COUNCIL OF THE CITY OF WINNIPEG
Wednesday, November 19, 2008

The Council met at 9:33 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 Fielding.

ROLL CALL

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

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

Mr. Speaker: Thank you. Pages, we have with us here this morning, Rory Mitchell of Kelvin High School, resides in the Fort Rouge-East Fort Garry Ward. Welcome. He's doing his work. Welcome to guests and announcements. Mr. Mayor, please.

Mayor Katz: Thank you, Mr. Speaker. Mr. Speaker, on Monday, Winnipeg lost our beloved polar bear Debbie. At 42 years of age last year, Debbie was entered into the Guinness World Book of Records as the oldest of her species. But her real fame is rooted in the hearts and memories of the generations of Winnipeggers, Manitobans, and visitors from across the country and around the world who visited with her at Assiniboine Park Zoo since her arrival here more than four decades ago. She was a gem in our City, a teacher to children, young and old, demonstrating to the world what one orphaned animal can achieve in promoting the conservation of her species. Mr. Speaker, I would like to take a moment to thank the Assiniboine Park Zoo Co-ordinator, Dr. Gordon Glover, along with Debbie's entire team of caregivers and staff at the Assiniboine Park Zoo for everything they have done to provide Debbie with care and compassion for her entire life with us here in Winnipeg. Thank you Mr. Speaker.

Mr. Speaker: Thank you, Mr. Mayor. I recognize Councillor Mike Pagtakhan.

Councillor Pagtakhan: Thank you, Mr. Speaker. I just wanted to take a moment to apprise Council and those joining us today in the gallery and on television that November 22 is National Housing Day across Canada and as such, I wanted to take the opportunity to thank in advance the many neighbourhood associations, home builders, lending institutions, property managers and both the Federal and Provincial Governments, partners for the ongoing efforts to create affordable housing in Winnipeg, Manitoba, and across this great country of Canada.

It is equally important to recognize a large part of the on going success of creating affordable housing projects in Winnipeg is the direct result of this Council's tri-level participation in the Winnipeg Housing and Homelessness Initiative. Two years ago, Mayor Katz and this Council made history in 2006 when we committed $1 million as a line Item in our budget towards the creation of affordable housing in our City. Progressive decisions such as this helped realize several affordable housing projects. In the summer of 2007, our very own Winnipeg Housing and Rehabilitation Corporation completed the transformation of a half-century old neighbourhood, originally built for Second World War veterans, into 28 new visitible rental town homes. Four of the units are barrier-free. Sixteen are rent geared to income, and the remainder offered below median market rents. This past November 3rd, I am pleased to say, at the CMHC National Housing Awards Ceremony in Ottawa, Winnipeg Housing Rehabilitation Corporation received an award for the best practices in affordable housing innovation. Mr. Speaker, I'd like to ask Mr. Menno Peters to stand and for us to congratulate him. He is the Executive Director of Winnipeg Housing Rehabilitation Corporation for making Flora Place a Canadian affordable housing success. (inaudible)

Mr. Speaker: Thank you. I would also like to welcome the audience in the galleries here this morning. I'm sure it will be enjoyable to…now we have a motion

of leave of absence. Mr. Clerk can you read it please.

MOTIONS

Moved by Councillor Browaty,
Seconded by Councillor Vandal,

That Councillor Leipsic be granted a leave of absence from today's meeting due to a personal family matter.

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

MINUTES

Councillor Swandel moves the Minutes of the meeting held on October 22, 2008, and November 5, 2008, be taken as read and confirmed.

All in favour? Contrary? Carried.

DELEGATIONS

Mr. Speaker: We have a number of delegations.

Councillor Gerbasi: Mr. Speaker. A point of order please.

Mr. Speaker: Councillor Gerbasi.

Councillor Gerbasi: Mr. Speaker, I would like to ask Council to waive the rules to hear four additional speakers for five minutes only without questions in opposition to Clause 5 under Executive Policy Committee November 12th, and I have submitted the names to you.

Mr. Speaker: Thank you. Yes, I have them. All in favour? Contrary? Carried.

Now the first delegation is Steve Strang, on behalf of the Municipal Mayors and Reeves of the Capital Regions in support of Item 5. Mr. Strang, are you present? Thank you. You will have.... Good. Mr. Strang, you have ten minutes, followed by Mr. Mike Davidson, President of C.U.P.E. Local 500. Mr. Strang?

Steve Strang: Thank you very much. Thank you. If you don't mind I'm going to take my jacket off. I know I promised you I'd wear a suit but I'm not much of a jacket guy, so forgive me.

Your Worship, Council, it's certainly an honour to be here today. I'm here on behalf of the Capital Region as the gentleman said. My name is Steve Strang. I'm also the Mayor of St. Clements.

So you may ask why the Manitoba Capital Region has come to you to speak about the undertakings or considerations that are before Council on the utility today. I think it's important to tell you that what we believe is what is important for the region-at-large, is an environmental issue. It's an issue of human health. It's not an issue of profit. It's an issue of doing what's right and being considerate to change. I would tell you not to be afraid of change because change is often good. If we do not consider change, perhaps we would've been back with stone wheels and riding carts. Please be open minded when you give this full consideration.

So how will this affect the Capital Region? We believe that the Capital Region is part of Manitoba. We believe the City is the heart of Manitoba. We believe as a region we work together, and together we will be a stronger Province, one which is far more marketable and far more attractive to businesses on the outside.

I want to address a few issues of comments that I've heard in the last while, also about urban sprawl. Urban sprawl, I believe, is a name that probably came up from a couple of gentlemen who were having a few beer at the bar who didn't really want to give consideration in making a better region. It is not urban sprawl. I see the question marks on some of your faces. It is about marketing and offering in a region choices, lifestyles, lifestyles which are attractive to some and not so attractive to others. In the City you have all amenities. You have all services. In the country we pay our taxes and we pay everything else. Give consideration to the travel. The utility is, I believe, something which should be shared, something which can be worked upon. It's not about profit. I think the Mayor has said probably about in the last ten times that

the utility is not up for sale. We believe that a united Capital Region, going forward, will be one which is far more attractive to those on the outside looking in. It is certainly time that people start to look at us for the example, instead of us looking at them.

As I said earlier, the environment, water quality, human health has to be at the forefront of your decision. This isn't about the fact that it's mine. This is about the fact that we are a Province. We have needs within the Capital Region. We have needs within the City, and those needs need to be addressed. I believe the model of service that is before this Council for consideration is most likely the proper one. And the way I give that consideration is, I saw and I walked through and I saw these signs, you know, "water for residents, not for profit". This isn't about profit. What is the cost to protect the environment? What is the cost to protect human health? Every time in the last while the consideration was given to share within the Capital Region, I believe politics got in the way. There should be no politics for safeguarding the environment. There should be no politics for safeguarding the environment. If you may forgive me, but I'm going to read part of something that I wrote. As the stage has been set to give consideration to what I believe is a P3 model, a primary benefit of a P3 model, bringing into a community like Winnipeg is a guaranteed price for guaranteed service level. When you give consideration of everybody's considering increases, and that, you know, once it's out of the hands of the City, we're going to be paying more, is not necessarily the truth. If you give consideration to the Epcore model, I believe there is another model in Kamloops, what you will see through these models is that percentages, of overall cost of increases are far less than that of the standard throughout the country. Creating a business model for this utility, one which is owned by the City itself, I believe, will open the doors for decisions being made based on best business cases, ones where the residents of this community will prosper and will benefit from anything that comes forward from it. Right now, the utility is an expense. I realize that it is one which is not governed by the Public Service Board, Public Utility Board. Creating a Public Utility Board review on a utility service will ones which will bring safeguards to the utility and address the concerns of all residents within your community. It will set the stage for growth not only in the City, but also within the Capital Region, growth which will come together. Our City, and I say yes, ours, I used to be here as a matter of fact, Councillor Thomas used to be my Councillor at one time, is growing and there are business opportunities and there are housing opportunities. Studies undertaken by the City of Winnipeg demonstrate this growth is being driven by job creation and economic opportunity. I will challenge the Council, do not let this opportunity go by. Do not be afraid of change because the change that you are looking at here today is not just about the utility, it's about the environment, it's about human health and it's about well being and a prosperous region. Together we are strong and together we will grow.

In closing I would like to say this: I pay in the arm of St. Clement, even as a mayor, $5,300 a year in property taxes. I pay for my services. I pay for the library. I pay for my boys to go to hockey. I pay for my children to dance. I pay for my garbage to be picked up and I pay to drive in here. And 90 cents on the dollar that I spend, I spend within the City of Winnipeg. I say this to address the issues again about urban sprawl. It's not urban sprawl. It's a strong region with optional choices to live in. Thank you very much.

Mr. Speaker: Mr. Strang there will be a question. Councillor Smith you have the first question.

Councillor Smith: Yes. Sir, could you explain this human health benefit? You talk about improving human health. How does it do that?

Steve Strang: I believe the utility which is open and run by a corporation will make…the decisions will be based on servicing an area on business. The Capital Region itself is addressing a number of issues or a number of areas which have health concerns. Sharing the

utility and allowing it to go past those borders will create a better way of living for all those outside. That will address human health. I have sewage in the ditches in the arm of St. Clements. I have small children in the front lawns playing with a ball where the ball has run into the ditch and they've pick it out of sewage water. If this utility is put under a corporation, decisions are made based on good management, there will be ability to share services. It will be done so by a corporation and again, it will be done so without politics being involved. That's why.

Mr. Speaker: Second question Councillor? Councillor Gerbasi your first question.

Councillor Gerbasi: Thank you Mr. Strang for coming and speaking to us. I understand very well that the Capital Region wants to have services with the City. What I'm wondering is, is we do have an inter-municipal shared services process which includes a number of principles that protect the City of Winnipeg in that there has to be a joint planning agreement to manage development and related environmental concerns, just to name one of the criteria in our existing policy. So that just means we won't go into an agreement unless it is beneficial, not just in the bottom line in money, but in other issues. So, since we already have a policy to make deals like this with the Capital Region, if it's beneficial to the City and not harmful under our principles, why are you so interested or concerned about having a different model for our department than what we currently have?

Mr. Speaker: Mr. Strang?

Steve Strang: Yes, I can simply answer that. I believe that the sharing model that was put forward by the City was one which was given consideration by the Council but one which did not fit into what, as the Capital Region, felt proper perimeters. Sharing of services needs to be one which is a win/win on both sides, and that presentation that was put forward was not felt as a win/win. But I will tell you in the meantime that the Capital Region has come forward with a vision statement, and the vision statement addressed things like shared services, transportation studies, planning agreements to move forward. If you want to give consideration of the model there, give consideration of the model that has been worked on in the last little while by Councillor Steeves and Councillor Nordman. That's the model that works in a level of fairness and creates a win/win for all. That model will move forward, I believe, Jenny.

Mr. Speaker: Your second question Councillor.

Councillor Gerbasi: Well I guess I'm still not clear because our City policy allows negotiations, so whether the price is fair or not is something that could easily be negotiated, so I'm not sure why it can't be under our current system. It's just that this has planning restrictions and things that maybe the Capital Region, you know, I'm not sure what this policy is because it hasn't been shared with the rest of us, this other policy that's in the works. But the current policy allows for these negotiations. Why can't the Capital Region negotiate with the City of Winnipeg? Why do we have to have a private entity that's removed from the citizens to negotiate with other municipalities? Why can't we negotiate government to government?

Mr. Speaker: Mr. Strang.

Steve Strang: My belief is that there are those who support and those who don't. I believe that politics often get in the way of what should be good, what is right for the environment and what is right for human health. And I see it quite often and you and I have had many conversations at a number of events regarding this issue. I believe setting this utility into a corporation will take the politics out of any decision making, and the decision making will be based on what's right for those issues, such as the environment and human health.

Mr. Speaker: Your third and final question, Councillor.

Councillor Gerbasi: Won't that just take one view, one political view out and just move to the other political view which is to

sell services for money, regardless of other concerns? Isn't that just making, deciding on one political view rather than an elected view from the citizens, the members, the diverse members of this Council?

Steve Strang: Selling services for money, I think that that view is part of the problem. It's not selling services for money, it's creating regional servicing which is good for the whole region. Councillor Gerbasi, there is a price to pay to protect the environment. We all live here. The region, as a whole, needs to change. The Capital Region has done huge undertakings in the last two years which you're aware of, and it represents those changes. We have to start thinking united. This is not about money. This is not about charging your residents more cost for utilities. It's about working together, allowing that utility to be shared and doing so without politics being involved. Thank you.

Mr. Speaker: Councillor Vandal, your first question.

Councillor Vandal: Thank you, Mr. Speaker. You mentioned sewage and ditches where children are playing. How exactly did we get to this point? How did your region actually get to the point where development went ahead without consideration for how the sewage is going to be managed?

Steve Strang: I think you're well aware of the answer but I'll answer it for the crowd. In the past, planning was always handled through the City of Winnipeg and through the Province. And there was decisions which were made in the past where the considerations of the environment were not at the forefront. It's an unfortunate thing but we all must live with those decisions and we must give them consideration to move things forward. I can't fix the past but I can certainly address the present, and I believe that the undertakings of this Council will assist us to having a healthier community as we move forward. Those will address the problems.

Mr. Speaker: Your second question Councillor.

Councillor Vandal: It seems to me that your concerns, of course, are very real, but there is an important role, an important leadership role to be played by the Province of Manitoba in addressing your concerns. Could you share with this Council what your negotiations or relations with the Province has been, relative to your concerns?

Steve Strang: I can tell you that the Province has always been a major supporter of regionalization. They believe that working together is in the best interest of all. They understand that within the Capital Region there is about a hundred thousand residents, and if the City of Winnipeg has to give consideration of doing increases or improvements to the utilities, it's far better to take that and spread it among 14 more percent than it is to ask the citizens of this community to bear that on their backs themselves. It's not about profit. It's about doing the right thing. It's about being smart in business. Sharing that to 14 more percent definitely would be a win for this City and for the citizens that you all represent.

Mr. Speaker: Councillor Swandel your first question.

Councillor Swandel: Thank you, Mr. Speaker. Thank you, Steve, for coming out today. It's good to hear your voice here. But the first thing I'd like to know is do you have any objection if the Capital Region was to have access to a City-owned, stand alone utility to being involved in some joint planning?

Steve Strang: Absolutely not. I can tell you in the last little while, the Mayors and Reeves, as I said earlier…I wish this thing was a little bit longer you know, tall guy's gotta bend down…within a vision statement, and the vision statement will address all those things and planning, regional planning has always been on the top. I've had a number of meetings with your Mayor, and the first thing that he has talked about, many, many times is about respecting one another. We cannot have residential development going alongside

a commercial development. And that goes both ways. There has to be a level of respect within planning of the Capital Region. There has to be an understanding on how growth is going to take place. That is on the table now. Those discussions are well, I believe well launched, and I'm hoping is that as we met with the Minister yesterday, that the vision statement, the legislation being requested to be enabled will be the guiding tool on how we plan the future of this Capital Region. When we market ourselves we market the region. We must work together as a region.

Mr. Speaker: Your second question, Councillor Swandel.

Councillor Swandel: Thank you Mr. Speaker. Steve, in other jurisdictions, I think Edmonton was probably the best example…I could be wrong it might have been Calgary…but when they created their utility, they had similar problems, similar issues where the Capital Region partners outside had broken down treatment plants or serious environmental issues. They ended up taking over the infrastructure of those municipalities and improving them and providing a better level of service. Do you have any comments on the Capital Region partners having their infrastructure coming into a stand alone, City-owned utility?

Steve Strang: I can tell you that that discussion came to, within the meeting with Minister Ashton yesterday. I can't speak much for St. Clements because we have a little treatment plant which is not really big enough to do too much with. However, I will tell you that Reeve or Mayor Lawrence Morris from East St. Paul openly spoke towards what you're talking about, and they would be quite willing to work along the City to coming up with a regional utility.

Mr. Speaker: Thank you Mr. Strang. The question period has expired. The next delegation is Mike Davidson, C.U.P.E. Local 500, in opposition to Item 5. Mr. Davidson, you have ten minutes.

Mike Davidson: Good morning, Mr. Speaker, Your Worship, City Councillors and everybody here today. Local 500 appreciates the opportunity to come to City Council today. We thank you, to express our points of view. This is a very serious subject. We in Local 500 consider the proposals before you today are essentially to privatize water and waste services for the residents of Winnipeg. While the proposal is being presented as a way of reducing costs and minimize operational risks for the public, we see a plan of reducing government responsibility for services, shifting costs directly to consumers and increasing the role of business in Winnipeg service infrastructure. Creating a municipal corporate utility would be a major change in how water and waste utilities are governed and delivered to Winnipeggers. While there would be merit in public corporations providing such services, the City of Winnipeg proposal is not for such a body, but is designed to be run on a business principles with heavy reliance on private sector agencies. We have documented in our background report that you have received, I think that you've got it now, and I'll highlight that now. The privatization of water and waste systems has been tried for other cities and all too often have failed. Our alternative to privatization is to build on what exists and improve on working together with the public, local experts and City staff. We are confident that the City, through the Water and Waste Department, has the capacity to deliver quality services, and we are willing to work with City officials and politicians to develop these services for all Winnipeggers.

I first want to talk, why we're so concerned about the privatization of the water and waste services. Over a decade we have campaigned for public control of services against privatizations. We are convinced that the privatization does not save money and will not improve the quality of services for the public. The inclusion of private agencies to design, finance and building and operate the components of any utility will undermine our ability as citizens to ensure we get good value for our tax dollars. Our opposition to privatization is built on years of experience. We have numerous examples of failed P3 water and sewer ventures in Canada, the United States

and internationally. There are lessons and, therefore, warnings that we can take from this experience. First off, privatization leads to rate increases as companies raise rates to maximum profits. Privatization undermines water control as companies have to cut costs to maintain profits. We are not accusing companies of being evil, it's just that we have to make…they have to make money in order to survive, and by cutting costs is one of the few options that they have. Companies are accountable to shareholders, not to consumers, and if there is a conflict between the benefits of shareholders vs. citizens, the shareholders always win out. Privatization makes it easier to by-pass authority. Contracts are sometimes worked out behind closed doors with the details often kept secret until after the contract is signed, even though it is the public that will be directly affected by the conditions of the contract. Privatization reduces local control and public rights. When water services are privatized, very little can be done to ensure that the company will work in the best interests of the community. Furthermore, if a community is dissatisfied with the performance of the company, buying back the service or infrastructure is very difficult and very costly. Private financing costs more than government financing. Well there is a false perception that P3 shifts the financial burden from the public to the private sector. In reality the taxpayer simply pays for these projects through long-term leases, additional monitoring costs, and increased user fees.

Privatization leads to job losses. Layoffs of workers can often follow in the wake of privatization as companies try to maximize costs and increase profits. Considering the current economic climate and the proposals by Prime Minister Stephen Harper and President Obama to stabilize the North American economy through job creation, this is particularly serious criticism.

There is one more point more to raise in defence of publicly controlled utilities or services. Opening the door to any form of privatization also means opening the door to foreign company, competition and possible Chapter 11 N.A.F.T.A. challenges if there seems to be any preferential treatment of companies or application of local policies and by-laws. If you think that this isn't possible I guess we just have to talk, or you could talk to City of Edmonton Councillors who recently had to deal with a proposal to expand Epcore Resources.

The second point I want to make today is that there is a better alternative than giving away our assets to private companies. The Water and Waste Department is a very efficient provider of services to the City of Winnipeg. The engineering operating staff are experts in their particular fields. The staff have undergone extensive training and have attained levels of certification required by Provincial legislation. The department attracts and employs some of the most highly qualified employees in the country, and that's something that I think that we're all very proud of, both sides. The private sector partner would not be as motivated to enhance staff qualifications. Staff quality and numbers would diminish if a company has to maintain profit within rate structures that are acceptable to the public. The Water and Waste Department is better equipped to keep ahead of regulatory requirements and the service level expectations that protect public health and stewardship of the environment. Public sector water and waste water facilities are measured at the highest levels of scrutiny because they work directly for the public. Systems that are an arms length are one step removed from the accountability and, therefore, less able to ensure regulatory compliance.

Cost overruns and delays in completing capital projects are a case in point. Where department staff are being blamed for deficiencies they have no control over, current cost increases in construction, material, energy costs are largely at play in this situation, and the private sector would experience the same implications, barriers that face any government today, and I think everyone knows gas went up significantly for a period of time, but at the very least, costs go up every year for materials. The construction backlash we are facing in the Province is something

that is being experienced by all the players in the economy. That is to say that a private sector partner would have to attract more competitive bids is simply speculation. It is not fact. There is no evidence that indicates that a long term P3 deal will reduce the City's exposure to risk. The operations of the department are completely open and transparent to the public. The likelihood of a private sector partner being as transparent is highly unlikely. Look at the Charleswood Bridge as an example of how difficult it is to get contract information from the private sector partner and the City. This P3 project is an excellent example of how more P3's cost taxpayers more. The bridge will cost Winnipeggers, in our view, $11 million more than had it been built with municipal financing.

The Water and Waste Department, with other departments of the City of Winnipeg, currently take advantage of grants available at various levels of government. Private sector partners are required for only one Federal infrastructure funding program and, in any case, any private sector applications for grants would require backing of the City to assure security and the capacity to deliver results.

The department currently works with the Capital Region partners in addressing common or related issues. When instructed by Council, staff are also better equipped to enter utility service agreements with these partners because of their history of working together and common interest. Having this history improves co-operation and lessens the risk placed on the ratepayers of the City in any long term agreements.

In general then, employees in the Water and Waste Department are delivering a far more enhanced service to the ratepayers of the City than any private sector partner could deliver. Given the magnitude of the capital projects they are dealing with, the administration should receive total support and commitment from City Council. If Council holds true to its word and does not continue to purge the assets of this revenue generating department, City employees can continue to provide a quality public service.

To finish up here, in conclusion, C.U.P.E. members have a long history of working with the City to develop its services. We are prepared to continue, offsetting, offering our support and advice and assistance in implementing improvements to any and all City services. Note for the example how the City and union officials worked together on establishing the 311 call centre service. The result is a well designed consumer contract service that is being implemented in a smooth and efficient manner. The City of Winnipeg has a track record commitment and means to provide secure, affordable water and waste services. The private sector does not. I want to thank you for your time.

Mr. Speaker: Mr. Davidson thank you. You're right up there…45 seconds to spare. Some questions, Councillor Smith followed by the Mayor and Councillor Gerbasi. Councillor Smith, then Swandel.

Councillor Smith: Mr. Davidson, what consultation took place with C.U.P.E. and the City? Can you explain in detail, like how involved C.U.P.E. was with this consultation process with the City of Winnipeg?

Mike Davidson: Well I would say Councillor, very little. We did see the report on a Thursday but it came to EPC on a Wednesday and I expressed my opinion at EPC, that it was about four days. It's a very comprehensive report, a lot to take in, and that's how much time we had.

Mr. Speaker: Councillor Smith your second question.

Councillor Smith: It's not clear. Did you have any meetings with City of Winnipeg representatives before EPC?

Mike Davidson: We had meetings but they weren't in huge detail. We had… and I wouldn't…they would be a breakfast type of meeting. But we had…we didn't have a lot of details because we hadn't seen that report from D.and T. We hadn't

seen that. So we had no idea what was going to be coming forward.

Mr. Speaker: Mr. Mayor your first question.

Mayor Katz: Thank you, Mr. Speaker. Mike, I appreciate your being here to express your concerns and your opinions.

As you know we're exploring the opportunity for a City-owned, arms-length utility. I could not understand why people thought that we were privatizing or we were selling off an asset. In your comments I think you used the word "privatization" 16 times. Can you tell us the difference between a City-owned arms-length utility verses privatization or selling off, similar to what we have with, for example, Manitoba Hydro or the former Centra Gas, which to my knowledge, you've never once ever spoken against or lobbied against? I'd very much appreciate hearing that.

Mr. Speaker: Mr. Davidson.

Mike Davidson: Mr. Mayor, fair ball. I think that privatization in our view, when we lose control of a public asset, that's our fear. Now my understanding with Manitoba Hydro is, and I guess what gives some people some relief, is the fact knowing that if Manitoba Hydro were ever to be sold, it has to go through a public referendum. I would say those are the key issues. The privatization is loss of public control. That would be C.U.P.E.'s view on that.

Mr. Speaker: Your second question, Mr. Mayor.

Mayor Katz: So you're making an assumption then. What I would very much appreciate also hearing, you've implied through the media, that we here at Council may be moving forward and doing something irregular or potentially not kosher. Could you share with me any legal opinions that you may have because that is totally contradictory to what I've been told so I would appreciate that.

Mike Davidson: That's fair ball too Mr. Mayor. I think what I'm alluding to is the A.S.D. portion. We would like to, I guess, know if that would be included in this process. I know that the motion, to be very frank, the second part of the motion is what's concerned and disturbed C.U.P.E. That's what sort of rattled things here, Mr. Mayor. I think by not having, if this were to move forward and not have the involvement of A.S.D. Committee with a recommendation and then move that back to EPC, that is something that concerns us, naturally.

Mr. Speaker: Your final question, Mr. Mayor.

Mayor Katz: If we were to move forward, because as you know with the motion today is to explore, there is a process that would be followed.

My last question is, it is my understanding that C.U.P.E., along with W.A.P.S.O., have been invited to participate in this process from beginning to end because the process isn't just starting. It's my understanding that there is already potential representation being named to do that from C.U.P.E. Can you tell me whether it's accurate that C.U.P.E. has been invited to be part of this process that may be starting down the road? I would very much like to know that.

Mike Davidson: Yes, that has been suggested to C.U.P.E., but I will point out again, the first time we saw the D. and T. report, a very comprehensive report that took about, I understand, 18 months to put together, we had very little time to see it. But I will say one thing: C.U.P.E. always has the willingness to work together with City officials, politicians. We have no problem doing that. Not at all.

Mayor Katz: Thank you.

Mr. Speaker: Councillor Gerbasi your first question.

Councillor Gerbasi: Thank you. Does it concern you that the report that you have only had a short time to look at, only is promoting this one approach, and do you think that we should be looking at actually comparing it with status quo or other options in between like we normally do in

the A.S.D. process with other alternative delivery processes?

Mike Davidson: Yeah. I think that should happen as well as I think the report itself, I looked through the report very carefully myself. We're doing already what's in that report. So I would agree with you Councillor, yes.

Councillor Gerbasi: You referred to the situation in Edmonton where they actually have a City-owned corporate utility, and it's my understanding that their City Council for the second time has voted against allowing their sewage treatment to be operated by this. They voted against their Mayor which is something that we never see here, but in Edmonton, their Council voted against having the company there run the utility. Do you have any understanding of why they might have done that? Are you aware of that?

Mike Davidson: Well, there were some barriers and, I think, some consideration having to do with T.I.L.M.A., the agreement, as well as some, I guess, some involvement with, potential involvement with N.A.F.T.A. Rules and I think that made Council reconsider.

Mr. Speaker: Your final question Councillor Gerbasi.

Councillor Gerbasi: I'll leave it there. Thank you.

Mr. Speaker: Councillor Swandel, your first question.

Councillor Swandel: Thank you. Actually most of what I was going to ask is, I think, already been asked. But really Mike, you don't have an objection to a City-owned, City-operated stand-alone utility. You just want to make sure that there is some protection there to make sure that it can't be sold out to the private sector? Is that correct?

Mike Davidson: Well, I think, Councillor, I think that…I don't think we have to go in that direction. I think we're already doing what's in the D. and T. report. I think we're already doing that. I think what we need though, through this whole process, this whole discussion that we're hearing from some…we hear the gentleman speak this morning. I think what we need is to have some public input and really decide a course of action of where we're going to take water utility, the concept, the whole discussion about water, I think needs to be raised, and that's not a bad thing, you know, for a City to be doing.

Mr. Speaker: Your second question, Councillor.

Councillor Swandel: So you would like to explore that?

Mike Davidson: I think we need to have the discussion. I think we're already doing what's in that D. and T. report, Councillor, to be quite frank, but you know what, to have a public forum, I'll tell you what Councillor. I'll put the challenge out there to you, then. If a forum is a good idea, C.U.P.E. would even put that on in co-operation with the City officials. We have no trouble working with the City on this, this whole idea. We know that there's orders in place to make improvements to our water treatment plants. We want the very best for the citizens of Winnipeg, so we're very willing to work towards making those improvements at the best value in the good of the citizens of Winnipeg.

Mr. Speaker: Your final question Councillor.

Councillor Swandel: Glad to hear that. That's exactly what we're doing. There will be lots of opportunity to do that as we go through these public processes.

I guess the, the bottom line is, I just need you to confirm for the general public, because it seems to be some misunderstanding here. The water treatment plant, our water treatment plant, is about to be commissioned. Our new water treatment plant is being constructed through our normal processes. It is about to be conditioned. It will be operated by City of Winnipeg employees, and there is no move to actually privatize the water treatment plant here. I just need you to clearly understand this or to state that you understand that the water treatment plant is not one of the P3 pieces that we are

talking about in the stuff that we're bringing forward here.

Mr. Speaker: Mr. Davidson.

Mike Davidson: Thank you for your comment, Councillor.

Mr. Speaker: That's what you wanted to hear?

Mike Davidson: Well, unless I'm under the…is that more of a statement or a question Councillor?

Councillor Swandel: I just wanted you to confirm that, in fact, we are…we're almost complete the construction and it's our normal traditional process.

Mike Davidson: In terms of construction, I don't have the status of exactly where it's at but, you know, we're most certainly concerned about that whole facility, so the status of where it's at, I couldn't come right out and tell you whether it's just about completed or the percentage of what's left out. That I don't have with me today, sir.

Mr. Speaker: Thank you Mr. Davidson. There's no further questions. We'll go on to the next delegation. Thanks Mike.

Mike Davidson: Thank you Mr. Speaker.

Mr. Speaker: Liam Martin, on behalf of the Winnipeg Citizens Coalition, also in opposition to Item 5. You have five minutes.

Liam Martin: Thank you. Your Worship, Councillors, my name is Liam Martin. I am here today to speak on behalf of the Winnipeg Citizens Coalition. The Winnipeg Citizens Coalition is a broad based progressive, democratic, socially, environmentally conscious collection of individuals which goes to improve quality of life in Winnipeg by acting together for positive social and economic change.

We are dedicated to working towards an alternative vision for our City by fostering more citizen participation in civic government, promoting social justice, improving our City's natural environment, ensuring more open and accountable civic government, protecting the public services we all depend on, developing safe and vibrant communities, and facilitating fair economic development opportunities for all Winnipeggers.

Members in the W.C.C. come from a variety of cultural, ethnic, economic and professional backgrounds but share a fundamental belief in ensuring all Winnipeggers benefit from our City's success. We believe strongly in putting people ahead of partisan politics and view ourselves as citizens, not simply as taxpayers. Our challenge to help provide more opportunities for people influences the direction of our City and ensure our elected politicians and decision makers are accountable to citizens and the public good. The W.C.C. will provide leadership to mobilize and act where citizens' interests are at stake, which is why I am here today.

Last week in my presentation to E.P.C., I listed a handful of concerns that the Winnipeg Citizens Coalition has with the Deloitte and Touche report, upon which the proposal to move to a municipal corporate utility as a new arms length business model to operate the City's utilities is proposed. First I discussed how the report is not based on (inaudible) current City of Winnipeg capacity to deliver water and waste services and it gives no clear explanation as to why the City is moving in this direction in the first place. Second it recommends a governance structure and delivering method that has been discredited in practice in other examples across Canada. The proposed devolution of public service delivery and development of new facilities to the private sector in other Canadian jurisdictions has led to rate increases, the reduction of local control of water services, and an increase in accountability to the shareholders at the expense of accountability to the citizens.

Finally I discussed other important recommendations were prepared without due consultation. For resources as important as water and sanitation, there has not been sufficient public and expert consultation on the proposals. The report

says there were internal discussions and some efforts made with Provincial Government and the unions representing City staff, and some more meetings to that effect may have occurred in the last week since we last spoke. But there was no serious consultation with the people who are experts in urban planning, management of public funds nor environmental aspects of water and waste management. Most importantly, the general public was not consulted. There must be full public consultation on changes significant as is being proposed. One could even go as far as to call for a public referendum on the proposed model, as it is so significant in terms of public cost and benefits and long term implications. To be frank, not one single voter in the last election voted for this plan when they elected the current Mayor and Council.

In conclusion, I urge Council to vote against the motion put forth today as it is the only way to ensure that Winnipeg's Council, experts and most importantly its citizens have the opportunity to learn and to debate the impact of the recommendations included in the report. We'll have a Winnipeg not just for the immediate future but in generations to come. Thank you for your time.

Mr. Speaker: Thank you. Councillor Gerbasi a question?

Councillor Gerbasi: Thank you Liam and the other members of the Coalition for speaking to this issue and participating. I am wondering, there has been some confusion about the "privatization" word and I think we're proceeding with procuring a private partner, private business to partner on possibly design, build, but even possibly operating. So that's one piece of it and then the other piece is a corporate utility model which we're exploring. What are your concerns and how does this relate to privatization?

Liam Martin: Well, I guess my concerns are in the second paragraph of the motion on the floor, in which they do seek to begin recruitment of a strategic partner. There's other examples across the country which we've already mentioned, the Edmonton situation, the N.A.F.T.A., the Chapter on N.A.F.T.A. that puts that at risk. But I mean it's the whole…in the report, there is very much a single length to which they prepared that report where they point to successes south of the border, but there are prioritization models that really haven't worked in this country. You've got Hamilton recently where we saw numerous headings, where ultimately the City had to step in and reclaim control of the P3, which is not easily, not an easy result to come by, as it is hard once you've lost control of that service. It's very hard to bring it back into the public fold.

Mr. Speaker: Your second question Councillor?

Councillor Gerbasi: You talked quite a bit about public consultation. Do you feel that this Council should not go ahead with procuring this private partner until we've had significant public consultation?

Liam Martin: Very much so. I believe Mr. Davidson mentioned that the report began about 18 months ago. However it is only about two weeks that this has actually hit the… reached the radar of the average citizen, and you can see by the crowd we have here today. We've got a number of environmental groups who have concerns that we'll hear from later, we've got student groups who have concerns we'll hear from later. There are people who do have an opinion on this issue whose voices haven't been heard yet, and we feel that the onus is upon Council today to ensure that those consultations do take place before we take that next step.

Mr. Speaker: Mayor Katz your first question.

Mayor Katz: Thank you, Mr. Speaker. Liam, I appreciate your being here today. You made reference to the fact that neither this Council or this Mayor has been elected to make these types of decisions. I would say to you that we're elected to be fiscally responsible and protect the taxpayers' dollars. A comment made by the former speaker, Mike Davidson, about the traditional way that we've been doing things. In our last

project, the traditional way, we were $70 million, $70 million over budget. Is your opinion that we should just accept that as the way it is and not do anything about it and not look at other opportunities?

Liam Martin: Can you refer…which project are you referring to specifically?

Mayor Katz: The Water and Waste project.

Liam Martin: That Water and Waste project? No I don't think, seeing there's a difference, the difference here is that, you know, naturally you do have to operate this as a fiscally prudent entity. You want it to make decisions using the wisest (inaudible) possible, and you are elected to do so. However, this is a significant shift in policy that, as I mentioned, as citizens and taxpayers, as the electorate, we didn't…this was not part of your platform, and so as citizens we have not yet had the proper opportunity to have a discussion about this.

Mr. Speaker: Your second question, Mr. Mayor.

Mayor Katz: I'm going to try the first one one more time. Liam, I just want to know from your opinion, as a taxpayer, when we start a project and we're $70 million over budget, is it your opinion that this Mayor and this Council should bury our heads in the sand and say everything is okay and pretend life is wonderful and not explore other opportunities?

Liam Martin: The one thing we did achieve at the last meeting is we had the language in the motion changed from approve the recommendations in the report to explore the recommendations of the report. I'm pleased with that. I'm also open to exploring more options. However, the language in this report still dictates we're about to take a major step where there is a very good likelihood, as we've seen in other indications in the past where it's the interest of the shareholder and not necessarily the interest of the public where business decisions are made, and when it comes to water, you know I would rather have a little bit more of a cost overrun and guarantee the public good is kept in mind as opposed to the lines of private interest.

Mr. Speaker: Your final question Mr. Mayor.

Mayor Katz: Just so I can be sure, when I go to bed tonight, was your answer yes we should explore? Yes or no?

Liam Martin: Well you're not going to get that. Thanks for the invite. Yeah I noticed that as well. Might be time for more (inaudible). But the…you're not going to get that because it's not that cut and dry. Yes, I'm open to exploring, however, the language in this, and maybe that's what we need as well, is more clarification in the second paragraph as to what your step is. Last week we saw the quote in the paper. A certain Councillor referred to himself as an evil being, because there will be privatization and that was his exact quote. Now what his definition was or what the voice inside his head was saying, I can't speak to that. However, you won't get a yes or no answer. If you're open to explore…

Mayor Katz: I'm not going to sit here, okay, I was privy to that meeting, okay, and I know where the words came from and I think it's really unfair and, Liam, I appreciate your being here, but what you're saying is totally out of line. That's not fair to any Councillor and it's not fair to the Councillor you're referring to. It just leaves (inaudible). It's just wrong.

Liam Martin: Check the transcript. I did not say that.

Mayor Katz: I was there.

Liam Martin: Check the transcript.

Mr. Speaker: Thank you Mr. Mayor. Liam, you have…there was a question and you didn't answer it, so the first question now from Councillor Swandel.

Councillor Swandel: I just…I really don't care what you think about me or what you might think about what I might have said. My question is this, and feel free to speak openly in this chamber. If you want to try that type of character assassination, I

think it will be worn by your character as opposed to mine.

My question to you is, are you aware that the second recommendation in no way shape or form refers to the water treatment plant. Has nothing to do with water whatsoever?

Mr. Speaker: Mr. Martin.

Liam Martin: Well, I see the term "West End Water Pollution Control", I see "South End Water Pollution". I see it as a service. (inaudible) it's nuances.

Councillor Swandel: I take that as a no. Let me just, you know, for your information are you aware that the water treatment plant for the City of Winnipeg is almost completely finished construction, is about to be commissioned and will be operated as part of our regular operations right now by City of Winnipeg employees? The concept of a strategic partner or private-public partnership has to do with our sewage treatment, or water pollution treatment facilities which is really sewage. Are you aware of that?

Liam Martin: Well, I am not aware of all the mechanics but that is not why the point of my presentation today. The point of my presentation today is to engage everyone that we have in the audience and in the…inform the public of that…that's great that you know that. You're here, you know, that's your job, you're supposed to know that. As citizens we haven't been…had the opportunity to know this stuff. We haven't had the opportunity to be presented from either side of the debate. (inaudible).

Mr. Speaker: That's it, Councillor Swandel? Councillor Vandal, your first question.

Councillor Vandal: Thank you Liam. Are you aware that the first motion for approval says that the municipal corporate utility be approved as a new arms length business model to operate City-owned utilities?

Liam Martin: Um-hmm it's clear on the second page of the report.

Mr. Speaker: That's it Councillor? Thank you.

Councillor Vandal: Are you aware that a City-owned utility is the provision of water as well?

Liam Martin: Thank you for clarifying that.

Mr. Speaker: Yes, he said yes. No further questions. Mr. Martin, thank you.

We have four additional delegations. Suspension rules were accepted by Council and the four have five minutes each and no questions. First one is Dr. Mary LeMaître. If you're present, you have five minutes.

Dr. Mary LeMaître: Thank you. Good morning, Mayor Katz and Councillors. My name is Dr. Mary LeMaître, and I'm here on behalf of the Canadian Catholic Organization for Development and Peace. I am here to remind you of the commitment that City Council made on March 26th, pardon me, March 22nd, 2006.

You passed the motion that was moved by Councillor Pagtakhan and seconded by Councillor Swandel. The motion read, and I have it here,

"WHEREAS today, March 22, 2006, is World Water Day;

AND WHEREAS one in six people in the world do not have access to clean drinking water;

AND WHEREAS the UN Conference on Water in 1977 in Mar del Plata affirmed the rights of all persons to access clean drinking water in order to satisfy their fundamental needs;

AND WHEREAS the Canadian Catholic Organization for Development and Peace has asked Canadian municipalities to assist in its effort to have the federal government recognize water as a common good and access to drinking water as a basic human right;

THEREFORE BE IT RESOLVED THAT this Council support in principle the statement put forth by the Canadian Catholic Organization for Development and Peace, which states:

- Water is a sacred gift that connects all life;
- Access to clean water is a basic human right;
- The value of earth's fresh water to the common good takes priority over any possible commercial value;
- Fresh water is a sacred legacy, a public trust and a collective responsibility.

Carried."

This motion advances a vision of water governance where Winnipeggers have true decision-making power, and where privatization and profit are not driving forces. Our organization believes that this vision of water governance is not compatible with Executive Policy Committee's minute number 10 on November 12th, 2008. Recommendation two invites the private sector experience to design, construction, finance and potentially the operation of the water pollution control centres. We call and adhere to the motion that you passed two and a half years ago. We are here to keep you to your word and commitment, so that Winnipeg drinking water remains a public trust and a sacred legacy, now and for our children and grandchildren. Thank you.

Mr. Speaker: Next delegation, David Jacks, Canadian Federation of Students. You have five minutes.

David Jacks: Thank you very much. Greetings and thank you for hearing this presentation. On behalf of the Canadian Federation of Students representing over 42,000 students in Manitoba, I'm intervening today in opposition to Item 5, the motion to move ahead with the exploration of the creation of a water utility in public-private partnerships in the area of waste water treatment, so thank you again for allowing me to speak.

This year the Canadian Federation of Students is working with the David Suzuki Foundation, the Sierra Youth Coalition, the Public Service Alliance of Canada, and other organizations on a Students for Sustainability Campaign. In Winnipeg last month, over 600 students and community members gathered to engage David Suzuki, as well as Maude Barlow, the new envoy to the United Nations on water, on the very issue City Council is considering today, and I can say there's members of the University of Manitoba and of the University of Winnipeg in the stands as well.

Barlow's message to Manitobans on the importance of public water protection standards and service delivery was well received, and students seemed to be keenly interested in what is happening here at City Hall today. One of the central planks of the Students for Sustainability Campaign of the Canadian Federation of Students is stemming the tide of privatization of public utilities, and I couldn't have said it better than a number of people who have already spoken before me. The Canadian Federation of Students is opposed to privatize, especially for-profit construction and operation of City water and waste water services for many reasons, not of the least which is the generally inflated costs and reduced quality for consumers and government and the taxpayers themselves.

Further, we have serious concerns about the long-term environmental effects of contracting-out or partnering privately on water services and treatment, whether that's arms length or not. While the concerns of the C.F.S. are numerous, our focus today, given time limitations, on the problems I have with the process followed thus far. As a start, it appears that the City's own Alternative Services Delivery By-law has been ignored. The protocol sets out a series of steps and measures that must be followed in order to engage in the actions required by passing this kind of motion, and these have not been followed. Further, despite ascertations in the Deloitte and Touche report about consultation, no public consultation has yet taken place, and this is a serious problem. I have no doubt that the citizens of Winnipeg will have much to say on the

issues of water, and I would really like to see the floor opened more than just five minutes, one at a time. I'd like to see some serious public consultations in moving forward with this.

Finally, even if one assumes that there is some sense to the plans to move ahead at breakneck speeds with a new water utility and public-private waste water facilities and operations, it appears to me that insufficient forms of due diligence have been observed. In both cases, Winnipeg could end up with a fully privatized and profit motivated water and waste water treatment facilities and operations, if there is no publicly available plan.

The City of Winnipeg engaged in a detailed process to create a participatory vision for the City. You might remember the Plan Winnipeg, which is full of great ideas, including better water and sewage treatment. I wonder if this plan has been analyzed in relation to today's motion. Some very basic questions arise as a result of the ascertations in the Deloitte and Touche report, and reproduced in the motion under consideration today. None of these questions can be answered, the most important of which are, why can't the City keep doing what it's already doing, running a water and waste department, and why can't the City explore public financing in every aspect of the approximately $1 billion that are urgently needed to improve water and sewage for Winnipeg.

In summary, on the grounds that the need for, and benefits of, creating a water utility have not been adequately investigated or discussed, I urge City Council to, at a minimum, postpone consideration of this matter, or to file the proposal by Deloitte and Touche and the motion itself, on the grounds that the benefits and costs of public-private partnerships and other options in waste water treatment plant construction and operation have only been superficially examined. I urge City Council, again to, at a minimum, postpone the consideration of this matter or to file the matter today.

It's time to cooperate within Winnipeg to properly finance the nearly $1 billion in waste water and water delivery improvements that are undeniably needed. Passing the buck to a new water corporation or private sector interest would do nothing to solve the problem, and it would create a whole series of new problems to boot. The evidence presented by other delegations here today makes this all fairly clear. And thank you sincerely for the time this morning. I urge all Councillors to oppose or postpone or file all parts of the motion under Section 5, Water Delivery and Waste Water Treatment. Thank you again for your time.

Mr. Speaker: Thank you Mr. Jacks. Next delegation is Jeff Brown. You know, look, just before you start, to the gallery, we try to hold back on the applauding because the microphone system and the recording that's being done up there, it's hard for them even to follow if names are mentioned. So refrain from that. If you want to just -- not to disturb too much. Okay, you have five minutes.

Stephanie Chartrand: Okay. Good morning, everyone. Thank you for this opportunity to address Winnipeg City Council on the important issue of alternative service delivery of water and waste water treatment. My name is Stephanie Chartrand and on behalf of the University of Winnipeg Students' Association, representing 10,000 students in downtown Winnipeg, I'm intervening today in opposition to the proposed motion.

The University of Winnipeg Students' Association is opposed to privatized, especially for-profit construction and operation of the City's water and waste water services for several reasons. First, there has been no evidence presented publicly to suggest that the Water and Waste Department of the City of Winnipeg is incapable of providing high quality, efficient and effective services in these areas.

Secondly, the report upon which the motion appears to be based is woefully inadequate.

Thirdly, there is no substantial consultation on this huge public policy decision. Although this issue may seem at first glance to be unrelated to students, nothing could be farther from the truth. Like our universities, we understand that public institutions are under pressure. We have seen the ongoing privatization of City services often to the detriment of value for dollar and quality. Students relying on cleared roads and sidewalks to get to and from universities and colleges were taken aback by the chaos of snow removal under private contracts. Workers seem to be forced to work too fast, leaving signs, bus benches, and great amounts of snow blocking sidewalks in particular.

Likewise with garbage collection. The service provider is operating willy-nilly due to unreasonable productivity and profit expectations. The cost is, as always, quality of service. Although it is possible for residents to clean up the garbage and recycling that litters the back lanes of the City following the whirlwind that is waste collection day in any given neighbourhood, it would be less possible for us to do the same if today's motion on water is passed and privatization moves ahead. Students know that we will be the ones cleaning up the proverbial mess, and we want a full dialogue before such a major public policy decision is made. As you will hear from other groups that work on civic, environmental and government service delivery issues, the concerns about today's motion runs deep and wide. While some outlining communities stand to benefit from a Winnipeg water corporation, all of us, and the environment in general, stand to lose.

As you know, in Winnipeg's early history, water and waste water services were provided by private corporations. The current consolidated City water service was created to solve innumerable problems and conflicts with regard to corruption, high rates, lack of water quality, leading to deaths and illnesses and lack of service to some neighbourhoods. Today there is an opportunity to enhance the vision that was forged when the department was created. It was a vision that included public accountability and oversight. Today we have an opportunity to initiate a process whereby a full investigation of advantages and disadvantages of maintaining the department in its current form could take place. None of those steps seem to have been taken yet, including those provided for in the Alternative Service Delivery By-law by the City of Winnipeg.

I want to emphasize today that there are more options available to Council today that are included in the motion for consideration. The City of Winnipeg could also take the step on overall water delivery. Maintain the current system by the City of Winnipeg's Water and Waste Department and make improvements needed for water service and sewage treatment through public financing. I am not aware that these options have been investigated adequately, if at all.

The motion is likewise very vague on the kind of water corporation to be explored. If it were fully accountable to the public and publicly run at arms length like Manitoba Hydro, then it might work, but this is jumping far ahead and the other less accountable options are just as likely. I find this unsettling. From the options above, many other spin-off decisions are also to be discussed. One of these would be how best to deal with the needs of Winnipeggers verses the needs of outlying communities. Ultimately, anyone tapping into Winnipeg's water system has to be willing to pay for it, and paying for it through shared publicly pooled resource, their taxes, is the most logical way to go. Today it seems obvious to me that more work must be done to investigate these concerns. I urge you as Councillors to postpone this major decision until more work can be done to develop analysis and more detailed policy options. Just as importantly substantial consultation with all interested parties as well as the public (inaudible) is sorely needed.

The Deloitte and Touche report on this issue does not do it justice, even if one agrees with the superficial analysis contained therein and agrees with forging ahead on a water utility and privatize waste water treatment, there is no business plan implemented in today's motion, either on Item 1, creation of a

new water utility or 2, contracting-out water treatment for the north, south and west end water treatment facilities and operations.

The implications of the Deloitte and Touche report are huge, both in terms of what is left unsaid and the public monies that would be at stake. Other jurisdictions worldwide are discovering the pitfalls in quality and cost, and justices and environmental degradation that accompany public-private partnerships and private utility corporations. There is a growing body of evidence that suggests at least caution and if I could persuade Council…

Mr. Speaker: Are you just about finished because your time is up.

Stephanie Chartrand: …outright evidence…outright rejection of the kinds of practices brought forward by Motion 5. Today's motion to explore a water corporation and move ahead with privatizing waste water treatment facilities, construction and operation, puts the cart before the horse. Winnipeggers deserve a diligent City Council that will prove that they can probably investigate these issues and engage in public consultation before passing the important billion dollar issue into someone else's hands while leaving the public on the hook for any quality problems and potential financial shortfalls. Thanks very much for your time, and attention to these matters.

Mr. Speaker: Thank you and you're speaking here on behalf of Jeff Brown right?

Stephanie Chartrand: Yes.

Mr. Speaker: Alright, thank you. That will be for the record. The final delegation is Christine Bennet-Clark. You have five minutes.

Christine Bennet-Clark: Thank you, Mr. Speaker. Good morning, Mayor Katz and Councillors. Thank you to Councillor Gerbasi and the Council for letting me speak at this short notice.

I am Christine Bennett-Clark. I am a consultant in Winnipeg specializing in governance and community consultation processes. I had come with a prepared presentation about how we need more public consultation on this, but the other presenters before me, I think, have made that quite clear that there is a feeling that there is a need for a different kind of public consultation than one that we traditionally use here in Winnipeg. So I am going to speak briefly about recommending an amendment to the proposed motion that you look at including or amending it to state that we have a full public consultation process based on what is commonly referred to as a "S.W.O.T." analysis. I'm sure you're all familiar with that from your high school and university days. A S.W.O.T. is the strengths, weaknesses, opportunities and threats. It's a different model for public consultation than what we currently use as, which I consider to be very adversarial and oppositional rather than inclusive.

The United Nations has recognized seven principles of good governance and is moving, and is encouraging governance at all levels to implement these principles in their operations. Two of them are inclusivity and transparency. The word transparency has been used here by the presenters and it gets used and has been used by the Council in that we want to be transparent, and how transparency takes place in the process that we use is a very critical issue. So I would…the other part of that is inclusivity, and inclusivity by the United Nations they mean that we engage fully and completely the parties who are going to be impacted by the decisions being made by Council. And with all due respect, Mayor Katz, it is the responsibility of Council to make decisions on the efficient and effective use of monies and projects that are implemented by Council, but in the bigger scheme, they do that in consultation with the people that it's going to impact. So if we have…if we widen the scope of our consultation process and not…this is not a consultation process where we come in and speak. It's very adversarial. It creates animosities where we don't have the opportunity to utilize the great strengths of the many people, the many brains and

intellect that we have in Winnipeg and across the country, to address these very, very hard issues that cities are facing all across the country, and certainly we've made a lot of progress in terms of how the monies that come to municipalities, which the Council is certainly worked on, but we need to go further in that and not be afraid to…it's not like opening up a can of worms if we let in a lot more people in a different way through a slot analysis. Without the communication that's required, we end up with things where people make assumptions because they don't have enough information. We end up with people misunderstanding as we've heard in the dialogue today about what is privatization and what is not and is this project a privatization project. So we need to expand the conversation so that we all have as much information as is available, so that we can all have input into a good decision-making process.

The other thing I would like to add is that…is that…sorry, brain dead here for a minute. I'm sorry. It's gone. I had presented, prepared something else but there was so much talk about needing a consultation process that I flipped it over to spending more time on the slot analysis.

But in conclusion then I would just like to encourage you to look at doing…we've talked about the consultation and I'm sure you're committed to that as a Council and as a Mayor but I would encourage you to look at what kind of consultation we're going to do and to amend the project motion to reflect that, that it's going to start with a full public consultation in a different manner. Thank you very much for your time.

Mr. Speaker: Thank you. Thank you Ms. Bennett. That's it for the delegation. We have now Executive Policy Committee. The agenda, report of October 29th of 2008. Mr. Mayor.

**REPORT OF THE EXECUTIVE POLICY COMMITTEE
DATED OCTOBER 29, 2008**

Mayor Katz: Thank you Mr. Speaker. I'd like to introduce the report and move adoption of Consent Agenda Items 1 to 4.

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

Report of the November the 12th, 2008 Mr. Mayor.

**REPORT OF THE EXECUTIVE POLICY COMMITTEE
DATED NOVEMBER 12, 2008**

Mayor Katz: Mr. Speaker, I'd like to introduce the report and move adoption of Consent Agenda Items 1 to 7.

Councillor Gerbasi: Mr. Speaker, there's a motion on Number 5.

Mr. Speaker: On Number 5.

Councillor Gerbasi: And I'd also like to…go ahead.

Mr. Speaker: Councillor Vandal. Item 1. Anyone else? So we have 2, 3, 4, 6 and 7 Items. All in favour? Contrary? Carried. Item 1, Mr. Clerk.

**Item 1 - Chief Peguis Trail Extension Project – Construction using a Design/Build/Finance/Maintain Model
eFile SB-23**

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker this is the Chief Peguis Trail Extension Project. What we're looking for right now is authorization for the Public Service to proceed with both an R.F.Q. and an R.F.P. for the project under the design, build, finance, maintain. I would very much love to hear Councillor Vandal's concern, and hopefully we can address them.

Mr. Speaker: Councillor Vandal.

Councillor Vandal: Thank you Mr. Speaker. This one's been here several times. I just need clarification on this one. When this was approved in '06 or '07 I believe it was 32 million. 11 months later it was 64 million and now we're moving forward on a triple P and when I look at the financial impact statement it's essentially two sentences. So my question is, we know that we're going to pay a premium for the triple P because we can borrow money at less of a rate than the private sector can, but I'm asking is there…what are the budget implications? The financial impact statement is literally two sentences and I just want perhaps the Mayor to summarize as to what are the budget implications for going triple P for Chief Peguis?

Mr. Speaker: Mr. Mayor.

Mayor Katz: Actually Mr. Speaker, it's my understanding from the Public Service that Councillor Vandal was wrong. We won't be paying more. We'll be saving somewhere between 7 to 16%. As far as the budget implications to date, until we go out there and see exactly what those numbers are. Right now we know they are well within what we budgeted for as far as P3's are concerned. So right now we're looking at actual savings of 7 to 16%.

Mr. Speaker: Thank you. Thank you. On Item 1 a recorded vote has been called for. All in favour of Item 1 please stand.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

Councillors Gerbasi, Smith, Thomas, and Vandal.

City Clerk: The vote Mr. Speaker, Yeas 9, Nays 4.

Mr. Speaker: Item 1 is carried. The Motion No. 5 and Item number 5 there is also Motion No. 1. Moved by Councillor Gerbasi and seconded by Councillor Vandal. Read the motion.

Item No. 5 - Alternate Service Model - City of Winnipeg Utility Corporation eFile GL-5.6.1

Motion No. 1
Moved by Councillor Gerbasi,
Seconded by Councillor Vandal,

WHEREAS the Alternative Service Delivery (ASD) Process is being bypassed and Council is fast tracking the new Corporate Utility model and the procurement of a Private Partner for the design, construction, finance and potentially the operation of our Water treatment facilities;

AND WHEREAS the Deloitte "Proof of Concept" report does not constitute a detailed feasibility study that compares the proposed P3 and Utility Model with other options but is simply making a case for one model;

AND WHEREAS there has been a lack of opportunity for public input into this proposed drastic governance change to a core City of Winnipeg Department and in the consideration of having a private company potentially operate the city's water treatment facilities;

THEREFORE BE IT RESOLVED THAT the clause be referred back to the Alternative Service Delivery Committee and that a study that compares the proposed Corporate Utility Model and proposed private partnership with other options be made public;

AND BE IT FURTHER RESOLVED THAT the Public Service undertake to hold extensive public consultation with community groups, business groups and citizens.

Mayor Katz: Thank you, Mr. Speaker. Mr. Speaker, I think what I'd like to do for the first time is maybe share some information with the public that

Councillors have had access to but the public hasn't.

First of all let's make this very clear. We are looking at a City-owned arms-length utility. No different than what exists today when it comes to Manitoba Hydro or what was formerly Centra Gas. As I said earlier, Mr. Speaker, I could not understand why there were people who were thinking we were privatizing, why we were…I think the exact quote was "giving away our assets". I think some people might refer to that as fear mongering. I will just say it's a misunderstanding of not knowing the facts. That's not what's happening. So why should the City establish…this is information that was shared with all the Councillors at a Council Seminar. Number 1, the Utility Corporation would be run in a business-like manner and will provide both flexibility and certainty to its business decisions. Specific benefits of this could include contracts to ensure on-time, on-budget delivery. I've already made reference to the fact we went $70 million over budget. The Utility Corporation will be subject to P.U.B. rate approvals Mr. Speaker, and any increases would have to be both transparent and accountability to citizens to ensure that rates are kept as low as possible. Mr. Speaker, I want it to be very obvious to everyone. We are looking to create an independent corporation with autonomous board governance that is wholly owned by the City of Winnipeg. Wholly owned by the City of Winnipeg. The City will retain full ownership and control of water treatment and supply operations through its wholly owned corporation. Mr. Speaker, the key message is I want to make sure everybody understands. The City will retain all ownership and complete control of our water utility and distribution system through a wholly owned utility. The proposal to introduce a municipal corporate utility business model in Winnipeg is being done to ensure delivery of safe, high-quality and modern services to citizens in a cost-effective and accountable manner. The City will not, I repeat, will not be selling our waste water treatment plants. They will remain fully owned by the City through the City Utility Corporation. Mr. Speaker the proposal will be developed through consultation with staff representatives from C.U.P.E. and W.A.P.S.O., and I can assure you Mr. Speaker this dialogue has already started and they have been invited to the table, and the creation of a municipal corporation will ensure that City Council cannot increase contributions to utility reserves or raise utility rates during annual budget deliberations at City Hall. And Mr. Speaker, what would happen is citizens will know exactly where their utility bills are going to operate a first class modern utility system with both rates and quality of services, monitored and approved by an independent regulatory body. This was information shared by the Public Service at a Council seminar. It's unfortunate that not everybody got this. The facts are, we're trying to make sure that we protect the citizens. We are moving forward to explore, to explore whether there is that partner out there. They may not exist. And most importantly, Mr. Speaker, we've acknowledged the contribution of the members of C.U.P.E., and what I really don't understand in this scenario is why they haven't grabbed this idea to expand their memberships and make Winnipeg a model where the City and the unions are working together to enhance membership. That's what I wish I had seen here today. I will now hear from other Councillors and I'll have the opportunity to respond later.

Mr. Speaker: Thank you Mr. Mayor. Councillor Gerbasi. You will speak to your motion.

Councillor Gerbasi: OK I'm going to be I introducing the motion and then I'm also going to be speaking to the clause after. That's allowed, right? Mr. Clerk?

Mr. Speaker: Go ahead.

Councillor Gerbasi: Yeah. OK, thank you. I'm speaking to the referral motion you have in front of you with instructions…part…okay I'm just going to ignore that.

Mr. Speaker: Keep going.

Councillor Gerbasi: The motion asks that the Clause be referred back to the A.S.D. Committee and that a proper feasibility study be done that looks at a range of options, not only one option which is what we're looking at today, what we're exploring today, and it also calls for extensive public consultation with community groups, business groups and citizens.

This is a monumental decision before us today and it's being down-played, but Council is being asked to approve right now, $3 million to procure a private company to design, build, maintain and possibly operate for as long as 30 years, our water waste treatment facilities. Council is also being asked to approve today $1.25 million to explore this corporate utility model that would take over not just sewage treatment but an entire core City department. This Water and Waste Department deals with a lot more than sewer and water treatment. It is also…well, more than sewer treatment…it is also responsible for the aqueduct. All of the infrastructure that goes with sewer and water such as pipes and drinking water treatment. The department is also responsible for recycling, garbage pickup, flood protection, land drainage and direct customer service for billing and issues like watermain breaks. The first the public heard that this was even an idea in anyone's mind was that a comment, if they happened to be a member of the Chamber of Commerce and attended the Mayor's state of the City address. The Mayor announced he was going to create this thing. Then a few weeks ago there was a brief Council seminar for an hour or so and then this report was released and approved to EPC and fast tracked here. There has been inadequate time for concerned citizens and community groups to digest these issues and for people to get informed about what's really being proposed here. Where is the proper public consultation? Aside from the lack of true public consultation, what concerns me very much is the lack of proper documentation and studies to recommend going to this stage and expending $4.5 million.

One piece that's missing is a proper feasibility study that looks thoroughly at a range of service delivery options. Instead, we have a very thin concept report written by Deloitte that is essentially a promotional document for one single model. It happens to be the model that the Mayor promised in his State of the City speech. The normal process that Council follows when it considers alternative service delivery, and I used to be on this committee when it used to have meetings, and a feasibility study that looks at all the options would come forward to Council before Council would go ahead and invest in a business plan, which is what the 1.25 is being spent on, a business plan. Before we get to the business plan, we're suppose to look at all the options including analysis of other jurisdictions and including looking at comparing our own ability to maintain the status quo or improve the status quo or various other options. The Deloitte report is very skimpy in its analysis of other utility part… examples of other utility partnerships, as it calls it. The only examples included in that report are three, one from Scotland, Northern Ireland and Australia as outlined in Appendix B. I quickly Googled these three companies yesterday, because we're frantically trying to research this, and it was very disturbing. It took a few minutes to learn that the Northern Ireland Water Company was convicted in February of 2008 on charges of polluting the river. The next example cited in the Deloitte report is Scottish Water. A BBC news article from last month reports that Scottish Water has not done enough to reduce leakage and has been slow to make improvements to drinking water. Furthermore, an article from the Scottsman in 2006, Scottish Water's poor performance is holding back the country's economic growth according to the construction industry survey of 500 developers, architects, civil engineers and surveyors, which found 98% were dissatisfied or very dissatisfied with the state-owned utility's performance.

In Australia…and I'm only using the examples we were given here by the Deloitte Company…in Australia, Barwon Water is building a project next year, and

issues of transparency and environmental problems are surfacing. The Clean Ocean Foundation states "This factory has been planned for years, and yet very few people outside Barwon Water have more than a sketchy outline of the scope of the project. How can a process come so far with so few knowing about it? Barwon Water say details of the project cannot be released to the public in the name of commercial confidentiality." Add that word to your vocabulary, you'll be hearing it a lot more. "As planning approval is not required, there is no formal avenue for the community to object to this sludge factory", as they refer to it. "The opportunity to have potential environmental impacts of this industrial development in a sensitive coastal zone, just meters from the beach, carefully assessed before the factory is built is also not available. This fragile coastal area is of regional environmental significance, and is located within the catchment area of state flora and fauna reserves, world heritage sites", blah, blah, blah.

The amazing thing is that these are only three examples…the only three examples cited in the Deloitte report which is supposed to convince us that this is a good idea to have the private sector take over our sewer and water service. These were the models touted and it took me half an hour to find this on the internet. What kind of research do we have in front of us?

I'd also like to point out that the City of Edmonton has the Epcore model which runs like a private company, and the Mayor there has been trying to have Epcore take over the City's sewage plant. One has to wonder why a Canadian example was not used, and why the City of Edmonton was not even mentioned in this report when it's the exact type of model we're looking at. I can't answer that. But in 2005, Edmonton City Council said no to Epcore which it owns, when the Mayor wanted to turn over the City's sewage treatment operations to the company. And then, last month in 2008, Council voted again in Edmonton to refuse to allow them to proceed to expand their work into running an additional sewage treatment facility, and the reason they stopped is because there was a huge public outcry, and that Councillors felt that taking wastewater operations out of the direct oversight of elected officials worried them. Edmonton has not only postponed this decision, they are currently having a significant public consultation process. Alberta is showing up Winnipeg when it comes to openness, democratic process, and inclusiveness.

The concerns about transparency and accountability are very real when the private sector takes over provision of public services. The Australian example gives us cause for concern, however, we don't have to go to Australia. We can find it right here in Winnipeg if you'd like an illustration of the issue of a lack of transparency with private partnerships.

I had a constituent who wanted to look at the agreement the City had made on the recent P3 for the new police station that we built in St. Boniface. I checked with the Public Service to see if the agreement could be shared with the public or even if I could look at it myself. This is the response, and I have the e-mail here, that I received from the Finance Department. It appears that only the award report was made public at various committees. The report included and Council approved the authority to approve the final agreement be delegated to the CAO. Therefore, no agreement or any other information has been made public, nor will it be in the future. No agreement nor any other information has been made public nor will it be with the future. The lack of transparency on one small police station is bad enough. But we are talking about huge public facilities that provide basic core services. Some sober second thought and thorough research is a darn good idea at this point. This is why I am moving this motion, urging Council to refer this clause back to the Public Service and have a thorough feasibility analysis, which looks at all options, including continuing to handle water and waste as a City department where we could still do some partnerships as we already do without giving away the operations to an arm's length board that we cannot control, that elected officials are further and further removed from. And I also believe there should be a

meaningful consultation for citizens, business and community groups to participate in. If Edmonton can do this why can't Winnipeg. Thank you and I urge you to support my motion.

Mr. Speaker: Thank you, Councillor. Councillor Gerbasi. You're getting a good audience.

Now we'll be dealing with the Item 5 and Motion Number 1 together. And the, and then later on after the debate is over we'll be voting on Motion Number 1, that's the motion to refer, and then we will be voting on Item Number 5. So the first speaker on the agenda is Councillor Steeves.

Councillor Steeves: Thank you, Mr. Speaker. I was going to begin by acknowledging our Director of Water and Waste, Barry McBride, who is here in the Chamber. I don't know if he's still here. Barry's a good hard working fella who has been doing a lot of good work on our behalf for a long time, and he is trying to help us work through these problems.

I felt a little sheepish, Mr. Speaker, when Councillor Gerbasi made those references to those other utilities across the world that were having these problems. The reason I felt sheepish was if people in those jurisdictions ever were to Google us and our waste water utility, they would doubtless turn up some problems that we've had in the past. I think we all recall a few years back when we were the subject of national scrutiny because one of our sewage doors was stuck open and we pumped raw sewage into the Red River for a period of 72 hours. My point is I think we should be a little bit careful before we go out and criticize other jurisdictions. We have enough work to do right here on our own. I don't think that's fair.

Regrettably, that incident happened during the Clean Environment Commission hearings. As a result of those Clean Environment Commission hearings, the City of Winnipeg, in order to get its licence, was ordered to do about $1.5 billion of waste water upgrades in the City of Winnipeg. That's our current cost estimates. Mr. Speaker, we have a serious issue that we have to deal with here. Politics aside, and how people may feel about this, I'm hoping that every person in this gallery and indeed every citizen in this City agrees that we have a very serious problem. Right now, our estimates are that to pay for this, if we don't receive additional assistance, water rates and sewer rates could as much as double twice over the next 20 to 25 years. That's how serious this problem is. This is scary, and this type of change to talk about is challenging to talk about. It's okay to say that. It's okay to admit that. I'm not ashamed to say that. It's worrisome, but it's good that we can have this discussion I think. It's about new ideas. Today is about discussion of new ideas. I would ask members of Council to lay off the finger pointing and the accusations. I would ask members of City Council, and if possible by extension, members of our community, to lay off the sensational language. There have been statements here this morning that simply are not true and it's not helpful, Mr. Speaker. Sure these are difficult issues and sure there's going to be emotions involved. It behooves all of us to stay cogent and intelligent on this debate, some confidence in our systems.

Right now, the City of Calgary, as we speak, has tabled a three-year budget that calls for a tax increase of 28%. Within their discussions, as recorded by the media, the City that is now being cited as the most fiscally responsible and most fiscally efficient is the City of Winnipeg in the country of Canada. That is because of the diligence of this Council beginning with Mayor Susan Thompson through Mayor Glen Murray and continuing with Mayor Sam Katz and the assistance of most everybody gathered here at this Council table. We have the ability to have this very complicated and difficult discussion.

Public consultation is deserved, and Councillor Gerbasi is quite correct. This issue was laid out clearly by the Mayor one year ago at the State of the City address. At the time, it was reported in the media, it was in fact, I think, the biggest issue in the speech at the time which was attended by about a thousand

people. Media widely reported the issue at the time. It did receive a significant amount of media play. But as per the usual course, until something is tabled at this Council, things do not really receive any real public discussion. Only by virtue of the fact that we brought the report forward to Executive Policy Committee is it now receiving public discussion. I don't know why that is exactly. It would have been open for the entire community to have been discussing this issue for over the past 12 months, but it just didn't happen, and it never happens until we actually get to this stage, which is why we have laid out this report which clearly calls for a stepped process. It clearly calls for a stepped process. My request to this Council, and indeed to members of the gallery and to our citizenry-at-large is can we agree to have this discussion? I think we've heard from the Mayor, I think we've heard from other representatives of Council that this is the first step and there will be consultation. Can we agree as a group to go forward and have this discussion? I hope the answer to that question is correct. If we look at the motion itself, there are two clauses, operative clauses. The first one clearly says to explore these ideas. That language is clear. I think everybody understands what "explore" means--to discuss and to look at a range of different ideas. The second item in the motion does call for the, I guess, the insertion of private sector ideas into the discussion. I'm going to respectfully suggest that we already do this at Council. How involved is the private sector currently in infrastructure in the City of Winnipeg? You would be hard pressed to find any infrastructure project of any significance in this City that isn't either done by the private sector or greatly influenced by the private sector.

The concerns here are privatization. Nobody in this City, and I hope nobody in this Council, wants to eventually wind up in a spot where we are at the mercy of a private company who is going to be setting our water or our waste water sewage rates. I can say categorically for what it is worth as a City Councillor elected to lead in this City, I will never support that. I will never support handing over that authority to a private company to dictate back to me what I am going to be paying. My respectful suggestion to my fellow members of Council is that if you're interested in the future of your political careers, don't do it either. There are different models that may or may not be deemed private. Let me read you something. Manitoba Hydro. "The Public Utilities Board of Manitoba regulates Manitoba Hydro's rates. It is an independent regulatory agency of the Province whose role is to represent both customer interests and Manitoba Hydro's interests by ensuring that natural gas rates are fair and appropriate." This is also Centra Gas. "The P.U.B. must review and approve all Manitoba Hydro rate changes before they are implemented. Two prongs of the organization, a Board who makes the decisions, a staff that supports. The board is made up of nine individuals, a chair, there's a one full-time position, another part-time position. The chair assigns the panel." Is that private? Is that public or is that somewhere in between? These are the types of discussions, Mr. Speaker, that we're going to have to have over the next little while. The other issues are the issue of unionization and collective bargaining groups.

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

Councillor Steeves: As far as I can see, Mr. Speaker, in other models that have been mentioned thus far this morning, there is no reason that collective bargaining groups can't be the lead organizations to offer these services. In fact it would appear that most times they are. If you look at what we have done with Assiniboine Park, with our Animal Services, with our former Winnipeg Hydro, we have made all sorts of changes, albeit they are smaller organizations, but at no time have we eliminate our collective bargaining groups. We look at different organizations, they haven't either.

One big issue, of course. is the issue of planning and the propagation of urban sprawl. A fair concern I suppose, but look at what we have currently. Is what we

have currently working? Does anybody in this gallery, in this room right now seriously believe that if we continue on this path, that we are going to get to a satisfactory planning model in the near future? It will not happen. If we don't deal with the issue of water and waste water in the larger region, we are going to wind up with the unhappy consequences that was outlined by Reeve Strang, and he is right. There are all sorts of horrendous unacceptable situations going on in the areas surrounding Winnipeg. What is wrong with a vision that might encapsulate all the surrounding municipalities? Is that not a goal worth working towards? We have to negotiate our way in and out of these agreements. If it doesn't work for them they don't have to buy in. If it doesn't work for us, we don't have to buy in. We will set our own deal. We shouldn't be afraid of this, but what's more Mr. Speaker, what's more? I know there are people here who don't want to have this discussion. I'll be honest, in some ways I don't want to have this discussion, but regrettably I don't think we can afford not to have this discussion.

Mr. Speaker: Thank you. Thank you Councillor. There's no further speakers? Oh now, now you guys woke up. Councillor Gerbasi first. Councillor Gerbasi followed by Councillor Thomas.

Councillor Gerbasi: Councillor Thomas wishes to go first if that's OK.

Councillor Thomas: Thank you.

Councillor Gerbasi: Is that OK Mr. Speaker?

Mr. Speaker: Okay, go ahead. Councillor Thomas.

Councillor Thomas: Thank you. I will be succinct. We already have an efficiently operating utility. We have no information about what is being proposed as an alternative. Any examples that we have been given to proceed in this direction point to more questions than answers and they suggest the need for caution. Consultation that has occurred to date has been weak at best. It is not helpful to proceed without due diligence. Therefore I am supporting the motion to refer.

Mr. Speaker: Thank you. Councillor Gerbasi.

Councillor Gerbasi: Thank you, Mr. Speaker. I won't be quite as succinct because I've been…there are quite a few things that I think need to be said, but I appreciate the support for the motion.

What is remarkable about this proposed utility model that I think really needs to be said is that there has been no clear justification of why this change of governance is actually necessary to accomplish the issues it sets out to accomplish. A recent Free Press article claimed that the main reason this utility model is being looked at and…is that there were cost over-runs and flawed designs from the consultants that the City hired to be…the private firms that the City hired to build the waste water treatment plant that's now being built, and according to Councillor O'Shaughnessy, the consultants overcharged the City and did flawed design work that had to be redone. So how does this justify having private companies design build which we sometimes do under certain circumstances but operate a future facility for the next 30 years? So that because they screwed up on the design and some of the other factors, we're now going to say if they operate it, you know, maybe then they'll do a better job. So this is roughly equivalent to rewarding an incompetent farm hand by giving them the farm to run.

If past performance of some of the private firms…and I'm saying we have some very good ones, but the whole issue according to Councillor O'Shaughnessy is here because of problems with that, then certainly we should find ways to hold them more accountable. However, the argument that they will do a better job if they are in charge of the entire operation which includes basic City services is a real stretch. And I would also like to point out that no one has given any evidence that our existing Water and Waste Department has done anything but an exemplary job in operating our facilities.

Everyone is saying our staff is qualified, we're going to keep them all, so why are we talking about operating? This is an irrational argument.

The other reason given is that this model will reduce the risk to the City. But what about the risks associated with having a 30 year contract with a private company operating basic City services? And I've given you a few examples already of the disastrous problems, but I haven't even gone into…there's documents and documents written of difficulties that people are having around the world when they go to models where they are allowing private sector companies to run City services, which is what we're talking about in Clause 2 when we look at an operation model potentially. It's very costly and difficult to unscramble the egg once you cook the omelette, and that's why I think we have to be cautious and actually do the research before we proceed to spend $4.5 million or 4.25.

Another major reason given is that P3's somehow save us money because the private firms front the cost. And I really want to make sure that that myth that has finally been dispelled that was put forward when we first started down the P3 path significantly in the last few years, our CFO was very clear and people sort of stopped spreading that myth that P3 money is just more money that now we have. We're borrowing money. We're just borrowing it with a different method and I think we all understand that and so I hope nobody is going to pretend that we still don't have to pay for an 800 million or 1.5 billion or whatever it is, upgrade…that has to be paid for. So we're borrowing it this way instead of borrowing it in the traditional way. And so this locks us into long term debt, paying back the private company as opposed to long term debt, paying back the bank. And there should be solid evidence in front of us that this approach saves money. The problem I have as I mentioned in my earlier introduction is that the promotional brochure we have in front of us from Deloitte is not a feasibility study. So I'm not going to repeat some of those comments I made about that.

One of the other issues that came up was the capital region issue, and it was explained that the utility can somehow get a better deal from the surrounding municipalities because they would rather deal with a business entity than a political one, but doesn't that concern Council? Why did we establish that policy where we have to consider planning and we have to consider cost sharing and all sorts of things, you know. This Council approved that policy and yet we now need this utility in order to make deals with these people? It's not just about money, it's about planning and putting provisions in and I'm sorry, but exurban sprawl and development, there is a real issue. It has to be controlled and managed through planning and nobody is talking about that we're just saying, hey we can sell services, and maybe it will all be worked out later. But I like the idea of having a political say in the kind of planning and development of our Province and not just have an entity that's sole focus is the bottom line or the primary focus is the bottom line which is what the private utility model, even if we have some oversight over it, is very minimal. It's more removed and it removes City Council from that planning control as was cited in the Australian example earlier where they're building a sewage plant right in the middle of a world heritage environmental spot. So the oversight of elected officials is not a bad thing and that's what we were elected to do.

I had some concerns about service. Now, I know they are saying it's still City-owned but right now, garbage and recycling is contracted out. But I still have constituents and every one of you do, who phone you and say "my recycling wasn't picked up. My garbage wasn't picked up. My water main is broken. I need a truck of water. What are you doing?" Or they call the City staff and the administration helps them. Now who are they going to call? A faceless corporation with some board appointed by the Mayor that, you know…they can't talk to their Councillors about the type of service. We can't bring in innovative recycling programs the way we should be doing now, and, but why do we need…you

know, who's to say what this organization's motivation is going to be? It's not going to be driven by the electorate to the same extent. We also wouldn't be able to contract back in garbage, which was promised when we contracted it out, that we can easily bring it back in if the competition dries up, and we need to bring garbage back in. That was promised on Page 29 of the Business Plan which I won't get into that level of detail.

Another…okay…I'm going to try to cut it short. Another issue is that an arms length authority would be making decisions about water rates rather than elected officials. And I can certainly see why that would be a lot more fun for us here. I mean, none of us want to vote on water and sewer rates. It's not a lot of fun, but that's the responsibility we took on when we got elected and we're more accountable, so I don't know how we can promise any citizens that this model is going to ensure affordability and other such concerns, and even the type of sewer pipes that go in. Who is going to decide who gets them? Is it going to be based on the public good and fairness or is it going to be based on what's the most profitable? The Edmonton model, which is City-owned, is based on a business model and Council is concerned about it being driven by profit rather than the needs of the citizens.

I'd also like to point out that it really seems like Winnipeg is jumping…

Mr. Speaker: Councillor Smith moves extension of 2 minutes. .All in favour? Contrary? Carried.

Councillor Gerbasi: …Winnipeg is jumping in on the tail end of a fading trend, you know, this fad of putting core City services and assets, offering them up to the private sector which we're gradually moving closer to by this model and opening up that possibility more and more. It's beginning to reverse itself in the rest of the world and, you know, I hate to use the word "neo-conservative mindset", but that's what's driving this, and it's very behind the times and it's not reflective of the average Winnipegger. Paris, France, has pulled its contract with two of the largest water multi-nationals ending a century of privatization. Water services will return to full public control when the contracts that they currently have end next year, and Hamilton has brought its water and waste services back in-house in 2006. I'd also mention Kamloops, Whistler, Vancouver and Halifax. Privatization efforts were prevented and these places are examples of excellent public water and waste systems. So what I'm saying is, we're at the tail end of some trend, and unfortunately, you know, the Prime Minister supports P3's and is putting money there, but I mean, we're really…we really need to look at the whole picture and what…and a proper jurisdictional analysis of what's happening across Canada has not been done. The Deloitte report does not have one example in Canada in it, which is very bizarre if this is such a standard practice. And I just don't think that they've done the research. I think they've put together a piece that, to try to make it look like a good idea because the Mayor wants us to move to this model, but that's now how we should be doing things. We should be looking at every model, every option, and we should be consulting the public before we spend 4.5 million moving ahead with all of these things and the idea of going to an operation operating our sewage plants, nobody's justified why we would do that when our staff is doing such an excellent job as everybody keeps telling us they're doing, from the Mayor to the CAO. Why do we need a private company to operate our water and sewer service? Thank you Mr. Speaker.

Mr. Speaker: Thank you Councillor. Councillor, this is not a discussion on privatization. The Mayor has made it very clear in his opening remarks and he is on record saying that, so let's continue. Councillor Smith.

Councillor Smith: You know, we had a little…some discussion about consultation. I think the Mayor and Executive Policy Committee should learn from what Glen Murray did when consulting the public of Winnipeg regarding the New Deal. That was consultation. You know, but that was consultation. What we, you know, you in effect got the results, the viewpoint of the

citizens of the City. You know, Plan Winnipeg also calls for consultation and you know, we haven't had it. I mean, you heard from C.U.P.E. There wasn't even adequate consultation with C.U.P.E. I mean, they never had the report before… they had it a day before the EPC meeting. He clearly said consultation was not taking place. But let me deal with the whole issue.

This whole thing is…will increase urban sprawl. We already have urban sprawl with residential. Now we're going to have urban sprawl with commercial, with manufacturing, okay. When we supply water to the municipalities around us, we're giving up our edge. We have an edge in attracting business because we have water rates that are reasonable. You know, to give the surrounding municipalities the same opportunity as we have as the City of Winnipeg doesn't seem…we're giving up our right to, in effect, provide water services to the City of Winnipeg at the lowest rate. So, you know, we don't need companies in Winnipeg moving out to the suburbs, to the suburban communities, and that's what this will in effect do. It will encourage them to move out with cheaper…we don't have any advantage. We're giving our advantage away to the surrounding municipalities. You know and this whole report, you know, it's…we're in effect risking, Councillor Steeves, our tax base by in effect, agreeing to sell water to the surrounding municipalities. One of the advantages we have as the City of Winnipeg is that we can provide water and they cannot provide further commercial development. So there is an advantage that we have in…presently that we're willing to forgive.

Now Councillor Gerbasi is right in saying that much of the report from the consultant firm is basically a puff piece, and the fact that the Mayor mentioned this in the last State of the City address, that he was wanting to go in this direction. I mean, that didn't mean that we're going to go in that direction. Until there is something actually tabled at City Council, there is no indication whatsoever that we'll have public debate. Public debate comes about when it's before Council, not before… after a speech by the Mayor. Now, you know, the puff piece from Deloitte…let me just deal with a few things here.

First of all, maintaining an enhanced water and waste services to protect public health. I haven't had any indication in that report what that is. How do we enhance and protect public health through this? It goes on in the Executive Summary, it says "the utility partnerships would have an improved ability to attract and retain specialized utility and other professional staff." There is no information in that report that proves that. It just makes a statement and says this is so. Enhanced transparency and accountability. Nowhere in that report does it give any instances of how this will enhance transparency. This declares it will enhance transparency and accountability, but there is no indication that it will do so by the facts that they've given in the report.

And then it says "Unionized City employees would transfer to the corporation, potential for new collective agreement, more catered to a corporate environment and beneficial to employees." You know, catered to a corporate environment and beneficial to employees. I mean, we heard from the Union. They're not too enthusiastic about that direction. And then, by the way, you know, we also have a cost to this, what we pass today. 1,250,000 for municipal corporate business plan. 3 million for strategic partner development. When we pass this today we're spending all that money. It doesn't make sense. It sort of reminds me of, remember C.D. Howe a number of years ago in the Liberal Government federally. He said "What's a million?" Well this Mayor seems to think that this is quite adequate, that this is, you know, we're deciding something, a direction we're going to go. He keeps on saying "explore". When we pass this today, we're in effect going in this direction. The only thing that will hinder us is if the Provincial Government steps in and doesn't go along. So you know it's very shaky, this whole thing is just…there is no evidence in the report, you heard Councillor Gerbasi talking about all those projects in Scotland and Ireland and who knows where else. You know, I mean we

don't have information, we don't have public input. You know, we should not, in effect, be supporting this Clause 5. Thank you.

Mr. Speaker: Councillor Smith, thank you for your speech. You did the right thing. You're not talking about privatization, It's not on the agenda. We're talking to the Clause, what is here on the merits of it. The next speaker is Councillor Wyatt.

Councillor Wyatt: Mr. Speaker…

Councillor Gerbasi: Point of Order Mr. Speaker…

Mr. Speaker: What's your point

Councillor Gerbasi: Sorry, I don't want to use up any of your time, but privatization is a word that we are allowed to say and there are aspects that are privatization and I think that's a matter of debate not a matter of order for the speaker, so I would like to challenge that.

Mr. Speaker: Councillor Gerbasi, it is not. It is not. I want…I want to make…challenge the chair (inaudible).

Councillor Gerbasi: (inaudible)

Mr. Speaker: You are disrupting Council. Challenge of the chair. All in favour of the Chair being sustained. Recorded vote. (inaudible).

Councillor Steeves: I'm not exactly sure what we're voting on. I'm sorry. What?

Mr. Speaker: She challenged the ruling of the chair.

(Inaudible speaking in the background.)

Councillor Steeves: ….Council is probably okay with members expressing themselves however they wish. As long as they don't go over time. That's fine. We don't want…

Mr. Speaker: There's a vote. A vote has been called for. The chair has been challenged. Councillor Gerbasi has challenged the chair, the ruling of the chair.

(Inaudible speaking in the background.)

Mr. Speaker: I ruled that what we're debating here is not privatization. We're talking on the merits of what is on the agenda, what's in the clause. The Mayor made it very clear the question is not privatization, and some members of Council seem to be going into that direction causing more confusion. Talk to the merits of the Clause.

Councillor Swandel: Mr. Speaker, maybe just for clarification, I think there's…your ruling is not saying that people can't talk about…can't use the word "privatization".

Councillor Thomas: Yeah it is. That's exactly what he said.

Mr. Speaker: No, no.

Councillor Swandel: Can you clarify perhaps Mr. Speaker. I don't think anybody wants to say you can't use the word "privatization".

Mr. Speaker: Councillor Swandel, when Councillor Smith made his speech I thanked him for it because he spoke to the right matter of what is on the agenda. Not eluding to every second sentence of privatization, privatization. This is not the issue, Councillor Gerbasi, and you know that yourself. This…we had a seminar on this. This is not....Call the question

Councillor Gerbasi: You can't rule on (inaudible) Mr. Speaker, and

Mr. Speaker: Councillor....

Councillor Gerbasi: …I'm challenging it on that basis, and I think Councillor O'Shaughnessy who used to be the speaker agrees with me that's wrong, and I don't...(inaudible)

Mr. Speaker: I don't think he does. I don't think he does. Councillor Gerbasi sit down. Sit down. The question has been called for. Those in favour, challenge the ruling of the chair has been challenged. Councillor Gerbasi has challenged the ruling of the chair and

those who believe she is in the right by saying what she had said, then vote with her. (inaudible speaking in the background).

Mr. Speaker: Mr. Clerk. Mr. Clerk. Sit down, sit down, sit down. Mr. Clerk. Just a minute let's get this thing straight now.

Clerk: We need a clarification on what your ruling is. You're saying... (inaudible).

Mr. Speaker: The Clerk has…(inaudible speaking in the background) Listen, Councillors, the ruling of the chair…I had said and I'm saying this again, that when you're making speeches do not elude to privatization because it's causing confusion. I'm saying this over and over again. Councillor Gerbasi, address…you look at me, don't look up at the audience.

Councillor Swandel: Point of order. I'd like to challenge the chair please.

Mr. Speaker: Go ahead.

Councillor Swandel: Members of Council should be able to talk about privatization in dealing with this matter if they so…

Mr. Speaker: Then talk, then talk. Challenge of the chair has been challenged, so those in favour of Councillor Gerbasi's challenge of the chair. Shall the chair be sustained? (laughter, inaudible speaking in the background).

Mr. Speaker: Listen, (inaudible). Shall the chair be sustained. All in favour of the chair being sustained. I'm glad we're having so much fun.

(Inaudible speaking in the background).

Mr. Speaker: Mr. Clerk will you please read out the…is the chair, shall the chair be sustained? All in favour of the chair being sustained. Simple as that.

(Inaudible speaking in the background)

Mr. Speaker: I'm waiting to see how you're going to vote. And so Mr. Clerk. No one is…no one is responding to the vote.

(Inaudible speaking in the background.)

Mr. Speaker: Those opposed to sustaining of the chair please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Katz, Councillors Browaty, Fielding, Gerbasi, Nordman, O'Shaughnessy, Pagtakhan, Smith, Steeves, Swandel, Thomas, Vandal, Wyatt.

Mr. Speaker: I oppose. Okay. Go ahead. Councillor Wyatt.

Councillor Wyatt: Privatization. I'm just kidding. I'm just kidding. I'm sorry, Mr. Speaker. I know, I know, I'm just having some fun.

Mr. Speaker: Councillor Wyatt! Councillor Wyatt! Go ahead.

Councillor Wyatt: Okay. I don't have anything else to say. Anyway, Mr. Speaker, I think it's fair to say that it's nice to have a bit of levity in a debate on a serious matter. You know, I for one don't believe in privatizing water. I think water is an asset, Mr. Speaker, which, well, 20% of this country holds, or this country holds 20% of the world's fresh water. I mean, that's an impressive figure, in one nation. I think it would be a very dangerous precedent to even think about privatizing water, never mind actually doing it. And that's why we're not doing that today, why we're not doing this today, Mr. Speaker. You know, I want to be…I've read the report, I've seen what's before us today. Unfortunately there is a lot of misinformation out there. I was getting e-mails last night that, you know, from people who were scared to drink their water after this decision. I'm mean, there's a lot of misinformation unfortunately, that has been spread by some that has gotten out there probably because we haven't done a very good job of communicating it ourselves as a City,

you know, so I think we have some of the blame and responsibility with regards to how we've communicated this. But the fact of the matter is we're not dealing with the privatization of water. I think all our natural resources, whether it be water or forestry…I'm a bit of a maybe a…I think we should be nationalizing our oil and gas fields too as far as I'm concerned. They should belong to Canadians, not to the Americans. But I mean, that's a different story. You know, so, you know, well we have time but I mean, you know, frankly, Mr. Speaker, water belongs to the people, and water belongs to this country, and the concept of privatizing it is absolutely unacceptable and that's not what we're discussing here today. We're discussing here today two things. We're discussing the issue, Mr. Speaker, of looking at a water utility to…instead of having a department running our Water and Waste system. Having a water utility running our water and waste system. Both have pros to their…both have advantages and both have disadvantages. Both systems bring their benefits. But basically a utility run by the City, owned by the City, or a department run by the City, owned by the City. All right, let's be very clear about this.

The other part of the Clause that we're dealing with, Mr. Speaker, is looking at a strategic partner with regards to the operate…design, build and potentially operate waste water treatment plants. Not water treatment plants, waste water treatment plants. The south end, the north end and the west end. Okay? So let's be really clear about what we're talking about here. We would actually, in the event of design and build and potentially if it's operate, we would still own these assets. They would be our assets. Alright? They would be in a sense operating them for us if that were indeed the case. This report doesn't approve that today. There would have to be another report that comes to Council before we can actually do that. Alright? We're just saying to the Administration, start the process to see if there is interest in the private sector with regards to our waste treatment plants.

Mr. Speaker, I want to take a step back. This Province, Mr. Speaker, you know, 120, 130 years ago, our forbearers came to the Province, and they, you know, there's controversy over the history, but the fact of the matter is they came, they surveyed the Province, they put down the roads. Then years later they came with the hydro electric lines and ran them across the Province. Then years after that they came with the telephone lines, Mr. Speaker. One of the last things we haven't done in this Province, is to ensure that every man, woman and child has access to clean drinking water, and what's wrong with that Mr. Speaker? What's wrong with that vision of ensuring that every man, woman and child has clean drinking water? We have communities here in southern Manitoba, Mr. Speaker, that still have boil water orders. Boil water orders that exist in places in the developing world. We have it here, right here just outside of our City Mr. Speaker. We have situations where people are literally defecating in their own water because of failed septic systems, Mr. Speaker. We have systems which will automatically now overflow into our river systems, our streams and ultimately into Lake Winnipeg into the water shed. This is what exists right now, Mr. Speaker. It's not an acceptable situation. And we've been mandated by the Province to start cleaning up our responsibilities here as a City, which is great. It's a huge cost. We're negotiating with them with regards to that cost, Mr. Speaker, but nevertheless, we're moving in that direction. So Mr. Speaker, I see this as an opportunity as a water utility to be flexible to reach out to those communities.

With regards to the issue of land use and urban sprawl, that is truly a land use matter that can be regulated. The issue that this is going to create urban sprawl is again, Mr. Speaker, another myth. We as a City regulate urban development. How do we do it Mr. Speaker? We ensure that there's four levels of services before you can subdivide your lot. You've got to have water, you've got to have sewer, you have to have a storm sewer for the drainage and you have to have a paved street. If you don't have those four levels of services, you can't subdivide Mr. Speaker. Why can we not do the same system in the rest of the Province to

ensure…and I'll tell you what that does. It ensures that the costs are fully borne by the subdivision, and it ensures that it makes economic sense, and if it doesn't it doesn't happen. That's how we control urban development in our City Mr. Speaker. Alright? The same could be applied for (inaudible). Land use can be controlled. But the issue of people still having boiled water orders, Mr. Speaker, is completely unacceptable, and so when I hear our fellow…and I see that we have three Reeves in the gallery today representing thousands of people, and they speak to the very issue that they spoke to today. Mr. Speaker, I think an opportunity exists. Remember when the aqueduct was built, it wasn't called the Winnipeg, it was the Greater Winnipeg Water District. It was not just Winnipeg. It was the entire region around the City. It was built to handle 850,000…the idea was Winnipeg was going to be a metropolitan, a Chicago of the North, a million people, that's what we built the aqueduct for, Mr. Speaker. So if we want to talk about the aqueduct…the aqueduct is going to remain in City hands.

Now, I do want to thank the delegations for coming forward and raising a number of issues because I think their pressure ensures that we do things right around here and I want to thank some of the Councillors who have questioned the report. I think safeguards have to be in place Mr. Speaker. I think…I want…the other day at EPC, this report was going to originally adopt the new arms length business, now we're exploring it, and the fact of the matter is, it was raised here about the whole issue of the New Deal debate and the money spent on that. Well the fact of the matter is before Glen Murray started the New Deal debate and went to public consultations, he came to this Council first to get approval to spend the money to do that. No different than what is happening here. 1.25 million being set aside to explore a new water utility. There had better be public consultations as a part of that, Mr. Speaker. At 1.25 million you can get a lot of public consultation, as far as I'm concerned.

The other part of this with regards to the report, the second clause, I want, and I agree with a lot of the concerns raised, there has to be transparency with regards to any P3's, especially, especially, if they're P3's set up to operate. Design and build and design and build a police station is one thing and operate it. You know, we have many situations, Mr. Speaker, and so does the Province and the Federal Government where they own the building and operate the building and there are many situations where they lease their buildings. That's one thing. But it's a different thing when it comes to the waste water treatment plants, and the good thing we have going for us, Mr. Speaker, is guess what? Those waste water treatment plants have to be regulated. They're regulated by the Province. They're regulated by the Department of Conservation. They have to be licensed. The Province would not be doing their job to ensure that there is a transparent process with regards to the agreements and exactly how these plants are going to be operated Mr. Speaker. I would expect it and I'm sure we would all hope that's the case.

Mr. Speaker: Councillor Vandal moves extension of two minutes. All in favour? Contrary? Carried.

Councillor Wyatt: And I would insist that the Province ensure that that's the case. But I…the fact of the matter is before we can even get one up and operating, they have to give their clean bill of approval. They have to agree to it. They have to stamp it and they have to say that this is…and not only that, Mr. Speaker, they're funding part of this, a good chunk of it. They're going to want to have direct input, Mr. Speaker, on how we do the waste water treatment plants, design, building and potentially operate.

Mr. Speaker I think that there's alot of pros and cons, you know, with regards to this concept of a department verses a utility. I can tell you, Mr. Speaker, and examples have been given that we're going to see service drop. I don't believe that for one minute. I can stand here and give examples of poor service that I've experienced as a Councillor when I get constituent calls from our existing department. I'm not going to start stating

them but I have them on file. You know, Mr. Speaker, the fact of the matter is, any entity, public or private, is capable of delivering poor service. And there are some issues which have been, how can I say, not one time issues that are constantly an irritant and that should have been cleaned up a long time ago with regards to the operation of the department. I welcome the opportunity, Mr. Speaker, to see how we can deliver our services more efficiently. I would welcome when this report, when it comes back to ensure that there's safeguards in place, Mr. Speaker, with regards to any future Council contemplating any sale of any of our assets, whether it be a two-thirds or a four-fifths vote required of Council, or a referendum like the Province requires now with regards to the sale of any crown corporations. Mr. Speaker we're talking about setting up a water utility. No different than Manitoba Hydro is to the Province. No different than the Floodway Authority is to the Province. We're talking about setting up a water utility to manage our resources. All this nonsense about privatization, unfortunately, I think is being thrown out there to try to confuse the public with what regard…with the real issue is here at hand, and that is how can we manage our resources. How can we distribute water and how can we manage our waste effectively and efficiently. Thank you Mr. Speaker.

Mr. Speaker: Councillors it's about six minutes to 12. We have a good number of speakers. Are you in favour of adjourning for lunch? And if you are…and we will reconvene at 1:30 but not at my expense this time. Those of you are welcome back to the gallery after at 1:30. All in favour? Contrary? Carried. Challenge the chair! Stand adjourned until 1:30.

(inaudible speaking in the background)

Mr. Speaker: Councillors, are you in favour? Councillor Thomas had moved a motion that we call at 12:00 noon. It'll be an hour or more. We stand adjourned until 1:30. Don't need a recorded vote. Stand adjourned until 1:30.

Reconvened meeting of Winnipeg City Council of November 19, 2008 at 1:30 p.m.

Mr. Speaker: Yes you are. We do have a quorum, so we'll start. Councillor Vandal. You're the next speaker.

Councillor Vandal: I'm next?

Mr. Speaker: Yes.

Councillor Vandal: Thank you, Mr. Speaker. I believe this initiative is one of the most important initiatives that we've brought forward here in the last few years. It's important, Mr. Speaker, not only to the City of Winnipeg but to the entire Province of Manitoba. I think that the fact that there were…was there three Reeves here from the Capital Region here this morning. Not sure if they're coming back, but the fact that they made the effort to come out and have their say on this issue is proof positive of that, as well as the five or six delegations who made their way to this chamber this morning to put their concerns on the table. And the problem is, is that there is so much information out there, in such a condensed period of time, that people are not sure what's what, which is why when I went to the Executive Committee last week, my recommendation to the Executive Committee was that we should send this whole issue under the leadership of our CAO, Mr. Laubenstein, and his team. Let's have some public consultations at the Winnipeg Convention Centre for one, two or three nights, as long as it takes to make sure that we're sending out the proper information to our residents so that the people can understand the advantages, the disadvantages of this very important initiative.

Mr. Speaker, I want to make sure there is nothing lost in translation. I want to talk about the recommendations in the report that we're voting on. Number 1, recommendation 1 is that a corporate utility be explored as a new arms-length business model to operate City-owned utilities. Let's be clear on this. We have two City-owned utilities. Number 1 is the water and sewer utility and the second

one is the solid waste utility. So when you're essentially handing over or exploring the governance and, let's face it, we're…there's a feeling here that this is the best way to go. We're going to be handing over the governance to water as well as sewer.

Number 2, Winnipeg Public Service be authorized the procurement with strategic partner that could bring private sector experience in the design, construction, finance and potentially the operation of the North and South Water Pollution Control Centres, as well as the potential operation of the West End Water Pollution Control Centre. Now, there was that word in there, "private sector experience". It's not "privatize", Mr. Speaker, but clearly we're going to the private sector here to try to tap into their expertise and their financing. And, I mean, let's be up front. We know that this Council is a big fan of triple P's, so I think it's a reasonable expectation that in a few months or in a year or in 18 months, we're going to be triple P'ing two of our waste pollution control centres and possibly the third one under a governance structure of an arms-length utility that's going to be managing, governing, how we control our water.

Number 3 is the following, 2009 Capital Budgets be approved, municipal corporate utility business plan for a total of $1.2 million, and a strategic partner development in the amount of $3 million which will look at the procurement process of all the pollution control centres. It's never been clear to me why these two initiatives have to be tied together and brought forward at the same time. Perhaps as the Mayor is closing or as Councillor Swandel provides some clarification on this. I think a lot of this could have been…a lot of the confusion and the debate could have been clarified by simply separating these initiatives and bringing them forward at the same time or at different times. It's never been clear to me why this has to flow together at the same time.

Mr. Speaker, the Mayor spoke of this at his State of the City address last year, and I think it was very clear. He wants to create a corporate utility that can sell water. I think the words he used was to sell water free of the financial and the political interference. And that leaves me to believe that this thing's going to happen. We're doing the old soft sell. We're setting up an arms-length corporation governed by ten or twelve independent persons, appointed by essentially the Mayor of the City of Winnipeg and Executive Committee to manage this thing to go out and sell water, and as you can tell by the delegations from the Capital Region, there's going to be all sorts of ramifications to this, whether it's residential development, whether it's commercial development or whether it's industrial development. There can be, there can be no other effect from this, and Councillor Smith is bang on. The provision of clean, safe affordable water is one of our competitive advantages as we develop the industrial use in the Capital Region. And why we would want to hand this over to an arm's-length corporation that can go out there and do deals is really not been…I'm not convinced that's the best way to go. Because you know what Mr. Speaker? You know what Councillors? Once this corporation is out there doing deals, they're not going to come back here. We're not going to have a political say on every extension of water or sewer services that this corporation thinks is a good thing for the Capital Region. This corporation is going to look at initiatives from strictly a business case scenario as opposed to a City of Winnipeg policy perspective, and therein lies my biggest problem with the corporation, with the initiative. Mr. Speaker, the aqueduct is, in my estimation, our greatest legacy that we have created as a City. Our past Mayor, our past Councillors had the foresight and the vision to construct the aqueduct. It was completed in 1919 or 1920 at a cost of $13 million. I'm not sure what the value of it now. It's close to, I'm sure it's close to a billion dollars but I can say this. The value of clean, safe drinking water is priceless. And before we go out there and open up access to an aqueduct, our aqueduct, Winnipeg aqueduct, to an arms-length corporation that does not report directly to this Council on every agreement that they

sign, their mandate is to go out and sell water. I'm simply not comfortable with it. I know that the public is not comfortable with it and I think we're simply moving too quick. My recommendation to Executive Committee was to go out and consult. Let's explain this whole complex initiative to Winnipeggers and to the environmental groups and to the Capital Region groups and to the Province, to Winnipeggers, to the Council of Women. What is the harm in consulting with people that we represent? Why this is being fast tracked through this process? We're spending $4 million. We could argue it's only 1.2. We're going to spend the $3 million anyway. It's a semantic argument. We're spending $4 million to bring this initiative forward.

Mr. Speaker, Councillor Gerbasi's motion, which I seconded and can't find essentially says that we have a process for this. It's called the Alternative Service Delivery Committee. I believe we met once in 2008. Why this initiative cannot go to the ASD Committee where we can look at the four models. I understand that Deloitte and Touche have done this or our CAO has done this. It's never been shared with the committee. We can look at the advantages, the disadvantages, the costing of those four models.

Mr. Speaker: (inaudible) moves extension of two minutes. All in favour? Contrary? Carried.

Councillor Vandal: We can analyze them from a political, City of Winnipeg lands, we can bring this back forward. We can do consultations at the same time. Why this is not an acceptable motion I'm not sure. People are sceptical, Mr. Speaker. People that spoke here this morning are suspicious that this is a soft sell on the way to privatization. The first thing you do is you bundle up all of our services in a nice, neat, tidy bundle. You put it at arms-length from the City of Winnipeg. You appoint ten or twelve directors that are essentially going to be appointed by the Mayor of the City of Winnipeg, and you go out there and you sell water. Well once you've reached your capacity on selling water, what's the next step? I'm not saying this is the case but people are very sceptical on this, and if we rush through Council we're only confirming the scepticism. Mr. Speaker I'm not going to be voting for this. I'm going to be voting for Councillor Gerbasi's motion to refer. Thank you.

Mr. Speaker: Thank you. Councillor Pagtakhan.

Councillor Pagtakhan: Thank you, Mr. Speaker. Just before we resumed here again I went home and checked out my Oxford Advance Learners' Dictionary to see the meaning of "privatize", and basically it says privatize is to sell a business or industry that is no longer owned by the government. Mr. Speaker, just because we're looking for a strategic partner or a strategic alliance to streamline our business practices, we ought not to be confused and blurring the lines between doing what's right and privatization. We're not even talking about privatization here, Mr. Speaker. We're talking about exploring a concept of a City-owned utility. And what's really important here with this recommendation, Mr. Speaker, is Clause Number 2. I just wanted to point this Council and to look at the last couple of lines there. With the business tools, a request for expressions of interest, the request for qualifications and request for proposals. Mr. Speaker, what that does, it puts this Council in control. We decide our mandate. We decide the mandate, we decide the terms, the conditions, we're in charge and that's important. And I think that's really the spirit and intent here is that we will maintain control. We will have control of the assets. It's our public utility. And with that I just want to say, because it was brought up this morning of a motion that we had unanimously supported back in March 22nd of 2006, and all of these things that we supported back in 2006 really, the access to clean water as a basic human right, absolutely. The value of earth's fresh water to the common good takes priority over any possible commercial value, absolutely. Fresh water is a sacred legacy of public trust and a collective responsibility. Mr. Speaker, what this initiative I think can do in the future for us is protect all of these things. Right now we have…Our water table in Manitoba as a Province is getting

saturated with all kinds of bad stuff, and it's leaching into our lakes and our rivers. Doing this, I think, is the right thing to do. It's a business model, but it's a model that allows us to be in control, governance. We're appointing a board of directors. We decide on the mandate, terms and conditions, and I think that we need to be open to that as Councillor Steeves had said earlier. We need to be open to that discussion. We need to be thinking in an innovative fashion, and I can tell you, Mr. Speaker, I had the good fortune of working with Manitoba Hydro for twelve and a half years in customer service and their purchasing department, and they are a very innovative company. A very transparent company. They deal with the Public Utilities Board. They go before them relative to rates, rate increases, whatever the case may be. Fully transparent. A highly run, efficient business operation and entity, and really proud to be part of that organization. And I think that this is, this is similar to that. Very analogous. And so, I have a great deal of comfort supporting this and knowing full well with these business tools, the request for expression of interest, the qualifications and through the request for proposals that we will safeguard all of the tools we need to deliver exceptional services relative to our water and waste water treatment and the quality of water for our citizens.

Mr. Speaker: Thank you, Councillor. Councillor Fielding.

Councillor Fielding: Thank you, Mr. Speaker. I rise today to support the motion before us as a Council.

Really what we're voting on here is the ability to look at options for the City in terms of the best delivery of water and waste services for our citizens and, Mr. Speaker, what this debate really boils down to for me is delivering the best service while sharing the financial risk with a strategic partner to give our citizens the best bang for their taxpayer dollars.

I think we all know why we're here. It's been addressed before. The Clean Air Commission, the Province's Clean Air Commission, put some tough new standards and some tough time lines in terms of our upgrades. I know the whole process overall initially started somewhere around $800 million and some people have estimated it goes up to 1.8 million. I think the Mayor has also indicated that the projects we're referring to are somewhere in the neighbourhood of $70 million over budget. I might add, I think we would be remiss if we did not also mention that upon this agreement that the Clean Air Commission mandated us to do, they also suggested that it should be one-third funding from all levels of government. To this day, we have seen some money from different levels of government, but not to the level that we expected for a project like this to go on.

So the question has come up, Mr. Speaker, is why are we doing this? Well, the problems that we've been seeing in terms of the escalating construction costs going up 20 to 30% a year in the projects have been the norm on a year to year basis over the last number of years. The concerns in terms of construction delays and meeting the deadlines imposed by the Province in terms of the upgrades are just some of the reasons to consider a different approach here today, and that's what we're doing. We're exploring options to look for a different approach, what makes sense for taxpayers. The establishment of the water utility will be used to drive efficiency improvements and will have a positive impact on the sustainability of the asset. It is our responsibility to ratepayers to look at all alternatives to delivering the service at the least cost for our ratepayers and our citizens.

The proposal recommends that we explore using a strategic partner to design, construct, finance and potentially operating of the facility. The reasons why this is such a good option is because it reduces the risk of the costly delays in construction inflation that has categorized the projects over the last number of years. It shares the risk with a strategic partner as opposed to the City and ratepayers. Under the original proposal the cost of the project could escalate just as we saw with the high construction market or a shortage of labour forces

here in the City of Winnipeg. A strategic partner model reduces the risk, once again, reduces the risk to the ratepayers as we'll have control, more of a cost certainty, if you will, in terms of the design, construction and financing of the project. The strategic partner will benefit the City in terms of cost certainty and the capital investment related to the whole project. The strategic partner model adds financial accountability to the huge project. The strategic partner will also be more accountable and have more control in terms of some of the delays and the cost overruns that have categorized this over the last number of years.

Another reason why I like this initiative, or to explore this initiative, is that we will be able to tap into some more money that would be there, the P3 fund that's been set up with the Federal Government. That's money that could be used for this project, and what this means there is one taxpayer so there is money coming out, but what it means to an average citizen is that citizens will pay less on a month-to-month basis for the water and tax bill if we are able to tap into a P3 fund that the Federal Government already has.

Another topic that has been touched upon by a number of my colleagues is in terms of the ownership, and I want to reiterate the point that it will be maintained sole ownership from the City. The model proposes a wholly owned City utility, and the City of Winnipeg will retain the ability to appoint the board members and will be the sole shareholder of this if we decide to move in this direction. We can ensure members that are watching today, our citizens, that we would want the best and brightest of minds to be a part of this decision-making process for the board of directors.

Now the issue of selling services such as waste water is something that should really be looked at in terms of reducing the cost of upgrades for Winnipeggers. Spreading these costs over a variety of different technique whether it be P3's or it be selling to municipalities could have the potential of reducing the rate of increases in terms of the water and sewer rate increases. I think Councillor Steeves had mentioned that it's quite possible that our rates, the water rates under the existing system could go up two-fold over the next 20, 25 years.

So it makes very much sense to do this. Another Item that has been brought up by some of the critics of the proposal is in terms of some of the planning, the Capital Region planning that's there. And what I can tell you right now is the City of Winnipeg is already heavily involved in terms of the Capital Region Vision Framework that sets forth upon principles, agreed upon principles in terms of planning. Also I would suggest that any negotiation for any services that we would sell to whichever R.M. can be done on a one-off basis, a case by case basis.

Another point Councillor Vandal as well as Councillor Gerbasi made was in terms of well, we'll give up control. If the utility has it, they'll have it. But that's exactly what Councillor Pagtakhan had talked about. You can build this into the scope of what the plan's going to look like as well as the board members. If you've got good board members, they're going to have good deals, they're going to make good deals for the City of Winnipeg. You can replace board members (inaudible). The City has complete control in terms of the process.

Another element, Mr. Speaker, is in terms of the environmental natures of this. And, I know there's alot of Councillors here that are very passionate about the environmental issues, and I would think that they'd be dancing a jig in terms of the environmental natures of what we're trying to do here in terms of the municipalities. We all know right now that there's a number of municipalities that have some serious environmental risks that are associated with it. It's been talked about by some Councillors, by the Mayors and Reeves that have come to speak here today. There's some serious issues in terms of waste water systems for the municipalities in around Winnipeg. A number of these areas have septic fields. They're spewing their contaminants. Some have even talked about raw sewage flowing into our rivers. So I would suggest if we were able to enter into

agreements like this, this is going to be good for the environment as well because you're going to have a lot of the environmental issues that are surrounding Winnipeg addressed in some way or another.

Another item that we talk about here in the City of Winnipeg quite a bit is in terms of businesses that focus on the environment. There's been lots of talk of green energy, a variety of other sources like this. What this proposal could do if it comes back, and once see the whole proposal, is intrinsic business lines that we've talked about, whether it be geothermal energy, landfill gas, bio-gas, these are all items that we could take a look at. We've been trying to look at this for a number of years in the City, as long as I've been here for two and a half years and before, people have been talking about this. What this plan could do is actually put us on a path and what it could do is make us a leader in the nation in environmental standards.

Public consultation is another item that's been brought up by the critics of this, and I'll tell you what. You know what? This is the start of the process. This is not the end of the process. I think the outline is going to take anywhere from twelve months to 18 months for this whole process to happen. That will be enough time for the public to have a say. I'll tell you one thing. If the same critics that complain that we're not doing any public consultation. If we went out with a specific concept diagram right now and said this is what we're thinking about. The same critics would be criticizing us for saying there's not enough meat on the bone to what you're consulting with. So what I would propose is that over the course of 18 months, there will be some dialogue that will be there. I think what I'll be pushing for as we see this, if we decide to move in this general direction, you're going to have to have some sort of consultation, communications with our citizens to let them know exactly what's going on. There should be some communications direction, some communications and public relations so everyone knows exactly what's there, and I think that's important for all our citizens as a whole.

Public Utility Board and rates. I've got nine seconds here. Public Utility Boards and rates. You know I think this is the right direction to move on. As Councillor Gerbasi said no one likes talking about water and sewer rate hikes, and that's exactly what we're doing here.

Mr. Speaker: Councillor O'Shaughnessy moves extension of two minutes. All in favour? Contrary? Carried.

Councillor Fielding: That's exactly what we do here over the last number of years, where we debate what the rate should goes up. The Public Utility Board…I haven't agreed with all their decisions on a variety of fronts. They made some good decisions on Autopac a number of years ago in terms of giving money back to our citizens, but one thing can be sure. It's an independent body that looks at a decision and makes a decision in what's in the best interest of the citizens. Sometimes you might have politicians that are looking in the best interests of what might be ahead of them in the future. So I would suggest that a public utility rate or public utility setting the rates is something we should definitely look at because it's independent and it makes sense for our taxpayers.

So in conclusion, I am very much in support of this. I think it's a very good first step. I think we need to explore options to protect taxpayers from expensive construction delays as well as cost overruns that have marred the projects over the last number of years. I strongly believe that this is the best course of action to provide the best value for our ratepayers here in the City of Winnipeg, and I look forward to the report coming back to Council in terms of exploring the options and the business plan as we move forward. Thank you very much.

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

Councillor O'Shaughnessy: Thank you, Mr. Speaker. We've heard from the four elected New Democrats in this chamber, totally against what's being asked of us here today. We've heard from a couple of

Conservatives. Good, true and wonderful Liberals, and good old, now you're going to hear from good old unaligned Mike. Not currently a member, not currently a member of any political party. He has voted Conservative, Liberal and N.D.P. over the years. The voice of reason. Here before you. And you know what?

Councillor Nordman: Grab a chair.

Councillor O'Shaughnessy: Rather than following some mandate and going out there and hearing…having the same old faces spout the same old fear mongering tactics. You know, we were elected to lead. We were not elected to run out to the community and let the people who got 12 votes have a podium to speak at. And our job, and what we should be committed to, is to be supplying the highest levels of service to the citizens of Winnipeg in the most effective and efficient manner possible. No ideology, just the highest level of service and the most effective and efficient manner possible and accomplish this in the most cost-effective manner possible. Is that not what we're doing here or trying to do here? The clause, the selling water, the selling privatizing. The Clause says that the concept of a City-owned, City-owned, City-owned, municipal corporate utility be explored. So a concept where we retain ownership be explored. That's the heinous and evil plot that's out here.

Secondly, it asks that we get a strategic partner that could bring the private sector experience to the design, construction, finance and potentially the operation of three different sewage treatment plants. Not water, not water, not selling water. Sewage treatment. Not ownership, just design, possibly operation. Nothing we heard is about the mandate. What is the mandate? The mandate is to explore a concept. We will decide. There is no mandate to privatize anything in here. And this huge issue. I just, over lunch, did a (inaudible). I had zero phone calls and eleven e-mails on this issue in my office. None from my ward. This huge undermining of the safety of the future of Winnipeg has generated eleven e-mails, none from my ward. We got a little bit of philosophical fear mongering going on here, and I think we should stick to the issues quite frankly. I think whatever we do, our workers are going to remain our workers. They're going remain unionized, and if they're smart, and I think they are, C.U.P.E. will remain the union. Nobody is trying to sell anything out from under anyone. We're exploring a concept of a City-owned utility. I think that's a pretty good deal. I think we'd be pretty negligent if we didn't do that. Thank you.

Mr. Speaker: Thank you Councillor. Councillor Nordman.

Councillor Nordman: Thank you Mr. Speaker. I rise today in support of issue number 5. The speakers who have preceded me today have articulated in many different ways why this is a positive opportunity for the City of Winnipeg, you know, for far too long. We haven't acted like the big dog in the neighbourhood. Well we are the big dog and our colleagues in the Capital Region have said in no uncertain terms and two of them are sitting with us today and their executive director, that they're quite happy to participate in this project with us. Being sort of a new member of the Capital Region Committee of Reeves and Mayors, representing our Mayor, I have come to understand some of their needs and, you know, the point of urban sprawl which Councillor Smith wanted to go on about, I just don't think is a valid one at this point. We're one big area. You know, we're 700, close to 800,000 people and we should be acting like that.

Councillor Vandal mentioned that we would lose control of this authority and I can't for a minute think of a better example of the notion that Manitoba Hydro decided they wanted to build a transmission line down the East side of Lake Winnipeg when the government decided that that was not the direction that they wanted to proceed. Hydro quickly changed their mind. So I think as we go forward in this project that, you know, the opportunity to explore it will bear fruit and that we will at some point move in the direction that will be a very positive one for the future of Winnipeg and the future of our families. So I'll be supporting it today.

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

Councillor Swandel: Thank you, Mr. Speaker. Let me start by saying thank you to Mike Davidson from C.U.P.E. Mike came forward today, he was pretty articulate and fairly forthcoming in answering the questions that we put to him. And I think he did it in a pretty classy way, and actually, listened to what other people were saying and digested some of the information that was coming out here today.

And also I would like to thank Liam Martin who spoke both at EPC and here today and sort of a new voice and a young voice here in the Chamber, I don't think he…obviously he was a bit nervous when speaking today but I don't see him here right now, but I think as he speaks more and more he'll become more comfortable and more articulate and it's good to see new voices coming down to City Hall and voicing their opinions. I don't think he'll ever be a Nick Ternette, but, you know, whose voice would be nice to have here today, too.

But anyway, I do want to make a few comments. Most of what I want to say has already been said, this issue of hanging on the phrase of privatization and private. So I'm not going to spend much time on that. But I wanted to say a few things about urban sprawl and just some comments in reference to what our friends from the Capital Region have said.

It's been articulated here that we have a problem with ex-urban sprawl or urban sprawl. If you look at history we really don't have a problem. You know, every year we build 350 to 400 new homes in the Capital Region. That's the same number every year. This problem is not becoming any more exaggerated. The numbers are consistent from year to year. I've had the numbers sent to me. This year we're just over 400. Last year we were over 360 I believe was the number, and they've gone up and down like this since the 1990's and right in about that range. What happens is they kind of move around from where there are resources available for them, whether it's land or services or, you know, or just some new development is happening. So, you know, the idea that this conversation is being had because we have a problem with ex-urban sprawl is actually not correct. Further, there has been some great changes made in Provincial legislation that gives the Province far more control over municipalities and what they do in planning, and I think that's what people here have to understand as well. When it comes to the planning piece, when we had our service-sharing municipal service sharing piece come before, we actually entrenched it in a line that we wanted to make sure. I think Councillor Gerbasi made reference to this already, but anything that we would agree to as far as sharing services with municipalities that we would have a say in planning. I think since that time and continuing to happen is the Province has become far more stringent in what they will allow to happen in the Capital Region. But some of that's because of the sins of the past. There really isn't the capacity to do everything and then argument can be made by creating capacity, you might have an escalation. I still believe that the Province's path is not to create ex-urban sprawl. They will be very diligent in controlling the amount of development that happens away from the City and I think mostly what people are coming to talk about here are repairing the sins of the past. There are serious environmental issues out there and with huge financial implications for our friends in the Capital Region, so whether we're going to do this as a stand-alone utility or whether we're going to do it as a conversation and then another piece of material that we bring forward here, I think it's incumbent on us to do that. And as a matter of fact, for those of us who believe in sustainable development, utilizing existing capacity and utilities is one of the fundamental principles of sustainable development, and it's somewhere that we should have our eyes on it and our heads around it.

There is obviously a bit of a political issue here when it comes to private/public partnerships. I…you know, we can have this debate day in and day out. People bring their anecdotal evidence. You know,

we've had the debate many, many times on this floor, and really, as much as people want to articulate it, it really comes down to the contract that is written that's of value for money equation and there are some subjective pieces and there are some objective pieces. I would suggest that we have in front of us a number of recommendations in this report. In the interest of dealing with…allowing some of our colleagues to sort of deal with their opinions on private-public partnerships verses what we're doing with a stand-alone utility, I'd like to suggest that we deal with each of the recommendations individually because I think the stand-alone utility and the opportunities that it creates is quite different than the issue of private-public partnerships. So I would like to…I don't know if I have to do that by actual motion, Mr. Speaker. Perhaps you can let me know as this moves ahead, but I'd like to deal with each of these recommendations individually so that we can actually vote on them from where we stand. Some of us with political beliefs and some of us just with overall understanding, or, not understanding but belief that there is some best business practices here or best practices financially for the ratepayers in the City.

There is some conversation about what should be at the Alternate Service Delivery Committee. I can tell you as chair of the Committee, we need, you know, this development of this information, this financial analysis, this is the type of information that we need to have come to the Alternate Service Delivery Committee before we can actually have an informed discussion on it. What we're doing here, I think, is separate from the P3 piece that's in here. I'm talking about the $1.2 million being spent on the, on the…looking at a City-owned utility, that would be nice to have that money used to get that information, assemble it and bring it to the Alternate Service Delivery Committee. So I won't…while I understand what the intent of the motion is, I think us getting the information to bring to the committee at this time is the important thing to do. So I won't be supporting the motion.

The waste water treatment plant, and I'll say this again and again and again, as often as I can. What we're talking about when we're talking about waste water or water waste treatment plant or water pollution control plant, this is sewage treatment. That's where the concept of a private-public partnership is being discussed. The water treatment plant. Water treatment, drinking water, City of Winnipeg water is not part of that equation in the second recommendation which is the strategic partnership/P3 exploration on our sewage treatment facilities. And there's something that's been left out of this whole discussion and that is what we've…the other things that are in here that we haven't talked about, and it's other opportunities. You know, I don't know whether it was actually in the report or just brought to us by our CAO, but some of the opportunities where a stand-alone utility might be able to do more for citizens and provide more in the City of Winnipeg, the provision of fibre optic services throughout the City, a geo-thermal opportunities, I think wind was actually mentioned, wind and landfill gas cap were actually mentioned in the report, and another thing is not just opportunities for our friends in the Capital Region, but opportunities outside of our borders, whether they be our City borders or Provincial borders or even our national borders. When you look at the revenues that Edmonton gets out of Epcore, a large part of those revenues come from other jurisdictions. They come from B.C. They come from the north-eastern United States and I believe they're in Ontario now as well. So there is stand-alone utility out there is doing business in other places you know, and so when you're talking about the, you know, this expertise and I want to go back to Mike Davidson and his conversation about C.U.P.E. I think nobody in this room would disagree that we have great expertise in our treatment plants. It's pretty specialized the type of work that will happen in these treatment plants, especially in the new ones. So we actually have ownership of a great deal of knowledge in our organization that other organizations are going to want to have access to. So I don't see this as a place where you may be seeding anything from C.U.P.E. I see this as an opportunity to have C.U.P.E.'s expertise.

Mr. Speaker: Councillor Browaty moves extension of two minutes All in favour? Contrary? Carried.

Councillor Swandel: We put it out there in the international markets that we can once again celebrate some of the wonderful things that Winnipeg does.

And just in closing, I think you know, we should all just take a look yesterday at our e-mails and the report that we got from our Chief Financial Officer about the sound business and financial practices in the City of Winnipeg being rewarded with our current bond rating, and make no doubt about it, it is troubling to all of us in this room that the level of expense that we are going through right now to deal with our sewage treatment issues, it is a big piece here that's about the financial well being of the City and whether or not you have the utility inside the City or outside of the City is a bit of that analysis that has to happen. So I think that we need to take a look here, not just be political, but take a look and understand this holistically, what it means for the citizens and the ratepayers in the City of Winnipeg. Thank you.

Mr. Speaker: Thank you Councillor. Councillor Browaty.

Councillor Browaty: Thank you very much, Mr. Speaker. I won't be speaking very long here today, but I do want to get a couple of comments here on the record.

In my opinion, as a relatively new Councillor here, one of the utilities that I've had the most difficulty dealing with is our water utility. They don't seem to have the customer focus that I've experienced elsewhere. When I've complained about issues, whether it be with Transit, whether it be with roads, and whatever, I've…common sense has prevailed in every case. Sometimes it requires a little bit of a pushing from the Councillor, but at the end of the day I found alot of instances that's not to be the case with the water and sewer utility.

We look at examples of where we've given some autonomy to various departments. Look at our Parking Authority. Look at the customer service that's improved drastically there. They've been able to increase rates in many cases and still maintain their parking levels because it's a parking lot of choice in many cases, because they provide the best product on the market. The reality is the water utility is not a friendly place to deal with. When I purchased a home last year I tried to call through at the beginning of the month to make sure water meter readings had gone through. The lines hung up on me. Completely unacceptable, I couldn't even get through. We are not experts here as the board of directors of the water utility, on water utilities. The water plant that's being constructed right now, the one that's in the neighbourhood of $70 million over, according to the best information I have only Councillor Fielding and myself are the only people that have gone out to look at this project being done. It's bigger than the MTS Centre and costs several times as much. I mean, a board overseeing the water utility would obviously be asking a lot more questions throughout the process. There are experts out there at running and managing and constructing water utilities. They exist in other jurisdictions. We can bring some of that expertise into the City by doing it this way. The reality is, in terms of the professionals that run and test our water, we can't pour water and create them overnight. They don't plant seeds and grow. They're going to be employed by whoever is going to be running this utility and then again, very key is owned by the City of Winnipeg. I don't see where the problem is here. It's very much like other things that are being done, and I don't think this is a huge stretch, so I will be supporting this today. Thank you Mr. Speaker.

Mr. Speaker: Thank you Councillor. There's no further speakers. Everyone has spoken. Councillor Gerbasi, you want to close on your motion?

Councillor Gerbasi: Thank you. Thank you Mr. Speaker. I believe there's been alot of good arguments for further public consultation and to produce…which I really haven't had anyone respond to the

concerns I raised about the Deloitte report. Nobody has explained why we haven't had a thorough feasibility study presented to Council before we move to spending 1.25 million on a business plan. That study, if it's been done, it should have been shared with Councillors and the public and if it hasn't been done, why have we landed on one particular model as opposed to the way we normally consider alternative service delivery models. So none of those questions have been answered by any of the speakers here today.

As for the second part of the clause where we're looking at a P3, there was again, kind of, illusions that somehow we're saving all this money by using a P3 model. We still have to pay for the sewer upgrades. We're just paying a different bank and we're paying in a different way, and many experiences across other jurisdictions is that we're going to probably pay more. We're just going to pay it over a longer period of time or whatever. We're locked into paying that regardless.

Another point is that the deadlines in the overruns that were raised again by other Councillors as to why we have to do this, because the last time we built one there was cost overruns and there was design problems, that was the private sector that made the mistakes, and yet it's the public service that's somehow being blamed for that. It's the private sector that made the mistakes with the design. It's the private sector that, you know, and yet the public service is the bad guy here and that's ideology talking on the other side I'm afraid.

The argument that our risks will be greatly reduced by taking the P3 approaches in Clause 2 is a pretty naive view if you review the literature on what's happening across Canada, and again, we don't have a study in front of us showing success stories in Canada. We have three examples from Europe, so that's why we haven't done the research which is why I'm recommending in the motion that there be a proper feasibility study presented to Council on all the different options before we go to spending 1.25 million on landing on a certain specific model.

As for the Capital Region, I just wanted to comment, the environmental problems are real. They built houses and they've built businesses without proper sewage. They need help with that. That's the Provincial Government's problem. But having said that, we need to work together with them, and I'm not opposed to working together with them. But no one has explained why we can't solve those problem with our existing policy; in fact, some of the people here are impatiently waiting for us to use our existing policy and develop agreements with them, and nothing has ever come forward on that. I think that's up to Mayor and EPC to solve those problems and we haven't seen those problems solved. But, you know, we have a policy that includes planning and all those things can be discussed. Why do we need a utility to work with West St. Paul. I don't understand why this is even part of this unless we're talking about selling services on a broader scale, and if we're talking about like Epcore, which is the same kind of model in Edmonton, they're selling services all over the place, and that's where people's fears are starting to come in terms of the potential for selling water. No, we're not proposing that today. We're not proposing that but we're proposing selling sewer services today. You know, things can change and I agree with Councillor Wyatt when he said earlier that there should be a referendum or something extremely severe like the Province has before anything can be sold because I think we all share that concern. But you know, sometimes things get out of our control if we don't put the safeguards in place. So people have reasons to be concerned. Excuse me.

You know and the comment was made by an earlier delegation that the public has not been consulted on this and that this was never an election promise or anything that was made. Nobody ran on a platform of getting rid of the Water and Waste Department. We ran on a platform…somebody ran on a platform of synchronizing traffic lights but nobody said I'm going to vote for the guy, you know, they voted for the guy with the baseball team. They didn't vote for the

guy who was going to get rid of the Water and Waste Department. So nobody's ever talked about this. And I think that's a serious issue. We need to talk about it before we go this fast, and I think that's what the motion is asking for. It's saying, you know, let's talk to people about what kind of models we see in our City. We haven't had…we don't have an elected mandate to do this and I think there has to at least be some public meetings or something before you go this far.

Clause 2 is not about exploring. That's only Clause 1 that was changed to explore, at the very last minute changed, which is, you know, done to calm people down. But the second clause is not exploring. It's procuring of a private business partner. It's taking us down that road fairly quickly and I think that's a concern.

Another concern is that with that is the lack of transparency because the private business partner doesn't have to show us their business plan or agreements with the City. So how can we oversee that model? And I'm not sure what the utility would have to show to us as well. I mean, it's going to be run like a private business, a private business model, and a private business doesn't have to show us anything. So I think we need that to be better explained, you know, and Edmonton, the situation with Epcore, they have this exact model we're talking about. They have a private, City-owned utility and their Council did not want them to run their sewage treatment plants. They deferred it for further public consultation. So this isn't whacky. This is what's happening in Alberta, and everybody here is just sort of…it's like the Guy Madden film. Everyone's sleep walking or something. So, you know, we need to wake up and pay attention to what is happening here, and I'm very concerned that isn't happening, Mr. Speaker, and this motion is very reasonable and I think if you're going to make a decision of this magnitude, you know it's been dismissed, you know, I mean maybe people in Councillor O'Shaughnessy's ward have stopped calling him, you know, but many other Councillors have been hearing about this, you know. And I think this is a serious issue that's concerning real people and I think we're going way too fast without the proper documentation and the proper due diligence and I think that's a fair thing to ask, and I don't think we're getting it Mr. Speaker. And even if we divide the options because of that, I'm not going to be voting for Clause 1 either because we have not looked at other options other than going to this business model for running City services. We have not looked at all the options properly, as we did when we established the A.S.D. process, and I was on that committee years ago when it was established by Mayor Glen Murray and it was established that we look at all the options. We don't just politically say I want a corporate utility model and a speech to the Chamber of Commerce, and then the next thing you know we're paying 1.25 for a business plan to implement that model without even looking at the other models with no public consultation. I'm sorry, Mr. Speaker, I can't support that.

Mr. Speaker: Mr. Mayor would you like to close on the…go ahead.

Mayor Katz: I'd love to, Mr. Speaker, Thank you.

I guess, Mr. Speaker, firstly I just want to once again try and get everybody back on track to what we're talking about here today. We're seeking Council direction for the Public Service to explore this whole issue. That's what we're doing here today. What we're exploring is new governance; a model for a utility department and to begin a procurement process to test the market to see if there are benefits to a potential strategic partner.

I want to thank Councillor Pagtakhan. I guess after he came back and shared with us the definition of privatization, I think we all know that when you hear people throw around privatization or basically, giving away our assets, I believe that Mike Davidson knows that's not what we're doing. I believe Councillor Gerbasi knows that's not what we're doing. I believe Councillor Vandal and every other Councillor knows that's not what we're doing. It's rather interesting, Mr. Speaker, because from my point of

view, I've heard of a lot of things today which really have nothing to do with the issue. You know, they talked about urban sprawl in the Capital Region. Mr. Speaker am I prepared to sit down with the Capital Region and the Province at the table and discuss issues that are facing us? Yes. Do I care about environmental issues in our entire Province? Yes. And I'm sure Councillor Gerbasi does as well. I don't want to remind a few Councillors what happened back, I believe, in 1997 but I know Councillor Vandal would remember and so would Thomas. The matter of Headingley, on that 8-all tie. What did we accomplish? Absolutely nothing Mr. Speaker. We all know what happened. The Province came forward, put out the money and guess what? There has been continual growth there, and there's been growth in the Capital Region and surprise, surprise. There is growth in the City of Winnipeg too, Mr. Speaker. We're all doing really well. Isn't that what it's all about? Don't you want everyone to succeed and prosper? Isn't that a good thing? But you know Mr. Speaker, here is what I really find amazing, and what I'm about to share with you, Mr. Speaker, may sound like something from the "Twilight Zone", but it's factual. This isn't the first time Council has gone through an issue like that. February, 27th, 2002. Some of you I'm sure remember that day. Council gave up total control of what? Winnipeg Hydro. Council voted to sell Winnipeg Hydro to Manitoba Hydro. What are they? An arms-length utility. Now let me tell you what happened during that fantastic debate. There was a motion by Councillor Smith and Councillor Lubosch, and you're going to love this one. They asked that they lay it over for one month in order to provide additional time for Council and those stakeholders that may be affected by the sale of Winnipeg Hydro, to perform the necessary due diligence required to examine the Manitoba Hydro purchase offer. Councillor Lubosch and Councillor Smith supported it. Want to know who voted against it? Councillor Gerbasi, Councillor Thomas, Councillor Vandal. Are you kidding me after what you've heard today? They voted against it? And do you want to know who voted for, for the sale of Winnipeg Hydro to Manitoba Hydro? The exact same Councillors. Councillor Vandal, Councillor Thomas, Councillor Gerbasi, and I guess after Councillor Smith tried his best, he supported it too. Are you kidding me? I just found this out within the last half hour, Mr. Speaker. I couldn't believe my eyes. This is just another example of how, for some unknown reason when there was another Mayor leading this, it was okay. Today it's a bad thing. Let me tell you something, Mr. Speaker. I can assure you and every Councillor and specifically Mike Davidson, we will work with C.U.P.E. and W.A.P.S.O. We've already put that on the table, number 1. Number 2, I believe that this is an opportunity, and Mike, I hope you take this challenge, because for all intents and purposes, this is an initiative that could become an example nationally of how a City and a union can work together to basically grow the pie. And I certainly hope that what we do is always maintain an open mind. You know what, I've heard a lot of delegations today, and I respect them all for coming forward, but the reality is people are saying things, Mr. Speaker, that just aren't true. We're not privatizing. We're not selling. Did you see anybody up in arms with Manitoba Hydro or when Manitoba Hydro took over, a privately, a privately held company, Centra Gas. It was okay. There was no problem. Life is alright. The sky did not fall. And all we're doing here, Mr. Speaker, is taking the first step to see if there is that strategic partner. You know what? They may not be out there, Mr. Speaker. They may not be out there. But when someone says it's only a million dollars, don't you care about it? Yes Harvey, I care about it. I also care about 70 million and 100 million. I think it's our responsibility, all of us, to make sure we protect the citizens of the City, and that's all we're doing. We're looking at an opportunity. This has nothing to do with the fact that, you know what, the Mayor thought this might be a good idea. Contrary to what some Councillors may think, I don't tell the CAO what to do. I don't write the reports. Our department came forward with a very thorough report saying this is something we should look into, and that's why we're here today, which is why I will most definitely be supporting the motion and not supporting

Councillor Gerbasi's motion. Thank you Mr. Speaker.

Mr. Speaker: Thank you Mr. Mayor. It's been asked about the voting on the Item Number 5, to separate them. 1 and 2 separately, and 3, 4, 5 together. But we'll be voting on Councillor Gerbasi's motion first. On the motion to refer by Councillor Gerbasi, seconded by Councillor Vandal. Motion No. 1. All in favour. Please rise. Recorded vote? Recorded vote has been called for. Those in favour, please rise. For referral.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Gerbasi, Smith, Thomas, Vandal, Wyatt.

Nays

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

City Clerk: The vote Mr. Speaker, Yeas 5, Nays 9.

Mr. Speaker: The motion is lost. Councillor Steeves? OK on Item…Councillors, on Item 5, it has been asked that we deal with having a separate vote on Number 1 and Number 2, and Number 3, 4 and 5 be put together. So on the recommendation Number 1, all in favour? A recorded vote? A recorded vote has been called for. All in favour of the Recommendation Number 1, please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

Councillors Gerbasi, Smith, Thomas, Vandal.

City Clerk: The vote Mr. Speaker, Yeas 10, Nays 4.

Mr. Speaker: It's carried. On Recommendation Number 2, same, recorded vote has been called for. Recorded vote on Recommendation Number 2, those in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

Councillors Gerbasi, Smith, Thomas and Vandal.

City Clerk: The vote Mr. Speaker, Yeas 10, Nays 4.

Mr. Speaker: Recommendation 2 is carried. On 3, 4 and 5, Recommendations Number 3, 4 and 5. Recorded vote? Yes. A recorded vote. All in favour of 3 and 4 and 5 recommendation.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

Councillors Gerbasi, Smith, Thomas and Vandal.

City Clerk: The vote Mr. Speaker, Yeas 10, Nays 4.

Mr. Speaker: It's been carried. EPC motions. There is an EPC motion, Motion No. 2. Notice? Councillor Wyatt.

EXECUTIVE POLICY COMMITTEE MOTIONS

Motion No. 2
Moved by Councillor Wyatt,
Seconded by Councillor Steeves,
WHEREAS the City of Winnipeg and other Manitoba municipalities are faced with a significant infrastructure deficit;

AND WHEREAS the Association of Manitoba Municipalities' survey has indicated that a majority of Manitoba citizens support the idea of a resolution to this problem in the form of a municipal sales tax, dedicated to infrastructure renewal;

AND WHEREAS the Association of Manitoba Municipalities will be considering a resolution for a 1 cent municipal sales tax to be allocated for municipal infrastructure at its Annual Convention on November 24-27;

AND WHEREAS the following municipalities have all voted to support the Association of Manitoba Municipalities resolution:

(i) the City of Brandon;
(ii) the City of Portage la Prairie;
(iii) the R.M. of Alexander;
(iv) the R.M. of Cameron;
(v) the R.M. of Westbourne;

THEREFORE BE IT RESOLVED that Winnipeg City Council support the Association of Manitoba Municipalities' resolution:

Whereas Manitoba municipalities need new sources of growth revenue to deal with increasing demands;

And whereas the current reliance on property taxes and provincial grants is not sustainable;

Therefore be it resolved that the AMM lobby the Province of Manitoba to collect a 1 cent municipal sales tax to be allocated to municipalities for municipal infrastructure;

And be it further resolved that the distribution of the revenue be distributed on a per capita basis in order to be fair and equitable to all Manitoba municipalities.

Councillor Wyatt: I'd like to move that we suspend the rules, Mr. Speaker, to deal with this Item today.

Mr. Speaker: Okay. Councillors you've heard.

Councillor Browaty: Mr. Speaker it's highly unusual. I just want to point out that this is a very radical departure from anything we've done before in this chamber and the notion of increasing taxes Province-wide by $200 million without having input from our constituents or various interest groups, whether they be the Chamber, the Taxpayers Federation, the C.F.I.B…

Mr. Speaker: Councillor, Councillor, Councillor Browaty, let's have the vote first. We don't know if it will pass. If it passes then you will speak.

All in favour of suspension of rules to deal with Councillor Wyatt's motion, Motion No. 2. All in favour? Opposed? It's carried. Councillor Wyatt introduce it, and I'll put you on the list Councillor Browaty.

Councillor Wyatt: Thank you Mr. Speaker. The motion we have before us today is a motion which is to endorse and support the Association of Manitoba's Municipalities resolution that is now going to their convention next week, our convention next week. We're all members of the A.M.M. and as the motion cites, Mr. Speaker, the City of Brandon, the City of Portage la Prairie, the R.M. of Alexander, the R.M. of Cameron and the R.M. of Westburn. These are the municipalities, Mr. Speaker, whose Councils have already voted in favour of supporting the Association of Manitoba Municipalities resolution.

I want to, Mr. Speaker, thank the work of His Worship Mayor Sam Katz who has been working behind the scenes with the municipalities and meeting with the Province with regards to the need of more infrastructure dollars, and with pertaining to this issue. There is definitely, Mr. Speaker, a huge, huge need, which I'm more than happy to explain.

It was noted and has been noted that a one percent sales tax, Mr. Speaker, to municipalities, Province-wide, would raise in 2008, 2009 dollars, 2 million…sorry. $209,000,000.9, so $210 million Province-wide. If distributed on a per capita basis, Mr. Speaker, it would equal 115, almost 116 million to the City of Winnipeg.

Why is this significant Mr. Speaker? It's significant because from our own staff, from our own administration, the motion as it stands calls for a sales tax, does not indicate, Mr. Speaker, whether it is a share of the existing sales tax. It does not, Mr. Speaker, indicate whether it's an extra sales tax or it does not indicate whether it's a combination of those two. It's simply saying to the Province of Manitoba to have a one cent municipal sales tax to be turned over…a 1% to be turned over to municipalities for the purpose of municipal infrastructure, and that it be distributed on an equal basis per capita basis. It's significant, Mr. Speaker, because we have a massive infrastructure debt as a City. Our own administration has indicated that it's potentially as high as $2.5 billion…actually that's a conservative number…it's probably much higher than that. And on an annual basis as of 2009, Mr. Speaker, it is estimated that the infrastructure deficit, meaning what we're under-funding our infrastructure on an annual basis, Mr. Speaker, if all things remain equal, if we don't acquire new funding, will be the equivalent of $254 million Mr. Speaker, 254. And I'll give you the breakdown in 2009 dollars. $7 million, Mr. Speaker, on watermain renewals. $78 million, Mr. Speaker, and this is interesting, on sewer CEC work. These numbers, Mr. Speaker, which numbers are 2009, were initiated in a report back in 2003 at the time of the New Deal debate. These numbers, Mr. Speaker, on the CEC still, unfortunately, include the 254, unfortunately includes the previous estimate of $530 million, Mr. Speaker, on the CEC treatment work. It doesn't include the $1.2 billion estimate. It does not also include, to be fair, the announcement of the Provincial funding of 206 million or any Federal money. But it does not, Mr. Speaker, include the higher estimate. These numbers are based on 530 million CEC work.

Sewermain renewals, Mr. Speaker, which we have to renew all the time, we're under-funding by $9 million. Basement flooding relief. This is a combination, Mr. Speaker, basically most of it, $7 million, most of it has to do, Mr. Speaker, with ending the combined sewer system which causes basement flooding, $7 million.

Flood protection works, Mr. Speaker, 22 million. That is, was a recommendation after the '97 flood that we should be raising our levies, not the floodway, but our levies within the City of Winnipeg, the dyke system throughout the City.

Roads and bridges existing, Mr. Speaker, 85 million. Future roads and bridges, new, strategic infrastructure for a growing City, 29 million. Buildings, all of our City assets we're under-funding by a total in 2009, another 29 million. Parks, 7 million. Transit which is basically most…17 million which is mainly the replacement of our fleet, we're under-funding $17 million. And future transit, rapid transit, where is Councillor Gerbasi when you need her, $31 million. There she is. $31 million we're under-funding, Mr. Speaker, in 2009. For a total, Mr. Speaker, of $320 million. Well where's the 254 you ask. Well, I'll take you there.

The 254, Mr. Speaker, to be fair, is we got some gas money right? And we got some new Provincial roads money. We got gas tax money, a total of $41 million a year, and we had new Provincial road money which is levelled-out this year at $25 million Mr. Speaker. You deduct that $66 million and it gives us a total of $254 million, Mr. Speaker. Our annual infrastructure deficit. Now, Mr. Speaker, if you take, if you're really optimistic and you say you know what, the water and sewer stuff we're going to take out. We're

going to put that on the tax bill or we're going to get money from the Feds, and we're going to get the promised money which they only announced by the way in a throne speech, the 260 million. We don't have agreement with them yet. If we take that money out, Mr. Speaker, Okay, and you're talking now just the infrastructure deficit of what our administration likes to call the "tax supported infrastructure deficit". If 2009 you're down to 132 million, alright, that's the sewer and water out, 132 million. Mr. Speaker, this 1%, if we're fortunate enough to acquire it, is $116 million. It doesn't even cover the infrastructure that we're supposed to be funding on an annual basis and unfortunately, Mr. Speaker, this only continues to escalate as we go out. This report over the next ten years, if we're going to wipe out our infrastructure deficit, our administration has estimated that we would need to spend in the order of $3.9 billion. Unfortunately when they did the estimates in this report, they did not completely include future growth of our City, and they did not factor in, Mr. Speaker, a lot of the wear and tear over that 10 million, or ten years of the infrastructure. So 3.9 billion, sorry 3.9 billion is a very, very conservative number, very safe Mr. Speaker. It's probably a lot more. That's the state of our situation, Mr. Speaker. 254 million, and I'm going to use that number because we haven't firmed up all the funding for sewer and water and frankly I don't think our citizens can continue to afford for us to keep raising the rates, but that's what we're going to have to do, Mr. Speaker, if there's no funding coming through. $254 million. That's the equivalent, Mr. Speaker, of one-third of our operating budget. Our operating budget is in the order of about $770 million. That's one-third. For anybody here who stands up and says you know what Mr. Speaker? We can find the savings internally. We can chop this, we can chop…chop one-third out of the operating budget, Mr. Speaker, of the City business. We, as a Council, in the last ten years have gone back to core services more in a way than any other Council. You can see the information, the statistics before us that we spend now less per capita than virtually every major City in western Canada. And, Mr. Speaker, we know what's happened here. This hasn't happened overnight. And I'm going to cite a report…where are we here…I'm going to cite a report, Mr. Speaker, that came out in 2003. November. Municipal Infrastructure in Canada, put together…research done by the Canada West Foundation. Mr. Speaker I'll read from the report. "Finally it is well known that the total government spending relative to G.D.P. has steadily increased since the 1960's, but as some economists and financial analysts point out, this growth had nothing to do with increased spending on public capital. In the 1970's the growth was driven by massive increases and spending on social programs and income transfers and in the 1980's by sharp growth in interest payments on the public debt. In fact, Provincial and local spending on fixed capital relative to private capital spending fell steadily from a high of 24% in the mid 1960's to less than 10% by the 1990's, Mr. Speaker. While Provincial and local spending constituent…constituted 3.6% of G.D.P. in the mid 1960's, Mr. Speaker, it had dropped to 2% by the early 1990's. Mr. Speaker, we know that there has been a slow erosion of our investment, and our own Public Works Department concluded that on April 24th, 2001, when they issued a report to Council called Financing Infrastructure and Preservation where they documented how in the ten years from 1990 to 2000, spending relatively low had decreased by 31% on preservation and maintenance of our infrastructure, and it's all recorded in the report.

So we have slowly, Mr. Speaker, for various reasons, not just, when I say "we" I mean previous Councils going back to the 1970's have slowly eroded the…let the infrastructure erode by lack of investment and lack of spending, and it's not going to happen overnight to re-invest. But Mr. Speaker, we have to start…we have to do something, and we have to do it quick, and we have…

(beeping in the background)

Thank you. You know, Mr. Speaker, go out and view our parks. View our roads,

view our lanes. Go out and view our curbs and go out, Mr. Speaker, view our pools. View our libraries out there, but before you go out Mr. Speaker and view them, my suggestion would be that you… your back lanes as well, I said lanes. Go out and view them, Mr. Speaker, and the soccer fields, but before you do any of that, Mr. Speaker, make sure you go to your doctor and get a prescription of Prozac, because you're going to need it, because you're going to suffer from a state of depression afterwards that you've never felt in your life, Mr. Speaker.

Mr. Speaker, it is a terrible situation we're facing. Did Rome collapse from forces from the outside or did it collapse from within? This is a great debate historians have. Clearly though, Mr. Speaker, we can say that when we look back in history if our cities collapse, they have been collapsing from within, because we have been letting them collapse Mr. Speaker. We must now, Mr. Speaker, have the courage, the political courage to do what is right, to ensure that we put our City's infrastructure on a sound footing and that infrastructure of the municipalities of this Province. If we don't address this issue, Mr. Speaker, we're going to leave a huge burden to our children and I know that's a political cliché but if there has never been a…if it's ever been true, it's true on this issue. A huge burden to our children, Mr. Speaker, if we sit back and we do absolutely nothing. Mr. Speaker, we fought to get a percentage of the gas tax from the Federal Government. We don't have it all yet, but what we have has made a difference. Has it solved the problem? Unfortunately not as in the numbers I pointed out to you. The Province claims they're spending their entire gas tax on the highway system in the Province which has a $5 billion infrastructure debt of its own.

Mr. Speaker, we've pushed…this Council has pushed for the school taxes to be… for room to be made to have room for taxation to again make the City sustainable. Mr. Speaker let's stand united with all the municipalities of this Province. Let's go forward to the A.M.M. convention, and -- unless you want to give me a second extension Mr. Speaker.

I encourage the support…everyone to support this because I think it's crucial as we go forward to our convention next week to have the support of the City of Winnipeg. Thank you.

Mr. Speaker: Councillor Browaty.

Councillor Browaty: Thank you Mr. Deputy Chair. Has everyone read exactly what this says here? "Therefore be it resolved that the A.M.M. lobby the Province to collect a 1% municipal sales tax to be allocated to municipalities for municipal infrastructure." There is no municipal tax today. We are asking for a new 1%, brand new tax. This is over $200 million in new taxes from our residents in the midst of what's starting to be one of the biggest economic downturns at least in my life time and probably many of yours. The timing couldn't be worse. Over $200 million and walking this on as a notice of motion. We're endorsing this. Will each and every one of you tell your constituents, yeah we increased taxes to the City of Winnipeg by the neighbourhood of $120 million today. That's what we're asking here today. This is a tax increase of historic proportions. This is a tax grab. This is the soft way of trying to get this through the back door. If the Premier says yes to this, this is a huge tax increase. This is unbelievable.

I'm not opposed to the notion of a growth-based tax. If we repealed our property taxes to the amount that's equivalent to this, sure. If the Province were to reduce their other funding to us, the other transfers to us in the equivalent portion and give us part of the existing P.S.T. and we get the advantages of growth going forward, yes that makes sense, but the notion of a brand new tax without having representations from all sorts of groups, whether it's the Winnipeg Chamber, whether it's the Taxpayers Federation, whether it's Federation of Independent Business. They didn't have a chance to come here today. What about other groups. What about the Council of Women, the Social Planning Council? This is a new burden on everybody and we haven't had a chance to debate this.

This is just being walked on today, completely, totally irresponsible.

The Prime Minister, in the wake of the current economic crisis we're in, has promised accelerated infrastructure funding. We don't know to what tune that is, but that's still an opportunity that's out there. The sky is not necessarily falling as my esteemed colleague from Transcona was suggesting. The A.M.M. polling that was done by Probe Research suggests that the majority of people support a 1% sales tax. If you look at the questions leading up to it they were exceptionally leading, like, "How big of a priority is infrastructure spending to you?" The questions leading up to it were very leading, and if you look at the breakdowns to the numbers, the support level in Winnipeg is certainly less than outside the Perimeter Highway.

Again, each and every one of you is going to have to wear the notion of we're talking about raises taxes here today. . As the Mayor said many times, there is only one taxpayer at the end of the day. Regardless, we do need to address infrastructure, but the money is already out there. The taxpayers are paying enough, and this is not the time to be looking at increasing taxes. Thank you Mr. Deputy Speaker.

Mr. Deputy Speaker: Thank you, Councillor. Councillor Steeves.

Councillor Steeves: Thank you very much, Mr. Speaker. I suspect we have enough congruency here on Council today, so I'm going to limit my comments to ten minutes.

With deference to my colleague from North Kildonan, I appreciate his comments on the suspension of the rules issue here today. I think everyone appreciates the A.M.M. convention is next week. We've been asked by the Association of Manitoba Municipalities, of which we're a member, to join in, I guess arm in arm with our brothers and sisters across the Province, some of whom again are represented in our gallery, Mr. Speaker, to endorse this motion and this motion I'm going to comment on this in a moment. This is a motion from, I believe, it's St. Andrews if I remember correctly. The original idea, there is, there's been some different iterations of it coming forward but the point is, we have to do this today if we want to be in time to be a part of the A.M.M. convention next week and the list of other municipalities that have had to walk this on to their respective agendas, is right there in the context of the motion.

Just to be 100 percent clear, just in case anybody who is watching on television will be under the impression that if we pass this motion today that there will somehow be a new tax in place, I just want to reassure everybody that that is not in fact the case obviously. What has to happen here is, assuming this does get through the Association of Manitoba Municipalities convention next week, then the Province ultimately is going to have to make a choice on this issue. They are going to have to decide what they are going to do with the issue of municipalities. What's really going on here of course, Mr. Speaker, has less to do with the motion that's in front of you and more to do with the issue of funding for municipalities. I hope that we can all agree again that municipalities, not only the City of Winnipeg, but municipalities throughout this Province, throughout this country, are in a state of crisis, especially in terms of infrastructure funding. I don't know if anybody on this Council truly believes that property taxes can somehow bridge this gap. I can tell you I do not, and if we leave the notion of property taxes bridging that gap behind, we have to talk about what then are we going to do. It's rare that I can do this, but in these particular circumstances, I have had the opportunity to talk to the Prime Minister directly, in a couple of closed meetings. We're aware of what steps this Prime Minister has done with respect to taxation. Before I even talk about the G.S.T., I want to remind people that one of the first actions of this Federal Government was to correct what they perceived as a fiscal imbalance. What that did, prospectively, is it moved millions upon millions, hundreds of millions of dollars, from Federal coffers to Provincial and Territorial coffers and gave those Provinces and Territories authority and

control over that money. Then, the Federal Government, as we all know, has vacated two points on the Goods and Services Tax which is, of course, administered Federally. I've spoken to the Prime Minister about the latter, and we have talked about, at the time, the prospect of him not vacating that last point. His comments to us were, and I wasn't the only person in the meeting, was that this is a promise he made to Canadians, and he was going to follow through on that, which is true, and he did. He did add though, that if regions, municipalities, provinces territories, felt that they needed that tax room to fill, if they needed that tax room to find new revenues, it would be up to them to do it. He didn't necessarily endorse that course of action, but he did say that was an option.

Now what people might not realize as we sit around this table, is this Provincial Government that is sitting in the legislature today, has enjoyed probably the greatest exponential increase in revenue in the history, I'm tempted to say, of all governments. That's probably not accurate but it is large. It is large. Manitoba regrettably remains one of the very few have-not provinces under our federation, and as such we're a big receiver. Not only that, but in terms of some of those fiscal transfer, the revenue for this Provincial Government has been on a very, very steep incline. Does anybody around this table feel as though we've participated in that largesse? At best we have maintained a modest increase with respect to our financial position from this Provincial Government. For some reason, this doesn't receive any exposure from a media perspective, and for the life of me I cannot figure out why. Well, okay it received some perhaps. But there is a real gap here, Mr. Speaker. There is a real gap here in terms of the flow-through funding. Assumedly, when this funding is coming from the Federal Government to the Provinces, it has to be coming under various heads that at least deal with municipal governments right across this Province including the City of Winnipeg. And what we have appreciated in some areas proportionately you need not be a great mathematician to figure out that we are kind of missing out here, Mr. Speaker. We should be doing a lot better.

So leave aside the details if you can, Councillor Browaty and I appreciate your comments, they're fine. But there's options here. There are things like a harmonized sales tax that the Provincial Government could consider. There are things about them simply vacating room in existing taxes and moving it to where it ought to be rightly - municipalities. They could do that as well. They of course could legislate a new tax and do all those sorts of things. The reason I personally am less keen about that is the reason that I was one of the very last people to come on board with the smoking debate, because I knew that as we moved forward, surrounding municipalities would be slower to come and I worried that might affect restaurants in the outlying regions of Winnipeg, and to a certain extent that did happen, but eventually of course, the Province came on board, and then legislated right across the Province thereby laying the playing field. The last thing any of us want is another patchwork municipality by municipality framework across this Province. That wouldn't work, I would respectfully suggest. And, can you imagine, if we could ever move to a position where we could talk about forgiving some of these static Provincial grants that are coming to the City of Winnipeg in exchange for a growth-based tax. What that would do to things like our entrepreneurial spirit and our Public Service. What that would do to combat sprawl. Instead of us having to rely on our property base ever expanding to increase our revenue. Instead of doing that we can now look at things like conferences, funding these types of velocity and money things within our City. To try to increase the amount of income that we see as a City. You know what? Let's waltz into the Convention Centre next week, let's support this, and let's put some pressure on our Provincial colleagues and see how it goes.

Mr. Speaker: Councillor Swandel moves 2 minute extension. All in favour? Contrary? Carried. Councillor Swandel.

Councillor Swandel: Thank you. A quick comment on what the motion actually says and for Councillor Browaty's information I guess. But the motion actually says is "Therefore be it resolved that the AMM lobby the Province of Manitoba to collect a one cent municipal tax." Now why they've put one cent in here as opposed to one percent, I'm not sure, but I'm sure Councillor Wyatt will clarify in his closing remarks, and I know my sense is that it has something to do with what this amount of money might look like at the end of the day and how it would be spent. So another point for Councillor Browaty, that was the idea that if there was to be a property tax offset, that he would be fine with this. Well if you have a property tax offset then you're net zero, and you haven't done anything for your infrastructure issues. So, we need to ensure that what we're talking about here, you know, at the end of the day, we're actually going to do something to improve infrastructure.

Councillor Steeves has alluded to most everything that I wanted to say, and I don't think there's been a former member, a former president of the F.C.M. so well spoken since Jack Layton was the president of F.C.M., and I'm not sure if you're going to be running for the leadership of the N.D.P. party anytime soon, but…

Councillor Steeves: I feel like I have some good support.

Councillor Swandel: Yeah, absolutely. You and Councillor O'Shaughnessy alike are well supported in that regard.

But you know, the F.C.M. was quite diligent in going after the Federal Government when they were dropping the last percentage point of the G.S.T. to have those monies go to municipalities. One of the problems that has happened here is we end up in a bit of a political conundrum. The Federal Government, when they did what they did, sort of created a very awkward political situation for the Province you know. The way the constitution reads is that the municipalities are beasts of the Province, so in order for the Federal Government to do anything for the municipalities they have to flow it through the provinces. So, you know, in a perfect world what should have happened probably is, and perhaps you could have all celebrated on the steps of the legislature with the Prime Minister, the leaders of the opposition parties and the Premier and the Mayors and Reeves from around the Province saying, you know, this one percentage point of G.S.T. we're putting it towards…rather than eliminating we're putting it towards infrastructure and municipalities and the intent is to have it flow through the Province, through the provinces, down to the municipalities and we'd be well on our way to addressing the issues that Councillor Wyatt has put before us here today. But that hasn't happened.

So what we're trying to do here is stimulate some conversation, and we're trying to do it in a way not where we're sticking our…poking our finger in the eye of the Province, but we want to do it in a way where we recognize that the Federal Government has created this awkward position for the Province. You know, it's so easy to, you know, stand up and say I'm great, I'm going to eliminate some taxes. But at the end of the day you've taken that wealth out of the public sector that could be going to things like repairing our infrastructure.

So, you know, what this is going to look like at the end of the day, it's obviously driving at the Province. I think it should probably be driving more at the Federal Government and what I consider to be an irresponsible move on their part considering the fact we're now going to run a deficit, it would appear, going forward federally. You know, this is just keeping the conversation going so that the Province and the Federal Government perhaps will actually pay attention and deliver at a level where they need to be to ensure that the infrastructure deficit is being addressed in a timely fashion. Because as those numbers go up there's a compounding effect. It's just like a mortgage or sticking money in the bank. As it gains interest it compounds. Well the same thing happens. The longer we wait, the longer we do nothing the more rapidly this problem is going to grow on us. Later

this month, you're going to see a capital budget tabled. We're going to discuss it, you know, we have some growth in net capital budget but whether or not we are…that growth is keeping up with what…how that deficit is compounding, I couldn't give you a very accurate statement on that at this very moment, but my sense is it's not. The longer we delay, the tougher that problem is going to get, so I would ask us all unanimously to allow this conversation to continue notwithstanding Councillor Browaty's concern about this being perceived to be just another tax on folks at, what appears to be, difficult economic times throughout the world, not just in Canada or in Winnipeg. Thank you.

Mr. Speaker: Councillor Fielding.

Councillor Fielding: Thank you Mr. Speaker. I've got a few brief comments about the situation. First to suggest that I have some reservations for supporting this motion would very much be an understatement. I do come from the school of thought that I think there should be less tax, there should be less regulation and less red tape and less government…that fact…as I think it does get in the way of private sector and growth in a variety of ways but, however, I do believe this motion will raise some awareness of the infrastructure issues that we do face. I think if you do look at the problem, I think we can all agree that there is a massive infrastructure deficit whether it's 2.5 billion, whether it's 2 billion, whether it's one-and-a-half billion, and there is a major problem with it.

In terms of funding, the Provincial Government has, in my opinion, has turned a blind eye. We have gotten some money from them. When you consider some of the problems that are there. If you look at the N.D.P., the majority of their seats and their support does come from the City of Winnipeg, and thus I think they need to address this. I think the Doer Government sees this as a City issue and I can tell you, this isn't a City issue, this isn't a Province, a Provincial issue, this is an issue for our taxpayers of the City of Winnipeg, and I don't think anyone would disagree that there is infrastructure deficit.

When it comes to taxes, for as long as I've been around, I think for a long period of time, I've talked about moving away from a property-tax based, kind of like what Councillor Browaty had talked to more of a growth- based system, and the Economic Opportunity Commission that I was part of, we spoke exactly of that, moving towards more of a growth-based system. I think a consumption tax is something that does fall in lines with that. The City of Winnipeg represents close to 60% of the growth here in the Province of Manitoba, and as such we are the benefit and the growing factor in terms of the economy. So when the economy's hot, I think the City should have a benefit for that, so a consumption tax would allow the City to gain some revenues from a strong economic growth, and be the driving force in Manitoba.

Now the wording of the document, as we talked about before, I…in EPC plan…in EPC a few days ago, I think I looked at this about a thousand times. I think the Mayor can attest to that, but it does say nothing about introducing a new tax, but asks A.M.M. to lobby the Provincial Government to collect a 1 cent municipal tax to allocate municipalities for infrastructure spending. It does not say anything about a new tax, which I would have a very hard time supporting. And thus, I will be supporting this motion today. I would add some important caveats to our approach here. I want to make sure…I want to be perfectly clear on the record here, if we do, if the Province does agree to the proposal before us, the most important element to this would be that we have an offset in reductions in terms of the property tax (inaudible), so it's a revenue neutral thing, It's where we're able to grow in terms of consumption, but there needs to address the property taxes that are here. So I will support it in terms of that.

So in conclusion, I am not positive that the Premier and the Province will address this, but I think it does raise awareness of the issues we're facing in terms of infrastructure here in the City of Winnipeg, and once again, if we do move to something like this, I'll support this on the notion that we have offsets in terms of

reductions in property taxes as we move forward, so I will be supporting this. Thank you very much

Mr. Speaker: Thank you. Councillor Smith.

Councillor Smith: Mr. Speaker, after hearing Councillor Gord Steeves' speach, I listened closely to it, you know, point after point he was correct. I found it amazing. (laughter). And so I'm…now the N.D.P. is in power Provincially, that's my party, and I'm not voting on this on a party basis. I'm voting on this because we need funds. Our infrastructure is so bad, so I'm crossing party lines, especially after listening to Councillor Steeves. That was the best speech Councillor Steeves gave since he arrived in this Chamber. Thank you.

Mr. Speaker: Mr. Mayor.

Mayor Katz: Thank you, Mr. Speaker. I will be brief because I think it's all been said.

This isn't anything new. There are many Councillors who sit here today, who were part of the New Deal, getting an existing 1% and getting a new 1%, and unfortunately, no progress was made on that. Since I've been here for four years, Mr. Speaker, every time I attend big City Mayor's caucus, or F.C.M. meetings, the conversation is always the same. We need a share of growth revenues. We need to get growth revenues, and I remember when the gas tax came about, we were not allowed to use that to basically fix our roads and bridges and sidewalks, and after two trips to Ottawa and a few conversations, we won that battle.

The facts of life are, Mr. Speaker, is we have problems right here in river City. Councillor Wyatt identified it. 2.5 billion and rising. And you know, whether it's back lanes, whether it's recreational facilities, whether it's sewer, whether it's libraries, it goes on and on. There's no end to it Mr. Speaker. And the facts of life are, this problem has to be addressed. You know, you can't pretend you're an ostrich, bury your head in the sand and pretend there is no problem, because unfortunately there is. It didn't get here over night, but the facts are, we're here. And there's no reason to point a finger at any entity or any individual. We're here, it's our responsibility to address this problem and try and fix it. Is it easy? Absolutely not. Absolutely not. I mean, it'd be so much easier to tell everybody, you know, we found you money. We're going to decrease this, decrease that. But you've got to pay for it, and you know what? I feel badly for Councillor Browaty because I do agree the timing is unfortunate with the fact this is our last Council meeting before the convention. It's something that has to be dealt with. And as well as, you know, I wish there were some other answers. But everybody has looked every which way and as a City, you know, it's sometimes you're like…it's like Oliver Twist, and you're up there saying more, please. You know, we get a little bit. We never know what we're going to get. You know, how do we plan our budgets, whether it's capital or operating and trying to address serious problems without knowing that there is consistent revenue and it's a growth revenue. You can't. And I don't know where this is going to end. But I do know that a very significant statement will be made at the convention if this is approved unanimously. And I guess it starts at all the Councils and the cities and the municipalities in our province and it moves forward. And I think people have to take notice that there is a genuine problem. I've heard some people think that what are we doing even thinking about this? You know, we spend too much here, we spend too much there. We could be saving here, we could be saving there. Mr. Speaker, I can tell you in the last four years, this City Council has done a phenomenal job of getting our house in order. I think it's now time for us to see if we can actually get a share of growth revenues and trying to address a serious problem. Because you look around here, we all have children or grandchildren. I don't want them to have to deal with this problem 20 years from now because guess what? It will be insurmountable. They will never, ever be able to solve this problem. The numbers will be astronomical, so you know what? It's up

to this Council to face this squarely and do something courageous and say we need some action and let's see what we can work out. Thank you Mr. Speaker.

Mr. Speaker: Thank you Mr. Mayor. No further speakers. Councillor Wyatt would you like to close?

Councillor Wyatt: Thank you, Mr. Speaker. I appreciate all the comments that have come before to address Councillor Swandel's question, one cent verses 1%. One cent was simply suggested and used because there was confusion over…I don't know why, but there's confusion over 1%. One percent of what? And so by saying 1 cent, it's 1 cent out of a hundred cents basically so it's a 1 cent or 1% tax is why they chose 1 cent. So it's clarification Mr. Speaker because there was some confusion. But anyway, okay, alright. But it's 1 cent, 1% basically Mr. Speaker.

The…I think it's…I think it's really important, Mr. Speaker, not to under-estimate the problem we have before us. I've…I gave a lot of figures earlier. $254 million being the shortfall of funding for 2009. If nothing happens, if everything remains the same, Mr. Speaker, in five years time, by 2014, we're going to be upwards of…we have an estimate right now of $403 million Mr. Speaker. That's going to be the infrastructure shortfall in funding. 403 million. That's factoring in already, Mr. Speaker, the gas tax monies we've been getting from Ottawa. That's factoring in the Provincial monies that they announced recently, the $25 million. That's not factoring in, Mr. Speaker, the high…the rise in the early estimate of the water treatment plant from 530 million to 1.2 to as high as 1.8 billion. So, Mr. Speaker, the situation is very severe and it's getting more and more severe as every year passes, and I think the Mayor said it quite well when he said nobody…everybody wishes we could solve the problem without having to come forward and say that there's a growth tax needed. The fact of the matter is I think it would have been a far better scenario had the Federal Government chose, instead of eliminating the G.S.T., the two points, completely chose at least for one point, to hand the revenues to the municipalities to use to invest in infrastructure. But they have vacated it, and as Councillor Steeves indicated, he's heard that from the Prime Minster. I've heard it our regional Minister, Minister Toews, who point blank has said in front of others that you know what? If you decide, if you as a municipality or municipalities decide to fill that vacated area, we're not going to say anything about it. Go ahead, you know what, because you obviously have a need. Well I think the reality is we wish they had transferred the funding to us but anyway, here we are today, Mr. Speaker, dealing with the situation like we do every year. We are the closest government to the people, Mr. Speaker, and yet when the constitution, as Councillor Swandel rightly pointed out, when the constitution was written, you know, municipal responsibilities were seen kind of at the lower level, you know, 130 years ago. They weren't really that, you know, up there. They were down there with health care and education. You know, the Feds kept on, they kept the military and they kept the post office, you know, and all the revenues to collect. So, Mr. Speaker, we have a system that literally is on its head. Responsibilities at the bottom, yet no revenues and little responsibilities at the top with all revenues. And that's the challenge we're facing today, Mr. Speaker.

So how do we change that? We change it, Mr. Speaker, from the bottom up. We change it by making changes here. We as a Province have led the way in many ways. It was in the 1970's under Schreyer who came forward with Provincial-Municipal tax-sharing when it came to sharing corporate and income taxes, Mr. Speaker, which if we had not had that, these numbers would have been alot higher today, guaranteed. So, Mr. Speaker, maybe we have to be leaders again here in Manitoba to show the rest of the nation what we have to do to start straightening out the situation.

I'll leave you one point here. This is again from the City's document of April 24, 2001. "The City of Winnipeg has its roots in transportation. The first settlements were as a result of our convenience as a

central point for the transportation of goods across the country. Now in the 21st century we are still a central transportation point, not for only North America, but also the rest of the world. For economics, sustainability and growth, we must maintain our public assets, not only those which support the transportation industry itself, but also those which enhance the liveability of the City and therefore attraction for business to move and stay here." Mr. Speaker, this is about quality of life. This is about securing the infrastructure, not just the transportation as is stated here, but the infrastructure, all the infrastructure, our libraries, our pools, our parks, our bridges, all the infrastructure. The infrastructure we don't see Mr. Speaker. We have to start getting a sustainable path, Mr. Speaker, to start to maintain that and I encourage all Council members so that at the A.M.M. Convention, they have Winnipeg listed along with our sister cities of Brandon and Portage la Prairie, that we're together there, the City of Winnipeg, taking this motion forward on the floor of the convention to set new policy and to lobby the Province for this necessary and needed funding Mr. Speaker. Thank you.

Mr. Speaker: Thank you. Ready for the vote? Recorded vote has been called for, all in favour of Motion No. 2 please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Katz. Councillors Fielding, Gerbasi, Nordman, Pagtakhan, Smith, Steeves, Swandel, Thomas, Wyatt and Mr. Speaker, Councillor Lazarenko.

Nays

Councillors Browaty, O'Shaughnessy and Vandal.

Clerk: The vote Mr. Speaker, Yeas 11, Nays 3.

Mr. Speaker: Carried. EPC consideration of by-laws, Mr. Mayor.

EXECUTIVE POLICY COMMITTEE CONSIDERATION OF BY-LAWS

Mayor Katz: Thank you, Mr. Speaker. I'd like to move that the following by-laws be read a first time. By-law No. 159/2008, By-law No. 163/2008, By-law No. 164/2008, By-law No. 165/2008, By-law No. 166/2008 and By-law No. 167/2008.

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

Clerk: By-law No. 159/2008, 163/2008, 164/2008, 165/2008, 166/2008, and 167/2008.

Mayor Katz: Mr. Speaker I move that By-laws Numbered 159/2008 and 163/2008 to 167/2008, both inclusive, be read a second time.

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

Clerk: By-laws Numbered 159/2008 and 163 /2008 to 167/2008, both inclusive.

Mayor Katz: Mr. Speaker, I move that the rule be suspended and By-laws Numbered 159/2008 and 163/2008 to 167/2008, 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. Question period.

EXECUTIVE POLICY COMMITTEE QUESTION PERIOD

Mr. Speaker: Councillor Smith, Vandal. Councillor Smith your first question.

Councillor Smith: Yes, Mr. Mayor, I'm asking you a question on behalf of Gordon Honey who wrote a letter to the Free Press. He is asking why, after two years, the light synchronization program that you announced, he doesn't know what progress has been made. Can you please give us a…

Mayor Katz: Mr. Speaker, through you to Councillor Smith, thank you for the

question and I'm happy to share that information.

Number 1, I did announce light synchronization. Mr. Speaker that has taken place on Route 90, Kenaston. I think we've all heard about that. Also when the announcement took place, there was a significant amount of money that was announced as part of that and it was spread over a four-year period of time. I can tell you right now that they are looking at McPhillips, Main Street and St. Mary's, as well as…I'm missing one street…Portage Avenue I believe and those are in process but I guess what I have to remind the citizens is quite often, it's like when they hear an announcement that money is coming forward from another government they think we got the cheque that next day. This is done over a four-year period of time, and there is an update from the Public Service. I'd be happy to share that with Councillor Smith and he can share that with Mr. Honey but we are making progress, but it always was over a four-year period of time.

Mr. Speaker: That's it? Council Vandal your first question.

Councillor Vandal: Mr. Speaker, you know Christmas is coming when the water rates are on the agenda. Four years ago, you pledged to completely eliminate transfers from water and sewer revenue to general revenue. Since that time, there has been $133 million transferred from water and sewer to general revenue and once the Public Works Committee report is approved this afternoon, there will be $148 million transferred from water and sewer to general revenue. My question is why do you continue to transfer funds from water and sewer revenues to general revenue when rates continue to rise?

Mr. Speaker: Mr. Mayor?

Mayor Katz: Mr. Speaker as Councillor Vandal is aware of, I moved the motion supported on the floor of Council that transfers no longer take place. That was to become effective 2009, and that is exactly what is taking place.

Mr. Speaker: Your second question Councillor.

Councillor Vandal: Mr. Speaker my question is why put off till tomorrow what you can do today? There's $14 million of transfers that we're going to be discussing in a few minutes. Why put off till tomorrow what you can do today.

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, we're not putting off anything. The motion came before Council. It's a motion of Council. I think that Councillor Vandal is very much aware of the fact that Council is supreme, not the Mayor. That was the vote, that's what we're moving on. I can also remind Councillor Vandal that although there has been this criticism from him, for ten years when he was there, there was no action whatsoever. At least I can stand before you and say we took action.

Mr. Speaker: Your final question.

Councillor Vandal: In the last four years, rates have risen 46%. With another 2.7 it will be 48 point something percent if the report is approved. Do you not think Winnipeggers are paying enough for their water without gouging them on the transfers?

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, as Councillor Vandal is aware of, in the past there have been 32% increases. Councillor Vandal supported those. It's unfortunate but sometimes that is what happens in a society of democracy. When there is a cost of doing something, that cost is passed on. No one is being gouged. For the first time, Mr. Speaker, we have corrected something and it was yours truly with this Council that made things right and took action. Others did absolutely nothing.

Mr. Speaker: Thank you. Councillor O'Shaughnessy your first question.

Councillor O'Shaughnessy: It'll be just one. Mr. Mayor, I think rise something that has…that Councillor Smith's question

brought to the front of my mind. As I believe that the only thing worse than the lack of progress on synchronizing our lights has been the lack of reporting to the public and members of Council what meagre progress has been made in the area. Will you forward to not just Councillor Smith but all members of Council, this report on the progress of our lights synchronization?

Mr. Speaker: Mr. Mayor?

Mayor Katz: Councillor O'Shaughnessy, I would be more than happy to provide all members of Council with the report as far as all the future streets that are being synchronized as well as the total amount of money that is being spent. I'm sure we can move very quickly here because we've eliminated red tape, and get it done by tomorrow.

Mr. Speaker: Thank you. Your second question Councillor O'Shaughnessy.

Councillor O'Shaughnessy: Part of the same question again. Would you also report to Council on the synchronization that has taken place to date since we started this program?

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, through you to Councillor O'Shaughnessy, It would be my pleasure to do so.

Mr. Speaker: Councillor Nordman your first question.

Councillor Nordman: Mr. Mayor, last month the Vancouver Organizing Committee for the Olympic Games requested that the City of Winnipeg consider participating in the 2010 Torch Run. Can you advise us where that's at?

Mr. Speaker: Mr. Mayor?

Mayor Katz: Mr. Speaker, through you to Councillor Nordman, as you know that was referred to the budget process. We are moving forward on that. There will be an event planned here, hopefully at The Forks assuming the weather isn't too ridiculously cold. They are looking at alternative sites. We are working with staff from the Public Service. I can't give you…my memory is that it would be no more than a hundred thousand dollars. We're of the opinion that we can probably do it for less than that. That's what I know as we speak today.

Mr. Speaker: Councillor Wyatt your first question.

Councillor Wyatt: Yeah. Actually I'd like to ask my question, Mr. Speaker, which has been a matter we've done in the past through the Mayor to his representative on the Capital Region, or directly to the Mayor, Councillor Steeves or to the Mayor.

In December 14th, 05 we passed an Inner Municipal Shared Services Expression of Interest process, and we required the CAO, we directed the CAO upon the completion of the expression of interest process recommend a pilot project or pilot projects for shared services agreements. I noticed we have some of the municipalities in the gallery today. I know there is at least one municipality which we've been in negotiations with. Are we close to having a pilot project proposal or agreement coming back from at least one of those municipalities, the municipality of West St. Paul in particular? Where are we at on that for this Council to consider that matter? Either the Mayor or the chair of the Capital Region?

Mr. Speaker: Mr. Mayor?

Mayor Katz: Mr. Speaker, I'll give Councillor Steeves a break, I'll answer. My pleasure. Councillor Wyatt is absolutely correct. There were several responses from the Capital Region. I can tell Councillor Wyatt through you that both our administration along with administration from the Capital Region have been working together, have been sharing information so we can see exactly what this is all about. I can also tell you that one of the key topics that came into being is how there has to be some communication, some dialogue on future planning. No one is here to tell anybody what to do, but everybody was looking for input. I believe those dialogues have

been moving forward fairly well from what I understand, and I believe there is at least another meeting to be coming up in the very near future. I know as a result of what we discussed today, with exploring the possibility of a strategic partner, that you know, we weren't sure how that would come into play. I know that members of the Capital Region have asked us if we can consider moving that forward and if something does happen then that it could be part of that process. So I can tell you right now there has been very positive dialogue and it's still continuing.

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

Councillor Vandal: Yes Mr. Speaker, to the Mayor. Now that the corporate utility is moving forward I'm asking if you can commit to this Council that there will be public consultation with Winnipeggers on the merits of the corporate utility plan.

Mr. Speaker: Mr. Mayor?

Mayor Katz: Mr. Speaker just for clarification, I assume that what Councillor Vandal is moving…is implying that we're moving forward on the idea to explore whether we can find a strategic partner. If we don't find a strategic partner then we're back to the drawing board. If we do find a strategic partner, there is very little…there is no doubt that there will be public input. I believe that there is a process in place right now, whether it's through A.S.D., with the unions, there will be a process and there will be public input.

Mr. Speaker: Thank you. No further questions Councillors? I have a Motion No. 4 here, a late arrival. A motion by Councillor Pagtakhan, seconded by Mayor Katz. This is Executive Policy Committee, that's automatic referral, so just for the record.

EXECUTIVE POLICY COMMITTEE MOTIONS

Motion No. 4
Moved by Councillor Pagtakhan,
Seconded by Mayor Katz,
WHEREAS the City of Winnipeg has been a long time tri-level partner with the Winnipeg Housing & Homelessness Initiative since 2000;

AND WHEREAS there is a strong need for more affordable housing in Winnipeg;

THEREFORE BE IT RESOLVED that the Winnipeg Housing Steering Committee request the Winnipeg Public Service to explore innovative best practices (such as inclusionary zoning, density bonuses, secondary suite policy, etc.) to encourage the development of more affordable housing in Winnipeg.

Mr. Speaker: Okay, Standing Policy Committee on Downtown Development. Councillor Pagtakhan, report of October 27th, 2008.

REPORT OF THE STANDING POLICY COMMITTEE ON DOWNTOWN DEVELOPMENT DATED OCTOBER 27, 2008

Councillor Pagtakhan: Mr. Speaker, it's my pleasure to move the Downtown Development report of October 27, 2008, Items 1 to 3, Consent Agenda Items 1 to 3.

Mr. Speaker: All in favour? Contrary? Carried

REPORT OF THE STANDING POLICY COMMITTEE ON DOWNTOWN DEVELOPMENT DATED NOVEMBER 7, 2008

Councillor Pagtakhan: Mr. Speaker, I'd like to move the report of November 7, Consent Agenda Items Numbered 1 and 2.

Mr. Speaker: All in favour? Contrary? Carried

Motions, none. By-laws, none. Question period? None.

REPORT OF THE STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT DATED OCTOBER 28, 2008

Councillor Fielding: Okay, Mr. Speaker, I'll move the report of October 28, 2008, and also advise that Item No. 5 has been laid over through Executive Policy Committee for 30 days. And I'd like to introduce and move the adoption of Consent Agenda 1 through 4, and 6 through 8.

Mr. Speaker: All in favour? Contrary? Carried

STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT CONSIDERATION OF BY-LAWS

Councillor Fielding: I'd also like to move that the By-laws be read a first time, By-law 160/2008, 161, 162, 168, 169, 170, 171, and 172.

Mr. Speaker: Thank you. We didn't have any motions, so by-laws read out by Councillor Fielding. All in favour? Contrary? Carried.

Clerk: By-laws Numbered 160/2008, 161/2008, 162/2008, 168/2008, 169/2008, 170/2008, 171/2008 and 172/2008.

Councillor Fielding: Okay Mr. Speaker, I'd like to move that the By-laws Numbered 160 through 162, both inclusive, and 168 to 172, both inclusive, be read a second time.

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

Clerk: By-laws Numbered 160/2008 to 162/2008, both inclusive, and 168/2008 to 172/2008, both inclusive.

Councillor Fielding: Okay Mr. Speaker, I'd like to move that the rules be suspended and By-laws Numbered 160 through 162, both inclusive, and 168 through 172, both inclusive, be read a third time and that same be passed and ordered for signed and sealed.

Mr. Speaker: All in favour? Contrary? Carried. Questions. Councillor Vandal your first question.

STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT QUESTION PERIOD

Councillor Vandal: First of all, through you to Councillor Fielding, congratulations on the appointment. I know you'll do an excellent job. My question is relating to Plan Winnipeg. I believe the last Plan was adopted in 2001, eight years ago. Can you share with this Council when we will be discussing Plan Winnipeg in these chambers with the public.

Mr. Speaker: Councillor Fielding?

Councillor Fielding: Thank you Councillor Vandal. . As we know through our Charter, Plan Winnipeg is to be reviewed every five years or so, and of course in 2007 we launched parts of that process including the Downtown Housing Strategy and (inaudible) lands. The City is in the latter stages of developing the process and in the next number of weeks you will, we'll see some more information as it regards to that.

Mr. Speaker: Second question Councillor?

Councillor Vandal: So, just so there's nothing lost in translation, we will be discussing Plan Winnipeg in the next couple of weeks.

Mr. Speaker: Councillor Fielding?

Councillor Fielding: We'll be launching the initial stages of the process, and there will be public consultation throughout the process, but over the next number of weeks you will find out more information as we go forward, and that's an opportunity for the public to have a say as well as Councillors in terms of their involvement.

Mr. Speaker: Councillor Swandel, your first question.

Councillor Swandel: Thank you Mr. Speaker. Just further to what Councillor

Vandal was asking, I'm just wondering if you can inform us if we've received full funding from the Province of Manitoba yet for, in regards to their…what we believe should be their commitment to good planning process for Plan Winnipeg.

Councillor Fielding: We have received some funding, I don't think to the level that we need and we'll be assessing that as we further go on, but the level of funding that we have talked about has not been received so far to the City. There has been a commitment of some funding, but as we move forward, that's something that we'll be discussing obviously with the Province and possibly through the budgetary process.

Mr. Speaker: Your second question, Councillor Swandel.

Councillor Swandel: Does that mean that we are shortening up the scope of work that we're doing if we have not received as much funding as we'd requested from the Province or will we be continuing with the same scope of work or are we still negotiating with the Province?

Mr. Speaker: Councillor Fielding?

Councillor Fielding: Well I think the money that's on the table is the money that's on the table. As we move forward it's the City's position that we believe we want it fully funded in that respect, but I think that is a bone of contention to a certain extent. Once again the Province has committed some money. The full amount that's needed for the process is not on the table, but is something that we need to finalize.

Mr. Speaker: No further questions? Standing Policy Committee Protection and Community Service Report of November 10th of 2008. Councillor Steeves.

REPORT OF THE STANDING POLICY COMMITTEE ON PROTECTION AND COMMUNITY SERVICES DATED NOVEMBER 10, 2008

Councillor Steeves: Thank you Mr. Speaker. I'll introduce report and move adoption of Consent Agenda Items 1 and 2.

Mr. Speaker: All in favour? Contrary? Carried. Motions none. Consideration of by-laws, Councillor Steeves.

**STANDING POLICY COMMITTEE ON PROTECTION AND COMMUNITY SERVICES
CONSIDERATION OF BY-LAWS**

Councillor Steeves: By-law No. 176 be read a first time.

Mr. Speaker: Hang on. There is a motion here. That's automatic referral. Motion Number 3.

**STANDING POLICY COMMITTEE ON PROTECTION AND COMMUNITY SERVICES
MOTIONS**

**Motion No. 3
Moved by Councillor Vandal,
Seconded by Councillor Thomas,**

WHEREAS free wireless internet services can contribute to the economic and educational vitality of a city as well as offer a competitive advantage for Winnipeg over other cities;

AND WHEREAS all citizen services offered at Winnipeg public libraries should be offered to Winnipeggers at no cost;

AND WHEREAS there is currently an hourly charge for wireless internet at all Winnipeg public libraries;

AND WHEREAS the current wireless Internet service in libraries has never been discussed at a committee of Council;

THEREFORE BE IT RESOLVED THAT beginning in 2009 wireless internet services be provided free of charge to patrons of the Winnipeg Public libraries.

**STANDING POLICY COMMITTEE ON PROTECTION AND COMMUNITY SERVICES
CONSIDERATION OF BY-LAWS
(continued)**

Mr. Speaker: Okay Councillor Steeves moved the by-laws. All in favour? Contrary? Carried. Mr. Clerk.

Clerk: By-law No. 176/2008.

Mr. Speaker: Councillor Steeves.

Councillor Steeves: I'll move that By-law No. 176/2008 be read a second time.

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

Clerk: By-law No. 176/2008.

Councillor Swandel: You don't want to be recorded in Hansard.

Councillor Steeves: I'll move the rule be suspended, and By-law No. 176/2008 be read a third time, and same be passed and ordered to be signed and sealed.

Mr. Speaker: All in favour? Contrary? Carried. Question period. None. Councillor Thomas I want to thank you for that motion that I overlooked. Motion No. 3.

**REPORT OF THE STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS
DATED NOVEMBER 4, 2008**

Mr. Speaker: Perhaps, because Councillor Clement is not present, who is going to do it? Councillor Swandel?

Councillor Swandel: Perhaps in Councillor Clement's absence I will move Items 1 and 2.

Mr. Speaker: All in favour? Contrary? Carried. Two? Councillor Swandel?

**Item 2 - 2009 Water and Sewer Utility Rates
File WW-2.3**

Councillor Swandel: Mr. Speaker, I'll wait to hear what the Councillors or others have to say on the matter and I'll give a brief closing as best I can while representing Councillor Clement.

Mr. Speaker: Councillor Vandal.

Councillor Vandal: Thank you Councillor Clement…I mean…Councillor Swandel.

Mr. Speaker, I want to speak briefly on the water issue because it's front and centre in the last little while, and essentially, I want to try to deconstruct the myth that all water increases are because of the exorbitant waste water improvement that we've been commissioned to undertake by the Clean Environment Commission.

The report says two points. There will be an increase in sewer rates of 2.7% for 2009, which will bring in approximately $6 million. This is…this will bring the actual percentage of increases in the last four or five years up to approximately 48% for Winnipeggers, and I'm one who says that, that does not make any sense. While we've been increasing rates 48% we've transferred approximately $150 million into general revenue to pay for all sorts of pet projects, including business tax cuts. So something to consider as we move forward, asking for a 1% sales tax. We're increasing the fees 2.7%. We're going to collect $6 million while at the same time we're transferring $14 million to general revenue. Now the $14 million, and boys and girls I'm asking you to turn to page…no page number. Transfers. It's under the section "Transfers to the General Revenue Fund and Infrastructure Renewal Project" "In 2009, the sewer utility will transfer an estimated $13.9 million"…I say 14…"to fully support the tax-supported land drainage and flood control program". Now the translation to that, what that really means is we're paying for the maintenance of our retention basins in areas such as Southdale, Island Lake, Sage Creek, Royalwood, Linden Ridge, Linden Woods,

and much of that is going to pay interest, but essentially it's a charge that shouldn't be paid for by the taxpayer and instead we're transferring $14 million from water and sewer revenue, despite the fact that we are increasing fees another 2.7%. The point I'm making, Mr. Speaker, is that water rates are not the reason for the huge water rate increases, are not solely dictated by our infrastructure challenges, but our practice of transferring from water and sewer to general revenue.

Mr. Speaker, I have an idea. I know it's a novel idea. Let's give citizens of Winnipeg a break. Let's not increase their fees 2.7% this year, and instead of transferring $14 million to general revenue, let's just transfer $8 million to general revenue and then let's find the difference, $6 million, from some other account within the City of Winnipeg or let's take it out of our $300 million we have stashed away in different reserve funds. The point I'm making is that the 2.7% increase to Winnipeggers is avoidable. We know…I know that Mayor Katz made this a political promise four years ago to end transfers. Supposedly we're going to end them next year, and as I said to Mayor Katz a few seconds ago, why wait till tomorrow what you can do today. So let's vote against this. Let's transfer $8 million to general revenue instead of 14. Let's keep our water and sewer revenues flat for '09. Lord knows our residents deserve a break and let's find $6 million somewhere else in one of the reserves that we have. Now I know our new Fiscal chair, Councillor Swandel, will be up to the challenge of putting a plan together and I know that finding $6 million somewhere else shouldn't be a problem given our reserves, the reserve situation that we have.

That's the only point I wanted to make Mr. Speaker. I'm not going to be supporting this because I don't think a 2.7% increase for Winnipeggers is warranted in '09.

Mr. Speaker: Councillor O'Shaughnessy.

Councillor O'Shaughnessy: Might I suggest Mr. Speaker that Winnipeggers who are very ingenious people can lower their water bills by more than 2.7%. I don't think there is one out there who can't. We had a water shortage, we only have one bill, it's a water and sewer bill, and people call it their water bill. When we had a water shortage in the late 80's, early 90's, and we were going to have to build a twin aqueduct to the one we have, our then Mayor, Bill Norrie, got on to the media through television, radio and in print media interviews, said that Winnipeggers should pitch in and help because it would be years till we could get this built. Water consumption in Winnipeg dropped by about 50% in 24 hours. It has never gone back up. We were suppose to have this new aqueduct in operation by now. We're not near capacity and we're not being told we have to build a new one at this point.

One, low flow shower head. One, two-stage flush toilet. A number of other things individually can cut back water consumption which is an exact correlation to sewer consumption, because we charge our sewer rates on water usage not on sewer usage. We don't have meters on sewers. Any one of those suggestions, and many others, can lower fees by 2.7%. We are mandated by the Province of Manitoba to upgrade our sewer treatment system by somewhere between one and a half and $2 billion by the time it's done. If people don't think this is going to result in increased costs, they're living in Neverland. 2.7% is needed. It is minimal and none of this money is being brought on to create any further waste. Hopefully there'll be economies, if the main clause today we passed earlier is followed up on, but believe me, this is absolutely necessary and it is not something to be fooled around with. We have not increased people's taxes since the 1990's. We are doing a very judicious job and it ain't broke, don't play with it.

Mr. Speaker: Thank you Councillor. Councillor Swandel, do you want to close?

Councillor Swandel: Thank you, it would be my pleasure to close on this. Just so everybody's aware, 2.7% increase this year is actually a decrease from what the projection was suppose to be for this year. We've been very fortunate in a

couple of areas with some changes in scope of work required as a result of the Clean Environment Commission recommendations. You'll see it in the projections going forward. We're also looking at a decrease in our projections for next year, so, you know, we're putting forward here for citizens is absolutely something that is an improvement on what we've put forward in the past, and you know while it's…you know, I totally agree with Councillor Vandal that nobody should have to live with 42% increases over the period of time that we've had to live with it. The reality of life is that due to the environmental regulations and conditions that have been put on us, the licensing requirements that have been put on us, that's the reality of the day, but I'd just like to read something out from our press release that just came out. It has to do with "Major Credit Rating Agencies Re-affirm City of Winnipeg's Credit Rating. Moody's Investment Services observes that Winnipeg's use of effective budgeting techniques has led to a series of strong fiscal performances and an improved fiscal position. The Moody's report also notes that Winnipeg possesses strong governance and management structures, including prudent financial systems and policies for both debt and cash management." What we are putting forwarded here today, Mr. Speaker, is prudent financial policy. While, you know, we may be able to do as Councillor Vandal suggests, I don't think now is the time to be looking at raiding reserves for something that is really just a shifting of between tax supported and utilities of where work is done and where financing happens. This has actually shifted a couple of times through the history of the City where the money comes from and where the work is done. In this particular piece, as Councillor Vandal states, is the land drainage piece. This piece will be gone from the budget as the sewer and water piece in 2009, so I have no problem you know saying to Council that the report that's in front of us today is fiscally prudent, it's responsible and it is an improvement on what we were projecting…citizens were going to be dealing with when we brought this report forward last year.

Mr. Speaker: Thank you. Ready for Item No. 2? All in favour? All in favour? Opposed? Councillors Wyatt…I mean Councillor Vandal, Thomas and Smith. You've got that? Motions. Councillor Swandel.

Councillor Swandel: We have no motions. By-laws?

Mr. Speaker: No, no motions. By-laws.

**STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS
CONSIDERATION OF BY-LAWS**

Councillor Swandel: Councillor Clement would be pleased to move, but I am pleased to move the following by-laws be read a first time. By-law No. 173/2008, By-law No. 174/2008, By-law No. 175/2008.

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

Clerk: By-laws Numbered 173/2008, 174/2008, and 175/2008.

Councillor Swandel: Mr. Speaker, I'm pleased to move that By-laws Numbered 173 to 175/2008, both inclusive, be read a second time.

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

Clerk: By-laws Numbered 173/2008 to 175/2008, both inclusive.

Councillor Swandel: Mr. Speaker I'm pleased to move that the rule be suspended and By-laws Numbered 173/2008 to 175/2008, both inclusive, be read a third time and that same be passed in order to be signed and sealed.

Mr. Speaker: All in favour? Contrary? Carried. Question period. None. Standing Policy Committee on Finance, report of November 6, 2008, Councillor Swandel you're up again.

REPORT OF THE STANDING POLICY COMMITTEE ON FINANCE DATED NOVEMBER 6, 2008

Councillor Swandel: We were going to move a motion to move all infrastructure projects out of Charleswood but we'll step away from that. I'm pleased to move, introduce the report, move adoption of Consent Agenda Items 1 and 2.

Mr. Speaker: 1 and 2, all in favour? Oh Councillor Vandal. Which one? Number 1.

Councillor Swandel: Ah, Councillor Vandal's fire station. Maybe I'll just…by way of introduction I think through the process we thanked Councillor Vandal for bringing this forward. We were made aware that there is an ongoing review and I'll listen to the comments and comment further.

Mr. Speaker: Councillor before we do that on No. 2, Item No. 2. All in favour? Contrary? Carried. Okay now, Item 1 Councillor Vandal.

Item 1 - New Fire Station in the Southeast Quadrant of Winnipeg File GF-1

Councillor Vandal: Item 1, yes, I appeared at Fiscal Issues or Finance to discuss this and really clarification as to time lines. This is an issue that is a concern yesterday in terms of response times. Average response times are four minutes in the City and across Canada. Average response times for the southeast quadrant of the City are eight minutes in the Sage Creek, Island Lakes, Royalwood area.

My question to Councillor Swandel is the existing review process, what are the time lines for bringing this back and will this be a part of the '09 Capital Budget deliberations?

Mr. Speaker: Councillor Swandel.

Councillor Swandel: I realize this isn't question period, but just in response. In closing, yeah, thank you Councillor. In closing, the response times that Councillor Vandal refers to as eight minutes are actually based on two events in the last year. The City wide response times that we look at in other parts of the City are based on a far greater number of events. Having said that, we all agree that the eight minute response time, whether it's an average of two events or greater number of events, is something that we should be improving on.

As for the time lines, what I've been told is it is very close to coming forward. I would assume that that will be included in the Capital Budget process. I know there is some monies in there. I don't want to go too far right now, we haven't tabled that budget and I can't say specifically that it is for this particular project, but the report coming from administration talking about the rationalization of police or fire facilities around the City, including the ones that Councillor Vandal is alluding to, will be forthcoming I would say in the next 30 to 60 days.

Mr. Speaker: Councillor Wyatt.

Councillor Wyatt: Yes, I want to rise…

Councillor Swandel: That was closing. I was closing.

Mr. Speaker: I know it was, Councillor I'm sorry, but I missed Councillor Wyatt.

Councillor Swandel: What?

Mr. Speaker: I missed Councillor Wyatt. He had his hand up before. Yeah, let him speak.

Councillor Wyatt: You can speak again. Mr. Speaker, I want to support the initiative led by Councillor Vandal. I think there is no doubt that eight minute response time is absolutely unacceptable. I think this is an example, Mr. Speaker, of where we have to do a lot more work in terms of new suburban development, where we approve suburban development and yet there is obviously services, whether it be police, whether it be libraries, and in this case fire, as examples. There is no doubt we need sustainable funding. I know that the City had previously talked about the concept

of having impost fees, for example, to pay for capital costs like this, Mr. Speaker, and it was the development community resisted it and pushed back but the reality is, Mr. Speaker, these new areas are demanding services or require services where an eight minute response time is unacceptable and we have to make this a priority, Mr. Speaker, because this is involving the safety of our citizens where one neighbourhood has one standard and the other neighbourhoods of the City have completely different standards is not acceptable. So I strongly support the fact that we need to put these dollars in place and we should be finding a source of revenue, whether it be impost fee or some other source to pay to ensure that these new communities are paying their share towards establishing these services. Thank you.

Mr. Speaker: Thank you. Councillor Swandel.

Councillor Swandel: I have nothing further to say on this Mr. Speaker.

Mr. Speaker: Now you close. Item 1, All in favour? Contrary? Carried. Motions? None. No by-laws. Question period. No questions. Councillor Swandel moves adjournment. All in favour? Contrary? Carried. Okay, roll call. Roll call. Councillors. Roll call.

ROLL CALL

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

Council adjourned at 3:53 p.m.