COUNCIL OF THE CITY OF WINNIPEG
Wednesday November 26, 2003

The Council met at 9:40 a.m.

The Clerk advised the Speaker that a quorum was present.

The Speaker called the meeting to order.

The opening prayer was read by Councillor Eadie.

ROLL CALL

Clerk: Mr. Speaker Councillor O'Shaughnessy, His Worship Mayor Murray, Councillors Eadie, Angus, Clement, De Smedt, Gerbasi, Lubosch, Smith, Steek, Steeves, Thomas, Vandal, Wyatt.

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

Mr. Speaker: Mayor Murray I believe we have some special guests this morning.

Mayor Murray: We have some very special guests here to do a bit of a presentation to us. They are Marnie Grona and Kathy Alfonso, and Jackie Schreyer all of the Winnipeg Symphony Orchestra. I'm going to let them do this whole thing.

I'm going to simply say the most awesome presentation of Messiah, very much in the Christmas spirit to remind us what the season is all about for those of us who are Christians, will be playing on the 5th, 6th and 7th of December, and it's really a chance not to be missed. They're here to encourage us all to support the Symphony. If you want a Symphony you have to buy tickets and go see it, and I think we're getting a great product with huge community support. I think we're 80% to our ticket subscription so far, so we just have the 20% left, so if you haven't got your subscription yet please get one. They're kicking it off with Messiah. I'll turn it over to my friends who have a few things to share with us. If you could just give them a warm welcome.

Ms Marnie Grona: Your Worship, Mr. Speaker, members of Council. In the words of Dr. Charles Bernie the 18th Century music historian from England, Messiah has fed the hungry, clothed the naked, fostered the orphan and enriched succeeding managers of oratories, more than any single musical production in this or any other country.

For more than 250 years George Fredrick Handels Messiah has been performed to delight audiences and benefit those in need.

It is hoped that this glorious composition will work its musical and humanitarian magic right here in Winnipeg.

With that being said, the Winnipeg Harvest Food Bank has been invited to collect donations at the Winnipeg Symphony Orchestra's presentation of Messiah on December 5 and 6.

Messiah concert goers are encouraged to bring non perishable food items in support of the Winnipeg Harvest to both performances. Also Winnipeg Harvest volunteers have been invited to be on hand to distribute information about the food bank as well as to collect monetary donations. Winnipeg Harvest collection bins will also be set up in the foyer of the Centennial Concert Hall.

Now for a little bit about the production itself. Highly respected coral conductor, Howard Dyck where some of you may know from CBC's coral concert and Sunday afternoons at the opera, will lead the talented WSO musicians and the celebrated Winnipeg singers. Joining them will be guest vocalists, soprano Laura Wellan, soprano, Allison McCardy, tenor, Colin Ainsworth, baritone, John Fanning. By the way this production of Messiah is an all Canadian cast.

One of the Handel's most known and beloved works, Messiah was written in the incredibly short period of 21 days. It was first performed in 1742 in Dublin where it received the greatest ovation in the City's history. When it was performed in London just a short few weeks later, the King, George II at that time, rose to his feet during the Hallelujah chorus beginning a tradition of standing ovations that continue to this day.

During Handel's lifetime most of the performances of the Messiah were used to raise funds for his favourite charity.

So it pleases us in some small way that the Winnipeg Symphony Orchestra's presentation of Messiah will be of benefit to others. So please join us as the WSO presents Handel's Messiah on December 5 and 6.

On behalf of the Winnipeg Symphony Orchestra I thank you for allowing me to speak with you this morning, and I hope that you will enjoy the hugs and kisses from the WSO. Thank you.

MINUTES

Mr. Speaker: Councillor Wyatt moves the Minutes of October 22 and November 5, be taken as read and confirmed. All in favour? Contrary? Carried.

Delegations, Mr. Nick Ternette has joined us, in opposition to Item 1 of the EPC Report of November 12, 2003.

DELEGATIONS

Mr. Nick Ternette: Good morning. Mayor Murray and members of City Council.

Why is the Executive Policy Committee putting the cart before the horse? Why is City Council dealing with an increase in transit fares from $1.75 to $1.80, and the monthly pass to rise from $65.45 to $67.40 as of January 1, 2004?

Hasn't transit and city councillors learned their own lessons. Since transit has been nickel and dimed over the past decade and we know that ridership has decreased drastically.

By the way, I discovered this kind of comments about the nickel and diming decreasing ridership was made in Hansard in 1992 when then Councillor Glen Murray said the same thing, that if we continue to nickel and dime transit, ridership will decrease.

Councillors I'm just wondering if you don't find it a little hypocritical for Glen Murray on one hand to talk about a reduction of bus fares in the new deal by 50%, as well as the additional budget will go up $30 million for transit as a whole part of which is for the rapid transit system, but part of it is also for the improvement of transit, yet on the other hand to continue to defend the bus fare increases by saying that money is needed to cover the transit deficit.

In fact Mayor Murray and this is the key question that I have to raise, was emphatic at the EPC meeting that there will be no more subsidization of transit through property taxes, no matter what. Implying as far as I'm concerned that the bus fares will continue to rise and will continue to rise whether the new deal is passed or not, or transit services will be cut drastically. That even if you improve even if the new deal comes in, you're still going to continue to have bus fare increases every year no matter what, because if you're not going to increase the amount of money that property taxes are going to subsidize transit anymore, you're going to have to have bus fare increases. It will never end. That's the key. That should be recognized by all councillors.

The implication that transit is not like any other basic service, such as fire, ambulance and police which are all funded through property taxes, is absurd to me. I consider transit just as basic and as important a service as fire, ambulance and police. Yet the City continues to raise transit fares which have the greatest negative impact on our poor and fixed income citizens who are forced to take the bus. In the meantime, those increase in fares are subsidizing those who use cars, making these increases unjust.

Quite frankly, I'm even more concerned about the attitude that Winnipeggers have at the present time towards transit. At a recent public meeting in the new deal, where the idea of a 50% bus fare reduction was mentioned, the audience's response was, very negative, they booed. Not only that when a women asked in the audience if they would take the bus if it was offered free, nobody raised their hand. Why? People indicated the bus

service is too slow, in winter there's obviously a real problem. The bus shelters are unheated for those days when you feel you could freeze to death. To these people the majority of whom are the working poor and you would expect would take the bus, the bus just isn't worth taking, and I think that's a significant impact.

(9:50)

Why is the City on the other hand moving ahead to run rapid transit bus system that will consist of regular buses running on separate ways throughout six corridors in the City costing $300 million to $400 million to be cost shared by all three levels of government to be paid out over the 10 year period? By the way transit had indicated that there will be no additional buses put on these rapid transit routes whatsoever. It doesn't add anything to the transit system. If this is the case, then the time saved between buses arriving and leaving will be negligible. In fact transit admitted that they have not done a cost analysis of the proposed new system, nor have they analyzed its financial benefits.

If it seems completely plausible that a rapid transit system is built, ridership may again indeed be decreased and the City will be forced to cover their losses or be bailed out by the Province. But then again, if you look at major cities across North America that are about the same sizes, they all have a real public transportation system composed of either a metro underground or an above ground light railway transit system, LRT, or a trolley system electric system with feeder buses. Calgary for example began developing their light railway transit system when the City was about the same size as Winnipeg is now. Calgary transit officials found that if properly operated, trains will run every seven minutes instead of buses running every 20 minutes like they do here in Winnipeg. And parking stations would be provided in the suburbs where people could park their cars and use the LRT to get to and from work. If this type of transit system were created then maybe people would want to take the train.

Now Mayor Murray challenged me at the EPC meeting to come up with a solution to the vicious cycle that the City's caught in. So I'm going to make three suggestions.

One, for once be innovative. By decreasing instead of increasing transit fares. I'm not talking about a big decrease. You're talking about an increase by five cents, why not have a motion moved decrease it by five cents. From $1.75 to $1.70. This might lead to more transit users and more of use and therefore the debt that you think you're going to accumulate might not be accumulated. Five cent decrease rather than five cents increase. I don't see why you can't try something to see whether ridership is based on the fact that it's costing too much to take the bus.

Furthermore, I strongly urge that the Mayor negotiate, and I know he has already but that there be much more negotiations open and public negotiations of all supporters of transit with the Province, for a fair cost sharing agreement on financing transit. The Province has given the same amount which means in fact has given less in terms of the total proportion, tells transit every year for the last six, seven years, there should be a demand made that the Province has got to increase the amount it gives to the City for financing transit.

If this all comes to naught and if none of you are prepared to do that, and I know this is going to over again like a balloon and everybody's going to go $1.80. One of my other suggestions is, maybe the City should consider something that somebody suggested recently at the University of Manitoba when Mayor Murray was there. That the City increase bus fares to an even $2. Not $1.80 but $2. A tooney. Quite bluntly it's a lot easier to deal with than finding change of a $1.80 constantly. Many times when I take the bus throw in a tooney because I don't have exact dollar change, you know you have to give exact change. But there's a guarantee if we're going to finance it up to $2, okay, that they'll be no more bus fare increase for at least three years because as Mayor Murray says,

there'll be no more subsidization of transit through property taxes. He stated that emphatically at the last EPC meeting which means there will be continual bus fare increases next year and the year after and the year after no matter whether the new deal gets passed or not. But this way if you raise it to $2, you have to guarantee there'll be no more increases for three years, then you'll cover your additional so called increases, and at least we won't have to come to City Hall every six, seven months complaining about the nickeling and diming of the transit system.

I think it's time for the City to stop nickeling and diming transit users, and realize that if you don't do something, we're going to look at the total collapse of the transit system because quite bluntly it can't go on like this. Continually you raise it $1.80, next year $1.85 and the year after that $1.90, and $1.95 whatever else, less and less people are going to use it, and less and less new buses will be replaced and the whole transit system will ultimately collapse.

Try to think about some creative solutions because I think there's ways of those who care about public transit that we can save it, otherwise it's just not going to be around anymore. Cars will win the day no matter what. Thank you.

Mr. Speaker: Would you permit a question? Councillor Smith.

Councillor Smith: Mr. Ternette, it seems to me that you're more against the nickel and diming than the increase. Can you explain that? It seems to me that the whole idea of increasing fares hurts people very severely.

Mr. Ternette: Mr. Speaker I understand and I appreciate. The reason I put that in as it's not my favourable suggestion, the reason is, I was challenged by the Mayor to come up with some suggestions. It's not the best one. But I thought it would be a little different. Everybody says I'm a critic, that I don't have any thoughts of how we can deal with anything, that all I do is criticize and I never provide any alternative answers.

I'm not saying it's a good asset but I heard that answer given by students at the University of Manitoba who are pro transit. The student actually rides the transit system and he simply said, I'm tired of having to go up five cents every year. All I'm saying is I agree, every five cent increase hurts the poor. The point is, if it means that if you increase it to the point where we don't have to come back for three years and it stays at that, and we know it's going to be there for three years, then I'm prepared to live with that if you follow what I'm saying. It's better than what we've got because I know I will be back in six months because there'll be another five cent increase, and in six months there'll be another five cent increase. You know it and everybody else knows it because it has been done for the last decade. Look at the record. Five cent increase one year, ten cent increase the second year. Five cents one year, ten cents the next year for the last ten years it has gone up and up and up. Not once has there been a year where there wasn't a bus fare increase. Honest.

I'm going to be attacked I agree. I'm saying, it may be something to consider to at least. I prefer that you decrease bus fares even by just a nickel because I think if you decrease it by a nickel you would increase the amount of ridership that would cover the deficit that supposedly transit has. I think you guys would maybe realize that maybe that's the problem and maybe next year you decrease it again by another nickel and you'll have even more riders and more money coming into the transit system. I don't see why you can't try that.

Mr. Speaker: Councillor Steeves.

Councillor Steeves: Question of clarification. I'm not so sure I understood you Mr. Ternette. You were talking about the idea that transit wouldn't be funded out of property taxes, and as such you were worried we would sort of embark on this cycle of a continuing transit increase. Isn't the idea that transit fares would be reduced and the funding for transit would come to a large extent from the gas tax?

(10:00)

Mr. Ternette: Mr. Speaker, I'm not quite sure. All I can tell you, this was a debate at EPC two weeks ago. Mayor Murray stood up and publicly stated that he's not prepared to recommend additional funding for transit from the City's level so property tax. Which means it's going to stay at the level that it is now.

The point is, at the level it's at now means transit keeps saying we can't live with that so we have to keep on increasing. What it means is a guarantee that there will be continual bus fare increases because they continually have a deficit. If you follow what I'm saying.

Yes I would prefer the gas tax would be used to fund transit. But even if that happened it seems to me that unless ridership increases drastically there's no guarantee that there will be no increases in bus fares.

Mr. Speaker: Thank you. We have a second delegation this morning. Mr. Jaworski had the five minute slot on the same side of the same issue. The Clerk informs me Mr. Jaworski is ill, not feeling too well this morning, although he has taken in our meeting, he has declined his right to speak due to illness.

We have a motion which I neglected to read earlier.

Motion
Moved by Councillor Angus,
Seconded by Councillor Lubosch

That Councillors Pagtakhan and Lazarenko are hereby granted leave of absence from today's meeting due to being away on City business.

All in favour? Contrary? Carried.

Moving onto Committee Reports. In the short term absence of the Mayor Councillor Vandal bring on the Report of EPC dated October 29, 2003.

REPORT OF THE EXECUTIVE POLICY COMMITTEE DATED OCTOBER 29, 2003

Councillor Vandal: I will move Items 1 to 3 as consent items of the Report dated October 29, 2003.

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

Report of November 12, 2003.

REPORT OF THE EXECUTIVE POLICY COMMITTEE DATED NOVEMBER 12, 2003

Councillor Vandal: Mr. Speaker I will move Items 1 through 4 as consent items of the Report of November 12, 2003.

Mr. Speaker: All in favour? Request to stand down Item 1.

Clauses 2 to 4, all in favour? Contrary? Carried.

Item No. 1.

Item No. 1 – 2004 Transit Fare Increase
File TT-2

Mayor Murray: Very briefly, I think it's pretty self-evident. In the last decade, city subsidy of transit has gone up 55%, it's the largest increase of any of the sources of funding for transit.

The fare box has gone up about five cents per year, which is about a 30% increase over the same time. Substantially lower rate of increase than property tax subsidies. Inflation has been 33% marginally higher than the rate of increase. We've seen a minus two percent increase over the same period of time in provincial funding, it's actually declined. That's created a significant ongoing challenge.

We really don't have a lot of other options. We're looking at again as we do every year a significant shortfall. They've ranged from about $10 million, they've been $23 million, $35 million. This year we're looking at about a $40 million gap to recreate a level of service we had this year. Next year this is a common practice in city government as we don't have growth revenues. I'm not sure that

there's much more magic here than that Mr. Speaker but I'll certainly listen if there's any questions or comments from my colleagues.

Mr. Speaker: Councillor Steek.

Councillor Steek: I think Councillor Smith asked to speak first.

Mr. Speaker this is the normal occurrence on the floor at this time of the year. Those that are least able to do anything about it see an additional increase, and people say, it's only a nickel. The response that we get from the Mayor and EPC is that if we don't do it it translates to a million or million two in the course of the year.

Nevertheless we find a million dollars whether it be from a reserve for the new deal, million dollars for assisting True North to come to fruition, but we can't set this aside as we do some utility increases until we're through the current budget.

This is being done in this fashion simply because it's easy. The fact remains is that we know transit ridership falls but we're now being told that because of the True North Centre and Red River College downtown we won't see a diminution in ridership. Perhaps. But you will see a diminution in ridership from those least able to afford it. This is an ongoing saga but every year we step to the plate instantly and say, a nickel because it's easy. It may be easy but it's wrong.

The fact is, that this fare increase should have been put off, this should have started at the Public Works Committee which is the committee of jurisdiction and miraculously it arrived at Executive Policy Committee so it could be forced fed and onto the floor today. Wrong.

Is it going to pass? Of course it will pass. I think the citizens of Winnipeg should stand up and notice on this one because miraculously if the new deal occurs which it isn't, transit fares will tumble 50% next year. If you're not cynical about this as a process, you simply haven't got your eyes open. It's wrong. I'm urging members of Council to stand up and be counted. Don't support another nickel. You're traveling on the backs of the disadvantaged, those who very frankly cannot afford this.

We always come up with money with the special projects for the Mayor and EPC, miraculously there won't be money for this because this isn't a special project or a priority. It's that straightforward. Thank you.

Mr. Speaker: Thank you. Councillor Smith.

Councillor Smith: Yes Mr. Speaker. It's very clear the record of this administration is anti transit. Nickel and diming every year. Look at the report, there's no justification, it just says we need the money. It doesn't talk about decreasing ridership every time you raise transit fares. There's nothing in the report that justifies the increase. That's why I suspected they by-passed public works who would scrutinize it. There's nothing in here.

For example if we didn't have the increase, what exactly would be the situation. This is incredible.

How have we gone ahead and communicated with the Provincial Government? If the Mayor used some of his creativity as he has on the new deal to deal with the Provincial Government on other issues, on transit for example, I think we might have a different result. When we're going to the Provincial Government to ask for an increase in transit, why don't we make a press release, why don't we go ahead and put something out to every rider on the buses? Why don't we in Provincial election campaign, speak up for transit?

(10:08)

None of this has been done. Every year for nine years we've been nickel and diming. I don't believe that is the way to go. Obviously if this administration is really green, really as concerned about the environment, it would invest in transit.

The immediate investment may not go ahead and show immediate results much like for example, Waterfront Drive. But Waterfront Drive is worthwhile because it's an investment and there will be further development take place because of it.

Mr. Ternette raised a valid point. We don't even experiment. Like why don't we go ahead and reduce fares by five cents and see if there's any increase as an experiment. We're willing to give away a million dollars more to True North when we didn't have to. But we don't in effect do much for transit. In fact, all we do that we can count on by this council, is increasing it five cents every year. It should stop if you're really a friend of transit and a friend of people who are workers, we shouldn't go ahead and be nickel and diming every year. I'm fed up with this.

Mr. Speaker: Councillor Lubosch.

Councillor Lubosch: Mr. Speaker, there seems to be a significant amount of consternation over this fare increase, and I would like to move that the matter be referred to the Committee from which it should have originally been deliberated and that is Public Works. There's no real urgency in this matter, we still have several months before our year end and we're not talking about an awful lot of money when you consider the Transit Department's projected shortfall. I would like to move referral back to Public Works.

Mr. Speaker: Councillor Lubosch has moved the item be referred without instructions. As the Chair of the Committee you're the Chair of Public Works, do one of you care to rebut?

Councillor Angus: While it can go back to Public Works at this particular council meeting in order to allow the Administration the month that's going to be required to redo the 2004 bus passes and every month that we don't have them out there costs us additional money in terms of not doing it.

The big debate is going to be decided by Council, all of us know the information Mr. Speaker, it's in the report. It's a simple, are we going to do it or are we not going to do it. I would urge that it not be referred.

Mr. Speaker: Recorded vote has been called for. All in favour of referral please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors De Smedt, Lubosch, Smith, Steek, Wyatt.

Nays

His Worship Mayor Murray, Councillors Eadie, Angus, Clement, Gerbasi, Steeves, Thomas, Vandal and Mr. Speaker Councillor O'Shaughnessy.

City Clerk: The vote Mr. Speaker, Yeas 5, Nays 9.

Mr. Speaker: Motion is defeated. Councillor Lubosch did you wish to speak further on the matter?

Councillor Lubosch: Thank you Mr. Speaker. You can't blame someone for trying.

The frustration that I have here today is that in the nine years that I've been on council I have seen but one study one formal study and I had the opportunity and privilege to participate in that study to review what we do with public transit.

In about three minutes prior to this meeting I hastened to my computer and did a quick Internet search and googled price and elasticity of public transit. I came up with two very interesting reports. One was done by the EPA in 1995 called "Transportation Control Measures". And the other was a research paper prepared by John Myron, Professor of Geography and Planning at the University of Toronto. Neither of these papers Mr. Speaker come at public transit from an ideological bent to appeal to the masses to be a charitable transportation resource, they come at it from the basis of science and the school of economics. Ultimately and

I think John Myron says it best, he says, that above I argue that advocates of public transit subsidies are well intentioned, the implication here is that they are misguided when they support policies such as subsidies, flat fares, passes that induce unnecessary trips etc. He also goes onto to say that they are misguided in the sense by wanting to do right by transit, they ignore the mass empirical evidence that there's a better way to do transit.

What he's getting at, is that yes, if you increase the price by five cents or ten cents, you'll make more money at the farebox, there's several reasons why. One of them is that people who are currently using public transit may not have any other choice. But furthermore, what he's saying is that more people are service sensitive when it comes to public transit. The price is not the big issue here. It's whether or not they can get from point a) to point b) in an efficient cost-effective manner.

The EPA goes farther by saying that, ultimately inducements and that sort of thing may fall short even with the best most aggressive marketing attempts because ultimately you have to convince the higher income folks that the time savings is there because that's what they're looking for. The lower income folks are typically looking for money savings, that's why they're going to continue to use transit and that's why when you hit them on the head with a nickel increase they're still going to be there likely to a point.

The threshold appears to be that when transit goes up 10%, ridership falls by 3%. Interestingly enough when we look at the Winnipeg marketplace we have young people that we want to try and encourage to come downtown, preferably by public transit. We have probably one of the oldest cities in Canada in terms of our age demographics. We know we're going to have even more seniors in the next three years, five years and ten years, and these people become more and more dependent on buses because they either choose to give up their cars or they're on fixed incomes and can't afford to maintain automobiles or don't want to. Ultimately we give the people of Winnipeg same old same old. Even the most outspoken advocates of public transit have essentially knuckled under and taken the easy way out, while we're contemplating blowing billions of dollars on new infrastructure, whether it's Kenaston or whether it's the Chief Peguis Trail in the ward of North Kildonan, these are ultimately conferring huge subsidies to the private automobile, and precious little to public transit.

Now we can talk about rapid transit corridors and we can hold those up as the herald of saviours of our transportation system of the masses, but ultimately we only have to look to some fairly insignificant some might call boring examples of success. In the State of Florida, they invested in new bus shelters, surprising considering Florida probably doesn't experience the kind of temperature extremes that Winnipeg does but they found it necessary to invest in new bus shelters, and air conditioned buses.

(10:15)

Shorter points between the places you have to walk to, and the transit bus you have to use. There's a whole bunch of things that public transit can help us out with. We also happen to be the poverty capital of Canada which tells me that there's a lot of people looking for work. Both these reports highlight that public transit is probably the best way to get people who may be welfare recipients or may be coming off social assistance, to their jobs Mr. Speaker.

I'm not coming at this from any kind of an ideological bent, I think public transit is about as core as education, and libraries to our city services, and it's as core as pipes, police and all the other important things that we fund as a city government.

Darn it all Mr. Speaker, to continue to just jack it up five cents here, ten cents here without any kind of an opportunity to take a creative look at this challenge, to me seems short-sighted. It's an easy way out, the Transit Department isn't going to collapse, and in spite of the Provincial

Government's lack of interest in participating with the City of Winnipeg to improve public transit, I think we should raise the bar for ourselves Mr. Speaker, and I think we should try a little harder.

To hold up public transit as the ultimate saviour of our public transit woes, in spite of all the other things that we might be able to do including improving our bus shelters, including air conditioning our buses, including perhaps putting more buses on the road in those areas and at those times when people require them, there's a whole bunch of things that we didn't do here. Ultimately we short-circuited the process and we short-circuited our own opportunity to do better by lobbying this thing right over to EPC and right onto the floor of Council without having a meaningful debate and discussion at the Public Works Committee.

I can appreciate there may be some time sensitivities but I think we're rushing to judgement here and we're taking the easy way out knowing full well that this once again minor incremental increase is not going to bear out a huge diminution in transit ridership. Same people will get on the bus, they'll grumble about having to put extra money into the farebox, but ultimately we're not solving our big picture problems. And the big picture problem here requires some thoughtful discussion and some debate, not on this floor at the 11th hour in order to increase another transit fare.

I'm urging all members of council to have a sober second thought on this issue, send it back to Public Works, vote it down today, it's not going to go away, it will come back and let's try and put our heads together and come up with a better solution. Thank you.

Mr. Speaker: Thank you. Councillor Steeves.

Councillor Steeves: Thank you. I don't rise in opposition to the clause, I plan on supporting it, however I should say, as Chair of the Civic Environment Committee it gives me no great comfort in voting for a transit fare increase. I know there'll be obviously some concerns.

It's a difficult issue transit, and I think overall we have to consider the idea that we need a transit system that is fully funded and operational. We talk about nickel and diming and what that means to the transit service. I think ultimately our goal as a city council should not be necessarily to try and run a transit service that is sort of on the cheap but rather we should eventually make the choice as a whole to commit substantial capital assets to this council doing precisely that, that we're going to have a robust and strong transit system.

I think we have the obligation to look at our administration full context of what's being done throughout this council and throughout the course of the last few months. What we'll be embarking upon in the course of the last, in the next few months by way of the new deal strategy.

If this were simply just another nickel increase without us having any long term plan as to transit, I would be much more reticent. I think objectively speaking it would be hard in these circumstances to make the argument that this council isn't seriously looking at making transit more accessible to everybody within the City of Winnipeg.

I think you'd be hard pressed in the Continent of North America to find any other jurisdiction that is currently looking at implementing a plan that is going to change our tax structure as such that we'll be going to transit fares that are anticipated to be around half of what they are right now. That's a pretty robust plan, that's a pretty lofty goal, and it's good that we have all of the concern around council floor today I think because the sense that I get from listening to the public meetings as I go around is that, there is quite a bit of support for the idea of decreasing property tax and eliminating business tax and eliminating the amusement tax, but it's good that we have a lot of council buy-in this morning and everyone's very very concerned about the transit issue because frankly, at the public meetings I don't get the sense that our public is as on board with the

idea of us cutting transit fares. I look forward to the continued support of all the folks who have stood up in terms of referring this back because I think that's crucial that these folks have laid their cards on the table and said that they're willing to stick with transit all the way through this entire debate.

As we're all aware, this council I guess by way of its capital budget has made I have to say, I'm not exactly sure where the capital budget allegiance may lie throughout the course of the next couple of months, it's gotten substantially more complicated by way of recent events, but we did sit down as a council and at some point and say, we're very interested in the idea of rapid transit, the idea that $5 million will be a starting point. And these are significant capital costs. Again, when Councillor Smith talks about the huge investments that we might have to make, this is exactly what we're talking about. Again, it's good that council has that concern because I look forward to all of us together pushing all of this through as a group.

The concern that exists today I know it will exist ongoing, no one's going to step back from their concern that they've stated today, and that is terrific.

As you're aware, we're also involved in the urban transit showcase program which is again is another sweep of ideas. The competition among municipalities and I've been Chairing the committee and we were selected I guess as one of fourteen finalists from 50 municipalities that submitted ideas over the course of the last couple of years, and we're now down to 15. We made our submission to the panel. They're going to be picking probably six or seven or eight municipalities. I have no idea at this stage whether we will be one of the successful municipalities, but if we are and I certainly hope we are, to implement the ideas that we've advanced by way of more transit usage for a sweep of ideas that'll take place along the Pembina Highway Demand Shed, that too is going to require $3.5 million approximately of capital allotment from the City of Winnipeg.

These are the types of investments, and that's going to be matched incidentally by the Federal Government and the Provincial Government. We are I think doing quite a bit to advance the idea of the transit in the City of Winnipeg. We have certainly I think laid our cards on the table as a council as what we're looking at. I think to be fair, although this nickel increase gives me no comfort I think is going to be fairly received by a lot of more disadvantaged people in our community as a hit. At least those folks can take some comfort in the idea that this council entirely evidently is very concerned about the issue of transit fares and making sure that we're doing something to radically decrease the fares ongoing. Thank you.

Mr. Speaker: Thank you. Councillor Wyatt.

Councillor Wyatt: Thank you. A five cent increase in the fares as far as I'm concerned is a continuation of what we've been doing in the past. We're going to have a five cent increase, we know we're going to have a further decline in ridership if we look at the history of when we always raise the fares five cents. We know for example that we have the same number of bus stop, we're not increasing the amount of buses on the road, even though the City is slightly growing and spreading out and having to cover more and more area with the same size fleet.

(10:25)

Mr. Speaker, the previous speaker to this indicated that there's confidence that council has plans for transit and that the public can see something. After this five cent increase there'll be no change. It'll be the status quo. Other than the fact that people will be paying five cents more. The plans and the talk of the ideas of the future are just that. There's no real commitment to do anything interesting with transit and I'd like to follow up with what my colleague from Daniel Mac indicated, and that was there's nothing creative coming out towards trying to do something unique with transit, and that's what I find very frustrating. The only thing when you throw the question out, what can we do to drive transit rider ship up or

we're told we have to build a highly expensive rapid transit system to do this. Yet, we know as a fact that that rapid transit system alright will take years to build. While it's being built will only serve certain areas of the City. We have right now a very large existing regional street network which we could use in a far more extensive way as was pointed out before by better bus shelters. The technology exists today with GPS to allow buses to fly through traffic lights with the changing of the traffic lights. Other cities have done this across North America because they realize the expense and the cost of installing a whole new rapid transit system. The City of Los Angeles not too along ago has done that. Ridership has jumped 25% in LA on those routes that have been effected by it.

It's a positive thing that we could do with our existing road network that would cost a fraction of what the rapid transit system's being proposed. Yet it seems that the only thing that we could do is constantly have this nickel and diming of five cents all the time and being told that maybe we'll have rapid transit and maybe it'll serve a small section of the City but at least those people will be happy with it for now. We'll continue to have the five cent, five cent, five cent. Let's have a real proposal that comes forward that would look at a system that would bring better transit to the entire citizens of the City. You might have to also look at not only modeling the public sector but also the private sector, and look at some options and have a real discussion on this.

Mr. Speaker, we haven't really done that. This is death by a thousand cuts when it comes to the rapid transit system. Thank you.

Mr. Speaker: Councillor Vandal.

Councillor Vandal: Thank you Mr. Speaker. It surprises me that the people who are most opposed to a new relationship between the City of Winnipeg and the Provincial Government, the councillors who ridicule the new relationship, new funding relationship between the Province and the City are the first to oppose any sort of increase in any fee whatsoever. Whether it's bus fares, whether it's water rates, and we'll see on water rates, I'm not sure, we haven't had that debate yet.

We know where people stand on property tax increases. We know where people stand on business tax increases. In fact those very same councillors are the ones that say, let's eliminate the business tax. Let's reduce the property tax even more than what we have. They're the same ones that ridicule the negotiations that are ongoing between the City of Winnipeg and the Province of Manitoba now, the new deal.

Mr. Speaker, it's important to put some context around this whole debate. I've got some stats here.

In 1990, the total transit expenditures for the City of Winnipeg were $76 million. In 2002, they are $97,800,000, for an increase of 28%.

In 1990, the City support for transit was $19 million. In 2002, the City support for transit was $29 million, for an increase of 51%.

Provincial transit operating grant in 1990 was $16,200,000. In 2002, 12 years later was $16,300,000, increase of 1%.

Handi transit expenditures rose from $3.7 million to $7.4 million, 100% increase. Most of which is funded by the City of Winnipeg.

Here's a good one. Bus replacement costs. $5.6 million in 1990. In 2000, $10.7 million for an 88% increase, just to replace the buses we have, let alone putting new buses on to make transit more efficient, more effective.

The Provincial bus replacement grant, $2.9 million in 1990, 12 years later in 2002, $3 million, for an increase of 1.6%.

Mr. Speaker, it's clear from these numbers that we need a new funding arrangement with the Province of Manitoba, not only on transit but on hydro, on property tax, on everything else that we do in the City. This is a crucial

issue for the City of Winnipeg. Those very same councillors that ridicule the new deal, the new funding arrangements between the Province and the City of Winnipeg, are the first to vote against any increase in anything.

Mr. Speaker I think that's talking out of both sides of your mouth. Clearly, we've got to change what's going on. What's the key to enhance our transit? We have a 50% cutback on the table now. We're consulting with the public. We're consulting with other governments. We have a high speed bus way from the downtown to the University of Manitoba. Something that's essential, something that's been done in Calgary, Edmonton, Toronto and Montreal and Vancouver, something that's being done in Minneapolis, and yet that's not supported by some members of this council. It's seen as frivolous and a waste of money.

This is an issue that gives me heartburn every year when I come up and talk about the five cent increase, but we need a new context, we need a new arrangement. We need a new deal of some kind with the Provincial Government, whether it's the one that's on the table now or an amended one. That's why I think I'm going to support the increases this morning, I do it reluctantly, and I do it with an eye towards a new relationship with the Province in the future. Thank you.

Mr. Speaker: Thank you. Councillor De Smedt.

Councillor De Smedt: Thank you. I hadn't intended to talk about the new deal but I guess the Deputy Mayor's put us into a position in fact to make a few observations.

First of all let me just say that back in 2000 – 2001, we deliberately delayed the increase, five cent increase by three months to allow us to re-examine if there could be any shared funding models coming from the Province and elsewhere.

It's really regrettable that we did not cycle ourselves to the March cycle as a continual, rather than do this for the first of January because we better do that. We need six weeks to prepare the documentation and get it ready. Now we're back into the same old game. We talked about this as I mentioned three years ago.

I really support the notion that we hold off. I think Councillor Lubosch is absolutely right and I'd like to convince some members of EPC to kind of join us in this. We're not just talking out of both sides of our mouth about the new deal, about whether we ought to subsidize transit a little bit more ourselves, or whether we ought to be approaching our colleagues over at the Province to get more shared funding.

Indeed what we should do is reject this this morning. On the premise that we have some time to look at it again. I know everyone is going to say, where there it is, $100,000 a month, we're just delaying the issue. We might, but I agree with Councillor Lubosch, and I think this council should think about this, is that it's time for us to really rehighten our approach to the transit study that we had completed in 2000. Several of us were on that committee. Councillor Gerbasi, Councillor Eadie, Councillor Lubosch and myself, and Council approved the transit study. It's not a perfect document, but I think it gave us some guidelines for the long haul.

(10:33)

Contained within that document and I think with any transit system in the world certainly in western society, are the facts that they must be subsidized to some degree. It isn't going to be a completely private sector driven model. Regrettably I think we should have some private sector attributes in our system right now which is not always supported by our administration and others because I think we could probably offload some of the non-performing routes interlinking routes and allow the private sector to analysis that and come up with a model and see if that would help the system in service delivery. That's part of the problem with us jumping to the gun here and saying, what we're going to do in the new deal is reduce the fares 50%, build a rapid transit

bus way system and we haven't got a traffic demand study, we haven't got the linkages.

A professor at the University of Manitoba has been very critical of our approach. So what I would make a plea is to kill this for a moment today, hopefully EPC and the Mayor could be inspired and some of us would be willing to keep working on a transit study, and link the other two levels of government on a high level task force that looks at transit, both for our community and of course it would have implications in a much more national context as well. But I think for our community. We can't fund this ourselves.

It's interesting and I have to mention this to you, we've had several seminars on the new deal. The staff have come up with some hypothetical attributions of our revenue sources. To various service delivery models. In the transit one, offsetting the fares, the 50% reduction, they hypothesized they'll take the money that we're getting from Manitoba Hydro for the sale of Winnipeg Hydro, just automatically picking those figures and locking it in there. I mean this money goes into general account. You can do anything that you want, we would still have to fund it out of our public tax supported budget.

For this reason, I mean don't get caught up too easily in this new deal. I have to say that I'm very disappointed in Councillor Vandal just saying, there's several councillors that are fairly negative about the new deal. You know, it's about the right deal. More people are saying, it isn't about property tax reduction, the municipal property tax in this city is not the enemy. We have study after study that would show that if you keep putting it onto consumption, it's regressive. Property taxes are relatively neutral and I've looked at the chart that the Mayor's flashed out and it's wrong in terms of being an overwhelmingly regressive tax. Property taxes by and large when you look at the amount of dollars collected from the individual, don't look at proportion of income because it's not intended to be an income tax. It's intended to be a property tax for services to run your city. If it was an income system that I would say, right, we've got to kind of find another way to model it and get the rich to pay more. They already pay more if you're on Wellington Crescent paying $7,000 municipal tax a year versus somebody in the innercity paying $400, $500 or $700, the actual dollar amount shows the progressivity of it if you will. If you put it into a proportion of income I could make a case depending on what the income analysis would be.

There is not overwhelming demand for a property tax decrease, there's an overwhelming demand to look innovatively with what the Mayor has tried to bring forward, and I'll give him credit for this, that we need to have the right deal. A new approach on taxation sharing. Every one of the economic analysis' that have been referred to in the discussion on the new deal say this, don't add new taxes, there's one taxpayer. What you have to do is get tax increments from the Provincial and Federal Governments, give you room to allow you to have a tax base that can be consumption based that sharing that can grow, and appropriately have the sustainability model.

We're getting into the new deal discussion. But I'm disappointed that the Deputy Mayor wanted to start vilifying some of us that are trying to say, hang on here, just don't flush out into the public domain some wild ideas about having a more regressive system where the middle income and below are going to be hurt. That's what most of the economic analysis are going to show.

Do we need a right deal? Of course we do. Of course we need to find another way to work with our provincial and federal authorities to get more sharing. That's really where we should have been going with a high level task force to kind of conclude how we can get some tax points from the other levels of government.

The Mayor was absolutely on the right path with his leadership with the Big City Mayors Caucus. He was absolutely on the right path in working with FCM. We got the tax sharing commitment we

believe from the Federal Government on the gasoline tax. It's now about trying to get some others. What's wrong with some GST sharing? The Feds may be a little bit astounded by that but in fact that would be a growth tax, that would be sustainable. That would give back to the communities from which it's generated. There are probably a few others out there.

All I'm saying is, don't start vilifying people on the basis that we're just saying, hey, this new deal is wild, of course it's wild. You heard the Premier say the other day, that there ain't no new taxes and he said that on a press release in January of this year when he was approached by the Mayor about sharing or about an increase in the Provincial Sales Tax. No new taxes. That's essentially what we should be on.

Now, getting back to transit. I'll conclude. Of course you'll see Councillor Angus because I didn't bring the subject up one of your colleagues. For crying out loud people, you should not have brought this through without going through the Public Works Committee, that's the first thing. We talk about process all the time. It goes on and on and on. I call it the marginalization of others who don't sit on Executive Policy Committee of how things are introduced and it's been going on now for five years, probably going on a lot before that. But I don't think it's right. I think we should be operating as a council. We should have had ourselves together to talk about the new deal before having a seminar and an hour later having a press conference of what we're going to do. We're doing the same thing with the capital budget. It goes on and on and on.

All I want to say is, look, delay this transit fare, reconstitute a high level committee. I think there had been one that hasn't been functioning too well, we have to probably get reinvigorated. Councillor Lubosch as Chair of an ad hoc committee to look at (inaudible) services or whatever that might mean. I think we need to focus on our transit system. I agree any major city that's progressive has to look at having an effective transit system. You know it comes with a price. Our colleagues at the Province and I thank Councillor Vandal for giving us all these figures. That's the enemy. That's the right deal. We pay significant taxes over to the Province, all your consumers do, and I don't think there's enough coming back. There's a variety of ways they can do it. They might use a low income cut-off process and give tax credits to help the marginal, the low income people to be able to pay for transit and other things. They can accentuate that. On the other hand we as the operators of transit on behalf of all our citizens need to find a way to get a better sharing formula. And I agree with you. But your figures show exactly where the enemy is. The target is over at fort fumble on the Assiniboine. Thank you. Kill this deal today and let it progress and give us a three month delay to analysis transit. Thank you.

Mr. Speaker: Thank you. Councillor Thomas.

Councillor Thomas: Mr. Speaker let's look at our transit system. The costs are up by $1.15 million.

(10:40)

Some people have said that increasing fares is easy, but it's not at all. However let's look at the options available to us.

Sources of revenue. Property taxes have contributed 51% increase in the past 12 years to running the transit system. The fareboxes has also gone up. The Province has not increased its share since 1992, a mere $100,000, that's hardly sufficient that's true. But they haven't said they'll give us any more. So what do we do? What are the options available to us?

Well the options available to us are if we don't increase fares then we decrease costs. We increase the head times, the length of times that customers have to wait for a bus. That does nothing except reduce the number of users because it reduces efficiency and in our cold winters I don't think that's an option.

The other thing we can do is decrease the length of time that transit operates. Instead of midnight make the last bus 11

p.m. Well what does that do? That strands low income shift users who get off at midnight. It's not really an option either, in these cold winters what are they left with, walk home or take a taxi. That's not providing service. Decrease the number of routes. Well that leads us in the same option, cold winters, less service, how is that an option. We seem to be getting out of the business of transit. Or reduce the access to handi transit. Who wants to do this? To reduce the number of people who access the handi transit system. Anybody here want to do that? Well are there any other options? I haven't heard it. Those who've criticized it haven't offered an alternative whatsoever. I'd be delighted if I didn't have to raise rates. I'd be delighted if there was some way to reduce the service costs without impacting on people. But there isn't.

The options that I see are even worse than the one we have here today. I think we must be accessible and we can't do this by cutting service. I think we must be realistic. We can't hope for something that we have no indication is going to happen. We cannot knowingly allow our utility to not run a balanced budget and ignore the problem while we search for an alternative.

I would love it if the Province would come to the table with more. In my new portfolio I'm going to do my best to get them to the table and look at that.

Right now those options are not here on the table. Let's get together and let's get some help so that we don't have to do this next year. Right now I have to tell you, that the options as uncomfortable as they are, in order not to decrease service, what's left is putting the rates up a nickel. Does this make me happy? Not in the least. But I'm not prepared to look at the other options which I feel are a lot more dangerous and a lot more dangerous and a lot more seriously compromising to our utility. Thank you.

Mr. Speaker: Thank you. Councillor Angus.

Councillor Angus: Thank you. The ideas that are being suggested here are not mutually exclusive. I think we can bring everybody together. Ultimately we're probably going to have to face the facts that we need to raise revenue from somewhere. We are sharing the cost between property taxpayer, whether they ride the bus or don't ride the bus, and the people that use the bus system. Whether we do it today Mr. Speaker, or do it at the end of January, at the end of February and after we've reviewed it, may give some people some warmth in their heart that we are putting off that increase of a nickel, but it probably will come.

If we do a review Mr. Speaker, and I'd be more than pleased to take sort of the direction from this council and to take it back to Public Works and once again try to establish an ad hoc committee, and maybe we go beyond the bounds of just the Public Works Committee and maybe we establish it from Executive Policy Committee and get a number of people in there and sit down and review it. I know the transit people are more than prepared to. The bottom line Mr. Speaker, is that we're going to need more money for it.

I guess the bottom line is going to be, do we put the money into the Pan Am Pool or do we put it into improving the transit system. As Councillor Thomas said, yes, I can show every single councillor in this room the routes where we have less than 10% occupancy riding them. And every single time I propose that we save a million dollars and not have to put those fares up, you all trod into my office and say, Jesus this is important. I got three people that use this bus please don't cut this bus route. Well it's give and take folks.

We can review that. I think we should start with that. Inefficient bus routes, what can we do in that area? Can we get more money? I mean I've got to agree with Councillor Steek and suggested that it's 40 below in Winnipeg you're just glad if a bus comes along period and get on it. Just to keep warm. It's not like Florida where you want to get out of 82 degree heat and jump on some sort of a fast moving thing and we don't have 50 million people that can afford and fund these things.

Whether the Province is going to come to the table, I don't know. But coming to the table with a one time grant doesn't really help us, we've got to try and offset continuing expenses.

We should be looking at a better method, whether it's a rapid transit system or a faster moving bus system. For me to be able to go from my home in Richmond West to downtown to City Hall is an hour and twenty minutes, and that just ain't going to happen. Doesn't matter how nice the bus is, it's just too long a timeframe. I'm not sure that I will ever get out of my SUV, I've worked very hard to have the toys I want in life and I enjoy one of those toys and I'm prepared to pay the price of having it.

Let me say this. I may be prepared to drive to the University of Manitoba park and jump on a fast moving, clean, efficient, high speed vehicle that will get me downtown in 10 minutes and help me avoid the congestion on Pembina Highway, or maybe Councillor De Smedt if I can get on a high speed…I refer to my legal counsel from River Heights when he says, the optimum words is may.

Mr. Speaker, they can make light of it if they want. We have a conundrum. We can't put off, we cannot spend, we cannot pass these laws, and we'd all be much more comfortable going into Christmas being an magnanimous Santa Claus. But it's not fiscally responsible, it's not practically reliable. We can regurgitate Peter De Smedt's report of 2000, we can look at deep discounts which we did. We can look at eliminating routes which we did and nobody wanted to do. We can look at trying to streamline costs and save money. We could look at what would happen in all of those efforts.

(10:50)

Through some of those efforts we brought in things like transfers that are good for an hour so that people can get on the bus, get off and pick up their laundry or have a lunch and then get back on the bus. We could look at zone fares as a matter of fact. We could look at a discount for people that are travelling the bus not taking the place of working people but are just going downtown, retired people as an example to do some shopping, or go to St. Vital Shopping Centre. We could look at all of those things Mr. Speaker.

When the ball comes to rest on this particular issue, and we will, and I think we will. I think we'll start an ad hoc committee and Councillor Smith we'll make sure that you're on it, because it's time that you started to face some of the difficult decisions Mr. Speaker. Mr. Speaker, I'd appreciate if you'd get Councillor Smith on that committee, and if you want to be on it too, you can be on it. You can all be on this particular thing, because we will welcome all the ideas.

The bottom line Mr. Speaker is going to be that we got to find the money from somewhere. Somebody is going to have to pay the bill. Wherever we find that from and however we do it is the end result.

I'm in the camp that says, let's move this particular regrettable increase on right now, let's set up the ad hoc committee and by as sure as I stand here and with a hope the support of the Mayor and Executive Policy Committee and other councillors, if we come up with some sort of a magic formula by the end of March that will allow us to reduce these fares, we will do it, believe me. I don't think that we will under the current circumstances. Thank you.

Mr. Speaker: Councillor Gerbasi.

Councillor Gerbasi: Thank you. Well here we are again, every year we face this problem because the problem hasn't been solved. So here we are again.

I was part of the study that was talked about with Councillor De Smedt and Councillor Lubosch and Councillor Eadie. The primary recommendation of that committee, there was a number of them, but one of the most important ones was that we get going building the rapid transit. The irony of some of the councillors who are in the paper today arguing how they don't believe in rapid

transit at all and will fight to stop it, certain councillors who were saying that defending, ruining the future transit corridors are here the defenders of transit today. There's some irony here and there's some talking out two sides of mouth here.

We need rapid transit to get people on the bus and increase ridership. We have councillors on here who are fighting it. It's very hypocritical.

Nobody wants to increase fares, everybody would like to be Santa Claus, but we're digging ourselves deeper. The numbers have all been said, I think Councillor Vandal pointed it out, Councillor Thomas that the costs are going up massively, we're spending more massively and nobody wants to cut service, so we are in a hole. The only choice we have is to dig ourselves deeper further into the hole. I'd like to hear some positive suggestions of where people think we're going to get that money.

The answer to our problems is a new deal, is a new funding formula as we've talked about. We need to get people on the bus because you can actually get there faster as Councillor Angus said. Even Councillor Angus would consider taking the bus and leaving his SUV at home if he had a route. He may consider it. But that's what we need. I agree with Councillor Angus that we should do another study and we should keep looking at it. There's an assumption because the Province hasn't given us what we want that nobody's tried and I don't think that's a fair assumption. There's been lots of talks with the Province. You don't do those kinds of negotiations in public in the newspaper. And you folks know that. But you keep beating us up about it anyway. The fact is we're paying it and we are paying a massive subsidy more and more because we believe in transit, and we're trying to keep it going.

This increase although very regrettable is the same as the rate of inflation. I hate to have to stand up here and make excuses but we charge rates for lots of things, things aren't free. It goes up with inflation so we have to increase it slightly. I'm sorry it's not kindergarten, it's the big world of government and it's not fun. Sometimes you have to keep up with inflation or cut service and that's the reality. We need a real change. We need a significant change in how this is funded. We need your help instead of standing up and complaining and saying nothing will work and evoking cynicism.

Councillor De Smedt talked about instead of having a big public consultation about the new deal just have a high level task force. Well I think we should have public consultation with our citizens which is what we're doing. We're hearing things from them and we're crafting a new deal from what we're hearing that's going to be even better if we can get the support of our levels of government which we're trying to do with hopefully some of your help.

I'm discouraged when I hear councillors say that they don't believe in rapid transit, it's a bad thing for their neighbourhood, but they're the hero of transit. I don't know that doesn't wash with me. Thank you.

Mr. Speaker: Mayor Murray.

Mayor Murray: Thanks very much. I guess this is the annual hug a bus meeting.

It's to me pattonally silly. Councillor Steek uses the word cynical. I think what's going on here today from some people is really quite frankly a cynical waste of democratic process. We laid it over for three months. On the exact same suggestions by the exact same people here, and I said to all of you, Councillor Smith and Councillor De Smedt, Councillor Steek, write a letter to your MLA and copy me on it so when I meet with the Premier I can take these 15 letters in there and show them that these councillors really care about transit funding being fair. You know, in those three months you know how many letters I got? You want to take a guess Councillor Smith? Councillor Vandal met with Greg Selinger and presented him with a city position. Councillor Angus met with the Federal Government and his

MLAs and did that. During that three month delay that we're supposed to go aggressively after the Province, was absolute nonsense and hyperbole because I believe if we did it again and we waited to February, we would create a financial problem in transit and all of you who are making these grandiose stupid speeches today wouldn't lift your fingers to do a single piece of work.

Mr. Speaker: Mr. Mayor I have to ask you to take back the stupid speeches.

Mayor Murray: I apologize. Uninformed Mr. Speaker. My apologises for being so direct.

Let's just deconstruct the position of some of the people today. Take my friend Councillor Steek who said such wonderful plurals And they're all things I agree with. He said, Mr. Mayor I hope we're not going to have property tax increases in the 2004 budget because that would make people cynical about the new deal. It would just be an artificial property tax increase to drive people to the new deal, I'm not going to support a property tax increase. Councillor Steek I'm glad you said that.

Then I don't want to raise fares because that's really onerous on the poor, so we can't raise fares Mr. Mayor, don't want to do that, I will not vote for a fare increase.

I'm not prepared to write a letter to the Province, I'm not prepared to go and lobby, I won't write a letter to the Editor today about the unfairness of fare increases and the need for greater provincial funding in transit, I won't do any of those kinds of things but I think the Province should come to the table. I'll even vote to delay it for three months so I can watch other people take a position on this.

What else do we have to pay for? We have business tax, we could go to business tax but no Councillor Steek has a clear position on this as well. He's in favour of phasing out the business tax.

So what do we hear? We want to cut staff, there's fat at City Hall. Fifty-eight percent of our salaries is fire, police and paramedics. What is Councillor Steek's position on that?

Mr. Speaker: Mr. Mayor don't refer to the other councillors by name. They don't have a chance to get back at you.

Mayor Murray: I'm sorry. I listen to CJOB Mr. Speaker on a regular basis, they get lots of air time to get to me and they'll take advantage of it.

(11:00)

Number two. We're going to do that but we want to increase fire/paramedic/ police. In the exact words Mr. Mayor, if you don't find $10 million more in the next few years for police, I'm going to hold your feet to the fire was the exact quote. That's several percent increase in property taxes. If we don't build Kenaston that's $40 million more in the capital budget and we've got $738 million coming at us in sewage. We got about $120 million coming at that. We have hundreds of millions of dollars of an infrastructure deficit but we're going to find it out of the year end surplus which is now disappearing.

Councillor Vandal, I'm sorry, if some of you feel he was vilifying your position, nonsense. Councillor Vandal was looking for two things. Reality which he couldn't find in the opposition and consistency which he couldn't find. I thought he was generally very gracious and polite.

I don't know what alternative universe some people are living in but here's the reality guys, this is truth. Fifty-two percent increase in the City grant. Fifty-two percent increase in the City grant and look at the spike since '98 when the rate of subsidy increased. Farebox at the same level of inflation, as a matter of fact just slightly below. The Province minus two. When we roll out Kenaston and we roll out that we talked about getting subsidy what were we told? By the Member of Parliament from Winnipeg South, well we've mismanaged our money and if we just managed our money better than we could build all these things. From the Minister responsible to the Province, well we could direct our existing

grants to that. What would we like to do? Move the police grant, we won't finish rebuilding the Sherbrook/Sargent Park and Pan Am Pools. I mean there just isn't money there.

Then we have the pieces de resistance La resistance as you have less than half a dozen members of council who go out there and say, I can't support sales tax but I want to build the Convention Centre. I can't support the new deal but we need the Chief Peguis Trail. I don't think the City has a revenue problem the City has an expenditure problem but I want to spend more money on new things without giving up existing services.

The word that came out was the easy way out. The easy way out is to have the right soundbyte for every single group you talk to you and hope no one does the math. The easy way out is always being in opposition so that you never have to have your position scrutinized and no one has to actually add up the totality of all of those increases that you're never prepared to vote for, and all of those expenditures that you want introduced. We also know what the answer is. Rapid transit has been in the City plan for 30 years. I was 16 years old graduating from high school in Montreal when the latest idea of a bus rapid transit system started. I was in elementary school when Stephen Juba was trying to get monorails. We continue to be the only city? And why is that important? Whether it's a bus corridor, LRT, our friends over there want us to build a rail system which starts at the cheapest at $45 million per kilometre, that's one underpass for every kilometre. I'm trying to get a $5 million to $9 million rapid transit corridor built sometime in my lifetime. Why? Because transit has said one thing, Rick Borland has said this, Bill Menzies has said this, the Canadian Urban Transit Association has said this really clearly. If you don't believe this then I'm not sure there's any help for those who don't.

Thirty minutes or more, ridership falls. More important than price, more important than a five cent increase, after 30 minutes you get almost no ridership on those routes and when you get to 45 minutes you might as well not put the bus on the road because you won't get any significant ridership.

All of our commuter routes on Pembina Highway, Henderson Highway are all choked. They're now taking 40 and 45 minutes and soon they'll be 50 minutes. That's killing ridership. I've got more people here attacking rapid transit in any form at all and no alternative solution to how to reduce bus travel time, because Councillor Wyatt, you can run as many buses as you want on Regent, you're still going to have to stop at bus stops and they're still going to have to stop at traffic lights.

I haven't heard in the 30 years any councillor come up with a better alternative to the BRT system we're proposing or how to get buses to move faster. Quite frankly at this point with our infrastructure deficit we can't even find the money or dream about it to build new stuff under our current financial situation.

For those of you who want to support the status quo until it's unpopular, are only going to support the new deal until it's popular, better have some real quite frankly integrity to bring forward some new ideas that are actually sustainable, realistic and fiscally prudent because I haven't heard one and another three months will get us the same thing which is a whole bunch of people watching Councillor Angus and Councillor Vandal do all the heavy lifting, and I'm getting tired of it.

Mr. Speaker: I think we'll have a recorded vote on this one. All in favour of the clause please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Murray, Councillors Eadie, Angus, Clement, Gerbasi, Steeves, Thomas and Vandal, Mr. Speaker Councillor O'Shaughnessy.

Nays

Councillors De Smedt, Lubosch, Smith, Steek and Wyatt.

City Clerk: The vote Mr. Speaker, Yeas 9, Nays 5.

Mr. Speaker: Clause is carried.

Moving along to the Report of November 19, 2003.

REPORT OF THE EXECUTIVE POLICY COMMITTEE DATED NOVEMBER 19, 2003

Mayor Murray: Thank you Mr. Speaker. After that invigorating debate I would like to move Items 1 to 4 of the consent agenda.

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

Report of November 25, 2003. The Mayor moves the rules be suspended to consider the Report. All in favour? Contrary? Carried.

REPORT OF THE EXECUTIVE POLICY COMMITTEE DATED NOVEMBER 25, 2003

Mayor Murray: I would move Item 1 of the Report of November 25, 2003.

Mr. Speaker: Stood down. Speakers. Councillor Steek.

Item No. 1 - 2004 Water and Sewer Utility Rates File WW-2.3

Councillor Steek: Thank you Mr. Speaker. The clause in front of us has come forward with rapidity in order to ensure it's realized for the opening of the year 2004. Contrary to the way it's being sold is a 7% or 6.4% increase, it is indeed a 14% increase for sewer rates.

I don't have any intention of reviewing the history of how we got here, but I do believe that the report that was brought forward both at Public Works that we saw at the council seminar is pretty much without parallel in the time that I have been here.

Page two of the administrative report was fascinating because there were eight or ten bullets under the headline of uncertainties. Certainly there are a myriad of uncertainties about what has been brought forward to us.

The other thing that's fascinating in the report it's reiterated time and time again that other municipalities other urban jurisdictions have received financial assistance when there has been a request of this nature, which frankly is without parallel.

(11:08)

The magnitude of it is underscored when you take a look at the printout I had asked from Mr. MacBride the other day at the meeting, we were originally presented with a ten year projection. As you know the 10 year projection was $451 million and operating costs of $38 million. Extended out to 23 years, it is $751 million, and $185 million in operating expenditures.

We were told the best recommendation from the Administration was to proceed immediately with a 14% sewer increase. We've seen the example citing that in the span of six years it is indeed a 53% increase.

The first question that comes to mind is, why the rush to judgement in the view of the way this thing came out of the Clean Environment Commission. And of course the potential escalation to realize the project from the Province.

With all fairness to EPC and Councillor Angus appreciated the fact that a number of us said, why would we jump into this immediately, and of course we're now looking at a six month review with our own administration and other options.

The fact remains is, this undertaking of $451 million coupled with the other $214 million relative to the water treatment plant is of the magnitude of the Floodway. The Floodway deal took six or seven

years to consummate. But we're being asked to rush through a 14% sewer increase immediately. The argument being that somehow if we don't do it, that $10 million will fall off the table which is desperately needed.

I will look forward to hearing, actually I was looking over here to see the new Chair of Intergovernmental Affairs and I see the Mayor in her seat and I'm sure that from the two of them we will hear hopefully the new Chair of Intergovernmental Affairs has had the opportunity of attending at the Province to take our position there. If not, I'm sure the Mayor has along with Councillor Angus and I'd like to hear about the nature of those negotiations.

It's easy to step out and say, we're just going to move through 14% and we'll bankroll $10 million regardless of what comes down the track in these negotiations.

I'm from the school that says, in this particular instance let's negotiate with our partners at the Province. I heard that around the table here regularly from the members of EPC.

We have also heard from the Chair of the Clean Environment Commission that the City's numbers weren't accurate. We have also heard from the Minister that there doesn't have to be the kind of rapid (inaudible) that we're being led to believe.

On anything of this nature I'm sure that there are discrepancies in what's being said from either side. I quite frankly Mr. Speaker do not understand the rush to judgement on this thing. I would urge council to put off a 14% sewer increase until we know definitively what the Province's position is. It's not an unreasonable request.

If there has to be an increase that's modest, let's look at it into the new year. We're not going to lose all of this money in any stretch of the imagination but let's hear definitively what the Province's position is. We heard from Councillor Gerbasi earlier on that we're not to negotiate in public that these things are done behind closed doors. Okay. But let's have the new Chair of Intergovernmental Affairs come forward and tell us definitively after meeting with the Province what their position is. Not an unrealistic request.

Accordingly Mr. Speaker, I won't be supporting a 14% sewer increase and that's what it is, it's not 6.4%, it is 6.4% if you're to combine but on a sewer we know that within six years a yearly charge of $500 becomes $751. I think before we jump into the fray on this we certainly had no problem on putting aside the Kenaston Underpass, maybe even rapid transit while we're waiting this course with our other government partners. But here for some reason we decide that we have to take a rapid fire lead and hammer home a 14% increase. I think it's wrong strategically and I think it sends the wrong message to the citizens of Winnipeg.

I look forward to hearing from the other members of Council their position on this issue. Thank you.

Mr. Speaker: Councillor Angus.

Councillor Angus: Thank you Mr. Speaker. This is another one that is fotter for those that disagree that we should do anything under any circumstances. While I in principle agree with their arguments that the City has had foisted upon it some information in relation to the Clean Environment Commission and the cleanliness of the River that we have some serious concerns about, I think it's important that I review a little bit of what's happened to get us to this stage.

Last year at this time Council approved a strategy that said, we are prepared to clean up the River over a 45 to 50 year period of time, and do all of these things. At that time the Committee on Public Works and Council was apprised of the fact that there would be moderate inflationary increases in water rates over that period of time to accommodate that. It was the strategy we used in the water treatment plant, it was a good strategy, it was sound, it was reasonable. It got the rivers clean, albeit over a fairly lengthy

period of time but you must remember, the City is only responsible for about 7% of the phosphates and I think 6% of the nitrates whatever we're trying to clean out of the River. Most of the stuff comes from the States, comes from outside of Winnipeg, comes from farmers and they're entitled to do their business as well. We are a very minimal negative impact, albeit a negative impact.

We take that particular case and we say, we think it's important to clean it up, here's the strategy for us doing it, that includes separating the combined sewer outfalls and cleaning up the treatment plants etc.

Comes along we have a sewage spill. All of a sudden everybody is sort of paying much more attention to the fact that the City of Winnipeg is dumping raw sewage into the River periodically and we do that Mr. Speaker when we have an overflow situation in our sewer. When it rains, you can't say to people, don't flush your toilets. A mistake was made 50 years ago when we did it on the best engineering advice that was available and we have been progressing, trying to make that correction in a moderate fashion ever since.

Enter the Clean Environment Commission. The Province demands because of the spill that there be Clean Environment Commission hearings and so we had them. The Clean Environment Commission says, let's speed this up, let's cut that time in half. Alright. The Government through their administration sent us a letter saying we want you to do it even more quickly than that over a six to eight, ten year period. So we've asked Mr. MacBride to measure the impact of that and bring back rate increases.

Councillor Steek had mentioned and he's absolutely right, Executive Policy Committee is as shocked about this as anybody else is. It means Mr. Speaker that we're going to have to accomplish a $274 million debt load, this after we've reduced our debt from over a billion dollars down to $450 million, we're going to have on that section alone, $156 million of carrying charges on that $274 million. And we would have a 53% rate increase over the next six or seven years in order to accommodate the cash flow that's required to do that.

Thanks to our colleagues who said hell no we won't go, and they came, they got the attention of the media, came down and everybody saw that cameras were rolling, and people were flushing toilets and drinking water, all that sort of stuff saying, no no, that's not safe.

(11:15)

We don't want to do this. And you know, subsequently we got a call from the Premier, he said, maybe we should talk. Well maybe we should Mr. Premier, maybe we should because we have a problem.

What we have at Executive Policy Committee asked Mr. MacBride to do is take the next six months, look at the costs and the best way to implement the CEC report over that 25 year period, and what cause and effect will that have on rates.

Let's make an assumption here that we are able to take the several hundred million dollar project that is involved here and the figures vary depending on where we're coming from and where we're going, but let's for round figures use the figure of $600 million. Let's suppose the Feds kick in $200 million. Let's suppose the Province kicks in $200 million, we still need $200 million.

Mr. Speaker, it's very popular and politically comfortable for people to say, I ain't going to support an increase in water. But we are going to have to pay our fair share. I, as one councillor am prepared to pay my fair share to help clean up the River in the City of Winnipeg.

On behalf of my constituents, I'm prepared to commit them to our fair share.

Our fair share in this particular instance is a 7% increase in the water rates next year, that will garner $10 million Mr. Speaker. That's probably less than using the $600 million figure, it's about 2%. Three percent of the money we need. I'm not that good with math, my friend

here might be able to figure it out more quickly. But it's a small spit in the bucket of what we're going to need in order to try and clean up the River to the standards that we all want over a reasonable period of time. To not proceed with this particular increase at this particular time simply means that next month or the month after or six months from now we have to raise the rates even higher, and they'll be even more shock impact on the rates.

This is not palatable. This is not friendly, it's not fun Mr. Speaker, but we have an obligation to try and be stewards of our environment, to do the right thing and pay our fair share whatever that fair share might be. This is a small step in a long process Mr. Speaker. And believe me, we are arguing with the Province. I think it has to be passed, otherwise we're just sticking our head in the sand and ignoring the realities of circumstance. Thank you.

Mr. Speaker: Councillor Clement. Is there anyone else who'd like to speak on this issue? Councillor De Smedt as well.

Councillor Clement: Thank you. This is an interesting issue Mr. Speaker. I stayed out of the last debate because I had planned to speak to this so I hope that that's okay with everybody.

It's really unfortunate this whole issue because I don't think that there's anybody in government today at any level that doesn't understand the importance of the environment and how I guess people have abused it over time. Maybe misunderstood it over time or not realized what some of the problems were. We're caught having to deal with these issues from time to time a little bit more radically than we would like.

The problem is that this particular one in my view has become very political. Why I say that is because granted we had an issue with a valve, we had a problem yesterday where we had a couple of pipes break. It happens, nobody planned it, it wasn't malicious, they didn't fly somebody over here from somewhere else to drop anything on it, this is just something that happens. We have ground movement in our province significantly when there is a lack of moisture and those kinds of things. I suspect it had a little bit to do with that. Don't know that, but I bet money that I'm close.

The long and the short of this though is that and why I say it's political is because 92% of the problem that is associated with Lake Manitoba and the Red River flowing into it, is not in Winnipeg. The Province knows full well that it's not in Winnipeg and so does the Clean Environment Commission. I haven't seen evidence of anything to deal with the other 92%. We have to do this in Winnipeg has to do it and that's it and that's all there is to it. It's fine for these kinds of comments to happen, and somebody made the comment today that the Chairman of the CEC said that the City's numbers aren't accurate. We think that they're fairly accurate.

I've heard that Minister Struthers who I understand is the Minister now is open to discussion. Well that's a good thing, I don't think that that's a problem. But the former Minister wasn't open to discussion at all other than the discussion he was having with Jon Gerrard in the House which is what participated this thing when Gerrard pushed his buttons, and he panicked and because he knew that the report said that they were suppose to pay a third of it. All of a sudden they were going to do better and that's why he was holding the report up, and that's what this was all about. But who gets to pay for all of that nonsense? We do. I'm a little frustrated about it.

It's a lot of money Mr. Speaker, it's huge. The best we're going to get and I guess let's throw the politics out of it if we can and go to this. We know we have a Clean Environment Commission Report that's out there. We know who wrote it and we know that they have stated in there, and irrespective of who's suppose to pay for it or who will pay for it or all that nonsense, the fact of the matter is we have a report and that report says, that in 20 to 25 years that we should solve this problem. That's what the Clean Environment Commission report says. It doesn't say we have to deal with phosphates and nutrients in four years in

all three treatment plants like the Minister's letter, actually it wasn't the Minister's letter it was the Assistant Deputy Minister's letter, he's about four removed from the Premier. They don't write those letters unless somebody told them to, that's just all positioning. They knew full well what they were doing, and they also know what the cost is, except they don't think it through sometimes and there's where we have to help them a little and that's our job. I think we've been doing an admirable job of pointing out to them that their program and their timing is wrong.

If we are successful with that, if Minister Struthers buys in that the Clean Environment Commission's report is what we should be dealing with and we have to deal with 20 to 25 years, it's still going to cost a pile of dough, and we don't have it anywhere. It has to come from somewhere.

What is this 6.4% increase, rounded off to 7% or whatever you want to call it, or 14% if you want to call it a sewer increase? I don't care how you want to doll it up or dress it up, it is what it is. It's $10.5 million more revenue and $3.5 million of it as I understand it is required anyway for ongoing costs, it's nothing to do with this. I had that from the lips of Barry MacBride. If you question me, go and ask him and he'll tell you that he needs that $3.5 million this year coming up.

(11:25)

The other $7 million of this increase would go into a reserve to start building towards the cost of this thing, and we have to do that.

Do we have any other options Mr. Speaker? Yes, there's things we could do. We could delay the water treatment plant I guess, it's all about numbers. We currently have $67 million in that kitty. In three years when the Clean Environment Commission, when the water treatment plant pardon me, would be built, we would have $110 million in cash, we would have $104 million that we'd have to borrow, and we would still be able to have a $10 million cash flow to service it with. We could do that. We could delay that project four years. We could immediately take $40 million of that $67 million and put it against this and buy ourselves a bit of time while we create a bit of a reserve, then continue to put the $10 million into that pot and in four years we'd have our $67 million again, then we do that and we'd have the same program just a four year delay but it would give you $40 million of cash right now, so that you could start the process because we don't have any way to finance this thing in the short term.

With this increase here, what you're providing if the Clean Environment Commission hearings numbers are the numbers we get to use and hopefully the 25 year portion not the 20 year portion, $7 million that we'd be approving for this reserve right now, today, multiplied by 25 years, is $175 million of the problem. So why would you put it off when you know you're going to spend way more than that, probably four times that. We have to start dealing with this.

Yeah, we have discussions to have. The very best and let's be really clear on what I'm trying to suggest here, the very best deal we're going to get from the Province is that they won't gerrymander with the Clean Environment Commission's position, which is 20 to 25 years. In 20 to 25 years how much money do we need? It's hundreds of millions of dollars. We have to start putting the money away. We have to start dealing with it and we know that now, they're not going to turn around and say, we'll you know, we're going to create some kind of a one off issue and we're just going to drop $150 million out of the sky, and we're going to go after the Feds for the same thing. It's nice to talk about those things, it's nice to be aggressive and push for those things, but the reality is, we can't guarantee that but we can guarantee that we're going to be forced to deal with this issue in the next imminent number of years. And we have to pay for it. Currently we don't have a cash flow of any kind to pay for it. This type of an increase and where we're applying it is common sense.

Is it an increase? Sure it's an increase. Is it coming from the taxpayers? Sure it is. I'm one of those people. I think this is the fair place to apply it as opposed to on my tax bill frankly, on my property tax bill. I'm not stupid, I'm not trying to pull the wool over somebody's eyes, this isn't a tax increase. Certainly it's an increase. Everybody understands that. This is the appropriate place to apply this increase.

Before somebody writes that this is some kind of a hidden revenue stream, please don't write that. Please tell it the way that it is, we all understand what it is. It's a method to try and create a pot of money to solve an environmental problem that we've been ordered to deal with. And hopefully the people on Broadway are going to have the common sense to back off the silliness of that letter that was sent by an assistant deputy minister and go back to what Terry Duguid wrote and follow up without gerrymandering with the process. Thank you.

Mr. Speaker: Councillor De Smedt.

Councillor De Smedt: Thank you Mr. Speaker. Here we go again in terms of what I would have to say is a lack of appropriate leadership by the Executive Policy Committee on dealing with this issue.

Councillor Angus argued very persuasively for proportionality to the problem, and I support that. He also said that he's got to be prepared, we ought to be prepared to pay our share, and we do support that. The citizens of this city know what their responsibility levels are and they're quite prepared to do it.

This is not about trying to avoid a tax. It's not about trying to create confusion about new deals and other taxation models and unfair taxation or trying to relegate this over to the property tax bill. We understand the relationship between utilities, consumption and responsibility. Absolutely. It does seem though that there are several other people outside of our responsibility level that don't share the same kind of accountability process.

For the Clean Environment Commission, I'm sorry, for the Province to accept the Clean Environment Commission report forward us chatty correspondence because that isn't directive, you have to read bureaucratic correspondence in the proper format. It says we anticipate providing these guidelines. There's no way that that's directive. That's been an understanding between levels of administration to try and deal with what the problem could be, and what the magnitude might be for the City if that's what the final decision will be taken by the Premier and the Caucus and the Provincial and Manitoba Conservation. Let's not be silly in this game of saying, that's directive.

I do appreciate what the Public Works Department, Water and Waste, Mr. MacBride coming forward with a report that says hey, in the worst case if we have to pay for it ourselves Council, here's the cost. Which is if you look at annex h) tells you what the increases are going to be over the life of this particular mandate and we will know that the combined water, sewer rate increases by 2009 will have gone up 40.5%. That's the combined one, not just the sewer rate.

I don't mind that in a way if we're responsible and it is set in stone that we have to pay for this ourselves. There hasn't been a scientific analysis done by our department of what was wrong with our proposal, Clean Environment Commission decided to cherry pick their own strategy. Now that's a political committee appointed by the Province. They will make recommendations to the Province, through Manitoba Conservation, and it has to get reconciled at the political level.

I am grateful for former Councillor Duguid as Chair of that Committee to make some recommendations. And continued throughout that report and I don't know how many of you have read that report says, no municipality can face this level of expenditure over a period of time that we're recommending and it needs shared funding approval. It also threw some darts at Manitoba Conservation for not having adequate direction over the last

several years about how to deal with some of these things, not only to our community but to others throughout the Province.

(11:30)

It was very easy for the Clean Environment Commission, very easy for our Oceans and Fisheries, very easy for National Conservation representation to say, that's a point source in Winnipeg, it's a big one. You ought to do this.

The pathogen counters were there en masse. The Clean Environment Commission gave their report with their best level of intentions. And of course the unintended consequences of what they've done was to motivate politically the Province to take that report and heighten and accelerate the schedule without discussion.

Without a science background of what was wrong with the Clean Environment Commission analysis, why it was so important and overridingly important to this community versus other municipalities in the Province over what the watershed is doing, the Red River Watershed Basin where some 40% of the problem comes from south of the 49th parallel, and other land drainage issues. Adding to the basin problem of Lake Winnipeg, not Lake Manitoba.

We had no discussion about why they had to improve over our plan and tighten the schedule up, which has financial implications, they knew that. They recognized it by saying hey, there's a watch out here government, you'd better be prepared to come to the table to help out. Then Manitoba Conservation tries to indicate to us that we're going to tighten this up even more, and the Minister stands up in the Leg. and makes some pronouncements.

It still is not the law. I defy anybody to say that that is the law, not until you get a formal piece of correspondence signed off by the Province, and I'd like to see the law, and to challenge that approach.

What is really wrong here is that we are immediately rolling over politically and saying, thanks province, now we'll quietly negotiate this, we won't let everybody know, but we'll tell all our citizens you're going to face a 43% increase in both rates by 2009 to pay for this or we'll do it ourselves. Thanks very much.

We understand the environment. We're all environmentalists. We will pay our share. That's the question. What is our share? I think when we first got that correspondence at the end of September, the rest of us on council did not receive that kind of correspondence to alert us to what we should be doing publicly, because it wasn't a confidential correspondence. There was even a press release in alleging what Minister Ashton had stated at the Leg. at the time of how he wants to approach the situation. We should have been politicizing that circumstance. Councillor Angus says he was shocked, the Premier was shocked, that we better sit down and talk. You're darn right we better sit down and talk, our responsibility is to our 633,000 people in this community. We're still not licensed and they're going to say, as part of the licensing protocol we're going to have these more rigorous standards to meet. We'll try to meet them. Are they the timelines that are appropriate and where's the assistance coming from the other two levels of government to grapple with this. And if they don't want to provide the assistance, then we should be challenging the science that says, that we must on our own provide this in these timelines. That's what wrong. And what's wrong is that we try to smooth talk this without bringing it out in the public forum of what it was going to cost the citizens of Winnipeg. If we have to do it, the citizens will be behind us. Yes, it should not be under the property tax supported, it ought to be on the utility. Nobody's arguing that case.

In fact why we should just delay this right now, is to allow these discussions to go on behind the scenes if necessary and to get it out in the public domain. Where are the other two levels of government? You can't take science from a committee report smooth it through Manitoba

Conservation without any public discussion and then say, here it is, Winnipeg you do it. It ought to be out in the open. Somebody over at the Province ought to be embarrassed about this.

If they want us to do it on our own, then let them tell us. You do it on your own. We'll tell the citizens that and we're saying, sorry, these are the rules, this is the science by the way because our citizens will ask us, well what's the logic from going to 45, 50 years down to 25 years, and then go down to 6 and 8 years on nutrient control. What's the science? Are we the only contributor? That is why I'm saying, what has happened here for the last eight weeks, none of us heard about this until all of a sudden it appears on the Public Works Committee for water, sewer rate increase.

Mr. MacBride did his job. He's saying hey boss, we have to pay for it ourselves, here's your report. We don't have to accept that.

Take Councillor Steek's observation, if somebody wants to get out of the politics, let's do that. What's the rush to judgement today? Allow this discussion to go on both openingly and behind the scenes with the Province, and say, how do we negotiate these terms. Something is wrong here. I don't believe that the science that they're using forcing us to move ahead that time schedule is appropriate. If they're right, then let them tell us, why? Then we can go to our citizens and say, hey folks, this is the way it is. And you should expect these increases.

Sure we could just pass this today and bank the money, we're eventually going to have to put the money aside, but it doesn't make the position correct. Because I think if we find out that we can have a different schedule, maybe the increase next year only has to be 8% or 9%, I don't care what it is. We know it's going to have to go up. We don't necessarily have to start banking the money. I'd like to do that theory on property taxes, maybe we should raise the property taxes a couple of percents and start banking the money. We do put money into reserve accounts.

In any event, I'd be willing to put the property taxes up. That's the end of my message. For gosh sakes, hang onto this, let's delay it, and let's get some discussion going on with the Province. Thank you.

Mr. Speaker: Councillor Steeves.

Councillor Steeves: Thank you. Mr. Speaker, there's a bit of lull there. I don't know if anybody is going to be speaking. Councillor Clement stood up and spoke, he did actually say what a lot of what I wanted to say.

The only point I wanted to make was throughout, although I feel that the City of Winnipeg taking care of their own water issues, is the right thing to do and obviously there's a lot of things that go into not doing that. We need look no further than the City of Halifax more graphic and more difficult examples right across Canada.

I think it is important for everyone to realize that throughout the course of this, the information we received to this point regardless of what we are being directed to do or not to do by the CEC report, our fundamental goal and obligation at the end of this, and what we want to achieve at the end of the day, is to achieve essentially a river, but more importantly probably a lake, Lake Winnipeg that is viable and clean and will serve the citizens of the Province of Manitoba on an ongoing basis. It has to be said and has to be made abundantly clear to everybody in this chamber and potentially everybody in Manitoba, that by the City of Winnipeg simply adhering to the CEC guidelines, in my opinion we are not going to achieve that, not even close. Councillor Clement alluded to some of the numbers and some of the N & P I guess percentages that are going into Lake Winnipeg, and they have precious little to do with the City of Winnipeg.

(11:40)

Even if we are successful in implementing all of what we've been mandated to do by the CEC which again I think is the right thing to do, Lake Winnipeg will not be saved. There was a portion where it was stated I guess, my understanding is the Province of Manitoba is going to be looking at I guess some path, some structure whereby they're going to be dealing with the Americans on this issue in an attempt to talk about the measures in the phosphates that are going into Lake Winnipeg.

We didn't receive any more detail than that. But if it is indeed as a city our ultimate interest to protect that lake, I think we have an obligation to stay on top of that file in a very real sense, and not give the citizens of this city, or the citizens of this province, the sense of just because we are doing all of this that we are going to be solving the problem, that we ultimately want to prevent and that's the substantial eradication of Lake Winnipeg as we know it.

Mr. Speaker: Councillor Wyatt.

Councillor Wyatt: I feel like we're sitting in Sherwood Forest here, we have Prince John across the way raising the sewer rates and the transit rates, and I don't know who Robin Hood is. I'd probably be Friar Tuck. All said and done. I think it's little bit of levity in a seriousness of the day doesn't hurt Mr. Speaker.

We're talking here about a 14% increase in our sewer rates, combined water and sewer is 17% increase Mr. Speaker. It's equivalent if we want to put it in terms of $10 million being raised is equivalent of 2.5% to 3% property tax increase. It's really part of a report which, I would like to thank Councillor Angus for pointing out, and thanking us for raising this issue two weeks ago and assisting with a phone call coming from the Mayor or from the Premier to begin the negotiations. It's really still part of an overall report which advocates a 53% increase. An increase at a time when we don't even know what the Province is going to be committing at this point in time or as far as that goes, the Federal Government. A lot has been made of the CEC report that came down in August and so I'll take my fair share of quoting it as well if I could. Point number 15, it's right in the report. "Financial support, the City of Winnipeg should be directly assisted by the Province of Manitoba in efforts to secure financial support under existing and future infrastructure programs for upgrades to its waste water collection and treatment systems."

I will further quote. "The Commission believes that the senior levels of government should assist with the cost of achieving improved nutrient management." We're told today we're here about this increase because of the nutrient management requirements over the next four years, and other water quality enhancement measures. Ideally the funding formula of one-third municipal, one-third provincial, one-third federal should be used.

It's clear Mr. Speaker that there's a commitment by the CEC to have the Province and the Federal Government come to the table. Yet all of a sudden, we have this before us today prior to any kind of negotiations from what I understand taking place, a report before us saying, we have to do this now. Mr. MacBride is doing his job, he's advising us exactly what we might have to do if we don't have any financial support from the Provincial Government or Federal Government, absolutely.

Now the question is. It's our job or more or less EPC's job since they run the City to take it over and take it to the Province and to advocate for funding for this. Now, this is a project, let's keep this in perspective, this is a project the size of the Floodway. This is a $600 million, $700 million project the size of widening the Floodway.

This is not going to happen overnight. In 1992, CEC gave a similar report, the City made presentations. At that time we made a presentation by the way for the 50 year implementation plan, now 11 years after the fact nothing's been done, so it tells us how much of a political priority it is here at the City.

Mr. Speaker, clearly the message that I'd like to send is the fact that the Province is a big player, it's their report. A lot has been made of the news release that was issued by the Minister and it's included in our report, a lot has been made about an assistant deputy minister and his letter, I've read it, it's about as clear as the river water itself. A lot has been made of this. Mr. Speaker, the first thing that should have occurred with the issuing of this report was not to wait for the Premier to call us, but for us to go to the Premier, and to talk to the Premier regarding this.

Why wouldn't we have automatically gone down to the Conservation Minister and spoken to him about this and discussed this with him? From what I understand, that there was no discussions by any members of EPC with the Minister regarding this report, formal discussions regarding this. This should have been the first thing done. The telephone was not picked up, meetings were not held and instead we're here. We're here Mr. Speaker because this, read the original news release we want to quote the original news release. The original news release when this report was issued it was said, we have to do this because we need a new deal, we may not get a new deal, if we don't get a new deal we have to do this. This is about new deal Mr. Speaker. It comes back to that. It was being put forward at this point in time prematurely to leverage dollars and to put pressure on the Province. Right now Mr. Speaker we are in a very weak position as a city. I don't think we've ever been in such a weak position with regard to our relationship with the Province in our history. But we are right now.

We've gone out and we've pushed this new deal. From what I gather based on the recent announcements by the Premier especially regarding sales tax, with very little idea of where the Premier was going to fall or get any support from the Premier on this, now we as a city and the Executive Policy Committee is panicking. They need a soft place to land with regards to their new deal. There's no soft place to land right now.

Now we're going to them saying, please give us something for this new deal. Please help us. The Mayor thought he could use the bully pulpit over the last two or three months to hammer with the public and to get the public on board, put pressure on the Premier and the Province. That backfired. It didn't work. Maybe the Premier had a better idea of the feelings of the people of this city than the Mayor did. And it backfired.

Now we're having to say, what can you do for us on this new deal. In the meantime we also have something like this coming up. We're in an extremely weak position when it comes to negotiating with the Province I would argue Mr. Speaker, which is a shame.

This is a huge document with tremendous implications. It's talking about the saving, I'd like to agree with my colleague, the saving of Lake Winnipeg. Lake Winnipeg is dying. We all know that. The Province has made its point out, it's slowly dying and the river and what's going down the River has contributed. Actually over 60% of the nutrients and phosphates now flowing into Lake Winnipeg come from south of the border, from the United States. A good chunk of it comes from farmers fields, from the deposit of the irrigation that the farmers annually do into the river system. Small percentage, not as big as we would think actually comes from the Hog Industry. There's a big agricultural part of it. And as rightfully pointed out, 14% from us.

Clearly this is something that's going to take not only joint relationship between the City and the Province and the Federal Government, but potentially an international arrangement much along the same lines, not as big, as was done with the Great Lakes and the Great Lake provinces and the American States that border on the Great Lakes.

(11:50)

We all have to come to the table, there's no doubt about that. If we're going to come to the table let's do it realistically. We could come forward today instead if it's such a concern to bring this forward

now, and support a one-third increase to what's being proposed. One-third increase on the basis that that would be our share. And to start and build a reserve fund towards that. It would show that we're being responsible, it would show that we're being realistic and fair, and would show that we're even following what's being recommended in the CEC report when it comes to financial support.

Instead of a 14% increase in the sewer rates, we'd have maybe a 5% increase. When you combine the water and sewer rate increase, instead of having a 7% increase we'd have a 2.5% increase. That would be realistic Mr. Speaker. That would be fair to our ratepayers, it would be fair to what the goals of cleaning up the river system and Lake Winnipeg, and in spirit with this report. We would be able to turn around and go to the Minister which we should have gone to a long time ago, the Minister of Conservation, and said to the Minister look, we're doing our share how are you going to help us. This is your report after all, you're in charge of the environment, how can you work with us to achieve these goals.

Instead we're playing a shell game, a war of attrition with regards to the new deal. The Mayor's war of attrition which now we're seeing this is now part of the artillery in that war. Water and sewer rates. Raise the water rates, scare the people, we've got to have a new deal. We have to have a new deal now. To say to the Province, you better give us a new deal because if we don't, we're going to have to keep raising the rates, 53%.

Mr. Speaker, that's not what this should be about. This should be about the environment. This should be about cleaning up the River and Lake Winnipeg. This should be about generally trying to find solutions to the problem and working with the other levels of government to do so. Put our one-third in, absolutely. Let's do that. Let's be reasonable here. To come along and say, we now have to raise it unilaterally based on some nefarious messages we got from junior employees within the Department of Conservation when the phone wasn't even picked up by our Chair of Intergovernmental Affairs to go to the Province and say, how can we work. You should have been down there the next day and talking to the Minister of Conservation about this report. It did not happen. It did not happen. Only when it became a crisis and when the new deal backfired with the news release, then all of sudden phone calls were being made back and forth.

Mr. Speaker, I would encourage the Mayor to send this matter back and to enter into negotiations with the Province on this before coming forward with this massive increase. Thank you.

Mr. Speaker: Thank you Friar. Mr. Mayor closing debate.

Mayor Murray: Do you know Mr. Speaker, I'm always amazed at how far across the boundaries of reality a speech can go into the Twilight Zone.

I've noticed that if facts evade facts. Let's just roll this little number back a bit. Yesterday a pipe broke under the River, seven million litres of sewage went into the River. A diving crew had to go down and try and repair it. That will cost us one pretty penny.

We had a report, and we went through this again at the capital budget and maybe because Councillor Wyatt wasn't able to attend and some of the others who were opposed to this, I don't hear the councillors that were at the infrastructure seminar or the capital budget seminar getting up and understanding this. What's amazing is, that it's only a 7% increase.

What are we facing over the next decade? Three-hundred and thirty-two million dollars are required for (inaudible) protection pipe repair and placement in the water and sewer utility. Almost a third of a billion dollars. The Clean Environment Commission is not a recommendation, it's not a committee report, it's not a bunch of nice folks saying, gee city, you should do it. It's a ruling. When someone says, stand up and tell me it's the law, Mr. Speaker, let me just put it on the record for those who

haven't gotten it yet. It's the law. You've been told that by Legal Services. You've been told that by our director of Water and Waste. A Clean Environment Commission hearing is not the Rotarian Club of Charleswood getting together to talk about sewer rates. It is a powerful regulatory body which we must obey. Corporations have to obey it. Certainly those of us who pass laws that expect other people to obey our laws, are going to respect the Clean Environment Commission.

When those people who stand up and there's a couple of members of council say, this is only a committee report, there's a credibility gap that those people have to have because certainly all 16 of us should understand this process by now.

Mr. Speaker, people said this showed up at the Public Works as a rate increase and terrible. Why would the Mayor and EPC pull this underhanded secretive thing, the inner circle, nefarious. Where have you been? Under a rock? April 15 of this year, front page story in the Winnipeg Free Press about the Clean Environment Commission ruling and they were talking about a 30% increase, and that was before all of the other stuff got ruled in. You don't think we've been talking to the Premier and the Province about this for several months? Do you think over there at the treasury writing us a big cheque right now? No. This hardly snuck in, I don't know what planet you'd have to had been on not to be aware of this for the last year. We had briefings back in January and February. Barry MacBride took us through almost 12 months ago what the implications of this were going to be.

Let me go back to the list. Three-hundred and thirty-two million dollars for pipes, add $738 million capital and current expenditures for CEC. Add in water and waste $120 million presuming we get one-third subsidy on Floodway for dykes, pumping stations and drainage. And for water treatment we still have a balance of $154 million which comes to a bill for the citizens of Winnipeg of $1.334 billion over the next 10 years.

Delay again. These are the politicians who see the light at the end of the tunnel and order more tunnel Mr. Speaker. Let's just delay it so that it's not a 7% increase but a 20% increase because we've delayed it so long we have to get rate shocked because we want to sit around here indifferently to it.

That is a ruling, that is the law. It is non discretionary. Now what was the Provincial Government's reaction? Steve Ashton, first thing that comes out of the Minister of Conservation's mouth, before Russ by dear friend Councillor Wyatt, he picked up the phone and called us, was, no we're going to do it harder, faster, 20 years, and then within days other ministers said, no, we want you to do all the nutrients in 10 years, that backed it up to a 53% rate increase on top of $274 million in debt.

(11:55)

So if you don't think we're in a good negotiating position with the Province right now, I think we're in a reasonable negotiating position with the Province.

It's not just about that. Our sewage and water infrastructure is old, it's breaking down. Clean Environment Commission we have environmental risks throughout the system. Even if there wasn't a valve failure, when we talk about the $57 billion infrastructure crisis, we're talking about the risk to our environment and our inability to maintain it. This new budget we just tabled yesterday, which is throwing everything into the kitchen sink into infrastructure repair, and delaying any new projects beyond probably my lifetime at this point, is there. Is only paying half the bills we are. We've taken all the resources we have.

What are we getting beaten up on? For the average Winnipegger, a $40 increase in frontage levies is now some outrageous tax and spend agenda of the Mayor. There's not a lot of sympathy for increasing taxes or frontage levies. Every time we do it, they line up outside the door to tell us we ought not to do it. Every time a pipe breaks there's a regulatory body or a group of

environmentalists or regular folk lining up at the other door telling us to spend more money. Well you know, you do this. Quite frankly, this has nothing to do with the new deal Councillor Wyatt. But you've got to believe it was not lost on me that you were one of the first people out of the gate before we even had a chance to get to the first consultation, shooting it down. Now you Councillor Wyatt, and you Councillor Steek and some of my other friends like Councillor De Smedt have successfully managed to campaign to destroy any opportunity we had to move beyond these consultations into some sort of new revenue deal. Since we're all elected to solve problems and we've been very clear that the Province is not keen on writing a cheque or sharing existing revenue, I'm wondering what the plan is. If you can't support the Executive Committee's plan, what is your plan? How do you find the money for $1.334 billion? You're not going to vote for a 7% rate increase, I haven't exactly noticed a campaign out there to get a better deal for the City. I've heard a lot of rhetoric.

So now we have a challenge. We have a challenge, and we as a city council need to have a higher level of serious and sobriety about the issues that we're facing, because $738 million is only about 50% of the challenge. Even if the Clean Environment Commission never happened, if there was no new deal, we would still have hundreds of millions of dollars of infrastructure challenges that we would not be able to meet. The next valve failures probably only couple of years away anyway.

Mr. Speaker: Recorded vote has been called for. All in favour of the clause please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Murray, Councillors Eadie, Angus, Clement, Gerbasi, Lubosch, Smith, Steeves, Thomas, Vandal, Mr. Speaker Councillor O'Shaughnessy.

Nays

Councillors De Smedt, Steek, and Wyatt.

City Clerk: The vote Mr. Speaker, Yeas 11, Nays 3.

Mr. Speaker: It now being 12 o'clock, we adjourn to 1:30 p.m.

Council recessed at 12 noon

After recess

Council reconvened at 1:40 p.m.

Mr. Speaker: Council will now reconvene. Executive Policy Committee. Motions, none. By-laws.

EXECUTIVE POLICY COMMITTEE CONSIDERATION OF BY-LAWS

Mayor Murray: I'll move that the following by-laws be read a first time, by-laws numbered 155/2003, 156/2003 and 163/2003.

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

Clerk: By-laws numbered 155/2003, 156/2003 and 163/2003.

Mayor Murray: I'll move that by-laws numbered 155/2003, 156/2003 and 163/2003, be read a second time.

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

Clerk: By-laws numbered 155/2003, 156/2003 and 163/2003.

Mayor Murray: I'll move that the rules be suspended and by-laws numbered 155/2003, 156/2003 and 163/2003, be read a third time, and that the same be passed and ordered to be signed and sealed.

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

Addendum by-law.

Mayor Murray: I'll move that the rules be suspended and By-law No. 165/2003, be read a first time.

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

Clerk: By-law No. 165/2003.

Mayor Murray: I'll move that By-law No. 165/2003, be read a second time.

Mr. Speaker: Councillor De Smedt in opposition. All in favour? Contrary? Carried.

Clerk: By-law No. 165/2003.

Mayor Murray: I'll move that the rule be suspended and By-law No. 165/2003, be read a third time, and the same be passed and ordered to be signed and sealed.

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

Questions. Councillor Steek.

EXECUTIVE POLICY COMMITTEE QUESTION PERIOD

Councillor Steek: Thank you Mr. Speaker. Through you to the Mayor. I noticed in the earlier discussions today, the Mayor attributed to myself and Councillor De Smedt the fact that it was exceedingly difficult getting a deal with our provincial counterparts, although I notice that the Premier of his own accord denied the city-wide sales tax. My question moves to the new deal and specifically the gas tax. The Mayor Mr. Speaker regularly references the nickel a litre tax in Alberta that goes to both Edmonton and Calgary.

My question to the Mayor is this. Is there a differential gas tax in Alberta, or is it a consistent gas tax province-wide?

Mayor Murray: I'm surprised that Councillor Steek doesn't know the answer to that, being the good lawyer. It's one tax province-wide. Everyone at the town hall knows this, there's one tax province-wide collected at the pump, transferred to Edmonton and Calgary based on the volume of gas pumped within its boundaries. I know where you're going I think. Vancouver it's different from city to city, it's a eleven and quarter cents in Vancouver, two and a half cents in Victoria, three cents in the interior. In the United States there's as many different systems as there are states. In the United States there's also variable sales taxes from one municipality to the other, and they can vary as much as three or four percent.

Mr. Speaker: Supplementary Councillor Steek.

Councillor Steek: The Mayor has just confirmed that there is no differential gas tax in Alberta which he traditionally touts as a model. So my question is this.

Does the Mayor see any difficulty with a city only gas tax of a nickel? Does he see people going outside the perimeter? Does he see a situation where retailers within the City may have to absorb that tax in order to maintain consistency with competition outside the perimeter?

Mayor Murray: This is where my sense of humour just gets enriched. I mentioned B.C. has a eleven and a quarter cents tax in the GVRD, which is a very compact area where cities outside the GVRD are much closer to the pumps and there's no problem.

I'm surprised that Councillor Steek hasn't done his research here. He seems to want to fix as he often does on the one place in Western North America where there's a harmonized tax. I have said over and over again, I prefer harmonized tax but I've also said that we should keep our minds open because variable gas taxes exist commonly in the Western United States as do variable sales taxes. I know Councillor Steek will take this out of context unfortunately as he often does and will focus on Alberta where it's harmonized.

I guess I would ask Councillor Steek back Mr. Speaker is, rhetorically in my answer since Councillor Steek has successfully not supported anything, and since the Premier and the leader of the opposition

have successfully taken components of this deal off the table, it's becoming a pretty academic discussion. I'm waiting to hear from some of these councillors not politically questions, but what are your solutions to fixing our streets, our watermains, and where does the two billion dollars come from because clearly you're not going to support a variable tax. You're not supporting a sales tax, you're not supporting the new deal, and I still don't understand what you support.

Mr. Speaker: Final supplemental.

Councillor Steek: The Mayor will let me have the opportunity to hear my perspective on it, the discussions all this afternoon. My question then for the Mayor is this.

The Mayor references the Toronto Dominion economics report. References the Federal Government…

Mr. Speaker: No preamble.

Councillor Steek: Can the Mayor point to any report advocating excruciating new levels of taxation?

Mayor Murray: No I can't Mr. Speaker because neither I or the TD Bank have ever proposed excruciating new levels of taxation. I think by the very nature any excruciating tax should not be administered on the citizens of any community. Thank you.

Mr. Speaker: Councillor De Smedt.

Councillor De Smedt: Thank you Mr. Speaker. I'd like to take the Mayor up on his challenge of offering some potential solutions. Of course I would like to ask the Mayor this question.

Have you considered discussing with the Federal Government or would you please in the near future consider approaching them for a share of the goods and services tax?

Mayor Murray: Yes I would. I'm also planning on buying lottery tickets Mr. Speaker because I also believe in optimism and that maybe I'll win a billion dollars there too.

Councillor De Smedt: Well Mr. Mayor do you need a dollar for that lottery ticket?

Mr. Speaker: We'll take the question in the wonderful spirit it was intended.

Mayor Murray: Absolutely Mr. Speaker. I wouldn't mind another buck or two for my pension plan. I'm sure some of you would as well. Panhandling is not beyond us. It's interesting that Jane Jacobs makes this point over and over again in disagreement with many questions. Is that we shouldn't be opportunistic beggars, and we shouldn't be groveling for small change be it a dollar or ten dollars, we should be going after the Federal and Provincial Governments for decent revenues and decent tax sources comparable to cities in the United States and Europe and Canadian cities should stop being the poor cousins of Canadian federalism, and I don't think a buck is going to get there. I'm a cheap date Councillor De Smedt so I'll take a buck.

Mr. Speaker: Final supplemental Councillor De Smedt.

(1:50)

Councillor De Smedt: We're not allowed begging I don't think are we Mr. Speaker. We're not begging I don't think when we ask a federal jurisdiction to share….

Mr. Speaker: Question.

Councillor De Smedt: I really think the context Mr. Mayor of GST sharing is really a very positive one. I would encourage you to take that very actively. After all you're asking the Province for a share of GST. So why would we not aggressively go after the goods and services tax?

Mayor Murray: Mr. Speaker, because I want the streets and pipes of the City fixed in my lifetime.

Mr. Speaker: Second round, Councillor Steek.

Councillor Steek: I appreciated the fact that the Mayor didn't want to grovel for change. So I would be interested in knowing the way the new deal is currently proposed. Does the Mayor see any kind of a scenario where a renter who owns a vehicle regardless of what it might be can come out ahead under the current scenario as presented?

Mayor Murray: Yes.

Councillor Steek: Well I appreciate the frankness of that but in view of the fact that you don't have any kind of property tax credits to realize, where would one come out ahead, how?

Mayor Murray: I think we said that property tax cuts would be passed onto renters. Our people who are in higher valued properties. Quite frankly, all Winnipeggers will come out ahead in the new deal because we will have a more prosperous city, strong infrastructure. We won't have a backlog of bridges. We'll get Russ Wyatt's baseball park. We'll get your Kenaston Underpass. We'll have rapid transit. We won't have a multi-billion dollar infrastructure deficit. We won't have sewage going into the rivers every week. And we'll get out of the hole we're in. It also means that all of us will be asked to pay up a little bit more because the consequences of not fixing this in our generation will mean an excruciating tax burden to our children or an excruciating infrastructure burden. Since previous generations passed on the infrastructure deficit and the fiscal deficit, and this city council cut the debt by 50% unprecedented in Canadian municipal history, since this city council cut taxes and froze them for the last seven years, unprecedented in the history of this city. And since this city council is putting more infrastructure money in this capital budget than just about any other without any help or new revenue, a little creativity. I have complete faith that there are a minority of people who are skeet shooters who will spend most of the next three months shooting down any idea that a number of their colleagues come up with, and that I find to be as consistent. Quite frankly, if that was as predictable and easy as finding a winning lottery ticket I would probably be a very wealthy guy now.

Mr. Speaker: Final supplemental Councillor Steek.

Councillor Steek: I appreciate the Mayor's reference to creativity. Is the new frontage levy that will generate $10 million not the equivalent of a 3% tax increase? Whether or not it's on a frontage levy falling out of the capital or whether or not we're lashing people with 3% under the current to raise $10 million, are we not raising taxes?

Mayor Murray: Yes.

Mr. Speaker: Councillor Wyatt.

Councillor Wyatt: Thank you Mr. Speaker. Question is through you to the Mayor. Based on the recent capital budget that's come forward from what we can see it's bare bones capital budget, the Mayor was saying that what's been sacrificed is any sort of new projects in the capital budget to fund existing projects or existing infrastructure I should say, and that all matters even including the famous debate of the police station expansion and renewal has been pushed back from 2004 to 2006 for any new amalgamation of police stations even though we were told it was of top priority and we had to amalgamate police stations right of way because we needed facilities. In light of that fact Mr. Mayor, would you be wiling to look at your capital budget and defer $5 million spending towards new projects such as Kenaston and rapid transit in the spirit of the capital budget?

Mayor Murray: No.

Mr. Speaker: Councillor Steek you opened the door for a third round.

Councillor Steek: I only have one final question. I think we all know that in the forum we're Mr. Chairman that you get some of your most pertinent information in Q & A.

I'd like to know this because it never came forward during any of the initial

presentations relative to the new deal. There were projections on potential volumes for instance the gas tax and so forth. Was there any potential projections done regarding the increased administration and the costs around the implementation of this myriad of new taxes that the new deal was proposing?

Mayor Murray: I guess a lot of councillors must have missed the town hall meetings. I'll just explain a few things real briefly since yes or no answers don't seem to suffice.

One, all of these taxes as was explained by Connie Walker in each of the presentations are existing taxes. There are no new taxes here. Which means there's a collection system for each and every one of those taxes. That same collection system would be used. The same way we get income tax collected by the Province transferred to us, the same way we collect property tax, transfer the majority of the school boards and the Province would be true of all of these taxes. Now there's hardly a myriad of taxes because the skeet shooters around here have been successful about shooting them right out of the sky before they even had the chance to land on the Premier's desk. Thank you for your help.

Number two. Clearly a property tax which has been explained, the students at the University got this. If you live in a high density residential property, compact urban forum or have a smaller frontage, you're going to be paying less with the frontage levy than you would with a property tax increase. So there's a huge qualitative difference in increasing a frontage levy versus increasing the taxes on the value of someone's home. That's been well explained and well accepted by most of the public.

No since the police four district model and stations have never ever been in a budget Councillor Wyatt they could hardly have been pushed back, they just came from oblivion up to 2006 is our policy around here to put projects at the back of the budget it's starting about three years earlier than it should be and we waive the policy to move the police budgets up earlier and I don't think we want to get into a trade off with things like Kenaston and rapid transit which we may be more slowly than we like there's things we really must do for our citizens.

Mr. Speaker: Another final.

Councillor Steek: The fact remains, I have no problem with the Mayor referencing those of us who don't agree with him as skeet shooters. But in view of the fact that the vast majority of the citizens of Winnipeg don't agree with you, does that make them skeet shooters as well Mr. Mayor?

(1:56)

Mayor Murray: No it doesn't because unlike some people who are actually on the public payroll to work as legislators to come up with better ideas, absolutely thousands and thousands of Winnipeggers have come up with ideas. Many Winnipeggers who have sent me ten, fifteen page briefs with alternatives in it and they don't get paid to do that.

What I do expect from my colleagues on City Council not to deny as I think you have that we have a serious infrastructure problem. Not to go out and tell the public that we can do this simply by cutting and reducing a few more positions and that we can pay down the infrastructure out of year end surplus because I think that is at variance with the facts. I find that frustrating because when you hold elected office I think you have a responsibility to reflect what the Administration has told us is truthful or challenge the Administration. If anyone doesn't believe we have a $1.3 billion challenge in water and waste which I have said on the record several times, please stand up and tell me so and I'll call the engineers in here and we can debate it. Because I don't think we should, we either don't trust our administration or we do. We're only spending $91 million in streets and bridges and the engineers are telling us we should be spending $161 million, that is way beyond the means even if we reduced our staff by another thousand people or we actually had a three, four, five, ten million dollar surplus,

that is way beyond the means of that. I think that's been somewhat frustrating because I think some of it has been disinformation.

Yesterday we went through the capital budget with only a handful of councillors there. Councillors Smith and Lubosch being two of them. The Administration I think expressed quite clearly some frustration and some clarity about the magnitude of the infrastructure crisis that we're facing. I use the word crisis advisedly.

Since you're either going to embrace that and say yes this is a problem, here's my solution to it, but to simply pretend like some purple elephant in the middle of a family dining room table, some awful family secret we don't want to talk about is really not helpful, and that's my frustration.

That's the difference between a skeet shooter and a citizen who cares and shows up at a town hall meeting.

Mr. Speaker: Councillor De Smedt.

Councillor De Smedt: We listened very carefully Mayor Murray to your comments. I think I would prefer if you would call some of us sharpshooters rather than skeet shooters, because I really think we're trying to address some of the issues. Nobody is belittling the magnitude of the infrastructure deficit. It's a matter of balance in trying to identify with priority where we're going and I think we've already passed water sewer rates. We know we recognize that. And we're going to have a frontage levy being proposed by EPC on the capital budget review. We're recognizing that we have some issues and we're trying to deal with them.

Would you not agree Mayor Murray that if we do get in 2005 to call it the Paul Martin gas tax credit, and perhaps the opportunity to get something from the Province would free up in the neighbourhood of some $70 million or $75 million, I think if the Province came to the table with some realistic amount, that we would be going a long way towards meeting some of the infrastructure deficit in a reasonable practical way?

Mayor Murray: I think that's a very very good suggestion Councillor De Smedt, but it's only part of the solution. Motor fuel taxes are not growth taxes. Income and sales taxes are growth taxes. There's very particular about the need for cities to have income and sales taxes. That's why in the United States U.S. cities and I'm sure you've all read the Canada West Foundation study right now because I've quoted it fifteen times. The Canada West Foundation study points out the difference between Canadian cities in Western Canada and those in the Western United States is that Western U.S. cities get sales and income tax largely and that those grow with the economy quite dramatically. And Canadian cities have property taxes and motor fuel taxes. We're the only city with over half a million in Western Canada that doesn't have access to motor fuel tax.

The problem with Canadian cities even those that have gas taxes is they have no growth taxes. Councillor De Smedt I would probably call you guys sharpshooters if the conversation didn't start with something like, this is terrible, it's equivalent of a 3% tax increase, here's $10 million more permanently per year and it's to promote compact urban forum. Just simply criticizing yet again the latest idea in the absence of serious alternatives. I have trouble describing what I would describe as the attack of a sharpshooter whose series of commands is ready, fire, aim, which is what I sometimes feel like that it doesn't matter what it is as long as I get the shot out and hit something, I could do that.

I'm quite prepared to take the one dollar frontage foot off the table, as a matter of fact I don't think that is always the best way to go. I would much rather have a tax that grows with the economy or tax that relates to those who use the streets most frequently rather than relating it to property at all. And the frontage levies were to deal with size of property because the scale of infrastructure, how long the pipes are, how much road is required has to do with the width of property not the value of house.

Are these perfect? No. Those of you who are looking for perfect will probably never find it because I think the enemy of good is perfect. Is it good? Yes.

I've got to tell you. For the first time we tried to get a consensus and we're only in the early stages and it wasn't that I was met by a significant number of my colleagues, with all of you rushing down to town hall meetings to go to the mic to say, you know I like that idea, I don't like that idea but here Mr. Mayor, I've been talking to my constituents, here's a better way to deal with the infrastructure problem. What I've had is my character attacked by some of you. I've almost been called short of a liar. We've had it called a tax grab and a swindle by some folks when I listen to my favourite radio morning show.

The context of that is not constructive. I appreciate that in this chamber things seem to be very gentile. But there's a context between some people who have been provocateurs who have been trying to incite the public against the entire concept of this. The majority of councillors who have actually come up with a number of suggestions and ideas that I view as constructive. I've said from the beginning, this new deal was only a rough idea. It was rough ideas out of the gates. We really didn't want to spend a whole lot of money on research out front if the business council was going to tell us that a motor fuel tax was devastating to the trucking industry. We could hire consultants until the cows come home to tell us that, we thought it was better to go to people like Jim Carr, Maxim Trucks and other folks out there and hear from them. Chris Lorenc and hear from people. Well in Vancouver which is a major trucking and transportation centre, how does this play out. You run trucks there, you're paying a eleven and quarter cents more than Vancouver. Do you just not fill up in Vancouver. Or is there differences in the economy.

What we found is, and you'll see this in the briefings on the 5th and 6th, is not people coming out but they're going to come out with really constructive ideas. Yes, I can poke holes. Some of these ideas in the new deal I didn't even like. But they were other people's ideas who put some thought into it and we felt we should include. In the beginning there's no such thing as a bad idea, every idea was to be put on the table.

I'm just disturbed somewhat that so many people spent so much time pulling and attacking other people's ideas rather than contributing their ideas. You've never heard me criticize one single idea that any member of council has brought out on the new deal, not one. Even if I disagreed with it I've defended it as an important stimulator of public discussion. The first idea as imperfect as it is will breed a second idea that will be better, and a third idea that will be better than that. That's the creative process.

The problem is, politicians are so afraid today to roll out any ideas because the avalanche of criticism that comes down on your head because people run to the imperfections with it. I don't think that's the kind of dynamic we want around here.

Quite frankly, Peter and Garth for the disagreements I have with you and Harvey, you've been coming out to a lot of the town hall meetings, and for that I give you huge credit for listening and participating. My door is open to you to work with you on constructive ideas. But if you're going to go out there and just dump on me you can't expect a different reaction than the one you're getting.

Mr. Speaker: Supplemental Councillor De Smedt.

Councillor De Smedt: Well I think we have thick skins Mayor Murray, we're not too concerned about the reaction.

(2:07)

I think it's important the context and it's hard to get to the question Mr. Speaker so I beg your forgiveness ahead of time. A lot of western jurisdictions in the United States do not have state income taxes. Forty-three states in the United States have imposed tax expenditure limitations on the municipalities. They were forced to go and that's an are you aware

question. They were forced to go to consumption taxes.

It's not a simplistic analysis that we're looking at. I do regret that we have this cornucopia of ideas that I think we could have offered you some different approaches….

Mr. Speaker: Your question is.

Councillor De Smedt: We're not skeet shooters, I think we're trying to be sharpshooters and to be helpful.

Mr. Speaker: No question, no answer. No harm, no foul Mr. Mayor.

Standing Policy Committee on Fiscal Issues, report of November 4, 2003.

REPORT OF THE STANDING COMMITTEE ON FISCAL ISSUES DATED NOVEMBER 4, 2003

Councillor Clement: I'm happy to move the Report of the Standing Committee on Fiscal Issues, dated November 4, 2003, and I'll move that Item No. 1 be provided as a consent item.

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

Motions, none. By-laws.

STANDING COMMITTEE ON FISCAL ISSUES CONSIDERATION OF BY-LAWS

Councillor Clement: I'll move that By-law No. 162/2003 be read a first time.

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

Clerk: By-law No. 162/2003.

Councillor Clement: I'll move that By-law No. 162/2003, be read a second time.

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

Clerk: By-law No. 162/2003.

Councillor Clement: I'll move that the rules be suspended and By-law No. 162/2003, be read a third time, and the same be passed and ordered to be signed and sealed.

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

Questions. Councillor Steek.

STANDING COMMITTEE ON FISCAL ISSUES QUESTION PERIOD

Councillor Steek: Through you to the Chair of Fiscal Issues. In view of the fact that the Mayor was wilting under the borage there, let me ask the Chair of Fiscal Issues this.

Is the Chair of Fiscal Issues aware of any other civic jurisdiction in Canada that received $143 million in grants last year from its provincial counterpart?

Councillor Clement: I'm not familiar with what takes place in other provinces Mr. Speaker, I'm only aware of what we receive from the Province of Manitoba.

Councillor Steek: I brought that forward Mr. Speaker because I think it's fine to get….

Mr. Speaker: Councillor Steek, there are a number of private debates going on in question period that don't involve necessarily all the rest of us, so I'm going to just do it by enforcing the rules, that after first question any supplemental shall not have any preamble and that answering the questions will answer the question and not other unasked questions. Let's get to it, we're not here for fun.

Councillor Steek: Mr. Speaker through you to the Chair of Fiscal Issues. When the capital budget came down in '03 there was a commitment and as a matter of fact the Chair of Public Works stated in this chamber that Kenaston Underpass was going ahead regardless of other alternative funding sources. My question to the Chair of Fiscal Issues is, where in broad brush stroke terms has the other

$34 million for the Kenaston Underpass gone that was previously committed?

Councillor Clement: First of all the entire money wasn't committed Mr. Speaker. We didn't do a five year capital last year. And the previous one I don't believe had all of the money in it. I could be mistaken, and I don't believe so.

We did have other monies from a reserve account. We have about $18 million in that reserve account. In this capital budget although we placed $5 million in strategic initiatives we paid back approximately $16 million that was in the other documents back into that reserve to put it back if you like. That money is now there that reserve is now whole in terms of where it was before. And that's where the residual monies went that were in fact in there that belonged to us.

There are some monies that aren't showing in our existing document as an example that would flow from CN. Councillor Angus may be able to speak to that a little better than me, but my understanding is that and I'm not talking about the transfer of money from Waverley to Kenaston which I think they should do but my understanding is, when there's a grade separation and a railway is involved that there is a percentage of the capital project that's ten or twelve percent that they pay, and I believe that that's somewhere in the neighbourhood of $3 million, and that was never on that I'm aware of but if it was that's where some of it was coming from.

It's not unlike frankly the Millennium Library project that was in the capital budget this year, there's $8 million in there but only $1 million of it is our money of that $8 million I believe. They raised some of it and some of it came from other levels of government, but it still shows up as an $8 million expenditure. Sometimes the monies that are in there aren't all ours. By taking it off the table we also take off the table the numbers that would come from other levels. That's where it's gone. I think that's the way the math works.

Frankly we don't have any commitment. I heard Mr. Speaker for about three months or more that the final $3.8 million in the old infrastructure program was going to go towards Kenaston, and even out of that pot $1.2 million of it was our money. Even that $3.8 million I've never seen any kind of confirmation from the Province although once again although we haven't seen a letter, the Premier was on CJOB this morning reiterating that same number. Once again, although he said it was about $5 million and he's wrong, it was about $8.8 million, and $5 million was for rapid transit, $3.8 million was for Kenaston. It wasn't about $5 million at all it was exactly $8.8 million and that's what's left. It still hasn't been delegated one way or the other as far as I'm aware.

Councillor Steek: Are there or have there been any ongoing discussions with the Federal Government to come to the table financially relative to the Kenaston Underpass?

Councillor Clement: I'll designate it to the Mayor. I'm not allowed to talk to those other…I'm allowed to talk about it, I'm never allowed to talk to them. I never get invited to the Legislature Councillor Steek. You may, I never do. I never get invited to Ottawa to speak to them either. Unless I happen to have a chance run across them at some function where I can actually seem them one on one and have an opportunity to actually go at them one on one. I was at a dinner recently and the Premier walking right at me and I think he saw me because he all of a sudden detoured, he didn't want any part of me and never does. Because I might know a little bit about something and he might have to have a very deep conversation about what I might want to talk about.

(2:15)

Mr. Speaker: I believe that was deferring to the regional head of Council here. Mr. Mayor.

Mayor Murray: The funding for both the Kenaston Underpass and the rapid transit corridor, and when I say that I wish we would all use the right numbers. We're pitching about a $40 million Kenaston Underpass project all in. Potentially CN and other partnerships has been very

much the top of my discussions with both the Premier and the Regional Minister now for a very long time and it's been on a number of agendas.

Rapid transit which in the same cycle of time would probably be about a $40 million first time to go from Jubilee to downtown, 40, 45 minutes, they're about equivalent size projects also has been there. A number of you including you Councillor Steek have raised the issue that we should be going to the Federal and Provincial Governments for sewage treatment money. There is only a $90 million infrastructure fund, that's not for one year, that's for six years. That's the only source of money. I think some of those discussions have been on hold because we're not going to do Kenaston and rapid transit as well as some of the facilities and road replacement money we have and sewage treatment. If we're asking for federal/provincial help with sewage treatment it will be instead of those transportation priorities. Even if we drop rapid transit I still think that would not be very satisfactory because you'd be talking about saving about $15 million, $20 million which would be very material to rapid transit, would be pretty immaterial to a $738 billion challenge.

Those are the basic trade offs. I guess we probably need some clarity and consistency from City Council as a whole as to what we want infrastructure money for and realize the pot total is $45 million provincial, $45 million federal and we can have a longer list than that but it won't be there. I think that it was delayed partly because of the provincial election, a lot of this was put off. Now we have I presume a cabinet change coming fairly soon in Ottawa. I think we'll probably wait until, we probably won't hear much from Ottawa until ministers are settled into their new portfolios.

Mr. Speaker: Standing Policy Committee on Property and Development, July 10, 2003.

REPORT OF THE STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT DATED JULY 10, 2003

Item No. 1 – Historical Building Listing - Cadomin Building, 280 Main Street
File G-3.1.1

Councillor Vandal: I will move Item No. 1 on the Report dated July 10, 2003, be referred back to Standing Committee.

Mr. Speaker: Say why?

Councillor Vandal: More information is needed on this issue, it's best done at Standing Policy Committee.

Mr. Speaker: I would like to be the one to speak against that one. Councillor Steek go ahead.

Councillor Steek: Thank you Mr. Speaker. I'm speaking in opposition to this being referred back.

I think it's simply stunning, we've seen where the Property Committee is. We've seen where the Executive Policy Committee is. The Cadomin Building was home to Wilson's Furniture for the last two decades. And the bitter irony of it, is by tying all of this up, you're precluding new development from coming forward to the City, number one. Number two, very frankly, this is a family that has made this city their home and invested here for 120 years, and you're basically taking away a lump sum opportunity to sell this building. If you want to tie the Cadomin Building up and give it any kind of historical status, take a look at what's around it. Why are we dilly dallying on this for? We've seen where the Property Committee is.

Mr. Speaker: There's nothing wrong with what he's saying, and no one else can speak. He's making his point against referral.

Councillor Steek: We have seen where the Property Committee was. We saw that EPC was in concurrence. Why would we continue to tie this thing up month

after month? You either believe it has historical significance, or you don't. Let's put this thing on the floor and vote, but no more delays.

Mr. Speaker: Motion to refer is not debatable, and there are no instructions. We've had one person speak against, the mover for, no one else can speak. No one else, it's the rules. We are voting on a motion by Councillor Vandal to refer Item No. 1 of the Report of Property and Development dated July 10, 2003, back to Committee. Without instructions.

Mayor Murray: Just on a point of privilege.

Mr. Speaker: Not on the issue though. There is no point of privilege. No. Can't. It can't be done. All in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Murray, Councillors Angus, Gerbasi, Lubosch, Smith, Steeves, Thomas, Vandal, Councillor Wyatt.

Nays

Councillors Eadie, Clement, Steek, Mr. Speaker Councillor O'Shaughnessy.

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

Mr. Speaker: Motion to refer is carried.

Report of October 28, 2003.

REPORT OF THE STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT DATED OCTOBER 28, 2003

Councillor Vandal: I would like to move Items 1 through 8 as consent.

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

Motions, none. By-laws.

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

Councillor Vandal: I'll move the following by-laws be read a first time, by-laws numbered 157/2003, 158/2003, 159/2003, 160/2003, 161/2003.

Mr. Speaker: All in favour? Contrary? Carried.
Clerk: By-laws numbered 157/2003, 158/2003, 159/2003, 160/2003 and 161/2003.

Councillor Vandal: I'll move that by-laws numbered 157/2003 to 161/2003, both inclusive, be read a second time.

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

Clerk: By-laws numbered 157/2003 to 161/2003, both inclusive.

Councillor Vandal: I'll move that the rule be suspended and by-laws numbered 157/2003 to 161/2003, both inclusive, be read a third time, and the same be passed, and ordered to be signed and sealed.

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

Questions. Councillor Steek

STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT QUESTION PERIOD

Councillor Steek: Thank you Mr. Speaker. Through you to the Chair of P & D.

Back in June I appeared in delegation and at your committee we were told that there was a report coming forward relative to property sales and a myriad of other issues. I brought this up on three previous occasions including the last meeting of Council and we were told the report was coming out in 60 days. It is now 150 days, no sign of the report. And contrary to what I was told at the last council meeting there's been no

communication from the Chair or from anyone in administration as to when the report is coming forward.

If there is no intention to ever let this report see the light of day just say so. Or are we going to have a report and when?

(Councillor Eadie in the Chair)

Mr. Acting Deputy Speaker: Councillor Vandal.

Councillor Vandal: Mr. Speaker I had spoken to the Administration, there are a myriad of reports that the Administration is working on. It is a busy time, Property and Development in the City of Winnipeg. The best I can do for Councillor Steek is say that I will speak to our director and I will get back to the councillor to see when that report will be coming forward.

Councillor Steek: Will the Chair get back to me the way he said he would at the last meeting, or will he really get back to me?

Councillor Vandal: I will get back to Councillor Steek.

Mr. Acting Deputy Speaker: Any other questions? Councillor O'Shaughnessy.

Councillor O'Shaughnessy: Thank you Mr. Speaker. Question of Councillor Vandal. A couple of minutes ago we referred back a clause on the proposed listing of the old Wilson's Furniture Store. It was part of the Standing Committee's recommendation of July 10 for reasons all of us are aware of, I wasn't at that meeting on July 10. But from what I've read since and what I've heard and seen, the recommendation was from historic buildings that it be listed. Community Committee said no, standing committee said no, it went through EPC and they didn't do anything. What new information after four months has come forward that makes it so urgent that this nearly if not completely unanimous recommendation has to be referred back and can't be dealt with after four months?

Councillor Vandal: Through you Mr. Speaker to Councillor O'Shaughnessy. This is an item that will be discussed In Camera at our next meeting and I'm following advice that was given to me from the Law Department. Suffice it to say that there will be much discussion on this issue, not necessarily the historical aspect of it at our next meeting which I hope he'll be at.

Councillor O'Shaughnessy: If I might ask the Chair because of my ignorance, is it possible to deal with something In Camera that is open and has been to a community committee? I understood the rules prohibited that.

Councillor Vandal: We will be taking our direction from the City Clerk's and the Law Department and we will certainly make sure that this is on the open session of our property meeting next Tuesday.

Mr. Acting Deputy Speaker: Any other questions? Councillor Clement.

Councillor Clement: Now I'm a little confused Mr. Speaker. A minute ago Councillor Vandal said that they were going to be dealing because there was some kind of legal issue that it was going to be dealt with In Camera and now he's just suggested that it's going to be dealt with in open session, which is it?

Councillor Vandal: I did say In Camera, but I erred when I said In Camera, it will be back in open session.

Mr. Acting Deputy Speaker: Any other questions? Councillor Steek. Councillor Clement you have a supplementary.

Councillor Clement: I guess I'd like to get a little bit more clarification. What possibly could be discussed in open session at your standing committee that couldn't have been discussed at EPC or Council, why is it going back to the Standing Committee, why isn't just going back to EPC?

Councillor Vandal: Mr. Speaker because I would prefer to have city planners present. I would prefer to have legal counsel present. And I'd prefer to have a thorough discussion on this issue

back at standing committee. I don't think that's unreasonable.

Councillor Steek: Mr. Speaker we regularly realize unsolicited offers through to PP& D. Is it the Chair's understanding that city policy dictates that the Administration must bring any and all offers forward regardless of whether or not they are supportive of an offer?

Councillor Vandal: I believe it is, I'd like to get some counsel on this before I give my unequivocal answer. I believe that unsolicited offers are not necessarily brought before the Committee on every occasion. Having said that, I don't have the privilege of having senior planning counsel on this or legal counsel, but I believe that is my interpretation.

Councillor Steek: I believe the Chair's interpretation is wrong. I would like to ask the Chair, will he get from administration and Legal Services a copy of the definitive policy relative to the way we handle unsolicited offers?

Councillor Vandal: Mr. Speaker, certainly I will communicate with the Director of Planning, Property and Development and we will bring up a policy, I'm not sure I'm wrong frankly, and I have no problem telling you that because I don't have the privilege of counsel of legal counsel and planning counsel. However, this is an issue that I will certainly speak of with the CAO and the Director of Planning, Property and Development.

Councillor Steek: Relative to offers solicited or unsolicited, does the Chair believe there should be a definitive policy relative to a reasonable timeframe to get back to an offerer namely yes, no or we're continuing to negotiate?

Councillor Vandal: Yes.

Mr. Acting Deputy Speaker: Question period is over.

Standing Policy Committee on Public Works. By-laws.

STANDING POLICY COMMITTEE ON PUBLIC WORKS CONSIDERATION OF BY-LAWS

Councillor Angus: I'll move the following by-law be read a first time, By-law No. 154/2003.

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

Clerk: By-law No. 154/2003.

Councillor Angus: I'll move that By-law No. 154/2003, be read a second time.
Mr. Acting Deputy Speaker: All in favour? Contrary? Carried.

Clerk: By-law No. 154/2003.

Councillor Angus: I'll move that the rule be suspended and By-law No. 154/2003, be read a third time, and that the same be passed and ordered to be signed and sealed.

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

Questions, none.

Alternate Service Delivery Committee. Councillor Steeves.

REPORT OF THE ALTERNATE SERVICE DELIVERY COMMITTEE DATED NOVEMBER 18, 2003

Councillor Steeves: I'll move the Report of November 18, 2003.

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

(2:33)

Councillor Steeves: I was just going to ask on a point of privilege to make a small announcement for the benefit of my council colleagues.

I have a bit of good news I think to announce to my council colleagues. I'm happy to be able to share this with you this afternoon.

Coincidentally, you may recall pursuant to our transit discussions this morning that we were having when I stood up to speak, I mentioned a few different programs we were involved in. One of which was the Urban Transport Showcase Program that I've been chairing since the outset.

Just by way of background as I touched on earlier, the Urban Transport Showcase Program is a Federal Government initiative whereby $40 million has been set aside by the Federal Government with a view to matching funding of municipalities and provinces for transport showcase planning designed to reduce greenhouse gases within the municipalities.

Now the way it was set up is there was three stages. The first stage there was an invitation to all municipalities right across Canada submit an expression of interest in terms of accessing the money for that program. The City of Winnipeg along with 50 other municipalities across Canada submitted an expression of interest. I was pleased to report this morning that of those 50, 15 finalists in terms of municipalities were selected.

At that time I suppose, when they selected the 15 finalists they asked all 15 finalists to make presentations to a board that was assembled from right across Canada, urban transportations specialists. All 15 municipalities including ours, were given a 45 minute allotment to make a presentation on our submission which is entitled, "Windsmart" which is a sweep of 20 different measures ranging from an ecobus demo, an ecofueling station to a truck routing program to real time departure displays, Pembina Highway bikeway, innovative transit delivery in low density areas, and measurement and evaluation monitoring and several other measures.

As you've probably guessed, over the course of the noon hour we've been expecting to hear for quite some time on the final eight cities that have been selected from the original 52 to receive funding. I'm pleased to report that pursuant to the news release communiqué from Transport Canada, issued this morning which I saw over the noon hour, it states, the finalists were chosen by a selection committee of experts and sustainable transportation which would use 15 proposals from municipalities across Canada, the successful municipalities are, Gatineau, the greater Vancouver Regional District, Halifax, Montreal, Greater Toronto, Hamilton, Waterloo, Whitehorse, and Winnipeg.

What that means for the City of Winnipeg practically speaking, is pursuant to our commitment as a city, to play a role in the just over $14 million capital budget expenditure, we will only have to expend just over $4.6 million of those dollars, and $4.7 million plus will be coming from the Federal Government to the City of Winnipeg, and $4.6 million will be coming from the Provincial Government to the City of Winnipeg.

I'm very pleased to say that we are one of the successful municipalities. I want to thank the Mayor and specifically Councillor Angus for their vision and in trusting me in being of great assistance to me and my committee throughout the course of this application.

The lead administrator on the project was, Andrew Cowan. Of course Andrew's moved onto the Province since. He will still be playing a role. Ken Rosin, Rick Borland, Bill Menzies and a few other folks from around the civic administration were instrumental.

Congratulations to all of us. I think this is a great program. It puts Winnipeg in my opinion right in the fray with a lot of other big municipalities in Canada. We're going to be able to do some great things as a result. Thank you very much for your indulgence.

Mr. Acting Deputy Speaker: Report of the Secretariat Committee. Mr. Speaker. Councillor Smith.

Councillor Smith: That was a long speech, and I'd like to know exactly what the City of Winnipeg is going to get.

Mr. Acting Deputy Speaker: There's no question period for that, it's taken care of under EPC.

**REPORT OF THE SECRETARIAT COMMITTEE
DATED NOVEMBER 18, 2003**

Councillor O'Shaughnessy: I'd move the Report of the Secretariat Committee, dated November 18, 2003, and move Clause 1 as consent.

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

By-laws.

**SECRETARIAT COMMITTEE
CONSIDERATION OF BY-LAWS**

Councillor O'Shaughnessy: I'll move By-law No. 164/2003 be read a first time.

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

Clerk: By-law No. 164/2003.

Councillor O'Shaughnessy: I'll move that By-law No. 164/2003, be read a second time.

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

Clerk: By-law No. 164/2003.

Councillor O'Shaughnessy: I'll move that the rule be suspended and By-law No. 164/2003, be read a third time, and the same be passed and ordered to be signed and sealed.

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

Councillor O'Shaughnessy moves adjournment. Roll Call.

ROLL CALL

Clerk: Mr. Acting Deputy Speaker Councillor Eadie, Councillors Angus, Clement, Lubosch, Smith, His Worship Mayor Murray, Councillors Steeves, Thomas, Vandal, Wyatt and O'Shaughnessy.

COUNCIL ADJOURNED AT 2:45 P.M.

COUNCIL OF THE CITY OF WINNIPEG
Wednesday November 26, 2003
CONTENTS

ROLL CALL..... 8

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS..... 8

MINUTES..... 9

DELEGATIONS..... 9
Mr. Nick Ternette..... 9

MOTION.....12

REPORT OF THE EXECUTIVE POLICY COMMITTEE
DATED OCTOBER 29, 2003 12

REPORT OF THE EXECUTIVE POLICY COMMITTEE
DATED NOVEMBER 12, 2003.....12

Item No. 1 – 2004 Transit Fare Increase – File TT-2 12

REPORT OF THE EXECUTIVE POLICY COMMITTEE
DATED NOVEMBER 19, 2003.....27

REPORT OF THE EXECUTIVE POLICY COMMITTEE
DATED NOVEMBER 25, 2003.....27

Item No. 1 – 2004 Water and Sewer Utility Rates – File WW-2.3.....27

EXECUTIVE POLICY COMMITTEE CONSIDERATION OF BY-LAWS.....39

By-laws numbered 155/2003, 156/2003 and 163/2003 39

By-law No. 165/2003.....40

EXECUTIVE POLICY COMMITTEE QUESTION PERIOD 40

REPORT OF THE STANDING COMMITTEE ON FISCAL ISSUES
DATED NOVEMBER 4, 2003 46

STANDING COMMITTEE ON FISCAL ISSUES CONSIDERATION OF BY-LAWS 46

By-law No. 162/2003..... 46

STANDING COMMITTEE ON FISCAL ISSUES QUESTION PERIOD..... 46

REPORT OF THE STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT
DATED JULY 10, 2003..... 48

Item No. 1 – Historical Building Listing – Cadomin Building, 280 Main Street, File G-3.1.1..... 48

REPORT OF THE STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT
DATED OCTOBER 28, 2003 49

STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT CONSIDERATION OF BY-LAWS 49

By-laws numbered 157/2003, 158/2003, 159/2003, 160/2003 and 161/2003 49

STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT QUESTION PERIOD..... 49

STANDING POLICY COMMITTEE ON PUBLIC WORKS CONSIDERATION OF BY-LAWS 51

By-law No. 154/2003..... 51

REPORT OF THE ALTERNATE SERVICE DELIVERY
DATED NOVEMBER 18, 2003..... 51

REPORT OF THE SECRETARIAT COMMITTEE
DATED NOVEMBER 18, 2003..... 53

SECRETARIAT COMMITTEE CONSIDERATION OF BY-LAWS 53

By-law No. 164/2003..... 53

ROLL CALL..... 53