COUNCIL OF THE CITY OF WINNIPEG
Wednesday, May 19, 2010

The Council met at 9:36 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 Browaty.

ROLL CALL

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

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

Mr. Deputy Speaker: Thank you. Good morning, everyone. For those of you who don't know, I'm filling in for Councillor Lazarenko, who is the Speaker, and this is my solo flight, so I'm going to ask my colleagues on Council to offer their wisdom, their suggestions, and their patience with me today as we go forward. So, we'll get right into things. Today we would like to welcome our Page, Nick Bruneau. Nick, where are you? Stand forward. From Garden City Collegiate in the Mynarski Ward, Councillor Lazarenko's Ward. (Applause)

We also have some guests we would like to welcome. We have and recognize Lynne McCarthy, the Instructor of Age and Opportunity, and a class of English as an Additional Language for Older Adults. So Lynne, where is your group? Welcome. (Applause)

And we have a number of former Councillors joining us today, and I would like to recognize Councillor Jae Eadie who formerly sat in this Chair. Councillor Peter Kaufmann, Councillor Guy Savoie, Councillor Shirley Timm-Rudolph, Councillor Chris Lorenc, Councillor Amaro Silva, Councillor Reg Wyatt, Mr. Russ Wyatt's father. Councillor Larry Fleischer, Councillor Bill Neville, Councillor Dave Brown and Councillor John Prystanski. Welcome to the Chamber again, gentlemen and lady. (Applause)

We'd also like to recognize the family of former Councillor Bill Clement. Debbie, Michael, your daughter Kelly, your mother-in-law, Mrs. Lytle, Bill's sister, Joan Lannoo, and Jill Paskewitz and brother John. Welcome. (Applause)

Mayor Katz.

Mayor Katz: Thank you, Mr. Speaker. Mr. Speaker, I would like to read a condolence motion from Council.

MOTIONS

Moved by His Worship Mayor Katz,
Seconded by Councillor Pagtakhan,

WHEREAS this Council is deeply saddened by the passing of our dear friend and colleague, William R. Bill Clement, Councillor for the Charleswood-Tuxedo Ward, which occurred on May the 3rd, 2010;

AND WHEREAS Councillor Clement was elected City Council in 1983 and proudly served the citizens of Charleswood Tuxedo over the next 27 years;

AND WHEREAS Councillor Clement was instrumental in the development of many infrastructure renewal projects in Winnipeg including development of the Charleswood Parkway and the Charleswood Bridge;

AND WHEREAS Councillor Clement's contribution to the deliberations and work of this Council will be sorely missed;

THEREFORE, BE IT RESOLVED that Council convey its deepest condolences to Councillor Clement's wife Debbie, son Michael, daughters Shannon, Kelly and Kristin, and the rest of the Clement family.

Mr. Deputy Speaker: All rise for a moment of silence.

(Moment of silence)

Mr. Deputy Speaker: Thank you.

Mayor Katz: Mr. Speaker, I move that the Rule be suspended and that Item 1 of the Report of the Executive Policy Committee dated May the 12th of 2010 be considered.

Mr. Deputy Speaker: All those in favour? Opposed? So moved. Go ahead

REPORT OF THE
EXECUTIVE POLICY COMMITTEE
DATED MAY 12, 2010

Item 1 - William R. Clement Parkway

Mayor Katz: Mr. Speaker, on Monday, May 3rd, our dear colleague, mentor, friend and Councillor of 27 years, Bill Clement, lost his battle with cancer. And Bill was an outspoken and forthright person who never shied away from fighting for what he believed in. And he believed in Winnipeg. Through his nearly three decades serving as Councillor of the Charleswood-Tuxedo Ward, Bill served as Deputy Mayor, Speaker, Chair of Fiscal Issues and most recently Chair of Infrastructure Renewal and Public Works. Among the many accomplishments that Bill committed to see through to fruition were the Kenaston Underpass, the Marj Edey Park, Komenda Memorial Skate Park, the Charleswood Bridge and Charleswood Parkway. He was never one to leave anyone wondering where he stood on any given issue. He spoke his mind and he has had an immense impact shaping our City and will be terribly missed by everyone at City Hall, Councillors and staff and the residents of Charleswood-Tuxedo and Winnipeggers, City wide. As Mayor, on behalf of Winnipeggers and my Council colleagues, I would like to offer my sincerest, heart felt sympathies and condolences to Bill's family, his wife Debbie, children and their spouses, Michael, Shannon, Kelly and Kristin. His cherished grandsons, Tyler, Andrew and Jack, sisters Jill and Joan, brother John, and the entire family. Bill's love of our City is a legacy of his commitment to Winnipeggers. He admits, like so many, he touched so many lives but he will not be forgotten. I wish you strength as you grieve the loss of your husband, father, brother and grandfather. Mr. Speaker, I'd like to introduce the motion.

WHEREAS William R. Clement represented residents of the Charleswood - Tuxedo Park, Tuxedo Ward, between 1983 and 2010 as a City Councillor;

AND WHEREAS Councillor Clement held the office of Deputy Mayor, 1993, Speaker 1998, and was the Chair of the Standing Policy Committee, including Fiscal Issues, 1998 to 2005 and Infrastructure Renewal and Public Works, 2006 to 2010;

AND WHEREAS Councillor Clement championed many infrastructural infrastructure renewal projects in Winnipeg, including development of the Charleswood Parkway and the Charleswood Bridge;

And Whereas City Council wishes to honour Councillor Clement for his dedication and hard work on behalf of the constituents of the Charleswood Tuxedo Ward and the residents of the City of Winnipeg;

THEREFORE BE IT RESOLVED that the Executive Policy Committee recommends to Council

1. *That the currently registered street name of the Charleswood Parkway between the north bank of the Assiniboine River and Grant Avenue, be renamed the William R Clement Parkway effective June 30th, 2010.*

2. *That the Director of Planning, Property and Development be requested to provide the necessary legal description to Director of Legal Services and City Solicitor for the purpose of preparing a By-law, and that the Director of Legal Services and City Solicitor be requested to prepare the necessary By-law for approval by Council for registration in the Winnipeg Land Titles Office and the street name change become effective upon third reading.*

Mr. Deputy Speaker: This is a point where if any the Councillors would like to express their thoughts about our Councillor friend Bill, I would invite you to do so at this point.

Councillor Steeves: Mr. Speaker, I'll be very brief, I can speak for a very long time about Bill Clement. I sat across from Bill on the Executive Policy Committee for the last six years of my life. That's arguably, depending upon the day, at least four hours and sometimes eight hours a day, once a week, plus all of the other time that I spent with him. I don't have time to go through all of the virtues, the skills and the abilities of Bill Clement but I'll tell you this, that guy had a better head for numbers than almost any bureaucrat that we have in our system. We have some very, very smart public service folks in our system. He knew the ins and outs of the City of Winnipeg Budget. He knew where

everything was, and he did it all with little scratches or as Mr. Brown stated in his eulogy, often on the back of a small piece of paper. He was a remarkable human being and I remember myself and a couple of others who had a chance to spend some quality time with Bill. We went to one of our Sister Cities and Deb came along to Iceland. Had a chance to spend some social time with Bill and what a wonderful human being. He would often regale me with stories of his life which was a fascinating life. Stories of how he played hockey down in Des Moines for the Des Moines, Oak Leafs or whatever they were called. We had a lot of things in common, knew a lot of people in common and every single person that you came across in this City and we all understand how everybody knows everybody in this town. Nobody had a bad thing to say about Bill and everybody respected his abilities. The final thought, Mr. Speaker, that man, not a single time, ever, forgot who his boss was. He knew that his boss were the people of Charleswood-Tuxedo and on every single issue that we brought forward, Bill would drag us through how whatever we were doing was going to affect those beloved people that he represented in that part of the City. He was a great family man, I know he loved all of you dearly and he spoke of you often. I'm going to miss him horribly, Mr. Speaker.

Mr. Deputy Speaker: Thanks, Councillor Steeves. Being no one else wishing to speak, I will just give a recollection, really from my boyhood, that Councillor Steeves and I played hockey against each other, and he was one tough customer. And he demonstrated that on a regular basis here at City Hall for twenty seven years, and did it without much fanfare or desire for personal notoriety. And as, you know, as Councillor, former Councillor Dave Brown suggested in his eulogy, as Councillor Steeves already mentioned, that he was comfortable in the Boardroom of a Manhattan Banker or in the Boardroom of an organization trying to save the Jets. So, I will miss him as one of my mentors and I don't think he would be uncomfortable with my tears today. So to our friend Bill, thank you for your passion for our City, and for the good service you gave to the people of Charleswood-Tuxedo, and for the wisdom that you left all of us. We'll leave it at that and call the question on the Motion put forward by the Mayor. If you would like to close, Mr. Mayor.

Mayor Katz: Mr. Speaker, I think we all have the same sentiments that you have. I was fortunate. I met Bill many years ago when I was promoting concerts through Western Canada, he was on Winnipeg Enterprises. We had many talks on sports, on concerts, et cetera, et cetera. We grew, we did not always agree on things because Bill as we know, spoke his mind. When I, when I, when I became part of Council as elected Mayor, we became very close and I think what we'll all remember about Bill is he was himself, Mr. Speaker. He did what most of us wanted to do. He'd show up on a hot day in his t-shirt. He'd come in his sweater. He was just himself. He was just Bill Clement, everybody's friend. Everybody loved the man, a hard working individual, a loving family man. But one thing I will tell you about William R. Clement, Mr. Speaker, he could sit and take a lot of nonsense but once it was up to here, he would get up and speak his mind. Took awhile to get there and he told it exactly the way it is and we know that. And Councillor Steeves was right about him. A phenomenal mind on figures. Quite often he would write on my binder in EPC, he didn't bring his own paper and I still have some of those notes, and it was absolutely amazing. Didn't need a calculator, could do it. It was absolutely amazing, the way he did, he did things. But what was special about Bill, is that he was the only Councillor, Councillor who basically dealt with every single citizen, every single phone call, directly himself. He never had any aid. He wanted to speak to the people, and he solved their problems and for hours I could talk to Bill, he could tell you everything that existed geographically in Charleswood-Tuxedo. He knew it so well, it was amazing and that's why you couldn't debate with Bill, because he just knew it. He knew everything. I'm going to miss him because he sat at my left every day and sometimes he would get me in trouble by wanting to start a little sidebar. He was a brilliant, a brilliant individual, a hard working person, a loving husband, a loving father, grandfather, brother, sister, friend to so many. This is a person, Mr. Speaker, that will never be replaced on the Floor of Council. And, as far as a human being, man, this City, this Province, this Country would be a better place if we had had more Bill Clements. That's all I can say at this stage of the game, Mr. Speaker.

Mr. Deputy Speaker: Well said, Mr. Mayor. Being no further speakers, I would like to call the question. All those in favour of Motion 1? Opposed? Motion carried. (Applause)

We will carry on with the regular Agenda of Council. Just to share with some of the folks in the building, we have had a challenge of, challenge of air conditioning, with our chiller. It has gone down on us, so I'm going to not only invite the folks in the audience but also Members of Council, that if you feel required or more comfortable to remove your jackets. Gentlemen and ladies, I will, (Inaudible) sure. Councillor Wyatt moves suspension on the dress code. All right. So, please feel free to make yourselves comfortable.

We have a Leave Of Absence Notice for both, do we do these separately or together? (Inaudible) Okay.

MOTIONS

**Moved by Councillor O'Shaughnessy,
Seconded by Councillor Pagtakhan,**

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

Mr. Deputy Speaker: All those in favour? Opposed? Carried. Thank you.

**Moved by Councillor Browaty,
Seconded by Councillor Wyatt,**

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

Mr. Deputy Speaker: All those in favour? Opposed? Carried. Thank you.

MINUTES

Mr. Deputy Speaker: All right, I guess we move to Delegations. (Inaudible) Oh, okay, yeah. I would like Councillor Browaty to move Adoption of the Minutes of April 28th.

Councillor Browaty: So moved.

Mr. Deputy Speaker: Thank you. All those in favour? Opposed? Carried. Councillor Gerbasi.

Councillor Gerbasi: Mr. Speaker, I would like to move a motion that we allow eight additional Speakers for five minutes each with no questions on the matter of the waste water upgrades. I have a list.

Mr. Deputy Speaker: Fair enough. Five minutes, no questions, are we comfortable with that? Eight speakers? All those in favour? Opposed? Carried. Thank you.

DELEGATIONS

Mr. Deputy Speaker: Do you have the list? (Inaudible) All right, we're ready for Delegations and I would invite Clark Brownlee on behalf of the Right to Housing Coalition in support of the Notice of Motion proposed by Councillors Gerbasi and Orlikow regarding apartment to condominium conversion in the Winnipeg market. Mr. Brownlee. (Inaudible). Just before Mr. Brownlee does speak, I will offer to you that the Book of Condolences for Councillor Clement is just outside of the Chamber and will be there till 4:30 today, close of the City Council Hall. Mr. Brownlee, please proceed.

Clark Brownlee: Mr. Speaker, thank you. Your Worship, Mayor Katz, Councillors, I'm speaking on behalf of the thirty nine supporters, supporting organizations of the Right to Housing Coalition and are individual supporters who number over one hundred and fifty. I have distributed and I hope you received our brochure which lists those Organizational supporters. Good. Our support of Councillor Gerbasi's Motion is based on the chronic shortage of affordable housing in this City. Our rental vacancy rate has dropped from 1.7 in 2007 to 1.1 today, in 2010. It's one of the highest vacancy rates in the Country and one that I assume is a great concern to us all. What it means is that thousands of people are on waiting lists for existing affordable and social housing in this City and that the homeless are no longer just the people we see going to shelters. They are the people that are seniors and students and youth that are being forced out of their affordable rental homes due to rising rents and condo conversions. They are being forced to live with friends and relatives and while they may still have a roof over their heads, they are in every sense of the word, homeless. The problem, folks, is one of supply. If there was an adequate supply of rental housing on the market, we would not be having this discussion this morning. The facts are that, for a variety of reasons, there is not enough new rental coming in to, on to the market to compensate for the number of rental units that are being lost, and the increases in population that we are experiencing. Yet, rentals are the backbone of affordable housing. Where did the twelve thousand newcomers that come to our Province look for housing? Where do they live? Where do the students and Aboriginals coming to find work and training live? Where do the seniors on fixed low incomes live? And where do those on income assistance live? And we all know the answer. They look for affordable rental housing. And it's a commodity that is not only not being created to meet existing demands. It's actually been significantly reduced through the conversion of existing rentals to condos. From 1999 till 2009, the number of rental units in Winnipeg decreased by over 4800. And that's, that's right off CMHC's web site. We believe that the market is not meeting the needs of a significant portion of our population. And I might add here that 30 percent of the renters in Winnipeg are

living in core housing need. That is, they're spending over thirty percent of their income on housing that is either inadequate, overcrowded, unsafe or all of the above. So, I believe it behooves you, our representatives, to do all in your power to level the playing field for the thousands in our City that cannot compete on the open market for housing. The Right to Housing has presented a paper to the Housing Steering Committee of this Council, outlining several strategies that cities can employ to encourage the growth of rental housing. One of these strategies is to regulate condo conversion. We've done some preliminary research over the internet to see what other cities in Canada are doing in this regard. And without exception, the cities we have looked at, have regulations that take that, in effect, take relationship to vacancies rates at the time. For example in Victoria, regulation starts when the vacancy rate is at 2 percent, in Kelowna and Vancouver when it's at 4 percent, in Ottawa when it's at 3 percent, in Saskatoon when it's at 1.5. And I remind you that our vacancy rate is 1.1 and well below all these thresholds. I won't go into the detail of the regulations for each city. What these regulations entail is there a lot of variance between one city and another, however, for examples, and I'll give you a few, include the necessity of getting the written permission of 75 percent of the tenants in a particular building before approval to convert is granted. The requirement of the land owner to place, replace the number of rental units taken off the market through conversion with an equal number of affordable rental units in the same neighbourhood. They are all the requirement of giving the tenants the right to remain in their unit under the rental agreement for two years after the conversion or, and this is from Regina, to stop the conversion, if it is deemed to create significant hardship for over 10 percent of the tenants. The intent is clear in all cases, Mr. Speaker, and Councillors, that taking rentals out of the market only makes the housing shortage worse. Your own paper, Municipal Practices and the Provision of Affordable Housing, states that, in effect, if the market can't or won't meet the element of safe and affordable housing for the lower income population, and here is a quote: "Many municipalities conclude that it is appropriate for them to play a land use role in favour of affordable housing development", end of quote. You will hear, no doubt, that condo conversion allows young couples to get into home ownership and start to grow their equity, and we would agree that this is true. This is the case. However, we say to you, that to put more importance on that, than on our responsibility to house all segments of our population, is not only irresponsible, it is economically foolish. We have heard again, at the recent homeless, Homelessness Summit, that the cost of not acting to prevent homelessness is much higher than the cost of preventing it by providing housing. We say the need to prevent homelessness easily trumps the need for young couples to buy their first home. You will also hear that the cause of our shortage of rental housing is rent control and I suggest to you that the affordable housing shortage is prevalent throughout the Country and as Manitoba is the only Province with rent control, this argument is lacking in logic. So, before you this morning is a Motion that is, as I understand, only asking the Public Service to examine the issues involved in condo conversion. We believe this is very prudent and raises an important issue, namely, that the Legislation concerning condos is not actually in the City Charter but under the Residential Tenancy Act of the Province of Manitoba. We urge you to pass this Motion today, and let the Winnipeg Public Service start examining the issues, including collaboration with the Province of Manitoba, so that this drain on our affordable housing stock can be regulated in a way that is beneficial for the people of Winnipeg, and in a way that encourages the creation of affordable housing, rather than passively watching its erosion. Thank you very much for your attention.

Mr. Deputy Speaker: Mr. Brownlee, Councillor Swandel has a question.

Councillor Swandel: Thank you, Mr. Speaker and thank you for your presentation this morning (inaudible). I continue to get information from you through the network on a regular basis and so I know you guys are out there doing a lot of good work. There is an amendment this morning that is before by Councillor Gerbasi and Councillor Orlikow which brings me a little bit of comfort. The change in the language here is changing the phrase of proposed policy to regulate condominium conversions in the City of Winnipeg to consider a range of strategies to address the shortage of affordable rental accommodation in the City. And I think you kind of touched on it a bit when you started talking about rent controls and Councillor Steeves and I were having a conversation this morning about this whole…so many different ideas out there and sets of beliefs and individuals have their set of beliefs. We can be in this process for a long time and it sounds like this situation is getting more and more critical. Especially, you know, Councillor Gerbasi's Ward, if you drive down Corydon Avenue, all those three storey walk-up apartment blocks, are hardly affordable housing for, for young people that are just getting out of their parent's homes? You see them. I don't know what's left there that's rental any more. There is hardly any. So it seems that there's a timing piece that we haven't made a statement about when we do we need this back. We haven't created this sense of urgency. Can you give us a sense of that urgency? I'm scared that we're going to get bogged down in report writing here. Yeah, in report writing.

Clark Brownlee: Oh, I hear your concern, Councillor. I've stopped calling this a housing crisis, I've said this before. In my understanding a crisis is time limited. We've gone through the crisis. We're into a chronic shortage and it's a chronic shortage that is not unique to this City. It is across the Country. It's caused from a multiple of reasons. All three levels of Government need to be involved in the solution. The private sector needs to be involved in the solution. I think we need to coalesce around this issue and we can do it in this City, and we need to do it as quickly as it can possibly be done. I can't say that more urgently. Thank you for your comments.

Councillor Swandel: Just, one, one quick follow up. Are there known strategies to keep these things moving along? We're here kicking, getting the ball off the ground here, so to speak. But the ball is going to somebody else. Have you seen other strategies or strategies employed that will sort of keep this thing front and centre and address the problem?

Clark Brownlee: Well, it's interesting you ask that. I, I don't know because I don't understand the strategy of the way things happen within City Hall. I'm, I'm fairly new at trying to lobby for housing at City Hall. But at the Homelessness Summit I was interested when they talked about their goal, which was not to manage homelessness but to end it. But first they went to the Petroleum Club and they got some of the best CEO's in the petroleum business and then they went to the seven major Cities of Alberta and built a Coalition and then they went to the Provincial Government and said look, you've got to do something. And as he said, the Province can't say no to that group of people. Now, you can't lift what works in Alberta into Manitoba, obviously, but what we need is that kind of concerted effort, public and private, Governments working together, the WHHI, the Federal Government putting money in, and better than that, and I, and I, and I don't know how you are going to time this, we desperately need in this Country, a housing strategy. We're the only G-8 Country that doesn't have a housing strategy, doesn't have a long term plan. And all of these things play into what we're experiencing in the City right now.

Mr. Deputy Speaker: No further questions for Mr. Brownlee? Thank you, sir.

Clark Brownlee: Thank you.

Mr. Deputy Speaker: Next, Mr. Lorne Weiss, Manitoba Real Estate Association. Followed by Mr. Don Cook, in opposition to this Notice of Motion. Mr. Weiss, when you have concluded your remarks, we just ask you to stand back and allow Mr. Cook and together you'll come back and do the Question Period together.

Lorne Weiss: Thank you, Mr. Chairman. Mr. Chairman, Mr. Mayor and Members of Council, we're here today to speak against this Motion, as it is presented, though which is not to say that we don't recognize the problem. We've talked about it for years, to anybody who will listen. Organized Real Estate has said for the last decade, that the lack of affordable housing is in fact a crisis, that is unfolding in the City of Winnipeg and as the City is growing, it is becoming worse. However, this problem, the culprit here is not the conversion process. The culprit here, truthfully, is the fact that this started with Rent Control Legislation. We have created a market of artificially low rents, which has discouraged private investors from coming into the marketplace and creating new rental housing accommodation and that's created the problem. Most of these conversions are, in fact, properties that have been strata-titled and were legally condominiums many, many years ago. And it's only recently, that because of the increase in the value of single family detached housing, it's become economically viable for those owners to convert them to condominiums. And when we look at this conversion, we have to, we keep talking about tenants rights and tenants rights are protected within the Legislation that governs conversion to condominium. All tenants have tenure, based on the length of time that they were tenants in that building, prior to the building becoming strata-titled. So if a tenant was a resident in that building for ten years prior to the conversion, they had the right to stay on, under rent control, for an additional ten years after the conversion takes place. So this is not displacing tenants by virtue of the conversion process. One of the other things that's having a huge impact on the market which isn't being addressed by this Motion, is the fact that the rent control regulations allow for owners or investors to acquire buildings, if they do substantial renovations, they can ask to make the buildings uninhabitable during the renovation process, they can ask the tenants to leave, and they come out of rent control and they can charge market rents and that's having, I would suggest to you, a greater impact on the availability of rental housing than the conversion process is. So this Motion, in short, doesn't look at the whole picture. It picks out one segment of what's going on and focuses on that, and that's, that's that, to me, is a challenge and a weakness. I'd also like to raise the issue of unintended consequences. Often we see that with the best of intentions, Motions are put forward without regard to what the consequences may be of that type of Motion. And, I want to raise a couple of points. Just yesterday, we were, we heard announced that the Chamber, along with major business, starting a Yes Campaign in Winnipeg. Today, if you pass this Motion, you really what you're saying to investors and to young families, you're not saying yes, you're saying no. There's no place for you here and that's wrong. You have to look at the fact that what happens when a rental unit is converted to a condominium unit in terms of the assessment and the assessment base in Winnipeg. All taxpayers benefit because the assessment base goes up significantly based on the value of those units and the, gives the City, as you know, the opportunity to spend more money on social services and infrastructure or reduce taxes for property owners. The other impact that this kind of motion would have on the City of Winnipeg is many of you may be familiar with a consulting group called Altus Clayton that does a number of economic studies on behalf of various levels of Government. Altus Clayton does studies on behalf of the Canadian Real Estate Association on an annual basis and their latest report, based on 2009 figures, indicate that for every transaction of a residential property in Winnipeg, the spinoff or in Manitoba, pardon me, the spinoff was in excess of $40,000 that's pumped right back into the economy, and that translates into 5,000 jobs in Manitoba as a result of the spinoff from housing. The other thing we have to talk

about is the fact that, as the single family detached homes become more expensive, as prices go up, last month, the average selling price for a single family detached home in Winnipeg was $250,000, it becomes less and less available to young families and couples, to acquire that starter home that they need and that we want them to have so they'll stay in Winnipeg. These condo conversions are coming on the market at between $150 and $200,000. Which makes them very affordable and encourages young families and young professionals and young couples to stay in Winnipeg and make it their home. We have to, if we're going to look at the future of this City, be able to attract and retain our youth and let them benefit from some of these housing opportunities. What we should be doing, and when I say we I talk about organizations such as the Manitoba Real Estate Association, the Winnipeg Realtors, the Coalition and this Council, we should be actively lobbying both the Province and the Federal for more funding for market gap funding to allow private investors to build the kinds of units that Mr. Brownlee was talking about. We should be talking about greater amounts of financing available for portable rent subsidies so families can choose where they wish to live and not be relegated to living in a ghetto because of their economic situation. In fact, I was often taught that you should begin every comment, or every speaking thing, with a quote, and I, being a contrarian, decided to stick this one in the middle and it's one from Mark Twain and he says how often we would recall with regret that Napoleon once shot at a Magazine Editor and missed him and killed the publisher. But remember with charity that his intentions were good. And I would suggest to you that this Motion does the same thing. It misses the mark and kills the investor. Where, in fact, it wasn't the intention. I think that we can come up with a broad range of solutions working together with Government and with Stakeholders. Winnipeg, in the last few years, has turned the corner. We were known as a City that lagged behind, that wasn't friendly. We had a Commission, Chaired by Councillor Wyatt in terms of Red Tape and now we're talking about adding another level of red tape to this process, the housing process in Winnipeg. We finally turned the corner. We're being recognized as a City that people want to come to live to, a lot of our young people want to come back. Investors want to invest in this City, and our fear is, if we start doing Legislation of this kind, we're going to turn that clock back again and we'll go back to where we were a decade ago where Winnipeg was a have-not City known for it's mosquitoes as opposed to its opportunity. So, I'd like to thank you, Mr. Chairman, for your attention, and I would urge the Members of this Council to vote against the Motion as it is presented. Thank you.

Mr. Deputy Speaker: Thank you Mr. Weiss. Mr. Cook, are you with us?

Don Cook: I am.

Mr. Deputy Speaker: Please step forward for five minutes.

Don Cook: Your Worship, City Councillors, my name is Don Cook. I'm the Chair of Civic and Legislative Affairs for Winnipeg Realtors. On April 29th, the Board of Directors of Winnipeg Realtors passed a Motion opposing any moratorium or regulation of the conversion of rental properties to condominium. We therefore oppose this Motion or any Motion that proposes to regulate the conversion to condominiums in the City of Winnipeg. Because they are affordable, condominiums are the choice of first time home buyers and also an aging population. In the past nine years, the sale of condominiums on the Multiple Listing Service in Winnipeg has increased by almost 53 percent. The conversion of rental units to condominium helps meet an increasing demand for affordable home ownership. I believe that Winnipeggers have a right to affordable home ownership. The regulation of condo conversions will lessen supply in an increasing market and take that right away. The conversion of rental property to condominium makes our City better in many ways. Here is the recent example. The apartment block at 1030 Grant Avenue recently sold and was converted to condominiums. The block has seventy four units. The first thing that happened were improvements to the building, ranging from $25 to $40,000 per suite. Two and a half million dollars were spent, invested in this conversion. This investment makes for a better economy, more jobs, more local business. The improvements make for a better, more sustainable, greener building. Better buildings make better neighbourhoods. The suites at 1030 Grant Avenue sell for one sixty nine nine for one bedroom, one ninety nine nine for two bedroom. I call this affordable housing. The conversion also creates a better real estate tax base. The real estate tax base for this conversion will more than double as a result of this conversion. How could be…anyone be against this kind of progress? Clause 5, 2 of the Condominium Act gives strong protection for tenants in a condominium conversion. I quote, the tenant may continue in occupancy of the rental unit he occupies on the date of registration for a period of at least two years after the date of declaration or at the option of the tenant, for a period equal to the length of time that the tenant has been in continuous occupancy of any rental unit in the property as of the date of the registration of the declaration. In other words, if the tenant has been there for five years he can stay another five. If he has been there for twenty years, he can stay there for another twenty. The rent that he or she pays will be protected by the provisions in the Residential Tenancies Act. The conversion of rental properties to condominium has not caused the shortage of rental properties in our City. Thanks largely to the Provincial Nominee Program, our Province added 46,000 citizens in the past four years, 34,000 of these in Winnipeg. This kind of growth in our City will surely benefit our City and our economy. The growth must also be acknowledged with a Provincial housing strategy that meets the huge housing demand created by this Program. On Monday, we read a Free Press article indicating that rental investors like our City, with vacancy

rates close to 0, it's easy to see why. Property developers are a different breed. It seems they don't like our City. Rental units are not being built in Winnipeg at a rate that meets the demand. In 2008 and 2009, less rental units were built than many years prior. In fact, you have to go back to 2002 to see smaller numbers of construction for the rental market in our City. We believe that the more you regulate, the more you legislate, the more you will drive developers away. Developers of rental real estate are not prepared to compete with artificially suppressed rental rates created by rent controls. We need to let local or out-of-Province developers know that Winnipeg is open for business. Get rid of the stigma created by rent controls. Lobby higher level of Governments to reintroduce tax shelters like MURBs. Regulating condominium conversions will immediately drive down the value of all apartments in Winnipeg. It will send a message to Winnipeg that Winnipeg is not open for business. Condo conversions are not the problem. Regulating them is not the solution. Thank you.

Mr. Deputy Speaker: Thanks, Mr. Cook. Mr. Weiss, could join you here for questions. Councillor Gerbasi, you have your first question. Gentlemen.

Councillor Gerbasi: Thank you. I'm wondering if you are aware, I…I didn't get a chance to speak directly with you before the meeting, but we're moving an amendment to the Motion in the attempt to work together with everyone because I think we all agree that we have a problem of affordable, a lack of affordable rental accommodation and I think we all agree that we all need to work together to solve the problem, it's bigger than ourselves. So what the Motion, are you aware, that the Motion, we're saying rather than Clause 2 of the Motion which, which brings forward a specific policy to regulate condominium conversion, we're saying that we consider a range of strategies to address the shortage of affordable, excuse me, rental accommodation, in the City. Would you be supportive of a Motion worded that way?

Don Cook: I would support it. We would like to be at the table to help.

Lorne Weiss: Yes, we think that's a good approach.

Mr. Deputy Speaker: Councillor Wyatt. Councillor Wyatt. Sorry.

Councillor Wyatt: Thank you. Thanks for your presentation. Just maybe as a follow up to that question. Councillor Gerbasi left out an important part which was the first Clause is still remaining, examining the salient issues involving, involved in apartment to condominium conversions in the Winnipeg market. And then the Motion is to say look at strategies with the full intent, what I would argue that this is still on the table very much. Would you still support the Motion in light of the fact this may be a potential Trojan Horse?

Lorne Weiss: Mr. Speaker, I think we're at a loss, because we don't have the Motion in front of us, and, or the amendment in front of us, so it's difficult for us to respond to it as a whole. And what, what Councillor Gerbasi was indicating was different to us than what Councillor Wyatt has indicated, so (Inaudible).

Mr. Deputy Speaker: Go ahead, Councillor Wyatt.

Councillor Wyatt: My other question of Mr. Weiss, you have extensive experience, real estate market experience in the City of Winnipeg. You know the City well, both you gentlemen have extensive experience. The Province announced over 600 affordable, or 600 affordable housing units to be built, but if, just recently, but if you read further in the news release, it said that 600 affordable housing units would be built over five years. All right. So, in your opinion, is 120 units a year a significant impact on the entire Winnipeg market, taking into consideration the growth that's happening in this City?

Don Cook: You can't bring 40, 34,000 people over a four year period and have 150 units built and have an adequate supply of rental housing, you can't do it. It's not possible. (Inaudible) No it's not adequate.

Lorne Weiss: It's totally inadequate and bringing my own bias to it, the Province and the Feds would be better off working with private developers to create a market gap housing rather than trying to do it on their own and, and also using portable rent subsidies, which would then encourage other developers to start to build apartment rental units in the City. And that number is going to have absolutely…I wouldn't even say it will have little significance but zero significance in the market. It may make up for some of the attrition we're going to lose some units, we always do every year because of health and safety issues or fire, and that small number will barely make up for that attrition.

Councillor Wyatt: Thank you for that. The final question is just on the issue in terms of subsidy, there is a motion, another motion before Council that's on our table for consideration. You heard of the announcement in the last month of the City with the very few tools we have, of offering a subsidy in downtown for doors, per door basis and went from

20,000 a door to 40,000 thanks to the Province stepping in with their Education Tax. There is a motion now for us to do the exact same thing in the targeted neighbourhoods across the City where we are already offering up to 15,000 a door, asking the Province to double it to make it 30,000. Is that something that you would support?

Don Cook: I, I, I would, I would support it, but I think that what you need to do is everything possible to get private developers to spend their money in this City, to make our City better. Government money will only go so far. So you're talking about a TIF. TIF, TIFS, TIFS can work. They can be a, a fairly painless way to move a City forward. We agree to them to a certain extent but we would like to talk about this, this, this Motion. I think we can only support the, considering the range of strategies to address the shortage of affordable rental accommodation in our City. Putting condo conversions as, a highlighted asterix point, sets it forward as, that is a strategy that you're looking at. That's, there are probably eight or nine things that need to be looked at, including strategies from all levels of Government.

Mr. Deputy Speaker: Any further questions? Councillor Orlikow, Orlikow.

Councillor Orlikow: Thank you. Thank you again for your presentation. I learned a lot today and I think so far for myself, I've, bringing this Motion forward has actually resulted in me being able to learn a lot about some of the protections that already exist. And you did answer, the, do you, do you think though, when we're talking about the, consider a range of strategies, we are going to be talking about condo conversions in that big picture, so if that's correct but it's the idea of identifying, my question is, it's, maybe the sensitivity of identifying that exclusively is the problem, present. Okay. Thank you.

Lorne Weiss: Yeah, without wordsmithing your amendment, if the Item 2 was considered a broad range of strategies to address the shortage of affordable rental accommodation in the City, we would wholeheartedly support that, if that was the amended Motion and would also, again, offer our, whatever services or information our organizations can bring to the table to help that move along.

Mr. Deputy Speaker: Councillor Smith.

Councillor Smith: Yes. I seem to get a different message from both of you about Government involvement. You know, should we not go, be pressuring the Provincial and Federal Government for more money to, your other person, your cohort seemed to disagree with that.

Lorne Weiss: I don't disagree. I think you should get the money from the Government but then give it to private developers. We don't want to see (Laughter)…we don't want to see what we already see in the Burrows-Keewatin area. And I think that's a bad example of good intentions. And I think that we can work together and that's why we talked about issues like market-gap funding. The TIF Program is a perfect example of using Government funds to subsidize controlled rental rates, developed by the, by the private sector and that's a partnership between the private and public sector and that's not a bad thing.

Don Cook: I think what my colleague is saying, is that Government monies will not solve the problem. Government incentives will help solve the problem. One of the things I mentioned in my speech was a tax shelter like MURBs. Many of you might know that in the 1970's and in the 1980's, MURBs were introduced because we had a similar problem. MURBs are an accelerated depreciation for developers. They get a break. And the break filled a housing gap. Those kind of strategies work. That, that would be a Provincial and Federal housing strategy. It's an incentive it is not the Government paying for it. If you want the Government to pay for it all, we're going broke, it's not going to work. Government incentives help and we're both on the same page about that.

Mr. Deputy Speaker: Councillor Fielding.

Councillor Fielding: Sir, just one bit of clarification. So, once again, on the second item, you're saying if you added the broad, broad group of options you're in favour of that but I'm assuming you're still opposed to the City regulating the conversion, it's a Part A. Has that been taken out, or is it…

Don Cook: (inaudible) is a word that sends developers running for the hills. We need developers.

Lorne Weiss: If…if the, if the, if the, if the development of a broad range of strategies, using the stakeholders as part of that team to develop it, does, in fact come forward with a strategy of regulation of some time, of some type, then I think it has established its validity as, as part of a solution. But, to start with the premise that we have to regulate, without doing the study, is not something that we could support.

Mr. Deputy Speaker: We have twenty seconds left in the Question Period. No further questions? Thank you, gentlemen. Thank you for attending today. Mr. Colin Craig, Delegation regarding Item 7 of Executive Policy Committee May the 12th, Sewage Treatment Plant Upgrade and Expansion Program. Mr. Craig, you have ten minutes.

Colin Craig: Well, good morning and thank you for the opportunity to speak here today. I'm thankful for all the interest in this item. We were talking about water and not sewage. As you are aware, when you registered to speak at Council you ultimately have to decide if you're speaking in favour of something or opposed, so as the intentions of pursuing a partnership for the City sewage treatment services is a good thing, one that the Canadian Taxpayers Federation supported as an organization. I registered in favour of the proposal here today however we do have reservations about the Item before Council and I will speak to those in a moment. As you may recall, last July, when Council met to discuss this Item, I spoke in favour of looking for a partner to provide the services. I noted the benefits of shopping around to see if anyone could provide City services at a better price for taxpayers. And based on the report before Council, it appears that the City has done just that. Very competitive process was held and a good partnership appears to be available to our City. Not only are taxpayers expected to save 10 to 20 percent for entire sewage treatment program costs, suddenly the City has more control when it comes to service standards. As you are aware, Governments often leave room for improvement when it comes to holding employees, Departments and contractors accountable for mistakes. For example, the City of Winnipeg's 2009 Audit Report on Firefighter Sick Time noted that $371,000 worth of sick leave was paid out, without sufficient documentation on hand. Now, when I phoned the Auditor and asked if any employee received a pay cut or any other kind of penalty for the significant mistake, the answer was no. Many in this Chamber have asked about the $70 million in cost overruns for the City's Sewage Plant upgrades and unfortunately there is still seems to be a lack of accountability for that boondoggle. At the Federal level, Bureaucrats went before the Senate and told them their worst case scenario for the cost of building the Canadian Museum for Human Rights. As of their last financial update, the project was thirty five and a half million dollars higher than the worst case scenario. When I asked if anyone was fired, demoted or penalized for the mistake, again I was told no. According to the Item before Council, if mistakes are made before, after the partnership proceeds, the partner will be financially on the hook. So, that is a good thing. The $50 million Letter of Credit is also a good insurance policy. Private sector involvement will ultimately help the City control service levels and costs. Let's be clear for a moment, this isn't privatization. Privatization occurs when the public sector sells assets to the private sector. On the whole, the partnership sounds great, a better service at a lower price. However, like they say, the devil is in the details. I spoke with staff working on this project and was told the final contract itself is not yet completed. Our recommendation is for Council to have an opportunity to review the final contract and approve it before the project proceeds. After all, we're talking about a $2 billion project and that's a 30 year agreement. This is going to be a tender for new lawnmowers or stop signs. This project, this project warrants Council oversight. Or further Council oversight rather. There are some details which may be deemed commercially sensitive and may require being blacked out. The bulk of the contracts, contracts should be available for the public and Council, to see. The nine page document before us today promises wonderful results. But given the magnitude of this project, Council should have the opportunity to confirm how those results will be guaranteed in the actual contract. Who is responsible for what share of cost overruns? Who gets what share of the savings? Those are just a few questions that need to be asked by those around this table. And don't sell yourself short. If we think back to the sale of the Winnipeg Square Parkade, the Administration received an offer for the structure. To Council's credit, you told them it wasn't enough. You went back and grinded the buyer for a couple extra million dollars. Perhaps the current proposal could be improved by further Council oversight. Secondly, Council should confirm the details of the agreement and not rely on the nine page document submitted to Council. That is not to say anyone is purposely misleading Council with the Report, but the Council should be have an opportunity to see exactly what it is that you're approving and if you think back to the Stadium proposal that came to Council last month, the report noted and I quote, "CanadInns Stadium is in a serious state of deterioration and will require a minimum of fifty two and a half million dollars in investment in order to keep it safe and functional over the next several years." But as the Winnipeg Sun's Tom Brodbeck exposed, the Report the City used as a source for that figure actually notes the minimum investment was only 14.4 million dollars. So suddenly that changes the debate all together. Who knows what misunderstandings there might be with this project? So, in conclusion, we applaud City Council for shopping around and trying find a deal, a better deal for taxpayers. The offer before you sounds like a good idea, but we recommend looking at the contract's fine print for yourselves to confirm that it actually is.

Mr. Deputy Speaker: Thank you, Mr. Craig. Questions? Councillor Smith.

Councillor Smith: Are you saying we shouldn't approve this unless we have some details? Unless we saw the contract? Or are you saying we should blindly go into this?

Colin Craig: I think the proposal sounds really good and I think that counts.

Councillor Smith: But it's not good.

Colin Craig: If I could finish. I think. (Inaudible)

Mr. Deputy Speaker: Answer the question, Councillor Smith. (Inaudible)

Colin Craig: The proposal promises some pretty wonderful results for taxpayers, a lower, a lower price for the service. Better control mechanisms. I think what, what's needed is a little bit more transparency, so that Council can actually see the contract that you're being asked to approve, once it's ready. And at the same time there should be more details put forward to the public as well.

Mr. Deputy Speaker: Councillor Gerbasi.

Councillor Gerbasi: Thank you for your presentation. Are you aware that there is a Motion on the table here that, Therefore Be It Resolved that the issue before us today be referred back to the June Council meeting to allow for the contract with Veolia to be fully exposed to all members of Council. Would you be supportive of that approach?

Colin Craig: I actually tried to find your, your amendment in the amendment box up there, but, it actually wasn't available but I have heard something to that effect. I don't know if, if you have to wait until the June Council or if you could allow for a couple of weeks and have a special meeting. Either way, I just…I think there needs to be a little bit more in terms of transparency for this project. It does sound like there's some, some good benefits that could be delivered for taxpayers so we support the process. We just think there needs to be more in terms of transparency.

Mr. Deputy Speaker: Councillor Swandel.

Councillor Swandel: Thank you, Mr. Craig, for showing up today and voicing your support and your concerns. I guess for me, I look at these things rather than sort of the, the micro-managing of the contracts as value-based decisions. I look for protections. I see the numbers in the report of 661 million dollars and 1.2 billion dollars of net present value for both the Capital and the Operating. I know that's often stated as just the Operating by those who put the misinformation out. There, there are protections in here that, that give us that sort of, that allow us to be the value-based decision making piece like irrevocable lines of credit in the, in the realm of 50 million dollars, contracts not to exceed 30 million dollars without coming back to this Council. The establishment, audit process, that was done when this, doesn't that give you the comfort that is there enough here that our professionals that have their accreditations on the line, Lawyers and Engineers, not just from the City but through a myriad of private entities as well, that all those professional credentials on the line, these safety nets and supports and protections are in place. Does that not give you the comfort to say we are making a value-based decision here, protecting the taxpayers of the City of Winnipeg and ultimately delivering on what we set out to do which was brought to us by the Province of Manitoba to protect our rivers and Lake Winnipeg?

Colin Craig: It, it gives me comfort in, in speaking in favour of this proposal. It sounds like the City's done a very good job in conducting a, a competitive process and ensuring that they have hired on the proper expertise to guide them through this, through this process. I do think that there…Council is being asked to approve a very, very large contract, one with significant ramifications. It's a 30 year deal and I think that both the public and Councillors deserve further information before it's approved and when I did speak with staff I raised the question of, is there the possibility that once the contract is actually developed, but anything that is extremely commercially sensitive, in fact, could be even blacked out and then provided to Councillors so that they can exactly go through the Contract, line by line and weigh in on, on what their thoughts are. And you know, again, I think back to the Winnipeg Square Parkade. I mean the Administration came forward and said, let's look at selling this off. Here's the, the offer that we got and to your credit and I think, believe, Councillor Browaty's credit, you said no, give us a little bit more and there was a bit of haggling there and you got a better deal for taxpayers. And I think if there is an opportunity to have another, 14, 15 pairs of eyes on the contract, then that would be a good thing.

Councillor Swandel: Just a, procedurally, you, you, you make the statement that the contract needs to come here. Are you aware that the contracts never come here, that the basically the authority is delegated to the Public Service and to the Chief Administrative Officer to design, to make the contracts after we give the basis that they are supposed to be made on, and then they are executed by the Administration. Now that the contracts aren't executed by Council, the authority to do the contract is what's executed by Council.

Colin Craig: I, I think there's room for this project, given its magnitude, to say, move forward with it differently than say what you would a tender for stop signs. I mean, you're not going to have a tender for stop signs come to the floor of Council and have everyone look at the agreement. I think there's, perhaps if the actual contract does not come to

Council but if there is a seminar and opportunity for Councillors to have a look at it and then give their final okay, and I mean we're an organization that pushes for transparency as much as possible could be provided to the public as well before it moves forward, I think that's a good thing and you know, in some cases you do have to be mindful of commercially sensitive information. If we weren't, you probably wouldn't get people bidding on a number of different contracts, I'm aware of that but as much information as possible should be provided first. But again, we support the direction that Council is going in with this process.

Mr. Deputy Speaker: Last question

Councillor Swandel: Mr. Speaker. My final question, Colin, do you recall what the Taxpayers Federation's position was on the sale of Winnipeg Hydro to Manitoba Hydro?

Colin Craig: No. That was back in 1999. 2002. Okay. It was a long time before I came on the scene with this organization. I don't.

Mr. Deputy Speaker: No further questions? Thank you, Mr. Craig. Appreciate it. Mr. Mike Davidson from C.U.P.E. in opposition to the treatment plant upgrades. He…he can probably join Mr. Davidson with Mr. Welch, correct? You see?

Mike Davidson: I understand he is speaking as well.

Mr. Deputy Speaker: Okay, so, we'll, we'll sort of marry the Question Period.

Mike Davidson: You know, on behalf of Local 500.

Mr. Deputy Speaker: We'll marry the Question Period, the Question Period.

Mike Davidson: Very good.

Mr. Deputy Speaker: So, if you can just step back when you're done your presentation. Thank you. Go ahead.

Mike Davidson: Thank you. Good morning Mr. Mayor, Councillors and staff. Local 500 appreciates the opportunity to be here today, to present on the sewer treatment plant upgrades and the expansion. C.U.P.E., across the country, nationally we have about 600,000 members. We have about 25,000 here in the Province of Manitoba, and we have roughly about 750 of our members that deliver drinking water and provide sewer treatment services in our community. They've done this for many decades and they have done a very good job per, performing their duties. Local 500 is proud to, to work with the City of Winnipeg where we can and we've never shied away from protecting public services when we needed to as well. We were very concerned about the City's plan, plans to upgrade the North End and South End Sewage Treatment Plants through a privatized design and bill finance possible operate model. The P3s have proven time in and time again to cost taxpayers more and provide less quality services and less accountability than the traditional design and build model. Public ownership and management and operation of water and sewer systems protect the public's interest and ensures the best possible service to the community in our view. Now, the City has confirmed it will not involve a private corporation owning, financing or operating the sewer, sewer plants. I would commend the City for rejecting the P3 model. It's a step in the right direction in our view, however we still have serious concerns about a private corporation playing any role beyond the design build stage, whether it be in management or elsewhere, in the City's sewer, City sewer services. Now, we do have some questions and I think these questions have a lot of merit. We would like to know precisely what will Veolia be doing and how far will that work extend into direct management of the City's sewage operations? We question the level of control that will be handed to a private corporation that is in the business of privatizing water and waste water services around the world. What is Veolia getting in return? What is the contract cost to taxpayers, citizens of Winnipeg? Given the length of the contract what protections are built in for the City and future taxpayers? Is there an opt out or cancellation clause in this Agreement? The public has not seen the text of the 30 year contract. The full implications of this deal for taxpayers and local waste water services are in the details of this document. We call for full public disclosure of the entire contract so the public can evaluate the cost of the arrangements and purported benefits and the risk of signing a 30 year deal with a private corporation before proceeding, going further with this venture. Local 500 also believes there are a number of inherent flaws in the new business model. For example, critics of the traditional design build model have suggested that cost overruns have occurred by having a low bid accepted and then work added on at an additional cost after the project is started. Under the contract model the City is proposing, corporations stand to be rewarded for bidding higher than necessary and then providing from finding savings they already knew existed. Further evidence shows that the model used for costing P3s is inherently biased, skewing figures to present the privatization as the most cost effective option. There is nothing preventing that from occurring in this business model

proposed here either. For example, if the City proposed status quo costing were artificially inflated, the new partner would reap a wind fall in profits by simply doing the work in a fiscally responsible way. There is nothing that we are aware of in the business plan that protects against this from happening nor does it safeguard against corners being cut to maximize these profits. On this point, it is important to recognize that money being paid to Veolia for this contract apparently out of the savings of the Corporation we'll find, is leaving the Community as profit instead of being reinvested in public services. We support finding efficiencies in public systems. We believe public management is perfectly capable of identifying and implementing cost-saving measures that work. It's an approach our Local has taken with the City in the past. In a similar vein, part of the argument for contracting with Veolia appears to be the use of, use of leading-edge technology. Municipalities are more than capable to purchase the leading edge technology, but then own and control it publicly. Just to finish off here, to end this, we call on the City to provide full public disclosure of all details surrounding this contract before finalizing it today. C.U.P.E. Local 500's priority, priority is protecting vital public services and the public interest and we will continue to scrutinize this project with these goals in minds. Thank you. (applause)

Mr. Deputy Speaker: All right, folks. We'll remind the folks in the Gallery that, as much as you are citizens and you appreciate and are here to support a particular position, but there is no demonstration of support in the manner of clapping, calling out, cheering and I will just hope that you abide by the rules of this esteemed lobby. Mr. Michael Welch, Council of Canadians.

Michael Welch: Okay, thank you. Mr. Speaker. I assure you I will at least abide by those restrictions while I am down here. Thank you again for, can you hear me okay? Thank you again for allowing me to express my concerns about this particular arrangement. This, what we have come to see as effectively a public private partnership involving the company Veolia, which has, by our own understanding, has a very notorious reputation around the world for its role in essentially taking control of the water, the municipal systems, trying to profit from water, private services, delivery of water as well as eroding infrastructure, and basically profiting from it. This is a, a concern that we have expressed because these major corporations are essentially driven by profit. We, we have the same concerns about the, the MCU, the City-owned utility which is also running on a for-profit basis. And the problem with that is we're talking about a vital service which is essentially being run on a for-profit basis. The concern is that corners are going to be cut, that we're going to see rate hikes, or we're going to see cuts in services or we're going to see environmental and other standards being undermined? I think that, those of you who were at the EPC meeting heard some of the, the concerns that we expressed on that point. I have to go through a couple just to, just for those of you who weren't there. For instance, in Indianapolis, since Veolia landed the contract in 2002, non-union employees have seen their benefits slashed and the Company made an aggressive move to reduce personnel costs and personnel through buying out veteran employees. Lawsuits have been filed complaining not only about the treatment of workers but also about the legality of the contract itself and a coalition of Indianapolis citizens is aiming to nullify the contract and bring the system under public management. In Angleton, Texas, they terminated a contract with Veolia for non-performance and took the Company to court, charging it breached its contract by failing to maintain adequate staffing levels, not submitting Capital Project reports and charging improper expenses to the maintenance and repair tab picked up by the City. New Orleans, like that of its competitors, the bid approval submitted to by Veolia Water, the biggest and presumably most experienced water waste water system operation and management contractor in the Country was so laden with uncertainties, inadequacies, omissions and other problems that New Orleans Officials could not credibly assess the much promised savings. Complacency and lack of commitment on the part of Veolia, which it picked up the contract to operate the waste water system through purchase of incumbent operator of the 1990's. Even as the Company who was trying to convince New Orleans to grant it water services contract. Also another point, Australia, the, the subsidiary Vivendi which was the predecessor company of Veolia, it's subsidiary in Australia, New Zealand, United Water, which is a Veolia subsidiary is a joint venture with Thomas Thames Water and Kinhill Engineers. United Water holds a 1.45 billion dollar waste water contract in Adelaide. In one year United Water managed to turn Adelaide into a sewage-smelling outlet which became known as the big pond with odours so strong they affected the resident health. Subsequent investigation found that the stench occurred due to inadequate monitoring and equipment failure which allowed sewage overflow to run directly to settling lagoons. I mean I, I think there's a couple more examples I should note with regard to charges of corruption. In mid 1996, five out of thirteen Directors on the Main Board of Vivendi Générale des Eaux were under investigation for corruption, mostly in connection with their jobs with other companies. In Strasberg, France 1991, André Fougeroux resigned as Mayor of Ostwald, a Municipal Councillor of Strasberg after allegedly receiving pay backs from Vivendi, Saur and Suez. Mr. Fougeroux claimed the payments were normal and that other officials received similar cut backs. 1996, the former Mayor of Angouleme, Jean-Michel Boucherone, admitted to accepting $55,000 US from a Vivendi affiliate, Générale des Eaux, in exchange for awarding a contract to the Company. Okay, well okay. I, I can't go through it all. I need half an hour and then probably the skills of an auctioneer to get through the complete list of crimes and misdemeanours. But I think what needs to be noted is there are concerns that once we get into this fifty, thirty year contract, can we truly be certain that, that the safe guards are going to be put in place that we're not going to see the, the mishaps that have, proceeded from earlier…from these other examples? I, I frankly doubt it. I think that once we decided that

Veolia is going to be our expertise, and this is the kind of expertise geared toward rate hikes, and cutting services, and environmental neglect, we're, we're going to find.

Mr. Deputy Speaker: Thank you Mr. Welch. You may have a chance during the Question Period here, to put more comments forward, but if you and Mr. Davidson would like to stand forward here, we have a couple of questions. Councillor Swandel, you're first up.

Councillor Swandel: Thank you, Mr. Speaker. For Mr. Davidson, Mike, and both of you, I appreciate you both coming out. We may not agree on this issue but it's always good when people come out to represent the positions and educate some of us in where your positions come from. Mike, I'd, I'd like to ask you, how did you like the process that we used for doing the water treatment upgrades, you know, recently, just the end of 2009. Turned the tap on, so to speak, on our new water treatment plant as hundreds of millions of dollars were spent there. Were you comfortable with that process?

Mike Davidson: In terms of the operation.

Mr. Deputy Speaker: Can't hear you.

Councillor Swandel: The speaker, is it, is it on? There it is.

Mike Davidson: I think, Mr. Speaker, in terms of the operation, I haven't heard a lot of pitfalls regarding the finished product, so to speak. I think that the public is happy with some of the improvements in terms of this quality of the water, the smell, the efficiencies of it. That's what I've heard.

Councillor Swandel: Thank you, Mike. Are you aware that the City partnered with CH2M HILL which is one of the proponents in this, with UMA Engineering, with Fredericton Cooper Architects, with Earth Tech Engineering, with PCL Construction Limited and a myriad of subcontractors of PCL to, to design and build that facility?

Mike Davidson: I would say, Mr. Speaker that in many instances, there's lots of examples where the City has partnered with outside contractors. It's no, it's no, I, I, I guess, hidden finding that C.U.P.E. doesn't build bridges, doesn't build sewer treatment plants or arenas but we own and operate them. The business is there to make a profit, they have to make a profit, so in many cases where the City has contracted with outside contractors that history has gone on for some time and it probably will be. There is a place for the private sector.

Councillor Swandel: Okay, thank you, Mike. Just a final question, I don't know if you can answer this. You might not, it might not be something that's on your radar these days but from a labour perspective, how has the sale of Winnipeg Hydro gone? Since we've, since we've done that and gone forward? How have those employees been handled from a labour perspective in your eyes?

Mike Davidson: Well, Manitoba Hydro is publicly owned and operated. It's fully public so I think the public is aware of that and are comfortable with that finding. And what's being proposed here today, I think what the public would like to see is more details. To get that satisfaction that they, too, can be comfortable with what's being proposed here today as well.

Mr. Deputy Speaker: Councillor Wyatt:

Councillor Wyatt: Thank you. My question is to Mr. Davidson. Thank you for your presentation and I, I too, share some of your concerns regarding this matter. In your presentation you indicate, we called for full public disclosure of the entire contract so the public can evaluate the costs of the arrangements, its purported benefits and the risks of signing a thirty year deal with a private corporation before going any further. As you know, the City of Winnipeg exists out of the generosity and benefit of the Province of Manitoba. We are here because of Legislation creating the City of Winnipeg, and the City of Winnipeg Charter. I guess my question to you would be, and I, I believe, I'm not a hundred percent sure but I think C.U.P.E. did support Mr. Selinger in the Leadership bid, I'm not a hundred percent sure about that, but I think that's the case. I'm just wondering, I'm just wondering, on that, on that, on that, on that point, I think, I might. On that point, have you met with the Premier? Have you raised this concern with him? And, and asked him, would you, will you bring in Legislation because the Province could easily bring in Legislation that would require us to fully disclose this. And matter of fact could bring in Legislation banning public private partnerships if that was so the will, which is part of your presentation as well. Has that discussion been had with the Premier?

Mike Davidson: Our discussions with the Province, I think it's no secret through the C.U.P.E. Manitoba Conventions. We've called on we've, we've pushed for Accountability Legislation, relative to P3s. We've done that at the N.D.P.

Convention. I, personally, I think that Accountability Legislation regarding P3s is a positive way to go. And I have had discussions with the Province on my individual view as well as I think the view through C.U.P.E. Manitoba as well, on our position on P3s. It's no secret that C.U.P.E.'s view, nationally and as well as in this country, on P3s isn't a positive move. I think any time you are involving public money, more accountability in terms of what's, what's in the details, is a positive thing. After all, it's, it's, it's public money, it's not private money. So I think that there is a strong case, and I think that there is a willingness, from most certainly the citizens of Winnipeg, regarding this, this issue to have that disclosure on, on the project.

Councillor Wyatt: So all the folks in the gallery are here today specifically because of this concern with Veolia, or Veolia, or however it's pronounced. And, and I guess the question is, when you learned of this, did you go immediately to the Premier and meet with the Premier and ask him for Legislation immediately to address this matter? Have you met with the Premier specifically to discuss this matter and ask him to address it immediately?

Mike Davidson: Have we asked, have we had specific talks on Accountability Legislation? I would say that I have made it very clear to the political level, the Provincial political level that we are opposed to P3s, that we would most certainly welcome the idea of Accountability Legislation for a whole host of reasons I could be here for an hour talking about those reasons. But I've expressed my views to the Provincial level as well as, I think, in, in some part to the Federal levels, that we are opposed to any type of operation that involves public money that doesn't reveal true costs. Costs that we feel have merit in the terms that citizens have a right to know.

Councillor Wyatt: So clearly you're not indicating, Mr. Davidson, that you've spoken to the Premier. So it tells me that this is really not an important issue to C.U.P.E. that you have not gone before the Premier and asked him to bring in Legislation immediately to address this issue. (Inaudible) I would like to know, are you sincere in this effort? Is this a top priority? Have you met with the Premier to discuss this specifically and demand Legislation immediately, or not?

Mike Davidson: Mr. Speaker, you raise a good point. Just on the topic of Accountability Legislation. I think the Premier is well acquainted, well aware of my position regarding P3s. I did have a general discussion with him on a host of issues at our Provincial N.D.P. Convention. Has the topic come up about Accountability Legislation? Absolutely. Hope that answers it. Is that good?

Councillor Wyatt: (Inaudible) Legislation (Inaudible).

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

Councillor Steeves: Thank you (Inaudible) Mr. Welch, we just heard from C.U.P.E. fairly clearly that they don't think this is a P3. They were fairly detailed in their reasons for, for thinking that way. Your delegation, you just mentioned that you feel this is clearly, is a P3. Why the disconnect? What are the differences between your two opinions and your opinion?

Michael Welch: Well, I think, I thank you for the question, Councillor Steeves. I, I think since, after the last, the Executive Policy Committee, I took the liberty of digging up the Deloitte and Touche Report which recommended this new governance model and in the Section 2.0, Water And Waste Water Service Delivery Models under the sub-heading Private Sector Involvement, it states and I quote, "A variety of other alternatives that generally fall between these two options. Oh, excuse me. Private sector involvement in water and waste water can range from a public utility outsourcing a narrow range of services or functions to a private sector service provider to a fully private utility as in the case of White Rock. A variety of other alternatives that generally fall between these two options are commonly referred to as P3 delivery models. So, and, and they include long term operation and maintenance contracts, design / build / operate contracts and design / build / finance / operate contracts. The DBFO contract provides the greatest level of risk transfer away from Government as the private sector service provider is responsible for making the initial and on-going capital investments under contract structure that compensates based on performance of the service provided. So, I, I, I think that, based on, on my reading of that, that sounds to me that what, what's in this report does sound like a P3 given those parameters that are expressed in the report, in the, excuse me, in the Deloitte and Touche Report.

Councillor Steeves: Fair enough. (Laughter) The report, the report as it was then was dealing with the issue of the utility coming forward. Since then, the City has passed the idea of a utility. But, the idea the utility has not been put in place because the Province, it requires Provincial assent. It's still being considered by the Province and we don't know what the Province is going to do with the, with the idea of utility rate now. Thus, we're going forward with this report, sort of in absentia of the previous utility-bound report which you have in your hands there. In those instances, could this be not a P3 because we've departed from that, at this stage?

Michael Welch: Well, the thing is that, as I say, the, the thing is, this, this utility concept is coming into play and there is some sense that. Well, I don't understand, basically, I mean, again, this is going back to a, a lot of vagueness. I mean, how is the, the MCU which is still being negotiated and unfortunately, from my perspective at least, is bound to come through. And how, how's that going be worked into this? What, what kind of a shift are, are we going to be making from these City plus private partner to the utility, plus private partner? And, and that's not clear and I think that, I mean, I think that the, we're, we're talking about a, a sense, in which, in a thirty year contract, where the design / build aspect of it will presumably be finished by 2014 and by my calculations, 2014 is a little less than thirty years away. So, what, what's going on beyond that point? And it sounds like there is, you know, some sort of more maintenance and operations going on here. So I'd…

Councillor Swandel: Point of Order, Mr. Speaker, I know this is back and forth here, but we have a lot of people that want to speak and the time has expired for Question Period right now and I want to be respectful but we have a lot of people to get through.

Mr. Deputy Speaker: Thank you Councillor Swandel. We would like to thank Mr. Davidson and Mr. Welch for attending (thank you) today (thank you) and giving us their thoughts. We're going to move on with the folks that Councillor Gerbasi surrendered a list while we were on this subject, so I'll just give them in the order that Councillor Gerbasi forwarded them. So, if the first three forward, could come down and, and sit with us here on the side. Lynn Fernandez, Dr. Mary LeMaître and this one just says the Winnipeg and Chair of Water Watch. Oh, that's her title. Okay, so we don't have eight, we've got seven. (Inaudible) David Jacks.

Councillor Swandel: We got the recycling folks are here, too.

Mr. Deputy Speaker: Yes.

Councillor Swandel: Are they going to go after?

Mr. Deputy Speaker: They'll go after. Yeah. We're trying to just keep it all together. So there'll be five minutes each. So Lynne Fernandez, five minutes and there'll be no questions. If it can be less than five, that would be appreciated.

Lynne Fernandez: Good morning everybody and thank you very much for the opportunity to speak to you today. The Canadian Centre for Policy Alternatives Manitoba has been critical of the City's move to change the governance of City utilities by adopting a municipal corporate utility model and of its plan to enter into a P3 arrangement for the waste water upgrades and operation. Our concerns have not been allayed by the nine page report released last week and today, I will outline a few of those concerns. We are aware that the City has gone to great lengths to distance itself from the controversy over P3s and seemingly, it does not consider this arrangement with Veolia to be a P3. Although many of the pieces of the puzzle are missing, the ones that we are able to discern begin to form a picture of a P3. Now P3 as Michael has told us is a broad term that can apply to different arrangements between a public and private partner. Australian academic, Dexter Whitfield notes that there are variant types of P3s, just as there are different kinds of privatization. We don't have enough details to know what kind of partnership the City is proposing but simply removing the terms Strategic Partner and P3 from the proposal does not turn a P3 into something different. P3 red flags are found throughout the nine page report, particularly the discussion around risk. P3s purport to transfer risk from the public to the private sector. Now, Whitfield agrees that this can happen, but notes that it does so at a price. Private corporations charge a premium for taking on risk and we are not being told how much we are paying for that service. Whitfield also tells us that the assessment and evaluation of proposals and bids is usually less than comprehensive and frequently contrived. There simply is not an information, enough information in the report to know if this warning applies here or not. Certainly, the lack of details around the choice of the discount rate and how net present value is calculated does not bode well. We know that many details will never be, never be revealed to taxpayers because of commercial confidentiality. Now we understand the principle behind confidentiality but we also know that this practice is systemically abused. As noted by Whitfield, and I quote, "There is a degree of collusion between public managers, contractors, consultants and lawyers to avoid accountability, scrutiny and challenge to their policies and proposals. Given the track record of this sort, these sorts of deals, I don't think it's unreasonable for citizens to want to know more than they are being told. And I want to emphasize I'm not accusing anybody here of being devious but sometimes a situation arises where people just get caught up in the spirit of things and there is a sort of a, a corporate capture of the ideas and everybody gets all rah-rah and excited and they don't actually take the time to look into the details. This report goes to great length to assure us that the City staff will remain engaged in the running of the treatment plants and that decisions will be made on, and I quote, "The best advice of City Management and Veolia experts working together in the spirit of partnership", end quote. We're led to believe then, that Veolia will playing second fiddle to the City. Now I think a cautionary tail is in order here. In a report entitled "Indianapolis Water Utility Lax in Overseeing Veolia" we are presented with a scenario similar to the one being proposed for Winnipeg. But there's a P3 with Indianapolis Water and Veolia for the running of the Water Department. The consultant explains

that the Department owns the City water system and supervises Veolia. So it's the same kind of situation you're proposing here. Now controversy is playing out over a proposed rate hike to fund 111 million in capital improvements and additional debt servicing costs while the Department is trying to, quote, "Fix a flawed institutional structure", end quote. The report also claims that the under-staffed Department did not have the capacity to monitor the utilities' financial performance or to review Veolia's capital request. Also, according to the report, the City too often relied on the Department of Water Works Board, on consultants and on the private operator, Veolia, rather than on the Department's own staff to ensure safe and efficient operation, maintenance and management of Indianapolis water. Now, we know that Winnipeg is not Indianapolis but the scenario tells us that these types of arrangements do not always turn out the, the way they're supposed to. Now we know that EPC has been informed as to the considerable talents and abilities Veolia has exercised in its many dealings around the world. It is naive to expect that these talents do not include protecting its own interests above all else. Finally the report does not explain how the pending municipal corporate utility will accommodate this partnership with Veolia. And that's a crucial piece of this that's missing. In sum, the proposed arrangement is more than a design build contract with a private corporation. All indications are that it is a design / build / operate for a thirty year contract which is a kind of P3.

Mr. Deputy Speaker: Thank you, Ms Fernandez. Next Speaker, Dr. Mary LeMaître. I hope that's correct. Five minutes.

Dr. Mary LeMaître: Thank you. Good morning. My name is Dr. Mary LeMaitre. I am Chair of Development and Peace for The Archdiocese of Winnipeg. I'm also the Chair of Water Watch. Mayor Katz, I guess he is not here, Councillors and Mr. Speaker. Today you are being asked to vote on a thirty year contract that you have never seen. Who in business does this? Thirty years. That's a long time. Thirty years, that's a long time to be monetarily rewarded and to be included in the management of Winnipeg's sewage plant upgrades. Simply for respecting the construction plan and two and four year time schedule and costs that your company agreed to. Thirty years. That's a long time to be in a contract that you have never seen. Especially with a multinational company that aggressively privatizes water services around the world. Especially with the company with Veolia's track record. None of the Councillors, Mayor or public has seen the contract. Nor will they probably ever see it unless we make, unless we ask for changes. Due to the Privacy Act which gives companies the option of not showing their financial records. Publicly Elected Officials, which Publicly Elected Officials would be so fool-hardy as to approve such a deal with out seeing the contract? And there are questions to be answered and I am reiterating a bit but I'll say them briefly. The eight page plan states that the contract can be broken, but at what cost? And there are always costs for breaking a contract. Number two. Yes, we do design and build contracts with private companies, but this is not just a design and build. There is management and there is also the receiving of profit. This implies a P3. This is, has been called new and innovative. It looks like the same cake but with different icing. It's stated that there will be twenty, ten to twenty percent savings if calculations work out as planned. Hummm. Now, private companies are required by law, to make a profit for shareholders. What happens when, when companies, when cities go into private contracts, private partnerships with engineering firms for their water treatment upgrades or water treatment plants, is that prices go up and services go down to cut corners. And I suppose this might especially happen if you are rewarded for keeping costs down. What about government's utilities that are satisfied with their services? What services? Construction. There is construction but not management. I'm sure that in the Report, we checked, you checked with companies to see that they were satisfied but this is a new and innovative way of doing things, and I would be surprised if they had input on that type of relationship. Ah, and companies. They do have the right to hide their financial information. And some people argue this. These, however, are our sewage plants. We, the public, the citizens of Winnipeg, have paid for them. We have the right to know what the details of this contract are. Again, I repeat, it is for thirty years. No one goes into a business contract without reading the contract. Kindly, do not approve this contact, contract without reading it. Regardless of whether you are for or against the, the City being involved with a multinational corporation, please make sure that you read the contract first before you sign it. There is an expression I think in business about assuming.

Mr. Deputy Speaker: Thank you.

Dr. Mary LeMaître: You got me to stop at the right time. Thanks.

Mr. Deputy Speaker: Dr. Uh, David Jacks, followed by. Can I ask you to remove your hat, sir? Thank you. (Inaudible) (Laughing)

David Jacks: Now you know why.

Mr. Deputy Speaker: Followed by Darryl Rankin, Cheryl-Anne Carr and Monika Fiest. Go ahead sir.

David Jacks: Hi, My name is David Jacks. I'm Vice-President, Social Policy for C.U.P.E. Local 3909, representing teaching assistants, student lecturers and special instructors at the University of Manitoba. I'd like to begin firstly, by

clearing up for Councillors Steeves that the language used to describe the partner today is prospective proponent rather than private partner in 2008 and strategic partner in 2009. So, I'd also like to bring up an analogy because I know that Mayor Katz who loves analogies of what looks like a duck and talks like a duck irrefutably is a duck. The language around this issue has been confusing at best. The general public is clearly concerned with both the procedure, the level of transparency as well as the proposed outcome of the procurement process. The Speakers before me have duly noted. We feel that entering into an agreement with the private partner, sorry, prospective proponent, let alone the agreement for thirty years is the wrong direction for the City's Waste Water Facilities and Department. I'd like to again, bring to Council's attention, the City's own Deloitte and Touche Report of 2008 consisting of a far more thorough examination of the proposed utility and partner and outline that there is no reason that the existing Water and Waste Department can't handle this contract on its own and I quote "Existing services are already adequate". I'd like to add that here in Winnipeg, especially our members of the University of Manitoba, who are graduate students in fields such as Engineering and Architecture, Business, City Planning, as well as the Sciences, that there is no reason to pull expertise from an outside multinational, when we can enhance our own existing Public Department with more local talent and expertise (clapping, cheering) which this City is not lacking. Furthermore the proposal in front of you today highlights on page five that City staff will continue to operate and maintain the sewage system where the next paragraph goes on to say that the private sector experience will potentially take on the operation of the North, South and West End Sewage Treatment Plants, so once again, confusing at best. The report in front of you today also states that, quote "All direct costs will be delivered on a transparent and open book basis and be subject to audit". Now, from what I'm hearing today, the only openness of this contract is through FIPPA and that it's still ultimately up to Veolia as to whether or not they'll actually disclose items under the contract. This is already indicative of what the City Council, as public representatives, will be likely giving up. I know for a fact that some, if not all, Councillors at the table today, have not seen the contract at all. We do know by virtue of this report that Knowles Consultancy Canada Inc., has reviewed the procurement process and that there is sufficient supporting information for Veolia has been provided to the public service. How many Councillors here have seen this contract? For the record, there is no reaction from the Councillors. This type of information I would expect to be publically available, at most. And available to elected representatives, at bare minimum. Again, indicative of what we'll be giving up. Finally there is confusion as to the role of the prospective proponent playing as well as the relationship with the MCU, assuming that moves forward. The proposal has clearly shifted, the private partners were all as voted upon by Council, in the Administrative Report, of July 2009, which is being reviewed by the Province, as mentioned, and still retains the original nature of the private partner, as defined and laid out in July. I ask you, which duck are we currently voting on today? Because, according to the City of Winnipeg Hansard for July 27, 2010, His Worship Mayor Sam Katz said, "Mr. Speaker", this is a quote, "Just to make this very, very clear, because I know that there is a habit of sometimes sending out erroneous messages. This is a City of Winnipeg initiative, there are no private partners." Looking at the private multi-national corporation Veolia, that you'll be voting on today, again, Mr. Speaker, confusing at best. Thank you. (applause)

Mr. Deputy Speaker: Thank you, Mr. Jacks. Darryl Rankin, please. Go ahead, Mr. Rankin.

Darryl Rankin: Good morning, Councillors, Mayor. My name is Darryl Rankin. I'm speaking here as the Leader of the Communist Party in Manitoba. The Communist Party is a Working Class Party dedicated to the goal of the Socialist Society in this Country. And the first comment is to North America actually was elected to this City Council Chamber in 1926 and we had about 60 years of continuous representation in this Council until the retirement of the Councillor Joe Zuken. Councillor Swandel wants people to believe the opposition to this proposal is driven by ideology. It is important to realize most people are just plainly shocked and appalled at the lack of information you have and that we have about this major proposed contract. In saying we are driven by ideology, he is blind to his own ideology which allows him to be at peace with the idea he should not scrutinize the contract. That he should abdicate his responsibility. Most people who are seen Councillor Swandel's ideology, which relies on secrecy, and for those who researched the issues, the bitter, bitter experience of many consumers and people in France and throughout the world, with these corporations. People who pursue fair and just policies have a stake in public knowledge, and the people of Winnipeg want to be informed. Right now, three large multinational corporations dominate the world water and waste industry. All have large stakes or are based in France. I have information from the French Consumers Union about why the people of France are refusing to sign new contracts with these Corporations. This applies, for example, just to the City of Paris, it's a very large, important contract that was lost recently to one of these Corporations. It now has, Paris now has a publicly, publicly owned water utility. The French Consumers Union reports that the big three water corporations regularly report profit margins of five to eight percent annually. However, their research, which has not been refuted, shows that the real rate of profit is forty to sixty one percent annually. This is a staggering rate of profit. So I'm going to suggest here, it seems to me that, it is not you who are seeking a bargain for the citizens of Winnipeg, it is you who are being sought. It seems to me that since Veolia and other major corporations are being kicked out of France, no wonder they want to move to North America, especially when you don't want to scrutinize their contracts. Let's listen to the bitter experience of other people with this company, Veolia. It is not just a record of conviction for embezzlement, costly omissions in contracts, breach of contract for inadequate

staffing, charging improper expenses, serious sewage spills, overcharging and plant safety violations. There is also the matter of war crimes. Veolia is a targeted Company by campaign to reject these contracts throughout the world and they've received success in places like Melbourne, Australia, Stockholm, and so on. This is because this is a company that does commit war crimes. If you think that Article 49 of the Fourth Geneva Convention is of no consequence, I urge you to vote for the Contract. But I think that until such time as Veolia stops committing war crimes, specifically. Oh, yeah. In Israel transporting its own, the responsibility of occupied transporting citizens into the territory that occupies is prohibited. This contract should not go ahead. Thank you.

Mr. Deputy Speaker: Thank you Mr. Rankin. Cheryl-Anne Carr. Five minutes.

Monika Fiest: Thank you. My name is Monica Fiest. I'm speaking to you as President of The Council of Women of Winnipeg, which has spoken out on matters of concern to citizens of Winnipeg for over one hundred and sixteen years. Your Worship and Councillors, you were elected and entrusted by the citizens of Winnipeg to represent them on their behalf in the management of this City's operations. This, in the minds of the citizens, includes transparency in your decision-making process, and best management practices. You are about to vote on a contract that will affect a generation of Winnipeggers financially on an estimated 1.2 billion dollars operating cost. You have been told that you are not to be privy to the actual value of this contract. And any figures that have been quoted are an estimate only. Based as I heard, I believe yesterday on CJOB on the first ten years, as cost out by your accountants. What about the following twenty years? Other cities have had openness built into their tenders for contracts. Why are you secretive? Sight unseen, you are not doing your duty as elected officials in the oversight you ought to be doing on our behalf. The Council of Women of Winnipeg advises you that your lack of reviewing this contract knowingly is negligent, irresponsible and has potential for huge legal and financial representations for the City and its citizens in the future. In response to the question directed to an earlier presenter, we have written to the Premier and met with the Minister of Intergovernmental Affairs, recommending transparency of agreements impacting Winnipeg citizens and we would support Accountability Legislation. The Council of Women of Winnipeg does not come to you from an ideological stance on this matter. We come from a logical, reasoned and one that any credible lawyer advises. That one does not sign any contract first and then examine the deal's details afterwards. You have a legal and fiduciary duty to act in the best interests of the citizens whom you represent. In agreeing to sign at this time, you are failing us as citizens. Thank you. (applause).

Mr. Deputy Speaker: Thank you, Miss Fiest. Louise May.

Louise May: Thank you, Mayor, Councillors and Speaker, for allowing me additional speakers today. I'm here, my name is Louise May, I'm the Executive Director of the St. Norbert Art Centre and I'm also co-owner of a family farm, livestock and crop based family farm within the City limits and I'm speaking today as a lifelong environmentalist and I wanted to share with you our decision making at a very local level about our sewage. We at the St. Norbert Art Centre are outside the City sewage line limit and for 20 years now, we have been struggling with this issue. And it took us ten years to come to a solution. And that solution was in the name of a living machine and you may not be familiar with this style. It's not very well known although it's been under development for over forty years by a Canadian inventor biologist John Todd, out of the Maritimes. What it is is it's a greenhouse building. And if you can imagine, it's a series of aerobic and an-aerobic composters that then feed this waste water, treated waste water into a series of, of eco systems. So it's using biology, plants and microbes designed biological systems that treat this water. And the sewage that goes into it, raw sewage goes into it, comes out seven days later, as drinkable water, which is quite a remarkable system. It's been studied to death. I had the opportunity to visit and tour a couple of different models like this. In 2002, we were very fortunate to participate in the Clean Environment Commission Hearings and we were funded to bring together a dream team to envision how the whole City of Winnipeg could be turned into living machines. Of course, this was a fantastic brain event for us. We were able to bring in the top Environmental Architect in Canada. People from Ocean Arks International, John Todd's own Think Tank, we were able to bring them in and we presented a plan for how this could happen. We, we felt that this was the very best idea and, and we were very eager to embrace it. Unfortunately, I think it might be definitely will be one of my regrets, we were, because of the situation that unfolded in our community with a major developer, Southwood Golf and Country Club entered the picture, and brought in a very expensive sewage system which they graciously allowed us to tie into, so we were able to at a lower cost, move into tying into that system and we had to abandon a very progressed plan. We had developed our architectural drawings and we had our quotes and so on. We were ready to move forward with a capital campaign. However, a much lower cost. We were really forced to make this decision to move into this, whereas the money that Southwood was putting into this, their system, would have easily built this projected, this, this plan that we were proposing, however they wouldn't even listen to us. We weren't even allowed, welcomed to come in and talk to them about this idea. I, I guess I'm here to urge you very strongly to delay this decision. It's not an easy decision. I know, just even at a local level, it took us ten years to come through this and we were funded to study it. We got to visit other ones, and we really took it to heart as a local community. And, and wanted to see the system be a biologically based system. We're looking into the future thirty years and this is, it's an important time to make

decisions that are going to put us in a better position in thirty years from now and I, I urge you to just slow the process down. Thank you very much. (applause)

Mr. Deputy Speaker: Thank you Miss May. Cheryl-Anne Carr.

Cheryl-Anne Carr: Good morning Mr. Mayor and Councillors. I am, I am speaking here on behalf of no one but myself, as a concerned citizen that helped organize a rally last night that was held in front of City Hall, against the proposal for Veolia to be involved in our waste management, waste water management. I have noticed that the citizens who address Council do so with ref, deference and respect. This is not because of the individual qualities of the Mayor and Councillors, as excellent as those qualities may be. But because each of you is standing in the place of the citizens of Winnipeg as a whole, it is respect for democracy and community, that is being expressed when people come to see you. Councillor Swandel went on CJOB yesterday and showed contempt for the citizens and democracy. He characterized citizens who question the proposition in such a way as to discredit and publically insult them so that they and others will not want to oppose the EPC ever again. And in fact, this morning when David Jacks was speaking he made an insulting comment that many of us felt very offended by. We want to point out that this is not your contract, but our contract. There were two hundred and ten adults at the rally last evening with many of their children. Not dozens as was said in the media. Pretty good for a few days organizing. Thousands of e-mails were exchanged. This was not a non-issue. People are watching and want answers. I think since, unless you had your spies there and counted as I did, I think you need to know some information. The Aboriginal Community, youth and women came out in amazing numbers, considering the, the size of the meeting. And you might say, these, this is not a traditional voters base, Aboriginal people, women and youth. But this is a very particular moment that these people dislike this proposal. They don't know if they like the contract because you haven't given them the information. Without even discussing the unknown merits of the contract, people are noticing as never before, how City Council treats the citizens of Winnipeg. This is not about reduced rates, this is about quality of life, trust, knowing our interest will be protected, respect and democracy. We have had or felt we have had none of this. We do not see the EPC agenda as being for the good of Winnipeg and its citizens by denying us the information crucial to this decision and for treating citizens who are concerned with the future of their City, as if they were the enemy, not your employer. I am not a politician seeking election, nor are the people who, who have sought to get info on this deal. Yet, we have been publicly slammed by the Councillor that wants to push this thing through as if we were his opponents, not the people he represents. Who are you running the City for? We as citizens or for your own narrow interests? If we have unwarranted fears, if we are nothing but fear mongers, then show, then slow down this decision, go back and open up the documents and show them publicly. Prove you have nothing to hide. Prove you are doing what its best. Prove you are dealing in a straight and honest fashion because up to now, we have, we have to believe you are not. We simply do not have the kind of information that will allow us to have confidence in your proposal, and you have, up to now, done everything to lead us to believe you can't be trusted. And everything we know about Veolia tells us they can't be trusted either. So there we are. (applause) The intelligent and decent thing would be to vote to no to this proposal and work in the interest of the citizens of Winnipeg, not the company. To remind you, we have a petition you can't misplace. Last night our slogan was “No info, no deal”. There are a number of signatures on this, of people who were here and wrote their names down so you can't miss them. The rest of the City would line up to sign, too, if they had a few more weeks. Thank you very much. (applause) Thank you.

Mr. Deputy Speaker: Continuing on our delegations, Mr. Perry Miller, he’s the Chair of Policy Committee for Resource Conservation Manitoba in support of Item 3, Report from Executive Policy Committee regarding Recycled Depot Initiatives. You have ten minutes, sir. (Inaudible)

Peter Miller: Hello, Mr. Mayor and Councillors. I think RCM Resource Conservation Manitoba is pretty well known to City officials. We co-operate in a number of areas. And I believe, it was just yesterday that the Mayor was part of our Commuter Challenge Kick Off. Our activities include, social marketing and education and environmental and sustainability issues. But we also do policy and advocacy work, and that's what I’m here for. We heard some early discussion about the Mayor's proposal for some kind of a deposit refund system or at least that's how we understood it. And a number of our members were very enthusiastic about that idea because we are aware of those contrasts between B.C. return rates and Winnipeg return rates, seventy eight to thirty I think in your preamble to the Motion. Heck, even in Manitoba, there is a contrast between the beer bottles, which have a ninety five percent recovery rate and everything else. So, it seems that the deposit return has a lot of things going for it. But then we looked at the actual Motion that was proposed and we had a number of difficulties. And, I, I’d like to go through some of that and then propose an alternative or amendment. We do agree that there is a place for incentives. One of the reasons why deposit refund systems work so well is because, not because everyone who buys a bottle of beer returns that bottle of beer, they may chuck it somewhere. But someone else will come along to pick it up and get that ten cents. And, so it, it, it creates value for those things that might be discarded and others will pick up. And, I, I think it would be difficult to get the very highest recovery rates without some kind of incentive along those lines. But here are some other observations. There was a suggestion in the preamble that this will somehow solve Manitoba’s lagging position in

waste diversion. It won't. Even if you have a hundred percent of containers returned, that's a hundred percent of five percent. There's the other ninety five percent. Where is that other ninety five percent? Well, a lot of it's collected from residences in the blue boxes. But again, that is just a fraction. The big areas are organics, that is food waste, yard waste, and industrial, commercial and institutional waste and construction and demolition waste. Those things add up to well over fifty percent of your waste stream. And, unless you, the Province, can do something about those, we'll still be in a lagging position. So, we have to keep that larger picture in mind when you look at container recycling. Now, the City has a, a Motion pending to do just that, to look at a comprehensive waste minimization planning. And frankly, it's been bumped a few times and that concerns us. The concern is it's falling off the table and that this might be some kind of a substitute for it. I'm told that's not the case, that it will be coming forward next week to Public Works, I guess. So, I'm, I'm encouraged by that, but, but there hasn't been any updated reporting on the state of that and it's almost three months since that resolution was presented to this Council. Okay, so that's the big picture. But the big picture is made up of a bunch of little pictures, it's made up of each component of the waste stream and you have to address them and we have to address beverage container recycling. So, that's why we, we do think aggressive measures are needed in this area. The Province has set a seventy five percent target. I'm not sure that they attached any date to that, for beverage container recycling. And, we think that we'd, we, we need certainly different measures than we've had in the past to get there. Looking at the resolution, it says that it encourages the Province to provide Province-wide incentives for recovery of plastic and glass containers. We have a couple of, of difficulties with that. First of all, it seems to suggest that the Province is to provide those incentives. We don't think that should be the case. We think it should be the industry, as the extended producer responsibility philosophy that we subscribe to. Basically, assume responsibility for your product right through the life cycle. So that's one difficulty. The other is where is aluminum in there? Aluminum is your most valuable recyclable. It's much less serious if glass goes in the landfill and sits there inert. There is lots of sand from which glass is made and doesn't involve quite the same energy requirement as aluminum does in its manufacturer. So you have to look at the mooring of less valuable components of the waste stream. So that's the second problem we have, it focuses on plastics and glass and doesn't mention the most valuable. A further problem is the idea of voluntary depots. I'm not sure what, what the term means and perhaps the Councillor (inaudible) will elaborate on that. But if you have a few depots scattered around and people can get ten cents for every container and the resolution goes beyond just beverage containers, tin cans, I don't know, other packaging. If you do that, people are, incented to put it all in a box, put it in their trunk, drive their car to one of these depots and collect a bunch of money. And that, of course, would violate your greenhouse gas commitment. You have to look at the visible waste and the invisible waste. You have to look at the energy and greenhouse gas emissions as well as those bottles and cans that are sitting out there. So, in other words, a well designed system has to take a lot of things into account, including economic considerations. And it, it, it requires a lot of research and a lot of study to get it right, so basically, what we have tried to do is to put these concerns in and if you will, an alternative motion or an amended motion. We have no problem with the first part, working with the beverage industry to see that things are picked up. I would, so our proposal, which you have, is amend the title "Container Recycling Initiatives" because we're not sure the depots are the way to go. We prefer the B.C. system where anyone who sells a container, takes it back. It's more problem for the retailers, but it means that people aren't taking extra trip in their cars to get the deposit refund. Okay. And, do all effective means, to refer this to the waste minimization planning process that is now about to be launched, I hope. Work together with the Province, with the beverage industry, to find all effective means to achieve that recovery rate and look at different possible roles for incentives at depots. That includes refilling (beeping) an important change in the beverage industry.

Mr. Deputy Speaker: Thank you, Mr. Miller. Are there any questions? Councillor Browaty. Councillor Smith you're next.

Councillor Browaty: Thank you, Mr. Speaker. In your presentation today, you suggested that the program on beer containers is very effective in that ninety five percent of beer bottles, around seventy five percent of beer cans are, in fact, returned because there is the economic incentive to do so. Do you not support going to that type of program for thing like aluminum cans and bottles? Or is the impact from the returning of them in vehicles too high? And secondly, why are you supportive of the two cent levy that's now being charged by, it's going straight to industry? It's not a tax. It's a levy that replaced the former tax that paid for the City's recycling programs. My understanding is the two cents on all beverage containers went to a fund helped fund municipal recycling programs across the Province. Are you supportive of this new two-cent tax, levy goes straight.

Peter Miller: No. We wrote a letter to the Province critical of that. We, we opposed that.

Councillor Browaty: But you in fact are supportive of Item 1 that was, is in our Report today, then?

Peter Miller: Well, we're, we're not supportive of the, the levy. We think that should be an internalized cost of doing business by the beverage industry. So I would not include support for the levy, in that. I, I think Item 1 doesn't mention how it's funded but working on a pilot project for the City.

Councillor Browaty: The, the amended resolution here refers to the Canadian Beverage Container Recycling Association, which is the Manitoba group that, is now collecting, it's, it's a non-profit group. But it's that two cents is coming from this new hidden charge from every beverage you buy, at the store.

Peter Miller: They have a job to do. Their job, as assigned by the Province, is to get to seventy five percent. They have to do what it takes to get to seventy five percent. They have to fund that effort. It doesn't come from taxpayers but it will, obviously, come from the, the overhead in, in the sales of their product. We don't believe though that it should be fixed as a separate levy.

Councillor Browaty: Okay. You would be supportive of Provincial Legislation or if there is something that this body can do, to eliminate this hidden charge. We see a price posted at the grocery store for a case of Coke, that's three dollars but we charge an extra twenty four cents when you go to the till that's advertised on the shelf. We think that's wrong that twenty four cents is further taxed.

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

Councillor Smith: Yes, sir. You know, I look at this, this Clause and I'm wondering why, you should be opposed to it, period. It seems to me it's a very cheeky motion. You know, the, the Province of Manitoba, you'd be encouraged, we're encouraging the Province to reduce waste? Increase recycling? I think that, that's ludicrous. You know, it seems to me that your, your motion could, could, could be put forward and, and, and it has merit. But this is asking the Province to do something and it's, it's, it's cheeky. (Inaudible)

Peter Miller: I, I, I, I guess I didn't mention this as one of the objectives but it's kind of putting the issue over in some other body which is probably not going to do anything about it. Rather than assuming that as a, as a Winnipeg responsibility. We do think there is a role for the Province. They control levies, the, the Lars levy and rebates are very important. And perhaps the idea of, of, of economic incentive was to come from the Lars levy, I don't know. But do you want to use up the whole Lars levy to collect bottles when you have a whole organics program, for example, that you might want to deal with, which deals with a far larger portion of your waste stream.

Mr. Deputy Speaker: No further questions? John Orlikow.

Councillor Orlikow: Thank you very much for your presentation. So this is for myself to clarify. The concern right now is that this CBCRA component is separate from a larger picture. Is that correct? Is that the problem, one of the problems that it's kind of separated out from, recycle greenhouse gases and the other, we have the revenue that's applied to the Manitoba Bottle Stewardship Group through the, through the collection of these materials. So, are you saying within a proper waste minimization strategy, the idea of levies could work potentially but is a problem that's outside all of that? It's the big problem or am I missing something?

Peter Miller: Well, I would make a distinction between a levy and a deposit for which you get a return. The question is, can you do the right thing and avoid the charge? And you can with a deposit return. You get your money back. The levy is something else, everyone pays it whether they are responsibly putting everything in their blue box or not.

Councillor Orlikow: So, when I, when I first saw this motion, it drove me back into when I was a recycler, in the days…of days. And we did this twenty years ago. This kind was around then and I know the impact it had on the depot system. But one thing I, I, I have noticed here, is we talk about this program and you mention a few of them before, about the other materials that we need to be looking at. This is just a small little sliver of the five percent, I think you indicated. But we're looking at other models. Would, would you, would you say another product, if, are you guys all types of deposits with a refundable systems or are there some options in there? (Inaudible)

Peter Miller: No. We like the B.C. system where the retailer, you bring in your empties and you get some new ones in exchange. I think they do that with the water jugs. They do it with propane tanks at, at gas stations. In other words, the, the retailer who sells the product in a container is the logical place to bring it back. What you don't want, I suppose it depends on how well distributed depots are, but what you do not want is someone taking an extra trip in and out of automobile to get rid of their empties. That's that, that would be the operating principle.

Mr. Deputy Speaker: No further questions for Mr. Miller? Thank you, sir we appreciate that.

Councillor Swandel: Just so that you know, there is one more delegation here, but I'm just looking at the hour and I'm going to suggest that we hear the delegation, you can stand down, sir, just to, but we hear the delegation and then retire for a lunch break and we'll look at the time and I assume we'll return for 1:30 if everybody's comfortable with that.

Mr. Deputy Speaker: Thank you for your suggestion Councillor Swandel. Mr. Ken Friesen, our last delegation of the morning.

Ken Friesen: Thank you, Mr. Speaker, Your Worship, Councillors. As a former Deputy Mayor and FCM Board Member for a number of years, I recognize a couple of you and I'm also acutely aware that I am the last thing that stands between you and lunch, (Laughter) so I will, I will try and be brief. I represent CBCRA, which you've been speaking about, the Canadian Beverage and Container Recycling Association, and I'll make just a couple of points here this morning. When I registered to speak, I was asked whether I was for or against the Motion. I'm actually both for and against the Motion but that's not an option when you register. So let me say that I, I, I very much commend you for having an interest in recycling and increasing the recovery rate of beverage containers. We, we share that objective. And I, in the interest of time, I won't go more into that but we, I, I, we support that part of the Motion. I will say a couple of things about CBCRA which is, has commenced operations in this Province only in the last five weeks. We have an office two blocks down from here, in the Exchange District, and over the next coming months and year, you will see us rolling out public space recycling bins in a whole variety of places. We have a business plan that we've shared, a draft business plan we've shared with the Province of Manitoba which commits to us a 5 to 7 million dollars per year of infrastructure that we're putting into the Province. And that's, that's in addition to anything that Multi-Material Stewardship Manitoba is doing. That infrastructure will be going in, in the next weeks and months to public events, concerts and festivals, in part, because those happen in summer in Manitoba. And then we'll be rolling out to convenient stores, gas bars. And part of the reason we're here today is we're also offering this option to municipalities for public spaces as well as public buildings. CBCRA is covering the entire cost of that infrastructure. At the same time we recognize we need partnerships with those convenience stores, municipalities, et cetera, and that's, that's part of why we're here. What we are addressing is what we call the last mile of recyclables. You're blue box program is actually doing quite well, you're achieving fifty six percent, which isn't as good as Ontario, which is somewhere at sixty three, sixty four percent, but has increased. You have double digit growth over many of the last fifteen years. The, the system we're proposing is complimentary to a blue box system. I think that's really important point. If you introduce and, or if the Province would introduce, a deposit system, the net effect of a deposit system is it increases the cost to the blue box system because you're taking your valuable PETHBE plastics as well as the aluminum out of the blue box system which ends up increasing the net cost of the blue box system, ultimately ends up increasing the net cost to, to citizens of, of Winnipeg. Deposit systems are expensive. My Board which has representatives from Coke, Pepsi, Nestle Water and Sun-Rype Juice as well as the Dairy Producers, sit on a variety of different Deposit Jurisdiction Boards across the country. In general terms, a deposit system costs 20 million dollars per year per one thousand, per one million population. Rough numbers there would be about 20 million dollars, which would be in addition to any blue box costs. And the blue box costs would also increase. There is an argument for deposit systems. We're familiar with them. When viewed only from the perspective of beverage containers, the deposit systems are more effective than blue box alone in recovering materials. Thirty percent of the beverage containers lie outside or are purchased and consumed away from home. They don't hit the blue box. That's the thirty percent that we're going after at this point, so that we can achieve the seventy five percent target that the, that the, the Province has established. So rather than getting into the details at this time, in, in terms of deposit verses blue box, I, I would suggest to you that you don't only have two choices in terms of voting for or against this Motion. I would suggest that there as many as often, there may be a third alternative, and what we would ask, is for you to wait. We've, we're just started, we're, we have a commitment to rolling out 5 to 7 million dollars worth of infrastructure per year. We would suggest that the latter part of your Motion be deferred for three years. If at that point, we're not reaching seventy five percent or higher, by all means, bring it forward. But we're going to need this time to, to role this out, to establish it in, in a variety of places. And I can add to conclude that there are a variety of jurisdictions including in the U.S., that are looking at the, what they're calling the pilot in Canada because it addresses nowhere else in North America has anyone addressed the away from home recycling in a comprehensive way, which is what we're intending to do. So with that, Mr. Speaker, I'll conclude my remarks.

Mr. Deputy Speaker: I appreciate that Mr. Friesen. Mayor Katz has a question.

Mayor Katz: Thank you Mr. Speaker. First of all, I appreciate your coming here and sharing with us this new initiative, I, I think it's very exciting. Just to try to put some clarity to it, I take it your goal, then, is to reach the seventy five percent objective, within two to two and a half years, kind of. Is that it?

Ken Friesen: We've established three years and we intend to meet that together with the blue box . It, it, it has to compliment the blue box, obviously.

Mayor Katz: So three years is the goal.

Ken Friesen: Yep.

Mayor Katz: Seventy five percent?

Ken Friesen: Yep.

Mayor Katz: Thank you very much.

Ken Friesen: Good.

Mr. Deputy Speaker: Councillor Orlikow.

Councillor Orlikow: First of all, I commend your group. I'm very excited to come down and maybe meet with you as well. It, it helps to have industry working on these problems and doing that in partnership. So I quite, I'm quite excited about that. I'm also very excited about, to hear about how you're going to make recycling more convenient. Because we know that a lot of people are very, very environmentally strong. However, a lot of people don't want to walk ten blocks with their can to go put it into the one of the old silver boxes that are still around. So I, again, I believe increasing the convenience and the opportunity for people to recycle will have very dramatic results and so I fully support you on that. My question to your organization, which I'm not sure if it's even in your preview to respond to, is, will we be looking at these depots or these collection points that you're having, has your group talked with other groups about other materials such as paper as well as I know again, I'm a, newspapers are ideal, but has that been discussed at all?

Ken Friesen: It, it has been discussed and we've run a number of pilots in different jurisdictions, both with including fibre and with, without fibre and it depends very much on whether we're talking about a convenience store, a park, what, you know, what kind of fibre is available. I would suggest before we look at that kind of fibre, the next really big challenge for us is coffee cups. Coffee cups, which are open beverage, which are not part of our plan at this point but that's, that's really the next challenge. In terms of litter, in terms of recycling those materials, we recognize that's the next challenge.

Mr. Deputy Speaker: One more?

Councillor Orlikow: One more. So, just, I'll clear once more. I, I, as you know, the representative of River Heights - Fort Garry Ward, I would be more than happy to have some of those initiatives in our, our Ward, so by all means give us a call.

Ken Friesen: Good.

Councillor Orlikow: Thank you.

(Laughter)

Mr. Deputy Speaker: Councillor Browaty. Sorry.

Councillor Browaty: First of all, Mr. Friesen, thank you for, for your prompt reply when I e-mailed you last month. I e-mailed you on a Sunday about twenty after ten in the morning. You were back to me within two hours, so I thank you for the questions. Is your whole program not irrelevant if we went to a, a deposit system? I mean, when it comes to away from home beverage containers, I mean you look at Alberta, B.C., Quebec, their levels are all 67 percent, 78, 74.3 percent return rates on aluminum recycling cans. Manitoba is around 31 percent. It just seems like these other systems work. Why, why, why not go with what works?

Ken Friesen: Thank you for that question. I think you need to look at the, at the whole picture, not just at beverage containers. And, and look at the impact that there is on blue box systems and we're involved in some of those other jurisdictions where they are now looking at implementing the kind of blue box system we have here. And, and there's a, there's a very significant impact on all the rest of the materials and on the efficiency of operating a blue box. And, and wherever that's cost shared between municipalities and industry, there is an increase in costs. Would, the second part of my answer would be, and less convenience for, for, for consumers, etcetera. The second part of my answer to your question would be, would industry be doing this if there was a deposit system? Would they investing 5 to 7 million dollars per year? No. No they wouldn't. They would simply say the deposit system takes care of that and they wouldn't be making the kind of investments that we will be making over the next two to three years.

Councillor Browaty: Would, would you not agree when it comes to litter on the streets, and cent items like that, kids go and pick these up. You can pick up ten, tin cans in your neighbourhood, turn them in to go buy a candy bar at the

local IGA store. That defeats the purpose and you know. I mean, sure your investment is great but I don't think it's even needed by your industry.

Ken Friesen: If I, if I could respond to that, Mr. Speaker. Multi-Material Stewardship Manitoba will be conducting a, an extensive litter audit in both the City of Winnipeg as well as the City of Brandon, in July of this year. We, we actually don't know what percentage of litter is made up of beverage containers versus cigarette butts versus other, other things. So I, I can't answer that question, but we're going to do the work of having a third party come in and do a scientific litter audit.

Mr. Deputy Speaker: Any further questions for Mr. Friesen? Being none, thank you, sir.

Ken Friesen: Thank you kindly.

Mr. Deputy Speaker: Thank you for attending today. I will adjourn the meeting until 1:30. We'll be back assembled then. Thank you.

Reconvened meeting of
Winnipeg City Council of May 19, 2010, at 1:30 p.m.

REPORT OF THE
EXECUTIVE POLICY COMMITTEE
DATED MAY 5, 2010

Mr. Deputy Speaker: Councillors, if we can assume our places. Mr. Mayor, Executive Policy Committee, May 5th.

Mayor Katz: Sounds good to me. Let me just get caught up here. Thank you, Mr. Speaker. I would like to introduce the Report of May the 5th and move adoption of Consent Agenda Items 1 to 5.

Mr. Deputy Speaker: All in favour? Opposed? Carried. Report of May the 12th.

REPORT OF THE
EXECUTIVE POLICY COMMITTEE
DATED MAY 12, 2010

Mayor Katz: Thank you, Mr. Speaker. I would like to introduce the Report and move adoption of Consent Agenda, Items 2 and 4 through 7.

Mr. Deputy Speaker: Okay, Two, Russ Wyatt.

Councillor Gerbasi: (Inaudible) An amendment. A referral motion, so it's automatically.

Mr. Deputy Speaker: Say that again, Councillor.

Councillor Gerbasi: Number seven, automatically can't go through with Consent.

Mr. Deputy Speaker: Right. Okay. (Inaudible)

Mayor Katz: 4, 5 and 6, it appears to be 3.

Mr. Deputy Speaker: Okay. All those in favour, 4, 5, 6? Okay.

Item 2 - Consultant Assignments - Amendment to Materials Management Policy

Mr. Deputy Speaker: Councillor Wyatt, or no, Councillor, the Mayor, would you like to.

Mayor Katz: I, I wasn't sure who stood it down but Mr. Speaker, very briefly, we've been talking about consultant assignments for quite a long time and trying to get a better handle, and put some, shall we say, better checks and balances in place and that's what this is all about. I'll wait to hear from the other Councillors and then I'll conclude.

Mr. Deputy Speaker: Councillor Wyatt.

Councillor Wyatt: Thank you Mr. Speaker. I rise because, I, as the Mayor mentioned, I'm all in favour of checks and balances being in place. My concern though is that there comes a point where we move from checks and balances to creating more red tape than necessary, and, and I'm concerned about this. I realize this is one of these issues that becomes extremely politicized because, you know, consultants and consultants assignment often make the headlines in the City in terms of what consultants are doing for the City and how much we're spending on consultants. But, when you start to peel back away from the politics, Mr. Speaker, and you try to get to the heart of the issue without all the rhetoric and political nonsense. The fact of the matter is, Mr. Speaker, we wouldn't need consultants if we had the internal expertise or the time to do these projects ourselves. So, unfortunately, like other major cities in this country, we have to rely on consultants to get work done and to get jobs done and to sometimes get it done, on a very timely manner. I'm saying here, and, and I, I understand where the context of this and I know the Councillor has been pushing hard for this and I appreciate what he's been trying to do. I'm just saying, Mr. Speaker, that we may be revisiting this again in the future, if we have, if we find that this is creating unnecessary red tape. We had a scenario, for example, where we had to get projects moving because and they were Capital related but a lot of the work going on, the consultant work was not Capital related, relating to some of these projects, i.e. the AT 20 million dollars we had to get it out the door, but the bottle work was not Capital intensive type consulting work, it was community consultation. Would, would, we, if we had this policy in place, would have wee been able to meet the deadline of October of this year. I don't know. I, I question that. So I'm a little concerned about the direction we're going here. I hear what's being said but I also trust our senior administration to. You know, we empower them, Mr. Speaker, to make decisions in light of these projects that we're trying to get moving and get them, and move them forward. It's easy to say, wow, we're spending too much on consultants. Well, Mr. Speaker, if we're not going to spend on consultants, we'd better have the expertise internally to be able to do the job both in terms of expertise and in terms of timing. And for whatever reason that's not been the case but I don't think we're, we're, we're we are the, the out, the, the outside of the rule here. We, I think this is the rule across the Country, in major, major large Government Corporations like the City of Winnipeg. So, I'm somewhat concerned about this, of why this is being driven at this point, and I think we have to ensure that we have a balanced approach here. This is, to me, we're, we're going a bit too far in terms of creating more red tape that's unnecessary at this point in time.

Mr. Deputy Speaker: Councillor O'Shaughnessy.

Councillor O'Shaughnessy: Thank you, Mr. Speaker. What Councillor Wyatt has just said I don't think follows the intent and purpose of this Motion. What this is about is setting financial limits on the Administration's ability to sole source the hiring of consultants. There have been examples from the past where and given Capital projects, the entire consulting engineering bill has been well, well in excess of a million dollars, and all sole sourced. Why? Because it came in pieces, a piece for conceptual design, a piece to evaluate the conceptual design, a piece to ask for final design. And people to set out the terms for the final design hired. And then, of course, then you hire someone to evaluate that. Then you make your, you go out and you tender the project. Construction, the nine million of the ten and sort of, talking very round figures here, is bid on. And then, you hire yet another consultant to manage the project after the bidding is won, and it could be all the same company from start to finish. And this has gone on for decades. And it has bothered me for decades. We have a limit in purchasing for tenders of 5,000 dollars. How can we spend 36 million dollars a year in consultant services and find we've only tendered 4 or 5 million of it and 30 million of it has been sole sourced? I'm not saying anything untoward has happened but we have sure left the door open. What's before you today is a request that the limit on Capital project consultants, i.e., engineers, hired on a sole source basis, have a limit of 100,000 dollars. That's a pretty high limit to be sole sourcing as it is. But, what it does, more importantly than put that limit is it eliminates the piecemealing of it, the entire consulting engineering bill for a given Capital project, if it's over a hundred thousand, means it goes to tender. There's not going to be 90,000, here, 80,000 there and 30,000 there and then another 70,000 in the back door. The total, I think up to a hundred is, I can't think of many basic street projects that they just couldn't sole source. I think it should be much lower. I went along with this just to get a policy in place for the first time in the City of Winnipeg that really puts a visible limit on these things. For non-capital project related consultants, the limit is, I believe, 35,000, still, plenty of room in there for any emergencies, anything that gets to be too mundane. How much are we asking people to do if we ask them to bid on jobs of over 35,000 thousand dollars? Or jobs in the engineering consulting field over a hundred thousand dollars? Many, many

other jurisdictions already do it and many of them do it at much lower amounts. Some don't have it. Some are the old City of Winnipeg way. But you know what, this Council became a full-time Council close to twenty years ago. This, Councillors aren't doing their civic duty for 300 a month as they were, we I was first, we are hired to know something, to get involved in some things. And you heard this morning all the delegations and now we're supposed to be scientists I guess. But you know what, I think we can be trusted to say that you want a hundred thousand of our money? Make a proposal, make a bid. I don't think we're asking too much. And I think in years to come this will probably be refined even more. And I think that's a good thing. But to put out these limits in front of everybody, up front, I think is responsible. Worse, to not do it now that it's before us, I think would be very irresponsible.

Mr. Deputy Speaker: Thank you Councillor O'Shaughnessy. Any further comments? Mayor Katz.

Mayor Katz: This reminds me, I believe of the old commercial for Dentyne. They're both right, Mr. Speaker. The realities are, there is no doubt what Councillor O'Shaughnessy is saying is a concern and I can assure Councillor Wyatt that the last thing we wanted to do is create more red tape, or basically cause more grief and aggravation for our Administration to do their job, which is how we actually landed on these numbers, which was in consultation with our Administration to make sure that they didn't get bogged down in more paper work. And you know what, Mr. Speaker, I'm not going to pretend that these are the numbers that a decade from now may still be in existence. They may go down, they may go up. But this is the point where I think everybody is comfortable in the fact we're doing our due diligence as well as making sure that our Administration can do their jobs as efficiently as possible. That's what this is all about.

Mr. Deputy Speaker: Being no further comments I'll put then question. All those in favour? Opposed? Motion carried. We stood down three? Okay. Item No. 3, Recycling Depot Initiatives.

REPORT OF THE
EXECUTIVE POLICY COMMITTEE
DATED MAY 12, 2010

Item 3 - Recycling Depot Initiatives

Mayor Katz: Mr. Speaker, the reason I, I stood that down is, first of all, I want to thank both delegations for being here and showing us different sides of the equation. As you can see, there are many thoughts. The, the facts are in the City of Winnipeg and the Province of Manitoba, we're not doing our job, end of story. We're falling way behind all the other Provinces in Canada. Whether you think the number is 36 percent or 40 percent, everybody else is in the high 60's or, or even higher than that. We need to do more. And, I, I very much appreciate the idea of the industry coming up with an idea of how we can do a better job and hit that goal of 75 percent. I respect that. I'd love to see that. All this Motion is doing, is making sure that our Administration can explore the options and come back to us with their recommendations, whatever it might be. It might be what one, what one of the delegations came up with, it might be something totally different. It might be what you see in, in the Motion. But the realities are, let our Administration do what they do. Explore it, come up with their recommendations, and then we move forward. But I can tell you this much, it was nice to see that they were motivated to come out and for the first time, say, hey, we're looking to do something on a voluntary basis and try to get to 75 percent. Whether that was something planned a long time ago or came as a result of this, I don't know but the bottom line is, it's a good thing and I, I applaud you for that. That's it.

Mr. Deputy Speaker: Councillor Vandal.

Councillor Vandal: Yeah, it's a couple of quick comments. It's hard to argue with that. It is potentially a good thing. I guess my concern is we, we've been talking about garbage and the garbage contracts and the waste minimization contracts and recycling contracts in these Chambers for the last year and quite frankly, we've really messed that up as a Council. Last February we had a recycling initiative where everybody in the City would eventually get a bigger recycling container which is probably the best way to, to, to encourage waste minimization and, and, and can recycling. But unfortunately, that was voted down, in these Chambers, while at the same time, we're allowing, I guess we're going to allow every home in the City of Winnipeg to supersize their garbage cans, which is not waste minimization, it's waste maximization. All that, to put a little context around, around this very important issue. The point I was going to make, is that we do have a waste minimization strategy, that our Administration are currently working on, they're going to be consulting with some of the groups that were here this morning. They're going to be working with other levels of government. And they're going to bring that forward in a, a comprehensive package, so that we can not only be worried about, about aluminum cans, which are very important but, or, bottles, but also aluminum cans, other, other recyclables, commercial, commercial garbage. So my question would be, we have the waste minimization strategy coming forward, I hope it'll be here by July. I'm not sure on the rationale to one-off this one. Especially when there's been no consultation with the community groups when some of them are saying that it's

actually going to do more harm than good and there's been no Administrative analysis and we're actually directing the Province to, to encourage them to reduce waste, which is fairly innocuous I guess, but rather than direct other governments to, to make suggestions what other governments should be doing, we should look after our own house first, which we haven't been doing very well. So all to say, is that, why can't this wait for the all encompassing waste minimization strategy which will be here in July, and perhaps when the Mayor sums up, he can address that.

Mr. Deputy Speaker: Councillor Orlikow.

Councillor Orlikow: Thank you very much. I definitely, I, I think again it's, it's almost, it's sad to say that I was happy to see this motion, because I just haven't seen a lot in my time here on how the City is trying to address, our really, our poor performance both in the amount of trash, i.e. the first one, the reduction. The, the, the three Rs. There's four, but we'll just call them three. The reduction. We're, we're doing terrible. We're increasing the amount of waste we're producing. We're not reducing. The recycling initiative. Well, this may capture a little bit more recycling. But again, what potential impact will that have on existing systems? I was also, when I first got it, I was read, I, I was almost a little livid to say this is the best we can do at this point is go back twenty years to a program that I was quite involved with, and has huge inherent problems into it, especially when it's so limited to this scope. Again, we don't include recycling, we don't include aluminum cans in here. I'm not too sure why not. If we really want to do an impact, what about an incentive program to, as they do in Mexico, to bring paper in, massive paper 70 percent of our waste stream. So, we…it could have been a lot bigger. We could have look at depots. Well, we're looking at depots. Because when half the people there demand this stuff, if we're looking at a depot system and that's expensive even if you use community groups, still expensive. So they need to have other products coming in. Can we look at, like we talked this morning, construction materials, shingles? They're fantastic. You just melt them down and all of a sudden, you've got some great tar to use again. Construction materials, dry wall can be used into compost. Depots that allow residents who aren't happy with their, with their backyard composting because of mice or whatever reasons they say, they could take it to a, maybe a central depot area. So I, I was hoping for a little grander vision. That maybe we can do on this. But again, until this morning, I said, okay, I, I think at least it's something, I'll take something. But then as I read through and I, we had the presentations tomorrow. Something is not always better when it actually has a very negative effect on what is working. And I, I think all three groups, stake holder groups have explained that. Yes they are supportive of number one. And it's number two that we have a problem with. I could support this motion without number two. However, if number two remains in there, I think our stake holder groups have already expressed the concerns of that. So I wouldn't be able to support both one and two but I'll take one is not a bad first step but we definitely need to do a lot more.

Mr. Deputy Speaker: Councillor Gerbasi.

Councillor Gerbasi: Have I started to move referral. We referred this item back to the Public Works Committee who is supposed to be the Policy Committee that deals with these kinds of issues. And have it looked at in the context of the larger waste minimization plan. So I, I'm rising to move referral of this, so that that can be looked at in a policy context.

Mr. Deputy Speaker: Do we have any other speakers? Councillor Browaty on the referral?

Councillor Browaty: Oh, no, sorry. (Inaudible)

Mayor Katz: Mr. Speaker, there were two other Speakers. One of them basically said we're not doing enough. Let's be doing more. Another Speaker says let's refer this. Procrastination on the sewage instalment plan maybe. The realities are, are we doing here Mr. Speaker is asking our Administration to look at the options that exist. We've given them a couple. They may come up with something else. I guess I would ask, how could that possibly do any harm? We have a group of citizens who are very dedicated and very knowledgeable. They're part of the group called MEAC. The Mayor's Environment Advisory Committee. They come up with suggestions on a regular basis. And I was very happy to hear the delegations come forward, basically saying you know what, we know we can do better, here's an idea. And I commend them for that. And that might be the idea in the end. But why would anybody not want to hear what our experts, our people, are telling us. And that's all we're asking here. I don't think it's that complicated, Mr. Speaker.

Mr. Deputy Speaker: I need to call the question on the referral. All those in favour? All Opposed? (Nay) Nays have it. It needs discussion. Hang on, Councillor Browaty, you had a comment?

Councillor Browaty: Thank you very much Mr. Speaker. When we referred the, to the Administration the whole Waste Minimization Strategy, I think a lot of it was to do with household waste as well as business waste. It didn't really take a look at, as the Industry was saying this morning, beverages away from home. People do these sort of

thing, people drink beverages whether it's a pop or a bottle of water. A lot of the beverages that people drink are out of the home. Whether it's deposit, whether it's the industry suggestion where there's going to be a lot more public space recycling. We've got to look at these options. I think it's sort of separate from what we're looking at, but being sort of charge in the Administration to look at. If that gets rolled into this, great, but I'm not sure we necessarily charge them for doing, to look at that. So, I don't think this is out of order or inappropriate and I'm certainly supportive of it today.

Mr. Deputy Speaker: You've already spoken, Councillor Orlikow, so.

Councillor O'Shaughnessy: (Inaudible) Recommendation be voted on separately which is within his right.

Mr. Deputy Speaker: Oh, okay, fair enough. So, within the one and two, we, that's what your request is. Do we need to ask for approval on that? Okay. So, all right. We will vote on the, the, Therefore Be It Resolved.

City Clerk: You have to let the Mayor sum up.

Mr. Deputy Speaker: Oh right. Mayor Katz sum up, please.

Mayor Katz: Mr. Speaker, for many years, we used to brag about what a great job we were doing with greenhouse gas emissions. It's come to light lately that the City and the Province have not been doing such a good job. It's also very obvious that we're not doing such a good job when it comes to recycling. This was all about making sure that we check out the opportunities so that we are at least, not the leader in Canada, we're not 30 points behind the rest of the Provinces. British Columbia, Alberta, Saskatchewan, Ontario, Montreal, the Maritimes. They're all doing a much better job than we are. All we want to do is explore some opportunities to make sure that we are doing our job, because everybody here on the floor of Council genuinely cares about their environment. That's what this is all about, Mr. Speaker, and all it is a matter, doing some research from the Department, coming up with some suggestions. As I said earlier, it may be what the delegations came forward with. It may be an idea here, it may be something different. It can only be a positive step forward, Mr. Speaker.

Mr. Deputy Speaker: Thank you, Mayor Katz. All right. We're going to put forward the Motion on Question 1, Item 1. Are you going to read that?

Clerk: No. (Inaudible)

Mr. Deputy Speaker: Just call the vote? Okay. All in favour of Item 1? Opposed? All in favour of Number 2?

Clerk: Recommendation 2.

Mr. Deputy Speaker: Recommendation 2. All those in favour? Opposed? (Nay) One, two. And the proper officers of the City be authorized. And three is pretty self-explanatory. All those in favour? All those in favour? Opposed? Carried. Thank you. Okay that's No. 3. I guess 7 is our next, No. 7.

Item 7 - Sewage Treatment Plant Upgrades and Expansion Program

Mayor Katz: Thank you, Mr. Speaker. I guess we'll start in the beginning, Mr. Speaker. In 2002, almost half a billion litres of raw sewage was dumped into our rivers. I don't think anybody here is proud of that fact. The bottom line is, as a result of that, the Clean Environment Commission ruled that improvements have to be made. And what we're looking at is two sewage treatment plants at the cost of 661 million dollars. So, what does the Department do? They go out there. We had 16 interested firms who want to be part of this. From that they got it down to 3. From there they got it down to 1. And that's what this is all about, Mr. Speaker. Doing work that's been mandated by the Clean Environment Commission. And once again, I'll repeat, Mr. Speaker, it's sewage treatment plants, 661 million dollars. You've heard several comments today and the last couple of days, so let me just reiterate something. I guess you can debate all you want about some people say it's a P3, some people say it's not a P3. I'm going to agree with C.U.P.E., Mr. Speaker, who I know has access to some of the best lawyers and accountants in the country and C.U.P.E. specifically says this is not a P3. I think you have to agree with that. Number two, Mr. Speaker, just to put some facts on the table. The City of Winnipeg retains 100 percent ownership and the control of the sewage system. We ensure absolutely no contracting out, I repeat, because one of the comments made about how employees supposedly got abused in a unique situation. In this scenario, we basically, absolutely, no contracting out of unionized City Workers. City workers will continue to operate and maintain the sewage system, and it will be managed by our City Managers. We ensure that there is 100 percent public financing of our public, of our sewage plants' construction. And, Mr. Speaker, we ensure that City continues to be fully responsible and accountable for compliance with strict

Provincial environmental standards and issues. These are the facts, Mr. Speaker. Anybody can say anything else but these are facts and I believe they should all be accepted by everybody. You know, Mr. Speaker, it's been said that the Province of Manitoba could fine us a million dollars a day for not meeting the deadline. I don't think anybody here believes they're going to fine us a million dollars a day. But we do have a deadline. I should also tell you that this has been worked on for two years now. They've been working on this. This isn't something new and most importantly, Mr. Speaker, this wasn't a Committee of the Mayor and Councillor Gerbasi and Councillor Wyatt and yourself. This was a Committee, of the City's best. Okay. We have Henry Hunter. Okay. We have the Director, Barry McBride, his right hand person, Moira Geer. We then have Bryan Gray. We have also, Mr. Speaker, the Fairness Commissioner, another group of experts involved in this process. And in the end, this is where they landed. It wasn't where you landed or her or him, this is where they landed, the experts. I have heard many times, Mr. Speaker, from almost every Councillor sitting at this table, how we have some of the best staff, how they are very good at what they do. Well, if everybody believes what they say on a regular basis, then why don't you have faith in our staff who have done their due diligence, who have went and gone through sixteen different entities, narrowed it down to three and came up with one. At some point in time you've got to believe in the people who may have a little bit more knowledge than you. I don't think there's too many engineers sitting around this table. I don't think there's a lot of expertise sitting around this table. So you know what, you rely on the people you have access to. They get access to better people who even know other categories because no one can know it all and here is where they landed. Well, Mr. Speaker, I respect our Public Service and I'm one who, not only will talk the talk, I'll walk the walk. I'll put my faith in them because I truly believe in them. This is something that should've been done a long time ago. Sewage treatment plants. You know, it might annoy some people to a great extent when they see people trying to draw into the water word. It has nothing to do with water in any way, shape or form. Sewage treatment plants. Six hundred and sixty one million dollars. In addition to that, Mr. Speaker, you've heard the number, 1.2 billion and you know, just seeing this morning, I heard all sorts of different versions and many of them were incorrect. The 1.2 billion dollars at net present value includes Capital and Operating and it's operating over 30 years, Mr. Speaker. That's where that number comes from. And once again, our experts that we all believe in have said, "This is the best deal for the City". This will guarantee that the City will not experience what they experienced in the past. Significant, millions of dollars of cost overruns. This will guarantee that if someone's responsible, they will pay their share. We haven't done a very good job of that and in the end you have to go to Court. This one is guaranteed with a Letter of Credit. And more importantly, Mr. Speaker, what they've said is that, if we know and we do know what our operating costs are. If someone can show us a better way, a better way to do it, and save us money, we'll give you a piece of it. It's not a cost, Mr. Speaker, it's a saving. If someone came into your home and showed you how you could save X amount of dollars on your utilities, 500 dollars a month and they said I want 20 percent of it, I bet you, Mr. Speaker, you would do it. You just won 400, Mr. Speaker. It's not an expense, it's a saving. That's what this is all about, Mr. Speaker. Nothing more, nothing less. Doing what the Clean Environment Commission has mandated us to do. Okay. Getting it done on time. Making sure we don't go over budget. Making sure the City is totally in control, owns everything, no outside financing, using 100 percent C.U.P.E. and getting the job done. That's it, Mr. Speaker.

Mr. Deputy Speaker: Thank you, Mayor Katz. We have a motion regarding this, actually two motions. Motion 3 and 4. Councillor Gerbasi, if you would like to.

Motion No. 3
Moved by Councillor Gerbasi,
Seconded by Councillor Vandal,

Therefore be it resolved that Item 7 of the Report of the Executive Policy Committee dated May 12, 2010 regarding Sewage Treatment Plant Upgrades and Expansion Program, be referred back with the following instructions:

That the matter be deferred until the June Council meeting to allow for the contract with Veolia to be fully disclosed to all members of council.

Motion No. 4
Moved by Councillor Browaty,
Seconded by Councillor Swandel,

WHEREAS the City of Winnipeg is committed to improving the quality of Lake Winnipeg through upgrades and expansions of its sewage treatment facilities;

AND WHEREAS the Province of Manitoba's Clean Environment Commission issued recommendations, incorporated into Provincial Environment Act licensing terms, requiring the City of Winnipeg to implement year-round nitrogen removal in its sewage treatment plant upgrades;

AND WHEREAS Dr. David Schindler presented scientific evidence to the City with supporting documentation from other leading international scientists that dismisses the necessity and benefits to Lake Winnipeg from implementing the Provincial nitrogen removal requirements;

AND WHEREAS nitrogen removal mandated by Provincial Environment Act licensing terms will cost City of Winnipeg taxpayers $350 million in capital costs and $9 million in annual operating costs;

AND WHEREAS the City of Winnipeg has limited financial resources to fund strategic infrastructure projects, which limited resources could be significantly enhanced with a reallocation to City of Winnipeg strategic infrastructure projects of the provincial portion of the funding currently allocated towards nitrogen removal;

THEREFORE BE IT RESOLVED THAT the Executive Policy Committee recommendation of May 12, 2010 with respect to Item No. 7 "Sewage Treatment Plant Upgrades and Expansion Program" be amended by adding the following clauses:

5. *That Council request the Province of Manitoba to remove the nitrogen removal requirements from the Provincial Environment Act licensing terms for the North End and South End Water Pollution Control Centres, which would result in capital cost savings of $350 million and annual operating cost savings of $9 million; and*

6. *That Council request the Province of Manitoba to confirm that the $206 million provincial funding commitment for City of Winnipeg sewage treatment plant upgrades and expansion will be honoured in its entirety, and that any portion of such $206 million that exceeds the provincial one-third share of sewage treatment plant upgrades and expansion following removal of the nitrogen removal requirements from the Provincial Environment Act licensing terms will be reallocated to City of Winnipeg strategic infrastructure projects.*

Councillor Gerbasi: Oh, Thank you. Thank you. (Inaudible) Pardon me. (Inaudible) I could. I was actually considering speaking on the Clause now, but. (Inaudible)

Mr. Deputy Speaker: Yes, we're going to speak on (Inaudible). Yes, sir.

Councillor O'Shaughnessy: Point of order. If this matter is indeed, this Motion to Refer is indeed with instructions, it is fully debatable. I contend these are not instructions. There is no direction in it. If somebody is to provide us with a report, it says, "To give people time to do something". Those are not technically considered instructions. Therefore this is a Motion to refer and it is not debatable beyond a straight Motion to Refer, in my opinion. Because if you say that the bottom two lines are instructions, they are instructions to do what? Nobody is instructed to give us a report or anything.

Councillor Gerbasi: Mr. Speaker, the instructions are to allow for the Contract to be fully disclosed to Members of Council. That was interpreted by the Clerks as instructions. So that's why…I was told what…I ran it by City Clerk (Inaudible).

Mr. Deputy Speaker: Thank you.

Councillor O'Shaughnessy: There is no where in here that asks our Administration to show us the report.

Councillor Gerbasi: Mr. Speaker.

Councillor O'Shaughnessy: It doesn't say that.

Mr. Deputy Speaker: Thank you Councillor O'Shaughnessy. We appreciate your passion in this regard. Go ahead, Councillor Gerbasi.

Councillor Gerbasi: Well, so we'd, so I'd, just to be clear.

Mr. Deputy Speaker: What we'd like to do, I think is, is look at 3, 4 and the main Clause of 7, so as we're making our comments.

Councillor Gerbasi: Okay

Mr. Deputy Speaker: We will discuss.

Councillor Gerbasi: Right. Okay. So, I have ten minutes to introduce but my voice is giving out so I thought I'd make my comments on the (Inaudible).

Councillor Swandel: (Inaudible) She, she can't always speak more than once, Mr. Speaker.

Mr. Deputy Speaker: Once, yes.

Councillor Gerbasi: Actually, I could speak introducing this and then I could speak again to the whole Clause and I could close it, but I would save you from that.

Councillor Swandel: Before, before we go on.

Mr. Deputy Speaker: Have that option.

Councillor Gerbasi: Thank you Mr. Speaker. It comes down to this. The public deserves full disclosure and transparency on an issue as important as this. This contract will bind Winnipeg taxpayers for the next 30 years and affect a huge amount of dollars in both Capital and Operations. One of, I wanted to comment on one of the strangest things about this debate is that the ever changing rules about what language or words are allowed to speak, allowed to be used. It really reminds me of George Orwell's book "Animal Farm". In "Animal Farm", and pardon me, I'm an English Professor's daughter, but the leaders use language as an instrument of control in an effort to make things that used to be seen as unacceptable, sound more acceptable. Now, you may recall the very first debate on this issue when the word privatization was, the word privatization became a dirty word. But even at the time, the business plan we were voting on contained inclusion of up to 49 percent ownership share of the waste water facilities by a private sector strategic partner. But yet people who used that word were called fear mongers or worse. The next words to go are the words strategic partner and private partner. Yet Council voted in November of 2008 to procure a strategic partner. And the list of private partners was shortlisted and narrowed down to three multinational firms including Veolia. But everything appeared to change in January when I asked the Mayor in Question Period for an update of the selection process. He replied there is no private partner. Apparently, now we are working in the spirit of partnership and seeking private expertise. Sounds a lot less threatening, I guess. But the question is what is the exact role of the private company providing expertise in operations? Oh wait, the word operate has been taken out of the list of allowable language. We are now supposed to refer to this as optimization, much more comforting but not that descriptive. A lot of us have also asked how much profit will Veolia make on this deal? Oops, sorry. The word profit has been replaced with the much more pleasant word margins. And now, all of a sudden, anyone who uses the word P3 referring to the concept of a Public Private Partnership is likely to be labelled a fear monger or a ne'er-do-well or something. Frankly, you call it the Mother Teresa Water Purification Project, for all it really matters. The fact is that not everyone is willing to be lulled into submission by the pretty and non-threatening language being used here. The truth is that Private Partnerships come in many forms. One of them is design, build, operate. This looks a little bit like a design, build, operate, or at least a hybrid of that. As Veolia will be involved in some way in the operations and management as well as the design build. Without full disclosure of the way this hybrid operations management model will work, it is hard to know what to call it. Calling it a P3 obviously has some negative connotations, so we're not supposed to call it that right now. There are negative connotations because, by nature, P3s preclude transparent and full disclosure of the books. I guess then, I would ask those who are claiming that this is not a P3, to explain what is stopping full disclosure of the details of the contract? If this is just a City controlled project that will be delivered in a transparent and open book fashion, then open the books then. And that's what the amend, amendment asks us to do. It is true that the proposed contract will now be publicly financed. Thank goodness it was recognized, but private financing is much more expensive at this time. The previous talk, (coughs) excuse me, of an up to 49 percent ownership share has disappeared from the dialogue. However, it isn't clear what is in it for Veolia to take on so much of the risk or how much they are even taking on. Again, we need to see the contract to fully understand this. The fact is, the public and Members of Council have not been made privy to the fine print to the details. (coughs) How much is Veolia getting paid for their services? (coughs) Excuse me. It has been stated that they will be paid based on performance. However obviously they will get paid a baseline amount no matter what. What is the amount if the performance is low? What is the amount if the performance is high? The public has the right to know. The report recommends approving a huge amount of delegated authority to the CAO (coughs) including the authority to sign this 30 year contract, but without Councillors even seeing that contract. If this is like the other P3s that have been done in the past, the best we will ever see is a blacked out document, that is if someone goes through the Freedom Of Information Process. And that process is really a waste of time as we know, the information will not be released unless the Company wants it to be. The CAO has also delegated to approve contracts of up to 30 million dollars for things in the approved budget. I'm being facetious but do we need a Public Works Committee or Elected Officials anymore? They will never see or know of the details of these contracts, or agreements. And how is this transparent

and accountable? In terms of accountability, the Report states that the City, I'm talking about this eight page Report attached to this Item we have. The City will set service quality standards that will be, quote, "reported on a regular basis". How often will they be reported? By whom and to what level of detail? A regular basis is far too vague, to give comfort on this. On page 3, the report says decision for the sewage treatment system will be made by the City based on the best advice of City Management and Veolia experts working together in the spirit of partnership. It sounds good. But how does this really work? What happens if there's a disagreement, in other words, whose in charge? Why is it that the report only refers to Veolia people as experts? Our City staff has expertise too. How will disagreements between Veolia and the City staff be resolved? Someone has to be in charge and it isn't clear who is in charge with this project, at the operations management, or even the governance of this isn't clear and I'll get to that later. The Report claims that the costs will be reduced over the 30 year contract by 10 to 20 percent. What is this claim based on? How do the authors of this report know what will happen in 20 and 30 years? If they have more information than they've given us, they should let us know (coughs). Excuse me. A statement of a 10 to 20 percent saving is based on a number of assumptions. But how do we know this will really happen? Will corners be cut in order to achieve profit levels needed for the incentives? That's a very real concern. This is what has occurred in other jurisdictions where Private Partnerships have failed. On page 4 of the Report says, all direct costs will be delivered on a transparent and open book basis and be subject to audit. I'm assuming that refers to the Capital costs estimated at 661 million but how about the operating cost over 30 years? We don't even know how much Veolia is getting paid for their roll in management and operations. Like other private partnerships, privacy provisions will assure that we will not be able to get at this information. This will result in a huge disconnect in terms of transparency and accountability. The report also says that Veolia will be at risk for the entire thirty year contract. How much are we paying them to take on that risk? What are they getting in terms of skin in the game? Why are they taking on that risk and how much is this costing us and how much risk are they taking on? All of these questions have not been answered. In terms of governance, there is still the outstanding issue of a Corporate Utility Model that we are waiting for from Provincial regulations to receive Provincial approval. What happens once this new governance model is put in place? An arm's length Board of Directors will take over the Water and Waste Department which will further distance accountable Elected Officials. (Inaudible) I guess Council will see an Annual Report once a year that it can either accept or reject. Council can only fire the Board and start over if it rejects the Report which is hardly a convenient means of oversight. Now all I have to go on is the model that we sent over to the Province in July, which didn't contain a Legislative Act or protections that Manitoba Hydro has. So, if they come back with a wonderful model that works beautifully, then I'd certainly be interested to see that. But all we have is what Council itself has already approved in July. Who will have the delegated authority then to approve these 30 million dollar contracts? Will it be the CAO or this new Board of Directors? Either way, accountable Elected Officials will likely never see these contracts. Finally, this Report, like the contradictory business plan we saw in July, seems to be a lot more like a public relations exercise than a balanced examination of Council's options. Where is the real discussion of the track record of this Company? Concerns about their track record are well documented and well known. Yet the Report contains not one mention of this kind of risk. It does say, on page 4, that the contract will contain provisions for the City to terminate if ever required. Well, every contract has that, but what are the terms and how much would it cost the City? Typically, withdrawing from a P3 arrangements are hugely expensive, where they have happened in other municipalities. In summary, Councillors and the public, have the right to answers to the following questions. Who will be in charge of operations and management of our Waste Water Facilities once this thirty year contract is signed? How will decisions be made if Veolia experts and City experts disagree? Will the public and Members of Council ever see the thirty year contract? How much will it cost to terminate the contract? How much is Veolia getting paid whether the performance is high, low or in between? The public has the right to know and I urge you to support delaying this decision for one till, until we can have another Council Meeting and Councillors can have those questions properly answered because Councillors and the public have a right to know. Thank you. (Clapping)

Mr. Deputy Speaker: Thanks Councillor Gerbasi. Councillor Browaty.

Councillor Browaty: Thank you very much, Mr. Deputy Speaker. I rise today to speak to the motion that I'm introducing here. I don't think anybody here questions that we need to do our part to clean up the effluent we put into the Red River and eventually leads to Lake Winnipeg. As the City's representative on the Red River Basin Commission, I work with Elected Officials and State and Provincial Experts on Water Issues all the time and we, we all understand that we need to do a better job putting, cleaning up what we're putting back into the river. Another half billion litre spill is certainly not acceptable. Not too long ago, the Mayor's Office brought in Doctor David Schindler, an International Scientist and Expert on Water Quality Issues. The information he presented backed by other international stats, as well as practice and we've looked at what happened in, in the Great Lakes. It's not nitrogen removal that's key, it's phosphorous and, and other things that's going, other things that go into the river. The incremental cost to remove nitrogen from our, our waste water is estimated to cost about 350 million dollars of this plus an additional 9 million dollars per year. Approximately half the cost of the, the capital works that need to be put in there. I don't know why everybody's not up in arms about this additional cost that the scientists are saying could in fact cause more damage than good. Without a doubt, this is the bigger issue here, and an issue that we absolutely

need to address here today. I believe that it's time that we go back and we talk to our friends on, on Broadway and, and we work with them. There's a lot of important work we need to do in terms of Capital in our Province and I think we have a great opportunity here to have one more look at the science. I'm not a, I'm not a water expert, I'm not a water scientist but a lot of people out there who are and majority of them disagreed, and disagreed almost unanimously that nitrogen removal is a, is a good value for the money we propose to spend. So again, I urge you to support the amendment that I'm bringing forward here today. Thank you.

Mr. Deputy Speaker: Thanks Councillor Browaty. Alright, we're going to open it up to the rest of the Council to discuss, 3, 4 and Item 7. Okay. Councillor Steeves, you're first up.

Councillor Steeves: Thank you Mr. Speaker. You're doing a wonderful job in your first job as Speaker full time. Every time I look at you, however, I'm reminded of our good friend Harry and we all hope he is doing well. This is a. Yep. This debate is about sewage and I think we all understand that at this stage, at least I hope we do. The irony, of course, is throughout the course of this debate, the last two years of discussion about Water, Waste Water Utility, the overriding sense of fear that has existed for people has been the idea of privatization of water. I think that's what scares people. I think people are concerned that somehow eventually the City of Winnipeg will lose control of its water supply and we won't own our water. The underlying irony, of course, is that this Boogie Man is actually a reality. We don't own our water supply right now. Our water supply is owned, quote unquote, by First Nations Band on the Manitoba Ontario border. We buy quote unquote water from that First Nations. They control, in my opinion, our water supply. So even though this debate is entirely about sewage, if people are concerned that some day we're not going to own our water supply, let me tell you something right now, we don't own it right now: It feels and this may be fair or unfair, Mr. Speaker, it feels like there has been a little bit of misinformation put out there in the public realm with respect to this debate. We've already talked about the water issue. We have been saying for two years straight, that this issue has nothing to do with water. This is about waste water, but it does appear the people who are contrary minded have been using that issue to kind of get things in the back door. The same thing has happened with privatization. I think everyone acknowledges on this Council this has nothing to do with privatization in this discussion. Nothing. Myself, most of my colleagues around the table, the C.U.P.E. representative and all the body he represents also agree this has nothing to do with a P3. Other people respectfully have different opinions on that. I do not see objectively how anybody could fit this model that we're discussing today into a P3 pigeon hole. It just doesn't fit. The issue of job loss was floated. How certain companies out there have came in and they have hatched people, cut thousands of people out of work, cut down their vacation and eliminated lunch breaks, eliminated coffee breaks. Everybody in this Chamber understands full on that no company can walk in and do that. We have a Collective Agreement that exists between the City of Winnipeg and our C.U.P.E. representatives. Neither them, nor this Council, can vitiate any responsibility under that contract unless it is agreed to and negotiated. Even one of our daily newspaper publications, as recently as yesterday and I was disappointed to see this, ran an article which, I have to say, wasn't badly written. The article, the head line, read something to the effect of "Water Being Privatized" and that was yesterday. The front page of the newspaper said the same thing and was buttressed by a picture of a drinking water faucet from some erstwhile kitchen. You know, those are the types of things that, unfortunately, have blocked the majority of our population out of this debate. It could well be that many people wanted to be involved in this discussion, but, because there were these types of roadblocks that were being thrown up, these types of things that have been put in front of the legitimate discussion of this report, that people just stayed away. That's what I really believed happened on this. This became tort politically from the get go and as a result we are sitting here attempting to make these very, very important decisions with really nothing more than political division on which to make it. It's ridiculous. The history has been said by the Mayor, the CEC hearings, the spill and the Report that came out that said essentially two things, the City of Winnipeg, your infrastructure has to be upgraded. That was number one. Number two, the cost should be shared between Winnipeg, Manitoba and Canada. That was number two. Both things were said. The second one has been ignored by the Provincial Government. They have waltzed in and forced us to do this on a restricted time line. I recognize people who remain in the Chamber are probably of the mind where they would be supportive of this Provincial Government and I completely accept that. That's fine. But, if you have any time to ask the Provincial Government any questions at all, please ask them these questions. Why are you forcing the City of Winnipeg to make these infrastructure upgrades when the same Report is asking you to pay for a third of them? And you're not doing it. Does that sound like a fair question, Mr. Speaker? I have never understood how they have gotten away with it but God bless them for it. Politically it's a master play. Here is a Report that forces the City of Winnipeg to spend 1.5 billion dollars this same report on the next page says the Province should be paying for a third of it. They say go ahead and spend it, you have to do it. If you don't, we're going to fine you and with respect, Mr. Mayor I disagree with you on the fine thing. I think they will fine us a million dollars a day when the time comes, if it's not built. I believe they will do that. Or they will take away our licence to give water to our citizens or threaten to do so because that is what they've said in the past both privately and publicly. And, at the same time, they've publicly acknowledged their responsibility to make this payment but they don't do it. It's reprehensible. It is unbelievable that they get away with it. You couple that with the issue of the nitrogen which at this stage, candidly, there is not a scientist credibly alive on this planet who supports that position. The same newspaper publication I just talked about critically, I will now

give them credit for writing articles that support our position on this. The report is clear, I think, in my opinion. It talks about how we are going to pay this out, and no, we can't do every single thing in terms of every detail provided to every single person but I have had a chance to talk to a myriad of people who I believe have made themselves available to speak on the issue and I've asked the questions that I need to ask as a Councillor. How are they going to get paid?

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

Councillor Steeves: The list that I have received in discussions with our Administration has been ad nauseam and exhaustive as the whole baseline formula it sets out the buy-in of certain things, the baseline on infrastructure. These people have an expertise that we do not have. This is a 661 million dollar project and we require expertise that we currently do not have. We've gone through a process. The process has, I think, by anyone's reckoning here, been a good due diligent process that has brought to the table, several companies. I am uninterested in notions of one company being bad and another company being good. The way we operate around here is, unless a company is black listed from doing business with the City of Winnipeg, they are in the game. It is not up to any individual Councillor to pass judgment unilaterally saying you can't compete, unless they have gone through that process. The FIPPA details on the contract and what is disclosed, is pursuant to Provincial Legislation. This Legislation was redone by the Provincial Government three years ago. We had to send all our people to seminars, to courses to learn how to comply with what is disclosed and what is not. We used the same process on every contract we do. The Provincial Government uses the same process on every contract they do. And I imagine the Federal Government uses the same process on every contract that they do. I am not in favour of again, unilaterally vitiating from a process. If it is what is agreed to, if it is the law, we have to stick to it.

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

Councillor Fielding: Great. Thank you, Mr. Speaker. And for me, I'd first like to put on the record I very much do support the initiative here before us today. For me, it's, you know we're getting at this is some world class expertise to allow us to spend our taxpayer dollars more wisely. This is a projects, I think if its not the biggest in our City's history, one of our biggest in our City and so we need to look at what the experts are saying and how we're going to do this to spend taxpayers' money wisely. The background, I won't go into too many details I mean, it has been covered off but I think this all started out in 2002 with the spill that was there. You had, you've heard from Councillor Steeves and the Mayor about the recommendations from the CEC, and you know, over all in terms of where they're at, I think we can all agree that we, these are notable changes or noble changes that we have to make because there's…it is going to make a difference in our rivers and streams. One could argue that's four percent of the pollution that's…that pollutes Lake Winnipeg that's part of it but over all, I think these…all these initiatives are…make a lot of sense. Councillor Steeves talked a little bit too in terms of some of the commitments in terms of funding from all three levels of Government which I don't think has been there. And one thing I also like to note in terms of these recommendations and the time frames is I know the Province pushed those time frames up. So very important to that effect but as mentioned by other Speakers there is urgency to get all this work done on a large scale basis in an aggressive time lines, 2012 or 2014 for the North and South End Treatment Centres. And you know what, with that being said, we also need to protect taxpayers from massive cost overruns as well as delays in all the 661 million dollars projects that we need to do to get this done Protecting taxpayers also means doing the projects right and that means using the best advice out there to allow us to maintain these things on time and on budget. The process, the process has been talked a little bit as well. We know, let me add some comments to that. We know that we're fighting tight time lines. The City embarked on a twelve month public tendering and competitive bidding process to contact the, to contact the number of businesses that were there I think, 16 in total, not just 1, the all of it, 16 in total, approached us to show some interest in terms of the bidding process. We narrowed it down to three and we narrowed it down to one. Veolia was recommended and based on a number of things, number one, knowledge and expertise and use of leading edge technology. Its ability to manage large scale projects on budgets and its reputation as an international leader in this field. The City will ensure in hand to protect taxpayers as well as the environment by making sure the contracts include a number of different things, rigorous environmental scrutiny by the Province to ensure. And the Province, when it's overall looking after the standards and the standards are going to be there. Veolia will also have accountability for quality service being responsible to share the cost of any overruns. You're going to have to deal with the upgrades in the sewer treatment plant and no prior investments in sewer treatment systems that are there. As other Speakers have mentioned, I think there has been some misinformation and whether that's, how it becomes misinformation is anyone's guess but there has been some information out there so you know, I know Mr. Bryan Gray came to Executive Policy Committee last week and spoke a little bit about it and went over about eight different facts which I think are important to bring back on the record and I think I'm going to mention this as well that the City of Winnipeg will maintain 100 percent of ownership of the utility and the assets that's associated with it. The contracts have nothing, nothing at all to do with water. It's a waste water system that we're talking about. Current Provincial laws as I mentioned, prohibit private ownership or operations of water systems and it does not involve any subsidiary

partnerships in terms of the whole utility that's there. The City retains control, complete control and the City is fully accountable for compliance and regulatory purposes. So those are important items and the facts of the agreement going forward. What this contract really represents is a partnership agreement with experts in this area to provide us with the best possible advice we can on this important initiative. Veolia will work with City managers to design and upgrade the sewer treatment plants to help our City's optimize the long term operations of this facility. There has been much talk too as well as in terms of what we're paying this Company, and what we are paying, of course, is the management fees. There's going to be management fees that's a part of it but on any major project that the City of Winnipeg entitles with another consulting contract there is a management fee that's part of it so that's not different at all. This…there is something, there is also a share of the savings. So, if they're able to save the City money, taxpayers' money later on down the line, then they get a kind of share of the revenue. I like the way the Mayor had said it to you, Mr. Speaker, you know, someone can come into your house and cut your utility bill and you know, you would be able to get a portion of that, so I think there's nothing wrong with that, I think that makes a lot of sense. Full disclosure of documents. Councillor Steeves mentioned this and this is following all the laws that were put forth by the Provincial Government. This is not something that's not done in isolation with this deal. It's done with all deals that come across the table. The Public Service has published the business case back in July during the original process for it and there is some proprietary information you cannot release. That's just the nature of entering into these contracts with these folks. You know that what, the business case has suggested as well as in the report, it suggested there would be savings upwards of 10 to 20 percent for taxpayers at (inaudible) over the 30 year term. There's also a series of independent project audits will be done with the public service to verify such things as this. So I think that disclosure is there to the ability that we can do. There is also been much cost in terms of the cost to the deal while I think that there is substantial protection that's associated with this deal. We talked about the management fees while they are at risk, if something does go wrong of course, to cover the project. Another item which Councillor Swandel had mentioned I think on one of the radio stations yesterday was in terms of 30 million dollar deal. There's anything else comes above and beyond 30 million dollars, it comes right back here so that City Councillors will have that say, will have that ability to look at projects as they move forward. The City of Winnipeg also holds a 50 million dollar Letter Of Credit which is a guarantee, a non refundable that can be cashed if there is some sort of problems with. So, I strongly believe that there is substantial guarantees and substantial benefit to this program. And the final point really, is in terms of shared risk. We know from experiences that we've had over the last number of years, there has been major cost overruns and delays. What this does is it shares the risk with another, to the taxpayer which makes a lot of sense. In conclusion, I believe the contract and agreement really represents the best option for us moving forward on these mega projects, the biggest projects here in the City of Winnipeg. It's going to save taxpayers anywhere from 10 to 20 percent over the total cost of the project to meet some tight time lines that we put forth from the Provincial Government. It also has rigorous oversight and evaluation of the environmental standards that put forth. And as such, I encourage all Councillors to look at this. Look what you think makes sense for the best interest of our City in terms of our taxpayers. Thank you, Mr. Speaker.

Mr. Deputy Speaker: Thanks Councillor Fielding. Just before we accept our next Speaker, just to remind the gallery there is no flash photography in the Council Chambers, 9.9 of the Procedure By-law enforces that. So I appreciate it if there be no flash photography. Councillor Smith.

Councillor Smith: Yes, Mr. Speaker. You know, on page 7 of the Report it states this: For such third parties, utility owner operator audits were conducted with government utilities from around the world. Veolia has provided services under contract and in each case, in each case the utility owner operator confirmed their satisfaction with a quality of service render and also confirmed that the financial value for local taxpayers was delivered from the Veolia contract and then we heard today, Michael Welch, who made some very telling points about this company. For example, he said in 2007, U.S. district court found that Veolia's subsidiary acted unfairly and deceptively to win the contract to operate the City's sewage plant and fined the Corporation more than 230,000. He went on to say Stockholm Council rejected Veolia's bid for a project in Sweden after citizens took action recognizing that they will not support Veolia due to their unethical practices in other Countries. In Australia, yesterday started action in the Supreme Court suing United Water Subsidiary of Veolia water for allegedly issuing false misleading invoices to taxpayers who foot the bill for its international operations. So, you know, they obviously, did not do a search to look at that is Veolia Corporation. You know, to sign a contract that we haven't seen. Well, I listen to the debate here. People are debating, and I don't know what because the nine page Report doesn't say much whatsoever. You know, it's incredible. This Report also has words, I mean Councillor Gerbasi hit on the same thing that I'm here to come hit on. The City will continue to exercise control over the sewage treatment system by means of City Council budget approvals and by the setting of service quality standards that we reported publically on a regular basis. It doesn't talk about any standards. We have no idea of the standards and as she stated, reported publicly on a regular basis, regular basis is as vague as can be. You know, the main thing is we haven't seen the contract and you're asking us to, in effect, support something without any knowledge. Let me tell you this, I got an e-mail, we all got e-mails but I got an e-mail today from Anne Lindsey and she said in just two sentences why this Council should not go along with this project, with this contract. She said I urge you to vote against the proposed contract with Veolia. Please demand that Councillors and the public

get full access to the details of the contract and there is a meaningful opportunity for public scrutiny and comment. We haven't had that. There is, you know, you're going to have to go to your Constituents in your Wards and say that you opted for something, where you know nothing about, that you want us to sign a contract without any details of what that contract says. So I'm not supporting this. I can't justify voting for this, not knowing what the contract says. That's wild. The Mayor's men here will automatically vote for the contract, we know that. But they will have to go in front of their voters and the Mayor will have to, in this fall election and justify this and he won't be able to because they are in effect, wanting to sign something that you don't know much in a contract whatsoever, you haven't seen the contract. It's wild. I know it gets to be here that some things that are wild seem normal. You know, it really is. I mean, this is absolutely incredible that the Mayor's men will vote for this contact. I say let's against it. (clapping)

Mr. Deputy Speaker: Councillor Orlikow.

Councillor Orlikow: Very good. This debate, it's an interesting one. It seems that we try to polarize anybody that has another view into another corner and say you are that and you are that. Well, you know, it's not as simple as that. I know politically it's nice to do that, put people in a box and say well, you're that so therefore you must be that. It's not true. There are some serious questions that people have and want answer and in our role as representatives of those people, it's our job to make sure that we understand what we're voting on. And I think that's very important. I don't agree with some of the comments made here today. I do believe this does involve privatization. You may disagree with me. That is totally fine. My right is we are bringing up a private partner in to help us operate a waste treatment plant. You've maybe not…it is privatization, small piece, but it's in there. I do see how we can say that it isn't. It isn't about water. Well, again, some people would say, and again, this contract isn't about water but does this contract allow a comfy kind of environment to be created over 30 years where it could potentially lead into water? I don't know, but I respect people that actually may think that. I don't know about that, there is some Legislation, so I'm not sure if I'm totally on board with that either but I respect people that think that because they are scared and you can't just demonize people who are scared. Is this a P3 or not a P3? P3s have very…have value. So I'm not sure why running for the hills saying this isn't a P3. P3s are many different things and I've looked at the dictionary and this theoretically to me sounds like a P3. You don't want to call it a P3. I don't really care. It's a design, build and operate. Not 100 percent operate, but a part operate. So I stand here today having questions about truth, some questions about questions and some questions, and some concerns. So for the truths sake, this contract here today, which I was trying to focus on. Yes, it doesn't have anything to do with the water treatment plant. We already know that some of these multi-national businesses were involved in the water treatment plant helping us with their expertise. I, I actually personally don't see a problem with that. These guys are very well…have lots of knowledge and we should bring them in to help us when we need it. That's fine. That's just a service contract. This is not that. This is a 30 year agreement. That is much different than just having a group come in and do a quick consult with us. So, that to me is the truth. Control, it's a hundred percent controlled by the City of Winnipeg. I don't think that's a truthful statement. We are entering into a partnership. When you enter into a partnership, you have to respect the other person's opinion. You have to be willing to lose some control so the other partner has a voice or it's not a partnership, and it's a dictatorship. No company's going coming in on a dictatorship where we say these are the benchmarks we have and you don't have a say in that when their profit or margin is based on them having savings. That's where they are really making their big money from. So again, in my opinion, we are going to be giving up some control and if we aren't, then I'm not sure what's going on. But when we set those benchmarks up and some of those decisions have to be made, in a true partnership, we have to respect our partner. So therefore, we don't always get it our way. If we own it all up ourselves or had a service contract, then we could say, like your opinion, no thank you. That would be fine, but this isn't like that. This is saying we need to agree on what those benchmarks will be. So those are my truths. Other people have different truth and I respect that. I may not agree with it but I respect it.

So what's on the questions that we do have? What are these standards? What are the standards going to be? I don't know. We don't really know that yet. We have some ideas but what are the standards? Some of our standards may be in direct conflict with Veolia's profit. That's going to be true, Veolia, and I don't say profit is a negative word. It's what they, shareholders of Veolia want it to happen, they need to make a profit so that company is successful. That's fine. What are the costs, the margins, the management fees and percentage they'll get if there's cost things or cost overruns or are they equal? I don't know. I was told I will not be told. What about the dispute resolution process when our two parties disagree? Are we just going to rely on the Courts or our CAO to make the decisions? That, to me, is this fraught with danger. We need to have a proper conflict resolution mechanism in there so the partnership can be sustainable. Termination clause, I was told don't worry about it, the contract will take care of that. Well, I do worry about that. Safe guards, what are our safeguards, if the deal goes off rail. What happens if we find out Veolia has really messed up and all of a sudden they're out of here and they lost their little retainer? Who cares when we're looking over 30 years and when their mistakes could make? So those are some of my comments on my questions that I have not answered. Concerns, the due diligence, the partner we talked about that, you know we took the four referrals that Veolia gave us and we researched those four. What about the other ones? Well, they told me they'd look at one other one but I didn't hear a lot about that. Accountability. Who is accountable? To the shareholders or

the public? There's going to be a conflict there. So those are the kind of concerns I want. So, when we use the analogy, the simplistic analogy of you know, someone comes into your home and saves you $400 in heating bills, isn't that great? Absolutely, it's great. But you know what you've got to do? You can have no heat over the winter, that is how you're going to save all your money. And that is what we say and you save four hundred dollars. Well, you know what, I want to be warm in the winter. I want to have my heat on. You know what, that's against the other side making their money. So, again, it's not as simplistic as that. We talked about skin in the game. For sure, I think that's a great idea to have some type of counter balance but to have skin in the game, do I have to give up my left arm? I don't think so. I need to see the contract. I need to see the details. We not only appeal to our pigeon holes again, there's a left thing or a right thing. But today we even have some people from the right who are saying, and even some businessman who's talked to me, they would never sign a contract like this unless they had some more details. Sure, we can't see maybe all the details, but some of those questions and I've met with our Administration and I have total for respect for them. But we as Politicians have a role here. Our role is to provide that other view, the other lens that will say, counter as you've talked about the City Place, the Parkade. We do have a role here as City Council before we approve things. We may want to have these questions answered. We may have to be confidential. That's all fine but at this point I'm told to say have faith, blind faith, it will be all okay. Well, I think there's other examples throughout political history where we (inaudible) that policies have been told that, and they've actually really had to eat it later on because they didn't do their due diligence, as politicians. I have no doubt that our City bureaucracy has done what they can under the direction of political masters because they aren't excluded from that vacuum, so we have done their due diligence based upon the parameters that they were told to work within. Again, are those parameters I agree with? I don't know. I'm not sure what they really were. I will know that when I see all the details. So at this point, I see very few details. I have many questions. I've listened to questions from the public. There's still many big holes in there so I can not comfortably and I think morally vote for this today.

Mr. Deputy Speaker: Thanks Councillor Orlikow. (applause) Not appropriate, thank you. Do we have any other Speakers? Councillor Pagtakhan, Councillor Vandal, Councillor Swandel.

Councillor Pagtakhan: Thank you, Mr. Speaker. I just want to say that, before I was a Councillor, Mr. Speaker I used to work at Manitoba Hydro and for several years. And Manitoba Hydro, Mr. Speaker, is known to have the lowest hydroelectricity rates not only in Canada, Mr. Speaker, but the entire…the entirety of North America. And why is that, Mr. Speaker? It's because of their sound business practices. It's also due in part to large natural resources that we have here in the Province of Manitoba. But, Mr. Speaker, I want to tell you, back in 1999 till about 2002 when I was working in the Purchasing Department, design build, P3s were a common business practices in the purchasing world. And why is that, Mr. Speaker? Because it saves dollars. It saves taxpayers dollars. It actually contributes it to the large part to the lowest electrical, hydro rates not only, like I said, not only in the City but throughout the Province but the entire of North America. It's the best business practice, Mr. Speaker, when it comes in terms of contracting and in the purchasing world, Mr. Speaker, there is a term called the profit leveraging effect purchasing and what that means is that by saving your expenditures you can increase your profits and in the private sector, Mr. Speaker, that means more dollars for the bottom line for the shareholders and the public sector, Mr. Speaker, that means taxpayer savings. More dollars for other priorities within the public service. and what that means here, Mr. Speaker, is more projects for other things whether it's recreational infrastructure, public infrastructure for roads and bridges, whatever the case may be, Mr. Speaker, and that's what this is…this is where we're going right here, Mr. Speaker. We are looking at partnering with a world class company to build a state of the art sewage treatment plant facility in North Winnipeg and the South End. That's huge, Mr. Speaker. And I think we need to honour the work of the Public Service, the Members of C.U.P.E. Local 500 who've put their…who've been part of this process, of WAPSO and of our Directors, Mr. Speaker. That is really important here today and I can tell you that as a former Civil Servant with Manitoba Hydro, we did the utmost with respect to the process making sure that we provided due diligence and doing the background checks, everything making sure all the t's are dotted, all the i's are crossing, all crossed, pardon me, all the i's are dotted, all the t's are crossed to ensure that we are protecting the taxpayers of Manitoba, Mr. Speaker. I took a lot of pride. My supervisors, my colleagues, we all did that. We had immense pride in the work that we did and you know, I can say that I really have to commend the public service here, you know Bryan Gray and Henry Hunter and Moira Geer for all the work that they've done here, they've put a tremendous amount of work in here, CAO Glen Laubenstein. And, you know, this is what it's all about. Manitoba Hydro and this is a perfect analogy, when they build their hydro electric infrastructure, whether it's Substations, Mr. Speaker, or Generating Stations, they've done their homework and they've proven year in and year out, 10 years ago, 12 years ago, Mr. Speaker, that this kind of stuff works so I will be supporting this clause.

Mr. Deputy Speaker: Thank you, Councillor Pagtakhan. Councillor Vandal.

Councillor Vandal: Thank you, Mr. Speaker. Sometimes we, politicians are our own worst enemy and I think this is about the fourth, the fourth public meeting we've had with lots of emotion and people on both sides of the issue feeling strongly about this. It's been under way well over two years and I think it's important to remember that we're

supposed to have the South End water treatment plant complete by 2012. And I think we all know, any reasonable person will tell you that at this pace we're not going to make that deadline and the other water treatment plant, 2014, sewage treatment plant 2014 and the people I talked to in the industry tell me we could start tomorrow morning and we're not going to make the 2014 deadline either. So I hope that what Councillor Steeves said about the fines that the Clean Environment Commission and the Province of Manitoba can potentially levy on the City of Winnipeg, are, is wrong. Because the last thing we need right now is to be levied significant amount of fines over and above the capital costs that we have to…we have to incur. But this whole thing, let me say this, this is a positive thing. This is a vast improvement over what was here last summer. Because, what was here last summer was a Municipally owned corporate utility at arm's length which was going to be managed by or governed by a group of twelve which would be appointed once a year by this City Council which is essentially the Mayor and they were going to go out and manage our water, manage our waste water, look for customers, there was even going to be a privately 51 or 49 percent owned subsidiary corporation. It was a real dog's breakfast, Mr. Speaker, and we did a horrible job of selling that. We started off with sixteen firms, we're down to one, Veolia and what we have in front of us is the deal which we are, which will essentially be endorsed this afternoon with strictly waste water, although there's an important part for water to play in the waste water. I say politicians are their own worst enemy because if you look over in Ottawa, we have a group of politicians of all political stripes in Ottawa that absolutely refuse to let the Auditor General look at their discretionary spending. That makes people suspicious. Nova Scotia, we have an RCMP invest, criminal investigation against certain five or six politicians and those details are still secret. The R.C.M.P. are on it but they are secret. And over here in the City of Winnipeg, we have the Executive Policy Committee and the Administration essentially refusing to share details of a thirty-year agreement we are signing with a Multinational Corporation with some skeletons in their closet around the world, which involves millions and millions of dollars of public money, not their own money, whether it's a P3, whether it's not a P3, that's almost irrelevant at this point. This is 650 million dollars of real Capital dollars that are taxpayer money and there are some very salient and important questions that my constituents, that all of our constituents would like answers on. And it is wholly unreasonable to tell them that we're sorry, there is propriety law and we can't share that with you. Mr. Speaker we are holding the cards in this agreement and there is absolutely no reason why we cannot ask Veolia, ask their cooperation to share those important questions with constituents of the City of Winnipeg before we approve this deal. We have citizens of all political stripes, of all ages, of gender, different genders who feel the same way as the vast majority of people in this Chamber feel. We need to have those answers, those questions answered and what don't we know? We don't actually know what Veolia will make over the term of this thirty year deal and that's a simple one. We don't know how potential cost overruns will be apportioned or shared by the City of Winnipeg and Veolia. That's another simple one. What risk do Veolia actually put forward? And we've talked about traditional triple Ps, where there is skin in the game, we all know about that, what risk do they actually put forward? And from what I can see, the only risk they are actually putting forward is not saving the City the money which they said they were going to save. Well, Mr. Speaker, that's because of technology, that's because of cutting edge, benchmark technology and if that's the case, who actually owns the intellectual propriety, property that Veolia or any other private company can bring to the table? How are the potential cost savings apportioned between the parties? We don't know that. What are the impacts of water rates on Winnipeggers for the next ten years? Last time we approved our water rates in November of 09, we have a ten year schedule going out to the future which guarantees, at the time guaranteed certain water rates going into the future based on the improvements that we were going to do, how are those affected by Veolia? We don't know that. We don't know what penalties the City of Winnipeg must pay to terminate the deal, incredibly important. We don't know this contract fits into the Municipal Utility which I understand is still on the table or the potentially privately run subsidiary, a Corporation which reports to the Utility. We don't know how all this fits together. An interesting technical question is what's the relationship between this and the combined sewer overflow project which was really the cause as I understand it of the billions of dollars or, billions of gallons of effluent which flowed into the Red River back in 02. That's more of a technical question. Mr. Speaker, those are completely legitimate questions, constituents, citizens of the City of Winnipeg would like to know before we vote on this very important matter. And frankly, Mr. Speaker, bottom line is this, I see this as a further privatization of public service of the City of Winnipeg. It's driven by ideology that anything Government can do, the private sector can do better each and every time. As I've demonstrated, transparency and accountability are sacrificed through this ideology, as they are in this case. And let me be very clear where I believe this is going. And I'll bet my reputation on this. That once this is approved this afternoon and Veolia are managing our waste water for the next 30 years, they are going to do everything in their power to try to manage our water systems, for the indefinite future. You can count on that. That's in their business model. That's what they do. It's backed up by the Municipal Utility Business Plan. And let me read you one paragraph, Mr. Speaker, of this Plan, which underpins the entire relationship we have with Veolia, "Throughout North America the value of water is expected to increase due to growing demand and relative scarcity. Investors are becoming increasingly interested in the sector and established players are looking for opportunities to expand. That's our analysis on the utility, which underpins everything that we do in water and waste into the future." I bet my reputation, Mr. Speaker, Veolia are going to go forward with all that they have to manage our water in one form or another. Mr. Speaker, I cannot support this, this afternoon and.

Mr. Deputy Speaker: Councillor Swandel moves extension. All in favour? Motion.

Councillor Vandal: If I can find them. Councillor Gerbasi's motion I will be supporting of course. Let's defer this to June Council, allowing for the contract with Veolia to be fully disclosed to politicians as the Governors of the City, before it comes back for a vote. And the other contract, motion, we are requesting the Province to remove nitrogen removal, remove the nitrogen from the requirements from the Environmental Act, Mr. Speaker. This should be going to the Clean Environment Commission. I know we've requested the Province improve their recycling. Now we're telling them how to clean the waters. This is a very contentious issue. None of us are experts in this. I would be interested in the Clean Environment Commission looking at this one more time. Listening to the independent experts and of course, if we can save, I don't know how many millions, let's do it. But to unilaterally direct the Province to remove it is a problem.

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

Councillor Swandel: Thank you, Mr. Speaker. I want to start with the motions. Councillor Browaty's motion first. Councillor Browaty and I had the good opportunity to have a chat yesterday and as you know, Councillor Browaty has been very consistent in his desire to see us address this nitrogen removal with the numbers that we have in front of us, involving the nitrogen removal. This was a good opportunity to see that brought forward and to suggest that the Provincial contribution, whatever portion is required for nitrogen removal, if we're successful in getting them to agree that we don't need to do that, that it be directed at other strategic infrastructure investments. I think that's a very wise motion and I was pleased to support that. The second motion, the motion to defer, and you know, there has been a lot of talk about how we do these things, why we do them. I want to take you back to 2002 when we did the sale of Manitoba Hydro, Mr. Speaker. At that time, Councillor Lubosch, and consistency, Councillor Smith suggested that we needed to lay over the sale of Manitoba Hydro. The sale of Manitoba Hydro report, Mr. Speaker, was these four pages. The recommendations in that report were as follows, that Council direct the Chief Administrative Office to finalize the terms and conditions of the agreement together with any and all collateral or ancillary agreements for the sale, and the usual sort of Clause. That Council declare surplus those lands and buildings incorporated, and then the financial statements of Winnipeg Hydro and the closing clause, the third clause, that the Proper Officers of the City be directed or be authorized to all things necessarily to implement the intent of the foregoing. And the reasons for Councillor Lubosch's request for layover for one month, was in order to provide additional time for Council and those stakeholders may be affected by the sale of Winnipeg Hydro to perform and the necessary due diligence required to examine the Manitoba Hydro purchase. The only people who supported that motion at that time were Councillor Smith and Councillor Lubosch.

The offer to purchase came on these four pages. That's what the decision was made on. At that time, I guess, you know, just for the record, Councillor Gerbasi, Councillor Vandal, Councillor Thomas, Councillor Smith were included on that Council of that day. Councillor Smith didn't support that but he went on to support the sale after the Motion to amend was or to lay over was defeated. So I think it's important to see when people say there aren't being politics being played here, when you see that type of flip flop, you can see where the politics are. That's the motions, Mr. Speaker.

There's quite a bit of stuff been said here. I sort of keep scribbling notes as I go on, and I could go on and on and on. Because I have done a lot of detail on this, but let's just start with the process. The process has been rigorous? We've had three reports here now as Councillor Vandal alluded to, there were sixteen different Corporations that were involved at the start of this, down to six we determined to be qualified, eventually a short list of three and now down to this…to a recommendation. It was a competitive process that included fairness audits, an establishment audit. There was a myriad of professionals involved from lawyers to engineers, all their accreditation, certification on the line as we've gone through this. You can't argue the numbers, Mr. Speaker. The baseline that we've been working with is 661 million and the net present value of operating, it's been vetted through that process rigorously over the last two years with various audits, with an establishment audit, and with all those professional accreditations and certification on the line. We know there is value here, Mr. Speaker. We know there is protection. You know, people say what they can pay, what's at risk? Well, what's at risk is a hundred percent of margins, as Councillor Gerbasi suggested margins means profit. There's no profit for this corporation, if they don't perform. The firm, protected with by a 50 million dollar Letter of Credit, or for matters of negligence or insolvency. You know and so, on the proprietary end of it, certainly we're doing this together. It's shared property. You know, the intellectual property. Shouldn't be an issue. Mr. Speaker, let's remember what we're doing here. I have to commend Councillor Vandal at the start of his comments, he mentioned how important it was we're here to protect our rivers and Lake Winnipeg. You know, we don't have the luxury of sitting back and being political in this, we know we have to get the job done. If this is what they did at the time of Manitoba Hydro, there certainly has been a lot more vigorous work done on this, so let's not be political here. Let's do the job. Let's see Councillor Smith change when the amendment's lost and support this. We don't have the luxury. We need to save the river, we need to save the lake. Now what's missing, Mr.

Speaker? Well, what's missing is many people spoke to us did not provide an alternative, which is troubling. I'm going to steal a page from the misinformation game and do a little anecdotal dance for you. The only logical alternative would be to use the City of Winnipeg. So, let's take the City of Winnipeg. I went this morning, I just went to the Water Quality Incidents Report on the Government of Manitoba website. Just in the last year, March 2009, a water main break in Kildonan Avenue resulted in a large volume of drinking water draining into a combined sewer that subsequently overflowed to the Red River. October 10, 2009, a water main break by the large volume of drinking water to drain to a combined sewer subsequently overflowed to the Red River through the Metcalfe Avenue Sewage Pumping Station. December 20th, 2009, an unknown volume of diluted sewage was accidently discharged to the Red River. A small discharge on December 11th, from the St. John's Park, released sewer to the Red River. December 31st, a water main break at Braemar resulted in combined sewer discharge into the Red River. March 3rd of this year, a partial blockage in the junction at the Assiniboine River caused a combined sewage discharge into the Red River. If I were to read that to you, it would make us sound incompetent. But I believe that we have some very talented people in the City of Winnipeg and I understand how this happens. It's because, what was referred to as the inherent malfunction rate. It doesn't matter whether you…the City of Winnipeg, your Veolia, your CMH2 HILL, your EPCOR, things that are mechanical at some time will fail. You put as much redundancy in, as much protection as you can and you hope for the best, but you do the work. So, we continue to go forward and we don't have the luxury of waiting, Mr. Speaker. So you can't do the boogieman argument here. Councillor Vandal also suggested, let's not be our own worst enemy. Well, let's not be our own worst enemy. Let's do what we know we have to do. Let's protect the Red River. When I go out there, we're not in this sort of debate and ideologically driven sort of arguments to a certain extent and I talk to just the common man, the guy at the coffee shop, you know, somebody at the gas station, they get it. They understand the importance of the river. They understand the importance of Lake Winnipeg. They understand the reason for the Clean Environment Commission recommendations. They want to see this work be done, Mr. Speaker and I'm here to support our river and our lake, get the work done, do it in a protected, value-base system that is a hundred percent value for the City of Winnipeg. I see nothing wrong with this agreement and if people suggest that this process is somehow different I let you go back and take a look at this Manitoba Hydro process. This is a stronger process than that process. We're not here to do the contract, Mr. Speaker. We're here to approve the ability to do the contract. That contract, Mr. Speaker, will be signed by the Mayor, will be signed by the CAO, will be signed by the City Clerk and it will be signed by the Director of Legal Services to ensure that its form and content and all the protections that we're suggesting that we need in this report and the intent of the forgoing, which that means all those things that we believe are there are actually there when it's contracted. And if you think all those people, not just the ones I mentioned, but all the professionals that have got their professional certification and accreditation on the line are going to put that at risk because, why? Because there's some you know, huge conspiracy going on here, let's get the job done. Let's save our rivers. Let's save our Lake Winnipeg. Thank you.

Mr. Deputy Speaker: Thanks, Councillor Swandel, Councillor Wyatt.

Councillor Wyatt: Yeah. Thank you, Mr. Speaker. You know, I've listened to the debate on both sides in this discussion and it's clear that there is definitely some confusion in terms of the issue. I think first, in the outset, the fact that this is an issue involving waste water treatment, not water is something which is crucial to the debate. Now some people will argue that this is a first step towards water. I don't see any evidence of that and other than the fact that it's simply conjecture and rhetoric and speculation. Mr. Speaker, what we have before us here today is a decision to go forward with, resulting from a previous decision that other speakers have talked about going back to the Clean Environment Commission of the Provincial Government. They gave us a ruling that we have to make these upgrades and we have to make these upgrades happen within a certain period of time, extremely expensive upgrades, Mr. Speaker, upgrades which by and large, Mr. Speaker, have now ensured that our water and sewer rates are now the highest in Canada of any other major metropolitan centre. That's not something to be proud of Mr. Speaker, but we now have the highest rates. So we have to do everything in my mind, Mr. Speaker, to try to ensure that we do these upgrades especially if the Province does not back down. I want to thank Councillor Browaty for his motion, but if the Province does not change its position in terms of the nitrogen issue. If we have to spend that money, let's try to do it as efficiently as possible. Now, there is no doubt that there is a philosophical divide on this Council. That's really what it's coming down to. We've had the same debates here, Mr. Speaker, in terms of roads, and bridges or police stations when we've looked at doing a P3, a lot of folks say this is not a P3 because they are not involved on the finance side of it, maybe that's so, but the fact of the matter is, it's a partnership and you know, I think it's…you could argue it's a P3. Mr. Speaker, we've had those debates before. There is defiantly some who believe that there should be no role for the private sector in terms of doing a build, construct and then manage or operate for the City, absolutely no role, especially in terms of operation. And then there are those who believe that maybe there's an advantage. I am of the view Mr. Speaker, philosophically but I think that neither side has a monopoly on wisdom. I don't think the private sector as a monopoly on wisdom and I don't think the public sector has a monopoly on wisdom. I like the idea of a competition of ideas, Mr. Speaker. The idea that there is a competition, not just in terms of ideas around the table here, but a competition in terms of ideas at the management table when it comes to the future utility, and this future work that's going on. I think that's good thing. I think to have that healthy debate between the public sector and the

private provider is a positive thing and positive thing for the ratepayers. Now a lot has been said about disclosure and lack of disclosure and I just want to say a couple of things. If you read the Clause very carefully, Mr. Speaker, we are delegating authority to the CAO to conclude this contract. Nothing in the Clause, Mr. Speaker, prevents the CAO or the Mayor, from…at another date in the near future when they conclude a contract from publicly saying how wonderful this contract is and this is what we've secured for the citizens of the City. I'm assuming that they would definitely want to do that. To be able to say proudly how this has been done. I think that would be something that we would all look forward to and I'm sure it's something that may happen in the near future. And the other thing that we should be talking about though too, is that we hear a lot of speakers here today and clearly, if this is such a major issue, there is a way to ensure if we want a safe guard on the City in terms of these arrangements with water treatment. We could have Provincial Legislation, Mr. Speaker, Legislation requiring us in certain ways to disclose with public-private partnerships whatever the detail amounts of or detail of the contract the Premier feels is necessary. There's nothing preventing the Premier for bringing forward such Legislation and ensuring that here today, Mr. Speaker. Obviously, though we have heard in the past that the Provincial Government does support public private partnerships. They're on the record of supporting P3s, Mr. Speaker, and I don't think they've changed that position. We are today discussing that. So, Mr. Speaker, I think the reality is if we are in a situation where we can save 10 percent to 20 percent is what the reports say. If we can save 5 percent, Mr. Speaker on costs that are going to climb into the hundreds of millions of dollars, why wouldn't we try to do that, Mr. Speaker, when we know full well what we're talking about here is waste water treatment, all right. And we know we're going to have to make these expenditures. I've talked to our CAO. I've made a point of telling…I've also talked to some key people on the management team including Henry Hunter who has been working on this. And they're confident that we can achieve these savings. And Mr. Speaker, I think this is something that's worth doing. If there was something nefarious going on, I think and most of you in the Chamber would know, I would be the first to call and set the alarm bells off and say there is something wrong going on here, I can't support this, this is just, doesn't pass the smell test. This, Mr. Speaker, I think a lot has been made out of something, a mountain out of a mole hill, and I think the issue in terms of what we've seen reporting, I think clearly with the water tap and everything, people automatically saw water and rightfully so, people get excited about water. I would never want to see water in the private hands. Waste water treatment, Mr. Speaker, if we can save money on a decision, by the way, a CEC decision which I think the majority around this table and most Winnipeggers don't support in terms of the fact that the City of Winnipeg is being targeted by the Province even though we contribute less than 5 percent of the total waste in Lake Winnipeg. Let's talk about that, Mr. Speaker, you know. That's…that seems to have been ignored in this debate. Why are we even here today? The fact that the Province excludes in its calculations, the 1997 flood which swept all that nutrient from all of the Red River basin, Red River Valley right into Lake Winnipeg created the algae bloom, surprise, surprise afterwards. And this is why Winnipeg is at fault? And the Mayor rightfully pointed out with the fact that a valve broke and that was the excuse to come down hard on this? They think they're coming down hard on the citizens of Winnipeg, or City Council, they're coming down hard on the citizens of Winnipeg, Mr. Speaker, who are having now to pay the highest combined water and sewer rates in Canada. So, you know, if there's a way we can reduce that cost of an unfair or unjust decision against the City by the Province, why would we not explore that, Mr. Speaker? And if it is, if this is so unethical or wrong, then why is the Premier not rising out of his seat and introducing Legislation immediately, immediately, Mr. Speaker? Those are my comments. Thank you.

Mr. Deputy Speaker: Thanks. Councillor Wyatt. I have no one else on the list at this point, so I will ask the. I'm sorry? Go to Councillor Gerbasi to wind up.

Councillor Gerbasi: Thank you, Mr. Speaker. I think what Council, some of us are having trouble with today is that we're being asked to trust, trust us on a number of details that we do not have and unfortunately that trust isn't there and that's what we're also hearing from a number of people we represent. We're just doing our jobs by bringing those concerns forward. You know, I don't think anyone has a monopoly on caring, you know. We all care about the river, we all want to see this work done but it is our obligation as elected officials to use proper due diligence and to have the information in front of us to make an informed decisions. I'd like to discount a couple of things that have been said. I don't think any of us have said there is no role at all for the public, private sector. But there is a concern about maintaining public control. There is concern about having issues such as the track record of a company we're looking at fully looked at objectively. That doesn't seem to be in the reports we've seen. We cherry picked a few examples rather than looking at a broad range of examples. There's reasons why these concerns that have been raised are…been raised and they are valid. I just wanted to briefly address my understanding in regards to the Legislation from the Province, has been talked, my understanding is that there is in fact Legislation on the Order Paper right now but it hasn't been introduced yet. But it's also my understanding because I asked that it's not retroactive and they can't go back to something that Council's already approved. That's my understanding of the Legislation, that once a deal has been signed, new Legislation being brought in couldn't make them reveal the contract. So, because this is going through as it is today, you know, even though that Legislation is actually on the Order Paper right now, and that Legislation is supposed to bring more accountability and transparency. So I mean, I don't know, I haven't seen it or know what's in it, but it's unfortunate we're going in ahead of this, ahead of that Legislation. Because I think that is the

concern of the public is transparency and accountability and you give that away. You give certain things away on these long-term agreements. You know, I guess I just wonder if there wasn't, you know, a better way, where we could have more room to, you know, get the work done. I certainly realize we have to use the private sector for some of the building and designing, you know, we always do that, or often do that with something of this scale, but a 30 year kind of vague management operations contract, you know, if you gave us all the details, you know, you might be able to win our support but I think without those details, people are not comfortable supporting this and I'm not just speaking for myself, I'm trying to represent the community, that we all represent. I think we've all heard from a lot of the public on this and we have an accountability ourselves to know the facts before we make a decision. So all I'm asking in this motion is to defer the meeting, the decision until the details can be fully disclosed. I mean, it's just asking how much Veolia is getting paid is reasonable. How much it costs to get out of the contract is reasonable. There's a number of other questions we've raised and you know, we all took the time to talk to Bryan Gray, to try to get answers to our questions and we haven't got those answers. So, I urge Council to just take a little bit of time and allow us to get those answers. Thank you, Mr. Speaker.

Mr. Deputy Speaker: Thanks, Councillor Gerbasi. Councillor Browaty.

Councillor Browaty: Thank you, Mr. Deputy Speaker. When I first saw the motion before us today, my first impression was I don't believe the Province, on contrary to my learned Colleague from St. Vital, they're not going to start charging the City of Winnipeg and effectively taxpayers in Winnipeg a million dollars a day or whatever the number is if we don't have these upgrades done. My first impression was let's stand up here now, let's say to the Province of Manitoba, let's say no to the Province of Manitoba. Let's wait. Let's put this whole thing off until we get the agreement from the Province, the nitrogen requirements as the scientist say, listen to the science, isn't necessary. But you know what, why throw out the baby with the bath water. There's some really good stuff here. We're going to use a different process this time that I think is going to take us down a better, different path. We've tried routes in the past and we've seen what's happened with various Capital projects in this City and they haven't been successful, so again, I urge you to support the amendment here today, I think we still have an opportunity for the Province to do the right thing. I have confidence and faith in the science out there that they'll listen to the science, whether it's the CEC or the Province. I really have, I am hopeful that Council will support this piece unanimously. Thank you.

Mr. Deputy Speaker: Thanks, Councillor Browaty. Your Worship.

Mayor Katz: Thank you, Mr. Speaker. You can't solve today's problems with the same level of thinking that created them. Albert Einstein, Mr. Speaker. Let me start off with nitrogen removal, Mr. Speaker. The cost of this project for two treatment plants, 661 million dollars, cost of nitrogen removal, 350 million dollars. More than half of that whole cost, Mr. Speaker. Dr. David Schindler and some of the top scientists in the world have said this is a waste of money. You are flushing it down the toilet. What I'm trying to figure out, Mr. Speaker, where is the outrage from our citizens? Where is the outrage from this Council basically saying 350 million dollars being flushed down the toilet? Barely a discussion on it, Mr. Speaker. Now, I know not everybody has the opportunity to follow around Dr. David Schindler and the balance of the scientists, so you know what, Mr. Speaker. We brought back Dr. David Schindler into town so he could speak to everybody. I guess I would ask Councillors Smith, Orlikow, Vandal, Gerbasi, a 350 million dollar issue, did you even bother to come and listen so you could make an intelligent decision and then speak out? That's a rhetorical question, Mr. Speaker. Mr. Speaker, let me share some facts with you. Number one, contrary to what Councillor Orlikow said, the City is in charge and we do have faith in our people who work very hard for us. Number two, Mr. Speaker, Band Number 39, Shoal Lake, where we get our water from, for the record, we have a licence to do that, Mr. Speaker. And we basically give them the money which they put in the bank and they get interest on that, Mr. Speaker. Number three, contracts. Well, let's talk about contracts and I'll ask the question. We have some golf courses that the City owns, Mr. Speaker. Private sector runs them. I'm hoping that maybe Councillor Vandal can tell me how much did they make. If you can't, maybe Councillor Smith, Gerbasi, Orlikow, can any of you tell me how much they make? Because I don't know and I guarantee you, you don't know either. We did a deal with them. I bet you they make a profit. We have no clue what they make. Let me talk about something even closer to home and I know there is a few Councillors that were around when this happened. Let's talk about some projects the City of Winnipeg did. The Main-Norwood Bridge project, Mr. Speaker, completed in 1998. Councillor Vandal, Gerbasi might remember that. Final cost 115 million dollars, a lot of money, Mr. Speaker. Who were the contractors? MV Steel, PCL Construction, Craft Construction. Did anybody here see that deal? Does anybody know how much they made what their profit was? None of us do. We approved what we thought was a fair deal. We, those who were here, based on a competitive bid, Mr. Speaker. Let's look at another one, Provencher paired bridges, 2003. I know you'll remember that one, Seventy two million five hundred thousand, contractor MD Steel Construction. Anybody know how much they made? Anybody see the contract? Guess what, Mr. Speaker, blank looks from everybody. We don't know. Once again a competitive process, the best qualified bidder won out. That's the way business is done here, Mr. Speaker. So all of a sudden to talk about we don't know this, we don't know that. You've approved so many deals you didn't know about. What happened this time? Why is this time different? But let me tell you one thing, Mr. Speaker, which I

said a week ago, okay, in a scrum. It's impossible today to tell you if, based on savings, what someone will make but when the year end comes, I can assure you that if I'm here, there will be a press conference telling everybody exactly how the City benefited and Veolia, if this moves through. That's the way it's done because you only know at the end of the fiscal year, how it happened what your costs are what your savings are. Mr. Speaker, everybody who voiced their opinion today made a valuable contribution. And you know what, I heard you know, P3s, for, against, good, bad. It's really irrelevant at this stage of the game. All we're trying to do is what's best for our City and what's been mandated by the Clean Environment Commission. Everybody here cares about our rivers, cares about our lakes, okay. But the realities are where was everybody when 350 million dollars is being flushed down the toilet? Not a word basically came, not a word…350 million dollars. Probably one of the largest contracts that's ever taken place. Not a word. Buried somewhere in the media. Not a word. Is anybody here an expert? No. but Dr. Schindler, the top in that science, and 62 others said a waste of money, don't do it. As a matter of fact, not only a waste of money, you will be hurting lakes. Don't do it, stop! I believe and that's why I'm going to fight to make sure we don't have to do nitrogen removal. And I'm glad the Premier has said they will take a second look. Good on him, Mr. Speaker. This is all about moving forward, protecting our environment, doing what's best for our citizens of Winnipeg and most importantly, Mr. Speaker, I don't care how smart you are, I don't care how hard you work, alright. At some point in time you need to rely on other expertise than yourself. And that's exactly what I believe Council does on a regular basis. That's why they supported the Main-Norwood Bridge. That's why they supported the Provencher Paired Bridge. That's why the Province is involved 50 million dollars in a P3 for the Disraeli because the expertise is there and they believe in it. It would be nice if we could all move forward unanimously, you can see from the discussion that's not going to take place. The important thing is for everybody to go home tonight, regardless of how they voted and know that in their hearts they did the right thing and they can sleep at night. That's all you can ask from any elected official, Mr. Speaker. Thank you.

Mr. Deputy Speaker: Thank you, Mayor Katz. Alright, we'll put the question for Motion 3, a recorded vote. All those in favour? Three, the referral, Councillor Gerbasi's motion. All those in favour?

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Gerbasi, Orlikow, Smith, Vandal and Wyatt

Nays

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

City Clerk: The vote Mr. Speaker, Yeas 5, Nays 8.

Mr. Deputy Speaker: The motion is defeated. Motion 4, Councillor Browaty's motion. All those in favour? Those opposed? Recorded vote? Okay. (Inaudible) Recorded vote, yes, no? All right. Recorded vote. All those in favour?

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

Councillors Gerbasi, Smith, Vandal

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

Mr. Deputy Speaker: And now on Item 7 (Inaudible) All right a recorded vote. Those in favour of Item 7?

Clerk: As amended.

Mr. Deputy Speaker: I'm sorry?

Clerk: As amended.

Mr. Deputy Speaker: As amended, yes. Recorded vote. (Inaudible) All those in favour?

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

Councillors Gerbasi, Orlikow, Smith and Wyatt

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

Mr. Deputy Speaker: Motion has passed. Thank you very much. Okay.

Voice from the Gallery: Shame! Shame!

Mr. Deputy Speaker: Order, order, order! Please remove.

Voice from the Gallery: All those that voted against (Inaudible)

Mr. Deputy Speaker: You're out of order, sir! You're out of order! I'll out shout you, I have the microphone. Out of the Council Chamber, please. Take your book and leave. (Inaudible) Good-bye, sir. Good-bye. Good-bye. (Inaudible)

Mr. Deputy Speaker: I was confused with the Ukraine. (Inaudible) The Mayor would like to bring on a report please.

Mayor Katz: Mr. Speaker, I would like to move that the rules be suspended and the Report of May the 19th be dealt with.

Mr. Deputy Speaker: All those in favour. Opposed. Thank you. Clerk.

REPORT OF THE
EXECUTIVE POLICY COMMITTEE
DATED MAY 19, 2010

Item 1 - Consolidation and Amendment of Various Capital Projects / Programs Funding to Distinct Capital Project Budgets

Mr. Deputy Speaker: Mr. Mayor.

Mayor Katz: Mr. Speaker, this is a…basically a form of housekeeping. What's happened here is that funding was provided by the Federal Government through RINK, et cetera and all we want to do is make sure we're including the total amount that's going towards each project, Mr. Speaker.

Mr. Deputy Speaker: Any questions? All those in favour? Opposed? Carried. Oh, we have a couple of motions. Councillor Wyatt. There is automatic referral on Motion 1 and Motion 2 from both Wyatt. (Inaudible) And 7. (Inaudible), I'm sorry? No. Yeah that comes later. All right, Mr. Mayor, EPC By-laws, please.

EXECUTIVE POLICY COMMITTEE
MOTIONS

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

WHEREAS the Neighbourhood Multiple Family/Mixed-Use Building Grant program, originally passed by Council in May of 2007, has been a huge success with the program funds being largely exhausted and with an expiry date set for June 1, 2010;

AND WHEREAS the program has facilitated the development, redevelopment and conversion of existing properties for new residential dwellings and leveraged millions of additional investments for the purpose of renewal of existing and older neighbourhoods;

AND WHEREAS the Neighbourhood Multiple Family/Mixed-Use Building Grant Program is an innovative program that encouraged renewal of existing neighbourhoods, the use of existing civic infrastructure, the development of new street level commercial activity and greater urban density, all consistent with Plan Winnipeg;

AND WHEREAS in March of 2009, due to the tremendous success of the program, Council increased the program by $10 million, from a $5 million limit to a $15 million limit;

AND WHEREAS in March of 2009 Council voted to direct the WPS to ensure "that discussions with the Province of Manitoba to expand this program to include a grant in respect of education taxes, as well as the municipal taxes", would take place;

AND WHEREAS the $15 million authorized by Council, based on a maximum tax grant of $15,000 per dwelling unit for units with an assessed value of less than $250,000, has made it possible for previously economically marginal housing projects to proceed, creating employment in the construction industry and more affordable housing in Winnipeg;

AND WHEREAS on April 28, 2010, Council approved the new Downtown Residential Development Grant Program, which included a "partnership with the Province of Manitoba in which there would be provincial participation under the structure of the Province's Community Revitalization Tax Increment Financing Act with incremental education-related taxes";

AND WHEREAS the new Downtown Residential Development Grant Program now has a subscription limit of $10 million of education taxes and $10 million of municipal taxes, making marginal housing and housing conversations more economically viable;

AND WHEREAS the Council direction of March, 2009, is still outstanding with regard to engaging similar provincial participation in the original Neighbourhood Multiple Family/Mixed Use Building Grant Program, and yet there are many older neighbourhoods in Winnipeg that require renewal;

THEREFORE BE IT RESOLVED that the City Council direct the Winnipeg Public Service to renew or extend the existing Neighbourhood Multiple Family/Mixed-Use Building Grant program for another three years with a new subscription commitment of $15 million of municipal taxes;

AND BE IT FURTHER RESOLVED that the Winnipeg Public Service work with the Province of Manitoba to expand the program to include a grant in respect to education taxes, as well as the municipal taxes, as done in April, 2010 for the Downtown Residential Development Grant Program.

Motion No. 2
Moved by Councillor Wyatt,
Seconded by Councillor Smith,

WHEREAS in 2008 the Mayor established the position of Secretary of Strategic Infrastructure Renewal in order to focus the City on the task of tackling our growing infrastructure deficit problem;

AND WHEREAS in July, 2009, Council received as information from the Winnipeg Public Service (WPS) a report clearly documenting the extent of the Existing Infrastructure Deficit, in 2009 dollars, at $380 million annually;

AND WHEREAS in July, 2009, Council received as information a report from the WPS clearly documenting the extent of the New Strategic Infrastructure Deficit, in 2009 dollars, at $360 million annually;

AND WHEREAS, since July of 2009, funding was announced for Assiniboine Park Enterprises and for Active Transportation, however, the greater list of the existing infrastructure deficit and the new strategic infrastructure deficit issues has been void of any new funding commitments or long-term funding solutions;

AND WHEREAS the failure to address the 2009 infrastructure deficit problem will result in a compounding effect that will increase the infrastructure deficit in future years;

THEREFORE BE IT RESOLVED THAT the WPS be directed to update both the 2009 Existing Infrastructure Deficit Report and the 2009 New Strategic Infrastructure Deficit Report to reflect the higher 2010 dollar values for both infrastructure annual deficits and to report such to Council;

AND BE IT FURTHER RESOLVED THAT the WPS be directed to install a real time, Digital Infrastructure Deficit Clock, either on the grounds of City Hall or in the place of the previously located clock at the top of the Administration Building, and that the said clock would constantly advertise the growing infrastructure deficit of the City to the citizens of Winnipeg.

EXECUTIVE POLICY COMMITTEE
CONSIDERATION OF BY-LAWS

Mayor Katz: Thank you Mr. Speaker, I would move that the following By-laws be read a first time, By-law No. 60/2010, By-law No. 63/2010 and By-law No. 64/2010.

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

Clerk: By-law No. 60/2010, 63/2010 and 64/2010.

Mayor Katz: Mr. Speaker, I move that By-laws Numbered 60/2010, 63/2010 and 64/2010 be read a second time.

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

Clerk: By-laws numbered 60/2010, 63/2010 and 64/2010.

Mayor Katz: Mr. Speaker, I'll move that the rules be suspended and By-laws numbered 60/2010, 63/2010 as well as 64/2010 be read a third time and that same be passed and ordered to be signed and sealed.

Mr. Deputy Speaker: Thank you, Mr. Mayor. All those in favour? Opposed? Carried. Thank you. EPC Question Period. Councillor Gerbasi.

EXECUTIVE POLICY COMMITTEE
QUESTION PERIOD

Councillor Gerbasi: Thank you Mr. Speaker. It's my understanding that Phase 1 of the BRT Corridor from Downtown to Jubilee is currently on time and on budget, at least the last I heard, and now that Council, last meeting, approved the study of an LRT verses BRT study, I'm wanting to know if this decision will in any way delay the BRT project that's currently underway.

Mayor Katz: A very short and simple answer. No.

Councillor Gerbasi: It's understood that the costs of any rapid transit project are dependent on the specific corridor where it's being built depending on the need for tunnels and bridges and so on. Will the LRT study be looking at specific locations for the corridor, for corridors, and if so which ones? Is it the southwest corridor or is it a different one?

Mayor Katz: Mr. Speaker, as was stated in the past, that is a extremely important part of the equation on costs; where the corridor is, if you have to build tunnels etc. I would think for sure they would have to look at that to determine that. If Councillor Gerbasi is asking me which ones and where, I don't have any clue at this stage of the game. That would be up to our Department to do that due diligence.

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

Councillor Vandal: Mr. Speaker, to the Mayor, at the last Council Question Period, the Mayor was supposed to share with Council the recommendations from the previous Bus Rapid Transit Conversion to Light Rail Transit Report which we paid for in 2009. I haven't received anything yet. I'm wondering does the Mayor plan to, can he share the report that was paid for by City taxpayers on BRT to LRT conversion?

Mayor Katz: I believe Councillor Vandal is referring to Reports that were done in the past and if he has not gotten that, I certainly will speak to the CAO and try and remedy that ASAP.

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

Councillor Wyatt: Yes thank you. Your Worship, last month we voted as a Council, the majority of us voted, and concurred in the motion from EPC to endorse a variety of projects for funding through the Building Canada Fund. I think it was about eleven projects. Could you give us an update on the status of where those projects are at?

Mayor Katz: Through you to Councillor Wyatt. The normal procedure that takes place, anytime there's a vote on the floor of Council that impacts the Province in any way, shape or form, the Clerk will send them a letter and they will respond. We're just waiting for the response.

Councillor Wyatt: Okay.

Mr. Deputy Speaker: Your second question?

Councillor Wyatt: Yeah, I guess in terms of the Motion that was also voted on, the LRT Motion, the timing is crucial in terms of the cement about to be laid out on the BRT route. Is there any idea in terms of when we may have a decision pertaining to actual LRT coming forth prior to cement being poured for BRT?

Mayor Katz: Through you to Councillor Wyatt. Mr. Speaker, I'm sure Councillor Wyatt remembers that we talked about 90 days but we all believed that time was of the essence and that we should try and get it done in 60 days. My understanding, from speaking to the Department, that that is the goal and that's what they believe they should be able to accomplish within 60 days and then we can know for sure and hopefully move forward one way or the other. But as I just said about three and a half minutes ago to Councillor Gerbasi, we are not in any way impeding the existing process that's taking place right now.

Mr. Deputy Speaker: That's it? Councillor Orlikow.

Councillor Orlikow: Thank you. Mr. Mayor. I've seen it on desk and quite excited to get a copy of it eventually, and my question to you is, do you have any idea when the rest of Council will be able to see the Our Winnipeg document?

Mayor Katz: Through you to Councillor Orlikow, I thank him for that question. I know that the Administration is moving that forward as quickly as possible and I can tell Councillor Orlikow that from the preliminary information I have, I can say to you very shortly, definitely before the next Council meeting and we're also planning to have some Council Seminars on that with all of Council as well, so I just want you to know that they are working as quickly as possible. I know there's a vast amount of material and they hope to get it out as quickly as possible Mr. Speaker.

Mr. Deputy Speaker: Any further questions in EPC Question Period? Councillor Wyatt, one more.

Councillor Wyatt: Thank you. Another round. Mr. Mayor, during the Operating Budget discussion, we were assured over and over again that there was going to be no cuts in the Operating Budget to front-line services, and in a conversation with a City staff, a Manager of one of the budget lines, I've confirmed that with him, that there has been a $300,000 cut out of the Operating Budget to sidewalk renewal City-wide. Can the Mayor confirm that?

Mayor Katz: Mr. Speaker, no I cannot, but I can definitely get to work and get an answer for Councillor Wyatt. That is news to me, Mr. Speaker.

Councillor Wyatt: And at this point, in terms of Operating Budgets for the coming year, where is EPC at in terms of preparing for the 2011 Operating Budget? Has work begun on the 2011 Operating Budget and the direction given to Administration in what terms of the budget should be prepared for, a zero percent again or are we looking at an increase?

Mayor Katz: Mr. Speaker, at this particular point in time, there have been no meetings of EPC regarding the 2011 Operating Budget. We haven't started as of yet.

Mr. Deputy Speaker: Thank you. Is that it Councillor Wyatt? You're done. Councillor Swandel.

Councillor Swandel: Thank you Mr. Speaker. Just, one little follow up to what Councillor Wyatt asked regarding the sidewalks. Can you just make sure that they're looking at what we do to the Capital Budget relative to sidewalks as well? I think that was where the trade-off was. Could you just confirm that they'll look at it in both budgets?

Mayor Katz: Mr. Speaker, through you to Councillor Swandel, I can assure you that I will make sure they do their due diligence and determine exactly whether what Councillor Wyatt has said is accurate or the monies come from somewhere else. We'll get a very clear, specific, precise answer.

Mr. Deputy Speaker: Any further questions for EPC, His Worship? Alright we'll move on to the Infrastructure Renewal and Public Works Committee and Councillor Swandel is going to introduce the Report. Thank you.

REPORT OF THE
STANDING POLICY COMMITTEE ON
INFRASTRUCTURE RENEWAL AND PUBLIC WORKS
DATED MAY 11, 2010

Councillor Swandel: Thank you, Mr. Speaker. I will move the Report and move adoption of the Consent Agenda Items 1 to 6.

Mr. Deputy Speaker: Councillor Smith. You want to stand down?

Councillor Smith: Yeah, I want to stand down 4.

Mr. Deputy Speaker: Four? Okay, 1, 2, 3, 5 and 6. So moved. All those in favour? Opposed? Carried.

Councillor Swandel: Mr. Speaker, Item No. 4 is the Green Back Lane Initiative Pilot Project. I'll wait to hear what Councillor Smith and anybody else has to say and do my best to answer.

Mr. Deputy Speaker: Thank you.

Councillor Smith: Mr. Speaker, I'm supporting this because you know, my Ward has the worst back lanes of any ward in the City. I have over 200 that need to be rebuilt but in this report, it states that greenback lanes will cost somewhere between 10 to 25 percent greater than regular back lanes. Now, we're not budgeting enough for back lanes period now. So, I would like to draw your attention to this because it's important to budget so that we can improve the back lanes. You know, it's…you go down my back lanes and it's a wonder that the cars even survive. The back lanes are bad. This is an experimental project and I support it wholeheartedly but you have to remember, they're going to cost more than doing reconstructing our regular back lanes but I'll be supportive of it and let's hope that in the coming Budget that we support the idea of putting more money into back lanes.

Mr. Deputy Speaker: Councillor Swandel, oh, Councillor Vandal.

Councillor Vandal: Just to bring Councillor Smith and everyone else up to speed, we approved this at Infrastructure Renewal last time it was there, but on the proviso that the detail would come back before the construction actually begins. I have some concerns. We know there's not enough money for back lanes and we know these green back lanes are more expensive. We don't know how many we're going to do, where they're going to go and frankly I have some questions as to their actual effectiveness for more expensive and yeah, it's nice, everyone wants to be green but do we really need the flowers and all the other stuff in our back lanes? So let's put some parameters around it, let's get some more detail coming back and let's see if they really work and see how much we're going to spend before we give it the final go ahead.

Mr. Deputy Speaker: Councillor Swandel.

Councillor Swandel: Thank you, Mr. Speaker. Thank you, Councillor Smith, Councillor Vandal for those comments. I think I'll just take you back to our sustainability process in Plan Winnipeg. We talked about sustainability through three different lenses, environmental, economical and social. I think as especially Councillor Orlikow mentioned, our Plan Winnipeg or Our Winnipeg when it's going to come, it's coming out fairly quickly. I think, you know, this is one of those things that we would certainly look at that has to make economic sense as well as environmental sense so with that falls to the comments of both my colleagues here today. So, with that if will move the Clause.

Mr. Deputy Speaker: All those in favour? Opposed? Carried. Thank you. By-laws. Councillor Swandel.

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

Councillor Swandel: Thank you, Mr. Speaker. I move the following By-laws be read a first time, By-law 61/2010, By-law 62/2010.

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

Clerk: By-law No. 62/2010 and 61/2010.

Councillor Swandel: Mr. Speaker, I will move that By-laws numbered 61/2010 and 62/2010 be read a second time.

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

Clerk: By-laws 61/2010 and 62/2010.

Councillor Swandel: Mr. Speaker, I will move that the rule be suspended and By-laws numbered 61/2010 and 62/2010 be read a third time and that same be passed and ordered to be signed and sealed.

Mr. Deputy Speaker: All those in favour? Opposed? Carried. Question Period for Infrastructure Renewal Public Works. Any questions? Seeing none, we'll move on to the Standing Committee for Finance. Councillor Fielding.

REPORT OF THE
STANDING POLICY COMMITTEE ON FINANCE
DATED MAY 10, 2010

Councillor Fielding: Thank you Mr. Speaker. While being the past Chair of Property, Planning and Development, I see myself missing introducing By-laws but I'm happy here to introduce one. The Report move adoption of Consent Agenda, Item No. 1.

Mr. Deputy Speaker: All those in favour? Opposed? Carried. Thank you. No motions. No By-laws. Any questions of our Finance Chair? Councillor Wyatt, one question for Finance.

STANDING POLICY COMMITTEE ON FINANCE
QUESTION PERIOD

Councillor Wyatt: When are we going to start on the budget process? (Laughter) Mr. Chairman. When is EPC going to start the budget process?

Councillor Fielding: Right. We're, obviously we just finished the Operating in the last month or so. I think administratively, they are starting the process. We are in a different cycle this year because of the Election, so you know, to be quite honest with you, we haven't decided when we would have some initial meetings, background meetings for it, so I don't have an answer for you, but probably over the next number of weeks, we'll kind of decide when that process will begin.

Councillor Wyatt: In the past, our Administration usually starts working on the Budget no later than July, even earlier, and direction would have to be given to them in terms of what type of budget to start to prepare. When do you expect that direction to be given?

Councillor Fielding: Well, what I'll commit to is this. You know, I will have some more scheduling details I guess by the next Council meeting in terms of when we're starting our process, but no decisions have been made as of yet.

Mr. Deputy Speaker: Being no further questions of Finance. We'll move on to the Downtown Committee. Councillor Swandel.

REPORT OF THE
STANDING POLICY COMMITTEE
ON DOWNTOWN DEVELOPMENT
DATED MAY 10, 2010

Councillor Swandel: Thank you, Mr. Speaker. I will introduce the Report and move adoption of Consent Agenda Item No. 1.

Mr. Deputy Speaker: All those in favour? Opposed? Carried. No motions. There is a By-law.

**STANDING POLICY COMMITTEE ON
DOWNTOWN DEVELOPMENT
CONSIDERATION OF BY-LAWS**

Councillor Swandel: Yea haw, Downtown By-law. Councillor. Oh, that's me. (Laughter) I will move, too many reports here. I will move that By-law No. 59/2010 be read a first time.

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

Clerk: By-law 59/2010.

Councillor Swandel: Okay, I'll take my glasses off so I can actually pay a little closer attention here. I'll move that By-law No. 59/2010 be read a second time.

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

Clerk: By-law No. 59/2010.

Councillor Swandel: Mr. Speaker, I'll move that the Rule be suspended and By-law No. 59/2010 be read a third time and that same be passed and ordered to be signed and sealed.

Mr. Deputy Speaker: All those in favour? Opposed? Carried. Question Period for Downtown, if any. Seeing none. Councillor Swandel you are off. Standing Committee of Property and Development, Councillor Steeves.

**REPORT OF THE
STANDING POLICY COMMITTEE
ON PROPERTY AND DEVELOPMENT
DATED MAY 4, 2010**

Councillor Steeves: Thank you, Mr. Speaker. Report of May 4th, 2010 I'll introduce Report and move adoption of Consent Agenda Items 1 to 13.

Mr. Deputy Speaker: All those in favour? Opposed? Carried. Notice of Motion from Councillor Gerbasi and Orlikow.

**STANDING POLICY COMMITTEE ON
PROPERTY AND DEVELOPMENT
NOTICE OF MOTIONS**

**Moved by Councillor Gerbasi,
Seconded by Councillor Orlikow,**

WHEREAS the City of Winnipeg is committed to affordable housing;

AND WHEREAS the City of Winnipeg has an extremely low vacancy rate that makes it difficult for many Winnipeggers to find affordable housing;

AND WHEREAS the City of Winnipeg currently does not address apartment to condominium conversions and its impact on vacancy rates;

AND WHEREAS the cities of Edmonton, Regina and Saskatoon have condominium conversion policies which regulate the creation of condominium properties;

AND WHEREAS the cities of Regina and Saskatoon have condominium conversion policies which protect minimum vacancy rates;

AND WHEREAS the City of Toronto gives opportunity for tenants to address the conversion of their buildings to condominiums through the Ontario Municipal Board and Tenant Support Grants Program;

THEREFORE BE IT RESOLVED THAT the City of Winnipeg Public Service be requested to report back to Council in 120 days with a report including:

(i) examining the salient issues involved in apartment to condominium conversion in the Winnipeg market, compared with other Canadian markets;

(ii) *a proposed policy to regulate Condominium Conversion in the City of Winnipeg.*

Motion No 5
Moved by Councillor Gerbasi,
Seconded by Councillor Orlikow,

THAT the Notice of Motion proposed by Councillor Gerbasi and Orlikow regarding Conversions to Condominiums be amended by replacing:

(ii) a proposed policy to regulate Condominium Conversion in the City of Winnipeg

with

(ii) consider a range of stratagies to address the shortage of affordable rental accommodations in the City

Motion No. 6
Moved by Councillor Gerbasi,
Seconded by Councillor Orlikow,

THAT the Notice of Motion proposed by Councillor Gerbasi and Orlikow regarding Conversions to Condominiums be amended by replacing:

THEREFORE BE IT RESOLVED THAT the City of Winnipeg Public Service be requested to report back to Council in 120 days with a report including:

(i) examining the salient issues involved in apartment to condominium conversion in the Winnipeg market, compared with other Canadian markets;

(ii) a proposed policy to regulate Condominium Conversion in the City of Winnipeg.

with the following:

THEREFORE BE IT RESOLVED THAT the City of Winnipeg Public Service be requested to report back to Council in 120 days with a report on the issue including:

(i) consideration of a range of strategies to address the shortage of affordable rental accommodations in the City

Motion No. 7
Moved by Councillor Gerbasi,
Seconded by Councillor Orlikow,

THAT the Notice of Motion proposed by Councillors Gerbasi and Orlikow regarding Conversions to Condominiums be amended by replacing:

THEREFORE BE IT RESOLVED THAT the City of Winnipeg Public Service be requested to report back to Council in 120 days with a report including:

(i) examining the salient issues involved in apartment to condominium conversion in the Winnipeg market, compared with other Canadian markets;

(ii) a proposed policy to regulate Condominium Conversion in the City of Winnipeg.

with the following:

THEREFORE BE IT RESOLVED THAT the City of Winnipeg Public Service be requested to report back to Council in 120 days with a report on the issue including:

(i) consideration of a range of strategies to address the shortage of affordable rental accommodations in the City and consultation with stakeholders including the Province of Manitoba.

Councillor Gerbasi: Thank you Mr. Speaker. First of all, I'd like to withdraw Motions 5 and 6. We finally landed on Motion 7. It's a bit of a work in progress today and I appreciate everybody's patience on that. The purpose in bringing forward this Motion and I'm really pleased actually with, that we got the delegations that came down and we had some discussion today and we had some dialogue between ourselves on this because this is a hugely important issue and the issue is the shortage of affordable rental accommodation in our City. And it is broader than simply condo conversion. We all know condo conversion is happening at a huge rate, in many areas of the City. It's hitting my area very hard, the Corydon area and Osborne, but it's not just condo conversions, it's…a lot of tenants are being evicted and their suites are being upgraded to very high level, more expensive accommodation. In fact, I was actually quite heart broken last week, I received a call from a gentleman who was from, 500 Stradbrook, you might be familiar if you know Osborne Village. But that is a very large rental apartment and he said that the entire population of that apartment was being evicted. He was 70 and he said he was the youngest person there probably and it was these, you know, very elderly seniors, that have lived. You know, I've represented the area a long time you know, it's been part of our community and all of those people have been evicted, not for condo conversion at this stage, although may be a stepping stone to that but for significant upgrades, and they did not know where they were going to go. I mean, where are these people supposed to go that they can afford? I mean a lot of these people are on fixed incomes and so on. So I'm bringing up example forward, just to bring to you the magnitude of the decision I mean, that's at one end of the lifespan when you are a senior and you're trying to find a place to live. It's also true of young people, single mothers, people trying to find a place to live and is very, very difficult and getting more difficult every day. And this is a problem that's happening across the country. I appreciate some of the comments from delegations earlier that we need to get all the partners to the table. We need a national housing strategy. As your FCM representative, I was part of advocacy days on housing and with some Councillors from across the country, talking to MPs about this, but we need this, we need the Federal Government involvement, we need Provincial Government involvement and we need private sector involvement to really make a difference in these housing issues. And these are the same issues every City's facing. I know the issue of rent controls and was raised as the big cause of all the problem but if that was true, then we'd be the only place that had that problem, because every jurisdiction in Canada pretty much has the same problem. Because it really stems from the Federal Government getting out of the low income housing business, and we really need to get that process going and partnership again with all the players involved. That's the big picture. But in the local picture I think it's important…I mean, I think we've done as a Council, this Council has done some really good things in the Multifamily Tax Cut Programs and Downtown and other things, but the one area that's just really hard to get at is the affordable rental accommodation for lower income people. And rental accommodation, you know, sometimes we get stuck in a mind set. It's all about home ownership and that's what makes a neighbourhood safe, but if you have a mixture, a mixed neighbourhood, many of the neighbourhoods I represent are very mixed in income and so on. And a mixture of rental and home ownership works really well. I mean, some people just aren't going to be able to buy a house. I mean, we need to provide those housing for first time home owners, but we also need to provide affordable rental accommodations and we need a strategy for that. So the motion which originally just came out of almost just a reaction to this condo thing that seems to just be happening, we…I think we might need some short-term measures to see what kind of strategies we can do. Other places have looked at regulations and different things. I don't think it's unreasonable to at least look at that. But I think the motion has been changed to simply consider a range of strategies to address the shortage of affordable rental accommodations in the City, in consultation with stakeholders including the Province of Manitoba. Because really, nobody can do housing alone but I do think it's important that the City does have a role in housing. Our Winnipeg housing and homelessness initiative has been very successful and we haven't really, on the scale of what people invest in housing, it's been a small investment but it's been very effective in levering other money from the other levels of Government. So, I really think we need to act as a Council and this is a real issue for people who are having trouble finding places to live and it's getting worse. We have a low vacancy rate and is less and less affordable housing out there and we all need to work together on that. So I hope that we going to see a really comprehensive discussion and process and suggestions of where we can go from here on this. On this, I think we have to take the time to do it properly and include all our partners and I appreciate the discussion between the Councillors and the delegations and hopefully come to a Motion that people can support, thank you.

Mr. Deputy Speaker: Councillor Swandel.

Councillor Swandel: Thank you, Mr. Speaker. I want to thank Councillor Gerbasi, Councillor Orlikow for bringing this forward. Finally found something that we can sort of land on together here. I know, for Councillor Gerbasi, it's a very serious issue in the Court and the Osborne Village areas. The visual of it, with those rental properties changing to

condos for sale, you know speaks volumes. I think, we learned a lot here this morning. When you see how complicated this issue is, you get the sort of, the argument of how much home ownership should there be verses rental. You get rent controls and you get you know, condo conversion to no condo conversion. But my point I want to make is that there is something going on out there that is having a very serious effect on people's ability to find housing. I know Councillor Browaty is quite familiar with cap rates and values and you look at what some apartment blocks are selling for. The numbers just aren't making sense. It should be sending alarm bells off for us and I think it is. I think this motion is saying that that is but because it's such a complex issue, we can be in conversation for a long time and we know that it is multilevel and it's good to hear conversation around the National Housing Strategy. That's not going to happen overnight so we need to be very focused when this goes forward. Our people need to come back to us fairly quickly, recommend how you engage the other players knowing that this is more of a Provincial or Federal issue but we have a responsibility here. There is planning and you'll see, in Our Winnipeg, we know that we will be talking about increasing density and you know making, having all forms of housing out there available and all forms of housing I think covers the affordability spectrum as well. So we need to get rolling and I'm standing up to speak to this because we need our people getting this back to us fairly quickly so we can get that conversation going with the other levels of Government, and not just government. I mean, we had good representation from stakeholders, from the Real Estate end of things to Housing Coalition, the Right To Housing and there's many others out there that will have some thoughts and ideas on what we should be doing here. So we've got to get going.

Mr. Deputy Speaker: Thanks, Councillor Swandel. Councillor Steeves.

Councillor Steeves: Why not? (Laughter) I don't think it's fair to the balance of Council that they don't get to hear me speak again. (Laughter) I think it would be. (multiple voices).

Councillor Swandel: I move that we suspend the rules to cut Councillor Steeves time to two minutes.

Councillor Steeves: There we go. I'll be pleased to support this motion for my good friend Councillor Gerbasi. As you're well aware, Mr. Speaker, her and I think alike on most issues and as such I'll be moving together arm and arm into the battle of housing in our marketplace. What's going to be interesting about this one, Mr. Speaker is where this winds up. I get the sense this enjoys almost unanimity on Council floor but I think people philosophically have different ideas as to where it's going to wind up, and that's going to be a lot of fun when we get there. I was intrigued by Councillor Gerbasi's example. That's a bad example of the way housing is going in this City and some of the challenges that are facing real people. You could look at that example in a couple very diametrically and philosophically opposed ways, couldn't you, Mr. Speaker. Some would say that these people who aren't well heeled enough to have access to the necessary moneys require more money either through social assistance, through CPP, OAS or whatever happens to be, to get them the necessary funding to buy adequate housing. Other people would say, what would've happened, over the course of the last 15 years or however long this building has been sort of in the theatre of recent rentals in that area, what if they wouldn't be landlord could have been charging what they perceive to be fair market rates within the area? Now doubtless, there might have been challenges on a year to year basis for individuals in the apartment, there would've been some adjustments that would've been…had to have made but I would be willing to wager that the landlord, the landlord whoever that is, just at some point came to the business conclusion that because of what they are going through, and because of the opportunities that exist on the other side of the fence, this rental game just ain't worth playing any more. And you probably would come to a pretty quick conclusion that the idea of rent control accomplished exactly the opposite end of what people who favour rent control want it to accomplish and therein lies the problem. There are all sorts of people out there in the Community who will argue till the end that rent control is the saviour of the person who is less well heeled in our Community. There are also people who work in NGOs and who work in Social Service agencies who will tell you that rent control policies do nothing but build slums. You've heard from the Development Community perhaps their reaction is a little bit more predictable but this is a very complex issue. For me, I'm interested in talking about what it means, particularly in our downtown area. We know we have two schools downtown, both of which seem to be going in the right direction. We know that those facilities require a certain amount of rental housing to support those, we're going to require certain numbers. I'm not convinced that they exist right now. I'm not convinced that there is a plan to have them to exist in the future either and that's one of my concerns. We don't want young students who would otherwise be living downtown to not have that opportunity. That would be a really horrible outcome and nobody wants to see that. Of course, the data and all of the studies and research shows that a vibrant downtown is built primarily around the idea of people living downtown. That's one of the things, one of the measurement sticks people use and particularly university populations that live downtown. So, I was actually the person who brought the original Motion to our Committee, which was, I guess it failed on a tie vote at Committee, so while it was 2 – 2, we couldn't quite get it through at that stage. I had the erstwhile support of my 50 colleague who vacated the Chamber as we speak, but we did enjoy (Laughter) we didn't enjoy the support of our two other colleagues at the time but I'm sure with this adjustment we're going to get there. My final comments on this are going to be, Mr. Speaker, the bugaboo on this file and the overreaching problem is in our shoulder neighbourhoods around the Downtown which, by the way, the

American Real Estate Association is saying in Metropolitan Centres are going to become the most desirable areas in which to live in metropolitan areas, those shoulder areas that surround sort of the Downtowns of cities, those are going to be increasing proportionally by the most value, they expect. We were seen judification issues from our HIZ sir, coming forward and saying they're not exactly sure how to react. They are partially happy of course, partially concerned. But, within this study, we certainly hope that we're going to have a discussion with our friends from the Province, about social assistance and rates that are paid for housing. We started off this discussion that Property Committee using the amount of over 300 dollars, 325, 350 dollars. Throughout the course of our delegations, as they came through our Committee, we learned that it's probably closer to 287 to 290 dollars that a person is receiving for housing as a single person in certain circumstances to buy housing and I served notice at that time and as far as I'm concerned if anybody, including the Province expects us to build a housing policy around people who can only spend 290 dollars a month on housing expect nothing but slums because nobody, and I mean nobody in this day and age can fit in a decent Housing Policy around those sorts of numbers. So we look forward to this one.

Mr. Deputy Speaker: Thanks Councillor Steeves. Councillor Wyatt:

Councillor Wyatt: Mr. Speaker. You know, I think this is quite a significant motion and I want to thank Councillor Gerbasi and Councillor Orlikow for moving it, and for the amendments that they're proposing, the amendment they're proposing to the original Motion. And I say it's significant because of the fact that I don't think, you know, five years ago, I don't think…10, definitely 10 years ago, we would've had or maybe, and I don't know if the vote will be unanimous on your Motion but it would've had this kind of consensus that seems to be in the room. Because if you recall for the longest time in this body, there was a view and a position that debating housing and issues of affordable housing was not the business of City Council, that this was the business of Federal Government and Provincial Government, that this is none of our business and we shouldn't be talking about this issue. I think we've come a long way recognizing the challenges we're facing that we live in a city today, Mr. Speaker, which is growing, growing fast thanks to the fact that we have Government Policies encouraging that growth clearly in immigration. We also have the continual movement coming from the Aboriginal from the Indian Reserves into the City, which is putting more pressure on affordable housing, Mr. Speaker. And this is actually having a huge impact to the growth of our City on housing and affordable housing and we clearly cannot continue down the path as business as usual. And, I think that's a major step in the right direction, to have this discussion and to be able to look at these issues. In the past, we have had that discussion. We have had the Winnipeg Housing Steering Committee. We as a City initiated a major process with the affordable housing initiative ten years ago. I think we have to really renew that effort, Mr. Speaker, because we really have no choice if we want to ensure people can…who need to work and live in our City can afford to work in our City can actually afford to live in our City. And it's also going to be in a challenge Mr. Speaker, for the private sector. I'm looking forward to seeing what Plan Winnipeg has to say in terms of housing and affordable housing specifically on issues like inclusive zoning where Developers would be required to set aside land for affordable housing that they would either be required to build or they would hand over to development authority to build as is done in other jurisdictions. Councillor Swandel refers to the fact that we're, it won't happen overnight, the National Housing Strategy actually could've happened overnight, Mr. Speaker. It would've happened already had the House of Commons not been prorogued by the Prime Minister. There was actually a Bill on the Order Paper for the National Housing Strategy that died with the prorogue. So there was actually, it's in the works, Mr. Speaker, it's there. We're the only western democracy without a national housing strategy. We need to, at the local levels, to start raising these issues here in Council because that's the only way it's going to get resolved. We're raising these issues and these concerns that we need to have more funding and more attention by the Province and the Federal Government to actually start to solve the problems that are happening in the Communities. We are the closest level of Government to the community and we hear from the citizens out there clearly Councillor Gerbasi is having an issue in her Ward. I feel philosophically disagree in creating more restrictions in terms of condo conversions. I am of the view, Mr. Speaker, that really we have a lack of investment. One way or the other whether it be from the public sector, private sector in affordable housing and a lack of levers to make that happen, Mr. Speaker. We really have to start to address it. We have to recognize that we as a City, just as we approve the subdivision and rezoning public hearings, we deal with it all the time in our various Community Committees. We are in the housing business, whether we like it or not. We've been in the private, for profit housing business for years. And the direct decisions that we make in those public hearings have an impact on the rest of the City and those who can afford to live. There is going to be a day of reckoning coming up here. I think Mr. Speaker, in terms of affordability, the market is still strong. Interest rates are still relatively low. Will that continue? Can people continue to afford homes that are now 300,000 dollars and moving up thanks to the increase as the artificial increase I would argue, in land prices, even though we have rezoned more land in the history of this City than ever before and yet land prices continue to be driven up even though lots are available. The day of reckoning Mr. Speaker, is going to be there where people are going to have this…or not going to be able to continue to afford that and we have to make room in our society to ensure that folks from all backgrounds and all walks of lie can afford to live in communities across this City. And I'm concerned that that's going to…that ideal that… that entire ideal which in many ways is a North American ideal, the ideal of home ownership and ability to live in a City that you work in is…could be potentially lost, Mr. Speaker where people would have to commute long distances,

as you see in other parts of the world and you start seeing it happen now in many North American cities. So I welcome this, I congratulate the Councillors for doing this. I think a lot of the solutions are available and they're there and not, some of them are very simple that we can implement. That would actually encourage this with the Provincial Government and encourage steps to encourage more affordable housing and to facilitate more affordable housing without creating more red tape. Thank you.

Mr. Deputy Speaker: Thanks, Councillor Wyatt. No further speakers on this? Councillor Gerbasi, if you would like to close.

Councillor Gerbasi: No, you can just call the question.

Mr. Deputy Speaker: Ok. On Motion 7, all those in favour? Opposed? Motion carried. By-laws for PP and D.

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

Councillor Steeves: Mr. Speaker, I will move that the following By-laws be read a first time, By-law 53 through 58, all of 2010 be read a first time.

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

Clerk: By-laws numbered 53/2010, 54/2010, 55/2010, 56/2010, 57/2010, and 58/2010.

Councillor Steeves: By-laws 53/2010 to 58/2010, both inclusive be read a second time.

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

Clerk: By-laws 53 to 58, 2010, both inclusive.

Councillor Steeves: I'll move that the Rules be suspended and By-laws numbered 53, 2010 to 58, 2010 both inclusive be read a third time and the same be passed and ordered to be signed and sealed.

Mr. Deputy Speaker: All those in favour? Opposed? Carried. Question Period for Property and Development. Any questions for Councillors Steeves? You'd like to ask yourself a question? (Inaudible) No questions, I invite Councillor Pagtakhan to.

**REPORT OF THE
STANDING POLICY COMMITTEE ON
PROTECTION AND COMMUNITY SERVICES
DATED MAY 3, 2010**

Councillor Pagtakhan: Thank you Mr. Speaker. I'd like to introduce the Report of May 3, 2010 and move Consent Items 1 through 6.

Mr. Deputy Speaker: Ok, stand down 1.

Councillor Pagtakhan: Mr. Speaker, that's the Police Cruiser Car Allocation. I'll wait for Councillor Wyatt to respond.

Mr. Deputy Speaker: Shall we move 2 through 6, please? All those in favour? Opposed? Carried. Thank you.

Item 1 - Police Cruiser Car Allocation

Mr. Deputy Speaker: He already did, go ahead, Councillor Wyatt.

Councillor Wyatt: All right. (Laughter) The issue, Mr. Speaker, is one which is quite serious that's before us here today. The Motion moved…the original Motion moved by myself, seconded by Councillor Browaty, basically Mr. Speaker is trying to drive at an issue which clearly is not going to go away even with standing this Report. The issue, Mr. Speaker, is the fact that in many communities in the City and suburban communities, we have a growing problem where the cruiser car assigned to us through the 27 cruiser car area is continually being pulled out of their cruiser car area. And this is happening on not, on an emergency basis once in a while, but this is happening on a more than

regular basis far too often regular basis Mr. Speaker. And I want to make it very clear from the outset right at the beginning, Mr. Speaker that I don't think anyone here, is saying especially myself, saying that we don't think that Police aren't trying the best they can with the resources they have, they're clearly trying to doing that. Nor are we saying, Mr. Speaker, or I am saying, that in the event of an emergency cruiser cars should not be pulled out to be able to address an issue that is seen as high priority, definitely not saying that. And that was also, Mr. Speaker, communicated very clearly to the City staff who are working on this Report in advance of it, those views, from the Mover of the original Motion. What's saying, Mr. Speaker, is that clearly, we have a problem here with resources that have been earmarked in terms of, in terms of where the cruiser cars are. And why do we have, Mr. Speaker, cruiser car areas? I would argue, Mr. Speaker, the concept behind cruiser car areas goes back to a concept which clearly identifies the importance of having a police presence in communities and not just a police presence in communities but a presence, Mr. Speaker, which is community orientated. So originally, Mr. Speaker, in the 80s when these 27 cruiser cars were originally established, if a cruiser car went out of its cruiser car area and you talked to Officers who were around a long time back in those days and they left the cruiser car area, they had to have a pretty good reason to their Supervisor of why they left their cruiser car area. And why is that, Mr. Speaker? Because of the concept that these Officers were practicing true community based policing, not a storefront, not Foot Patrols but Community-Based Policing, Mr. Speaker, where they were in their communities, they were assigned to their communities, they knew their communities. They knew the problem homes. They knew the challenges in the area. They knew the problem people in the communities that they had to deal with. We've lost this, Mr. Speaker. Now I talk to Officers, they're going from one end of the City to the other, quite often and they don't even know originally really what community, cruiser car area they're assigned to because of the fact, it's a number, they have the number, but they're all over the place. Now the Report says, to solve this problem we need about 17 million dollars, Mr. Speaker. What's interesting about that, Mr. Speaker, if you read the report, is a report, first of all, says last year approximately 91% of dispatched calls were answered by Patrol Units from their District of Origin, 91%, that sounds like a lot, so there shouldn't be really a problem, right? Well, the fact of the matter is their District of Origin, Mr. Speaker, is huge. On the east side of the City now, the east district is the entire east side of the river from North Kildonan in the north to South St. Vital in the south and as far east as the floodway and Transcona. It's a massive area, Mr. Speaker. And what's interesting is the comments that were made in the Report below that. That says calculations reveal that 38.28 patrol car units are required per shift to answer all of the calls each year. If each patrol unit were to respond only to the calls for service in their cruiser car area. This is a formula that they use, Mr. Speaker. They then extrapolated from that formula based on that they would need, the shortfall is 11.17 patrol units per shift. So Mr. Speaker, we're going from 27 patrol cars per shift to another 11 per shift. That is how great the problem has become. That is how often the patrol cars are out of their patrol car area. Nothing could exemplify the fact that this is such a huge problem that patrol car areas have become so redundant, in fact, than the report itself, what is documented here today. We say that this is impossible to address. Let me say, Mr. Speaker, that clearly it is addressable. We have, the Mayor is proud to state publicly how in the last five or six years we've added, what is it, 100, 120 officers, 140 officers? Where are these officers being assigned to? Why aren't they on the frontline services in the community that we, in the communities that we're elected to represent? Mr. Speaker, I understand the challenges facing the Police Service in the inner city. I understand that 100%. And I understand that they have to get to those calls in the inner city, absolutely. But the challenge we're facing here, Mr. Speaker, is that these cars are getting pulled out of the very areas they're supposed to be serving it because of a shortage of resources on the frontline services. This is a real problem. The report says, Mr. Speaker, that it is none of the business of this Council or Councillors to give direction on the management of the Winnipeg Police, well, I'm sorry, Mr. Speaker, where on a Friday and Saturday night and there's no cruiser car in my community, well, guess what, it's now a concern of my constituents, it's a concern to me. And it better be a concern to every Councillor in this room and the Mayor. I believe, Mr. Speaker that a bare minimum amount of coverage is not too much to ask for. This Report, Mr. Speaker, came back and said this is the extent of the problem and this is what it's going to cost. Well then, let's roll up our sleeves and start solving it, let's find out where those officers are, that we've added to the Budget, year after year after year. By the way, most of that to give credit where credit is due, coming thanks to Provincial dollars assigning more police to the City. That's how we've increased the complement. Where are those officers? Why are they…why are we not…why are we set at 27 cruiser cars, Mr. Speaker, since the 1980s? The City has grown, the population has grown, the challenges are still, actually you could argue the challenges have gotten worse yet we have stuck at 27 cruiser cars since the 1980s, Mr. Speaker and we seem to be prepared to do absolutely nothing. Mr. Speaker, I have a real problem with this and I have a problem with this because I know and I'll go back even before the 1980s, prior to Unicity, that the community that I represent had four full-time cruiser cars on duty all the time. Four. Not the one that we have today but four full-time cruiser cars. Now, Mr. Speaker, I understand that the Winnipeg Police Service offers a lot of other services that the original City of Transcona Police Service probably couldn't begin to offer. But the fact of the matter is the police presence in the community is not for the sake of police presence but to do a lot of preventative policing, Mr. Speaker, that we should be working on and be prepared to deliver on is there. Let's start to address just part of the problem, Mr. Speaker. I'm not even talking about the year round problem that clearly the Police identified here. Let's start just simply by identifying the problem that we know is probably the biggest part of the problem which is the summer months when

it's warm like this in May, starting to September, and the weekends, you know, we're talking twenty weekends, forty days. Forty days out of 365 days that (inaudible), Mr. Speaker.

Mr. Deputy Speaker: Councillor Vandal moves extension. All those in favour? Opposed? Carried.

Councillor Wyatt: It's not a lot of time we're talking about here and a small fraction of the entire year. Let's try to identify those that…they start working on that. I mean it's interesting, Mr. Speaker, that a former Deputy Chief called me after he read the Report to give me solutions. That the Union President called me to give solutions and actually solutions weren't that different. And they were actually to say you know what, we need more cruiser cars assigned in the City permanently, to these Districts and especially the long…two Districts that came up, were the East District and District 6 in the west. Mr. Speaker, I think we have and I challenged the Mayor that this has to be for an issue that has to be resolved. The Mayor, I believe, has acknowledged that this is a problem. Since we've all acknowledged the problem, let's start finding the solutions and I understand that the folks in the inner city need police protection and need the coverage and they demand it and the services are there but I don't think it's not much to ask, Mr. Speaker, for the communities and the City that are paying the lion's share of the tax bill of the City to be able to get a minimal amount of police protection coverage, it's not a lot to ask. So, I can't support this report here today, because it's not giving any solutions other than the status quo. And the status quo, Mr. Speaker, is not acceptable. Thank you.

Mr. Deputy Speaker: Thanks Councillor Wyatt. Councillor Swandel.

Councillor Swandel: Thank you Mr. Speaker. I think it's important to stand up and defend the fine members of the City of Winnipeg Police Department, the report that they brought forward to us. For starters, let me just correct Councillor Wyatt. The report doesn't say that there is a problem. The report does not say there is a problem. The report says that we respond to calls in a, in a managed fashion. We've got tools in our City now, CrimeStat to what Councillor Wyatt talked about having four police cars in his district on a Saturday night. I can tell you, in the last seven days, in his district, if you want to refer to it as that, looks like there was about ten, maybe twelve, incidents in the last seven days, or in the seven days leading up to May 17th. That's the tool that we have in front of us tells us that if you, if you take a look at the City Wide, you see where the resources are required. That's what we do, we do resource management here. And when you connect the dots of what Councillor Wyatt was saying, you know, the ninety one percent happening in the district that the car, the original district for the car, and 38 percent, you can see that we are measuring our…are using our resources wisely. And I don't know where, what it is and I know we have very different Wards, Councillor Wyatt and myself I feel…I get the sense in the community people are starting to see this City being safer. Our statistics are proving that out. You know, citizens continue to say that safety, crime and safety is one of the key issues along with infrastructure. But we're seeing that change. We're starting to see the crime statistics show that things are getting better in Winnipeg and we're getting a sense from citizens that they're feeling that level of comfort and safety. So, with all due respect to Councillor Wyatt, and I understand the intent of the Motion here, I think that I will rely on our Chief of Police, our Deputy Police Chief's, and the staff that are trained in how to best allocate the resources of the City of Winnipeg Police Department to respond to crime in the City of Winnipeg and provide for the safety of our citizens.

Mr. Deputy Speaker: Mayor Katz. Okay, go ahead.

Mayor Katz: You know what, Mr. Speaker, Councillor Browaty had a…

Mr. Deputy Speaker: Okay, go ahead. Sorry.

Councillor Browaty: Thank you very much, Mr. Deputy Speaker. In 2006, the spring of 2006, long before I knew Mayor Katz, in fact, I didn't know anyone I ended up becoming elected with besides Councillor Fielding and the late Councillor Leipsic. I had the opportunity to attend the Mayor's City Summit. And Rudy Giuliani, the guy who I think is largely credited for turning around New York City, talked about his broken window philosophy. It was about, you go after the small, little things and that stops preventing people from letting things follow. So that's a slippery slope to, you know, little crimes, people littering and stuff. He turned around New York City by going after some of the small things, like broken windows. Today, I get complaints about things like graffiti, people littering, kids in parks up to no good, homes and sheds and garages being broken into and the Police not even showing up to respond at all. Kids loitering and disrupting people at grocery stores at lunch time, and drug trade in North Kildonan. It's unbelievable where we've come. I don't…these things…but this was not the level of an issue as it was when I was in High School, not even that long ago. (Inaudible) (Laughter) I set myself up for that one. (Laughter) I set up myself for that one. Now I hear from fathers…from a father who's worried. If he goes away on holidays, he's got young, young kids in their late teens still living at home, no I don't live at home, in their, in their late teens living at home, they're worried. If their kids have a house party, if they have some friends over on a Friday or Saturday night and things get out of hand, perhaps there's alcohol involved and things escalate, perhaps people show up that weren't invited to a house party. If they call

911 or if they call the Police, where are the Police? Very good chance they're not in North Kildonan. Now, you know what they've done. They've picked up and moved to East St. Paul. They are no longer paying taxes here in the City of Winnipeg. They made the choice and they moved to East St. Paul, because they know, in East St. Paul, there is a dedicated RCMP detachment there, that will respond to a call on Saturday night. They don't get called away to the downtown core if there is something going on in, in downtown. There's a dedicated force that, in a quadrant there that's much smaller. Having a Police car in every Ward of the City or pick a geographical area whether it's car area, the semantics and the actual technicalities of it, should be, should be looked at. I mean just the, turning down the notion of every Ward, they should come up with a better suggestion, perhaps another geographic area that would've made sense, perhaps having that visibility there, scares some kids that are going to cause trouble. It's going to stop that drug deal from happening where you know, the day time forces know they're there but because they don't' have a car that's going through there anymore, they're not there on a regular basis. So again, I, ah, love the work that our men and women of our Police Force do. The organize response team does excellent work and I've worked with them, you know, in some particular areas where we've identified problems and they've done a good job cleaning them up. But just having that regular, consistent Patrol car, in a geographic area, I think is so important. So I will not be supporting the recommendation here from the EPC. Thank you.

Mr. Deputy Speaker: Mayor Katz.

Mayor Katz: Thank you, Mr. Speaker. Just want to share some information. First of all, I think everyone here knows that the Chief of Police and only the Chief of Police has the Legislative authority to direct where the resources go, being our Police Officers. That's number one. Number two, as most people know, the Provincial Government has basically moved towards Police Commissions, which I think may even be more difficult for us to have input down the road. As we stand today, the Mayor and any Councillor can most definitely speak to the Chief of Police, and as Councillor Wyatt is aware of, through some dialogue with some others and some suggestions that came out, they were shared with the Chief of Police, who basically said that he would look into them so I just wanted to make sure that the Chair was aware of that, that there were some other ideas that were thrown out and wanted to make sure that Councillor Pagtakhan knew that the Chief was looking at it and basically said hey, this is worthwhile looking at. So they are moving forward. When the Chief tells me that, I accept and I believe that and I will wait for them to access that situation. In the meantime, I will be supporting the Motion.

Mr. Deputy Speaker: Councillor Pagtakhan.

Councillor Pagtakhan: Thank you, Mr. Speaker. First of all, I just want to thank both Councillors Wyatt and Councillor Browaty for their Motion. I think where they're coming from is the right place, however, like the Mayor says, the Chief of Police has a Legislative Authority with respect to this batch, and you know, running at the Winnipeg Police Service and we need to trust the Chief of Police to do that job well. Now, 27 cruiser car policy, it makes sense that we have that policy, Mr. Speaker, because to have the Police dispersed across the City is certainly a smart thing to do. And for the Police to respond to calls for service in a timely fashion where it's needed is really an effective use of our resources, and that's important, that's…that is something that the Chief acknowledges and I hope that my colleagues who move this Motion and second it, can recognize that as well. The Winnipeg Police Service has a Community Support Unit, Mr. Speaker, that actively speaks with local resident groups, schools, church groups, service clubs, any particular group that's interested in meeting with the Winnipeg Police Service. That Unit will go out and talk with them on a number of issues relative to crime and safety and crime prevention. And as well, as you know this Council has just recently approved the Auxiliary Cadet Program, as well as a Flight Operations Unit that will hopefully be coming on stream later this year. The Mayor alluded to it, already Mr. Speaker, that the Chief of Police, is aware of both Councillor Wyatt and Browaty's concerns and certainly working to ensure that there is maximum coverage in all areas of the City, but I think you know, we all need to support this report because I think it speaks for itself that we need to support the Chief of Police, in the management of the Winnipeg Police Service. Thanks, Mr. Speaker.

Mr. Deputy Speaker: Thanks, Councillor Pagtakhan. There being no other speakers. Recorded vote? All those in favour of Item 1, Protection Community Service?

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Katz, Councillors Fielding, Gerbasi, Orlikow, O'Shaughnessy, Pagtakhan, Smith, Swandel, Vandal and Mr. Deputy Speaker Councillor Nordman

Nays

Councillors Browaty and Wyatt

City Clerk: The vote Mr. Speaker, Yeas 10, Nays 2.

Mr. Deputy Speaker: Motion passed. I'm going to ask Councillor Browaty to bring a Motion from Secretariat.

**REPORT OF THE
COUNCIL SECRETARIAT COMMITTEE
DATED MAY 11, 2010**

Councillor Browaty: I move the Report of the Secretariat Committee dated May 11, 2010 and move Consent Agenda Item No. 1.

Mr. Deputy Speaker: All those in favour? Opposed? Carried. I guess that concludes our business for the day. Quite often Councillor Lazarenko, our Speaker would say goodbye to his friends on the television who watch him religiously and I'd just like to take this opportunity to acknowledge him and give him our best wishes on a speedy recovery and that we hope he's watched us today and that he approved of our actions in this Chamber. So having said that, I'll ask Councillor Pagtakhan to move Adjournment.

ROLL CALL

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

Council adjourned at 4:40 p.m.