COUNCIL OF THE CITY OF WINNIPEG
Tuesday, March 22, 2011

The Council met at 9:34 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 Sharma.

ROLL CALL

Clerk: The Speaker Councillor Nordman, His Worship Mayor Katz, Councillors Browaty, Eadie, Fielding, Gerbasi, Havixbeck, Orlikow, Pagtakhan, Sharma, Smith, Steen, Steeves, Swandel, Vandal and Wyatt.

Mr. Speaker: Notice to call the meeting.

Pursuant to Section 79(1) of the City of Winnipeg Charter the City Clerk was directed by His Worship Mayor Katz to arrange a Special Meeting of Council on this day, ***Tuesday, March 22, 2011 at 9:30 a.m.*** *to consider the 2011 Operating Budget and the Financial Plans for 2012 and 2013.*

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

Mr. Speaker: Thanks Jo-Ann. We are joined today, Councillors, we have two pages, ladies, would you like to step forward, Madison Fedyck from Glenlawn Collegiate who resides in the North Kildonan Ward and Alex Goodman, St. Mary's Academy who resides in the Old Kildonan Ward. So welcome. Thank you. (Applause)

DELEGATIONS

Mr. Speaker: We have three delegations with us today. First speaking in favour of the Budget, Mr. Dave Angus, please join us from the Winnipeg Chamber of Commerce.

Dave Angus: Thank you very much, Mr. Speaker, Your Worship, Members of City Council, Ladies and Gentlemen. My name is Dave Angus, I'm the President and CEO of the Winnipeg Chamber of Commerce and I'm pleased to speak In Support of the proposed Operating Budget on behalf of our Board of Directors and over 2,000 Winnipeg companies that our organization represents. If this Budget were to have a slogan, it would have to be the Budget that nobody likes. Whether you're part of the opposition, EPC, Chair of Finance Committee, the Mayor, business owner, or Citizen of Winnipeg, nobody likes to raising the cost of living or doing the cost of business in their City. But what this Budget represents is the nature of the challenge facing every metropolitan City across this Country. We're not alone in our grief over the limited revenue growth that occurs to municipal governments. We're not alone in our inability to effectively meet our fiscal and spending commitments that our citizens expect. And that is why the Winnipeg Chamber has joined a coalition of top 10 (ten) chambers across Canada to lobby the Federal Government to make the urban agenda a top priority because we see the municipal challenge as a significant business issue for this country. You can't build world class companies offering world class employment on third world infrastructure. You can't build world class companies with substandard levels of municipal services. And you can't build world class companies in an uncompetitive tax environment. Things need to change. We would like to see Winnipeg at the centre of that change.

The discussion today should be less about this Budget and more about the next one. More about the process that needs to begin tomorrow, that will provide a fiscal framework consistent with the principles most important to the Citizens of Winnipeg. The time for wandering in the dark must end and we must make decisions, in collaboration with the Provincial and Federal Governments that will lay out a multi-year financial plan for Winnipeg. The decision that was recently made at a policy resource is an excellent decision. Increase focus on policy has been a weakness and it could not come at a better time. The Winnipeg Chamber pledges to work closely with the City of Winnipeg to define a multi-year plan, lobby other levels of government and engage the local business community. Winnipeg Chamber evaluates taxation policies based on the following principles: Number 1 is certainty. A 5 year approach to planning helps others plan and make decisions on behalf of their families. Number 2 is transparency, a framework that is clearly understood with a strong sense of where the money is invested and the return that will be seen through that investment. Number 3 is accountability, government must be publicly accountable to the taxpayer for money raised and expended. Fourth is growth, the tax policy should contribute to economic growth through competitive regime that creates incentives for citizens and business to make positive economic decisions. Number 5 is equitable, tax fairness across our entire community. And number 6, and an important one, is respect. Respect for the hard work put in by our citizens to make the city's; to make the income out of which the public sector is funded. These principles represent the lenses that we view tax policy through and will continue to view the City's tax framework through these lenses.

In evaluating this particular Operating Budget, it's important to bring some context to the debate. A 14th straight property tax freeze is not something to dismiss, but it is an accomplishment that is worth celebrating. This tax restraint record is the envy of other Canadian municipalities and helps to address the biggest issue the City faced back then, the second highest property taxes in the country. It is no mystery that from 1990 to 2004 Winnipeg had the lowest population growth, the lowest employment growth and the lowest GDP growth of the top ten cities in Canada. It's important not to forget what high property taxes brought to Winnipeg. The answer is not much and prevented us from reaching our potential as a City. It would be a mistake to willingly go back and it would be easy to do so, if we refuse to make tough decisions that is we need to make on both the revenue and expenditure side of the budget. We support the freeze on property tax. We support the freeze on business tax revenue even though it would be easy for us to complain but we won't because we recognize the challenge of the times. Keeping it level at just over 57 million on business tax and using the organic growth to take more small companies off the tax roles is good policy and at a very important time for those companies to continue to struggle in this economy. We support a diversified approach to tax policy including an increase reliance that user fees and a lower reliance on property tax and we do support the focus in this year's Budget on policing, which was recently validated as a high priority of both the Citizens of Winnipeg and the business community.

The reason why this Budget is difficult to enthusiastically support is that the decisions that were made were not necessarily based on good tax policy, but based on a scramble for resources. It is not good tax policy to see a dramatic increase in specific areas of the Budget that may or may not be consistent with the principles we endorse. We do not look favourably on the dramatic increase in frontage levies. This will have a dramatic impact on certain types of industry, that due to their sector and nature of their business will be penalized to greater extent and could make it difficult to compete. A good example is the trucking industry. That is one that consumes a wide area of property and an industry that has suffered over the economic downturn and continues to struggle. To face such a dramatic cost to the business is not good policy for a City with a vision as a transportation centre. We recommend over the next year that we determine what an appropriate mix of property tax would be. We're not opposed to frontage levies, in fact we support the notion of frontage levies but it should not be a replacement for property tax.

We do not look favourably on the Water and Sewer dividend. Every utility is different and the right for government to claim a dividend from its revenues must be proven. Water as an example, water rental rates charged by Manitoba Hydro by the Province is justified based on the fact that they use a provincial asset, our water, to generate the power. They pay for the right to use that water and we recommend that over the next year, the City develop a comprehensive policy that will define the conditions upon which a dividend is justified and at what rate.

As mentioned earlier, we've been concerned about the exorbitant level of fee increases, not only in this Budget but over the last number of years. It puts an unfortunate financial strain on those who have to somehow find a way to accommodate this unanticipated cost increase. And lastly, we have concerns about the lack of focus on efficiencies. We recommend for subsequent budgets that the efficiency target is established that will ensure taxpayers that they will continue to get value for dollar. Increased levels of taxation and fees are easier to accept if there is an assurance their tax dollars are not being wasted.

We have two other broad recommendations that we would like to make at this time. It is time to end the efficiency debate. It is time to increase the importance of the ASD Committee and make it a full Standing Committee; it is publicly accountable. It can dust off recommendations like those highlighted in the Economic Opportunity Report. It can take recommendations from other groups and act on them in the interest of assuring taxpayers that the pursuit of efficiencies continues to be a priority for this government and doesn't have a beginning and an end. Our last recommendation is to reinvent the Civic Revenue Model. An investment that you are proposing to make that we enthusiastically support is to enhance your policy capability. New policy must be a priority for this government over the next year and we pledge to work closely with the City and your policy professionals as a Chamber. Let's take a national lead on civic reform. Let's be the model that others look to. Let's partner with the Provincial Government and work with the Federal Government in that pursuit. Let's develop a Five Year Tax Plan that is consistent with the principles that our citizens embrace. And let's develop a plan that will eliminate the necessity to scramble to find revenue and be forced to dramatically increase taxes and fees. Let's engage over the next year an unprecedented process of public engagement that will deliver transparency and ownership over our future.

This is a Budget that nobody likes. You will spend the day arguing over different elements. You may make some changes, but at the end of the day it will still be a Budget that nobody likes. Let's make the next one our highest priority. The work starts tomorrow and the Chamber pledges to be an engaged and productive part of that process. Thanks for the opportunity to share our thoughts on behalf of our Board and the Membership of the Winnipeg Chamber of Commerce. Thank you.

Mr. Speaker: Thank you, Mr. Angus. Questions? Councillor Gerbasi.

Councillor Gerbasi: Thank you for your presentation, Mr. Angus. I noted your different lenses that you look at Budgets with taxation policy…

Dave Angus: I knew you would.

Councillor Gerbasi: and I appreciate that transparency, accountability and equitable were three that jumped out at me. And I guess I'm wondering, this Budget is presented as being a tax freeze but can you really honestly say it's a tax freeze when the frontage levy appears on people's property tax bill and for many people, especially those with lower means; they are actually paying a more inequitable share of that burden.

Dave Angus: Right. Why I think it's important that it's not seen as a revenue freeze because it certainly is not. There is a need for increased revenue and it was found in the proposed Budget. It is a property tax increase, which some embrace, including ourselves. And Jenny, you got to remember back to the time when we had; the number 1 issue, was how high our property taxes were. We got calls from companies that would have employees move in and would have this sticker shock in terms of the property taxes that we're paying and it just was not healthy for our City. We had to address it. I'm proud and we should all be proud of that process, over 14 years that not only froze it but also reduced it. The other element at the time was the high reliance upon property tax and the reason, Jenny, we need to have this discussion is, we need to come to grips with what is the right mix. You know, it would be easy for us to take whatever the total increase in revenue, if you just take the frontage levies, the sewer and water piece and the recreation piece, the three most contentious elements of the budget; it's about 31 or $32 million. If we increased; and then you have a projection, Jenny, of next year, having a shortfall of over 64 million, and a year 3 a shortfall of 95 million. In 3 years we could easily be back to where we were before, with the highest property taxes in the country.

That's not the solution. There is no magic bullet, and it going to take some serious discussion. It should happen not in the context of a Special Council Meeting where one week leading up to the Budget, it has to start tomorrow. So that we can look at the principles that we embrace, whether you agree with mine or not and look through that particular lens, but what should our property tax levels be? What should the percentage of revenue be represented by property tax? What should business tax be? Frontage levies has its advantages and disadvantages. We support the notion of frontage levies but what should be the mix between the two? There is an advantage to charging, based on the width if you are a supporter of compact design, and infill development as opposed to large properties. So, there are some advantages on that piece and disadvantages in terms of equity. What's the mix? And it's difficult to look at this Budget and make those kinds of decisions without looking at the whole context and that's what we're proposing.

It's easy to complain about this Budget. I could stand up here and rip the heck out of it. I'm not going to do that. But, if we do not have this discussion, again, until a year from now, then we have defaulted on our responsibility. The fiscal health of our City has to be the number 1 priority, and the fix isn't just yours. The fix happens at the Provincial and Federal Government as well. And I would like our City to take a lead because I think we're in a position to do that and we would love to work with you to do that.

Councillor Gerbasi: Thank you and I fully agree with what you're saying that we need a larger policy issue. But we today; a discussion and all those things your saying are very good points. But we today have to decide about what's in front of us here, and I guess my question to you is, does it concern you in terms of transparency, to use the frontage levy when you are not attributing it to infrastructure? You're really stretching the impression you're giving people about what it's for and what that tax means and fudging things, frankly; and I guess does that concern you that people are going to be more confused about what taxes mean? (Inaudible speaking in the background) I'm in the middle of a question, thank you, Mr. Speaker. Does that concern to you to do that kind of a thing where you use the frontage levy and then you take the same amount of money out from the Mill Rate support?

Dave Angus: The problem is, Jenny, that there is no question we need more transparency in terms of where money is dedicated and what you're paying for. It's impossible to do that with every pocket of tax. If the recommendation is to increase property tax as opposed to the frontage levy, you don't have that transparency on that side either. And so it's a difficult situation that you are not going to fix today, no matter what you do. I know that you'll probably discuss a potential property tax increase as opposed to the frontage levy piece but it is not going to solve your transparency issue. And frankly, frontage levies are more transparent in terms of how they're calculated than a property tax will ever be. And so, if you want to talk about transparency for the taxpayer, I wouldn't point to the frontage levy as the problem.

Councillor Gerbasi: Last question, wouldn't you agree though that basing the amount; if we get down to equity and the amount a person has to pay, somebody who has a higher assessed value of a house is likely to have more of an ability to pay, and so wouldn't you agree that that's a little more equitable if it is just going to general revenue, which it is in this case today.

Dave Angus: Well, based on that principle, then Councillor Gerbasi should put forward a Motion to eliminate frontage levies and increase property tax to 10 to 12% this year and then increase property tax by another, how ever much 64 million is in property tax. In the year 3, increase property tax by 95 million. The answer is that we believe in a diversified tax approach. We don't think that 100% of revenue should come from property taxes. We do believe in frontage levies and we do believe it should be dedicated to the infrastructure in front of your frontage. But, what the level should be is what we need to discuss and the mix of tax and that discussion has not happened as far as I'm concerned.

Mr. Speaker: Councillor Wyatt.

Councillor Wyatt: Welcome and thank you for your words. I think they were very thoughtful.

Mr. Speaker: Is that it?

Councillor Wyatt: Not that was… (chuckles). You're not getting away that easy, Mr. Speaker.

Mr. Speaker: Do we have that recorded in the minutes? Is that going in Hansard? (Chuckles) History was broken today!

Councillor Wyatt: You mentioned you know the need for the other levels of government, the province and the federal government but if I can give you a brief example and ask my question. We're dealing right now, since April of last year, this Council endorsed 11 different projects that it felt were important for the Building Canada Fund. And the provincial government has refused; we've lost a whole construction season last year. We've lost now basically a whole construction season this year because to actually get moving on those projects you got to do it now, and the Province is not coming to the table. I mean they are not listening to the Mayor of this City and the majority of Members of this Council. What do you say in terms of that?

Dave Angus: Well, I agree. I've never been happy with the scheduling of infrastructure; I think we've missed huge opportunities. I can't stand the way we fund infrastructure in this country, because we develop these funds that have a beginning and end, there is criteria set in Ottawa that might be great for Toronto but not great for Winnipeg. There is no certainty for a City. Like I feel your pain, how do you have a long term infrastructure plan as a City when there is no long term funding in place? So absolutely, the responsibility goes to the provincial and federal governments. But let's start the discussion at our board meeting on Thursday this week we're going to discuss the proposal of increasing PST to 8%. The proposal floated by the Business Council and they floated it for one reason; let's start the discussion about how we're going to deal with infrastructure over the long term. How can Cities get a piece of growth revenue? This is something we need to discuss and let's come up with some solutions. We've sent a letter to the federal government asking them to renew the Building Canada Fund because our Transportation Committee is the one that sent the letter and in order for us to satisfy our transportation objectives. I absolutely agree with you, Councillor Wyatt and as a Chamber we love to work with Council to articulate the needs of the City to those other two levels of government.

Councillor Wyatt: Has the Chamber delivered a message to the Premier in terms of the Building Canada Fund and a very strong message asking the Premier to support this Council's recommendation for last April?

Dave Angus: We did not advocate on your behalf, if that's the question, in terms of the recommendation last April. We have sent the renewal of the Building Canada Fund request both to the Federal Minister and to the Premier and so; because it takes both the Feds and the Province to come together around it. What I would prefer Councillor Wyatt, instead asking me that question while I'm standing up here giving a budget presentation, is let's have the discussion now and let's go together to the Province to make the request.

Mr. Speaker: Last question.

Councillor Wyatt: The Chamber would be prepared to take this matter forward to the Province Government and support the City of Winnipeg's request?

Dave Angus: Our process is this: We will sit down with you to understand what your needs are, in the context of our stake holder group which is the business community. We would then take it to our Transportation Committee, which has transportation experts around their table for endorsement of a way forward which would then go to our Board and then we develop a communication and lobbying strategy which would go from there. (Inaudible speaking) Red tape, we need to represent our membership. (Inaudible speaking) I know that you can go out like a white knight but we can't; we represent a membership and we have a process and I know you appreciate that process as a Transconian.

Mr. Speaker: Thank you. Sorry our ten minutes is up.

Dave Angus: Thank you very much.

Mr. Speaker: Thank you, Mr. Angus. Mr. David Sanders, in Opposition to the budget. We have two speakers in opposition. Mr. Sanders will speak for 10 minutes and Mr. Sauer will speak for 5 and then we will have questions for the two. Mr. Sanders.

David Sanders: Mr. Speaker, Your Worship and Members of Council. My name is David Sanders, I'm a Senior Tax Consultant with Altus Group and I'm speaking this morning in Opposition to Recommendation No. 14 of the EPC March 16th Report, which is an entirely unexpected and still largely unpublicized recommendation that the City of Winnipeg, Board of Revision now start charging filing fees of between $50 and $500 per property for Realty and Business Assessment Appeals. The new 2012 Property Assessment Notices will be mailed to all 210,000 Winnipeg property owners on June 3rd 2011, and anyone who wishes to appeal an Assessment will have to file an appeal with the Board of Revision just 20 days later by June 23rd. The intent of this Recommendation before you is to charge each property owner a minimum of $50 and a maximum of $500 for each Assessment Appeal. Apparently, the authors of this recommendation believe that charging everyone such fees will discourage the filing of so-called nuisance appeals or frivolous appeals.

I submit to you this morning that at present, the City of Winnipeg has no legal authority or jurisdiction to require the payment of such Appeal Fees and I'd ask the Presiding Officer rule that Recommendation 14 is Out of Order, per rule No. 38 Subsection 2 of Councillor's Procedure By-law, which states that a Motion that does not relate to the exercise of powers and the discharge of duties conferred and charged upon the City shall be Out of Order. And let me explain, the Recommendation 14 provides that the following fees will be adopted for Appeal submitted to the Board of Revision in regards to Business and Reality Assessment. For all single family residential properties and condominiums, an Appeal Fee of $50; for all other properties Commercial and Institutional and the like, for assessed values of less than $500,000, the fee would be $50; if they are assessed between 500,000 and 5 million the fee is $10 per hundred thousand of assessed value and if the value is over 5 million the appeal fee will be a maximum of $500; and the intent is that all fees will be refundable if the Appeal is it deemed successful.

Historically the City of Winnipeg, Board of Revision has not imposed such filing fees. This Recommendation was apparently slipped into the 2011 budget document recommendations and released on March 7th which is a short time ago, without any other notice or reference in the budget highlights, in the revenue variance summaries or City News Releases. And the 2011 budget document did not contain any explanation or justification for the proposed imposition of the appeal filing fees. Well, when I discovered this I did ask the officials a number much questions and was pleased to receive a quick response and in particular, I would ask you to note that the explanation given from the City Clerk's Department apparently is that the fees are being put in place to eliminate nuisance complaints. In 2009, which was the last year prior to a general assessment like this year, 1,598 appeals filed out of 9,848 appeals were dismissed as the applicant did not show up to the hearing. And the statement is made that this fee now to be introduced is expected to reduce the nuisance appeals and reduce cost to taxpayers. Suggested that no new budget dollars are required to collect or refund these fees and also the amount of revenue if any which would be left after refunding successful appeals is unknown and is therefore not specifically provided for in the budget before you.

Now I asked you to note that last time that the City considered such a proposal was 6 years ago, on April 13th, 2005, when EPC considered and administered a recommendation from the City Clerk and at that time, the recommendation was that Provincial Legislation be amended to allow the Board of Revision to charge a fee for filing an Appeal on a graduated scale. Note the administration recognized then, at least there was a Report and participation of the City Law Department, the administration recognized then that the appeal fees could not be charged unless Provincial Legislation was amended to allow the City to require payment of such fees. I'm attaching excerpts from those minutes of EPC, which include the following statement from the administration, specifically, and I quote, "The Municipal Assessment Act specifically does not include a provision requiring an appellant pay a filing fee to the Board of Revision when filing an Application for Revision. An amendment to the Municipal Assessment Act would be required. This would require the Province of Manitoba to pass legislation to amend Section 43 Sub 1 of the Municipal Assessment Act; that states, an appellant must pay the applicable filing fee to the Board of Revision when filing an Application for Revision. The amended legislation should also include a provision stating the filing fee shall be refunded for successful applicants and a mechanism in legislation would also be needed to determine the amount of the filing fee and who must approve that filing fee that's to be paid to the Board of Revision." The details of the Report are attached to my submission to you this morning. There is still no such provision in the Municipal Assessment Act and accordingly I submit that the City of Winnipeg still has no legal authority or jurisdiction to impose the proposed filing fees and recommendation for a change to be ruled Out of Order this morning.

Just going on a little further, since the present proposal indulges the refund of fees for appeals deemed successful, we have assumed that really, the only objective is to deter taxpayers from appealing their assessments, not to produce

revenue and not to recover the cost of the appeal process. In fact, when this proposal is advanced back in 2005 the City Clerk's Department itself stated, an Application fee may be an impediment to accessing the process by serious or low income property owners. This may be viewed as unfavourable in the community and our political environment as an unfair attempt to restrict access to the process. Fundamental to a fair assessment taxation process that relies on subject of opinions, is the unfettered, free access to challenge those opinions. I agree. And it is probable that such new filing fees would indeed deter many taxpayers, especially residential taxpayers, from appealing their assessments and having their day in court. I do think that the reference to nuisance complaints, that term is unfortunate but revealing, and in my view, that sounds completely disrespectful of the right of every taxpayer to Appeal his/her Assessment to obtain a full explanation of how that assessment has been determined and to present a case for revision by an independent objective tribunal.

In this case the particular problem identified, that is, those who don't show at a hearing will not be dealt with by this particular proposal because in fact, there will be no incentive for someone to withdraw their appeal or to show up at a hearing once they determine that they have no case. They've already paid the filing fee and will already lose it. This solution does not deal with the identified problem.

On the other hand, the proposed filing fees will constitute a penalty for any taxpayers who; whose fees are forfeited because their appeals are deemed unsuccessful. There are a variety of reasons for that but one in particular is the short period of time that is available for taxpayers to learn whether or not their Assessments are indeed fair. The Assessment Department has given preliminary 2012 Assessments to residential taxpayers but there may be no effective Commercial preview of process now, before the Roll is closed at the end of April. At this point, no Commercial Assessments have been released. So in contrast for example, the Provincial Assessor will be mailing their assessment notices during May and June, but the Appeal deadlines will occur between August and December. Leaving lots of time to discuss, review and determine whether or not an Appeal is warranted. That tends not to be the case when a deadline is 20 days as it does in Winnipeg.

So in conclusion because this morning, I know you have much more important things to discuss, it appears the rejection of the filing fee proposal will have no discernible impact on either the revenues or expenses projected in the 2011 Operating Budget. I submit that the City of Winnipeg still has no legal authority or jurisdiction to impose these proposed filing fees and Recommendation 14 should be ruled Out of Order this morning. If not, then I respectfully request that City Council reject this Recommendation today and/or refer this matter back to the City Clerk as was done in 2005. Thank you, Mr. Chair.

Mr. Speaker: Thanks, Mr. Sanders. If you would like to join us here at the back and Mr. Sauer will come up and then we'll have the question period after Mr. Sauer. Thank you. David Sauer. You have 5 minutes.

David Sauer: Good morning Your Worship and Council. The Winnipeg Labour Council is grateful to have the opportunity to appear before City Council to present our views on the proposed Operating Budget for 2011.

First let me being by introducing myself, my name is Dave Sauer. I'm the new president of the Winnipeg Labour Council. The Winnipeg Labour Council comprises 70 affiliate locals representing a membership of 42,000 working men and women here in the City, roughly from about 20 different unions. We represent the working people in both the public and private sectors, among our members of the Labour Council are all the Civic Unions with the exception of the Winnipeg Police Association and WAPSO and we have a long and proud history of community and social activism and political activism here in the City and we look out for the best interests of all our affiliates and members.

There are some key areas of the Budget we would like to focus our comments on. First, we would like to comment on some of the merits of the proposed budget. The general increases in public safety functions such as Police, Fire and Paramedic Services are important and this will improve services. Some targeted neighbourhoods services as well as the Millennium Library and the Assiniboine Park Conservatory also fared well. However we have concerns that we think are important to express. We believe this Budget does not deal with the essential needs of our physical infrastructure for the present and into the future. In proposing the 14th straight year of property tax freezes our City will continue to fall further behind in addressing long standing infrastructure and new service needs. While the Budget does propose a 14.4 million in revenue from increases in frontage levies dedicated for Water and Sewer upgrades, street and sidewalk repairs and improved lighting, this is simply a drop in the bucket to what is needed to adequately resource our crumbling infrastructure.

The following commentary is taken from the City's 2003 preliminary Operating Budget and it drives home this point and remains relevant to this day. Winnipeg is facing a problem of aging infrastructure, roads, buildings and other infrastructures built during a period of growth and are in need of repair or replacement. The City is getting further and further behind in this investment, in addition service levels expected by the community will continue to put pressure on

expenditures and inflation area pressures alone cannot be covered through even a modest property; increases in property taxes. We are concerned by deferring maintenance costs and not accurately resourcing the upkeep of our roads and water and sewage networks, civic buildings and parks, we're only passing on the cost of future generations of taxpayers. I also believe in the importance of solid social infrastructure for our City, which helps build the types of communities that citizens want and deserve. In our view, raising user fees for recreation will negatively impact low income families and prevent many children from participating in city programs. This City Budget calls for a $926,000 increase for recreation fees. The Report contained an $847,000,000 spending budget, a plan to increase 177 of 178 group and individual recreational fees listed by the City. Some fees will increase by more than 20%. Arena ice time for adults will increase from $157 an hour to $191 an hour. This is the time when we should be encouraging more citizens to be physically active. This added fee will only prevent participation, especially for the low income families, children and senior citizens. How can the City possibly defend raising the cost of arena primetime ice rentals by $44 per hour? In fact there is, by September, a 10% proposed increase on all leisure guide core programming including, learning to swim and learning to skate programs, and a 20% increase on all other programs. Are these rising costs necessary? These increases will make it more difficult for families to keep their children in fitness programs. There is evidence; enough evidence across the country relative to obesity and the benefits of more exercise and recreation activity. The Winnipeg Labour Council strongly urges the government to remove these added fees and keep these programs affordable for citizens of our City. We should be encouraging physical activity and not making them unaffordable to families. These added fees are completely out of step with the Federal Government's Fitness Tax Program that encourages activity and tries to offset the cost. We believe the residents of the City of Winnipeg want value for their tax dollars and they want a level of services that provide good quality of life in the City, and they want to be able to go to parks that are well kept, and want their streets and sidewalks maintained, and their sewer and water lines maintained. They want green spaces and affordable recreation programs so their kids and the neighbour's kids can develop and play.

These public services are what make our community a good place to live. Let me conclude just by saying that Winnipeg is a wonderful place to live. We are proud to be part of this community. We have fine services and facilities and great people delivering them. Let's keep our City well serviced and well maintained and great place to live. The Winnipeg Labour Council strongly urges you rethink these high user fees and keep these programs affordable for everyone to use. Thank you very much.

Mr. Speaker: Thanks, Mr. Sauer. If Mr. Sanders could join you. Councillor Eadie.

Councillor Eadie: Yes a question for Mr. Sanders. It sounds to me like you're working as an expert in the field of reassessments and dealing with it and, is it typical to say that most business that arises out of fighting for or against reassessments is due to the taxpayers' inability to meet the highly fluctuating changes in market value?

Mr. Sanders: I'm sorry, Councillor Eadie.

Councillor Eadie: Well in context, you talked about fees and my question really is, if you're working in the field of helping to represent people on reassessments, is it; is the Application to deal with reassessment due to the inability to afford the payment of highly fluctuating reassessment values?

David Sanders: Well Councillor, I don't think the problem is so much that values fluctuate but that the determination of what the fair assessed value is from time to time is not an easy thing to do. The Assessment Department of course tries very hard, but there are certainly differences of opinion as to what market value is. There are differences of opinion as to what a fair assessment is because our assessments are market value in fee simple as of a particular time, a reference date, but the physical condition of the property as of another time which is the start of the assessment year; the citizens don't know the details of this and it's the lack of understanding of what a fair assessment is, which leads to a lot of the confusion and debate and the need to have a process for adjudicating fairly as to what that number should be because in the end the taxes are based precisely on that assessment number.

Councillor Eadie: So your submission then is that the fees that are being proposed to be increased for making Application for reassessment, is actually putting undo hardship on these businesses and people trying to fight for fair assessment values?

David Sanders: Well, it's an additional impediment to going forward when you really don't know in advance what the outcome is going to be and particularly for residential taxpayers, I suggest that this is a significant number. In the case of commercial properties, it is less significant number but it is an aggravation and if they are successful it will be refunded and therefore there is a whole lot of work being done by people in this City, in the commercial enterprises and others for nothing. And it doesn't address the problem that the City Clerk identified for those who don't show up. In the case of the commercial property owners they are required to exchange at least 15 days before the hearing so it's known 15 days before the hearing whether they are coming. It's the residential taxpayers who show up at the hearing and are

surprised when they discover that the work they've done comparing assessments, won't even be listened to by the board, will only listen to sales because the taxpayers don't understand what a fair assessment is. Thank You.

Mr. Speaker: Thank you. Councillor Fielding.

Councillor Fielding: Thank you for your presentation. Just for clarification what does the City of Brandon and the Municipal Board charge? Is there a charge which they have as well for,,,

David Sanders: Yes, they have a charge. When they first introduced it I objected and it was postponed for a year because they failed to pass up a By-law that they though was necessary. Subsequently, they have introduced it and I have not had a client who is prepared to take the matter to court. That's more likely to occur in the case of Winnipeg if fees are introduced without authority to do so. But it's true, Brandon is currently charging fees between 50 and $500 as the Municipal Board does. They've done so for a few years now. The case of the Municipal Board of Manitoba, authority is given in the Municipal Board Act and in the Municipal Assessment Act as referred to in the documents which I gave you today.

Councillor Fielding: First of all, so it sounds like we're within line with what other jurisdictions are doing. Just in regards to some of the nuisance appeals that are filed, the information we have is that over the last two years you've had over 1,500 people that didn't show up. So obviously the City, to generate a Report and have staff show up and everything else, we spend on average I think about a million dollars a year to address these. Are you aware or did you realize that there is time, money and energy that is put forth from the City it's a waste of taxpayers money when you have 1,500 people that won't show up?

David Sanders: A number of things, I disagree with the analysis and conclusion. You're referring to two years ago in 2009, which was the year of general assessment. The day that we are not provided as to what the case was in 2010 or so far this year, which would be fewer. It is not the case that other jurisdictions all charge fees. In B.C. and Ontario they are very extensive review processes to begin with including hearings in B.C., with no fee being charged and it's only the second level when you appeal to the boards officially, that there is a filing fee. With respect to the amount of money expended on these things, I think it's entirely wrong to think it's wasted money when in fact typically, the briefs are not prepared by the computers until shortly before the appeal hearing and secondly, it is only after they are prepared and they are shared with taxpayers that they realize they have no case and then lose interest in proceeding further. That's not wasted money, that's part of the process of reviewing, explaining and establishing the legitimacy of the tax regime.

Mr. Speaker: Councillor Gerbasi.

Councillor Gerbasi: My question is for Mr. Sauer. Thank you. In your; thank you for your presentation today. In your presentation, you talked about the frontage levy going to infrastructure and I guess that's how it was presented to the public; that it was going to infrastructure. But, are you aware that while $14.1 million is being raised through the frontage levy, another 15 million is being taken out of the page in the budget that goes to road maintenance where the money is put in? Are you aware of that?

David Sauer: Yeah, I am aware of that. That was what was reported in the media over the last little while. I share your concern with this as well.

Mr. Speaker: Councillor Havixbeck.

Councillor Havixbeck: My questions are to Mr. Sanders. Just was wondering, you represent a lot of clients I would think and derive an income and I'm going to echo what Councillor Swandel pointed out at EPC last week when you presented. Can you tell me maybe what percentage of your income is derived from representing people on appeals?

David Sanders: That's an entirely inappropriate question. All of my income comes from representing people on appeals. I'm paid a salary which is not affected by the results of those appeals. My firm is paid fees based on a variety of methods, sometimes contingency, sometimes hourly, sometimes flat fees. That's irrelevant. And in referring to Councillor Swandel's remarks, you made reference to Conflict of Interest. I hope this Council has a better understanding of Conflict of Interest. Conflict of Interest applies to public officials, public elected officials where their personal interests conflict with their public interests. I'm a private citizen with a private company, I act in a manner which is consistent with the interests of my clients first, my company second, myself third if you wish, but there is no conflict here. Any more than if I appeared here as a developer or whatever, advancing a case.

Councillor Havixbeck: Okay. I have one more question, that you raised a number of 15 to 1,600 no shows. How do you suggest the City address the cost of that? There is a cost for private citizens who work on those boards to staff, who are in attendance, how do you address the issue of no shows then, financially?

David Sanders: To me it's not so much a financial question but how do you; well okay let me answer it this way. In the case of the Board of Revision, the Board of Revision is allowed adopt rules of procedure with approval of this Council and pursuant to that, the Board of Revision now requires both the Assessor and Commercial Property owners to file initial briefs 15 days before the hearing, okay. So you know whether they are still coming or not. There is no reason why the rules of procedure could not be amended to require residential taxpayers to somehow respond in advance of their intended interest in coming forward. I think there might be many other ways doing it if only there was an attempt to examine them. Appreciate that this recommendation is a bald recommendation without any justification, discussion of options, discussion of implications, on the table here, I believe contrary to the procedures of this Council and I would suggest that it certainly deserves a lot more study. With some study we probably could come up with the ways and means of reducing unnecessary expenses. The most important one of course is to prepare the Assessments early, to explain them clearly and to provide people with lots of time to check with the Assessment Department and achieve a better understanding. That's the most important one. Thank you.

Mr. Speaker: Mayor Katz.

Mayor Katz: Thank you very much. To David Sauer, please. Welcome back.

David Sauer: Thank you for having me.

Mayor Katz: Always a pleasure. You made reference to arenas and the people playing hockey and some of the numbers you quoted which were accurate. I'm assuming you broken those numbers down so here is my question for you. Adult hockey would cost an extra $1.55 per adult to play hockey. Do you genuinely think that would deter adults from playing hockey or maybe they would have 1 or 2 beers less during that game per se or after the game. Do you believe that $1.55 would deter someone from playing hockey?

David Sauer: Well I think that's just the general principle that we're trying to encourage people from being more physically active. Obviously, I think if you take $1.50 away and they can't have there beer you're encouraging a little bit of sentiment of having a healthier lifestyle but I think it's just the principle that we're talking about, is an increase over all in fees and how much more will it go up in the next year and the next year so and so forth. That's the worry that I have is that we're setting a precedent here that it could potentially go up increasing incrementally more and more to the point where some people do not have the opportunity to do it.

Mayor Katz: So the concern is the future; you don't think people will be deterred from playing hockey. About 6 days ago I asked you a question and you didn't have the answer so I'll ask again. Maybe now you've had some time to think about it. I very much appreciate you coming here representing your organization. As mentioned earlier while Dave Angus doing his delegation, we talked about the Manitoba Business Council recommending to the Province of Manitoba and meeting with the Premier and the Minister, about increasing the, basically, PST by 1 point and dedicating that to the City for infrastructure for a ten year period of time. Are you and your organization supportive of that?

David Sauer: Well, I think at the time I also said that my organization hadn't established the policy on that and we operated on a delegation status so we haven't had an opportunity to bring that up among the delegation to talk and actually have a solid policy on that. Now, having a policy on another organization's proposal, it's just a proposal that's out there right now. It would take time for our organization to see all the facts and where it actually stands on that policy. So I mean can't speak on behalf of a group where my Membership are the ones who control the policy.

Mayor Katz: I accept that. Let me ask you as a citizen of Winnipeg, do you support that?

David Sauer: Well then again as a citizen of Winnipeg you know, I'm not here as a citizen of Winnipeg I'm here to represent my organization right now. So if I were to actually give one opinion on that, then would that not then reflect on what my organization? No? (Inaudible speaking in the background) I think it does, actually. Oh but; you know, but I'm here representing my organization, I can't say thing and then my organization comes out says no we actually totally disagree with that. It would make me look rather foolish.

(Inaudible speaking in the background)

Mr. Speaker: Thank you Mr. Sauer, Mr. Sanders. Question period is concluded. All right, we'll move into the heart of the meeting, and I'll ask Mayor Katz to Introduce the Report.

**REPORT OF THE
EXECUTIVE POLICY COMMITTEE
DATED MARCH 16, 2011**

Item 1 - 2011 Operating Budget and Financial Plans for 2012 and 2013

Mayor Katz: Mr. Speaker, I will very briefly Introduce it and then I am basically going to hand it over to the individual who has done all the heavy lifting, obviously, the Councillor and Chair of Finance, Scott Fielding. Mr. Speaker, this is an extremely important budget. I think we know the challenges that are ahead of us. Some very difficult decisions have been made, but I have believe solid concrete decisions to move us into the future and with that Mr. Speaker, I will save my comments for later as all the other Councillors and I will turn it over to Scott Fielding.

Mr. Speaker: Councillor Fielding.

Councillor Fielding: Great, thank you Mr. Speaker. First of all I would like to thank all Executive Policy Committee Members as well as Councillors for their input on this budget. I want thank Mayor Katz for your leadership and also our Administration for your hard work throughout the process. Very happy that we had some pre-budget consultations to hear from our citizens in regards to the budget and also to have, I know at Executive Policy Committee we had over 24 delegations which we were able to make changes to the Budget. But I can tell you, you know since I've been here this probably the most challenging budget that we've faced, really in the last number of years and I can tell you it is getting more difficult to deliver our core services that we have for our citizens in terms of revenue streams that we do have brought in. We had to make tough decisions and some decisions that I personally wouldn't have liked to make but I think we had to make for the lock term stability of this organization.

This budget really focuses in on public safety while delivering core services for citizens. For me, the very most important thing is to address the crime problem here in the City of Winnipeg. Crime is something that impacts families, it impacts neighbourhoods, and it impacts the quality of life for the citizens and impacts the growth and development of our fair City. We have also some new challenges that we have in terms of the infrastructure deficit that we have here, with a limited resources that are there.

On the positive front, Mr. Speaker, I think our City has made some incredible strides as a City, when you look at our competitive tax environment that we have now here in the City, from property taxes to business taxes. You look at the global economic storm that we had that went through across the country and I think we handled it quite well and also in terms of Winnipeg being a place where people investing, like IKEA coming back, we have talk of a NHL team. I was reading in the paper today about the amount of hotels that are being built, this year is higher than the last 10 years. So we're making some very good strides as well and I'm proud of this budget in terms of the future direction we're having for our citizens here in Winnipeg.

In terms of our investments in public safety this year, you are going to see more police officers on the street to catch criminals and keep our community safe. Our citizens have told us loud and clear in the last election campaign that they want a safer City. They want a City where they don't have to worry about walking around with their family downtown. They want a City where they are not reading about our; reading about us in national newspapers about horrific crimes happening on our streets. More resources dedicated to public safety to fight crime and catch criminals is important and this Budget also puts more money into 911 services to help with response times. Overall the Police Budget is growing to $202 million, which is over a $12 million increase from last year or 6.4% increase. You are going to see 97 more officers and cadets on the street, which fulfills part of Mayor Katz's commitment, you're going to see a police helicopter, and you're also going to see as I mentioned some communication staff. All totaled more than 121 personnel will be focused in on public safety here in the City as opposed to last year. The budget also extends our commitment to the Downtown Watch Program this is something that will be transitioned to the Police Cadets over in 2012 while the Cadets are trained, fully trained. I think this is something that will please the Chief of Police, the Downtown BIZ and all other agencies that are there. The Budget for First Responders is going to $143.5 million, a $5.7 million increase. I know the men and women of the police are here today to support this and there is 20 new Firefighters to be added at Sage Creek to help with response times which I think is a very important step in the right direction. All totaled, Fire and Police Budget takes up about 41% of this budget which is up from 31% just ten years ago.

Property taxes: Extremely happy that the property tax has been extended for 14 consecutive years. I can tell you that we believe that property taxes are one of the most regressive forms of taxation that is out there and we're happy to maintain that commitment to a property competitive tax environment here in the City of Winnipeg. Over the next; we've taken a lot of criticism over the last number of years to that policy, we're addressing competitive tax environment. But I can tell you over the last ten years the same period where the City of Winnipeg has not increased property taxes. If you are a resident of the City of Edmonton your property taxes would of gone up 55%. If you're from Calgary 47%,

Vancouver 48%, Saskatoon 41% and Regina 27%. So I'm going to make no bones about it, I think we've been very physically responsive for our taxpayers the last number of years, which I think makes it important. Whether you agree with our tax policies here or you've disagree over the last number of years, one thing is conclusive is that we are one of the lowest tax jurisdictions in the country, which I think is a very important step.

Business taxes: Also happy that small businesses are going to get a bit more of a tax break here to help create jobs here in the City of Winnipeg. We're extending our Business Tax Credit Program. You're going to see it grows from 3.18 million to 3.5 million, mainly funded through growth. What that means is 38% of businesses, here in the City of Winnipeg, will not have to pay the job killing business tax or 4,661 businesses. Because of this document, another 276 businesses won't have to pay the business tax.

We have also made important investments in places like Assiniboine Park. Our commitment and our Grant grows to $10.7 million up by 3.1. This of course is the first year where total operations is taken over to Assiniboine Park. The City of Winnipeg is very pleased with this progress, all totaled our Capital Operating expenditures to the Park have gone up by over 17.4%. The total tax budget represents $847 million which is a $29.7 million increase. Revenues as we mentioned, what makes up the 27.9 million you are seeing some property tax revenue growth to the tune of $4.8 million, that doesn't include all the tax credit programs that are out there. The business tax is capped at just over 57 million. A little bit less money for electric and gas tax because of the Hydro issue that we debated last year. One element that has been talked about is in terms of the frontage levies going up by $1.20 from $2.55 to $3.75 per property. What's important to note about the frontage levies, it hasn't increased since 2001; yet construction inflation, during the same period of time, has gone up by over 72%. So the projects that it goes to fund it have dramatically gone up, which is causing; I know what Councillor Wyatt talks about in terms of the infrastructure deficit. Frontage levies are 100% dedicated to revenues that are there and we feel that our investments in these areas will help to address the infrastructure deficit as we move forward. We believe it's a form of user fee and should be linked to construction inflation to allow us not to fall further back for it. All totaled, it's going to bring in over 13.3 million. There is also some new growth in terms of some new volume and some work that we did last year. I know frontage levies is something the opposition Councillors have supported in the past as more of an equitable form of revenue, so I'm interested to see if there is a revisionist history in terms of their stance, way back when the New Deal was introduced.

Utility dividends: The budget also includes a new Utility Dividend for Water and Sewer services, we peg this at 8% of Water and Sewer sales, very similar to what other Canadian cities are doing. You look at what Calgary does, they have got a 10% dividend that's a part of their water and sewer rates. Calgary has about an 8% dividend that's a part of it. Also very consistent with what Winnipeg Hydro did when we owned Winnipeg Hydro; where they took over a 12% dividend, which represent about 16% to the City on an annual basis. And I know this is something that was quite supported by my good friend, Councillor Gerbasi, when she was one of the Chief Architects of the Budget, was very supportive of this. So at the end of the day, the City owns 100% of all the pipes, all the sewer, all the pavements that are associated with water utility. We take on great risk to borrow the money on behalf of the Water and Sewer. We manage the construction projects. We also deliver a clean water supply. So we think it's fair and reasonable to have a return on investment in terms of these practices and some people talk about in terms of the impact later on down the line when we look at rates. When we need to fall to look at rates, you look at expenditures, you look at revenues, you look at retained earnings, you also look at what Capital Projects can be done. The debt verses rate ratios and also, provincial requirements. One thing we've made perfectly clear is, we're not interested in doing ill-conceived nitrogen removal process, where it's anywhere between $365 million of money that's going to be wasted by the taxpayers. These rates were built into the models that are there and I think you are going to see in fall, a choice for Councillors if they want include that a part of the rates or not. So we think that you know overall, the ten year plan for any rates that are part of it, will be very comparable and won't have a substantial impact for ratepayers.

In terms of expenditures, as I mentioned, it's gone up by 29.7% very similar to last year, where it just over 30%. Overall it was about a 3.6% increase. Every department got a 2% increase except for…(Inaudible)

Mr. Speaker: Councillor Browaty Moves Extension. All those in Favour? Opposed? Carried.

Councillor Fielding: As well as Fire that got a 4% increase in terms of their Budgets. The Public Works Budget's going up by $4 million, increased $2 million for some work in terms of the flood relief. There is some money in terms of the 60% biological movement that we are talking about. Community services gone up by $2.6 million a large part of that is the Assiniboine Park Grant, which we talked about before. We also heard quite conclusively from our residents in terms of, that we should be investing more in libraries, so we're happy the Millennium Library will now have extended hours. We're having free Wi service for our libraries as well as to places like the North End Recreation Centre and the Pan-Am Pool. We also heard from the Library Board during our delegations that we should be putting more money into library materials. So very happy to increase their annual Grant if you will, to upwards of $25,000 a year to address new technologies that are there.

Recreational fees: Well I can tell you that these are tough decisions that we had to make. The City of Winnipeg has moved towards more of a cost recovery for our services. I can tell you, a large amount of these services are costing exponentially more to deliver the service than we actually taken in , so we had to make some tough choices. Are these decisions we want to make? No. But it's probably better than eliminating the service over all and we think it makes more sense to move towards a user fee that's associated with it. Also very happy that we were able to include some money for the Children's Museum, we put toward $276 thousand for 3 years, $92 thousand for the next year. So they can expand their building but they can also expand their programming that is there, that the citizens of Winnipeg can come and can enjoy for a long period of time. Our Transit Grant has also gone up by $1.4 million, which goes from 143 to 151. Been some talk in terms of long term strategies for the City of Winnipeg. What the City of Winnipeg is committed to is strengthening the performance of measurement standards that are there, the financial framework that's part of it. The financial plan is coming through Council, I believe tomorrow and there also have a debt strategy that we will be reviewing with our boundaries' as we move forward.

In conclusion, the budget of course is not a perfect document. There is not a large amount of decisions that we didn't want to make but we felt it was important. What is important is we took more into account what our citizens are saying in terms of the public safety element that's there, more Police Officers on the street, more Fire Fighters to help address issues for our citizens and we've extended some more services towards library services and support for kids. So with that, I'll leave my comments at this point and look forward to hearing all of your comments throughout the next few hours.

Mr. Speaker: Thank you, Councillor Fielding. We do have a Motion from Councillor Wyatt; Seconded by Councillor Smith. Councillor Wyatt.

Motion No. 1
Moved by Councillor Wyatt,
Seconded by Councillor Smith,

BE IT RESOLVED THAT the Proposed 2011 Operating Budget be amended by:

a) Deleting the proposed Frontage Levy Increase;

b) Deleting the proposed increase in Recreational Fees;

c) Increasing general Property Taxes by 3.75%, which will raise approximately $15 million and adjusting the Mill Rate accordingly.

Councillor Wyatt: Thank you, Mr. Speaker. First of all I just want to rise; I'm introducing – speaking to the Motion but preface my comments. At one time I sat on the Executive Policy Committee and I can appreciate the process of what members of EPC went through. It's not an easy process in terms of trying to balance the budget working with the public service, I know the public service worked very hard on that, along with members of EPC so even though we may disagree today on the outcome of the budget; that in no way reflects my appreciation for the work that those members have done.

Mr. Speaker, the Motion coming before you is fairly straightforward. It's an alteration in the projected revenues of the budget. Right now, Mr. Speaker, it's been recognized that we; the previous speaker, the Chair of Finance recognized we have probably the most competitive property taxes in the Country. I think we were right in line to compete with Surrey, and I think Surrey has recently increased their taxes, so I think we are probably the most competitive property taxes for a City of our size of municipal taxes, Mr. Speaker. Of course, and I want to stress municipal, we going to be having the discussion tomorrow on the Education Mill Rate Support, which we all look forward to. And so we have the most competitive, there's no doubt about it. And frankly also, Mr. Speaker, we have; it's been pointed out by our own staff that we have per capita the most competitive service costs in terms of the municipality. We deliver our services relatively quite efficiently compared to other major cities in this country.

So I think it's been recognized and I think if you look at the budget and the actions that the budget has taken, it's recognized, I think by a majority of Council. I think it's unanimous that yes, there are other ways indeed we can probably to find efficiencies and we should always be looking for efficiencies. But the fact of the matter is that, overall we don't have a big spending problem. Now some people of course outside of this Chamber may disagree with that, but knowing what other municipalities spend in terms of services and knowing what the public expects of us in terms of our services, the challenge is not on the spending side, the challenge clearly Mr. Speaker, is on the revenue side and I think the budget clearly reflects that with some of the ideas being proposed.

The revenue side, Mr. Speaker, therefore is the side we need to talk about because you know, we know we have these services that we want to maintain and the quality of life we want to maintain for the City. All of us here and the previous speaker rightly pointed out, the increase we're giving for Police, increases for Fire. All of us here supported contracts in this Chamber giving higher wage increases above the rate of inflation in some cases. For many different unions, we will be voting on another one in the near future hopefully, if everything goes well. We are still giving increases, Mr. Speaker, and a lot of folks would argue that; and I would argue that Emergency Services, Police and Fire, we have given them above the rate of inflation. This budget alone, $10.6 million for salary increases for Police and Fire, and everybody supported that except for maybe the new Councillors who weren't here when we voted on those things. So, Mr. Speaker, those are services that the public appreciates and the public wants to support and sees as crucial to the future of the City. But of course they add to our costs; right; and it makes it a great challenge, Mr. Speaker in terms of the revenue. As we know, we only have so many tools, as rightly pointed out by Dave Angus from the Chamber of Commerce. We only have so many tools as a municipality, it's a problem that affecting municipalities across this country. And therefore, I can appreciate the struggle that was; that was attempted. So the change we're making here is a slight change but is still significant what is being proposed in this Motion.

I believe in frontage levies. I've argued in favour of frontage levies in this Chamber, Mr. Speaker, but I believe frontage levies are crucial to link and to tie into our infrastructure and infrastructure renewal. If we increase frontage levy charges, we should be increasing the amount of service we're providing in terms of that infrastructure renewal. I think the cost of a square meter of cement in Transcona on a residential street is the same cost as a square meter of cement, typically in Charleswood or St. Charles. The fact of that matter is there is nothing wrong with saying that home owners and property owners should contribute towards the maintenance of their street, the maintenance of their back lane and the maintenance of their sidewalk – that basic core infrastructure. And that's what the frontage levy should be, Mr. Speaker, and that's why it's there; not as a way to raise revenue to balance our general revenue fund, which is clearly what is happening here, Mr. Speaker, because we do not see a corresponding increase to the same degree, Mr. Speaker, by any margin of closeness, in terms of spending on infrastructure renewal. That is why we're suggesting, Mr. Speaker, that if we have to raise taxes that we do so in the form of a property tax increase, which buy and large is the majority of that 14 million. So a property tax increase which is three; three quarters percent but was far more progressive because of the fact, Mr. Speaker, it's based on assessment, it's based on the assessed value of property verses the frontage of a property.

It's important, Mr. Speaker, to keep in mind, that again, we don't have many tools and property tax unfortunately, is one of the major tools we have. We have now had; this will be the 14th year if this budget passes, which I'm sure it will; 14 years of tax freezes. Mr. Speaker, I think many of us in this Chamber believe probably a year ago; probably two years ago, 3 budgets ago, we should have been looking at a property tax freeze. The reality is we didn't do it. If we had a modest property tax freeze 3 budgets ago and the following budget and this year, we wouldn't be looking at what, if you add all this up, Mr. Speaker, in terms of the dividend as being proposed from the sewer and water coming back in terms of rec. fees and in terms of the frontage levies, you add it up as an equivalent to an 8% property tax increase.

I haven't spoken about the dividend, Mr. Speaker. It's not in the Motion. To be quite honest, the Motion I was able to get a Seconder for this Motion. I don't know if I can get a Seconder for the dividend as well but the reality is, Mr. Speaker, the dividend is very controversial in and of itself because of the fact that we have water and sewer rates which are at that level that we can afford to bring back money. Now, I would have preferred not to take the dividend and reduce water and sewer rates but we would of have had to find those funds from somewhere else. Again, our largest tool, our biggest tool is Property Tax and that's, Mr. Speaker, the greatest challenge. We have to reflect; we have to acknowledge that and I think we should be up front in terms of saying to the citizens of Winnipeg, we have these increasing costs, we have the services that everybody wants and expects, but we also have to start to raise our property taxes. And that's what this Motion is saying. Nobody wants to say that, you know. Nobody but I've been saying for the last 3 years, but nobody wants to say that but its time has come and Mr. Speaker, I believe that we should have a frontage levy increase, but it should go to roads and infrastructure but if we have to do this, Mr. Speaker, today, let us try to do it in a more balanced way which is again having a property tax increase. The rec. fees, frankly Mr. Speaker, I think the majority of us in this Chamber, probably all of us, would be able to support an inflationary cost in recreation fees but again, I think the recreation fees, again we don't have many tools and it's used to try to balance the budget that we have. Again, the process is not an easy one in terms of trying to get down to zero in terms of the property tax increase and that's the difficulty, Mr. Speaker, and I think we should start acknowledging that. I know the representative from the Chamber said we got to hold the line on property taxes but the reality is, Mr. Speaker, we've held the line on property taxes; we've done it now, for 13 years. And if we cannot simply say that we can have a modest property tax increase, there is something wrong Mr. Speaker. All the other costs are going up whether we like it or not.

Yesterday the former President of Shell says he expects oil prices, gas prices to rise by the end of 2012 by 40%. We're all facing these costs, Mr. Speaker. These are inflationary costs that are hitting us now and are going to hit us in the future. I think we have to start to prepare for that and start looking at not just this budget but the future. A property tax

increase does that. So it's not probably the best thing to argue, nor the wisest thing to argue, if you're a politician to argue for a property tax but I just did it. I know there are other Members of Council who may not agree, but Mr. Speaker, those are the arguments I put before you and I encourage everyone to think long and hard on them. Thank you.

Mr. Speaker: Thank you. The kinder, gentler Councillor Wyatt. (Chuckles)

Councillor Wyatt: What did you want a Fidel Castro speech? Is that what you wanted? (Chuckles)

(Inaudible speaking in background)

Mr. Speaker: All right, I'll open the dance card for folks to make their comments. Councillor Gerbasi, Devi Sharma. Yes Sir, Councillor Eadie.

Councillor Eadie: Just for this new City Councillor, are we only debating the Motion to amend at this moment?

Mr. Speaker: Both motions will be on…

Councillor Eadie: Both that have been presented to us is for debate, we have ten minutes to speak to both? Is that correct?

Mr. Speaker: That's correct.

Councillor Swandel:: Not 10 minutes each, a total of 10 minutes

Mr. Speaker: A total of 10 minutes.

Councillor Eadie: Well that's too bad. Can I move a Motion to sever the two, so we can debate each separately, given that we've had a few weeks to get used to this budget and supposedly we had great opportunity to give input into the budget, it would be, I think fair to at least debate the nuances of both the Motion and the budget in separate periods of time. Do I have a Seconder?

Mr. Speaker: All right. We need two-thirds number of Council to Suspend the Rules to separate the two, the two Motions that are before us. So, All those in Favour of separating the two ten-minute discussions?

Well it has to be two-thirds. We need a standing vote please. So those in Favour?

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Eadie, Gerbasi, Orlikow, Pagtakhan, Sharma, Smith and Wyatt.

Nays

His Worship Mayor Katz, Councillors Browaty, Fielding, Havixbeck, Steen, Steeves, Swandel and Mr. Speaker Councillor Nordman.

City Clerk: The vote Mr. Speaker Yeas 7, Nays 8. It's Lost.

Mr. Speaker: Thank you. So we will combine both Motions, please. First speaker Councillor Gerbasi.

Councillor Gerbasi: Thank you, Mr. Speaker. I'll start with a couple of; like any budget there's some very good things in it, so I do want to comment on a couple of things I'm pleased to see. I was very pleased to see the funding for the Downtown Outreach Program in place that was a very sensible decision. We really need a program like this that focuses on the difficult social issues we have Downtown in a compassionate way using prevention, intervention and enforcement. It's not just about policing, it's about much more to make our downtown safer and to also get to the root of the social problems we have downtown and I want to thank EPC for making that decision. And of course again I want to thank you for the funding for the Broadway Neighborhood Centre - Just TV Program another crime prevention initiative that is extremely important to our City.

There are many other issues in ten minutes, obviously I am not going to be able to get to most of them that have been raised in the budget process so I'm going to have to stick to a few key points. And some of the things I am concerned about are not addressed here, so if anyone accuses me of not bringing it up today, it's because I only have ten minutes.

We knew that this was going to be a challenging budget due to the fact that the City has frozen or cut taxes for the last 14 years and we knew that there was going to be tough choices. Last year the projected deficit was almost $80 million and yet, in spite of that dire situation, the Mayor ran in the last election on a promise of not raising taxes. Clearly that is a promise that he cannot keep and is not being kept today in this budget. But not only did the Mayor's campaign promise; in his campaign promise not to raise taxes he went further than that. The Mayor's re-election campaign made robo calls city wide raising fears in people that Judy Wasylycia-Leis's proposed 2% increase would force them out of their homes. In Fort Rouge, the robo calls were Jenny and Judy will raise taxes and force you out of your home ands it's funny because I didn't even realize I was running for Mayor and I've never been Minister of Finance. But anyhow, the reason I bring this up is that the Budget before us is a betrayal of trust to people who voted in the last election and I think that needs to be said. Those people voted believing their taxes would not go up and that they were at risk of losing their homes because of Judy Wasylycia-Leis.

This budget proposes a tax increase. It's a frontage levy of 47% which equivalent to an approximate 3% tax increase. The shell game being played here has been clearly exposed and is understood by anyone who is paying attention. The frontage levy is a property tax. It appears on your property tax bill. It is a flat tax based on the size of your property frontage rather than the assessed value of your property. As a straight form of general revenue this is less progressive and harder on the working families than a tax based on the value of your property. It is harder on those who are struggling to remain in their homes as compared to those who can more easily afford it, particularly when you look at the higher assessed properties. The thing about a frontage levy is that is supposed to be dedicated to infrastructure; that's not what we have in front of us today, technically we do because it's legal, but if you got as far as page 4 in reading the Budget, you will see that while 14.1 million of new frontage fees goes in to the budget under street maintenance, 15 million comes out of that same page. What this deceitful maneuver means is no new money is going into the infrastructure, even though the frontage fee is being used. You know, it was mentioned earlier that I supported the new deal which talked about frontage levies; I don't believe we brought in frontage levies. But if they did, last time was 10 years ago, it was dedicated to infrastructure at that time – this is not.

The open and honest thing to do here is to admit the property taxes are being raised to balance the budget and increase the amount of the mill rate and eliminate the frontage tax issue at this time. his increase frontage increase will hit struggling people and families harder than a regular tax increase and what is it all for? To support an illusion that we have a tax freeze. There is no tax freeze no matter how you spin it. And if there comes a time where our Mayor is prepared to actually use the frontage levy as it was intended, for fixing infrastructure, then at that time he should be open and honest and tell people that that's what they're paying for, he has no right to say that now and I am not against that in principle, if it's done in the appropriate manner.

This Budget also raises recreation fees 10 to 20%. The explanation for is, is that we're following a cost recovery model where the user should pay the full cost. We are told not to worry as there is a waiver process. The truth is that most people will not go crawling to the City for a fee waiver. The truth is that many ordinary people will simply decide to participate less in recreational activities. At the same time, the City of Winnipeg is doing this; the Federal Government is creating tax credits for recreation, to encourage people to improve their health. Other levels of government even the Federal Conservatives recognize that subsidizing recreation is good public policy. Yet this budget does the opposite. It is crazy to think that we can recover the full cost of basic recreation services and still have quality recreational options open everyone. The end result of this will be less people participating in recreational programs, poor public health and poor quality of life. This is not something to be proud of.

The amendment put forward by Councillor Wyatt addresses two of the concerns I have spoken of in this two weeks of budget discussion; the frontage levy and the excessive increases in recreational fees. The Motion puts forward a positive alternative that is more equitable and is honest and straightforward. As non-EPC members, we've only found out what was in this proposed budget barely 2 weeks ago. We have not had months of time or staff support or advice to consider other options; we don't even know what options were looked at and dismissed. The Report of the Infrastructure Council likely contains a number of revenue options while Tom Brodbeck seems to have access to that Report, the rest of us do not. Some of us did choose to attend EPC and speak in delegation on the Budget. Most of what was recommended was ignored and I guess others felt that wasn't a worthwhile exercise. Most of us did meet with the Mayor for our 15 minutes; again those meetings were not that fruitful. For one thing they were scheduled so late in the process that the budget had already gone to print already.
My point is to say that we could do a better job of including all Members of Council in the budget process and I know I am going to hear that the current process is the same one we've had under previous Mayors. I'm well aware of that and former Councils, which many of us were a part of but that doesn't mean we can't consider changing it now. I think after

6 or 7 years it's okay to change your mind or to consider improving things and two weeks is really short for a budget process – I don't recall ever doing that. Some of you may wonder why 6 Members of Council took the unusual step of taking out radio ads on a social media campaign regarding this budget. We represent more than one-third of the City, and we felt powerless to have an impact on this budget. We thought perhaps that if the public clearly heard the details of the budget that they would create enough public pressure to influence the Council's decision on the budget. If you won't listen to 6 or more Members of Council, perhaps you'll listen to the concerns of Winnipeggers. The Facebook page had over 600 likes in only a few days, which is a very high number for a social media campaign. The social media campaign is free and the…

Mr. Speaker: Councillor Wyatt moves extension. All those in Favour? Opposed? Carried.

Councillor Gerbasi: The ads cost less than a few hundred dollars which is less than advertising in a local community paper; very minimal cost. And the ads were not attacking anybody personally, they contained only facts about what is proposed in the budget so people could hear about it and let the Mayor know. It is all part of the democratic process.

The Amendment before you is a response to the expectation that the alternative should be suggested rather than being opposed without any alternative. While non-EPC Councillors don't have the staff resources and advice from the Administration that EPC does or the time to work on this, we thought we would come up with an alternative at least to address some of the concerns about this budget. The Amendment makes some very significant changes, we believe it makes the budget more equitable and it will still lead to a balanced the budget. It is an olive branch showing, a willingness to work together and compromise. So here it is, it doesn't address every concern raised but it deals with two out of the three biggest issues we've identified, the frontage levy and rec. fee increases. The rec. fee increases would be gone and the frontage levy would be replaced by an open and honest levy that is more fair; in terms of ability to pay since it's not going to infrastructure anyway. It really should just be on the property tax and it is a property tax so I don't know how we can keep saying we are not doing that. I hope you will prove those wrong who have accused you of not being open to input and suggestions and support this reasonable amendment and perhaps we can compromise as a Council and have some support for your budget. Thank you, Mr. Speaker.

Mr. Speaker: Councillor Sharma.

Councillor Sharma: Mr. Speaker, I rise today to show my support for this budget and acknowledge the work of the Administration and the Executive Policy Committee Members. They have been able to contain rising costs while providing the services that my constituents are looking for. Public safety and crime prevention are very important to my constituents so I applaud the focus on our Police Service and especially the Auxiliary Force Cadets. Similarly, my constituents are very concerned about the infrastructure, especially our roads. It's important that we continue to maintain and improve our roads. However, I am not comfortable with the fee increases for recreational activities. While I accept the philosophy of levying taxation on a more equitable manor rather than through property taxes, I am concerned that the level of increases for recreation services is quite high. But I will support this Budget because I believe it is a financial plan which addresses my constituents key concerns and continues to ensure the health of the City of Winnipeg financial status, by not detrimentally impacting our credit rating. I look forward to working with the Administration on an ongoing basis to ensure that our recreation revenue costs are fair and acceptable to my constituents. Thank you.

Mr. Speaker: Thank you Councillor Sharma. Next.

(Inaudible speaking in the background)

Mr. Speaker: That's all I've got. (Inaudible) Alright, Councillor Smith, saved by the bell.

Councillor Smith: You know, the Mayor's mentioned in the past I haven't supported his budgets and I haven't because we haven't maintained the services in my neighbourhood and other parts of the City. You know, per capita spending in the 2008 Operating Budget for Edmonton was $1,926, for Winnipeg it was $1,323. There was over $700 more spent in Edmonton in providing services. Now this Mayor and the former Mayor have always maintained that we are not in effect cutting core services. But obviously we are. You know, when I walk down the street and I see an asphalt filling on the sidewalk I usually ask the owner, how long has it been like that. And on my street for example, I went down the other day and there was an asphalt filling and I asked the owner who was in front of the house at the time, I asked him, how long that asphalt filling was there? He said 13 years. And that's the time of the freezing of our budget. Now, let me tell you this, you know, we don't notice things of that nature but the fact is we are not maintaining our services. You have to just go into my Ward and other Wards in the Inner City to see that we are not being maintained.

Now, I also like to deal with the fact that the recreation fee hikes. You know, this budget deals with improved safety with more police officers. But you know, this Mayor and his Executive Council doesn't believe that the only way to fight crime is by having more Police Officers. I support more Police Officers but recreational activities help keep kids off the street and not get into trouble. And it's one of the ways of fighting crime is, in effect, having recreational fees that are affordable for most of the people in my area. It's not; you know, the hike of 900,000, there is not a recreational program that has not been affected. Every last single one has had an increase of 10 to 20%, you know, that affects my neighbourhood; never mind facts like Sherbrook Pool not being maintained, you know, any day now I could see it being closed because it's not being maintained properly. You know, it's amazing. Libraries. Now, you know, there is a 25% increase in the Library budget with this budget. But in material expenditures per capita for 2009 we are 25th out of 33 cities in funding Library materials. Now, when you go into a store, if they have the same merchandise as the year before, you know, you probably won't shop there. But the fact is the amount of materials we put on material budget, influences the use of the library. For example in the circulation, Winnipeg had 8 sort of materials taken out in 2009 per capita. Vancouver -- well Vancouver had 16.06. The fact is, Vancouver spends $9.31 on material expenditures and Winnipeg spends $4.39. So Vancouver can offer more and more is taken out. Now we have beautiful library facilities -- Let me tell the Cindy Klassen Library, the Millennium Library – they are a wonderful buildings but we need to fund materials for them so that people will use them. And greater usage will occur if we have greater expenditures in this area. You know, it's a quality of life. I don't understand how the Mayor focuses everything on Police. You know, there s in effect, -- there is a need to provide recreational facilities and library facilities that, in effect, take up our youth and get them involved.

Now the main thing about this Budget is it's devious. You know, the Mayor says there is no increase in your property taxes and yet there is. It's a con job. I'm wondering if next year he is going to say we'll have another freeze on property taxes. There is a time when you had to be honest and I think he should be honest and not; I would expect the Mayor, if he was, in effect, looking at this budget the way he should, he should be, in effect saying it's an increase in your taxes, your property taxes. You know, as Councillor Gerbasi mentioned, when you get your property tax, it has your frontage levy on it. That's part of your tax. It's very clear and simple. Councillor Wyatt's Motion makes a lot of sense because it's equitable. You know, the Free Press had an article and they showed a house in Elmwood assessed at $75,400 with a frontage levy of $84 for 33 ft. A condominium in Crescent Wood with the assessed value of $1,044,000 has a frontage share with others in the same building and the frontage levy for them is $17.85. So it's a question of fairness and I would expect people should not be supportive of this budget.

Now I should also say there are some things in the budget that don't make too much sense. For example there is a 1.5 million extra in traffic fines. That means 10,000 tickets issue. Are you supposing that we'll have more and more drivers that will break the traffic laws or that we haven't enforced them in the past? Obviously there are a lot of things wrong with this budget. I hope we don't support it. I appeal to the Mayor to be fair and take a second look. The Premier of British Columbia used to take second looks at things and I think the Mayor needs to take a second look with his budget. Thank you.

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

Councillor Havixbeck: I'll be brief. I'm speaking in support of this Budget, however, it's not perfect and I'll get into some of what I see that's been commented on, but first, I would like to commend all the staff from all the staff from the CAO to all the financial staff who answer questions from everyone and who are open and accessible and worked very hard to put this together.

First, I would like to say that I think this Budget is the best case to helping improve public safety and improve infrastructure and it's a good first step. No, it's not perfect and I'll be the first to admit that but within public safety we need to look at both Fire and Police Services as well as programs and the growing poverty and I've said this before, the growing poverty in our City. We all support and don't support different elements of this Budget. Councillor Wyatt's Motion before us cherry-picks what is liked and what is not liked and we have to accept the Budget as a whole. I would argue that the advertising expenditures by certain Councillors may be wasteful. It's not reaching out. It's not addressing constituents. I would encourage all Councillors who oppose this budget to put their creative hats on and bring solution-based answers to the ASD Committee because that's what it's been designed for. We owe this to the people who elect us and we all should have a say and that's the avenue for having a say.

On the frontage levy piece, I heard from many constituents in Charleswood/Tuxedo, some against but the majority feeling this is a more fair solution for having roads and infrastructure attended to. And again, more people were for it. As a member of EPC, I can tell you honestly that the Infrastructure Report that was alluded to earlier today, and on the record, has not been provided to the EPC and so there is no Report that is looming around anywhere as far as I can tell. Just to further talk to spending and collectively our Councillor Budgets are about $70,000, and I can only assume that

there may be more Waste, but I won't go there. This Budget, to me, focuses on user-based answers. It focuses on users and those that have a frontage.

There were many more things I would have loved to have seen supported in this Budget. For example, we had 24 people in delegation and I believe only two of those requests were supported in the Motion before us. I would like to see more programs in the Arts for our City. I would like to see more funds towards the Assiniboine Park Conservancy; more programs for youth. There was discussion about the Leisure Guide and cutting costs in the Leisure Guide and how can we take away services? Many -- I would love to see many more children's programs, as a parent I see the value of having our children in team sports. Not only does it build camaraderie but keeps kids busy and out of gangs.

You can clearly see from the list and the Motion of the 24 to 25 delegates who appeared, the bare minimum was allocated, in fact Winnipeg Harvest's request was some $600,000 and it's shocking that only $60,000 can be allocated to them. So, another one is a shortfall to Assiniboine Park Conservancy. The people working very hard in the private sector to get more private sector funding rely on the City's involvement and they rely on the City to meet obligations. And it's very difficult to go back to these groups and say the City is not there at the hundred percent level and as part of that board I can honestly say we took a little bit of flak for that. So, I just want these things on the record, I am supportive, but I would have loved to have seen more. It's a good step towards coming up with a better revenue stream system and doing one less one off kinds of cutting to programs. Thank you.

Mr. Speaker: Councillor Steen, then Councillor Eadie; oh I'm sorry, Steeves.

Councillor Steeves: Thank you, Mr. Speaker. We are similar hockey players that's why I think you get us confused. It's interesting to talk about these budgets in the context of raising more revenue, Mr. Speaker, which I have to admit has become kind of a default purpose of our discussions on these Budgets. People talking about how we might bring in more revenue. And I have to admit in the context of myself going through the Budget document, I'm tempted into that from time to time and I sometimes wonder where we might find more revenue myself. I know that temptation exists because we want to deliver programs desperately to the people we represent.

I am concerned though, Mr. Speaker that as a Country, a Province, a City, we're back into the cycle again of overspending in government. I recall and I guess all politics is personal to some degree. I came out of the University in the early 1990s at a time when this country was riddled, and every province was riddled with debt. I can tell you the effects on the young economy in that time period were heinous. Nobody was getting jobs. Doctors, teachers, engineers in droves were going south of the border. Most of whom never came back and we're feeling those affects today. We have to be careful about some of these sort of things.

Overall, this Budget raises expenditures by 3.6%, Mr. Speaker. That is done, Mr. Speaker, in the context of a CPI Index which I understand is around .8 of 1%. So let's pause the Council right now and ask ourselves, is that reasonable? Is that a fair amount? I'm going to be supporting the Budget obviously, but I want to ask each and every Councillor who is asking us to spend more money, where we would purport to get that money from and who would be paying the freight on those increased expenditures? A CPI Index of under 1% means exactly one thing, it means that the citizens who are paying for our Budget are probably in the environs generally and averagely speaking of seeing those types of increases in things like salary and what for? Those are their realities, Mr. Speaker and that's why we have to be ever mindful of that. When we're doing things like asking for more money, even though we know that we want to deliver good programming on their behalf. This is a balance that we have to strike and it's a fair balance.

Frontage levies, property taxes, recreational fees, fair debates, fair discussions but we'll recall again, Mr. Speaker, this money is all coming from the same place. Yes, there may be some arguments to be made that one thing is more fair than another is but as Councillor Gerbasi correct in her general statement that people who live in higher assess houses make more money. Is that a fair statement? Perhaps, it may be generally a fair statement. Is it also a fair statement to say people who live on larger lots with larger frontages also make more money? I would say probably. Is either system perfect? No. I would say no. But we have to do what we can. In my opinion, the frontage levy in this first year hasn't work out perfectly but is it overall a more transparent and more fair system to our citizenry? Yes, I think it is and I think over time people will be able to follow the frontage levy system more easily than they can follow the property taxation system. I believe that to be the case. My friend did talk about the commercials that were ran and the discussion about how this is unfair to certain people in our community, the frontage levy issue, Mr. Speaker. The irony of those commercials, I would suggest is that -- I didn't get an overwhelming amount of contact from constituents but those who did were angry that we were raising more money, period. I don't know if that was a planned outcome but that was the outcome for a lot of people in this City. So if what you're trying to suggest is that we need more and this is the wrong way to do it, I don't think that mission was accomplished. I would bring us back always, Mr. Speaker, to how much money do we want to take out of our local economy? Most of us were raised in an era, not all of us, but most of us were raised in an era where prominent people in our community across the world not only local, people as high up as the

Gandhi's and the JFK's and the Martin Luther King's, always spoke out in grievous circumstances about the horrible things that are being done to citizens in different regions of the World and to their credit, they change people's minds and they created a new idea. A new idea about governments can step in and governments can fix these very acute and direct problems. And thankfully, at least to a large extent, they were correct. The challenge is, is that over held from that era is the same concept that we as government can fix everything. I'm going to make a suggestion globally right now, Mr. Speaker; that we cannot. As a government, we regrettably cannot fix all of the problems in our community. The lion's share of the problems and the challenges in our community are going to be fixed by the people who live in our community. And it happens every day through volunteerism, through self-reliance, through entrepreneurship; all of those things, individual citizens standing up in a million different ways on a million different days accomplishing a million different things. That's how it works. The problem is, of course, before us come repeatedly caring people, good people who genuinely want to help and who genuinely are calling on government to provide more and more resources to more and more organizations, provide more and more services, which is becoming more and more difficult for this government to deliver.

What we do have, Mr. Speaker, is a undeniable obligation to deliver core services. Police Services, Fire, Paramedic Services, Services on roads and bridges, those are things that we cannot debate and those are things that we have to do. And when we talk about things like interventions from other orders of government for different revenue streams, if indeed that does some day materialize to the amount that we want it to materialize, our first order of business is going to have to deal with those core services and then perhaps we can get to some of those other things we'd like to address. That's our reality, Mr. Speaker. And I want people to realize that. I appreciate the Amendment. I am not going to support it but I appreciate it in its transparency and I appreciate it in its directness. At EPC, when Councillors Gerbasi and Councillors Eadie attended, I asked them very pointed and specific questions about whether or not they would support a property tax increase by virtue of Councillor Wyatt's Motion today, I guess I'm about to find out. But at the time, neither one was willing to openly admit that they were at that spot where they were prepared to do that. And this is part of the challenge.

(Inaudible speaking in the background)

Councillor Eadie: False statement is put on the record, I said to him 3.2%, thank you very much.

Mr. Speaker: Thank you, Councillor…

(Inaudible speaking in the background)

Councillor Steeves: Fair enough. He will be able to state his position, quite clearly, as to how he feels about property taxes, Mr. Speaker.

Mr. Speaker: Thank you.

Councillor Steeves: The point is regardless of how the revenue is being raised, for me it's a function of total revenue and how much money we are taking out of our local economy to pay for the services we provide. We can debate until the cow's come home, the prospect of frontage tax levies…

Mr. Speaker: Councillor Steen moves Extension. All those in Favour? Opposed? Carried.

Councillor Steeves: The concept of frontage tax levies versus property tax levies versus recreational fees. To be perfectly candid, I'm not sure how much that all matters, Mr. Speaker. It's a function of total revenue. The recreational fees was a difficult one for me as well. I guess at some point though Mr. Speaker, we will have to come to some sort of ownership as to whether or not we are going to charge people for what it costs to deliver these services.

Received many e-mails from folks from swimming clubs saying who are saying this is a lot of money, and it is, for some of these swim clubs. They're talking about the expense of taking their children to different meets across Canada and hosting people from different meets across Canada. Either these parents are going to have to pay for this through recreational fees or there going to have to pay for it on their property tax bill or some combination thereof. There is no getting around it I'm afraid, at that is the reality. But it is worth noting that 14 years ago, if we would have followed the same path as Vancouver or Edmonton or Calgary; in terms of property taxation, today as a citizen in the City of Winnipeg you would probably be spending on you r property tax bill an additional 800 to $1,400 per year. That is palpable and that would have an impact on people. So when people are talking about the increased fees and some of the challenges that it might represent, I'd ask them only to remember that part of the balance as well. We have studiously avoided taking that money from these people over all of these years, now of course we have to fund some of

the challenges we have. I'll be pleased to support this Budget. I think it has integrity, I think it's honest; I think it is the right thing for our citizens Mr. Speaker.

Mr. Speaker: Thank you Councillor Steeves. Councillor Eadie.

Councillor Eadie: Thank you Speaker Nordman. A great opportunity to speak to my first Budget as a City Councillor from the Mynarski Ward, North End. I would also like to express the hard work that the Administration did to work with the Mayor and EPC Members to come up with this Budget over several months and I look forward to the day when EPC votes to allow me to meet with the Administration on a weekly basis, a half day, for two months so that I can come up with possible revenue options and other ways of dealing with generating revenue and dealing with expenditures of the City. I and the non-EPC Members have not had that confer or that ability to do that. So when it's put on the record that we should be able to come up with the alternatives, I say the alternatives should be brought up by the people who are making the decisions, that's the Mayor and the EPC Members. So anyway thanks to the Administration for working hard. I know it's very challenging to meet all the expenditures of the City. And I don't think that the City of Winnipeg does provide a lot of services and some services we do better than other cities but overall I think that other cities on the Prairies and Alberta provide a superior service but they charge really high fees for those and in Manitoba we deal with property taxes.

I wanted to also just put on the record as a small business person in the past, and a founder of Wood Floors and More Ltd., my family business, I would like to say that when our streets are crumbling, you can't really do business and make money because either you pay some taxes or pay for some services or paying to fix your motor vehicle because it can't carry the equipment on the residential streets that are braking down when you go down to sand hardwood floors. That's the reality of small business. Small business and the business levy, when we reduce some of the business tax on small business, we're not creating new jobs. What we're doing is; we're allowing small hardworking business owners and their families in most cases to actually earn and keep a little bit more of their hard earned dollars. That's what we do when we provide small business tax breaks. But really, the business tax is not necessarily a job reducer. The reality is, is that it just allows the redistribution of some money so that the big corporate people at the top can make their million dollars and so on. So I'll leave that at that and I'm going to go back to what our real problem is in this City and talking to this Budget and the Motion that we've moved ahead.

The real problem and you know what actually you are saying that the property taxes have not gone up in 14 years if this budget is passed. That is wrong. People are paying increased taxes all across the Inner City and actually all across the City because of reassessment. The real problem that we have with property taxes, in a sense it's regressive because we buy houses based on our incomes but the market value which is driven up causes us huge problems. And so I don't hear the decision makers, the Mayor and the decision makers, lobbying the Provincial Government to fix this neither in this Budget nor do I hear it in tomorrow's Financial Management Plan either and I'll speak to that tomorrow. So that's the reality. The -- because of this reality the Mayor and the decision makers are raising a property tax. The frontage levy and I have to say it's going up 47% but I'm not seeing no 47% increase in street renewal and back lane fixing in my Ward. And I can assure you that neither is Councillor Smith or any other Councillors where we have decaying roads. So if you can show me the 47% increase in that, that would be great.

The actual facts as demonstrated in the spreadsheet that I provided to you, you'll see that spreadsheet, it actually has 14 of our properties and lists out what happens; a frontage levy property tax versus a general property tax increase. And what you'll find is that houses that are $260,000 and less are going to be paying a bigger burden of the tax increases we're talking about, and that's those fixed income people and people working for lower wages. That's who we're talking about who's paying the bigger increase. A home similar to Mr. Smith's is paying 7% increase in their property taxes with that levy. So that's just one example. That's; you heard the senior citizen who was having trouble in their home. They've lived in those houses for 40, 50 years. They are small houses and they need lots of repairs, they are not valued a lot but they have 30 feet frontage and it is costing them more. They are not getting the 7% increase. In Mynarski and greater North End, in St. James Brooklyn, the older less income areas of St. James, those people in those locations, there's very few houses valued over $260,000. That's who we're putting a burden on when we increase the frontage levies. Let's be straight about that.

And just a quick one on the advertisement, we all spend money on advertising, that we're the City Councillors and that we're doing something. For slightly over $200 I got more ground work on what I was presenting than I would have by putting a $250 Ad in say the West K Shopper, because it went to more people and obviously it bugged some people because they were concerned. But it cost my residents .5 cents. That's what it cost them.

We are also dependent in this Budget on new properties coming on line. This is another fact. If we have not raised the budget property taxes for 14 or 13 years, what's happening is, the dependent properties, the new properties coming on line that bring us new money, they are paying in $1,998 on the property tax and the reality is that's the biggest tool that

we have as a City Council right now and as a new Councillor, but not just as a new Councillor, the reality is that's what we need to deal with and we need to deal with it in a fair way and more accountable way actually because the levy right now is just is going into some huge pot and we can't track expenditures against the revenues. That's not how we present our Budget. This reduction in; this $1,998 these new properties come on and use 2,011-dollar services. What's happening is that is causing pressure at Margaret Park. The people who are listening from Margaret Park will know their bus stops were taken away because they couldn't provide a continued service to those people that were there for over 40 years and the reason for that is we're bringing properties on line, paying 2011 services at 1998 dollars and what happens is, we get reduced services. That's happening in my Ward; that is fact, that is reality. When I was at EPC, I talked about a 3.2% increase in general property taxes instead of a frontage levy for Mr. Steeves, who wants to put a false thing on the record; that was my answer. I would rather see a 3.2 or 3.25% increase and you know what let's get rid of the recreation fees and let's do the Motion from Russ Wyatt and Harvey Smith. You know what, Police expenditures of 12 million extra is great but why aren't we spending the other $12 million against; for prevention of crime.

Mr. Speaker: Councillor Vandal moves Extension. All those in Favour? Opposed? Carried.

Councillor Eadie: The reality is we are not going to fix the crime problem unless we match policing with prevention and I know it's hard to find the money but we should be matching 12 million increase in policing to $12 million in prevention programs brought on by the City so that the Police can keep up; because we're going to hire all these Police Officers and you know what we're going to find? They're not going to be able to keep up to the crime that's happening and we know that in the North End.

People who make slightly over minimum wage are proud people, they work hard, they're not going to come for a waiver fee for recreation because they are proud, they are hard workers; what they'll do is they just won't enroll their family in recreation programs. That's the reality, that's the way it works. You need cash to pay more cash and those people, who work close to minimum wage, are not getting huge increases in cash to pay all this stuff. So we need to be more fair. I heard that from the Chamber of Commerce. Just to conclude, while the Amendment does not solve all the problems with our budget, I'm imploring to all of you, to vote for the Motion and fix a small part so that I, Ross Eadie, can vote for the budget because I know it's tough to pay for it but let's not fool anybody here. The most regressive tax you can present is a frontage levy on the people who can barely afford it, especially when 47% increase in road renewal is not happening. Thank you.

Mr. Speaker: Thanks Councillor Eadie, Councillor Orlikow.

Councillor Orlikow: Thank you very much Mr. Speaker. First, again, I would like to thank the Administration, it's been a hard process for us all, finding the ways that we can make this happen for the betterment of all Winnipeggers and I do thank EPC for the work they did. I don't support it but I do know it was a lot of work and I would like to thank the rest of Council, however it's pretty difficult to when the rest of Council wasn't really engaged in the process and their views really aren't be listened too. So I'm voting no for this Budget because it means that working families are being asked to pay more without getting improvements to infrastructure or recreational services. I will support an open and responsible Budget that balances the needs of revenue with that of the needs, with the ability to pay.

People are paying more. We have to be honest with this. People, we know that we talk about the CPI index, however the CPI index is a very large basket of goods, if you take out things that are core such as food and fuel, you will see those numbers are going up exponentially and those are not numbers that people say I choose not to eat or I choose not to put gas in my car so I can go to work, these are direct costs on people. Again, we have to recognize people's ability to pay. These are very difficult times for people who are on a fixed incomes, who cannot sustain these increases. It's not fair to put all the pressure upon those people. Those being argued that frontage fees are justified because it costs more to service larger lots. The Budget does show quite clearly that that's not what this Budget fees is being used for, it's being used to balance the general revenue. Again, I do not believe that is an appropriate use of a frontage fee. Due to recreational fees will allude to earlier, but you know, regarding some, I will say little disingenuous comments about, oh they can't buy a beer but those are the people who can pay. I'm talking about families who can't pay. A kid that has; if you look at the numbers, it can cost up to at least $80 per child per year for hockey more. If you take all the games and all the practices that they have to go through, it's not just one Saturday game with the buddies, this is recreational programming for kids and to say that a waiver will work or there are enough people there that can pay, I know for a fact there are thousands of children that can't afford to play presently. We made a little bit of inroads with some of the recreational programs for Inner City. We know that schools are doing their part but there is an enormous number of kids that do want to play and we need to find ways to enable them to play, not take away that opportunity. So the recreational cost increase, as you can say it's not a profit oriented business that we need to find the cost benefit ratio, well the benefit ratio for me that is not calculated in here is the social benefit. Recreation programming is a core responsibility of a City and I believe this shuns our responsibility to that.

To allow Councillors to provide credible costs and fair alternatives requires access to the number crunchers who would do the calculations. It also requires access to the same Reports that EPC gets, that we don't get. It also requires that we have the same opportunity to converse and debate with our fellow colleagues about, what are all the options? Again that process does not exist and I look forward to working with the Administration and the Committee to maybe change the process so that it includes all Councillors. The present process though, does includes a select group of Councillors meeting behind closed doors, presenting a completed budget and then asking the public and the Council, what do you think? Again, that is unfair. We do not have the same resources that the other EPC members do. You could shootout that we should do a property tax increase but to me that is both irresponsible as not; as this Budget because I need to know what the pros and cons are. I need the opportunity to ask the Administration what happens if we do this, what effect is this? Budgets are very complicated and aren't simple things and I do respect that.

The process must remain public to all. The negotiation should not be done behind closed doors and the process should be done in public and open to all. I'm not interested in private meetings and I'm not interested in swapping ideas in the hallways. What I'm interested in is being able to reach out to my community with all the options they have available to itself and then bring back that input into the decision making process. Again, I'm willing to be part of the deliberations but so long as the process remains closed the onus will remain on the Mayor to make proposals for consideration and at this time I believe that the proposal that's been provided to us do not warrant supporting. Thank you.

Mr. Speaker: Any further speakers? Councillor Browaty.

Councillor Browaty: Thank you very much, Mr. Speaker. I rise today in support of the Operating Budget before us. This is was my first time involved in the Operating Budget process as an EPC member. A lot of ideas that we've heard around this table, a lot of the concerns we've heard, we spend many hours debating. I would like to thank Mayor Katz, the Chair of Finance as well as the Bureaucracy. The City Finance Department spent many, many hours are with us and beyond that we spend even more time after us figuring out how to interpret what we tried to accomplish. So I want to thank them for all their time and energies.

There are some good items in this Budget. Improved operating hours at our City Libraries. A recent Amendment to improve material budgets for our Libraries, those are good things. When you look at the library metrics; I'm a new member of the Library Board. We are actually doing very well in the Library Metrics. There are some areas where we need further work but we do actually a pretty darn good job. I think it's time we need to remind our friends at the Province that the cost of operating libraries has gone up substantially since the 1990's. It's time to see an improvement from our support from the Provincial Government.

A lot of time has been spent looking at frontage levies versus a tax increase. I know there is an Amendment here before us today on that very topic. I find it; well a couple of things to say on that topic. You have a $200,000 home in North Kildonan, you put on an addition that improves the assessment by 25% to $250,000. You're paying 25% more in property taxes. How much more does it cost the City of Winnipeg to pick up your garbage? How much does it cost to plough your snow, or provide busing to your neighbourhood? None of those things change and that's why property taxes are regressive. On the other hand, a frontage levy is relevant to the amount of concrete and how much pipe you have in front of your home and how much snow you have to remove. If you look at Our Winnipeg process we've been going through recently, things like transit oriented development call for medium to high density living. Those people are the people who pay the least when it comes to frontage levies. If you believe what we're trying to encourage in Our Winnipeg, in the whole complete communities' document, you should embracing frontage levies. If anything, frontage levies are toughest in suburban development, I'd argue, because they have the most of frontage. So I think what we've done by increasing it, you know 47% which is less than construction inflation the early 2000s is reasonable and it's fair and equitable, so that's certainly something that I'm supporting here today.

The dividend at 8% is consistent with other municipal utilities. Do you want to increase that type of revenue? No. But is it fair and reasonable for infrastructure that the City is backed and financed over time? I believe it is. There are some comments regarding Infrastructure Funding Council. I took over the Council role in that particular organization following Councillor O'Shaughnessy's retirement from Council. That's been quite the eye opening process. You look at the infrastructure deficit that's out there. If we diverted absolutely every dollar that we bring in various types of revenues, that would just start to address or that would just address the supposed infrastructure deficit we have before us. So it's quite the challenge and I thank Mayor Katz for putting me on that Committee and I know the results of that group will be coming forward in a timely fashion now.

There's been some comments about you know, is the frontage levy actually going towards infrastructure. We have quite a convoluted process here. You look at the Capital Budget this year appears; it appears that roads are down but based on the timing of things, a lot of work that has been previously approved is only happening now. When you look at

reinvestment in existing infrastructure we're replacing the Disraeli Bridge and overpass right now. That's a $200 million project. That's a rehab it's not new infrastructure, it's a major investment. The Osborne Bridge is being done this year. Was it in this year's Capital Budget? Maybe not necessarily. It's all timing and stuff. So again, those people who accuse us of hiding that money, there is increase investment in infrastructure, it's just not as perhaps as we'd all like it to be. But again that's often due, not because there is some sort of sinister motive to hide things, in a lot of cases it's just generally accepted accounting principle or public accounting principles that apple here.

So again, I think we're on the right track there's a lot of good things going on in this Budget, investments in crime and in safety. I think one of the things I heard over and over again last fall going door to door is people want to feel safe in their homes and their communities and improvements in there are certainly important. Free and low priced recreation is still a very viable option in this City. While it's tough to deal with some of the larger users and that of things like our pools and we certainly heard of from the swim clubs and that. Anytime there is any opportunity to make sure that things like fee waivers for those that are truly needy are accessible and anything we do to improve that is certainly something we should look at. Again I think we have got a good Budget here and I look forward to supporting it today. Thank you.

Mr. Speaker: Thanks Councillor Browaty. Councillor Vandal.

Councillor Vandal: Thank you Mr. Speaker, and it's a pleasure to rise and speak to this Budget. Like Councillor Browaty, it's the first time I address an Operating Budget as a member of this Executive Committee but I was on EPC under Mayor Murray for a few year back in '04 and I can tell you that the challenges and the same and the work load is the same. So I want to begin by thanking Councillor Fielding for leading us through this process. I know there were some actual operating public consultations this year which was something that we asked for. I also want to thank Mike Ruta and your team you have done tremendous work coming back and forth with different options to make this a reality. I appreciate the work you have all done.

Mr. Speaker, I'm not going to stand here and tell you that this is an absolutely fantastic Budget because it's not but likewise I'm not going to stand here and tell you that this is a horrible Budget because quite frankly it's not that either. The reality is in any Budget there are certain number of things that each and every one much us can pick out and say that's good, that's good; I like that, not so crazy about that. And at the end of the day you make a decision whether or not you can support this.

In this Budget, Mr. Speaker, there are excellent initiatives, programs that really help the citizens of our City on many fronts. It's not an anti-government Budget by any means and let me start with the most obvious. We're heading into flood season. We've got a sump pump program. There is half a million dollars in this Budget, Water and Waste Department that's matched with half a million dollars from Provincial dollars; Provincial dollars to deliver a Flood Protection Insurance Program for the citizens of our City and it's incredibly popular, Mr. Speaker. It is so popular that within the next few weeks we are likely to throw in another half million dollars and hopefully the Province of Manitoba will throw in another half a million dollars and we have $2 million to help the citizens of our City, $1 million in the Water and Waste 2011 Operating Budget.

Extended Library hours at the Millennium Library is something we have fought for the last year. There's 4 extra hours at the Millennium Library, there's free Wi-Fi at the Millennium and all the other libraries in the City of Winnipeg, as well as $25,000 per year for added resources for the next four years. Mr. Speaker, it's a significant start and if you want to see a success program in the City of Winnipeg check out the numbers of people, specifically young people that are accessing our libraries, specifically Millennium that are accessing the Wi-Fi and where I come from, Mr. Speaker when we have more and more young people going to libraries, that's a pretty good indicator that we're going in the right direction. I would like to see our library become centres of learning excellence all over the City including the new one we're building in St. Boniface/St. Vital, Councillor Steeves.

More Police Officers, what can I say; there's an extra $12 million, 49 more Officers, 50 Cadets. Quite obviously it's a community priority whether you're in the Mynarski Ward, whether your in Windsor Park or whether your in North St. Boniface. There are issues there and the community has spoken, politicians have listened and there are extra Officers in our Budget and that's a good thing. The Province have come on board. We've partnered on all sorts of excellent programs to keep our community safe and I'm not going to apologize for that.

Mr. Speaker, Sage Creek, we fought a long time for a new Fire Hall in Sage Creek and it will be constructed by the end of October. In the 2011 Budget there are monies for 24 Firefighters to staff Sage Creek for the remainder of 2011 and a lot more in 2012 and that's a positive thing for St. Boniface and for the City of Winnipeg. $66,000 for a Neighbourhood Watch Strategy something I think is incredibly positive for Winnipeg. We have partnerships with the Province of Manitoba again. We have partnerships with the Downtown Biz. The 66,000 will take them to the end of the year with a commitment to make the program even more effective with a partnership between the Cadets, the Biz and the Province;

it's just going to keep getting better as we move on. A couple of other non-traditional municipal programs that really make a difference in people's lives - $1 million of housing money that we're investing in the Inner City. There was an Amendment at the Property Committee. We didn't concur with that Amendment but we're moving forward the $1 million as is, that's something that's appreciated. I know the sentiment was positive, Councillor Wyatt, that's something that's appreciative. I was there when we fought for the housing money to go into the budget. There were many people thought that is not a municipality responsibility, why are we getting into it? We put it as a line item in the budget and believe me the communities let us know loud and clear that that money is appreciated.

Something that's nearly fallen off the radar screen is we have $1 million for the Aboriginal Youth Strategy which is unique amongst municipalities across Canada. It was something that was brought to the table 3 years ago. Mayor Katz has ran with this, and there is one million dollars in the 2011 Operating Budget for an Aboriginal Youth Strategy, and that money is going to a hundred thousand for the Aboriginal Construction Technology Program; 150,000 for the Eagles Nest Youth Centre, which is operated by the Assembly of Manitoba Chiefs. 20,000 for the Youth Rec. Activity Worker Program, Boys and Girls Clubs, Just TV, Broadway Neighbourhood Centre 44,000, Ka Ni Kanichihk Aboriginal Mothers Centre 131,000, Ma Mawi Centre 107,000, Ndinawe on Selkirk Avenue is getting 50,000 for their Youth Resource Centre, Spence Neighbourhood Association is getting 31,000, the Ray Program Resource Assistance for Youth is getting 83,000 as well as 250,000 for internal City of Winnipeg projects. Mr. Speaker it's an incredibly positive program, I'm proud to be part of it.

In delegations Mr. Speaker, I don't see any of our major Unions here kicking and screaming, talking about cut backs and layoffs and all sorts of other things that are making their workforce weaker. I see that as a positive indicator that we're doing something right with the 2011 Budget. I don't think anybody in this Chamber will disagree with me, when I say that all of those programs are positive and need to be financed somewhere and that's where our challenge is.

A few quick words on frontage levies. I'm supporting frontage levies if only because it has not been increased in ten years. Construction inflation all the while has increased 70%. The frontage levy is dedicated to infrastructure funding and is a legitimate source of funding for budgets and quite frankly I haven't heard a huge outcry from the people that I represent that this is some sort of tax gouge. I think I have received 5 calls on the frontage levies since this was rolled out a few weeks ago.

Utility Dividend Policy, Mr. Speaker, I've said it once; I've said it more than once and I'll say it again; there's absolutely nothing wrong with transferring a certain amount of dollars in this case 8% of revenue, from our publicly owned Water and Waste Utility towards the delivery of other public services on a year to year basis. We did it in '06, we did it in '07, Mayor Murray did it, Mayor Thompson, Mayor Norrie and …

Mr. Speaker: Councillor Browaty moves extension. All those in Favour? Opposed? Carried.

Councillor Vandal: So that's something I'm supporting; I think we own the pipes. We own the infrastructure, and we are using that money to support other public services. Mr. Speaker the real issue in this Budget, as in all of our Budgets is sustainability and I'm going to talk about financial sustainability. I'm not going to talk about infrastructure sustainability; that's been covered off in the Capital Budget but Dave Angus was right, we have huge burdens coming up in the next two years, 64 million, 94 million respectively and those numbers are significant. And the options towards managing those deficits while maintaining the same sort of services that I have identified and I could have kept going, are limited, Mr. Speaker. We have property taxes, we have business taxes, we have frontage levies, we have a Water Dividend now, we have some obscure Provincial Municipal Tax Sharing Agreement which I don't think has been amended since Duff Roblin was Premier, and we have government grants. The biggest challenge we face, Mr. Speaker is that we have to pioneer a path for a better deal for our City. We don't have a lot of time to do it. We have a Federal Budget that's being tabled this afternoon, and likely an election shortly there after, I think. He has a Provincial Budget that's being tabled next month and for sure an election in October. And we're eagerly awaiting the Infrastructure Report. We've been through this discussion before in 03, with the new deal. We know what the issues are. We need the biggest challenge we have; Mr. Speaker is we need to pioneer a path for a better deal for the City of Winnipeg around ultimately the people we work for, our citizens. Thank you.

Mr. Speaker: Thanks Councillor Vandal. Councillor Pagtakhan, are you wanting it speak or no? Not yet. Okay. Councillor Swandel.

Councillor Swandel: Thank you, Mr. Speaker. Let me just start by saying that it's an interesting Budget for us. I've referred to it as an Utilitarian in previous meetings to do with it. Sort of brings us in the world of both Plan Winnipeg and Our Winnipeg. It's a Budget that is; it shows that we need to be competitive as a City and it's also a Budget that focuses on sustainability. And when I say that, I remind my colleagues that when we did Our Winnipeg there were three streams of sustainability. There was Environmental Sustainability, Economic Sustainability and Social Sustainability. Part of the

Economic Sustainability is getting the revenue streams; getting the right revenue streams in place. Streams that naturally grow with user pay system where it's appropriate and dedicated revenue streams where they're appropriate. Those are the reasons why I won't be supporting Councillor Wyatt's Motion to get away from frontage levies and user fees and go back to what we used to do what we did 14 years ago, which was property taxes. It makes no sense. If you read the literature at the time we were doing the No Deal, the Country celebrated the fact we were trying to get away; we would in fact reduce our reliance on property tax now for about 56% or 57% from when I was first elected in 2005, down to 51% in this Budget. And that helps to make us competitive as a City because when you look at the other cities in Western Canada; you will see cities like Regina derive revenues from electrical revenues, gas revenues; electrical revenues of 28 million, gas revenues of 8 million, waste collection and disposal fees, which were also part of the New Deal, 5.9 million and Utility Transfers of 5.8 million. If you go to Saskatoon, you'll see that on their own utilities, they have a tax in lieu of 23 almost $24 million, you'll see franchise fees which are frontage charges for the utilities to run in the streets and cities of 18.2 million and you'll see a return on investment of utilities of 21.7 million, if you go to Edmonton Mr. Speaker, you will see dividends from utilities of $142 million. You will see franchise fees charged to Utilities of $100 million. If you go to Calgary Mr. Speaker, you will see franchise fees, utility revenues of $215 million. You'll see Sales of Goods and Services of $786 million, Mr. Speaker. That's our competition, so let's get it right. Let's figure out where we should be with property tax. I'm more than happy to get together with Mr. Angus and if the Mayor would like to start a Committee to further nuance these streams and get the proper proportions. I would love to sit on a Committee to further that or even to Chair a Committee to further that. It's one of the best things we could do for our City.

These ideas aren't new; they were part of the new deal. This is going back to the early 2,000's. Glen Murray and his EPC at that time introduced a New Deal and it was all about tax shifting. At that time, Councillor Gerbasi and I don't know who else might have been here at that time; they appeared to be supportive of that idea. And if you look at it, there was actually a strong demand to desire to be away from property taxes and shift to frontage levies. And at that time apparently they were two different things because the New Deal said pay for property related service with property taxes and use frontage levies were cost related to frontage not property value, for example residential street renewal. And to shift to land based revenue to promote a more compact City over time and reduce the infrastructure cost burden for future generations. Sustainability, Mr. Speaker, oh and by the way at that time, the government of that day wanted to increase levies from $2.55 to $5. $5.00 Mr. Speaker, that time it was okay though, Mr. Speaker.

It wasn't just at that time that Councillor Gerbasi supported that, Mr. Speaker. In 2006, when we debating the Budget and I hope Hansard is correct here. I know that sometimes people argue whether or not this is correct, but 2006 Budget, Councillor Gerbasi, I'm quoting answered here "where is the vision needed to look at ways to obtain revenue to operate our City? In the previous New Deal process, there was a view to longer term approaches to obtain growth revenues and revenues that is make sense in terms of the services delivered. We've tossed out the idea of new frontage levies without debate, hotel taxes and limits of how much garbage we can throw out for free. Where has any vision of a sustainable City gone?" 2006, Mr. Speaker, Councillor Gerbasi; you know, Mr. Speaker, it's a bit of a shift in time, you look at it, we've held the line on property taxes since 2006 because it wasn't time to pull the trigger yet. We understand value, we understand when you need to get the revenue streams going and this is the year that we've got to get those new revenue streams going, especially from frontage taxes and especially when they make good sense. We could talk about fees and Councillor Orlikow, last year, said fees was a good place to go rather than property taxes; it's a little different this year. Back in 2006 Councillor Wyatt made a reference to, you pay for a levy to get a service. And he wanted it to be seen that way and he wanted it to be dedicated.

Mr. Speaker, we're going ahead in the months ahead here, implementing or hopefully implementing bringing forward an Asset Management Strategy and a good Asset Management Strategy is going to have needs well defined and will require dedicated revenue streams. Getting this frontage revenue stream in place is the first step of having a strong Asset Management Strategy. There has been mention to talk about how user fees will have an impact on low income individuals. We all know and we are all aware that we have a process to deal with that. An application based process and we're right now supply of funds is not exceeding demand. Mr. Speaker we are tasked with a huge responsibility and when I listened to the debate that we're having today, I think we need to take that responsibility quite a bit more seriously.

We're sitting here talking about semantics in a lot of cases. And if you listen to what they're saying; a lot of us want to do the same thing, we want to play silly political games and these nuances of words, that's not why we're supposed to be here. We're supposed to be here addressing our goals of sustainability and competitiveness. The reality Mr. Speaker, you want to call something a levy, a tax, a fee, we've grown our revenues by over 20% since I was elected in 2005 and we've done that by tax shifting which is what the New Deal, at that time, was all about; back in the early 2,000s was all about. We've shifted our reliance on property taxes from 56.5% down to 51.4%. We are becoming more competitive. We've got better forms of revenue, accommodation taxes in place, fees linked to cost recovery and inflation and now frontage levies that are dedicated for street renewal and land drainage. At the same time, we've looked at

other ways of doing things. We've got a couple of things that are stalled over at the Province. We went to the Province and asked them to get our utilities, stand alone utilities going so that we could take a dividend from it as a stand alone utility. We're still waiting for that to come back to us. That was part of the plans to have this dividend from the Utility coming; but we're at the point where we have to pull the trigger because we can no longer wait for the Provincial Government.

Mr. Speaker, I just want to quote Councillor Wyatt from 2006. "Mr. Speaker I think we have to start making the tough decisions to get down and start to clear up our infrastructure debt and that might mean looking at youth …

Mr. Speaker: Councillor Steeves moves Extension. All those in Favour? Opposed? Carried.

Councillor Swandel: By looking at other fees and levies to do that, Mr. Speaker, it will not be popular, Mr. Speaker, but I fear, Mr. Speaker, that if we continue to allow the infrastructure of the City to go the way it's going that would be just as unpopular and just as dangerous." That's was, Mr. Speaker, 2009; it's only 2 years ago. That's a very short time ago.

Mr. Speaker, this is a Budget that focuses on public safety and infrastructure. It's got a vision that makes Winnipeg a competitive City with a view to Economic Sustainability and as an added bonus, drives density to help bring environmental and social sustainability to our City. Many people who are critical of this; we saw their ability to handle numbers when we saw them get the Mayors offices phone number wrong. From the response that we got from the TV Ads in the social campaign, we can tell how wisely they handle dollars. Mr. Speaker, could we have done more with this Budget? Perhaps, but I think at this moment in time, this is the right thesis for us to do to; to ensure a long term financial vision for our City and to ensure economic sustainability.

Mr. Speaker: Thank you Councillor Swandel. We have two speakers left and then the close from Councillor Wyatt and Councillor Fielding so I take your direction. Shall we continue? All right a show of hands; All those in Favour of continuing? Opposed? We will continue. Councillor Pagtakhan.

Councillor Pagtakhan: Thank you Mr. Speaker and I'll be as brief as I can and to the point. First of all I want to thank the Chief Financial Officer and his team, staffers for the work they've done on this Budget. Also thank Members of Council, EPC for their input on this. Mr. Speaker, we all want to do the right thing, okay and there is a parade going on here. There is a parade of good news that's happening in this Budget and I think fundamentally, Mr. Speaker, everybody here supports all of the good things that are happening here. I know the Mayor dug deep, they have more books for the library and did a good public safety initiative with the Police and Firefighters and everything else. There's a lot of good news here, Mr. Speaker, I'm not going to talk ill of that because I support that. However, juxtapose right beside that, Mr. Speaker, we have a frontage levy and we have rec. fees that are increasing above the rate of inflation. The frontage levy you've heard Councillor Eadie, eloquently put together a spreadsheet that talks about how inequitable that is. In his Ward alone. I'll speak about my Ward alone, Mr. Speaker. A 4.26% increase relative to property taxes, Mr. Speaker. Yeah it's a microcosm, thank you Councillor Swandel.

The idea, Mr. Speaker is that there is tens of thousands of people who have the same frontage as I do that live in the North End, that live in North Point Douglas, that live all over the place, Mr. Speaker and this is an inequitable tax and I don't support that, Mr. Speaker. A property tax increase will accomplish the same goal. We heard here earlier that this is a function of revenue, well then let's have that discussion, Mr. Speaker, okay. We're talking about a frontage levy however there isn't a corresponding increase in sewer, roads and sidewalk repairs, we don't see that. It just going to the black hole of general revenues to balance this budget, okay. So, why aren't we having that kind of transparency? Why isn't that kind of accountability being done here today? I don't think that's fair to our citizens. I don't think we're doing our citizens a service by doing that. So you know I'm here to stand up for those tens of thousands of home owners who are being treated inequitably with this frontage levy by not seeing a corresponding increase in their construction of the repairs of the roads and the sewers and the sidewalks and that other stuff for infrastructure.

And we've gotten some e-mails from different sports clubs and organizations regards to the recreation fees and those are heavy fees. This amendment that we're talking about here is going to help to solve that in a more equitable fashion. That's important while in one hand Mr. Speaker we're having some increases in recreation programs through some private sponsorship that's greats and I applaud that. On the other hand, Mr. Speaker, the pool prices are going up, arena prices are going up, basketball prices are going up. That's not that great. And you know a lot of people don't know that but it going to hit them hard when they register, and they're going to feel it. So we have got to catch that before that happens. I think this Amendment is a very responsible way to encourage, and to compliment the private sector investments that we're having and that we are realizing in this Budget that as part of the good news of this budget, but we also have to balance that Mr. Speaker, with a very innovative and I think a very responsible and fair property tax increase that will also address the rec. fee hikes at here today, that are not done correctly in my opinion, Mr. Speaker. I want it make sure I say everything I want to say.

At the very least, Mr. Speaker, I want to thank the Mayor; I had a meeting with him and I said to him, Mr. Mayor, we definitely have to have a discussion on property taxes. We need to start investing in our community, my whole conversation was about investing in our community and as a side step to that, it is EPC's responsibility here to create that Budget and I was part of that Budget process in the past Mr. Speaker. But at the same time you know we're all sitting here, right? Round table, round Chambers, equal and we need to also be part of that budget process not just of the Standing Committees, Mr. Speaker, yes that's part of the process but we, all Members of Council, Mr. Speaker; I would argue need to be a part and have the resources available to them in several Budget discussions ongoing, not just Standing Committees but Special Meetings that we have. And have Members of EPC maybe perhaps take away some of that information, go off on their own and then start synthesizing that. I think that could be a better process and I hope that the Mayor will lead the charge in terms of being innovative and proposing something that's new and innovative with respect to try and get all Members of Council involved and I want to thank Councillor Orlikow for bringing up that point earlier.

Going back to what I was saying with my conversation, we have got to start talking about investments and I think this Budget tries to do that but I'm saying that it's not the best way. There is a huge inequity here, Mr. Speaker, and I will speak out against those rec. fee increases and this frontage levy increase that's going to hit a lot of home owners who have the smaller lots and the smaller value homes the hardest. And those are the ones, a lot of them are living in the Inner City, Point Douglas and Elmwood wherever that will shoulder the brunt of this frontage levy without seeing the corresponding benefit.

Now it's not just semantics, Mr. Speaker, but it's the truth. This is a property tax increase, the frontage levy is a property tax increase. It may not be a property tax increase but it's a tax on the property and for me that's a property tax increase. People could say I wasn't elected to raise property taxes but that is what we are doing, we're raising property taxes. Let's do it correctly, let's do it equitably, Mr. Speaker. A frontage levy is a property tax. With that I hope we will support this Amendment so we can have anonymity on this Council with respect to this Operating Budget this year. Thanks so much.

Mr. Speaker: Thanks Councillor Pagtakhan. Councillor Wyatt.

Councillor Wyatt: Mr. Speaker Thank you. There is no doubt; I think there is a growing sense in our City that the City is literally falling apart. That we're seeing the state of our infrastructure crumbling at such a rate, we're seeing the state of our City facilities not being renewed and we're not able to maintain. And this hasn't happened overnight. Mr. Speaker, I mean this has happened over quite a long period of time, over many years, over decades but nevertheless we're now seeing it in the eyes of citizens and we hear it from our citizens on a daily basis, whether it be the fact their sidewalk is now under water and the boulevard has sunk or things like the lane there is no catch basin in my lane, it was done without a catch basin. All these infrastructure issues Mr. Speaker, that build up unfortunately over time because of the fact we have not been spending the money we need to spend when it comes to maintain that infrastructure. Decisions were made here, Mr. Speaker. Not of this Council but previous Councils in the early1990's to basically just to freeze spending. At one point there was no money being spent on residential streets in the Capital Budget. There were major decisions made by previous Councils Mr. Speaker, to cut spending when it comes to maintenance of streets and the maintenance of parks and playgrounds and things that we take for granted. And all those changes Mr. Speaker that have been made are still there and we see the rotten fruit that they're beginning to bear in terms of the state of our overall infrastructure and our well being as a City.

So Mr. Speaker, there's no doubt we have to start looking at doing things differently and I think that's something that we heard from one of our delegations today; that cost of doing business Mr. Speaker continues to rise. As I mentioned earlier, we as Councillors and the Mayor, in the past here, supported contracts where we have given increases to Police, to Fire, to Transit, to CUPE, Mr. Speaker, all the things add up to WAPSO. All these things add up, Mr. Speaker and we have to start asking ourselves the tough questions in terms of do we want to continue down this path or do we want go down the road that was pointed out by other Members of Council which is to say we'll start looking at the services; the core services we deliver and how we should be cutting back on some of these services. Mr. Speaker, I think the majority of my constituents who identify with the core services see them as being important and want to ensure that the City can fund them.

We also have a great challenge in this City, Mr. Speaker that sometimes it's the challenge that we don't speak about all the time but we have a demographic group in our community and our City who are a growing population and yet have the greatest challenges with law enforcement in the courts, proportionally much higher than represented by the very population. Of course I'm speaking of our Aboriginal Citizens, the citizens of Aboriginal Descent and this is a great challenge Mr. Speaker. We've made decisions in the City to increase funding to the Winnipeg Police Service. When I got elected first in 2002, I remember Mr. Speaker, the Public Works Department was the largest Department in the City

of Winnipeg and the Police were below them, a little ways below them. And now as was pointed out by Councillor Fielding, the Police Department now surges beyond $200 million a year in terms of expenditures. We have increased the size of the compliment; we have all supported this by and large of this Council. Mr. Speaker, the challenge being faced is huge, in terms of the challenges for our Police Services. There is no doubt about it, and over the next few years it will be interesting to see, indeed if we are successful with that strategy in terms of bringing down violent crime and the challenges being faced with our City. So we no longer are on the front pages of the national newspapers that was spoken about earlier. I hope we are successful, Mr. Speaker. But the reality is, Mr. Speaker, that problem is not going to be solved over night. We have added now in January an extra 58 Police Officers to the Budget. We know, Mr. Speaker, that in time when they reach to the full level of their pay scale that's an increase Mr. Speaker that we have to now Budget for. These are costs Mr. Speaker that are coming for us and that are facing us straight in the face; we have no choice but to start to address these costs and I could not imagine what it's like around the EPC table when they were discussing a budget and trying to balance it. It must have been extremely challenging and it's only getting more challenging and more difficult as we go forward here unfortunately. Unless we see a change in terms of the arrangement we have with the Provincial and Federal Governments in terms of more tools for municipalities, Mr. Speaker but I don't see that happening overnight unfortunately. Maybe I'm wrong but I don't see it happening overnight. Therefore I would like to thank the Mayor for meeting with me back on March the 2nd, I requested the end of January and other Councillors to have the opportunity to meet with the Mayor to discuss the Budget, I appreciate that. The Budget was released that was on a Thursday, the Budget was released on the Monday so I'm assuming the Budget was already in print or on the way to be printed, when we met but nevertheless, I appreciate the fact of being able to sit with the Mayor to discuss the Budget. I will say this though, that I think that we as a Council can probably do things differently and I realize that under the old City of Winnipeg Act which we inherited, going back Mr. Speaker to Unicity; it was very clear EPC shall deliver the Budget but it doesn't necessarily say how does EPC deliver the Budget. It says EPC shall deliver the Budget. Mr. Speaker, we had a Council of 50 members back then. We then went to a Council of 29 Members; we then in the early 90's went to a Council of what we have today, 15 members plus the Mayor. We are smaller than the Provincial Cabinet. There is no reason, Mr. Speaker, why we cannot work together to first of all, I think, come up with a Strategic Plan of a direction we want to see in the next year and next three or four years as a Council; and from that; flowing from that, work together on a Budget. It won't be easy. We will all have to compromise to a certain extent there's no doubt about it, we'll have to work at it but Mr. Speaker, I think that's what we were elected to do and I think the citizens of Winnipeg expect that we all would have equal participation in terms of the Budget process. Otherwise the assumption has to be made that they're okay with half a Council being disenfranchised by being outside of the Budget, the nitty gritty, meat and potatoes of formulating the Budget. Meeting with the staff; going through the issues but we can't even do that Mr. Speaker until we come up with a plan, a strategic plan that every other municipality by the way or cities of our size have. They all have strategic plans. I mean I talked to Councillors in other cities and matter of fact they are strategic planned to death they hate it so much but they do it. Right now, Mr. Speaker if you went around this room we'd have 16 different strategic plans and they're might even be a lot in common and we don't even realize it because we've never had that discussion. In 2002 there was an attempt by Mayor Murray at that time to undertake a strategic plan. I recall it very clearly, when he hired a facilitator, we were all down in the war room but then it went side ways and I don't know where it went, Mr. Speaker. I encourage the Mayor that it's not too late to do that that we can still do that and work in that direction and that it does mean and if people who do not wish to participate well that's their choice but nevertheless I think the majority of people would participate in that process.

Mr. Speaker: Councillor Smith moves Extension; All those in Favour? Opposed? Carried.

Councillor Wyatt: I think we have no choice but to consider this option because of the challenge we are facing. It won't; unless I'm wrong and the Provincial or Federal Governments will both come in with a pen and a cheque, unless that happens, we have to all start working together and finding solutions. It was quite correct, Councillor Swandel correctly quoted me in 2009 and as I said earlier, I have argued for a frontage levy increases but to go into what it's supposed to, which is the infrastructure, to increase the infrastructure, if Councillor Swandel wants to move an Amendment to my Motion and to actually have; keep the frontage levy as well and have the money go to infrastructure and the streets I would support that as a friendly Amendment. Keep in mind that you would have a frontage levy increase plus the property tax increase right, but what I'm saying here Mr. Speaker, is no different than what I said in 2009. These are the challenges we're facing but we have to; I won't get up and start hugging everybody we don't have to do that but we have to be professional you learn, when you work; when you work with somebody in the trenches and work hard with them you come to respect individuals and you understand them and where they are coming from and I want to do the best job I can for my constituents just like you Mr. Speaker, want to do the best job for yours. And that is a mutual respect and appreciation that we should all share and I think we can do that. It won't be easy, it will take many hours out of our day that we would have to dedicate to this but it's something that's worthwhile and a cause worth fighting for, Mr. Speaker. Thank you.

Mr. Speaker: Thanks Councillor Wyatt. Mr. Mayor.

Mayor Katz: I thank you Mr. Speaker; and it certainly has been a very productive morning listening to everybody shares their comments with each other. First of all, Mr. Speaker I'd like to put on the record that this is undoubtedly the most challenging Budget we've ever faced. What we have here is, we have limited revenues and we need these revenues to deal with our major challenges. Our Operating Budget is basically the footprint. It's how we pay for the City services that we provide; Libraries to Police, Fire and Paramedics, recreational program and facilities, snow clearing Mr. Speaker as well as even flood preparation. And I think the first thing which would certainly I would like to do, Mr. Speaker is to acknowledge the entire budget team. The CAO with his team, the Finance Chair, Councillor Scott Fielding, all the Councillors who worked tirelessly trying to make some very difficult and challenging decisions in order to come up with what we call a fair and balanced solution which is what is being presented here today. Mr. Speaker, vision is seeing what others don't and there are tough decisions that have to be made. It's interesting, you hear people making comments about recreational facilities and how programming, etc. should not be cost recovery. Just to clear the record, Mr. Speaker with the increases they're talking about for skating rinks and ice rinks, it will be a 53% cost recovery, 47% is still subsidized, Mr. Speaker, that's the reality and those are the facts Mr. Speaker. You know Mr. Speaker, this was no easy task. I can tell you, would you like to see an Operating Budget unanimously supported? Absolutely. Do I expect that to happen today? No. Mr. Speaker, it's only happened once in the last 18 years. That's three Mayors including yours truly and how do I know that, Mr. Speaker? Because I was the one who tabled that Budget. Unfortunately Councillor Smith forgot but he did approve and did support the 2008 Operating Budget so there you go. It doesn't happen very often but that's just the reality and nature of the beast. But, Mr. Speaker, sometimes when I'm having real difficulty with is trying to understand why some Councillors support something one day but not the next. It's already been pointed out by a few Councillors how, you know, frontage levies, Councillor Gerbasi in the past, championed frontage levies and I believe it was Councillor Swandel who pointed out that although we're recommending going from $2.20 to $3.75, back then they wanted to go from $2.20 to $5.00, Mr. Speaker, a significant increase. As a matter of fact, in 2005 it was called visionary by the good Councillor but today it's not. Mr. Speaker, I also like to talk about how things change depending on how the wind blows. We had a situation back in 2003; 2003 Mr. Speaker, where they talked about raising recreational fees by 11%. As a matter of fact, once again Councillor Gerbasi then a Member of EPC put forward a $10 fee for youth soccer fields. Now here is what I have to do. I've got to say one thing, Councillor Smith always consistent. He fought that, Mr. Speaker. He fought that and said it's not right, it's wrong and then it was defended by Councillor Gerbasi as cost recovery. As a matter of fact, the quote; the quote was "cash for services comes from somewhere. It's easy to stand up and say no to fees but that we can't all be the hero of the common man." That's a great quote Mr. Speaker; I think I'll read it one more time. "Cash for services comes from somewhere. It's easy to stand up and say no to fees but we can't all be the hero of the common man." So I guess the point was some want to take the easy way out and I guess today that's what some choose to do and that is their prerogative. Mr. Speaker we can't do nothing. Doing nothing is the easiest thing in the world. We need to move forward. We want Winnipeg to be a progressive, modern, thriving City and that's exactly what I believe yours truly and the majority of Council will do. We'll move the City forward. Mr. Speaker, when was the last time you saw the media refer to a thriving Peg? March 2011, "A Thriving Peg", Mr. Speaker. That hasn't happened in a long, long time.

I must tell you, Mr. Speaker, I'm very sad that some Councillors chose not to appear before EPC or chose not appear before Standing Policy Committees. That is when they all would have an opportunity; that's their prerogative and I think it's unfortunate. I think it's also unfortunate that although I invited everybody, I wish I had had the opportunity to share some time and hear from Councillor Orlikow, his thoughts and his suggestions but he made a decision and I respect his decision not to meet with yours truly. I think the citizens of River Heights and Fort Garry would consider that a slap in the face not to be represented when you have that opportunity but then again, Mr. Speaker, it's history. So here is the reality, Mr. Speaker, there are many Councillors who have spoken on what they though should or should not happen. I would like to believe that Councillor Eadie who basically left me documentation of what he ran under and his material about public safety, we're investing $202 million in public safety. I would like to think he strongly supports that and would support this Budget.

I would like to think that Councillor Smith, who I know Libraries are near and dear to his heart, how we increased the funding as a matter of fact Ms. Burgess came forward, made a request, EPC made that change. In addition to that, longer hours and free Wi-Fi, these are good things. I know they are near and dear to his heart and I would also like to remind him that when I was elected, talked about services, tree pruning every 4 years, today we're down to every 13 years. We've made progress, Mr. Speaker and we're going to continue to do so. And you've heard so much about the recreational fee side of it. Let me share something with you, Mr. Speaker, some statistics, 1996 to 1999, a child in learn to swim program went from $2.00 to $3.50 per half hour, 75% increase. Once again for a child pool admission went from $1.00 to $1.75 a 75% increase. Public skating for a child went from .75 to a $1.35, 80% increase.

Mr. Speaker: Councillor Sharma moves Extension; All those in Favour? Opposed? Carried.

Mayor Katz: And outdoor pools went from $1.00 to $1.75, 75% increase. Many of those same Councillors who are arguing against it, were here then. Mr. Speaker I would like to close with something real simple. What I think to be

probably one of the most astute comments ever shared by a Councillor on the Floor of Council and it comes from Councillor Jenny Gerbasi. I'm going to quote her because I very much believe in this and I commend her for saying this and so I quote, 2003, Mr. Speaker, "It's hard to win when people want to be unhappy about something. I wish that all of us would just get together and start doing that instead of being as Spiro Agnew used to say, part of the nattering nay bobs of negativity, let's get on with it." Mr. Speaker, I want to repeat that one, it's hard to win when people want to be unhappy about something. I wish they would all just get together and start doing that instead what Spiro Agnew used to say, part of the nattering nay bobs of negativity; let's get on with it. Mr. Speaker, we're advancing our City, we're moving forward, we know we have challenges, we need to address them. This Budget does address them. I will be supporting the Budget. I do respect Councillor Wyatt for coming forward and being someone to stand up and say let's increase property taxes but I will not be supporting his Amendment. Thank you Mr. Speaker.

Mr. Speaker: Thank you Mayor Katz. No further speakers at this point. We will ask Councillor Wyatt to close on the Amendment.

Councillor Wyatt: Councillor Eadie, if you want it speak more than once you have to move a Motion. It took me nine years to figure that out. (Chuckles) Mr. Speaker, this Motion and the Amendment insures there is a balanced budget. It upholds the Charter that we are required to in terms of our Operating Budget to have a balanced budget without a deficit. This Motion Mr. Speaker is consistent with past Budgets as Council, has made in terms of the fact that our Operating Costs are going higher and higher and that we have clearly a main source of revenue of property taxes that we have not moved on in 13 years, Mr. Speaker, which really is a record unto itself, Mr. Speaker.

I think the majority of citizens of Winnipeg want to maintain the level of services that we feel are important to the quality of life for our City. They want to ensure, Mr. Speaker at the same time that if they are paying a frontage levy that that frontage levy is going towards infrastructure. If they're paying more frontage levy that that increase will go towards fixing more infrastructure. And this, Mr. Speaker I think is crucial when it comes to the whole concept of transparency. That if we're going tax for a tax we should use that tax resource to what we set out on the terms of reference of that levy or tax. I think the criticism grows Mr. Speaker in terms of the public when we don't do that. When we do the so-called shell game, remove money from one account to another. And I think it's crucial Mr. Speaker that there is no doubt the frontage levy is a form; a way for us to probably in a big way, Mr. Speaker the whole residential street liability in terms of the crumbling residential streets. It's a fundamental way for us to take that liability off our books and to fund and renew our residential streets. The fact of the matter is, Mr. Speaker, everybody who lives on a street that's paved, they either paid for it themselves through local improvement or somebody who lived in that home decades ago paid for it through the local improvement or they paid for in the price of their lot of the house when they bought the house and that road was put in. To think that road will be indefinitely maintained without having to pay for it again is unrealistic Mr. Speaker. Every other municipality across North America realizes that. We have been slow to realize that. The argument that the frontage levy is going up 120, Mr. Speaker, the fact of the matter is there is no doubt it would probably have to go up a lot more if you figure out the cost to maintain that street in front of your home or if you also have of a back lane and a sidewalk.

Those are realistic challenges Mr. Speaker but we want to have the service we have to maintain that; the money has to come from somewhere in that sense and it's due diligence on our part, Mr. Speaker. Every municipality in this Province to a large extent is trying to maximize their revenue sources that they have to be able to turn around at the same time and ask more money because of the challenges their facing from Broadway or from Ottawa. And it's hard for us to do that, Mr. Speaker when we continue to perpetuate a property tax freeze, when we refuse, Mr. Speaker, and yeah we do the nice things of taking more businesses off the business tax rule, but yet at the same time, the other levels of government are looking to us and saying we can give you more funding, Mr. Speaker but how do we know your not going to just put that out through the back door and give another tax break so you can win more votes and become more popular. I mean it's a legitimate concern by all levels of government and we have to show that we're doing everything we can even though it's not the right thing for politicians to maximize the tools we have in a responsible way and we're not doing that Mr. Speaker because the gap is growing larger and larger every year that we're trying to balance this Operating Budget and it's going to get worse as long we continue to stick our heads in the sand and not face this issue.

I was really disappointed to read in the newspaper recently the fact that the Infrastructure Council, parts of the Infrastructure Council Report appeared to been leaked by somebody and I was upset to see that because of the fact that I've been involved in terms of writing Reports with Public Service and coming up with ideas and recommendations and to see it being leaked and especially where it was leaked to, usually, Mr. Speaker that tells us somebody has tried to sabotage the Report and that's a real shame, a real shame Mr. Speaker because that Infrastructure Council; it's one of our hopes that we are going to be hanging our hat on to say that, where are we going as a City and what can we do? They've done hard work there's no doubt it hasn't been easy. These things never are but for it to be leaked and see some of the recommendations being written about by a Member of the Winnipeg Sun Editorial Board, and I'll call it an Editorial Board because it's not news, it is really disappointing Mr. Speaker. And I hope that it doesn't detract from the

work that's being done by the authors of the Report and that it continues forward and that a strong Report is delivered because we really need to know, Mr. Speaker in terms of what we can do.

The frontage levy Mr. Speaker is part of the mix in terms of that and as I said earlier I think it has to be looked at. But in terms of balancing your budget and terms of the black hole in general revenues, Mr. Speaker I don't think it's a transparent and ethical way of balancing the Budget. I think a better way would be simply to be up front about our property tax issue and say that's the way we have to address it. It's not, you know, property taxes is not ideal, it's not an ideal form of revenue however, it is somewhat progressive. It is stable compared to let's say relying on a sales tax or other source of growth revenue. As long as your economy is growing when those revenues tank you're in trouble, like the American cities are finding out the hard way. Mr. Speaker it's there and we are the most competitive now. The issue with regards to Education Taxes, Mr. Speaker, we have spoken out loud in this Council Chamber on that matter. He have a Motion that we passed as a Council, by a large majority here in 2004 calling on Broadway to remove Education Taxes off of Property, we have competitive property taxes by far in this Country. I'm speaking to the motion, Councillor Swandel, I'm talking about increasing property taxes so it's correctly related; Education Taxes Mr. Speaker need to be removed off the property or greatly reduced; the fact of the matter is they are now representing 55% or more of the property tax bill, that is ridiculous Mr. Speaker. And so we can't control that, Mr. Speaker. That is unfortunately Broadway that can control that. But what we have that we can control are our own property taxes. We have to do what we feel is right and I feel this is right, Mr. Speaker and that's why I encourage every Member of Council to support this Amendment. Thank you.

Mr. Speaker: Thanks Councillor Wyatt. Councillor Fielding.

Councillor Fielding: Great thank you Mr. Speaker, I will be brief. We have had some good debate here. It seems there is a bit of a difference, a big difference between a large amount on Council here and that's good, you do have ideas flow back and forth. I'll going to briefly give some of the highlights of the Budget and answer a few questions and then move to the vote but as mentioned this Budget really is, the big focus is on public safety while delivering core services. We know there are more police officers that are going to be patrolling our streets, more Cadets, more Firefighters to help protect our citizens. We know there is property tax freeze. We know there is a business taxes are going to see some relief. There investments in Assiniboine Park and there's extension of some of our services, whether it be library hours, whether it be materials that are a part of this budget.

As I mentioned earlier on, this is a tough Budget and I think there is a delegation that came and said we kind of got hammered from both sides, both from the left wing and the right wing and I can tell you some of my right wing friends have said to us that we need to be more physically responsible. My answer to them is the fact, over the last 14 years we've maintained a property tax freeze while other jurisdictions, Edmonton, Calgary, Regina, Saskatoon all these jurisdictions are raising their taxes upwards of almost 50%, while we've maintained a property tax freeze for our citizens because we think it's important to be competitive. We've also heard the arguments that we received more revenues from the Federal Government or the Provincial Government. Is that true? Absolutely but it's not like we the only municipality in the Country that is receiving more revenue from other levels of government. Every municipality is getting more money through the gas tax and a variety of different sources so at the end of the day, we think that we have been fairly physically responsible over the last number of years. There has been talk about efficiencies. I know the new ASD model will be part of that. I'm going to be part of that process in terms of finding efficiencies and I think we can never rest until we find as much efficiencies as we can, so I look forward to making the system more efficient. There is also been some talk from opposition Councillors and you have your opinions I appreciate that and you know, there has also been talk of services and what I suggest is, there is one service that a lot of the opposition Councillors would whole heartedly support and that would be to get rid of Hansard because some of the comments that we have had over the last 5 years, we can truly say that that's a service that probably shouldn't be had for Councillors like my good friend, Councillor Gerbasi, who has been all over the record on these items.

(Inaudible speaking in the background)

But another item that has been brought up in terms of time frame for the Budget and what I can say with the Budget, we have over two weeks to debate this, shorter than last years and the years before to be fair with this, I would like to see a longer period of time. I've taken a lot of pride in terms of how the budget is transposed but with this because of the short time frames of the elections we started a lot late that's there. I'd also like to note the Federal Government I believe is tabling their budget, later on today and I understand the government could fall on the vote of the budget in two days. So the Federal Budget which is billions of dollars more than the City of Winnipeg has two days of debate, and we've got a whole ample of time that's there.

Library services, extension of some core services, I know that was near and dear to Councillor Smith's heart and I think for the second year in a row we've increased not only material libraries, people have come to us and the Library said we

need $25,000 more on an annual basis to upgrade in terms of e-technologies that's there. We added to that Budget two years in a row. We've added also in terms of library hours and in terms of Wi-Fi services, so I think we're starting to address that. Are we far behind? Absolutely, and the service based Budget is something that definitely addresses that but overall I can say that I think we are moving in the right direction and we're making some strides. I would like to see people using libraries again but I think you have to embrace the new technology, the E-books, E-learning to get the young people back into the libraries that are there. So with that, Mr. Speaker, I will close the debate. I can tell you that we believe that yes, some tough decisions have been made here in the Budget; not prefer to make them, but we had to make them for the long term stability organization. And we most definitely, in this Budget, are addressing our citizens' number one concern and that's putting more Police Officers on the streets to make the community more safe. So you and your family can enjoy; go yourself, what sort of quality of life do you have here in the City of Winnipeg if crime is out of control? And we think the Budget here is a step in the right direction in terms of making the community safer. So with that I will close the debate and I encourage all Councillors to support the budget. Thank you.

Mr. Speaker: Thank you Councillor Fielding and thank you all Councillors and Mayor Katz for your input on this very important part of what we do here at City Hall for the citizens of Winnipeg. On the Motion number 1; I'll call the question; the Amendment, yes. Recorded Vote. All those in Favour, please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Eadie, Gerbasi, Pagtakhan, Smith and Wyatt.

Nays

His Worship Mayor Katz, Councillors Browaty, Fielding, Havixbeck, Orlikow, Steen, Sharma, Steeves, Swandel, Vandal and Mr. Speaker Councillor Nordman.

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

Mr. Speaker: We defeated the Amendment. Now, All those in Favour of the Item that we've been discussing: the 2011 Operating Budget. Recorded Vote. All those in Favour, please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Katz, Councillors Browaty, Fielding, Havixbeck, Sharma, Steen, Steeves, Swandel, Vandal and Mr. Speaker Councillor Nordman.

Nays

Councillors Eadie, Gerbasi, Orlikow, Pagtakhan, Smith, and Wyatt.

Clerk: The Vote Mr. Speaker Yeas 10, Nays 6.

Mr. Speaker: Motion passed. Thank you. By-laws Mr. Mayor.

EXECUTIVE POLICY COMMITTEE
CONSIDERATION OF BY-LAWS

Mayor Katz: Mr. Speaker I Move the following By-laws be read a first time, By-law No. 37/2011, By-law No. 38/2011, By-law No. 39/2011 and By-law No. 40/2011.

Mr. Speaker: All those in favour? Opposed? Carried.

Councillor Eadie: Excuse me, I'd like to record that I was for By-law 37 and against 38, 39 and 40.

Mr. Speaker: Got that? Thank you.

Clerk: By-law No. 37/2011, 38/2011, 39/2011 and 40/2011.

Mr. Speaker: Go ahead.

Mayor Katz: Mr. Speaker, I Move that By-law No. 37/2011 to 40/2011 both inclusive be read a second time.

Mr. Speaker: All those in favour? Opposed? Carried.

Councillor Eadie: I would like to be recorded as for By-law 37 and against 38 through 40.

Mr. Speaker: Thank you Councillor Eadie.

Clerk: By-laws No. 37 to 40/2011 both inclusive.

Mayor Katz: I Move the Rule be Suspended and By-laws numbered 37/2011 to 40/2011 both inclusive be read a third time and that same be passed in order to be signed and sealed, Mr. Speaker.

Mr. Speaker: All those in favour? Opposed?

Councillor Eadie: Once again for By-laws 37 and opposed to 38 through 40.

Mr. Speaker: Thank you Councillor Eadie. Carried. Moved by Councillor Orlikow that the Council is now adjourned. Roll call.

ROLL CALL

Clerk: Mr. Speaker Councillor Nordman, His Worship Mayor Katz, Councillors Browaty, Eadie, Fielding, Gerbasi, Havixbeck, Orlikow, Pagtakhan, Sharma, Smith, Steen, Steeves, Swandel, Vandal and Wyatt.

Council adjourned at 12:47 p.m.