COUNCIL OF THE CITY OF WINNIPEG
Wednesday December 16, 2003

The Council met at 9:35 a.m.

The Clerk advised the Speaker that a quorum was present.

The Speaker called the meeting to order.

The opening prayer was read by Councillor Gerbasi.

ROLL CALL

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

Mr. Speaker: Will the Clerk read the notice of the meeting.

Pursuant to Section 79(1) of The City of Winnipeg Charter, I am directed by His Worship Mayor Murray to arrange a Special Meeting of Council on Tuesday, December 16, 2003, at 9:30 a.m., to consider the 2004 Annual Capital Budget & 2005 to 2009 Capital Budget Forecast.

Richard Kachur
City Clerk

Mr. Speaker: Move onto delegations. The first two delegations, Robbi Bautista and Sunny Gosal have asked to speak together. They will not take more than the 10 minute allotted time. Come forward please.

DELEGATIONS

Mr. Sunny Gosal: Good morning Mayor Murray and fellow council members. I'm Sunny Gosal, this is Robbi Bautista, and as co-presidents of Sisler High School we believe we have a unique opportunity to not only speak for ourselves but also to speak on behalf of the majority of youth located in the North End.

Mr. Robbi Bautista: We are here to speak in support of the Public Works motion that was supported by EPC to include an additional $30,000 for each councillor to use for recreational facilities.

We're here to speak about the need for recreational facilities in the North End. We hope that we have the support of the council regarding this.

A need for outdoor recreational facilities is high in the North End for a number of reasons.

First it gives the youth somewhere to go, and it will get them off the streets, get them out of gangs, give them a positive thing to do.

Also there have been many cases of damaged property. I know you guys have experienced this with your park benches, they got damaged by skateboarders. If we have a skateboard park to skate in, there wouldn't be these problems.

We've had the opportunity to meet with Councillor Pagtakhan regarding this and we have his full support. Hopefully you can join him and give us support as well.

Mr. Sunny Gosal: We are just dying to see something positive happen in the North End of the City. Thanks.

Mr. Speaker: Thank you for joining us this morning.

Final delegation, Georgina Jarema in opposition to the capital budget.

Ms Georgina Jarema: Mr. Speaker, members of Council, my name is Georgina Jarema, I'm President of the St. Germain/Vermette Community Association. I came here to speak in opposition to the frontage levy because we have long frontages and gravel roads. However, Councillor Steeves and Councillor Clement has indicated to me that it will not apply to our area. Therefore, I have nothing more to say.

Mr. Speaker: That is a motion that is before us and it was a misunderstanding in the budget, it was never intended to apply to people on gravel roads without city sewer and water.
Mayor Murray.

REPORT OF THE EXECUTIVE POLICY COMMITTEE DATED DECEMBER 10, 2003

Item No. 1 – 2004 Annual Capital Budget – 2005 to 2009 Capital Budget Forecast File FC(2004)

Motion No. 1
Moved by Councillor Clement
Seconded by His Worship Mayor Murray

WHEREAS section 432 of The City of Winnipeg Charter provides that the City of Winnipeg may impose frontage levies;

AND WHEREAS The City of Winnipeg Charter provides that the levies be established at a uniform rate and provides for the manner of application;

AND WHEREAS there are a number of incidents throughout the City where irregular lot sizes occur;

AND WHEREAS the application of a uniform rate is based on the frontage length may result in a disproportionate burden of taxes on homeowners;

THEREFORE BE IT RESOLVED THAT the regional and local streets budget for 2004 be reduced by $10 million and removing the corresponding frontage levies for 2004;

AND BE IT ALSO RESOLVED THAT the frontage levies for 2005 through 2009 not be implemented until Council approves an implementation strategy.

Mayor Murray: I'm ill today, so my friend Councillor Clement is going to lead us today.

Councillor Clement: Mr. Speaker, the Capital Budget is being brought forward at this time for a couple of reasons.

Typically we deal with the Capital Budget prior to doing the current budget. The other thing is, is that last year because we had such a short timeframe after the civic election that we didn't do a five year capital and the Provincial Government is a little antsy that we don't have a five year document and so we're trying to get one forward. This document certainly provides those opportunities.

The document itself is a $61 million capital. For the first time we're actually at that level since I guess sometime in the mid '90s or thereabouts. The capital of course deals with a great number of issues. There are certainly some changes in it from previous years, well I shouldn't really say that, there are certain aspects of this that people are going to question in terms of why the numbers look like they do.

Simply put and I'll give you one example because it's in my backyard, the Kenaston Underpass. The Kenaston Underpass is very much alive in my mind. The problem is, is that we haven't had other levels of government buy-in. And when we had some numbers in the past, they included federal and provincial numbers assuming they were coming to the table. Well they haven't yet, although it's my belief that they will. We simply removed their money and kept some of ours in and the balance of the money that was into Kenaston and rapid transit as an example, were simply put back into a reserve that we had about $18 million sitting in.

The other thing I want to talk about today is the frontage levy. There's been a lot of confusion about this. There is a motion in front of the councillors today that is being put forward by myself and seconded by His Worship Mayor Murray. This is here for several reasons.

The first thing I want everybody to clearly understand is that people who are on the periphery of the City who do not have sewer and water were never going to get charged the frontage levy in the first place. That was crystal. I was at every meeting where this was discussed. There was never an intent to charge anybody in the periphery with those large frontages.

Notwithstanding that, for whatever reason there seems to have been a little bit of miscommunication between people like

myself and Councillor Angus and the Mayor with our administrative people who because of other questions that we threw at them, I guess thought that we weren't of like mind and that wasn't the case. We did ask them some questions, we did wants some further information about implementation but it had nothing to do with any of those people.

The motion that's in front of you basically will take the $10 million out of 2004, and it will also reduce the amount of money being spent on residential streets by $10 million in 2004. In fact if you notice in the document that you've all received there was a spike in the first year, and the reason for that was is that the frontage levy when it first came forward after some discussions with the Administration, the frontage levy was going to be implemented in 2005 through '09. Frankly when we looked at it we said, if we're going to do it we might as well do it now. The trouble is that although sometimes things appear to be simple, the implementation turned out not to be. What this motion does is yank it out of 2004. And what the last sentence means where it says, "be it also resolved that the frontage levies for 2005 through '09 because that's in the five year not in the imminent year capital, not be implemented until such time as this council approves an implementation strategy that everybody fully understands and that everybody's had an opportunity to participate in". That's what it means. But it can be left in the document because it's not going to hurt anything in the short term, and it was created around having that $10 million in.

As far as the rest of it goes, I appreciate that there are other issues that people would like to have. I don't mean this to be lecturing in any way but, Council's policy actually is that on new projects that they not be put into the document until the fourth year of the five year capital which in this calendar year is 2008. I'm not going to tell you that we've never broken that because we have from time to time. But we do try and live within that policy as best we can. There are always issues that are rising as urgencies in particular constituencies and from time to time we have to alter that a little bit, and this council is supreme and has the right to do that. Typically when we're planning the documents that's how they're being planned.

When we've gone through the process with the standing committees we did look at that. As an example in this document you'll notice that one of the issues that was changed last year there was an amendment I believe on this floor by Councillor Angus that suggested that there be $450,000 set aside, $30,000 per individual ward to be worked out between the Parks people in each area and the local councillors as to its expenditure, and that wasn't in the original document when we brought it forward. If you look at the document that's in front of you today that $450,000 is now in, and that $30,000 per ward is back in. That came about as a result of a recommendation that took place I believe at Public Works, and there were some other little tweaks like that here and there that were a little bit more minor. Major things that may have been brought forward at that time weren't implemented because first of all a) they don't go into the document until the later years, and b) they have to come forward a little earlier than those final meetings. Those final meetings are meant to tweak the document not to bring forward new initiatives at the last minute kind of thing. We always work towards trying to find ways to make those work Mr. Speaker.

This is a lot different than the current budget. The current budget I could speak to a lot of different areas. But I think what's really important here is that the capital requires no borrowing. I want to tell you that and most of the people who are in this chamber today were there when we met at the Delta in 1998 and we had a discussion about borrowing. I can't express it enough times that that decision was so huge. First of all what it meant was that we wouldn't borrow anymore money beyond that time. In this calendar year alone Mr. Speaker, our debt service was projected to be in 2003, $159 million. In fact it was $121.7 million. That means the decision that the Council made in 1998 not to borrow anymore money and into the future, and we have not throughout that entire timeframe, saved

us $38 million alone just this year. That's 10% in taxes. We saved that much just this year alone. We've saved over $100 million in tax dollars since 1998 by making that decision. It's that money that we have used frankly to reduce the taxes that we have in previous current budgets, and it's that money that we used to purchase the inflationary costs that have been coming at us in any number of areas and we all know that just with police/fire and ambulance alone that we were spending $51 million more in '03 than we were in 1998. It's given us some flexibility.

We did that by reducing the capital budget down in 1999 to around $44 million and we've been gradually bringing it forward each year cash to capital to the point where we've now reached the $61 million number that we were looking for. There's nothing magical about $61 million by the way, $61 million was just the number that was chosen back in the '90s and now we've attained it. It's my view that we should probably look at moving that number up a little bit. There's no plan, I don't have any hidden plan how to do that, but it's my personal view that we should move that number up because if you leave it at $61 million repeating, then you're not buying anything in inflationary increases because we all know that inflation moves the numbers up and you can buy less next year with $61 million then you could last year. Which is why we have to do things.

The last thing if I can. There are a couple of assumptions in this document. There has been a discussion or two not with me but other people dealing with the Province. As an example, we do not have an existing UCPA agreement which is the Urban Capital Projects Account. Typically over the last two decades there's been three of those agreements that have been six years each, they've always been for $96 million. They've never counted for inflation. Notwithstanding that, we're always happy to get some of the Province's money. We do not have that program in place right now. However, we have been told by the Province to include money that would be an equivalency and we have in fact included $16 million which is 1/6th of the $96 million pot. I don't know whether they're going to tweak that number at all, it might only be $14.5 million or whether it might be $17.1 million, but the bottom line is, that's in there at $16 million, that's why it's done like that even though there's no agreement.

The other number that's in there in residential streets, we have included a $5 million amount that we currently don't have an agreement on but we've been doing that for the last number of years, and the Province has been gracious enough for quite a number of years now to provide an extra $5 million for residential street renewal. So that is also in this document. So that everybody is clear on what's in it.

Other than that Mr. Speaker, I'm not sure what else I can say to anybody. I'm sure that there will be some questions that will arise over the course of the day and I'll do my best to answer them later on. Thanks.

Mr. Speaker: We all have before us Motion No. 1 revised, that will be treated as an amendment to the clause rather than a stand alone motion. You did introduce it during your remarks. Ready for a speakers list. Councillor Steek, Councillor De Smedt. Any others?

Councillor Steek: What a fascinating turn of events, Mr. Speaker we're seeing this morning. The fact remains, is that we've been told that a frontage levy that would have generated $10 million is not being implemented because of some difficulties in doing so. The document was struck a long time ago. I would suggest that kudos go to the citizens of Winnipeg frankly who have voiced their displeasure loud and clear about frontage levies that would generate $10 million close to another 3% in tax increases.

For those of us that went to Public Works, I would draw your attention in the capital budget to page 36. Wherein, in the initial year there was a one-time spike to $38 million for residential streets. However, miraculously it disappeared thereafter into the capital as a whole.

You may recollect Mr. Speaker that there was a motion that came out of Public

Works citing the fact that that $10 million frontage fee should not only stay in but we should be maintaining that level throughout the five year capital.

A tax by any other name is still a tax. This was a 3% tax and frankly it is a tax that is patently unfair. Those with modest homes with large levies, large frontages assumed a disproportion in the amount of a tax burden on this thing.

What's disconcerting was the fact that this was coming forward in view of all the discussions that we heard about the new deal and the potential dollars that were coming forward from both the Federal and Provincial Governments which of course have yet to materialize but may in due course. I thought it was fascinating like many of you I took the time to read the Moody's and Muir report, so I just want to quote one line out of it. With reference to the potential new deal for the City it states as follows. "Potential downside with this type of restructuring is a greater reliance on tax bases, that may be more volatile than property taxes. The City is expected to continue to manage within its existing means". I don't think there was a huge expectation that there was a miracle cure coming down the road at us with the new deal.

Furthermore I'm still disconcerted when I read the document. Originally this document was moving through with $10 million in capital reduction. At EPC it went from $10 million to $20 million. We have no idea of what those $20 million in capital projects will be that are going to be held back. I would have expected that the Chair of Fiscal Issues and hopefully in closing will stand up and rattle off a list of what's falling by the wayside.

Clearly, this move which is basically unprecedented albeit it happened once in 1997, is because there's some serious deficiencies in the current. I think that the Chair of Fiscal Issues should speak to those deficiencies.

I'd like to speak to a couple of other items in there that I think are absolutely critical. Page 210 of the capital document references the monies that have been set aside for cladding for the PSB at $2.64 million over the next two years in the capital. We should be doing everything humanly possible to realize the first of our new police facilities, the first one is in the $4 million to $5 million range, and I understand the people from Police Services in conjunction with PP&D are making every effort to try and see if there's a way of realizing that initial police facility. Why is that important? I think for two reasons. Number one. It sends a message to the citizens of Winnipeg Mr. Speaker, that we're serious about safety, it's the cornerstone of any prosperous city. I think it also sends a very important message to Police Services who have promised these facilities. There hasn't been a new police facility built since 1966. I think it's paramount that within the next six month we do everything humanly possible to start on the first of those new districts.

I'm dismayed by what's happened with Kenaston Underpass, and I drew to Councillor Angus attention, that we were told on the floor point blank, the money was there for Kenaston regardless of whether the Province or the Feds were at the table. Suddenly that has vanished. There are those of us who certainly believe that Kenaston is an absolute priority, and do not support $5 million in the capital indefinitely for transit. I'm sure the Mayor will speak to that.

I wanted to speak to Councillor Clement's reference to the additional $450,000 in capital. That's included $30,000 to each ward. I applaud that initiative. It happened last year as well. Interestingly enough Mr. Speaker, when we asked to see the way those funds had been used, of that $450,000 only $26,000 had been expended, it was all expended in River Heights Ward, we happened to buy new picnic tables for all the parks and we were told we couldn't do it.

Now, when you take a look at the lists that are in there, everybody has something allocated for parks in the upcoming years. It was not expended last year. So there's an additional $450,000 going into the capital for each ward. Is it a positive initiative? You bet.

But with all due respect to the Chair of Fiscal Issues, he said you know what, referencing a skateboard park, this should be moved to the back of the capital four years out. Well we just put $450,000 into the capital, so we break rules here. They are issues of merit.

You heard from the two co-presidents of Sisler High. I applaud their initiative in coming down here and the fact that they've taken time with Councillor Pagtakhan. I attended the new deal meeting. One of the key queries that came up from these gentlemen is why is that the students in the North End have to take the bus for an hour and a half to go to the south end of the City to get to a skateboard park there. The skateboard park wasn't a huge expenditure, it's only a quarter of a million dollars.

The truth of the matter is that a facility of this nature is needed in that end of the City. It's a modest amount of money. We can expend a million dollars out of a reserve for the new deal, we can add a million dollars to the completion of the True North Centre which believe me was happening whether we put in a million dollars or not. We can have a cost overrun of another million dollars in the pedestrian bridge. We can do $275,000 for the Juno's. But a skateboard park for the North End is somehow supposed to be pushed four years off into the capital. Patently wrong.

In conclusion Mr. Speaker let me say I won't be supporting this. I still have a great deal of trouble for the fact that $20 million is being moved out of this capital into current with no explanations to what that $20 million is. The reason the frontage levy was taken out was because the citizens of Winnipeg demanded it and these councillors heard it.

Let's cut to the chase. There wasn't a difficulty with implementation. When this came into being long ago as part and parcel of this capital budget everybody knew how a frontage levy worked. There's an existing frontage levy there now. What was it that was so stunning? What was stunning was we're coming back to the taxpayers of Winnipeg and saying we need another $10 million and there's not a tax increase. Of course there's a tax increase.

Frankly the Mayor's initiative on the new deal may pay rewards but why would we add additional taxation levels to the citizens of Winnipeg when everything you read is that the citizens of this country, not just Manitoba and Winnipeg cannot handle additional tax levies. $70 million in a new deal would cripple this economy and bring it to its knees. This $10 million that's withdrawn is because of the fact that the Mayor and these members of EPC recognized the fact that $10 million is too much. The citizens of Winnipeg don't want it. You still got $25 million in there for residential. Let's see what comes from the Federal and Provincial Governments.

Accordingly Mr. Speaker, I won't be supporting this capital but I certainly look forward from hearing from the Chair in his closing remarks where those $20 million are being pulled from. They must have some insight as to what the specific projects are. Those are my remarks and I thank you.

Mr. Speaker: Councillor De Smedt.

Councillor De Smedt: Thank you Mr. Speaker. In the spirit of the holiday season I would just keep my remarks very short.

What a tangled web we weave around here from day to day. I will look forward to hearing from the Chair of Fiscal Issues on behalf of the Mayor a little bit more justification why they've withdrawn the frontage levy. I do understand there was some discussion here about those people with very large lots in some parts of the City, in relationship to water and sewer frontage levies. I'd like to hear a little bit more discussion about that just so I can understand very clearly once and for all what the policy is on frontage levies.

I think many of us were interested in reviewing a frontage levy protocol to support residential streets, regional streets, but predominantly residential streets. I would say parenthetically

regional streets are really the remit of provincial gas taxation, I mean these are highways through our city and that's where we would look forward I hope to what we are going to find in the right deal not the newer deal which is today. We had the new deal last week. We got the newer deal this morning which reduces frontage levies for a while and then we will get the right deal at some point in time. I would presume regional streets will be covered off by our friends in Ottawa and at the provincial level on getting us an appropriate share of the gas taxation. That would go a long way to adjust our budgets and direct the investment and capital to what the citizens of this city would fully expect. The connections for proper residential interconnects in our very large city.

I don't understand the rationale yet for frontage levies for regional streets, I'm sorry for residential streets, or frontage levies for streets in general context. Until we have a proper report that would analysis the limits of frontage levies. How much will the investment be put on to the property owners on a frontage levy on the basis of the total contribution that we make towards repairs and overhauls and upgrades of streets. I think we need to know what the boundaries are, and of course that was the fault with this particular proposal. It was one dollar this year, what's the end? Two dollars next year, three dollars the next. What is the proportional relationship between the contribution of a property owner from a frontage levy context into the repair and overhaul of streets. That was really the fault with it at this moment in time. We were getting ready to until this motion came forward this morning to approve a budget with a frontage levy policy, without a policy paper. We're just going to do it off the top of our head. Well we do it for pipes and water pipes and sewer pipes so we'll do it now for residential streets.

I mean there's been discussion about this and I do give credit to the Mayor and others who have been discussing the new deal that these are one of the options. But each one of these options needed to have a proper analysis and a position paper behind it so we could look at the merits of it, look at what the boundaries are and so we can identify once and for all what we're getting into. I would not be happy of approving a frontage levy to day of one dollar a frontage foot without an end game in plan. We don't know where we're going with it in the longer term.

I'm very pleased that the Chair of Fiscal Issues has come forward and the Mayor has come forward to make this amendment which I presume is temporary in nature until we get a proper analysis and where we can measure the boundaries of where we want to go.

I would hope then that Councillor Clement would do us the honour of just explaining a little bit more why the change of heart, why it was so good last week. In fact why it was so good two days ago and it isn't so good this morning because that will allow us to understand the thinking behind policy development. I say this not critically to a colleague on council, but I think I say it critically to us all that if we're going to have protocols and policies, we ought to know what we're getting into. I think it would have been an interesting issue this morning if this hadn't come forward we would have passed it but some of you who were on the outside looking in would not have had any idea what the long term implications of frontage levies are. It might be the right way to go, on the other hand the proper way to go might be continuing to argue very persuasively and aggressively to get those shares of revenues from the other two levels of government which I think we honourably deserve, not only in gas taxation but I see some room from provincial taxation measures as well as something like a share of the goods and services tax that famous GST. I think if the contribution was made by the Federal Government and this sends to all municipalities we would be able to get control of our long term infrastructure deficit challenges and make some progress as the public that we represent expect.

With that in mind and with this motion, I would be prepared to support this capital budget. I do understand from one of our colleagues Councillor Steek has concerns

about the potential withholding of some capital projects in anticipation of perhaps some shortfall in the operating budget. I think we can cross that boundary when we get there with discussion of the operating budget. I think if we have to make some withholds because of some unusual circumstances next year that we haven't anticipated, I think it would not be the first time this city has had to maybe put on hold some capital projects. We've argued very persuasively those of us who really want to get a more critical analysis of the new deal, that we really don't have a crisis in the infrastructure program. We have some important matters that we have to consider, no doubt about it. We do face a challenge in sustainability and I certainly agree with the Mayor's presentation on all these issues. We have to come to grips with it, there's no doubt about it. It's finding the right way of sharing the existing taxation structures that we have in this country, in this province and in the City.

With that in mind I will say, I'm quite prepared to support it now that we have this wonderful change of events, and I do look forward to hearing a little better explanation of why the change today because it sets the scene for how we're going to analysis this policy paper hopefully that we will get sometime next year to discuss the merits of frontage levies for street renewals. Thank you.

Mr. Speaker: Thank you. Councillor Lazarenko.

Councillor Lazarenko: Thank you Mr. Speaker. I was going to let this go through and vote for the proposed budget, but after some of the comments that were made it left me no alternative but to speak to the budget.

Just to remind members of Council when the CUFF Report was introduced in the mid '90s, New Directions came out of there, Reshaping of City Government. I'd like to ask members of Council which ones voted in opposition to what happened after when the CUFF Report, New Directions, Reshaping the City Government, Special Operating Agencies all referred to the new deal? This was not the dream of the Mayor, this is something that the Mayor and EPC had to carry out. Council on March of this year on the 17th had given instructions to that matter to look for other sources of funding. The CUFF Report was an important document that was presented to members of Council and we met with George Cuff on a number of occasions we had our seminars and what George Cuff was explaining to us, you have to find alternative ways of getting additional revenue for the citizens of Winnipeg, not only to target as what the direction we have been going.

The new deal is part of what was implemented at that time by council, read the report. Read the documents that we had approved here on council. Especially March 17, not one voted in opposition. Now all of a sudden all hell is breaking loose. Our city is falling apart. The City is not falling apart, it's something that we're behind with our infrastructure work that we've been doing all we could. I've been one to vote in these chambers for many years is that the share giving from the Province and the Feds is not there what we anticipated. Simple as that. We have two sources of revenue that is our property taxes and our business taxes plus a few others that are not even self-sustaining.

I supported the public consultation to go forth, I respect that as a mini referendum. I had stated right from the beginning that some parts of that new deal that was proposed that I would not be supporting but I was prepared to listen what the general public would say. And they did. They voiced their opinion. I class this is a mini referendum which majority members of council never believed in, no political party in the Province of Manitoba agrees and believes in a public referendum. But this was part of a mini referendum that the message was sent loud and clear. Even the Premier had to come out openly and say that no new taxes. That sent us onto a different course to try and find out which other ways we can go. Which direction will we travel.

I'm kind of disappointed Mr. Speaker that this budget, Riverbank Stabilization is

$200,000 per year, we've been asking for a million a year because of the 12 very important sites that the stabilization has to take place and the Administration have been presenting that along with the Riverbank Committee to the Standing Committee and onto the floor of Council, this is what is needed but I guess whatever may be the issue they have agreed only to spend $200,000. Members of Council don't realize the crucial issue the problems we've got the stabilization, we're losing about a million dollars a year in valuable property owned by the City. We were talking about over 100 kilometres of frontage levy both sides of the rivers and streams.

Mr. Speaker, I just came back from our sister city in Ukraine, the City of L'vov to see how they prepare their budget and to see what the people don't even know don't have as what we have. Thank God that we have what Winnipeg has compared to other cities in the world that are nowhere even near to having what we've got. We've got recreational facilities. We've got services that service the young and old. We have the road conditions, are unbelievable compared to what they have over there. Their budget process is not as how we deal with it. I'll be presenting a report to members of Council in the new year with the committee that went there with me and I want to thank the Mayor for making that possible for us to be able to go there. It was really appreciated because it really opens up your eyes.

We can sit here and attack one another over and over again we amount to one thing, is a big fat zippo. It's easy to criticize and to say this is what we should be having, this is what we should have in place but I guess you have to address the question, is where are you going to find the money from. Which is a priority to the citizens of Winnipeg? When there was a motion presented at the Public Works Committee to take a look, skateboarding in the North End. The calls I'm getting from the people that I represent are not that concerned about skateboarding, they're more concerned about public safety, they're more concerned about providing better police protection, better services, more than anything else. North End is like any other part of the City. You have different people. You have the low income and you've got some that are pretty well off. Their concern, and I guess I'm looking at the aspect of priorities, what really is needed more than anything else.

The question I guess it has to be addressed Mr. Speaker, it's easy for us to say this is what we're going to do. Let me tell you. The citizens of L'vov, Ukraine, if they were here and if they were able to live in this city and see what we have compared. There's no parks and recreation there. There's no community centres. They don't have that, it does not exist. Slowly now with the new system that's in place now, Communism is dead to a degree but most of it is dead, now they're beginning to see I had a delegation, I represented the Mayor here last night a delegation from Ukraine close to Kiev the capital of Ukraine and they were astounded when I took them into the chambers. We went upstairs I explained to them what we have and how we prepare our budget, and how we do the funding. They really want that information. The sister city committee of Winnipeg that I'm a Chair of, that the Mayor has appointed me to it, we had met for two weeks with administration and various people and they are really really just thrilled that we're able to give them some of the information no cost to the citizens of Winnipeg to provide the information, ask for a sister city agreement that was signed 30 years ago. It came into being that the Committee has worked hard.

The delegation from Kiev, Ukraine heard about this delegation, heard about our trip, they want to be participants. I had said that the Mayor will be providing through the Administration and I will provide information whatever we're capable of what we're able to do.

To take a look of saying this is what we need, we need that, the City is not falling apart. It's a long term plan that we have to look at for the next 20, 30 years. Where will the City be in the next 10 years, in the next 20 years? City is not

going to the point of saying that Winnipeg is kaputski as what they say. That is not true.

Mr. Speaker I'm going to close and ask members of Council to reconsider. I have had my eyes open to a point of finding all the years that I've been here the more you argue, the more you debate, the least you get done. Work together. The upcoming new year I'd like to see this council for a change work for the citizens of Winnipeg not to work for any political stripes or what other special gains a person may get, because it is at the cost of the people that are paying the bill, the taxpayers. We are the trustees for the City of Winnipeg Corporation and this is the way we should be looking as what George Cuff's report indicated made it very clear and said, we are not administrators, we're policy makers, we hire the administrators to do the work for us and come up with some recommendations. If it means a 2% reduction, the Administration will find it. If it means a 2% increase the Administration will find it.

I want to thank the Administration, Annitta Stenning and her staff. Annitta thank you, you're great. Just a short time that you've been here I really want to thank you for your leadership, and council made a very wise choice. Annitta Stenning and I hope that we can continue to work that way because like I had said to the Chief Administrative Officer and like I've said to all of the others, that your top priority are the people that are working for you because if any time we depend the Administration to bail us out, some kind of a jackpot we get ourselves into we have to depend on the Administration to take us out of there. Such as the fiasco we had with the losses of the assessment a number of years ago, $250 million. We thought everyone of us would never come back. Then Mayor Susan Thompson was scared, she said you know, the residents of Winnipeg, the taxpayers will destroy us. The Administration found a way to bail us out. We went into the reserves, we paid off what we had owed and we're starting out fresh. The City did not fall apart. Could you imagine what would happen now if we had to find $250 million right now. But we did it because we worked, all of us cooperated with the leadership of the Administration.

Mr. Speaker: Councillor Pagtakhan.

Councillor Pagtakhan: Thank you. I'm just here to speak today on one motion that was first delegation. I don't support the motion that was passed during the December 9 regular meeting of Public Works for a number of reasons, let me tell you why.

First and foremost, the intent of the motion is undermined by the fact that it's premised on removing a direct benefit to younger teens, parents and other members of ones extended family from enjoying the replacement of community play structures that are in dire need of replacement throughout the City of Winnipeg.

The motion we have before us today, the issue that we have before us today is clearly outside the parameters of the intent of the capital program that serves to replace community play structures Mr. Speaker. This program is not intended for a new project but for a play structure replacement capital investments throughout the City.

Mr. Speaker, the St. Vital Skate Park that was realized, it was realized because it was a community driven project. Many stakeholders, parents, councils, community clubs, local business, granting organizations along with the help, the inclusionary help of the local area councillor, were the active ingredients and the mix that ultimately contributed to the successful realization of the St. Vital Skate Park.

It should also be mentioned that the community driven effort that realized the St. Vital Skate Park has been at work on that initiative for many years. What is important to note from the success of this project, is that a community driven effort organized and focussed and committed will achieve the goal or goals it sets out to attain.

Through you to the delegation Mr. Speaker. When you gentlemen brought

this forward to the Public Works Committee last week, were you even aware that the ward councillor for Point Douglas, and the ward councillor for Mynarski, both North End City Councillors were not even apprised of this initiative until the time of your presentation last week. Yes we did meet.

Mr. Speaker: Councillor, address your remarks not only through the Chair but to members of this council in session.

Councillor Pagtakhan: Mr. Speaker through you to my esteem councillor from River Heights, what were you thinking that you didn't take the time to extend common business courtesy to the two North End City Councillors on this initiative. What were you thinking that you would call several meetings with Sisler High School students and when one of them asked where's Mr. Pagtakhan, you would answer back, he's not available. When you never even extended the common business courtesy to invite us. What were you thinking?

Mr. Speaker, this motion clearly in my mind sets out to blatantly divide the best interests of the community. On the one hand we have a clearly council supported initiative in the form of the equipment replacement program that clearly delineates a set of defined criteria. High need playground equipment replacements in city-owned parks. The criteria further states that the funds expended are for replacement equipment and not new installations. There aren't enough capital dollars to be certain to effectively fix all the needy areas in our wards and so residents associations and community clubs and groups are actively involved in the process to augment the City's allocation. On the other hand, I believe that we would almost all agree that skate parks are valuable assets to the community.

However, it seems highly inappropriate to pass such an issue or motion that affectively raids the proposed capital allocation for needy parks at the expense of one skate park.

I can't support this motion. I can't support the delegation. I can't support the issue. Besides the obvious of being outside the scope and intent of the equipment replacement program I know there are other ways many other ways to raise capital so that a skateboard park or some version thereof, can be realized in a complementary fashion to the needs and wants of a particular community. A process that fosters inclusion Mr. Speaker and cooperation of all stakeholders and a way that ultimately builds the kind of community that will build a better Winnipeg. Thank you.

Mr. Speaker: Thank you. Councillor Smith.

Councillor Smith: Mr. Speaker I rise to support the capital budget but with reservations. Why do I have reservations? Because there is something, I'm the only one on this council ever speaks about. Everyone else claims that there's no problem in their wards, and there isn't. For example, St. Norbert Ward, no problem. Charleswood-Tuxedo Ward, no problem. St. Charles Ward, no problem. These are no problems with back lanes. St. James-Brooklands Ward, Mynarski Ward, North Kildonan Ward, Old Kildonan Ward, Point Douglas Ward, St. Vital Ward, Elmwood-East Kildonan Ward, St. Boniface Ward, Transcona Ward, these have very minimal back lane problems. The ones that have a great number of problems are in effect Councillor Gerbasi's Ward, Councillor Steek's Ward, and my Ward, Daniel McIntyre. Of all the bad back lanes in the City over 30% are in my ward. Because it doesn't effect these other wards there's very little support for changing and improving the back lanes in my area and the other two wards.

It's really pathetic that these people pretend their blind and ignore exactly one part of the City where it's a very serious problem. What are we going to do with the back lanes? We're filling potholes. They come up, we fill them again and we keep on doing this. It's a mess. This budget does not address it. I'm supportive of the capital budget for other things. For the arts programs, for Building Communities in two of my areas

in my ward. There are things in this budget that are worthwhile. But, why we do we go ahead and neglect to deal with the bad back lanes of the City. It just seems to me incredible that people are blind to a very major problem.

Now the Mayor talks about rehabilitating the older neighbourhoods. And we are doing that in some ways. A back lane, when people have a car they go into their garage. Back lanes are crucial.

I haven't heard from Councillor Gerbasi or Councillor Steek talk about bad back lanes. They don't have as many as my area. About 20% in both those areas have bad back lanes.

Thirty percent of all bad back lanes in this city, 30% are in my ward. Over 30%. I would like the Mayor to address this matter because he says, we're all as councillors we're all considering the welfare of all parts of the City. This hits the older neighbourhoods the worst, that's why I have reservations about this capital budget. That's the only striking absolute incredible position that upsets me very much.

This year you know what I got? The same allocation as '04 as '03. I got one lane, one block.

It was interesting that the head of the Public Works Department said that one of the streets that got a new back lane this year in River Heights by the way, that they wanted speed bumps and got speed bumps. The fact is, you shouldn't go ahead and hold that against say look it, it's no good, we might as well have bad back lanes because people will not speed through them.

The fact is, why don't we have bad streets too, not repair them as well. The fact is, you don't go ahead and well it's just a ludicrous position.

The fact is, bad back lanes are something in the City that we've had, it affects three wards very strongly, and I'd like to see the Mayor address this problem because I think that he shut his eyes all along to this problem. Thank you.

Mr. Speaker: Thank you. Councillor Clement summing up. I asked three times. Does anyone else want to speak on the budget. Councillor Wyatt wishes to speak. Is that it? Councillor Wyatt followed by Mayor Murray.

Councillor Wyatt: Thank you for your patience Mr. Speaker.

I rise today to speak on the capital budget of course, and I would like to just recognize I think the motion before us, the amendment regarding the removal of the frontage levy considering that it wasn't well thought out, is a positive thing. I spoke to this at EPC when I went there last week. I indicated at that time that I felt the frontage levy is a regressive unprogressive way of taxation. It hits everyone the same no matter what type of house you're in, no matter what assessed value your home is as long as you have the same square footage you're going to be hit the same as someone who could be in a very highly valued assessed house. That sooner or later we're going to have to make a decision as this council on whether or not we're going to revisit the issue of our property taxes. Indeed I indicated that the $10 million extra the frontage levy was going to be put into residential streets was crucial, there's no doubt about it. I mean everybody's ward here today will know that by this amendment they will lose 'x' amount of streets that were going to get fixed and repaired that will not happen this year. This is a practical thing. This is a reality.

Having said that, you can't say you're against frontage levy yet at the same time you want more money for streets. I would argue and I argued at EPC that if we were going to have a tax increase because a frontage levy is a tax increase, it's an increase of one dollar and the new deal called for $2.55 I believe. It's an increase of one dollar, worth $10 million to the revenues, then why not just simply have a tax increase of 2 ½% on the property tax base. That would be far more progressive than the idea of a frontage levy which hits everybody indiscriminately no matter what value your assessed house is.

It was quite brilliantly pointed out by the Chair of Fiscal Issues that because of the fact that the City has eliminated or has not done any external borrowing since 1998 and we've seen a reduction this year equivalent of about $38 million in finance and debt charges to the City, and that has been used to basically eat up the inflationary effects on our budget. Really what we should be working towards these are debts incurred through capital costs. These are revenues these are benefits that should be going back into the capital budget. We should have a capital budget today tax supported of instead of $61 million closer to $100 million. It's not happening Mr. Speaker because we're going to sooner or later have to cross the bridge, nobody likes to talk about it, nobody wants to speak about it politically of what we're going to do with regards to property taxes. Now whether we raise property taxes because we have to finance our capital budget or whether we raise property taxes because we have to finance our operating budget. One way or the other the rubber is going to hit the road, the benefits we have by reducing debt will continue. Let us hope that those continuing reductions and finance charges go into the capital budget. I strongly encourage EPC to pursue that.

I'm concerned when I read Clause No. 7, and the fact that we're now substituting the words "$10 million to up to $20 million". I realize that this does not mean it's going to happen but we're asking the Administration to identify potential projects for holdback. That is a concern because let's face it, the capital budget before us today is pretty variable and maybe you could argue other than the extra $5 million towards the other projects fund Kenaston and rapid transit otherwise it's fairly basic. It's a fairly basic capital budget before us today.

I'm concerned to see something like that before us and again it speaks to the issue of our property taxes and an issue of our operating costs. It was rightly pointed out, 51% increase in fire/paramedics. Clearly we have some real challenges there with regards to increasing and escalating costs. Maybe not as bad as the Province has with health care, but in many ways the police and the challenges we have in our police department are similar is one department we have similar to that in health care at the provincial level.

Mr. Speaker, I believe that there's a lot of things in the capital budget that we could be talking about that we're not here. For example, we don't have too much here with regards to private/public partnerships. We did one, the Charleswood Bridge a number of years back. Very successful, came in under budget, and we don't seem to be exploring that yet as a city which is in a tight fiscal position with regards to our capital budget, this is something that we should be exploring actively with regards to bridge projects and other large projects. It would reduce the debt burden immediately to the City that we have, and it would allow us to finance these projects and assist the economy of the City.

I welcome the playgrounds being put back in Mr. Speaker, it was something I spoke to at EPC, the $450,000. It clearly is not enough. $30,000 per ward this year's money and last year's money has already been allocated I know in the Transcona Ward towards playgrounds. You can barely buy a playground apparatus for $30,000 according to the consultants I talk to, it's more in the range of $35,000 for a very basic minimal, very small playground apparatus. Very basic.

So $30,000 is a start and I would hope and encourage EPC to look at expanding that in the future because that's something that has a very tangible positive effect in the local area in the community, it's very real and people see it and they see that this is value for the tax dollars they're paying, and it's positive. It may not be as substantial as the Provencher Bridge or a pedestrian bridge but the pedestrian bridge which is now up to $21 million would have bought a heck of a lot of playgrounds around the City, and that would have been a huge benefit to communities across this city not to mention the innercity wards which have children and many children in the neighbourhoods with also dilapidated playgrounds.

Mr. Speaker, we have something also in this budget which is a fairly large increase of course on the water and sewer. This was something approved by the previous council meeting with regards to water and sewer rates, 14% sewer rate increase and now the work that's going to be done there in 2004. I spoke at that time on it, and I had concerns regarding the 14%, I still do, and I oppose the 14% increase regarding that because I felt that the Province should come to the table regarding this, and I understand that EPC is working with the Province now on that, and I welcome that. We still have a lot of work there to do. We had a $180 million six year Manitoba/Canada infrastructure program where we roughly had half the funds, and we chose as a council to allocate a lot of the money into things like the Arena, the Pedestrian Bridge, Waterfront Drive, cultural centres, those were our choices. Outside the City they made a completely different choice. They said, we're going to put that money into green projects into sewer and water. So you saw water lines going in and treatment plants being built. Things that really if that was something that was a priority to the rural, clearly it's a priority to us as identified at the last council meeting. But yet we had a huge project and we spent the money in different fashions than what we could have.

I hope as is referred to in this capital budget, if we do negotiate new tripartite agreements, that we have maybe a little bit more discipline to say, yes this is a great idea to have a new waterfront drive or cultural centre what have you, but at the same time we have to ensure that money is going into our roads and into our sewer system. Something very basic. Something very simple and something which Mr. Speaker, is desperately needed.

I'm going to, based on the fact that we don't have the frontage levy before us today and that it's being reviewed and the entire policy is being reviewed, based on the fact that we have had a chance to restore in the budget the parks playground budget of $30,000 per ward, I raised at EPC a number of projects I know in my community that are of high priority, the paving of Gunn and Redonda, $3.6 million. The widening of Plessis Road from Victoria to Kildare, $1.7 million. These are new projects that haven't been raised before from what I understand in the capital budget process, so I took the opportunity this year for the first year on council to do that. Look forward to seeing that. It's been referred to future capital budgets and I hope that that is seriously taken in consideration. We after all had resources in the last number of years to widen Dakota. Extend Kenaston do other major projects like this, if you want to call it widening of Dakota a major project, surely there should be some resources out in the east end of town. It's long overdue, and it's definitely fair.

I'll be supporting this capital budget Mr. Speaker. Thank you.

Mr. Speaker: Thank you. Mayor Murray.

Mayor Murray: Thank you very much. Just the few of the issues that were raised. Councillor Smith raised the issue of lanes, it's gone from $800,000 to $1 million, we know that's not enough but the idea is to try and increase that.

Mr. Speaker: Excuse me before we go any further. Who will be closing debate? If you're answering the questions, you're closing debate. He can speak but he can't answer other people's questions. It's not that type of debate. We can't have two people close debate on the same clause, answering the other councillor's questions is closing debate. That is the purpose of closing debate.

Mayor Murray: I'm really sick so I'm not going to be able to stand long.

I think that's a classic example of the problem because we should be spending several million dollars a year on lanes. At the rate we're going it probably won't be in my lifetime but we'll get there because we have real limitations on our revenue sources. We have frontage levies. We have property taxes, but both of them are in fact taxes associated with property. Either on value which we think that should be our general source of

property related revenue or frontages which we think we should pay for pipes, streets and sidewalks, things that relate to the width of the property. With the new deal we cut property taxes in half so that you could fairly introduce frontage levies on a much lower property tax. It didn't seem to make sense to introduce higher frontage levies on a high property tax base. There had to be some tradeoffs there for it to be fair.

The problem with the one dollar and I'm sure Councillor Clement will get into this, but part of the problem we're having is, and this is the other part of the new deal. We get very limited authority over frontage levies. And when we thought originally a month or two ago we could legally do it in the fair and equitable way of protecting the rural and agricultural areas of the City and doing it in the way that dealt with equity issues. I'll tell you, I found out this morning when I came in because I've been flat on my back sick for a few days, it's not possible to do it this year. We do need amendments. We should have a strategy. We do have a policy on frontage levies but it needs to be revised.

Also you can't win sometimes. If you never change positions we get accused of having an inner circle that never listens. Then when we do listen to criticism we get accused of not knowing what we're doing. You can't have it both ways. There is value to the debate that goes on at committee. Sometimes information changes. We're working with the Administration right now to look at that. We actually have some disagreements on this. City Clerk's thinks there's some ways we may be able to do this. Our legal services folks think that we may need legislation. We couldn't get an answer in time so we thought it was prudent not to proceed at this time until we do that. I think that's a reasonable thing to do.

I think the thing that hasn't been talked about at all is probably our biggest challenge which is almost a three quarter of a billion dollar bill coming at us in the next ten years for sewage treatment. Which we have a scenario of a 53% increase in rates or $274 million debt, actually it's both of them together. We can't borrow that much money, we can't raise rates that much. I don't hold out a lot of hope that we'll be getting $300 million or $400 million from other governments for this especially given their money is tied up in the Floodway right now. That's a huge challenge. This is a very fragile budget in some ways. I'm not sure where the money comes from.

Some of you have raised issues that relate to two types of infrastructure, what some people call first order infrastructure, that's pipes and pavement. We have a huge backlog. We have about $188 million a year more that we should be spending in that area, and we have no reasonable means of where that money can come from.

The second and this is the issue that Councillor Wyatt raises all the time, which is what's called second order infrastructure. Second order infrastructure are things like Red River College, like the Arena, like the Millennium Library, like the Zoo, the Convention Centre. Our contributions to Red River Campus, these are the kinds of things that though they're not part of the basic environmentally related infrastructure or transportation infrastructure, they're very important things that every city has to invest in. Because the quality of life institutions, public arts, it would be second order infrastructure.

They are also interestingly enough the things that grow your tax base. Filling potholes does not grow your tax base. Investing in something like True North tends to have a fairly good rebound on property values in the area. Those are the challenges.

The final point I want to comment on because I ran on it is that we do need a pretty spectacular skateboard park in the City, I agree with Councillor Pagtakhan.

We have a group that's been working on a very high level. I think we want to go through the process we've hard, and it's very hard when one member of council sort of goes out without talking to anybody else outside of all the process

that's established on that. When I ran for Mayor last time I committed to building something on the scale of the Millennium skateboard park centrally located in the City that everybody could get to. I'm certainly prepared to work with folks.

I think that having the neighbourhood skateboard parks ones like Councillor Steeves has developed through a community initiative are very very good, but we need to offer kids something on the same scale that they find in Edmonton or Calgary or Vancouver, something that's of a level that's competitive to those kinds of things. But again that's second order infrastructure. That's not the basic stuff.

I think over the next few months I'm going to be asking council to look at how do we balance those things off. If we get some form of a newer deal out of this which I think is challenging as far as any really new large money comes to the City, but I think we have to keep pressing for it. We have to then make a choice about, how much do we invest in quality of life institutions. And how much do we invest in the pipes and the pavements and those kinds of things.

Mr. Speaker thank you for being gracious and allowing me to barely as articulate as I am make a few comments.

Mr. Speaker: Thank you for speaking through your suffering and give you an excuse because I have none for being the old grump that I have been. But I stand by it.

Councillor Steeves.

Councillor Steeves: Thank you Mr. Speaker. I hadn't planned on speaking but since matters came up I think I should put my position on the record with respect to the capital budget. I rise in support of the capital budget. I went through a lot of confusion last night with Councillor Clement which I think was cleared up. I just wanted to apologize for the kafuffle I caused the Administration last night. There was some definite confusion in terms of the messages that were being sent out.

The difficulty of course the St. Germain issue that some of these folks had 1,000 foot lots, and were originally I thought told that they wouldn't be effected as Councillor Clement indicated. There was some eleventh hour information that I thought was coming forward that indicated that might not be the case. That was the cause of the concern. I take some responsibility for sort of floating that up, and I'm glad that it got resolved. So I thank the Chair of Fiscal Issues and the Mayor.

It's challenging the capital budget of course listening to my council colleagues as they wind their way through. It seems to me anecdotally there's a fair amount of support for this capital budget.

I guess as far as I'm concerned it seems like a fair capital budget, the amount of money that we seem to be spending on our capital projects within the City of Winnipeg seems like a reasonable amount. Obviously we could all I suppose hope for more. The capital budget obviously is the epitome of turf protecting and asset grabbing as it were. I have my own specific projects that I think are very very important for my ward. As I look through I see my St. Anne's Road project, some of the things that I'm doing in St. Germain and other things that are very very important to me. I try to make sort of my priorities important within the context of the overall capital budget so I can work with my council colleagues because I know. As I look through the list of projects that appear within the capital budget, I know that everybody in here is represented in some degree within the course of their wards, I know it's as important to them as the area councillor that those projects get done. I guess as a City of Winnipeg councillor I'm willing to forego every single thing on my list in exchange for some priorities.

If folks are not happy with that, and if folks aren't happy with the capital budget I would request respectfully that folks would come forward and say, we're spending too much money on capital projects, we should cut that back and we shouldn't spend that much. Just so the rest of us are kind of clear as to where

we're all going with this and so we understand other people's perceptions. And if we are spending too much, where is it within this list that we should be cutting things out. I didn't hear that throughout the course of this discussion. It would be helpful for me if people aren't going to support the capital budget, that it would be helpful for me if I knew that.

It's been suggested in the context of the capital budget that these are hidden tax increases and these are tax increases and that they should be portrayed as such. And perhaps they should. I'm not sure.

Let me just sort of conceptualize this just a little bit to give it a different phase. In my opinion frontage levies are more progressive than simple property taxes. In that if there is sort of a I guess a economic disincentive attached to frontage levies it might eventually lead to more density of population. We've gone through the examples before. The big reason we have such problems with our capital budget Mr. Speaker stems from the entire fact that we are a city that has approximately one-third of the population of the borough of Manhattan, but five times a physical area that we all have to pay for. And when we talk about things like frontage levies maybe being a touch more fair than simple property taxes, is that they may ultimately encourage higher density living that other cities go through and that other cities have embraced and that way the City can deliver services on a more concentrated basis and is less expensive. That might be hoity toity economic theory but it remains the case.

With respect to the capital budget I also would like to bring I mean one of the concerns that I had was my urban transport showcase program that I know is within the capital budget even though it's matching funds from the Provincial and Federal Governments, it does put pressure on our own civic administration to come up with that money. I know it's a struggle and we've been talking about that and we know although it has to be new money pursuant to the project guidelines. Luckily we had enough lead time where the departments have worked it into their master plan.

The only reason I bring this up again is that it seems to me as I look forward and we look to future capital budgets there's an increasing amount of monies that are available on a matching basis, and I talked to the Chair of Fiscal Issues about this and I know it presents him with a lot of hardship and probably the rest of the Committee with a lot of hardship in that the Federal Government and to a lesser degree the Provincial Government will often offer up this incentive so that cities will come forward with money but it makes it very difficult on the cities because it's generally found money.

If there is a way within departments and within I guess the standing committees to start identifying monies a little bit earlier, there may be some increasing opportunities for us to leverage monies from the Federal Government so that we won't have to foot the bill for all the things we're trying to do. I know we've done this to a large extent on different projects. The difficulty is, if we get too far behind on our capital budget process, if we move too far along often times one of the conditions that the Federal Government puts on the funding of their money, is that it has to be "new money". I would just sort of say to our various departments, let's always be on the lookout for that because there might be opportunities that exist to access funds provided that we get out in front of it soon enough and we can access that money.

As I say Mr. Speaker, there's no question we've done it on many occasions already. It seems to me there's more and more increasing opportunities to do so.

With that Mr. Speaker, I'll stand down and I will thank the Administration for their preparation of the capital budget. Heaven knows with this crew it can't always be easy in doing that. It's a tough process to go through especially given some of the taxation discussions that we've been having, it's been very very difficult. Thank you very much and I'll remain Mr. Speaker.

Mr. Speaker: Thank you. Councillor Clement.

Councillor Clement: Thank you Mr. Speaker. Thank you colleagues for the quality of discussion and debate here today.

I'd like to respond as best I can to some of the things that have been said.

One of the things I'd like to start with though was something that happened in the current budget last year. Dated March 19 last year. This is Clause 6. This is what it reads so that everybody understands. By the way this passed 14 – 2, and the only two people who voted against this clause were Councillors De Smedt and Steek.

"That the City negotiate with the Province for equitable cost sharing of services and on the authority to introduce alternative sources of revenue in order to reduce reliance on property tax revenues".

That's the new deal basically. I appreciate that it doesn't say those words in there but that's what that's all about. It leads into some of the other things that are in here.

Frontage levies. The Mayor has explained that issue and I'll try again, I thought I had first time.

People can make all of the bizarre claims that they want but it's about phone calls and that type of thing. I can tell you I received one e-mail on frontage levies. One. No phone calls, one e-mail, and it was from a lady on McCreary Road who I responded to on Sunday night about 10 o'clock when I got it that she wasn't going to be expected to pay anyway. Which was my understanding then and this morning. I want to make that very very clear.

I wasn't being pushed on that basis. The bottom line is that I was under the impression that what we were trying to put forward was available to us within our existing authorities, and it's clearly not the case. There are some ambiguities, there are some differences of opinion amongst people who we have to rely on for these information's, for all this information. Without a clear position and a balanced position, we can't move forward on frontage levies in my view without a proper policy that everybody can stand behind. Including everybody in this chamber. Whether they support it or not is a separate issue. But if it's going to go forward then it has to be dealt with in that way. It was that and that only and the Mayor made the comment that he had this thrust upon him this morning. I can assure you I walked into his office at about 12 minutes after nine and that's when I dropped it on him. If anybody wants to point fingers they can point them at me.

I still think it's the right thing to do. The Mayor made that comment as well. We go through the process, there are opportunities for people to come forward and to bring forth their positions, their views. I'd like to think that I've got an open mind and I hear what people have to say. You can change your mind. You can do different things based on what you're being told and what's being suggested to you. There's no shame in changing your mind and trying to do it the right way.

The $10 million to $20 million issue is a significant issue. It's hard to get into it in any great detail other than to share this with you. I've shared for at least two months now for anybody who wanted to listen, that in the current budget coming up there's a significant challenge, about $40 million worth. That's a lot of money. I can tell you because we've been spending most of our time on this document, we haven't got into the other document in any significant way. I know some stuff because I've asked a lot of questions. I've been looking at a document all weekend that talks about some of those issues because I have to start bringing it forward, and will do that and will share what I know as soon as I can with colleagues and that will be fairly soon after the new year.

In the meantime, I think it's prudent of us to at least provide ourselves with some flexibility. It's my fervent hope that we don't have to take one nickel from this capital document and transfer it into current. I can't do this in two minutes.

It's my hope that we don't have to take any money from there. There's no list, it's just a number. I asked for it to be altered last week because it's a fairly significant problem. I think that some of the issues can be dealt with. I'm not sure what the resolve is going to be but I believe that we have to have the flexibility, and the money has to come from somewhere. It may be able to come from here a little bit, maybe some of it has to be a tax increase. Maybe we can find other ways of dealing with a lot of these matters. But we don't know that yet. It's just about having flexibility. I've been through those budgets enough times to know that you want to keep as much flexibility as possible Mr. Speaker, and that's all it's about. There is no list, there's no hit list if you like. There's no list where we've said, well maybe we can look at these sixteen items or something like that. Hasn't happened not for one second. I know that's not comforting because it stills says we can. There is no list and we haven't gone there yet. At least I haven't.

Issues like the cladding to do with the police budget and things like that. I think we all agree that safety is important, and I think we've proven that by way of our support in the last little while. I have to point out to you we have a current budget right now and if we have a surplus it will be nickels and dimes, and if we're short it will probably be the same. The fact of the matter remains that most of the reason why we're having that difficulty is because a) photo radar, instead of providing $8 million in net revenue is only going to provide $2.8 million. Nobody maliciously played with the numbers, they came from the Police Department, they were based on data from other cities. It didn't work Mr. Speaker.

Mr. Speaker: Time's up. Question will be on the amendment to the motion. Moved by Councillor Clement, seconded by Mayor Murray. All in favour? Contrary? Carried.

The motion of EPC as amended, all in favour? Contrary? Carried.

Councillor De Smedt moves we do now adjourn. Roll Call.

ROLL CALL

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

COUNCIL ADJOURNED AT 11:00 A.M.

COUNCIL OF THE CITY OF WINNIPEG
Wednesday December 16, 2003
CONTENTS

ROLL CALL.....55

DELEGATIONS.....55

Mr. Sunny Gosal 55
Mr. Robbi Bautista.....55
Ms Georgina Jarema.....55

REPORT OF THE EXECUTIVE POLICY COMMITTEE
DATED DECEMBER10, 2003.....56

Item No. 1 – 2004 Annual Capital Budget – 2005 – 2009 Capital Budget Forecast – File FC(2004).....56

Motion No. 1.....56

ROLL CALL.....73