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

July 16, 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, July 16, 2014
And Council – 9:30 a.m. Wednesday, July 16, 2014 (if added to agenda)

Reports:
1. Municipal Gas Tax Agreement
3. Revised Award of Contract for the Provision of Telephone System Infrastructure, Related Equipment and Systems, and Cellular Wireless Services – Bid Opportunity 695-2012
4. Strategic Economic Incentive Grant – Neechi Foods Co-op Ltd

My name is David Sanders and I am appearing as a private citizen to comment on the above listed agenda items.

1. Municipal Gas Tax Agreement

I asked to speak briefly in opposition to the recommendation that Council delegate its authority to the Chief Administrative Officer to finalize and approve the terms and conditions of the proposed Municipal Gas Tax Agreement with the Province of Manitoba.

I submit that the final Agreement should be subject to approval by City Council, or at least EPC, and not just a single administrator.

The expanded types of eligible project categories seem reasonable, but Council may wish to request the expansion of eligible expenditures to include such items as Brownfield Redevelopment expenditures incurred before April 1, 2014, and land acquisition costs. See the proposed motions from SPC Finance at Council today.

3. Revised Award of Contract for the Provision of Telephone System Infrastructure, Related Equipment and Systems, and Cellular Wireless Services – Bid Opportunity 695-2012

Corporate Support Services is recommending that Council amend its contract awards to MTS for Sections A and B of Bid Opportunity 695-2012, from a total of **$2,819,504.60** plus MRST and GST to a total of **$6,071,265** plus MRST and GST – **an increase of $3,251,760.40, or 115%.**

Apparently this huge increase since the contract was approved on November 20, 2013, is explained by two factors:

(a) The original calculations were based on the number of devices required in 2012, but that number has increased substantially by mid-2014.
(b) The estimated bid for Section A was calculated on the basis of one month's charges, instead of the 36 months contracted for.

Everyone makes mistakes, but that is a big one, and a lot of people were involved in approving the figures last fall. Even Kelvin Shepherd, President of MTS, made a presentation to EPC last November, but failed to point out the fact that the quoted successful bid was far lower than must have been intended by MTS.

I do have a real problem with the author's statement that "The recommendations do not impact budgets as they are projected based on actual charges." And that funding for the $3.2 million increase during 2013-2016 is "available within various approved departmental operating budgets."

If that is true, how much more is squirreled away by the civic administration and "available within various approved departmental budgets?" And if it is not true, what budgets will be cut to cover this major error?

4. Strategic Economic Incentive Grant – Neechi Foods Co-op Ltd

I urge Council to give unanimous approval to the provision of a strategic economic incentive grant to Neechi Foods Coop Ltd., for the purpose of supporting employment, aboriginal cultural enhancement and community building of Neechi Commons, for a period of 10 years in an amount equal to incremental taxes for the property located at 865 Main Street, to a maximum of $15,000 annually, and to a total aggregate maximum of $150,000.

I do not speak for Neechi Foods, but when I discussed this particular proposal yesterday with Russ Rothney, Treasurer of Neechi Foods Coop Ltd., he advised that since the grocery store and other facilities are already operating, the words "from the date of Council approval" should be deleted from Condition 1(a). He also suggested that the minimum number of jobs mentioned in Conditions 1(a), 1(b) and 1(c) should be set at 40 rather than 50, "to allow for possible business contingencies. The expectation is that in a couple of years Neechi Foods will have about 60 employees but we need to be able to have fewer staff if necessary to ensure long-term viability."

Perhaps Councillors Eadie and Pagtakhan would consider moving those helpful amendments today.

In any event, I would like to thank Gary Holmes and Sarah Cianflone of the City's Economic Development office, and the Mayor's office, for submitting this matter for Council consideration now.

Thank you.

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DMS/bm