COUNCIL OF THE CITY OF WINNIPEG
Wednesday, July 22, 2009

The Council met at 9:41 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 Wyatt.

ROLL CALL

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

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

Mr. Speaker: Thank you. No guests or announcements, Mr. Clerk?

Condolence Motion for the late Leo Mol. Would everyone in the Gallery and Chambers please rise and Mr. Clerk, read the Condolence Motion.

Clerk: Moved by Councillor Lazarenko and seconded by His Worship Mayor Katz; That Council place on record its profound sorrow at the death of Leo Mol; a renowned Winnipeg Artist and Sculptor which occurred July 4, 2009.

Leo Mol was a truly world famous artist with sculptures on display on Washington's Embassy Row and in the Vatican.

Mr. Mol leaves a lastly legacy for all Winnipeggers to enjoy with more than eighty major stained glass works in churches throughout Winnipeg and more than 300 bronzes, ceramics, paintings and drawings on display in the Leo Mol Sculpture Garden in Assiniboine Park.

Leo Mol was born in Polonne, Ukraine on January 15, 1915. He and his wife immigrated to Winnipeg in 1948.

This Council extends to his wife, Margareth its deepest sympathy and condolences in her bereavement.

Mr. Speaker: Mr. Mayor would you say a few words

Mayor Katz: Thank you. I had the opportunity to spend some time with Leo Mol. He became an internationally known artist and definitely made our City proud. The Leo Mol Sculpture Garden is a jewel in our City, and will forever remind us of the passion, talent and gift and he will sorely be missed, Mr. Speaker

Mr. Speaker: Thank you Mr. Mayor.

Mr. Speaker: Now for the Moment of Silence. Thank you.

MINUTES

Mr. Speaker: Adoption of Minutes. Councillor Browaty moves the Minutes of meeting held on June 24th be taken as read and confirmed. All in favour? - Contrary? Carried.

Mr. Speaker: Councillors, we have one motion, motion number 5.

Councillor Gerbasi: Mr. Speaker.

Mr. Speaker: Just a moment, I have a motion with respect to rules.

Councillor Gerbasi: Point of Order.

Mr. Speaker: What is your Point of Order?

Councillor Gerbasi: My Point of Order is that I would like to stand up and move a motion on the same.

Mr. Speaker: I have a motion here that's before.

Councillor Gerbasi: I was just advised by the Clerk, that I had the opportunity to stand up and move my motion, whether it was in writing or not.

Mr. Speaker: After this one, Councillor. Right after this Motion. Moved by Councillor Swandel. Councillor Swandel will you introduce it for additional delegations.

Councillor Swandel: Thank you Mr. Speaker the Motion is pretty straightforward on item 1. As you know the rules of Council usually only allow for two delegations on either side of an issue. We have a substantial issue in front of us here today and this motion is requesting that four additional delegations be allowed on either side of item 1.

Councillor Gerbasi: Point of order, Mr. Speaker. On a regular basis we have additional speakers for five minutes without questions. This is obviously trying to cut off the significance public.

Mr. Speaker: Councillor Gerbasi, Councillor Gerbasi please sit. Wait until your turn comes.

Councillor Gerbasi: As long as I get one before we vote on this.

Mr. Speaker: you will get your turn

Councillor Swandel: It's in keeping with what we've done in the past. We've allowed I think 3 delegations in the past, and that's more than we've done in the past and it is the standard that we usually apply, which is five minutes for the delegations and no questions.

Mr. Speaker: Thank you. Now, Councillors, there is a second motion that will be coming forward by Councillor Gerbasi. Councillor, please, be patient! There is a second motion coming by Councillor Gerbasi for additional delegation. Do you want to deal with both of them or would you like to deal with them separately?

Councillor Gerbasi: Point of order, Mr. Speaker. If he is tabled a motion can we speak to his motion?

Mr. Speaker: Yes.

Councillor Gerbasi: Then I had my hand up.

Mr. Speaker: Yes, he did, he spoke.

Councillor Gerbasi: I would like to speak to his motion.

Mr. Speaker: Councillor O'Shaughnessy.

Councillor O'Shaughnessy: Of course I haven't seen Councillor Gerbasi's motion, but if it is a secondary motion, the same except for the numbers, then it should be treated as an amendment.

Mr. Speaker: That's what I am asking Councillors would you like to deal with both at the same time? Okay now just a minute. Councillor Gerbasi your turn now.

Councillor Gerbasi: Thank you, Mr. Speaker. I would like to amend the motion since we've heard from a number of citizens who would like the opportunity to speak. This is their only opportunity possibly if this proceeds today to speak, and I have 18 people and they would like to speak for five minutes with no questions. It will move along very quickly, we've done this numerous times before. I don't have all the records in front of me because I didn't expect this to be an issue today, because normally we would hear 10, 12, however many people want to speak on a very important issue. This is totally what we always, frequently I should say if there is a controversial issue, we hear as many additional speakers as they want to speak, for five minutes with no questions. It not going to take us all day. That's what we're here for and I am very disheartened that Councillor Swandel would basically try to take away these people's one opportunity to speak to City Council. I'm quit baffled.

Mr. Speaker: Councillor, Gerbasi, Councillor Gerbasi, stop this! What's your point of order?

Councillor Swandel: I'm trying to do something here that gives us more than we normally have and for the Councillor to suggest that in some way is trying to offset this process or not allow the public to speak is reprehensible and she should probably leave the chamber Mr. Speaker.

Mr. Speaker: Councillor Swandel. (Booing).

Mr. Speaker: Hey! Ladies and Gentlemen, listen, please! Don't start this

charade here. We've got a tape recorder that's on. We're taping every word that's being said. Now Councillor Gerbasi, stop your snickering because I don't like that. You are the one trying to educate something here and now listen, I'm telling you, that the tape is on and it's hard for the one who is taking the minutes down, it's hard to hear what is being said with you making a scene up in the galleries because of some confusion going on with the delegation. We are going to hear the delegations; we're going to be deciding how many delegations we're going to listen to. So please, and Councillor Gerbasi please, we're trying to have a meeting that will be right, it's going to be democratic and not to have a scene. Do you have a point of order, Councillor Thomas?

Councillor Thomas: no, I want to go on the speaker's list, Mr. Speaker.

Mr. Speaker: Councillor Vandal was first.

Councillor Thomas: that's fine.

Councillor Vandal: I was originally going to say that Councillor Swandel's point was not a point of order but my fear is obviously there is a lot of public interest in what we're doing here today. We have about five different motions amending the main clause. People certainly don't have clarity here and people here and there is more than 4 people that want to speak in opposition. I don't know why we would should that door at this point to make before we make this very important decision and in fact, I think we should be referring this whole thing and bringing it back in September when we have more clarity. (Applause).

Mr. Speaker: Councillors!

Councillor Vandal: So if I can continue I am not finished.

Mr. Speaker: Councillor please listen.

Councillor Vandal: I'm speaking. How can you interrupt me? I have 8 minutes.

Mr. Speaker: You're alluding to that Councillor Swandel's motion. We're going to be dealing with Councillor Gerbasi's motion also.

Councillor Vandal: Yes I'm speaking to both of them. So I'm not going to be supporting Councillor Swandel's motion. I think there are more than 4 people that would like to speak here and I will supporting Councillor Gerbasi's motion.

Mr. Speaker: Good. Councillor Thomas.

Councillor Thomas: Mr. Speaker, I would suggest that the number, whether it be 4, 18 or 36, that if there are a number of people within the gallery who would like to speak on this matter, and they are not given the opportunity to speak, that Council will proceed with dealing with this matter to its folly. This Clause that is coming up that people here in the gallery wish to speak on, is coming up very quickly. There are many people who have expressed concern to me in writing, in e-mails, in phone calls, and I would suggest that if people have come down here hoping for an opportunity to speak and that door is shut on them, that this does not bode well for this Council. So I will be supporting Councillor Gerbasi's motion and if I find there is a 19th or 20th person that wants to come and speak, we have normally, when there is more than two speakers, allowed the opportunity for those speakers to be heard and that's what I would like. Thank you, Mr. Speaker.

Mr. Speaker: Councillor Wyatt. . (Applause).

Mr. Speaker: Oh my gosh. What do you have to do to get a message across? Councillor Wyatt.

Councillor Wyatt: Thanks Mr. Speaker, I would encourage Council; I think it's fair to say that there hasn't been a huge city-wide consultation process on this utility. We've had some consultation take place and some meetings centrally located close to the downtown, I would argue. But, not city-wide. We did have, EPC, the Mayor did have a chance to hear many delegations last Wednesday but the reality is, all of Council has not heard delegations. I; I mean 18 delegations is a

lot but at the same time, I think people want to have a chance to be heard. We know what it's like to sit through a public meeting and long nights, hearing public hearings and hearing delegations, as Councillors we're used to that. And we know what that's like. I think it's not unreasonable, Mr. Speaker, to in light of the fact that this issue has got a lot of folks' interest up, and their concern on one side or the other that they should have the opportunity to speak. I don't think it's unreasonable seeing that's what we're here today for, Mr. Speaker. I'll be supporting Councillor Gerbasi's motion.

Mr. Speaker: Councillor Clement. (applause).

Councillor Clement: Thank you.

Mr. Speaker: Ladies and Gentlemen, please. There is no need for that now. I'm trying to explain to you one more time. It's hard for the clerks and it's hard for the people are doing the censor and it's hard for the people keeping track of the minutes because your applause drowns out what we're talking about. So just refrain from that. Councillor Clement.

Councillor Clement: That's unfair, Harry they might want to clap for me and now they can't.

Mr. Speaker: They will. . (applause).

Councillor Clement: Mr. Speaker, I'm rising to speak to motion 5. First of all, as a member of Executive Policy Committee, I heard approximately 30 delegations last week and there were a lot of interesting things brought up by the delegations and I don't know who these specific people are, some of them may be the same and some of them may be different. I would like to start by applauding Councillor Swandel, frankly, for bringing motion 5 because he was doing it for the right reasons, to try to expand the number of people that would typically be allowed to speak and you don't know how many may come or not come. But, typically, Mr. Speaker, the history of this Council and many Councils before it, that when there are people that wish to speak that, we allow them to speak for 5 minutes, with no questions and so, if the motion was simply amended, I think that that's the appropriate thing to do, and allow those that want to come forward and say their peace and provide us with their thoughts. I think that that's the right thing to do. I think that Councillor Swandel had the right idea and should be admonished for it. I think he should be congratulated for it, he started the process in the right direction. The motion is at least here for us, we're not having to have someone wing something at us and all we have to do is amend this and I would support the amendment that Councillor Gerbasi wants to put forward.

Mr. Speaker: Thank you Councillor. Any further speakers? Councillors, we have motion number 5 and also a motion by Councillor Gerbasi. Councillor Gerbasi has 18 additional delegations to be heard, five minutes each no questions and Councillor Swandel has 4 delegations also.

Councillor Swandel: Just take Councillor's Gerbasi motion as a friendly amendment and move on with it.

Mr. Speaker: I was getting to that. Councillors, so you want to -- let's take -- as Councillor Swandel said, I'm glad he's.... What's your problem?

Councillor Swandel: Sorry, Mr. Speaker. I just want to make sure; I think there are a couple of other speakers who might not be on Councillor Gerbasi's list who want to speak and I want to ensure that they to were added to the list. I don't know, I haven't seen the list.

Mr. Speaker: Well it's Councillor's Gerbasi's motion so she should know who has to speak.

Councillor Swandel: I'm sure they're probably not on Councillor Gerbasi's list. (laughing)

Mr. Speaker: Do you want them on your list?

Councillor Swandel: No but -- Chris Lorenc and Steve Strang are two names.

Mr. Speaker: They're here.

Councillor Swandel: They're there?

Mr. Speaker: they're registered. They are registered. Councillors; Councillors, we're wasting time. All of you understand now that two will be dealt with. All in favour? of hearing the additional delegations submitted by Councillor Swandel and submitted by Councillor Gerbasi. All in favour?, please say aye. Opposed? It's carried. Councillor O'Shaughnessy do you want to be recorded in opposition? Okay let's get on with the business now.

DELEGATIONS

Mr. Speaker: First delegation is Councillor Chris Lorenc; Councillor; ah, Chris Lorenc on behalf of the Manitoba Heavy Construction Association. Mr. Lorenc you have 10 minutes.

Mr. Lorenc: Thank you very much. Good morning, Mr. Speaker, Mr. Mayor, members of Council. Councillor Orlikow we have not met formally since your election, I congratulate you on your election and as a citizen; welcome you to this chamber. Mr. Speaker, for many months, the City of Winnipeg has been considering and broadly consulting with the public and stakeholders about the creation of a new arms-length management model for water and sewer services. The principles which guided the establishment in summary are as follows. Preserve city public ownership of all the assets. Facilitate construction of sewage treatment plants in partnership with the private sector. Ensure the objectives of safe water, safe clean drinking water and efficient treatment of wastes. Which ultimately provide benefits to our rivers and Lake Winnipeg. Fund defined needs to potentially third party review. Tie funding to needs. Protect existing jobs with an outlined process. And hold accountable for objectives and performance those with whom a contract is entered. As Councillors you know what the challenges and what the objectives are. You know that you are under pressure of third party regulators. You know that you need to facilitate the above objectives, and you know that the existing framework cannot deliver the new reality demands. You don't and can't possibly anticipate all of the potential details in its implementation, any more than you could have identified all of the challenges you would face as Councillor, until you were elected and when you are, you deal with them. Hence, the need to ensure that the principles are clear and unambiguous, for it is the principles that will guide and determine all of the future outcomes. You know that the existing structures are no more capable of handling the infrastructure deficit load, 1.5 billion in the case of this utility, than are the existing fiscal relations with senior levels of government and/or, your existing revenue streams. And if they are, then vote this down. But stop asking Manitoba and Ottawa for new funding. Stop asking Manitoba and Ottawa for a new municipal fiscal deal, along with new revenue streams. The assets of this utility are no less an asset of the City of Winnipeg, than are it's roads and bridges which are built under contract with the private sector pursuant to which contracts you hold parties liable and accountable for outcomes. And these roads and bridges are no more likely to be sold than are the assets of the proposed new utility. Council did a public/private partnership with the Charleswood bridge project where the new asset is owned and managed under contract with the private sector, and transferred to the City after a specified period of time, in a specified condition. And have you noticed the public's use of the bridge? Is it less, the same as or more than what was projected? Does it matter? It doesn't matter because the public didn't care whether the third party owned the asset as long as the asset they needed to stay connected and travel, was built cost effectively and suited the defined transportation needs. The public hasn't refused to travel it because it is owned by a third party partner of the City of Winnipeg. The public cares that the deal made, made sense to the public interest and purse, and where those principles breached? Construction cost less than a million dollars or a million dollars less than would have been the case under traditional design build. The bridge was built a full year faster than the traditional

process. The asset is managed to contracted for standards and is a performance based contract. No performance, no payment as here. Respectfully, you can nickel and dime yourselves to death on the background details and/or be nickeled and dimed to death but this is not a court of law. Leave that to the Judges and the Lawyers. This is a court of public policy, of vision, of direction, and leadership. This is your domain. Set the clear principles, set the tasks, set the objectives, set the performance parameters and hold people or parties accountable. And speaking of accountability, when was the last time that someone was held accountable for a failed performance? Do you remember the debate and the subsequent history of Glacial Aggregate Special Operating Agency, the SOA? Do you remember the position of those who supported the ability of the City to structure itself to go into direct competition with the private sector? Do you remember the projections of profit all under written by risk assumed by the public purse, by guaranteed monopoly of product purchase, by the City from the SOA for a three year period? Do you remember our advice that the City would lose money? And do you remember the result? A loss of plus minus $7 million dollars over a five year period. And do you remember who was held accountable and who paid back the lost minus plus or minus $7 million to the City of Winnipeg? I do; the taxpayer was saddled with the loss and no one was held accountable. And so here, you are being provided with the levers with which to preserve the asset and civic public ownership while holding accountable, those with whom you contract for performance and results. Nonsense, some will argue in the opposition. Really? The City has used, uses, and will continue to use the instrument of contract to manage risks, to hold parties accountable, to ensure that the City's interests are met, to ensure that services reflect that which was agreed upon. Accountable to the extent that performance bonds are required as a measure of ultimate protection. Contracts are entered into, in many areas, including roads, bridges, sewer, water, building, the purchase of computers, even, dare I say, photo radar revenues. And when the terms don't fit, you have and you use the opportunity to renegotiate to adjust. And respectfully, Councillors, please don't delay. Please don't refer for further study or additional word smiting or other re-characterization. You have already devoted nearly a year if not more to this effort. Respectfully, delay is an enemy of decision and an ally of analysis paralysis. Referral is a friend of indecision and delay simply adds costs. Delay is a tactic used by those whose ideology and this is all about ideology; will always oppose the proposed direction. And I respect and applaud their right to disagree and to hold different views. But does anyone in this chamber believe for a minute that further study will change ideology? I don't think so. The research has been completed, the public consulted and provided broad access for input and today, it is your turn to decide. Satisfy yourself with the principles before you, the directions and the objectives. Do they as a package move the City forward? And if you conclude they do, then lead and vote for the clause. Delay is not free. It comes with a hefty price tag. Look around you. Look at the condition of Winnipeg's infrastructure. Look at the existing infrastructure deficit now hovering around $7 billion mark, up from $2 billion in 1998. Look at the infrastructure deficit for new structures, now around $3 billion, up from roughly 1 billion in 1998. That is what the freedom of delay has bought the taxpayer, a staggering and excessive $12 billion dollar infrastructure deficit, crumbling infrastructure, inadequate structure with which to cope, inadequate financing, inadequate revenues, incomprehensive budget pressures. The City must change. It must adopt new directions. It must think outside the box. It must use new structure and arrangements to meet the clearly identified challenges. And to do so in a manner that assures a measure of results and accountability. You have such an opportunity here and today. So, Councillors, vote against the clause if you wish, but offer a specific, meaningful alternative, other than simply further study or vague opposition. Vote against the clause but explain to the public why it should assume an even greater cost and uncertainty occasioned by indecision and

delay. This chamber is where leadership must be seen, heard and felt. This is what respectfully the public expects from those with the privilege of public service. I implore you as a Council alumni, who shared in the privilege of membership in this Chamber to lead. I ask you to support the clause, its principles, the directions, and for your leadership in doing so, I gratefully thank you.

Mr. Speaker: Thank you, Mr. Lorenc. If you could stand to the side.

Mr. Speaker: Mr. Dave Angus, President and CEO of the Winnipeg Chamber of Commerce. also in support of item 1 and then later on Mr. Lorenc may be questions for both of you. Mr. Angus, you have five minutes.

Mr. Angus: Thank you very much. It's not enviable to be following Chris Lorenc, actually. Your Worship, members of City Council, ladies and gentlemen, my name is Dave Angus, and I am the President and CEO of the Winnipeg Chamber of Commerce. It is my pleasure to be here to speak in favour of the proposed utility. First of all, before I make comment I want to say how important it is for us to scrutinize these changes. It is valuable to hear the voices of the community. These are important changes and I commend everybody here that care enough about their City to have an opinion and be able to voice it. But there comes a time and the time is today, when we need to put rhetoric aside and we need to put aside our political biases and philosophical biases and make a decision based on fact, based on what actually is being proposed. And how best it can serve the citizens of Winnipeg. I am here today in support of the proposed utility model and I would like to outline for you why, number 1, the time for change is now, number 2, why control will actually be enhanced by the provisions of the utility, and number 3, the many benefits I believe will be derived through the proposed utility that is before us today. Now is the time for change. I hope, at least, we all can come together around the sense that we need to change how we are doing things when it comes to this particular utility. The City is faced with significant investment of water and sewer assets in the very short-term. The City is currently saddled with a system that is seeing costly overruns and escalating rates with a lack of transparency and accountability. The Capital Region is in disarray. With inadequate infrastructure and no long-term plan to address it. Water stewardship is becoming increasingly important, as water will be our most valuable asset and resource. Over the next 25 years, the biggest global issue that all countries will face will be water. It will become increasingly important for municipalities like ours to structure themselves in a way that will ensure good, long term plans are put into place and that we embrace innovation and new ideas and welcome that innovation, and what's happening around the world when it comes to water. Water quality and environmental objectives will need to be establish and met through the same kind of innovation and ability to respond to new and better ways of doing things. The time is now for us to show leadership, and yet, there is really nothing new about this proposal. Many cities have arms-length utilities that working extremely well. Where the leadership comes in will be seen through results. It will only be achieved through this proposed utility model. That's what we truly believe at the Winnipeg Chamber of Commerce. Number 1, there has been a lot of discussion about control, whether the City is giving control away to a private sector partner. If you look at the provisions of what is being proposed, the opposite actually is true. I believe control is enhanced through this process. Number 1, there is nothing better for City Council in terms of control by having and delivering a long-term plan that you can deliver, with results, and you can hold both public and private sector accountable to achieve. A hundred percent city-owned utility, whose assets will remain with the City. The City cannot sell the utility in whole or in part. Privatization is not an option and not something we would support for this particular utility. The utility will be defined by provincial legislation. The City will control the capital program. The City through the CAO will define the asset management agreement which really truly will define the utility. Council will approve

on an annual basis the business plan and the capital plan. The board will be appointed by City Council. A joint labour management committee will oversee the transition to make sure workers are treated properly. The rates will be approved, eventually, by the public utility board which we believe is an effective vehicle to ensure that any rate increases are justified. A vehicle that has served to deliver the lowest hydro rates as an example, in North America. I commend the drafters of this proposal because they obviously took care in making sure and ensuring there is a comprehensive framework that ensures the proposed utility be accountable to City Council and that's the citizens of Winnipeg. And as we dig deeper into the proposal we see many benefits coming out of it. We see opportunities for cost control and containment which will be increasingly important with the level of investment that going to be required. We'll look for synergies that can be perused, that will best leverage taxpayer investment to derive maximum value. We'll see increased transparency and accountability for results. You will see increased transparency and accountability for results, as our representatives. Flexibility. It is increasingly needed to respond to an ever changing environment, when it comes to water. You'll have the ability to plan for an implement a regional plan that provides us the opportunity to finally bring the Capital Region together. You'll have an ability to make good, sound, long term decisions on behalf of our citizens. It will ensure a sustainable utility and dedicated revenues will ensure a long term plan is met.

Mr. Speaker: Are you almost finished.

Mr. Angus: I am just closing up right now. But the biggest benefit to the new model is you'll have a robust Council-appointed board with welcome and needed expertise with the involvement of a private sector partner that can bring global knowledge, innovation and best practices to the utility and to the citizens of Winnipeg will be better served and be able to address the many challenges it had and yet will be able to establish deliverable standards and performance levels to which the private sector can be held to account. Transparently, accountability, control, long term planning, new ideas, innovation, affordability, sustainability, flexibility, all describe the framework that we're voting on here today. I urge Council to approve the proposal so we collectively move forward to begin the important work that needs to be done. Thank you very much, I appreciate the opportunity.

Mr. Speaker: Mr. Angus there are some questions. Councillor Clement you have the first question to either to Mr. Lorenc or Mr. Angus.

Councilor Clement: Councillor Lorenc, er Former Councillor Lorenc, sorry. Good morning, Chris.

Mr. Lorenc: Morning.

Councillor Clement: Early on in your presentation, you made the comment that we shouldn't ask for more money from the feds and the province and I'm curious about that, given that and I'm sure you're aware that the clean environment commission made a recommendation in 2002, on a 25 year manageable plan to the City of Winnipeg, they also recommended in that document that the funding be one-third, one-third, one-third by the Federal, Provincial and the City. And the N.D.P. Government altered the timing in that document number one and subsequently, the cash flow requirements forced on the City, to the detriment of the ratepayers. Why would we let them off the hook?

Mr. Lorenc: We shouldn't, Councillor. The point that I was making is that if Council feels the status quo is adequate to address all of the problems, then of course, eliminate any further direction or consideration of the clause. In my view, it is a tragedy of relationships today that municipalities are being treated by like paupers, by senior levels of government. That they are not given their own access to stand-alone revenue streams that are reliable, predictable and perhaps are based on economic performance which provide incentive for Council and Councillors collectively and individually, to

be focused on economics as part of the outcomes of decision-making process. There absolutely has to be a real alignment and a change and a understanding by the provincial and federal governments that municipalities is where the economies and the engines of the Canadian economy are occurring, and that change has to happen. We support it as an example and then Mayor Glenn Murray's new deal. It's a tragedy that that new deal didn't get anywhere. So the point that I was making is that if you think status quo is fine, don't vote for this clause. But, if you believe that change is required, you need to do not only what is recommended in this particular clause, but you need to continue working with the public and shake holders and others who share the view that there needs to be a realignment, a reprioritization and restructuring of the fiscal relationships between cities in this country, provinces and the national government.

Mr. Speaker: Your second question, Councillor.

Councillor Clement: I don't have a second question; I just want to thank him for the clarification.

Mr. Lorenc: Thank you.

Mr. Speaker: Councillor Gerbasi your first question directed to who?

Councillor Gerbasi: To, I guess whoever wants to answer it. I'm just wondering, considering the confusion that there has been around some of the concepts in the business plan and the fact that this really will be our last opportunity to make this decision, Council is approving this today, do you have a big problem with waiting just until after the summer break to have some more scrutiny of this proposal and have some more public consultation? Do you seriously think that's a huge problem to wait until September? We're certainly not saying to wait forever we're saying let's have some more scrutiny and clarification of the business plan rather than amending it on the fly?

Mr. Lorenc: Councillor, with the greatest of respect, been there done that. I've been in this Chamber I served here for 9 years. I know what it means to be faced with difficult decisions, and I know how easy it is to when you don't want to make a decision, to ask for another report or ask clarification or ask for some more word smithing. The reality also is on the other side of that balance sheet; that taxpayers cannot wait for these decisions. Your fiscal realities cannot wait for these decisions. Your infrastructure deficit went from the vicinity of 4 billion to in excess of $13 billion since 1998. How much more must we study before, as a community, we make decisions to tackle these challenges. So yes, I completely object to further delay, to further referral, to further study. The information is here. The principles are here. Vote for them, vote against them as you will. Make the decision today.

Mr. Speaker: Your second question, Councillor.

Councillor Gerbasi: I'm just wondering if you had the opportunity to review the proposed Municipal Utilities Act, that is attached to the motion that Councillor Orlikow put forward which is based on the Manitoba Hydro Act which puts some safe guards in it. Don't you think it's reasonable to take a month or so to ask the public service to review those proposals and consider addressing or do you support the idea of amending something on the fly?

Mr. Lorenc: Councillor, you know, Council historically has always been dealing with issues as they come across its collective desk. Nothing precludes in September, October, November, January 2010, whenever you decide to deal with it if you deal with it by way of referral. For somebody else to stand up and say exactly the same thing. Here we are in January. Do you really object if we move this over to May or June or July of 2010 so we can consider yet another attachment to another amendment that proposes some other new direction? The facts are here. The issues are here. They are known to you. The challenges are there. The effects of delay are known. Make a decision.

Mr. Speaker: Any further questions? Councillor Steeves.

Councillor Steeves: Is Dave Angus up to?

Mr. Speaker: Yes. Ask a question of Mr. Angus. Go ahead. Your first question.

Councillor Steeves: Thank you both for your presentations, much appreciated. Mr. Angus, as President of the Chamber of Commerce there has been a lot of discussion about the strategic partner, the role of the private sector. And a lot of concern I think from members of the community. We're hoping to have some discussion about that today. But as the President of the Chamber of Commerce, would you please tell us what private sector involvement has meant with respect to this utility in terms of building infrastructure and what it might mean in the future, what it might mean to local businesses and local enterprise?

Mr. Lorenc: Well we see it all the time, Councillor, in terms of a private sector involvement that brings other private sector involvement. It concerns me when we get so concerned about engaging the private sector. The reality is, the vast majority of goods and services that all of us purchase are from the private sector delivered with quality, on time and at a competitive price. There's nothing different here. What is different is that the City will develop the standards of performance, the private sector is motivated in order to keep their contract, is to comply and deliver that service on time, on budget. Will also be encouraged to deliver new innovation. The reality is particularly with this utility, there are a lot of new things happening around the world. We are not the only municipality trying to deal with water and sewer and the private sector, through some of these organizations have reached into other jurisdictions that are dealing with the same issue that is we are. They can look at new ideas and new ways and to me, that's the biggest value is to bring it in. But it's a huge opportunity for local business as well to tie into some of the work that's happening. You know, this is where Winnipeggers work. They're employed by local companies. And we need to embrace the concepts of engaging a private sector in these types of developments. There's nothing precluding this Council from clearly defining what the standards and the deliverables need to be and hold them to account. That's what the private sector understands. They are held to account every day by the people that employ them, that customers that they have, and they expect that from you. And so, they will then find a way to make it happen, either for budgetary perspective or from a performance perspective or from a new idea perspective.

Mr. Speaker: No further questions? Councillor Vandal you were first.

Councillor Vandal: You know what, I'm going to stand down.

Mr. Speaker: Councillor Wyatt, your first question.

Councillor Wyatt: I just have one question really. Thanks for your presentations. We have another report on the Council; we have a whole bunch of reports. But you mentioned one, it was either yourself, Chris, or Dave, mentioned the construction inflation, infrastructure deficit - referring to the need to deal with this today. Construction inflation, for the last 8 years from 2000 to 2008 has gone up by 68%. Higher than the rate of inflation. It seems that whenever we come forward with a project, the private sector for whatever reason, in the last few years has not hesitated to drive prices up over all, on our projects and on our capital projects. How do we prevent and protect ourselves from private sector profiteering? In a sense of almost piracy because of the fact that we're spending more on construction, the Province is spending more on construction than ever before and that is driving prices up. There are only so many people in the business. How can we ensure that what we're doing here today is not going to create more inflation and therefore put more money into the pockets of certain firms in the City, verses doing things officially. When we hearing at the same time that 8% wage inflations are going

through on the private sector without an union. So I would like to get an idea of that issue.

Mr. Lorenc: Well. (applause) Mr. Speaker, I categorically reject the notion that somehow, in an open tender process system, there is collaboration, collusion, or to use your term profiteering. The tender system is done by companies competing with one another, accessing and utilizing the strengths that they have to bring to the project owner. The contract is not awarded to the bidder with the highest qualifying bid. The contract is awarded to the contractor that supplies the project owner with the lowest qualifying bid. That is the practice. It is open it is understood it is universal. In so far as where prices have been, they move up and down with the cycles of supply and demand and that is a reality. We see that in the marketplace. We see it in the food prices. We see it in gas prices and in clothing. We see it every where. I don't know where you have the statistics of 68%. I will acknowledge that prices over the last number of years have gone up, simply because there has been a heated economy. In the last year, I think you would acknowledge that prices probably dropped in the vicinity of 30%. If you take a look at where the price points are for industry. We are dependent on labour, for example. 30% of project costs are directly attributable to the cost of labour in our sector. I can't speak for the ICI. Wages in our sector have gone up in the last number of years by in excess of 30%. The cost of oil, I don't need to tell you where that spiked and where it was in the last number of years. The availability of steel in the marketplace has always been a challenge and it is particularly so within the last number of years. The availability of rubber to the point where contractors weren't able to buy tires for their heavy equipment because there was an inadequate supply. So these are all external factors over which we have no control, that at the end of the day, filter their way into the price of product. Nobody works for free, Mr. Speaker and Councillors. Nobody in this chamber works for free and nobody in the gallery works for free, business doesn't work for free, there has to be a margin. But I would suggest to you if you were to compare the prices in the Canadian marketplace, the marketplace in Manitoba is probably the most competitive. Aggregate is an example are the lowest price in the country. Companies that are international in scope and operation can't believe that the prices are what they are and it's because we are blessed with a supply of aggregate operations that is we have in this province. So the prices of commodities, the price of labour, and the price of doing business is influenced by any number of things. I didn't even go into regulation. And what regulations does. I didn't talk about the Department of Fisheries and Oceans. I did not talk about the environmental approval process. All of these things are costs that are layered on, and add to the cost of the construction project, regardless whether it's vertical or horizontal in nature.

Mr. Speaker: Thank you, gentlemen. Your time has expired.

Mr. Lorenc: Thank you.

Mr. Speaker: We have two additional delegations in support; Colin Craig and Steve Strang. First will be Colin Craig. You have five minutes with no questions. Proceed.

Mr. Craig: Thank you for the opportunity to speak here today. The water utility proposal before Council asks a very important question. One that should be asked of virtually all city services. Can someone else provide a better service for Winnipeg ratepayers? In the early 1990s, the City of Indianapolis asked the exact same question as their waste water system had won numerous awards it shocked city officials that someone would even question the efficiency of their city's operations. Just as we're seeing here today in Winnipeg some people in Indianapolis began to fear monger about partnering with the private sector. Dare I say it, but a former baseball great, Yogi Berra were with us and you had read Mayor Goldsmith's book from Indianapolis he would announce this feels like déjà vu all over again. Mayor Goldsmith's book he noted that when the prospect of a private partnership for water services

came up, "environmental groups clamor about accountability and insisted that private management and concern for the environment could not co- exist. Private managers they argued, would cut corners and compromise environmental safety in order to maximize profits. Nonetheless, the City hired consultants to look at their operations. "The review committee in turn hired the consulting firm of Ernst and Young to evaluate operations at the plants, examine all options and recommend a course of action". Another firm Camp Dresser and McGee was hired to perform a technical evaluation of the plants. Both studies concluded the facilities were run effectively and efficiently and noted the many awards that the plants had received. Ernst and Young predicted that contracting out management of the plants would result in a mere 5% savings over optimum City efficiencies. Thankfully for Indianapolis ratepayers, the City decided to test the market. During the RFP stage, they received a surprising bid from their own city staff. "Astonishingly the proposal entered by our in-house team which only weeks before insisted that $30 million a year was the absolute minimum amount required to run the plant, reduced that price by 10% when subjected to competition. The winning bidder, WREP, promised to and delivered on its commitment to reduce costs by 40% and saved Indianapolis ratepayers $65 million. The new partners "attention to preventive maintenance increased the reliability of the City's equipment resulting in fewer breakdowns and more dependable operation. Proposed savings on capital expenditures surpassed initial estimates for additional $4.2 million in savings over the 5 year contract. The City also received $57,010 in energy rebates from the Indianapolis power and light company and in recognition of the energy efficient motors designed and installed by WREP personnel. Environmental watch dogs would be pleased to know that WREP decreased the number of effluent violations by more than 50% compared to prior city operations. In terms of wages, "as of 1996" WREP's employees raises and bonuses averaged 4.1% increases compared to the 2.65% guaranteed for city unions. The union grievances also went down after the partnership. They went down from an average of 38 per year to just one in 1994 and zero in 1995. Most importantly, the City was able to avoid a pending sewer rate increase. Ladies and gentlemen, the sky did not fall in Indianapolis when they engaged in a partnership for sewage services. Ratepayers saved millions of dollars. The environmental rate violations went down. Employee grievances went down and wages actually went up. The City of Winnipeg is doing the right thing by asking if someone can provide a better service for Winnipeg ratepayers. By putting proper incentives and disincentives in place, you can improve accountability and the performance measures and your RFQ's does that. "The strategic partnership will be required to audit existing operations within the City's waste water treatment facilities at the outset and from time to time there after. Key performance indicators shall be developed in the strategic partnership will embark upon and periodically update it's program for optimizing efficiencies and minimizing costs associated with the on going operation of the City utility corporation, waste water treatment facilities. As the business plan notes, water and sewer rates have gone up by 50% over the last five years. Clearly, the system is broken. If the bids that come in aren't acceptable and they are not good enough for the Winnipeg ratepayers, then simply reject them. But you're doing the right thing by shopping around and asking if someone can provide better services for Winnipeg ratepayers. Thank you.

Mr. Speaker: Mr. Craig thank you. Steve Strang, on the same subject, you have five minutes.

Mr. Strang: Thank you very much, Mr. Chairman. Speaking on behalf of the Manitoba Capital Region today, I want to thank you for the opportunity to Mr. Mayor and the Council. I think that Mr. Lorenc and Mr. Angus spoke very well of the technical issues so I would like to keep it quite simple. This is 2009, and what are we facing? We're facing issues of an unhealthy lake, we're facing issues of unhealthy communities; we're facing issues of water that needs to be boiled in

order for people to drink it. This is the reality within the Capital Region. There was a mechanism that was put forward by the City Council in order to address some type of ability to negotiate services. To date that has not been successful. There has been small successes but nothing major. Why? I believe it's because of the politics that are involved with running the utility itself. We need to get past that. We need to move forward. This year, my municipality celebrated 125th anniversary. This year, I stand before you as my municipality who has two health orders and one water boil advisory which could have been addressed under a regional partnership. Delays cost money. I've seen it myself as we try to move things forward over the period of two years, one of the projects that is standing before us has more than doubled. I'm asking this Council to give consideration. We're here to write policy and procedure. It is the same as in my Council as it is in yours. I ask you to allow this to move forward, for the sake of not only human health and for the sake of Lake Winnipeg. We have to be the safe guards of what we have. We have to have the ability to leave something behind for our children. What we have now is not acceptable. What we need is progress. To leave the status quo is to move backwards. I'm asking this Council to move forward. Thank you.

Mr. Speaker: Thank you. In opposition, no, no questions on this one. The first delegation that is here to speak in opposition, Nicole La Haie in opposition to item 1 of the report of the Executive Policy Committee dated July 15, 2009. Is Nicole present? Is Nicole La Haie present? She is not here? Okay, the next delegation is Phyllis Watson. Well we have a problem here because if Ms. La Haie is not here she has ten minutes and Ms. Watson has five minutes; so if La Haie is not here, then Ms. Watson would get the 10 minute slot here to speak in opposition. Phyllis Watson. You are? What's your name?

Phyllis Watson: My name is Phyllis Watson.

Mr. Speaker: Phyllis Watson, okay go ahead.

Mr. Speaker: You have ten minutes.

Phyllis Watson: Thank you. Mr. Mayor and Councillors, thank you for the opportunity to come again on behalf of the Council of Women of Winnipeg and the Provincial Council of Women of Manitoba. Our Councils are the national, provincial and local level are nonpartisan organizations and are representations on public affaires are based on policy that have been developed by our membership at general meetings over a hundred years. These policies reflect our concerns for the communities in which women, men and their families live. I'll begin by quickly reviewing the points that were made by Carolyn Garlic on our behalf at EPC last week. While we understand the pressures that have led to the development of this plan, we do not support significant elements of it. Our water and waste department operates efficiently and effectively. Whatever problems there are, can be addressed more directly and inexpensively within the existing system. It is a good idea to deny City Council access for any purposes other than water and sewer services, to the funds raised from water and sewer rates. You've done so this year. If bylaws is required to make that policy, enact a bylaw. But the plan decries as political interference, we might call public scrutiny and we consider public scrutiny an essential element in the functioning democracy. The plan has not addressed a considerable downside risk in possible extension of city services, direct service to the communities and that risk is the migration of commercial activity from the City. And the jury is still out on the benefits of private sector involvement in delivering public services. What I wanted to emphasize today is our concern over the process by which this proposal has arrived on your agenda. On Thursday, November 7th, 2008, an existence of a report was made public and two business days later it was on the agenda for November 12th Executive Policy Committee meeting, and was scheduled to be carried forward to City Council the following week. The report recommended that Council approve a concept. Our Councils made representation in a letter which is in the minutes of that meeting

and from which I quote "a case for the long term benefits of a change of this magnitude must be made and defended by the proponents in a far more open and transparent manner than has been possible so far. The Provincial Council of Women of Manitoba and Council of Women of Winnipeg strongly urge the Executive Policy Committee to receive the report for information only, and provide an opportunity for full disclosure and meaningful public discussion to take place." the recommendation was amended to read explore instead of approve and passed onto Council. Early in June, before the report of the project team had been released, citizens were invited to two open house presentations. And apparently I have here we don't accept open houses as constituting meaningful public consultation and will continue to make that case whenever we they're being held. In this particular place that took place two days apart in the same location and to the best of our knowledge, were the only city sponsored public gatherings to inform the public about the plan. After the report was made public on June 29th, our Councils along with the green action committee of the Unitarian Church organized a public meeting for July 3. The members of the project team who prepared the report were asked to attend and they were sent a list of ten questions of fact. We asked them for a written reply so we could furnish that information to people as they came to the meeting. Our intent being to clear away some misunderstanding and facilitate intelligent discussion. And the committee also asked three other members of the public who had familiarize themselves with the report to join the project team and the public was asked to submit written questions directed to any of the 6 panel members. The project team agreed to attend the meeting, to show a power point presentation of the report and give verbal answers to our ten questions. They refused or were not authorized to participate in a panel discussion or to answer any of the questions. A standing room only crowd in excess of 200 citizens was left frustrated and angry, and I think you have all received copies of their 67 unanswered questions which were transcribed from the cards. Citizens deserve answers before Council accepts this report. The case for the long term benefits of a change of this magnitude has not been made. There has been neither full disclosure nor meaningful public discussion. Meaningful public discussion would allow adequate time for citizens to make thoughtful responses. In both November and July, final votes were scheduled within a few weeks of the release of information. When such significant changes are being proposed, meaningful public consultation would include full discussion of alternatives, including the status quo. Meaningful public discussion would take place at meetings in several parts of the City held over a period of weeks. Hundreds, many hundreds of Winnipeg citizens have signed petitions asking City Council to delay this vote until people's questions can be answered and there has been meaningful dialogue. Don't ignore them. Thank you. (applause).

Mr. Speaker: Thank you. Questions? Questions of the delegation, Councillor Thomas you're first.

Councillor Thomas: Thank you for coming, Phyllis. You talked in detail about what you felt was meaningful consultation. We have had consultations before where we had proposals that have been presented to community committee, where people have made delegations. We have had round tables before where people have talked about issues and had the opportunity and we've also had a variety of public hearings that have gone into each of the various community committee areas. Is this the type of consultation that you would find more acceptable for this kind of proposal?

Phyllis Watson: Yes. The normal procedure is actually pretty good. This is fairly significant so you know it’s going to take more than the usual procedure. But the main thing is the issue of time, and the issue of time between the appearance of a fairly lengthy statement or report or recommendation, and the time when you are going to actually vote on it here in Council. It should be a matter of several weeks at least, preferably months or more, to arrange for meetings that can be

held over a period of time and in a variety of places, under different circumstances, well advertised. That's meaningful discussion I think.

Mr. Speaker: Your second question Councillor?

Councillor Thomas: Yes my second question is with regard to the nature of the consultation. In the past, when we've had open houses, usually with regard to the design of a particular bridge or bicycle path or something small like that, there's usually three or four options for citizens to come and look at and decide what option they would like to choose. In attending the open houses that were there, did you find that there were a series of options or were you given an opportunity to make any kind of a choice about the type of facility that you would like to see run? I would like you to comment on that.

Phyllis Watson: The fact is, that happened to be a week when I was wearing my grandmother's hat at a graduation in Toronto, and since both meetings were that week, I didn't attend either of them. My understanding from reports from others is that there wasn't options shown. I believe it was just and it's something that is so significant, that an open house by nature is people come in and go and chat with a few officials, perhaps, if they choose to, and look at the pictures. But it's not a discussion. That's the problem with an open house in general.

Mr. Speaker: Is that it? Councillor Swandel your first question.

Councillor Swandel: Thank you, Mr. Speaker and thanks for coming today, Ms. Watson. In listening to you and in listening to the speaker that was here from the Women's Council or the Council of Women at EPC, there is no direct opposition to the concept of the utility? Your issues are mostly around the public consultation process. Is that a fair statement?

Phyllis Watson: I think as I said, there are significant elements of what we were talking about last week, that we certainly did not support, and we would like other options, including status quo, to be fleshed out and compared. But, and now of course there are changes, so we don't know exactly what they are yet. So the big problem is the fact that it's consultation and time for the public to become informed.

Mr. Speaker:: Your second question, Councillor?

Councillor Swandel: Would you agree that at some point you have to draw the line and somebody has it write the report and the decision has to come forward, that you can't have decision by, by what everybody in the community wants, you have to at some point move forward.

Phyllis Watson: No. There is reasonable, and I just believe that something more than what we've had, has been particularly unreasonable. The timing has been extremely short.

Mr. Speaker: Is that it, Councillor? No further questions? Councillor Gerbasi your first question.

Councillor Gerbasi: Thank you. Phyllis, for taking the time to come speak here. I was at the meeting at the Council of Women organized at the Unitarian church and with the Unitarian church group. And I'm just wondering I saw the stack of 67 index cards with questions and I saw our city officials saying that they couldn't answer those questions and that was an answer that should have come from the elected people. So nobody could answer those questions. Have those questions been answered since the meeting by anybody, either administrative or elected officials?

Phyllis Watson: Not to my knowledge. We haven't, I would really not expect; I think it's more a case, when we sent them, Caroline I believe sent them to each of you, after they were typed. I think it was to make you aware of what the questions were and hopefully you would be able to answer them if you choose to, or if you can't, you will know that you're leaving those many questions and many more probably, unanswered.

Mr. Speaker: Your second question, Councillor.

Councillor Gerbasi: The Council of Women has been around for 100 and something years and you've come forward on all sorts of issues. Have you ever experienced people coming out to a public meeting supposedly to answer questions and refusing to answer any questions?

Phyllis Watson: Well, in fairness, they didn't come, we were told ahead of time that that was the situation that they would come to the meeting. So we did know that would was going to happen before seven o'clock that night. And we just decided well we have to go ahead. These people are coming and we'll do what we can, and that is how it was.

Mr. Speaker: Councillor Orlikow your first question.

Councillor Orlikow: Again, thank you for coming and thank you, I appreciate the effort you've put in. My question for you first is, let's say deferral or referral whatever you want to call it, does goes through, and we were able to begin a consultation process, knowing how we did it prior, and I'm a stretching it to be calling it a consultation process, how would you see us doing it differently in the next phase?

Phyllis Watson: Well I think the first thing would be, a report that didn't just advocate one option, but presented a reasonable two or three options, and given in time for people to study it and I'm not asking for a huge number of weeks even though the people that aren't staffed, do need a little bit more time, we can't turn on a dime that often. But within a period of a week or two or three, most organizations, most groups can respond or can at least familiarize themselves and then, the very important thing is that public meetings have to be held over a period of time and that gives most citizens an opportunity to get to one at least over the time frame. Similar to somebody mentioned the fair deal ones which were, I can understand frankly about Councillors being concerned about those kind of public meetings because they were awful. But they were public and they were meaningful.

Mr. Speaker: Second question, Councillor.

Councillor Orlikow: So seeing at looking at the model, do you see any problems if we present, re-present with these modifications, the business plan as is, to debate? Do you see any problems with that?

Phyllis Watson: Anything is better than going ahead today, and I also agree with previous speakers that we don't need to carry this on for a year, but a matter of weeks or months, a month or two, would be quite in order, I think.

Mr. Speaker: No further questions? Ms. Watson, thank you. The next delegation, the next 18 delegations, five minutes with no questions. John Loxley, you have five minutes with no questions, followed by Jessie Hagier.

John Loxley: My name is John Loxley and I'm a Professor of Economics at the University of Manitoba and I've spent the last ten years studying public private sector partnerships or P3's. I would like to speak to one aspect of the proposal before you, which is the strategic partnerships or as they are, public/private sector partnership. These are provided for in the business plan, and regardless of what the business plan says, they are a form of privatization. They are said to be useful in protecting the City from cost overruns and they are said to save based on experience elsewhere including elsewhere in Canada, the 8% in capital costs and 12% in life cycle costs, in utility projects. And I would like to address those two issues. There are alternative approaches to construction, including design build, which can be part of a P3 or not. My argument would be, that based on my studies, it's unlikely that this would, this approach to construction would have saved on cost overruns in the last five years. In design build, the private sector tends to either build anticipated cost runs into its bid. If it doesn't do that and as it builds it reduces the quality of the asset in

order to compensate for the cost overruns or in extreme cases and some of these have been very large internationally including the London Tube and the Channel Tunnel, they come back to the public sector for further financing. In looking at the other issue of savings, there are two types of strategic partnerships or PPP's in water and sewage. The first is the case where the facility; the operations of a facility are handed over to the private sector which then shares in the costs which are saved in the process. Usually this entails either an increase in rates or more usually a lay off in labour, which in extreme cases can be extremely dangerous and in the case of the Hamilton Wentworth Water Treatment Facility, led to a huge environmental disaster and eventually, led to a re-entry of that entity into the public sector. The second approach is that the public sector or the City in this case, leases facilities from the private sector which builds, finances, operates and manages the plant. And that's where these savings that I talked about in the business plan are said to come in. However, uniformly, the private sector borrows at a higher borrowing cost than the public sector, the leases that are entered into are debt, they are considered debt these days by auditors so you don't reduce the public sector debt. And, of course, the City of Winnipeg can borrow quite cheaply with a double A bond rating. So higher financial costs are implicit and secondly higher indirect transaction costs in the case of the Charleswood Bridge, the extra financing of $1.4 million and the extra transaction costs shared with the private sector, $1.6 million and are tied into a project on which we're still paying 11.05% when the City's cost of borrowing is less than 6%. Why are we tied in? Because there is a provision in the deal that if we were to buy out the contract last year it would have cost the City an extra $17.5 million after paying $15.5 million on a $10 million project. These are not nickels and dimes with due respect to Mr. Lorenc. The Manitoba Water Treatment Plant is quoted very favourably in the business plan said to save 10 million or 30% of capital costs. I studied that project. That was based the comparative of public site to compare was an old plan and 30% bigger than the one that was adopted. The two projects were not comparable. There was said to be no capital costs involved, no debt involved. These are built into the water rates people pay in Moncton and the return to equity on the private sector, for the private sector was 25%. So this is debt finance, much more expensive than it needed to be and water consumers are paying the entire cost. Likewise a Scottish examples as quoted in the business plan being critiqued, quite significantly by Allison Pollack and other people. This is not about building a bridge that people use, it's not about building a water treatment plant that works. The question is how do we do it? I think we have to be very careful with P3's. The research into the business plan is poor and I would recommend we delay the proposal until the fall. Thank you.

Mr. Speaker: Thank you Mr. Loxley. (applause).

Mr. Speaker: Jesse Hajer

Mr. Speaker: What do I have to do?

Mr. Speaker: Jesse Hajer you're on, five minutes.

Jesse Hajer: I would like to thank Council for hearing my presentation today. I'm here on behalf of the Canadian Centre for Policy Alternatives Manitoba and I'm here to present the results of our research. Last week, the EPC heard many concerns regarding the proposal that is before us today. I would like to note that our research has shown that many of these concerns are valid and justified. The business plan presented before Council puts forth a model that reduces public accountability and transparency. Exposes the City to unnecessary risk and could cost the citizens of Winnipeg dearly in the long run. The proposal also involves a private for profit company in the on going operations and staffing of water treatment plants which despite the mayor's constant assertions to the Contrary? is privatization. This type of waste water privatization has been devastating to the environment and to other communities such as Hamilton. And this fact has been

completely neglected by the business plan and the EPC. All these facts have been presented to EPC and are part of the public record and I will not dwell on them further, although I'm sure other presenters may wish to bring them up again. I would also like to speak to the proposed amendments that according to the Winnipeg Free Press are being put forward by Councillor Steeves and Swandel today. All three of these proposals, should they come forth are last minute, vague and completely against the spirit of the business plan that we've all been given. While this may be a step in the right direction, it only shows that a delay is required before the decision to create the utility is made by this Council. It is now more clear than ever, that due diligence and due process have not yet been undertaken. The main point I would like to speak you on today is the weakness of the main argument for the utility in the first place. The idea that this utility model will be more efficient than the current department set up. At the EPC meeting I presented clear evidence that the due process has not been undertaken to show that this utility model will actually save the City money, compared to the current structure. I asked no questions at that meeting. I would like to now briefly reference this evidence that I presented to EPC, to the Council as a whole in hopes that these points will be reconsidered. I have provided more details with numbers and figures here that I with like to submit to the clerk to be passed out to the Councillors for your reference. The business plan references three main sources from which the projected net savings are expected to arise. The first is the anticipate reduction in operating costs due to synergies associated with the utility. The second is from savings through the strategic partnership and the third is from profit from selling services to municipalities in the greater Winnipeg region. When broken down it is a P3 arrangement that is anticipated to realize the bulk of these savings. These net savings are a key part of the City's argument to justify the new utility. Given that these projections carry a substantial portion of the argument in favour of the utility, one would expect that these projections would be extensively and objectively assessed. Unfortunately, for Winnipeggers this does not appear to be the case. The business plan cites eight sources as their basis for the projected savings of the strategic partnership. Out of these eight references, four are from reports or web sites published by P3 advocacy organizations, these are organizations that lobby on behalf of P3 contractors. One is from a web site of a water company responsible for P3's. Two of the remaining references are from a power point presentation that was posted on line by a civil servant of the City of Seattle. Only one of the publications provides detailed references to where it got their information and none were studies that looked at a broad and objective sample of water P3's. None were published in peer review journals. The business plan also cites nine specific P3 projects for cost it's savings basis. This is a small and selective sample and ignores well known P3 water projects that have been more costly than a public sector comparators such as the Hamilton Wentworth project. It also ignores the cases where municipalities did public comparatives and decided not to go with the P3 option. The cost savings due to synergies are equally vague and unsubstantiated. The business plan simply asserts, I quote "as a result of purchasing processes more customized to the utility needs and more ability to negotiate contracts to work with others, to purchasing synergies, it is expected the utility will achieve the noted savings and nothing is given to back those up. Regarding the sale of services to other municipalities, that option is now available under the current department structure and is presented in the business plan solely as an advantage of the new utility. Given the above the C.C.P.A. Manitoba strongly recommends that Council delay the approval of the utility concept until an independent public sector comparator by an uninterested third party can compare the costs of pursuing this model with the cost of undertaking upgrades under the current ownership structure. This analysis should clearly distinguish between the current ownership structure, the proposed MCU pre three model and a municipal corporate utility model without a P3 arrangement. Council now has the

opportunity to see that due diligence is done and I urge Council to delay the vote on the utility so that those who believe the utility model is best for Winnipeggers can make their case using facts and research rather than marketing, advertising that we have seen so far.

Mr. Speaker: Thank you Jesse. (applause)

Mr. Speaker: Ladies and Gentlemen, I would like to remind you, I am presenting a motion on a full public referendum. I wish I could get a quote and that kind of applaud when I stand up to introduce it. Next one is Sandy Gessler. You have five minutes. No questions.

Sandy Gessler: Thank you Councillors for this opportunity, I appreciate it. Mr. Mayor, Mr. Speaker, Councillors, Ladies and Gentlemen, my name is Sandy Gessler, and I'm the President of the Board of the Social Planning Council of Winnipeg and I'm also a professor in the faculty of nursing at the University of Manitoba. For 90 years the Social Planning Council of Winnipeg has been working to make this City a more just and responsive society. As Board President I decided that the Social Planning Council would become involved in this issue after reviewing the publicly available materials, articles published by my academic colleagues and after attending a public meeting sponsored by the Councils of Women of Winnipeg, a member group of the Provincial Council of Women of Manitoba. I've also consulted with members of the Winnipeg Citizens Coalition. While individuals may differ on the specifics about this plan, we all agree on one thing unanimously, it's being rushed through Council much too hastily. We urge all Councillors to vote today to delay this decision by at least 2 months. In fact, the Social Planning Council would prefer a three month delay. More than 3,000 Winnipeggers agree with us; they've signed an on-line petition sponsored by the Social Planning Council and the partner groups I've just mentioned. It will be my pleasure to present that petition following my brief remarks. My fellow Winnipeggers are asking you, their elected representatives to delay this decision until October the 28th meeting of Council. I know Councillors Orlikow and Gerbasi have moved that Council delay this decision until September. Again, we would prefer October but if that is not possible then we're due to vote on that motion. The people of Winnipeg deserve a fully informed say about the future of their water system. There are many concerns and as a health professional I'm especially concerned about the potential public health implications of this proposal. Many of my colleagues in public health, the other health disciplines and the physical sciences are also expressing similar concerns. We need the reassurance of detailed evidence about how the regulation and monitoring of the water supply and sewage systems will be impacted by a new management scheme involving a private partner. In 2000 the Ontario Environment Minister, Dan Newman admitted that the privatization of water testing had played a key role in the deaths of seven people in Walkerton, Ontario, and made many more seriously ill. The public remembers Walkerton. My colleagues at the University of Manitoba have documented and published a troubling history of this City Council at the turn of the century, when attempt after attempt was made to save money on the water system through private operators at the cost of public health. It was only when Winnipeg became the City with the highest typhoid rate in North America did City Council act, and only then because the province insisted. The result, the Shoal Lake Aqueduct and a publicly owned water distribution system were miracles of modern engineering that have supplied safe drinking water to Winnipeg citizens ever since. Why are we looking to change this system? The report by Deloitte in 2008 clearly states the water and waste department has a good track record in terms of providing services in a matter that protects public health and stewardship of the environment. If it's not broken, why are we fixing it? And why are we insisting on doing it at break neck speed. There are simply too many fundamental questions left unanswered by this proposal. Last minute clarifications and reassures by the mayor have not been reassuring. The people of Winnipeg need clear answers to the

questions that have not been dealt with in the current report and business plan. Rushing the current proposal through during summer feels like a deliberate strategy to ensure that citizens are not involved in this decision-making process. The public consultation the City has engaged in so far has been ineffective, holding only two sessions in the same building in one part of the city does not meet a standard for true public consultation. The format of the sessions was also designed to protect public involvement. The Council of Women of Winnipeg held it's own meeting, that has already been referred to, but city officials left the meeting after making a confusing presentation, refusing to answer questions from the floor. The Social Planning Council respectfully requests the following format for truly meaningful public consultations. At least one public meeting of 90 minutes in each of the cities five community committee areas on a week day evening in September after labour day. That the meetings are advertised in both daily newspapers at least a week in advance. That the Chief Administrative Officer or his designate attend each of the public meetings and answer questions put directly from the floor and that public is defined as meetings open to all citizens. There is so much confusing and contradictory statements, many of them coming from Mr. Gray, who's the lead person on this project as we understand it. And the vague details have resulted in many serious concerns and questions that you are hearing today. In fact, the Winnipeg Free Press reported that in a meeting between the editors, Mr. Grey and CAO Glen Laubenstein, two City representatives failed to arguing among themselves how the private sector partnership would work. This is not a trivial detail and is a vital component of the plan. Until there is clarity on how much of Winnipeg's infrastructure the private sector strategic partner.

Mr. Speaker: Your time is up.

Sandy Gessler: Time is up? I'll finish off then. There are just too many crucial details that require clarification. Now Mr. Speaker, Mayor Katz, Councillors on behalf of the more than 3,000 citizens of Winnipeg who have signed our petition and in less than one week's time, I ask you to hear our concerns and to vote to delay this decision until the fall. To do otherwise is to create a situation where the potential health and other risks are just too high. I wanted to submit this petition to the Speaker on behalf of the Social Planning Council and the citizens who took the time to express their concerns to you by signing our petition. Thank you.

Mr. Speaker: Thank you. (applause).

Sandy Gessler: If they're not validated we'll give it to you within 48 hours.

Mr. Speaker: Thank you.

Mr. Speaker: Mr. Davidson you're next.

Mr. Davidson: Good morning, Mr. Mayor, Councillors, Mr. Speaker, Local 500 appreciates the opportunity to speak here this morning. We also spoke at Executive Policy Committee and made copies of our written brief available to you. I would like to take this opportunity to highlight a few important matters in this debate this morning. Firstly, much has been said about the new utility being needed in order to live up to the stringent environmental standards that the Province of Manitoba has put into place. Simply put this is not accurate. The sewer up grades can and should proceed immediately and should not be tied to the creation of a utility. The existing City of Winnipeg structure can and should begin that process using the private sector to design and build the upgrades and the City should finance them and the current City of Winnipeg staff should operate the upgraded plants. Secondly, much has been said about operating the utilities that is like Manitoba Hydro. Unfortunately the business plan that we have seen and analyzed is not like Manitoba Hydro. Manitoba Hydro is owned fully by the citizens of Manitoba and has a mandate to provide low utility rates to Manitobans. The business plan in its current form does not make any reference to ensuring low rates for its services to Winnipeggers. As we've already stated in our earlier presentation, the concept outline in the

business plan of allowing the private sector to have up to a 49% equity stake in a subsidiary company does not seem to lend itself to the statement that the City, that the utility, is a hundred percent city owned. Thirdly, the proposed utility seems to be rushed through the process and this is of great concern to us. We have said, we have only had the business plan since June 29th and we have raised significant number of questions in our analysis of it. We tabled these questions and we are looking forward to an opportunity to meet to discuss them and hopefully we can get answers to them. Now, we have not taken the issue with the concept of a public utility nor have we been unwilling to work with the City in this endeavour, however we will continue to have concerns that the utility outlined in this business plan is not an utility designed to serve in the public interest. Further discussion continues to be needed. Councillor Lazarenko has tabled a motion that we believe should be supported. Council should be bound to a public referendum on any proposed sale of the City's water and sewer system. However, this motion only begins to address one of the many problems outlined to date. The public needs to be certain that the costs of the water and waste water services be kept reasonable and that the cost savings be passed on to them if they occur. Regulatory protection needs to ensure that the public has access to clean, safe water in effective sewer services. The public needs to be certain that publicly owned assets will continue to be publicly owned in any new utility. Our members have provided quality water and waste water services to Winnipeggers for decades. We want to be part of a genuine process that improves these services for the public. In order for members of the public and for us to be part of this process, a delay in proceeding is necessary. Indeed, our polling shows that two Winnipeggers in three support further public input into this process. Two out of three want to wait on this. We urge City Council to support the recommendations for deferral for further public input. Thank You.

Mr. Speaker: Thank you Mr. Davidson. Chris Leo, next delegation is Chris Leo, you have five minutes.

Chris Leo: Thank you, Mr. Speaker, your Worship and members of Council. My name is Christopher Leo I'm a professor of politics at the University of Winnipeg. Part of my job is to stay abreast of what's happening in other cities and try to figure out what the significance of things, of the things we can learn there are for the City of Winnipeg. I also publish a blog where I try to make the results of my research and other people's research available to a wider public. I have never been happy with the idea of making privatization the focus of this discussion. I've had two other concerns. The first of these is accountability. This change is being represented to the public as an increase in accountability. But it looks to me, I have felt from the start that the agenda here is to pass off the very substantial responsibility of running the water system, to someone besides City Council. The amendments that are coming before the City today, before Council today, don't make that any clearer, they only make it murkier or at least, it looks to me as if they only make it murkier and now we have an independent board that's going to be responsible for running the water system. But that's going to have to come to the City, to City Council for this, for approval of this, and come to City Council for approval of that. From the viewpoint of those of us who depend on you to make decisions on our behalf for the City of Winnipeg, that's not clear accountability, that's very murky accountability. I urge you not to pass off responsibility of this very important responsibility on anyone else. As murky as the issue of accountability is, one thing is crystal clear about this or at least it has been crystal clear from everything I've seen so far, and that is, that the agenda here is to try to deal with the deficit that the water system faces, by marketing water into the region. Now I don't need to explain to City Council that there is not a level playing field for development. Municipalities adjacent to the City of Winnipeg are able to offer opportunities for residential; mostly residential development now, at substantially lower

cost than the City does, quite simply because they don't have to maintain; although they benefit from the level of services that the City of Winnipeg offers, they don't have to help pay for them. We pay for those services and then they are able to compete with us on a playing field that is absolutely not level. Now this has been so far, mostly competition for residential development and anyone who looks at what has happened in the last ten; well, since 1986, anyone who looks at what's happened can say that we have lost a lot of that development. The main thing that stands between adjacent municipalities and being able to compete with the City of Winnipeg on the full range, on all; for not only for residential development but for commercial and industrial development, is a municipal water supply. The suggestion here is that by marketing our water to those municipalities, we're going to pay for the deficit. The people who are advocating this only add, they are not subtracting. They're adding the money they'll make by selling water into the region but they're not subtracting the great losses in revenue that will come to the City over the years, as they lose industrial and commercial development to the surrounding region. Ladies and Gentlemen, I urge you not to pass off responsibility for this issue to someone else. And, I urge you; I urge you not to give up this one last piece of control that City Council has over development in the region. Thank you very much. (Applause).

Mr. Speaker: Thank you, Chris. Next, David Cavett-Goodwin. You have five minutes.

David Cavett-Goodwin: Thank you, Mr. Speaker and City Councillors. I would like to speak to you on behalf of the Wolseley Residents Association and I am also employed as a policy analyst at the Social Planning Council of Winnipeg. Some of the advantages claimed by the administrative reports are the increased flexibility that the MCU, Municipal Corporate Utility; would have compared to the current structure, as it would be freed from restrictive public sector governance and political agendas. Despite its negative connotations, political agendas also include efforts by our elected representatives to represent their constituents and make decisions in the best interests of the City as a whole. The business-like nature of the proposed MCU model about will shift emphasis to the narrow bottom line at the expense of incorporating broader objectives. The report states that any future utility service agreements in the Capital Region or elsewhere would be the responsibility of the utility and its board to negotiate and conclude. It is clear here that responsibility currently held by City Council who is accountable to voters is being transferred to the MCU, which under the current proposal will be governed by an unelected board of directors whose are only weekly accountable to City Council. Council participation will be limited to approving or rejecting an entire slate of candidates for the board of directors and accepting or rejecting its annual report. This will lead to reduced public oversight, reduced political accountability and reduced access to information. Experience in Canadian Municipalities showed that these are very real concerns. The Parkland Institute's Diana Gibson prepared an in-depth reports on Edmonton's EPCOR, in which the Deloitte and Touche Report commissioned by the City which sites as an example of an MCU responsible for water and waste services. Gibson's Report highlights Edmonton can no longer include EPCOR run utilities in it's broader City planning objectives that now there is a singular lack of oversight by City Council and public transparency have been severely curtailed as EPCOR is not subject to the freedom of information and protection and privacy acts. Since taking over, Edmonton City Councillors and citizens have not been able to gain access to vital information about the Edmonton water utilities. Additionally any contract with the private sector partners would be considered proprietary information and would not available to the public even through access to information requests. This will make it nearly impossible for the public to judge whether we are getting a good value for money on projects and operations under the proposed P3 scheme. Along with all of you, sitting

here and in the gallery, I am deeply concerned about the issue before us. I am concerned with the quality of our city's water services and our city's infrastructure in general. $1 billion is the price tag for up grades in water projects and this affects us all. We are under a tight deadline to comply with provincial and environmental laws and regulations. We need to act quickly and the City Council is using this as an opportunity to push through a proposal which is entirely incomplete, incomprehensible and inadequate. The issue of time was mentioned earlier. A 30 year lease is a long time to deal with the potentially negative consequences of a plan which could have been avoided, had we spent a sufficient amount of time to deal with them now. I think Winnipeggers believe in the idea of partnership. This is an essential part of being a proud citizen of this city, to reach across seemly insurmountable political ideological boundaries, set those aside and work together for the benefit of our community. This is what we want to achieve, set a precedent for partnership and co-operation in Winnipeg. We do not want a slick sales pitch. We do not want to be patronized. We do not want to be deceived by mystifying business proposal jargon. And we don't want this municipal corporate utility. What we do want is to be listened to. Large investments will always be required to ensure clean, accessible, safe and sustainable drinking water. The problem one of accountability. The people of Winnipeg deserve to be fully informed about the future of their water system. There is simply too many fundamental questions left unanswered and last minute clarifications are not sufficient. We therefore request that the City Council delay this vote until more public consultation has been heard. Thank you. (Applause)

Mr. Speaker: Councillors, Ladies and Gentlemen you're not helping by doing that. Please. Councillors, we have a bit of a problem here. We have delegations that have not been heard on different matters dealing with Council, and we still have 12 more to go on the opposition side Councillor's Gerbasi's motion, 18 additional . Councillors I don't think it's fair we have people who came here on different matters, to appear as a delegation they'd have to wait all this time. Do you wish to continue with the delegations with the delegations that we are on now? Those in opposition to the water utility; or do you wish to go back to the delegation that is before us here on the agenda who have been waiting since 9:30 and may be here until two o'clock? But the choice was to hear the opposition and the additional delegations that is Councillor Gerbasi made, so there is 18.

Councillor Gerbasi: I appreciate that those people were on the agenda before, so I would be prepared; I think there are two or three of them. I thought they would have been heard first so I'm willing to do that. Unfortunately, somebody will have to wait but those people were officially on so that's fair.

Mr. Speaker: Councillors? There are 12 more to go on this. We have one, two, three, four, five and each one have 10, 20, 30, about 40 minutes but we don't know. It may be shorter than that.

Mayor Katz: Mr. Speaker there is one delegation here why not let this delegation finish and then I would concur with Councillor Gerbasi move to the ones so we're already on and then go back.

Mr. Speaker: Okay, Alana McKenzie you have 5 minutes.

Alana Makinson: Good morning. Members of Council and Mr. Mayor, thank you for this opportunity to address the Council on the important issue of the proposed municipal utility and partner. On behalf of the University of Manitoba Students Union and the Canadian Federation of Students, representing over 46,000 students in Manitoba, I am speaking in support of the motion to defer the decision on the municipal utility business plan and the administrative report. Students are joining community groups, labour organizations, and citizens in voicing our concerns with the City of Winnipeg's municipal utility and partner proposal because we know the short-sighted proposal will have long term implications for our city. Students will inherit the mistakes caused by the hurried

and ill informed decisions that you will be making today if you pass this proposal so irresponsibly. It is for that reason we have written a report card today. And we are giving the City of Winnipeg an over all grade of "F" for the following reasons: (applause).

Alana Makinson: It is, when it comes to transparently we give the proposal and Councillors supporting it an F. Members of Council have heard concerns pertaining to the lack of clear public consultation throughout the decision-making process from the Deloitte and Touche report to the business plan in front of you. I observed the presentation served at the Executive Policy Committee meeting last week and was surprised to see that all presenters spoke in opposition yet members of EPC voted in favour. The consultations at the Masonic Temple were hardly consultative at all. There were no elected representatives on hand to answer questions and the information provided was bare minimum to say the least. The public meeting coordinated by the Council of Women of Winnipeg and the Council of Women of Manitoba, was given another opportunity for city officials to explain to the public why the proposal would be a good thing for the City. Again, unfortunately, Winnipeggers were left without answers. Because of the inadequacy of these consultations, I give the proposal and the Councillors supporting it an F for the lack of public support. Moving on to the business plan itself, the business plan contradicts itself. Is missing vital pieces of information and leaves many questions unanswered. In fact, had this been a project for a business class or public administration class at the U of M it would certainly receive a failing grade for lack of content, contradictions, poor chosen sources and deficiency of peer-reviewed research. (Applause). Jesse Hajer of the CCPA has outlined the lack of qualitative data supporting the claims of the proposal and has made it clear that it is missing key pieces of information. It is it for that reason that students in Manitoba give the business plan itself a grade of incomplete. We have seen this type of mistake at city hall in the past. Most notably, the Charleswood Bridge P3 project, in which we are now paying more than expected and bound to contracts from which we cannot escape. Many concerns have been raised by the Canadian Union of Public Employees, the Council of Canadians, the Canadian Centre for Policy Alternatives, the Council of Women Winnipeg and Manitoba, Social Planning Council, the Winnipeg Citizens Coalition, and many others over the business plan which may open the door to future sales of public services and assets pertaining to Winnipeg's water and waste department. Students have been watching with a keen eye the growing public outcry against the proposal and against the lack of transparency. We have become engaged in the issue because we see and understand that your decision today will affect our lives tomorrow. We will be the engineers, the social workers, City planners and decision makers of the future who will be forced to clean up your mistake. It is for those reasons that we give the business proposal and Councillors supporting it an F for its lack of vision. As it currently stands, I feel the proposal should be shredded and the City should continue with its positive record of public water and waste management through the water and waste department, which according to the City's own reports, has always received an A. I suppose the least I could ask is that you vote in favour of deferring the proposal until more thorough consultation takes place and until the business plan's inconsistencies are amended and until we receive guarantees that our water and waste will be publicly owned, operated, serviced and controlled without a private partner.

Mr. Speaker: Thank you.

Alana Makinson: I just want to finish my last sentence please.

Mr. Speaker: You failed us.

Alana Makinson: Well I just wanted to say perhaps then students in Manitoba will be able to boost the over all grade to an A. Thank you. (Applause).

Mr. Speaker: Councillors! I can tell you right now we're providing good entertainment to both galleries. Perfect.

The, Cindy Tugwell, we're going into the first delegation that was earmarked to be here for this morning. Cindy Tugwell Executive Director of Heritage Winnipeg, you have 10 minutes followed by Ray Wan and Cornelius Martens also, will be speaking right after you and both of you will stand and answer questions if there are any. Ms. Tugwell.

Cindy Tugwell: Thank you very much. I'm here to speak about; that's better; I'm here to speak about the recommendation from Property and Development on behalf of Heritage Winnipeg that we concur with the recommendation to not place the building on the conservation list and also to have no demolition permit issued prior to the issuance of building permits and that the construction of the proposed development shall be in conformance with the renderings submitted to Standing Policy Committee on Property and Development. And I think what is key here today that I'm going to be speaking about is all of these elements that have been put in place to protect the heritage advocates, that this has been a long and difficult decision. It definitely is a compromise. I'm here to speak to you by surprise of some of the Councillors I know it was commented at Property and Development that Heritage Winnipeg did support, that the building not be placed on the conservation list. We've been looking at this issue and I have spoken to you on many occasions about the transparency and the lack of process, not really understanding the issues until they come up and not really understanding the develop: we are here for the Conservation of Heritage in the City. This is a nationally historic site. We more than anyone take this extremely seriously, and don't under estimate how much consultation and how much discussion has gone into this. I know I've spoken to many board members, also people in the community, the developers for the last four years. This building is currently vacant. It is not protected under the vacant and derelict buildings bylaw as we know it. The property we've toured with the managers of the building, 3 years ago when the tenants were when the tenants vacated the building. The understanding is very difficult. This has been also a discussion with some leading historians so again we take this seriously and have had consultations with Heritage Canada. We have several issues here. We have a building, a 300,000 square foot historical building, the largest heritage building in the downtown that the developers have spent millions and millions of dollars on, from my understanding, although the 153 Grain Exchange Annex is structurally sound, it is at a point right now as some buildings are facing in the exchange with a lot of money that has to be invested in them now, to continue to maintain them. Floor plate being very difficult. Because the issue also is logistics and I've spoken several times to the developers, also, about the loading zone issue. It's been talked about, could there be a compromise with the parkade built adjacent to the Grain Exchange Annex so we can protect both and have the best of both? And from our understanding and everything that we've within told from a factual perspective, this is a huge impediment, this narrow loading zone that accesses the grain exchange building. Again, shown over the years, and I'm a board member with the millennium centre and that building we spent ten years saving. Mar West has spent millions investing in that, they've invested in the Johnston Terminal. And there's other buildings, the Hamilton Building, they've shown that they are not a fly by night developer that wants to make quick money. We all know the investment in the parkade is immense. The return is very slow. What they are faced with right now is the reality of how to continually make the building, the grain exchange building viable and how do they do that if they continue to keep the Grain Exchange Annex occupied? They can't. The compromise has been from my perspective and from parks Canada's perspective as a national historic site, to continue the continuity of the streetscape. And by having that continuity, is something that really is part of the national designation. So, we're looking at a collection of turn of the century buildings. So the parkade was designed and you will hear from the developers, as far as what the streetscape is going to look like, and why it's so important and this issue was so important that the

Councillors at Property and Development are ensuring that those renderings your going to see today and this project you will see today is what we are going to get. As you know in the past there have been other projects where we've seen the renderings and that is not what we've got in the end and from a heritage perspective, having that continuity is very important. And so, this condition that you be approving today will allow any significant changes have to come back to Standing Policy and Committee on Property and Development. Sorry, we are waiting so long. So from Heritage Winnipeg's perspective while we're here typically to protect the heritage buildings; we've looked at this and again, why I want to stress it is there has been criticism. There was recommended which the historical buildings to be protected. I think what we're getting, we've also; thank you. We also; thank you. We also attended a parking workshop and I wanted to add that what was interesting and enlightened me and something that has been talked about with the design of the parkade is to look at the retail space on the main floor. Have this building integrated and part of the streetscape become part not a dead zone, but actually be a benefit to the community that people are going to actually want to come and take occupancy in these surrounding heritage buildings. 112 parking spots is all that's been delegated currently with surface parking and something we've been dealing with and again, was discussed at Property and Development is the difficulty with surface parking. And with this project it identifies and talks about Infill being an integral part between these landmark buildings. So we have quite a considerable amount of landmark buildings on Lombard and this huge surface parking lot that is doing a disservice to the tenants of the building of the Grain Exchange Building. Again, we're looking at 300,000 square feet. It's 93% occupied right now, and we want to continue to see that the Grain Exchange Building is a vibrant building and they continue to invest and restore. What we don't see is the commitment and the restoration and in the Grain Exchange Annex, that is not going to continue. This building is going to sit vacant, become derelict and we need it to be part of a larger project for the Exchange District to look at saying how are other tenants going to want to come to the exchange; businesses going to thrive in the exchange. Parking is an integral part of the exchange even though it is an international historic site, what I did learn from the parking workshop is that we cannot turn a blind eye and we have to identify, if we have a need for it, how do we address it. This was a way to address it. The developers were very transparent in talking to Heritage Winnipeg and letting us understand what their obligations were, their commitments were. It certainly is with the Grain Exchange Building from a financial perspective, it isn't with the annex. The parkade is going to definitely help the area. It is actually going to take away surface parking. It's going add to the economic viability of the adjacent heritage buildings. There will be parking for tenants and there will also be public parking and I should allude to the fact, the success of the Albert Street Parkade adjacent to the Hammond Building which a lot of people, it was controversial when TD bank initially wanted to tear down Heritage Buildings to build that parkade and I do park there and a lot of patrons in the surrounding exchange district park there and it's a valuable asset. They did do a good job with intergrading the parkade into the streetscape. So this is definitely something that we're taking very seriously to say it is a compromise but nonetheless, this building, the Grain Exchange Building is an extremely valuable asset to the Exchange District East Exchange and the renderings that have been approved by Property and Development have been in this condition, assure us that what we see is exactly what we're going to get in the future. Thank you.

Mr. Speaker: Cindy just stay here. Ray Wan and Cornelius Martens on the same subject. I, then there will be some questions. There will be questions later on and you have five minutes.

Cornelius Martens: Good morning Mr. Speaker, Mr. Mayor, fellow Councillors, Ladies and Gentlemen. I want to stress notwithstanding the issue before you that we are advocates for heritage buildings.

We probably own more heritage buildings than anybody else in this town and we restore them. We buy them, restore them and keep them. Example, the Grain Exchange, Hamilton Bank Building, 395 Main Street, the Bank of Commerce, 389 Main Street which we donate to the Millennium Society in the year 2000; the Johnson Terminal are some of the ones that we own. We also restored the Children's Museum at The Forks and the "A-Channel" Building; so we are in the restoration business in the buying business and the holding business of heritage buildings. So I want to confirm that we are advocates of heritage buildings. Notwithstanding that, I want to give you a little background of the Grain Exchange. When we acquired the Grain Exchange in 1991, it was a bit of a disaster for us because the building was 73% occupied and needed countless millions to repair and we had a great difficulty, great challenge. We have spent close to $14 million on the Grain Exchange and we have won heritage awards by re-doing the entire front lobbies and we've kept heritage aspects of it; we have made I would say the heritage people proud in the City including ourselves. We have won awards for Beaumont from Beaumont for 395 Main Street. This is a difficult decision for us to come before you and ask you to permit us to demolish the Annex which is not really an Annex but it is a building next to the Grain Exchange. Now the reasons for that are quite simple. The Grain Exchange you may not know, is a huge building; an office building with 25,000 square feet floor plates and has approximately 300,000 square feet of space. But what it does not have, it lacks two issues, two things, a very important in keeping the viability and the on going building in a stable and a financially positive position that is parking and loading facilities. We must have proper loading facilities which we do not have. We have not had them. As a result, we have lost tenants and we have not been able to lease to some of the tenants. We have 122 parking stalls at grade. A 300,000 square foot office building should have at least 300 parking stalls. So we are way under utilized and fact if you look at your by-laws, you will probably see that one stall per a thousand is minimum. In fact I believe it's 4 stalls per thousand square feet required. We will do with 300 stalls. We expect to start construction sometime in the Spring. I do want to mention one thing, I know one of Councillors at the Standing Committee had a concern, you'll pull a permit; you'll demolish the Annex and you may not proceed. I give you this undertaking. We will pull a permit, we will not demolish the Annex until we are well under construction with the foundation of the parkade. So that there will be no games played but I make that commitment to you, thank you.

Mr. Speaker: Thank you Mr. Martens, there are some questions, first Councillor Gerbasi.

Mr. Speaker: Oh Ray Wan, I'm sorry.

Ray Wan: Mr. Speaker, Mayor, Council, the rendering Cindy was referring to and as presented to the committee, I'll take this opportunity to further demonstrate what we're trying to do in terms of architectural treatment to the proposed parking structure. I made a point to advise you that with the process has been as transparent as possible. We have gone through you and we have gone through heritage multiple times and the whole consultation process taken us over a year. We were in front of the committee a year ago and we withdrew so we have the proper opportunity to make sure go through every department that has a stake at it and have an opinion on it to arrive a final solution. What you will see today is a proposed parking structure that not simply used the negative term of demolishing a structure, we are constructing a new structure; not simply a parkade it's a parking structure that house vehicle and people and the discussion is how do we treat the building and how do we treat at the pedestrian level and what we have successfully done through review with the City departments is on the main floor, in the future as the area further developed the main floor can very easily be remodeled to become a retail space as demonstrated on this rendering over here. I apologize, I'm not sure if this rendering has been distributed. The

electronic file has been provided to the City and this is a larger version of the colour rendering. 167 Lombard on your left-hand side and the proposed parking structure is on your right-hand side. And as our last presentation, one very good point is by removing the 153 Lombard what that does is open up the view to the balance of the key building of 167 Lombard not just simply demolishing a building and achieve no objective here. The objective here is further reinforcing the edge of Lombard to recreate the edge. And I have a second rendering show you the night scene of what it will look like at street level for people that go down Lombard.

Mr. Speaker: thank you. Questions now. Councillor Gerbasi.

Councillor Gerbasi: Question for Cindy Tugwell. I'm quite confused about the mandate of Heritage Winnipeg because I thought Heritage Winnipeg was an advocacy group for Heritage. I mean we know there are issues with parking and we know developers have problems developing things but I am completely blown away that a heritage advocacy group which I assume your mandate is protecting heritage buildings would come out and speak and promote removing an intact heritage building that the Historic Building Committee has recommended be saved and I'm completely baffled, I can see why you might stay home if you didn't feel that strongly about it but to come here and tell to us tear down a heritage building, on a National Historic Site, I don't know if the board agreed to this if they did I'm very shocked and would like to have an explanation thank you.

Mr. Speaker: Cindy.

Cindy Tugwell: I'll try. I think what the question is, is we have gone off our mandate. You feel we've gone off our mandate to conserve build heritage and we have not. You have seen this and supported was with the and it has not come to fruition but in theory and as a condition with the St. Charles Hotel and Albert Street business block; you had also Parks Canada contributing because it was part of the national historic site. Unfortunately, the Grain Exchange Annex was built in 1920 so not part of the national integrity statement and only goes up to 1913. But you've already seen this as part of a proposal for a compromise from a heritage organization on a local level and on a national level although the provincial government was not represented to say that there had to be some kind of a compromise when you were looking at the development of the St. Charles Hotel and how do you deal with an almost, again this building, the business block was not vacant, the Grain Exchange Annex is vacant but very similar where they're falling in disrepair; no monies are being put into them and where eventually as you and I both know they will fall under the vacant and derelict buildings bylaw and to compound that we do not want to see what we almost saw with the Ryan Building on a pivotal corner of the Exchange, west Exchange; we almost lost that building to an emergency demolition because the owner wasn't allowed to have that building sit there in despair year after year because he chose not to sell the property and he choose not to develop it and our hands were strapped unless the City interjected with expropriation to say we're going to have to sit and watch and see other building owners upset because they're putting millions of dollars into their buildings and these buildings right beside them are falling in disrepair. So yes as I stated earlier, it's a compromise but it certainly is within the mandate of Heritage Winnipeg to look at the bigger picture of a National Historic Site and look at the economic; the future economic viability, this is alleviating surface parking and this is bringing revenue into the area. This is appeasing a lot of problems that are concerning a massive; again, the largest heritage building in the downtown, it affects it in a very profound way. So this was a decision that was made which falls well within our mandate.

Mr. Speaker: Your second question, Councillor.

Councillor Gerbasi: Thank you, Mr. Speaker. Parks Canada isn't here today and I'm wondering if you are aware that yes, it is true that the commemorative

integrity statement doesn't go up to that year but that doesn't mean that it is still not a building that has heritage merit according to the Heritage Buildings Committee which is made up of experts who evaluate heritage and they say that in spite of its year which is one of the criteria they evaluate, they still believe and have recommended that this is a heritage building. So although; I guess what I'm trying to understand is while there are some valid parking arguments and economic development arguments, is not the primary mandate of Heritage Winnipeg to stand up for heritage? And I'm completely baffled that you would let other people make; let the business people argue for their business. You represent heritage and you're here telling us to tear down an intact building in a National Historic Site; and my question is -- here is my question. What; what exactly does heritage get out of this compromise? I understand what parking gets and I understand what other concerns get, what does heritage get out of this compromise as the head of Heritage Winnipeg?

Cindy Tugwell: Something we didn't get on North Main Street and something we haven't got in previous years that I feel is very important. We got the assurance from Property and Development that this project would not go forward unless we are actually getting the promise and the design that we had approved, that we felt was continuing with the integrity of the streetscape. And as you know there's been many projects that have put up a modern monstrosities that have no continuality, no fit into and there has been one recently in; outside of the exchange district that we lost that was on the conservation list that was designated and should have been protected and we're talking about a building that has never been designated that had; the building owners have a track record of assuring us that they are committed in the restoration area. That has not happened in the past, so this is giving our organization that very assurance that you're talking about for continuity of street escapes that we're getting the same type of architecture and filling surface parking as part of the design. So this is certainly, again, a compromise but again, it's similar to your first question, is still within the mandate of Heritage Winnipeg to protect the whole District and not building by building and if this project benefits the district as a whole and certaintly the Grain Exchange Building than that is part of our consideration and part our mandate.

Mr. Speaker: Councillor Gerbasi your last question? First question Councillor Wyatt.

Councillor Wyatt: My first question is to Mr. Martens. I just want a clarification. You mentioned you would the start construction of the new parkade, the foundation of the new parkade, before demolishing the Annex, and I just want to know how is that possible?

Cornelius Martens: It is possible and I know you had that concern at Standing Policy Committee and I thought about that. Typically; because when the Annex gets removed that is our loading dock facility. The parkade is attached to an underground connection at the back and the front. So we can be on the way with foundation construction for you to confirm this is not a game we're playing and then we will turn and demolish the Annex. In other words, we're not pulling a permit, something happens, demolish the Annex and we walk away. We will be in construction and the foundation construction of the parkade because the parkade has two aspects. One towards the back and one towards the front; where we want to give Heritage value on the front of Lombard. For us it is doable and we want to give you and Council that confirmation; that assurance that this is what we are prepared to do.

Mr. Speaker: Your second question Councillor Wyatt.

Councillor Wyatt: Ms. Tugwell; Thank you, Mr. Martens. Ah seeing that we've now confirmed that the Annex is not being torn down for the purpose of building a parkade it's been torn down for the purpose of building a loading dock and surface parking lot, are you aware of that?

Cindy Tugwell: The building itself is a very difficult building and you're faced with this all the time and you've heard me many times talk about building owners that do not invest in their buildings. This building is not economically viable and I would rather see the compromise made with the Grain Exchange continued to be protected and invested and millions of dollars go into that building to ensure that it will be lasting for the next hundred years, than worry about a very small plate building that's going to completely disrupt the viability of that building. Yes, one is an integral component to the other, I see it as that and definitely that was weighed out in our decision that there was a compromise and a sacrifice for this particular building to continue the growth and development in the District and also to get rid of the surface parking and that's something that there is a concerted effort to look at the parking issues without having to; and look at land that's available. Unfortunately, this building is placed into a position where it's an impediment to the parkade being built.

Mr. Speaker: Your final question Councillor.

Councillor Wyatt: That wasn't quite an answer to my question; so I'll come from it from a different angle. In light of the fact that we're setting; are you aware that we're setting a precedent here with regards to knocking down a building that's been recommended for the Heritage Conservation list to create a parking lot, a precedent that could have impact in the future with projects yet foreseen?

Cindy Tugwell: I have a twofold answer on that and I'm bringing this up because are you aware that Council decided a few weeks ago that you wanted to demolish a home that was on a historical home that was already on a conservation list for no reason. Not for anything but a development. So we are talking about a National Historical Site and I get the understanding that it's much more important and much more focus but there are heritage buildings all over the City, St. Boniface, St. Norbert, Westin, Osborne Village, that have set a precedent already where you have demolished because of development. This I see as an integral part of continuing to ensure the economic viability of the Grain Exchange and to also fill something that I think is a complete eyesore and disgrace in the Exchange, looking around and seeing all these surface parking lots. While we do not want to talk about the issue that parking is still a problem. It is a reality for the business owners, it's a reality for the continued vibrancy of the exchange that people be able to come here and park. And if you talk; I was part of the secondary plan that's under way right now and the number 1 issue' or second issue to safety, is parking.

Mr. Speaker: Time has expired for question period. Our next delegation; Thank you. Regan Wolfrom, in opposition to Item 1 of the Report of the Standing Policy Committee on Property and Development. You have five minutes; pardon me, you have 10 minutes. You are in opposition.

Regan Wolfrom: Thank you. Good morning, everybody for the next five minutes I hope.

Mr. Speaker: No you have 10 minutes.

Regan Wolfrom: No it's five minutes to afternoon, but then I won't say good afternoon at that point.

Mr. Speaker: okay

Regan Wolfrom: I don't want to sound too out of breath; I was making grilled cheese at home when I realized how quickly proceedings were going, so I kind of rushed here and I still got a half eaten grilled cheese at home. So, I won't take too long because I'm pretty hungry but basically, what I want to talk about today is not necessarily the heritage of the Grain Exchange Annex. We all know it was built in 1920 and we all know it's an important transitional forum between the Chicago school and more modern architecture. We know that and also know the Grain Exchange Building is a very important building. We know that the Annex as part of that building is grade 2 Status currently and so the talk is do we want to strip that grade 2 status from part

of the building and tear down part of the building to create surface parking and a loading dock. That's the question here today. It's not whether or not the parkade can be built. I think it's wonderful to see surface lots give way to parkades. It is far more efficient and allows us to have new development on the existing surface lots, in the Exchange District and there are a lot of those. The problem is that, if we're getting rid of this building; we're not only getting rid of the heritage aspect which is important to me but its not important to some others, that's a matter of opinion. What's important is that we're actually removing density from the exchange district. We are removing potential tax revenue. We've got a property that in the proposed assessment its going to be assessed 15 million; when you take down all the square footage that assessment goes down; which means that other people are left paying a higher proportion. So what are doing? We're removing density and we're not actually removing density to build a parkade, we removing density simply because a surface lot would apparently look nice next to the Exchange Building. Now what I want to say, is that, I do applaud the work of the Martens family and of Mr. Wan and I'm very pleased to see that they are working hard to keep the Exchange District to be a viable historical area and I understand that there are some esthetics that play into this; I personally believe that the esthetics are better having the historical edition in place. Now that's my opinion, but once again it's subjective but the fact is, that I believe that, unlike the views of Heritage Winnipeg with all due respect, it's not a situation where we're going to see demolition by neglect because I know the Martens family doesn't do that. This is not what we're talking about a situation where you'll going to see that building crumble and fall part. The fact is that building can be viable especially when there is a parkade built adjacent to it. I mean, what we're going to see there is with more parking with more convenience. We're going to see that this parkade will be attached to the whole concourse system; that's going to increase the viability not just of the Grain Exchange Building but this component of the Grain Exchange Building. So why are we going to take way this density which we're not going to see returned; we're going to see a loading zone and surface parking. Why are we doing that; we're not getting a benefit. The parkade can go ahead we can still have this extra parking and we can still see the surface lot disappear but instead we also have that density and I don't know why we would give that up. We're seeing a big change in the Exchange District and we're seeing a lot of growth; we're seeing a lot of interest and we're seeing it become more or more it's being recognized for what it. It is Winnipeg's billion dollar asset. It is the most important asset that we have as a city; it is what makes us unique. If you look at the Exchange District and you compare it to historical districts and places even like Chicago; where the Chicago school began, you're going to see we have a district with far more integrity. We have a district that is even more. So what we need to do is, we need to protect the buildings that make, that are the sum of its parts. We can't start losing this building here and this building there because we want a loading dock or surface lot or who knows what maybe a park bench. We need to save these buildings because when we start stripping them down one building at a time because this one was built in 1920 and this one we don't really like the look of it, and this ones kind of grubby looking, then what we're going to have is we're going to have maybe 20 buildings in total that are really, really nice and then we'll have surface lots, we're going to have big box stores; that's what we're going to end up with in our Exchange District. We don't want our precious billion dollars asset looking like just every other city because this is something unique and we can have our annex and we can have our parkade and we can have everything. And we need for this Council to say, you know what, we know that Ray Wan Architecture, that the Martens family; that they are good enough to put together a plan that maintains the viability of the Annex and allows the parkade to happen. We know they can do it. All we need is for the Council to make the decision that, it's important to the City and I believe it is and I hope that you will agree with me. Thank you very much.

Mr. Speaker: Councillors any questions? Councillor Wyatt.

Councillor Wyatt: Thank you for your presentation and your description of the Exchange as our billion dollars asset and unique Heritage Site for the country. You've; I believe you also sent communications to different Councillors with regards to this issue and the Mayor. Have you heard anything back from; well I'll say specifically, the Mayors Office or the Mayor himself? He has been conspicuously silent on this issue and I would like to know what his stance is on this issue with regards to the impact.

Regan Wolfrom: I haven't heard back at this time, of course, with the Utility that's happening, the whole water utility debate, I'm not surprised. The only Councillor who has had a chance to reply so far, has been Councillor Swandel and I'm very appreciative of that. But I hope that perhaps we'll hear some of that today.

Mr. Speaker: Councillor Fielding, your first question.

Councillor Fielding: Sure, thanks for your presentation; appreciate your passion on the issue. Just a point of clarification; I'll ask it in a question, you did state in the earlier part that the whole structure; and it seems the way you're presenting it, it was both facilities or both buildings were on the grade 2 list. Are you aware that the Annex of course is not on the grade 2 list of historical buildings, it is on the inventory list?

Regan Wolfrom: Are you talking about the Historical Buildings List? It's not listed on there at this time all that is listed is the Grain Exchange Building but as an addition to that building as far as historic by-laws from my interpretations it means it is part of that building and therefore it has grade 2 protection until it's detached and added is that not the case?

Mr. Speaker: Councillor Fielding do you have a second question? Councillor Gerbasi your first question.

Councillor Gerbasi: Are you aware, and thank you, I didn't get a chance to answer your e-mail but I was glad you were here today. I am wondering if you're aware that the whole building, both the Annex and the Lombard building; were under the grade 2 designation and it was determined that the decision was made on advice to; legal advice, that we needed to look at the annex separately and that the recommendation from the Historical Buildings Committee was that it is in fact merits Heritage status?

Regan Wolfrom: I'm aware that the Committee recommended a grade 3 status and I think that is a very acceptable status, but I'm not sure if that legal advice that it should be looked separately, I don't think means is separate at this point. I think that from my point of view, that that is the decision that will be made today. Is it being separated; is it going to be destroyed but at this point I believe it's still part of the original building as far as the heritage designation is concerned.

Mr. Speaker: No further questions? Thank you. Councillors we have two more delegations; Brian Mansky in opposition to Item 7 in the Report of the Standing Policy Committee regarding land exchange in Fort Rouge Yards, is Mr. Mansky in , followed by Cal Dueck also he is in opposition which he gets 5 minutes and then maybe some questions after both have spoken and then I'll assume we'll break for lunch. Mr. Mansky.

Brian Mansky: Thank you, thank you very much Mr. Speaker.

Mr. Speaker: You have 10 minutes.

Brian Mansky: I'm here today representing the residents of Fort Garry in the area now known as the Parker Neighbourhood. A town hall meeting was held last night, being the first opportunity the community has had to discuss the matter of a land swap with land directly north of Parker Avenue in Fort Garry. Given that there was only one day to advise the residents of this situation, we were met with a very full community club. We had every seat taken. We had every

available piece of standing space taken. Our Councillor, John Orlikow attended this meeting at great risk to himself, not knowing what he may be walking into; but he was treated with respect by the community. We had a very productive meeting and we believe that this should be the start of further dialogue in this matter. The main concern of the community was the possible unprecedented speed at which this land swap is being moved through the system. Councillor Orlikow learned of the land swap through the newspaper. I have sat here this morning listening to the presentations on the water utility situation and it is quite clear that in spite of the open houses, the debates on this issue, the press, everything that has gone on, what's been available on-line and so on, the people have still advised that there has not been enough done on this matter so far. This is being rushed through. Here is a land swap deal, where a corporation, Tim Equities purchased 25-acres of land in Fort Rouge, adjacent to the rail yards in January of 2008. In September last year the City announces its plans to proceed with the first half of the Rapid Transit Corridor ending it at Jubilee Avenue at a budgeted cost of $138 million. Later, in November, Gem announces that it is working with the City to develop up to 1,200 apartments along this first phase. They intend to start construction this winter. That's amazing. They have not, to date, provided any submissions to the City involving the Community Committee to review any zoning issues with this development. But on Monday, the Executive Policy Committee announces the proposed land swap deal. All this done completely behind closed doors without any public awareness or not even with the consultation of the Councillor responsible for this ward. This is not a land sale, it's a land give away. The developer will trade 9-acres of his 25 for 59-acres north of Parker. The community has established an equal value to each piece of land of $1 million. That equates to a per acre value of a very narrow strip of land in Fort Rouge at over $110,000 per acre verses a value of under $17,000 per acre of forest land north of Parker. While knowledge of this deal are made public on a last minute basis, the developer, already knows how many thousands of housing units he will develop on the Parker land. Amazing! Today, Council has placed on notice that they have passed the deal through. We need to have an acceptable process occurring here. The property at Parker is zoned industrial and it's clear that the land will be rezoned residential by virtue of the trade. Normally rezoning of land for small projects can take up to a year. Planning of the Waverley West Subdivision took almost 15 years and to some people, the final outcome is still not right. In the case of Waverley West we have one experienced developer Ladco and one inexperienced developer MHRC. The latter has received much criticism on mistakes it has made in its process and the experiment in development they've undertaken. In this swap Gem Equities is not an experienced developer, they are a property manager and renovator. When the City hands lands over to a private sector it must be done with the assurance that the proponent has the expertise and the resources both technical and financial to undertake the project proposed. If this land was offered to the public through a RFP; significant information and planning would go be required by the applicants and the public including our Councillor, would be well aware of the RFP proceedings. The entire process here is just not right. What gives the ECP the authority to force an issue like this through Council like this? I personally cannot understand how any Councillor can support this proposition. I see no reason why this matter could not be deferred until the fall session and beyond. Even if you were to give away the land it will take years of planning and zoning before any kind of construction could be started. What is the rush? The Parker area is complex in nature. The land to the east is hemmed-in by the railway and by residences along Parker Avenue. Parker Avenue is the last street south that uses a combined sewer system. This land is also a very dense forest. It's a forest, not a bush. Hydro has a huge presence of both high tension lines with towers and many other wood post transmission lines in the area that is definitely in the way of any development of a major portion of this land. The west

end of this land is a very large aspen forest with low-lying wetlands. It's not easy to work with. This is not former agricultural land like our typical new developments. We are not antidevelopment, we are against development without proper planning and due diligence. In past land transactions your own auditor has recommended the City uses caution when entering into such agreements, based on the opinion of a small group where the views of the community have not been represented. This is necessary not just to give the communities the illusion that they are part of a planning process, but to ensure the developer is capable of undertaking the project with all its issues, compromises and incurred costs. Today we need Council to cool down and enjoy the remaining summer and continue this process following approved procedures with complete transparency as been asked by previous presentations with respect to your water deal. Thank you very much.

Mr. Speaker: Thank you Brian. We'll deal with questions after Mr. Dueck speaks; both you will be able to take some questions. Mr. Dueck, you have five minutes.

Cal Dueck: Thank you. Mr. Mayor, Members of Council, Ladies and Gentlemen. It is an honour for me to address this Council especially after you guys have been subjected to an intense barrage of feelings and emotions. It is an honour to address this Council as I believe; I appreciate the fact that you have chosen this task to public service. So often this is a grueling job and I want to say thank you for what you do. I am here today on behalf of the Residents of the Parker green space area. I am here on behalf of the thousands of people; not thousands sorry around a thousand people who signed a petition within just the last five days, since we heard about this, asking for you to delay this or to stop this land transfer. There have been; and the reasons for this is there have been no consultations, no studies, no proper planning or no studies on the zoning issue, no studies on how we could use this land profitably. For example, there have been no studies on the green space. There are numerous old oak trees; other unique species including tamaracks. Some of the last remaining wild orchids in Manitoba that have been growing there for many generations. The grasses, natural wet lands, marshes and trees provide refuge to many animals and many forms of wildlife including deer, fox, turkeys, rare hawks, whippoorwills, frogs and many others. The area is very diverse and unique eco system but no study has been done on that. No study has been done on the historical significance of this plot of land. No questions have been asked about artifacts that have been found on this part of land. Indian aero heads and old hunting knives. How was the site used by aboriginals in the area? Was it a campground was it a buffalo skinning site? We don't know. No studies have been done to enter into public record the present significance of this forest. What is it used for? How can it serve today's population? How does it contribute to Winnipeg's clean air reserve and Winnipeg's natural beauty? No studies have been done fourthly on its future significance. How will this plot of land function in the future? How will it function for our children and grandchildren? How will this green space add value to the lives of our children and grandchildren? Can we keep on destroying our natural heritage and not expect our children and grandchildren to pay a heavy price? No study has been done on whether the developer is able to do this project or to complete the project. No study has been done on the fair market value of this land. No questions have been asked about relationships between the developer and Council members. No study has been done on the suitability of land. No study has been done on the cost of removing the hydro towers and what that would entail. The current situation puts everyone in a no win situation. The developer may lose everything by not being able to develop the land. City Council would lose their reputation by approving a swap of land that cannot be enacted. Residents will lose, everybody will lose. Before the land is sold, swapped or given away for a song, the residents of Fort Garry-River Heights, of

all of Winnipeg, need to be consulted. This is public land; this is land that is owned by you and I, it is not land that is owned by Council members to do with as they wish. This is public property and it must be given to the public in order for the public to decide what should be done with this. So we, the residents ask, that you vote no to this land swap or at least defer it until proper consultation, and until there has been a reasonable balance and inclusive and for investigation to determine what is the best usage for these 59-acres of land north of Parker. Thank you.

Mr. Speaker: thank you. There are questions. Councillor Fielding, you have the first question.

Councillor Fielding: Thank you very much for your presentation, I appreciate your coming out here. Maybe I want to put some statements on the record and I'll ask it in kind of in questions in our process to go ahead. Really, what we're dealing with here today is, a land swap and that was originally generated through Rapid Transit and some initiatives that are there. It did go in the media and I think it has spun a bit out of control but what I do want to rest assure to you that I would not support a process where there wouldn't be a secondary plan which means to you that there would be extensive public consultations on any development that would be there. So, number 1 there will be public consultations in terms of that. Number 2, if there is any development that is on the lands there would be a rezoning process which means a public hearing and you would have a say in terms of how you see the community going forward. I do think Councillor Orlikow does deserve some credit. I know he had a town hall meeting with all you residents and there were some concerns. I will ask in a question, but I'm not sure if you're aware of the fact there will be extensive public consultations as we move forth through the secondary plan and through any rezoning if this land swap goes through, so I leave it at that sir.

Cal Dueck: Yes, we understand that's the normal process to go through that type of community presence on zoning and planning after the fact. In this situation, given the time period that this is happening through, we see it as seemingly that some of this process should happen first given the complexity of both pieces of land and how things are going to work, given that we are dealing with a developer entity that may not be fully aware of what they are getting into. If we were dealing with a developer entity like a Gemstar or something, then there would be a lot more assures that they have a very good understanding of what they're getting into prior to doing the land swap. There are a lot of inequities here in the values of land between the land swap. The amount of land that is being swapped is enormous. If you have 9-acres to swap, swap 9-acres. Fifty-nine is quite a disparity; it's quite a huge chunk of land. There are a number of developers that are probably salivating over the concept of picking up that much land in that type of area and to just hand it over to one entity given a very short period of time, it seems to be quite imprudent.

Mr. Speaker: No further questions Councillor, your second question.

Councillor Fielding: It's to that point, as I mentioned, I'm not sure if you're aware but we have a resolution that will be coming. It's a friendly amendment to the resolution that any development that would happen would involve that secondary process and once again that would give you a say in any developments within your community so I'm not sure if you're aware of that?

Cal Dueck: I'm aware that however, I feel that some of that process should be started before land transfer details, given the groups we are dealing with. And as I said, the quantity of land we're dealing with. This is not an even swap. It just does not seem to be fair.

Mr. Speaker: Your final question, Councillor?

Councillor Fielding: Just my final question, I'll ask it once again; I apologize but this is our process, we have to ask it in an unanswered question. Are you aware that yes there is a difference in

terms of acreage of it, but there is a difference in terms of land? One land is serviced and one land; or the ability to be serviced and one land is unserviced and as such are you aware there was extensive costs that would need to go on any developer that would want to develop this land in any way , shape or form. So, are you aware of that?

Cal Dueck: Yes. I'm aware of that also where that the other piece of land is not simply an easy develop either. It carries a lot of the burdens that this piece of land carries; there is another resolution to deal with those issues on the other piece of land. It's not a plug and play piece of land either.

Mr. Speaker: Councillor Swandel, your first question.

Councillor Swandel: Thank you Mr. Speaker, thank you Mr. Mansky for coming down today. Maybe by way of comment at the beginning I would like to tell you that when we finish dealing with this at EPC. I don't think there was a member of EPC, the Mayor included, that wasn't dissatisfied with how this ended up on Agendas coming through this process and since then we learn the timing is more to do with what transit needs than anything we might have surmised at that time. So, that's the reason for the timing but no one is happy about the timing and the way its happened and our land transaction matters always come as In-camera issues and so that's why they're done in a closed setting because the land sales or transactions they involve a private party and until is there an agreement you can't move forward into the public arena with them. Does it give you any comfort if attached to the deal, the finalizing of the deal, the secondary planning process has to happen and I have a Motion here today to deal with some environmental considerations on the other land, that the deal cannot proceed until we understand the secondary planning what the secondary planning phase means for the residents and just on the value of the land, the other piece in Fort Rouge that we understand with the environmental implications may be existing on that land right now?

Cal Dueck: Somewhat, yes. This deal should be made conditional then, on the suitability of the environmental issues servicing of the Fort Rouge land. If it was to be pushed through as a transfer today, I think it should carry quite a number of conditions on the transfer of that land and that it is not strictly a land transfer but is conditional completely upon the resolution of all issues dealing with environmental planning services and zoning.

Mr. Speaker: Your second question Councillor.

Councillor Swandel: The current zoning of the Parker Avenue lands are industrial, the particular chunk that the City owns. There are two different zonings gong on there but the one we own that's in question here is industrial which I believe would make it suitable for the placement of a Transit Garage if we so chose to do that. I don't think that's a good use of that land and it's probably appropriate that we rezone those lands at some point in time but would you concur with that statement.

Cal Dueck: I would concur with that. The access to the land as I said in my presentation is very hemmed in and there are a lot of problems with the Jubilee Underpass; the conjunction of the railway lines, some buildings and services there by the railway, to try to get anything further be it any further car traffic going through that area into the Jubilee Underpass zone and buses through that area would not work and would not be conducive to having a bus garage there.

Mr. Speaker: Your final question.

Councillor Swandel: Just one final question. I drive down Parker Avenue every now and again and it's not the greatest road in the world, I'm just wondering if you realize that through this process there may be an opportunity to see some roadway improvements to the existing road network that is in that area.

Cal Dueck: The Parker Road is in much better condition than other City streets, running through areas (applause).

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

Councillor O'Shaughnessy: Thank you. My question, my only question is to Mr. Dueck and I'm quite concerned about your comment that no questions have been asked about the relationships between the developer and members of Council. What did you mean by that?

Cal Dueck: It was simply a question. We need to have questions' all questions be out in the public realm in order for this to be dealt with so there's nobody can conjecture things not true. Okay. That's what we wish to avoid. We want to keep you as a Council in the best possible light so all these questions have to be in the open.

Mr. Speaker: Your second question, Councillor.

Councillor O'Shaughnessy: No, I think that blowing my top would not be good and court things, no.

Mr. Speaker: Thank you. Councillor Vandal first question.

Councillor Vandal: Yes, thank you for attending this morning. To either one of you there is a very significant proposed road extension through the lands that we're swapping as well as they would appear to an underpass/overpass which must have a value of $75 to $1 Million dollars which none of which we've seen.
Do you have any thoughts on that?

Cal Dueck: Yes, it seems as though this plan is more or else patched up along with a land transfer scheme because for many years it has been contemplated to put up an underpass at Waverley and there was even a job sign placed up there for this underpass, both there and at Kenaston in the late 90s coinciding with the Federal Election. Shortly after the election the job signs went down and no underpasses went in. If you study over the pathways that would have to occur to create an underpass it would cross under the lands to redirect traffic through the Parker area, and in and around Sobeys, the cost of creating the grades required to make the underpass work at Waverley, I think would be just a fraction of what it would cost to try to move an underpass diagonally underneath the CN main lines and their storage tracks and they would be moving through publicly owned land and the expropriation process would be quite something.

Mr. Speaker: question period has expired. Council stands adjourned to 1:30.

Mr. Speaker: Mr. Clerk do we have a quorum? Mr. Clerk, do we have a quorum?

Clerk: yes, Mr. Speaker, we have quorum.

Mr. Speaker: Okay let's get on with it; the rest of the delegations. The next delegation, number 8 is Robert Chernomas, Council of Canadians. Is Robert in the gallery? If you are, please come forth; you have 5 minutes.

Robert Chernomas: It's the second time I was bumped to after lunch; I assume that's not an insult but a compliment. Your after dinner speaker. I'm a Professor of Economics at the University of Manitoba and I'm here representing the Council of Canadians in opposition. One of the terms that's been used this morning is fiscal realities, even the word piracy to describe some of the things that have caused fiscal anxiety. What I have in front of me is Appendix F of the customer impact analysis, an official city document, and as I work my way down, and I look at the overall percentage change in costs to customers, in this case, residential customers, in Winnipeg, over the number of years. I note that in 2008 the number is still really high, 11.62% and no doubt that it is in part because of the debt service of the construction project that are built into these estimates. But as I look down over the next five years it's a 11 year projection. If I look over the next four years I note that the decline in increase in cost goes to 3.5% and in the last five years, the numbers are quite extraordinary and that is the cost to residents for water according to this official City document dropped to around

1% per year. And so if this is a fiscal reality I think that's extraordinarily interesting fiscal reality; it would appear to me that the public sector while having to absorb a large initial capital investment to fix environmental problems, over the five years following that, into 2013 and beyond, the fiscal reality looks pretty good. Experience around the world shows that the model being rushed through the City Council, is likely to have numerous negative impacts on access to water and public control over water services and resources. Public private partnerships. In other places anyway, are often the first step towards more privatization of a vital public service. An arms length corporation would limit the ability of elected representatives to oversee operations and make decisions in the public's interest. Experience in other cities like Edmonton have shown that corporate utilities whose primary function is to make profits lead to a loss of public control, transparency, rate hikes and lower quality services. It's time to slow things down in order to get a better picture in Winnipeg. Mayor Katz sticks to the sound byte that the utilities are 100% city owned, while down playing the fact that the City is seeking partnerships with private corporations for water and waste services. The corporatization of electric and water utilities in Edmonton, for example, have proven to pave the way for the sale and privatization of vital services. It may not happen here but we certainly make it easier for it to happen other places around the world, when we do begin the process here. The reality is that attempts to; I'm sorry. The reality is that private companies are in business to make money and they will attempt to use their access to public assets to raise rates and create new business opportunities. It's important to note that many of the companies bidding for the Winnipeg contract; the Winnipeg contract, are trans nationals whose sole motive of course is profit and growth not simply local companies. One of those is called American Water. One of those bidding for the - our project. American water's largest industrial in US water and waste water utility. The corporation has a history of imposing exorbitant rate hikes in communities where they operate. In Hingham and Home, Massachusetts the corporation doubled rates over a five year period claiming the funds were needed to build new treatment facilities. Evidence has shown that the cost of the facility were inflated by American water's increased profits. The Council of Canadians would argue in the City of Winnipeg chooses American water or any other American company, that company may have rights, under N.A.F.T.A., to sue for compensation if a future City Council decides to return to a public system or bring about legislation that would restrict its profits. Finally, and these corporations, transnational's would want to gain control of the utility board, there all for profit, private companies required to find profits for their shareholders and will be forced to raise water prices for that purpose. Evidence from around the world suggests that this is a bad idea whose time has passed. And one of the things we've been talking about is the fact there is no comparer, but as I discovered in Appendix F in an official City document, we seem to have a comparer. The alternative or the option is to keep the system public and watch our rates decline over the next ten years as your own experts suggest will happen. Thank you.

Mr. Speaker: Thank you. (Applause).

Mr. Speaker: The next delegation, Kevin Rebeck. You have five minutes.

Kevin Rebeck: Great, Good afternoon. C.U.P.E. Manitoba is made up of 24,000 public service workers; the majority of which live in Winnipeg with their families and all of our members have grave concerns with this actions City Hall thinking of today.. I feel I need to raise a few things for your consideration and It's my hope you listen to these concerns and minds aren't already made up. Some previous speakers have said this morning, let's put aside the rhetoric and ideology and let's deal with facts and real community concerns and I couldn't agree with that sentiment more. Let's deal with real community concerns not just business lobbies saying it's okay. I would like to raise 3 main points. First, there seems to be an urgency that the City implies when is they talk about creating a

water utility. That urgency, in reality is meeting the clean environment committee's call for waste water upgrades not creating a water utility. You could have 18 months ago and still could today, make a Motion to do the upgrades the traditional way and ensure that a transparent process that addresses community concerns and the creation of a water utility is followed. Alternatively you could ask for more time from the Province. So the sense of urgency is really one you created here at city hall. Second, I have to be critical about the process you've used to bring everyone here today. You took 18 months to put together a business plan that included no consultation with the public, and although you invited C.U.P.E. to some meetings for information you didn't address our concerns and I wouldn't call them consultations. Last month you posted a 100 page document on your web site and tied together the creation of a water utility with upgrades for waste water. You did not use the Alternative Service Delivery Committee or the Public Works Committee of Council. You have an opportunity today to listen to voters. There were 30 presentations to Executive Policy Committee last week on this topic and there are people here today who have questions that the business plan doesn't and answer and they expect you to address. You can listen politely to our concerns and ignore us or you can do the right thing and ensure that the community voice that you're all supposed to represent is heard and acted on. A recent CKY poll shows 85% of Winnipeggers think there should be more public input before this decision is made.

And finally the business plan is a poor business plan. It is unclear and contains information that appears Contrary?. Why do I say that? I don't understand how someone can about a hundred% City owned and yet have 49% private sector equity. That doesn't add up. Private sector financing in this economic climate shouldn't even be on the table as an option. The City can borrow money cheaper. Involving an on going strategic partner cost more. For example, according to John Loxley, who we heard today, the Charleswood Bridge cost taxpayers an extra 1.4 million in present value terms on a contract of 10 million. I challenge the Council to prove this number wrong; they can't because the involvement of a private partner makes getting access to this information impossible, even for our elected officials. There are repeated references to a Utility being more accountable, yet not one shred of evidence to support that statement. In fact there is a strong history of less accountability once those strategic partners are involved. There are privacy laws that protect a private partner from public scrutiny. And there is no public sector comparator or disclosure of the extra monitoring costs that will be required. I have another point here but Councillor Lazarenko's Motion protecting it from sale is a good first step and addresses one of the concerns. There is also no explanation of risk transfer or independent review. It's clear to me, and evidently to 85% of Winnipeggers, that the City hasn't engaged the public enough to go ahead on this. Stop perpetuating the artificial rush that you've orchestrated and let's do this properly. I wish, rather than the speakers or at least two of the speakers getting questions from Councillors, some the many questions that the public raised could get answers from Councillors. I wish you all to defer this decision. Engage the public and start asking the questions you're supposed to be asking as Councillors! Make sure the answers are in the public interest and the public has comfort that due diligence has been followed. I don't expect to always agree with decisions made in this room, but I do expect to get answers. And I haven't heard one answer from the City, from the many questions asked last week at EPC or asked today. Defer this Motion until the public concerns are addressed. It's what the community wants and it's why you were elected. Thank you.

Mr. Speaker: Thank you. (Applause).

Mr. Speaker: Next on the agenda is Mr. Tom Simms. You have five minutes, Tom.

Tom Simms: Can I just distribute something first.

Mr. Speaker: Sure go ahead; give it to. the Clerk. Apparently I can't use my big cheque so I have a little cheque for the Councillor. I thought this was a venue… Will you? Will you? You'll let me use my big cheque? Okay. I'll bring my big cheque. (laughter).

Tom Simms: I paid 40 bucks to print this big cheque. Okay.

Mr. Speaker: Go ahead, Tom.

Tom Simms: Good afternoon and thank you for allowing me to present to you today. I'm talking as an individual citizen about my concerns about the proposed water utility. As I spoke at EPC, I think we can learn from the past and understand what we have to deal with, with the future and we've heard; the illustration I want to use is not in some far off jurisdiction, but in our own backyard. The Charleswood bridge is one of the first PPP's that was used in terms of an alternative to the traditional public design/build approach to construction. We've heard from John Loxley that financing costs alone for the Charleswood bridge was 1.4 million more than if it was done by a public; the traditional public sector approach. The Charleswood bridge said, as Councillor Clement indicated it would save us a million well right there, we're a million four up on costs. And it's interesting note that some of those costs are tied into 11.05 - 30 year interest rate in the lease. I was looking the other day at my master card is 11.5, so you guys are getting a little better value than a master card rate, but not much.

And those are public dollars that are going towards those interest rates. On; my main concern about the PPP approach and with this approach with the water utility is that it privatizes information that should remain in the public realm. On March 27th, 2009, the Public Works Department of the City of Winnipeg refused to disclose information about the Charleswood Bridge maintenance contract that was requested under the Freedom of Information Protection Act, (F.I.P.A.), by a citizen of Winnipeg. The reason for the refusal for the requested information about the maintenance contract of the Charleswood Bridge was under two sections of F.I.P.A. Section 17.1 that says disclosure harmful to a third party's privacy, and Section 18.1c. disclosure harmful to a third party. Included in your hand out, the contract of the maintenance contract between the City of Winnipeg and the Charleswood Bridge. And the contract says that it's between the City of Winnipeg and all blanked out, because of section 17 of the F.I.P.A. legislation. I've also included into you the maintenance fund contribution schedules and the schedules for project management maintenance costs. All blanked out! Is this; is this what we call transparency? And so I think these are some of the concerns. We don't even know and possibly, it is a class effective contract but we don't know because the information isn't provided. So the image I like to leave with Council and the people in the gallery is that like each year, the City of Winnipeg cuts what amounts to be a blank cheque of taxpayers dollars. We paid to the order; and I put a memo here, Charleswood Bridge, maintenance contract, and we pay to the order of "we don't know. It's blanked out! Section s17.1. And the amount of money we pay, we don't know, it's blanked out. Section 18.1c. So if this is accountability, and if this is what we can look forward to, in terms of public access to information, I would really ask City Council to look at those kind of provisions and contracts going forward. If you look further into the F.I.P.A. legislation, I put in your brief handout that there are sections of F.I.P.A. that look at not denying disclosure of personal information is not an unreasonable invasion of third party privacy, if the disclosure reveals financial details of a contract to supply goods or services on behalf of a public body. That's exactly what we're doing here. And there is also another provision around on disclosure that; that's available around this issue that I believe the City of Winnipeg is hiding behind the F.I.P.A. Act in order to deny information that should be made available to the public. If PPP's are all they're cranked up to be, why, what are people afraid of? Why isn't information being provided? Why can't the public make decisions on this issue? Finally, I would like to end off, is that I think there are a lot of questions that need to be answered around the water

utility, and that this issue should be deferred. Winnipeg Citizens Coalition launched along with the Social Planning Council based on some of the ideas of the Council of Women, launched an on-line survey, just updated at noon today. Since Friday, 4,000 citizens from all across Winnipeg have signed the on-line petition. So there are many people who have concerns and would like to see Council take more time, a little more due diligence and delay this decision until the fall. Thank you very much. (Applause).

Mr. Speaker: Next delegation is Derwin Davies. Is he here? He's not here? Derwin Davis? Is he coming down? Next one is Christine Bennet-Clark. Hello, you have five minutes.

Christine Bennet-Clark: Thank you. Can I distribute these?

Mr. Speaker: Give it to the Clerk.

Christine Bennet-Clark: Good afternoon Mayor Katz, Mr. Speaker, and Councillors. My name is Christine Bennet-Clark. I am the Director of Emerge Institute, a governance consulting and training company. I specialize in not for profit governance. Thank you for the opportunity to speak to Council about the Winnipeg Municipal Utility proposal. I would also like to thank Council and the members of the public service team for their time and diligence in creating these reports. In the brief time I have I'll make 3 points. My first point is a governance issue. My second point is a risk issue. My third point is a recommended solution. Concerning the governance issue, as Councillors you are all the governing directors of the City of Winnipeg; as such you have the right and the responsibility to determine what you will agree to and how you will proceed. The proposed Business Plan for the Winnipeg Municipal Utility has been presented to you as a single project. When in fact, it is composed of two major projects in one package. A decision to create an independent utility structure is not and strictly tied to the use of the strategic partner. Excuse me I have to take a breath here before I shake to death. Nor is the use of a design/build finance operate partnership model the only project model to be used. At a governance level you need a different type of information to make decisions than the public servants need in order to implement, deliver and operate your decisions. Now that you have the global concepts contained in the Business Plan, you will want to know more details about how those components are linked together and the impact they will have on the future proposed service. For example, before committing to either project you will want to compare the cost of the proposed strategic partnership financial equity with city's cost of borrowing. This is just one example. There are many more points of comparison required. Concerning the risk issue, my second point concerning the risk issue connects two statements. One statement comes from the Deloitte and Touche Report; the other from the Business Plan. The Deloitte and Touche Report identifies PPP's strategic partner parturient process as a significant risk to any proposed P3 strategic partnership the City may plan to engage in. Specifically, Deloitte and Touche state' that given the history; and I quote, given the history in Canada of aborted municipal waste water, water P3's due to interest group pressure and lack of political commitment to the procedural model. The failure of a P3 procurement for the F.E.W.P.C.C. could negatively impact the procurement of the Disraeli Bridge and other future procurements undertaken by the City". I wondered what the reason for the statement was until I connected this statement with the following point about the development of the details of the project that takes place in the procurement process. As a consultant who has engaged in RFP's, I can understand potential partners' frustrations in failed partnership negotiations. If any of you have submitted RFP's, you will know of the extensive cost from time and resources invested as up front costs to bidders. I have a number of organizations withdraw their RFP after spending a great deal of time on the proposal at a great financial cost to me. I was even more frustrated when I found out the organization had used my material to develop their own internal project plans and that's not uncommon with

consultants. For a project of this magnitude the cost to bidders will be substantially greater. The cost and disappointment they experience could very well have the consequences of them declining to bid on municipal projects of any size, as just not being worth their while. The second statement from the Business Plan states the intricate functional details of the strategic partnership have yet to be completely defined and will evolve through the RFP process. I didn't make an immediate connection between these two statements until I realized that much of the information you as Council members need to make the decision before you, was not going to be developed until after you had made your decision. You are being asked to make a decision for which you have insufficient information. As private business persons or in your own households, you would not make decisions under these conditions. Especially ones of this magnitude. When you buy a car or a house, you set out your nonnegotiable values, principals and standards followed by your preferences, wishes and desires. The same process applies to making the decision before you today. Without setting sufficient parameters which would comprise conditions in the RFP, the strategic partnership agreement process is susceptible to a high risk of failing during the RFP process, because the scope of the negotiations is too broad. I guess that's me beeping. I'm going to skip to the solution and make one sentence.

Mr. Speaker: um-hmm.

Christine Bennet-Clark: In your hand out you'll see that I proposed that you defer the vote on the acceptance of the utility today and support the Motion to defer it and do a comparative study and I outlined in my; in the four way comparative analysis report framework. The criteria you would put into it and all these criteria come from the Reports and the Business Plan, and the important point about this is it doesn't delay you, it actually moves you forward in the process, it just reverses the order. Instead of doing the RFP process now and doing the process for the procurement after you've done the RFP, you do a lot of that ground work first. And so if you deferred it until September or October, you would have a lot of this information in place and you would be able to see which; you'd be assured of which way to go and you would be able to spend more time getting public access or interest because the questions the public of asked you can be included in this comparison. And I compared four units which gives a broader range.

Mr. Speaker: Thank you.

Christine Bennet-Clark: Thank you for your time.

Mr. Speaker: The next delegation is Dr. Mary LeMaître Did I say it right?

Dr. Mary LeMaître: That was a really good try.

Mr. Speaker: Go ahead you have five minutes.

Dr. Mary LeMaître: Thank you. On March 22nd, 2006, at noon, a rally was held in the courtyard of City Hall. It was world water day. Some came guardedly hopeful that the water declaration would be approved by City Council, even though several Councillors' who gave commitments to bring the Motion forward, did not do so in the previous weeks. Our development and peace animator from Mexico City was at an alternate world water forum. She sent an e-mail that morning stating that the crowd jeered when we realized that the words "international financial institutions" such as the world bank, corporations such as Suez, the Vendi, Coke-a-Cola and leaders of many governments, insist that privatizing water services is the most valid solution to the world's water problems. Clearly, the audience understood that far too many privatization schemes have made water less accessible and worsened already critical situations around the world. Later that day, City Council unanimously accepted the water declaration. They agreed that water is a sacred gift that connects all life. Access to clear water is a basic human right. The value of the earth's fresh water to the

common good takes priority over any possible commercial water. Fresh water is a shared legacy, a public trust, and a collective responsibility. But Council has not kept the spirit of the law. In November, concerned citizens and organizations came to Council Chambers and had their speculation; their suspicions confirmed, that a pre ordained process was already in Motion, that would likely make our water and waste water utility less public and more private. The Council's continuing secretive and misleading ways have become a growing concern to more and more vocal Winnipeggers. Water issues resonate deeply with Winnipeggers and I expect that is why you are all here today with us now. I know that there is a proven better way. I recall several years ago, after I recall several years ago, on television, being captivated by a live telecast from Cochabamba, Bolivia, where the people were pouring into the streets by the thousands to protest against the hardships they were enduring since the privatization of their water. There were beatings. Liters were taken from their houses in the middle of the night and a 17-year-old boy was killed by the army. People remained undaunted in their resolve to overturn the contract with the World Bank, in spite of exorbitant penalties so that their children and grandchildren would be free from a devastating legacy of privatized water. They decided to publicly face off with the Bectel Water Corporation. Their mantra became "we will not wage this fight behind closed doors where only a handful of lawyers have a voice. We will wage this fight on your doorstep. We will make you defend your actions in the court of world public opinion before your neighbours, your friends and the media." Their surrender settlement is historic and this is the first time that a major corporation backed down as a result of public pressure. Last year, there was a bold move by Uruguay to insert legislation directly into the constitution that prohibits the privatization of water and all public utilities. I believe that Bolivia and Uruguay are stellar, courageous, progressive, guiding examples for all of us. Thank you.

Mr. Speaker: Thank you. (Applause)

Mr. Speaker: Next delegation, Larry Pelzer. Is Larry here?

Mr. Speaker: Okay, you have five minutes.

Larry Pelzer: Thank you and good afternoon. We heard a lot of debate here this morning and also this afternoon and last week. During a session of city EPC last week, more than 2,000 opponents voiced shrewd reasons to reject this plan, including the lack of transparency, reduced City Council oversight and independent research that went into the proposal. The Winnipeg Labour Council respectfully request the following format as Social Planning Council mentioned this morning. At least one public meeting in each of the City's five community committee area on a weekday evening in September or October. The meetings are advertised both in daily newspapers and once a week in advance but I want to go a little further there. Not just two daily newspaper but the community newspaper also because not everyone can afford to buy a newspaper and also, that the CAO or his or her designate attend each public hearings and answer some questions. I urge Council to do the right thing and from your heart, postpone this until September and have the citizens of Winnipeg get an opportunity to have their say. Thank you.

Mr. Speaker: Thank you. (Applause).

Mr. Speaker: Paul Adams. Is Paul Adams here? Then we'll go to the next one is Shirley Lord. They're coming down. Sandy Somerville.

Councillor Swandel: Sandy, can you be ready?

Mr. Speaker: I know they're here. You have five minutes.

Shirley Lord: Thank you. Mayor and Council, thank you for the opportunity to speak today. I hope that all of these presentations don't just fall on deaf ears. I would like to say that I am here not representing any organization. I'm a citizen of Winnipeg. I've spent the last five years volunteering in various parts of

Africa and I just come back here and appreciate the fact that I can turn on the tap, I can drink the water, I don't have to worry about sewage treatment, and that doesn't mean it doesn't have to be upgraded and maintained, but the reality of having a quality public system would be the envy of the majority world, and we're not the majority world. We need to do what we can to protect it. Before I go on to what I was going talk about, I would like to make one comment on the presentation by Dave Angus on the efficiency of the private system. Even in Africa we heard about the huge bailouts of the private sector by public funds all over the world because the private sector failed to do due diligence! So we need to be very concision that the private sector doesn't always have the answers! Now, I would like to talk about what I wanted to follow up on, is that I'm not here to make a bunch of comments on the analysis. I have some serious questions following up on the result of the newspaper ad that was in the weekend paper. A newspaper ad that was paid for with my tax dollars. I mean five years out of the country I'm paying my property taxes while I have bean away, looking after my home. I would like to know when the clean environment mandated this upgrade and why it's taken so long for anyone to act? How long do you have to act now? Also, since I saw the ad, I've been trying to get answers from the provincial government about the pressure you're now under? Who from the City tried to connect with the Province to see if there isn't some leeway, if you are in fact under huge pressure to act, in terms of making sure that you do due diligence? I would like to know. I couldn't get the answers when I was phoning around the provincial government, phoning my member, who is and phoning other offices. Finally, what penalties would you pay, if there was a 3 or 4 month or maybe even a 6 month overrun because you have supported the amendment to take the time to ensure that you act in the public's interest? That's my questions to you. You need to be sure to act in the public interest and all these presentations that have gone on, have convinced me that this amendment needs to go forward so the public can be heard but also some these very serious questions that the public are already raising and have been addressed. Thank you. (Applause).

Mr. Speaker: Thank you. Sandy Summerville. The last speaker will be James. Sandy, you have five minutes.

Sandy Summerville: Council, why are we here? What do we want? What's our agenda? A long time ago someone said whatever you can do or dream you can, begin it. Boldness has genius, power and magic in it. That was written by Garrett and I would ask this Council to consider doing just that. Be bold. Have some genius in your decisions and make decisions that will pay us beyond our lives, beyond the lives of those who have children or grandchildren. Do something that will put Winnipeg on the map. You know there are places in the world that are called go to cities. They have unique architect and they have unique galleries, they have unique facilities and they have unique historical effect. And because of those things, people go there on their holidays and they say "I want to see the best museum, gallery, historical place that's in the world. Let's build that here in Winnipeg. Let's have the best water supply, sewage treatment in the world. Now Hydro has built something that's been getting awards lately. It's called an energy efficient building. It's in the middle of our city and people are now coming to Canada to Winnipeg, to see it. Because it's the top of the league certification. They are not going to use hydro or diesel or natural gas to heat that building. They're using the energy of mother earth through geothermal. Now, are you putting geothermal into this plant that you plan to build? If not, why not? I read today that there is a process in which interested parties or any other persons who may be affected by the result, have the opportunity to make submissions, ask questions or register objections to a development application or other matter under a city by-law. I'm asking you City Councillors to do exactly what I got out of the City clerk's office. Hold a process called a public hearing process. And I'm going to read it again for you. A public hearing is a process in which interested parties and any other persons who may

be affected by the result, have the opportunity to make submissions, to ask questions or to register objections to a development application or any other matter under a city by-law. And then it goes on to say "a public hearing body is comprised of elected officials or citizen members appointed by City Council. I'm asking you to do that. Why? Because I've worked around the world and I always come home saying, I live in the best city. I live in the best Province, I live in the best country of the world. If we look at what's happened in Edmonton where they had a similar experience with what is being proposed here, there are questions being raised. They are very illuminating. To me they are alarming, and it's instructive, if we choose to learn from other people's experience, do we have to create the same scenario and have the same problems as the same outcome or can we learn from others, good effect and mistakes? The City of Winnipeg invested, I'm told, about one and a quarter million dollars to arrive at today for this decision-making process. I would like to see the full value of that one and a quarter million dollars of studies, reviews, analysis. I don't know what this proposal stands for and I don't know what my taxpayer dollars have been used for. A quarter of a million dollars and I don't have answers? And the people who went to the meeting last week, I wasn't able to attend, friends went and they said their questions were not answered. Why? This is 2009. This is a democratic process. This is a country that prides itself on democratic process. Let's have answers before we do a vote. We need vision. That falls to your shoulders, Councillors. You hold the vision. Now, let me ask you. If the people who 100 years ago had said "I want one cent for every gallon or every cubic litre of water that came from shoal lake, that would have been in somebody's pocket for private response, and I say, there should be no public; there should be no profit for how we drink our water, how we run our businesses using water. There should be no profit in water treatment. We should have good science, integrity, vision and the far sight to think about what's going to happen 100 years from now, when that facility is still in full operation.

Mr. Speaker: Thank you.

Sandy Summerville: Thank you. (Applause).

Mr. Speaker: The final delegation, James Bedholme. James, you have five minutes.

James Bedholme: All right, and I just want to thank Council and particularly, Councillor Gerbasi for getting me added on to the speakers list last minute. I think it's great to follow up Sandra there and the aspect here of vision, and long term thinking, and when we're talking about our waste water treatment facility to think about innovative solutions and just as a brief note, if someone wants to talk about innovative solutions I recommend you go to the second floor of Mountain Equipment Co-op Building or perhaps the centre for indigenous and environment resources and basically what I'm talking about is a different way of treating our sanitation. I can digress on that point but I just want to start out with that. I think we need to be looking at what this means and what really worries me about this proposal is the proposal to extend our sewer infrastructure out beyond the perimeter And now, I'm deeply sympathetic with City Council here. I mean, you have 8 cents of every tax dollar coming here to City Council and you know we have a province and the federal government that needs to step up to the plate and put some money forward for this waste water treatment facility. There is not a doubt and I'm deeply sympathetic to that need of City Council, but, I have some problems with this idea of extending the sewer pipes outside because the result will is going to be more inner city decay and it's going to be more suburban sprawl and we're going to see our infrastructure deficit even increase more from $7.4 billion. When I was at the Mayor's recent symposium on sustainability, a lot of people pointed out that we need to stop urban sprawl and we quite literally need to draw the line in the sand. It needs to be drawn somewhere and we need to draw it now. We can't change what we've done in the past, we can't change that. As an example, the south end plant is operating at full

capacity right now. Might I point out that one of the areas connected to south end plant is Waverley West. The idea of being here; one of the reasons why we're operating at max capacity in the south end is because we've had new developments in there and like I've said, we have to draw the line in the sand and we have to say enough is enough. And I hope that City Council will consider that and I hope; that's one reason to consider delaying this, so that we have time to analyze better and new innovations options and the analogy being; first it was horse and buggy and then we used the steam engine at some point we said the steam engine needs to be replaced with the internal combustion engine and now we're going looking at hybrid vehicles or electric rail. We need to think about the technology of tomorrow when we're doing an investment at this magnitude of $1.8 billion. In the specific business proposal there are a number of clarifications that I think we need to look at. They list the number of companies that have already given their expression of interest. Now assuming we do go forward with this and as I said I would like to see us delay it, but assuming we go forward, I want to know, are the RFP's when they are submitted, they be made a matter of public record and if we want to argue it's a matter of freedom of information, I would argue one of the conditions of submitting a request for proposal should be complete public disclosure of all; of the entire request for proposal. We need; the citizens need to go through this business plan line by line and look at every little detail and I think that's what's lacking in this thing. Once again I'm deeply sympathetic with the City, they're under tight deadlines and are trying to get a sewage treatment facility completed on time but with all due respect it shows in the business plan, that the business plan is a little bit rushed. For example they claim there will be cost purchasing synergies but if you want me to believe in these cost purchasing synergies, give me a list of everything that the waste and water department is purchasing right now. I want to know every pipe, I want to know every chemical and I want to know to the pencils and papers that the office is buying and then I want to know how this corporate utility will achieve these cost saving synergies. We're talking about entering into a 30 year contract and people argued yes we have entered into contracts before, there's no doubt. But a 30 year contract is a substantial commitment. It's tantamount to a marriage and as the saying goes only fools rush in right. And we're looking at this proposal; we're look at this proposal going from the courting process to the altar in less and a year. Would you marry someone after knowing them less than a year? We really need to analyze this, because one of the things about a 30 year contract, what are the terms for termination of these contracts, if they were raised. There needs to be points of how we're going to terminate them and agree with them. It might work out, the 10 to 15% estimated cost savings may be feasible but the countervailing argument is it may not work out and we may have to break the contract or go through divorce fees to use that marriage analogy again, and none of us want to deal with that. We need to deal with our full due diligence on this project and I think the business plan does needs to go back and it needs to be fleshed out further and for that reason I think we should consider delaying the proposal. Thank you. (Applause).

Mr. Speaker: Thank you. That's it delegations. Mr. Mayor.

Mayor Katz: Mr. Speaker.

Mr. Speaker: Executive Policy Committee Report of July 8th of 2009.

Mayor Katz: Mr. Speaker, someone has asked a question (inaudible)

Mr. Speaker: We have decided who will be speaking. Why didn't you raise this before? You were here from the very beginning. You didn't ask to be put on the agenda? (inaudible)

Councillor Vandal: to our speakers list to hear this gentleman.

Mr. Speaker: Okay, you have five minutes.

(inaudible)

Mr. Speaker: No, no, no, look, he will get the microphone there for you. You'll have the microphone and you have five minutes to make your presentation.

Larry Peter Clippenstein: I hear a lot about partnership. I hear a lot about privatization. I hear a lot about joint agreements between the public and the private sector. If you're going privatize water, I have a question for you. As a human right, are you going to allow every citizen to open up the water pipes, draw their own water, even if they have to boil it? Will you allow them to opt out of any taxation for water that they're not agreeing to? If water is an individual right, then I have an individual right to know what's in my water. Every single detail. I don't know how things are processed. I don't know what's even in my food. What about all the laws regarding, for instance, how long a medication can be in an animal that we're going to purchase for food? If there are concerns about public and private water, where exactly are people who don't want this water, to get their water from? And if they have no place to get water from, how are they going to live? Thank you.

Mr. Speaker: Would you give your, excuse me, would you give your name and address for the record?

My name is Larry Peter Clippenstein and my address is 610 – 133 Niakwa Road.

Mr. Speaker: Thank you that's for the record, the clerk's need that for the record. Thank you. Mr. Mayor, Report of July 8th, 2009.

REPORT OF THE
EXECUTIVE POLICY COMMITTEE
DATED JULY 8, 2009

Mayor Katz: Thank you, Mr. Speaker. I would introduce the Report and move adoption of consent agenda items 1 to 5.

Mr. Speaker: All in favour? (inaudible).

Councillor Thomas: I would like items 4 and 5 please.

Mr. Speaker: You should have; you need to put your hand up.

Councillor Thomas: It was up there.

Mr. Speaker: What numbers did you want stood down?

Councillor Thomas: Numbers 4 and 5.

Mr. Speaker: Okay Mr. Mayor.

Mayor Katz: Mr. Speaker.

Mr. Speaker: 1, 2, 3 consent agenda All in favour? - Contrary? - carried.

Clerk: Item 4 Existing Infrastructure Deficit.

Item 4. - Existing Infrastructure Deficit
eFile S-7

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, I will quickly address both as the Clerk mentioned, Item 4 is regarding Existing Infrastructure Deficit, and as we know, as a result of a great deal of work done by Councillor Wyatt along with our department and the public service, that now sits at 3.8 billion over the next ten years, and item 5 is New Strategic Infrastructure Deficits, and that sits at $3.6 billion over the next ten years. I would very much love to hear what Councillor Thomas has to say and then if I can address it I certainly will.

Mr. Speaker: Thank you. Councillor Thomas.

Councillor Thomas: The existing infrastructure deficit will be for the next five years, $3.8 billion, and the new Strategic Infrastructure Deficit will be $3.6 billion, and this Report, in reading the clauses, in this Report it suggests that is we receive this document as information. I received a personal briefing on it. I was unable to attend the Council briefing on it, and my concern is not just with the figures, but the fact that all we're doing here today is receiving it as information. We are going to be having an upcoming budget. We have had in the past, meetings where Council has gotten

together, set priorities, established time lines for things, decided which items were of top interest to them and it seems to me that just receiving this as information is inadequate and I want a commitment that we will get an opportunity to go over these projects and discuss ways in which we can deal with this growing infrastructure deficit and the fact there have been new strategic plans that have been added. We have been actually abrogating our priorities that we set back in' 92, that we were suppose to be getting existing infrastructure, renewal top priority, expansion of existing infrastructure, and new infrastructure, the third priority. We've actually-been spending way too much on new infrastructure and not enough on maintaining our infrastructure. And I want to see a commitment that we will have an opportunity to sit down and get no more than a briefing but that we get an opportunity for all of us to be part of that planning procedure and discussion, rather than just merely receive it as information. Because this is pretty serious information and there is a lot of stuff on the Agenda today, and I don't intend to spend a heck of a lot of time and have a heck of a lot of discussion on this particular one, but this is a very serious land mine sitting there and we've stepped on it and everybody knows that problems arise when you take your foot off the land mine and I really don't want to have us pass this information and just let go because then we've taken our foot off of it without looking at it. There are some mitigating problems that have to be dealt with in receiving it as information that is inadequate.

Mr. Speaker: Councillor Vandal.

Councillor Vandal: very quickly I understand number 4 existing, that's self-explanatory but I'm unsure but the New Infrastructure Deficits. It describes a new infrastructure deficit as estimated at 3.6 billion over the next 10 years. New infrastructure deficit includes new infrastructure to service growth. And it does not include new infrastructure to service existing infrastructure. And those are concepts that I think are opposed. If there is no growth, if you're going further into debt by creating new. And by new I'm assuming this is not yet constructed or recently constructed and if there is no growth, if you're actually going further into deficit, why would you even construct the infrastructure to begin with? So I'm wondering if this new infrastructure deficit is real? If it is real, why is it real? If we projected are we actually planning to go further into infrastructure deficit with this new infrastructure deficit to service growth? And if we are, it's not growth so why are we doing it? So I need clarification from the Mayor; from Councillor Wyatt, our Infrastructure Secretariat champion. I just don't understand the concepts; if they're not constructed why would we construct new infrastructure to go further into debt to serve as growth which is nonexistent?

Mr. Speaker: Councillor Swandel.

Councillor Swandel: I'm okay.

Mr. Speaker: You're okay. Mr. Mayor? Oh just a minute, Councillor Wyatt.

Councillor Wyatt: Well, I can maybe assist and shed some light here for Councillor Vandal. In 2002 I think it was or maybe 03, before he left the City, Jim Thomson, the then director of Public Works, gave a detailed report to this Council outlining the stint of the infrastructure deficit and the shortfall funding, a lot less back then. And also, new strategic infrastructure back then. It was always an understanding, Mr. Speaker, that based on the Conference Board of Canada, the growth, and maybe there is the confusion on the terminology of what growth means, growth verses expansion. Budget verses growth of the expansion of the City and the size of the City and the actual population of the City. The Conference Board of Canada's predictions have been right on so far with regards to the growth of Winnipeg's population. And there is no doubt we're even feeling the pressures now with the need for new infrastructure, whether it be small infrastructure improvements such as intersection upgrades, better turning lanes better storage lanes, so forth, new traffic intersections and new traffic lights, to the extent of new underpasses new overpasses, new rapid transit is on that

list, expansion of the rapid transit. It's assuming that over the next ten years we're not going to stand still, that the City is actually going to grow. We want the City to grow and at the same time to have a growing city you have to make an investment in the public infrastructure which includes roads and bridges and includes transit. At the public seminar it was made very clear by George Cartier that there's no doubt an element that is part of a debate of a discussion that's yet to take place and that is, out of the entire growth amount, 85% of that figure, of that 3.6 billion, 85% of it is roads, bridges and transit and there really has to be a serious discussion in this City in the years to come of where we want to invest new strategic infrastructure dollars, considering the fact that we know they will probably not be in huge supply. And we may have to made decisions and choices between building a rapid transit line versus building an underpass or overpass and that's a debate that has yet to occur. We didn't get into that debate with this report Councillor. We just set out what the future could potentially look like and the challenges facing us. No doubt that $3.6 billion number could actually come down if we made the tough decisions to say yes, we're only for example going into rapid transit where going to put off these upgrade bridge improvements or underpass improvements the number would change, there's no doubt about it. But, be not mistaken, Mr. Speaker, there is a new strategic infrastructure deficit. We are a growing city which is not a bad thing but we also have to grow sustainably into the future which also means doing it smart and wisely and environmentally wisely, which means investing in new strategic infrastructure that's out there. New strategic infrastructure means infrastructure that does not exist today. It does not mean the combination of let's say two police stations into one station. It means a brand new piece infrastructure that's not out there now. So that's a discussion yet to be had. The numbers are extremely conservative I might add Mr. Speaker because they are very conservative. We've heard the discussion earlier about construction inflation. Extremely conservative on construction inflation and we see what's happening right now out there with regards to the provincial government's spending on infrastructure outside of the City and how that's driving our costs up and will be next year. So, the numbers are very conservative. And I hope they stay low but, chances are they'll move upwards as time goes forward. So I hope that addresses some of Councillor Vandal's questions.

Mayor Katz: thank you, Mr. Speaker.

Mr. Speaker: The Mayor in closing.

Mayor Katz: First of all, I do want to say that I believe that Councillor Wyatt probably, hopefully, did address Councillor Vandal's questions regarding number 5. But just for the record, Mr. Speaker, I don't know a day that goes by where we don't talk about our infrastructure, and you hear these numbers, you know, 1 billion, 2 billion, 3.6 billion, and Councillor Wyatt and the department and all members of the public service have put in countless hours to actually put a face to these numbers, so you can see that it's your street where you live or where your son-in-law or daughter in-law live or where your children live or the sidewalk around the corner from you. Because just saying a number doesn't really mean a lot to people. We've actually given it real life. And we have felt it was extremely important to make the public aware of this, do the analysis. It's unfortunate that the Councillor was unable to attend the seminar where these questions could have been addressed. But more importantly, Mr. Speaker, today is just to receive it as information. I can tell that we're already discussing how to implement certain strategies and what those strategies will be. And that is the next step down the road. But today, we've identified both new and existing, putting a face to it with real numbers and making sure that everybody knows what the challenges are. And as we said before and I thought it was the best example, that rapid transit is something that comes under that category of new infrastructure. We haven't done it today but we are planning to do it so it's part of the overall package.

Mr. Speaker: Thank you, Mr. Mayor. On Item 4, All in favour? Opposed? It's Carried. Item 5.

Item 5 - New Strategic Infrastructure Deficit
eFile S-7

Clerk: Item 5, New Strategic Infrastructure Deficit.

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, I think the question has been asked and hopefully answered, we'll let Council vote.

Mr. Speaker: Thank you. Do you want to speak Councillor?

Councillor Thomas: I really didn't get an answer on commitment.

Mr. Speaker: We dealt with 4.

Councillor Thomas: We dealt with 4 and I asked for that and we voted on that. I really didn't get; hear from the Mayor in the last time a commitment for a meeting a Council meeting to discuss that. We had a briefing as to the situation where it is but I want a planning meeting like we used to have a number of years ago and because I was unable to make that meeting didn't mean I didn't have a briefing. I had a private briefing on this matter and I thank George Cartier and the CAO for being very helpful to me and giving me a one to one briefing on this item, so I'm well aware of the items in there but my concern is very serious and I would like us to sit and as a Council discuss priorities not just receive the information as information but to actually work on developing some plans to do something about it. That's where we need to go from here.

Mr. Speaker: Councillor Swandel.

Councillor Swandel: Mr. Speaker, as we go forward with the budget process and in particular the capital budget process, some of those; what Councillor Thomas is asking for will be coming forward to Council and we'll have some of those discussions with Council as a whole and not just as EPC in the budget process.

Mr. Speaker: Thank you. Mr. Mayor, closing?

Mayor Katz: Mr. Speaker, I believe it goes far beyond that. Number 1, I think everybody in this Chamber knows, you can't solve a problem until you define it. This whole process 4 and 5 is defining our problem so that every citizen understands it including the Provincial and Federal Government, that was step number 1. Number 2 now is to find the solution and the City has to be part of that solution, along with the Province and the Federal Government. If that is what Councillor Thomas is referring to, we will be doing that and as I said in the near future, we will be coming up with ideas and strategies that will be discussed to move this forward to address the problem. But the reality is, Mr. Speaker, I'm not convinced we can wait for other levels of government to step forward. The City of Winnipeg used to take some initiative and that's why we are taking this initiative with number 1. Receiving this information, identifying it and finding ways that we can make our contribution to solve this long term problem and I think the Councillor probably made an honest mistake when she said five years, it's ten year objective.

Mr. Speaker: The vote on item 5. All in favour? Contrary? Carried. Do you want to be recorded in opposition? Councillor Vandal in opposition. The report of July the 15th of 2009. Councillor O'Shaughnessy; Councillor O'Shaughnessy.

Councillor O'Shaughnessy: Sorry just trying to figure out what is he opposed to? The addition?

Mr. Speaker: No, no, no - I want you to take the chair. Okay the Items 1 to 8, July 15th, Mr. Mayor.

**REPORT OF THE
EXECUTIVE POLICY COMMITTEE
DATED JULY 15, 2009**

Mayor Katz: Thank you, Mr. Speaker. I would like to introduce the Report and move adoption of consent agenda items 2 to 8.

Mr. Speaker: All in favour? Contrary? carried. Item 1.

Clerk: Item 1 City of Winnipeg Municipal Utility.

**Item 1 - City of Winnipeg Municipal Utility
eFile GL-5.6.1**

Mayor Katz: Mr. Speaker, the reason we are having this debate today is because we all want to protect taxpayers from what has become a costly pattern of cost overruns on major and very complex construction projects. We're about to spend $1 billion to do our part to protect the environment as ordered by the Province. Urgent deadlines are in place for this work to be completed. For example, by the end of 2012 for the south end sewage plant, so the clock is ticking. In moving this arm's length management model, we have a tremendous opportunity to bring far greater accountability and transparency to our taxpayers by creating a new strategic partnership process with engineering and construction firms, to help reduce financial risk to taxpayers. The new process will ensure the firms deliver the expected results during the billion dollar upgrades or help shoulder the costs if they don't. I announce my intention to bring this proposal to Council during my 2008 State of the City Address, 18 months ago. We held a debate and voted to direct the public service to get this work started 8 months ago. As a result of many months of hard work and consultation, I believe we have the research and preparation before us today that we need to proceed with a decision regarding the creation of a new arms length utility model, including presentation of the strategic partner procurement process for Council to review and approve when the work is completed later this year. For a full year, Mr. Speaker, well you're no longer Mr. Speaker, sorry. Thank you.

For a full year we have been discussing on going with key stake holders. In fact, C.U.P.E., W.A.P.S.O., our departmental staff and provincial regulators have all been informed from the beginning and through each stage of the project have been told the status of the project work and the opportunities to provide feedback at early stages. These very same groups were all invited to be part of an advisory committee that met monthly since February, to go through project work to ensure that all interested parties had early access to what is now before them. And finally, the public service has been sharing information on the proposal with citizens and public interest groups by holding open house information night on two occasions, by answering telephone calls. (laughter).

Attending meetings, responding to e-mails and conducting a web-based survey to gather feedback on the project. What is being proposed is that an utility services be operated as an arms-length city owned utility, similar to Manitoba Hydro rather than as a government bureaucracy. We see many benefits for ratepayers and taxpayers, beginning with the fact, that by provincial law in our City Charter, our water supply and water work system will continue to be 100% owned by the City. Any suggestions otherwise is without factual merit and intellectually dishonest. Additionally, it is proposed to the Province that our city owned utility also be required, in law, to always be 100% city owned. City Council would also retain clear oversight of the new utility, reviewing and approving annual business plans and budgets. And, as I've already discussed, to better protect taxpayers, the utility would have the ability to enter into new partnerships with engineering and construction firms, flexibility that is critical given the significant of the $1 billion challenge the City is facing to upgrade its sewage treatment plants. Imposed on us by Provincial law, the intent of these upgrades is to ensure we meet strict new environmental regulations in order to help protect our rivers and Lake Winnipeg. The clock is ticking and there is an urgent

need to immediately proceed with these upgrades, if we are to meet the deadlines imposed on us by the Province of Manitoba. Despite these many benefits there are voices, including some from outside of Manitoba, who believe this proposed new management model should be delayed. If you're a Winnipeg taxpayer, this would be a costly mistake. Like many governments, we have had trouble coming in on time and on budget on large and complex projects. Overage on previous construction projects has been as high as 30%. Consider the magnitude and the risk to taxpayers with proceeding with a billion dollars construction project which is many times larger than the last major project that went over budget. Should the same situation re-occur under the existing management model, the cost overrun for the new project could climb to hundreds of millions of dollars. Last November, direction from City Council was clear. We said we wanted further construction projects, managed in a way that increases accountability and transparency for citizens, by involving a strategic partner in the engineering and construction process only, who take on the risk to help pay for any problems like cost overruns, we believe we can accomplish these objectives. Mr. Speaker, we've heard the concerns from our colleagues on Council who believed further clarification was needed. Their Motion is being tabled today which will address these concerns further while ensuring we do not further procrastinate. I would also like to thank the members of public service who worked to deliver this proposal today and I would encourage members of Council to support the positive initiative. Thank you.

Mr. Deputy Speaker: Thank you, Mr. Mayor. Members of Council, we have before us (inaudible) 3 traditional amendments when Council policy only allows two but would someone move suspension of rules to hear 3?

Councillor Thomas: Point of order. If we deal with item 2 which is a Motion to refer, which……

Mr. Deputy Speaker: That's a separate matter.

Councillor Thomas: 1, 2 and 3 takes prescient that may remove.

Mr. Speaker: It may or may not. Thank you very much. I think I can handle that. We have a Motion to Suspend the Rules to allow all 3 amendments before Council at the same time. All in favour? Contrary? Carried. Now, we have in precedence we do have Motion number 2 which is a Motion to refer with instructions and is therefore debatable, and unless Council feels different I don't see how it could properly be mixed in with the amendments in the main clause. I believe it deserves its own debate and only once Council has decided whether to refer the matter or not, could we go into debate on the main clause of the 3 amendments. I hope no one has a problem with that? Councillor Steeves.

Councillor Steeves: Does Council….

Mr. Speaker: Would you please rise when addressing Council.

Councillor Steeves: I'm probably hoping against hope here, but Council, is there any will to instead of going through a separate debate on the issue of referral people can weave those comments into their speeches on the amendments? Would that be a possibility? Or; well no, I think we can do whatever we want.

Mr. Deputy Speaker: We can suspend the rules if someone will move it.

Councillor Steeves: It will probably save an hour and a half for people in the gallery if they want to stay.

Mr. Deputy Speaker: Are you making that a Motion?

Councillor Steeves: I am.

Mr. Speaker: Councillor Steeves is moving that the rules be suspended and the Motion to refer be voted on first, be part of one general discussion and debate on the Motion, referral and amendments. It would require two-thirds of Council support. Those in favour? Those opposed? I don't seem; half of you didn't

vote. We'll have the recorded vote. All those in favour of suspending the rules to deal with the entire package together, please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Katz, Councillors Lazarenko, Browaty, Clement, Fielding, Nordman, Pagtakhan, Steeves, Swandel.

Nays

Councillors Gerbasi, Orlikow, Smith, Thomas, Vandal, Wyatt, and Councillor O'Shaughnessy.

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

Mr. Deputy Speaker: Defeated. We will now move on with the referral item standing on it's own to be introduced by Councillor Orlikow.

Item 3 - Shoal Lake # 40 First Nation – Economic Development Grant
e-File G-8

Councillor Orlikow: Thank you very much Mr. Speaker. I must say this job is a job. It's quite and I want to thank my family for all they've had to put up with, my manager and all my fans. But seriously, on this very serious matter, my background has always been, coming from a large family in many ways, is not to find ways to be divisive but to listen, to consult and try to find common ground and there is a fair bit of common ground that I did find through this debate. But there is also a very large body of ambiguity and questions that are unanswered, and just many, many points that can't be addressed in a business plan. What I believe has happened right now is we've kind of gone the wrong way at the beginning. You don't do a Business Plan unless you do the Act first. The Act is very important. Manitoba Hydro has the Act first and then they do the Business Plan. That's the way you do, you put an Act in front and why do you do that? I'll get to that in a bit but first a little background on how I came to this point. The consultation process which I have been; I've met the administration numerous times and I have been to all the public events except for one the Masonic Temple Event because I didn't find the first Event that enlightening. It was pretty well what I had heard before in Chambers, downstairs. I felt that the process was more of not the way I would have personally consulted. I believe that word consultation is you put down options and then we talk about the options. This was an option was told to us and it didn't really move much. The only movement I've seen up to this point in written document, except for the flurry of stuff that happened today and a few other things was a business planned was changed from operations to optimization. That's all I've seen so far that's been that significant or any kind of change. I believe this is always been, we're going this way, say what you want to say, and end the day at the last minute as an example today we'll throw a couple of things in and see where it goes. Again, that is not the proper way to do this and that's why you have an Act first. The Act that's quite clear on what it does. I also was quite concerned when I read the Business Plan, but I did feel that it was very unclear in certain areas. I also felt that it was incomplete in certain areas and that it wasn't really a (inaudible) consultative document but more of a document here you go, tell us what you think and we'll go from there but it didn't provide the options. Again, an Act helps out in that matter. I also was disappointed by the lack of independent research that I found all the research I was provided was to support the business plan, which is find, but in a true consultative process you provide other options so that made me do my own independent research and unfortunately my assistant wasn't with me at the time, so this had to be done late at night and in any crook and candy I could find to do some time. What I have looked at and as many have mentioned, the Manitoba Hydro Act. So okay, I'll read the Hydro Act. It was very enlightening. It was hard reading but it was very enlightening and I'll get to that in a moment. I looked at the Scottish Water Act, because we talk

about this model being similar to the Scottish Water Model in certain ways. Again, it is similar in certain ways and it's also significantly different in certain ways. I read reports from other groups both pro; pro being global water intelligence, which is pro privatization of water and water watch which is a independent auditor body in Scotland that produced a very negative report on the Scottish water and again for Councils that wish to have it, I e-mailed you all these documents prior because I want to reduce the amount of paper however people who want paper, it's available through the clerks. So I did my own research and that regard and the more I researched the more interesting things I found that need to be addressed within an Act. So again, why do we need an Act? Why do we need an Act? Because we keep saying this is like Manitoba Hydro. I trust you will all read the Act and you will notice it is similar in the fact it does have this kind of arms length body but that's pretty well where it ends. The Manitoba Hydro Act is significantly different in many key areas. Many, many key areas. Especially the ability for private corporations to buy or operate public facilities. But there are also many more, the referendum question is outlined how that process goes. What about borrowing? Can the Utility borrow their own money, could borrow on their own Capital Assets? That's all outlined in what they can or cannot do. And also we talked about what services are incorporated into this Business Plan? Again, it's clearly listed out in the Act, what is included. So these are some of the reasons why you have an Act. And when I say it's clear, it's clear for lawyers, okay; it's in the clear for the average lay person. But the Act, what it does is when the battles start to happening with these private partners that, I thought I could do that. Well no, we don't think so. Then we go to court and then the Act helps us decide who is right or who was wrong. Without an Act, we don't have that recourse, so again we'll leave it up to the courts now to muddle through this which will be very, very expensive of an Act. So again, how do we find a solution that will allow us to move forward on this model. I do believe as the Manitoba Hydro Act states and not this new project, there isn't benefits towards this model. I don't disagree with that, and I think it should be further developed but again within the framework of an Act. The reasons why we wouldn't have a business plan prior to an Act; an Act such as the Municipal Utility Act. The Acts are pretty well disallowed, the businesses who entering into a partnership with us has a third party, i.e. The Act that out line the parameters in which they can expect to know how they are working in. There is going to be some differences of opinion as we go through this. That's the way it will happen; the Act will clearly help us and them and the public, know exactly what we're talking about. Privatization; what does privatization mean? Does it mean shares does it mean capital, as is all listed out there? Or is it completely not allowed like the Manitoba Hydro Act? From time to time auditing will be done. We've heard that before but what does that mean? We don't know what that means. Again, the Act clearly outlines what that auditing is and what the purpose of it is and what documents are made available. Again, the F.I.P.A. and the Corporations Act have different kind of rules where the Act will circumvent that so there is more public disclosure on these documents. Again, this would be up to the Act. The principles of what we're doing and why we're doing this are very clear in the Act. The Business Plan, not so clear. It prevents Council from making Motions, kind of like it is today, that contravene an Act. We can't have City Councillors, 3 months, 4 months, 12 months down the line, to throw out what we feel from the hip again. No, we have to go through the Act and that's why the Act is done, due diligence first, then you do the Business Plan. So we all do agree we want to protect the taxpayer. That's a nice motherhood statement. We want to make sure that we have the rates, nominal increases as possible because we have inflation, that very important. We want to make sure those assets stay in public control so we can have water, we can have waste services. Those are all very important things and we agree with that. We also all realize that we want rates not to be all of a sudden jumping up, through whatever measures are possible. The Act can prescribe that as well. So

what are some of the concerns that I've heard so far and some people have mentioned, oh they haven't been really addressed yet. Well they may have but may not but it isn't clear. I think we can say by the petitions, the surveys, everything that's going on, people are concerned because it isn't clear. This isn't the Charleswood Bridge. This is fundamental core services. This isn't a bridge over some water to get traffic from one end of the City to the other. This is core services. If our waste system goes down, we go down. We can't supply water effectively, we go down. We can't pick up the garbage the City decays. These are core services, so I would say that this is quite a different model than that. How are these partnerships with municipalities going to be done? Are we going to allow subsidiaries to run by themselves or do they have some kind of fiduciary relationship with the Board of Directors that's very direct. And what is that relationship? The Act again like in the Manitoba Hydro Act prescribes that for us. What does a public have the right to know and not know? Again, the Act shows that as well so the public knows rather than going blindly into the night and hoping for the best. The Act tells us that. What would happen in the subsidiary has up to 49% shares or capital, whatever you want to call it, is at 100% private public ownership or not? The Act, like the Manitoba Act does, clearly outlines what that is. So these again, you may not believe.

Deputy Mr. Speaker: Two minute extension. Favoured, Contrary?, Carried.

Councillor Orlikow: Appreciate it. So again, here's why I believe why we should defer this Motion until an Act is presented. And this; for me as a lay person, I have presented you with a draft Act. This is a lay person who has spent about 12 hours in a stretch doing this. Okay, this is me. So again, would I present to you in the proposal is just a proposal based on the Hydro Act. It assures that revenue generated will be used for lower rates and to invest in the delivery of services and cannot be used by the City. We all like that. Ensure that public representation is on the Utilities Board of Directors, again, some people don't agree with that, some people do agree with that but it will clearly outline who is on the Board of Directors. It would outline delegated powers and mandated to the Utility, so that private partner of the Utility knows what they can and what they can't do. Instead of finding out when we go, you can't do that. So there are many advantages to the Act. So, in-conclusion, because I have a minute left, City Council would like to know what the role will be. The public wants to know what the rates will be and how they will be protected. What is the transparency in this? What is a partnership, what isn't a partnership? All these kind of things can be listed out in an Act and from that Act a proper Business Plan can be developed. I don't believe this Act will take that much time to do. I believe it already existing with the Manitoba Hydro Act, some legal beagles who will be here in August, they can go through that issue. They can go through the definitions and clarify and then we can come back with an Act that lists it all out for us. So, that's why I believe we should defer this, until we have proper Act, so people know what they're getting involved in, Councils will know what they're getting involved in and then we can move forward in confidence that this will be the best thing for Winnipeg. (Applause).

Mr. Deputy Speaker: Thank you, Councillor. It may be a little late in the day but demonstrations are against the rules of procedure of Council. If they persist it's within the speaker's power to order that the entire galleries be cleared. I have absolutely no intention of doing that but if you could come halfway and keep the applause to shorter periods it would allow us to get on with this debate because I feel we will still be here at 8 or nine o'clock tonight. So, anything you can do to help out will be greatly appreciated. Accepting a Speakers List. Councillor Vandal.

(inaudible).

Mr. Speaker: And then we have the others as a separate debate that was the vote. That is the vote we just had. Councillor Vandal.

Councillor Vandal: Thank you Mr. Speaker, I'm going to be supporting Councillor Orlikow's Motion. This is complex issue we're talking about water rates, sewer rates, garbage services, recycling services. I've never seen so many people here on a beautiful summer afternoon at three o'clock in the afternoon. People are engaged. People are interested. I think we owe them the opportunity to go back to them, to make some clarifications. We spent $1.2 million on a Business Plan that's in front of us this afternoon and we've had two; the authors of two of the three substantive Motions are EPC members who are substantially changing the Business Plan that we paid over a million dollars to actually get to this point so we know that this certainly not etched in stone. If it's a good idea today, if Executive Policy Committee believes it's a good idea today, it's going to be a good idea in September. The Province I note, don't come back into session until late September so if we lay this over until September or even later than that, I can assure you, the effect on the legislation, if it is passed, will be nil so I'm going to be supporting Councillor Orlikow's Motion.

Mr. Deputy Speaker: Thank you, Councillor; Councillor Gerbasi?

Councillor Gerbasi: Thank you, Mr. Speaker. Obviously I'm supporting the Motion, I seconded it and I think that what we've heard today is significant support from most of the public who is here today, that this needs to be deferred and this is not properly ready to go. I'm a little disorganized because I thought I was misunderstood that we were speaking to all the matters at once but I'll put some comments on the record now. I think the thing to keep in mind is that the Motion put forward by Councillor Orlikow and myself gives us the opportunity to have the important questions answered before we make massive changes to the governs governance and functioning of the Water and Waste Department. It provides a road map to explore a truly public water and waste utility, which would have adequate over sight by accountable elected officials and public control over essential services. I point out today that a viewpoint survey that was released yesterday that showed 67% or two-thirds of Winnipeggers support delaying the Corporate Utility to allow more time to study it and improve the Business Plan. It's clear to the public, the Free Press by several editorials, I believe three editorials, the academics, concerned organizations and thousands of Winnipeggers that we do not need to react to a false sense of urgency to rush this through without proper due diligence. We should not be making changes on the fly. But defer the matter to properly review, have the Act that has been proposed as well as the other amendments and ideas that people have had and the issues that have come up in the other Motions. We should not be making these amendments on the fly. So, the deferral is the wise thing to do. We all know that the devil is in the details, in an issue as complex as this. I'll skip past some of my comments that don't fit now because of the last change in the last five minutes. So I think maybe I will sit down and speak to some of the other Motions if this doesn't proceed at this time. I think it's really important that we don't proceed with all the questions that have been raised. I guess maybe one of the points I will make now has to do with the private partnership and the reason I'll make it now is this is what we need to sort out before we proceed ahead. Private companies don't take risks without being compensated for it. There's a lot of issues about whether the due diligence has been taken in preparation of the Business Plan. I think it's very significant that the vast; I believe it was Jesse Hajer pointed out that the vast majority of sources used to back up the cost savings projections put forward in the Business Plan.

Councillor Swandel: Point of order. Are we getting into debating the entire Clause now or are we still on the ……

Mr. Deputy Speaker: No I'm deducting it from her time on the next speech.

Councillor Swandel: Oh okay.

Councillor Gerbasi: Well it's a referral with instructions what I'm trying to argue.

Mr. Deputy Speaker: You are completely within your rights.

Councillor Gerbasi: Yes thank you Mr. Speaker, what I'm trying to argue is why this is essential to defer this because we don't have the whole basis of proceeding with this quickly is based on sources which are within the Business Plan. The sources within the Business Plan come from PPP advocacy and lobby groups that are saying this is a good idea and that's where the research is coming from. So we really need more non-bias; public sector comparer, not basing this on essentially propaganda or lobby groups on one certain side of the issue which I don't think is wise. I don't know if the public realizes that we spent a million dollars or a million .25 on this Business Plan. I think that concerns a lot of people, but we need to make sure that the business plan is accurate and I think that everyone's admitted, including the Mayor that there is some confusion about it and the Motions at the last minute we'll be discussing later, whether they clear that up, but I don't believe they do. So, there is; I think I'll just mention also, a group of 27 they didn't come to speak today, but 27 University of Manitoba Professors, mostly PhD professors in the field of health care, have written to express concerns about the commercialization. I don't know if you all saw that letter, but I'm not sure our Council has the combined IQ's score to justify completely dismissing this kind of concerns. So I would urge you to. (laughing) good luck. I would urge Council I apologize, my remarks are a little scattered I think I've rewritten my speech about 10 times because Motions and things were just brought forward just before the Council meeting started which is very difficult. I appreciate Councillor Orlikow brought forward his Motion a couple of days ago. It's very difficult for people to have a coherent debate in these kind of circumstances but of course we're all doing our best. So I would urge Council to defer this as citizens of Winnipeg in a petition of 4,000 people in a survey of 67% by view points and in three Free Press Editorials have all said we need to defer this decision, thank you Mr. Speaker.

Mr. Deputy Speaker: Thank you. Councillor Thomas followed by Councillor Swandel.

Councillor Thomas: Thank you Mr. Speaker. I rise here today to ask Council to refer this clause back with instruction. It is clear from the petitions, emails, phone calls, personal appeals and from the people who shown up here today, that the citizens of Winnipeg do not feel that they have the necessary information to receive this proposal positively. Comments have ranged from the quizzical to the profoundly opposed. But in all my conversations, I have not seen nor heard one positive remark about this proposal from the citizenry. Even those of us who have had access to In-camera briefings on this matter are left with different interpretations of the content and the documentation provided, and the presenters themselves, who presented us with this report, and I'm particularly referring to this Business Plan, seem to disagree among themselves on the interpretation of content on the proposal and the direction in which this proposal will take the utility. I want to thank Councillor Gerbasi and Councillor Orlikow for their research. I would also like to thank my assistant, Daryl Livingston for his research into the Walkerton Inquiry in the Hamilton case. I have concentrated my review on the documents that's calling itself a Business Plan because the reason I want it referred back; and I will go into detail, is the many questions that this document leaves me with. Each page seems to raise more questions than it gives answers. Which will be the mainstay of the majority of my critique. It is suggested that we need to develop this Model to upgrade our Water and Sewage Treatment Facilities. But the reality is that the Water Treatment Plant is all but complete. And our sewage upgrades have been proceeding these past several years and we are close to being one-third done. So then we clearly do not need this Model to proceed on construction because we have already been doing so. It's further suggested that this new Model will develop control costs but in a time of unstable market and escalading costs I believe that it was due to the due diligence sold by the Standing Policy

Committee on Infrastructure Renewal and Public Works which kept down any cost overruns to a minimum. And I have not seen in the Report, even though there is this item on efficiencies and a number put in there, I haven't seen how it will actually reduce the costs, and I feel that to change this process now, and to get; to back off on this type of scrutiny is shear folly. On page 1 of the Business Plan, I actually disagree with calling it a Business Plan; I think documentation in it to call itself that but this is what it calls itself so I'll refer to it as such. It states that resource requirements, which I think is another word for money, will increase for the remainder of the upgrades and while this is most definitely true, this requires more scrutiny not less. There is no guarantee that any private sector partnership will ensure that it will make it cheaper to proceed with the upgrades. And I'm really baffled as to where that figure is coming from. In fact borrowing rates for the private sector are much higher. We have worked hard to get a very good credit rating and we can actually borrow much more cheaply than any private company. And you get a good credit rating so you can borrow at a good rate. And the argument that we allow someone else to borrow for us at a higher rate, to me, defies the basic principles of borrowing logic. On page 2 of this Report, it states that this will provide greater accountability and transparency, and I asked the question, how can this be? In the past, when private partners have been found for projects such as the Charleswood Bridge, we still do not have all the data we need to make a clear comparison between this project and publicly funded ones. And I have been asking for that for a number of years now. To show whether or not we actually saved money on it. And I am concerned that there will be less transparency, not more. Further, on page 2 there is a recommendation that City Council control be limited to capital upgrades. And I would like to give you all a caution on this. It is the privatization of some aspects of on going operations which have been a problem at other utilities, and I will say remember Walkerton. It was essentially a municipal facility but it contracted a very small part. It contracted testing and it was the lack of the municipal oversight which meant that seven people died and 2,300 people become very ill and the economic impact for that small municipality was $64 million. This was due to a laxity in operation; not oversight of capital expenditures. Serious scrutiny of operations is therefore, I believe, the prime mandate of City Council, and I am concerned about this is the direction and I need to have this more clarified as to who would provide that scrutiny. On page 3, bullet 2, it states that the Utility will have more flexibility in dealing with general business issues. Than that which is provided under public sector government. And I just have to ask, what does this mean? Is it looser quality control? And I really don't know if I want greater flexibility with our water. I really have to know what this word "flexibility" refers to, and again I site Walkerton and I will also site Hamilton. After three serious sewage spills, and environmental fines against the private company, Hamilton has changed their minds about privatization but wait, because of G.A.T. and N.A.F.T.A. the once legal tools that had been used to pry open the water system to privatization; they find they may not be able to get the lid back on that Pandora's box of deregulation and this is a concern. This new Model could be a serious misstep from which the utility may not recover, which is why there needs to be much more clear documentation about what exactly the Model will entail. Further on page 3 it says governance will not be driven by political time lines or agendas and I have to say that that is a pretty wide swipe at elected officials showing disdain for representatives that are elected to over see public policy and that is not a way to get my support. I will counter if policy is not driven by public officials then it will be driven by point of timelines and personal agendas rather than community concerns and that I think

Mr. Speaker: Councillor Steeves moves extension. In favour; Contrary? Carried.

Councillor Thomas: Bullet 6 on page 3 states there will be an enhanced transparency of rate setting but how? By not going through public Council process as part of the budget now these rates will

be are reviewed twice by Executive Policy Committee as well as Standing Policy Committee and finally by Council as a whole. It has not been transparency which has been the problem with rate setting. Believe me, knew what they were voting for; it was there in black and white and I suspect that there will be less accountability when one is no longer required to vote on the rate and justify their stand. The next bullet on page 3 states that financial sustainability of the utility services as a future rate increase will be directly tied to Water on Waste Water Services. Well; how do we ensure this? By going to the public utilities board? Well this seems just what some Councillors who say they support this document, are unwilling to do. And if not there, then where? Back to Council? And if it's back to Council and Council will be required to set the new rate then it's back to needing more about the ongoing operations of the utility to make these decisions then hasn't this Council spun around in a circle to get back to the same place? The thought of this contortion makes me dizzy. Besides, it states in the Report that on September 24th, 2008, Council made the decision that no longer transfers of funds from the utility will be made. If Council has already done this, then how is this new model needed to ensure future rate increases will be directly tied to water waste services? Any model must follow the direction of City Council on this matter, not this particular model, but any model so that the use of this to support this model is a serious argument. Well, as you can see Councillors I am just about to go onto to page 4; this is a 90 page document.

Mr. Deputy Speaker: I'm sorry your time is up.

Councillor Thomas: That's exactly what I want to say, which is why we need to have it laid over because there is no way I can get all my comments....

Mr. Speaker: Councillor Swandel.

Councillor Swandel: Thank you Mr. Speaker. I've heard the representations on this issue and see more public consultation, the representations over ten hours the other day and numerous hours today. More public consultation on this issue than we've ever seen before, including on the sale of Winnipeg Hydro, the demolition of the Eaton's building and on and on and on. You know, the public consultation argument can only go so far. At the end of the day, Mr. Speaker, I understand the argument. I understand the law, I understand the plan, and the amendments and I'm ready to proceed at this time.

Mr. Speaker: Thank you Councillor. Councillor Orlikow; I'm sorry, Councillor Smith.

Councillor Smith: Yes, Mr. Speaker, you know, last Council meeting I asked the Mayor about the consultation process but I wasn't happy with the displays on walls and people coming in and looking at the signage and talking to a few people there. That to me wasn't proper consultation. So, he then suggested that at that point, that he wanted to know what I thought proper consultation was. So I went up to his office to meet with the Mayor, and I told him what proper consultation was. And you know, this is interesting, a few days later, I get a phone call from the Mayor saying we're going to have consultation. And then nothing occurred. So you know, obviously we haven't had consultation. And you know, let me tell you this, one of the things about this group, when a valid point is made, you don't bother asking questions about it, you just ignore it. As if you didn't hear anything and that's what the members of the Mayor's cabinet has done. Let me tell you this, the best presentation in my mind was made by Tom Sims. You know, the Charleswood Bridge, we don't have; we, you know, we can't get information on that whole contract. You call that accountability? You know, for democracy sake, we should be referring this back, deferring this so we can get more information, ask more questions. That's why I'm supporting deferral.

Mr. Speaker: Thank you Councillor. Councillor Wyatt.

Councillor Wyatt: Thank you Mr. Speaker. Last November there was a similar Motion put forward to this Council, if Council recalls, let it be resolved that the item be referred to the Alternative Service Delivery Committee and a study that compares the proposed Corporate Utility Model and the proposed Private Partnership with other options be made public and be further resolved that the public service undertake to hold extensive public consultation with community groups, business groups and citizens. That Motion I believe was moved by Councillor Gerbasi, Seconded by Councillor Vandal and I might have those two backwards but those were the two. And the motion was supported by Councillor Gerbasi, Smith, Thomas, Vandal and Wyatt, and the rest voted against it. So last fall, Mr. Speaker, I felt strongly, last November, I felt strongly that there should be public consultations and extensive public consultations on this proposal and I still feel that way. I don't think they've really occurred. I went to the open house or the meeting put on by the Council of Women at the Unitarian Church, and I was quite surprised that the folks there presenting on behalf of the City were not going to take questions from the audience. Even questions on cue cards they were busy writing questions on cue cards and collecting them during the meeting and at the end of the meeting they answered 10 pre typed up questions and they left. When this was introduced last fall, automatically, Mr. Speaker, the debate started to surround itself around privatization. As a matter of fact, the Speaker tried to make it illegal for us to say privatization and the chamber was ruled out of order but the reality was that's what the debate became, whether we like it or not, and I think, Mr. Speaker, if the utility concept is a good idea, then there should be no fear in going forward and taking the time to explain it to the public. Now the argument has been made that there is a timing issue, that the cc has mandated that we must do this immediately. We've known this Mr. Speaker for years now. This is not a surprise to us, as a matter of fact we have initiated the process already with regards to the P3. We've done that, Mr. Speaker. Now, I believe if the Mayor feels strongly that this is the best model for the citizens of Winnipeg, that this will give us the type of governance we need here, into the future, that we have public consultations and ideally, the Mayor should lead the charge and should be at the front of those public consultations out there speaking to the public and I believe we should also ask from what I understand the Provincial Government is in favour of the concept of Utility. We can invite the Minister to join the mayor to also explain the benefits of a utility and what this is about or what's this not about. The Masonic temple, Mr. Speaker, if you're taking a bus from Transcona that's two or 3 bus rides to get to the Masonic Temple if you're lucky and it's not even downtown Winnipeg but you know, I guess I shouldn't I'm a mason so I shouldn't knock the fact they're at the Masonic Temple but the fact of the matter is, Mr. Speaker, there is no reason why we couldn't have had city wide public consultations. When Mayor Murray tried to and I call it ram through the four district police model, I fought in opposition to it, there has to be city-wide consultation. He couldn't argue against, he admitted he couldn't argue against that because he remember when is he was on Council he demanded the same sort of thing. And so he had to agree to city-wide public consultations, nine city-wide public consultations. At the end of the day, the day it came back here the vote was 15-1; there was no change. There was no change but the fact is there was public consultation and the issue stood the test, Mr. Speaker; that's the whole point here. If you have public consultation and it's a sound issue and you are not afraid of the truth, there should be no fear to go out to the public and explain what the issue is about and to allow for that feedback and have that debate and have that disagreement. There will be disagreement, there's no doubt about it. That's the essence of democracy. But have that discussion and engage the public in that discussion city wide. Unfortunately now because of the fact we have not gone to public consultation, the Report was brought down at the end of June, now it's here in Council in July. We know what the summer season is Mr. Speaker, a lot of folks feel they haven't been given the due process to have an

opportunity to speak. Mr. Speaker, whether we like it or not, Nixon can go to China, why? Because he was a proven anticommunist. Whether we like it or not, Glen Murray can sell Winnipeg Hydro to Manitoba Hydro, why, because he was a proven lefty; nobody thought he would do anything else nefarious with it you know and he sold it off to Manitoba Hydro rather than American. There is the perception Mr. Speaker of a lack of trust with regards to this proposal created and the issue of pushing forward quickly with this, without allowing public discussion creates even more of a cloud over top of this entire process. And does even more damage to know what the truth is, Mr. Speaker and seek the truth. We always try to debate that here and that's what this chamber is for. But the fact of the matter is, Mr. Speaker, if this is a great idea, why kill it in its infancy if the public is not 100% on board, only to be reversed in the future by another Mayor? It makes no sense Mr. Speaker. I think the fact of the matter is, if there are merits to this decision and merits to this proposal, let's take it out there and let's let the public have a discussion. Let the Mayor champion it and bring it forward to the public and indeed, Councillors can participate in that process and answer questions and have the discussion, there will be no harm in that, no harm, no foul Mr. Speaker. We could be back in this Council Chamber as soon as September push it to October the C.E.C. decision Mr. Speaker, we know what the mandate is and the province is not blind, they know what we are doing here and see what we are doing. We also have to get provincial authority to change the legislation and do what we are doing here today, so we have to have that discussion anyways with the Provincial Government. I argue strongly, Mr. Speaker, last time in favour of public consultations as a Councillor on the receiving end of the Mayor and other Councillors who wanted to ram Olywest into my community I always stood on the side of public consultations and I always will. I don't see why this something that can't go back for public consultation because I think the citizens of Winnipeg deserve to have this discussion. This is about water this is about waste, some of the key factor the of what municipality provides to the public services the municipalities provides to the public, we deserve to have that discussion. I'll be supporting the Motion to refer.

Mr. Deputy Speaker: Thank you, Councillor. Councillor Orlikow; summing up on your Motion to refer.

Councillor Orlikow: How long do I have?

Mr. Deputy Speaker: I believe it's five minutes. No we have the eight, he ain't getting another eight. I believe it's five minutes to sum up the Motion.

Councillor Orlikow: I've heard, please, let's talk about the Act itself. The Act itself would not, the Act that has been presented to you so far has many parts in it, in the sub sets that we may not all agree on. For example, I don't personally agree on the public idea. I believe that's up scathing our responsibility, that just my opinion. The Municipal Waters Act, the Utilities Act is incorporated bias towards me because I stayed up all night writing it However, that is a part for debate. So again, even when we these Motions that are coming off the fly, again without public consultation without letting the public have a chance to really get their teeth into it These can all be incorporated into the Act. That is no problem whatsoever. It makes the debate on these other; the Act goes through with a deferral, these would automatically I would say to Councillors would put that in their piece within the Act. Again, the Manitoba Hydro Act states there quite clearly about you can't privatize. So we have that in here. What services are agreed to and not agreed to as core services? Okay, waste is it, that's in here too. What fees can be charged or can't be charged. The Act would say that, that's in here too. So we have a lot of these points, that we are talking about what is in the business plan? What is approved? And if it isn't approved in the Annual Report? That again is within the Act and is answered within the Act. To sit here and start throwing these kind of Motions into there, again, without public consultation will just take an already in my opinion, very tainted process. I believe again, this is not a little yard somewhere, this is not a bridge over a river, this is

core services. These are; the reason why we have so many people getting engaged in this not because they want to spend their whole day here or because they want to be going door to door to sign petitions but they are doing this because they believe this is such an important matter and it really is that important. We are risking good or bad, for lower rates or higher rates our core services. It may be well worth the risk, if we look at the return, but again, until we have clear parameters that we're working in, I don't believe we can take that risk. So that's why I believe the Act will allow everybody the opportunity to know exactly what we're talking about. If we go out with that business plan again the way that it was before, we're not going to be consulting again, even if we do it all around the City. There are too many holes and pieces missing within that Business Plan that people will say, oh what about that, oh it's not in the Business Plan. Oh, don't worry, we'll take care of that. But that's not acceptable in a consultation. We have to outline all these things and we weren't not creating a new round wheel. We're just borrowing the Model from Manitoba Hydro as we all said that we wanted to do. So that's all we're doing, we're borrowing that Model; re-jigging it a bit because Manitoba Hydro sells electricity and some generating power. We're talking some different services and a number of services. So sure it has to be jigged a bit, it will have to be debated throughout those Motions. But again, the public would be involved in that. They would have the parameters and they have the questions and then we can move forward. After that time a Business Plan could easily be developed but again if people know the Act is there, they'll have much more reassurance that their rights are protected. Thank you.

Mr. Deputy Speaker: Thank you Councillor. We'll now vote on Motion Number 2, the Motion to refer. Recorded vote is called for. All those in favour of the Motion to refer, please stand.

A RECORDED VOTE was taken the result being as follows:

Yeas

Clerk: Councillors Gerbasi, Orlikow, Smith, Thomas, Vandal, Wyatt.

Mr. Deputy Speaker: I'm sorry, all those opposed, please rise?

Nays

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

Mr. Deputy Speaker: The vote please.

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

Mr. Deputy Speaker: Motion is defeated; we'll now go to the three amendments which will be moved in the order they were received, and voted on in reverse order. First is Motion Number 1, I'm sorry? Yes?

Councillor Wyatt: Are you suggesting that the, with regards to these Motions that we discuss them as Councillors we have 8 minutes plus the 2 minute option to discuss them all at the same time?

Mr. Deputy Speaker: Yes.

Councillor Wyatt: Alright then, I would request based on Council procedure that Rules should have to be suspended in order to allow us to do that.

Mr. Deputy Speaker: No, Council rules are that we do speak on the Amendment and Motion at the same time. That is the Procedure By-laws as I'm aware of it.

Councillor Wyatt: Could I get a clarification, from what I understand, any Motion, the mover shall be entitled to speak for 10 minutes and any other member of Council should be entitled to speak for 8 minutes on any motion according to the Procedure By-Law.

Mr. Deputy Speaker: Being considered at once, that is procedure and we Suspended the Rules to allow all three to be considered rather than our normal limit of 2. Mr. Clerk, would you or on the other hand, that is not proper procedure to ask you to do that. Do you wish to challenge the chair?

Mr. Deputy Speaker: Thank you, very much Councillor. We'll now have Motion Number 1 moved by Councillor Lazarenko followed by Councillor Steeves. Motion followed by Councillor Clement's Motion. We'll have the debate and then vote on them in reverse order ending with the original clause as amended if it is: Councillor Lazarenko.

Councillor Lazarenko: Thank you Mr. Deputy Speaker. The motion that I presented here, seconded by the Mayor brought to my attention what happened here back in 2002 when we're dealing with the issue of disposing of our electricity. The first time we talked about the problem of electricity about selling Winnipeg Hydro back in 1988 it was an election issue, and that was, was a real hot issue and what they were proposing was not yet elected but still we proceeded to sell Hydro, not privately but to the Provincial Government. And that the time when we were dealing with the issue, then Former Premier, Ed Schreyer had talked to me and I told him that I did not really have a problem, and he had said he talked to Gary Doer and his Cabinet and they said they were not too concerned because they were very worried that if they would buy Winnipeg Hydro the same thing may happen with the Manitoba Hydro as what happened with the Manitoba Telephone System and I had mentioned to Mr. Schreyer, talked to them, there's a solution, introduce a public referendum. Now that did come about and it's a reality and this has passed. My motion is based on the same issues as what was done with the Manitoba Hydro, as asking the general public to have a vote, whether they would like to sell it or not. And I can tell you right now, that will never happen in the Province of Manitoba. The Motion is very clear, Mr. Deputy Speaker; whereas the resources of water is precious commodity and essential to survival and whereas Winnipeg citizens have expressed concerns about the privatization of their water resource with implementation of Municipal Water Utility and fear they're water supply may be jeopardized and whereas the current proposal for the creation of the Municipal Water Utility focused on being city owned arms length corporation whereas the member of Council have an obligation to Winnipeg residents to ensure a safe and continuous supply of water into the future and whereas the current provisions of the City of Winnipeg's Charter, the City would be required to request provincial amendment for any future Council to sell the Municipal Utility, therefore be it resolved the City cannot sell privatize the Municipal Water Utility without a public referendum conducted on this question and that the results be binding upon Council and be it further resolved that the City requests that the province immediately amend the City of Winnipeg Charter accordingly. Now, I had spoken last week to Mr. Schreyer about this, he said it was a good idea but the one thing Mr. Deputy speaker, what is before here and I don't blame the people coming here and being very concerned about their water supply because we have two elements we have to really be careful of is air and water. And water is one of them that I don't; don't say anything, they have the full right but the protection will be there and if Council, now I can't see which member of Council will be voting against this Motion asking the Province to hold that as a plebiscite or referendum and if any member votes against it, may vote in favour of privatization. The City of Winnipeg Municipal Utility what is before us here today, the Winnipeg Public Service recommendation establish an arms length 100% City owned Utility even though that was in here but still, some felt you know they did not trust what was written until we would proceed to go into the governance model or what the Manitoba Hydro is doing with their Capital and we would follow suit. Mr. Deputy Speaker, I have here the Manitoba Building Trades, I would like to read this to members of Council. Manitoba wins with project labour agreements. Now, North America's waking up to the fact that project labour agreements are wanted one of the most valuable tools for

success. It states Ukraine President Obama endorsed them as one of his first official Acts only a few weeks ago into his term, so you might be surprised to learn.

Mr. Deputy Speaker: Ukraine President Obama?

Councillor Lazarenko: We have been using them successfully in Manitoba for almost 50 years about the Project Labour Agreement that we have established. And what happens is that for the past 50 years Manitoba Hydro has been successfully using P.L.A. to build generating stations since the early 1960, the best known P.L.A. is the Red River Floodway Expansion Agreement between the Manitoba Floodway Authority and the Manitoba Building Trades. Now we know it was a winning move but back in 2004 it was bitterly opposed by many organizations. All of its opponents claimed paying union wages and benefits will increase the project cost by up to $65 Million. The Manitoba Heavy Construction Association claimed unionization was being forced on its members. The Canadian Federation of Independent Business feared the project would only be open to union labour. The Manitoba Progressive Conservative Party took the stand that the argument would not guarantee labour, peace and went on to claim similar agreements had quickly occur, labour construction cost overruns and delays. Now they were all wrong. Recent analysis shows that instead of driving up costs as predicted the Red River Floodway P.L.A. has not only kept the project on time and on budget but cost saving actually allowed two more bridges to be included in the scope of the work. Councillor Wyatt knows what happened in Transcona with the concern he had with the Bridge that was going to be built for the expansion of the floodway. Now, this is one of the projects the province has been involved with for many years. I got the Hansard of Wednesday, February 27th, 2002, Council decision to proceed in selling Hydro to Manitoba Hydro. All of the Councillors, not one had voted in opposition. That's in the chambers here today, except one who voted against an entire package, I wish that Councillor was here now and that was Councillor Lubosch. Everyone had said it was great. Councillor Murray at that time, before he got to be Mayor, had said it was good and after 1998 when he got to be elected as Mayor, he had proceeded to go in that direction and said he would not sell Hydro but in 2002, Hydro was sold. We had taken out of earnings from two utilities, the Winnipeg Hydro and the Water Utility. Councillor Clement knows, Mr. Deputy Speaker you know. We were taking so much as 25 to $30 million a year out of their General Revenue, we took that, used it for the General Revenue for Council to decide what projects or whatever had to be done. Each and every year, so you think of it was for 20 years that would be the equivalent to $600 million now that we had taken away from that Utility and if it is 25 years you're looking at $750 million, the money we need now. Some of us had said that was wrong but we were making the decision, we're making the decision, Mr. Deputy Speaker as we were increasing the Hydro rates. At that time I had said we should never have been doing that, that should be up to the Public Utility Board which is the Government Agency that protects the interest of the people of Manitoba. Now, you know, on the issues of what was happening then, it was so confusing, because those who are now talking in opposition at that time, endorsed it fully. The greatest thing that could have ever happened. Well, you cannot have your cake and eat it at the same time. The Manitoba Hydro Act makes it very clear, no privatization without a referendum. Procedures for a referendum and so forth. In 2002, the press release that was presented by the Province Gary Doer, the premier along with glen Murray, mayor of Winnipeg, had stated this provides Winnipegger was stronger hydroelectricity utility offering a more effective on cost effective services. This replaces The City current hydro income, protects our employees and as for the downtown revitalization plan, that it is for these reasons I'm bringing forward this offer to Council. Doer noted that the combined Manitoba Winnipeg hydro assets would be protected and the public interest for future generations thanks to recent legislation that prevents the sale of Manitoba Hydro Premier along with Glen

Murray, Mayor of Winnipeg, had stated this provides Winnipeggers with stronger hydro electricity utility offering a more effective and cost effective services said Murray. This replaced the City current hydro income, protects our employees in answer to downtown revitalization plan and it is for these reasons that I bring forward this offer to Council as 1. with significant merit, duly noted that the combined Manitoba/Winnipeg Hydro assets would be protected in the publics interest for future generations thanks to recent Provincial Legislation that prevents the sale of Manitoba Hydro without the consent of the majority of Manitobans through a referendum. Here is a political party that said we don't believe in referendums. How many times in this Council did I move a Motion on referendums to which I never won, but I said we should have a public referendum dealing with capital, major capital works projects. It did not succeed. So, when you have, when you're dealing with something good in one direction but not good in another direction, I just can't see where we can go wrong and saying that we have to go into that type. People that were here demonstrating a few……

Mr. Speaker: Mayor Katz moves extension. All in favour?, Contrary?, Carried.

Councillor Lazarenko: A few days ago, Mr. Deputy Speaker talked about no privatization, public owned. Well it will be 100% and I'm sure that the Mayor in his closing remarks will allude to that and I would ask that members of Council, to protect the interests of our Utility which is the Water Utility for the City of Winnipeg, be included to protect it for as long as it remains and that would be protection as a having a public referendum that they cannot privatize part or in whole without the consent of a referendum that would go to the general members, the whole city of Winnipeg to say that we will. And if anything like that would ever happen I would say it would be just unbelievable, but Mr. Deputy Speaker I just hope that Council will take this into consideration and I don't fear what may happen. I've been with public works for many years and we had issues and we talked about the Manitoba Water Works Department which we had big problems, we were doing things that was not, was not our mandate. That dealing with the salaries and dealing with the rate increase each and every year, we use to increase, come to the point that the water utility, people were paying the service charges were more than the water they consumed. But at that time we knew what was happening because the clean environment commission ordered us to purify the water. It was said we don't have the capital for it. They didn't care. The Province didn't come out and say look, we'll help you. Defense never said we'll come out to help you, we're on our own. Which is something I would not want to see happen. What happened at the North End Water Control Centre where there was millions of litres were dumped into the river and it was, and we were faced with a possible fine of $500,000 but it didn't come because it was not considered as a human error. It was a mechanical failure that it happened and the commission saw fit not to proceed with the charges.

Mr. Deputy Speaker: Thank you Councillor Lazarenko. Councillor Steeves introducing Motion Number 3.

Councillor Steeves: Thank you, Mr. Speaker. Thank you to our citizenry and members of the gallery if your attendance not only today. Many of you over the course of the last couple of days and many have been involved over the course of the last several months, I frankly suspect that many members of this gallery are probably not entirely pleased with me or my direction over the course of the last several months and in the course of this report however I do want you to know that I value your participation, I value your input, I think you are discharging and doing your duty as citizens and that's important. It is very valuable to have folks like yourselves come out and say how you feel on policy of the City of Winnipeg. There has been a lot of talk about consultation and the methods in which the City, through its City Council tries to hear how its citizens feel. I want to reinforce the idea, Mr. Deputy Speaker that this is a very difficult

process. Public consultation is by its very nature very. very difficult. I'd actually forgotten that 8 months ago there was a similar Motion about Referral at that stage, to sort of set this matter aside and that's telling, I think, Mr. Speaker, because that is generally speaking, the pattern that we follow here at City Hall for better or worse. It's no one's fault I don't think, because the nature of this business, for whatever reason, is that whenever we have an important decision to make, whenever we have an important issue before us, it always seems like the issue is out there for a decent amount of time in advance of the time that we actually come to a vote, but, but it just never seems to garner a sufficient amount of public attention until we get right down until, right down to the final moments before the Vote itself and that's regrettable and I don't have an explanation as to why that continually happens but I do know as a result of my workings with other Councils across this Canada, across this Country and indeed different parts of this world that it is indeed an universal challenge. For whatever reason the media coverage becomes more intense, people begin talking about it more, people who are opposed to the idea begin to wrap up their campaigns against whatever idea it happens to be and it all seems to coalesce at the end of the day towards this final hearing where there is always, seems to be regrettably a percentage of people who are asking for more time to consider the issue. I don't know that would be appropriate in this case. I know some people have certainly asked for it, I can tell you, we are going to do our best today to arrive to try to arrive at a decision. We have heard all of the concerns and for what it is worth, Mr. Deputy Speaker, I can assure you, my fellow members of Council, and members of the gallery, that as a decision member, a decision maker, who has been elected in this community, I do feel as though I have a good grasp, and I do feel I have heard pretty clearly most often on multiple occasions from many different people, what the concerns are from the community. I think I know what the concerns are. We are going to propose some amendments today, and I know there's going to be some difficulties and people will hang their hats on the idea that it wasn't enough public consultation but sometimes as a Council we have to do that. I'm going to specifically exempt any members of the gallery and our citizenry from the comments I'm about to make, but I have to say, Mr. Speaker, the absolute pinnacle, the absolute pinnacle of criticism for this Council, when it came to public consultation, was the Eaton's Building and the building of the new rink. On that occasion, Councillors Gerbasi, Vandal and Thomas, who are members of Executive Policy Committee at the time, announced that project as a fait accompli on the front page of the Winnipeg Free Press. I was the Acting Deputy Mayor of this City. I had not heard of it before that time. I will accept criticism from members of my constituents and members of the City of Winnipeg on the issue of public consultation. I will not accept criticism from those three Councillors on public consultation based on their own history in this very important area.

Mr. Deputy Speaker: That's very good but could you take just a moment out to actually introduce your amendment?

Councillor Steeves: I apologize.

Mr. Deputy Speaker: And don't try to speak ….(inaudible)

Councillor Steeves: The amendments we're proposing deal with five main areas and I'll sort of assume my comments of all the amendments so I won't have to speak again. The concerns I heard most clearly were five-fold. Concerns about the Capital Region, concerns about the strategic partner, some concerns about the waste collection service, concerns about privatization, and concerns about rate setting, vis-à-vis the public utilities board or, the City of Winnipeg. And who should be in charge of that ultimately. I harbour no illusions, Mr. Speaker, to the idea that somehow these amendments will suddenly bring people on side to a very divisive issue. I don't think that will happen necessarily. But what I can tell you is these five amendments, for better or for worse, have all been created or crafted precisely because of information that has been brought forward by the delegations that we have heard over the

course of this discussion. That is why their on the table today. The Capital Region (inaudible) in the Capital Region is of concern. I want to remind people that these are our neighbours and our friends. I want to remind people that there are boil water orders that exist right now. I want to remind people that the reason elected Councillors in these Municipalities claim truthfully that there is raw sewage that exists in their ditches. If this Utility can do anything to alleviate problems, I think its worth pursuing. The amendment will read by any agreement between the Corporations and the Capital Region Municipalities shall be consistent with the Corporations existing in future capacity. They follow a strong business case incorporate joint planning and agreement to manage development and related environmental concerns include provisions for revenue sharing and be presented to Council for approval and ratification. I will remind you of the comments of our good friend Bill Clement. The issue of Headingley. I wasn't on Council. But there was a time when this Council was too cute by a half and they blocked a service sharing agreement with the Rural Municipality of Headingley and as Councillor Clement said Yeah, we showed them. Instantly there was infrastructural constructed in that Municipality and off they went. With respect to strategic partners, that is of concern to people. It will read as an Amendment that all agreements between the Corporation and Strategic partnership be presented to Council for approval and ratification. I want to remind people again, we already have strategic partners. We have the ability to engage with strategic partners. We do engage with strategic partners on all sorts of projects all the time. We're not giving this Utility any power that we do not already have. We are not giving this Utility any power that Manitoba Hydro for example already has. By definition this entity indeed if it passes Council is going to have to engage with strategic partners. Or they are going to do so in a way that is most advantageous for that Utility. As sole shareholder of that utility, by definition, most advantageous for them means most advantageous for us. I sure wish, Mr. Speaker, that whoever had built that public safety building had engaged a strategic partner from the private sector so that $23 million obligation that is sitting next door of limestone that is falling off of the building periodically, would not be ours alone to bear. And so we could point to somebody and say you, person who did this, fix it. That would be nice. Some concerns about solid waste collection. Some concerns about the idea that this new utility might have the power to suddenly impose a fee per bag obligation on our citizenry. I was around for that debate. I voted in favour of it. I was actually kind of keen on the idea of somebody else having to do it.

Mr. Deputy Speaker: Councillor Thomas votes an extension. All in favour? Contrary? Carried.

Councillor Steeves: But, but Recommendation Number 8 takes away that possibility. Any of those types of decisions will have to be made by this Council, end of story. You've heard Councillor Lazarenko on the issue of privatization, which, in my opinion, is roughly akin to dumping 15 tonnes of bricks on to a box that's already encased in 25 feet of concrete with the lid nailed and screwed shut. This Council, regardless of what you might think of your powers, you do not have the power to privatize this utility. I don't care who you are. I don't care what you think you can and cannot do. You do not and you will never have the power to privatize this service. Don't even think about it. I know of no Councillor, I know of no Mayor who has any intention of trying to privatize this service. Some discussion as to who should set the rates, the Public Utilities Board or the City of Winnipeg. There actually is a genuine difference here on Council, and it's not split along the traditional party lines. My preference would actually be that the Public Utilities Board does it. I think that's a more fair Model. I think that's a more transparent Model. I think that's the route we should probably go. If, indeed, this Council, in its wisdom, elects to take that back and say these rates have to be set ultimately at the City of Winnipeg, then I suppose that's what we'll do. Either way, Mr. Speaker, I'm going to suggest that is abundantly fair, abundantly transparent,

and in fact, by comparison, much more fair and much more transparent than our citizens have seen over the course of last several years from this City Council. I'll talk more about why I think this might make sense in due course.

Mr. Deputy Speaker: Not now though.

Councillor Steeves: Thank you, Mr. Speaker.

Mr. Deputy Speaker: Thank you. Motion Number 4, Councillor Clement.

Councillor Clement: Thanks Mr. Speaker, I'm going to try and do something unique, I actually only going to speak to Motion 4 and I won't need 10 minutes. I'm not going to read any of the whereas', and basically it says, Whereas the City of Winnipeg Municipal Utility Business Plan recommends the City seek Provincial Statutory amendments to ensure the City always retains control over Utility Capital Projects which was a huge issue to me, as the Province of Manitoba does interestingly with Manitoba Hydro. That's the Whereas. The Therefore is that the public service, City of Winnipeg Municipal Utility Report dated June 26, be amended by deleting the existing recommendation 5 and replacing it with the following: The following reads this, That City Council shall retain the authority to set water and sewer rates, until such time as suitable statutory amendments are achieved to ensure the City always retains control over utility capital budgets as the Province of Manitoba does with Manitoba Hydro, at which time City Council may, not will, by resolution direct the corporation to submit a rate application to the Public Utilities Board upon the successful completion of a transition period for rates to go from City Council to the Public Utilities Board. And the reason I was heavy on the "may" as opposed to "will" is because what that means, Mr. Speaker, is that down the road, if this Utility becomes factually an up-and-running initiative, this issue has to come back here before anything else changes, and I think that that's important. I personally don't have the same view as my friend from St. Vital on this issue. I would far rather set these rates in this Chamber, which we've done every November for a long time. Well, you and I have anyway for a long time.

Mr. Deputy Speaker: Long enough

Councillor Clement: I've never had any disrespect from residents for raising them that I can think of. There is certainly issues with raising them from time to time, and of course under this particular issue, which I'll speak to later, we've been forced in to it, in terms of raising them very, very heavily, but I prefer that we keep control of this until such time as the Statutory Amendments come back, and I guess we'll find out whether that happens. I'll believe that when I see it. When that happens, we'll have the debate again. Thank you, Mr. Speaker. In the short term, I think that this is a reasonable amendment to what was in front of us before from, in terms of the Business Plan.

Mr. Deputy Speaker: Thank you, Councillor Clement. We'll now begin debate on the three amendments in the main motion. I have Councillor Orlikow the only speaker on the list so far. Councillor Thomas, any others want to get on early? Nope, okay, Councillor Orlikow you have the floor.

Councillor Orlikow: Thank you, I'll be really quick as well. Again I just want to plug that all of this could have been in the Act and much clearer. However, that said, I am a little concerned and I tried to get some clarity last week regarding the Municipal Water, the Motion Number 1 regarding our inability to be prevented from selling water not unless it goes to a referendum. I wasn't clear and I still am not clear because I did not receive a reply back, does this just mean water or does this mean waste treatment and all the other goodies as well? I'm not sure exactly because in the Motion it does say Municipal Water Utility. That's not what this is. So it may just be some wordsmithing, but again, this is the unclearness of these kind of Motions because if it is just the municipal water, the water we're talking, just water, well, this actually does the opposite what is intended because the City Charter does not allow any privatization of water,

period, as it is with or without a referendum, you can't get away with that. Well this, as I read it, and I could be wrong, and I hope I am wrong, this states water could, with a referendum, be privatized. If I am wrong, and I really hope I am, but, again, what I see is that it says with a referendum we could privatize Municipal Water Utilities. Right now the Charter says that we cannot do that at all. Again, I say in the Act it would say you can't do that for everything except that what goes against the Charter, and in the Act it says that, but in here it doesn't and we don't have an Act, so I'm not sure exactly; I'm uncomfortable with this Motion as is like that.

Speaker: The Charter supersedes anything this Council does.

Councillor Orlikow: That's the clarity I need last week, and It was unfortunate I had to get it today like this. The second thing is; when I read the other number 3 and 4, I do have some concerns with a few areas of it that could have been debated such as the P.U.B.; and the ability to report back in a Business Plan that has come back in an Annual Report. I'm not sure it's in that Report but it does provide some clarity so I do thank the Councillors for doing that. So, while I have my clarity on the water, and that I am clear when I'm hearing that the Charter supersedes anything in that Motion, then I'll be fine.

Speaker: Thank you, Councillor Thomas.

Councillor Lillian Thomas: Thank you, Mr. Speaker, I will deal with the amendments and then I'll go back to my critique of the Utility Business Plan. With regard to Motion Number 1, I believe this is a Motion of more style than substance that I call closing the barn door after someone has stolen the horse. This referendum will deal with privatizing the Utility as a whole. The way this Plan is seen here, there is plans to work for public/private partnerships, for partnerships in all aspects of it, and I guess another way I'd do it is, you have a beautiful three piece suit. You sell someone the jacket, you sell someone the pants, you make sure that you have the vest left. What do you got? You don't have a three-piece suit any more. And I think that that's what the problem is with that. There's other aspects to this, and it doesn't deal with that. I will then move on to Motion Number 3 with regard to addressing certain issues raised by the delegation, and it states that all agreements between the corporation and strategic partners, which also concerns me again because that isn't defined or made clear, shall be presented to Council for approval and ratification in the Corporation's Annual Business Plan. If it looks anything like this, not impressed. And I'd say that approval would be moot at that point. And I am also concerned with item 8, that solid waste not be deemed a core service. I think that people need to know that that's in there. I think that water, sewage disposal of water, and carrying recycling and refuse are all core services, and I think that citizens will be shocked to hear that this is being recommended as not being a core service. With regard to Motion Number 4, that City Council retain authority to set water rates until such time as suitable statutory requirements, I say what does this mean? This is also a definition more of style than of content because you have to define what is meant by "suitability" or you're just buying a pig in a poke. By the way, those who are not from a farming background may not know that some people in medieval times used to carry pigs inside big bags known as poke. If you bought a pig that was inside a poke, you didn't know what you were getting, and you opened up the poke afterwards and found out that you had a dead or diseased pig, that was your problem. And I suggest that this amendment is akin to that because suitability hasn't been defined, and suitability is a style issue. What I consider a nice suit isn't what someone else considers a nice suit and I would like to see that criteria defined because, other than that, it's just much more than Councillor Clements's view of what a style is as with the other. I'm going to go off the page a little bit before I go back in to there. There was some spurious comments that I could have Raised out on a point of personal privilege when Councillor Gord Steeves suggested that I had been involved with

something in the paper that he never heard about before. I'd like to point out that I was not one of the ones of Council who was immediately on board with the destruction of the Eaton's building, and I had to be convinced with regard to that so there was many conversations with me about that and the fact that it was in poor condition, and I really had to be convinced before I was brought along on this. So there were many consultations that were occurring with me and Councillor Steeves found himself out in left field, I guess that only shows where he operates. Now, I will go back to the report. Where I left off before I couldn't finish on reasons why this thing has to be referred back, and now, since it's not being referred back, reasons why it's dangerous to proceed down this road is that it states in this Report that on September the 24th, 2008, Council made the decision to no longer transfer funds from their utility. If Council has already done this, then how is this Model needed to ensure that future rate increases will be directly tied to water and waste services? Any Model must follow the direction of Council on this matter. So to use it to support this new Model is a spurious argument. It should be used for all Models. On page 4, it talks about the generation of new revenue streams. Well, we can do that now. We really can. And it also talks about encouraging growth and innovation. We can do that now. As a matter of fact, we have. Later on in the Report on page 19, it talks positively about our present, innovative capacity and strong business acumen, and if we can do that now and have done so, there's no need for a new Model to achieve what we've already achieved, and there's no clarification of how this new Model will be better at it. I've heard many people saying many times that we're not privatizing our water, but I have to go back to page 4 on this. It states that under an Asset Management Agreement, the new organization will deliver water and waste services and will receive compensation from the City for the cost of providing services that the City would have otherwise incurred to deliver the services itself. Now, that sounds like the City is no longer delivering these services, and this sounds like privatization to me. I run this by my husband and my son, and my husband, when he heard me read this line, said, no, little red riding hood, I'm not the big bad wolf, I'm your grandmother. Well, this new group may be wearing grandmother's clothing, but that's only a surface similarity, and this is privatization. You can doll it up in grandmother's clothes, but it bites, and that, my Council colleagues, is that. I will continue to walk you through the document as long as I have time to do so. The Utility will enter in to a strategic partnership to sort specialized private sector expertise and allow for risk sharing. What does this mean? And how is this different.

Mr. Deputy Speaker: Councillor Steeves again moves extension. All in favour?, Contrary?, Carried.

Councillor Lillian Thomas: And how is this different from what we do now when we have business with private sector firms? The shared risk is particularly dubious because it implies sharing profits without fessing up and saying so, and if we're sharing profits and we're sharing risk, then I think we've privatized the Utility. The Utility will add new positions and new responsibilities that reflect the new regulatory and development function. Now how are we saving money doing this when we pay others to oversee what Council was already doing as part of its job for free, for no extra remuneration, how is that saving money? We've hired all these new people to do the role because Council isn't going to be involved any more. Now I'm on to page 5, procurement of strategic partners. And I ask who, what for, and why. This should be delineated. There are financial implications over and over. Figures are thrown around, that we will save so much by doing this and so much by doing that, but it is never explained where we will save this, how we will save this, and I think back to the privatization of refuse collection where it was insisted that first we would save $3.4 million if we privatized it. Then that figure was stated it would really be more like 2.8, then 1.8, then 1.4. Now, I challenge anybody to show that we've saved any money by privatizing refuse collection. If you compare refuse collection figures to what

they were before now, we're actually paying more for this privatized service.

Mr. Deputy Speaker: Thank you, Councillor Thomas. Madam, you have had 20 minutes. Thank you. Councillor Gerbasi? There is no such point but go ahead.

Councillor Orlikow: Point of Order? Just to clarify, we are voting on the amendments or the amendment including the actual utility bill?

Mr. Deputy Speaker: We vote on the amendments individually starting with the last one introduced, and we'll finish the three amendments on the main clause as amended and if amended.

Councillor Orlikow: Thank you very much.

Mr. Deputy Speaker: We vote on the Clause in that order. Councillor Gerbasi.

Councillor Jenny Gerbasi: Thank you, Mr. Speaker. I wanted to speak briefly to Harry's motion, could you start my clock, please.

Mr. Deputy Speaker: I think you know the rules. You'll do just fine.

Councillor Jenny Gerbasi: Thank you. I'm speaking to the Motions and the Clause I believe, is that correct?

Mr. Deputy Speaker: You are.

Councillor Jenny Gerbasi: Harry's motion speaks to not selling our assets in waterworks and requiring a referendum, and I don't have a problem with supporting that, but I think it should be made clear that the Charter in Section 160 already says we can't sell our waterworks. It's kind of a feel-good Motion whatever, but it's not addressing the real concern, and the real concern is about full public control and ownership of an important public service. One of the most confusing aspects of the Business Plan is that while it claims to have, that the corporate utility will be 100% city owned, it repeatedly states in the Business Plan of a 49% ownership share which we don't know what that means or how that works in the wastewater facility. It talks about, I think what it means is some form of contract or lease which could include operations. That's what it says in the Plan. I know people keep saying different things than what we're voting on what's in front of us. But what's in front of us is that it could include operations and that could be for as long as 30 years. So, even if the City technically carries the Deed and therefore owns the asset, nobody's arguing with that, the assets may be managed, run, and fully in the control of a private company, and I think that's where citizens are concerned. It's how you define "ownership." And clearly what is being proposed is a far cry from 100% public ownership. The Business Plan also talks about subsidiaries. That's not defined. They could be fully private companies. There's very little information on how those would work. And what amazes me is with all the information we've had in front of us about private partnerships, nobody has answered the concerns about the problems we've had in other jurisdictions where private companies were given too much control over public services. There's many examples around the globe of excessive rate increases, unwillingness to invest adequately in upgrades, environmental violations and poor service from private water and waste providers, and it concerns me that our cost projections about how much money we're going to save from this, the sources for those cost projections are P3 lobbyists and advocacy groups primarily. So we have biased information that we're basing this incredibly important decision on, and I find that very frightening. The truth is many jurisdictions, Hamilton being one that's been repeated, and I haven't heard anybody deny this, that they've had to pay expensive legal fees and costs to buy back full ownership of services in water and waste following P3 failures. This has also happened in Paris, France. We have a report of a hundred P3 failures. I mean, this is not one or two. The proper private sector comparator with unbiased information has not been carried out. This has not been our normal Alternative Service Delivery process. We look at a bunch of options, and we compare them objectively, and then we choose one

based on what makes sense. We haven't done that here. We've just tried to sell this particular Model to the citizens and to this Council. I'm also really concerned about the Scottish Water Model. We were told in the Council Seminar, and it has been said that there is Modeled very closely on the Scottish Water Model. Well, we have a disastrous Report from a government agency, government watchdog agency in Scotland, saying that after a decade of investigation there are serious problems in the delivery of wastewater services, including increased significant sewer flooding events, lack of accountability, and significant environmental failures and on and on and on. I have not heard one person answer those concerns, not once, and I'd really like to hear that before the end of this debate. Another concern that's been brought up repeatedly is the concern about transparency. We know that, we saw the blank cheque today, and I know it's dramatic and it may upset some Councillors, but the fact is we don't get to find out the financials on these private partnerships. You know, I think there is a range of degree of private partnership. I have supported certain ones over the years, including the M.T.S. Centre. There is certain ones I might consider under certain circumstances if it made sense at the time. But this is a huge, this is a billion dollar one, and we don't have clear financials that justify it. We don't have clear analysis and research. That's pretty scary. This is a big one, you know. Right now we know that private borrowing is more expensive. The Business Plan leaves it wide open that we could go to private borrowing, and the decision won't come back here. The decision will be made by the Board of Directors and appears somewhere in a Report that we can say yes or no to the whole Report. We aren't going to analyze that deal and make a decision and find out if it is the best thing for our citizens. We're going to say yes or no or fire the whole Board of Directors. That's not how you have oversight from elected municipal officials. I'm also concerned about the loss of the decision-making ability and control over policies. Some of the motions; the motion I'm really glad that Councillor Steeves and Swandel heard the concerns about ex-urban development and they heard that we're setting ourselves up; to not have tax sharing and what could happen is that once we serve a whole bunch of urban areas which I'm not disagreeing we may eventually have to do that or even start doing it now, but if we're going to do that, we need provisions for tax sharing because we are going to lose industrial, commercial and residential tax base. They are going to go out there, and we all know that. But right now, even with the Motion as amended, even with the Motion as amended, where does the tax sharing go? Does it go back into the Utility because they aren't giving their money back to our General Revenue. It's going to the Utility. We're not just talking about the cost of providing the wastewater service. We're talking about the loss of tax base when those businesses leave on our revenue line for the City as a whole, nothing to do with water and waste aside from that. Where is that money going to come from? And I think it's a bit of a complicated point but it's a very important point, and I don't think the Motion; I appreciate the intent of the Motion and it does sort of say that the Utility, whoever that board is, which we don't really know, is going to care about all those issues and make sure they make a fair agreement in certain ways, but Council still does not have the oversight and it isn't clear whether Council is going to have access to the revenue from a tax-sharing agreement. I would like clarification on that and maybe Councillor Steeves can do that when he's closing his Motion because if we are going to lose businesses, commercial and industrial businesses as well as residents to these newly-serviced areas where is the tax revenue we're losing going to come to pay for schools, excuse me, libraries, not schools, roads, et cetera? And I don't think that's been made clear, and I hope that Gord can clarify that. I was just amazed when we were told in the briefing session that if we don't like what the Corporate Utility does, we have two choices. We can fire the Board of Directors or reject their Annual Report. So that's our oversight mechanism, and then the Board is made up of non-elected, not accountable in the sense of democratically elected people, and I think that that's why I supported Councillor

Orlikow, I thought it was a very good idea. I am very disappointed Councillor rejected his work on that because it set out some parameters around that so that we could have elected officials on that Board who would have the public interest in mind. I think Councillor Wyatt said it very well when he said we need to have the public trust in what we're doing.

Mr. Deputy Speaker: Councillor Nordman moves extension. All in favour?, Contrary?, Carried.

Councillor Jenny Gerbasi: I think the public doesn't trust what we're doing. That's what the polls are saying. That's what the emails are saying, that what the petitions are saying, and they're saying we don't trust you guys, and we don't have the framework to actually earn their trust because we did not approve a framework. All we're approving is a very poorly-written Business Plan which, by the way, cost us a $1.25 million, $250,000 of the million was to sell it to us and tell us it was a good idea for us. A million dollars for a Business Plan? I don't know. I think Councillor Orlikow should get a million dollars for his work he did writing that Utility Act, if that's the way we pay people around here. I'm sure he'd agree with that. The fact is these are not ways to deal with policy concerns to fire the board because we don't like a deal they've made with a particular municipality to fire the Board or reject their Report. We can't alter their Report. That's not how it works at Manitoba Hydro. We can only accept or reject what they're doing or fire them all. That's not a mechanism of oversight, and that has not been addressed. Very concerned about that. So, you know, I think in conclusion there are much wider implications for citizens than simply the construction of sewage treatment plants, although it's extremely important. They say it isn't privatization, and it isn't right now in the sense of owning the assets. Yes, we own them. But do we have control over them? Do we have oversight of them? Do we know how much they're costing us and do we have control over the kind of service delivery we're going to be getting? I don't think those answers have been answered. I think we could have created and we could, if we reject this proposal today, which is our only option now that people have refused to have sober second thought, is that we create a truly 100% City-owned Utility which actually resembles Manitoba Hydro, unlike this dog's breakfast that is described in this Business Plan. Thank you, Mr. Speaker.

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

Councillor Clement: Thank you, Mr. Speaker. I'm going to just touch on the Motions really quick. The first Motion, (inaudible)

Councillor Steeves: What we're doing here is, the Motions have all been introduced. People are now speaking to all of the Amendments and the Motion as a whole, and at the end, people will close on the Motion, then we'll vote. That's what we're doing, right?

Mr. Deputy Speaker: Just like we did in 1974.

Councillor Steeves: You bet.

(laughter) (interjections)

Mr. Deputy Speaker: Councillor Clement, you have the floor.

Councillor Clement: Can I have my time back?

Mr. Deputy Speaker: No

Councillor Clement: Yes

Mr. Deputy Speaker: Would you please, would someone please reset the clock to 8 minutes.

Councillor Clement: Thanks very much. On Motion Number 1, I'm going to vote for it because if somebody writes something about that tomorrow and you don't vote for it, it's like motherhood and apple pie, but if you read the last resolved, that the City requested the Province immediately amend The City of Winnipeg Act/Charter accordingly Gary Doer's going to look at that and laughed. On Motion Number 3, there are two in there that are key issues

to me, number 6 and 8. Last week we heard a lot of delegations, and some of them made some good comments and raised some interesting issues. A lot of the stuff was repetitive. When there's that many people, it's going to be, so I don't mean to be uncharitable to anybody. One of the issues; in fact, a couple of them got answered. Councillor Gerbasi is not here, but she just raised some questions about certain things. She wasn't here when the Administration were asked questions later in the day, and many of the things she just talked about actually were answered because we did ask questions based on the delegation's proposals in many cases that afternoon. So I thought I would just state that. Number 6 is a huge issue I think. This is Capital Region issue. I think the question is relevant about where will the money go. The answer to that was, it will fall back to the ratepayers if there's any revenues. The issue about planning would have to be dealt with before they could even get in to a discussion, and we have to approve it back here was the answer. Number 8, what this means; unfortunately Councillor Thomas didn't read the last three or four words for some reason. It says here that the solid waste collection shall be deemed not to be a core service provided by the corporation. The reason that's worded like that is because that way if, in fact, somebody in this Chamber decides to move a Motion, that people should pay for their garbage pickup over and above their taxes, then the debate will take place here, not some utility sticking it in their Business Plan and bringing it back and forcing us in to the debate. That's why it's worded the way it's worded. This was put in here to stop that and not even give them the ability to put that in their Business Plan. That's what this says. That has to start here. Somebody has to have a weak moment and make that Motion, and it didn't go very far the last time. Once again Councillor Steeves and I were on opposite sides of that argument as well. Number four, to me, the Public Utilities Board was a huge issue. There's Motions in 3 and 4. They don't happen to be approved, I won't be voting for any of this anyways but that's another issue. How did this all start? It started with a Clean Environment Report back in 2002, Mr. Speaker. A Clean Environment Committee Report that was asked for by the Province and was received by the Province. It very clearly left a situation where, for whatever reason, and I don't know whether Gary Doer doesn't know what Steve Aston is doing because when he was asked the question two different times on C.J.O.B. about the issue of the Clean Environment Commission Report and how it's affected the City of Winnipeg, on both occasions he suggested that it was the Clean Environment Commission that made the City do what it has to do, and it wasn't the Province of Manitoba that, in fact, demanded that the City spend all this money, but, in fact, it was the Minister, Steve Aston, who changed the licenses which have forced us to have to spend millions and millions of dollars on these changes. Are these changes good for everybody? Sure, they are. Nobody has disputed the ecological issues, notwithstanding what happens after this 1.8 billion gets spent, it may only resolve about 8% of the problem on Lake Winnipeg. That's 8% more than we have today, what they do with the other 92%, we're still waiting on. How the Clean Environment Commission could land on a number like $465 million for the cost of this, I have no idea. They obviously didn't speak to the people in water and waste about what it takes to implement some of these things because the costs in 2007 dollars are 1.8 billion, some of which has been spent already because we've had to do this. How could the numbers be that far apart? I honestly don't know. Somebody probably hired a consultant to find out. So we must do the work. We cannot tender without funds. Even though the Report said that one third of the cost should be shared by the Province and one third by the Feds and one third by us, we're being directed to do the work. We have to go out and put tenders out. We can't do it unless we know we have the money, but I shouldn't say nobody has given us any, the Province, in fairness, has given us $232 million, which is not one third of $1.8 billion. And the Feds have given us 26. That's what we've received. So what have we had to do to make sure we can pay for this, we've had to go out and bump rates for the last six years and we've got four more

years to go just in the short term to cover what these costs are. That's what we've had to do, and people are starting to notice it because I get those calls, and I'm sure everybody else does now too, but that's why the rates are going up because we've been forced by the Province to make these changes, but they didn't send a cheque. They just sent directions. That's what started all this. People keep saying has anybody talked to the Province? We don't talk to them. We never talk to them. We talk to them once a week about one thing or another. We're always harping about one thing or another with the Province. But we don't get very far usually with them, and I don't know why that is. So the issues for me were huge in the waste disposal area. Another thing that keeps coming up through this discussion from one place to another is the issue of P3's. This is not a P3. It absolutely is not a P3. I don't know where that came from because some economists called it a P3, it becomes a P3? I don't know where that comes from. It's not a P3. If somebody wants to compare it to the only P3 that we've actually done, which was a Bridge in 1995, we did pretty well with that Bridge, notwithstanding; I hear the comments that come forward here from people who have looked in to it, but they can't look in to it all the way, Mr. Speaker, because all of the information isn't available. But here's one little piece for them. We don't have a bridge in Winnipeg that doesn't cost us $100,000 plus, according to my public works people, to maintain, not to build, to maintain every year. That's what it costs. But the Charleswood Bridge, which has been opened since 1995 which I think gets serviced better than any bridge in Winnipeg, frankly, on one side I think that's great, on the other side I'm a little bit ashamed of that, but it gets more attention, and it doesn't cost us 5 cents, Mr. Speaker, because the maintenance of that entire stretch of roadway, including the bridge, is in the P3 paid for, and the reason why that company, that numbered company spends so much time rehabilitating that roadway and that bridge is because in 2025.

Mr. Deputy Speaker: Councillor Browaty moves extension. All in favour? Contrary? Carried.

Councillor Clement: Because in 2005 Mr. Speaker, when we get the bridge back, that we've been renting if you like. We get it back in perfect condition. That's what. So, you know, we sure made a bad deal, didn't we. I know I don't know how much that is, a million dollars a year for 30 years rolling, and all of the compounded money associated with that that we aren't paying and somebody started talking today about we spent a million four too much. Well, they might have to go back and have another peek at their numbers. The privatization, we know that's not happening. There was something raised a little while ago though, about the fact, Councillor Lazarenko mentioned it, talked about the fact that we used to carve some money off the utility. It wasn't $25 million a year. It was in the last couple of years, but it was far less than that earlier on. The reason is jumped from about $12 million up to $25 was because of some Capital money that supposedly was coming from the Federal Government for some Capital projects, but it only could come through some kind of; I'm going to call it a green initiative because I don't know what else to call it. We basically had to stick it in to a Utility and pretend we were doing that with it and transfer it back to public works to do the Capital projects it was the only way we could physically get our hands on the money, it was nuts. It was actually brilliant in terms of how Councillor Angus fashioned that to happen, but that's why that number jumped. As a point of interest, we don't do that any more. We've completely stopped taking money from the Utility, but I notice that the Province of Manitoba continues to not only control the Capital Projects at Manitoba Hydro, they take $500 million a year last time I counted, Mr. Speaker. I guess I can't keep going so I won't. I'll maybe sum up when I get my chance with the motion.

Mr. Deputy Speaker: Councillor Fielding.

Councillor Fielding: Thank you, Mr. Speaker. I rise today to support the Motion here in terms of the Water Utility before us. The reasons why I am supportive of this new Model are four fold; accountability, transparency, the benefits to the environment as well as Lake Winnipeg, as well as reduced financial risk and rate stability for our taxpayers or ratepayers. Before I get in to my speech, I do want to go through a couple of Amendments that are being proposed, Councillor Lazarenko's in terms of the referendum, I generally like the process of referendums. I think it makes sense. It gives power back to the people. I will be supporting that. The EPC Motion by Councillor Steeves as well, Swandel, I think it does answer a lot of issues, a lot of questions that we had we the delegations that had been brought forward, as well as Councillor Clement's Motion in terms of the Public Utility and taking a look at who's controlling the rates. So, as mentioned, you know, in the course of this debate I've really been asked by a number of residents why are we looking at making these changes to our system? And the reality is, first of all, it's a very important question, but the simple reason we're looking to look at another management model is the current system is not working. There are a number of factors that led us to this point. As everyone in this chamber knows, the Provincial Government has mandated us to do a number of wastewater and water upgrades. To be fair, they're if not the most expensive, one of the most expensive in Manitoba history. The Province has also said, that you need to do these in a short period of time in terms of the frames. In fact, they've enhanced when we need to get these done. So the big issue for these upgrades is cost, and we know that the costs of doing all these upgrades have gone; some estimate between 800 to 1.8 million, so it's a billion dollar problem we have. To pay for these upgrades, we use debt financing as well as increase the water rates. In fact, water rates have gone up by over 50% just in the last five years alone. I would argue, and I think the data suggests that Winnipeg has some of the highest water utility rates in the country. So my point earlier on about the system not working, it's not a criticism against Water and Waste, I can tell you there's people like Barry McBride and his team that have been working night and day to find solutions to this, but the reality is that they're not experts in design and the construction as well as everything else that needs in terms of these massive upgrades to our system. Along with the construction inflation, the cost overruns, we really need to realize the current system is not sustainable and that we do need to make some changes. Rates will continue to rise at an astronomical pace and rate if we do not make these changes before us. So the problem is very much real. Accountability and efficiencies, as mentioned earlier, the current system has seen skyrocketing in construction inflation as well as cost overruns. The Business Plan before us, in terms of the New Municipal Utility clearly demonstrates the management can deliver upgrades at a reduced cost to taxpayers. The same standards that are in place, the Provincial Government obviously monitors a lot of this will be in place. That's not a factor. So at the end of the day, taxpayers will have a more efficient system, saving millions of dollars to help reduce rate increases in the future. Sounds like a good plan to me. The New Model will reduce the rate spikes that we have seen over the last five years, and it means that; what it means for the ratepayers or taxpayers is they'll be paying less for their water service if we continue the same path that we're headed in. Transparency. Another element to this plan that I very much like is more transparency for our citizens. This has been a controversial issue. I don't think there's a consensus in here in terms of the Public Utility Board, but the New Municipality Utility would have the rates set by the Public Utility Board in a matter of time. Instead of

Councillor Fielding: So the Province controlled land use, and controls the Capital Region. Checks and balances are in place to ensure inappropriate development does not occur. In fact, the Provincial Government has recently updated the Provincial, has made substantial politicians sitting around the table setting rates, an independent body with experts will be making those

decisions. So I very much support this. I think it makes sense. I think it's supported by the public. It depoliticizes the process, if you will, in terms of rate settings. I'm very supportive of that. I think as this comes up, we'll have that debate amongst the Council, and I hope you all support that.

The environment. Probably the most important element of this plan, of the New Municipal Utility is what it means to our environment. Everyone in this Chamber has heard from the Capital Region, I know some of the Mayors and Reeves were coming here telling us stories. They talked about raw sewage flowing right in to our ditches. I still don't understand when I hear the fact there's even a debate in terms of the environmental aspects of this program. The evidence should speak for itself. The environment does not just stop at the borders of the City of Winnipeg. What's good for the environment in the Capital Region, is good for the environment in the City of Winnipeg. And that's a fact Ladies and Gentlemen. Imagine if we able to clean up all the waste water and drinking problems within the Capital Region. That means, I think Councillor Steeves pointed to this earlier on, no raw sewage in the ditches. No more boil water advisories for the Capital Region. This, my friends, in and of itself, is reason enough to support this proposal as we move forward. Provincial Government supported this. Another reason that we make this plan is the Provincial Government. The Province is not just mandated us to do upgrades to our system, it's all over the Province in terms of the Capital Regions. These upgrades cost taxpayers millions of dollars. If the R.M.'s are safely able to hook in to our systems, and we have the capacity to do that, it will save taxpayers millions of dollars. The reality, Mr. Speaker, is there is only one taxpayer, whether it's Provincial dollars, city dollars, the fact of the matter is it's going to save dollars and it's going to be a better system and a cleaner system for our environment as well as accountability for our citizens. As we move forward in the debate, there has been a lot of myths that has been generated by the opposition, and I appreciate the fact that people are here and it's good to hear dialogue from both sides in terms of the aspect. But the first one, the biggest one is privatization. The biggest myth to this Plan is we're going to be privatizing the Water and Waste System, and this could not be farther from the truth. First of all, the City of Winnipeg Charter does not give us the authority to sell off or privatize our Water and Waste System. The City of Winnipeg would need Provincial approval for any of this to happen. To give assurance to this, I was very happy, as I mentioned earlier, to support Councillor Lazarenko's Motion in terms of a referendum. That should give some people that have some concerns, you hear the terminology that this is a slippery slope. That we're not moving in this direction. And I think that should give people pause. The other item, myth is we're going to sell off our Capital Assets to a strategic partner. While the new Model clearly states all Capital Assets that's opposed with the Water Utility is 100% city owned by our citizens. Let me repeat, 100% owned by our citizens of Winnipeg, all the Capital Assets. The only element of this Plan where the strategic partner will have a portion of it is in the engineering and in these types of items that are done outside the City of Winnipeg or in other regions of the country. Profit. Another myth that is profit will somehow cause taxpayers and ratepayers money, while the Municipal Utility will set out as a non profit organization. So any money above and beyond the expenses to operate the system will be sunk back in to the Utility for upgrades. What this means to ratepayers is a reduce in the spike of water rates that we've seen over the last five years and we continue to see and we will continue to see for years to come. Another item, another issue that has been raised by components of the Model is creating urban sprawl. While, the reality is the Province controls land use and planning...

Mr. Deputy Speaker: Councillor Pagtakhan moves extension? All in favour? Contrary? Carried.

Councillor Fielding: Checks and balances are in place to ensure inappropriate developments do not occur.

There have been substantial changes to the Planning Act to ensure that local communities are not able to hear appeals of their own development decisions by sitting as an appeal body for their own districts. If the new Utility Model is adopted by City Council, the services for sharing anything else will come back to this Council in terms of the Business Plan, and you, as representatives of the people that are up here and out there, will be able to vote on this, one or the other. Jobs retained by workers. Well another concern has been raised that somehow this will eliminate workers. Well, I can tell you the jobs have been assured to C.U.P.E., they've been assured to W.A.P.S.O., and workers will simply be transferred over to the Municipal Utility. With all the Capital upgrades, I can guarantee you of anything, of less jobs, of downsizing, there's no way or they're going to need people, they're going to need bodies to deal with all the new operations that they've put into place. So, if anything, there's going to be more jobs for our citizens. And if you look at the work rates that are associated with it, somewhere in the neighbourhood of 23% or 25% of our workforce are eligible to retire in the next number of years. So there's going to be ample amount of jobs because the work is going to increase. So, in conclusion, the Plan makes sense for taxpayers because it provides accountable, it provides rate stability for our citizens while adding more transparency to the system with independent rate-setting process to the Public Utility Board. It will address the very serious environmental issues of the City and the Capital Region. So I encourage all of you to support the motion before us. Thank you.

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

Councillor Smith: You know, a few years ago, this Council met and looked over the services the City was offering. What were core services, what were not core services. I'd like to ask our two historians, Councillor Lazarenko and Councillor Steeves, if they can recall anyone at that meeting saying that water or refuse was not a core area. It obviously is. So today this is a very significant debate, and it's a significant decision we're making. At that time, no one questioned these were not core activities of a city. Everyone agreed. Not one person, not one Councillor spoke up and said something was not - that water or refuse was not core. You know, accountability. You know, sure, we're going to have an annual meeting. I don't know how many of you have attended annual meetings, but I don't find annual meetings where people, really in effect, get in to the thrust and details of things and challenge things. They generally rubber stamp. That's what basically what this Council will do. During the year when you have really a concern, how do you deal with it? You can't. So basically when we pass this today, we're in effect, striking out against the democratic way of doing things. Now, there's also the whole question of what we can do as a City in borrowing. We can borrow at cheaper rates than companies can. So that's one of the advantages that we have. It seems to me that's an advantage that we should treasure. Now, the whole question of urban sprawl has come up. Let me tell you this. You know, if we're on a level playing field, if in effect, our advantage over the surrounding municipalities is that we, in effect, have control of our water and, in effect, set the rates, and they do not have an option that we have. We have a definite advantage over them because of the water. Now, I don't want to go ahead and hand it over to them. I don't want it being equal. I want us in effect, look after the citizens of Winnipeg. Therefore, I cannot support this Motion. Let me tell you this – you know it's crazy. You've heard many arguments from delegations that were very, very solid and basically what you did was ignore them instead of dealing with them. I find it very sad that this Council has stooped to an ideological level and sticks to it rigidly. Do not support this.

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

Councillor Gord Steeves: That was an unfortunate speech, that one. Some time ago, Mr. Speaker, during the hearings of the Clean Environment Commission that

were taking place across the country, there was a main focus on the cities of Halifax and Victoria. I think the Environment Commission was going coast to coast looking at some of the sewage issues, wastewater issues. They arrived in Winnipeg, I think for their stop, to review what was going on here. I don't know all the details about how that is all set up. But in an incredible twist of fate and one that is going to be recorded in history was either during or right after those hearings of the Clean Environment Commission, for a period of four days became stuck open, some sewage door in our Wastewater Utility. As a result, raw sewage was pumped in to the Red River for a period of approximately three or four days, and we all remember it. We were national and in some cases international news. What a horrible thing to have happened. What a terrible twist of fate. Because, as a result of that, and I believe directly influencing the report of the C.E.C. was a recommendation from this Clean Environment Commission that this myriad of massively expensive repairs now totaling $1.5 billion from five years ago until 20 years from now was commissioned. In that same report was an Edict and an Order, as has been mentioned, that the responsibility for that payment should be borne equally by the Civic, Federal, and Provincial governments. I want to remind all citizens of this City, all citizens of this Province, all citizens of this Nation of people in the gallery today; that that has not been done. And that order, as issued by the Clean Environment Commission, has not been lived up to save for this government. We are the only ones that are complying with our end of the bargain as it were, and that is why we find ourselves in a very, very difficult position. It's been said many times today, you've seen your water waste, water utility have to increase its rates 50% over the course of the last five years, and let me tell you friends.

Councillor Smith: And you are a part of that.

Councillor Gord Steeves: Yes, I am a part of it because I know it has to be done. Otherwise we won't get a license from the Provincial Government to give water to our citizens or to take their sewage away. Do not argue with me, Mr. Smith. You are not equipped.

Mr. Deputy Speaker: Through the chair, please, through the chair.

Councillor Gord Steeves: In essence, we have an old department, an old department, a good department with good people that has now been saddled with a myriad of new problems through no fault of their own. This department of the City of Winnipeg is now facing a myriad of infrastructure upgrades that ten years ago they could never have even imagined or contemplated. That's why we're looking at a change, and a change is reasonable. But through this compression, Mr. Speaker, and through this challenge can actually come some good. That's why I support doing something differently, and I hope every person in this Gallery and every citizen of this great city supports doing something differently because if you don't, if we do not as a collective society support doing something differently, I want to be 100% clear about this, I do not think that over the course of the next 20 years our existing department will survive the weight of the obligations they have to discharge. I don't think they have the ability to do it. I think change is mandatory here, and if that's uncomfortable, I apologize. My best advice as an elected City Councillor is this is something that we have to do. This new Utility can give us the agility and the flexibility to manage some of this change. We've seen it done with Manitoba Hydro. Would you rather Manitoba Hydro was subsumed in to the bureaucracy of the Provincial Government or do you like it the way it is? The recommendation from this Council, should this pass today, is going to be expressly that our administration go by Order and Edict of this Council and set up a service that is "similar in function and setup to Manitoba Hydro." That is what we're asking for. Anybody who does anything in contradiction to that will be in violation of Order as given by this Council. Full stop. We also have to address the issue of regionalization. We have to address the issue of municipalities that surround Winnipeg. We can't avoid this any longer,

and you know why, there's been lots of examples given today. I'm not going to go back through them. One thing is for certain, Mr. Speaker, what we have been doing has not been working. What we have been doing in the past, if we continue, will not work in the future. These municipalities that surround us are populated with human beings, and we all know them, many of them are our friends. For someone to say, I want an advantage over them, I don't want them being equal is frankly reprehensible and beneath the decorum of this Chamber, and I specifically distance myself from those comments. These are citizens of the Province of Manitoba, and they deserve our respect. If we can work with them, we should do whatever we can to do that. Over time, this Utility is going to need to stand alone. It's going to need to be perfectly transparent because the pressures on this Utility are going to be immense. There can be no room for shenanigans wherein the City of Winnipeg and the taxpayer of the City of Winnipeg is going to be either forced to pay additionally to that Utility in a way that is not through their water or wastewater bills or money will be sucked out of the Utility in a way that is not totally transparent. That can't happen. It will be to the benefit of the citizens of this Province and this City if we can set up something that is stand-alone because that will improve the transparency of that eventual Utility. We're going to need the expertise of the people we bring in, to accomplish some of this infrastructure upgrades. That is what we're going to need. Why wouldn't we access a lot of that expertise? In fact, in many ways it would be foolhardy not to. But change, Mr. Speaker, does need scrutiny, and the best scrutiny comes from the citizens that we represent, and they have not disappointed. They have come through, and they have told us what they are worried about. I hope at this stage we have put to rest the issue of privatization. I'll say it once more. It is against the law to privatize this Utility. Nothing we say or do can exempt us from that law. Working with a strategic partner does not constitute privatization. We already do that. We are going to keep.

Mr. Deputy Speaker: Councillor Swandel moves extension of time. All in favour?, Contrary?, Carried.

Councillor Gord Steeves: The people that work for us at the City of Winnipeg and do a wonderful job are concerned about their employment. They are going to continue with their existing unions to work for us with our thanks and our gratitude. We are not dumping them. They're coming with us. We are going to set up, I think ultimately a Capital Region strategy where municipalities either surrounding Winnipeg or who knows, Mr. Speaker, maybe some municipalities way outside of Winnipeg are going to want to buy the expertise that we gain, and that's fine too. Any strategic partner that we bring in is going to work for us on our terms by contract that we set. That contract is going to be under the ultimate scrutiny of the City of Winnipeg Council, and if you are concerned about not having enough access to those contracts, I'm going to ask you today how often and how much time do you spend going through the contracts that are entered in to every day by our wastewater department right now. My guess is virtually none. If you want to be more involved, that will be up to you, Councillors. That opportunity exists now. It's going to exist in the future. Do not worry about rate setting. It is going to be one of two places, Mr. Speaker. It is going to be with the Public Utilities Board, a la Manitoba Hydro which is government ran, government accountable, politically accountable, and within full grasp and reach of the citizens. Or it's going to come back to this City of Winnipeg Council. Either/or, I hope it's transparent and accessible enough for our citizens. Ladies and Gentlemen, we have to do this even though I know it's going to be difficult. I'd ask for your support.

Mr. Deputy Speaker: Thank you, Councillor. Councillor Clement? Summing up on your amendment?

(inaudible)

Mr. Deputy Speaker: There's no speakers. No, there was none. Did somebody else want to speak? Oh,

Councillor Vandal. Anyone else? Council Browaty.

(inaudible)

Mr. Deputy Speaker: There were no other speakers at the time. Councillor Vandal followed by Councillor Browaty.

Councillor Vandal: There's a lot to say and there's 8 minutes so I'm going to get going. Today is a great day if you are a member of the Capital Region because you're likely going to get all your boiled water advisories and other environmental issues you have solved by the corporate utility and that's a good thing on the grand scale. But today's an even greater day if you're the Minister of Intergovernmental affairs for the Province of Manitoba whose responsibility is the regulation, the environmental issues, the development of the entire Capital Region, and I'll get back to that a little bit later in my speech. It's a great day for the Capital Region because essentially and finally communities outside of the City of Winnipeg are going to get access to City of Winnipeg water and sewer services without having to receive approvals from this pesky Winnipeg City Council. As Mr. Strang said this morning, he felt deals that were on the table were scuttled because of politics. When people say that, I was elected by 15,000 people in St. Boniface to look after the best interests of the City of Winnipeg, to look after the best interests of St. Boniface, and sometimes when you're looking after Capital Region issues, they're not mutually exclusive. Instead we are handing over that responsibility of water and sewage extension to an unelected group of individuals who will be stewards of a new arm's length Utility which will only have the financial bottom line of that Utility to worry about, nothing else. I know there's a Motion on the table, and I'm going to address what the Motion states at the end of my general comments. So we can forget about our Plan Winnipeg Policy. We can forget about our Plan Winnipeg Downtown first policy. Maybe it will be a Plan Winnipeg Capital Region first of all and from here on in. Forget about our housing policy in older neighbourhoods. Forget about our S.I.R. Policy or any other City of Winnipeg Policy as we move forward on Water and Waste. The Utility only has their own financial bottom line, and that, these we as a Winnipeg City Council, 16 politicians, will not have a direct voice in those services agreements, and we know there's an amendment on the floor. I'll get to that in a minute. My City Council friends, that is wrong, and that is not why the people of St. Boniface voted for me in 2006. Those of you who have yet to connect the dots, I will connect them for you. Access to safe, clean water and sewer services in the Capital Region will mean development. It will certainly mean more residential development, and we know it's been an issue that is a concern to Winnipeggers, and if you don't think it will mean more residential development, then we have to compare tax bills inside the City of Winnipeg and outside the City of Winnipeg. It will certainly mean more commercial development and more industrial development, and I don't think we've done a proper analysis of that, exactly what the effects will be on the City of Winnipeg, but I think back to about ten years ago when a Company by the name of J. M. Schneider's was looking to expand into the Panel Road in St. Boniface. The great Ward of St. Boniface. They were looking to create I believe 400, 500 jobs, Councillor Clement may remember this; Councillor O'Shaughnessy and Lazarenko may remember this. They were looking to create 4 or 500 hog processing jobs on Panet Road in St. Boniface. We were in competition with, I believe Ritchot, south of the City. And it was nip and tuck for several months but you know what the deciding factor was or one of the deciding factors is that we cut J. M. Schneider's a deal on large use industrial water. And I dare say if this goes through today, that competitive advantage that we have as a City of Winnipeg, not as individuals, Councillor Steeves, I love the people of the Capital Region. I have many friends there. They deserve to have their problems solved. We, as Councillor Smith alludes to and I know that was the spirit, we're going to lose our competitive advantage for using water as an economic development tool to bring jobs inside the City of Winnipeg so that they can pay their property and their business

taxes and we have jobs for our citizens. Mr. Speaker, that's received next to nil in terms of attention, but it's very real. Make no mistake about this, this Corporate Utility will be helping very, very serious issues that the Province of Manitoba must face in the Capital Region. There is several longstanding, outstanding water and sewer issues that need to be dealt with, and there's nothing wrong with that per se. But that decision should be part of a larger, grander negotiation on both a Capital Region Development Plan which, to the best of my knowledge, has never been tabled by the Province of Manitoba, and that should be part of a larger, grander, newer, better deal for the citizens of Winnipeg. And I want to comment on something Councillor Clement and others have alluded to, consistently ragging on the Clean Environment Commission Report where it was a third, a third, a third. You make good points, and I agree with you. We should be sharing those infrastructure expenses equitably as a City with the Federal and the Provincial Governments. But I don't know how we get there, I don't understand the strategy because they're not sharing in all the expenses in our environmental improvements for the wastewater so we're going to form a Utility, and we're going to go take care of some of their problems in the Capital Region. What kind of bargaining strategy is that? This is why we need a larger, grander, New Deal Strategy where all the new revenue streams are placed on the table, where we could look at what's potential for housing, for industry, for commerce and then move forward as a partner with the Provincial Government, with the Capital Region, and that's what's lacking in this plan. The rates. We have the highest water rates in all of Canada. They've gone up 50% in the last five years. I haven't voted for those rates because I thought they were premature. I thought there was another way to do it. The Federal Government has put very little on the table for infrastructure improvements. We've transferred about $100 million from the Water Utility, the general revenue while we're hiking these rates 50% in the last five years, and I felt these rate increases were unfair. But regardless of that, they have happened, and the facts are Winnipeggers have absorbed those rates in a fashion where everyone's paying their bills. They have done the brunt of the heavy lifting. In fact, if you look at the rate structure for the next ten years that we adopted last November 2008, you'll see that the heavy lifting has been done. In 2010, our department is forecasting an increase of 2.7, in 2011, 4.8, 2012, 3.8, 2013, 2014, and 2015 about 1%, 2016 1.5, 2017 1.5, 2018 1.5, these were rate increases were approved by this Council. Granted there's some flexibility because there's some distance, but I need to know a guarantee that we're not going to have rate increases above this level before we hand anything off to the Public Utilities Board. Gord Steeves says don't worry about rate setting.

Mr. Deputy Speaker: Councillor Lazarenko moves extension of time. All in favour?, Contrary?, Carried.

Councillor Vandal: and many of my constituents worry about how much more their water will increase in the next ten years. The Public Utility Board, unelected, Provincially appointed board which are going to be doing the work for which we were elected for. To top it all off, the Corporate Utility is going to be budgeting $1 million a year to move forward to the rate-setting process, whereas our department was doing it for us, and I have trouble believing even one Councillor is going to vote for this. Motions, Mr. Speaker, Councillor Lazarenko's motion, why do we need a referendum if we can't privatize the Water Utility now? That's something I'm not going to vote for. I think it's clever. I think it's a good smoke and mirrors strategy, but I don't think privatization is a good thing. If 95% of the referendum turns out positive. So I'm not going to support that. Councillor Steeves and Swandel, the corporation's annual Business Plan, Councillor Smith is bang on. Has anyone ever been to a General Annual Meeting. I've been to many, I know this is what we've done this last year. These are the services agreements we signed. These are here for your ratification. I dare say that there's not going to be the time or the focus that any Annual General Meeting to undo any annual services agreement, and I think

the Standing Policy Committee on Public Works is a better forum to examine all servicing agreements, and, for that matter, everything to do with the Water Utility. Councillor Clement and Swandel's Motion on P.U.B. It sounds good, but I can make it a lot simpler than that. I don't think we should be going to the P.U.B., full stop, period. We were elected to do the job. I don't believe in transferring political responsibility to an unelected Corporation appointed by the Province of Manitoba on top of that when we can do the job right here in this Council.

Mr. Acting Deputy Speaker: Next up we have Councillor Browaty.

Councillor Browaty: Thank you Acting Speaker. Eight months ago, November 19th, 2008, this Council received a Report and endorsed the recommendation by Deloitte. The proven concept that identifies that a Municipal Corporate Utility using a private sector approach to government while retaining full city ownership is the most capable business Model to achieve the above-noted benefits. Those benefits? Maintain and enhance water and waste services to protect public health and environmental stewardship while increasing fiscal accountability to ratepayers, ensuring on time and on-budget delivery of capital construction projects for wastewater treatment. Enhancing certainty of process with development of business contracts to provide for the many upgrades of our wastewater treatment systems. Ensuring financial sustainability of the Utility services. I'll skip a couple here. Serving other municipalities with utility services through business-like arrangements that protect the City and ratepayers from undue risk. When it comes to the environment, when it comes to Lake Winnipeg, we're all in this together. In terms of the Capital Region, in terms of Plan Winnipeg, we are looking at a capital component to this. There's funding from the Province of Manitoba for our Winnipeg to do exactly that, to ensure that development beyond the perimeter highway is done in a sustainable, appropriate manner. When you're looking about sustainability, a lot of it comes down to our water. Clean air and clean water are the key elements to life. Many speakers here today were exactly right. But I believe the best way to maintain these services is to find an appropriate way of doing it, and I believe the Model that's proposed here is in fact is going to get us to that point. I've stood in this Chamber before, and like Councillor Vandal, I voted against water and wastewater rates because I questioned the need to do some of the upgrades to our wastewater plants the Province of Manitoba was imposing on us. We've had that debate, I've had that fight, we've lost, and I believe we could have saved hundreds of millions of dollars based on good science. This isn't just political rhetoric. This is based on many, many scientists who have suggested otherwise. Nonetheless, we chose not to take that battle to Broadway. We've lost. We need to make these improvements. I understand that, and I appreciate that. Our track record, however, on doing these improvements is not very good. The status quo for the way we've done these sort of things, it's certainly not an option. Water rates are going to go up. Water rates are going to go up a lot. Water rates, based on the status quo for the Capital we' have to, are going to go up an awful lot. That's an unfortunate reality. No matter what model we choose. A billion dollars in new Capital Expenditures is going to cost every ratepayer for water an awful lot. The most recent project we've done, cost overruns have been in the tens of millions of dollars. Because of that, we need to find another Model to do this, and I believe that involving a private group through a strategic relationship where they have a liability on the line to ensure projects are delivered on time and on budget is the best way to protect ratepayers from a more sudden rate shock. I think it's the most responsible thing to do for all ratepayers in the City of Winnipeg. I see stuff like this from the Canadian Centre for Policy Alternatives. Proposed Corporate Unity could be costly for Winnipeggers. I think it's the opposite. Not involving a private partner is going to do the exact opposite. That's what more risky and more costly to Winnipeggers. I've asked for and received from the department some ideas as to what the

costs are going to be for water rates going out five, six years. The reality is it sort of depends. As costs go up, consumption may go down. The cost to operate the system stays about the same, the reality when it comes to a water system, the majority of the cost is the system itself, the per unit amount is very little. If Winnipeggers tomorrow were to cut their water consumption in half, water rates wouldn't be cut in half. We would need to unfortunately increase water rates to make up for almost the majority of that amount. In regards to the Motions that are on the table here today, a referendum for privatizing a system, absolutely. Councillor Steeves and Councillor Swandel's Motion, the notion that the solid waste component be sort of separated out and be non-core so things like bag tags would have to come back to Council, absolutely I think that's a good protection, I certainly don't want to go down that road. The other one regarding the Public Utility Board setting rates, I don't think it's unreasonable to look at this at a later point down the road we can separate that out for today and I'm comfortable with that. So I will be supporting the main Motion, and I will be supporting all three Motions here on the table here today. Thank you very much.

Mr. Acting Deputy Speaker: Thank you, Councillor Browaty. Next up we have Councillor Swandel.

Councillor Swandel: Thank you, Mr. Acting Speaker. Let me just say, it's been quite an interesting few days going through this at E.P.C. and again here today at Council, and I want to say the folks that came forward and made representation, particularly at E.P.C. it was very valuable in the process. While it was argued by Councillor Smith and some others that things tend to be ideologically driven, we, at the same time, garnered some good information out of unfortunately these processes. I will qualify that by saying that we didn't have to listen to too many folks before we got the crux of what the main concerns were that we needed to deal with, and I think Councillor Steeves and Councillor Clement, in consultation with myself, I think they've done a good job of putting those concerns to paper, addressing them, creating a process that should give everybody the level of comfort that allow us to be able to move forward today. I'd like to make a comment on the cost of water and sewer rates. Councillor Vandal had referred to them and several others have. What's driving our rates in the out years is not just the Capital Costs of the new work we're going to do. It is also the operating costs. New treatment facilities require a great deal more expense in operating, a great deal more employees, a great deal more technology, a great deal more chemicals to ensure that we have safe drinking water and properly treated effluent. So it's not just a Capital Cost. It is the operating costs that are driving those matters, and whether you're run as we are now or whether you're run as a utility, there's no way that you can predict that those rates will stay the same. To suggest that somebody could stand on this floor and tell you that the rates will be exactly as we set them, it's just not possible to do. There's only one point I wanted to make. The rest of it comes down to what people are all saying and asking for, and that is public consultation. Haven't done enough public consultation. Well, I would suggest that if you really want good public consultation and if you want to engage the public in a meaningful discussion on what it is that we're putting out there, then you've got to stop sensationalizing, and you've got to stop exaggerating, and you've got to stop minimalism or cherry picking when it suits your need. I'll give you a good example. It was mentioned, Scottish Water and some of the problems they had with the sewage treatment in Scotland. What wasn't mentioned, prior to the establishment of Scottish Water, people were getting sick on a regular basis from the water in Scotland. Today the Reports that come forward from Scottish Water and the health issues around water, they're almost totally gone. The improvement that Scotland got on its water side as a result of Scottish Water, we should all be standing up and applauding. So don't cherry pick. When we talk about accountability and transparency, when was the last time you saw a Business Plan brought to the floor of this Council by our Sewer and Water

folks today? When was the last time any of you saw a Business Plan come to the floor of this Council from our Sewer and Water folks today? It hasn't happened. What we talked about is we talk about rates. We don't talk about the operations. We don't talk about the Business Plan. We get into this discussion about rates. It's interesting, when you're cherry picking and making arguments. It was great to see Professor Loxley and Mr. Simms here today. On one hand Mr. Loxley, Mr. Loxley used to come forward and argue, you know, I can't tell you whether or not there is value here or no value because I can't get the information. We had Mr. Simms come forward today holding up a thing saying here it is. There's no information, proving what Mr. Loxley used to say. Mr. Loxley now today says, what we have is costs more for the City of Winnipeg or more for the private sector to borrow money than it does the public sector. But what they don't talk about when you're cherry picking and when you're just sort of taking the pieces that you want to hear, anybody would gladly talk, if you were trying to make an argument, gladly talk about the difference in interest rates, but you won't hear them talk about the value for money, and that's what these partnerships, whether it's a utility with a strategic partner or a P3, that's what you're assessing as your going through these processes. It's value for money. So if you want meaningful public consultation, let's not exaggerate and embellish. Let's not go out and throw the word "privatization" around the way Joe McCarthy used to throw the word "communism" around. Have we not learned. I understand the arguments. I understand the law. I understand the Plan and Amendments. And I'm ready to move forward and doing something that's better for the ratepayers of the City of Winnipeg Water and Sewer services.

Mr. Acting Deputy Speaker: Thank you, Councillor Swandel. Councillor Nordman.

Councillor Nordman: Thank you, Mr. Acting speaker. You know, in the last week, ten days, two weeks, I've heard everything from or heard from every possible side of the political spectrum. I've heard from communists, I've heard from conservatives and everything in between. For the most part, I think this comes down to an ideological belief system that most individuals around this Council Chamber have and the folks in the audience, and I think it's okay to disagree as long as we're civil about it, and I congratulate Councillor Swandel for bringing up that last point about, if we're going to consult, let's do it with some rationale and a point of moving forward. The sky is not falling here. There's been a whole lot of Chicken Little going on, and I just, for the life of me, don't appreciate the picture that's been painted about our city. I really think we're better than some of the conversation. I appreciate that people have wanted to participate, but at the end of the day I really think that it has to be done in a civilized manner, and I don't think some of it has been, particularly some of the emails and phone calls we've received in our office in St. Charles. It won't come to any surprise to anyone that I will be supporting the Main Clause and that I'm prepared to certainly support all three of the amendments. I think it's time to stop worrying about words like "privatization" and "profit." I don't know if many of you realize that profit comes from the Greek word; it talks about progress. Profit is progress. I think we're moving in that direction, and I think we have the professionals around this table and around our City Civil Service that will protect the interests of our citizens and at the end of the day deliver a better product as mandated by the Province of Manitoba. So I'll be supporting the clause.

Mr. Acting Deputy Speaker: Thank you Councillor Nordman. Next up we have Councillor Wyatt.

Councillor Wyatt: Thank you Mr. Acting Speaker. I think it's been a very interesting discussion. There's no doubt, Mr. Speaker that there is a philosophical divide, there is definitely those who believe that the private sector is more efficient at running public services and certain public services and then there are those that believe that the public sector should be best left to run public services. There is a divide even I would say, I asked one of the speakers that when they

were before E.P.C. why have we not heard the same response let's say with other P3's we have done across the City and the response coming back is, you never did a P3 with regard to our Water or Wastewater. And that's the difference too, in the sense of the services, I think the public identifies the difference between Water and Wastewater versus a road or building a police station, that we're actually providing, going to the private sector to ask them to provide the actual service which means water testing and the day-to-day operation of running a water treatment plant. So, Mr. Speaker, Mr. Deputy speaker, clearly I think there is an ideological divide that you can mount as many arguments on one side with regards to this in favour of this proposal and position papers and policy papers and research done and business plan in this case, and on the other side you can mount just as many folks who argue from very much an intellectual perspective, from academia, from other example why this should not be done. So I'm going to try to do what I can to eliminate as much as the skepticism as possible, and I'm going to direct my comments, through you, Mr. Speaker, to the Mayor since he has an opportunity to sum up on this and pretend I am undecided at this point on how one should vote on this. Pretend that, and I'll ask that some questions that maybe you've said already, you've answered publicly and maybe you haven't. It might be repeating some. Why right now are we doing the utility? We know full well that we could conduct a P3 through our Water and Waste Department as it stands right now with regards to the Water treatment services. Why do we need a Utility Model to do that, when we can conduct the P3 right now, through our existing department? Why do we, why are we concerned about with regards to the Utility about the need, or the ability to enter in to agreements with the other municipalities, when we know full well we can go in to other agreements with other municipalities as it stands right now. The question is of course, do they want to enter in to agreements with us? Well, that's their problem. We know and we voted in 2005 to do that. De-politicalizing future rate increases. How is the amendment going to de-politicalize it if we're not going to the P.U.V. now? Then I heard another speaker speak that says we are going to the P.V. in the future. So I'm not too sure if we are going to the P.U.V. with regards to rate increases or not going to the P.U.V. So I think we need some clarification on the future rate increases and the de-politicalizing of that. Greater accountability, how do we upgrade our accountability through the Utility Model where we have a Board of Directors appointed by Council and then reporting back to Council in the Business Plan versus right now where we have a Manager who reports directly to the C.A.O. or reports to Council or through you, through the Mayor, to Council, call it what you like. How our accountability with the Model? To ensure costs are controlled, how are we going to control costs further with the Utility Model? Versus, what we've done in the past. I guess, I look at for example the cost overruns were raised over and over again with regards to the Water Treatment Plant. Well there doesn't seem to be any consequences. I don't remember any consequences to the contractors. We could have easily had consequences, but there wasn't any consequences and we chose not to have consequences. How do we have an assurance that if there's problems in the future that those issues will be dealt with severely compared to what we've done in the past? The Board Appointments. The report says Council will make the board appointments based on other board appointments made by Council. I think we know how they're usually done. How will we have a greater assurance as Councillors that we will have direct input into the actual appointments of the Board versus receiving a list, a slate prior to a Council meeting, a vote up and down and that's it? How will we have a greater role in being able to decide on who those board appointments are versus how we make board appointments now, because as we know, board appointments are basically technically made by Council in so many cases, but in reality, they're made by E.P.C., and more directly by the Mayor. How can we have a greater transparency to the P3's when we heard a case today, where based on information, information is transparency and certain information is

being denied with regards to an exist; as Councillor Clement rightly points out, the only P3 that we've actually gone the whole nine yards on, where information is being denied under F.I.P.A. How do we give that assurance that information will be transparent and there won't be an issue there? And, in fact, the other question I have, Mr. Mayor, is the due diligence here with regards to; we're going down the road of going to have a billion dollar P3 from what I can see or something to that effect. How much time will Council have to consider that? Are we going to see kind of a last-minute report coming forward in July? Are we going to have a whole bunch of time to sit down and go through this and to ensure indeed this is the best deal for Council? And for our city. Now, Councillor Swandel can answer this other question I have, but maybe you might be able to elaborate, you didn't really elaborate on the value for money part of it, but how is it that by borrowing, we know we have lower borrowing rates, but the market has changed. A year ago, that wasn't the case, but now we have lower borrowing rates in the City. The Private Sector can' get the borrowing rates that we get. Why is it more affective to go through the Private Sector in a case of a P3 and have them do the borrowing? I guess the final is what assurance can be given that to play down the cynics, put it right on the table, that after the 2010 election in July of 2011, we're not going to have another Motion or Report before saying, you know what, we got a heck of a deal here. We got a company working with us with regards to a P3 doing Wastewater and Waste treatment, and they're offering us now a heck of a deal to also handle our water services. And you know what, it's going to be worth maybe hundreds of millions, maybe billions, especially if it's a long-term contract. How do we know? What assurance can you give us, Mr. Mayor, that that will not be the case, that we will not go down that road? Because obviously a P3 now is not considered privatization. So I'm assuming a P3 on the water side will not be considered privatization because Councillor Lazarenko's Motion isn't in Order even though we know we're going down the road of a P3. Those are the questions an undecided Councillor may have. I send it to you and welcome to hearing your response when you have an opportunity to sum. I realize you might not have enough time, but I would be more than happy to give you more time if you need more time to sum up because of this and I think Council would be prepared to do that as well, Mr. Mayor, if you need more time.

Mr. Deputy Speaker: Okay, Councillor, I believe the undecided Councillor is the same one as last night, the non-existent one. We all knew how we were going to vote long before we got here today. Councillor Pagtakhan.

Councillor Pagtakhan: Thank you Mr. Deputy Speaker. It's been a long day, so I'll be short and brief on this and I just want to say I'm supportive of the City of Winnipeg Municipal Water Utility Model and with the homework I've done on that, I'm satisfied with where we're going. I think, you know, change is important in our City and I think this will be a good deal for the citizens of Winnipeg. I want to thank Councillor Lazarenko for his Motion which I will be supporting, and Councillor Steeves and Clement for their Amendments to the Clause, you know, as a result of our delegations from last week, we thoughtfully put these things in and I think, you know, this is how we proceed. There is a lot of intelligence folks around this Council, and I think that because of that, you know, we will succeed in this particular endeavor. So with that, I just wanted to put those comments on the record and I will be supporting the Amendments and the Clause.

Mr. Deputy Speaker: Thank you, Councillor. Mr. Mayor? Speaking to the Clause in the Amendment.

Mayor Sam Katz: Thank you. First of all, I will be supporting Councillor Lazarenko's Clause. It's interesting, but in the last two, three weeks, all I've really heard are privatization and P3's. Mr. Speaker, this is not privatization, this is not a P3. Every Councillor here knows that if we want to do a P3, we talk about it just like we did on the Police Station that was just most recently built and on other projects. No ones afraid to talk about a

P3. There is no deception. What I found most interesting is Councillor Orlikow, thank God, realizes we can't do privatization even if we wanted to. I only wish that the people that were picketing, picketing City Hall you could of gone out and told them that. Cause somehow from what's been spread over the last few weeks, they believe that and it's not true. And I believe Councillor Lazarenko moved that Motion to give everybody peace of mind and to make sure everybody knew that was not the case and I thank you for that and that's why I supported it.

Last week, Mr. Speaker, we spent about six and a half hours listening to delegations. That's our job. And out of that, which is a form of public consultation when you hear what people have and you ask them questions and they respond, I think we learned some things. And from that, some members of E.P.C. put forward some Motions to address some of the key issues, and I thank the Councillors for that because that's what that's all about. Changing things if you realize something is not crystal clear or needs clarification or needs a change. That's exactly what was done. That was done by Councillor Clement. That was done by Councillor Steeves along with thank you. Appreciate that. So the point is, the idea is to listen and to make the changes. So, Mr. Speaker, I will be supporting the Motions, and I believe that's exactly what we're here to do is to listen and make changes and adapt. But, you know what, Mr. Speaker, for the last eight months, as we've been moving this forward, it saddens me that people would not address the real issue. For some unknown reason, they want to make this a debate about privatization or P3's, and they were what I would call false allegations. And, Mr. Speaker, I use that term with respect because I think they were much more than that. And it's interesting today how so many people spoke so highly about Manitoba Hydro. Everybody talked about Manitoba Hydro. So let's talk about our home-grown giant, Manitoba Hydro. The provincially owned utility that provides reliable and affordable power and gas to our citizens, the very same Utility Corporation that the Premier vigorously supports every time he runs for re-election with a pledge to always keep Manitoba Hydro publicly owned. The very same Utility Corporation that I've heard our C.U.P.E. Leaders speak of in approving terms along the lines that are following the Hydro Model. Hey, we're okay with that. The same Utility Corporation that was involved in a major deal with the City, under the previous Mayor to purchase our own City Hydro Electric Utility and essentially take over all the operations, equipment, and unionized staff, many of whom were members of C.U.P.E. Local 500, and how did that transparent and public consultation proceed to unfold, Mr. Speaker? It was alluded to earlier, but I would like to be a little more specific. In 1997, Mr. Speaker, the Public Service was ordered to study the privatization of Winnipeg Hydro before many of us were here, and in March of '99, 1999, there as a decision to provide public consultation for this huge decision by our City. Who knows what happened, Mr. Speaker, to the consultation because in 2000, the decision was made by E.P.C. to continue to own and operate our Winnipeg Hydro. I think an astute decision, and who was on E.P.C. at the time? Some people sitting here, Councillor Vandal, Councillor Thomas. So when I read the Winnipeg Free Press on February the 9th, 2002, to learn that despite Council's decision to own and operate Winnipeg Hydro, there was a picture of Glen Murray at a press conference, the Mayor, along with Jim Brenan and the Premier basically saying, we're selling Winnipeg Hydro. And to quote them, all three described the package as a win-win-win deal for the Province, the City, and the public. I'm shocked that Councillor Gerbasi at the time didn't jump up and declare the former mayor biased by calling it a win-win deal. Mr. Speaker, at the time, Councillor Gerbasi was on E.P.C. along with Councillor Thomas and Vandal, and public consultation, Mr. Speaker, to further quote the paper, following the press conference, City Councillors received a two-hour briefing on the proposal. Unlike E.P.C. member Councillor Gerbasi, some Councillors did want more information. Mr. Speaker, at the time, wanted more information, but what was the response from the Mayor

and his colleagues? Within less than one month of that press conference, Council was forced to vote on selling Winnipeg Hydro on February the 27th. Mr. Speaker, and that lone voice of dissension? Not Councillor Gerbasi, not Councillor Thomas, not Councillor Vandal, former City Councillor Mark Lubosch, the lone voice. So it is with great fascination that again today, I witnessed this hypocrisy and double speak, that has become synonymous with the self proclaimed official opposition to progress in our city. And the irony, Mr. Speaker, is that Winnipeg Hydro was sold, unlike what is being proposed today. It has been said before, the sky isn't red, the world isn't flat, we're not privatizing water, but what I don't think most Manitobans know or fully understand is how Manitoba Hydro is actively pursuing global business all over the world. If you go on their web site, Mr. Speaker, you will see that Manitoba Hydro operates a subsidiary known as Manitoba Hydro International. What the web page from their site shows us, a strategic alliance between Manitoba Hydro International and Kenia Power and Light Company. Sounds very similar to the utility model and strategic partnership being debated today, doesn't it, Mr. Speaker? There's also a joint venture between Hydro and Encor International, a gas company on our west coast. Then we see Hydro providing expert consulting services to private sector consortiums including multi-national giant Siemens to provide high voltage transmission advice in China. And finally, we see Hydro through its M.H.I. Subsidiary is providing training to a state power company in India. Mr. Speaker, I consider myself a reasonably well informed Manitoban, but was shocked…

Mr. Deputy Speaker: Councillor Lazarenko moves extension. All in favour? Contrary? Carried.

Mayor Sam Katz: yet pleased to see that many things our publicly owned power utility is doing around the world, all of which I assume, bring value home to Manitoba Electricity ratepayers. As I note in the 2008 fiscal year, M.H.I. reported a net income of $1.2 million. I also like to reference a recent partnership being used to construct a huge power generation project in the north, the Wuskwatim Dam and Power Station. Hydro's web site says, $1.3 billion. Now, listen carefully. Our provincially owned Hydro Company that our Premier pledges every campaign to never sell, is in fact, in this deal according to Hydro's own web site, selling a 33% interest in its $1.3 billion dollar power dam to the N.C.N. Cree Nation, but where are the protestations of privatization regarding the selling of our electricity to private interests? Where are the campaigns of deception to careen this travesty as an attempt to steel our electricity and sell it to the highest bidder. We're dealing with a utility model very similar to Manitoba Hydro, except that we will in fact, have more direct control of our own utility. A City Council will vote on annual budgets, not just capital plans, annual budgets and capital plans where the Province appoints people to do its voting. Mr. Speaker, all assets will remain 100% owned and controlled by the City. I call upon all Councillors to support the proposal to protect the taxpayers while we spend hundreds of millions of dollars in construction to protect our rivers and lakes thank you.

Mr. Deputy Speaker: Thank you, Mr. Mayor. We will now have the summations and the order in which their motions will be voted upon, Councillor Clement.

Councillor Clement: Thank you, Mr. Speaker. I think the motion itself is pretty straightforward. I appreciate Councillor Vandal's comments that it could have been a little blunter, not any different than some other times. Consensus building is sometimes a stressful activity, and I think that what is in that Motion is far better than what number five says in the main body times many. I have the same problem as Councillor Vandal, frankly, with the Public Utilities Board. I couldn't tell you who one person is. I'm sure they're nice people, but I don't know who any of them are. I know they're not elected. They're appointed by the Provincial Government. Doesn't give me a lot of warm and fuzzy feelings knowing that part, but anyway, it is what it is, and I don't care who the government is in that

situation. And the other side of that as well is I don't know who this future board might be. I don't know who this entity might be. I feel more comfortable knowing that we have some control here and this Motion certainly gives us that control for the foreseeable future, and if they choose to provide us with the appropriate statutory amendments, then it would be appropriate to reconsider that at that time. I want to point something out that I heard in Councillor Smith's comments, and I honestly, Harvey, I think you missed the point on the one part, but it's easy to do because the words are tricky. Under the Solid Waste part of Motion three, it says that the Solid Waste Collection shall be deemed not to be a core service provided by the utility, okay? We will still control delivery of that initiative. That's what the difference is, and we will then always have control over who's going to pay for it and how it's going to be done as well and that's what's meant. You can vote however you want, but I just wanted to not let that go by. You know, we went through a process, Mr. Speaker, here. I know I asked questions, I'm not going to tell you I like some of the answers. That's why there's some Motions here today. Some of the answers were okay and some weren't, and so people that came in delegation within that situation, it's because some of the questions that we asked collectively around the Chamber that day were as a result of the delegations, and we've made changes as a result of that. So I don't think that there's been a big problem with that part of the process. As far as cost sharing and the issue that was a key issue and Councillor Vandal did allude to it and thought that we really hadn't raised it much, but I raised it significantly at the meeting last Wednesday, and there's a Motion here today dealing with it, and that has to do with the Capital Region area and how there would be control, and if you actually read six, line three, it says "incorporate a joint planning agreement to manage development and related environmental concerns." that means that if the Utility tried to enter in to a discussion with one of the Capital Region members, they have to do what that says because we said so, and that will give us some control over those planning issues. Not unlike number 4 which says "include a provision for revenue sharing so that both the corporation and the partnering municipality share the costs and benefits associated with delivery of service," which means us. So I think that we did climb all over that particular issue. It's a delicate issue, no question, and that's why we asked those questions, and I'm sure had you been sitting here that day, you would have asked that one yourself. I did it for you. Mr. Speaker, with the Motions, if the Motions pass, I think that this going forward at this time is a positive thing. I think the Mayor's comments were very good. I'm sorry that he wasn't able to answer any of Councillor Wyatt's questions, so I still don't know where he was going because he was undecided when he asked those questions and never got one answer, I couldn't believe it. But anyway, I'm sure we'll all sit here with bated breath when we wait to see when the air puffs out of the leather and he stands up thanks, Mr. Speaker.

Councillor Swandel: In light of the hour, it's probably appropriate that at this time I move a Motion to Suspend the Rules to allow Council to proceed past 6 o'clock to deal with the rest of our Agenda or until such a time as somebody would move to shut us down for today.

Mr. Deputy Speaker: All in favour? Contrary? Carried. Recorded. Councillor Thomas. We will now sit until the end of the agenda. Councillor Steeves on Motion number 3 summing up fully and briefly as ever.

Councillor Steeves: Those are not very nice comments, Mr. Speaker. I guess at this stage, Mr. Speaker, we have the lay of the land as it were. I think everybody has kind of said their peace, but as per Councillor Clement's comments, I await my colleague from Transcona, Councillor Wyatt's ultimate decision. He has been fully in support of the Utility Model up until now, but that was, if indeed a support speech one of the most twisted and sideways support speeches I've ever heard in my life. With respect to the amendment that I put forward with seconded by Councillor Swandel. The Capital Region, I'm going to make a

suggestion, not only as a Council but as a community. We make a decision today to do this differently. We make a decision today to work in the Capital Region differently. We just completely change our attitude and we just completely go in a different direction. The people who have these municipalities, Councillors or Reeves that staff them, these are towns and villages. Like they have hopes and dreams for their communities same way we have hopes and dreams for our community. I'm not going to paint everybody with the same brush throughout the course of these last discussions, Mr. Speaker, but sometimes there's been a bit of an Imperialist feel to some of these discussions. There's been kind of, I don't know, sort of a vilification of the Capital Region, which I don't think is deserved and I certainly hope is not the intent of this Council. I mean, what are we afraid of? Are we afraid of having strong neighbours? Would Vancouver be better with Surrey or worse? Would Dallas be better without Fort Worth or worse? Would Toronto be better or worse without Mississauga? Montreal, Laval, same thing. This amendment says we need a strong business case, a joint planning agreement to manage development related environmental concerns, a provision for revenue sharing, and Council has to have approval and ratification. Why not? Councillor Vandal says let's stick with the old way. It gives us a strategic advantage. It does. Does it, Mr. Speaker, a strategic advantage? Truly? Really? Headingley, we've already had that example. They went ahead, and they built their own infrastructure. They don't need us any more. West St. Paul recently from the Province, $12 million. East St. Paul recently from the Province $6 million. Selkirk recently from the Province $9 million. We're not just Winnipeggers. We're Manitobans. Does that Model going forward make sense? Should we continue to build redundant water and wastewater infrastructure in the Capital Region only because we're afraid to set up these types of things that will force us to come together and provide some sort of shared plan with these parameters in place, which, by the way, are currently an existing city policy right now, Mr. Speaker? can't say strongly enough that I want to change the old way, and I want to do it differently. I hope I'm not alone in this Chamber, I hope I'm not alone in this Gallery, I hope I'm not alone this City, I hope I'm not alone in this Region as the only person who sees the old way as a categorical failure and an absolute insult to the taxpayers of Manitoba. To say that we as a Province could do a little bit better than the current model that exists, Mr. Speaker, is to understate the matter by some score, I'm going to suggest. We can't keep doing it this way. We can't afford to keep doing it this way. And if the only thing holding us back is our, I hope prejudice is not too strong a word, our inability to deal with things in the Capital Region, then that's wrong. We're not achieving what we set out to achieve by hanging on to this department in a sort of way that is leading to no good whatsoever. You heard the Reeve talk about some of the challenges, some of the boil water orders. We're getting the worst of both worlds. We're getting environmental embarrassment outside the borders of Winnipeg, and where does it end? I mean, if the municipality of St. Clements or Springfield is not good for the core area of Winnipeg, then how good are the suburbs of Winnipeg? What should we do about that? Are they now the next villain? I'm a fan of Barack Obama, and he's come up once already today, but I'll tell you what I didn't like. I'll tell you what I didn't like, when the U.S. President, after being elected, and, as I say, I'm a fan, I went to his inauguration, when he started talking after his election about those protectionist measures that surely would have been bad for our country. It didn't feel very good. It didn't feel very good for me as a Canadian citizen. I didn't think it was fair and I didn't think it was right. I didn't think it was right for our friends and neighbours to the south to try and do that to us, and I sure as heck, am not to try and do it to my friends and neighbours as a result. I won't do it, Mr. Speaker, and don't ask me too. Strategic partners. Strategic partners, Mr. Speaker. I want to remind people that not only are we well served by the people who work within our civic administration and our civic public service, the men and women of C.U.P.E. who do their work day in and day out.

They deserve and I hope get our constant thanks for everything that they do, specifically in our water and wastewater utility. But, by extension, so too do the people of the private sector in this city and in this region work very hard. There's nothing wrong with this Council opening up and saying, yes, we're okay with partnering with you. There's no shame in us saying, yeah, we want to work with this construction company or that construction company, this consulting company or that consulting company. If we need help from our private sector to manage our infrastructure projects, then why not? Does it make us weaker as a City if we as a City call on our private sector partners to come and help out? Again, I know not everybody has done this, and I know there's been some, by and large, overall good intent, but at certain times at a low moment, it almost feels like we descend in to almost a vilification of the private sector. The men and women who work in the private sector in this City are good people and deserve our support as well, and there's no shame in saying that. And if they can be our strategic partners pursuant to all agreements between us and them being presented to Council for approval and ratification, then why not.

Mr. Deputy Speaker: Thank you, Councillor. Councillor Lazarenko, summing up on Motion Number 1.

Councillor Lazarenko: Thank you, Mr. Deputy Speaker. Shame on some of the Council members here what they did for the last three weeks! Knew damn well that this would never happen, that a privatization would take place, but they have fooled a number of people that came here two weeks ago last week, this week, this morning, and yesterday, they stood around here and they were yelling and with the signs and each of the members of Council that were encouraging them did not tell them to say, look, this is not going to happen. Because the government we cannot, we cannot do that. They will not allow that to happen. They knew that, but they scored points. One by one they scored points with the media, and that's all this was all about. It wasn't being concerned about the citizens of Winnipeg, being concerned about their water utility. It was what they could get for themselves, free publicity. I don't like that and I resent it and I think they should apologize to all the people they steered up here for them to sit here and listen. We've been on this since 9:30 this morning and still some of those don't seem to understand. My motion on the referendum, Mr. Deputy Speaker, makes it very clear, abundantly clear that talks about protecting what concern the people had. They don't want privatization, to privatize their water utility. As simple as that. We don't want it. We want it to be publicly owned. This is what it is, but somebody starts twisting around and saying, well, this, no, I don't understand this. It tells you right here the City would be required to get permission to any future Council to sell the municipal utility, and that part of it in The Act, that's in the Manitoba Hydro Act, it says very clearly, the Corporation in this case is the Municipal Corporate Utility as contemplated in the Report of E.P.C. dated July 15, 2009, Item 1, particular Recommendation 1 and Implication 1, so Wastewater Treatment, land drainage are included along with Water, and I want to thank the administration, Mr. Deputy Speaker, the work that they did, especially the authors of this Report, Mr. Gere Gray, Hunter, Department Heads, Mr. McBride, C.F.O. Mike Ruta, CAO Glen Laubenstein. They prepared a Report that's readable. A 12-year-old child could understand it. But somebody twisted it around to such a way to make it look like, we're going to privatize the Water Utility. What are we going to do? I always said, water and air is one thing you can't live without and I don't think there's any one member in this Chamber, any one member in the Manitoba Legislative Assembly that would be in favour of privatizing such a thing as a Utility of Water. You know, to sit here and listen to some that don't seem to understand, but they do, it's a game of politics. Simple as that. How much can I score. Will I be on TV today? Will I be tomorrow morning and in local newspapers, will somebody say, boy, you're smart, you're the best of all, or will they take a look at me and say I befriended you because I knew the answer but I would not give it to you. I wanted you to be here along with me to

run around like a chicken with its head cut off provide information, talk about this talk about that. I can imagine some of the people came here with their children. Here's a person in their wheelchair. No respect. Mr. Deputy Speaker, to get back on the project labour agreements that I had alluded to earlier, it is working. I can tell you that the Province has been with this now for the past 50 years. We have been with that, but we haven't worded it that way. To give you an example, the Canada Business Magazine agrees a 2008 article summed up the floodway expansion project nicely. Two important pieces of the overall project puzzle were put in place early on and have helped keep it on time, on budget first before work began the authorities struck a comprehensive project labour agreement covering the entire duration of the construction work. The Local Building Trades Council representing 14 member unions back the government, which included a provision against strikes by workers and lockouts by contractors. The agreement also made room for both union and non-union firms on the project and includes a promise from the unions that they will not move to certify or organize any of the non-union shops working on the project helping minimize distractions. The rest of North America must be getting P.L.A. Fever but in Manitoba we've been doing it for years. And like I said, the President of the United States talked about that soon after his election. So, Councillors, I have to say this one time. Those of you who will not vote for this motion and referendum, I can guarantee you you'll be voting in favour of privatization because this, even though they say the Province (inaudible laughter) that's right, you listen too carefully, the Province have been saying they cannot do it. If that's the case, why did the Manitoba Government include a referendum, Councillor Gerbasi? Why did they put it in place now and is being used.

Mr. Deputy Speaker: Through the chair, Councillor.

Councillor Lazarenko: It's a Model that's been set in place that people are following that Model. A Referendum is the key to protecting what you have, and the public, the general public have the last say on that. So this is what; I'm just saying that those of you who will not support this, and I'm just tired of hearing this thing over and over again, grandstanding to a point of saying we know the answer, but we will not say anything because I want to get news coverage on this. That's so wrong. That's not fair to the people that have believed in some members of Council say we come here in droves and we are going to stand firm. We're going to stand together. We're going to believe that we will not convince; we don't want any privatization. In the meantime, that was not the case. Mr. Speaker, I'm going to conclude that this is a very important issue. In this case, it's not a laughing matter. It's something that we are looking at. We talked about the Capital Regions. Councillor Steeves alluded to that. Back in the '70s...

Mr. Deputy Speaker: Only on your Motion.

Councillor Lazarenko: You know that we were in Council, when we served on the additional zoning. That we took in all the zoning that took in all of Oakbank, East St. Paul, West St. Paul. Those Capital Regions are in deep trouble. They can't afford to do anything with their water. They haven't even got proper toilets or to have a septic field that the government is telling them you can't use it no more, and the Province is in trouble with that too. So they would more than welcome us to say that we are going to proceed with this, and they will be helping us. So, Mr. Speaker, on my Motion, my Motion number 1, I would ask Council to concur and have a vote 100%.

Mr. Deputy Speaker: Thank you, Councillor. Mr. Mayor, summing up on the Main Clause.

Mayor Sam Katz: Thank you, Mr. Speaker. My apologies Deputy Speaker.

Mr. Deputy Speaker: Rub it in.

Mayor Sam Katz: That's not what I meant. The whole purpose here of the hope the raison d'etre, is, one, to protect taxpayers, two, to protect our

environment, our rivers. Can I recommend they go to Rumours Comedy Club? To protect our rivers and Lake Winnipeg as well which we are mandated to do, and also to have accountability. We've seen what's happened in the past, and, you know what, it's not, the purpose is not to point a finger. When you are doing massive jobs of this ilk that are extremely complex, it's very difficult to accomplish the goal of on time and on budget. It's not an easy task. In the past, as I said, taxpayers have bared the burden. The whole idea here, to explore a strategic partner and to address some of Councillor Wyatt's questions, I don't know where anybody believes that we're looking to basically have the private sector come forward and borrow money. If there is anybody on this Chamber Floor that isn't cognizant of the fact that we can borrow money for less than the private sector, then we better have a little meeting about that. We all know that. And we all know that if and when you ever talk of P3, it always changes depending on the circumstances. So we're not looking at a P3. But, yes, we are looking at a Strategic Partnership. So what does that mean? Nice words, but what does it really mean? Strategic Partnership means you will take in from the private sector potentially someone in engineering and construction who has the ability to basically provide expertise that we don't have and no one gives up expertise for free, Mr. Speaker. You pay for it one way or the other. But they come to the table, and I referred to it as skinning the game. They're on the hook. They're on the line. We determine what the price is going to be. It comes in on time, on budget. If it is not, they pay as well. It's not just the taxpayers. We haven't done that before. We have that opportunity to do so. That's number one. Number two. If you look at everything that's been discussed today, unlike Manitoba Hydro, we here at Council still have control. We approve everything, Mr. Speaker, the Business Plan, which is the most important thing, and we have control of the capital. That's what it's all about. We still maintain that. In the end, I heard some people talk about Public Utility Board versus Council. That decision will be made in the near future if this Motion moves forward, and we can decide what makes most sense. You've heard Councillor Clement, you've heard Councillor Steeves. I happen to believe there's a lot of merit in the Public Utility Board, and I have yet to hear people complain about the Public Utility Board because everybody gets to come, everybody gets to make a presentation. Specifically the public gets to do that, and everybody gets to be heard. That's what it's all about. And then a decision is made based on your Business Plan, and is it deserving of an increased rate or maybe they'll decrease the rate. Hopefully Elected Officials always do that as well. But I think we all know sometimes we make political decisions for other reasons. So, Mr. Speaker, we have an opportunity to do something. I'm hoping that at this stage of the game everybody knows we are not privatizing. Contrary? to what you may have heard, you may have seen, information that may have been shared, that is not the intention of any of the 16 people sitting in this Chamber today. That's a fact. And that's why it's rather frustrating when that's all you hear is Privatization or P3's. I know C.U.P.E. is not a fan of P3's. I've met with them. They have told me that. We know that, but that's not what we're discussing. If you try and make that argument, then I understand where they're coming from but that's not the case. The administration has worked with all the stakeholders, all of the stakeholders, the Province, you know, C.U.P.E. Everybody. W.A.P.S.O. Everybody has been part of the process right from the beginning to make sure they understand everything, to make sure there are no surprises. Some decided to participate. Maybe others decided not to. That was their option in the end, but meetings have taken place and there were monthly meetings as well. You know Mr. Speaker, the one thing I know, is you can't correct a mistake by using the same thinking that got you there. We've been using this thinking for a long time. It's time for a change, and there is nothing wrong with the public service doing the job they do. Everybody has agreed that, number one, it's too massive and too complex. We've seen the results. We have an opportunity, and if and when this is approved and we get to the point of the

strategic partnership, it comes back to all members of Council, and we have the opportunity to deal with it then. And you know what, I'm so happy that Councillor Steeves pointed out, regardless of what your thoughts are on the Capital Region, and we do have a policy in place, to think that the Province is not pouring millions of dollars in there right now is a major mistake. If you see the addition of what Councillor Steeves mentioned, it was probably close to $25 million. Mr. Speaker, maybe we'd have got the Province to give us that money. It would help immensely. I'm the first one to say that when the Clean Environment Commission made their decision, it was a decision based on presentations, based on one third funding, based on a 25-year time to implement. Don't know why it got changed, but it got changed, and we're the ones holding the proverbial ball right now because we're the one who is have to move. We're the ones who, in order to get our licensing, have to comply. That's up to us, otherwise we can't provide these services. For anybody to think that we haven't talked, we've talked about nitrogen, we've talked about phosphorus. We've talked about changing the time parameters. We've talked about the Province coming to the table, the Feds coming to the table. That conversation is still ongoing. Just because we're doing this doesn't mean we've stop. But you know what, the realities are what they are and you have to deal with them and you still have to move on and do what Council was elected to do, Mr. Speaker. I am very; I'd like to see everybody support this, and it's unfortunate, and I've said it again, you know, as soon as I hear people say this is not about ideology, then I know it is about ideology, and I don't care whether you have no party affiliation, whether you're Conservative, Liberal, N.D.P., Communist, whatever the case may be, it's time we start thinking in a different fashion and truly protecting the taxpayers, taking care of the environment, and doing things in a transparent way. That's what this is about. I certainly hope that Council will support this, Mr. Speaker.

Mr. Deputy Speaker: Thank you, Mr. Mayor. We'll now vote on the Motions in the reverse order to which they were introduced. The first Amendment Motion Number 4 from Councillor Clement and Councillor Swandel, All in favour?, please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Mr. Deputy Speaker: All those opposed, please rise.

Nays

Councillors Thomas and Vandal.

City Clerk: The vote Mr. Speaker, Yeas 14, Nays 2.

Mr. Deputy Speaker: Amendment Number 4 is carried. We'll now vote on Motion Number 3. Moved by Councillor Steeves and Swandel. All those in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Mr. Deputy Speaker: Opposed, please rise.

Nays

Councillors Smith, Thomas, Vandal, and Wyatt.

City Clerk: The vote, Mr. Speaker, Yeas 12, Nays 4.

Mr. Deputy Speaker: Motion is carried. Final amendment, Motion Number 1 by Councillor Lazarenko and Mayor Katz, All in favour, please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Mr. Deputy Speaker: Opposed?

Nays

Councillors Smith, Swandel, Thomas, Vandal.

City Clerk: The vote, Mr. Speaker, Yeas 12, Nays, 4.

Mr. Deputy Speaker: Carried. The Clause as Amended. All those in favour, please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Mr. Deputy Speaker: Opposed please rise.

Nays

Councillors Gerbasi, Orlikow, Smith, Thomas, Vandal, and Wyatt.

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

Mr. Deputy Speaker: Clause is carried. The Report of July 22nd.

Councillor Gerbasi: Would it be possible to take a 5-minute break?

Mr. Deputy Speaker: Agreed? Make it ten. We are adjourned for ten minutes.

Mr. Speaker: Councillors, 23 minutes to seven. Do we have a quorum? Councillors, those in the gallery. Please take your seats. We have a quorum. Next on the Agenda is the Report of July 22, 2009. Items one and two, that's a walk-on. We need to suspend the rules. All in favour? Contrary? Carried, Mr. Clerk.

Mayor Katz: Mr. Speaker, that's what I was going to do.

Mr. Speaker: I thought you were the Clerk.

Mayor Katz: No, I would like to move that the rule be suspended, a Report of E.P.C. dated July 22, 2009 be considered.

Mr. Speaker: All in favour?, carried.

REPORT OF THE EXECUTIVE POLICY COMMITTEE DATED JULY 22, 2009

Mayor Katz: I move Item One be adopted.

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

Mayor Katz: Mr. Speaker, I move that Item 2 be adopted.

EXECUTIVE POLICY COMMITTEE MOTIONS

Mr. Speaker: All in favour?. Contrary?, Carried. Notice; Motion Number 8 Notice of Motion. Number 8. I guess its automatic referral this September. Where is it? I don't have it here. Where is the number eight? Notice of motion. Oh, yes. Okay. Notice of Motion, Motion Number 8, Notice of Motion. Bylaws. Mr. Mayor. Second reading only.

EXECUTIVE POLICY COMMITTEE CONSIDERATION OF BY-LAWS

Mayor Katz: Mr. Speaker, I move By-law No. 200-2007 be read a second time.

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

Clerk: By-law No. 200 of 2007.

Mr. Speaker: Question Period. Councillor Gerbasi.

EXECUTIVE POLICY COMMITTEE QUESTION PERIOD

Councillor Gerbasi: Thank you, Mr. Speaker. I would like to ask the Mayor, I was interested in his closing remarks in the last debate. He made it very clear that he understands that public financing is currently cheaper than private financing. So my question for him is yesterday we got a press release from the City saying that we were going to use private financing for the Chief Peguis Trail. Can the Mayor explain why we are using private financing when public financing is cheaper, according to the comments he made just a few minutes ago.

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, first of all I can assure you that the public service, one, looks at P3's that were committed to and see what the market is about, and see if we have to have any changes. As was mentioned earlier by myself, and I also believe Councillor Swandel, there is a time when I think you have to look at our policy of borrowing, and I think you'll probably see that being discussed in the very near future after Prorogue, because when we compare apples to apples, we have to make sure that we are making the right decisions, and that's what we do on an ongoing process.

Mr. Speaker: Your second question, Councillor?

Councillor Gerbasi: I'm still not reassured and I wonder what the Mayor can do to reassure Council that we have made a reasonable deal on the Chief Peguis Trail, if in fact that we are using as it says in the press release, our own press release, we're using private financing. I believe your comment was everybody knows it's cheaper to use public financing, so please explain how this is justified and how; are we going to get some information back from the Administration or something explaining this to us, why this would be done this way?

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, I would very much; I'll take that under advisement, and I would be happy to get information back to Councillor Gerbasi from the administration.

Mr. Speaker: Thank you. Any further questions? Councillor Wyatt.

Councillor Wyatt: Thank you. Are we going to be contemplating a property tax increase in the coming year with regards to our budget? Is that being something that's being contemplated for 2010, or are we going to have a freeze, and if we do, what is the position of the Mayor, are you in favour of going forward with the property tax freeze again for 2010 or would you prefer for us to have a property tax increase?

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, I thank Councillor Wyatt for that. Number one I guess you could go around the table and should be asking Council. If Council would ultimately decide on if there's an increase this property taxes and what that increase may be or if they're frozen. That will be Council's decision, not the Mayor's decision, number one. Councillor Wyatt, I believe in the past has already expressed his thought that we should increase property taxes. I think it's important for all of us to participate in discussion, listen to all the pros and cons and hopefully make a very intelligent decision. I think it would be a bit premature at this stage of the game before we start addressing the budget process which we've just commenced to decide whether we should or whether we should not. Once we start

dealing with the budget, we'll know what has to be done, Mr. Speaker at that point in time. Hopefully the right decision will be made by Council.

Mr. Speaker: Your second question, Council.

Councillor Wyatt: If the Mayor has to choose between service cuts or property tax increase, what would be the choice if that came down to a fine line.

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, I'll answer the question this way. I am definitely not supportive of any service cuts.

Councillor Wyatt: So have the departments been given a directive with regards to forming the budget based on a property tax freeze or based on a property tax increase for 2010?

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, the department is looking at, number one, the opportunity to see if a property tax freeze is possible, and whether that can be accommodated. Number two, if it can't be accommodated, then we have to look at the other option. So you're always looking at both, but that is something we're definitely looking at.

Mr. Speaker: Councillor Thomas, your first question.

Councillor Thomas: Yes, Mr. Speaker, when the budget was passed last year, the Mayor made a commitment that there would be no frontline service cuts. I have found out that there has been a cut to a youth at risk program that was running out of Chalmers Community Centre and in the lowest income part of my Ward, and there's been now another frontline cut to a City sponsored program that was run out of Salisbury School, Morris Place School, but it's two schools in one. The Salisbury part is from kindergarten to six and Morris Place, but it's one school with two names and that which operated twice a week is also closed and this is during the summer. We've had concerned expressed about youth in gangs that have had no options, violent. I am entitled to a preamble before my first question. Violence has been increasing by young gangs, and I want a commitment from the Mayor to explain why these cuts are occurring and to see that something is re-established in my community to replace these two closures to the services.

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, through you I thank Councillor Thomas for the question. Number one, I know the Department, when I applied to the Director of the Department, we actually enhanced programs. Everybody knows about the spin program we've had and I'm sure Councillor Thomas is aware of the fact that in the last ten days I attended a press conference with the Province announcing more programming as a result of the Province agreeing to provide staffing so that Community Centre's can be opened for a longer periods of time. I also believe that Councillor Thomas is aware of the fact that my commitment is very strong to our recreational facilities and that's why we are spending millions of dollars on expanding and improving recreational facilities. I would very much appreciate it if Councillor Thomas could take the time to e-mail me the specifics of those two, and then I would definitely speak to Mr. Clive Wightman and find out about those because this is the first time that I've heard that.

Mr. Speaker: Your second question, Councillor? No further questions. Councillor Wyatt, second time, second round.

Councillor Wyatt: Yes at E.P.C. last Wednesday, we learnt that we had put a request in; the City had put in a requested in for funding through the Federal Stimulus or some sort of tripartite funding for approximately $100 million to build the east extension of the Sterling Lyon Parkway including an underpass and you indicated Mr. Mayor at the meeting that one government had agreed to the funding of that underpass, the other one was saying they're not excited about it. Would you tell us which government is in

favour of funding and that which is not in favour of funding based on that request from the City.

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, what I'm happy to share with all of Council is that there's been an old issue regarding the Waverley Underpass. It's been going on for many, many years, and at one point in time the Member of Parliament and the former Councillor Lepsic, Hava Shalom, was very much supportive of that. As we all know that hasn't happened, and a discussion did take place with the other levels of government, something that would basically alleviate, solve that problem, and be a much better opportunity than an underpass. At this particular point in time, Mr. Speaker, it is no more than dialogue, and there has been no money approved to date, and I did tell Councillor Wyatt that one level of government liked the idea and another level of government wasn't very enthusiastic about it and that's exactly the way I'm going to leave it today.

Mr. Speaker: Your second question, Councillor Wyatt.

Councillor Wyatt: Yes, Mr. Mayor, could you elaborate and tell us why we would be asking money for this extension when it does not exist in Plan Winnipeg, only the Rapid Transit part exists, the extension of the Sterling Lyon Parkway is not in Plan Winnipeg, why would we be putting this request forward at this time?

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, first of all, I don't believe this was through Stimulus. This is probably through Building Canada as Councillor Wyatt should be aware of when it comes to that. All three levels of government discuss and make decisions, no different than happen in the past. You need all three to participate in that decision. If one of them likes the idea then all three discuss it and where they land they land. At this stage of the game, nothing has happened to date.

Mr. Speaker: Your final question, Councillor.

Councillor Wyatt: Yes, where are we at with the Federal Stimulus? When are we going to have an announcement coming forward for the City with regards to the Federal Stimulus money, other than the small announcements with regard to recreation we've heard thus far?

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, as we know there have been many announcements made in recent times by both the Federal and Provincial Government regarding Stimulus. Some have been talked about here on the floor of Council. Number two, I am not convinced that there is a significant amount of money in Stimulus left for municipalities. I believe the Federal and Provincial governments have used the majority of that money up, and we are discussing Building Canada as well as possibly some green programs. I'm hoping that we hear something as soon as we get back from Prorogue, because I think the time is now. I know that the Federal and Provincial government, along with the City is looking at many of the projects which we thought had merit. I believe they have all the information that they have requested, and so we are awaiting a decision, and I hope to hear something, I wish it was yesterday or three months ago, but I hope to hear something very shortly. As everybody may know, just because it's Prorogued doesn't mean that people still aren't working. So if and when I'm contacted or contacted by the Province or the Federal government and I hear something positive, I would be happy to share it with the good Councillor.

Mr. Speaker: No further questions? Councillor Vandal. Your first question.

Councillor Vandal: Thank you, Mr. Speaker. I'm still unclear as to why you would be advocating for a major multi-million dollar expenditure for a road extension overpass or underpass that's not even in plan Winnipeg?

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, I don't recall ever saying that I was advocating. As I said before, there were some Members of Parliament who thought it was extremely a priority for them to deal with an issue of the Waverley underpass. That's been discussed a great deal and will continue to be discussed. And in that discussion, there were possible alternatives that would be even better than that, and that's all it was, was some dialogue. There was no advocating from any level of government. No different than when we talked about, many years ago, as you know, there was money between the three levels of government and I believe there was the Kenaston underpass, and bus rapid transit at the time and there was I believe the floodway if I'm not mistaken. Those were the three. It was discussions taken place and that's what they landed on. So there is no "I" in this.

Mr. Speaker: You second question, Councillor.

Councillor Vandal: There is a diagram, one of the Reports we're going to be discussing soon that has the Sterling Lyon Extension and the underpass-overpass, whatever it is. Does that, is that an indication that this is on our Administrative radar screens and Executive Committee radar screen?

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, I believe the Report that Councillor Vandal is talking about, is the one that was put forth by the Administration and that is obviously in their Report. So I think what you saw was very clear and that's something obvious they are advocating.

Mr. Speaker: Your final question.

Councillor Vandal: Do you support City of Winnipeg funding going for the underpass-overpass or whatever it is, and Sterling Lyon Extension from our end? Do you support spending City of Winnipeg money on that project?

Mayor Katz: Mr. Speaker, at this particular point in time, I'm not supportive of an underpass or the diagram that he's referring to. What I am supportive of is listening to some of the direction that comes from the department and also seeing where the other levels of government are at, and at this stage of the game, I think that is many years down the road.

Mr. Speaker: Thank you. Councillor Thomas your first question.

Councillor Thomas: Yes, Mr. Speaker, this reminds me of something in our area. We have this proposal going through, which is the Chief Peguis Trail, and there was supposed to be two underpass-overpasses happening in them, and both those were scrapped for surface roadways, because it was determined that it was too expensive, even though it's going to be; going to interfere with traffic to have it that way. And I'm wondering if you would commit, if you got those monies for the underpass or overpass to put it at the Chief Peguis Trail rather than something that's just not in our five-year plan, because those projects were in our five-year plan.

Mr. Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, when Councillor Thomas says do I have the money, I don't know if she's referring to my personal account or something else, but I'll get clarification on that. It's my understanding that one of those is most definitely on the table and they're exploring the options to see if that can be done within our budget and to my knowledge that's something being worked on and has not come back. It has not been scrapped as of yet. It's under review. She asked me the question, Councillor Clement.

Mr. Speaker: Council Thomas, your second question.

Councillor Thomas: I'm not clear as to what was under review. The Sterling Lyon or the roadway, so for the Chief Peguis, if that was the one under review.

Mayor Katz: What's under review is Chief Peguis. Sorry.

Mr. Speaker: No further questions? Councillor Wyatt.

Councillor Wyatt: Thank you.

Mr. Speaker: Go ahead, we've got all night.

Councillor Wyatt: Thank you, Mr. Speaker, I've been recognized; Mr. Speaker, my question is again to the mayor --

Councillor O'Shaughnessy: Did this Council not change the procedure by-law a while back to make two rounds of questioning the maximum from any one Councillor?

Mr. Speaker: I don't know, I'd have to ask the clerk. Is it?

(inaudible)

Mr. Speaker: You can't. No further questions? All right. Only for you to ask questions? Question. In favour of Councillor Wyatt's motion? All in favour?

(in audible)

Aye.

Mr. Speaker: No need to count. No need to count. Those in favour. Go ahead. Count them. We'll be here all night. In favour?

A RECORDED VOTE was taken the result being as follows:

Yeas

Clerk: Councillor Gerbasi, Orlikow, Thomas, Vandal, Wyatt and

Mr. Speaker: Now, those opposed please stand.

Nays

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

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

Mr. Speaker: Councillor Vandal.

Councillor Vandal: I have one last question. That's simply, Mr. Mayor as you can tell this Council, what is your priority when you enter inter-governmental negotiations for accessing Federal or Provincial money infrastructural?

Mayor Katz: Mr. Speaker, I would be happy to answer that question from Mr. Vandal. The two key things that I was looking at on behalf of our City was Rapid Transit and Wastewater funding for those are the two top ones.

Mr. Speaker: Is that it? Are we finished with questions? Okay. Standing Policy Committee on Protection and Community Service Report of July 6, 2009. Councillor Steeves.

REPORT OF THE STANDING POLICY COMMITTEE ON PROTECTION AND COMMUNITY SERVICES DATED JULY 6, 2009

Councillor Steeves: Regarding the report of Standing Policy Committee on Protection and Community Services of July 6, 2009, I'll move consent Items number 1 and 2.

Mr. Speaker: All in favour? Contrary? Carried. Motions – none. By-laws – none. Question Period. None. Standing Policy Committee on Infrastructure Renewal and Public Works Report dated July 7, 2009. Councillor Clement.

REPORT OF THE STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS DATED JULY 7, 2009

Councillor Clement: Thank you Mr. Speaker. I'm pleased to move the minutes from that meeting and I'll move Item 1 as consent.

Mr. Speaker: All in favour? Contrary? Carried. Motions – none. By-laws – none. Question Period – none. Standing Policy Committee on Finance Report dated July 9, 2009. Councillor Swandel.

REPORT OF THE STANDING POLICY COMMITTEE ON FINANCE REPORT DATED JULY 9, 2009

Councillor Swandel: Thank you Mr. Speaker, I will introduce the Report and move Adoption of the Consent Agenda Item #1.

STANDING POLICY COMMITTEE ON FINANCE MOTIONS

Mr. Speaker: All in favour? Contrary? Carried. Motions – Motion #6 is an Automatic Referral.

Councillor Swandel: No. Mr. Speaker in the light of the; to deal with this matter immediately I would like to move that we Suspend the Rules and deal with the Item right away.

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

Councillor Swandel: Perhaps for clarity become evident Folks why we needed to do this. As a result of the work through the recruitment process that the Police have done, we have a great deal of candidates that are; have been approved to go forward for medical and sight testing. We had budgeted for 36 people to go into the recruitment class. Recruits class starts August 24, 2009, I believe right around that date. So there are available 10 spots. We've got the bodies so this is just to get the bodies into the spots. I would hope we can get Unanimous consent and get these Police Officers working for us.

Mr. Speaker: All in favour? Contrary? Carried. Motion #10 Automatic Referral to Finance. By-laws – none. Question Period, Councillor O'Shaughnessy.

STANDING POLICY COMMITTEE ON FINANCE QUESTION PERIOD

Councillor O'Shaughnessy: Thank you. Mr. Chairman could you give us a update on now that we've reached just gone beyond the halfway mark, to hear how our Finances are doing compared to Budget?

Mr. Swandel: We won't get a second Report, Mr. Speaker, until September our Second Quarter. The First Quarter we were behind. We had to deal with a number of significant issues, the flooding and there was the rain, ice, snow incident that we had. So this sort of happened in time with that. We still don't know yet what we'll get rebated from the Provincial/Federal Governments to do with the flood and that's something that we will be seeing hopefully sometime in early Fall. We're anticipating that we'll be moving in some better numbers. You might not see it at the Report of the second quarter but perhaps in the third quarter we'll see those things start to smooth out and we'll have a better idea of where we are coming in to the end of the year at that time.

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

Councillor O'Shaughnessy: Your final comments there were perhaps a little ambiguous, so you're expecting at the end of the second quarter, the numbers to be pretty much the same, a little better or a little worse?

Councillor Swandel: I think that they will be a little bit better but we still have issues around the flood and what we may have coming back at that time, so I don't want to go too far out on a limb until we know how those things are going to shape up.

Mr. Speaker: No further questions? Standing Policy Committee on Downtown Development. Councillor Pagtakhan Report of June 29, 2009.

REPORT OF THE STANDING POLICY COMMITTEE ON DOWNTOWN DEVELOPMENT DATED JUNE 29, 2009

Councillor Pagtakhan: Mr. Speaker it is my pleasure to move the Report of June 29, 2009 Item 1 as consent.

Mr. Speaker: All in favour? Contrary? Carried. Report of July 13, 2009.

REPORT OF THE STANDING POLICY COMMITTEE ON DOWNTOWN DEVELOPMENT DATED JULY 13, 2009

Councillor Pagtakhan: Mr. Speaker, I'm going to put some comments for Item #1, I'd like to move Item #2 as Consent.

Mr. Speaker: All in favour? Contrary? Carried. What did you miss? Downtown Development.

Councillor Thomas: Yipe. I'm not going to speak to it, I'm just going to vote against it.

Mr. Speaker: Okay fine. Want to record it? Councillor Thomas in opposition. To everything? Number 2. Motions, if any, none.

(inaudible)

Clerk: Item number 1, Assignment of the Offer to Purchase and Redevelop Lands Agreement for the Union Bank Tower – Annex – Leland Lands and the provision of a Heritage Grant and a Heritage Conservation Tax Credit.

Item 1 - Assignment of the Offer to Purchase and Redevelop Lands Agreement for the Union Bank Tower – Annex – Leland Lands; Provision of a Heritage Grant and Heritage Conservation Tax Credit
eFile EP-2

Mr. Speaker: Councillor Gerbasi?

Councillor Pagtakhan: I just wanted to put a few comments on the record because it's worthy that this Item be commented on and that there's a wonderful transformation happening in our City, especially on Main Street North of the corner of Portage and Main with some city-led initiatives, first with the Edgewater Villas at 611 Main Street and then through CentreVentures effort with the Winnipeg Regional Health Authority building at Logan and Main and then as well with the United Way Building on Pacific and Main, and now with Red River College, I want to thank Jeff Zabudsky and his team from Red River College as well as members of our administration, director, Mr. Mayor, and this whole Council needs to be congratulated on the wonderful work that's happening on Main Street. We're putting almost over $3 million worth of value in this particular project through grants and tax credits, and it's going to be an amazing place with 100-room residence, and the culinary arts, the Patterson Culinary Arts Institute as well as some main level restaurant and retail space that's really going to rejuvenate Main Street, and I should also recognize this Council's involvement with significant improvements to the Old Market Square site which is being worked on right now. Just want to put those comments up for the record because it's pretty important that we recognize the good work that's happening on Main Street and to congratulate this Council.

Mr. Speaker: Thank you, Councillor Gerbasi, you wanted to speak?

Councillor Gerbasi: That's okay I thought we were on something else.

Mr. Speaker: Mr. Mayor? You're on.

Mayor Katz: Mr. Speaker, I very much want to echo the sentiments of Councillor Pagtakhan. For a million dollar investment through a Heritage Conservation Grant as well as he alluded to Heritage Tax Credits, we're leveraging approximately an additional 21 to $22 million dollars for a piece of property that's obviously very valuable to our City but has been sitting in state of disrepair right across from city hall for; I was going to say two and a half decades so close enough. This will be a great project. This will be good for downtown. This will be good for the Exchange District, and this is something I very much want to thank the public service and to commend all those

parties involved who did a wonderful job to make this happen. So thank you, Councillor Pagtakhan.

Mr. Speaker: Councillor Smith?

Councillor Smith: Yes, I would like to ask Councillor Pagtakhan what the timetable is for the Royal Bank Building. When is that going to be completed?

Councillor Pagtakhan: Am I summing up?

Mr. Speaker: He asked you a question.

Councillor Pagtakhan: Okay, I guess I'm summing up. So I just wanted to thank the Mayor and Councillor Smith for their comments and questions, and this project is under way right away, and hopefully next year it will be substantially completed. It's something that they need right away, and they're not wasting any time. All the money's been lined up, and once it's done, it will be a real gem within our City. The first skyscraper in Western Canada, the Union Bank Tower and like the Mayor said, it's been vacant for about 25 years. It's pretty significant that now there is going to be something there with activity and a vibrant academic life.

Mr. Speaker: We're finished with that question period and speaking. No, no, I know, but any concerns. on Motion Number 1 or Item 1. All in favour? Contrary? Carried. Motions - none. By-laws - none. Question period - none or maybe. Standing Policy Committee on Property & Development, Report of June 30th, 2009, Councillor Fielding introduces.

REPORT OF THE STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT DATED JUNE 30, 2009

Councillor Fielding: Right, I'd like to introduce the Report and Move Adoption of the Consent Agenda 1 through 15.

Mr. Speaker: Councillor Thomas, what number?

Councillor Thomas: Six and Seven.

Mr. Speaker: 5, 6 and 7. Councillor Gerbasi?

Councillor Gerbasi: Number one.

Mr. Speaker: Number 1, so Mr. Clerk?

Clerk: Item number one…

Mr. Speaker: Call the rest. Read them out. The Consent Agenda.

Clerk: Consent Agenda Items number 2, 3, 4 and 8 to 15 all inclusive.

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

Clerk: Item Number one, Concrete Sidewalk located behind Paul Martin Drive.

Item 1 - Concrete Sidewalk located behind Paul Martin Drive
File DASZ 12/2003

(inaudible)

Councillor Gerbasi: The report from July 13th so I don't want to pull off number 1.

Mr. Speaker: Councillor Gerbasi what do you want us to do?

Councillor Jenny Gerbasi: We could go ahead and move; I'm not that concerned about Paul Martin Drive.

Mr. Speaker: Okay number one. Consent Agenda on Item one. Councillors, Consent Agenda Item one. All in favour? Contrary? Carried. Item 5.

Clerk: Item 5, Closing part of Chief Peguis Trail, west of Whellams Lane for incorporation into DAS 15/2009. File DAC 6/2009.

Item 5 - Closing – part of Chief Peguis Trail, west of Whellams Lane for incorporation into DAS 15/2009
File DAC 6/2009

Councillor Fielding I'll introduce this motion. Of course, this has come to our Council. It comes to our Council a few

times. I think in maybe a few you might have received e-mails in the first round of this. I was very supportive of the Whelms Lane project going ahead at first but I will hear your comments on that and I'll respond back to them.

Councillor Swandel: Mr. Speaker, before Councillor Thomas speaks. Items 5, 6 and 7 are all tied together. I think the Councillor is going to speak to all three Items at the same time so perhaps Councillor Fielding would introduce the three items; Councillor Thomas could speak to the three of them together to help save us a bit of time.

Mr. Speaker: Councillor Fielding, you want to introduce 5, 6, and 7?

Councillor Fielding: Sure ditto to what Councillor Swandel said 5, 6 and 7 are all dealing with the same Items. Whellams Lane; love to hear what Councillor Thomas has to say.

Clerk: Item number 6, Zoning Agreement Amendment 60/70 Whellams Lane (ZAA 3/2009)

Item 6 - Zoning Agreement Amendment – 60/70 Whellams Lane File ZAA 3/2009

Mr. Speaker: There we go. Councillor Thomas Number 5.

Councillor Thomas: This was the subject of a very, very long public hearing within the East Kildonan-Transcona Community Committee when the only persons who showed up in favour of it was the proponent. There was often times when we have these new apartment blocks that are going in, the people who hope to be living in the new apartment will show up in favour of it, and the people who don't want their area changed will show up against it. This is not the case. There were people who were living in the existing apartment block showed up as well as the people who were living in the surrounding area. This was the subject of an agreement over 30 years ago where it was decided that there would be no more development on the site. It was considered to be overdeveloped. There had to be a change in that in order to allow this development to go together. As well as a number of houses around the area, there are already two huge high rises in there. And the people who lived in the buildings felt that the owner of the existing block needed to show more care in how they run the existing block before they be given a mandate to expand what they had. They invited all of us to go see this. Of course I didn't go because I didn't want to become part of a one-to-one conversation outside of a public hearing with this. But I heard their comments and I remembered it. They reconfigured the building. before I had some problems with the destruction of the barrier; the trees that would serve as the sound barriers. So they reconfigured it so there wouldn't be as much destruction of the trees, but they re-angled the building and made it closer to the north, and I had asked at the time that they do a shadow footprint because I was very concerned because the Chief Peguis Trail goes through there. You're going through at 80k, and I felt by moving the building to a more northerly place that it would create a permanent shadow across the road, and if you're traveling at 80k, that you might slip and slide. When it came back, it didn't have the shadow analysis done. I asked them why they didn't do it. They didn't feel they had to. I found out afterwards that they were requested to do it, but they chose not to deal with those requests. I'm sure that a shadow analysis would have shown that between November and March that there would be serious shadowing on the road, which is what I was concerned about, and I feel that the development should not go through until those issues have been taken care of. The developer chose not to heed the request of the Administration to provide a shadow plan, and I was very disappointed to hear that, and I felt they gave me very little information to have me change my opinion on this building and why it should go forth. When I found out after the hearing was over that these requests are routinely complied with, but the developer chose not to adhere to that request, that concerns me because if you're requested to provide something and you don't, and there could be potential problems and you choose not to comply, that makes me

suspicious. I feel that if they would have complied and they would have showed that there wouldn't have been a serious shadow created, I might have felt differently on it but the fact that they chose not to comply to a request to give that information means they don't get my vote. And I felt that the concerns of the residents were not heeded and I still feel that way. And I feel that the developer has already shown their colours by not adhering to request of Councillors to have shadow analysis done and won't get my vote because of that. Thank you very much.

Mr. Speaker: Councillor Browaty, we're dealing with 5, 6 and 7.

Councillor Browaty: Yes, thank you very much, Mr. Speaker. As an elected official, this has probably been the toughest issue that I've had to face. We've got on one hand people throughout Winnipeg that want to find quality rental accommodations. They want to stay in the neighbourhood where they have friends and family. They want to be in the neighbourhood where they are familiar with their doctors, where their friends and family are, where they shop. But there's virtually no availability throughout our City. In fact, in northeast Winnipeg, the latest numbers from Canadian Mortgage Housing Corporation suggest a vacancy rate of 0.5% down from 1.1 a year before. On the other hand, we have tenants, residents of the immediate area that are used to a way of life. They didn't want to see change, and they didn't want the disruption that's involved in construction. There have been three separate proposals from this particular developer and the owner of the 60/70 Whellams Lane property. The first one was a 35-storey tower. It would have certainly cast shadows over some of the surrounding single family homes. They did a lousy job addressing concerns by the neighbourhood about capacity of sewers. They did a lousy job getting traffic study information out there. While I was not supportive of it, the developer withdrew that application before a public hearing was actually heard on it because the original public hearing had to be pulled because there wasn't capacity in our facility for the East Kildonan Transcona Community Committee. The second proposal, while it wasn't as high, had a lot of challenges as well. It would have had tenants looking in to other tenants' properties. It would have placed the buildings a lot closer to the single family homes in the immediate neighbourhood that. In fact, I went to a public hearing and I was not in support of that particular application. That application also got withdrawn later on through the process. The most recent proposal was quite different. The developer, the applicant, did a pre-application phase to the Property and Development Department. They met with the tenants in the building. They had a community meeting. They went out and they listened to a lot of concerns, and a lot of concerns were addressed. Everybody even at the Public Hearing; I didn't hear one exception at the public hearing that one person that said that this proposal is worse than the previous ones. While people were not necessary supportive of it, they realized this was a reasonable compromise but they still weren't in favour of it. The new layout does not block shadows of the single family homes for the most part it doesn't block views but still it's going to be a disruption for people living in the building. I completely understand that, and I am very sympathetic to the people that are tenants in those buildings today. The tenants however did do some communications with people in the neighbourhood and they put out some erroneous information. For example, they were telling them that traffic was going to have access to the facility to the apartment blocks from Kildonan Drive and Essar Avenue. Completely erroneous. When I've gone and talked to the constituents on those streets, to the residents on those streets, they say, yeah, you're right, these plans don't call for that. The information we got from the tenants here is erroneous. So then again, that was after the application. That was after the public hearing component. So again, that has been clarified and most people I believe on Essar Avenue now that understand it, they've looked at this, some of them still don't believe it but that's really what's in the plan. It's all available to you right now. So that

information was, in fact, erroneous. Information like the traffic studies, information about sewer capacity, that was all presented in the public sessions that were held, but what Councillor Thomas references in terms of shadows on Chief Peguis Trail, that was not in any way raised by any of our public administration. From everything that I've heard from them, that that information is, in fact, erroneous. I think the developer; after being told no on the first two proposals really, put out a proposal now that's a lot more costly to them. The way they're building this, the way they have to remove stuff and add underground; they have to configure underground parking, it's a lot more expensive for them and but that's way what they want to do. And this is rental accommodations for the record. This isn't, If you look at this particular developer, they don't have any other properties in the City of Winnipeg. Everywhere else they build this type of property, its high end rental accommodation. It's not, in fact, condominiums. So again, for those reasons, I believe this is, in fact, a positive development for North Kildonan. I don't qualm the people that are in opposition to it. It will have some short-term disruption. But, again, I think overall, this is a good project for our city. Thank you.

Mr. Speaker: Councillor Wyatt.

Councillor Wyatt: Thank you, Mr. Speaker. I chaired the public hearing that took place that evening. The hearing lasted until 12:30 at night. There was extensive delegations with regards to this item. Councillor Browaty is quite correct. The applicant filed a pre-application application and went through consultation prior to the public hearing. It should be pointed out that this proposal that came before the Community Committee was quite radically different than the proposal that came before the Community Committee last fall. That proposal was rejected by the Community Committee, if you recall, Mr. Speaker, and it was quite different than the one that actually came forward. The developer, if you recall, said some derogatory things about our city after he decided to withdraw his application. I don't think he ever withdrew those comments but we never held that against him at the public hearing. We looked at the issue at its face value. There's no doubt, like many of these sorts of developments, Mr. Speaker, in existing neighbourhoods there's concerns always raised such as traffic. Traffic's always a concern that we hear. There's concerns with regards to density. There's concerns with regards to existing homeowners and their visibility vis-à-vis to the river and elsewhere. We heard a lot of different concerns at the public hearing, Mr. Speaker. But I can tell you that the previous application that came before us actually had the towers quite a bit closer to the East on the property going in to the green space that was provided, and the towers were actually looming over, if you like, the private single family homeowners. There was directly being negatively impacted at least six to eight homes on a street called Tamaran. That was one of the strong objections and concerns that I know the Community Committee had last fall. The developer chose to eliminate that development, that tower. He actually pulled the tower, as Councillor Browaty correctly points out, pulled the tower towards Chief Peguis Trail so it's actually running parallel, if you can imagine it, with the existing towers plus a new tower a second phase, for potential second phase in the middle of the two buildings. Again, not in front of the buildings as was the case before, but actually in between the two buildings which is flankage on the existing buildings, and there's no views that are being negatively impacted. The whole process was; the public service wrote a positive report with regards to the recommendation that came before the Committee. As well, Mr. Speaker, the densities that were indicated are densities that within the Plan Winnipeg guidelines for the amount of land and the site, and the property is already as we know a multiple family site. A large multiple family site, no less, Mr. Speaker, with direct access on Whellams Lane and then directly to Henderson Highway. All up and down Henderson Highway has some of the highest proportions of 55 plus in our entire City; due to the fact that there are many apartment blocks that have been built there over the years. This is

very much fitting with the existing neighbourhood. It should be also noted, Mr. Speaker, that even though we had a divided vote, two in favour, one against at the Community Committee that EK-T Community Committee has done worked extremely hard I think to try to accommodate in-fill development. Over and over again, Mr. Speaker, we hear about the need to develop an existing neighbourhoods versus building out on the periphery of the City. But when the time comes and we're actually trying to build and do in-fill development, it's extremely difficult just because of the fact that they are existing neighbourhoods. That's the challenge, Mr. Speaker. But, in this case, the developer, unlike the previous application, went out of his way to consult with residents, and I think showed the due diligence that needed to be shown and that the Community Committee hearing as well had an opportunity for residents to speak. We saw a major change. The EK-T Community Committee has, as it stands, right now, over 500 lots in all northeast Winnipeg that are buildable lots right now, available for building on. We've done more to promote in-fill development and try to find that balance. But I can tell you, Mr. Speaker, every time we've had a public hearing, whether it be in my ward or other wards, over and over and over again there is pressure, basically issues such as the issue concerns about school capacity, concern about traffic. These are the concerns that our Public Works Department and our Planning Department works with all the departments of the City as well, as liaisoning with the School Division to ensure that everything's done in good planning principles, and we've worked in that direction, and it was unfortunate we couldn't get an unanimous decision out of Community Committee, Councillor Thomas still has some concerns and I respect those concerns but by and large I think Councillor Browaty summary was correct, a lot of issues previously a concern had been addressed and that the development was well within the Plan Winnipeg guidelines Mr. Speaker.

Mr. Speaker: No further speakers? Closing? Councillor Fielding?

Councillor Fielding: Sure, thank you, Mr. Speaker. I think it was spoken quite well by Councillor both Browaty as well as Councillor Wyatt who actually at the public hearing meeting. These decisions, as we all go through re-zonings in areas of existing areas are difficult decisions. There's no doubt about it. I think everyone from our area knows that there's a need for this type of development, these types of developments with the department to look at the vacancy rates that are there. They are tough decisions when people are there and impacted. What I can tell you is that this does need Plan Winnipeg guidelines, was supported by a public service. There was, as Councillor Browaty and Wyatt said, there was some substantial changes in terms of the directional of the way the building was which I think is more amenable to the public. Points that did change from the original proposal that was brought forward. The applicant participated, as we talked about, in the pre-application process with the Planning Property and Development Department. There was extensive public consultations facilitated by place makers with regards to the possible development of additional multiple family dwellings on the subject property. Many concerns. Not all of them, but many concerns of the earlier proposals were addressed with professional information, traffic information, as well as city services like sewer capacity were presented in the shadow studies. The new proposal really virtually eliminates shadow effects on the neighbourhood and provides superior views to all tenants and concerns about facility amenities were appeased by adding new, improved services for tenants in Phase One of the proposal. Just final two points on it. New proposals especially Phase Two are more expensive than the original. So the developer put more money in to make it more amenable to the citizens that are around, and new concerns raised by I think there's about 101 people that came out. I know it was a long night for all Councillors that were involved that were in opposition to the hearing, including traffic down streets, but I do truly believe that some of the issues that were brought

up in terms of the traffic, the traffic study is there so it's not going to dramatically impact people. With that, you know, tough decision, I do commend Councillor Browaty for looking after his community to ensure that it's the right project, the right time. I know the first round of things he didn't feel was the right one so he deserves some credit for coming back, having a better project that comes in and accepting for the community so I do think he does deserve some support, and I encourage other Councillors here to support the proposal before us. Thank you.

Mr. Speaker: Thank you. On the Items 5, 6, and 7 we'll deal with number 5 first. All in favour? Contrary? Carried. Councillor Thomas in opposed. On item number 6; All in favour? Contrary? Carried.

Councillor Thomas: Nay.

Item 7 – Subdivision – 60/70 Whellams Lane – DAS 15/2009

Mr. Speaker: Carried. Councillor Thomas recorded in opposition. Finally item number 7; All in favour? Contrary? Carried. Councillor Thomas in opposition. Report of July 13th of 2009, Councillor Fielding.

REPORT OF THE STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT DATED JULY 13, 2009

Councillor Fielding: Right. I'd like to move the introduction of the Report and adoption of Consent Agenda 1 through 9.

Mr. Speaker: 1, 5, 7. 7 has been pulled. So items number 2, 3, 4, 6, 8, and 9. Consent Agenda; All in favour? Contrary? Carried.

Clerk: Item Number 1, Grain Exchange Building Annex, 153 Lombard Avenue.

Item 1 - Grain Exchange Building Annex - 153 Lombard Avenue eFile G-3.1.1

Councillor Fielding: Thank you Mr. Speaker, I'd like to introduce this. This of course, was brought forth by a developer in the area. It was a historical building. It's not the Grain Exchange. It's the Annex that is there, they've applied for some permits. As such the process starts in terms of the historical building designation. So it's to review a historical designation, changing it to a 3, that came before our committee. With that, I'll hear from the other Councillors and I'll close to that effect.

Mr. Speaker: Councillor Gerbasi on Item 1.

Councillor Jenny Gerbasi: Thank you very much, Mr. Speaker. I will not be supporting the recommendation of the Standing Committee, and I will be supporting or speaking in favour of the Historic Buildings Committee recommendation which was this building should be listed as a Grade 3 Building. Just to clarify because there's a little bit; it's kind of a complex situation was that when the Grain Exchange Building as a whole, including the Annex was originally designated many, many years ago, it was simply looked at; it was all done under one umbrella as a Grade 2. Legal advice recently following this application, I guess, advised us that the Annex; that there wasn't enough detail in the designation and that the Grade 2; they should be separated. The Grade 2 designation would stay with the other one, and the Annex would be evaluated on its own merits. So it was evaluated, and I'm sure you're all familiar with the process of the Historic Buildings Committee where objective experts go through a 20 or so reasons to rate a Historic Building. Their professional recommendation was that this building should be designated. So, I guess another thing I'd like to clarify is that it's been said; it is in the National Historic Site. It's not within; what Ms. Tugwell was saying, it's not within the; because it's a 1920 something building, it's not within the commemorative integrity statement, but that doesn't mean that it doesn't have Heritage Value, and it has been evaluated. Age is only one of the factors in a city designation. That doesn't mean; it also doesn't mean it's not a value to Parks Canada. And I also spoke with Parks Canada. They don't come out and

fight political battles every time there's a building on an Agenda. That doesn't mean they were happy or are unhappy, and they weren't coming out here supporting taking down this building, and I assure you they do not. They simply can't come and fight every single battle here. They're federal government people, and every time they do, we beat them up anyway. I just want to make it clear that there is not support from Parks Canada to take out an intact Heritage Building in our National Historic Site, whether it meets one part of the commemorative integrity statement or not. It's still suggested by the Heritage experts that this should be a Heritage Building. So that's the decision you're making today. You're deciding whether or not to remove an intact functional Heritage Building from our National Historic Site in the Exchange District. Now, I have learned some new information today about the project that the parkade, the footprint of the parkade is not even on where this building is. It's beside it. And it can go ahead with that building intact. That we're going to have a loading dock and a surface parking area where this building is, which I think is incredible new information that came out from Councillor Wyatt I guess figured this out at the Standing Committee, which is probably one of the main reasons he voted against it, although, I'll let him speak for himself. So that is even another reason to question this. They can build a parkade on an existing surface parking lot. Certaintly they can tweak their plans so we don't have to remove what is a Heritage Building or what should be according to our experts. The last concern I have, and I'll try to be brief because I know everyone's really tired is that this does set an extremely dangerous precedent. We have a lot of demand for parking. Ms. Tugwell was right. I think they should change their name to Heritage Parking Winnipeg. Yes, we have a problem with parking. We have a problem with parking in the Exchange District. Let's build more parkades, but let's not take out intact Heritage Buildings to build parkades. Yeah, they're a step up from surface parking lots and we need them, but we don't take out. It's foolish you would not see a decision like this in Quebec City; in Halifax or any other city that truly values Heritage. I also want to say, Council has made some really good decisions and the Standing Committee has made some really good decisions lately. I'm not being at all, you know, strident about this or something. I appreciate the decisions that Council has made in terms of 104 King, Kelly House, some of the decisions you made; you know I don't always agree with all of them, but I think that the Standing Committee's been pretty respectful of Heritage which was why I was very disappointed that this decision was made. And I really urge you to reconsider it; especially in the light that we have found out that the building is actually just going to be a surface lot with a parkade beside it. Second of all, I urge you to dismiss the comments of Heritage Winnipeg. I think they're supposed to be a Heritage Advocacy Group. I don't know if they're Board; maybe their Board's aware of what their Chair has been saying but I think they might want to reconsider what their mandate is and their mandate is to provide parking for the Exchange District. I think their mandate should be to protect Heritage and I think as a Council, regardless of our mandate is to preserve our National Historic Site, and we can build this parkade could be built elsewhere or right beside it. We don't have to take out a Heritage Building. I don't think it looks good on us and I think it sets a very dangerous precedent because there's a huge thirst for parking in the Exchange District and we can deal with that in a much better way than this. Thank you Mr. Speaker.

Mr. Speaker: Councillor Wyatt.

Councillor Wyatt: Thank you, Mr. Speaker. This is a very tough issue because the individual who came before us at the Committee and who came before Council today is Mr. Cornelius Martens who is an outstanding businessman here in Winnipeg. Both him and Armand Martens have done a lot for Winnipeg and have done a lot, as he indicated in his presentation for the Exchange District and redeveloping Heritage Buildings. There's no doubt that this makes this issue very difficult because clearly he does have a vision on

what he wants to see happen on the site. It would be wonderful to be able to say that, yes, we can support that vision. However, it does conflict with another vision, Mr. Speaker, and I think a greater vision, and that vision is a vision of the entire Exchange District. This is not Fort Rouge we're talking about here. This is not Charleswood. This is not St. Vital. This is not even Transcona. This is the Exchange District of downtown Winnipeg, Mr. Speaker; the Exchange District. This is the Exchange District, Mr. Speaker, unlike any other City in western Canada, we have this wonderful, amazing asset in the heart of our City that has so much potential, but we have to ensure that we as Council lead with regards to ensuring the preservation of that Exchange District, including this building. This building, you could argue, is on the edge of the Exchange District, Lombard being the edge. While the reality, Mr. Speaker, it's in the Exchange District. The more we lose, as has been pointed out in the past, when do we lose the Exchange District, when does it lose its integrity. We lose this building and then we lose another building and then another building. When do we lose the integrity of the Exchange District? Mr. Speaker, this building is not falling down right now. We did hear from Mr. Martens who said that it has; to paraphrase him, maybe incorrectly, it has been a thorn in his side. There's probably nobody in that building right now. He would like to see it gone. But the building compared to other Heritage Buildings in our Exchange District is not falling down. There is absolutely no reason to knock this building down, Mr. Speaker. On top of that, it was confirmed in the Q & A this morning, Mr. Speaker, a long time ago, that indeed the new parkade, the footprint of the new parkade is not even going on the site of the Annex Building. It's going beside it, and he confirmed that by saying, no problem, I can start construction of my foundation right now, and I won't knock the building down. We'll get the foundation construction under way. Mr. Speaker, there's a loading dock there already. There will be a loading dock there if the building stayed there. There's a loading dock in between the two buildings. There's an argument that they need three loading docks. I know most Safeway stores, Mr. Speaker, they have about two loading docks. I don't know if there is a Safeway Store going into this place but apparently maybe there is. The reality is, Mr. Speaker, I think it's convenient to get rid of this building. There is a cost probably to renovate it internally, but, Mr. Speaker, we've run in to that before, and we've never allowed that to dictate a decision with regards to a Heritage Building and to knock it down. Just as difficult to be able to look at this issue because of the individual involved and because of the fact he's done a lot for his City, we also have to put that over here, Mr. Speaker, over to the side. We have to look at this issue at its face value, and the face value is that this is a Heritage Building. This is in the Exchange District, and when is it going to be unacceptable for anybody, any business person to come forward and say I need to knock down an Exchange Building to build a parking lot. And in this case, Mr. Speaker, to knock down an Exchange Building to build a service parking lot where loading; which loading is already provided with the building. So, Mr. Speaker, I would implore this Council, the precedent being set here today is a bad precedent. I can guarantee you in the future there will be others in the Exchange District who will be coming forward, who will be wanting to knock down Heritage Buildings to put up parking lots, and how do we say no to them when we've done this for one person? How do we say no, Mr. Speaker? We can argue we can say no, but we lose our legitimacy on the issue, Mr. Speaker. I think it's important we find a way to start re-investing in the Exchange District, and one way or the other, the Winnipeg Partnership Agreement has expired. There is an opportunity there, if we really had the will, to drive a new deal with regards to the Provincial and Federal governments, a new core area initiative, but concentrate just on the Exchange, renew that Exchange District. No different than, Mr. Speaker; they said it can't be done in Winnipeg. It was done in Montreal back in the '80s. It was done in Quebec City. It was done else where in this Country probably North America but for some reason we can't make it happen here. We have all these buildings which

are being half used or warehouses that are half empty or underutilized. Wouldn't it be tremendous if we can make this area come alive. You want to talk about downtown revitalization, Mr. Speaker? We've revitalized the Exchange District, you have instant downtown revitalization. Never mind the rest of downtown, downtown will be hopping if this place was hopping, Mr. Speaker, the Exchange District. We're not going to do it by knocking down one building at a time by doing this Mr. Speaker. I encourage Council do not support the Clause to knock this down. It's the wrong thing to do. Once this building is gone, it's never coming back. The parkade, it looks really nice, and Ray Wan is a wonderful architect he does a great job on his buildings but the fact of the matter is you don't need to knock this building down. They can still build a parkade. We heard that today, Mr. Speaker. Thank you.

Mr. Speaker: Councillor Thomas.

Councillor Thomas: Thank you. You've all heard the song "they paved paradise to put up a parking lot," when I went to see the Joni Mitchell Exhibit in the Mendel Gallery in Saskatoon a number of years ago, she had a commentary as well, and her commentary, she talked about one of her inspirations for this tune, and do you know it was because of a catastrophe in Winnipeg when the Empire Hotel, which was next to the Old Union Station was torn down, and somewhere archived some place is all the lovely facade from the building of the Empire Hotel; and that was a mistake that Council made many years ago before any of us I imagine including Councillor O'Shaughnessy was on Council. But here we go again. The Exchange Building is on the corner of the Exchange and some people say because it's on the corner of the Exchange you have the rest of the Exchange to deal with it. But it's our Vista. It's the Vista for the rest of the building when people are driving around on Main Street; it's the Vista that you look at that defines the Exchange. So I think it's a problem when we start knocking out pieces of the Vista that you may think that each time you knock out a tooth, that replacing it with dentures is just as good, but it's not. You really should have your real teeth and taking care of teeth is important and taking care of the Heritage Buildings is important. We applied some time ago for U.N. Designation for this area. We didn't get it, and I think it's decisions like this that will stop us from getting it in the future because, as people have said before, when you look at what Halifax has done and what Montreal and Quebec City has done, and I believe that Old Montreal did receive the U.N. Designation, and it's because they were quite firm, not just in building and say, okay, beyond 1913 it's okay to knock it down, they look at Heritage of an era, and they make sure everything in that area is preserved. The more you knock out pieces of Heritage because well it doesn't meet one of the 20 criteria or something like that; you're making the area less and less viable as a Heritage District. I'm not going to say who said what or whatever. I'm not going to question anybody's motives as to why they said what they said. I believe that everybody does their best efforts but I'm puzzled as to why this building was even taken out of Heritage designation to begin with because it seems to me that it really had had the designation and then it had to re-apply for it all over again. I believe this will be the second meeting in a row if Council decides to do this that Council has chosen to ignore its Heritage and go for the almighty buck rather than respect for it's history. I think this Council does that too often. Thank you.

Mr. Speaker: Councillor O'Shaughnessy.

Councillor O'Shaughnessy: Thank you, Mr. Speaker. The debate is getting lower and lower and lower. Please don't compare this building or even our whole Exchange District with the walled City of Quebec. The newest building is over 270 years old. There are many, many buildings over 400 years old. There are hundreds and hundreds of millions of dollars of Federal money poured in there on a continuing basis. It is, to my way of thinking, the jewel of Canada. I absolutely love it. But we don't hold a candle to the walled city of Quebec. Montreal, they gutted their entire downtown, it's all underground walkways and its high rises. Old Montreal is one

street. It's shabby as anything. It's magnificent. I love it. They've done very little to protect that. In Quebec City, by the way, outside of the walled city is protected nothing. It is falling apart all over the place unfortunately.

Just to repeat, the owner of this property owns more Heritage square footage in this City than anyone, has taken on some almost impossible projects, got really put through the wringer on the Main Street properties that the City promised to lease for a long period of time and to put in $7 million after so many years and of course the City never kept its word. They had to give one of the buildings away after remodeling it and making it safe forever. This little building is not part of the Grain Exchange. It was built separately. It's not attached. But a walkway was later built at the second floor level to join it to the Grain Exchange Building. It is across the street from the Fairmont Parkade and surface parking lot. Beside it, is its own surface parking lot, but they want to build a proper development on, and then another surface parking lot and an 1100 square foot 1960s commercial one-storey building. Behind it, more surface parking. Across McDermott, all surface parking. Go to the end of the block, it's Waterfront Drive. It's all new construction. To make a full Heritage Building in there with commercial on the main floor I think is; fits in fine with that area, it's great. The fact that they're going to have to be four loading bays, in a spot where this was called a Heritage Building, which it's not, by the way, where it is located allows the other building to be built and hopefully will see other development in that area, and then, I don't want to go any further, but to knock Heritage Winnipeg, I mean, it's like I'm going to take my ball and I'm going home! This is the first thing I've ever seen Heritage Winnipeg write a Report on saying it's nice it would be nice but you know for the greater good in this one case we believe it's got to go. And, boy, hell hath no fury, I guess. This is taking it a little bit farther. It's just so little Historic value in this 1920 empty, dilapidated building. No one wants to move in to it. Do you think it would be going down if they could rent out the space? Nobody wants it, who has to put up money to be there. So I think the Committee made a wise decision, and I would ask your support that we can get on with development, and, believe me, we're not ruining any historic area with this one.

Mr. Speaker: Thank you, Councillor Fielding. Do you want to close on item 1?

Councillor Fielding: Sure, thank you, Mr. Speaker. As Councillors may or may not know that the Grain Exchange, we are talking about the Annex right, so it is a completely separate structure from the Grain Exchange that Councillor O'Shaughnessy quite clearly stated. The Grain Exchange itself is a Heritage 2 Building; meaning there's very limited amount of work that you can do on the building. The development got some Heritage Tax Credits back I think just after 1992 when they looked at the whole building designate. They spent millions of dollars on the Grain Exchange. If anyone has been in there, it's a fantastic building. This is what Heritage is all about. That's the types of projects that we should be supporting. The Annex, which was built over 20 years later from the original Grain Exchange Building, as I mentioned, is a separate structure that's attached to the Grain Exchange by a second floor port which was built after the fact. I guess my question that I asked to the Committee was when they evaluated this in 1992, why did they leave this out? Why did the people that were designating leave the Annex out at that point? The applicant is looking to demolish the Annex to make way for a parking structure which will have retail stores on the main level plus parking throughout the building which will service the Grain Exchange. There's also a need for covered parking. The Grain Exchange and the surrounding areas. This will do away with some of the surface parking lot that we talked about. It's a very good thing in the area. The developers also agreed, because there are some concerns by Councillor Wyatt, rightly so, I don't think in terms of this developer's application, but to ensure that what we get at the end of the day is exactly what we approve is what we get at the end of the day. There's been some examples where that hasn't happened in

recent times. And so, what they agreed to a site plan review before any demolition of the Annex could occur. The applicant has also taken the time to model the new buildings after the historical nature of the streetscape of it that will make it look and feel exactly like the historical buildings that are in and around the area. The applicant of course has a rich history and I think Councillor O'Shaughnessy said it very correct in his analysis that they own the most amount of historical buildings in the City. So they own the Johnson Terminal, the Hamilton Building we talked about and the Grain Exchange. The work they've done is second to none. So get this, the plan was so strong that we had Heritage Winnipeg that came here as Councillor Gerbasi quickly said. This I think is the first time at least that I've been on the Committee that Heritage Winnipeg has come in and said, you know what, this doesn't deserve the merit, the high standard that we set for a Grade 3 level development. So they came in and said this. They said it makes sense in terms of the demolition of the building. So how often does it happen where Heritage comes in? And I understand, Councillor Gerbasi is very much in support of Historical Buildings and she does a great job of it and quite honestly I've been on the Committee, and she's pushed me in terms of my process of Historical Buildings; so I do appreciate that. I know you're looking out for the better good of it but at some point you've got to look on a case-by-case basis, on what makes sense for the community. You get a Heritage Advocacy Group like Heritage Winnipeg come in and say, this makes sense, go ahead with it, who am I to judge any different. So I would just like to close on a fact that there has been many successes that we have had in Historical Buildings, whether it be the Kelly House, whether it be 104 King, which is under construction kind of right now, are some great examples. In my opinion, the Annex, once again separate building, built 20 years after, does not meet the high standards; and I see Councillor Swandel wants me to close so I will; that we set up for Heritage Winnipeg so with that I encourage you all to support the Report going forward. Thank you.

Mr. Speaker: Recorded vote has been called on item one, all in favour, please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Mr. Speaker: Those opposed please rise.

Nays

Councillors Gerbasi, Orlikow, Smith, Thomas, Vandal, and Wyatt.

Mr. Speaker: And the vote?

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

Mr. Speaker: It's carried.

Clerk: Item Number 5, Public Works East Yard Complex – Site Change.

Item 5 - Public Works East Yard Complex - Site Change
eFile FI-2.4.5

Councillor Fielding: Well, Mr. Speaker, I'll introduce this. I seem to be a popular speaker here at the end of the day. You guys probably want to hear me at eight o'clock at night. So I would like to hear my Council colleagues, their opinions of this. I know, Councillor Wyatt's spoke of this and I would love to hear what he says all the time he is a very passionate speaker so maybe inform us of any concerns you have about this Councillor Wyatt.

Mr. Speaker: who's first on Number 5? Councillor Thomas?

Councillor Thomas: It's in my area, and I showed up at Property and Development meeting, and I thank you, Councillor Wyatt for supporting me in my

concerns. This is Phase 2 of the Rapid Transit Corridor, and I'm very concerned about undervaluing that. We may be able to accommodate both the works yard and to have some apartment blocks and condos in that area, but in observing what they did in Calgary and in Edmonton, and I went on a site tour in Calgary specifically at an F.C.M. that we were at a couple years ago and learned what they did to change brown field lands into developable lands for medium-end and high-end housing. This is one block away from where warehousing is in my area, mostly single family residential, but a few apartment blocks. As I said when I came up there, my area's completely full now. There's no more place for housing in my area. There's a high demand for it and I wanted the opportunity to talk about it. I was puzzled by why the works yard was moved in there, and I suggested that they should have been talking to the Ward Councillor about this. The Administration admitted that it was an oversight, and it was an oversight that continued because they could of laid the matter over at that point to allow the Administration to talk with me about my concerns; I have quite a few them. This is not an In-Camera meeting so I will not tell you the full extent but there are some private developers who have projects underway which I could of shared in a private briefing with the Administration to make sure that anything didn't conflict with these developments that are hopefully going to take place in my area and I believe that unless we properly scrutinize this, there would be conflicts. I made that clear at the private In-Camera briefing. And I was disappointed to see that it went forward without allowing consultation with the Ward Councillor, without bringing the private people into the discussions with this which they could of done as well. Actually nobody even asked me who they were or what they planned to do and that was interesting in itself. I would like to see housing developed in this City. I would like to see it developed appropriately. I am always concerned when we undervalue what we have and sell something short, and I've been told that the cost of remediation of the Brownfield's is a little over a million dollars, and, boy, for us to lose the potential of quite a few of these lands for that and maybe make; if we particularly develop them with a partner, which I said at that point that we could develop them with a partner, that there was a potential to make a lot more money. Nobody even asked who that partner was, which they could have done at an in-camera meeting. Nobody even wanted to know. It was do it quick, do it dirty and don't involve the ward Councillor, and I'm mad. You won't have my vote on this.

Mr. Speaker: Council Wyatt.

Councillor Wyatt: Thanks, Mr. Speaker. Yeah, Councillor Thomas's concerns are absolutely correct. She was not consulted. This was one of a couple of reports. There are a number of reports that seem to get rushed into our agenda, and this appeared on Friday, the Monday meeting was Monday, and this report coming out of the blue to come forward for July to be approved here at Council in July again. Mr. Speaker, unfortunately, this is not the first time I've spoken on this issue. I wish it was. But back in March of '06, there was a previous decision by this Council, and that was to relocate the E.C.R.S. from what was previously the ear-marked site which was in the public market site, the old stockyard site, which Council had earmarked back in 2001. This goes back to a Report in 2001 for the consolidation of the E.R.S. on the east side of The City, Mr. Speaker, into a consolidated yard, and to build a new yard based on the fact it would bring efficiencies and the sale of the land would generate revenues towards down payments on the cost of the construction of this new building. Well, we made a decision back in '06, to relocate the site from the stockyards, to a new site. The Council of the day; Councillor Magnifico, I guess at the time on E.P.C. fought hard and strong, that he didn't want it on site, he had a different vision for the site and he pushed us into an industrial yard on land we own there. And the St. Boniface Industrial parkland, 25 acres, Mr. Speaker, at the time. Well, it's interesting when you go back and read the discussion and read the debate, Mr. Speaker, that Councillor De Smedt, who was the Chair of Property and

Development at the time, was very clear in support for the site. As a matter of fact, he went on to say, he said the site which was chosen to move to St. Boniface, is not just the fourth down the list it was a highly competitive site at the very outset. And he goes on to say basically that I'm going to have to speak about this again anyway, and the reason I wouldn't want to refer it, I think it's important that we move ahead. The yard has to get underway now. We've rationalized a whole bunch of other sites, it's important on timing. Time is moving up and the season is here to start building and moving. So I would not recommend referral as this point. Mr. Speaker, the chair of Property and Development clearly stated that we have to get on with building this new public works yard. My question is, this is 2009, more than three years later. Why was this building never built? Where have been the reports that should have come forward to say, well, there's a shortfall in funding or there's an issue in regards with regard to the building or the plant. As a matter of fact, Mr. Speaker, we went through a rezoning. We rezoned the land and we went through a public hearing. We actually held a public open house in the Community to consult the residents. Now, Mr. Speaker, and what Council may not realize is that if this Clause is passed as is, this triggers the Clause that was dealt with at the Standing Committee to go to a special interest to build, to do another P3. Where did this come from? Another P3 to do a design, build, finance, and maintain? And by the way, it's not 25 acres anymore, Mr. Speaker and it's not just a Public Works Yard, it's actually now the Fleet as well is brought in there. Fleet and Public Works, so now it's gone from 25 acres to 55 acres, Mr. Speaker on this land, land we own. By the way, no business plan, no details on what this is going to cost us, where this is leading to. That will be provided later based on the response to the E.O.I. Mr. Speaker, I just; I couldn't support it on the Committee. I mean, to me, we should have been building this other building a lot time ago. If we were short a couple million or ten million, let's borrow the money and make up the difference and we would have had it built by now. But now, Mr. Speaker, we're told on the Committee that this project will be costing as much as 44 million minus the cost of the land and everything else. We don't know the impact this is going to be on our financial statements, Mr. Speaker, because there's no analysis of the P3. So, Mr. Speaker, the concern I have is we're doing; we're going ahead here with moving the Public Works Yard again at the 11th hour in July at 8 o'clock at night and this triggers the expression of interest, which also includes, by the way, all the lands, and some of them prime lands, on the east side of the City, Mr. Speaker, to be part of this expression of interest. This is not a Public Works relocation Deal, this is a huge real estate deal, Mr. Speaker. Let's not be fooled. And this could be a scenario where we're going to be paying for the next 30 years for basically this mega, new mega Public Works Yard that amounts to some great Taj Mahal of the East. Mr. Speaker, I believe we should have good facilities for our staff. I believe that's important. But if that's the case, why is this being rushed? Why is the business case not here? Why is the information not before Council? Why is Council getting jammed with this information in July? I don't have answers everybody just simply says well you're right Councillor, it's not right it shouldn't be like that. Well, Mr. Speaker, the information, maybe apparently we're in the process of getting rid of our Fleet Yard out on Tecumseh, is there a case to be building a massive new Fleet Yard at this time? This is new. Mr. Speaker, I think there is also another side which Councillor Thomas rightly points out, an opportunity being lost in terms of the fact that this is the B.R.T. Line, and they say, well, it's only east Elmwood, it's only Elmwood, who's going to want to live there. Well, Mr. Speaker, I think B.R.T. Line; this has an opportunity to clean that area up. $5 Million was what we were told was our mediation costs of those lands if it's for housing; add another 30%. - 50%. So let's say 7 ½ Million Mr. Speaker. 55 acres; Fort Rouge Yards; we've never owned the Fort Rouge Yards to my knowledge. We own this; and this is on the B.R.T. Line, this could be a real shot in the arm for the City, Mr. Speaker, with regards to housing or mixed use development in the area, and maybe, Mr. Speaker, had there been the consultation

with the Ward Councillor and a little bit of time to have a discussion on this, Mr. Speaker, we might have been able to do both. You know, we might have been able to find a way to bring the Public Works Yard here, and do the mobile family housing so you have people coming to work, people coming to live, people, you know, all of that coming together at the same site. And you know what, we would have been owning the land and be able to take advantage of revenues and future tax dollars coming out of it from the housing or commercial or whatever grew out of this, Mr. Speaker. That's what we're speaking to here. As Councillor Thomas rightly points out, right across this Country they're cleaning up brown field sites; right across this Country. We spent $2.9 million cleaning up the Brownfield sites over here on Waterfront. Well you can say that's Waterfront Drive; that was the Winnipeg Hydro Building. That was Winnipeg Hydro and they dumped coal down there for 30 years and coal leached down into the soil and contaminated the soil deep down. So $2.9 million to clean up one small site! Well, we've run the tests. Apparently this concrete-asphalt-rebar and some organics being the grass that was down there when they threw the asphalt and concrete on top. We can clean this up, Mr. Speaker, but this is being rushed again without the Ward Councillor involved, again without any kind of consultation.

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

Councillor Wyatt: I guess we say that we want accountability, we want accountability on these other issues, but when it comes to something like this, this has been three years. We're not talking about building the Disraeli Bridge here, we're talking about building a Public Works Yard. Why haven't we built it? And why are we here now talking about moving the site? It makes absolutely no sense, Mr. Speaker, and where are the details, and why is this decision here today triggering a P3 that Council doesn't even have any time to discuss or contemplate? Anyway, Mr. Speaker, I've said my bit. Thank you.

Mr. Speaker: Councillor Swandel.

Councillor Swandel: Thank you, Mr. Speaker, just a couple of quick points. I'm not sure where Councillor Wyatt is coming from. This land is not just a browns field it's an old landfill. When we find sites like this, especially when the landfill is connected to lands that are actually buildable on and when you need a great deal of outdoor space for storage as well, they are ideally suited for this. Public Works Department has designated this as a superior location to the St. Boniface location. Expression of interest process is not limited to a P3; it's a expression of interest process and it's there to garner information so we can assess that information and decide whether this is the avenue that we want to go down. As far as value in this equation, we've got some valuable industrial park lands in St. Boniface Industrial Park that would probably be better used to generate some jobs and economy here in our city, as opposed to this site, which is a landfill that wouldn't be doing anything like that, and to use it for Public Works Yard would probably be best suited. So it's not a browns field, but it's not a carbon, hydrocarbon deposit from coal dust, that's not what the Waterfront Drive was either, by the way. This is a former landfill and the complications on this site are far different. The expression of interest process will sort this out and hopefully bring good value for money and a good situation for the taxpayers of the City of Winnipeg.

Mr. Speaker: Thank you. Councillor Fielding you want to close? On item five.

Councillor Fielding: Sure. Well, thank you, Mr. Speaker. First of all, I'd like to say, you know what, I don't disagree a lot with what Councillor Wyatt has to say in terms of the process for it. There's a long sordid history and changes in this plan, there's no doubt about it. And quite honestly many of these changes were made before my time, probably before some of the other Councillors were here as well, and I'm not going to really go into the details of why decisions are made before I was elected. I just don't know.

The reality is that I'm more concerned about moving this forward because it makes sense for taxpayers, okay. The reality is situations change, and this is exactly what happened in this situation. An opportunity has come up in the way of Fleet Services looking for a new home for a variety of sources, a variety of reasons why we're going forward. Combining both facilities together has the potential to cost less for taxpayers and offer some economics of scales in terms of operations for both facilities. So, in my opinion, it makes sense to look at all the options, that's what we're doing, looking at all the options, to find out what the best solution to this big project would be. What the Report really does, it formally, as Councillor Wyatt and a few others have said, it formally changes the site of the E.C.R.'s project to allow us to do it to an expression interest to do that, to find proposals, to find more information of what can go on. The expression of interest will provide some new information and how it makes sense for the facilities whether it be in foster or St. Boniface. The Public works department is very supportive of this move, as they believe this will be more efficient, more effective and save money and time for the department. Public Works is also Fleet Management's number one customer and thus it makes sense to combine areas for efficiencies. The St. Boniface site, which really was agreed upon by Council as we talked about, is not big enough to host both facilities, I think you need somewhere in the neighbourhood of 55,000 square feet to host both facilities. So there's also been a lot of talk from the site in terms of the facilities. And I know there has been Councillor Thomas did come to our Committee, raised some issues in terms of brown field, and, you know, there wasn't as much consultation with her as there should be. So I do apologize from myself, for our Department, in terms of that. But there have been; there is definite merit to taking a look at the issues. The foster site is a former Brownfield site as we talked about. And Brownfield sites can be converted easily to industrial areas, but it's a lot more difficult to convert to a residential area. Our department has indicated it could be 30 to 50% higher in terms of the cost for it. I think Councillor Thomas made some very good points at our In-camera session. And she talked about the Brownfield and I think our Administration, our Public Service has committed to take a look at that Brownfield issue. I generally am a supporter of more residential development in that case, but I think we need more information. And that's what exactly what this does, this gives an expression of Interest, it will get us more information before a decision is made, and we'll make a decision, whatever makes sense to go forward. The St. Boniface site, let's face facts; the St. Boniface site is more lucrative than the other site. So if you're going to market something, it makes sense from our side of things, to market a more lucrative site to someone on the outside as opposed to putting our own facilities of Public Works facilities there. So, for these reasons, I encourage you all to support this. I think it makes sense to get more information so we can make better decisions that make sense for taxpayers.

Mr. Speaker: Councillors ready for the question. Recorded Vote has been called for on Item 5. Those in favour, please rise.

Yeas

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

Mr. Speaker: Those opposed please rise.

Nays

Councillors Gerbasi, Smith, Thomas, Vandal and Wyatt.

Mr. Speaker: And the Vote?

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

Mr. Speaker: It's Carried. Item 7.

Clerk: Item #7 Land Exchange – Fort Rouge Yards – Lands North of Parker Avenue - Bus Rapid Transit Project.

Item 7 - Land Exchange – Fort Rouge Yards – Lands North of Parker Avenue – Bus Rapid Transit Project
eFile FI-2.4.4.1

Mr. Speaker: There are two amendments.

Councillor Swandel: The amendment that I'm proposing has been put forward as a Notice of Motion. It is in fact a Motion to amend.

Mr. Speaker: Right, I've got that here. There are two amendments, so two 7's. Councillor Fielding.

Councillor Fielding: You want me to speak on the Amendment or on…….

Mr. Speaker: On the item.

Councillor Fielding: Sorry, on the item? I'd like to introduce the Item; obviously this is a land swap. This is to deal with needs that we have in terms of Rapid Transit to ensure until the project gets going on a timely basis. Love to hear what my Council Colleagues have to say and also speak to some of the amendments.

Mr. Speaker: Thank you, Amendment #7, Councillor Fielding, Seconded by Councillor Orlikow.

Councillor Fielding: Move to defer please.

Mr. Speaker: Move to defer.

City Clerk: It's not time yet.

Mr. Speaker: Councillor Swandel, it's not time yet. We'll deal with it. Councillor Swandel, seconded by Browaty.

Councillor Swandel: You want me to introduce my Motion?

Mr. Speaker: Yes.

Councillor Swandel: The motion is pretty straightforward Mr. Speaker. When I first heard the Item at E.P.C. there wasn't a great deal of information, I wasn't comfortable with the speed that this has come forward at and the process it had come forward with. I've since been able to sort out some of the land value issues and I believe that we've; we're sort of making some headway with the public in having a better understanding of what.

Councillor Vandal: Point of order, Mr. Speaker. My understanding is that a Motion to refer, which I think is what the intent was, should take precedent over any other discussion or Motion.

Clerk: A motion to refer.

Mr. Speaker: oh, a motion to refer.

City Clerk: But he hasn't really done that yet. You have to let them introduce the amendments, and then the Speaker starts and then he can move for refer.

Mr. Speaker: Yes.

Councillor Vandal: I thought I heard him say he would like to refer the issue.

Mr. Speaker: But he is not the mover. Not the mover. Where are we now, Mr. Clerk?

Councillor Thomas: Mr. Speaker, the last time we had a Motion to refer, we dealt with that before we dealt with the other referral motions.

City Clerk: There's no Motion to refer on the floor. You have to introduce the Clause, you have to introduce the Amendments, and then when there are speakers, someone can move to refer the item.

Mr. Speaker: And that's the way it's going to be. Councillor Swandel.

Councillor Swandel: So if I understand correctly, the reason we did the other one was because the Motion was already on the floor because it came ahead of time. This Motion won't get on the floor until Councillor Orlikow gets up to speak on the issue.

Mr. Speaker: Yes, right-on - you got it.

Councillor Swandel: Thank you; you were so clear, Mr. Speaker. Thank you, Mr. Clerk. Where was I now! When I first dealt with this I had some concerns. Most of them have been addressed. The matter is being brought forward by the Department of our Transit Department who say that they require to move forward now, that time is of the essence, and I have no reason to doubt that. The question of value has come up, and, you know, after some conversation with folks, I'm comfortable in the valuation, the comparables here on the property, but the Motion that you have in front of you is just one piece that I think we need to put a safeguard in place for us, and that is that prior to the close of the transaction that The City of Winnipeg needs to on the Fort Rouge Lands, have a Phase Two Environmental Assessment, that be conducted to ensure that the lands are functional for the purposes required and I would say that should be done to the satisfaction of the C.A.O., you know, I know there was some environmental work done on that site at some point in time in the past, and apparently there is to the west of those lands, there is environmental; somebody saying that the environmental Phase One was done on these lands and they should be buildable on. But I think that we will find; we've found through history that sometimes you get through Phase Two and you discover some other issues. So I just want to make sure that before we finalize the deal that we have the information that a Phase Two Environmental Assessment would provide for us. And the rest of the matters that I think have been greatly discussed about whatever was said in the newspaper about development on this site and I think as Councillor Vandal, if I'm not mistaken mentioned earlier on having a drawing of the Sterling Lyon Parkway Extension on there doesn't help this matter at all, and I think it's greatly confused this issue and has affected our ability to clearly understand what is being put forward here, and I think that is unfortunate. But in light of the fact that Transit is saying they require this to expand to accommodate the additional buses that they require to store, once we have Rapid Transit moving forward, because they have to be stored inside, you don't put antifreeze in them or anything, they store them in a heated place, so you need this growing space and this space required for bus storage is an acres, it's not like building a Fleet Shop or something where it's, you know, so many thousand square feet. When you're storing buses you're talking about acreages, and so I am satisfied that with this Clause that we should be proceeding with this matter. I like the idea that because there's been some; this public confusion because of some statements made around numbers of units and Sterling Lyon Parkway, that the other Motion that is here helps to gives some comfort to the area residents that a secondary planning process will steward those lands, not this deal. And this land swap is about us being able to do our Transit Garage Expansion, not development on these lands, and, you know, I think that we need to be respectful of that and suggesting to the contrary because of the inflammatory nature of what's been reported, it's probably not productive or civil. So I will leave that as my comments, and I will be supporting, of course, the Motion that I brought forward, and I think, too, the Motion that Councillor Fielding is making, but I think I would like to proceed with this today, as I think there is some timing issues for this.

Mr. Speaker: Councillor Fielding.

Councillor Fielding: Sure, thank you, Mr. Speaker, very much happy to introduce the Motion supported by myself and supported by Councillor Orlikow, and cut to the chase, therefore let be resolved the lands exchanged for easier yards land North of Parker Avenue, Report dated July 7th, 2009 be amended to add the following recommendations, that upon approval of recommendations one and two the City of Winnipeg Public Service be directed to prepare a Secondary Plan, put the Fort Rouge Lands and Parker Lands which secondary process shall incorporate appropriate public consultations. I think this is a very important part of the equation and I think as Councillor Swandel very rightly said in the media it has obviously grown a little

bit further than it was. The rationale for this Motion, of course, or rather this Report, is to ensure that we have some timely facets of the Rapid Transit System that is there, and some of the other information that is there, residents concerned about the public consultations, I think the secondary process, number one, does a lot for that, so our citizens will have a say in any development that Ward Councillor will have a say in terms of development for it as well as rezoning. So there will be extensive public consultations. So very happy to put Amendment to this where there will be a Secondary Plan attached to this Report as we move forward. So I'll introduce that. Thank you.

Mr. Speaker: Councillor Orlikow.

Councillor Orlikow: I move to refer.

Mr. Speaker: Okay, I'll give you three minutes. Councillor Orlikow. I'll give you three minutes to give us a reason why.

Councillor Orlikow: Three minutes to speak. Okay, the reason why is, this is a unique situation. I hear people agreeing across the board that this has not rolled out properly for many reasons. But let's talk about those unique characteristics that we're facing right now. This community, in the paper, and the City Councillor had found out about most of this development idea. Reality or not, it doesn't matter anymore. That is a reality in that community. They were told from the paper, and I don't believe it, but, again, it came from somewhere, that there's going to be a massive high-density condos, townhouses, I'm not even too sure what's going into this area. I did have a meeting with them last night, of the 2,000 people that live in that area, and, again, that's people, 500 people came out to this town hall meeting. So some people say town hall meetings only represent the 5, 10%, this was a lot more than that. And this was all done in three days. I sent out some flyers to notify; the community did their part and they all came out. They were crawling through the window to try to find out. Of course, the speakers all tapped out on me. The people are not opposed to developing. We're going to get this oh, not in my backyard crap, no, they're not opposed to it, they just want to know they're part of it. And I don't believe right now how it's rolled out they can confidently feel that they will have a say. I believe we will. I stressed completely to them that we will be engaging them. That's was why I was there last night. So they know they are there for them. But they do not believe so because of how this was rolled out. I'm not blaming anyone, that's just the reality. The Parker Lands, some people think they're just swampy, well, they're not. I go there quite a bit. They're beautiful lands. How much park space will be saved? those Aspen Forest; the beautiful Aspen Forest. How about the C.N? There's so many questions they have, that if we could refer this and allow the opportunity; and I believe for Gem they should be coming out also in September with us and start meeting the community and start talking about their ideas and clarify. The Administration should come out in September. We should all get together and put this poor community at ease, because I tell you, they do not mind. Sure they all want to keep it a Park Space, and I said to them, I would love to keep it a park space as well, but it could be a cement plant zoned industrial now, so let's get the best thing we can. They want some density, not what they've heard. They want to have some parkland. They understand that some of it will be developed. They're okay with that, but right now they feel they got sideswiped. So I believe in the interest of community that we should refer this, and we can still get all the other details working out; we're talking about a month and a half. They can still get all those other details working out. Gem and us can all go out and start talking about this to the community and giving that process. So that's why I believe a referral would be in order.

Mr. Speaker: Thank you. Councillor Fielding.

Councillor Fielding: Thank you, Mr. Speaker. First of all, I want to congratulate Councillor Orlikow for putting together a town meeting and forum for the people. You have information that comes

out like that and you're a citizen in that area resident you want to know all you can. Appreciate that, I know you had quite a few people there and so I think you do deserve a lot of credit. I'm very happy that I can work with you to do the secondary planning. I think there probably would be some support from Council in terms of this. In terms of the referral matter, you know, we have been; it has been identified by our Department that we do need to work on this quickly to ensure Rapid Transit does happen in a timely facet. So I won't be supporting the Referral Motion, but I am very happy that we'll be able to do this extensive public consultation we talked about through the secondary process, and I think that makes a lot of sense for citizens and as such I encourage you to not support the Referral Motion because of the recommendations, and because of what our public service is suggesting in terms of the time frames in terms of the Rapid Transit Garage. So thank you, Mr. Speaker.

Mr. Speaker: On the Motion to Refer, a recorded vote has been called for. Those in favour, please rise.

Yeas

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

Mr. Speaker: Those opposed please rise.

Nays

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

Mr. Speaker: And the vote.

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

Mr. Speaker: The Motion is lost.

Mr. Speaker: Any speakers? Councillor Wyatt?

Councillor Wyatt: Here we go again, Mr. Speaker. And once again in July, a Report being dropped on the Agenda, quite literally hours before the actual meeting. No public input. I got to give Councillor Orlikow credit, organizing a public meeting in less than a week that's quite impressive. I give him credit for that to be able to get the public involved. Good for you. No notice, no business case, no analysis of potential impact on the City. Mr. Speaker, we're basically asking just to make a decision here. I got to give credit to our staff or whoever it was who came up with the idea of linking this garage to this land, it was a brilliant move to link the two, Mr. Speaker, tie it into Rapid Transit. I'm saying that sarcastically, Mr. Speaker. But I can tell you just from what I know on this issue, I think we are losing. We're keeping value on the table here. I've spoken to folks in the Real Estate Industry. They're saying to me that we should have had; they should have had an opportunity to go on R.F.P. on something like this; to be able to buy land, sizeable land like this, 59 acres, Mr. Speaker. I can tell you that after the meeting on Monday I made a point of calling both Deepak Joshi and another phone call to Ray Klassen, people I respect deeply Mr. Speaker, for the work they do; they do a good job for the City. And in two separate conversations with both of them, I asked them, did you know or were you aware that the City was asking, or in discussions, as we've confirmed today with the Mayor, in discussions about the potential for a roadway to go through this site when it came to evaluating these lands and putting a value on these lands? And both of them in two separate conversations said no, they were not aware of that. Mr. Speaker, I think there's an opportunity here, every other piece of land that I know that's abutting on to, whether it be Highway 59 or Kenaston Boulevard or whatever, Brookside Boulevard, you put a four-lane highway beside a piece of land and it seems to go up in value, and that's the Real Estate Market. But I can tell you, Mr. Speaker, that right now, as one senior Real Estate agent was telling me yesterday, you can get land on the edge of farmland on the edge of the City outside the perimeter for $15,000 an acre and this is going for $17,000 an acre. I just think Mr. Speaker

we're not doing our due diligence here. I think there's an opportunity for the City to get value for this property, especially if we're contemplating; and I'm not necessarily, even though it's not in Plan Winnipeg, I'm not necessarily against the idea of extending Sterling Lyon Parkway, maybe it's a great idea Mr. Speaker, tie it into Taylor, tie it into Pembina, you're going to have all those people going out to Ikea from all parts of the City. Heavens knows, I would love to know what the traffic volumes on that street will be, and all those vehicles going past those properties. As we know, that has a direct impact on value too. And jumping ahead on the Secondary Plan, I guess, I'm sorry, I can't support your Motion. We haven't had a Report on Secondary Plans before a Standing Committee, Mr. Speaker, for years. I've got Secondary Plans in my end of town. Other Councillors have Secondary Plans they'd like to see done. Where's the Report on Secondary Plans? All of a sudden we're doing a Secondary Plan here because of this scenario? I don't know, it's just too much for me to take, Mr. Speaker. And to know also that on the Fort Rouge Lands, Mr. Speaker, that we evaluated those lands, not on highest and best use, but we evaluated them as again a conversation with Mr. Ray Klassen, we value them on the basis of using them for a Transit Garage. That's why they were called serviced. We'd have to call it unserviced if we were talking about residential there, Mr. Speaker, why? Because they had huge servicing issues in that area. They've got combined sewers, they have land drainage issues, the area in Plan Winnipeg, Mr. Speaker, why wasn't it evaluation order not done on highest and best use? Yeah, I guess it can service a Transit Garage. How many toilets are you going to have in a Transit Garage, compared to "X" amount of houses and everything else Mr. Speaker. So the numbers, a million here and a million here just happens to equal. It's brilliant, it's brilliant. I've got to give you guys credit, great, great, great job on linking the two. So, Mr. Speaker, I said my bit. I've had other conversations with staff that confirm to me why I'm not voting for this today. And, you know, unfortunately we don't have immunity here on the floor with Council like they do in the Parliament or in the Legislature otherwise I could discuss this a little bit more. But, anyway, Mr. Speaker, I'm not supporting this today, and I don't have any; I don't have anything; I think, you know, Mr. Markus good for him, I'm talking here about protecting the City's interest. Good for any other property owners around there too, I think bully for them, I have nothing against them, I think they're doing a good job, they're businessmen and there looking after their interest. But I'm concerned about protecting our interest as a City, Mr. Speaker. I don't think we're doing that in this situation, and the fact that this is being rammed through here at 8:30, 9 o'clock, on a Wednesday in the middle of July is a bunch of garbage, Mr. Speaker, and to be dropped hours on to our agenda, and nobody had any chance to even; the whole committee, I can tell you, Mr. Speaker, was In-camera, nobody had time to consider it. It's not right, and I can tell you, Mr. Speaker, that after the experience of last summer, and the Riverside Park matter, another Report being dropped at that time. I was Chair of Downtown Development being dropped on my head at that time, I demanded and got a commitment out of Glen Laubenstein. But this is not going to happen again. We're eliminating the E.P.C. Secretariat, it's was not going to happen again. But I don't blame him for what's happening here today. There's other factors at play. Thank you, Mr. Speaker.

Mr. Speaker: Council Orlikow?

Councillor Orlikow: Thank you. When I had my town hall meeting after about an hour and a half with 500 people in Victoria Community Centre as the heat rose, tempers rose. I got to again commend a couple of speakers here this morning jumped in to help me out in an enormous way. I was by myself, again, I have no E.A., and my wife wouldn't come. She's a very smart woman, smarter than I am, I think. That's what I'll need. What I did need to do there was try to tell people in real politic terms what I believe will happen today, and what I believed would happen today is that I would not get enough votes today to stop this project. I didn't believe it was there, and as I've

heard so far, I still don't believe it's there. But in your heart if you do want to vote this, that would be a fine idea. However, knowing that it probably will pass, I told the community the biggest important thing for us to do as a community, and I counted myself as part of them, even though they scream at me, your just a bourgeois River Heights man, well that's fine. Well, it's still part of my community, I represent them. So, I said as a commitment to you, I think what the best recourse I believe will be, if this referral fails, is to make sure that a Secondary Plan happens. So we make sure that the process is a little bit longer, not just a land development agreement, it's a little bit longer, it deals with the traffic, it encompasses stuff like the potential roadway, the C.N. Align, how is that going to be dealt with? The hydro pole lines, how is that going to be dealt with? How about preserving the forest, natural habitat, density issues, land drainage issues, all those things could be incorporated in the Secondary Plan. I know it is unfortunate for some members who have been waiting for a Secondary Plan for a while, that this may appear as a cue jump. However, I must work for my community. So I do support it so I can get that Secondary Plan. I can make sure the community understands that yes, this thing got rammed through, yes, you're pissed off, but now I have to spend, well, definitely one more year, to try to appease -- not appease, but to reconcile with them so that what they heard in the paper isn't going to happen. I hope; and I said I can't even promise you that. can't even promise you that. Whatever the paper reported it potentially could happen. I had to be honest with them. That didn't go over too well, but I said the best option we have as a community is to make sure that that Secondary Plan is put on top if this goes through, because then I know for sure with the commitment with people like Deepak, that we will get that Secondary Plan, we will before all this development happens. This makes sense for Gem Industries. This guy is going to go into a hot bed area. It's a vibrant community, very dedicated and they're pissed off. So that is not good for the developer to walk into that. So it's going to take some more time for that developer to make sure that those people in the community knows that he is willing to work with them. And that is a key for the Secondary Plan. So that is why I had two options today, I could sit here now and say no. That was one option, and it's an option in my heart, and as Orlikow who likes to stand on top of the hill and scream isn't the most pragmatic thing to do. The most pragmatic thing to do is try to come to some kind of agreement with Council, that I can get that Secondary Plan at least. So again, I'm not pleased about this, I'm not pleased about the process at all; none of us should be because if it happens to me; I'm the new Councillor, it could happen to all of us and we heard has happened recently. So again, when I did my straw polling, again, I allowed people to either raise your hand up, but, again, a vote is a private matter. So some people didn't want to raise their hand up. So I asked them to fill in forms and they filled them in. Because it's a family kind of place, I won't let everybody see these. The language is quite strong in some of them, but generally everybody supported "A" nothing. They want to keep it parkland. Who doesn't? Who doesn't want parkland in your backyard. I know I do, it would be great. But they realized that, what we want doesn't mean that's what we'll get. As I tried to tell them, that's also for the developer as well. That's what the developer wants. Doesn't mean that's what he gets. So once I talked to them, I had a number of people, I would say about half of the people said go for the deferral; a referral, whatever you want to call it. Go for that. So I did, and I told them, I don't know if I have the vote for that, but let's go for it and see if we can do that and then get Gem in and we talk. Well I just lost that vote. So, I said the third option will be going; either I vote no and we get nothing, a land development agreement, maybe we'll get a Secondary Plan, who knows what. But again, what I am saying with this Secondary Plan, it's not just a Secondary Plan, it's an commitment that I trust with the Senior Administration will work with me, to make sure the community voice is heard and not just heard but actually acted upon as well. So, this is one of those watershed moments for me where I'm going to be trusting our Administration

to come through for me and our Community, to make sure that their voice is not just heard, but is actually respected in the Plan. The developer, the density that they want to put in there, with roads and Rapid Transit, setbacks from the C.N. Rail Line, all those issues that pop up, natural habitat, these are all very significant issues. Now, we've all done our little map about how many square footage this guy going to need to put in. Based upon the available land that he's going to actually be able to build on, it looks pretty high density to me, very high density, which may work in some spots. Is it going right against Parker Street? Again, they don't know. I've heard some very nice ideas from Gem, which I think he should come out and talk to the Community about, about some lakes to deal with the drainage issues, to deal with the single family, to deal about some of the low density stuff; that is all on the table now. So that's why I'm seconding this Motion with Councillor Fielding to make sure that in the worst case scenario which is that this goes through, at least the Community is going to get something out of it. I would prefer to vote no, but being pragmatic and realistically this is the best option for the Community at this time.

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

Councillor O'Shaughnessy: Much like what Councillor Wyatt said when this came up on our Agenda, thrown down in front of us, I mean, all my warning bells went off, and I don't think I've treated our Administration too well at that meeting. I was assured that we had to have this land, number one. And number two, that it was financially a straight deal, a good deal, both ways. So I voted for it, came here and just followed up with some of our property people again, because it just doesn't look great. But those facts, I was assured of, that it's financially it's a straight-up deal, and I'm not an expert in that area, but I've seen a lot, and I'm not totally stupid or ignorant there either. But one point that came up mostly during Councillor Orlikow's speech is that we still, although we're giving up title to land, we're still controlling it. It isn't zoned. You couldn't build a chicken coop on that land right now, and the nice pretty lines on the paper have no status. They haven't been before one Committee of Council. They haven't been part of the Plan Winnipeg review even yet for these extension of roadways and whatnot. So we do have that control. But still, I'm voting for this on faith in our Property people who have assured me that we need the land, and that this is a fair swap. I'm saying to one and all, with it goes no approval to approve any Secondary Plan or any development in there. It will have to live or die on its own merits. It won't be because, well, you know, you sold us this land, so you must let us develop it. No, they still have to sell us that what they're proposing is worth approving for all the citizens of Winnipeg. So, if they want to go ahead with this deal, fine, but with fair warning that there's no approval for any type of development that automatically goes with it or that even gives them an edge toward it. It gives them the right to come to the table, and nothing more.

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

Councillor Gerbasi: Thank you, Mr. Speaker. Boy, this is a real tough one, all wrapped up in a pretty Transit package, which as you know appeals to me. A bus garage. I mean, I don't have any problem with us obtaining that land and building the bus garage. I understand that's something we need to do. I'm not sure we needed to do it this way. I'm not sure we couldn't have bought it from them in other manner, but I wasn't part of those negotiations. I also wasn't really advised of this. Council Orlikow and I were both pretty much sideswiped by this Report as was the Committee. I think that's really getting out of hand that approach. In July, I'm starting to; if it wasn't for the folk festival, I wouldn't want there to be a July anymore. Now, the other thing is there's a few other things about this I'm very troubled by this whole thing. I usually know exactly what I want to do about everything. The Secondary Plan issue, you know, well, yeah, I'm all for Secondary Planning, you know that, but we don't have the budget to do the long list of Secondary Plans we've already

agreed to do. We've got several in my area. Most Councillors have Secondary Pans they want to see are already a priority. We just keep adding them in. I hope that those who support this Motion are going to support more money in our budget then for Secondary Planning. This clearly calls for our staff to do the Secondary Plan, not the developer, which, you know, I think we should have enough staff to do proper planning but we don't because we are so far behind in our Secondary Plans. So I totally understand Councillor Orlikow wanting to have one, but Corydon's been waiting five years and we've been the priority for several years and we still haven't got started beyond the preplan. What is this going to mean for other priorities, and I'm concerned about that. Roadways; a certain member of our staff visited me in my office a few months ago and he had taken the transit map, and with his marking pen, and written a new idea for our transportation plan. And you know what, as Councillor Wyatt said, maybe it's a good idea. I don't know. But you know what; I don't think this is how we should be doing transportation planning. This is not in Plan Winnipeg in terms of part of it; the one the underpass over to Taylor, is not in Plan Winnipeg, it's never been discussed by this Council, never been discussed by any Committees. I mean, it's just thrown out here in this Report at the last minute with a diagram, and I heard someone earlier say that in question period, that our Administration is sort of supporting this idea. Our Administration? Since when does our Administration, supposed to be deriving our policies, isn't that what we're elected to do? And you know, I just don't think that, you know, those just under the C.A.O. office are supposed to be deciding a whole different direction from Plan Winnipeg without any studies or transportation plan coming forward. Well, there's a transportation plan in Plan Winnipeg that's being worked on; and maybe this will appear in there, but, you know, this process is really strange in all my years here. I've never seen anything like this. And Councillor Wyatt raised some serious concerns about the land values, considering we all know roadways going in change the value, and they're pictured in what we're voting on today. If they hadn't put these roadways in talked about 3500 townhouses that don't fit which we know they don't fit and that's confirmed by our staff, you know, this would be a little bit of an easier decision. But all the stuff that's been put out there should not have been put out there. And we can't turn back time, but what do we do, just swallow it all? I am really, really baffled by this. I don't know if we've got a fair deal. Obviously I don't want to do anything that stand in the way of the transit project, but I also, you know, have a lot of concerns about Councillor Orlikow's residents are just beside mine. 500 people out of 2,000 at a meeting with a day or two's notice. I think that tells you something is wrong here. And we ignore that at our peril. And the Motion, as much as I understand what Councillor Orlikow is trying to do and I admire him greatly also for trying to deal with this so quickly, you know, this Motion is not really going to; we could do a Secondary Plan anyway in the future, but it's not clear whether this bumps off, you know, other priorities, Secondary Plans. So honestly, I've never been so mixed up about a Motion. Councillor Wyatt elicits some fairly concerning implications which we can't always talk about here as well. So, I think there's concern here and confusion, and I'm honestly not even sure what I should do here today, so I'll listen to the rest of the argument and discussion. Thank you.

Mr. Speaker: Thank you, Councillor Vandal.

Councillor Vandal: Thank you, Mr. Speaker, it's a nice hot summer night, the hour is getting late, so I'm going to be brief. We have nine acres of land that we're receiving serviced, market value, a million dollars. We're giving up 60 acres, essentially, unserviced, value of a million dollars, but it's come to the forefront not only with the diagram in the Report, but in question period with the Mayor and the discussions that there's another level of government that's seriously interested in putting in the extensions, Sterling Lyon. We seem to have an open mind on it, and I'm not sure what the third level of government is, but it strikes me that once that road extension goes in, our 60 acres is going to be worth a heck of a lot more

than $17,000 an acre, which begs the question, why did we not hold this off for sure this summer? Perhaps a month or two after that, to see where the intergovernmental infrastructure negotiations are going, because certainly our land will be worth a lot more than $17,000 an acre if the road is real. And find another piece of property for Gem. And then we could, if that were the case, do a public offering of the Parker Lands. That's the question that comes to my mind. I haven't spoken to the Administration. I haven't spoken to really anybody. Perhaps Councillor Fielding as chairperson of Property can clarify that. I don't know. There's a lot here. The hour is getting late. I think a Secondary Plan is needed, obviously. Do we put this one at the top of the list, or do we put it in the queue, and if we put it in the queue, it may be an awful long time before we get the Secondary Plan done, but obviously there's some property tax revenue here. And I'm going to wait to see where I vote on this after hearing a few more speakers and take it from there. Thank you.

Mr. Speaker: Councillor Thomas.

Councillor Thomas: Thank you. Mr. Speaker, we could have come back tomorrow and continued this, so anybody who tells me that they're tired, don't have my sympathy, because I was not one of the ones who voted to continue this evening, so there you go. That doesn't mean that I'm going to shut up. That means that you're going to hear what you would have heard if you had waited until tomorrow, and that's what you get.

Holy Moses, Holy Crickets.

Councillor Thomas: Lands Exchange.

That's mean spirited.

Councillor Thomas: Yeah. Land Exchange. I say if we want the Fort Rouge Yards, pay the million bucks for the 8.95 acres, because I'm sorry, I do not think that the 57; 58.7 acres, which is, oh, nine times six is 54, so at least six times more land, plus, is worth a heck of a lot more than a million bucks. And that's just eyeballing it from being on Council 20 years and seeing a lot of proposals go through. Not accurate enough. Not even a real close guestimate is my opinion on this one. I can see why Councillor Orlikow would like to see if this goes through that it has a Secondary Plan, it's absolutely essential, but I'd say there's no reason for these two to be bundled together. We need to proceed fairly quickly with accumulating the land for Part One of the Transit proposal. We do not need to be doing this. We do not need to be doing it without proper consultation of the residents. We do not need to be doing it without proper consultation with the Councillor, and this isn't the first item on this Agenda that that's happened, and I'm starting to get really suspicious why things are happening last minute at Property and Development Meetings. Why Ward Councillors are not being brought into the picture at Property and Development Committee. And this does not have my vote.

Mr. Speaker: No further speakers. Councillor Swandel, on Motion number nine, would you like to close.

Councillor Swandel: Certainly, Mr. Speaker, I started out saying at the beginning, this Motion gave me the comfort to be able to support this, having heard some of the concerns raised by my colleagues, you know, it's amazing that after some of them being here 20 years or more or even five or six years, they don't understand the difference between price of land like Parker Avenue and its value; and the piece of land on the edge of the City. It's like a piece of land on the edge of the City you can put a twin sewer system in, here you're working with a combined sewer system, there's no attachable land drainage system. You got to develop some sort of retention ponds. You're probably going to have to conserve a large portion of it as ecological significantly natural lands. We do have a policy in that regard and on and on. The roadway isn't really relevant for this purpose. I think its unfortunate it was thrown in there. I think its good Councillor Vandal points it out; its unfortunate that it was drawn in this picture and it really isn't relevant to the

discussion of the land as it sits today; relative to the other land. Perhaps the greatest piece of value that we're missing here is we continue to talk about the Parker Avenue Lands. Perhaps the greatest piece of value; and the reason for my Motion is being able to access a large parcel of land contiguous to our existing Transit Garage. That's what this piece of land is. You know, let's understand that. To go out and find a ten-acre parcel of land, where we would now have to build a stand-alone facility without the supports that comes from that; our existing Transit Garage, you know, I can see where they get a million dollars of value, and I would think perhaps even more, and perhaps you might see Gem, after seeing what has gone on and listening to Councillor Orlikow's concerns and what will have to transpire in order to develop the other lands, you may see them coming forward and suggesting that perhaps we can come to terms on the parcel of land in cash, and that we can deal with this piece separately. Or perhaps a land lease. You know, it's not a bad way for a developer who is sitting on land, it's a land bank for this developer, and if he can carve a parcel of it off that we can take by way of land lease, that might certainly benefit all parties. You know, when I was Chair of Property and Development, when I used to try and figure out what we had as land as a City, and the Parker Lands always came up to me looking at it, why do these lands sit here. There's only Hydro Lands to the south, there are pockets; you can see the roads have already been put in place, the right of ways are already put in place, the City has more land in there than just this piece we're talking about because we have all those right of ways on the Hydro lands. It would seem when we spend so much time talking about the need for infill, when you look at the proximity of these lands to downtown and to other neighbourhoods, it certainly makes sense to do something wit housing, but being respectful of the existing community. And it's unfortunate that Councillor Orlikow got welded into this position as a relatively new Councillor had to experience a 500 person public meeting. I think you'll be a little slower to pull that trigger in the future. There's a lot of this you might want to gather more information before you get there. And I certainly think that some members of our Administration owe Councillor Orlikow an apology for welding him into the position he was put in. I certainly would apologize if I had anything to do with it. Here we are dealing with it in this space. I think that was very unfortunate. Just in closing, the comments of immunity have been made on this floor. This veiled suggestion. And it troubles me to hear that, Mr. Speaker. What troubles me even more is that if what you wanted to say was true, you should have no desire to have immunity, Mr. Speaker. If that's the level that you want to seek to in this Chamber, Mr. Speaker, by innuendo, by that type of innuendo, I don't know whether or not you should be standing here with your colleagues. Because if what you want to say is true, then say it. Don't use that type of snide innuendo to discredit members of our Organization whether they be political or administration. Thank you.

Mr. Speaker: Thank you Councillor. Councillor Fielding on your Amendment on #7; can you speak to the Amendment and to the Item?

Councillor Fielding: Absolutely. Just to dress up the Secondary Plan process as well to confirm whether a public service and that would be; I'd like to make a friendly Amendment, I think I talked to Councillor Orlikow, he would be minimal to that. Where it be a developer led Secondary Plan process, so it doesn't impact anyone that's in the queue for Secondary Plans. So, I would like to put that on the table. I do have some answers for questions that are here. I do find this debate fairly ironic, and I was the only member of Council of course that did not support Rapid Transit, but I've been tasked by the Mayor to help expropriate the lands and have that process go quickly and I take that job very seriously. I do support this Report because I think it does a very number of positive things. There's five points in particular that I'd like to speak to. First off, the main reason we're looking at this land exchange is to address the need and requirement of Rapid Transit. The Director of Transit has indicated that we need to move the

Transit Garage to ensure no delays in the Rapid Transit project. Dave Wardrop's email which he sent, and I'll quote this into the record; Dave Wardrop quotes; the proposed structure is a Transit Garage that will enable our accommodation of expected service needs of the future. The land identified in the swap are projected to permit the centralization of expansion of transit services well into the future perhaps 50 years or more. The lands themselves could comprise some of the associate developments around the Fort Rouge Yards. I think Councillor Steeves had some concerns in terms of the land before; so that should give you some reassurance and as such the impacts; and as such have an impact on the overall Rapid Transit Project which is contemplated, rapid transit for orientation and development of the location. The land exchange matter needs to be dealt with my Council quickly since the closing of the transaction would not occur for about five months thereafter. Even after Council approves; approval of the team; is obtained the separation of all the necessary legal documents and survey work is required. This needs to be dealt with as soon as possible in order to have some certainty on where the plan for the rapid orientated development and the where the transit stations will be. So the developer will need to start the Secondary process and the land transactions as part of all that. Dave Wardrop, Winnipeg Transit. So as the Director of Transit clearly indicates we need to move quickly on this item; to ensure that there's a timely issue for Rapid Transit. Development issues with the Parker Lands has been brought up as well. Well, another issue that has been raised, as I mentioned in terms of acreage, 9 acres VS 59 acres, well the reality is the Parker Lands are not easy lands to develop and are going to cost substantial amounts of money for them to develop. The land exchange process exchange unserviced land for serviced land or for unserviced raw land for serviceable land, although the Parker Lands are much bigger, 59 acres, it is raw unserviced land which will cost millions to develop. If you look at the cost of just running the sewer lines, and the water lines, it could run up to $200,000 per acre. Our Administration has also come up with a figure; it could be upwards of $14 million to run all the services, that are there, you need the water basin that would be part of it. There are Hydro lines running above it which probably could cost you in the nature of 6 million bucks just to move it in itself. So my point with this, is that there is a lot of work that needs to be done to service this land. It's not going to be easy for the developer to have it. So any development of lands would require a lot of money. Agreements with Hydro and implementation of servicing this for the area. Rezoning. Another element, you know, I think we all agree that it probably wasn't rolled out the best it could in terms of Free Press and Councillor Orlikow has had to make 500 new friends in his neighbourhood very quickly on this process. But what I can guarantee you is that first of all, a Secondary Plan, a developer led Secondary Plan will get those citizens the public consultation piece which they very much desire and want to be a part of. So that, number one, they'll get public consultations. Number two, Councillor Orlikow had mentioned, is in terms of the public consultations for any new development. The development of Parker Lands, the developer would have to go through a rezoning process which would be controlled by the area Councillor and Community Committee and eventually Council. The rezoning process is an opportunity for public to have input into the development and what it would look like for their own communities. There are no guarantees that they would get the zoning as Councillor O'Shaughnessy quite rightly said and thus we would be up to the area Council to the Community Committee and to Council to make those arrangements and control. So as we mentioned, City Council has control, the community will have a say in terms of the process for it. Sterling Lyon Parkway another issue that has been brought up potential expansion of Sterling Lyon Parkway, as everyone knows obviously is not in the Capital Budget over the next five years and as such maybe it goes through maybe it doesn't. The developer would be responsible for all development standards that are associated with this. There's a number of dollar figures above

and beyond the servicing that would be required for any Sterling Lyon Expansion, whether it be paving four metres either side of the roadway. These are all items they would have to pay for. My final point, actually I've got a few points after this. This is good for taxpayers. It's 9:00. Five to nine. The final point for any of development of these lands is that it's good for taxpayers. The lands that are referred to have remained undeveloped as Councillor Swandel quite rightly said for years, right? So if we trade the land, it will give us a potential to develop the lands, to allow us either to do commercial, residential, what the ward Councillor has in mind with the residents. It will also add to our tax base, which will be good for our economy and good for the growth of our City. A couple issues that were raised, one in particular we talked about Expression of Interest, Councillor Swandel, or Councillor Vandal, Swandel, same kind of difference but anyways; you guys are still in the same part of the City.

(There's a big difference - interjections)

Councillor Fielding: The question, I did ask the question to our Administration, why not put out Special Interest? Maybe the dollar figures would come back at a higher rate than it would cost it acquire by the City. The City of Winnipeg would have to undertake a comprehensive engineering planning analysis at significant cost to either develop the scope of the density of the development and associated costs with such an agreement. As part of the Expression of Interest, the City would be obligated to provide information related to such costs. Given the history of the land and I can tell you, I checked to see how much interest there has been on the Parker Lands before, there's been two verbal communications of the lands. There has been more with the Pembina Highway side, but there hasn't been substantial interest in this because of the cost of developing this land. So with that, I hope I answered some questions. In conclusion, I believe that it is a good deal for taxpayers. It allows us to fulfill an agreement with Transit, to build a transit garage to ensure rapid transit proceeds on a timely basis as well as open up potential developments and adding to our tax base. Public consultation would be an important element in the Secondary Plan, the rezoning of the process, and I encourage you all to support it. I would also like to say, I very much am in support of Councillor Swandel's proposal to look at the phase two of the Brownfield in terms of the Fort Rouge Yards area. I think that's an important element to attach to it. I very much support that, and I just want the record to be said that once again, the secondary process, if we could amend that to be developer-led, secondary process. So with that, I close at ten after nine here on a late day in July. I want you guys; I would like you guys to also support this. I think it's a good deal. It makes sense for taxpayers. Thank you.

Mr. Speaker: Thank you, Councillor. On Number nine, Motion Number nine, amendment number 7 by Swandel, and seconded by Browaty. All in favour?. Recorded vote has been called for.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Mr. Speaker: Those opposed please rise.

Nays

Clerk: Councillor Wyatt.

City Clerk: The vote Mr. Speaker, Yeas 15, Nays 1.

Mr. Speaker: Motion Nine is Carried. Motion number seven; Amendment number seven. Those in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Mr. Speaker: Those opposed please rise.

Nays

Clerk: Councillor Wyatt.

City Clerk: The vote Mr. Speaker, Yeas 15, Nays 1.

Mr. Speaker: Motion seven is Carried. On Item Number seven as amended. All those in favour?

Councillors: Aye.

Mr. Speaker: Recorded vote has been called for. Those in favour please rise.

Yeas

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

Mr. Speaker: And those opposed please rise.

Nays

Clerk: Councillors Gerbasi, Orlikow, Smith, Thomas, Vandal and Wyatt.

Mr. Speaker: And the vote?

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

Mr. Speaker: Item 7 is Carried. Councillors we have, the Report of July 13th, the Secretary Committee. I'd like to call Council Nordman to move that on my behalf. This is the schedule of meetings for the upcoming year. I'm skipping here. Bylaws. Taking a short cut. Bylaws. Councillor Fielding.

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

Councillor Fielding: I'd like to move the following By-laws, first time By-law 98-2009, 99-2009, 100-2009, 101-2009, 102-2009.

Mr. Speaker: All in favour? Carried.

By-laws numbered 98-2009, 99-2009, 100-2009, 101-2009, 102-2009.

Councillor Fielding: I'd like to move that By-laws 98-2009 through to 102-2009 both inclusive be read a second time.

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

Clerk: By-laws numbered 98-2009-102-2009 both inclusive.

Councillor Fielding: I'd like to Move that the Rules be Suspended and By-laws numbered 98-2009-101-2009 both inclusive be read a third time and at the same time passed and ordered to signed and sealed.

Mr. Speaker: All in favour?. Contrary? Carried. Question Period. Councillors, Councillors, we have an addendum, the Secretariat Committee Report of July 13th of 2009, this is the rescheduling; the Schedule of Meetings for the year 2009. Councillor Nordman would you please move that?

REPORT OF THE SECRETARIAT COMMITTEE DATED JULY 13, 2009

Councillor Nordman: I would be happy to move that Mr. Speaker. The 2010 Schedule is being put out a little earlier this year because 2010 is an election year and we just want to get all the dates for meetings for dates and whatnot in line.

Mr. Speaker: You're moving that the Rules be Suspended in Item 1 be adopted by Consent. All in favour? Contrary? Carried. We have an Announcement; hold your horses there.

ANNOUNCEMENT

Mayor Katz: As we all know, we have many quality people who work for the City and who have worked for the City, and, you know, they come and they go and there's always a good reason. There was one who will be leaving, and that is Sherwood Armbruster. I think many of you have had the opportunity to work with Sherwood. I don't think you'll find an individual who has shown more class, honesty, integrity and respect for every member of Council. He has been a major asset to me, and working with the staff and Woody, I just want to wish you all the best and good luck in your future endeavours at Siloam Mission. There's no question you are going to a much higher calling and I know you will serve them all well. So thank you.

Mr. Speaker: Sherwood, may I say not only to the Mayor's Office, but to all of us as Councillors, I've always had good support from you, information I needed you always provided me with a smile. Councillors, we are going to be adjourning soon until September, and I'd like to wish each and every one of you a happy holiday, a safe holiday, and a healthy holiday, and be back safe and sound for September, and Councillor; hold it, Council Wyatt moves adjournment. Roll call.

ROLL CALL

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

Meeting adjourned at 9:14 p.m.