz: Mr. Speaker I move the following By-laws be read a first time, By-laws No. 53/2008, 54/2008, 55/2008, 56/2008, 57/2008, 58/2008, 59/2008, 60/2008, 61/2008, 62/2008 and 63/2008.

Mr. Speaker: All in favour? Contrary? Carried.

Councillor Thomas: Nay. Mr. Speaker I'd like to be recorded against By-laws No. 53/2008, 54/2008, 55/2008 and 58/2008.

Mr. Speaker: Thank you.

Councillor Wyatt: I wish to be recorded against No. 56/2008 and 57/2008, the School Tax.

Mr. Speaker: It's recorded. Anybody else? No one else?

All in favour? Contrary? Carried.

Clerk: By-laws No. 53/2008, 54/2008, 55/2008, 56/2008, 57/2008, 58/2008, 59/2008, 60/2008, 61/2008, 62/2008 and 63/2008.

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker I move that By-laws No. 53/2008 to 63/2008, both inclusive, be read a second time.

Mr. Speaker: All in favour? Contrary? Carried.

Councillor Thomas: Nay.

Mr. Speaker: A repeat with Councillor Wyatt recorded in opposition. We'll do that with all of the, all the…

Clerk: By-laws No. 53/2008 to 63/2008, both inclusive.

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker I move that the rule be suspended and By-laws No. 53/2008 to 63/2008, both inclusive, be read a third time and that same be passed and ordered to be signed and sealed.

Mr. Speaker: All in favour? Contrary? Carried.

Councillors before we call for an adjournment, I as the Speaker, I'd like to meet sometime tomorrow, Friday, with our CUPE administrator about the incident that happened here this morning. It's our responsibility to make sure that this does not happen again.

And Alex I would like to meet with you tomorrow, Friday. See what we have, what we can do to make sure this is not repeated because this was just ridiculous.

Okay now who's going to move adjournment?

Councillor Fielding moves adjournment.

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.

Council adjourned at 2:38 p.m.