COUNCIL OF THE CITY OF WINNIPEG
Tuesday, March 20, 2012

The Council met at 9:35 a.m.

The Clerk advised the Speaker that a quorum was present.

The Speaker called the meeting to order.

The opening prayer was read by Councillor Sharma.

ROLL CALL

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

Mr. Speaker: And we have a notice calling the meeting, please.

Pursuant to Section 79(1) of the City of Winnipeg Charter, the City Clerk was directed by His Worship Mayor Kats to arrange a Special Meeting of Council on ***Tuesday, March 20, 2012 at 9:30 a.m.*** *to consider the 2012 Operating Budget and 2013 and 2014 Financial Plans.*

MOTIONS

Moved by Councillor Gerbasi,
Seconded by Councillor Orlikow,

Mr. Speaker: I have a notice that Councillor Gerbasi is going to just move regarding Councillor Smith, that he'd be granted a leave of absence today due to a personal family matter. All those in favour? Opposed? Carried. Thank you. We will proceed to our delegations. Councillor Gerbasi.

DELEGATIONS

Councillor Gerbasi: Mr. Speaker. I would like to ask Council to suspend the rules to hear…I have four speakers who wish to speak to…additional five minutes of no questions, Wendy Land and Andre Weremy, Mike Davidson and David Mouland.

Mr. Speaker: All those in favour? Opposed? Carried. So we will add those at the end of our already registered delegations. We have two delegations in favour of the budget and two in opposition and we will start with those in favour. Councillor…former Councillor Chris Lorenc, Manitoba Heavy Construction Association. Sir, you have ten minutes.

Chris Lorenc: Thank you very much, Mr. Speaker. Good morning, Mr. Speaker, Mr. Mayor, members of Council. I was unable to attend the meeting of Executive Policy Committee when it heard delegations on the Operating Budget, but I did submit written comments. I was also not able to be in Winnipeg for the Mayor's State of the City Address, but I do compliment you, Mr. Mayor, for the undertaking to work tirelessly until there's a sustainable and transparent funding formula for infrastructure. As you wind your way to final adoption of the 2012 Operating Budget, I'd like to offer some suggestions for the public and you to consider as it relates to municipal infrastructure funding options. Like it or not, the sheer magnitude of Winnipeg's total municipal infrastructure deficit hovering in the vicinity of $8 billion over the next 10 years at current levels of funding requires this Council, which is armed with the facts, to embrace lead and direct change including maximizing own source revenues borrowing authorities introducing organizational efficiencies and implementing best practices. Dedicated realty tax increases, frontage levies, user fees, road and bridge tolls, all accountably dedicated to infrastructure reinvestment, are within Council's ability to choose and ultimately implement. Further, if as we submit, and much of the public agree, that the solution is a shared responsibility between the three levels of government before providing municipalities access to any new revenue streams, senior levels of government will expect no less from municipal governments. Immediate first step for consideration in the 2012 Operating Budget, could and should include consideration of the establishment of a dedicated City infrastructure reserve to potentially match funds with provincial and federal governments anticipated through the Building Canada Fund Program by March, 2014. And there are two options of many to consider. You could consider a one-time two percent increase dedicated to infrastructure investment, which over the next three years would raise approximately $27 million in that dedicated reserve funding and would catapult the creation of $81 million shared three ways by the 3 orders of government by March 2014. Alternatively you could consider it an annual 2% increase and following that same dedicated strategy, could create a pool of funds in the order of $162 million to invest in infrastructure. We realize that no one likes tax

increases. However, modest municipal increases dedicated to infrastructure investment and renewal are not only a fiscal imperative but properly presented and transparently and accountably invested would be understood and supported by a majority of the public. The above suggestions are not without precedent. The City of Edmonton in 2009 recognized that it had to add a sustained revenue stream to its infrastructure requirements and came up with its 2% solution. It agreed to implement and dedicate a 2% increase annually, starting in 2009 and to accumulate those funds until a sufficient fund could be established to adequately address the needs for which those purposes were identified. We understand that the cities of Montreal, Calgary and Saskatoon follow similar such strategies. We also support the notion that as part of the overall solutions, municipalities must be granted access to consumption taxes which increase with economic growth. We support the view that Manitoba should increase the provincial sales tax by an additional point for municipal infrastructure reinvestment or enable a similar such province-wide levy dedicated to municipal infrastructure purposes. A 1% P.S.T. or similar such levy province wide would generate annually $254 million and in Winnipeg, assuming a per capita distribution, that 1% would equate to annual additional revenues sustained of 140 million and growing. The Federal Government, too, must not escape its shared responsibility. Its tax revenues benefit the most by a growing economy and to Councillor Swandel's often repeated suggestion; the Federal Government should consider increasing the G.S.T. which was reduced to 5 from 7%, along with then observations that that vacated room could be absorbed by other levels for specific purposes. The increase too should be dedicated to municipal infrastructure. An example of the impact of a 1% increase in the G.S.T. can be examined by visiting the CBC's web site and clicking on "the big fix". I would like to add that the above positions as a result of our efforts have been endorsed by the Canadian Construction Association of which we are members. The CCA represents approximately 20,000 companies across Canada engaged in both heavy civil and in the vertical industrial institutional and commercial construction industries. These reflect its national, federal advocacy positions as it relates to funding Canada's municipal infrastructure deficit. We are also sponsors and presenters at the second national infrastructure summit, hosted by Mayor Pat Fiacco in Regina, later this year. We understand and I understand personally, that there is a difficult political reluctance associated with increasing taxes, particularly after more than a decade of relatively static taxation levels. However, the need for that reality, responsibly exercised, is clearly upon us. If you choose not to adopt any of the above approaches for this budget, which we don't encourage, may I respectfully urge that you undertake by Council motion today, to address a complete review of municipal infrastructure funding options as a stand-alone resolution for completion and consideration, well in advance of the 2013 capital and operating budget deliberations. Putting off the inevitable debate and decisions does not eliminate the problem or its associated challenges. It only alarmingly adds to its cost and you have witnessed that in successive reports. The public, opinion leaders, the media, stakeholders, all of this, and you as Councillors, we all have a collective responsibility to future generations to accept that repeating the mistakes of the past and expecting different results in the future is insanity. A change in direction, a change requiring decisions, is upon us all. Please lead that change starting today. Thank you, Mr. Speaker.

Mr. Speaker: Thank you Mr. Lorenc. Any questions for Mr. Lorenc? Councillor Wyatt.

Councillor Wyatt: Thank you Mr. Lorenc for your presentation. You mentioned the idea of us raising taxes and dedicating it to infrastructure. You mentioned these other cities that are starting to do this now. Are you aware that none of these cities you mentioned has a frontage levy? We, in the City of Winnipeg, have a frontage levy, unique actually among large cities in Canada, where we're collecting now over $40 million a year already from rate payers going to infrastructure renewal in the city, above and beyond property taxes?

Chris Lorenc: I'm aware of that Councillor as I am aware that there isn't one formula that suits all. Every municipality has, because they are creations of provincial legislation, different access to different revenue streams, each of them limited and none of them of sufficient breadth, scope or capacity to address the magnitude of Canada's municipal infrastructure. You will be aware as will other members of Council that the challenge facing this country, whether it's for existing or new municipal infrastructure investment, hovers in the vicinity of 230 billion. And municipalities simply do not have access to the kinds of revenue streams that are required in order to make any kind of appreciable dent in that number, which is why as an organization associated with a broad number of organizations and stakeholders across this country, we have been petitioning and urging the senior levels of government to expand the access to municipalities of dedicated revenue streams, many of them based on consumption and growth.

Mr. Speaker: Question?

Councillor Wyatt: We appreciate your efforts and the other question I had is you referenced it quickly at the beginning of your speech. The fact that the Mayor, in the last month, has sent no less than four letters to the Premier requesting financial assistance. This Council was prepared to levy a 20 cent charge increase on transit fares but providing alternatives to that, the Mayor sent four letters to the Premier all of which went unanswered by the Premier. Do you have any comment on that?

Chris Lorenc: I'm not familiar with the four letters that the Mayor sent. I am certainly aware of the public debate that has been ongoing for quite some number of years as between not just the City of Winnipeg and the Province but the community of municipalities outside the City of Winnipeg led by the Association of Manitoba Municipalities. I think that what is clear is that municipalities understand the challenge. I think what's clear is that leaders within municipal governments understand the handicaps and the restrictions that they have foisted upon them as a consequence of the increasing liabilities and responsibilities that they are expected to shoulder. What has to happen is a broader educational discussion and public discussion to ensure that the parade of public opinion is irresistible to move the Provincial Government to change.

Councillor Wyatt: Last question.

Mr. Speaker: Last question.

Councillor Wyatt: As I mentioned, the Mayor sent four letters to the Premier, all of which the Premier refused to answer. Do you think that's appropriate? The Mayor of the City of Winnipeg representing 700,000 Winnipeggers?

Mr. Speaker: I don't know if that's fair for the delegation to make comment on that, Councillor Wyatt.

Councillor Wyatt: I just like to know his opinion, that's all.

Chris Lorenc: I think that the process of public policy change is a long and tortuous one. But just because you receive no today doesn't mean that you won't receive a yes tomorrow.

Mr. Speaker: Councillor Gerbasi followed by Councillor Mayes, Councillor Browaty.

Councillor Gerbasi: Thank you. The list of that Councillor Wyatt is referring to are that the Mayor asked for that letter are almost, in fact they all are asking the province to give money from existing sources of revenue that they are collecting now. One of them is from Hydro but all the others are…their own revenue that they're using for the programs they're responsible for. Do you think that's enough to expect him to give us their revenue right now? Of course it would be nice but is it realistic when…to do that, or do we need to ask for something more than a piece of what they have already collecting and to which collectively need to find a new levy, I suppose, that's dedicated to sustainable infrastructure?

Mr. Speaker: That's two questions, but anyway.

Chris Lorenc: Councillor, let me respond by referring you to two things. The Business Council of Manitoba has repeatedly urge Provincial Government to increase the Provincial Sales Tax. It has indicated publicly a willingness to participate in a public education campaign and/or a referendum should legislation not be changed, to see the reality of an increase in Provincial Sales Tax, dedicated to municipal infrastructure. It's present position as I understand it, is that that increase would be sunsetted after ten years. The Infrastructure Funding Council's Report which I had the privilege of Chairing, makes a number of suggestions related to the funding of municipal infrastructure. What is clear from that report, what is clear from reports from the Canada west foundation, what is clear from reports from the Toronto Dominion economic group, from the C.I.B.C. economic section, from the Chief Executive Officers of Canada reports, from any number of reports. What is clear is that municipalities do not have, do not have the revenue strength with which to address this issue. The province often says that there is unspent borrowing capacity in Manitoba for municipalities to access. On close examination, that is closer to fiction than it is closer to fact. The facts are that the revenue relationship created by the Province, no criticism intended, at the turn of the century, worked in 1900. It does not work in 2012. It will not work in 2013 and it will not work in years into the future, which is why all of these reports point to the imperatives of sharing that responsibility and sharing that responsibility includes providing revenue streams which are new and over and above that which municipalities currently enjoy. That does not mean that the level of investment that municipalities would be charged to make, should decrease. What it does mean is that there is a responsibility for municipalities to make a contribution incrementally increased by the revenues that it has access to, augmented by transparent, sustainable, publicly accountable, dedicated revenue streams made available to municipalities by both the Provincial and Federal Governments.

Mr. Speaker: Councillor Mayes.

Councillor Mayes: Thank you. One of the things that you talked about, well, I don't know that we'll get to really address some of the issues you've raised here today. I look forward to trying to address them as part of the next capital budget process. One of the things you have raised in the past and which was touched on in the State of the City Address last week was talking about if you have a certain amount of money, that leverages a greater amount you can borrow and

finance over time. I can't remember the exact number, I think it was 10 million that was used in the State of the City would leverage the ability to get it to 124 and if you had 124, you can start talking to the Feds and the Province about doing some serious investment. Can you…you've used some numbers in the past. I wonder if you can just give us some of those numbers in terms of borrowing ability. I think that will help be part of our discussions around the next capital budget.

Chris Lorenc: Yes. Thank you .I would refer Councillors to three reports on topic. The first was a 1998 report. The second a 2000 report both under the name strategic infrastructure reinvestment policy. That report spoke to the imperatives of inter-generational financing and it spoke to the imperatives of understanding that an investment in infrastructure is typically a 20 to 40 to 60 year investment and that the cost should be shared by those benefiting by that initial investment. So the concept of smart debt whether found in those two reports or in the reports of the Canada West Foundation which wrote for the City of Edmonton in one example and a broad policy piece in a second example, makes sense for the City of Winnipeg. To more narrowly answer your question, it's my understanding, whether it's 9 or 10 doesn't matter and whether it's 120 or 124 doesn't matter but the example you point to is correct that, roughly speaking, $10 million of new revenue, leverages the capacity of the City to borrow $120 million over a 30 year period and that's why the example that I gave in my presentation. There is an understanding, there is an expectation that the Federal Government is going to replace Building Canada Fund 1, with a successor program. What its name will be, we don't know. What we do know is that the Federal Government has committed to a successor program. What we also know is that it's a lot easier for municipalities in advance and in anticipation of that reality, to bank a pool of funds with which it can then participate as distinct from 3 years down the road saying, “Oh my God. We need to come up with 54 million. What does that mean to the mill rate?” And hence, we're suggesting that an option for Council to consider, is to open up a dedicated infrastructure investment account in anticipation of the Building Canada 2 Fund, in anticipation of it flowing funds beginning in March, 2014 and having that pool of funds available for those purposes. In the worst case scenario if the Federal Government and/or the Provincial Governments were unable or unwilling to step up to the plate, you at least would have been accumulating capital that would leverage your capacity to borrow with funds that are sustained and dedicated for those purposes.

Mr. Speaker: Thank you, Councillor Lorenc or President Lorenc.

Chris Lorenc: Thank you very much, good morning and the best of deliberations to you.

Mr. Speaker: Our second presenter in support of the budget is Barbara Judt from the Osborne House. Ms. Judt. I'll remind you: you are in support of the budget and that we will appreciate your comments, thank you.

Barbara Judt: Good morning, everybody. The refusal of Executive Policy Committee last Wednesday to utter a single word about our funding request and the suggestion we made it at the very last minute is…and that is why we were turned down has proven that City Hall is not in step with the priorities of Winnipeggers who have since raised their voices, in phone calls and sent e-mails expressing their disgust.

Mr. Speaker: Ms Judt. Are you speaking to the budget as a whole?

Barbara Judt: No. Well.

Mr. Speaker: When you made…when you registered to support the only slot that was open was in support of the budget.

Barbara Judt: Right.

Mr. Speaker: We're not here to be lectured.

Barbara Judt: This isn't a lecture.

Mr. Speaker: Well, I will just caution you that you should be speaking to the support of the budget.

Barbara Judt: Well, there are many parts of the budget we do support, yes. But this is on Osborne House, but yes there are areas that we do support absolutely.

Mr. Speaker: I’d recommend that that's what you speak to.

Barbara Judt: Okay. What about the other part?

Mr. Speaker: Well, I'm trying to encourage you to work with you know, what we've…

Councillor Swandel: Mr. Speaker, I move that we suspend the rule that the delegation to speak in opposition to the budget.

Mr. Speaker: All those in favour?

Barbara Judt: I have to admit I'm not very familiar with the process.

Mr. Speaker: All right, well.

Barbara Judt: I mean, you know the Clerk's office isn't worried but this is…I haven't had to come down here before so I'm learning as I go.

Mr. Speaker: You've been here before, ma'am.

Barbara Judt: No, I have, but the budget and all that. It's new to me, so please bear with me.

Mr. Speaker: Fair enough. Continue.

Barbara Judt: And thank you, Councillor Swandel. Just a second here. Okay. Taxpayers are all aware of examples where major funding proposals have been walked on to the agenda in one day, not with six months notice as Osborne House did and all were brought forward at the last minute. In 2009, it was garbage carts and 2010 it was the Youth for Christ Recreation Centre and in 2011, it was for to provide funding for 58 more police officers. All those proposals came forward at the very last minute with the support of Mayor Katz. So for anyone to suggest that our application couldn't have been discussed and supported because of time constraints, fools not just the taxpayer. We recognize it's all about your priorities and Osborne House is deeply, deeply disappointed that we have not received the support to date of EPC and the Mayor. As I took care of personal errands this past weekend, people stopped me on the street and the businesses that I was at, to express their anger and disgust about the many dollars spent by the City. And that the fact that $450,000 could not be found to help out the most vulnerable women and children in our city. Just recently a woman died in her apartment on Edmonton Street. Her partner has been charged and the police also found a little boy in the apartment, who's likely witnessed the whole thing. Earlier this year, another woman died in the neighbourhood. Her husband has been charged with her murder. The media, including the Winnipeg Sun and Geoff Currier at CJOB, have also recognized the error EPC made in not recommending our shelter be funded. We provide a vital service to the good people at the Winnipeg Police Service. This is where they bring clients. The Winnipeg Police Service does a phenomenal job of supporting Osborne House and I can't say enough good about them. They really are a fabulous support to us. Sometimes we felt like a bit of a dumping ground but over all we've been very pleased with them. We are aware that other agencies do receive a fee for services through the City of Winnipeg. An example of that would be the work done over at Main Street Project. Another social service agency in the City that does phenomenal work for the community. There are no jurisdictional losses that (inaudible), pardon me, when it comes to domestic violence. It impacts everybody in every economic region, neighbourhood, and line of work, whatever it is. But Osborne House has identified a funding source that can be redirected to meet our needs. This exists within the City budget and a dime would not be taken away from any other social service or charity in need of dollars. It's called the 1% solution. And the City receives these dollars through their entertainment tax. What we've looked at doing here is, we're not picking on anyone in particular but the 10% entertainment tax that the Winnipeg Jets receives generates $5.6 million annually. The City receives those dollars from the team and hands it back to the owners, True North. If 1% of that ticket levy could be sent in our direction that would equal roughly $560,000. That would easily take care of the dollars we need and dollars needed by other social service agencies in our city. I would like to see our 1% solution proposal walked on to the agenda by a councillor, the way other successful proposals about garbage, a recreation centre and manpower had been done in the past. It is a reasonable alternative to upholding the previous decision, to do nothing to address our funding crisis and have its cut services to those in need as a consequence. I am quite confident that the taxpayers in Winnipeg would support this proposed budget amendment. Thank you for your time.

Mr. Speaker: Questions for Ms Judt. Seeing none, thank you.

Barbara Judt: Thank you. Thank you, everybody.

Mr. Speaker: All right. We will continue with our delegations regarding the opposition to the report, and we will ask Thomas Novak, who has 10 minutes. Is Mr. Novak here? Seeing none, all right. Our second, is there anybody here from the Winnipeg Rapid Transit Coalition? Okay, well. Yeah, he did. All right, we'll call Mr. Ken Guilford and in fact that…he has been registered for a five minute, we're now moving you up sir to 10 minutes so.

Ken Guilford: Oh, right on, thank you.

Mr. Speaker: Proceed. In opposition.

Ken Guilford: Yes. Greetings, Mr. Mayor and Councillors and people of the audience, And I'd like to thank everyone for their help while I've been doing this speech and others, and I'd like to make…congratulate everybody who made a thank you to my speech and submitted submissions, petitions and so on. And my third speech to City Hall today and the fourth will be tomorrow and looking forward to it. I hope…I've never done this before in City Hall, made two or three in the legislature but not here. I hope you come to hear us and I am speaking against the budget. What will it be next? I have enjoyed it and hope to do more of it. Thank you for bearing with me. I would like to publicly thank Councillors Ross Eadie, Jenny Gerbasi and Harvey Smith for the good job they've done with all of us and thank you everyone as I've really enjoyed it and had a hand in it. As I said previously, I am speaking against the budget. I am very happy that we have defeated the motion against the 20-cent bus hike. I spoke to a lot of people mostly visiting Lions Manor, Lions Place and 610 Portage Avenue. I stood with Councillor Ross Eadie at Vaughan and Graham and six other people along Graham Avenue. We distributed almost 2,000 flyers as people got in and off the bus, and I worked with another person at Red River College on Princess Street. We gathered people's names on a petition, we gave out lots of flyers, I like to work with another person on the following Thursday and Friday morning at Lions Manor. We gathered 105 names on the petition. We gave out flyers to everyone. We would like to…did a lot of thinking and the seniors, the staff, the staff and seniors were very polite. It was fun and upsetting. You should've been there. We worked at Lions Place at 610 Portage Avenue, Friday morning and Monday. We gathered around 78 names on a petition, 105 at Lions Manor, the day before and it gave many, many, many flyers out asking people to phone the Mayor and Councillor. So I apologize Mr. Mayor if your phone has been shot off the hook. This is a first, this is my third public speech. This is second time as previously spoke publicly in City Hall. I would be willing to speak Wednesday March 21st and speaking to City Council against the budget and Wednesday, March 21st, (inaudible) and 7:00 to 9:00, Thursday at the Radisson Hotel, registration at eleven o'clock meeting for the disability, disabled, and I welcome all of you on Wednesday night's conference. I'm not sure if you can get in on Thursday afternoon or not. And registration, would you please phone Maureen at 947-0303. I'm going, why don't you? Sorry. Now let's get back to basics. Another reason I'm against about…constantly thinking of a reason, evidence, a trip is hundred dollars a trip. This really aggravates me. A year ago November, 2010, I fell on the floor and was not able to get up. This was about 8:30 at night and the following morning, 8:30 in the morning, health care came along to get me so he got me up and there was…got an ambulance for me and it cost me $272 to take the ambulance to Grace Hospital. This is crazy. I cannot afford this. Now they want to raise it another hundred dollars. This is ridiculous. I for one, cannot afford it. I am mentally and physically disabled. I live in Lions Manor with many seniors and none of us can afford it. On this topic, why do I or anyone at Lions Manor have to go to Grace General Hospital? I don't agree with that at all. The Health Science Centre is just north of us a little ways we could easily go there or Misercordia if we don't need it bad. If we wish to go home for a couple of hours, this is impossible. Our families have a long ways to go to visit us. This is not right, I want it changed, please. What is the Mayor Sam Katz and his merry men that are councillors going to with do people like me who are or seniors, mentally and physically disabled? What about the ones who are poor people? I wonder what everyone's going to make a speech. As you may see, there are many flaws in your budget in the preparation of it. We are led by the three Councillors, Ross Eadie, Jenny Gerbasi and Harvey Smith, who are doing a great job. As we don't…we're not good, I feel that we could've done much better for us to prepare for speaking. One lady who I worked with on the petition at Lions Manor, Lions Place has many good ideas. She handed in many submissions. Had she worked with someone with Council on a speech, she would have had a great speech. I tried to point her the way I gave her the flyer and we…and then who worked with…oh, and another man I worked with at Red River College again, good friends…this is good. Will you please take to my ideas under consideration in the future? I've spoken here to and I hope to speak in, please let us know when we're coming back. One thing I would like to do is have you seen a copy of the budget. And then we know what's coming ahead and no surprises.

In conclusion, as I made it good and bad experiences during my time. I hope things improve and a poor man I get only $40 a week for expenses and can you live on this? You want me to get my breakfast, cleaning supplies, et cetera? I'm worse off than if I was on EIA, Employment Insurance Assistance. I am not able to afford the Blue Cross or other insurance products. I am not alone. There are many people out there. I am poor like a lot of them. I am a senior and I want to know what you are going to do for me, and hundreds like me. I e-mailed 311 to find out what was happening with the hundred dollar ambulance increase for a trip. If anyone wishes for more information about me or whatever, handicapped conference whatever, please feel free to ask me after. Thank you.

Mr. Speaker: Any questions for Mr. Guilford? Seeing none, sir, thank you for your presentation.

Ken Guilford: Thank you.

Mr. Speaker: You bet.

Mr. Speaker: All right, we've suspended the rules and we have four individuals that are going to come forward and they will speak for five minutes with no questions. First up, Wendy Land. Ms. Land, you have five minutes and you can sort of watch the clock.

Wendy Land: I have to tell you that I have spent a lot of time trying to reduce my remarks to five minutes. I trust that they meet that and I hope you'll indulge me by a few seconds if they don't. Good morning, Mr. Mayor and members of Council. I am here representing Trees Action Group, TAG Winnipeg. It is a…we are a coalition of citizens who have come together over the last year out of our shared concern for what is happening to the elm canopy in our neighbourhoods all across the city. Thank you for this opportunity for one last kick at the can, so to speak. I am here to try to convince you that inaction today will cost you more in the future. We are here because we care that our internationally recognized elm forest is the largest in North America and one of the largest in the world. Valued at close to a billion dollars, we believe it is an asset worth preserving. Historically, Winnipeg has been a world leader in the effort to control Dutch Elm Disease and we share your pride in that recognition. However, as I've shown you in previous presentations, there are very concerning indicators that have emerged that suggest that Winnipeg's mature elm forest is on the verge of a collapse. We do not believe this is inevitable. We've told you that we are pleased with Council's decision to develop a comprehensive strategic plan to regain control of Dutch Elm Disease. However, we're here today because we believe that EPC's decision to forgo until after the completion of this plan, a million dollar investment to ensure the rapid removal of all DED infected elms in 201,2 is both short-sighted and financially flawed. This morning, we will demonstrate that a down payment of $1 million in 2012 is both prudent and will have a significant pay back in 2013. In earlier presentations to Public Works and to EPC, we shared with you graphs which provide a strong visual representation of significant indicators of the crisis in our elm forest. For example, using Winnipeg…City of Winnipeg data, we have illustrated that 50% of the mature elm forest of Winnipeg's mature elm forest was lost between 1975 and 2011 and we have shown you that if present trends continue, 50% of the trees that are left standing today will be gone by 2023, just 11 years. We've also shown you that in spite of yearly fluctuations, the incident of DED specific losses has continued to rise and in 2011 the loss rate was 3.46%, the highest it has ever been and twice as high as the annual average of 1.38%. We've also shown you that the more, majority of losses are now attributable to both DED. This suggests to us that DED has now become much more firmly established in our urban elm forest than was previously anticipated. In the battle to control the spread of Dutch Elm Disease, we have shown that delayed action equals increased cost. Every year that the City of Winnipeg delays bringing its elm tree loss rate back down to 2% from its current level of 4%, it is costing the City a lot of money. In terms of unnecessary and potentially avoidable obligatory spending on removal of infected trees and their replacement and on the unnecessary loss of the economic, environmental and social advantages of our mature elm forest. For example, we estimate a savings of $20 million in just three years between five years pardon me, between 2012 and 2017, for removal and replacement cost and a savings in lost elm asset value of $107 million. To put things into perspective, for the upcoming year 2013, it's estimated that if current conditions prevail, in other words if next year we lose 4% as we did this year, the City of Winnipeg will lose about 5600 trees. If the loss rate was 2%, it would lose about 2800 trees. In other words, the City will lose 2800 elm trees unnecessarily because we have not effectively controlled DED in recent years. 2800 trees translates into 2.8 million extra dollars a year that has to be expended on elm tree removal and replacement. That's a…add a thousand dollars a tree… if I may be indulged, please. 2800 trees also translates into $15.8 million in lost elm tree asset value. When these are…costs are accumulated over the coming years the cost of doing little or nothing above and beyond the current level of control, of DED control, escalates very rapidly. One million dollars is an important initial investment in getting Winnipeg back down to an achievable 2% elm lot tree loss rate while you prepare a more comprehensive strategy for renewing its integrated DED control strategy. Putting this expenditure off to 2013 and beyond will ensure that annual losses rise and the costs rise with them. Councillors, it is…I've been trying to think of an effective analogy that would pull this all together. You know, it's sort like a toothache, right? When the first niggle appears, you think, "oh darn, something is wrong", but you put it off. If you put it long enough, when you go to the dentist, the cavity is bigger and you pay more. If you put it off even longer, you end up needing to get a root canal an extraordinarily much more expensive and painful resolution to the problem. Surely putting off spending that million dollars this year is akin to that toothache. Thank you for your time.

Mr. Speaker: Thanks, Ms. Land. Next up, Mr. Andrew Weremy from WAPSO. Five minutes.

Andrew Weremy: Mr. Mayor, Councillors, I'm Andrew Weremy, president of the Winnipeg Association of Public Service Officers Local 162 of the IFPTE representing our 627 members. Thank you for the opportunity to speak today as you deliberate on the 2012 Operating Budget. WAPSO's mission is to proactively represent our members to their employer regarding all matters of compensation, benefits, working conditions and other employment issues. Our membership consists of a variety of professionals and management staff, some of which include accountants, project managers, program coordinators, engineers, information technology specialists, community planners and operational planners to name a few. Some of you may recall that we gave a presentation to Council regarding the 2010 Operating Budget. Since that time, some things have changed and others have not. We appreciate the complexity of the decisions you face regarding the City's operating budget and the need to balance service and costs. It is our intent today to provide you

with some information that can help you make informed decisions or raise further questions for consideration. We would also like to acknowledge the decision to increase property taxes by three and a half percent. This is a start towards keeping pace with the rising costs of materials, electricity, gas, internal and external labour for the tax supported departments. As mentioned, our members currently total 627. In 2010, our membership totaled 594. Growth has taken place primarily in a couple of areas where services are expanding and funded through user fees or rate increases. Although this focus growth has occurred, our records indicate that in 2011, there were 19 vacant positions that were unfilled and in 2012 there are 15. The 2012 Operating Budget identifies the commitment to find efficiencies within the City's cost structures. An amount of 13 million in savings has been included by delaying filling vacancies. The very nature of the vacancy management process in contrast to deletion indicates that the work is needed but not being done. And we've been through the deletions. The vacancies are real positions with real work attached to them. The act of delaying their filling only delays the work, increases the workloads for present employees and creates a backlog of work and ultimately added costs. Delayed work can create inefficiencies for the whole system. In our 2010 presentation, we advised Council that members have reported longer hours of work, additional work responsibilities beyond their full commitment and increased levels of stress. In 2011, WAPSO conducted a survey our members. The survey was conducted by a third party group of all departmental members. Participation was greater than 60%. Some of the results I want to highlight for you include the majority of respondents indicated that their workloads increased over the last two years. Over half of the respondents indicated that they had seen deterioration in employer leadership. And about 75% have seen a deterioration in staff morale. Considering the demographics of the workforce and the impact the vacancy management, we feel at this time the need for succession planning, organizational planning and leadership is critical. We are told that the City wants and needs to be an employer of choice and attract and retain experience and talented people. We are urging Council to consider these issues such as benefits, work-life balance and salaries, and the other issues we presented today to allow the City to make decisions to get on this path. In our 2010 presentation, we stated that we have in the past worked collaboratively with City Officials to ensure effective and efficient service delivery for Winnipeggers. WAPSO remains committed to this principle and would welcome the opportunity to again participate and be part of the process to ensure our members can continue to provide the highest quality of efficient service delivery for the citizens of Winnipeg. Thank you.

Mr. Speaker: Thank you, sir. Next up, Mr. Mike Davidson, president of C.U.P.E. Local 500. Mike.

Mike Davidson: Good morning, Mr. Mayor, Councillors, Mr. Speaker, thanks very much for amending your regular order of business to hear some additional delegations this morning. Local 500 welcomes the opportunity to come to City Council to express our views on this year's operating budget. We realize that City Council is facing some very difficult decisions this year. We believe that our city is our greatest investment. We do want you to keep this in mind during your deliberations that the services we provide determine the quality and order of life here in Winnipeg. So there's good reasons to protect the investments that we have made in our city already. Our members are dedicated employees of the City of Winnipeg and are proud of the services we provide. We remain committed to providing high quality public services and we value and take pride in our work. It is important to emphasize that our members, families and friends are also taxpayers and use City services. Now there's merits in the budget that we want to comment on. We view the proposed property tax increase as a positive decision. Taxes aren't popular but they are very necessary. At the very least, property tax should keep pace with inflation due to our view on the cost of rising fuel, materials, et cetera. We respect Council's desire to reduce the City's reliance on property taxes but we can't think of any other major city in Canada that hasn't had a property tax increase for 14 years. This simply can't work. We had…had we had City increases in property taxes by at least one percent per year for the last 13 years, we wouldn't see this level of infrastructure deficit and we know that this Council has inherited a lot of infrastructure deficit that you're not responsible for. But the fact remains that we're in a pretty big hole. Business taxes, healthy cities have healthy businesses. We strongly support local unionized businesses in our city and we realize that businesses need to make a profit. We realize that has to happen however, businesses use our infrastructure to make a profit. They also need to be a paying partner as well in our view. Business taxes have been reduced by 34% over time. This is a case of fairness in our view to everyone. They benefit from the services provided by the City and should pay taxes as well. User fees: increases in user fees and utility bills could hurt lower income families and many senior citizens if these continue to climb many families will not be able to participate in programs and will be left out. This is why we commented on the business tax early on. Again we believe this is a case of the fairness. Vacancy management: there is $13 million in this budget and vacancy management. This practice has taken its toll on almost every single department within the City of Winnipeg. It is inconceivable to think that the workforce can continue to absorb these levels of cut backs while still maintaining services to the public. We believe that vacancy management is a non-transparent erosion of the front line services and ultimately will impair the City's ability to deliver needed programs. To varying degrees, we're seeing City level 2 departments come under some type of budget constraint. All of these reductions in staffing levels equal less services to the City of Winnipeg. Many core services are under resourced and are in need of increased investment. Succession planning: we have concerns about succession planning within the civic workforce. A very high percentage of the civic workforce is eligible to retire in the very near future. We submit that City must plan now to deal with this high level of workforce knowledge that is being depleted from City service. The bottom line is level 2 departments where the majority of Local

500 members work are suffering greatly from restrained measures imposed over the years. Every department needs a certain amount of inflation, adjustment for this year's operating budget, given the infrastructure deficit they all need more. A couple of other things I just want to comment on. We heard the president of the Heavy Construction Industry talk about responsibilities of senior level of government. In a lot of cases, that's a common ground for us. We can't just have the Province, the City and Local 500 members paying and doing their part. We need a federal government to come forward with a national plan to address the level of infrastructure deficit across the country. Right now we don't feel that there is really inadequate plan in place. In fact, in many instances we feel there is no plan in place from the Federal Government. We strongly urge City Council to review the budget from this point of view of maintaining their infrastructure and stabilizing our ability to deliver public services. Thank you.

Mr. Speaker: Right on time. Thanks, Mike.

Mike Davidson: Right on time? Thank you Mr. Speaker.

Mr. Speaker: You bet. David Mouland. Is David here? You have five minutes, sir.

David Mouland: Good morning, Mr. Mayor, Councillors, I wish to thank Mr. Ross Eadie and Harvey Smith for their help and Jenny Gerbasi for moving the motion to allow me to speak this morning. My name is Dave Mouland and I realize that this has changed but I still wish to let you know how difficult this 20 cent fare increase would've been had it gone through so. I am retired from the workforce but volunteer at Winnipeg Harvest five days a week. I retired early for medical reasons. I have a yearly income of $9,700. For transportation last year I spent $900 or about 10% of my income mainly for volunteer work or to doctors' appointments or hospital visits. As you can see this cost of transportation takes a big bite out of my budget with all the other tax increases that have been proposed the cost of living increase of $16 a month or $192 a year on my pension has already gone. This fare increase is the largest in terms of dollars over a calendar year. The money raised is to be used for an extension on the rapid transit corridor from Pembina Jubilee to the University of Manitoba. I have no reason to go out to the University of Manitoba as I'm not taking any courses and I don't have any finances in my budget for entertainment at the new stadium. I believe that I speak for many other poor people in the city when I say that this massive fare increase is too much when it is being spent on something we will never use. Any money in this budget you are proposing for transit should be used for improving the service that is now in existence. We still have to wait 30 to 40 minutes between buses during rush hours on many major routes. This waiting time should be cut to 10 to 15 minutes during peak hours by having many more buses on routes which of course means more ridership, more money for transit from existing fares. Less cars on the road which means less cost for upkeep of our streets. If we need rapid transit and we do, then the way to go would be to improve the service that we are forced to live with now. There is a three way agreement between the City, the Province and the Federal Government for infrastructure renewal. This is money that has already been tacked out of everybody's pocket. It is not a tax hike or a new tax. This money or part of it could be used for rapid transit whether it be bus corridors to the University of Manitoba, light rail to Transcona, mono rail to West Kildonan, or a route for flying cars to Westwood or St. Charles. Thank you very much for allowing me to speak this morning.

Mr. Speaker: Thank you, Mr. Mouland. Well, that concludes our delegations at this time. I would move to the report and ask Mayor Katz to introduce it.

REPORT OF THE
EXECUTIVE POLICY COMMITTEE
DATED MARCH 14, 2012

Item 1 – 2012 Operating Budget and Financial Plan for 2013 and 2014

Mayor Katz: Thank you, Mr. Speaker. First thing I would like to do is thank all the delegations that appeared here today as well as those who appeared before all the Standing Committees as well as EPC. It's very much appreciated. I'd also very much like to thank the Chair of Finance as well as the Councillors who were part of the sub-committee who worked tirelessly on this budget, along with our loyal and devoted staff which are behind me in Corporate Services. I think we all know the monumental task that it takes and I know that for three or four months this was their focus and it's much appreciated. Mr. Speaker, as everyone knows, there is a proposed budget on the table. I'm going to let the Chair of Finance introduce the budget. I think you will see that there is a commitment to enhance services which I think is important. I think you've heard many people here speak about it as well as how we're dealing with our infrastructure and also looking for long term solutions. So with that I'll let Councillor Fielding introduce the budget.

Mr. Speaker: Councillor Fielding.

Councillor Fielding: Thank you, Mr. Mayor. First of all, I'd like to thank yourself for your leadership at Executive Policy Committee, our Budget Committee, Councillor Wyatt and Councillor Swandel, our administration, thank you for all your tireless efforts Mike and your team with Betty and Joanne and Howard. Thank you for your service Mike, if we can name a street after you, I would do that myself, maybe there is one already. Anyways I'd just like to first state that with budget, we're very happy that there was a budget consultation sessions that happened again for this budget. We're also…I was very happy to attend…Councillor Mayes who actually took it upon himself to have a budget consultation session in St. Vital, I attended that, well attended and had some of our Public Service came out. I think Councillor Orlikow deserves some credit too. I believe he had two sessions. I had some of our corporate staff that were there. So very happy that those consultations happened. In terms of our on-line session, we got about 151 people that replied, responded to our surveys for it,, so very happy with the response from the public. In terms of the focus of this budget Mr. Speaker, this is a very good budget that really seeks to meet the priorities of our citizens here in the City of Winnipeg. It puts more money into public safety, puts more money into infrastructure, puts more money into community centres, infrastructure and programming and also puts more money into green space and I can tell you, Mr. Speaker, it's a very balanced approach, we think the document is and it enhances the core services for our citizens and becomes more effective and more efficient. In terms of delivering some of these services, that tax payers deserve and respect. In terms of some of our priorities as mentioned, public safety for all our citizens is a big priority, repairing streets and infrastructure, a big focus as mentioned, community centres, programming and enhancing some of our core services like snow removal. The big part of the budget of course is the Police Budget. Overall the budget, but $900 million budget, it's about $52 million increase over last year. The vast majority of this dollars goes towards Public Safety and Emergency Services. Skipping right into the Police Budget, as everyone well knows the Police Budget is the driving force of our budget. It's $220 million, $18 million increase over last year or 9% increase and if you look at Emergency Service, Fire and Police together, it's gone from about 31% of our budget to over 41% of our budget here so you can see that there's a lot of challenges as we go forward. Very happy this budget, number one, puts more officers on the street to make our communities a lot safer. There's 50 more officers that are part of it to help fight crime and catch criminals, which I think is a very important aspect. There is also a number of our…you know, that's really the number one concern for our citizens if you've talked to them when you're shopping or you know, at a community event so it's a very important aspect of it. Although we agree and think that this is the major focus and we should make these investments, we are happy to make them. I can tell you there's a lot of challenges that we're facing now within the Police Budget and throughout, whether you're putting more officers on the street. The escalating labour cost, that's throughout the nation not just here in Winnipeg that we're facing and the obligations that define benefit plan is something that's adding $7 million from this year and from future years into our budget is something that is very much challenging us. We talked a little bit about police overtime costs, also a major concern. We put somewhere in the neighbourhood of 282 new officers I think since the Mayor took office in 2004. So there's a lot more investment but we're still concerned with the amount of overtime that is there. It's far too high and we're trying to address that. Just if you look at the pension costs for the police as well as overtime costs that almost in itself makes up 3.5% increase in property taxes so you can see how much of a very much of an issue it is and with that, knowing that we know there is an issue we need to find efficiencies, not just with other departments but also with the Police budget because it is there. So we're looking to be more Police budget to see where we can find some efficiencies, make sure we're investing those dollars in the right place. And also with the Fire and Paramedics budget as I mentioned. It comes in at $154 million, which is about $11.7 million increase, almost a nine percent increase as well. Very happy we're seeing 20 new firefighters. I know Councillor Vandal's fought hard for that for the Sage Creek Area. What that's going to do is going to enhance our core services, it's going to enhance our delivery of services and response times are going to drop. The fire hall will be up and running with these firefighters. We're also purchasing new defibrillators that would be in all our trucks over the next two years, $680,000 in this budget. Twelve new paramedics and eight dispatchers for the peak official delay off load program from that I'm working with the Province?. Six paramedics at the Main Street project. All these initiatives, these funding agreements with the Province look at reducing the waiting time. We've obviously had lots of problems in terms of the waiting times when patients are being apart you know waiting around the hospitals and so that number has dropped but I think it's still 62 minutes that they're waiting so it does cost money. At the end of the day what this really does…it's the City of Winnipeg subsidizing health care, that's the error and it reduces our ability to reduce or to address our core services. We've also had to meet some tough choices in terms of some ambulance fees that some of the delegations have mentioned. What we moved towards is a parity to what other services are throughout the Province whether you are in Brandon or if you're in Selkirk and Oakbank. It's the same cost that you'll have but we're still providing much, much higher level of service for our services that are there. Public Works Budget comes in at $168 million. A part of that we made a lot of enhancements as mentioned, the TBO program we did enhance by two million dollars every year and I'll accept that Councillor Wyatt's been arguing for a number of years, it's a 67% increase in our TBO programs. What that means on a practical basis is 33 more blocks here in the City of Winnipeg will be rededicated. We've also made some enhancements in terms of snow clearing. That's something that's passed through Council. Three hundred thousand dollars is going to enhance the back lanes improving back lane movement as well as active transportation, something that people have always talked to here at the City of Winnipeg. We've also made some substantial investments in tree pruning. We're investing $250,000 this year for the next five years. We're moving from a one in 13 year cycle in terms of tree pruning to a one in 10 year cycle. I think when Mayor Katz started, I think it was somewhere around one in 40 years. So we've made some substantial

investments. There's been some delegations in terms of the Dutch Elm Disease program. Throughout the process I learned a lot about it and I appreciate all the information you provided for us. Very happy that there's going to be a comprehensive report that comes forward. We didn't put any money specifically in this budget but we do anticipate…I want to hear back from our professional staff and I think we're going to make some decisions that point once we hear back from the professional staff. One thing I would mention is with Dutch Elm Disease, what I have learned is we're the top in terms of North America. We've got the most comprehensive program anywhere and we have made substantial investments in these areas so at the end of the day we want to make sure with Public Works, it's our substantial investments that we're investing…we're looking to do an operational view to make sure we're getting good dollars for our investments. Community Service Budget has gone up to about $112 million which is a $12.3 million enhancement. A large driving part of this is the Assiniboine Park budget. We made substantial investments, anyone that's been there in the last two three years knows the type of investments we've made. We've upped the budget by $101.1 million to 11.2 million which is a driving force. We also made some substantial investments in community centres through programming and through doubling in terms of the programming dollars that are there so I think it's a big process. Property, Planning and Development budget is a 41.1 million, made some good investments, $200,000 more for CentreVenture. There's also the cost of inspectors that have gone up by $250,000, some servicing fees that we have because of the Police building are incorporated in the budget. Water and Waste has enhanced by about $9.4 million, a large amount of that is a waste minimization strategy that was part of the $7.4 million so a part of that is really driving the issue but there is an enhancement of services I think you know repeatedly in this department as well. In terms of the rest of the dollars that are more linked to the CEC recommendations the Province brought down. Assessment and Taxation has gone up by 1.7 million from the entertainment refund from the True North that we talked about. We've also hired some temporary staff to address any new net tax add, we call new home starts. They do some catch up that's going to yield us some extra dollars. Also very happy that we're making substantial investments in transit, a $2.2 million increase. We're spending $46.4 million for. We're also getting 55,000 more hours of service above and beyond that. In terms of the property taxes this is the probably the hardest piece for myself. I really tried to follow a mandate, to look at taxpayers' last choice for government. Really we've had a 14 year property tax freeze. It's really, it's the longest in recent Canadian history and we think that the 3.5% is a small amount. What I can tell you in that same 14 year period when there has been a property tax increase, Edmonton has increased their taxes by 59%, Calgary by 47% on average taxpayer that would be almost a thousand dollars more on an annual basis that we're paying so we've tried to make it a point. Also inflation at the same period has gone up by over 30% while we've held the line on property taxes. Overall we still have one of the lowest property taxes in the nation. We've got the lowest operating costs to deliver these services. We're delivering in an effective way and the lowest increase over the next number of years.

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

Councillor Fielding: The business tax is something…there were some changes, we've got, we've frozen the amount, the $57 million is still there. What the enhancements of course has been in terms of…it's been funded by as new businesses come on line, funds the growth. What it shows was that you know about 40.5% of all businesses here in the City of Winnipeg get rebates. They pay their business tax. They get a rebate. That's the smallest businesses. Over 5,000 small businesses here in the City of Winnipeg don't have to pay the job killing business tax. That represents about 22.6 million or 22.6 as ARB, the rate which that's there, Really important point with the small businesses. They generate the most amount of jobs here. I can tell you our family's small business owners and people realize the amount of effort, the capital, you know if you're successful, or you're not with businesses, the amount of effort that that goes in this and they're the driving force so that's why we've made this focus in terms of our investments. Provincial dollars have gone up in this budget by $7.2 million. There's been a number of items they've given us some money through the Federal Police Initiative dollars that they were holding on to for a number of years that are flowing from last year's budget to this year's budget. There's some other dollars in terms of police officers and some fire officials for Sage Creek overall. But overall this represents .0008% of a $900 million budget so we quite clearly need a better funding formula from the Province I don't think there's any arguments in respect to that whether it be out for infrastructure funding or for operating funds. A few other points Mr. Speaker, regulation fees have gone up by $1.1 million, mainly because of building permits. That's a very good sign obviously for the City. Building permits are still going up. Sales of goods and services have gone up $4.6 million in this budget mainly to do with (inaudible) fees that are there. Transfer some other funds, we're using $14.1 million in terms of transfer some other funds. A part of that's from the financial stabilization reserve $8.8 million that are going to come from that. That's a process that was…I think it's 15/1 in terms of financial action plan that we have brought forward. We're reducing our stabilization reserves from 10 to 8, something that we obviously visited with bond raters and are very happy with our plan going forward. Because of the good financial management and a strong plan we put forward for the budget last year, we were able to use $9.7 million from the surplus that are there. Just a couple other points, Mr. Speaker, we have included we think it's a balanced approach. We're putting $15 million in savings through attrition, vacancy management and through things like manage competition. Two million dollars will be allocated for savings to find, to make sure we're measuring how we're delivering our services to make sure we're effective. We're partnering with some of the unions here in terms of the modified manage competition to make sure their costs are effective and we think that's a better approach. Thirteen million dollars in savings in terms of attrition staff and turn over

and kind of waiting a little, a large…a little bit longer in terms of hiring staff. One thing that can be said before I conclude with this, what we've ensured with our director and managers, any departments where there's any vacancy management is to ensure that no front line services, core services will be impacted by this. Once again, I just want to repeat that Mr. Speaker, that we instructed all our directors and managers to ensure that no front line services will be impacted by any vacancy management and attrition levels that are there. So in conclusion Mr. Speaker, I think this is a very strong budget. It's a realistic budget, it really sets the priorities for our citizens. It puts more money in infrastructure, it puts more money into public safety, it puts more money into community centres, it puts more money into green space. We think it's a balanced approach. It also addresses in terms of how we're delivering our core services by $15 million of savings. At this point I'll step down and I'll hear some of the Councillors' any concerns and I'll try to address it at the back end. Thank you, Mr. Speaker.

Mr. Speaker: Councillor Gerbasi.

Councillor Gerbasi: The alternative budget introduction. Thank you, Mr. Speaker. In every budget there are definitely many positive things and I would be remiss in not expressing my appreciation for the additional transit operating hours that are in this budget. We have needed this increased capacity for some time and it continues to be needed more as more ridership increases. This is an issue I've raised as long as I can remember in budgets so I guess some dreams really do come true. So that's really good news. However, I have a number of concerns about the budget. There is a pattern in this budget of what I would describe as tokenism. An issue of concern is raised and a small token increase is put in place. The amount is not enough to be significant or meaningful in having an impact but is successful in giving you the appearance of making progress on an issue. There are a number of important issues where tokenism is clearly what we're seeing. The Winnipeg Arts Council is being granted $50,000. That increase is below the rate of inflation and the net result of the so-called increase will be a reduction in Winnipeg Arts Council programs. The library materials budget received a so-called increase of $135,000. However, the increase will only happen if the Provincial Government removes the funding cap for libraries, something they have refused to do for years. So the increase is not going to materialize so to speak. The Dutch Elm Disease issue has been getting a lot of attention in the budget process largely because of an active public that is organized and advocating strongly that the City undertake immediate action. The Dutch…in fact, a large number of the tree advocates showed up at Councillor Fielding's evening of public consultation on the budget which I got in trouble for not being at but I was at Community Committee which was scheduled at the same time. Anyway, the message was received at that meeting that people are concerned about trees and so what's a so called funding increase of 250,000 was put in the draft budget. This token action gets us to a level of one in 10 pruning cycle by 2014. A milestone that was already promised in the past. So really, we are barely standing still and most likely going backwards yet this is being presented as an increase. Tokenism is an effective political tool to neutralize those issues that are of concerns to people and giving the appearance of action and this budget remains sadly lacking in what is needed to be done tackle Dutch Elm Disease as one example and save our elm canopy. I do hope that a meaningful strategy will be developed that has some real money behind it and put towards this in the very near future. Another theme I see in this budget that needs to be pointed out is integrity or rather lack there of. Some of the decisions made in last year's budget are carried forward to this one and are still relevant to our citizens. Water bills are going up, 8% of an increase will be siphoned off to fund general revenue. The Mayor had previously vowed to end this non-transparent policy and he did end it and that…until last year when it was brought back in again with a new policy. Frontage levy increases brought in last year continue. Last year people were told that this new revenue would be dedicated solely to fixing infrastructure however we all know that while 14 million went in to the road maintenance column, 15 million went out into the general revenue pot. People were not fooled last year by this and they still aren't. Furthermore, the frontage levy is on the property tax bill, but it was presented as not a property tax increase. Well people are smarter than this. This year, we're being told that infrastructure spending is up if you heard the introduction this morning. As there is two million more for TBO yet in the capital budget money for fixing existing streets went down at least two million. Yet if you read the budget press release, you think money on fixing existing streets is going up but it isn't going up if you look at the numbers in context. TBO is a good preventive practice for newer roads but it has minimal impact in our older neighbourhoods where the streets are too far gone to benefit from this treatment. It's pretty clear to everyone that we needed a property tax increase this year. But the integrity issue rears its head again when we recall the 2010 election campaign. Robo calls from the Mayor's campaign went out scaring people that they would lose their homes if Judy Wasylycia-Leis raised taxes 2% and my name was included in some of those calls as well although I wasn't running for Mayor. Now we have a three and a half percent increase, a frontage levy increase, a water tax, huge increases in basic recreation fees that were put in place last year, massive increases in ambulance fees, et cetera, et cetera. I can tell you that a lot of citizens are pretty upset today and feel that they were manipulated in the last election on the issue of property taxes. This budget also contains a business tax cut again. This shifts the burden of paying the piper on to residents from the business sector. If times are tough and we must all pay more then businesses need to pay its fair share like everyone else. I also remain very concerned in spite of the assurances we've heard today of the level of services the City of Winnipeg is providing. Some like to brag that Winnipeg is providing services at the lowest per capita cost in the country. I put to you that we're also providing lower and lower levels of service with years after years of staff reductions through attrition and vacancy management and other means of staff reductions that have happened.

Mid-level public servants including professional staff have been decimated over the last number of budgets, a couple of years ago, 80 professional and mid-level staff, that was in 2010, lost their jobs in one year. Not sure how the work is going to get done with this type of hit on the work force and we're hearing about morale et cetera. I've tried to get more detailed information on the impact of this $13 million that has to be found from reducing staff. This has to come out of the height of the departments other than Police and Fire. As an elected official and I think this applies to all of us here, we are responsible to know the impact of what we're voting on and in this case the answers to how the impacts have not been forthcoming. Over and above the three million in attrition and unfiled jobs, the budget is balanced on the basis of finding two million more dollars in this calendar year from contracting out City services. Again, no one will tell me which areas of the public service are being looked at for this. Is it libraries? It is taxation, permits, life guards, custodians? Again we should know what we're voting for. You often hear the buzz word and we heard it again this morning of the job killing business tax. However this budget could be considered a job killing budget. For example, getting rid of our custodial staff who now have a decent quality of life and putting them out on the street is not necessarily a good economic choice not to mention the social harm that this will cost. With the price of housing, people can't live anywhere without a half decent wage and it may be in fashion to eliminate people's livelihoods and contract out to the lowest bidder but we should be at least considering the impact on people's lives. By the way, has it actually been calculated as to how many jobs, the job killing business tax has or cutting the business tax has created? I suppose we are expected to take the Canadian Taxpayers Federation's word for that on that one. I've never seen the numbers. I also think it is very sad that the horse patrol is being cut from the Police Service. In a budget, the size of the police budget, it's hard to believe they can't find $20,000 to keep this program alive. I'm also concerned about the recruit class being cut. We have been to that movie before. It ends up with unexpected retirements and being short staffed again.

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

Councillor Gerbasi: This budget, I'm trying to get a lot into ten minutes. It's hard to speak to a whole budget in 10 minutes, so forgive me. This budget includes raiding the reserves at a very high rate in particular concern to me are the heritage investment reserve in a land operating reserve which come from land sales. Just and this money is being used just to run the day to day operations of the city. These are not sustainable financial practices in the long term and on sustainability, we are funding 20 new firefighters which is a real feel-good story of course and we need those firefighters now but here is the concern when Sage Creek was approved a few years back as a new suburban development, the costs of these firefighters were not calculated or considered in the development fees charge. The same goes for the transit service we weren't supposed to need in Sage Creek if you remember the report, Councillor Vandal, you weren't here yet, it was Councillor Magnifico. But we weren't supposed to need transit service in this new development while of course we have put new service which is in our operating budget there. And if the City is going to be sustainable even just from a financial point of view, we need to start calculating the true cost of suburban development and start charging back more of those costs and we need to do it sooner rather than later. I won't even get into how poor this budget process is, as you've heard the speech before year after year. The thing is, why I mention, it is that nothing changes and until it does this will be…there will be an incomplete budget, a budget that is disconnected for many of the citizens of Winnipeg. It is disconnected from a number of members of Council who represent those people. There have been no meaningful improvements to the process. The token public meeting was a nice way to defend the current process and to give people, and to appear to give people a chance to participate, but until people, citizens and non-EPC Councillors are part of this process much earlier in the process before the budget has already gone to the printers, the process will continue to be nothing but tokenism and a way to make the official press release sound more appealing. Could I just have another minute or two? I know some of the other speakers did. I just have.

Mr. Speaker: Just continue, continue, wrap up.

Councillor Gerbasi: The debacle over the transit fare increase didn't help matters. Using transit riders in a failed attempt to force the hand of the Province was harmful to people's peace of mind to say the least and it was also an unfair way to fund infrastructure as everyone benefits from the reduced congestion of greenhouse gas emissions that come with transit ridership. We must start considering innovative ways to get new revenue we can't expect the Province to give us a huge pieces of existing revenue at a time when they face big deficits. In the Mayor's recent letter, every single source of revenue he asked for involved asking the Province go give us a bigger share of their existing revenue. It's time to face the fact that that answer to that has been no. The Mayor…

Mr. Speaker: I'll ask you to wrap up, please.

Councillor Gerbasi: I'd like to finish other speakers had an extra minute, (inaudible comments) Yeah to shut people up. In the Mayor's…

Mr. Speaker: Point of…

Councillor Gerbasi: Do you want to cut me off or is that what you'd like to do, Mr. Speaker?

Mr. Speaker: I'm asking you to wrap up, ma'am.

Councillor Gerbasi: I am trying to wrap up. I have this much left to say. Is that all right?

Mr. Speaker: Yes.

Councillor Gerbasi: In the Mayor's recent letter, every single source of revenue he asked for involved asking the Province to give us a bigger share of their existing revenue. I said that already, okay. See when you keep getting interrupted, you get thrown off.

Mr. Speaker: Fair enough.

Councillor Gerbasi: What I'm saying is that the Mayor needs to find a courage to consider new revenue sources that we can dedicate to sustainable infrastructure in partnership with the Province. We have to be willing to bring forward these ideas that reward public transit users, not punish them and provide incentives for people to make better environmental choices. Councillor Swandel will claim that drivers pay enough but gas taxes and fees for automobile use are being used in most modern cities...

Mr. Speaker: I've been very gracious, Councillor Gerbasi. I'd like you to wrap up, please.

Councillor Gerbasi: I am. I've got this much.

Mr. Speaker: Well, leave the personalities out of it and just give us your point.

Councillor Gerbasi: It's not a personality. It's a statement of a policies that they've been announcing and suggesting.

Mr. Speaker: Please.

Councillor Gerbasi: In conclusion, it's time for some real change and it's time to speak the truth to our citizens. I think people in our city hunger for something real. It's time to bring back trust to our citizens and try to repair the damaged faith they have in our elected officials and our political process. Thank you, Mr. Speaker.

Mr. Speaker: I have nobody on the list. Who's next? Councillor Havixbeck.

Councillor Havixbeck: Thank you, Mr. Speaker. It was officially spring yesterday and so with that I would like to think of this budget as perhaps a new beginning, a new approach into the next year. Overall I'm fairly pleased with the budget and I will be supporting it today. However, you know there are some things to it and I'm going to speak to that that constituents have raised with me and other general members of the public and I'd like to make a few corrections of some of the things I've heard today. Excuse me, first of all, I'm really pleased with the community centre funding and I think that our youth deserve greater opportunities to be engaged, to be in programs, to show some growth and personal activity. Being able to stay open longer, having more volunteers to accommodate needs, supplies, equipment, these all help our young people stay engaged and out of crime. And this is a really positive thing, I think, for our city and a good direction. More police officers I think is another good positive thing to help build community relations, hopefully continue towards reducing gang violence, other kinds of crimes against people and property. We heard it at our Protection and Community Services, since their report that crime has reduced 2% so that's important. Libraries, additional resources, I think that's excellent. Winnipeg Arts Council funding. I mean, many groups come to EPC and to Council and ask for funding and I was pleased although it was only a portion of what they asked for, I was pleased that something could be allocated to that group because they do a lot of good work. We see their work, it's immediate and they are very effectively run. Another good source or good organization is Assiniboine Park Conservancy. I'm pleased that the budget represents a fair share as a member of their Board and as a ward Councillor for where the park is. We can see the changes and see the improvements and they are very responsive. They couldn't do what they are doing without the support of the City in this way. They are able to leverage money to get private donor contributions in and you see the support. Every few months there is another announcement in the park. They are very quick to react to have things fixed and improved and maintained. The one thing that continues to resonate though is the same trend that we continue to see. No money if not less from the Province and in my two times of doing a budget now, I see more and more how much the Provincial Government impacts every aspect from libraries to community centres to roads, to policing. To social outreach programs. More and more my eyes are opened to the essential need and relationship, including transit. So it seems to me that we need to strengthen those ties. We need to have a better arrangement between the Federal and Provincial governments. One big thing I'd like to comment on is the business tax. I think it decreases important and

keeps us competitive if you look around our community, if you look around the outskirts of Winnipeg, why would somebody come to do business in Winnipeg when they pay a property tax and a business tax? Why wouldn't they go to Headingley where they would pay less property tax and no business tax? No business tax. We are about to embark on CentrePort. We are about to embark on the biggest shopping community in the city which will be in the seasons of Tuxedo and we still have this high business tax. Why would anybody want to come there would be my question. So I think it's important that we even get that and strive to get that down to zero, to be more competitive with the outlying regions. So, I know that some people disagree with the business tax they pay. They contribute to our economy. Over…since 1994, the Women's Enterprise Centre reports 25,000 new business starts in Manitoba by women. They are creating jobs. Last year, 75% of new business starts were by women in Manitoba and they've created over 50% of the new jobs. So where would all these people be working if all these people didn't create jobs? We have to make the environment enticing for people to want to come and do business here. One of the things I would be remiss to comment on if I neglected to say so, is the property tax increase. I have many constituents very upset with that. They do not see good value for money. I'd like to assure them that as part of approval of this budget, I see continuing to work with the CAO, with staff, continuing to ensure that initiatives like the MCC model, this needs to be widespread. The manage competition model. This needs to be widespread and become a philosophy in the organization. Doing the right things right, at the right price, perhaps realigning some things and strategic business units, looking at every department so it's not just the senior management kind of thing, it's a…it's a philosophy that works its way throughout the organization. That takes time, that takes more money perhaps at the start, and I think most business people, having been in business or in a community group for a long time would recognize the importance of planning and taking careful steps and engaging everyone in the organization because that will achieve longer term savings. So perhaps the Council sitting around this table in 10 years or 20 years won't be faced with the same kinds of increases because it will be ongoing and it will be built in and services will be based on services and not around budgets and how much we spend. Yes, it is a better time for a deal with our Provincial Government and with our federal partners because money flows through them. It's time for us to get our fair share. Only six percent of the Province of Manitoba's transfer payments comes to the City of Winnipeg and I think we contribute much more than 6% today of overall economy. So in closing, I do support the budget. I do have my reservations. I do see many good things in this budget. Thank you.

Mr. Speaker: Councillor Steen.

Councillor Steen: Thank you, Mr. Speaker. I would like to thank administration and EPC Councillors for their work on this budget. I know it was a tough budget and I appreciate all of the hard work and long hours that have been put into it. I am supportive of this operating budget. I'm continually reminded by my residents of my ward of Elmwood-East Kildonan that crime and safety is a number one issue. Our focus on crime over the years has paid off as crime in Elmwood has gone down 35% but there is always more work and more initiatives to be worked on. And I think it's being looked after in this. We're getting new community centres. And it's a big thing in our area to keep our youth busy. But we have a very committed community to do this and that's why crime is going down. And that is why I'm happy to see that this budget focuses on the issue most concerning to our residents, 50 more police officers on our streets. And I also want to mention the 20 fire fighters. Double funding for programming at our community centres and nearly a million dollars to assist our community centres with renovations. While I'm not keen on raising taxes, I understand that having a safer society and improving our infrastructure does cost money. And that money has to be found somewhere so we do not have to cut much needed programs and services. I fully support the Mayor's State of the City's speech where he said he would not quit until long term infrastructure funding agreement became a reality. We cannot deal with our infrastructure deficit alone. We need to work with all levels of government to find a solution. I would like to close by saying that I'm happy that public services have been maintained in this budget and that spending on infrastructure and most notably, crime and safety initiatives have increased. Thank you.

Mr. Speaker: Another speaker? Councillor Orlikow.

Councillor Orlikow: Thank you, Mr. Speaker. I…first of all, this has been the most in-depth session that I've done as I went to the public consultations both at River Heights Community Centre and at Lindenwoods Community Centre because I don't have the resources and I'm not involved in the process, I come from…I'm pretty well excluded from that process so therefore I must do a lot of that research on my own. The administration has been very incredible in answering questions as I find them. However, that group ability to work together to be able to get a better understanding of all these nuances in this budget, cash to capital, there's so many different things however I just want to thank my own staff for compiling enormous amount of data and working many, many hours of over time so they can prepare so we can go out to community and talk to them about how this budget impacts them and their neighbourhood. After an unprecedented 14 year tax freeze, Executive Policy Committee's unveiled 2012-2014 Operating Budget that proposes property tax increases, service cuts in many areas increasing usage of reserves and one-time revenues to balance our budget. Increasing debt and forecast a shortfall of over $104 million in 2014. With a 3.5% property tax increase, increases in frontage fees, increases in water and sewage rates, and the waste minimization fee, the average tax bill on a $300,000 home in River Heights-Fort Garry Ward has increased by over $200 a year over the last two years. This

increase in taxes excludes the additional tax rates on River Heights-Fort Garry residents due to the above average reassessment for the area, excludes increasing costs associated with user fees, permit fees, recreation fees, school board taxes as we know about and other fees. However, residents in the River Height-Fort Garry Ward understand that with inflation and with services there does come a cost and therefore they're willing to pay for this cost; however, we must ask ourselves not just to look at the numbers but to look at the impact of those services on the neighbourhood. What value for money are those residents getting? That is a key question. Unfortunately, the Operating Budget brought little additional value for River Heights-Fort Garry Ward and other mature and recent communities. Public safety. Will advancement in public safety improve neighbourhood safety? Well, last year River Heights-Fort Garry Ward was struck by a rash of arsons last year. At the same time our local community police force was pulled out to the neighbourhood to deal with the escalating crime violence and murders that are happening in other parts of the city. This was very dramatic for our neighbourhood, however I have to comment the fire personnel who worked with the police and stepped up to again alleviate some of those concerns in our neighbourhood. I have no doubt that we can turn us else around and becoming the safest city in Canada, but with the lack of commitment and prevention initiatives, our reactive approach will have limited success. Without an inter-agency partnership approach with dealing with the root causes of crime and reoffending, the Police will not achieve a level of success that will make Winnipeg the safest city in Canada. The other question we have to ask regarding public safety is how are we going to pay for it? There is no long term solution on how the Police expenditure will be managed because as wage increases, the costs will continually increase. We need to know where the funds will be coming from. While the Fire Paramedics, the fire station in Sage Creek is wonderful, I actually view this as again, how mature in recent communities end up paying for urban expansion. Those services will not be directed way to our neighbourhood. Roads and sidewalks have been talked about quite a bit. The increase to repair and resurface 50 kilometres of street through the TBO program will have little to no effect involving the issues of failing infrastructure. There are more streets failing each year means that there is more to be repaired. So therefore this increase is nothing more than a bigger band-aid over a bigger wound and since TBO is generally not used for fail streets, many streets in River Heights-Fort Garry Ward will not even qualify. The result of the ward is that less streets, back lanes, sidewalks and curbs will be repaired in this budget and that will also be fixed through the capital budget. Community centres, the funding for the community center programming and the capital program is positive. I believe it should've been done earlier as it comes from reserves however it is positive but this is really only a token of what was required to really make our community centres the most vibrant places in our local neighbourhoods. Parks, while the 11% increase last year to ensure the transformation at the Assiniboine Park is positive however you only need to walk through a local park to see the neglect to those local parks as well. Forestry, while reducing the pruning cycle from 13 to 10 years is also positive, the City that continues to lose thousands of trees per year to Dutch Elm Disease and also to Chokecherry black knot which continues to spread and the threat of the ash borer beetle is not even addressed. Arts, the $50,000 is appreciated by the Winnipeg Arts Council, however given the City's flat funding to the Winnipeg Arts Councils is 2007, and even with those new monies, the Winnipeg Arts Council Program package cannot be sustained at its current level. What is more alarming however is the stipulation attached to the use of the $50,000. Winnipeg Arts Council's always maintained a relationship with the City as one of trust and confidence and it's always spent its allocation responsibility. It has continuously met all the objectives of its mandate through both its commitment to the arts and its financial reporting responsibility to the City. Putting conditions such as the one proposed in the current budget destroys that trust and confidence as well as the integrity of the arms-length process. Mr. Speaker, on December 2011 a Forum research poll indicated…asked residents in Canada's top 30 largest cities for their opinion on various municipal services. While Winnipeg received the lowest grade in the country at 11% with only 5% of the population saying that they are pleased with the maintenance and repairs to infrastructure. You only need to walk through many neighbourhoods in River Heights-Fort Garry Ward to see the neglect to our urban forests, streets and back lanes turning into gravel, heaved sidewalks and missing curbs, garbage and over grown bushes blowing onto sidewalks, neglected local parks and graffiti, ugly traffic circles without any greenery, boulevards with no grass. Mr. Speaker, the fact that the budget has to find an additional $2 million in savings as to be determined at a later date, reflects the lack of action on addressing this issue and many other issues facing Winnipeggers. Solutions must be found now. Therefore Mr. Speaker the lack of value provided, the fact that not all Councillors were involved equally in developing the budget therefore the wards are not equally represented in the budget, increasing reliance on using reserves, selling of assets, increasing debt load and the lack of action to address the $104 million 2014 operating budget shortfall means that I cannot support for this budget. I remain committed to working with Council and the residents of the River Heights-Fort Garry Ward to finding solutions to ensure that the City invest in vibrant neighbourhoods that attract and retain families. Thank you.

Mr. Speaker: Thanks, Councillor Orlikow. Who will be next? Councillor Eadie.

Councillor Eadie: Thank you, Speaker Nordman. I guess I should start off by saying that this budget is barely getting at the growth versus existing dilemma that this city has, Speaker Nordman. Modestly raising property taxes is a start to try to keep up to inflation. At least new properties will be paying closer today's…closer now to today's cost of services. As I've presented in the past that when new homes come on, their property tax levels are at the service level of 1999-2000. It is great that the 20-cent bus fare hike is rescinded. I wanted to thank those who moved and voted to rescind the 20 cents and actually I think that we as a city have tried to negotiate with the Province and with the Federal Government

and I believe that we really do need to see a more sustainable way of financing the growth of Winnipeg. Some additions were made after the budget was tabled. It was nice to see that we restored some of the money back to pleasure ice. Russ Wyatt had the idea to move that motion. I think that was great, $150,000. I'm sure that the kids in Mynarski are going to benefit from that providing we have a long enough winter. Apparently, the pleasure skating at Pritchard Park didn't last that long. A partial meeting of the request from the Arts Council is a good thing but I know it's not enough but at least we have made an increase, I think that's pretty good. More money for community centres, excellent. Hopefully it will be enough for community centres to catch up with infrastructure and with their programming needs. There is a huge increase in the Police Budget this year because we're bringing on more officers and I wanted to just let people know that I voted for 58 police officers in my first few months on City Council. But I'm sad to say that we are not seeing the complement in the areas of the Mynarski, Point Douglas, Old Kildonan. We are not seeing our complement of officers increasing and I'm sad to see that because I voted with the 58 new police officers because I thought that we would get a little more police support in areas that are actually important to downtown. You know, downtown, you know, it's essential to have a vibrant downtown but you know, a vibrant downtown is nothing if everything is decaying all around it. It's not right. So, but that's not enough. We do need more prevention. There's a number of organizations that came to us, various means of doing protection and prevention, the community centres are great but I think the City could do more. All revenue collected by government. I wanted to mention this. All revenue collected by government to provide facilities and services to its citizens and to the people who live in it, the residents, is a tax. It doesn't matter. A user fee is a tax. A flat garbage fee is a tax. Property tax is a tax. The frontage levy is a tax. They are all taxes because that's what governments need to do in order to pay for the services that we all need and want. So, while for some tax is a dirty word, tax is actually something that governments have to do to make sure that we can take care of people and provide the services they want. Property tax and user fees are the same thing. This budget has an overall direction of making it very difficult for people of low income to make their way. I mentioned the flat fee garbage. What we have done here is we are taking garbage collection off of the property tax bill which you know, I'm sorry to say people, or I'm not sorry to say. We need to realize something. A flat garbage fee is regressive as compared to a property tax that's based on the value of somebody's home and the closest the City can get to reflecting one's ability to pay. And the flat $50 fee is just wrong. We could change it. It's a simple formula. I showed people how to do it. I'm not saying the one that Russ Wyatt convinced me to try to go with. It's a simple formula, apply it. We can still do it because it doesn't…it's not happening until October of 2012. Let's just do it. Let's help low income. We've heard people talking about trouble with transit. We're making this city way too difficult for people to take responsibility and pay their way. We're not letting them do it. We're actually going to force them into... I don't know where they're going to end up. Are they going to end up hopeless, or homeless, I mean? Are they going to end up causing crimes because they need to find ways of bringing in income that they can't because they are on lower wages? I don't know what they're going to do but you need to realize that that's the overall effect this kind of an approach will have. The business taxes. Business taxes are collected and so are commercial property taxes. Businesses pay both. It's two separate systems and yes, Ross Eadie, the so-called leftist, is going to say something here today. I'm going to put it on the table. I think that we should do what Edmonton did. We could help many businesses, I mean, big businesses save money in legal fees for fighting assessments in two different processes. Taking care and administrating two different processes. Let's move the amount of money on the business tax onto the commercial property tax. Let's get that done. Let's get rid of one more system that does cost a little more and for big business, it could be an employer problem but I wanted to point out something. I will be voting for today the By-law that increases the ceiling for the business tax credit to I think it's 22,600. What that means is there's a whole…40% of businesses, very small business will be paying less…they won't be paying approximately $2,000 in business tax. And I have to point out that $2,000 is going to go to other expenses. It won't be employing anybody contrary to some people's beliefs. The 8% dividend on the water bills, you know, so water is based on consumption. Okay so that's been there. It's been there for a number of years. We created that Water Department to bring in water and sewage at the lowest cost that we could to people and based on consumption we pay for it. Then you go and tax on top of a tax and bring in an 8%.

Mr. Speaker: One minute.

Councillor Eadie: If you need the 8% for…if you need the 8% for the, for general revenues to pay for things like local sewage and water infrastructure, why don't we do it in a more open and clear way. I wanted to also point out that the frontage tax, a number of Councillors have spoken about the decay and the rundown of the roads and I think it's great that we're taking responsibility and we're going to make sure that some roads don't get into more disrepair to the point where they are like most of the streets in my ward that need renewal and actually, frankly I'm getting less this year for renewal of any streets. They are not even doing full renewals any more in Mynarski. They are doing some new sort of process, I'm not quite sure exactly how it is but that's what's happening in my ward, based on what this budget's talking about. I think we should be borrowing money related to those frontage fees so we can get more roads done.

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

Councillor Eadie: People want their roads fixed in the inner city. They want them done. I hear it every day. And you know what, most of the money that this city has been borrowing, I know it's going to pay for some…renewing the Disraeli Bridge, but we're also building millions, tens and you know, it's over $100 million worth of new infrastructure that we're building. A lot of our borrowed money is going into that and you know what any bond rating agency if we demonstrate it to him here's our revenue source. Here's…we're borrowing money to fix these roads, no bond agency is going to say that's a bad idea. We've dedicated a source of funding as we heard from Mr. Lorenc, and then we proceed, it's a smart way of doing it. I don't…you know, this current borrowing thing that we have just doesn't work because it causes a problem with growth and existing. So really, I think I'll just finish my speech and just say for me this budget is really about increased taxes, less services. That's actually what's going to be happening here. There is a whole bunch of reasons for that. There is no way we can spend ten or fifteen minutes to talk about all of it so I won't be voting for this budget because I don't think that it's…it goes far enough to restore the balance between growth and taking care of the existing services, the existing city and so I will be voting against it because it will be charging more and delivering less.

Mr. Speaker: Councillor Swandel.

Councillor Swandel: Same old, same old. Every year we do the budget and its budget decision making by committee. With a little bit of politics thrown in the middle of it. Some people say why they hate it, some people say why they love it. Some people say it's good, some people say it's bad. You know this budget, you can't really say what it is, time will tell what it is. I believe it's a fair budget. It takes a balanced approach and at the end of the day we'll see that our city improves as this budget proceeds because it has improved every year since I've got elected since Mayor Katz has been here in even the years, in the 14 years where we've had freezes on taxes, the City has been doing great. Because for every survey that says that there's something wrong, there's ten surveys that say how great this City. You know, I get a little embarrassed when I sit here and some of colleagues use terms like tokenism, I would never on EPC and part of the budget making process, those things were done and they weren't labeled as tokenism at that time. So let's stick all this garbage where it belongs. You know, these budget processes are difficult to do. I'm still…it blows me away how naive some of the folks are here are, how ignorant are their understanding of what the budget is and what it does and what it means. So, you know this is a fair budget. It will certainly deliver for the City of Winnipeg, Councillor Fielding has gone through a lengthy list of all the improvements. Some people have pointed out some of the shortfalls with some of their jewels that they like to see in it, but this budget will certainly keep this city moving in the right direction as the rest of the world is saying we are moving. We're doing great. I'm surprised to hear so much negativity around this table. Our city, I believe is the greatest city in Canada right now, and I think the rest of the country is talking about us as that. Let's not drag ourselves down. We can pump ourselves up and this fair budget will help us do that. Thank you.

Mr. Speaker: Next? Councillor Mayes.

Councillor Mayes: Thank you, Mr. Speaker. One is reminded of the old political axiom, "some of my friends are for it and some of my friends are against it. I'm with my friends". I would say I will be voting in favour of the budget as a whole. That doesn't mean I favour many of its aspects. I certainly remember I voted for four budgets when I was a school trustee and I disliked parts of all of them. I helped to author three of them and there were still parts that I didn't like but at the end of the day you've got to have a budget, you've got to move forward. So I wanted to make some specific comments and some general comments. Firstly, I do think we need a more open process. This isn't a vote on the process. If it were, I'd vote no. I think we need a more open process if only so that Councillors Fielding and Gerbasi don't keep debating whether she could've made it to the one Wednesday night meeting, let's have more than one meeting and we'll avoid that. Secondly, so we do need a more open process, a longer process, Councillor Orlikow's right, I think the non-EPC Councillors like myself need to be brought in at an earlier stage. The issue of the elms, a number of us have received a number of e-mails I think we all take it seriously. There's a study being funded here. I asked the City tree person whose name I'm blanking on, are we on the verge of a collapse of the canopy and his answer was no we are not. We have time to do a study and do it right, so that's why I'm voting in favour of a study and not trying to put money on this an additional million dollars on this today. We all take it seriously. I think I speak for everyone but there's a way of doing this correctly via a study. The third thing was there was a mention of the Police Budget and the cutting of the horses. I'm voting on a number here. I'm not voting on what efficiencies they've been asked to find and that's very important in my ward where one of the efficiencies mentioned by the Police Chief was closing down the St. Mary's Road police station. I am not voting in favour of that if that was part of this package, I would not vote for this budget. And similarly if somebody came to me and said we'll leave yours open Mayes but we're going to close Browaty's on Henderson. I'd vote against that as well. Councillor Browaty and I have had I think a good dialogue on this on the two police stations. So that is not part of this vote, the future of those two police stations. What don't I like about this: Councillor Gerbasi's talked about vacancy management. That is a problem. public services are important. We do need to keep staffed up. I've met with WAPSO. I've met with CUPE. A number of people have talked to me. I appreciate those concerns. I was looking in my material from the election. I said I oppose privatization of our water system and arenas. Those aren't part of this package. We hear people talk about contracting out earlier, that's not in this package. I'd vote against that. I probably disagreed with about half of what Councillor Havixbeck had to say. But I'm voting the same way

that she talked about the management competition process. I don't favour that. I'll be voting against that tomorrow but that's not on the table today. What we're looking… indirectly number is but $2 million is in there. It doesn't say that it's contracting out. I would vote against that. It does identify savings of $2 million. So this is not a vote in favour of the concept of the whole managed competition process and I want to reassure people from labour and another sectors of that. The Labour Council, CUPE, others have talked to me about the business tax. I did put out a release a month or so ago saying we need more of a debate about the business tax and amazingly enough, we are actually having a pretty good debate. I think what Councillor Eadie is saying is one position that's defensible. Councillor Havixbeck saying let's get it to zero from $58 million. It's the fourth biggest line item in term of revenue in the budget. We can't just walk away from it even if we'd like to. We have to find a way of working with that. If we hadn't changed it, if we just left the same people paying and brought in growth we get an additional 400,000, you may say what's 400,000 on 900 million, what's that? We could've put that towards a numbers of grants to Boy's and Girl's club. We could've given more to any number of the… Winnipeg Harvest, I noticed as its budget frozen, we could've put some more there. So we could use the extra 400,000. I think that debate should happen next year, about what we are really wanting to do with the business tax? I want to thank Councillor Fielding for coming out to my town hall meeting in St. Vital. He got into his rap about the job killing business tax and the woman in front row says, "this guy's making a lot of sense. I agree with this guy." I said, "Well you know...conversely we don't let the lowest 40% of property taxpayers off the bill. You're talking about (inaudible) of 40% of smallest businesses and Councillor Fielding said, "Businesses are all still paying the property tax", so this can go back and forth. There is a good debate to be had here about the future of what we want to do and I think we do need to seriously look at that. We could use the 400,000 for a number of uses. So what's positive? I think, firstly I'd have voted no if the 20-cent transit fee increase were still part of this. Some people have said to me, "well, that's not part of the operating budget." Four of us have sat here for like three hours I think, four hours, listening to people make delegations so it's part of the operating budget. It's now been removed. I favour that. I want to commend Councillor Eadie and Councillor Smith. They did a lot of work on that. I was there, one of the press conferences with Councillor Pagtakhan. They may be used some rhetoric I wouldn't have used, some terms. But I think ultimately I want to commend Councillors Eadie and Smith for getting to the finish line and getting that removed from the budget. Secondly, one of the things I ran on was budget responsibly and openly, instead of introducing more user fees. I think this is more, more saying it's 3.5. Someone came up to me to St. Vital Y the other day and said, "I'm fine with that. You've been open about it. It's not a frontage levy, I can live with the 3.5. If we keep doing it each year, maybe that's a problem but let's at least not go 0, 0, 0, 10. I can live with the 3.5." And that's about my view, I can live with the 3.5 and I think we're doing that openly. Thirdly the Arts Council funding has been moved. I ran on unfreezing their budget. You can view it as tokenism. It is however, we are breaking the freeze after several years there and I look forward to increases. Councillor Orlikow is right, the wording is a problem. I don't think many of us feel they're burning off money on administration at the Arts Council. I talked to the City Clerk's office to see if this was in order. Mr. Lemoine gave me his opinion which he thought…he didn't take a position on it but he said, "Yeah I believe that wording is in order, that it can be worded that way" but I troubled with the way it's worded saying it shouldn't, that we're trying to tie the hands to some extents of an arms-length organization but I am pleased to see the increase. I know Councillor Pagtakhan had talked about that as well and others so. Pleased to see that increased for the Arts Council. Something that hasn't been mentioned, one of the things I ran on was improved crime prevention. There are eight new full time equivalent crime prevention positions in this budget. I don't think anyone's mentioned that today so I am pleased to see that. Councillor Gerbasi mentioned 59 new positions, 55,000 hours of service for transit. I'm very pleased to be able to vote for that. I think that's one of the tradeoffs you get in a budget. I'm very pleased with that aspect and I'm not as pleased with other aspects, but at the end of the day that's a very good increase. We're making a good commitment there and it kind of leads me to some concluding comments. I think I'll need more than 27 seconds but a lot of talk about the Province and the Province should be funding more or less and I'm proud to have backed the party that won the provincial election. I'm proud to be a member of this Council. I would hope we can get through this week and then move on with some things. You know, we can sit here and trade Dickens quotes back and forth with the Province and you know, the opening of Bleak House is fog was everywhere and there are moments in this infrastructure debate where…

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

Councillor Mayes: There are moments where that seems to be the governing thing. Let's get past all that and the personalities. Councillor Vandal spoke very well at the Infrastructure Committee saying, "you know, I want to get going on this. I don't know if it's down to U of M." or you know, he was saying, "look, I'd like to see us go louder than that, think broader than that. Let's talk about building out into the east end and into St. Boniface. I support that. I think that's the way to go. I think we should be talking to the Province. We're all going to be here for a couple of more years as various people have said. We're at this odd historical juncture where the Province is in for several more years, the Federal Government is saying we're here for a few more years. We've got time to work with. We're all going to be here so I think we need to sit down and work with the Province, try to get some movement on the mass transit file, try to get some of those infrastructure dollars going. I know that's capital but various people talked about the relationship with the Province here today so I want to conclude by saying I continue to have concerns about preserving public services, it's something that I ran on that I want to follow up on, but ultimately as a package I feel I can live with this budget. I want to keep

working with, our partners, with the Labour Council, with C.U.P.E. and with WAPSO. Try to keep building those forces. I don't want to see contracting out. I'd like to see those bargaining units grow and improve and I do think as Councillor Swandel said, the City by and large is moving forward and we're in a positive space. There are things I'd like to see that aren't in, however, I am very pleased with some of the aspects that are in therefore I will be voting in favour.

Mr. Speaker: Councillor Wyatt.

Councillor Wyatt: Thank you, Mr. Speaker. I rise, I 'm going to support the budget and I want to first of all commend the Chair of Finance for the work that he did on the budget. It's a lot of hours and energy. To thank him for the opportunity There were a lot of hours and energy and to thank him for the opportunity of working with him on his working group and also with Councillor Swandel. And it was a very good exercise. I will though speak though primarily, Mr. Speaker, about a matter which consumed much of the debate about this budget leading up to this meeting up until about last week which is, a part of the budget which really does disappoint me which, out of everything in the budget which is item 3D in the amendment coming from EPC which is to eliminate the 20 cent increase in the transit fares. I was a seconder of that motion moved by Councillor Swandel and I just want to thank Councillor Swandel for that motion. I think it was a very good motion and I think it showed a lot of courage, Mr. Speaker, on the part of this Council. I think a huge opportunity has actually been lost when we look back at this budget debate. A huge opportunity has been lost. I'm a big supporter of BRT, Mr. Speaker. I strongly believe in it. The Mayor appointed me as Chair of the Rapid Transit Task Force Committee. Councillor Gerbasi and Councillor Pagtakhan were both on it and we recommended after looking at all the different options of BRT and we had a situation here in the last 30 days or so where we had a window I thought, Mr. Speaker to actually finish the BRT all the way to the University of Manitoba. Why, Mr. Speaker? We had a Council that was prepared politically to take the political hits no matter what all the Neo-Trotskyites were saying, showing up here at City Hall to take the political hits and to do the right thing, Mr. Speaker. We had to read the lies in the Media and in the Free Press, I'll single them out because of their editorial page commenting that all of the funding was going to be on the backs of transit users. What…completely false, Mr. Speaker. The whole route to the University of Manitoba at the end of the day will be well over $400 million. The 20-cent increase would've allowed us to finance $85 million, Mr. Speaker. Mr. Speaker, that's absolutely ridiculous. Less than 25% going from the users to fund the service that they will benefit and benefit the entire city, Mr. Speaker. This was this Council coming forward and saying we will take the courage, we will show leadership and we will find the resolve, Mr. Speaker to do this. Twenty cents we were told is the end of the world, Mr. Speaker. Guess what? Most economists and oil experts are predicting with the driving season coming up that oil's going to go up by Mr. Speaker? Minimum they're predicting, 20 cents a litre, a litre, Mr. Speaker. By the time summer rolls around from $1.17 to $1.37 or more. Mr. Speaker, we're talking about 20 cents, 20 cents that could've funded and finished building the BRT to the U of M, a huge lost opportunity. From a Premier who claims that he is Mr. BRT and I never would've thought I'd see the day where Mayor Katz who does not wake up in the morning thinking about BRT my bet is, does not go to bed the night dreaming about BRT, was literally sending not one letter, not two letters, not three, but four letters to the Premier, pounding the table for money to fund BRT. Who would've ever imagined that, Mr. Speaker? I certainly would not have imagined that, but that was what literally was happening. He was pounding the table demanding money for BRT so we don't have to do the 20-cent increase and instead, Mr. Speaker, and giving options, Mr. Speaker, giving real concrete options. And I know the main apologist for the Premier on Council here always defends them said there was no, there was no new sources, there were new sources of revenue, Mr. Speaker. And we even said to the Premier and the Mayor has said to the Premier that we'd be prepared to help him in that cause of finding new sources of revenue, not taking it out of his general revenues that he's so reliant on and so mis-managed, Mr. Speaker. Mr. Speaker, instead did the Mayor get a response? No. Not one response to all these letters sent to the Premier; four letters and not a response. I don't know what that says about the Premier, Mr. Speaker. Instead, the City receives a letter of response from the Deputy Minister, not the Deputy Premier, but the Deputy Minister of Local Government, not to the Mayor, but to the CAO. So, add insult to injury Mr. Speaker saying that this cannot be done and on top of that, Mr. Speaker, we saw the Minister of Local Government publicly compare the Mayor to Oliver Twist. More soup, sir, more soup, more BRT. Could you imagine the Minister of Local Government making a comment like that Mr. Speaker? Oliver, Oliver wants more, well, Samuel's asking for more BRT and here he is standing up. The boy named Samuel, Mr. Speaker.

Mr. Speaker: Councillor Wyatt, we'd like you to get back to the budget.

Councillor Wyatt: I'm on the budget. Mr. Speaker. I'm on the budget. I haven't left the budget. Premier Bumble who clearly is the one who decided not to do…to fund anything, I think is demonstrating the arrogance and high mindedness of the Provincial Government Mr. Speaker, in terms of the approach that they have towards this government and towards the municipality and not responding to the Mayor is symbolic of that. And we should not be surprised because it was only last fall when Angela Mathieson, the right hand of the Premier told Phil Sheegl that the Province doesn't really need the City after winning an election and gaining one more seat and having 37 seats in the Legislature. This arrogance Mr. Speaker, is clear and clearly the personal hate the Premier has for the Mayor has been betrayed by his actions.

Mr. Speaker: Councillor Wyatt, please. I know your intentions are sincere but I would appreciate it, if you stick to the budget.

Councillor Wyatt: All right. I am going to get back. I'm referring to the Clause 3D in the motion which is of the budget Mr. Speaker, on rapid transit and the 20-cent. Premier scores a political victory Mr. Speaker, but what suffers the City? BRT as we know it, I think has been dealt a massive blow in terms of the 20-cent increase and the fact that the Province has not come to the table. Mr. Speaker, I think the time has come. We as a city have shown over and over again to the Provincial Government, we have responded to their issues and concerns in terms of what we've gone for in terms of new resources of revenue to fund our budget, to fund the infrastructure, to fund the needs of the City's, the citizens of Winnipeg. We…they've asked us to put our house in order, Mr. Speaker. We have done that. Financially, the City has done that. They've asked us to raise taxes, Mr. Speaker, we have done that now. We have raised taxes and we're probably going to have to continue to raise taxes, Mr. Speaker as we go forward. They've asked us to reduce our reserves, Mr. Speaker. We have done that and we are continuing, Mr. Speaker, to reduce our reserves. They've asked us to borrow money Mr. Speaker. We have done that. We are now borrowing money to such an extent we've never borrowed before that our cost to borrow, the cost of…on the budget in terms of the actual borrowing dollars to service that debt for the first time is going to start going up, and up dramatically, Mr. Speaker. We have done that. Mr. Speaker what will be the Premier's next excuse? Well, in terms of the budget Mr. Speaker, I received a letter today from the Minister of Local Government.

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

Councillor Wyatt: Thank you. And he…the Premier's apologist, and he says to me in the letter I read with interest, the recently tabled city budget and note there are no new road projects identified in the budget. Well, Mr. Speaker, the Minister of Local Government doesn't even know the difference of our operating budget to our capital budget. What does that say, Mr. Speaker when the Minister of Local Government responsible for municipalities across this province doesn't know the difference between the City of Winnipeg's operating budget verses its capital budget. And indeed Mr. Speaker, in terms of the capital budget, this Council increased funding for infrastructure, no thanks to the Premier who for two years stood in the way of Building Canada money flowing and it was only the Plessis Road underpass that broke the log jam and got money flowing for projects in the city, Mr. Speaker. The Premier is standing in the way claiming BRT, BRT, we came forward with options for BRT and he said no. I'll be supporting this budget, Mr. Speaker. But the reality is the Provincial Government which clearly has a mandate from the people from the last, the recent last election should not expect that mandate Mr. Speaker, to be there automatically and the arrogance that they're displaying in terms of how their minister responds formally and publicly to us and in terms of how the Premier refuses to respond to the Mayor's letters regarding this budget is unacceptable, Mr. Speaker. Thank you.

Mr. Speaker: Who's next? Councillor Vandal.

Councillor Vandal: Mr. Speaker, I want to begin…my speech is going to be boring after that one. But I want to begin by thanking the 50 plus delegations who showed up at the Public Works Committee a couple weeks ago to talk about everything from rapid transit, bus fares to the whole forestry issue and I know it's very important to the committee that when the people come out that it's…we need to listen to them and some of them came out of there very happy and some of them were not so happy but I think it's important to acknowledge that they were a part of the process. I also want to thank the Chairperson, Scott Fielding for leading this charge. I know that there were consultations done. There were some active, animated, colourful Public Works or Standing Policy Committees that were here today. We supported, I supported the budget at Public Works. I supported it at Executive Policy Committee with the amendments presented. And it's my intention to support it on the floor of this Council, Mr. Speaker. I want to talk very briefly about Public Works because it's been touched on by several Councillors. The overall number in Public Works have gone down slightly but that's mostly because of, thank God, non-reoccurring flood costs and some administrative capital charges which are basically administrative but in terms of actual dollars for service Mr. Speaker, I think we're getting a better bang out of this Public Works budget than we were in previous years. It's been mentioned $2 billion more in TBO which will go a long way to preventing further deterioration on our roads which we all know is our biggest liability. This is not a capital budget. There's no new roads but we do have some TBO money which is significant and there is 300,000 more enhanced snow and ice clearing policy. I'm told in 2012 Mr. Speaker, it is going to snow and when it does, we're going to have more money for enhanced back lane clearing and ice clearing and there is also a $250,000 increase in tree pruning, Mr. Speaker, which is not insignificant and it's been mentioned before. We had a great discussion at Standing Policy Committee on this and the motion that was moved out of Standing Policy Committee is to get an analysis of the entire issue and I want to thank the people who actually…Wendy Land was here this morning and her group who did some tremendous research and I want to thank them for that but now is the time to benchmark that research against the some of the City of Winnipeg and Provincial Government expertise that are out there to make sure that before we start spending more money, more than a quarter million dollar augmentation, that we're doing it at the right places so that we can actually address this disease in the most efficient and effective way possible and that's…that was the nature of the

discussion at Public Works and I'm proud to say that that motion is here. This is a very, very serious issue for me for the Public Works Committee and this Council and when the research comes back if it's recommended that we need to spend more money, then I think we are going to be there. Water rates, Mr. Speaker. I know we're going to have a discussion on this but the actual numbers are embedded and increases are embedded into the figures we're talking about this morning. There is an increase, 6% on the water rates and the reason for that is very, very simple, Mr. Speaker. We need to complete $1.2 billion in waste water treatment improvements within the next few years, Mr. Speaker. That was a clear recommendation of the Clean Environment Commission and we need to do that. The Clean Environment Commission also suggested however, that the Federal Government and the Provincial Government cost share equally in that $1.2 billion and that's important because to date we've received from the Province 220 million and from the Federal Government, 50 million. A far cry from a third, a third, a third necessary to get to that $1.2 billion, Mr. Speaker. So the punch line behind all this is that water rates are going to continue to increase more than they should unless, Mr. Speaker, the Provincial Government and the Federal Government contribute their one-third share to the waste water treatment improvements. And to give you an example, Mr. Speaker, we're predicating a 6% increase for next year. Administratively the work is going on unless the Federal and the Provincial Governments come to the table with more money and if they were for chance, after that speech, I'm not sure. But we need to, we need to get a real inter-governmental strategy together but if the Feds and the Province were to come through with a third, a third, a third for next year we would be looking at an inflationary increase Mr. Speaker, rather than the 6% we are looking at. That's a discussion we need to have, one mature government to another. Public transit. We've talked about it. It's going to be a huge year for Winnipeg Public Transit, Mr. Speaker. April the 8th, we're opening Phase 1 of the Southwest Rapid Transit Corridor. There's going to be…we're hiring close to 50 new transit workers in 2012, Mr. Speaker. There's 55,000 additional service hours in 2012 compared to 2011 Mr. Speaker. That translates to, I believe about 4,000 extra service weeks of service for transit and no matter which way you slice it, no matter which way you dice it Mr. Speaker. That's impressive. I want to talk about something that's totally non-Public Works but doesn't get mentioned often enough because we're doing something in this budget Mr. Speaker that we all should be incredibly proud of. We are doing something in this budget that no other city in Canada is doing. We have an aboriginal youth strategy, Mr. Speaker. And for the fourth year in a row, we are investing $1 million in the youth strategy. The aim of the strategy Mr. Speaker is twofold, is to create the partnerships with outside agencies; to develop the job training, the employment and the recreational skills for young aboriginal people; to actually go out there and compete more effectively with the jobs that are there; and to create all sorts of improvements in our internal civic processes so that we can be more representative of the population, the greater population of the City of Winnipeg. Mr. Speaker, there's a million dollars in the 2012 budget and I had the privilege of going to a graduation about two months ago with Mayor Katz. And let me tell you Mr. Speaker, we all should've been there because the work that's being done is first class and it's not…it's not being duplicated anywhere in Canada. Mr. Speaker, there's all sorts of other issues I can touch on in the budget. The whole transit fare issue is very passionate and it has consumed the budget and unfortunately that became the issue rather than Phase 1 of rapid transit and all the great work we are doing. I believe that we need to sit down with all levels of government as mature government to government and have that discussion that negotiation. It's in everybody's best interest to move not only Phase 2, but let's go into St. Boniface, let's go into Transcona or Point Douglas and let's start investing in rapid transit. The reality is this, Mr. Speaker. There's a couple of billions dollars of infrastructure that needs to be invested in rapid transit alone and we have to look at all sorts of funding sources. I would like to see a transportation authority which was in the State of the City speech, become formed, have industry expertise, have the Provincial Government representation and look at realistic funding options to pay for that $2 billion because we're not just talking about the U of M.

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

Councillor Vandal: We are talking about going to east, we're talking about increasing density and look at realistic options that makes sense. In closing, I've already thanked Councillor Fielding but I want to thank Phil Sheegl and Mike Ruta, the team, you've done tremendous work once again and look forward to supporting the budget. Thank you.

Mr. Speaker: Mayor Katz.

Mayor Katz: Thank you, Mr. Speaker. I certainly echo many of the comments made by Councillor Vandal and I certainly don't want to be redundant. First of all, I will be supporting the budget. I think, in the big picture and when you're looking at the budget Mr. Speaker, you have to look at the big picture and from my point of view and I think many others you will see that this addresses the big picture of a growing, prosperous city, creating opportunities for people to move here and raise a family, come here to invest and open a business and hopefully have a good quality life in our city. That's what the budget is supposed to do and providing the services that are required. I just want to make a couple of comments on some issues that were raised and I don't know why but regardless of the facts, I know a lot of Councillors today had talked about the business tax. Well, Mr. Speaker, let me make it abundantly clear to everyone. When you pay your property taxes, you're paying for those certain services that you are entitled to. When you pay for your business tax not one member of Council has ever been to identify one item that you are getting in return for those business taxes so let's

be very clear on that. That's number one. You know, number two, are there things to criticize in this budget? Absolutely. I could pick some, Mr. Speaker. But the idea is you can't do everything. You only have X amount of dollars to do in so you try and set your goal and get there Mr. Speaker. I found it rather unique and I don't… I've said on the record before. You know, we need to very much do everything we can to protect our tree canopy and we all know the issues and concerns with Dutch elm disease. But, for anybody to criticize this, you know Mr. Speaker, when I came to Council as the Mayor, okay. Our tree pruning was 1 in every 40 years, Mr. Speaker. So for those Councillors who are criticizing today, what were you doing back then? We've now got it down to one in every 13 with our goal to get it to one in 10 and the ultimate is 1 in 7. We're making progress so for those who stood around and did nothing to criticize progress I find rather strange, Mr. Speaker, to be very frank with you. And you know, Mr. Speaker, I'm not sure, is there anything wrong with…I think everybody on this floor of Council supports putting more into our library services. You know, more books and more opportunities for the public so if we're going to put in $135,000 is there anything wrong with asking the Provincial Government to treat us the same way they treat all the other municipalities and remove the cap? It's been discussed by every member of the board. It's been discussed by the representatives of Council who sit on that and maybe as opposed to criticizing that, maybe our friends who have very positive relationships with people on Broadway can help us lobby and make it a reality. Maybe we should be working together as opposed to criticizing for doing something good. You know, Councillor Fielding has identified so many of the positive things and as I've said, you know every year and I think Councillor Mayes kind of summed it up. There's things you're going to like. There's things you don't like but in the big picture you vote on the budget because it's going in the right direction not because there is one or two things you don't like about it. I think it's unfortunate that some Councillors will not be supporting this budget but I'm pleased to hear so far that the majority of Council will support this budget and at least they can see and they have the vision to move our city forward and I do thank Councillor Fielding and the committee and you know what, unless you've been there, you have no idea. Doing this budget totally consumes you. Totally consumes you and you know, I know all those great people sitting right behind me, I guarantee you that they are absolutely ecstatic when this process is over. The sad part is it almost starts right away. There's not a lot of time to relax, but Mr. Speaker this is a good budget. Should we be doing more? Yeah. But you've got to find the revenue, Mr. Speaker, to do more. And that's what we're trying to do is find more revenue to do more and I want to make one comment on something that was said. Quite often, and through you to Councillor Gerbasi, they like to repeat this over and over again about property taxes, so let me reiterate my comment because it's on the record, so I'll repeat it. I say it today and I said it last year. "Property taxes are the most regressive of all taxes. You should not consider increasing property taxes till you've looked at everything else." I think it's been pointed out by Councillor Wyatt that I tried looking at everything else with the Province at every opportunity regarding consumption taxes. And when that fails, Mr. Speaker, then you have no choice. But I believe, Mr. Speaker, one day we will be successful. And you know what, not only Councillor Gerbasi has the right to dream, we all have the right to dream and I hope that it'll becomes reality. Thank you very much, Mr. Speaker.

Mr. Speaker: Councillor Browaty.

Councillor Browaty: Thank you very much, Mr. Speaker. I'd like to start my remarks by congratulating Councillor Fielding, the subset of EPC that worked tirelessly on the budget, the department staff, the Mayor and my colleagues on EPC, all the Council for the work on this budget.

Mr. Speaker: Councillor Browaty, I didn't want to interrupt the Mayor but I should interrupt you before you get rolling. You know, I don't know how many other speakers we're going to have on this issue. We're now past the twelve o'clock hour. I have your consensus to keep rolling? Well at this point, I have no other speakers. Councillor Sharma, is Councillor Sharma…okay then so we'll cut it off after Councillor Sharma and give Councillor Fielding the opportunity to close. Councillor Browaty, continue.

Councillor Browaty: Thank you very much. So again, congratulations to everybody involved in this process. It's not easy. I mean, the 3.5 percent break or increase in property tax this year, certainly not my favourite thing to do but it was high time that you know, we have to recognize that to provide modern city, to provide modern services, to improve our community safety through increased policing, to improve some of the things we need to do this was necessary at this time. What is challenging though is the double whammy, the triple whammy, it comes to some of the other additional charges that are being put on home owners this year. To mention a couple of times, but the $50 garbage and recycling fee for what I previously described I think as the Cadillac of garbage and recycling systems. Unfortunate that it has to correspond with this, but unfortunately that's the decision that was made and that will start being implemented in October. Again, wasn't in favour of now or before, still not a big fan of it at this point. And the other big hit that residents are going to take is the increases to water and sewer bills. Again, we need to do everything what we can to make sure that we have a safe, clean drinking water in the City of Winnipeg and also improve on the waste side, the quality of water going into Lake Winnipeg. That said, when major scientists suggest that there are better ways of achieving that it seems still foolish that moving forward with the nitrogen component removal, full nitrogen component removal as dictated by the Province's Clean Environment Commission. On the good side, there is definitely some good stuff in this budget. TBOs, what's wonderful about TBOs is it takes roads that haven't completely, entirely failed and prolongs the

life. It's a good investment in our infrastructure and it's great that that budget this year's been doubled. I'd like to thank everyone on Council who suggested that. Something small and meaningful, but improving pleasure rinks. We're a hockey city, we're a hockey country. A lot of people got their starts on local neighbourhood rinks. Nothing is more wonderful than this and that. I'm very excited to see that that program was extended this year. Eight crime prevention officers going after the root causes of crime and helping prevent crime before it happens, absolutely, positively wonderful and very supportive of measures like that. Again as Councillor Mayes suggested, this budget does not clearly dictating what's happening with things like the police community police station or the police horse program. I'm not in favour of that suggestion that that be one of the programs that goes and certainly there needs to be further work done with the Winnipeg Police Service in ensuring that popular, good community relations piece is not dropped and that's something I'm certainly going to be working on in the days and weeks to come. So again not a perfect budget, but something I certainly will be supporting today. Thank you, Mr. Speaker.

Mr. Speaker: Councillor Sharma.

Councillor Sharma: Mr. Speaker, first I would like to thank the CAO, CFO, their team, Chair of Finance, Councillor Scott Fielding and all members of EPC who put a great deal of time and effort in coming up with this year's operating budget. There are a lot of tough decisions that need to be made in order to meet our increasing costs. After a 14 year property tax freeze, which is the longest in recent Canadian history, a very modest, modest 3.5% increase has been proposed in this year's operating budget. Even with this increase, Mr. Speaker, Winnipeg will still have among the lowest property taxes in Canada and will continue to have among the lowest operating costs. I support the new monies going to improve public safety, repairing our streets and investing in our community centres. Fifty more police officers, more firefighters in Sage Creek, increases to the TBO Program, 55,000 additional hours of transit, huge increases to community centre funding for programming and new funds for renovations. These are all very good things, Mr. Speaker. As Councillor Vandal stated, reducing the tree pruning cycle and the fact that the Public Service will be doing research and presenting a comprehensive strategy on how best to enhance and preserve our urban forest from Dutch Elm Disease is always a step in the right direction. Also the funds we have and continue to put towards Assiniboine Park is money well spent. We're on our way Mr. Speaker to creating a signature park, with planned improvements, that will be valued parts of the Assiniboine Park experience. Over all this year's operating budget includes an increase for all major services and operations involving public safety, infrastructure renewal and community centre investments and I support that, Mr. Speaker. Thank you.

Mr. Speaker: Councillor Fielding to close.

Councillor Fielding: The end of the line, Mr. Speaker. There is…first of all, I'd like to thank all the Councillors for all your comments and your participation through the process. You know, very happy that it looks like this budget will be somewhat of a bipartisan budget. We're having people from all sides that look at it and agree that it's a good step forward, not perfect but a good step forward. I've got some just you know, summarizing a bit in terms of the budget and I'm going to try and address some questions that have been raised throughout the process, but as I mentioned before the budget really is a strong budget. It delivers on our core priorities that are big for our citizens and important for our citizens, investing in public safety, investing in infrastructure, investing in community centres, in green space. You know, Winnipeggers of course have had the longest property tax freeze in Canadian history and with that we had to make a move this year, regrettably but one can take solace with the fact it is a balanced approach. You're having some cost savings. We're still looking at the cost of delivering some of our services through some of the management competition and vacancy management through attrition, I think those are humane ways of looking at our service and once again, a part of that is we ensure that core services will not be impacted by any changes in terms of that. Also you know, the part of the budget, the question comes up, what do I get? What am I getting from 3.5% increase? And I can tell you: you are getting, once again is enhanced police officers, you're getting 54 police officers on the street, you're getting firefighters on the street, you're getting enhancements in core services, whether it be snow removal, whether it be tree pruning or whether it be things like pleasure rinks. I mean, is a big part of this so I very much believe it is a strong and balanced and bipartisan budget, happy about that. Some things have come up in the budget. Number one is in terms of the library materials. We're happy that we're able to put $135,000 in this. I think the Mayor alluded to the fact that there is a cap that's there. I mean it's a different situation. If you're outside the City of Winnipeg, I think that if the Province would've lifted the cap on that, that would be somewhere in the neighbourhood of 600,000 or $700,000 that we could invest. So the concern always is with a service based budget. Are we spending enough? Well, part of this 125,000, if the Province meets us and lifts that cap, that would be a substantial investment in library materials replacement which we would be happy to partner with them. Water waste dividend, it's been brought up, you know, the dividend is something we dealt with a little bit last year. You know, I can tell you that Winnipeg isn't the only city in the world doing a dividend on water. Look at Calgary. Calgary has got a 10% dividend, Edmonton has got a 8% dividend, Saskatchewan, Regina both take money in that respect to it. I know back in the 90s, when you looked at Winnipeg Hydro for instance, we took a 12% dividend at that point, and that made sense to do it. I know my good friend, Councillor Gerbasi, at that point was the Chief Economic Lieutenant, you know driving these forces and she supported it then so I hope you support, I hope there

is integrity and you're going to support this then because you supported it then at that point too. So once again, I truly believe though, really at the end of the day, the City of Winnipeg pays for a hundred percent of all the pipes, pavements and buildings and the City really takes on great risk. We borrow money, as people know, for what's going on in terms of the water utility that's there, which has an impact on a credit rating and our ability to do capital projects that are there so, once again we truly believe that it does make a lot of sense and we're not the only jurisdiction that's doing it. Ambulance fees, you know, this is something I can tell you, we made further investments in terms of our delivery of the service we're putting (inaudible) on there; our service you talk to our Chief of Police, anyone, they can tell you that the service we provide is bar none, you know heads and tails above what is offered in the other levels of the Province. The reality is with some of the fees and everything else that we're having here, the City of Winnipeg is subsidizing health care which does impact our ability to deliver core services for municipalities that are there. There's obviously been problems in terms of the Health Science Centre, in terms of the delivery. We're working on some scenarios of at least getting payback for that but at the end of the day we just want parity what's going on there, 62% of people I think don't. They actually pay it through another resource that are there. Business taxes, well you know there is a big debate on business taxes and you know, I could tell you, I'm not a big proponent of this wealth redistribution approaches to things. And you know to be fair, I mean you know, I think attacking the business community to a certain extent, small businesses isn't the right approach. I can tell you that businesses, small businesses pay the same amount, 3.5% increase and the business tax is above and beyond that and I could tell you anyone, if you're one of the 40% of people, 40% of businesses here in the City of Winnipeg, almost 5,000 businesses that are paying it, they are the people that are scraping dollars together to come with capital to invest in their businesses and they are investing and that's where the bulk of employment is happening so it's the right strategy, it makes sense. Fueling it, I guess, funding it through new businesses as they come online makes sense. It's been a step wise approach. It's supported by the Chamber of Commerce and business organizations so it makes a lot of sense. Attrition and vacancy management positions, it was brought up at Executive Policy Committee. You know, I had, I looked at the…adopted budget 2010 versus 2012. I can tell you there is over 350 more employees that are employed by the City of Winnipeg and there's more from last year to this year. So we ensured that no core services will be impacted by this. We think it's a very humane approach to it. Police budget, there's some talk about the horse and some of the recruitment classes you know, once again those are ideas that were brought forward at the committee. No decision has obviously been made on that and there is a line to reduce police expenditures, they've been widely talked about, the three million dollars. Well, the reality is every department needs to look at expenditures, we need to deliver money more effectively and when you represent you know, both Fire and Police, 40% of your budget, you need to take a look there so that's exactly we're asking for. Consultation process, just to finish things off here, I know. I've had this back and forth with Councillor Gerbasi, and to be very, very polite on this, you know, we have a kind of debate whether it makes sense too, but to be fair we have had a bunch of consultations. It is something that has been by generated and I think I've had about seven budget consultation sessions, pre-budget consultation sessions on capital and operating. I noticed Councillor Gerbasi wasn't able to attend all seven, but I was very happy and I encouraged her to talk to Councillor Orlikow and talk to Councillor Mayes and talk to them to see how their public consultation sessions happened and ensure that the public you know, for your citizens you can get all the information there. You can hold those meetings and at that point, we won't have to have this back and forth debate on whether it's important to have a public consultation Mr. Speaker, as opposed to just talking about it in the media for purposes, but I'll take you at your word for that. So, anyways Mr. Speaker, I will conclude, I think it's been a good process and you know if we can make some improvements in terms of the budget process, I heard from non-EPC members. You know, we are definitely willing to do that. Every government goes through a similar budget process. There's different ways to do it. The Provincial Government does very similar approach to us. I think we want inclusiveness and so we are working at that. I can tell you that for the budget process going forward next year, we're working on a new process. We've…you know there's some people that are looking at this, looking at best practices of how we can do that, and I'm excited for that to go forward, but once again thank you very much. It's been a pleasure. This is my 6th budget. Capital and operating budget that I've been part of and every one of them is very, you learn a lot through the process and it's very time consuming thing but it's kind of labour of love. I really enjoy looking at all the numbers and in your life learning process, being Chair of Finance has been fantastic in terms of knowing how money flows. Thank you, Mr. Speaker. I hope you'll support this budget.

Mr. Speaker: Thank you, Councillor Fielding and congratulations on number six. We have concluded our comments for the day so I will ask for the vote. All those in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

Councillors Eadie, Gerbasi and Orlikow.

Deputy City Clerk: The vote Mr. Speaker, Yeas 12, Nays 3 .

Mr. Speaker: We have a new budget. Congratulations, everyone. We have some by-laws from the Mayor.

EXECUTIVE POLICY COMMITTEE
CONSIDERATION OF BY-LAWS

Mayor Katz: Mr. Speaker, I move that the following by-laws be read a first time. By-law No. 46/2012, No. 47/2012 and By-law No. 48/2012.

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

Clerk: By-laws numbered 46/2012, 47/2012 and 48/2012.

Mayor Katz: And Mr. Speaker, I move that by-laws numbered 46/2012 to 48/2012 both inclusive be read a second time.

Clerk: By-laws numbered 46/2012 to 48/2012 both inclusive.

Mayor Katz: Mr. Speaker. I move that the rule be suspended and by-laws numbered 46/2012 to 48/2012 both inclusive be read a third time and that same be passed and ordered to be signed and sealed.

Mr. Speaker: All those in favour? Opposed? Carried. Thank you very much. Those by-laws are now passed and we will just ask Councillor Havixbeck to move adjournment. All those in favour? And we have roll call.

ROLL CALL

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

Mr. Speaker: We'll see you tomorrow.

Council adjourned at 12:20 p.m.