COUNCIL OF THE CITY OF WINNIPEG
Tuesday, March 24, 2009

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 Smith.

ROLL CALL

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

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

Mr. Speaker: Thank you. Notice of the meeting to be read.

Pursuant to Section 79(1) of The City of Winnipeg Charter, the City Clerk was directed by His Worship Mayor Katz to arrange a special meeting of Council on this day, ***Tuesday March 24, 2009,*** *at 9:30 a.m. to consider the 2009 Preliminary Operating Budget.*

Mr. Speaker: No Pages. Delegations. Councillor Fielding.

DELEGATIONS

Councillor Fielding: Mr. Speaker, I'd like to make a motion to suspend the rules to allow Mr. Peter Holle of the Frontier Centre, to speak in favour of the 2009 Operating Budget.

Mr. Speaker: Councillors (inaudible), he'll have five minutes. All in favour? Contrary? Carried.

Colin Craig on behalf of the Canadian Taxpayers Association. Mr. Craig, you're present. You're speaking in support of the Report of the Executive Policy Committee?

Colin Craig: I'm speaking in favour of the budget.

Mr. Speaker: Okay. Go ahead. You have ten minutes.

Colin Craig: Thank you.

Good morning and thank you for the opportunity to speak here today. As many of you are aware, the Canadian Taxpayers Federation is a non-profit, non-partisan organization that advocates for lower taxes, less waste and more accountability in government. It is a pleasure to speak here in favour of Budget 2009.

When the C.T.F. met with Mayor Katz this past February, the top two items on our wish list were to extend the property tax freeze for the 12th consecutive year and to deliver business tax relief, and we are extremely pleased to see action on both of our top two recommendations. As you are all aware, the global slow down is upon us, and although Winnipeg has weathered the slow down better than most other jurisdictions, there certainly are individuals and companies in Winnipeg that have been hurt by the current situation. Now, more than ever it is especially important to keep the burden on taxpayers as low as possible. After all, the lower the tax burden the more resources businesses have to do what they do best, which is drive our economy. Every dollar in the till of a business is a dollar that can be used to hire workers, retain employees, expand or in some cases, avoid bankruptcy. On a similar note, every dollar that stays in the pockets of John and Jane, residential property tax payer, is a dollar that they can use to help offset the loss of income from a family who may have…family member who may have lost his or her job, to support a local business or even start up a new one.

What can't be ignored is the fact that unlike income taxes, property taxes must be paid whether you have lost your job or received a wage cut. While economists are split when it comes to the effectiveness of government stimulus spending during an economic slow down, few, if any, will recommend increasing taxes to help economic recovery. After

all, lower taxes help stimulate growth, not higher taxes.

As you can imagine, supporters of the Canadian Taxpayers Federation are pleased to see both business tax relief and a property tax freeze in 2009. Council deserves credit for eleven consecutive property tax freeze budgets and the potential for a twelfth with the passage of the document before us today. It's a remarkable feat, especially given so many other Canadian cities have decided to take the easy way out and simply raise taxes. It's also incredible that year after year, City Hall continues to finds efficiencies and areas for improvement. As Council demonstrated in 2008, 2007, 2006 and other years, there certainly are more efficiencies to be had. As the Economic Opportunity Commission report demonstrated, there's certainly more work to be done.

This past year, millions were found in reserve accounts and an entire administrative division was eliminated and low and behold, a boat tour service was discovered and sunk. As Council looks for efficiencies in 2009, the Canadian Taxpayers Federation will continue to put forward other ideas for Council to consider. However, today should be about celebration. The proposed property tax freeze and business tax relief will definitely help businesses and residential property taxpayers weather the economic slow down.

In Mayor Katz's State of the City speech on January 29, 2009, he stated his goal was to continue the property tax freeze. The Canadian Taxpayers Federation responded in a news release that if the freeze continues, the Mayor should give himself the key to the City. Well, today we thought we would have a bit of fun and recognize the efforts of Mayor Katz and those around the Council table that are committed to a property tax freeze and the business tax relief contained within the document. So today I have with me a symbolic key to the City which I would like to provide to Mayor Katz and others following the discussion this morning. As I mentioned, we're a non-profit organization so the symbol of our appreciation for this document isn't much but, we would like to thank you for your hard work, and we look forward to following Council matters as they unfold in 2009.

Mr. Speaker: Thank you. There is a question. Councillor Smith your first question.

Councillor Smith: You know, are you at all concerned about the cuts in services that we've experienced, and will experience more with this?

Colin Craig: Specifically which cuts in services?

Councillor Smith: Well, there's cuts…

Mr. Speaker: Harvey, please stand.

Councillor Smith: There's cuts in services all over the place. Like it's…you just have to walk in the inner city and see the cuts in services.

Colin Craig: You know, I'm....I'm not sure what cuts because you know, I haven't received a specific example but I think if you look back, funding for the City's core services that I think every member of Council would agree to, Police, Fire, those types of core City services, road repair, that's gone up each and every year. If there's a cut to something like a boat tour service for running people up and down the Red River, then I think that would be a positive thing because Council should be focused on the services for which cities should be delivering, so....

Mr. Speaker: Your second question, Councillor?

Councillor Smith: Well, you know, there's so many cuts in services, like recreational programming cuts. You know, when you cut staff you cut services. Do you not agree?

Colin Craig: Again, I'm wondering what specific program it is that you're talking about that's received a cut. You know, if anything, we saw, I think it was last week or the week before, the City announced it was going to provide free internet

services to individuals at public libraries. To me, that's an increase in services and one which I think would be reasonable to charge a user fee for receiving that service. You know, if you'd like to provide me with an example of a cut in particular, then you know, I could probably better respond to it, but a general statement that there's been cuts to services is a little difficult to respond to.

Councillor Smith: Recreational programs.

Mr. Speaker: We're getting into a debate here. Councillor Smith do you have a third question? Final question? Okay, thank you. Councillor Gerbasi your first question.

Councillor Gerbasi: In supporting a freeze in taxes, obviously the money has to come from somewhere at a certain point. Do you support full cost recovery for all City services?

Mr. Speaker: Mr. Craig.

Colin Craig: I think that wherever possible there should be user fees for the services that citizens are demanding. Obviously the money does have to come from somewhere but I think that there are more opportunities for finding efficiencies. I mean, that's what the Economic Opportunity Commission report noted. There's other examples out there of… where, you know, the City could continue to develop creative partnerships with other organizations. You know, throughout the City you have public libraries located meters away from schools which also have libraries. In downtown Vancouver they've got a great example where the local school board worked with City Council and they have a library in the school that's available to the public and to the students in the school. So what they've been able to do is have one building to maintain, one electricity bill to pay, one heating bill, probably less staff, the resources can be shared and used by more citizens. So that's a very positive, creative area for finding efficiencies and I think that the City could look at that in other areas. The City of Winnipeg has a volunteer ban right now. There's a lot of services for which citizens are banned from engaging in that they could otherwise deliver, you know. You're probably not going to have a volunteer policeman but there is no reason why you can't have someone volunteer at the local library, volunteer to put books back on the shelves. If you go to most elementary schools around the City, you have parents who come in and volunteer to help put books back on the shelves, repair books, do all kinds of services like that and right now, because of union agreements, the City won't allow it. So I think there's all kinds of areas where the City can continue to look for efficiencies and improve on it's services.

Mr. Speaker: Your second question, Councillor.

Councillor Gerbasi: Yes, thank you. I think we all agree that, you know, there can always be some efficiencies. The amount of money we're needing is getting fairly high and we obviously can't meet that simply by those efficiencies, so obviously we have to…we've been raising user fees to counter act the property tax freeze and eating inflation every year. Do you…are you not concerned about the cost of those user fees for citizens? You only seem concerned about the cost of property taxes and I guess it seems to me user fees also come out of the taxpayers pocket, just in a different way and some of those are very low income people. I'm just wondering, are you concerned about that at all?

Colin Craig: And you're right, you definitely do have to look at user fees, too. A user fee should be set up so that it helps pay for the service for which the user is using. In some cases, I think the user fees are significantly higher than what they should be. For example, the community club that's located near where I live, has to pay about 800 or $900 a year for health inspection certificates. But meanwhile, the health inspector comes out and spends about an hour a year there, so $800 for one hour of service is certainly a lot. It's a pretty punitive user fee. And so I think that if the user fee is equal to the service that the person is receiving, then I think that's appropriate.

Areas where you see service…or user fee increases for the sake of raising revenue to the City, I think that's a misguided approach.

Mr. Speaker: Your final question, Councillor.

Councillor Gerbasi: Thank you, Mr. Speaker. I know you're pretty keen on reducing our middle management staff and our professional staff. Does it concern you that we've created three new Deputy C.A.O. positions, high management staff at high-paid levels that weren't there before? Does that concern you in terms of fiscal responsibility?

Colin Craig: I think at the end of the day you need to look at the results that are delivered. So it may be more appropriate to look following the end of this year to see what type of results are delivered by those positions and others.

Mr. Speaker: Councillor Swandel your first question.

Councillor Swandel: Thank you, Mr. Speaker. Thank you, Mr. Craig, for showing up today. It's good to see some people showing up at City Hall to talk about as important a document as our Operating Budget.

You get the sense here that people, there is a belief that there is some kind of a cut to services. In reality what we've done is we've put forward a budget that we believe that we can hold the line on core services or perhaps look at adjustments in places where, you know, we shouldn't be in the business, or we're not doing a very good job of it at improving it. And we have a service-based budget which allows people to do a good comparative analysis on services from year to year, and I encourage my colleagues to take a look at that as I'm sure the Taxpayers Federation will be.

But we do have some issues when it comes to revenues in years ahead. We know that we're going to have some issues with topping up pensions, going back up to our maximum contribution level as we've been forced to not make the maximum contribution by some Federal legislation, and now as a result of investment, issues over the last year or so, that is going to be an issue in our 2010 and 2011 budget. And so here we sit with the lowest property taxes of major cities in the country, but still, proportionally one of the higher…

Mr. Speaker: Councillor. Councillor your question.

Councillor Swandel: …proportionally one of the higher of our budget. That's what I'm getting to right now. Just watching the clock to make sure I use up all the time Mr. Speaker. I learned this from my colleagues.

Mr. Speaker: He is the one that is suppose to use up his time, not you.

Councillor Swandel: My question is, if you don't like taxation, what forms of revenue, when you have to find 20, 30, $40 million to deal with new issues that come to a City, do the Taxpayers Federation prefer?

Colin Craig: Well thank you for the question and for running down the clock a little bit.

Mr. Speaker: Now you can finish it.

Colin Craig: Our organization's name is the Canadian Taxpayers Federation, not the Canadian Anarchist Association. I say that rather candidly. We don't believe that there should be no taxation. The taxation levels have to be reasonable, they have to be competitive, they need to be there to provide core government services. So there is definitely a need for taxation in Winnipeg. The levels have to be appropriate and in…I think it's probably fair to say that at some point, the property tax freeze will have to end. But you know, we would look to areas where the City could get out of certain services such as owning and operating golf courses, that's one example. You know, we noted earlier this year, the City was operating a boat tour service. We don't believe that's a core function for which tax dollars should be diverted from fixing roads to, you know, subsidizing people to

go up and down the Red River. I think that as the Economic Opportunity Commission report noted, there's other areas for savings, looking at contracting out certain services and forming partnerships with non-profit groups as well as the private sector. The City could look at its salaries and in some cases they're significantly higher than in the private sector. There's a number of different areas to look at to find savings and I think that's where Council could find opportunities to help pay for the pension liabilities that are forthcoming.

Mr. Speaker: Your time has expired. Thank you Mr. Craig.

Colin Craig: Thank you.

Mr. Speaker: The next delegation is Dave Angus, President and CEO of Winnipeg Chamber of Commerce, also in support of Item 1. Mr. Angus? Mr. Angus you have five minutes.

Dave Angus: Thank you, very much. I don't have a key to give. I could give you my pin but I know you have 50 of them already.

Ladies and gentlemen, my name is…first of all your Worship, City Council, members of the administration, my name is Dave Angus and the President of the Winnipeg Chamber of Commerce. I represent an organization that represents over 2,050 member organizations, small, medium and large, all different sectors, and in our partnership with Plan Winnipeg, and our engagement with our members, I can't tell you how enthusiastic the business community is across the board, and how everyone is committed to creating jobs and opportunities here in Winnipeg, and are committed to contributing to the success of Winnipeg. I'm very, very optimistic about our future as a city, and that is why I'm here today to throw our support behind this Operating Budget, because we believe it is something absolutely worth supporting and it's an important one at this very challenging time, within our economy.

I commend Council and administration for doing the tough work of putting in and proposing another freeze on property tax. It's important for that to be the objective every single year, because it forces us to focus on our priorities, it focuses us on finding efficiencies and better ways to do things, and that is a healthy process. And nobody is under the illusion that we can do that forever, but the objective has to be there and to accomplish it through this Operating Budget we certainly commend you.

There's a number of principles that the Chamber believes is important that need to be reflected in an Operating Budget, and one lens that we look at is always how does it instill business confidence? The timing of the small business tax credit could not be better, taking 3,800 businesses, the smallest of the small, off the business tax rolls will go a long way to helping those businesses grow and to employ people. The vast majority of new hires within this city is hired by small businesses, and for one-third of them, not to be faced with that money, and I can guarantee you, as we saw when we went out to that one small business out in Fort Garry, that every single dollar will be reinvested back into their business, back into the people, back into new technology, back into their ability to be able to compete and be able to grow. That is a huge step forward, and sends not only a strong message to small businesses that are affected, but sends a strong message to the business community at a time when that message is so needed. So, I commend Council for moving forward.

But I want to spend a couple of minutes just talking about where we go from here because I think it's very important for us to do that, and I think as part of Plan Winnipeg, what we'd like to see as we move forward, is for us to start talking about our long term tax strategy, because we do need to come to grips with where property taxes is going to go over, say, the next five years. Where we're going to go on business tax. How we're going to shift reliance away from property tax which is far too high, to more of a diversified model, where user fees are going and how we can have an accountable transparent system of user fees directly related to the services that

we get. We think the time is now for that discussion and that discussion should happen with the other levels of government. The Provincial Government needs to come to the floor with a comprehensive long-term strategy in terms of how we can accomplish the objectives that we have as a city and that they have as well. And so we think the time is great for that discussion.

We also think that we need to put to bed the discussion around efficiencies. Not that we're done because we're never done, but we need a mechanism and a system in place to assure ourselves that we're constantly looking at more efficient, effective ways to provide government, so the citizens of Winnipeg have assurance that if property taxes do go up, that at the very least we have a mechanism in place that we're constantly looking at more efficient, effective ways to go.

We embrace the Economic Opportunity Commission report. We commend you for approving it. We participated in its discussion and we think it provides a great template and starting point and foundation for a commission on efficiencies, which is a partnership between Council, administration, and community stakeholders in a comprehensive discussion of how we can move forward on some of the recommendations in specific areas that we can find efficiencies, whether it's contracting out, whether it's partnerships or whether, frankly, it's an elimination of a low priority so that we can properly invest in higher priorities.

We also believe, and we're on record with this as part of our Reinventing Civic Government report, that we would like to see the Alternative Service Delivery Committee become a full Standing Committee underlining the importance of this particular matter, receiving public delegations, with an accountable, measurable output of finding efficiencies on behalf of government.

And we believe that every draft budget should have a target for efficiencies as well.

Let's put the mechanisms in place to assure that on an on-going basis, we are providing the most efficient government, providing value for dollar for our citizens for their hard-working citizens, that provide dollars to Council and to the City in order to invest wisely, and then let's develop a long term tax strategy that all of our citizens can endorse.

In conclusion I want to commend Council and the administration for delivering this budget during very difficult economic times. This will go a very, very long way and we enthusiastically support its approval.

Mr. Speaker: Thank you Mr. Angus. First question, Councillor Wyatt.

Councillor Wyatt: Thank you for your presentation, Mr. Angus. Last week, the Saskatchewan government, I don't know if you're aware, announced that they were going to hand over the equivalent of 1% to municipalities of their sales tax.

Dave Angus: Right.

Councillor Wyatt: .9 this year, 90% this year and the last 10% next year, the equivalent of 213 million more in funding at 24% increase in funding for municipalities. What is the Chamber specifically doing to lobby the Provincial Government to address the challenge we're facing today with regards to funding?

Dave Angus: Well in the meeting with the Minister of Finance last week, as we discussed the upcoming budget which is tomorrow, but more importantly as we move forward, we focused on the civic piece, and we absolutely support the notion of the Provincial Government dedicating 1% as we supported the notion of the Federal Government dedicating 1% of G.S.T. to municipalities as well. The long term solution for municipalities is consumption tax revenue flowing, because it's the most purest form of growth tax, tied to the economy, flowing to municipalities, to fund a delivered, long term infrastructure strategy. That will eventually happen, I am convinced. We can either do it now proactively so we can

address our infrastructure needs, or it will happen when things implode. So let's hope we don't get to that point. We absolutely support that. We're on record with the Minister of Finance, and we'd look forward to working with City Council to lobby whatever level to pursue that solution.

Mr. Speaker: Your second question, Councillor Wyatt.

Councillor Wyatt: Thank you. Three weeks ago Premier Wall stood up at a S.U.M.A. Convention and told municipalities that by the time you get into your municipal offices, your cheques will have arrived, $100 million more per capita funding for municipalities permanently, over a hundred million for infrastructure, no strings attached. That's on top of the 1%. What is the Chamber doing to lobby the Province for more infrastructure funding for municipalities?

Dave Angus: Well, as part of our submission again in this particular budget, we made strong recommendations on the expenditure side that it should be focused on infrastructure investment. We need to leverage the monies that are currently available through the Federal stimulus package. We need to make sure, and part of it is, I think that hopefully through this process we're going to be much more efficient at delivering infrastructure projects in a timely fashion than we were in the past. But hopefully through this process, we'll have more money flowing to cities because there's just more focus on infrastructure investment. So we do support increased infrastructure investment. What is key, what is absolutely important, Councillor Wyatt, because we've seen the challenges we've had in the past when we're not aligned, we need alignment between the Provincial Government and the City government in terms of priorities. Priorities on projects. We had alignment on CentrePort as an example. We came together around specific infrastructure investments there. But it is critically important for us, particularly when we're dealing with the Federal Government, that we are aligned behind a long-term infrastructure strategy in partnership with the Province.

Mr. Speaker: your final question, Councillor? Councillor Gerbasi your first question.

Councillor Gerbasi: Thank you, Mr. Speaker. Thank you, Dave, for coming down and speaking to us.

I know you seem pretty happy with this budget but are you concerned at all that the projected shortfall next year is 56.5 million and that the next year it's 79.5 million, and that there's $11.5 million in this budget that we are voting on today without even really even knowing if the Province is coming through with the money there. Is this really…can you really honestly say this is fiscally sustainable? I hear you mention some different approaches we can do in the future to show leadership in becoming fiscally sustainable but right now we're voting on a budget today and I want to know if the Chamber of Commerce thinks that this budget we're voting on right now with the tax freeze for twelve years is fiscally sustainable?

Dave Angus: Yes, we do. Do I think the current state of affairs is fiscally sustainable on a go forward basis? Absolutely not. I don't think any municipalities' budget is sustainable as we move forward. Things have to change. We're not going to address our fiscal issues alone, and you know, I've often said that we have a dysfunctional fiscal framework in this country. The cities go hat in hand to Provinces who go hat in hand to the Federal Government, not necessarily in context of what the most pressing priorities are for the citizens, which may well be the responsibility of civic governments. So, no, it's not sustainable on a go forward basis. I support this budget because we're in tough economic times and it's not the time to be increasing taxes, it just isn't. And if you don't have to, if you can find efficiencies within your government to do so that is the right thing to do. But we have got to start planning forward collaboratively with other levels of government, taking a look at the mix of revenues and find ways to be sustainable and that's exactly the reason why we want to have a more robust effort on

efficiencies. We can kind of assume that things are running efficiency and we assume that there's areas for improvement. We need a system that is constantly looking at it with accountability that provides more of a public view, so we need both. We need to find those efficiencies and we need a whole new revenue model in municipal government. We need to start that discussion today. But this budget is a good budget for this time, no question.

Mr. Speaker: Your second question Councillor.

Councillor Gerbasi: But considering, I agree with a lot of what you're saying but considering that we don't have those new revenues right now and we're voting on a budget right now, is it fiscally responsible when every other city practically in Canada and even small municipalities in Manitoba, are having at least inflationary, mostly large tax increases. We won't even have an inflationary one and what about the big hit that the next Council's going to get? Is that…we are dealing with this today and we don't have those changes you're talking about. So do you really think it's right for us to just ignore that until everything is magically solved in the next few years?

Dave Angus: Well, but we need a budget, Councillor Gerbasi. We need a budget and we have one that we can vote on and yes, absolutely, I agree with you in terms of a sense of urgency to make sure on a go-forward basis we're deal with the shortfalls that we're going to be facing. But it's not…nothing's going to be accomplished by holding back this particular budget to try and deal that through. We need other levels of government on it. I get frustrated as I'm sure you do in terms of timing. We have to take a bit of a flier in terms of the Provincial Government investment in this budget. We need a long term more sustainable, more certain and transparent arrangement with other levels of government so that it allows you to do some long-term planning, which isn't currently the case. There's a lot of work to do, needs to start tomorrow, but we need to pass this budget today.

Mr. Speaker: Councillor Swandel your first question.

Councillor Swandel: Thank you, Mr. Speaker. Just listening to Councillor Gerbasi's questions I thought it would be important to ask you a couple of more pointed question about budgets. Are you aware that the City does maintain significant stabilization reserves to deal with any anomalies that come along?

Dave Angus: Yup, absolutely.

Councillor Swandel: Are you aware that this year's budget exceeds both on the revenue and the spending side, exceeds inflation?

Dave Angus: I'm aware of that.

Councillor Swandel: Are you aware that our snow reserve is going from zero to approximately $6 million and we have a permit reserve of about $1.8 million to deal with what could be issues on the permit side?

Dave Angus: I'll take your word for it, Councillor.

Councillor Swandel: Thank you.

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

Councillor O'Shaughnessy: Thank you, Mr. Speaker and Mr. Angus, thank you for coming down. I'd like to ask you three questions but I'll wrap them all in one as they are parts a, b and c of the same matter, and they start with Councillor Gerbasi's forecast for shortfalls in the years to come.

And on that I would say, are you aware that those first blush figures quoted which come from our administration and Susan Thompson's last year as Mayor, those first blush figures for that year were for a shortfall in excess of $50 million, that we cut no services and didn't raise taxes this year, that three years ago those first blush figures were a shortfall of $52 million, and that we didn't raise taxes here and didn't cut any services, and that the figures quoted for the future are once

again, put everything out that could probably happen before you so that the Councillors have something to work with?

Mr. Speaker: Mr. Angus.

Dave Angus: Well that's what's healthy about this process. I mean, we project deficits going in and then you have…and then the hard work begins. And it is healthy for a city to have to make tough decisions and it's healthy for a city to say you know what, the top two priorities for our citizens are fire and police. We need to invest in those and we need to take a look at lower priorities and not provide those. That is healthy for a city. And during those times of Susan Thompson's day when we were freezes and during Glen Murray's when we were reducing and through this time as well, any public survey that I've seen in terms of satisfaction for services, has been extremely high, so it is not fair to say that if you find efficiencies you're cutting levels of service. The staff of the City of Winnipeg, we should all be very proud of them. They provide yeoman service to the City of Winnipeg and we can continue to find efficiencies and continue to provide stellar service and that's exactly what we're doing.

Mr. Speaker: Thank you. Thank you Mr. Angus. The next delegation is Peter Holle. Where is he? Mr. Holle, you have five minutes.

Peter Holle: Thanks very much for giving me five minutes today to talk about today's budget. I run the Frontier Centre for Public Policy. One of our areas is looking at high performance government and high performance cities. We have put together a very extensive data base of financial indicators of Canadian cities or 79 cities that is available on line, and a few days ago we released a short little description which I have copies of it here for you. And what it does show is a good news story that in fact Winnipeg does have low property taxes.

When I got into the think tank world about twelve years ago, I was at a C. D. Howe meeting in Toronto and a professor took be aside and showed me some confidential numbers that he had done in his research and Winnipeg was an out-lyre. It was by far, had the highest property taxes. And so, what the story is, is that it's a good news story that today, Winnipeg has become very competitive and I would urge the Council to continue on track with keeping your taxes competitive. I don't think there is a lot of reason to raise them because there are several other ways to deal with tough times in city government. If you remember, the discussion with Glen Murray about property taxes encouraging scrawl, we subscribed to that. There are smarter ways to raise revenue if you need to do that. What our figures are showing and again, you can find these on line, is that there is tremendous room to raise user fees here in Winnipeg if you need to. Things like garbage collection fees. Certainly there is a strong public policy case for doing that. We also, if you recall, some of you I think Harvey you'll remember this, way back when, ten years ago we brought in a union leader from Indianapolis and that video is still available on line if you would like, and it was a fabulous story, showing a union that was in fact competing with private vendors and the union had done very well by that model, and it's a system called Manage Competition, and what I would throw out is that if you look at innovative, sort of third way models like that, you will find that there is a lot of efficiencies to be found, and those efficiencies can be win/win efficiencies that you can share with both the citizens/taxpayer and also the union and the workforce.

There is a statistic which you can find out there in the literature, that if you take spending envelopes and you expose it to a competitive process, that you can save 30 to 40%, and I would suggest that if you looked very carefully through your budget, that you could find areas where you could expose services to a competitive process and again, I understand the Winnipeg culture and you know, accommodating the unions. I think the unions can benefit by creative models and again that's the story going back to the Indianapolis story which I suggest you go look at on our web site.

If you start taking that figure of 30% and applying it to your budget, I think you can find substantial monies for efficiencies and the end result is I don't think there is a strong case to raise property taxes.

I do agree that there should be more support from senior levels of government, and in this item that I can circulate, Winnipeg again has shown to be a city government that is getting among the least transfer from a senior government compared to other cities, so certainly there is a case to have money come from the Province towards the City of Winnipeg. We believe at Frontier in sort of packaging large scale reforms, and what we would throw out is that you should be pushing the Provincial Government to harmonize the G.S.T. and the P.S.T., and in that mix, take 1% and allocate it on a per capita basis to the cities.

You could go farther and you could wrap that reform into some other public policy like reforming equalization, but I think I'm out of time.

Mr. Speaker: Mr. Holle, there is a question. Councillor Swandel your first question.

Councillor Swandel: Thank you, Mr. Speaker. You mentioned that Winnipeg has some of the lowest property taxes or low property taxes was I believe the way you put it. Do you have any information on the service levels that are delivered in the City of Winnipeg relative to other cities?

Peter Holle: This model here doesn't…it's just financial data so it's looking at taxes, user fees. That is a very difficult thing to find so I can't really answer that. My own experience is that I'm very impressed with the level of service that I get in my ward in St. James, but I can't answer specifically. I know for example the snow removal and that, Winnipeg is probably the best serviced city in Canada.

Mr. Speaker: Your second question, Councillor.

Councillor Swandel: Basically my next question was going to be a follow-up to that, asking if it would surprise you to know that we have among the highest service levels when it comes to citizens' priorities or taxpayers' priorities and I think you've already answered that.

One other question I have for you, you mentioned other levels of government as a funding source for cities. I asked Dave Angus a question about…or maybe it was Colin Craig. What other funding sources do you prefer as opposed to property taxes, as a better way of generating revenues for cities?

Peter Holle: Well number 1, I would look at again efficiencies and savings from new delivery models, number 1. User fees, things like garbage collection fees are one that you can also justify in terms of being green and encouraging people to be…to conserve. So, and then you have things like hotel taxes, these are pretty straightforward in other cities. Again, the model that we have, there is a…there will be a discussion of user fees. What is showing, the graph that I have here, comparing five major prairie cities is that, for example, Saskatoon on a per capita basis has twice the level of user fees that we do. So again, it would indicate to me that you have lots of room on the user fee front to be creative and look for more resources.

Again, I think property taxes, if you are someone who doesn't like urban sprawl, property taxes actually encourage urban sprawl. If you look around the city core and you see all these parking lots, very clearly there's an incentive for people to knock down buildings to lower their taxes. And so, again, I think higher property taxes, there's other implications. It's not a smart tax.

Mr. Speaker: That's it? No further questions? Mr. Holle, thank you.

Mr. Nick Ternette in opposition to Item 1 of the Report of the Executive Policy Committee. Mr. Ternette you have ten minutes.

Nick Ternette: Mr. Speaker, Mayor Sam Katz and members of City Council. This year, there was again not even a minimal attempt to involve the public in shaping the 2009 Operating Budget (inaudible) other years under former Mayors Susan Thompson and Glen Murray, when there were at least attempts to involve citizens during this process. As I have pointed out before and I will continue to do, under Susan Thompson, consultations included all day workshops including representatives from neighbourhoods, businesses, seniors, unions and students. Mayor Glen Murray held town hall meetings across the City where citizens were invited to give their ideas of what they felt the Operating Budget should include, and may I remind City Council that the Provincial Government has expanded their citizen participation during the last few years during the development of the Provincial budget which is coming down pretty soon where members of the N.D.P. Caucus have travelled across the Province asking citizens what they think should be included in the budget. And this year, even the Progressive Conservatives are having public meetings, asking the citizens of Winnipeg what they think of the N.D.P. Budget.

Now, Mayor Sam Katz has adopted, as I also argued the notion that the City should be run like a business. At the last Executive Policy Committee meeting, representatives made a case and challenged me saying he does not run the City like a business. But how is he running the City? How many citizens would go to a public meeting about the budget and understand the documents in front of them? And what would happen if we followed Councillor O'Shaughnessy's suggestion that there be no public representation at meetings? If it weren't for our citizens, those of us representing no one in this case but ourselves, authoritarianism would replace democracy. Not only have I pointed this out consistently throughout the years, but the City Auditor himself has said that the budget process is flawed.

In regards to my…in regards to the lack of vision, I would like to point out that when president Obama recently introduced his budget, he clearly indicated that the budget isn't just a bunch of figures, but that a budget is a vision of the kind of direction that the United States must move forward. So I was hoping that in the City, in the preamble to the 2009 budget which is where the principles and philosophies of what the budget is about are suppose to be contained, would focus on the future direction that Winnipeg is going to take. Unfortunately, except for the extension of the Aboriginal Youth Strategy and the development of the new official Plan Winnipeg, which will outline the future of the next 25 years for Winnipeg, nothing of significance is included in that preamble.

In regards to Plan Winnipeg which is important, very important, it says that it will focus on keeping the City sustainable. The word sustainable, very important. But gives no hint on how it's to be achieved. For example, Winnipeg C.A.O. Glen Laubenstein's comment recently that city planners are beginning to understand the connection between personal happiness and urban design. Is that going to be included in a discussion of the sustainability of the future of Winnipeg or not? Nothing is stated in that fact.

It is doubtful if you look at it, and (inaudible) the City's 2009 Operating Budget qualifies as a real budget because of uncertainties over revenues and expenditures. This budget lacks fiscal sustainability and is extremely short-sighted in one way that I will talk about.

Property tax freezes for the past twelve years. Not this year, not last year, for the twelve years, and in fact, three of the six years that Glen Murray was Mayor, there was in decrease in property tax which I pointed out at the EPC meeting Mayor Katz had to admit. On the one hand it relies on one-time money from reserve funds and surpluses cannot be replaced in order to balance the budget in the future. And that's what I'm talking about. It is projecting, as I said, a deficit of $56.5 million in 2010 and a $79 million deficit in 2011, and that is what I'm concerned about. There is no suggestion in the budget of how the City will make up those

deficits. But the fact is that Winnipeg runs the risk of either being hit with a major, shocking increase in property taxes or huge service cuts in 2010 or 2011, because this budget is supposed to be a projection for a three-year period not just for this year. This approach is not only socially unsustainable but fiscally irresponsible.

And then again, picking up on what Peter Holle said and others, I suggested that again there is no recognition of a kind of a new deal. I'm not talking about Glen Murray's deal but I'm talking about a new deal by the City of Winnipeg, by recognizing…and I think this is…I will refer to both Mr. Angus' comments and Mr. Holle…that cities cannot continue to finance themselves by property and business taxes alone in the 21st century.

At the EPC meeting, Mayor Katz responded to me by saying that I knew very well that every new deal negotiation so far has failed, but yet he implied that the City hasn't given up on the concept but I say regardless, that concept should have been included in the budget in terms that there is going to be serious effort of doing it. In my opinion, I go much further than anybody else, that cities must be recognized constitutionally as independent entities with their own taxing powers, not excluding having a portion of income tax going to the cities. 80% of people live in the urban areas, and that's going to be in the next five to ten years, it's going to be 90% as people move into the urban areas, so there must be a better fiscal arrangement made between the Federal, Provincial and municipal governments. There's no mention in the budget of the City receiving even a greater portion of the gas tax even though that was finally negotiated from the Federal Government, and there is nothing about V.L.T. revenues from the Provincial Government, for example. And there is nothing about removing education taxes on the property tax bill. Not surprisingly, school board trustees that ran in the recent by-election in March have suggested that the education taxes should be removed from the City property tax bill and be paid by the Provincial Government.

Now, Councillor Swandel raised an Interesting point at the EPC meeting where the school board should be able to raise their own finances or should everything be paid by the Provincial Government? Quite bluntly, in my position because I am a decentralized person and a socialist, and if I believe that cities should be able to fund themselves through income tax, I think that school boards should be able to raise their own finances just as the City does.

It seems to me that Mayor Katz and Executive Policy Committee are relying on the fact that maintaining a property tax freeze and providing tax relief to 30,800 businesses is good enough to satisfy the average citizen, in spite of the fact that significant cuts in services, not as some people have argued in this budget or in the last budget, have occurred over the past twelve years. These cuts have included, as I have argued and I changed my view when I looked it up, that there were fewer buses today on the road than there were in 1986, even though suburban sprawl has grown and we have far more transportation needs and far more people living than in 1986. That is one issue that Mayor Katz had to admit that there has been a cut in that sense. There are less buses on the road today in 2009 than there were in 1986. And what I've also said…now Mayor Katz legitimately pointed out there have been increases in some services in the last few years to which I responded that those increased services were not actual increases. If you look at the totality of the picture, not in terms of one or two years but simply whether these twelve years of tax cuts or maintaining the property tax freeze or even cuts, were simply making up for the cuts in the first place, because when you have small little cuts over twelve years, ultimately you have to replace those cuts to balance it at the level that you wanted and then you can talk about additional services. So we're not talking about one year or even two year budget or this year's budget, we're talking about a twelve year budget of constantly maintaining. In the long run, I believe these cuts in that sense will have an impact on decisions that the leadership will be forced to make after the

2010 election and 2011, whether to significantly decrease services or increase property taxes, unless a new deal of some form is negotiated with the Province and the Federal Government to provide additional funding just like we talked about the Saskatchewan government giving sales tax, which I also support fully. If that happened and you got another hundred million dollars from the Provincial Government here as compared with the N.D.P…with the Provincial Government of Saskatchewan, then I can see that you can maintain your property tax freeze for a period of time. But to be bluntly, I don't see Mr. Doer moving one inch in that direction whatsoever. Thank you very much.

Mr. Speaker: Thank you Mr. Ternette. Councillor Swandel you have the first question.

Councillor Swandel: Thank you. I just wanted you to clarify something, Nick. You say there is less buses. Do you know if there are less bus seats?

Nick Ternette: Oh yes. In fact there are less bus seats…Mr. Speaker, sorry. There are in fact, because if you look at the newer buses, if you look at the newer buses and there are replacements and there are newer buses, they seat about 15 to 20 people less than the ones in 1986. You know why? Because they're low floor buses and these low-floor buses allow my wife who is a disabled person in a wheelchair. The wheelchair takes that, or baby carriages, and we have many baby carriages on there, so in fact the seating capacity is also lower now because these newer buses are built for smaller size in order to allow baby carriages and wheelchairs to go on.

Mr. Speaker: Your second question, Councillor.

Councillor Swandel: Thank you, Mr. Speaker.

I suppose you're aware that we've made a number of changes and improvements in the transit system so we actually now move more people with better access to the transit with smaller buses being far more sustainable and appreciative of the environment around us, and at the same time, delivering a better service.

Nick Ternette: Mr. Speaker I am not arguing about some of the increases. We are very pleased. In fact I have been involved with the transit people and consultants are looking at the smart card thing which I think is a damn good idea in terms of the future direction of transit. That isn't the issue. The issue is we have a far bigger population base in 2009 and far more people using transit now, especially in the economic hardship of the recession that we have, than we've ever had since 1986. The highest level of rider ship previously was 1986 and we had at least 35 to 40 more buses. I can't even quote it. It's 569 to 525 approximately, today, that we have (inaudible), and I've talked to transit drivers and what else, and they keep saying we have longer routes, far longer routes, far more people, and the amount of standing room only and whatever else is…it's not acceptable.

Mr. Speaker: No further questions? Thank you, Mr. Ternette.

That is the…that is all the delegations that we have had. Now to get in the report of March 19 Executive Policy Committee, Mr. Mayor.

REPORT OF THE
EXECUTIVE POLICY COMMITTEE
DATED MARCH 19, 2009

Item 1 - 2009 Operating Budget – 2010 and 2011 Preliminary Financial Plans
eFile FE(2009)

Mayor Katz: Thank you, Mr. Speaker. Mr. Speaker, what I hope to do with your blessings today is a very short preamble and then turn it over to the Chair of Finance.

First of all Mr. Speaker, I would very much like to thank Executive Policy Committee members along with everyone in Corporate Finance for the many hours, the grueling hours they've put in on this budget process. I also want to thank the delegations that came forward here today, and a special thanks to the Chair

of Finance. We all know that this is a very difficult budget process in this global economic uncertainty, and contrary to what anybody thinks, Mr. Speaker, no city is immune to what's going on right now. This most definitely has been a long process, but it has resulted in a budget that has no property tax increase, a twelfth year of freeze or cuts in our property taxes.

The budget does look at a three-year review. There is no question that we show significant shortfalls in future years, and we've already said that much more work has to be done. We require continuing Provincial negotiations, innovation, as well as fiscal restraint. Just a short note, Mr. Speaker, on the business tax, overall business tax revenue has been frozen. We have introduced the small business tax credit. It will be funded by tax growth and also the lifting of the 15% phase-in. The small business tax credit program will amount to approximately $2.5 million. It will impact 3,865 businesses who have an annual rental value of less than $14,040. As well as Mr. Speaker, we have the Aboriginal Youth Strategy. There's been a commitment of $3 million over the next three years.

With that, Mr. Speaker, I would like to let the Chair of Finance introduce the budget.

Mr. Speaker: Councillor Swandel.

Councillor Swandel: Thank you Mr. Speaker. Indeed it's a pleasure to rise today with the 2009 Operating Budget in front of us. We know that we have a budget that holds the line on property taxes for the twelfth year. You saw through some of the delegation process the conversation or debate about what our can -- are appropriate revenues for the city and where should the City of Winnipeg be looking for revenue growth and it seems we're all in agreement that property taxes is not the place to go.

You know, I think it's heartening we're all having a conversation about the need to bring new revenue in, the difference that may fall is where that revenue should come from. So we're holding the line on property taxes. We are also holding the line, our net number on business tax and create being the small business tax credit, which I believe takes about 3,000 of the smallest businesses in the City of Winnipeg, off of the…well off the business tax rolls, but creates a credit that all but eliminates the business tax this year for those small businesses in these difficult times.

We know we have revenues coming from increased fees and charges that was a report that's been approved and is reflected in the budget.

We have some additional revenues, we're anticipating and hopefully we'll see an announcement in the near future for part of this of $1.9 million in sponsorship advertising and revenue initiatives.

Once again, we were able to transfer, I believe, about 8 million…$7.9 million to our stabilization reserves which we try to maintain at 10% of the previous year's Operating Budget, or the surplus going above the stabilization reserve requirement was 7.9 million which comes into the 2009 budget to help us deal with offsetting any need for a property tax increase.

We've also, you will see, the elimination of the transfers of funds from the levees or from the utilities, from the sewer and water utilities. It's something that we've worked over the last few years to eliminate those transfers and you will see them all but eliminated in this budget.

You will also see the elimination of some of the transfers that we were doing at the special operating agencies. Historically we've been taking dividends from those agencies, creating some debt in those agencies. That was not necessarily the best business practice. Those special operating agencies were to be bottom-line driven and to be operated like a business. We are becoming closer to operating them like businesses with these new practices. And you will see that reflected as a decrease in revenue in this year's Operating Budget.

On the expenditure side, you know, the new spending is directed at citizens' priorities. Quite a significant amount of it is going to police and fire and salaries that…salary increases that are required to continue to meet the needs in police and fire for the citizens of Winnipeg.

You will see an increase in the transit grant subsidy of about $4.7 million.

You see the 311 contact centre launched and included in the budget. We have that line that seems to come up as discussion from some of my colleagues of $11.5 million of new revenues and operating efficiencies and I'm thankful that we have a C.A.O. that is confident, that comes forward and says to Executive Policy Committee, I'm confident in these numbers. We are continuing to work with the Province. We are anticipating some further funding from the Province, and our C.A.O. is also confident that he can find efficiencies within our organization to meet these numbers without affecting front-line services, and of course services that all our citizens rely on.

And so, you know, the balanced budget came as a result of a number of initiatives. The stabilization reserve transfers of $7.9 million which is money that is in excess of the 10 percent that we try and maintain there. We also had a $1.1 million reduction in assessment appeal refunds as a result of this being the last year on the assessment cycle. We anticipate that there will be a smaller amount of appeals; that anybody that would have appealed by now should have already appealed, so we were able to move $1.1 million, or reduce the cost in appeals refunds by $1.1 million. Of course we have the $11.5 million that I mentioned before. We have $3.7 million coming in from the land operating reserve. This is somewhere that the City's been quite aggressive with in dealing with what real estate we need, what real estate we don't need. We've been involved in some joint ventures with some private developers, and we've been able to bolster that reserve quite significantly and we are confident that moving $3.7 million from that reserve to offset any need for a tax increase is an appropriate thing to do at this time. And as I mentioned before, $1.9 million in sponsorship revenue is anticipated this year.

A few other, you know, quick points. We're going back again this year to what people had asked for last year. They wanted the service-based view, so we've got a document that is service-based. We were late getting it done last year but we put our focus on it this year. We were able to bring that forward. You can see the comparative analysis from year to year and in particular, taxpayers' priorities are…we see an improvement in those areas and the quality of life for citizens is easily reflected in the service-based look.

We also have some great news on the reserve side where in previous years we diminished our snow reserve to zero dollars basically. We now have that reserve back up to about $6 million through some surpluses from last year, an amount of money that we brought into the reserve last year, and another commitment this year. So, I think it is a approaching $6 million.

As was mentioned earlier on I think, Councillor O'Shaughnessy did a good job speaking to the out-years and what those numbers represent. As we move forward this year we're hoping to get an Operating Budget done much earlier. Getting it done much earlier may mean that we have to leave a little bit more ambiguity in some of the line items in the Current Budget, but we…in compressing the process…I say that because you don't…you're not as far along in your negotiations with the Province and you don't have an indication totally of what surpluses might be if you're trying to do your budget prior to the end of the year and you don't get to close everything out. So there may be, you know, some difficulty in how you state the budget but we will of course do as we usually do, back that up with our reserves and create some buffers in there.

But I think Councillor O'Shaughnessy's comments about what we had existing in previous years, as far as the out-years in the budget, were bang on. We know that we haven't totally vetted those numbers in

2010 and 2011. We are anticipating some good news in a couple of areas in those years, and hopefully by the time we get to tabling our 2010 budget, the 2011 number will be significantly reduced. I don't think you can ever totally reduce it because you're in a world of prediction, and you know, there is only so far we're willing to go out on a limb, and sort of be held to delivering in some of those areas.

A couple…it's been talked about, somebody mentioned earlier on the need to perhaps raise taxes relative to inflation and I think it's important to realize that this budget actually exceeds inflation both on the revenue side and on the expenditure side, and you know as I've mentioned several times throughout this presentation that we are secured and supported by our stabilized…stabilization reserves and we know the snow reserve is strong, stronger than it's ever been in the last several years and we also have a permit reserve. You know, in these economic times you don't know what is going to happen with permits. Normally looking at the first two months it looks like we're doing quite well and we're probably going to meet our targets or maybe exceed them for this year. If things continue the way they're going here in Winnipeg and we are very lucky to be where we are compared to some of the other cities in the country, but we do have $1.5 million or so in that reserve to help back up any hiccups that we might see in revenues there.

I look forward to hearing the comments from the rest of my colleagues and I will respond to those with closing remarks. Thank you.

Mr. Speaker: Thank you Mr. Deputy Speaker.

Councillor Gerbasi your motion number 1. Would you like to introduce it?

EXECUTIVE POLICY COMMITTEE MOTIONS

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

WHEREAS the Overview of Winnipeg Housing and Homelessness Initiative received by Council in January of 2008 demonstrated a significant financial benefit through increased neighborhood assessment values;

AND WHEREAS in 2008 the Winnipeg Housing Steering Committee recommended to the Executive Policy Committee that $2 million be allocated in the 2008 Operating Budget for housing initiatives as part of the Winnipeg Housing Homelessness Initiative;

AND WHEREAS funding for Housing Improvement Zones has remained frozen at approximately 1 million dollars for many years;

AND WHEREAS the impact of inflation, increased building and permit fees and going from 4 to 5 housing improvement zones has resulted in less funds available for real projects in the existing housing improvement zones;

AND WHEREAS there are several other inner city neighborhoods identified which intervention and would benefit greatly from investment in affordable housing;

THEREFORE BE IT RESOLVED THAT the funding in the 2009 Operating Budget targeted to the Housing Improvement Zones be increased from one million to two million and that the funding be taken from the appropriate Reserves as determined by the Public Service.

Councillor Gerbasi: Yes, certainly Mr. Speaker and I will be speaking later on, on the clause.

During the budget process there were many delegations who came to EPC to speak about the Winnipeg Housing and Homelessness Initiative and to request an increase in funding and unfortunately we didn't see representation here today with

the limit of two people, and I guess they felt they made their voices heard at Executive Policy Committee and Executive Policy Committee made their decision at that time not to increase funding for the housing programs. But I still thought I would put this motion forward for your consideration, because it's the right thing to do and because I think we do have a choice, we could make a further investment in our inner city or not, and I think that that needs to be on the public record.

I wish all of you were at EPC and heard the tales of the amazing community efforts that some of these non-profit groups are carrying out with fewer and fewer resources to try to rescue some of our struggling neighbourhoods. Housing funds for our inner city housing improvement areas have been frozen for several years at a million dollars. Now obviously I'm grateful they haven't been eliminated but they've remained at $1 million. This money is effectively shrinking for the existing housing improvement zones for a number of reasons. First of all we've increased the number of zones to five from four and so the same money must go further. Also the new cost recovery policies and increases in development and permit charges will diminish the resources available to non-profit housing groups. I wanted to express my approval as I did at EPC that there is a 10% discount for development and permit fees for development in the downtown area in that new policy. However, there is no allowance in the new fee policy for non-profit neighbourhood housing groups in the areas around the downtown area. So these new fee increases are going to hurt every one of those struggling housing projects that are trying to cobble together funding to create affordable housing.

Less neighbourhood improvements will happen as a result of that along with increases in construction costs that all development projects are facing. I would also point out that there are 14 neighbourhoods that need major assistance identified in the original analysis that created the different zones of the housing improvement zones and only five are currently funded. So obviously, there is so much more to do. We can't even begin to address these problems with the current envelope of funding.

And I also want to remind you of the benefits, the economic and financial benefits of our triple window housing partnerships. For our small investment, we've levered huge amounts of money from other levels of government as well as the private sector. Our investment is almost a token investment, and for us to increase it would be a huge impact.

At the beginning of 2008, an evaluation of the Winnipeg Housing and Homelessness Initiative showed that the investments in the inner city housing program was paying off in spades, with increasing assessment values and neighbourhood revitalization benefits. Well the next evaluation has been delayed until after this budget process. We know that these programs are very effective for supporting revitalization in our most challenged areas of our city. We know that the health of these vulnerable communities has an impact on the health of the city as a whole, and I'm talking financial health, social health, safety, all of those issues that cost us money when we don't deal with them. This is an investment. This is not a grant for charity. This is an investment that non-profit hard working community organizations take and turn into affordable housing that improve quality of life. That's what we're talking about.

The financial investment in these neighbourhoods makes financial sense as it affects the assessments directly but also makes social sense. Quality of life and safety are harder to measure but are also impacts of these investments. It's also true that without this support, recovering neighbourhoods could begin to decline and assessments could again drop and I'm sure none of us want to see that.

I also hope that you do not accept the notion that the City's participation is somehow not necessary and is some form of duplication of services provided by the Province and the Feds. These programs have worked so successfully

because of the three-way partnership with the City playing a limited but vital role. So, I'm asking today that you increase this worthwhile and necessary investment from 1 million to $2 million. Last year, the Housing Policy Steering Committee, led by Councillor Pagtakhan, requested this same level of increase. Unfortunately it was not approved.

The motion before you includes a funding source as we were required to do by City Clerks. So, we…this motion suggests that the funding be taken from the appropriate reserves as determined by the public service. If investing in our inner city housing program is a high enough priority for this Council, a way can be found to make this work.

I would also point out that for the first time in more than a decade, there was an alternative municipal budget put forward by the Canadian Centre for Policy Alternatives, and I hope members of Council have taken the time to review this alternative budget or listen to the C.C.P.A.'s presentation they made when they spoke to EPC. It's a thoughtful and thorough document and I urge you to be open to some of the ideas that make a lot of sense. This community-driven budget has a very different vision of the City than the Current Budget before us. It recommends increasing our investment in areas such as housing and inner city recreation. It also recommends some different approaches for increasing our revenue to balance that expenditure. For example, the alternative budget recommends inflationary increases to property tax as well as a tax on new suburban development that could be reinvested in the inner city.

So in closing, I urge you to support a significant investment in the Winnipeg Housing and Homelessness Initiative. It has been shown to be an investment worth making. Thank you, Mr. Speaker.

Mr. Speaker: Thank you Councillor Gerbasi. I'll take the speakers, speak to the motion, motion number 1 and also to the clause at the same time. Speakers list? Councillor Vandal, Councillor O'Shaughnessy, Councillor Fielding, Councillor Vandal.

Councillor Vandal: Thank you, Mr. Speaker. I will not be voting for this budget today because it is a budget which has faulty assumptions bordering on disingenuous. We'll continue our City of Winnipeg corporate brain drain, and is a budget which will do little to address our infrastructure deficit, and finally, it is a budget without vision, which will leave other councils worse off because of it.

Mr. Speaker, let me talk about disingenuous assumptions. How can the Mayor and Executive Committee really assert that if the Provincial Government do not give the City of Winnipeg another $15 million, there will be approximately 80 people laid off? The Mayor and Executive Committee further assert that by the way, the Public Service will absolutely not be affected in any negative way by these layoffs. Mr. Speaker, notwithstanding the fact that this Provincial Government has been extremely generous with this Council, via funding of firefighters and police officers, I believe this is simply a cheesy way of blaming the Province for layoffs, service reductions that are going to occur regardless. There is going to be casualties in this budget, Mr. Speaker, when it is passed and I believe those 80 staff are going to be some of the casualties. And I ask, Mr. Speaker, if the positions are that redundant and if there is absolutely no public effect to their layoffs, why in heaven's name would we ever keep them whether or not the Province chooses to give us another $15 million or not?

Mr. Speaker, I want to talk about the brain drain. There is over $15 million of operational efficiencies described in this budget. They were introduced to us at the Council seminar. They were talked about today in the journals, which is really a poor way of describing the elimination of close to 70 positions in our civic administration. We are told that there will be absolutely no public impact to these efficiencies which are really layoffs but in reality, we do know better. And we really don't know how many more Park Police scenarios which we will be discussing

tomorrow, will be there in 2009 when this budget manifests itself throughout the year.

Mr. Speaker, I want to talk about the list of positions that are going to be declared redundant. There are approximately 68, if not more. The Assessment and Taxation Department are going to be losing three full-time positions, Mr. Speaker. Assessment and Taxation is the cornerstone of our budget. The Operating Budgets, Capital Budgets, and those departments finance the services which our City of Winnipeg citizens value, given our checkered history and the troubles that we've had in the Assessment Department in the past, pre Mayor Katz. I would argue that this is a department that we need to support even more rather than cut backs. There are three people, full time positions leaving in the Audit Department. There are six people leaving in the City Clerk's Department. Mr. Speaker I'm not saying this because our City Clerks are here today, but I think I speak for Council when I say that this department is one of the most effective and efficient that delivers services not only to the politicians but to the public. In my prediction, that when these six people are laid off, one of the first casualties to go will be the recording of Hansard. And I know that Hansard is not that front line public service that people, average citizens value but I think it's an essential service to the good governance and principles of this municipal government. But if you check out Hansard today it was last recorded in August of 2008, seven months ago, whereas other levels of government have Hansard recorded the very same day. Mr. Speaker my prediction is Hansard will be a casualty of this budget.

There are 11 people leaving in the Community Service Department, a department that relays with the public on a daily basis. There are five people leaving Corporate Finance, nine people leaving Corporate Support Services, positions which are eliminated. Nine positions eliminated from Planning, Property and Development. Mr. Speaker, we know the reductions that have occurred to this department over the last five years. We know that this is a department that needs help in terms of human resource. This is a department that can make money for us if we get…if they get the Council support. And nine people will be leaving Planning, Property and Development. Eight people leaving the Public Works Department. Four Transit, and ten Water and Waste. Mr. Speaker, we are led to believe by the Mayor and Executive Committee that all of those efficiencies, layoffs, whatever you want to call them, could be avoided if the Province can come to the table with more money at one point in this process. I'm not sure if I buy that, Mr. Speaker and I don't know who around this table actually does.

Let's talk about infrastructure deficit, and can anyone really think of a worse year for the deterioration of our potholes, our back lanes, our streets, our sidewalks, our curbs, than this year? And quite frankly, Mr. Speaker, if you go back and compare dollar amounts spent today as opposed to dollar amounts spent ten years ago on services such as mowing, trimming, litter collection, playground maintenance, shrub bed maintenance, weeding, pruning, tree spraying, the spring cleanup which will be occurring very soon., I think you will see that we have fallen significantly behind on all of these services and once this budget is approved, we will continue to fall significantly behind.

The general consensus of the people that I talk to in my community is that in terms of infrastructure, infrastructure-wise, things are not getting better, things are getting worse.

Finally, Mr. Speaker, this is a budget which barely balances in 2009, thanks to I believe the generosity of the Provincial Government in dealing with our firefighters and our police services, and some of you may question that funding, but I can tell you, when I was Chair of Protection and Community Services ten years ago, that level of support from the Provincial Government was simply not there. I think we should be grateful for it because it allows us to support other services and other departments, and that's a good thing.

There is approximately $32 million in one-time funding to balance the budget, and that's something I think that is going to happen this year. I think we have reserves that are flushed and that's something that is very important to the balancing of this budget. But let us be clear, there is going to be huge damage in terms of the infrastructure deficit and the brain drain, the layoffs of our City of Winnipeg staff when this budget is passed. But it does balance.

What I find really uninspiring, Mr. Speaker, is what awaits us in 2010, in 2011. We have a projected deficit of $57 million in 2010. A projected deficit of $79 million in 2011. We have no new sources of revenue on the horizon. There has been a little talk of a new better deal for cities. I think what appears to be a new deal for cities today is that if we don't get another $15 million from the Provincial Government we're going to lay people off. I think we need a grander vision than that in dealing with the challenges facing the City of Winnipeg in the future, and I don't see that in the budget. I see no property tax increase for the next three years. I see our business tax, political promise to completely eliminate our business tax. I see an infrastructure deficit that's widening. I see services that all of our citizens want more of and I see no plan on how to finance those services.

Mr. Speaker, those are my comments. I believe that we as a City Council can do much, much better and I believe that Winnipeggers deserve better. Thank you.

Mr. Speaker: Thank you Councillor.

Councillors I would like to remind you, the information that I asked the Administration to provide to all members of Council of the impacted positions, which they did and I thank them for it, but be very careful. You cannot use any individual names, persons that may be impacted on this, under the F.I.P.P.A. legislation, that is something that we have to manage very well, and once again, through Glen Laubenstein and Mike Ruta, that the information provided to you, I asked them to provide it to you for information of the impact maybe in each of the departments, so be very careful when you, you know, please don't use any individual names.

The next to speak is Councillor Fielding.

Councillor Fielding: Thank you, Mr. Speaker. I rise today to support the 2009 Operating Budget. I'd first like to thank a number of our Administration for their hard work. Glen Laubenstein, Mike Ruta, Jo-Ann, Betty as well as Councillor Swandel who led us through the charge through this Operating Budget. And as I mentioned when I presented on the Capital Budget, this is the first budget that I've been a part of, kind of addressing some of the needs and being directly involved in it. I can tell you I learned a number of things throughout the process, and I also can tell you that there are numerous priorities, interests, as well as external factors that you need to take a look at when you are drafting a budget like this. One just needs to look at the amount of EPC delegations we had last week. I think it was in the neighbourhood of 28 different groups, 26 or 28 different groups that came to present their ideas of how we should be spending taxpayer dollars, and you know what? There was a lot of good ideas that were there, but unfortunately we cannot spend…we don't have all the money in the world to spend on these priorities and thus we need to make some tough decisions.

So for me, what this budget really boils down to, especially in these challenging, historical economic times, is keeping our tax environment competitive while giving tax relief to the smallest businesses here in the City of Winnipeg.

Now every year we look at the issues that are there. There seems to be very similar issues with infrastructure, with crime, with police, with water and waste, but one thing has dramatically changed over the last number of years, and that is the economy. What we witnessed over the last six months with really the melt down of the financial markets, the rising unemployment rates. You look at…you don't have to look as far as your retirement savings plans to know the troubles that we're in, or I think what is most important and most concerning is

the complete collapse of confidence I think in our financial system. If you look at what some of the captains of industry are saying, Warren Buffet I know has talked about this being an economic Pearl Harbour or that the economy has fallen off the cliff. You look at what some of the Executives, Steve Ballmer from Microsoft has said, that it's not a global downturn, but it's a global reset. So we know that the challenges we face are very much real here in the City of Winnipeg. What this means to me is that we're not dealing with just another budget. We need to start looking at how we are conducting business on behalf of the taxpayers and we need to deliver a budget that helps our citizens through these tough economic challenging times.

Now, there has been much talk over the last number of weeks from Councillors, from media pundits, from special interest groups, that suggest that it is now the time to raise property taxes. This is exactly the wrong time to talk about raising property taxes or digging into the pockets of our citizens. Governments across the globe, as well as the nation, are doing everything in their power to stimulate the economy, and create jobs. Jacking up taxes in recessionary times is not the answer to the challenges that we face for our citizens and government. Raising taxes acts as a disincentive to people spending more money in our economy and will counteract any stimulus that we're seeing in the global markets as well as the Federal level and the Provincial level hopefully later on, I guess it is tomorrow. This is an achievement…I'm very proud of the fact that we have been able to raise… or rather, to freeze property taxes for twelve consecutive years. I've been there for three years of it. People like Bill Clement, Councillor Clement deserve a lot of credit and the people that have been around the table. This really is an achievement that I think is unmatched by any Canadian city; I would suggest even North American city for that matter.

We don't need to look as far. I think some of the presenters talked about some of the other cities. Since 1999, I think the City of Winnipeg has reduced property taxes by 6%. If you look at what Edmonton has done, over 42% increase in property tax in that time period, Calgary, 37%, Saskatoon 34% and Vancouver, almost a 38% increase in their property taxes. As other cities continue to raise taxes we are becoming more competitive which will help our citizens and our businesses succeed, specifically in these times.

The tax freeze is something very much that our citizens support as well. In a recent media poll, close to 63% of people, residents of the City of Winnipeg, said they do not support an increase in property taxes.

Now I'm on the theme of becoming more competitive. We have made a lot more progress in terms of the business tax. This year, I was very excited to see that the City of Winnipeg was able to move even closer to the goal of eliminating the business tax.

A new small business tax credit, worth about $2.5 million, will ensure the smallest of Winnipeg businesses will receive support during this economic downturn. Some of the presenters have talked about this, but this is very important. One-third of businesses here in the City of Winnipeg, I think the number is 3,860 businesses, will be completely taken off the tax rolls. This is an initiative that is supported I think by some of the groups that have presented here today. The Chamber of Commerce, the Frontier Centre, as well as the Taxpayers Federation support this wholeheartedly. What is important about the small business tax credit is that the smallest businesses here in the City of Winnipeg will benefit the most. We know that these businesses are the one that are the most impacted by recessionary times. The largest businesses are affected as well by business tax, but I would make the argument that they're more concerned these days about the payroll tax, and as such we want to work on the smallest businesses before.

I think that Mayor Katz deserves a lot of credit for his action, and I can tell you, from someone who spent six months of my life coming up with solutions, there's no easy answers to this. I think the

Mayor took some criticism last year in terms of the business tax, some from yours truly even in terms of the aggressiveness of it, but I think this is very much a step in the right direction, and since 2004, we've cut business tax 20% across the board and as I mentioned, over 3,800 businesses, one-third of businesses were taken off the tax roll. The last three Mayors have promised this, and this Mayor has delivered it. My friends, this is a very, very important step, in my opinion, in helping businesses grow and expand and hopefully employ more Winnipeggers.

Public safety. The budget also delivers on our key priorities of public safety. Public safety is one of the top priorities not just for myself as Council, but for our citizens more importantly. Since 2006, we've put more officers on the street. We've tried new initiatives whether it be crime cameras or whether you look at things like crime stats to track and monitor crime, and all the focus I believe is starting to bear fruit. We've seen the crime numbers have gone down globally here in the City of Winnipeg. We've seen some very important success stories in terms of auto theft that have calmed down. So our priorities are starting to work but we need not to lose focus. We need to maintain that as a priority because there is much more work to be done. An economic…you know…the crime, public safety also ties in economic safety. If businesses are afraid that criminal elements are going to be coming around, they're going to be more fearful of going into areas, whether it be downtown or other areas.

Core service. Another important element in this budget is the commitment to maintaining core services. Core services is something that our citizens most definitely want to maintain, and I personally think that there still is more work to do on the non-core services level that we're looking at right now. The question I ask is should the City be delivering non-core services or is there room for the private sector and non-profit sector to pick up the slack? Another part of the core service model that I very much support is looking at cost recovery for permit inspection fees. If a service or an inspection…it costs a certain amount from the City of Winnipeg. Users are using these services that we should maintain a full cost recovery for. So I very much support it.

There are a number of other items in this budget. We talked about efficiencies.

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

Councillor Fielding: And to achieve our goals we have made some tough decisions on the expenditure side. No doubt about it. These include looking at how many managers we have on staff, and although the decisions are tough, I can tell you, they're the right thing to do and they'll make us a better, and leaner and more efficient government for our taxpayers and our citizens.

I was also very pleased to see money, being the Chair of Property, Planning and Development, looking at Plan Winnipeg. Plan Winnipeg of course has been the guiding document not just for planning, but also for development, and development of properties throughout the City of Winnipeg. A new plan is very much needed. The old plan was a good start but it wasn't flexible enough. We're debating a big new development tomorrow here in this Chamber, and I'll tell you a new Plan Winnipeg is something that can make us easy, can make us more flexible in terms of when new developments come up here in the City of Winnipeg. So I am very much excited to see these…this being a part of it.

In conclusion, and from my opinion this is very much a good news budget here in the City of Winnipeg. The twelve year tax freeze and the business tax credit program will make us more competitive as a city and will make our citizens stretch their dollars that much further in these tough economic times, so very much support this and I encourage all my colleagues here to support the document before us. Thank you very much, Mr. Speaker.

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

Councillor O'Shaughnessy: Thank you, Mr. Speaker. I guess I'll divide this in two parts. My good friend, Councillor Vandal got my blood boiling a little bit so I'm going to talk to a couple of his points before I get into my own rant. He started by saying that Assessment and Taxation are the cornerstones of our budget when of course these are support services. The cornerstones of our budget are police, fire and ambulance, garbage collection, snow clearing, libraries, community clubs, pools and playgrounds. And there are of course other front line services to one extent or another, but Assessment and Taxation are support services as are Finance, Clerks and Audit. I don't think there is nothing in here that says Hansard is going to take any longer. But you know what? Out of 700,000 people, I can't find 1,000 who care.

He talked about our Infrastructure deficit is widening. It's not, it's narrowing. For the last three years we finally had capital budgets that are putting in more than nature is crumbling away from us. We've got a long way to go, but it's not widening. We're falling behind in our spring cleanup. It hasn't started! It's winter! And the budget is barely balanced. There is Provincial law that says that we must balance our budget. For a hundred and some straight years we have balanced our budget at the start of the year and almost every one of them by the end of the year. But a barely balanced budget? We have never budgeted for a surplus. We have never budgeted for a deficit. We have budgeted to spend no more, no less, than we take in. So how can a budget all of a sudden be barely balanced? They're all barely balanced by law. I think I'd better get off that.

When I came to this Council we had over 17,000 employees. It was right after Unicity. Mr. Speaker, you were there, and the Provincial legislation that created the unification of the 13 municipalities said that all employees of all of them must be guaranteed jobs. Our big mistake at that time was because we didn't have anywhere near enough work for 17,000 people, we made work, and one of them was let them make up a structure, and they made up a structure with 17,000 positions. So when somebody retired we hired somebody else we didn't need to fill a position we didn't need. Over the years, we've cut it down to approximately 8,500 full time positions. Half. Are our services cut in half? Are our services cut at all? Some services have been. Some services have been cut out. There is not much room left but there is a little.

What happened with the taxation? What happened was in the 90's, we had a change. When Susan Thompson became Mayor we left the traditional ways. We entered new ways. We ended the Board of Commissioners system and we took political control of the city. Since that day, taxes, municipal taxes are lower than they were when we finally took some control. The employment is down but it's basically at levels of management or in things we've got out of. Our service levels, when I look at libraries, pools, they're up. Police, fire, ambulance, they're up. More people and more service offered to the people. I believe Councillor Smith said that garbage collection was worse. It's better. When we put in…and something that Councillor Lazarenko took a lot of flak for and championed, the autobins, was a great increase in the level of service in the inner city and it's the same. It hasn't been affected by our change to privatizing garbage collection, so how can it be down or different?

Snow clearing. We do not clear as much snow as often as we did 30 years ago. But you know what? We're all compared here with Regina, Saskatoon, Edmonton, Calgary. They don't even clear snow off residential streets except in a storm. So yeah, our level has been affected there but it's the best in Western Canada; in many ways the best in Canada. If you look at your tax bill today, the house (inaudible) verses back in the 90's and 80's, if you take out the school tax it's lower. The only thing that's gone up is the school tax. Our taxes have gone down. My point here is we heard this morning, and this got me thinking on this line, somebody brought up that old saw

about the Indianapolis model. For awhile we raved and talked about the Phoenix model here as well. If you check what's happened in those cities over the last ten years, with their service levels, their taxation, their methods of doing business, Winnipeg has way outstripped all of them. I think it's about time people started looking at the Winnipeg model, because it's the right amount of reliance upon our administration for expertise and recommendation with the political, and control of the final decision. So I think that there is plenty of room for the Winnipeg model. The things to look out for, things like the…it's not a bad motion at all from Councillor Gerbasi. It's an alternative. At this time I'm not going to support it but it's very, very valid except for the last six words where it says stuff be taken from the appropriate reserves as determined by the Public Service. No. As recommended by the Public Service and decided upon by this Council. As minor as that sounds, that is the true cornerstone of what's going on here, of why there is a Winnipeg model. The co-operation and reliance, inter-reliance, inter-dependency between Administration and the political leadership here is what's making it work. The differences of view and the public accountability are what's making it work. So I say to Mayor Katz, Councillor Swandel, and the rest of EPC, congratulations on what you've done. Stay the course.

Mr. Speaker: Thank you Councillor. Councillor Steeves.

Councillor Steeves: Thank you very much, Mr. Speaker. It will be my honour to stand up and support this budget. I want to thank Councillor Swandel and Mayor Katz for their hard work. Our administrative team, Glen and Mike and Jo-Ann and Betty and Howard and the people that support them for getting us to this point. My EPC colleagues and most importantly myself for sitting with all of my EPC colleagues for all of those hours and not killing them. I think that is to be noted.

I commiserate a lot with my municipal colleagues across this country, Mr. Speaker, and I can tell you that Winnipeg has reached something of a legendary status across this country. And the question I am most often asked by my colleagues across the country is how. How can you do this for twelve years? The answer to that question, Mr. Speaker is hard work. You have to take your budget and spend the time going through it, to find ways to make it better. Think of your own personal budgets, and think of your own personal situations. As you look at your life and the money that you earn, the house that you have responsibilities for, the families you have responsibilities for, we all go through this type of process each and every day. Ask yourself if at the end of that process, if you find yourself becoming more self sacrificing, more disciplined, more realistic with what you have at your disposal? If at the end of that process you consider yourself a better person, then support this budget. If at the end of that introspective process you consider yourself a worse person, then don't support this budget. Because when people ask me how, I tell them hard work. And what does that hard work get us? Let me answer that question by telling you what it doesn't get us, and people have alluded to this already. The cold, hard facts are, Mr. Speaker, 38% in Calgary, 38% in Vancouver, 42% in Edmonton. Those are the cumulative property tax increases over the course of the last 12 years in those cities, not counting this year. If we were to be keeping pace with those cities, we would be looking at a budget today that was taking I would say at least $150 million more out of our local economy and bringing it into the City of Winnipeg. I would estimate that for the average house, that would be around $800 per, Mr. Speaker. Does anyone sitting in this room think that that wouldn't be in some way, damaging? Right now, as we're going through this process, the City of Calgary has already gone through a process where they tabled a budget that over a three-year cycle, asked the citizens in that city to cough up another 28% on their property tax rolls. Didn't happen ultimately, but that was the starting point. Does anyone here really think that our system doesn't give us something of a competitive advantage? We've gone through this process and we have listened to people. I'm intrigued by

this comment on consultation. We had one day at EPC where we had people come in. Now, it was a long day but I sat through the whole thing as did some of my EPC colleagues. I'll ask a rhetorical question because I know that the answer is no. How many people who are going to vote against this budget today, and who are calling for more public consultation, actually took that full day, Mr. Speaker, to listen to our citizens? None of them did. But yet in the same breath they will claim we haven't consulted enough. I ask them for one day.

A discussion about the poor in this City, because that's important. The poorest of the poor in this City are not going to helped by fiscal policy, Provincial, City, Federal or otherwise. The people that we see suffering out on the streets are people worthy and deserving of our help and we have to help them. But those people have to be helped through intrusive social policy to take them to the next level to help them get themselves on the right track. The working poor are the people that we can affect through fiscal policy. And I'm going to say, Mr. Speaker, that when we talk about the working poor in this City, we are talking about almost exclusively, Mr. Speaker, people who are employed by or running small businesses in this city. Nobody else. This budget, as stated by the Chamber of Commerce, will take significant pressures off those small businesses. That will help the working poor in this City and those are the people that we can help, Mr. Speaker. And we should do it.

It has been said many times on this Council floor by everybody that the fiscal model that this City is forced to work under is smashed. It doesn't work and it hasn't been working for years. I don't know what is being suggested here today by other Councillors. I don't know if people are going to come forward and patently put forward their preferences for a property tax increase or not. I would suggest that we've been relatively silent on that debate, even Councillors who will probably vote against this budget, although allusions have been made, but we have not seen an alternative budget put forward. We saw that from one of our delegations. They did it. That would be constructive things to receive from opposition Councillors.

The property tax is something, Mr. Speaker, in 50 years we will look back and think of as something akin to a dinosaur. It is a dreadful way for a city to try to fund itself in this day and age. We've heard allusions to what Saskatchewan is doing. It kills me, Mr. Speaker, to think of how far behind we are falling our rival Province to the west. They are doing so many things right at the same time that we as a Province are doing so many things wrong, that actually is scary.

We've seen different discussions here and now we've seen the Province come forward with some things that are good policy, but they're representative of what we're trying to do. Right now, we see a battle going on between the Provincial Government and the school trustees. What's the essence of the battle? The Province is saying do not raise your taxes on the local property tax rolls. Don't do it. Why are they saying that? Because they know what we know. It's bad policy. Why should we embark on a process that they're telling us by virtue of their actions with their school boards is not a good policy. We'd be fools. Regrettably if this doesn't change, we might ultimately be forced to break our own rules. It has to change.

In this budget, we are covering the basics. We're strong on policing and we have to be. It's a core service. We're strong on our firefighters. We have to be, it's a core service. We're strong on our paramedic side. You could make the argument that it's not a strict city core service but we have to do it because it's fallen into our lap and we do it gladly because it's something we give to our citizens. And our infrastructure, although this is capital debate, has never been stronger, Mr. Speaker. Each year we are spending more. Why? A better model with the Federal Government. It can be done and it has to be done at the Provincial level.

I will be supporting this budget, Mr. Speaker, because it matches my philosophy.

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

Councillor Steeves: My philosophy is a responsible core service budget that does what it has to do and tries to do additional things if it can. I think the Winnipegger in me is like the Winnipegger in all of us and it's best summed up by a small anecdote that happened to Councillor Thomas and I when we were in Calgary, walking down the street in Calgary, and we jumped into a bar because we were thirsty on a hot day.

Councillor Swandel: I think this is going in the wrong direction.

Councillor Steeves: This was a day where the bar was advertising ten cent beer, Mr. Speaker. So we walked in and as you can appreciate, beers were every where, with the exception of one table which was empty. People sitting around the table with an empty table and nothing on it. Everybody else had beers all over their table. I said to the bartender "What's up with that table"? He said with a shake of his head, "Nothing. Those people are from Winnipeg and they're waiting for happy hour." That's who we are. We're a responsible, frugal people who understand numbers, and our people expect from us a budget that is not frivolous, a budget that meets the needs that we're expected to meet. A budget that delivers the services that we're expected to deliver. But this City has a big heart, and in areas that we can't deliver, it will pick up and we have to give this City the chance to pick up in the gaps where it can, and we know that it can. To sort of put out a model that says we have to do everything, things that aren't even necessarily in our responsibility envelope, puts in peril every single thing that is in our responsibility envelope. That's why, Mr. Speaker, I am pleased and honoured to support this budget. I am going to ask that all of my Council colleagues do the same. Thank you very much.

Mr. Speaker: Thank you Councillor. Ten cents a beer? That must have been in the year 1945.

Next to speak is Councillor Gerbasi.

Councillor Gerbasi: I'll take the ten cent beer, Mr. Speaker.

I have a number of serious concerns about the 2009 Operating Budget before us today, and these include the budget process itself which I can clarify for Councillor Steeves, what some of the problems are with that. The lack of financial sustainability for the future. The impact of this budget on the Public Service and the lack of investment in housing and operating hours for Winnipeg Transit.

I would first like to speak to the budget process. I wish I had something more positive to say on this but it is clear that our budget process leaves a lot to be desired. As our representative at the Federation of Canadian Municipalities, I spend a lot of time now talking to other Councillors and Mayors across Canada and often compare notes, and I've seen many jaws drop when they hear about Winnipeg's budget process. They can't believe the way non-EPC members of Council and the public are excluded from the process right up until the budget is made public in a short time frame of three to five weeks. Most other places include all members of Council in pre-budget discussions and priority-setting exercises long before the budget is tabled. Even the Manitoba Provincial Government held pre-budget consultations months ahead of time. I did receive an unannounced phone call from the Mayor, and I always enjoy talking to him on the phone, earlier in the budget process asking me for my thoughts on both the Operating and the Capital Budgets. I quickly rattled off as many issue as I could think of on the spot and while this is appreciated, it is hardly an appropriate method to consult with members of Council. I am not sure what happened to the suggestions I put forward in that phone call and whether they ended up as part of a full EPC discussion or with the staff in working on the budget. This lack of a clear process

and accountability is substandard compared to how other cities operate. We as a city should do a better job of obtaining input from all members of Council who each are democratically elected and represent a large number of citizens. I would also point out the time frame is impossible for community groups to meet with their boards and actually make a presentation within less than a week to do so to the Standing Policy Committees.

We also have an Audit report on the Capital Budget, the Capital Budget Audit which contains serious criticism over budget process for its poor job of proper consultation. So this isn't just opposition talk here. This is our Auditor. And I seriously hope that these recommendations will be taken seriously and we'll see significant improvements in our budget process in the next two years.

I also have huge concerns about the lack of a long-term fiscally responsible plan. Now, we've heard about the projected shortfalls. Councillor O'Shaughnessy gave examples of where they've been as high as 50 million. He didn't give an example where they've been as high as $79.3 million which is where they are in 2011. I don't ever recall numbers that high in this City. At the same time, there is still commitment to eliminate business taxes as a revenue source and the refusal to have a reasonable inflationary increase in property taxes…here is my position Councillor Steeves which I've been telling you…after an 11 year freeze is bordering on irrational.

This budget puts citizens at risk as a future Council may be left with no choice but to have a massive one-time increase or significant cuts to service. I guess that will happen after an election. It makes perfect sense to have annual small incremental and reasonable increases that reflect the cost of living. By not planning for the future, this budget will leave the next Council and the citizens of Winnipeg in a very tough spot. And talk to anyone else in any other municipality and they will tell you that they are doing that to prepare for the future. Often polls are cited saying that people don't want their taxes raised. Of course they don't if that's the only question they are asked in that context. But if you ask people if they would prefer inflationary or reasonable tax increases in order to achieve specific goals such as infrastructure improvements or to avoid having to cut services, you would get a very different answer.

Part of our job as elected officials is to try to communicate the real challenges our city faces and offer realistic solutions. There might be some short-term political gain by trying to be superhero tax cutters forever. We have cut and frozen taxes for 11 years running and I've supported that, most of it at least for the first six years of it or seven years of it, but we have surpassed our goal of being competitive with other cities. It's now become an obsession that is no longer realistic and I don't know when it's going to stop. Most places in Canada are having significant tax increases which I'm not even suggesting. I'm only suggesting an inflationary increase such as Edmonton and Calgary, yet Winnipeg continues to eat the cost of inflation in its fixation on appearing as if we are doing the impossible and believe me, we are not doing the impossible. We cannot.

The public is smart enough to realize that there has to be a balance and that services will be impacted by continued reductions in our revenue. The other obvious result in the direction of this budget is the continued shift in cost to citizens through increasing user fees. The public is also smart enough to see that they are going to pay one way or another for city services. The revenue has to come from somewhere, and user fees in some cases make sense but they can be a serious hardship for those with less means including the working poor. The mantra of cost recovery might make sense in some areas but it is not socially sustainable when it comes to areas such as recreation fees. I guess we have to consider what kind of City we want to be. My vision includes accessibility and the opportunity for a full participation for all citizens. Increasing reliance on user fees goes against that grain.

In terms of the staff reductions, the continued decimation of our numbers of professional staff is of great concern. You might notice some people use management, I use professional and management because it's not just people managing people in some office, it's professional, skilled workers. Another 68 positions gone this year. Last year I was able to get more detailed information about which divisions and departments are losing staff positions. Not the names but this year in spite of repeated requests that information has not been forthcoming. I'm not sure what information the Speaker was saying is forthcoming. Surely Councillors have a right to know if we are losing more library staff, real estate people or recreation staff. We should have this information before we vote on this budget. Last year's budget also identified what the vacancy management targets were in each department. This year you can't find that word anywhere in the document. The C.F.O. did tell me that there was $15 million worth of vacancy management in the entire budget over and above the elimination of the 68 positions, but I'm not sure how anyone can justify less information being better for Councillors to make a decision. One can't help wonder how the Real Estate Department that was cut in half last year can lose further staff and business can go on as usual. Our W.A.P.S.O. and W.A.P.S.O. exempt staff do not have job guarantees as professional staff. It is a disgraceful injustice that this budget, as our budgets have for the last three years, continues to be an ongoing kick in the stomach to our dedicated and hard working employees. People are doing the work of two or three people right now and they will have to do more. Has anyone thought about the injustice of treating human beings this way? There is no way this can continue year after year without an impact. Now of course it's very politically popular to bash the Public Service and to feed into stereotypes about their work ethic, but I think all of you know that our W.A.P.S.O. and W.A.P.S.O. exempt staff have already been paired down to the bone. This place would grind to a halt if our professional staff decided to work to rule, and only put in a reasonable work week. So far they're too dedicated to do that.

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

Councillor Gerbasi: The sad thing is that when the impact of these job cuts shows up in the form of a decline in service, it is the staff who will be blamed which serves to further perpetuate these false and unjust stereotypes. And by the way, the Federal Government is spending oodles of money and incentives in our country and in the country south of the border to create jobs, so I don't know why you are failing to see that eliminating jobs is not going to help the economy.

Now, while this budget does contain some positive things, I'll leave that to…I'm sure those have been listed and I do appreciate those, but this budget overall in the big vision has reached a new low when it comes to transparency, openness, long-term vision and financial planning. There are so many issues to talk about. I wish I could be more positive but I'd like to highlight one that I think is very important. This budget continues the 20 year freeze on the number of Transit bus operating hours provided. As the City sprawls, the same amount of Transit service is spread thinner and thinner. What this means for Transit passengers is longer waits and more crowded buses. A good example of this problem is the new development at Sage Creek, which was approved without any discussion of operating…paying for Transit service. Councillor Vandal is doing his job as their Councillor by advocating for Transit service there and now, without the addition of money into the Operating Budget, again, we will probably be stretching the service for that, and the same with Waverley West. Now my point is, that everyone should have access to reasonably frequent Transit service and have room to get on to a bus whether you use a wheelchair or a stroller or are an able-bodied person. So I appreciate the difficult job that our Public Service has had in making this budget balance. They are only doing the direction they've been given and we have wonderful budget staff and my comments were in no way intended to criticize our staff who have done the best they could with what

they've been given, but the lack of a clear financial plan for the future and the other issues I have raised will not allow me to support this budget. Thank you Mr. Speaker.

Mr. Speaker: Councillor Pagtakhan.

Councillor Pagtakhan: Thank you, Mr. Speaker. I'll first speak to the motion that's before us today regarding the budget and the motion for housing. It was said, Mr. Speaker, that I had moved the motion in the past regarding another $1 million to provide a top up to our housing investment fund in the past. And yes, Mr. Speaker, I did do that. I just want to say, Mr. Speaker that in the spirit of that, and a quote that necessity is the mother of invention, what I've done as a Housing Steering, as the Chair of the Winnipeg Housing Steering Committee Mr. Speaker, is ask our Public Service for creative ways that I think will actually amount to more than a million dollar investment over and above our already million dollar investment we have as a line Item in our budget. So, let me just state that some of the things that I've been asking for, Mr. Speaker, are inclusionary zoning and density bonuses in our secondary, a secondary suite policy. Those are really important things and I think those more than real dollars, this motion asks to dip into our reserves and I think that is a really very unsustainable way to actually conduct our housing. We need to have more creative ways with a guarantee for housing dollars and I think that inclusionary zoning, let me just read a little bit about that and give everyone a sneak peek of what that's all about. Housing and development, sorry, inclusionary zoning is a development policy that requires that a given share of new construction, Mr. Speaker, be affordable to citizens with low to moderate incomes. The bottom line here is that it's helping provide a wider range of affordable housing options than the market can provide on its own, thus more affordable housing options will be made available.

A density bonus, Mr. Speaker, and I think this is important to talk about because it really does speak to this motion. Density bonuses are often used to increase the supply of affordable housing for low income and senior households. Density bonuses or ordinances, permit developers to increase the square footage or number of units allowed on a piece of property if they agree to restrict the rents or sales prices of a certain number of units for low income or senior households. In a nutshell the additional cash flow from these bonus units offset the reduced revenue from affordable units. Right now the report is in the works with our Public Service, Mr. Speaker, and I'm looking forward to seeing the results of that and I hope that we can move on that and actually get more money for housing programs across our city.

I also want to say that since the year 2000 Mr. Speaker, the Winnipeg…our City, our Province, has been a leader across this nation when it comes to affordable housing and inner-city revitalization. It was mentioned earlier that there are 12 or 14 neighbourhoods that are impacted, that are sort of designated as areas of need. Well, of the five, there are five that we are in right now with housing improvement zones but I just want to draw your attention to one in particular. Since 2000 in the Dufferin neighbourhood Mr. Speaker, through the W.H.H.I., we have pumped in $5 million into that particular neighbourhood. The Centennial Neighbourhood, which is designated as a housing improvement zone, we've designated $4 million into that. So I mean, what I'm trying to say is that despite the fact that we are not in every single neighbourhood through the W.H.H.I., we're actually investing huge amounts of dollars, $17 million on the average through the W.H.H.I., I think that's extremely important, and no one on this Council can say that we are not champions when is it comes to affordable housing and inner-city revitalization

I just wanted to leave it at that, and I want to say that I'm pleased to support this Operating Budget. I want to thank Councillor Swandel, the Mayor and members of EPC, my colleagues on Council, our C.A.O. and his administrative team, and I just want to thank them for, despite the fact that we have huge financial challenges, we were able to help

our Winnipeg Public Libraries with a top up of $75,000 into the materials budget, and right now, our libraries in Winnipeg are ranked 40th out of 60 of all libraries in the Canadian Urban Library Congress and I think that this appropriation will definitely help us climb back up into a better standing and with what little we had we were able to help with Kidsport Manitoba as well as with the Broadway Neighbourhood Centre. So with that I will just leave my comments at that and thank you very much.

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

Councillor Thomas: Thank you. Councillor Vandal and Councillor Gerbasi have made excellent points which I will not repeat.

This budget is based on illusion and delusion. It is an illusion because it appears to be balanced but it is not. It relies on a heavy influx of unprecedented revenues from the Province. The Province has not promised these revenues and in this year of extreme fiscal uncertainty, it is a delusion to think that those assumed revenues can be delivered. All the programs, plans and pipe dreams are based on the flawed premise that the money is coming. What will happen when the money doesn't come? It has been suggested that the City will reduce its management staff. Firstly, that has been done already. Every year there have been staff cuts. The City needs to have some people who actually manage the programs.

Secondly, the amount of revenue that has been assumed is coming from the Province is of such a huge discrepancy from past commitments made or received that eliminating a few managerial positions will not solve the problem. Now, I've done an estimate here. When that is done, 68 top middle management positions, if all 68 were eliminated, by my calculations, that would result in approximate savings of $4.8 million. There is a discrepancy of $11.5 million in revenue anticipated and revenue promised by the Provincial Government. As horrific as these proposed layoffs are, they will not come anywhere close to solving the funding gap between reality and wish list. And let's look at this hole in the budget which would mean full scale layoffs of most of our top administrators and would create a serious void in the abilities of the City to plan program and carry out its business. I've looked at the positions that are to be impacted. Assessment and Taxation. Councillor O'Shaughnessy suggested that they wouldn't be missed. Well I guess not. These are the people who collect the money. We'll have less people to figure out an up-to-date assessment to get the best assessment that we can to collect the most revenue, three less people to do that.

Audit, eliminate three positions there. Well that's an interesting idea since the Audit Department has already told this Council that it did a poor job of its Capital Budget. Now, I guess this Council doesn't want to listen to what they have to say, so it's okay if they go.

City Clerks, six position. These are the people who help us every day. Generally, the public doesn't know about this because it's not a pool, but yeah, these are where we go and get our questions answered, where we ask for back documentation. These are the people who do the research for us and keep us up to date, do the minutes, do the Hansard, do all those things that need to be done. Don't need the support? I guess if you're not going to pay attention it doesn't matter.

Community services, 11 positions. Well, there, that is hard line staff. What's going to go? I heard about how we're policing… more money for police and ambulance and fire and that's great. But inner city is suffering. There's less people providing recreational services this year, last year, the year before. Less on line…less front line staff doing that, and who knows where they're coming from and what they'll be doing. I'm very concerned about that because I don't know what that is or where that's coming from.

Corporate Finance. The people who figure out how to help us with our budget? Five people? Wait a minute. That's goofy.

Corporate Support Services. More support for us. I don't need to tell…nine people gone. Where are we going to go for our support?

Planning, Property and Development. Nine people. We've already been told by at least two reports from the Canada West Foundation and from…I can't remember the name of the other organization now…that we have the lowest number of people in our Planning Department of any city across Canada. We're behind. Plan Winnipeg was supposed to be reviewed awhile ago. Thank goodness the Provincial Government is helping us out with a million dollars because we don't have the people or the money to do a proper review, which is why we're late in the Plan Winnipeg review. Nine people? Who's going to be left?

Public work, eight people. Come on. Who is going to be doing that?

Councillor Swandel: 4,000 other people.

Councillor Thomas: Yeah. You know, we're having a hard enough time clearing our streets and getting everything done. Eliminating eight people from there is a problem.

Four Transit people. How is that environmentally sustainable? We should be putting more money into Transit, not less.

Water and Waste, 10. Ten! We're supposed to be, because of things that the Province wants us to comply with on the waste side, our new water treatment facility, and yet we're going to try to do it with ten less people. Makes no sense.

I could say that the perpetrators of this budget are dreaming if they think that unprecedented revenues will arise to rescue this budget from itself. But I fear that the real nightmare which will occur is when the rescue doesn't happen and these layoffs will be gone forward with, and I don't know who and I don't know where, but I certainly know that it will make it difficult for us to continue to carry on operating the City.

And I would not be surprised if the Provincial Government sent it back and told the City, the budget does not meet the requirements demanded in the legislation, because it's really not balanced.

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

Councillor Thomas: Thank you. I cannot support this budget. I have not even spoken to this Council's anorexic obsession to diet. Yes, at one point we did need to reduce expenditures and for a period of time that was important. But now it has become an obsession. Services are suffering. I have not been able to get through my voice mail this week without it being full every morning when I come in the next day, because people are concerned with the lack of services, whether it be curbs, sidewalks, streets, back lanes, refuse collection. They're all suffering, they're all at risk, and it's about time that this Council started providing service to the citizens and started listening to the good advice that we've been getting from our administration and stop the insanity.

Mr. Speaker: Councillor Clement.

Councillor Clement: Thank you, Mr. Speaker.

Mr. Speaker: You're welcome.

Councillor Clement: It's always a great thing to partake in democracy, and I'm sure that when people get up and speak in here they actually believe the things that they're saying. It doesn't necessarily make them accurate all the time.

The first thing I'd like to state, Mr. Speaker, is that I keep hearing about this $15 million. As a member of the Executive Policy Committee, I'm positive that this particular budget is balanced and we're not looking for $15 million from the Province of Manitoba. I'm not sure where that's coming from but I'm sure that somebody read it somewhere but it's not accurate.

I heard a little bit about process awhile ago, Mr. Speaker. A few years back, there used to be a Resident Advisory Group in all of the Community Committee areas. When the Current Budget and Capital for that matter came forward, Community Committee actually held a special meeting to deal with the Current Budget, and they were advertised by the City, cost a lot of money, they were staffed by the City Clerk's Department. The heat, the light, everything else that had to go on there to allow the time frame, and the meeting to take place, and you know what, Mr. Speaker, and I know you know because you were there, nobody came except one or two special interest groups and usually some of the union people. That was who came to those meetings. When Glen Murray was the Mayor we held a meeting at the Winnipeg Convention Centre for the public to come to and all the same people came. Not the general public as such. So I don't know how you can make the process any more inclusive than we've tried in different ways. The public elects us to make decisions based on the best information that we have, Mr. Speaker, and that's why they elect us and send us down here. That's what most of them think.

I was disappointed, Mr. Speaker that, maybe I should wait and let everybody go and have coffee or whatever they want to do. Have we got a quorum? 1, 2, 3, 4, 5, 6, oh yeah we do. Good. Well, Gord, I was trying to come up with some comic relief like you did and a couple of the others but I thought we should get a few facts out.

This issue of defending the Provincial Government, Mr. Speaker, I heard one Councillor doing that a little earlier today. It may not have been what he exactly intended but he in fact did that. The Provincial Government, frankly, should not be defended in this chamber. And it doesn't matter which one's there by the way. Everybody knows my politics and I took on the former government as much as I take on this one, all the time. I wasn't popular with them either at the time. But the facts are that out of every dollar that the taxpayer spends, seven cents comes to the City and everybody knows that. So does the public. We can't control that. All we can do is keep raising it and hope people keep writing those things. The fact of the matter is though, that we don't get our share. We've never got our share of either current or capital money and unless that changes, there could be tax increases coming in the future. Nobody is clairvoyant. But you know, I've been through a lot of budgets, Mr. Speaker, and I can't remember closing the zipper on one like we did today or like we did last year or the year before without the next two years, looking like doom and gloom and multi-million dollar problems out into the future, and magically over time we've managed to close the zippers on all those years as well. So I'm not going to panic about what some number is that's slotted on a page somewhere in the short-term.

I found it interesting this morning to hear about the staffing issues and while I believe that that's a serious issue and deserves serious comment, the person that made it, interestingly, sat on Executive Policy Committee when Glen Murray was the Mayor and we reduced the size of our staff from 11,000 people down to 8,000. That person voted for that reduction in staff and somehow it wasn't going to cause a problem then, but it's going to cause a problem now when we're doing a far lesser number. So while I think that all of those issues have to be dealt with very carefully, it's interesting to hear those types of comments coming from somebody who in fact voted a different way when they were on EPC at one time.

I believe that budgets have to be collaborative and consensus building and I think for the most part they are. I appreciate that that changes from time to time, depending on the makeup of Council and in fact EPC, which is one of the reasons why I won't support this document. Housing, although we're in it in a number of facets, actually is not a core service of the City of Winnipeg. It never has been. It's actually a core service of other levels of government. But because it draws serious money from other levels, over time I've been enticed to support some of these initiatives Mr.

Mayor…or Mr. Speaker, sorry. Mr. Mayor too for that matter. But you know, this very issue that this Motion suggests should be doubled from 1 million to 2 million is quite interesting because the million dollars that is in this budget is actually a line item and it's never been a line item in this budget before. So here we go, some of us anyway, trying to be collaborative and trying to build by virtue of consensus even though it doesn't benefit us in our ward in any specific way, and you do what you think is right and you make it a line item so that that million dollars is there and the program is solid for the future, and it's never good enough. Oh well, now that we've got them to go that far, now we need 2 million. Sorry, I can't do it Mr. Speaker.

You know, the taxes in fact have been frozen for awhile. I mean when I say frozen, you have to appreciate there is growth and there have been some monies here and there that the Provincial Government has provided over time, but not near enough. But you know, many of the people that are talking about this being a problem and short-sighted and all this other kind of stuff, were there when these decisions were made. Susan Thompson started some of this. I think that her ideas were correct. She had a little trouble selling some of the things she wanted to do and in 1998 when Glen Murray became the Mayor, he sold it a little better to people around the Council Chamber at the time, and I can tell you that in 1998, that the projected amount of money that was going to be required to service the debt in this City within four years, was going to rise from about 129 million to $159 million and it absolutely was not sustainable and everybody in the room knew it, everybody. Many people that were at that meeting at what was then the North Star Inn are in this room today. And they have continually voted to support these and in some cases they haven't. But the bottom line is…

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

Councillor Clement: But the bottom line is, Mr. Speaker, by virtue of not borrowing beyond that date for other than things like local improvements and one or two other issues, the debt has dropped like a rock and will continue to do that over the next four or five years if successive Councils keep doing that, or our revenue situation has improved from what it was going to be in 1998 to what it is in 2009, is $87 million different. That's cash. That's $87 million we have in cash now which is why we've been able to sustain a) the increase in inflation, it's why we've been able to…to sustain the improvements that we've made to two of our larger employee units, police and fire over the years who have both had multi-million dollar increases, a lot of it's wages, a lot of it's been equipment, all of it supported whole heartedly amongst everybody in this chamber but that's where the money came from, Mr. Speaker. There was no magic to it. And is it sustainable for the long term? Nobody knows where it's going. All I know is this. We were the laughing stock across the country and particularly with the Chamber of Commerce and other people in the City because we were 18th out of the 22 cities that are over 500,000 people in this country, back in the mid 90's and today we're the lowest and I find it interesting last week or a couple of weeks ago there was an article in one of the papers where it's okay for…if it was okay when we were 18th and the criteria was what it was but now that we're number one, the criteria should be changed. You know, I find that amazing. But in any case, Mr. Speaker, I whole heartedly support this document. I appreciate there are some things in it that are not as positive as I would like and there's other things that I like a lot, but it's been a consensus building document, it always is and I believe that everybody's done their best and I believe that there's nothing wrong with this document whatsoever in terms of it going forward in its current status. Thanks.

Mr. Speaker: Councillor Swandel.

Councillor Swandel: Mr. Speaker given the hour I'd like to move that we break for lunch at the present time and resume debate at 1:30.

Mr. Speaker: We've got two more, three, and it'll take about another 40 minutes to conclude this. Councillor Swandel has moved that we adjourn and be back at 1:30. All in favour? Contrary? Carried.

Reconvened meeting of Winnipeg City Council of March 24, 2009 at 1:30 p.m.

Mr. Speaker: 1:34, Tuesday afternoon. We're to commence with our continuation of the budget, and do we have a quorum? Mr. Clerk?

Clerk: Yes, Mr. Speaker, you have quorum.

Mr. Speaker: Thank you. We'll continue. Councillor Browaty, you're next to speak.

Councillor Browaty: Thank you very much, Mr. Speaker. I rise today in support of the 2009 Operating Budget. I want start off by congratulating Mayor Katz, Chairman Swandel, EPC and the public administration for the 12th straight year balancing the budget and doing a zero property tax increase. I think that's absolutely huge.

A number of my colleagues today have criticized the whole process and lack of consultation. I would like to congratulation and thank Councillor Swandel. He pointed out several Council meetings ago when he invited any non-EPC member of Council to come in, sit down and have a chat about what's in the budget. Let me know what needs to come out, what needs to go. Let's have a chat about it. I took him up on that offer. We sat down and we had a good meaningful conversation. I heard about the challenges and some of the balls that were being juggled. Things like pension liabilities that were a huge drag on this year's budget, and I congratulate him and everybody else on the budget committee for making it work.

There's some good stuff in this budget. Things like the snow reserve being put in there, permit reserves, downtown discounts on permits, pension…and again the pension liability payments that I just mentioned. As well as core services are maintained, safety issues, policing, fire, E.M.S. These things are the absolute most important things and I'm absolutely ecstatic to see they're in there.

Going forward, I look forward to seeing things like the Chief Performance Officer that the Mayor mentioned in the State of the City Address. I believe there is further opportunities to provide better service to Winnipeggers while perhaps not, you know, increasing taxes in a huge way.

Difficult times require difficult measures. People's retirement savings have vanished in many ways and people are having to find now they have to work longer to afford their retirement. We don't want to burden them with increased taxes. This is absolutely not the time as many people around this table have suggested.

I agree with a number of my colleagues, perhaps on the other side of the political spectrum, that maybe now is the time we do need to look at Transit. Perhaps not so much operating hours, but perhaps more innovative ways of delivering Transit services. I don't think the answer is driving around big empty buses through new areas where we're not going to have huge ridership, whether it's Sage Creek or Royalwood or whatever, but we need to find ways to make sure that high density, high demand routes are serviced better. I'm getting complaints consistently about buses skipping stops because they're completely full during rush hour periods. We need to find creative ways of delivering Transit service that works for our residents. There's some interesting research stuff out there. I'm an alum of the Asper School of Business Transport Institute, and I know Dr. Prentice has some neat stuff about having reduced fares even. I think Councillor Smith would be interested in reduced fares on high density, high capacity routes that are going through his neighbourhoods where the cost of delivering the service is a lot lower than driving big empty buses through the suburbs. We need to look at these things. We need to think these things through. We need to have the discussion. We need to have the debate. But I think that's something I would certainly be most willing to participate in.

There was a recent…oh and on the other side of things too, perhaps different fares during rush hour and non-rush hour. Young families, the need to take family members to medical appointments and such. They, you know, when the buses are going to be running empty, perhaps that's when they can go. Rush hour when, you know, people are working perhaps we can look at different fares. We need to have the discussion. It certainly needs to be looked at.

There was a recent promotional piece in the Free Press launching an archives service. They pointed out that when Mayor Katz ran for Council in the early 1980's, he stated he believes City Council is elected to give people the best possible services for their tax dollars and I won't forget it. I think he certainly has done that as part of this budget.

At the end of the day, and absolutely everything we do, we need to ask are we giving our citizens the services they demand and expect in an efficient manner? I believe clearly with this budget, the answer is yes. Thank you.

Mr. Speaker: Councillor Smith.

Councillor Smith: Mr. Speaker, let us ask the question, how does this budget improve life in Winnipeg? How does it build in strength in our communities? This budget shows the Executive Policy Committee has no great vision for our City.

I want to talk about a couple of other cities and things they have done. Patrus Ananias became Mayor of Belo Horizonte, a City of 2.5 million people in Brazil, eleven Percent of the population living in absolute poverty and almost 20% of the children going hungry. His administration set up a program so that his City is known now as the City to end hunger.

What do we do to end poverty in Winnipeg as a City Council? Not much. Let us look closer to home. When Mayor Richard Daley took office as Mayor of Chicago in 1989, his primary goal was to remake Chicago into a city that would attract human talent. He set out to redesign the City from a gloomy and economically depressed urban centre to one of gardens, lights and excitement. Millions of flowers were planted. 300 new trees were planted. Since Daley's beautification plan has gone into effect, 120,000 people have moved downtown into lofts renovated by private developers, and the number of visitors coming into the City for shopping has doubled.

But we have no great vision in Winnipeg. This budget will mean the elimination of 80 jobs. But the Mayor says don't worry, services will be maintained. Every year we cut staff but the Mayor and his Executive Policy Committee state over and over again that services will not be affected. How can that be? Should we not be informed of the cuts in service and exactly what is being cut?

There was an article in the Free Press with the title "More Play, Less Police to Solve Gangs" and what are we doing to make our streets safe, Sean McKinnon in the Free Press pointed out, that the number of recreation fee waivers were cut by 30% between 2005 and 2007 and the hours of free programming at youth sites was cut by 20%.

This budget proposes a mystical saving of 400,000 in recreation program efficiencies, but there's no details given in what they're going to do.

With all the street violence, shootings, stabbings, it appears to grow with every week, surely it should be obvious that adding more police alone will not curb this violence. Sean McKinnon is right. We need more recreational programming. This budget does not provide it. By the way, we should point out too that community centres, the funding for community centres in a 12-year period only got an increase in 2006 of 5%, no increases since. Community centres, art, areas where programming takes place for kids in the community, and as well as adults, and they are a vital part of building a community and we obviously are not supporting them well enough with this budget.

And then, you know, in the budget book, Mayor Sam Katz and Councillor Swandel, in a letter at the front of our budget book stated, "The budget also includes for the fully implemented 311 initiative which was successfully launched this January." Well, I don't think it was very successful. Many citizens have given up on 311 after waiting 10 to 15 minutes. We had a few extreme cases where the resident had to wait half an hour. This was a major shift that was never debated at Council. When it was mentioned in the media, the idea was to stop all the non-emergency calls going to 911. 911 was being kept busy with thousands of non-emergency calls and 311 was the answer. At no time were we told that all calls except emergency ones were to be routed to 311. We may be saving dollars but residents' satisfaction has fallen when we launched 311. This is another cut in service

And I should point out we recently got an e-mail and the report from the Winnipeg Police Advisory Board, and the 11 member board was set up to advise City Council on a police plan, some performance targets regarding crime prevention and enhancement of neighbourhood safety. And b, how effective the police were in deploying their resources compared to their planned targets and their budget. They said they couldn't do either. They said the report was a lack of data and resources. You need resources to do things. This is what this administration does not understand. When you cut staff and you cut people, you cut programs or dwarf them.

This budget should be defeated. I know it will not be, but you get what you deserve. Thank you.

Mr. Speaker: Councillor Nordman.

Councillor Nordman: Thank you, Mr. Speaker. I rise today to wholeheartedly endorse and support this budget. Unlike my previous colleague, the sky is not falling.

I really certainly am pleased to see some of the new funding initiatives that we're going to include, as Councillor Pagtakhan suggested, the $75,000 for the Library Board.

You know, we have spent a lot of time in this City over the years marketing ourselves, come to Winnipeg, we're cheaper than you are. Well now we have a real opportunity, I think, to say come to Winnipeg, have I got a deal for you. Please support this budget.

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

Councillor Wyatt: Thank you Mr. Speaker. First I just wanted to start my comments, I had some thoughts originally but listening to some of the speakers I think it needs to be addressed.

The reality is, Mr. Speaker, we know the challenge that we faced with our budget this year and it's a challenge which is going to get greater and greater. And part of the reason is because we are literally dealing with the fiscal challenges of the City with one arm tied behind our back, and we have that one arm tied behind our back not because of our doing, but because of the lack of support we are receiving on Broadway. I believe in giving credit where credit is due. I think the Province has come a long way on some fronts. They have decided to fund us 50/50 with regards to our Transit operation. They have come to the table with regards to rapid transit and funding the borrowing that we are doing now. But on other fronts Mr. Speaker, we have been let down. We have been let down on our E.M.S. services Mr. Speaker. We have been let down with regards to general infrastructure across the board. The reality is, Mr. Speaker, the Province doesn't seem to recognize the serious challenge facing the City not just in terms of operating but also infrastructure. And this I think is a general feeling, Mr. Speaker. Today…yesterday I should say, the A.M.M. issued a news release, and in the news release the President of the A.M.M., Doug Dobrowolski, is quoted as saying that "municipalities are being forced to do more with less every day." He goes on to say that "Manitoba is in serious danger of falling too far behind to catch up. The time is now for the

Province to make a serious investment in municipalities so that we can provide the municipal infrastructure our citizens need and deserve." And he goes on to say "This budget simply must address this issue or we will soon find that this deficit is insurmountable."

We heard now from…we saw last week what the Province of Saskatchewan has done. They have done a $100 million infrastructure boost they call it, a boost or stimulus to try to get more infrastructure going with the economy and also fix the back log of infrastructure debt. A per capita, cheques in the mail, already in the hands of municipalities Mr. Speaker, on and above the existing funding. On top of that they have made a commitment that all Provincial grants in the future will be based on 1% of their sales tax. In other words, they're moving towards a direct growth revenue source, something which actually I recall Mayor Katz standing up and calling for during the last Provincial election. Trading off our grants in return to have a direct funding source from the sales tax. We know that growth would be there. We know it would give us a predictable, stable funding source.

I don't think we're asking the Province for a lot Mr. Speaker, but the reality is, they've chosen to turn the volume down with regards to listening to us here and our concerns and that's unfortunate because at the end of the day, they're serving the same taxpayers we are.

Having said all that, Mr. Speaker, I do believe that I am supporting the budget and I believe, Mr. Speaker, that we've achieved many great things in the past as a city. Our fiscal framework is strong, but I also believe that this is a time since we don't have many times to speak about the budget, to give some reflective, I guess, subjective criticism and also constructive criticism. I believe, Mr. Speaker, that we desperately need a vision with our city. We need to know exactly where we're going and how we're going to get there. And the reason we need one, Mr. Speaker, is because if we don't clearly enunciate a vision, we risk falling into a trap where vision will be dictated for us. And I think that might be happening now. I call it the Walmart vision where the lowest price is the law and prices are falling, Mr. Speaker. Mr. Speaker, we now have the lowest taxes. We have the lowest per capita servicing costs right now in the country, Mr. Speaker. And with that comes, unfortunately, lower expectations. I believe we're falling into the trap, Mr. Speaker, because of the fact we're letting ourselves fall into it. I think we've competed now with every other city successfully and now the time has come to start to reinvest. We have balanced our books but we have allowed that to occur with our infrastructure debt escalating. And by having another tax freeze today which I'm supporting the budget, Mr. Speaker, and I fought this fight and lost it again, but having another tax freeze today sends the message that we are not in an infrastructure crisis. We are in an infrastructure crisis, Mr. Speaker and I realize that 8 million or 12 million which is 2% or 3% property tax increase will not solve our problem, but we are in an infrastructure crisis bar none, and we have to start finding other sources of revenue including our traditional revenue sources if we're going to get serious about trying to clear up the situation.

One only has it look at our parks and open spaces. One only has to look at our buildings and community centres, and this is not our fault as a Council, this has happened over the life of a generation now, where the infrastructure deficit of the City has grown. No different than the infrastructure deficit of every municipality across this country Mr. Speaker. We are faced with the same challenges, but we must challenge ourselves to face the tough decisions and to make the tough decisions.

Mr. Speaker, I heard today the Chamber of Commerce come here and say absolutely nothing. The Chamber, in my view, has a complete lack of leadership with regards to municipal issues. They've abandoned us on the front with regards to infrastructure. They call for us to cut taxes but they refuse, Mr. Speaker, to look at the tough challenges that we have to have. We can keep cutting taxes, Mr. Speaker and freezing taxes. We could also stop doing snowplowing in front of

businesses and on sidewalks and on the streets that serve them as well, and like other municipalities do and make them responsible for paying for it. Mr. Speaker, I fear that the Chamber of Commerce is more out of touch with the citizens of Winnipeg as bad as they were back in 1919 during the last general strike. I haven't seen it this bad since then, and the Taxpayers Federation Mr. Speaker, coming down here, the same thing. They want us to privatize, privatize, privatize services. Look at our garbage costs. We've privatized it, it's gone up. Look at the challenges we have now with snow removal. The costs have gone up because we're virtually out of the business. Fifty percent in one year Mr. Speaker, contract costs for snow clearing.

Mr. Speaker, I think a vision is about setting priorities at the end of the day and that's what I am suggesting we do. I think number 1, we have to have a fair deal from Broadway. The Premier cannot dodge this issue any longer. He has to face the issue of the growing infrastructure challenge and the financing challenge that we as a City are facing.

Number 2, the tax freeze is unsustainable. We have in the gallery here Alex Forrest who is a very good negotiator and negotiates excellent contracts. Well Mr. Speaker, our costs with fire and police alone are going higher and higher every year that we cannot keep up. In the next two years, 60 million alone just for policing costs, Mr. Speaker. That's the equivalent of a 4% property tax increase, just policing costs for the salaries, not to mention everything else.

Number 3, we need to start to reinvest in some of the core services that we easily forget. Libraries, parks, recreation.

Number 4, Mr. Speaker, I think we have to start making the tough decisions to get down and start to clear up our infrastructure debt, and that might mean looking at user fees and looking at other fees and levies to do that, Mr. Speaker. It will not be popular but I fear, Mr. Speaker, that if we continue to allow the infrastructure of the City to go the way it's going that will be just as unpopular and just as dangerous.

Number 5, we have to start to market the City in an aggressive way internationally and nationally but especially internationally beyond our borders. We have a lot to offer and we don't talk about it enough.

And number 6, Mr. Speaker, I think we should make housing a priority, and social housing a priority. We are in the housing business. Let's put an end to the debate that we're not in the housing business. Ninety-five percent of the business we do down here Mr. Speaker is in the housing business, but it's for the for-profit housing business. You show me a city where we cannot provide decent housing and shelter for every citizen in this City Mr. Speaker, and I'll show you a City that has social problems, that has criminal problems, that has kids running in the street that do not have hope.

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

Councillor Wyatt: When a family has to move four or five times in one year and has to change schools how can you expect that child to have a decent education and a decent life, Mr. Speaker? Whether we like it or not, that's our problem, Mr. Speaker. Yet we have millions, millions to fund the arts and do wonderful public art but we don't have enough to fund public housing Mr. Speaker or social housing. I find that ironic.

Mr. Speaker, tomorrow I'm going to be voting against the school mill rate increase. And I encourage everyone in this room to do the same because for all those who say that they're against tax increases, Mr. Speaker, the time to put your mouth where your money; money where your mouth is, Mr. Speaker, the time has come to do it. If you believe in freezing taxes then you vote against it. If for all those in the room Mr. Speaker who think we should be raising taxes and have the tax room, you should also be voting. Indeed, Mr. Speaker it would be symbolic.

But what other way are we going to open the eyes on Broadway and open the eyes of the Premier other than starting to make symbolic gestures to get them to realize the challenges this municipality is facing, along with all the other municipalities in this Province Mr. Speaker. We are not alone. I look forward to that discussion tomorrow. Thank you.

Mr. Speaker: Thank, you Councillor Wyatt. Mr. Mayor, you are the final speaker and then we'll be dealing with the motion by Councillor Gerbasi which will be closing, and then the closing on the clause will be done by Councillor Justin Swandel. Mr. Mayor.

Mayor Katz: Thank you, Mr. Speaker. Mr. Speaker, first of all I will be supporting the budget, and I can tell you that it would be nice to have unanimity on the floor of Council. It appears that's not the case and maybe one day in the near future we'll see that happen.

What I do want to talk about today is, I think we all realize the challenges that we face, the difficulty in making a budget. It'd be real simple if each one of us possessed a blank cheque that we could fill in that would be honoured at the bank. We could probably solve many of our problems but that's not reality. As one who has played cards in his past, Mr. Speaker, sometimes you have to play the cards that are dealt you, and that's what we're doing right now.

What I would like to do, Mr. Speaker, is address some of the concerns or issues that have been raised by some people here. I heard Councillor Smith talk about how we're cutting core services, and when there was a…shall we say a very vigorous cross-examination, could not name one. Could not name one, Mr. Speaker. I've heard them talk about the challenges of the 2010 and 2011. I think Councillor O'Shaughnessy addressed the issue. At first blush we've seen projected deficits of 50 million before. We've addressed those issues. We looked at the worst case scenario and we will continue to address those issues.

Councillor Vandal talked about Hansard no longer being available, Mr. Speaker. Hansard is available and will always be available.

I heard him say tree pruning is falling behind. Mr. Speaker, when I was elected, we were tree pruning once every 42 years. We're now once every 12 years. I know a little bit about mathematics and I think someone needs a course in that. We're doing a much better job than we were before.

Infrastructure, we're falling behind in infrastructure. Mr. Speaker, we are putting more into infrastructure today than ever before, and a lot of that is thanks to the gas tax. But the reality is, I had to go to Ottawa twice to fight for the gas tax to go towards our roads and bridges, and we were successful in that and we're doing a much better job. We have access to much more revenue than we did before.

Councillor Gerbasi has talked about, you know, how we need to keep up with inflation. Well, it's coincidental, Mr. Speaker, for six years under former Mayor Glen Murray, there were years of property tax cuts or freezes, I guarantee you, supported by all those Councillors who are against this budget today. Coincidence? You decide.

We talk about inflation, Mr. Speaker. I've said publicly we can't expect this to continue. We need to increase by at least inflation. As a matter of fact, it wasn't that long ago that Councillor Pagtakhan moved a motion that when it comes to transit, it should be tied into inflation, and here's the interesting part, Mr. Speaker. Every year we have a debate about raising transit fees a nickel. Okay. And Councillor Gerbasi and others have voted totally against that. Five cents…below inflation, yet property taxes should be inflation and who do you think property taxes are going to hurt? You don't think they're going to hurt the poor? You don't think that's all handed down? It all goes down. Someone has to pay the bill in the end Mr. Speaker, whether you own the home or whether you're renting, you're paying for increased property taxes. In

the economy that we have today Mr. Speaker, this is not the time to talk about increased property taxes and Mr. Speaker, I just want to address one quick issue as well. The Winnipeg Housing and Homelessness Initiative. Mr. Speaker, until I became Mayor, there was no line item budget. It didn't exist. It was yours truly and Council that made that a reality, one million dollars. And knowing that the Chair of the Housing Steering Committee has called for a comprehensive review of all of the programs that are available and that's coming up in the very near future, and knowing that we should also be bringing other levels of government, okay, I think we should be doing this at the right time and everything in life is about timing, Mr. Speaker.

Mr. Speaker, we've talked a lot about what's going on here with our staff. I want to take a brief moment just to read something. It's from the C.A.O. and it's addressed to me. "Further to our recent discussions regarding the 2009 preliminary operating budget, I would like to assure you of the Winnipeg Public Service's commitment and capacity to ensure that the cost reductions proposed by the budget are attainable while maintaining services to citizens. When I was retained as Chief Administrative Officer by the City of Winnipeg, I committed to comprehensively redesign Winnipeg's Public Service, making the organization leaner, more efficient, and better focused on Council's goals. That process is under way. And it will continue with implementation of the 2009 preliminary operating budget. We will achieve the cost savings proposed by the budget through reductions to management, through internal efficiencies and through process improvements. Front line service to citizens will be maintained or enhanced. Indeed, we anticipate that further streamlining and business improvement will strengthen the public service's ability to meet its obligations and enhance our service delivery to citizens."

Mr. Speaker, we have a C.A.O. who is looking to make change to make us better. We have a C.A.O. who has said "hold me accountable". In this day and age, Mr. Speaker, you don't often see someone who says, "hold me accountable". We're moving in the right direction. Things are getting better. We have phenomenal challenges ahead of us Mr. Speaker, and you know what? Many Councillors here today are correct. We can't do it alone. It's working together with the stakeholders and other levels of government that we will accomplish our goal and I have no doubt in my mind, Mr. Speaker, that we will establish that goal in the very near future.

In the meantime, I ask everyone to support a budget that is fair and reasonable. Is it perfect? I think all 15 of us would say there's no such thing as a perfect budget. Thank you, Mr. Speaker. Appreciate your time.

Mr. Speaker: Thank you, Mr. Mayor. Councillor Gerbasi do you want to close on your motion.

Councillor Gerbasi: Yes, briefly, thank you, Mr. Speaker.

I just wanted to address a couple of things that came up in the debate. First of all, every year it's mentioned that this has been made a line item in the budget. I do appreciate that but I think what really has an impact on the communities is the amount of money in the budget. There's always been at least a million dollars, and the point I was making with this motion is that it's been frozen at a million dollars for four or five years. The line item is very much appreciated but it's really just an accounting term when you look at citizens and the impact on them and the points I've made I stand by, about the fact that there's less and less money and that there's a real need there and it is a matter of priorities, and you know, there is this resistance and this determination, you know…everyone keeps saying at some point we are going to have to have a property tax increase, but when? You know, after the next election when there's, you know…I just don't understand…well I understand the resistance to taking that step, but I think that this could be done even without doing that as according to the motion, and so I'm disappointed with that, that there's not more support for it. But I did want to

make the point and emphasize the success of those programs. It's not a grant, it's not charity, it's an investment, and I heard Councillor Wyatt speak favorably of that and I know he did try to add some money in earlier in the process but unfortunately that didn't make it through.

I'd also just like to comment, I appreciate that there's a thorough review of the housing programs that Councillor Pagtakhan spoke to, but I'm quite surprised that a Councillor that represents that area of the City would not be supporting this. This was originally his numbers that he had put forward last year, so I'm really quite astounded and I'm sure the people working on housing in his area will be as well, to realize he's not supporting this. I'm sorry…changing regulations and having secondary suites and stuff like that is not going to deal with the fundamental issue of assessment values and the lack of affordable housing in the inner city. Those are good things but they're not equivalent to adding a million dollars into our housing programs. So I hate to…I'm just responding to the comments that he brought forward and I'm very disappointed with that, considering this was his idea only a year or so ago. So, it's really quite surprising. I hope that the review of our housing programs doesn't lump all of our housing programs in. $250,000 condominiums are not going to solve the problems of the neighbourhoods in Point Douglas and West Broadway and Spence and Centennial. Those are things that will help the downtown recover and they will help some neighbourhoods, older neighbourhoods but that's not going to solve the problems. That's not what these programs are providing. The multi-family infill tax credit program. You know, it can be used for some of those things but these programs specifically work for neighbourhoods that are really struggling and they don't have, you know, they're not…a lot of those other programs that are being lumped together as what we're doing on housing are not affordable and I think Councillor Wyatt was getting at some of that. Those are wonderful programs and they are important, but this million dollars is specifically targeted to those to get affordable housing in neighbourhoods that are struggling. It's really unfortunate that this Council is not…is lacking the vision is all I can say, to make this investment, so I'm sorry to hear that but thank you for listening in any case. Thank you Mr. Speaker.

Mr. Speaker: Councillor Swandel.

Councillor Swandel: Thank you Mr. Speaker. Quickly on Councillor Gerbasi's motion, I just, you know, I can't support this. I think it's just bad policy. Throwing money as opposed to creating effective strategies. I applaud Councillor Pagtakhan for standing up here today. When I sat and listened to group after group coming forward on housing, maybe one out of every three talked about what an effective job they're doing in their neighbourhoods, what they've done and the fact that they've really seen change in those neighbourhoods, but then they went on to ask for more money. They did not ask to move the money from that neighbourhood where they've been building at capacity for how long? In some cases many, many years. They've seen the improvements but they still want the money Mr. Speaker. We need to move that money to where it's most needed. We need to buy into programs like what Councillor Pagtakhan is talking about and get away from this disingenuous political grand standing which is no more than a request for an opportunity to speak twice on the budget.

Speaking of disingenuous…before I go there let me just say that tomorrow I won't be supporting Councillor Wyatt's motion because I like the fact that the school boards are increasing taxes because what it does is it creates the opportunity for the Province to take the money that they were going to invest in those schools that they are no longer required to invest in, and invest them in municipalities. It's unfortunate the school boards have to do what they're going to have to do. They have a legislative responsibility to deliver a level of service that can't be tinkered with. And I believe that it's important that the school boards have their own autonomy and deliver in their local areas. Maybe some of them could be larger.

That's an argument for another day, but you know, Councillor Wyatt, you'll have to fly this one alone. You might get support from Councillor Smith maybe I think, but other than that, I think you'll be flying solo.

You know, I was going to say something in general about each of the unofficial opposition's responses, but I don't think that's going to be effective other than I'll just make a quick comment of there they go again. This is no more than a disingenuous campaign of misinformation that amounts to no more than a pile of dung, Mr. Speaker. No more than a pile of dung. I could go through item by item Mr. Speaker. I could take them to other cities, show how operational efficiencies are put into other budgets. Ottawa for example, $100 million of operational efficiencies over three years, and where are they looking for how to do that? They're looking right here Mr. Speaker. Right here in Winnipeg. They're trying to take on some of the models that we have. Some of our special operating agency models. Ontario in general is talking about what we're doing with our fire and paramedic service. This is where other cities are looking for their efficiencies. The answer to Councillor Gerbasi's question or whoever raised the question of how do we do it? It's a very long answer. It was a very comprehensive approach and we can continue to do it. There's no doubt about it that we need to look for more increased revenue from different streams. This does not have to be a conversation about property tax. Increased revenues are what we as a city need if we're going to be able to continue to improve for our citizens, but that's where we need to be looking. A hundred million dollars in three years in Ottawa, That's a staggering number, but they're going to be able to do it. And they're going to deliver still on front line services. Edmonton, Calgary, Vancouver. Oh Vancouver, that's right, that's the place they always talk about the great public consultation on budgets. I went to the Vancouver web site and the great public consultation is if you'd like to have your input on the budget, phone this number, fax this number, e-mail here or show up for our day at Council. That's the great Vancouver public input on their operating budget, Mr. Speaker. So I don't know where these folks are seeing this or who they're talking to at F.C.M., because when I go to F.C.M., they applaud what we do. But they must be very small cities that they're talking to or you know, maybe Weasel Creek, Saskatchewan, or something, where the folks all gather at the local coffee shop to talk about the budget. But in major cities, Mr. Speaker, we find that electing effective individuals to do the job and deliver for the taxpayers and the citizens of the City is the way to do it.

I accent again the fact that this is a service based budget, so to the campaign of misinformation that services are going to be cut and blah, blah, blah, blah, blah. Service based allows us to do a comparative analysis from year to year. It's very simple to do. Very easy to attack this disingenuous campaign of misinformation. I for one have great faith in our C.A.O. I see a strong representative of the Public Service coming forward with a strong Public Service, working closely with him, doing more with not less but more, with more. More money than inflation, Mr. Speaker.

Somebody made a comment about not being able to get through their voice mail. I come to work every day in my office. I'm able to easily get through my voice mail. As a matter of fact some Councillors who don't show up to their office very day, their constituents phone my office because they know they can get through there and we can get their matters directed to the right people at the right time.

Plan Winnipeg was also mentioned. Plan Winnipeg is well funded, yes, in partnership with the Province as it should be. Plan Winnipeg, perhaps the most significant thing that you're going to see in Plan Winnipeg is a campaign to go out and engage the silent majority. Not that loud vocal minority that shows up with their cap in hand on a regular basis, but the silent majority, the people who go to work hard everyday, come home, look after their kids, get them out to recreational programs and continue to deliver in the City of Winnipeg, deliver for

the economy in the City of Winnipeg. Those are the folks that are going to get engaged in this Plan Winnipeg.

So in conclusion Mr. Speaker, I want to talk to you about yes we can and a positive attitude, not the doom and gloom that's brought forward by some folks here. But there is a group of us that don't buy into the doom and gloom being put forth by the opposers of the budget. We support our strong Public Service willing to bring change and improvements for the betterment of all of our citizens and their wallets. Our Winnipeg has increasingly improved this downtown with a new Hydro Building and M.T.S. Centre. Manitoba Public Insurance Corporation is coming downtown. CentreVenture is working hard to bringing the Winnipeg Regional Health Authority just up the street. The United Way, new offices. Our downtown is full of theatres, restaurants, museums, and increased residential in our downtown supported by a Downtown B.I.Z. organization that's out there on the streets, a group of ambassadors working and ensuring that our streets feel safer, making sure that they look cleaner, and that citizens feel more comfortable in our downtown. Our Winnipeg, our positive thinking Winnipeg, has just turned the soil on Canada's Human Rights Museum. Our Winnipeg is investing in housing. We're delivering more on aboriginal youth strategy. Three million dollars in this budget over the three years Mr. Speaker. We're getting police and schools. We're adding to the police and fire budgets. Our Winnipeg has the lowest property taxes in the country with some of the best services delivered at the best costs, and we're willing to improve on that. Our Winnipeg is a great city, our great city will be well served by this budget. Thank you.

Mr. Speaker: Thank you. Councillors. We'll take the vote now on Councillor Gerbasi's Motion Number 1.

Mr. Speaker: A recorded vote has been called by Councillor Gerbasi. All in favour of Motion Number 1 please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Gerbasi, Smith, Thomas, Vandal.

Nays

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

Clerk: The vote Mr. Speaker, Yeas 4, Nays 11.

Mr. Speaker: It's lost.

On the Item, Item 1 under report of the Executive Policy Committee dated March 19th of 2009 on Item 1. Those in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

Councillors Gerbasi, Smith, Thomas and Vandal.

Clerk: The vote Mr. Speaker, Yeas 11, Nays 4.

Mr. Speaker: Item 1 is carried.

Councillors, before we get into the Consideration of By-laws, I'd just like to remind the information that you've received from the administration, from Human Resources on the number of positions, talk about in the budget. Those numbers, I've been assured by the Chief Administrator, may change as they progress when they proceed with the deliberations with the W.A.P.S.O. union. So that is not a steadfast number. Those numbers may change.

By-laws, Mr. Mayor.

EXECUTIVE POLICY COMMITTEE CONSIDERATION OF BY-LAWS

Mayor Katz: Thank you Mr. Speaker. I move that By-law No. 58/2009, 59/2009, 62/2009 and 63/2009 be read a first time.

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

Clerk: By-law No. 58/2009…

Mr. Speaker: Hold it Madam Clerk. No? Councillor Thomas.

Councillor Thomas: I'd like to be recorded against 58, 59 and 62. I will be supporting 63.

Mr. Speaker: Okay is that recorded, Mr. Clerk? Do you have it? Thank you.

Clerk: By-law No. 58/2009, By-law No. 59/2009, By-law No. 62/2009, By-law No. 63/2009.

Mayor Katz: Mr. Speaker I move that By-laws No. 58/2009, 59/2009, 62/2009, and 63/2009 be read a second time.

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

Mr. Speaker: Councillor Thomas recorded in opposition.

Clerk: By-laws numbered 58/2009, 59/2009, 62/2009, and 63/2009.

Mayor Katz: Mr. Speaker, I move that the rule be suspended and By-laws numbered 58/2009, 59/2009, 62/2009 and 63/2009 be read a third time and that same be passed in order to be signed and sealed.

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

Councillor Steeves moves adjournment. All in favour? Contrary? Carried. Roll call.

ROLL CALL

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

Council adjourned at 2:15 p.m.