CONSIDERATION OF REPORT OF THE

EXECUTIVE POLICY COMMITTEE

On motion of Mayor Norrie, the Report of the Executive Policy Committee, dated October 24th, 1990, was considered clause by clause.

West Committee Room,
Council Building, Winnipeg,
October 24th, 1990.

His Worship the Mayor and Councillors:-

Your Executive Policy Committee submits the following Report and recommends:-

Draft Legislation for Changes to The City of Winnipeg Act - Area Charges for Local Improvements. Files GL-5.1 & SL-1.

1617 - 1. On June 21st, 1988, the Committee on Works and Operations requested the Administration to investigate and report back on the feasibility and financial implications should a recommendation be made to Council that the Province of Manitoba be requested to amend The City of Winnipeg Act to provide enabling legislation such that Council could declare the Bison/Letellier development area a separate local improvement district for installation of municipal services, thereby permitting the City to charge appropriate local improvement rates for wastewater, sewer, watermains, streets, etc. and to recover the full costs for the provision of such servicing.

The proposal for legislation changes to The City of Winnipeg Act is rooted in the request for municipal services by landowners in the Bison/Letellier area of the University Ward in the Assiniboine Park-Fort Garry Community. The initiation of this request began in 1978 and ultimately resulted in two consultant studies, one public meeting, numerous delegations to the Community Committee and the Committee on Works and Operations, the latest being June 21st, 1988.

The Bison/Letellier service area is approximately 90 hectares and is bounded by Bison Drive on the north, Waverley Street on the west, the C.N.R. Letellier tracks on the east and Comdale Avenue on the south. (See map attachment Appendix "A"). There are approximately 100 separate property titles and 65 individual landowners. There are two key problems associated with servicing of this area; they are:-

1. The requirement of extension of trunk services for wastewater and land drainage sewers to be bridge-financed by the City.

2. A temporary shortfall in recovery costs by application of local improvement rates.

The position of the Committee on Works and Operations on November 17th, 1987, was that the shortfall between actual costs of providing municipal services and what the actual recoveries through local improvement charges would be, are to be funded by the private property owners.

On November 26th, 1988, at a public informational meeting, the landowners were presented with two broad options:-

1. Have The City of Winnipeg Act amended to allow assessment of all municipal services on a local improvement district basis, such that all costs could be recovered from the land benefitted similarly to what can now be done with trunk storm water drainage systems (land drainage).

2. Owners group together and enter into a servicing agreement with the City wherein all City shortfall costs would be paid up-front by the owners.

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Option 1. was pursued by delegations to the Committee on Works and Operations on March 29th and June 21st, 1988, and subsequently the Committee requested an investigation and report on changes to The City of Winnipeg Act to provide for the creation of separate local improvement districts.

The documentation of history beginning in 1985 is provided in Appendix "B" and the report in Appendix "E" - Bison Drive/Letellier Development Area - Municipal Servicing Concept Study - October 22nd, 1987, provides further history and recommendations.

The Law Department in conjunction with the Finance Department and with input from the Works and Operations Division, have prepared "working draft" amendments of enabling legislation to The City of Winnipeg Act that would allow for the creation of local improvement districts. The full text of these proposed amendments is provided in Appendix "C". These amendments have been drafted such that they would be applicable not only to the Bison/Letellier area, but also to any other area of the City. As an example, the south Transcona area could be a similar application. In preparation of the amendments, the Municipal Act and Business Improvement Zones of The City of Winnipeg Act were used in part as an example to follow. It should be noted that prior to unification, the area municipalities in many instances created local improvement districts for one or more services in accordance with the Municipal Act.

In essence the proposed amendments would provide for the creation of local improvement districts wherein all costs of municipal services for a specified area could be recovered through local improvement assessments in accordance with The City of Winnipeg Act against all those lands benefitting. The basis of these amendments is to provide for full cost recovery from a developing area rather than the City-at-large paying a portion of costs as it currently exists with the Local Improvements By-law. For comparison purposes this would be similar to what a Developer must do in terms of a Development Agreement, i.e. recover all costs from the area being developed.

In The City of Winnipeg Act, Section 346(2), Special Assessment for Trunk Storm Sewers, there is provision for creating a special assessment for lands determined to be benefitting from a trunk storm water drainage system. In a somewhat similar fashion, the proposed amendments would extend the powers of the City to enable creation of local improvement districts that would provide for a full range of municipal services within the boundaries of a district and provide for a full cost recovery from the lands benefitting.

Process for Creating a Local Improvement District

The process to create a local improvement district is contingent on landowners petitioning Council for the improvements. It is envisioned that landowners may approach an Operations Department office to formulate a district servicing concept before appearing at the Committee on Works and Operations. The necessary formal petition would be prepared by the Finance Department with engineering and planning details provided by other departments upon receipt of instructions from the Committee on Works and Operations. It would be essential at this stage that all required services within as well as outside the proposed district boundaries be determined and be consistent with current development agreement parameters. It is envisioned that the Committee on Works and Operations would be approached by a delegation or requested by a Community Committee to consider and support creation of the local improvement district.

Upon preparation of the formal petition, the interested landowners would then endeavour to secure sufficient support of landowners representing at least one-half of the value of the lands within the proposed district, and upon doing so would then present the petition to Council. It is necessary that the petition be sufficient and be so verified by the City Treasurer before being presented to Council. Council, upon receipt of such a petition, would refer it back to the appropriate Community Committee.

The Community Committee would advertise in a local newspaper, have written notice sent out to landowners and thereafter hold a public hearing and subsequently report back to Council through the appropriate Standing Committee within 60 days of the public hearing.

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Council, after receipt of Committee reports, may vary the proposed district boundaries, and alter any of the improvements, costs and levies. Council would then decide whether or not to proceed to create a local improvement district. If the decision is made to proceed, then the By-law(s) receive first reading and the City Clerk proceeds with a local improvement advertisement, following which the landowners would have 30 days to petition against. It might well be that Council has changed the original proposal such that the boundaries, improvements, costs and levies might be quite different from that of the original petition and landowners who originally supported the local improvement district may now wish to petition against the proposed local improvements.

It should be noted that the landowners are only entitled to petition against the creation of all the district improvements and not any individual local improvement. In other words, it is an all or nothing deal. If no petition against, or one insufficiently signed against is received, Council may proceed with creation of the local improvement district defined in the first reading, by passage of second and third readings of the By-law(s). Appendix "D" charts the process and steps which land owners, the administration, Committees and Council must follow to form a local improvement district.

Synopsis of the Draft Amendment

An overview of the proposed amendments in Appendix "C" is as follows:-

346.1(1) DEFINITIONS

Definitions of "Land Benefitted and Local Improvements" as applicable in this section.

346.1(2) PETITION FOR FORMATION OF LOCAL IMPROVEMENT DISTRICT

Landowners representing at least one-half of the value of the land can petition Council to initiate the creation of a local improvement district.

346.1(3) VERIFICATION OF PETITION

Verification of petition and contents.

346.1(4) CONTENTS OF PETITION

Contents of petition:-

- the area
- proposed improvements
- estimated costs
- lands to be assessed
- method and rate of assessment

346.1(5) ACTION BY COUNCIL

Upon receipt of a verified petition, Council will request Community Committee to conduct public hearings.

346.1(6)(a)(b) NOTICE

Notices by Community Committee for public hearing.

346.1(7) CONTENTS OF NOTICE

Contents of Notice:-

- the area affected
- proposed improvements
- estimated costs
- lands to be assessed
- method and rate of taxation
- time and place of public hearing

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346.1(8)(a)(b)(c) HEARING AND RECOMMENDATIONS

Community Committee will hear representations and make recommendations to Council through Standing Committee.

346.1(9)(a)(b) ACTION BY COUNCIL

Council to make final determinations of local improvement district or decide not to proceed.

346.1(10)(a)(b) BY-LAWS

Council formulates By-law(s) for creation of local improvement district and authorizes the undertaking of local improvements.

346.1(11)(a)(b) NOTICE OF BY-LAWS OR BY-LAWS

Newspaper publication and notice to landowners of the proposed local improvement district.

346.1(12) FORM OF NOTICES OF OBJECTION

City Treasurer shall determine form and acceptance of Notices of Objection.

346.1(13) PETITION AGAINST CREATION OF DISTRICT

City Treasurer receives and verifies Notices of Objection which constitute a petition against.

346.1(14)(a)(b)(c) VALIDITY OF PETITION AGAINST

Requirements of petition against to be valid and to be sufficient to receive Certificate of the City Treasurer.

346.1(15) SUFFICIENCY AND VALIDITY OF PETITION AGAINST

The City Treasurer shall determine the sufficiency and validity of any petition against the creation of a local improvement district.

346.1(16) EFFECT OF VALID PETITION

Council may proceed to second and third readings of By-law(s) in absence of a sufficient petition against.

346.1(17) INSUFFICIENT OR INVALID PETITION

Council may proceed to second and third readings of By-law(s) in absence of a sufficient petition against.

346.1(18) CITY-OWNED LANDS

City-owned lands will refrain from petitioning for or against.

346.1(19) LEVY FOR OUTSIDE WORK

Where municipal services are required for the district but are outside the local improvement district boundaries, Council may levy all or part of these costs against the land benefitted. This would be similar to a Development Agreement situation where services outside the development boundaries are installed in total or in part by the Developer.

346.1(20) LEVY WITHIN DISTRICT

There will be a uniform assessment against the lands within the local improvement district.

346.1(21) SECTIONS NOT APPLYING

The sections of Part 10 of The City of Winnipeg Act that would not apply.

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IMPLICATIONS OF THE AMENDMENTS

The following implications should be considered with respect to the creation of a local improvement district.

1. In each case, the Committee on Works and Operations will have to refer the landowner's proposal to the administration for their investigation and report on the feasibility of the request for a petition. Consideration must be given to the implications of cost and administrative time. Consultants may be required to provide engineering studies and reports. This has been the case for the Bison/Letellier area and represents front-end costs that may not be recoverable.

   The administration report would involve several departments and culminate in a recommendation to the Committee on Works and Operations. The Committee will want to be satisfied that there is sufficient interest and good cause in proceeding and ultimately giving its approval for the preparation of a formal petition.

2. There is risk that one or more developer/owners may appeal to Council to proceed on a local improvement district basis rather than develop through the normal servicing agreement. If a developer garners one- half or more of the support required he could petition Council for use of these proposed amendments rather than assemble the remaining lands, which often takes a number of years. The City would be put in the position of financing subdivisions and consequently increase the debt load of the City rather than a developer doing the capital investment. This could be viewed as the City acting like a developer on behalf of one or more landowners. Future Councils would have to be cautious that local improvement districts are created only when and where justified.

3. It is envisioned that areas such as Headingley or South St. Vital for example could petition for a single service such as a water system. The proposed enabling legislation is not restrictive and therefore could be utilized for a single improvement.

4. The general thrust of Local Improvement By-law No. 98/72 is that there is a uniform levy rate throughout the City for improvements in any year. The local improvement rates for sewers, water and ornamental and lane lighting, are set by Council each year on the basis of estimated average cost for the respective services installed. In the case of pavements, sidewalks and boulevards, a pooled rate based on the actual cost of constructing all these improvements throughout the City in that year are used. There may be cases where the local improvement district area charge method may permit servicing at less cost to the landowners than proceeding under the current local improvement By-law No. 98/72. This may result in requests for creation of a local improvement district where a conventional local improvement should otherwise be utilized.

POLICY GUIDELINES FOR LOCAL IMPROVEMENT DISTRICT

If the amendments are incorporated into The City of Winnipeg Act, Council by policy should then establish guidelines for the administration and petitioning landowners to establish conditions that must be met prior to consideration by Council for the creation of a local improvement district.

The following are examples of policy guidelines that should be met before a formal petition is prepared:-

1. Landowners must appear before the Committee on Works and Operations. The Committee will consider their request to create a local improvement district and endorse the process to initiate a formal petition. Prior to this, the landowners should approach the appropriate District Office for help in outlining an appropriate servicing concept. Local improvement district boundaries should be consistent with appropriate servicing boundaries.

2. It should be adequately demonstrated that:-

   a) The cost of installation of local improvements will exceed the cost recovery from these improvements.

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b) There is a multiplicity of landowners involved making land assembly difficult.

c) Landowners have made sufficient effort to assemble lands and enter into an agreement amongst themselves prior to applying for creation of a local improvement district.

d) It is administratively impractical for the City to enter into separate agreements with each of the landowners.

ALTERNATIVES AND IMPACTS

There are three distinct alternatives by which services could be installed in a developing area. All three have different financial impacts on the City.

Alternative I - Council decision to create a Local Improvement District

The City would have to provide funds in the Capital Budget and subsequently incur and carry a funded Capital debt. Assessment would be in the form of frontage foot levies and/or an area charge. Recovery, with interest, would take place over a number of years. The existing local improvement legislation provides the methods of recovery. Fundamental differences between a regular local improvement and this method are that if a district is created, all costs incurred may be recovered. This would mean that the cost of all internal improvements plus those outside the boundaries of the district would be recovered. Improvements outside the boundaries would include those needed for servicing the district as well as those required because of creation of the district, such as regional and/or collector street improvements, traffic lights, railway crossings and extension of trunk services.

With reference to the Bison/Letellier area, if a local improvement district is created, the City would incur a capital debt of approximately $5.7 million in 1987 dollars. The total costs would, in the long term, be recovered from within the local improvement district, resulting in no financial impact to the City-at-large.

In this alternative the City would borrow the money to finance the improvements and would carry a debt funded by the local improvement district. This debt would be reduced each year by annual levy against the district.

Alternative 2 - Regular Local Improvement

The City advertises a local improvement and, if successful, allocates capital and proceeds with the improvements. Frontage foot levies are applied and the City-at-large makes up the shortfall between the actual cost of providing the services and the actual amount of recovery through local improvement levies. City-at-large costs would include non-assessable items such as flankages and intersections along with the costs of oversizing services and widening street pavements.

In the case of Bison/Letellier, if a regular local improvement is enacted the City will incur a capital debt of approximately $5.678 million in 1987 dollars. Short-term recovery by local improvement frontage foot levy would be approximately $3.879 million, leaving an initial shortfall of $1.799 million. Over time, approximately $1.570 million could be recovered through land drainage trunk service charges and wastewater sewer payback by other benefitting lands. A permanent shortfall of $229,000.00 from the internal services plus an estimated shortfall of $750,000.00 for pavement improvements (not included in the above) would be borne by the City-at-large.

It should be noted that these shortfalls and large interim capital funding requirements led the Committee on Works and Operations at their meeting of June 21st, 1988, to seek an alternative method of financing the installation of services in the Bison/Letellier area, i.e. the request to investigate the feasibility of creating a local improvement district.

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Alternative 3 - Servicing Agreement

The landowners could, at their own initiative, group together and enter into a common servicing agreement with the City in the same manner that a developer would. All costs would be borne by the group with appropriate oversizing and benefitting private land paybacks set out in the agreement. There would be no capital cost to the City.

Administratively this is the most desirable alternative. In the case of Bison/Letellier it is also the most unlikely. The idea was presented to the landowners at a November 26th, 1987 public informational meeting. There was no initiative taken at that time and it is felt that because there are approximately 65 individual landowners and over 100 property titles it would take a long time, if ever, to get the 100% consent required to enter into an agreement.

SUMMARY

The three alternatives may be summarized as follows:-

By creation of a local improvement district, the City would front-end the total cost of the works but recover the entire debt in the long-term through annual levies. The City of Winnipeg Act would have to be amended and Council would have to establish policy guidelines relating to creation of local improvement districts. The process of creating a local improvement district would take a considerable amount of time, considerable efforts by landowners, administrative time and upfront costs. The process takes on the elements of being complicated because of the nature of engineering and financial detail and inputs required from various Committees, Departments and considerations of Council.

By enacting a regular local improvement, the City could recover costs by frontage levy. The City-at-large would absorb the cost differential between recovery and the actual servicing costs. It should be noted that local improvements for the Bison/Letellier area were advertised in the Spring of 1987 and not successfully petitioned against. In the Fall of 1987, the Committee on Works and Operations indicated that the shortfall between actual costs of providing municipal services and what the actual recoveries through local improvement charges would be, are to be funded by the private property owners in the Bison/Letellier development area. This, in effect, was a decision not to proceed with the local improvements as advertised.

By grouping together, the landowners could initiate a servicing agreement and front end the servicing costs. However, the number of individual landowners involved makes this alternative not readily achievable.

Your Executive Policy Committee recommends:-

1. That the amendments to The City of Winnipeg Act, as listed in Appendix "C", be submitted to the Province of Manitoba for implementation.

2. That the guidelines for processing and implementing the creation of local improvement districts, as discussed in this report, be approved by Council.

For the information of Council, the Committee on Works and Operations, on September 4th, 1990, considered the entire proposal as outlined and concurred in the above recommendations.

Also for the information of Council, the Commissioner of Works and Operations has been requested to prepare the necessary policy and guidelines in the above connection, to be put in place upon Provincial approval of the required amendments to The City of Winnipeg Act.

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Moved by Mayor Norrie,
Adoption of the clause.

Moved by Councillor Diamant,
That the clause be referred back to Executive Policy Committee.

Carried.

(Note: Appendices referred to in the above clause are on file in the Office of the City Clerk.)

Provincial Grants-in-Lieu of Taxes.
File FG-2

1618 - 2. On July 18th, 1990, your Executive Policy Committee requested information from the Board of Commissioners on the assessed value of the Legislative Building and Government House including the 1990 realty taxes on each building. It is the Committee's intent to observe the relationship between the actual taxes based on assessed value and the special grant-in-lieu of taxes being provided by the Province of Manitoba.

The Committee has also requested a complete list of all Provincial holdings within the City indicating assessed values for each holding and applicable 1990 property tax.

The grant in respect of the Legislative Building is governed under the Municipal Act, Section 799(5), which reads as follows:-

> Notwithstanding subsection (4), the amount of the grant payable in any year, under subsection (1), to the City of Winnipeg in respect of the Legislative Building, the residence of the Lieutenant Governor (commonly called "Government House") and the lands on which they are situated, bounded by the streets known as Broadway, Kennedy Street, and Osborne Street and by the Assiniboine River,
>
> (a) shall, in respect of those lands, be computed on the accepted assessed value of the land alone without any buildings thereon; and
>
> (b) shall, in respect of the Legislative Building, Government House, and any other buildings on the lands, be $100,000.00.

Since 1981, the Province of Manitoba has been paying the City a special grant of $260,000.00 in addition to the statutory grant of $100,000.00. In a letter dated January 9th, 1981, to His Worship Mayor William Norrie from the Honourable G. W. J. Mercier, the Minister for Urban Affairs, the Province committed to provide "a more satisfactory long-term formula governing this grant-in-lieu of taxes" before 1982.

Attached as Exhibit II is the amount (municipal and school) for the Legislative Building and Government House for the years 1956 to 1990 that the Province would have paid if the grant was calculated using the assessed value. The grant for 1990 using the assessed value would be $1,038,214.00 as opposed to the $360,000.00 grant received.

It should be noted that the Province has paid the grant in respect of land on the assessed value.

Assessment and Applicable Grants-in-Lieu for Provincial Holdings

Attached as Exhibit III is an analysis of exempt assessments for Property Code 31 - Provincial Government General, Property Code 32 - Legislative Building, and Property Code 46 - University of Winnipeg and the University of Manitoba.

This listing, by roll number, provides the assessed value of each property and the grants billed.

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In addition, a summary statement (Exhibit IV) is also provided for those properties which are considered other Provincial agencies.

Your Executive Policy Committee recommends that Council request the Province of Manitoba to amend Section 799(5) of the Municipal Act in order to update the grant for the Legislative Building to a current value and to establish a long-term formula governing the grant-in-lieu of taxes.

Moved by Mayor Norrie,
Adoption of the clause.

Carried.

(Note: Copy of Exhibits I, II, III and IV referred to in the above clause are on file in the Office of the City Clerk.)

Assignment of Consultants - Policy on Delegation of Authority to Civic Administration. File ST-7

1619 - 3. At its meeting of November 15th, 1989, Executive Policy Committee received as information the quarterly report on consultant assignments, submitted in accordance with previously adopted policies, for the period July 1st, 1989 to September 30th, 1989. In receiving the report as information, Committee expressed concern relative to the small number of firms receiving the largest number of consulting assignments from The City of Winnipeg. The Board of Commissioners was requested to take a closer look and review the high cost of fees, and as well, to examine the possibility of using the expertise of some of the smaller consulting firms whose services are available. During discussion, an issue was also raised voicing objection to certain contracts not being tendered inasmuch as the Board of Commissioners has the delegated authority to deal with such matters under certain circumstances.

At its meeting of December 5th, 1973, Council approved the recommendation that the Board of Commissioners be delegated the authority to approve the engagement of design consultants, and that the Board report quarterly on all uses of this delegated authority. Management consultants were explicitly excluded from the delegated authority.

At its meeting held on July 30th, 1980, the Board of Commissioners adopted the following administrative policy with respect to the engagement of Design Consultants, superseding previous administrative policies pursuant to Council's 1973 resolution:-

> "That the Board assign all work to outside Design or Engineering Consultants on projects included in the Capital and Current Programs of any given year for design fees of $50,000.00 and over.
>
> That each Commissioner be authorized to engage Design or Engineering Consultants associated with the Capital and Current Programs of any year for design fees under $50,000.00.
>
> That a Quarterly Report be submitted to Council for information."

The majority of the consulting assignments made by The City of Winnipeg are for professional engineering services. This report has been prepared in the context of such engineering services. These services generally include conceptual design, detailed design involving the preparation of plans and specifications, activities related to a tender call and subsequent award of contract, contract administration, field inspection and approval, and contract finalization. In this report the term "consulting services" includes all of the foregoing services where applicable. The considerations and principles for professional consulting services other than professional engineering services are in general comparable.

The objectives of the engineering process are: timely design and implementation, cost-effective life cycle costs, quality, durability, optimum level of service from the completed project, and functional suitability of the completed facility.

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Alternative approaches to carrying out engineering services include: (1) in-house staff conducts all engineering; (2) in-house staff performs the basic ongoing workload, assigning only the peaks to consultants; (3) the bulk of the engineering work is assigned to consultants, maintaining in-house staff for planning, functional, maintenance and operational duties and for co-ordination and supervision of the consultants, and to carry out a minimum of in-house detailed engineering work to maintain in-house expertise; and (4) any mix of consultant assignment and in-house work between (2) and (3).

The City of Winnipeg has generally followed a policy close to the third procedure for approximately the past seventeen years, having opted (in the "Make or Buy" choice) for the "Buy" option when the City was amalgamated and the Urwick Currie study presenting organizational alternatives was considered.

The broad objectives of securing outside professional consulting services are: To secure specialized expertise, and to avoid ongoing overhead costs for in-house professional staff.

Alternative Processes for Making Consultant Assignments

The following broad alternative methods exist to allocate project work to consultants:-

(a) Advertise assignments for proposals by qualified consulting firms.
(b) Invite qualified consulting firms to submit proposals.
(c) Make assignments directly to qualified consulting firms, contingent on negotiations of satisfactory terms and conditions for performance of the work.
(d) Maintain a roster of qualified consulting firms and assign on a rotational basis, taking into account the current workload and availability of the firms, and the level of previous assignments.
(e) Maintain a "short list" of the best qualified consulting firms, and negotiate sequentially with the firms best qualified for particular assignments.

Summary of Process Now Used by The City of Winnipeg

The City of Winnipeg in general presently uses method (b) for major and/or innovative projects, and method (c) for more routine projects of a type regularly conducted.

Under method (b), ("Call for Proposals"), invitations for the submission of proposals are distributed to qualified firms, and the resulting submissions are formally evaluated relative to the project requirements by a committee of qualified professional employees according to pre-set parameters. This process may be staged; that is, after reviewing brief letter proposals from a longer list of firms, a shorter list is prepared of those best qualified, and they are invited to submit more detailed proposals and/or to undergo an interview process. The "short list" process limits the number of firms that will be put to the expense of preparing a detailed submission, and expedites the assignment process to the benefit of all concerned.

Under method (c), ("Direct Assignment"), consultants are recommended to the Board by the departments on the basis of satisfactory qualifications, availability, performance on previous projects and programs, and knowledge of services previously performed in the geographic area. For assignments made for the annual programs of the Works and Operations Division, these recommended assignments are reviewed annually (in advance of actual assignment) by a committee of department heads to ensure that the distribution among qualified firms is equitable, taking into account the firms' capacity, resources, and expertise, prior to recommendation of the overall program to the Board.

Method (d) is used by the Federal government, and is conducted by computer programs. The Province of British Columbia uses a similar system.

Report of the Executive Policy Committee, dated October 14th, 1990.

Method (e) is used by the United States government, and is in fact (as subsequently discussed) required by U.S. Federal law, and by law in a majority of American states.

Parameters for selection under methods (a), (b) and (c) may vary. In referring to assignments not being tendered, it may have been visualized that the amount of professional fees is the primary or only factor.

However, price ought not to be emphasized in the process of selecting professional services. A number of other factors are much more important: Knowledge, experience, quality of the designed product, prior performance, project management capability, technical expertise, commitment, integrity, competence, qualifications, validity of concepts and methods, and the level of service provided by the consulting firm and its professional and technical employees.

Disadvantages of Price Competition

Price competition is a primary factor to be considered when the City is securing goods or services for which detailed physical or performance specifications have been developed. This is not the case in securing professional services, in that such services are by definition creative and often innovative, their scope cannot and should not be fully and precisely defined in advance of their conduct.

However, what is clear in advance is that to ensure satisfactory professional services, consistent with the various important objectives described earlier, the City needs to seek the most competent and capable consultants, rather than the least expensive. After the most suitable consultants have been identified, price can be determined, and an alternative (but still fully competent) firm can be approached if no agreement can be reached on price with the foremost firm.

Price competition leads to compromises in the quality of consulting services and leads also to failure to explore design alternatives adequately. These defects in turn generally lead to a mediocre or even inferior ultimate design and contract administration process, with consequent disadvantages to the City in terms of construction cost and/or future maintenance costs. The overall total implementation cost, and/or the life-cycle costs, for projects and programs will be higher, and the quality and level of service provided by the facilities constructed will be lower, if professional consultants are selected on the basis of lowest bid. Purchasing engineering services based on a low bid would be no more palatable than arranging for an appendix removal or a tooth extraction by a low bid from a doctor or dentist.

However, it should be noted that the assignment process as practised requires that consulting fees be consistent with industry standards. Assignments can be (and in fact have been) withheld when services are not appropriately priced.

Optimum Number of Firms

The City of Winnipeg and other Manitoba clients for consulting services constitute a market fairly limited in size. There are a limited number of firms capable of providing acceptable professional services in the various specialty areas required by the City. Firms cannot be expected to perform adequately in the required professional disciplines if assignments are not received frequently enough to retain staff and to maintain expertise. For this reason, it is considered that the City should not attempt to provide design assignments to every local firm, any more than the City should hire every individual seeking employment with the City. To encourage competitive and cost-effective performance, and to ensure that only the best qualified and most capable firms are indeed engaged, the City should maintain a roster and a performance evaluation system, as described in a subsequent section of this report. In this way, the consultants engaged by the City will continue to be optimal not only in number but also in quality.

Concerns Expressed by Members of Executive Policy Committee

In addition, at the meeting of Executive Policy Committee held November 15th, 1989, members of Committee also questioned whether more use should be made of non-local firms to save money, whether assignments should be made by Councillors, whether the expertise of equipment vendors should be used instead of design consultants, and whether the City should mandate consortia to enhance the capabilities of smaller firms.

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Comments on These Concerns

The use of non-local firms would be more expensive, due to travel and accommodation costs and the need for those firms to gather information already possessed by local firms. Local firms are more likely to have an understanding already of the required specifications for routine projects, which tends to ensure consistent quality of design and other professional services. Client/consultant communications and turnaround times are better with a local firm. Work has been assigned to non-local firms when specialized technology was involved that was not available locally. These assignments are often made jointly with a local firm with the result that the expertise is subsequently available locally.

Assignments by Council committee would not be appropriate. Selection of professional consultants for government projects and programs is best accomplished by experienced staff members who are qualified professionals in strict accordance with policies and principles approved by Council.

Equipment vendors could not be expected to provide objective specifications in accordance with the needs of the clients.

The City is not in a position to mandate the formation of consortia, though consortia are not infrequently suggested, or more often are formed voluntarily by consulting firms to enhance the "mix" of expertise in the response to a call for proposals.

Industry Viewpoint

The Association of Consulting Engineers of the Province of Manitoba (ACEM) has met with the administration on a number of occasions since November of 1989 to give its views on Executive Policy Committee's concerns and to comment on the adequacy of the City's current procedures. The ACEM's comments, attached hereto as Appendix "A", are generally supportive of the City's present policies and procedures, but suggest a more formal process in the submission of credentials and in performance evaluation. These comments are taken into account in this report, and are reflected in its recommendations.

Legal Considerations

The practice of professional engineering is governed by the Engineering Profession Act. Under the Act, authority has been delegated by the Province to the Association of Professional Engineers of the Province of Manitoba (APEM). The Association has the legal responsibility to protect the public against deficient engineering work by ensuring that only those adequately qualified may practise engineering.

The APEM publishes a Guide for the Engagement of Consulting Professional Engineering Services. The guide stipulates that "the practice of selecting a Consulting Engineer solely on the basis of professional service fee is not recommended, as professional services contracted in this manner may be neither objective nor in the best interests of the Client." Fees are not to be considered as the sole, or even as the dominant, consideration. Instead, price should be considered only after a selection phase, based on other and more important qualification-based factors, has revealed the best qualified firm and has developed the degree of detail on which a realistic fee proposal can be knowledgeably based.

Though the APEM opposes making assignments entirely on the basis of the lowest fee offered, such a process is not illegal in Manitoba. However, the 1972 Brooks Act creates a legal obligation in the United States not to use fees as the primary determinant in procuring professional design services for federal purposes.

Report of the Executive Policy Committee, dated October 24th, 1990.

The Brooks legislation requires annual submission to federal departments and agencies, by consultants wishing to provide professional services to the government, of statements of qualifications and performance data, evaluation of these current statements, establishment and publication of selection criteria, and selection of no fewer than three firms deemed to be the most highly qualified to provide the professional services required by the particular department or agency. Only after these steps have been followed are consulting assignments negotiated - first with the most highly qualified firm, and with others, in descending order of qualifications, only if a contract cannot be negotiated with the first firm. The intent of such legislation is to exclude price from the initial selection process. If included, it tends to become the determining factor, and this in turn tends not to secure the most competent engineering services.

Changes Needed in The City of Winnipeg's Consultant Assignment Process

The City, or individual departments, should in future maintain a formal roster of the credentials of qualified consulting firms. Firms should submit a comprehensive summary of their qualifications, available personnel and their expertise, completed projects, and resources, at least annually. This would then in effect constitute a standing proposal by each of the firms listed, to provide services in each of the areas of professional consulting services (e.g. transportation, structural, municipal, land drainage, sewage treatment, water supply, environmental design, etc.).

The City should also maintain comprehensive information on the evaluated performance of the consulting firms. For this purpose, civic departments should conduct performance evaluations, at least annually, for all significant projects involving consulting professional services. The performance evaluation would be reviewed with each consulting firm, individually, with a view to achieving improved performance. A process to accomplish this was developed and applied about ten years ago. It has since fallen into disuse.

Policy Considerations

The consultant assignment process used by the City of Winnipeg already largely satisfies the various appropriate principles identified in this report. However, adopting a more detailed set of related policies as set forth in this report, including maintaining a roster of qualifications information and the annual evaluation of performance, as has been recommended by ACEM, is desirable to document the objectivity of the process and to improve even further its demonstrable adherence to these principles.

Your Executive Policy Committee recommends:-

1. That authority for the assignment of consultants continue to be delegated to the Board of Commissioners.

2. That the following policies be adopted relative to the delegated authority:-

    (1) All departments hiring consultants shall maintain a current roster showing the credentials of all consultants who perform work for the department, and the credentials of other consultants who have applied to be allowed to perform such work.

    (2) All local consultants shall be eligible to be placed on the roster maintained by the department(s) whose design assignments relate to the consultants' area of expertise.

    (3) Each department engaging consultants shall, not less frequently than annually, review the performance of each consultant who has performed assignments for the department during the preceding year; shall communicate the results of the review to each consultant; and shall maintain the performance review on file for use when formulating recommendations for assignments.

    (4) Consulting services shall not be secured through competitive price proposals. However, before any assignment is made by a City department, whether resulting from a proposal call or from direct assignment, the cost basis for the payment for the services shall be determined and shall be consistent with industry standards and with the service received.

Report of the Executive Policy Committee, dated October 14th, 1990.

(5) Departments requiring consulting services shall establish a review committee consisting of individuals with the expertise and experience required to evaluate proposals by consultants.

(6) Assignments for consulting services for major and/or complex projects shall be recommended by departments on the basis of proposals invited from no less than three qualified firms, and evaluated by the review committee.

(7) All invitations for consultants to submit formal proposals shall include the intended criteria for evaluation of proposals.

(8) Assignments for consulting services for routine and/or minor projects shall be recommended by departments on the basis of assigning the work directly, subject to submission by the designated consulting firm of an acceptable proposal, and taking into account the following factors:-

- the suitability of the qualifications, expertise and related experience of specific consultant staff to be assigned to the project;

- the adequacy of past performance of the consultant on City projects;
- the consultant's understanding of the project scope and of City procedures and requirements; and

- the consultant's capacity to accomplish the work within the required timeframe.

Consideration shall be given to ensuring an equitable on-going distribution of City consulting work among the best-qualified local firms, based on the size and specialization of the firms.

(9) A detailed definition of the scope (terms of reference) of the required services, and a full description of the proposed project, shall be provided to the designated consultant when direct assignment is contemplated.

(10) The Board of Commissioners shall report quarterly to Council on all uses of the delegated authority to assign work to consultants.

Moved by Mayor Norrie,
Adoption of the clause.

In amendment,

Moved by Councillor Demare,
Seconded by Councillor Selinger,
THAT the third paragraph of Recommendation 2. (8) of the Report of the Executive Policy Committee be amended to read, "the adequacy of past performance of the consultant on projects in the City or related engineering projects;".

The change from "City projects" to "projects in the City or related engineering projects" will prevent the exclusion of a consultant who has never had a City project. The present wording must be "cleaned up" as it could technically exclude experienced firms from ever obtaining a "City project" which most certainly would not be our objective. This proposed wording considers all the consultants experience, not only work on "City projects".

In amendment,

Report of the Executive Policy Committee, dated October 24th, 1990.

Moved by Councillor Reese,
Seconded by Councillor Thomas,
THAT Recommendation 2. (10) be amended to add the words "and make available to Councillors who request it the annual evaluation of performance report" after the word "consultants" at the end thereof.

Moved by Councillor Reese,
That the clause and proposed amendments be referred back to Executive Policy Committee.

The motion to refer was put.

Councillor Timm-Rudolph called for the yeas and nays, which were as follows:-

Yea: Councillors Boychuk, Diamant, Golden, Lazarenko, McKee, Murray, Reese, Selinger and Thomas. 9

Nay: Councillors Clement, Demare, Douglas, Duguid, Fraser, Gilroy, Kaufmann, O'Shaughnessy, Prystanski, Timm-Rudolph, Mayor Norrie and Councillor Eadie. 12

and the motion to refer was declared lost.

Councillor Eadie called the Deputy Speaker, Councillor Wade, to the Chair and left the Chamber.

In amendment,

Moved by Councillor McKee,
Seconded by Councillor Mendelson,
THAT Clause 3 of the Report of the Executive Policy Committee be amended to add the following to Recommendation 2:-

"(11) That the Board of Commissioners explore the feasibility and cost-effectiveness of having in-house consultants in some areas instead of contracting out these services, and report back to Council through the Executive Policy Committee."

Councillor Eadie here returned to the Chamber and resumed the Chair.

Moved by Councillor Yuen,
That the clause and the proposed amendments be referred back to Executive Policy Committee.

Lost.

Moved by Councillor Mendelson,
That the question be now put.

Carried.

The amendment proposed by Councillors McKee and Mendelson was put.

Councillor Brown called for the yeas and nays, which were as follows:-

Yea: Councillors Wade, Boychuk, Diamant, Douglas, Duguid, Gilroy, Golden, Lazarenko, Lorenc, McKee, Mendelson, Murray, O'Shaughnessy, Prystanski, Reese, Selinger, Thomas, Timmers, Young, Yuen, Mayor Norrie and Councillor Eadie. 22

Nay: Councillors Brown, Clement, Demare, Fraser, Kaufmann and Timm-Rudolph. 6

and the amendment was declared carried.

The amendment proposed by Councillors Reese and Thomas was put.

Report of the Executive Policy Committee, dated October 24th, 1990.

Councillor Clement called for the yeas and nays, which were as follows:-

Yea: Councillors Wade, Boychuk, Diamant, Duguid, Fraser, Golden, Kaufmann, Lazarenko, Lorenc, McKee, Mendelson, Murray, O'Shaughnessy, Prystanski, Reese, Selinger, Thomas, Timmers, Timm-Rudolph, Young, Yuen, Mayor Norrie and Councillor Eadie. 23

Nay: Councillors Brown, Clement, Demare, Douglas and Gilroy. 5

and the amendment was declared carried.

The amendment proposed by Councillors Demare and Selinger was put.

The Speaker called for the yeas and nays, which were as follows:-

Yea: Councillors Wade, Boychuk, Demare, Diamant, Douglas, Duguid, Fraser, Gilroy, Golden, Kaufmann, Lazarenko, Lorenc, McKee, Mendelson, Murray, O'Shaughnessy, Prystanski, Reese, Selinger, Thomas, Timmers, Timm-Rudolph, Young, Yuen, Mayor Norrie and Councillor Eadie. 26

Nay: Councillors Brown and Clement. 2

and the amendment was declared carried.

The motion for the adoption of the clause, as amended, was put.

Councillor Wade called for the yeas and nays, which were as follows:-

Yea: Councillors Boychuk, Brown, Clement, Demare, Diamant, Douglas, Duguid, Fraser, Gilroy, Kaufmann, Lazarenko, Lorenc, McKee, Mendelson, Murray, O'Shaughnessy, Prystanski, Reese, Selinger, Thomas, Timmers, Timm-Rudolph, Young, Yuen, Mayor Norrie and Councillor Eadie. 26

Nay: Councillors Wade and Golden. 2

and the motion for the adoption of the clause, as amended, was declared carried.

(Note: Copy of Appendix "A" referred to in the above clause is on file in the Office of the City Clerk.)

Amendments to Parts 15 and 20 of The City of Winnipeg Act. File GL-5.1

1620 - 4. On December 20th, 1989, the Minister for Urban Affairs wrote to His Worship the Mayor, forwarding the Province's schedule for review and preparation of amendments to The City of Winnipeg Act. As can be seen from the attached schedule, it is proposed that Parts 3, 5, 7, 8, 15 and 20 have a major review undertaken in 1990 and draft legislation prepared.

In his communication, the Minister requested to be supplied with all City amendments to Parts 15 and 20 of the Act for his consideration.

Part 15 of The City of Winnipeg Act is the "Building Standards" section. It starts at Section 470 and ends at Section 494.

Part 20 of the Act is the "Environment and City Plans" section. It starts at Section 574 and ends at Section 666.2.

Attached as Appendix "B" is a copy of outstanding requests forwarded to the Province of Manitoba for amendments to The City of Winnipeg Act dealing with Parts 15 and 20 of the Act.

As can be seen, the following amendments are outstanding for Part 15:-

Report of the Executive Policy Committee, dated October 24th, 1990.

1. Subsections 4, 5 and 6 of 485 of the old Act. This would now be Section 574(4), (5) and (6) of the new Act.

2. Section 493 of the old Act. This would now be Section 483 of the new Act.

As can also be seen, the following requests are outstanding for Part 20 of the Act:-

1. Section 574.1 of the old Act (now Section 581(1) of the new Act).

2. Section 609(4.2) of the old Act (now Section 614(8) of the new Act).

3. Section 610(2) of the old Act (now Section 615(2) of the new Act).

4. Section 622.1(2)(b) of the old Act (now Section 627(2) of the new Act).

5. Section 637(44.3) of the old Act (now Section 642(40) of the new Act).

6. Section 641 of the old Act. This would now be Section 651 of the new Act.

7. Section 642.1(1), (2) and (3) of the old Act. This would now be Section 652.1(1), (2) and (3) of the new Act.

8. Sections 643(1) and 643(6) of the old Act. This would now be Sections 653(1) and 653(6) of the new Act.

Council, on July 11th, 1990, amended and adopted Clause 6 of the Report of the Executive Policy Committee, dated July 4th, 1990, and directed that the portion of said Clause 6 dealing with amendments to Part 20 of The City of Winnipeg Act be referred to the Committee on Planning and Community Services for review, and that the portion pertaining to Part 15 of The City of Winnipeg Act, be adopted.

The Committee on Planning and Community Services reviewed the amendments detailed in Appendices A, B and C and received same as information. The Committee further referred the proposed amendments to Part 20 of The City of Winnipeg Act back to Executive Policy Committee for consideration and recommendation to Council.

Your Executive Policy Committee recommends:-

1. That the Province of Manitoba be again requested to consider the City's request of October 15th, 1980, for a new Part 20 of The City of Winnipeg Act, as set forth in attached Appendix "A".

2. That if the Province is not prepared to grant the above City request in the near future, it at least grant the following:-

   a) Appendix "B", being requests for amendments to Part 20 of the Act previously requested by Council.

   b) Appendix "C", being requests for amendments to Part 20 of the Act not previously considered by Council and the Province.

Moved by Mayor Norrie,
Adoption of the clause.

Carried.

(Note: See Minute No. 1631 for attachments.)

Winnipeg 2000 - An Economic Development Strategy for Winnipeg.
File EP-1

1621 - 5. On October 17th, 1990, His Worship Mayor Norrie advised the Executive Policy Committee that in his report of May 9th, 1990, recommending the appointment of members to the Winnipeg 2000 Leaders Committee, he indicated that he would, at a later date, be recommending several additional names for appointment to this committee.

Report of the Executive Policy Committee, dated October 24, 1990.

Mr. Kerry Hawkins, Chairman of Winnipeg 2000, together with the members of the Committee have been very active throughout the summer charting a new course for economic activity in the City. The Committee has held extensive consultation with many groups and leaders in the community and will shortly be in a position to announce future plans.

As part of this consultative process, Mr. Hawkins and His Worship Mayor Norrie have agreed that the following persons would make a significant contribution to the work of the Committee:-

Mr. Larry Amos - Aboriginal Council of Winnipeg

Mr. Malcolm Anderson - Credit Union Central of Manitoba

Dr. Marsha Hanen - President, University of Winnipeg

Mr. Mike MacIsaac - Canadian Labour Congress

Mr. Pat Martin - Carpenters Union

Dr. Arnold Naimark - President, University of Manitoba

Mr. Robert Zeigler - United Food & Commercial Workers, Local 832

Your Executive Policy Committee recommends that the following persons be appointed as members of the Winnipeg 2000 Leaders Committee:-

Mr. Larry Amos - Aboriginal Council of Winnipeg

Mr. Malcolm Anderson - Credit Union Central of Manitoba

Dr. Marsha Hanen - President, University of Winnipeg

Mr. Mike MacIsaac - Canadian Labour Congress

Mr. Pat Martin - Carpenters Union

Dr. Arnold Naimark - President, University of Manitoba

Mr. Robert Zeigler - United Food & Commercial Workers, Local 832

Moved by Mayor Norrie,
Adoption of the clause.

Councillor Eadie called the Deputy Speaker, Councillor Wade, to the Chair in order to participate in the debate, and after speaking, resumed the Chair.

The motion for the adoption of the clause was put and declared carried.

Appointment to the Position of Deputy Chief of Police. File GP-1.19

1622 - 6. The position of Deputy Chief of Police became vacant on August 25th, 1990, upon the retirement of Deputy Chief S. R. Scarr. The vacancy was bulletined internally in July, 1990.

All applications were reviewed by a selection panel consisting of the Chief of Police and the Director of Personnel. As all candidates had been interviewed in March for a previous Deputy Chief vacancy, they were asked to make a presentation in lieu of interview. After careful consideration of all available information, it was the unanimous recommendation of the selection committee that Superintendent L. H. Klippenstein be appointed to the position.

Report of the Executive Policy Committee, dated October 24th, 1990.

Superintendent Klippenstein began his career with the City of Winnipeg in 1967 as a constable, attaining the rank of Sergeant in 1978, Inspector in 1982 and Superintendent in 1989. Superintendent Klippenstein has a Bachelor of Arts degree with majors in Administrative Studies and Justice and Law Enforcement from the University of Winnipeg. He has taken the F.B.I. National Academy Criminal Justice Courses in Senior Management, many certificate courses offered by the Canadian Police College and the Winnipeg Police Department and has attended workshops at the City of Winnipeg Personnel Training Centre. Superintendent Klippenstein is Past President of the Winnipeg Police Senior Officers' Association.

Your Executive Policy Committee recommends that Mr. L. H. Klippenstein, currently Police Superintendent, Winnipeg Police Department, be appointed to the position of Deputy Chief of Police, at Management Salary Level "Q", Step 5, subject to the standard five-year contract.

Moved by Mayor Norrie,
Adoption of the clause.

Moved by Councillor Selinger,
That the question be now put.

Carried.

The motion for the adoption of the clause was put and declared carried.

Appointment of Members to The City of Winnipeg Community and Race Relations Committee. File CR

1623 - 7. Attached is a copy of the names of nominees received for appointment to the Community and Race Relations Committee. (Appendix A).

For your information, the positions held by the Mayor, the Chief of Police, or his designate, the Chief Commissioner, or his designate and the Councillor representative are for indefinite terms. The appointments of the other members (institutional) are for a two year term effective November 1st, 1990 to October 31st, 1992.

Inasmuch as the membership of the previous Committee has expired, your Committee recommends that the attached list of nominees be approved.

The remaining three vacant positions for citizen members will be filled following the completion of the current process for appointments to "Boards and Commissions", the result of which will be forwarded to Council for approval.

Your Executive Policy Committee recommends that the list of nominees outlined in Appendix A, attached hereto, be appointed to the Community and Race Relations Committee for a two year term, effective November 1st, 1990 to October 31st, 1992.

Moved by Mayor Norrie,
Adoption of the clause.

Pursuant to the Municipal Council Conflict of Interest Act, Councillor Young advised that he would refrain from entering the discussion and from voting on the clause because of a potential conflict of interest in that he is employed with the Manitoba Human Rights Commission, and left the Chamber.

The motion for the adoption of the clause was put and declared carried.

Councillor Young here returned to the Chamber.

(Note: See Minute No. 1632 for attachment.)

Report of the Executive Policy Committee, dated October 24th, 1990.

The City of Winnipeg and the Winnipeg Association of Public Service Officers - Arbitration Award. File GU-4.6

1624 - 8. The previous Winnipeg Association of Public Service Officers' collective agreement expired on April 23rd, 1988. As a new collective agreement could not be concluded by the negotiation process, the matter was referred to an Arbitration Board. The Arbitration Board brought down its award on September 6th, 1990, which provides for a three-year collective agreement.

The attached summary outlines the amendments arising from the arbitration award (Appendix "A"). Also attached are the associated costs for both application to Winnipeg Association of Public Service Officers members (Appendix "B"), as well as extensions to Management and Winnipeg Association of Public Service Officers-exempt staff (Appendix "C").

Historically, the City has provided fringe benefits for management and exempt staff comparable to those provided to other civic employees. It is, therefore, appropriate for the benefit provisions of the arbitration award to be applied to both Management and Winnipeg Association of Public Service Officers-exempt employees.

This recommendation would also extend to management the provision for a week's vacation in lieu of overtime, which is currently provided to Winnipeg Association of Public Service Officers and Winnipeg Association of Public Service Officers-exempt staff. This would correct an inequity whereby management employees receive lesser vacation benefits than the administrative employees they supervise. As well, this would provide appropriate recognition of and compensation for the extra hours of work which form an inherent part of management's duties and responsibilities.

Your Executive Policy Committee recommends:-

1. That the attached summary of the September 6th, 1990, Winnipeg Association of Public Service Officers' arbitration award be received as information (Appendix "A").

   Note: A copy of the award is on file in the office of the City Clerk.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the arbitration award.

3. That the benefits of the Winnipeg Association of Public Service Officers' agreement, as contained in the arbitration award, and in the future, be extended to WAPSO-exempt staff.

4. That the benefits of the WAPSO agreement, as contained in the arbitration award, be extended to management.

Moved by Mayor Norrie,
Adoption of the clause.

Carried.

(Note: Appendices A, B and C referred to in the above clause are on file in the Office of the City Clerk.)

Amendment to the Civic Charities By-law No. 350/73. File GL-5.2

1625 - 9. On October 17th, 1990, your Executive Policy Committee referred Clause 5 of the Report of the Committee on Finance and Administration, dated September 25th, 1990, relative to the above matter, to the Board of Commissioners.

In accordance with Section 61.5 of the Procedure By-law No. 5400/90, your Executive Policy Committee recommends that Council grant an extension of time of 60 days to further consider this matter.

Report of the Executive Policy Committee, dated October 24th, 1990.

Moved by Mayor Norrie,
Adoption of the clause.

Carried.

Alexander Park - City Centre-Fort Rouge Community. File FI-2.1.1

1626 - 10. On October 3rd, 1990, your Executive Policy Committee laid over consideration of Clause 1 of the Report of the Committee on Protection, Parks and Culture, dated September 24th, 1990, until its meeting scheduled for December 5th, 1990.

In accordance with Section 61.5 of the Procedure By-law No. 5400/90, your Executive Policy Committee recommends that Council grant an extension of time of 60 days to further consider this matter.

Moved by Mayor Norrie,
Adoption of the clause.

Carried.

1991 Fire and Vandal Alarm Rates. File GF-1

1627 - 11. Fire and Vandal Alarm Rates must be set to recover all direct costs. These rates are reviewed annually and adjusted as necessary.

Buildings have been connected to the Central Fire Alarm Office for decades. On May 29th, 1974, Council limited these connections to:

1) Federal, Provincial, and Municipal buildings.

2) Hospitals, nursing homes, senior citizen homes and schools.

3) Those private buildings already connected.

Prior to 1979, such buildings were tied in to the street Fire Alarm Box network. The Winnipeg School Division No. 1 was also connected for Vandal Alarm monitoring on the same network. On February 21st, 1979 Council approved the abandonment of the Fire Alarm Box network. Quotation number 503-79 was issued for a replacement alarm monitoring system. The system that was offered by Manitoba Telephone System was recommended in a report to the Board of Commissioners dated November, 1979. There was a lengthy technical evaluation and conversion to the new system, with a final in-service date of July 1st, 1981. The Lease was for a five-year term with a fixed lease rate.

On April 14th, 1982, Council approved the following rates for fire and vandal alarms and instructed that they continue until a review indicated a need to revise same, namely:

For fire alarm service	$275 per annum
For vandal alarm service	$275 per annum
For fire and vandal alarm service	$350 per annum

For installation of either service $78.50

Shortly after the expiry of the fixed rate lease the Manitoba Telephone System increased its charges for the system and Council approved the following rates beginning with 1988:

For fire alarm service	$450 per annum
For vandal alarm service	$450 per annum
For fire and vandal alarm service	$700 per annum
For installation of either service	MTS costs plus PST

Report of the Executive Policy Committee, dated October 24th, 1990.

At this time there are several uncertainties that make the calculation of appropriate rates for the City's Fire and Vandal central monitoring service unusually difficult. There will be a further report forthcoming recommending that the City terminate these services at the end of 1991.

At this time it is not known if this will happen or not. In addition Winnipeg schools, who constitute 85% of the City's vandal alarm customers are planning to leave the system in the near future but that is not certain. Also, during the past few months the Manitoba Telephone System indicated that it wanted considerably more money to maintain the service and then it indicated that it did not want to maintain the service at all. Discussions with the Manitoba Telephone System are underway and there is no resolution as yet. The eventual resolution of this uncertainty is likely to be affected by the outcome of the first two uncertainties.

As a result of the range of uncertainties, numerous scenarios were analyzed. The rates recommended:

$500.00 for fire or vandal alarm monitoring

$800.00 for fire and vandal alarm monitoring

are a compromise. These rates generate sufficient revenue to match costs in the most likely scenarios. In other possible scenarios, the rates are higher than necessary but not inordinately out of line with the rates set in 1988 or with private industry. In a few unlikely scenarios, the rates could fail to generate revenue equal to costs. However, the situation will be monitored closely as events unfold and steps will be taken to contain costs or adjust revenues.

Your Executive Policy Committee recommends:

1. That the rate for fire or vandal alarms be established at $500.00 per year, commencing in 1991.

2. That the rate for fire and vandal alarms (The Winnipeg School Division No. 1) be established at $800.00 per year, commencing in 1991.

3. That Manitoba Telephone System installation charges (currently $75.00 plus Provincial Sales Tax) be recovered from any new customers.

4. That the Goods and Services Tax, if and where applicable, be recovered.

5. That the Proper Officers of the City do all things necessary to implement the foregoing.

Moved by Mayor Norrie,
Adoption of the clause.

Carried.

Realty Tax Assistance for Seniors.
File FL-2.2

1628 - 12. On June 27th, 1990, your Executive Policy Committee reviewed two communications from the St. Boniface-St. Vital Community Committee with regard to Realty Tax Assistance for Seniors.

Three suggestions were put forward by the Community Committee to assist senior citizens, or people on fixed incomes, who cannot afford to pay property taxes or who, by paying same, would be subject to possibly losing their homes:-

1. A lien be placed by the City against the property of a homeowner who could not afford to pay his/her property taxes, and that such outstanding taxes be collected by the City at such time when the house is sold.

2. Interest on outstanding real property taxes be charged at the City's cost of borrowing money plus 1%.

Report of the Executive Policy Committee, dated October 24th, 1990.

3. That the Province of Manitoba be approached, through the Official Delegation, to ascertain whether the Provincial Government would give favourable consideration to increasing the deduction for taxes for seniors in order to keep such rebates in line with the rate of inflation, thereby making it possible for seniors to remain in their homes for as long as practicable.

It was the decision of your Committee that the matter be referred to the Committee on Finance and Administration for a full review of the implications to the City of Winnipeg.

In 1977 the Province of Manitoba enacted the Homeowners' Tax and Insulation Act. Part I of the Act permitted municipalities to allow an "eligible taxpayer" to defer property taxes and Manitoba Regulation 176/78 defined an "eligible taxpayer".

In 1987 the Province of Manitoba re-enacted the Homeowners' Tax and Insulation Assistance Act as well as certain regulations passed thereunder in a bilingual form. Regulation 176/78 was not re-enacted and therefore stands repealed as of the date that the re-enacted statute came into force. Without the existence of a regulation under the Homeowners' Tax and Insulation Assistance Act which defines an "eligible taxpayer" and provides for such things as the amount of tax that may be deferred, no tax deferral program could be implemented under Part I of the Act.

For Council's information, an analysis of the implications of the deferral program to The City of Winnipeg done at the time included the following observations:-

> "If Council subscribes to the Program, it will be administered almost entirely by the City. This means that it is the City that will deal with the Pensioner-Taxpayer at the business end of the program - including the enforcement of regulations, some of which will not be popular. To explain:-
>
> > It is to the City that a taxpayer must submit his application for a tax deferral; however, it remains with the Province to approve or disapprove any application.
> >
> > It is to the City that a pensioner will have to pay interest every year on previous deferrals before he files application (again with the City) for another deferral. If he does not pay the interest then due, the City must advise him that he is disqualified to continue in the program.
> >
> > It is the City that will be billing the pensioner for the interest in an amount that would at least double itself in the second year, triple in the third, quadruple in the fourth, etc. Ultimately - probably in ten years or less - the pensioner will be confronted with a bill from the City for interest that will exceed the actual taxes in that year. Once this point is reached, the program will obviously become self-defeating in addition to which there will remain a substantial, unsatisfied liability for deferred taxes.
> >
> > When a participating pensioner dies, it is the City that must demand from the beneficiary, if that beneficiary is unable to participate in the program, the full amount of the deferred taxes. If the beneficiary does not pay the deferred taxes, interest as well as tax penalties will continue to be added. Only when the property is ultimately sold (either in Tax Sale or otherwise), will the proceeds of such sale be applied to the debt. There is no guarantee, however, that the market value of the property at such time will be sufficient for this purpose.
> >
> > Whenever eligibility for participation terminates, it is the City that will claim from individuals substantial sums of money in a variety of circumstances - all in order to recover funds lent under a Provincial program, the longterm benefits of which are questionable.

Report of the Executive Policy Committee, dated October 24th, 1990.

The cost of administering this program in Winnipeg is to be borne entirely by the City."

In 1988 a further review was conducted on this matter and a report was presented to and considered by the Committee on Finance and Administration on May 31st, 1988, which was received as information.

In the above report the City of Vancouver provided information on its tax deferral program as follows:-

- Provincial legislation initiating this program dates back to 1974.
- The Provincial Government reimburses the City for revenue not collected as a result of deferrals.
- Currently 540 tax deferrals are active.
- A full-time clerk is required to handle:-
  - applications
  - inquiries
  - seminars
- Tax deferrals are limited in total to the actual value of the eligible property as determined by the Assessor.
- On termination, all taxes levied which were deferred become payable, together with interest (rate set annually) compounded yearly.

Additionally, the Surveyor of Taxes, Real Property Taxation Branch, Province of British Columbia, had been contacted. They had the following observations about the program:-

- 2,700 tax deferrals are active Province-wide.
- There are no financial eligibility requirements, and as such, some pensioners, taking advantage of the low interest rate - typically the Province's borrowing costs, participate in the program, but would not be considered needy.
- As there is a lien registered on the title, this discourages some pensioners, who are considered needy, from participating in the program.

SUGGESTION (1):

A lien be placed by the City against the property of a homeowner who could not afford to pay his/her property taxes, and that such outstanding taxes be collected by the City at such time when the house is sold.

Suggestion (1) is not being recommended

(a) because the City does not have the capability to determine who can or cannot afford to pay property taxes; and

(b) because the recovery process will include actions by the City which can be perceived to be extremely harsh in the end - even more so than that which might be suffered in a tax sale arrangement. It is noted that the accrual of tax arrears and penalties would, in the matter of 13 ½ years, exceed the value of the property. (Based on a home assessed/valued at $70,000.00, net annual tax of $1,500.00 and a penalty rate of 18% per annum.)

For Council's further information, the City of Winnipeg currently has a mechanism to deal with hardship cases which is as follows:-

The City of Winnipeg Act allows the City to enter into an agreement with the owner of any property that has been sold in Tax Sale for the redemptions of such property by instalments. These provisions do not apply until a property has been sold in Tax Sale and accordingly a statutory penalty of 10% must be added. However, the provisions do provide a vehicle for the City to negotiate tax payments with individuals on a discretionary basis. Such agreements can provide for the payment by the City of the current taxes levied against the property during the currency of the agreement as well as payment by the taxpayer of any interest rate acceptable to the City.

Report of the Executive Policy Committee, dated October 24th, 1990.

SUGGESTION (2):

Interest on outstanding real property taxes be charged at the City's cost of borrowing money plus 1%.

The Law Department advises that either to defer the realty taxes of certain senior citizens or to charge such persons a reduced penalty rate could be successfully challenged as being discriminatory.

SUGGESTION (3):

That the Province of Manitoba be approached, through the Official Delegation, to ascertain whether the Provincial Government would give favourable consideration to increasing the deduction for taxes for seniors in order to keep such rebates in line with the rate of inflation, thereby making it possible for seniors to remain in their homes for as long as practicable.

Increased tax credits provided under the Homeowners' Tax Assistance Program and the Pensioners School Tax Assistance Program may very well be the most suitable vehicle for assistance to property owners.
In addition, the City of Winnipeg would not incur any additional administration costs or loss of revenue.

The Homeowners Tax Assistance credit was last updated in 1980 from $225.00 to $325.00. The Pensioners School Tax Assistance credit was last updated in 1980 from $100.00 to $175.00.

Your Executive Policy Committee recommends that the Province of Manitoba be approached through the Official Delegation to review the General Property Tax Relief for Homeowners credit (currently up to a $325.00 advance to owner-occupied single-family dwellings) and the Pensioners School Tax Assistance credit (up to $175.00 towards school taxes greater than $162.50 in the principal residence of senior citizens and eligible persons age 55 plus), with a view to increasing these credits to at least allow for inflation over the last 10 years.

Moved by Mayor Norrie,
Adoption of the clause.

In amendment,

Moved by Councillor Eadie,
Seconded by Councillor Demare,
THAT Clause 12 of the Report of the Executive Policy Committee, dated October 24th, 1990, be amended by deleting the last paragraph and substituting therefor the following:-

"Your Executive Policy Committee recommends that Council adopt the following resolution:-

BE IT RESOLVED that the Manitoba Association of Urban Municipalities request the Province of Manitoba review the General Property Tax Relief for Homeowners credit (currently up to a $325.00 advance to owner-occupied single-family dwellings) and the Pensioners School Tax Assistance credit (up to $175.00 towards school taxes greater than $162.50 in the principal residence of senior citizens and eligible persons age 55 plus), with a view to increasing these credits to at least allow for inflation over the last 10 years."

Report of the Executive Policy Committee, dated October 24th, 1990.

The Speaker called the Deputy Speaker, Councillor Wade, to the Chair in order to participate in the debate and, after speaking, resumed the Chair.

The amendment was put and declared carried.

The clause, as amended, was put and declared carried.

Relocation Expenses for Transportation Planning Engineer - Streets and Transportation Department. File GP-1.24

1629 - 13. The Transportation Planning Engineer position became vacant on August 26th, 1990.

The recommended candidate to the position of Transportation Planning Engineer was in the employ of the Streets and Transportation from July 1981 to October 1988. At that time, he left the City to take a position in British Columbia.

The recommended candidate holds a Bachelor of Science in Civic Engineering and a Masters of Business Administration from the University of Manitoba. He is familiar with the operation of the Streets and Transportation Department and The City of Winnipeg, due to his past employment with the City which was conducted in an exemplary manner.

The recommended candidate is the most desirable candidate for the position of Transportation Planning Engineer being a position of Section Head. Due to his family circumstances (a wife and three school-age children), he is desirous of minimizing the disruption by not removing the children from school for what would be the second time in two years, until the end of the school year. He would, however, be prepared to relocate to Winnipeg himself and move his family at the end of the school year, in June, 1991. He will, therefore, incur the expense of commuting and temporary accommodation during that period of time.

In addition, the sale of his home in British Columbia will result in significant realtor fees due to the price of housing on the lower mainland of British Columbia. It is estimated that these fees would be in excess of $10,000.00.

In consideration of the above, the following recommendations are submitted for approval.

Your Executive Policy Committee recommends that in addition to the relocation expenses normally provided under current City policy, the following additional expenses be approved for the candidate to the position of Transportation Planning Engineer in the Streets and Transportation Department:-

a) Commuting/accommodation expenses to a maximum of $5,000.00 from commencement of employment to July 1st, 1991,

b) Realtor fees related to the sale of candidate's existing home in Langley, British Columbia,

subject to the total of a) and b) not exceeding $10,500.00.

Your Committee further recommends that henceforth, the Executive Policy Committee be delegated the authority to deal with matters pertaining to any additional relocation expenses not normally provided for under the City's current policy.

Report of the Executive Policy Committee, dated October 24th, 1990.

Moved by Mayor Norrie,
Adoption of the clause.

Moved by Councillor Timm-Rudolph,
That the clause be referred back to Executive Policy Committee.

Carried.

Appointment to Employee Benefits Board.
File GU-3.9

1630 - 14. By-law No. 5300/89 which merged the City's pension plans and pension funds into the Civic Employees Pension Plan also revised the Employee Benefits Board which administers this plan, by adding one additional representative elected by the members, and one additional representative appointed by Council. The expanded Board comes into effect November 7th, 1990.

The new Board shall now consist of:-

1. Six representatives elected by the Members of the Plan.

2. Six representatives appointed by Council, up to two of whom may be Councillors.

3. The Commissioner of Finance and Administration or his/her designate, who must be a Member of the Plan.

Council's current appointees are:-

Councillor R. Douglas
Councillor P. Kaufmann
Mr. W. D. Carroll - Commissioner of Finance and Administration
Mr. R. L. Borland - Director of Transit
Mr. M. J. Shibley - Director of Budget Bureau
Mrs. E. A. Frame - Director of Personnel

Your Executive Policy Committee recommends that Mr. R. J. Linton, General Manager of Hydro, be appointed by Council to the Employee Benefits Board, effective November 7th, 1990.

Moved by Mayor Norrie,
Adoption of the clause.

Carried.

1631 – Attachments referred to in Clause 4 of the Report of the Executive Policy Committee, dated October 24th,1990.

(SEE PAGES 2209 – 2228 FOR OFFICIAL SET OF MINUTES FOR ATTACHMENTS.

1632 – Attachment referred to in Clause 7 of the Report of the Executive Policy Committee, dated October 24th, 1990.

SEE PAGE 229-2230 FOR OFFICIAL SET OF MINUTES FOR ATTACHMENT.

CONSIDERATION OF REPORT OF THE

EXECUTIVE POLICY COMMITTEE

On motion of Mayor Norrie, the rule was suspended and the Report of the Executive Policy Committee, dated October 24th, 1990, was considered.

West Committee Room,
Council Building, Winnipeg,
October 24th, 1990.

Osborne Village Business Improvement Zone - Proposed Program, Zone Levy and Budget Estimates. File FL-7

1633 - 1. Council, on December 20th, 1989, adopted By-law No. 5322/89, being a By-law of The City of Winnipeg, to designate a Business Improvement Zone to be known as the "Osborne Village Business Improvement Zone" and establish a Management Board for the Zone.

Subsequently on May 9th, 1990, Council appointed the required Zone Board members in accordance with the terms of the referenced By-law. On May 30th, 1990, Council appointed Councillor G. Murray as the Council member representative to the management Board of the Osborne Village Business Improvement Zone.

By-law No. 5322/89 requires the referenced Board to prepare for submission to Council, its proposed program, zone levy and budget estimates on or before October 31st in each year. On September 25th, 1990, the Osborne village business Improvement Zone held its Annual General Meeting at which time unanimous consent was given to the Zone's proposed budget for the period August 1st, 1990 to December 31st, 1991, copy of which is on file in the Office of the City Clerk.

Your Executive Policy Committee recommends that pursuant to the requirements of By-law No. 5322/89, Council request the City Centre-Fort Rouge Community Committee to conduct a public meeting to hear representations in respect to the proposed program, zone levy and budget estimates and to provide recommendations to Council within sixty (60) days from the receipt of Council's request.

Moved by Mayor Norrie,
Adoption of the report.

Carried.

CONSIDERATION OF REPORT OF THE

EXECUTIVE POLICY COMMITTEE

On motion of Mayor Norrie, the rule was suspended and the Report of the Executive Policy Committee, dated October 31st, 1990, was considered.

West Committee Room,
Council Building, Winnipeg,
October 31st, 1990.

His Worship the Mayor and Councillors:-

Your Executive Policy Committee submits the following Report and recommends:-

Sale of Debentures. File FC-2

1634 - 1. Council appointed and authorized a Special Committee composed of His Worship the Mayor and the Chairman of the Committee on Finance and Administration (or in their absence, the Deputy Mayor and appointee of the Chairman of the Committee on Finance and Administration) to negotiate the sale of debentures as required.

Your Executive Policy Committee, on October 31st, 1990, considered a report from the Special Committee (copy of which was submitted to all members of Council under the "Communications" portion of Council's October 31st, 1990 Addendum), relative to the issue of debentures by way of a Canadian dollar private placement in the Japanese market.

Your Executive Policy Committee submits for favourable consideration, By-law No.35552/90, which By-law authorizes the borrowing of money for general purposes of the City by the issue and sale of debentures of the City in the principal amount of sixty-five million dollars ($65,000,000.00) in lawful money of Canada.

Moved by Mayor Norrie,
Adoption of the report.

Carried.

MOTIONS

Moved by Councillor Gilroy,
Seconded by Councillor Selinger,
1635 - THAT Councillor Diamant be appointed temporarily, to replace former Councillor Laurendeau on the Committee on Finance and Administration pending the first meeting of Council to consider appointments on Wednesday next, November 7th, 1990.

Carried.

EXECUTIVE POLICY COMMITTEE

CONSIDERATION OF BY-LAWS

1636 - Mayor Norrie moved that the rule be suspended and By-law No. 5270/89, as amended, a By-law of The City of Winnipeg to amend By-law No. 2960/81, a By-law establishing PLAN WINNIPEG, being a statement of the City's policy and general proposals in respect of the development or use of the land in the City and Additional Zone, deemed by The City of Winnipeg Act to be The Greater Winnipeg Development Plan, be read a third time. File No. PW 39/89.

In amendment,

Moved by Councillor O'Shaughnessy,
Seconded by Councillor Lorenc,

WHEREAS Council on October 10th, 1990, introduced By-law No. 5270/89, as amended, for third reading, and referred same to the Minister for Urban Affairs for approval, in accordance with Section 584 (9), (10) and (11) of The City of Winnipeg Act;

AND WHEREAS the Minister for Urban Affairs, on October 30th, 1990, advised that he is approving By-law No. 5270/89, as amended, after further amending the text of paragraph one, as outlined in his communication;

THEREFORE BE IT RESOLVED that By-law No. 5270/89, as amended, be further amended by revising paragraph one to read as follows:-

"1. The Map titled "PLAN WINNIPEG POLICY AREA", attached to and forming part of By-law No. 2960/81, as amended, is hereby further amended as follows:

Lands bounded by Swailes Avenue on the North, by Ferrier Street and the C.P.R. Winnipeg Beach R.O.W. Line on the east and the most westerly limit of the proposed McGregor Street extension on the west, as shown outlined on the map below:".

Carried.

Mayor Norrie moved that this constitute the third reading of By-law No. 5270/89, as further amended, and that same be passed and ordered to be signed and sealed, which motion was carried.

On motion of Mayor Norrie, the rule was suspended and By-law No. 5552/90, a By-law of the City of Winnipeg to authorize the borrowing of money for General Purposes of the City by the issue and sale of Debentures of the City in the principal amount of Sixty-Five Million Dollars ($65,000,000.00) in lawful money of Canada, was read a first, second and third time, the rule being suspended for third reading, and was passed and ordered to be signed and sealed. File No. FC-2.

On motion, Council recessed at 12:13 p.m., to reconvene at 1:15 p.m.

Council reconvened at 1:20 p.m.

Same members present.