David M. Sanders, M.A., LL.B.
907-885 Wilkes Avenue
Winnipeg MB R3P 1J3

April 9, 2014

Chair and Members
Executive Policy Committee
The City of Winnipeg
510 Main Street
Winnipeg MB

Re: Executive Policy Committee – 9:00 a.m. Wednesday, April 9, 2014

Report #2 Lobbyist Registry
Report #3 Transit Development Agency (TDA)
Report # 4 Appointment of Fund Manager for the Financial Stabilization Reserve and the General Purpose Reserve
Report #5 Sinking Fund Trustees

I am appearing this morning as a private citizen, to speak briefly about my concerns regarding certain aspects of the above EPC agenda items:

Report #2 Lobbyist Registry

Councillors Fielding and Vandal are recommending that City Council consider the establishment of a Lobbyist Registry, to be administered by the City Auditor.

Yes, it would be nice to have a Lobbyist Registry, enabling the public to identify those who are communicating with City officials in an attempt to influence decisions on specific subjects. Given the almost unlimited decision-making authority that Council insists on delegating to senior civic officials, it would be good to have a comprehensive paper trail. Of course, it would work only if non-compliance with the rules of the Registry is investigated and heavily penalized in a timely way.

I don't think it is wise to add this function to the duties of the City Auditor, who has been overwhelmed by having to conduct and oversee major forensic audits, which are being launched faster than he can deliver them.

While we have received the first Audit Report on the Firehall Paramedic Stations Projects, we are still waiting for the follow-up report on the roles of the Mayor and Councillors in those matters. We are waiting for the report of the external legal counsel retained to assess the legal and possibly criminal implications of the findings of that Audit Report. We are also all waiting for the Report on the Real Estate Management Audit, which was ordered in the fall of 2012, and is now way, way overdue, without any public explanation.

Even more concerning is the fact that as of this morning, a contract has still not been awarded for RFP 87-2014 for the conduct of the forensic audit of the Winnipeg Police Service Headquarters Construction Project, which was ordered back in January for final delivery by the end of June.

I think all members of Council should demand to know how the City Auditor expects to meet that June deadline now. Not whether. How.

As for the Lobbyist Registry, EPC and Council can resolve that the Public Service study the matter and present a recommended plan within 60 days (by the end of June), but it has been my observation during the past year that the Public Service generally ignores such resolutions with impunity.

Furthermore, unlike the Province and the cities of Ottawa and Toronto, Winnipeg City Council doesn't have the legislative authority to penalize lobbying violations in either *The Municipal Act* or *The City of Winnipeg Charter*.

So we are unlikely to see a Lobbyist Registry in action here any time soon.

In the meantime, whatever happened to the Ethics Commissioner proposal approved by Council?

Report #3 Transit Development Agency (TDA)

Councillors Wyatt and Havixbeck are recommending that the City establish "a new Transit Development Agency (TDA) that will be able to facilitate, coordinate and spearhead Transit Oriented Development."

Perhaps they imagine that creation of a semi-independent transit-corridor development agency will wrest control from the senior civic officials, consulting engineering firms, developers and construction enterprises which now seem determined to undertake perversely development-oriented transit projects at huge public expense.

War is too important to leave to the generals, and public transit is too important to leave to the private developers.

Rather than create still another civic authority to operate beyond public oversight and control, I would suggest that EPC and Council regain control over the present administration, appoint a new Chief Administrative Officer without delay, and work with him or her to clean house and recreate an organization capable of planning and managing both land use and transportation for the City as a whole

It would be even better if the organization is capable of filling potholes on regional streets before rush hour each morning.

Report # 4 Appointment of Fund Manager for the Financial Stabilization Reserve and the General Purpose Reserve
Report #5 Sinking Fund Trustees

The author of these two reports, Jo-Anne Ferrier, the City Treasurer, states that she has retired, and recommends that the roles of the City Treasurer as Fund Manager for both the Financial Stabilization Reserve and the General Purpose Reserve, and as an ex officio Sinking Fund Trustee, be assigned to the Chief Financial Officer.

If Ms. Ferrier has in fact retired now, do we not have an "Acting City Treasurer" to fulfill these roles, as suggested in Section 38 of the City Organization By-law No. 7100/97?

> 38. (1) In this section, "City Treasurer" means the person occupying that position within the Corporate Finance Department, or in the case of a vacancy, the Acting City Treasurer.
>
> (2) Notwithstanding section 36, the City Treasurer is the treasurer for the purposes of the continuation of the Sinking Fund Trustees under The City of Winnipeg Act, S.M. 1989-90, c. 10, in accordance with section 520 of The City of Winnipeg Charter." amended 244/2006

Are we going to have a new City Treasurer, or is that position now being eliminated?

In my opinion, the City Administration has suffered terribly as a result of the concentration of too much power, and perhaps too much temptation, in the hands of a very few people. I continue to be absolutely astounded at the magnitude of the matters and the dollars which this Council is willing to delegate to a few civic employees, without any compelling reason for doing so, and with precious little accountability for what they do.

In this particular case, I strenuously object to the further concentration of fund management authority in the hands of the Chief Financial Officer, who has proven himself unable to withstand pressures from other quarters on other matters. I would much prefer to see the present responsibilities of the City Treasurer assigned to her successor, a separate qualified municipal finance official, who is subject to oversight by others and accountable for his or her actions to knowledgeable and independent persons.

In the case of the Sinking Fund Trustees, they are responsible for the investment of more than $300 million which will be required to pay the City's long-term debts incurred prior to 2002.

As for the two reserve funds in question, it appears that the final $3 million in the General Purpose Reserve Fund is being depleted entirely in 2014, to help avoid a greater tax increase in this election year. Likewise, the Financial Stabilization Reserve is been reduced from 9% of the total tax supported revenues to the new reduced target minimum of 8% in 2014, again to help avoid a greater tax increase in this electoral year.

Unless we set our reserves target lower again in 2015, we will be unable to raid these piggy banks again, and we will have to face tax increases of at least $79 million in 2015 and $109 million in 2016. At least that is what is projected in the Adopted Budget.

In such a situation, I would feel happier to have a few more whistle-blowers in positions of authority, to keep things transparent and on track.

By the way, if you insist on repealing Section 38 of the City Organization By-law, is the City also going to remove the significant authority and responsibilities assigned to the City Treasurer in the Reserves Administration Directive No. FM-005 and the City of Winnipeg Investment Policy?

Thank you,



David M. Sanders, M.A., LL.B.

River Heights-Fort Garry