COUNCIL OF THE CITY OF WINNIPEG
Wednesday April 21, 2004

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 Thomas.

ROLL CALL

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

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

Mr. Speaker: We have a Page with us this morning. Brittany Perija who attends Mennonite Brethren Collegiate, and resides in the Old Kildonan Ward. Welcome.

MINUTES

Councillor Lubosch moves the Minutes of the meeting on March 23 and 24, 2004 be taken as read and confirmed. All in favour? Contrary? Carried.

Delegations. Nick Ternette in support of Item No. 2 of EPC, April 7, 2004.

DELEGATIONS

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

When Mayor Murray revealed his latest newest deal, I was interested in the name of the City handout. It stated, "The New Deal Proposal". Now to me isn't that somewhat contradictory in terms after all a deal is a deal, something agreed upon by a handshake and/or signing documents between stakeholders, while a proposal on the other hand is something that is not decided upon but is up for discussion. You would that thought after all the issues that we went through before the first new deal, that the Mayor would have released his new deal with agreement from both the Federal and Provincial Governments in place, and present at the unveiling. But that wasn't what happened.

After spending approximately close to a million dollars to persuade the citizens of Winnipeg through months of debate and discussion, what do we have? What we have is as the Winnipeg Free Press suggests, a realistic solution that I think most Winnipeggers including myself can live with.

In a recently conducted poll, more than 80% of Winnipeggers emphasized that the importance of a new deal to them is to get more money from the other levels of government, which this new deal potentially does. What a waste of money when this could have easily been written in the first place, what a disappointment overall.

At least the first new deal was bold, radical and visionary even if you disagreed significantly with its content, none of this is contained in the newest new deal. The whole concept of the original new deal of shifting taxes away from property and business taxes onto consumption tax which I, to a great deal extent oppose, has been completely abandoned in this current new deal. The only tax shift in this newest new deal, is to bring the City legitimately tax share from 7% to 9% a 2% increase, through the transfer of six cents per litre of existing provincial fuel tax. 83% of Winnipeggers support tying gasoline tax revenues to infrastructure renewal. I keep on asking the question, what about transit because that I think is a significant SD infrastructure issue. 63% of Winnipeggers support a three cent increase in the gasoline tax going to the City of Winnipeg.

It seems clear that after the Provincial NDP budget that came down this week, that the Province is prepared to consider a new deal for cities after a new deal to health care has been negotiated with the Federal Government.

The new deal also talks about a two-thirds of one percent of federal GST

collected in Winnipeg. That according to all reports is unlikely to occur. However, if you read the Globe and Mail just a couple of days ago, Mr. Harcourt indicated that the Federal Government is committed to providing a percentage of the Federal gas tax to cities by the year, 2005. A major plan will be ready by the end of this year.

Finally, the City as indicated would undertake a reorganization to save an additional $10 million per year.

Under the old new deal there would have been a 50% reduction in property taxes which should have had a great impact on homeowners. What we now have is a 4% reduction in property taxes in the first year, and a freeze in property taxes over the next five years. Hardly the same impact as the first new deal and property tax proposal.

In the original deal there was to be a 50% decrease in transit fares. In the current new deal there are no decreases which will have a profoundly negative affect on low income and senior citizens. You can bet as of January, 2005, transit fares will again go up by five cents, once again, nickel and diming Winnipeg citizens to death.

In your original new deal the business and amusement taxes were to be eliminated completely. There's nothing on this in the newest new deal. The elimination of these taxes would have benefited small businesses, many who find it difficult to pay such a hefty tax. It would have also greatly benefited the entertainment industry resulting in places like the West End Cultural Centre, movie houses, etc. increasing their audience attendance.

I'm here today to publicly state that I am critically supportive of the new deal as I think most Winnipeggers are, but I am significantly disappointed in the watered down version of the Mayor's original new deal. To be honest it was the innovative radical attempt to find new and different ways to finance cities in the 21st century that I think gave national attention and much debate, not only in Winnipeg but throughout the whole country. This current new deal simply won't do that. It isn't a new deal, it's something that we can all live with. Thank you.

Mr. Speaker: Thank you.

Moving onto the Report of the Executive Policy Committee of April 7, 2004.

REPORT OF THE EXECUTIVE POLICY COMMITTEE DATED APRIL 7, 2004

Mayor Murray: I will move the consent agenda, Items 1 and 2.

Mr. Speaker: Move Item 1 as consent. All in favour? Contrary? Carried.

Item No. 2.

Item No. 2 – The New Deal
File FR-2

Mayor Murray: Mr. Speaker, I think that we're all pretty familiar with this more than any other file in the last six months. I think it's something that I think will be an excellent platform for our discussions with the Government of Manitoba and the Government of Canada. I think fits well into the national equation. I've had discussions with my colleagues across the country, mayors of other major cities, Montreal, Calgary and others, there's a broad consensus this is the way to go.

The Throne Speech and the Federal Speech, Federally both said, gas tax or an equivalent fiscal mechanism. I've had a chance to discuss this with senior members of the Federal Cabinet and the Premier. I think this is viewed as a very positive alternative.

It is not as Mr. Ternette pointed out all of the things that the first new deal was. It is I think a significant shift into the way we pay for infrastructure moving it from houses onto the gas pump. It provides two very positive options for consideration depending on the fiscal situation of the Provincial Government as to whether they feel they can as we're suggesting, take six cents of the existing eleven and a half cents a litre gas tax. Or, as the

Conference Board of Canada has suggested, to grow the tax by three cents.

The GST solution I think is a very practical choice, and the discussion with the mayors nationally has been that if really gas tax or sales tax, the argument for sale tax as it grows as you know from the briefing notes at a rate much greater than inflation, $50 million of gas tax in 2024 is about $60 million, it started with $50 million of GST, it's about $75 million, so it's sort of $120 million. There's a dramatic difference in the increases over time.

It was also I think a very strong message from citizens we were trying to do too much too quickly. We have discussions to continue on reform of transit funding and I think the En route to a Brighter Future, which is the transit report that Councillor De Smedt headed up which I think is very positive, we have to continue working. I've already started chats with the Chamber of Commerce, and my personal preference is we look at rolling up business tax. But right now we don't have the financial capacity to pursue other options. This would give us the financial capacity Mr. Speaker that over time the City would be tied into growth revenues income taxes and sales taxes for the first time on a significant scale allowing us the capacity to deal with these other issues, so these will get broken down.

This is revenue neutral option. It is sufficient to address the infrastructure crisis.

The other thing Mr. Speaker that has not been talked about and I'd just like a minute to speak about it. Is that between now and 2024 what will this allow us to do? It will allow us to fix all our streets and reverse the decline in our transportation infrastructure. I don't think anywhere in Canada is there a proposal that over a reasonable period of time over a 20 year period of time from 2004 now probably 2005, in effect 2025 we will be a pothole free city with all of our bridges repaired and redeveloped.

Over the next 20 years if we can do a deal like this or equivalent to this, this will leave the City with sewage treatment standard second to none in the country and no more sewage going into our rivers. This could be our contribution to the salvation of Lake Winnipeg and the Red River and Assiniboine River systems.

Mr. Speaker as we'll know in the PUFF Study when it comes out, this will allow us over the next 20 years to rebuild our libraries, our pools our recreation facilities, to deal with issues at the Zoo and to deal with the Conservatory. It will allow us to deal with the Convention Centre. Over a 20 year period of time, this gives the City the financial capacity to deal with old transportation issues and new ones, to rebuild our transit system.

We haven't talked about the expenditure side, and in the Conference Board of Canada report you can see the Administration very detailed work and a great deal of research went into this, not only on the tax side, but on the expenditure side. We had to make sure that we had enough growth revenues to be able to not only catch up with the backlog of repair bills on our facilities and our pipes and our pavement, but also move ahead to give us the capacity to build new things.

That's a remarkable accomplishment, it's done with very little increased pressure, I think it's listened to the criticism of Winnipeggers. Has it closed the door for future discussions? No. It solved the larger problem which allowed City Council now in the future to deal with other issues that were raised in those public consultations and allow us to move forward on future discussions. I think it breaks it down, as I said you know, sometimes you have to eat an elephant, if you eat an elephant you eat it in small parts. I think this is a very positive step forward.

This is also very consistent. I'll just conclude by saying this. Five years ago is when Jane Jacobs arrived with the mayors of Toronto, Montreal, Calgary and Vancouver and met at the Fort Garry Hotel, not many people took this entire thing very seriously. The new deal for cities was not a hot topic nationally. The

polling on this topic was negligible. Infrastructure crisis was not being talked about even though we've had at least a half dozen infrastructure reports tabled with council in the last decade it wasn't catching fire. Out of that very small meeting when Al Dewer, Phil Owen, myself, Mel Lastman and Pierre Borak sat around the table saying, how the heck do we ever get the public attention nationally to get this in national debate because it needs a national solution. Five years later this is now a national debate. Citizens across the country are engaged, and people are talking about their cities like never before. As Jae Eadie said during the budget debate and I think said it very succinctly, this issue is not going to go away now. The problem is understood and real and needs to be fixed. And we're now talking about what is each of our parts in solving it, it will get solved.

I want to thank this city council, the citizens of Winnipeg who've been extraordinarily supportive of this process, and the city administration which I think is also the best in the country for I think playing a leadership role nationally and unprecedented. And not only solving our problems as Winnipeggers, but creating a realistic platform for our national discussions which I think is going to change the quality of our life and our cities, not just for Winnipeggers, but for all Canadians in a way we've been trying to in municipal government for many many decades. Thank you.

Mr. Speaker: Councillor Steek I believe you asked that it be stood down.

Councillor Steek: Mr. Speaker, we still don't have a definitive number on what it cost to realize the new deal, I'm sure the Mayor will speak to that in his closing commentary.

What could you have bought for the million dollars. Well we could have put the police officers on the street. We could have bought four skateboard parks. But let's have a look at the clause in front of us. I would suggest very frankly with all due respect to the Mayor, that when we vote on these clauses we vote on all aspects of it individually.

Clause A with reference to two-thirds of a point of GST, I don't think anybody quibbles with it, it's money that we pay in and we're entitled to it. As a matter of fact if you go back in Hansard over the last two years you'll see that Councillor De Smedt has advocated that on this very floor on a number of occasions.

Let's talk about the three cents a litre on gasoline tax. What indication did we get from the Province in this last budget that we would realize the 3%, but furthermore, there's absolutely nothing that supports any kind of polling that supports that people want an additional tax. That is simply not supported in polling. People do not want an existing tax, they want to see a transfer of three cents from the Province but there's absolutely no indication that's coming.

I would suggest, and perhaps it will be coming, that there's an amendment to Part B stating, that a transfer of 3% of the current provincial fuel tax collected in Winnipeg. Stop. Not together with the introduction of a new tax because Winnipeggers do not want the new tax.

Let's talk about Clause C. Absolutely fascinating. We want to convert all of this over to growth tax. We heard from the Conference Board of Canada and I wrote it down as the gentleman spoke. He said, the guaranteed revenue source here of $140 million or $143 million a year is unparallel in the country. Why would you want to tamper with something that's a guaranteed source and tie it to income tax, and what do you do if the economy goes into the tank and revenues start to slide?

Here's the really interesting clause that I'm interesting in hearing the Mayor and members of EPC speak to. Clauses D and E.

The provision of a 4% tax reduction in property taxes resulting in a loss of revenue of $15 million, followed by five consecutive years of property tax freezes. Well the provision of 4%, when does that come into effect? Well the only logical way that could come into effect is when you get this money in its totality, which

speaks to $128 million, $66 million and $62 million, is a $128 million. You're talking about 4% property tax reduction, when that comes into effect in its totality I would assume because it doesn't give any kind of date in here does it? We're going to lose $15 million in revenue, why would we give up $15 million in revenue that also can go in. You're going to hear about bringing us in line with other cities. Pull off the municipal tax portion of this city right now, and compare it. There are only four cities with lower municipal portions than Winnipeg. That's as of 2003, and the documents are supplied by your own administration.

Finally, five consecutive years of property tax freezes. How can you suggest in a document you'll freeze property taxes for five years. You don't have the authority to even go outside of the mandate of this particular council. It's great to say it's a five year freeze, who knows what's coming down the road. There's a document out there that people are going to support and tell everybody, you've got a five year freeze coming. Well how do you know it's coming down the road? You don't know that the revenue is coming, you don't know about any of the other things that may impact upon this city.

Here's the final, it's a beauty. The implementation of infrastructure efficiencies amounting to $10 million annually. I didn't understand it. I wonder how many people around here do. So I went to the Administration for explanations, and guess what? I got two entirely different explanations. I brought them to City Council. First of all I spoke with Mr. Gannon. I said, when does the $10 million come in? The way I read it I said, do we save $10 million every year? I asked Mr. Gannon Mr. Speaker, what that meant. Mr. Gannon's explanation to me was very clear, he said, you will realize the $10 million in efficiencies and he used the number of $125 million after you've received $125 million for 10 years running. He said, in year 10 you will have $10 million of efficiencies, and he said, if you have $50 million at year five you'll realize $5 million in efficiencies by that year. Okay, when I asked somebody what the efficiencies are, somebody be specific, well they're efficiencies. I mean how ironic, because EPC turned down a request and a motion that I brought forward saying, we're looking for efficiencies let's do performance audits on individual departments so we get something specific and concrete. That was turned thumbs down. But here we're suppose to pass a document that just says $10 million in efficiencies. So I ask, where is the $10 million in efficiency's come from. Was it just some low hanging fruit. Why wasn't it $20 million or $12 million, no explanation? $10 million good number.

I said to Mr. Gannon, okay, I'm willing to accept your explanation but I'm still not certain, and he said to me, why don't you phone Mr. Charttier so I phoned him and he was kind enough to e-mail me because I didn't understand the explanation. Let me read you what he said.

He said, for simplicity the new deal was modeled as if everything happens at once. All revenues are realized in the first year. And thus there would be dedicated efficiencies of $10 million every year. I've got the document right here. That's we have modeled, a continuous $10 million savings. $10 million in infrastructure for '05, $10 million for '06, $10 million for '07. Well that's directly contradictory to what I was told. I read this clause through and I didn't understand it.

Here we are, we're going to pass a clause that says, five years of tax freezes. Well it's great, why don't we say 10 years of tax freezes? It's a wonderful pipe dream.

The fact remains, is what indication is there that any of this $128 million is coming into focus?

The Mayor with all due respect, has put up a valiant effort and I believe there will be ultimately something coming from the Federal Government. When will it come, and to what degree nobody knows. There's absolutely nothing to indicate that the Province is on side.

If you're going to pass this as a clause, look at the individual merits of the clause. I'll be interested in hearing from the Mayor and EPC what their interpretations are on clauses 4 and 5. Because I think they're open to so much interpretation. We're passing something here that's totally open-ended, and for the vast majority of people I don't think they know what it means. Certainly the Administration gave me two entirely different answers on it.

The question becomes, does the $10 million in efficiencies year one, is it $10 million in efficiencies every year? Is it $10 million on a graduated basis? You can't tell that from looking at this document.

What are the efficiencies being realized in? It's just $10 million in efficiencies. Somebody talked to me specifically about some of these efficiencies. I think it's a fair reasoned request when you tell the citizens of Winnipeg that you're going to give them $10 million in efficiencies, tell us something specific. Tell us how the number came up.

As I say, what was fascinating to me, I know what the problem is right here, everybody can have a copy of the e-mail, Mr. Chartier said point blank, the whole thing is modeled as if it all comes into effect tomorrow morning, every nickel comes down. Well who realistically believes that? Why would it happen?

Let's at least be realistic with the taxpayers of Winnipeg, and this should be in the clause and state point blank that nothing comes into being here unless these funds come and these funds come immediately.

Those are my comments. I can support A. I'd support B if somebody made that amendment, but certainly C, D and E totally unrealistic, there's nothing here to support them.

The Mayor is laughing, and I'll be fascinated to hear the Mayor's answer on how the money works out on this.

I read the report from the Conference Board of Canada. I also read the Toronto Dominion Economics Report which talked about the facts that any additional taxation can break the back of the Canadian taxpayer. Yet we're advocating three cents a gallon. We hear from the Province that they didn't run to raise taxes. It will be fascinating to see why the Province wants to come to the table. I noticed in their last budget it would have been exceedingly difficult for them just to cull out $33 million and send it over to this city in an envelope.

I hope that everybody on this council will speak on this clause and give us some interpretation as to what you think Clauses C, D and E mean. A and B are straightforward.

What does C, D and E really mean? Maybe somebody can explain that to me. Because clearly the Administration thinks two entirely different things. Mr. Gannon was very frank, he said, you realize that $10 million in savings after 10 years at $125 million a year, and that's what he said.

Mr. Chartier said no no no. The $10 million kicks in year one, and continues on at $10 million a year thereafter, which is it? If they don't know the answer, how would we.

Mr. Speaker: Councillor Steek you had asked that the propositions be voted on separately. Our procedure by-law allows that, however, that would only be propositions, 1, 2 and 3. Would not allow to break down the new deal itself into A, B, C, D and E. We do not break down subsections under our by-law. Did you wish to move a suspension of the rules to deal with A, B, C, D and E separately?

Councillor Steek: Mr. Speaker, it strikes me that these are the five basic tenants of the deal.

Mr. Speaker: Doesn't matter you want to move it, yes or no?

Councillor Steek: I'm asking that they be voted on separately.

Mr. Speaker: Councillor Steek has moved the rules be suspended and Parts A through E of Part 1 of Clause 2 be

voted on separately. All in favour? Contrary? Carried.

Councillor Angus there was a point you wished to bring up. It's done.

Councillor Lazarenko.

Councillor Lazarenko: Thank you Mr. Speaker. This deal cannot proceed without the Province and the Feds.

I move referral to the Executive Policy Committee for a written commitment from both the Provincial and the Federal Governments and for it to come back to Council.

Mr. Speaker: Mr. Mayor did you wish to comment on that?

Mayor Murray: Just simply I think we would look pretty silly Mr. Speaker if we refer this back after a very long long in-depth process. It's time to go forward with this. Either you're in favour of it or you're not.

The entire basis, the Premier and the Prime Minister both told me that they're expecting a resolution so that we can start negotiations. If we refer this back, all you're simply doing is really accomplishing two things.

One, you're going to delay negotiations which means we won't likely have the money for next year. I'm not sure how long it's going to take council to deal with this.

Number two, I think you're going to hurt our credibility at the negotiating table if we can't move forward with such a well supported and reasonable proposition.

Mr. Speaker: Motion to refer all in favour? Recorded vote has been called for. All in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors De Smedt, Wyatt, Lazarenko.

Nays

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

City Clerk: The vote Mr. Speaker, Yeas 3, Nays 13.

Mr. Speaker: Motion is defeated. Councillor Lazarenko did you wish to continue.

Councillor Lazarenko: Thank you Mr. Speaker.

It's very unfortunate that some members of Council the majority here today just don't seem to take into consideration how crucial this issue is.

Without the Provincial Government, this deal is dead, don't you understand that. And you want to flog this to death today to speak for two hours and make nothing out of it. This is what it's going to amount to.

Mr. Mayor I had a meeting with Mary-Ann Mihychuk the Minister for the Province that told me that she never even heard, never had no discussions with no one. Nothing. Nothing at all was discussed with the Provincial Government. All I ask for is to get this and get this commitment underway. Simple as that.

We're going to be flogging this over and over again thrashing it, trying to get our attention through the media or whatever case it may be and without them we don't have a new deal.

We didn't have one the last time, look how much confusion it caused. It caused so much confusion among the citizens and the taxpayers of Winnipeg that they just could not understand it. Here we're round two.

I've always supported taxes on gasoline but you know damn well this thing will never come. Some provincial MLAs told me, they said Harry, you're living in a pipe dream.

The Provincial Department have their own problems and they try to solve it. The other day, the Throne Speech on the budget, nothing was mentioned about the new deal, nothing was mentioned that the Provincial Government is going to side in with the City of Winnipeg and start giving us something that the City of Winnipeg deserves.

When you have to deal with an issue you have to have some table talks negotiate with the other partners, with the other two levels of government. I've never seen one piece of evidence not one piece of paper that was presented to members of Council signed by the Premier of Manitoba, or from a cabinet minister of the Provincial Government. Nothing. All I hear is hearsay, this is what is going to happen. Why fool the general public?

The question Mr. Speaker, you talk about a new deal that is going to be pegged in with additional user fees that we are not aware of but we will be later on. We will be pegged with user fees such as garbage that is going to be coming in. Privatization of the remaining garbage that the City picks up is underway and no doubt will be a reality. I don't see anybody from the unions here to object to this or to even discuss and have concerns about what the new deal actually means.

When you're dealing with a motion and a clause that is before us now that causes confusion, that is dangerous. This will go down in record Mr. Mayor of the ignorance of Council that failed to do their job properly and to say that we want to have table talks with the other two levels of government. Before we use to have it. Former Mayor Susan Thompson did that. We had the Premier of Manitoba, Mr. Filmon appeared before Council in the seminar, we discussed about the issues. We had commitments, this time it's nothing. I even asked the Premier of Manitoba a couple of months ago about this, he said, I'm not familiar with it. And it's not a priority because we've got our own headaches.

How can you proceed to say that we are going to implement something without a commitment from the other two levels of government. Those who are providing grants to us some way that has come to us.

Number of years ago, we had discussed the issue about the Province's share, we have two-thirds of the population of the Province. Thirty-one MLAs the majority of the House in the Legislative Assembly of Manitoba are representing the citizens of Winnipeg. Not once have I ever seen an MLA come here before council. Never. Because they have their own mandate. We have two former MLAs used to be on council before went to the Legislature and came back, two former members, and I'm sure they'd be able to tap onto this how the system changes, how politics changes when you leave the Chambers of the Council and you go in as an MLA, it's a different ballgame.

The years that I've been in here Mr. Speaker, I have seen members who were on council, went to be a premier of the Province of Manitoba, cabinet ministers, each and every one talked the same way as I'm talking now when they went there, all of a sudden it's kaputski. Nothing. Because they had said, we can't. If we drain our pockets from the left we have to get the pocket filled on the other side. How do you expect us to say we have to concentrate with the Province from the Province to the City of Winnipeg, what do we do with all the other municipalities in the Province of Manitoba. If we make a commitment to the City of Winnipeg what do we do with the others. Lack of communication that's the problem.

I made a point of asking the cabinet minister about two weeks ago, Councillor Smith was there with me. I wouldn't exactly say the words which he had said to us, I wouldn't repeat it here, but there was zippo, nothing. How do you expect us to even consider something when we don't have communication.

Mr. Mayor I wish that we would have been part of it. I had asked you before, let's have a seminar with the Premier of Manitoba and some of the ministers, this never came. You want to introduce something in these chambers that is going to hurt us because this new deal

will not be only for the fuel tax. I asked about the hotel tax. The Hotel Industry made enough noise then all of a sudden that's off the table. You got any other city there is a hotel tax occupancy tax. I've just come back from New York, there's a fifty cent per room per night occupancy tax in that city and all other cities. They have ways and means. We will not touch it because the Hotel Association all of a sudden they come and say we can't do it. We're not going to pay that. We can easily go to the City of Winnipeg taxpayers to the residential homeowners and say look, we're giving you a decrease in your taxes, but wait until this all comes home. Wait until the chickens come home to roost.

Some of us may not be here. Someone has to pay the piper. That one will be no doubt the citizens of Winnipeg, the taxpayers, majority of our taxes are collected from residential properties.

I have supported our mayor on the issue of a new deal, certain aspects of the new deal. The way this is being handled now, I don't like it. I'll tell you we're going to be faced with a problem. We are going to be responding to the citizens of Winnipeg will be phoning us and asking us what have you done. You can't back off Mr. Speaker, once we put this through, you can't back off.

Not to have these table talks is so wrong. Only three members of Council supported the referral for this to continue. What are we scared of.

Does it mean to say that the Mayor and EPC can put something to us on the table you have to vote for it, if you don't it's wrong. It's not the people that I used to sit with on council before especially the Mayor was the same length as me and all of a sudden, bango, just do it, and don't even ask any questions.

I can see Mr. Speaker to resolve this problem that we have shortage of cash. We don't have anymore from the Hydro of $15 million to $17 million plus that was coming in from the sales. We don't have that, the Province has taken over Hydro. We're getting our return for a number of years later on it's going to be on our own.

We're losing revenue Mr. Speaker in so many instances that can be corrected. The problem is we don't have that sort of connection between members of Council and the Administration, we can't ask questions of the Administration because you have to go before EPC. Councillor Steek did, I've done. I've got no problem with our top administrators to ask questions. Our Chief Administrative Officer welcome to the Chambers madam. It's good that you're here, and I know that our CAO has been a very very responsive person, she's a kind human being, she understands the situation and when I've asked questions she's had no problems responding to whatever she's mandated to do.

I know that the system has changed drastically, the New Directions, Reshaping of the Civic Government has made drastic changes.

Mr. Speaker, I will be listening to what others have to say, but please, let's show some responsibility.

Mr. Speaker: Councillor Wyatt followed by Councillors Gerbasi, Vandal, De Smedt, Eadie, Clement and Smith.

Councillor Wyatt: Thank you Mr. Speaker. It's a hard act to follow following Councillor Lazarenko.

I want to pick up on a lot of things he said. I think a lot of items have been covered already by the previous speakers about the specifics of the clause before us.

I guess let's take a step back, and I've said this over and over again in the Chamber. It is like beating a dead horse but it's worthy of saying again.

That is, I question and wonder why the process leading up to this new deal was not more inclusive. We are after all formulating a formal position that we're going to be taking to not just one level of government but to two levels of government indicating that this is our position as a council and this is what we

see as a new deal for the future. It's a huge undertaking. It will have huge ramifications for the future if partially adopted. It will mean we are now going for the so called ask. We are asking from the Province and from the Federal Government what we want. You can only do that so many times Mr. Speaker. Because in the future if we don't know exactly what we're asking here and we're not 100% sure of what we're asking here, and we're not asking what we really should be asking, down the road when we want to go back to them again, if that's going to be the case, well you guys you had your chance. You came before us, you made your pitch. That's why this is so important today. Because we are making our pitch we're formulating our position and making our pitch of what we see as not just for the future two years or three years but, what will impact municipalities, Winnipeg, and municipalities across this country for generations to come.

To me this is a monumental decision. An important decision. The Mayor is quite right, it's historic. It's crucial to be able to make a decision like this with all the facts, with all the information and with the input in my mind of this council, and members of this council who wish to participate. That opportunity was not given.

It was an exclusive process, yes, the Mayor went out and spoke to the public through an extensive public consultation process, it cost $1 million. Leading up to that process there was no consultation with this Council. After the public consultations the follow-up meeting was the meeting where we all attended, we were in the room, we have the Economic Council the Council of Canada there with us. And they're giving us a briefing and they have to leave with the Mayor, why? Because the national media is here and sorry we have to go now, we can't answer all the other questions you have because the national media takes precedent. By then of course it really was too late anyway because the new deal was done according to what the Mayor is putting forward today.

I think there's a lot of things here that are missing. I think there's a motion for example that I moved seconded by Councillor Eadie, that's on this very agenda talking about PST rebate to municipalities. That's not included here.

I question the need of two-thirds of one percent. I don't know where two-thirds of one percent came from. Why would you not just simply ask for one percent if you're going to be asking a share of the GST for all municipalities. You can be guaranteed if Winnipeg received one percent of GST or two-thirds of one percent, so will the rest of the municipalities in this country.

Why are we asking for GST period when just on Friday the Minister the first Minister of this country stood up and said, that before the year is out he's going to give us a share of gas tax. It was explained to us that it was an issue of either asking for gas tax or asking for GST. Clearly this council is out of step with what's happening in this country.

Why are we even asking to increase gas taxes in this province when we know already we're not getting a share of the existing provincial gas tax, the revenues that are going into the existing provincial gas tax from this city are not coming back to the City? Why are we asking for higher gas taxes? These are questions Mr. Speaker that deserve to be asked, that deserve to be discussed, deserve to be debated. And yes, debate it I would say, not in seminars but in an open forum whether it be special meetings of council, and I say meetings because it would probably take more than one, but to involve all of council in that discussion including the Mayor. A very public and very open having a conversation and literally it would be a conversation about what our position would be. I think it would actually have sparked a lot of interest in this city and a lot of interest across this province and across this country if we had that sort of conservation. This council didn't have that conservation. It didn't take place. The conversation is a one-way conversation Mr. Speaker. And a one-way conversation is basically coming from up high, from the Mayor's Office and telling us this is our position, this is what

we're going to do, and this is what we're going to ask. This is what we're asking the Premier for, and this is what we're asking the Federal Government for. My colleague from Mynarski, Councillor Lazarenko is quite right. When we don't even have a clue of where they're standing on this issue at this point in time, and what's realistic and what's not realistic.

Last December, it's something that you don't like to have to raise but I will raise it. I felt that the City had egg on its face after we went through that entire process and we spent all that money and then the Premier stands up and says, after we went through the entire process, forget it, you're not going to get anything, sorry, it's been done, we're not going to give you a share of our existing revenues, it's not going to happen.

I think that could have been avoided, and I think we're setting ourselves up for another potential fall here that would be just as devastating, and would setback the issue of the new deal. This is a monumental decision. It's an important decision, it's a decision that's going to affect what we're asking for for years to come. I think it could have been done in a far more comprehensive fashion involving all of council and clearly that has not been the case. And it speaks to that term, the democratic deficit. The democratic deficit that exists here at city hall which has manifested itself over and over again, and is once again manifesting itself here today.

Back in February I had the opportunity to sit down with the Mayor, it took a while to get the meeting, four months, so after four months of asking for the meeting I really couldn't remember what I was going to ask and talk about. We had a discussion, a very frank discussion, and it was refreshing.

One of the things that I challenged the Mayor on is that a very frank discussion about the way we operate here at City Hall and the level of inclusiveness with the rest of Council and the level of, and I'll use this term because it's used all the time, I know the members of EPC have started to use it in a joking way, but secrecy. The secrecy that you know some information is shared and a lot isn't. That this has increased the secrecy scale has increased dramatically in the last six, seven years here, because as you know Mr. Speaker I had the benefit of being able to be here work with a council under a previous council and saw how council operated before and how previous mayors operated, and I would say things have changed, not for the better but for the worse when it comes to the involvement of all council in decision-making. That should be a concern to all citizens. I think the citizens of this city are now seeing the results of that by way of what's coming before us today.

I conclude my comments saying, I cannot support this. I wish I had an opportunity to have been involved with the process coming back to council with this. That opportunity was not given. I think that was a lost opportunity. Thank you.

Mr. Speaker: Thank you. Councillor Gerbasi.

Councillor Gerbasi: Thank you. I think there's been some confusion raised by some of the comments by councillors as to why we're here today, and I just wanted to clarify that. In order to go to other levels of government and negotiate something you have to have something that council's agreed on to come forward and negotiate with. I think that's a pretty basic and important point that we can't expect them to go back to their legislature and draft legislation and make commitments that we haven't even done that. That's a very basic step in this process that we're doing today. I think that's something to clarify.

I wanted to respond to some of the comments that were brought up earlier today. One of the things we often hear around here is, I like what you're doing but I don't like how you're doing it. It's sort of a way to make it sound like you have something to talk about and criticize but I was really listening hard for some substance and some things that are wrong with what we're proposing here. I

was having a bit of a hard time of finding much.

One of the criticisms that we just heard was a lack of inclusiveness. I guess I just wonder what is good enough. You have 60 public meetings which councillors were invited to. We had numerous council seminars. If councillors don't understand the information, whose problem is that. Who's fault is that. I think we've had a lot of discussion. Sometimes you have to act. Sometimes you just can't refer everything back. Sometimes you have to make a decision and take a stand and go fight for something and now is the time.

I wish that all of us would just get together and start doing that instead of being as Spiral Agnew used to say, part of the nathering nabobs of negativity. Let's get on with it.

To get a little more specific about some of the things in the deal. Councillor Steek would like to cherry pick out sort of the easy ones that everyone could agree with and we don't have to take any tough stand on and that would be nice but that's not how the world works. It's a package of requests that one depends on the other. If we're going to ask something from the Province we have to ask more from the Feds and we have to have a balance and we have to do our part in creating some efficiencies ourselves and convincing those levels of government that we're doing our part.

That's why it comes as a whole package and that's why I didn't agree with separating out all the items. That's fine. I think there's enough people here prepared to make a commitment to the package, I'm hopeful.

One of the issues that's come up repeatedly, is the gas tax. Regarding the gas tax, and Councillor Steek had asked these questions so I hope he's going to listen to the answer. We gave two options. They don't have to increase the new three cent tax, they could simply transfer the six cents. To me the three cents of a new tax, actually makes a lot of sense. One of the reasons it does is that the cost of our tax is twenty-one cents compared to over twenty-four for the provinces on either side of us, and the national average is twenty-four cents. We would only be getting up to the national average and below Saskatchewan and Ontario on either side of us. It's quite a reasonable thing that just brings us up to the level of other cities.

It's also a tax that makes sense in the minds of the public. The polling has showed that there's a significant understanding of the connection between gas tax and infrastructure. And that's where that money should go. This deal does include that money being raised and going directly into infrastructure. It's consistent with the public understanding and the connection of where that money should go. It doesn't raise our taxes above those of the provinces on either side, we're not going to have people spilling over the borders buying gas and so on. None of those arguments hold up, and it does make a lot of sense. It's never easy to raise a tax, and that's a political challenge. But we face political challenges. We face a lot of them, that's why we're here, and that's why we're trying to get a better deal for cities.

Yeah, sometimes you have to do things that take some courage, not just get handed a cheque, and get handed a portion of the GST which we also are asking for. Sometimes you have to take a bit of a stand.

We've chosen to choose taxes that make sense to the public after our long public consultation. We've heard from the people and this reflects what the people said. In terms of inclusiveness, and listening, I think this is a big step forward.

Anther point that was raised, is that the Province is going to do nothing. Well first of all, I was there at the budget speech this week, and what I heard the Premier say, the City's infrastructure problems were their number two priority. Well I haven't heard him say that I haven't heard that discussed, that was what I heard in the budget speech the other day. I didn't see too many others there, so maybe they missed that.

What the Premier said was, that we need a better deal from the Federal Government on health care, which is reasonable because that's their biggest challenge and we respect that. They're also saying, that this is a problem. They acknowledged that the City issue is a problem. They publicly acknowledged that in their budget speech that that's the next problem that they face after that problem. I think that's fair that they're acknowledging that. We're on the radar screen of all levels of government. We're on the national radar screen in a major way. The Provincial Government we were in their budget speech in terms of this is a big problem, and it's not going to go away. It's not going away on the Federal scene. It's not going away on the Provincial scene, and it's not going to go away here. It's nice to see, it's wonderful to see that our council has got a proposal that we can approve today to take forward and make that happen. It's going to affect things nationally, it's going to have an influence for our own citizens. We just face these same problems year after year. It's been going on for 30 years. That's a role of municipal government to not have adequate revenue. We're trying to tackle that, and frankly that is one of the reasons we're here is to actually deal with the big issues and make the changes.

It's easy to sit around and say, well that doesn't work, let's refer it back. I don't like the process. I'm so sick of hearing that. What is your idea? I think most of the councillors have put a lot of effort into this new deal, and have put their input into it, and their thoughts into it, and participated in meetings. I respect that. We have to move forward and we have to stop trying to get a sound byte and stand up for our city in terms of fighting for something that our citizens deserve and making this a better city. That's actually the real reason we're here.

I'd like to congratulate this council for being one of the boldest and most innovative in Canada for bringing forward an idea like this. I'm sure those of you who attend FCM will hear once again this year how amazed they are with Winnipeg and the type of stuff we're doing. Why don't you come and join in and be part of it. Thank you.

Mr. Speaker: Thank you. Councillor Vandal.

Councillor Vandal: Thank you. I stand here this morning in support of this new proposal.

It's been a long time getting here. There has been over a dozen public meetings. There have been focus groups. There have been surveys. There have been public meetings in this chamber. We've had citizen engagement to the extreme.

Anyone who's been here for any length of time knows that there has got to be a new funding relationship between the City of Winnipeg and the Provincial and Federal Governments. That's not at question. There's got to be a new relationship.

Anyone who's been here for any length of time knows that our citizens will no longer stand for property tax increases, and excessive business tax increases. It simply is not a sustainable revenue stream to face the challenges that we have as a city. Let's talk about those challenges.

No one has talked about infrastructure here this morning. We all know that the SURP report has been around for a few years, and there's a $2 billion deficit in infrastructure. That has got to be addressed.

The Provincial Government have recently said to us, that we have to clean up our rivers. And we have to pay for that. That's going to cost $750 million. That's a major challenge in front of us that's real that we're going to have to address as a city.

Currently we are investing $210 million in the capital and the operating budgets for our infrastructure. What we should be doing is, investing in addition to that $210 million, another $188 million for infrastructure. That will only make sure that the infrastructure does not deteriorate any worse than what it is. It's not going to ensure the infrastructure gets better,

it's going to ensure that it does not deteriorate any faster.

Mr. Speaker, this new deal proposes alternative revenue streams from the property and business tax scenario that we've been saddled for the last generations.

The fuel tax is an excellent source of revenue for infrastructure. Number one, it's fair, it's user pay, it's largely user pay. It makes sense to me that a household with three vehicles should pay more for infrastructure renewal than a household with one vehicle or with a couple that takes the bus to work every day. It's user pay, if it's dedicated to infrastructure as it will be under this scenario.

Winnipeggers currently pay a $110 million to the Province in fuel tax. Within our boundaries our citizens pay $110 million in fuel tax to the Provincial Government. Within our boundaries our citizens currently pay $90 million in fuel tax to the Federal Government. What do we get in return? In terms of road renewal, we get perhaps $25 million, $30 million per year from those senior levels of government to address our regional roads, our residential streets, it's clearly not sustainable. If we get this revenue stream, this would allow all sorts of room of flexibility to address our other second tier infrastructure challenges. That's real.

In looking at the clause in front of us, we have three items, Item No. 1 has five parts to it. As far as I'm concerned, these are a package. If one and two don't happen, three, four and five aren't going to happen. If one, two and three don't happen, four and five aren't going to happen.

Let's look at number one. Two-thirds of one point of the Federal GST. It would give the City annually $62 million and that's a growth tax. Just imagine when the Junos are here next year, every drink that is sold, every meal that is sold in the City during that time, we would be recouping some revenue for that. What an incentive to get out there and be proactive and market the heck out of our community so that we can bring more events to the City. What an incentive. Imagine a machine the City of Winnipeg, 8,000 employees going out there being proactive and trying to attract events to our city. That's what the GST will give us. That's what two-thirds of a point of GST will give us. $62 million a year and growing.

Number two. A federal fuel tax, provincial fuel tax for a total of $66 million per year dedicated to infrastructure improvements.

Number three. A conversion of the grants that the City currently receives from the Province of Manitoba to an income tax sharing formula resulting in an increase in funding in the first year of implementation. Actual revenue growth that our city needs. You total that and we're looking at least $130 million of additional revenue that we could use as a city.

Councillor Steek indicated that the 4% or $15 million property tax reduction was not achievable. Am I to believe Councillor Steek that with $130 million of new revenue we can't find $15 million in efficiencies and property tax reductions? Does anybody around this table really believe that? Does anybody really believe that with $130 million of new revenue we can't find $10 million in efficiencies in our infrastructure?

Mr. Speaker, this is something that has not started yesterday, not last week, not last month, it's something that the Mayor has been demonstrating leadership on the last five years when Jane Jacobs showed up in the City of Winnipeg to talk about a new funding relationship between our cities, for our cities across Canada. This is an issue which is at the forefront of the Federal agenda, this is an issue that's not going away. If it doesn't happen next year, if it doesn't happen in three years, it's going to happen eventually. Cities are the economic hubs of our country. They are the cultural and entertainment centres of our country, and they are going to receive their just due one day in the future. Thank you.

Mr. Speaker: Thank you. Councillor Eadie.

Councillor Eadie: Mr. Speaker, it's nice to be at this point in our deliberations on this new deal package where we can actually debate what we believe would be the final or the official position of the City of Winnipeg Municipal Government with regard to this long and involved discussion.

My colleague Councillor Lazarenko indicated in his remarks that and he wanted to send this thing back for whatever reason we should send this back and then get the Province and/or the Federal Government to tell us where they stand. Well the Catch 22 in that Mr. Speaker is that they're not going to tell you where they stand until they know what the stand of the City's government is. Until we adopt a policy position, we don't have a stand. The Mayor doesn't have delegated authority to create policy on his own, EPC doesn't have the authority to do that. The policy positions of the City's municipal government are created by this council. Until we have a policy position other governments are going to continually hide in the bushes and not come out and make any statements. We have to pass something today or not as the case may be, but before we can find out what the positions of other governments are or before we can even get to a negotiating table on a package of items, we have to as a municipal government pass a package of items to talk about. Otherwise there is nothing to discuss and neither the Mayor or Executive Policy Committee or any other member of Council can bring to a discussion table the official position of the City's municipal government. Yes we have to pass that.

I don't know what members of Council are afraid of. Why you would want to refer this thing back and not stand up and take a decision. Yes or no as the case may be, each member of Council can make up his or her mind according to their own best likes, today is the day to stand up and make a decision on a package, and that's what we have in front of us today.

Councillor Wyatt indicated that one-way conversations, I wasn't clear on what his definition of that was or that this process wasn't inclusive or all of that sort of thing. Well Mr. Speaker I think and I'm sure we'll all be reminded of this that there was an awful lot of time and an awful lot of effort and a lot of money spent on a consultation process with the public just six months ago. Was it money well spent? In my view it certainly was. It certainly was because for the first time in many years the public became engaged on the issues facing municipal government, not just this city but across the country. Those town hall meetings and the various private meetings with various groups over the original new deal package, were extremely informative both ways. I think I as a legislator in this city learned a lot. I think the public learned a lot. The end result after those consultations was the gist of the proposals that are in front of us today. Because those consultations with the public over a period of time indicated in general terms cities ought to be getting more of the share of the tax dollars they pay to the other orders of government. More of those monies ought to be coming back to this city, and that's the gist of this particular package. That's why we're debating it today.

Quite frankly Mr. Speaker it doesn't matter what would be in the package, Councillor Wyatt wasn't supporting it anyway. He didn't support the original package, he's not supporting it today, the rest of it is all bluff and bluster. He's entitled to his opinion and I'm not criticizing for his opinion but it wouldn't matter how much consultation had taken place, he wasn't supporting what's in here anyway because you get more headlines by being in opposition and that's the fact of the matter.

The transfer of two-thirds of one percent of GST. Mr. Speaker that's roughly equivalent to what a 5% federal gas tax contribution would have been. This is a much easier ask because GST is a growth tax. Yes we ought to be sharing in some of that growth tax just as we ought to be sharing more in other growth taxes. That's why we suggested in this package and based on much of the consultation that went out, instead of these specific grants all the time from the Provincial

Government why don't we have another look at the Provincial/Municipal tax sharing arrangement. It hasn't been touched in 33 years. Is it not time not only for this city but for all municipalities in Manitoba to sit down with the Provincial Government and have a look at using the PMTS with a revised formula of providing a better source of revenue to municipalities rather than relying on grants.

Are there risks with PMTS? Of course there are. There are also risks with specific provincial grants, often they don't change over time in terms of dollar amounts. Inflation goes up, grants stay fixed at whatever level they were originally established at in the year that they were first put forward. Yes there are risks both ways. But I think getting a better share of the PMTS formula is the way to go in this age. That is reflecting the public view that came out of these town hall meetings that cities ought to be going after the provincial governments for a greater share of the revenues that they take from them. That's really what all of this says.

Councillor Vandal has and others have adequately explained the balance of this. This is a package. And as I've said before the issue of new deals for municipalities is not going away. We either take a stand on something today or we fail to take a stand then I guess we're back to the status quo. I don't think the status quo is acceptable anymore in the 21st century. I've said this before I'll repeat it again. Municipal governments in this country are the first order of government. They are the most important order of government, they are the first order of government that most citizens turn to when they have a problem. Any problem. Whether it's floods or fires or other sorts of things, everybody goes to their local government before they can even find an MLA or an MP. So we're always first in line. We're the first in line to deal with many of the social issues. It's time Mr. Speaker that we were first in line when it comes to a new deal. It's time for the other orders of government to pay attention to what's going on in their municipalities across the country. Municipal governments are, municipalities rather are the engines of economic growth. Provinces don't have economies per se. The economies are driven in the local communities. It's time that local communities and their municipal governments got a better deal.

Mr. Speaker, I just read this morning a commentary from Mayor Ducharme, the President of the Federation of Canadian Municipalities. Just appeared in the FCM forum magazine regarding the new deal.

He says and I like these words, Mayor Ducharme says that "municipalities have spent a long time wandering in the political wilderness. Now it looks like our destination is in sight. There may not be a single new deal, no one size fits all model, but a shared commitment to a common vision one that sees municipal governments as equal partners and puts problem solving ahead of jurisdiction. It means the three orders of government working together to set priorities not imposing them, consulting, not pulling rank. …. in the past and I'm confident that we will now but we need as municipal governments to be ready and we need to start preparing for a new role in the Canadian Federation".

The new role begins Mr. Speaker with adopting a policy package like we have on the table in front of us this morning. That's how we begin. This is the result of those consultations. I think the general public very clearly understands now after a long period of time of information and discussion and feedback back and forth, that today is the day, and this is the year that we start that process of preparing municipal governments for a new role in our federation. That's why I'm supporting this package. I want to get on with having an official position that we can now move forward on and have meaningful discussions with the other governments. Those discussions are not going to happen overnight, they're not going to be resolved overnight we all know that, but we have to start. We can't officially go forward as a city government without having an official position adopted by this council. That's what this clause is proposing, that's why we should be supporting it so that we can move on and get those negotiations underway and

hopefully a year from now we might even see some results.

Thank you. I think this clause is well worth supporting, it's the leading edge of where municipal governments need to be in the 21st century.

Mr. Speaker: Councillor Lubosch.

Point of Personal Privilege

Councillor Lubosch: Point of Personal Privilege. I would like to recognize a former city councillor Al Golden is in the chambers watching us debate. Welcome.

Councillor Clement: Most of us recognized that about 45 minutes ago.

Mr. Speaker, I've always been under the impression that the people who sit in this chamber are politicians, but based on some of the things I've heard here today I'm starting to wonder.

First of all, to my good friend from the North End, Harry Lazarenko. The Premier can't say yes or no to anything unless Council takes a position. That's all this is about. We can't go and ask him something. Who's going to go? Are we all going to go together? Doesn't work like that. Council has to take a position and then the Province reacts to what we take over there.

The Mayor can go over and talk all he wants but it's not official until Council passes something.

Politics is an interesting thing. I heard Councillor Wyatt ask a question that where did this number come from. Councillor Eadie's already answered it. I'll go a little further.

Paul Martin made a speech in Winnipeg last year, most of the people in this room were there. And he said, he was going to deliver an amount of money equal to five cents a litre of federal gas tax. Well that's approximately $62 million. There was a hook on the money. The hook was that it was matching with provincial money. Everything around this deal is talking about somewhere in and around $120 million to $124 million. The number wasn't picked out of the sky. The number was plucked as a result of his speech. I just thought I'd share that.

What you have in front of you here is based on what the public said. It was the Premier who recommended that we go to the public with this notwithstanding some of the things he said.

The other thing you have to remember is, that it is about politics. You've got Paul Martin standing up in Winnipeg in Mr. Doer's backyard talking about delivering five cents per litre of federal gasoline tax providing that the Premier matches it. Then you get the Premier standing up and saying, I'm not going to do this. I want to talk about health funding for provinces. It's all about politics, it's not about what we're doing when they make a lot of those speeches, and you have to read between the lines. It's politics and we're politicians, we should be able to understand it a little better I think.

The bottom line is though, I went to five of those seven meetings. I saw some of you at some of them. I missed a couple. And some of you may have been at the ones I missed. Bottom line was though, the common thread was pretty simple. They didn't want new taxes. There's only one left in here and it's half a one, and there's also an or on the second last line that somehow you missed when you were going through it. It says, or, the transfer of six cents of existing provincial fuel tax. You didn't actually tell me whether you supported that or not you just pretended it wasn't there when you spoke to the first part.

Here's the bottom line on what my take of this is, and I think I've been in most of the meetings when this has been discussed.

It says, that a new deal for Winnipeg be comprised of five components. The two-thirds I've already explained. It's two-thirds and not one percent because two-thirds of one percent of GST equals five cents a litre of federal gas tax. It's that simple.

The second issue frankly if it was up to me and I had the power to wave a magic wand at the Premier, I'd go to the last line where it says, or transfer six cents of existing gasoline tax. That's what I would do. Both options are here so that he has a choice when he's looking at them.

Part C deals with a conversion of grants. And that one to me at least I thought was relatively simple. We currently get about $47 million and that number grows a little every year, it grows with inflation almost. I can't recall a year where that number was absolutely static or went down. I'm not saying it never happened, but I don't recall that that number has ever gone down while I've been here.

What this would do instead of us going over and talking repeatedly about anywhere from 15 to 25 grants that are all frozen in time and we're over there basically on bended knee all the time talking about all these issues, what we would simply do is get rid of the grants, take this number up to a number that equals not only what we get today but equal to what the grants are worth, and now you've got a much bigger pot and with that growth on that, you then have some options if you want to freeze property taxes or at least have some better choices. You have some growth in your future numbers and that's what it's all about. We have to be sustainable. Even if we were going to stay flat we have to have new growth and that gives us growth in that pot. That's my take on it.

Under D, I can tell you what my personal take on that is too. Out there looming in the bushes are things like frontage levies which we haven't passed but we've certainly talked about. User pay garbage which we haven't passed but we've talked about, and we're certainly going to be debating it over the course of the next twelve months. It's my view from what I heard at those meetings at least from people is, you're not giving us enough information, you're not telling us what you're going to do or you're not going to do. My take on this is, I want some kind of reduction because I want something off one side if I'm going to have to pay user fees on the other side. I'm being straight up about it. That's my take on that. That's why I think there has to be some sort of a tax reduction in this package whatever the number is, because if you're going to run with a flat number and do this deal and then you're going to go out and do some of those other things, then I think that's dishonest personally. You're going to wind up increasing.

I can tell you a frontage levy like the one being discussed on my own personal property, was equivalent to about a 6.5% property tax increase. There's all kinds of people in my neck of the woods with frontages like I've got. I'm not going to go down that path very easily, I'd rather have this frankly then at least I can point to it and say look, we're giving you this in lieu of that. I still don't know that I like that, that's a different issue. That's where I'm coming from on that one personally. Other people can speak for themselves.

As far as the last one, it's interesting, I heard Councillor Steek's comments about what he heard from George Chartier and I heard the words carefully, I also heard what Bob Gannon said. I think they said the same thing actually even though it sounded like they were different. I think that their intent was the same and this is the issue.

It kind of bugs me a little bit this particular one by the way because we've got a whole sheet of stuff that was at the last meeting we had, it says here, getting our house in order. We've been told for years by the Province, get your house in order. They never had any list of anything Mr. Speaker to give us, we just had to dream all this stuff up. They didn't even know what wasn't in order, in fact our house is in a lot better order than theirs is and has been for a number of years including in the past government. The fact of the matter is, we've already got our house in order. Everybody in this room knows the types of things we've done, but I can throw a few things at you.

Everybody knows that we stop borrowing. Everybody knows that our debt is dropping. Everybody knows that our bond rating levels are at the best position that this city has ever enjoyed. We've

got our house in order financially as well as we can. We've managed to maintain taxes and pay for growth by being as creative as we could. We've reduced our employees and yes I know 500 of them were with hydro, but the others weren't. We've reduced our employees to 8,000 people from 11,500 or whatever the number was. We've done all those things. Can anybody sit in this room and say they can't think of anything else we can't do? Where can $10 million come from? I can tell you where $3 million can come from real quick. We can contract out garbage. I'm going to get lots of people wanted to talk on the other side of that one. That's fair. The fact of the matter is, there's $3 million of $10 million real quick. This is one $10 million bill. It's not $10 million every year. It's $10 million over a period of time. It's not $10 million in the first year. It's not intended to be that anyway. It's intended to be $10 million of efficiencies, because notwithstanding we've done all these things, we continually being asked by certain people in the Provincial Government, what are you going to do. You lay this sheet out and they go, oh, I guess you've already done a few things. What else can you do? Because the Chamber of Commerce is over there saying, well you've got to do better.

To make everybody happy, we'll find $10 million of efficiencies. Where are we going to find them? My understanding is that the PUFF report or at least components of it, that we haven't seen yet, but I mean everybody knows pieces of it because we all wind up talking to people, that there's a possibility for some efficiencies there. There's always efficiencies and I think that we all have to be open minded enough to look at them when they come along.

I think we should be able to find $10 million somewhere so that we can say, okay, here's another $10 million of efficiencies to go with the hundreds of millions of dollars that we've already found that you don't seem to know anything about over there. That's the answer to it and I'll sum up with simply this.
As Chairman of Fiscal Issues and I've been in that position for a few years now. I've been directly involved with budgets for a lot longer than that. With the new deal this city has many future choices, and without a new deal I can tell you we're going to see tax increases and there will be little money for anything except emergency services, core services and basic maintenance, that's where we're heading without some kind of a change.

(Councillor Eadie in the Chair)

Mr. Acting Deputy Speaker: Councillor De Smedt introducing an amendment to the motion which is Motion No. 6. Just Councillor before you introduce your amendment I just want to indicate on a procedural matter that earlier on Council ordered that there would be an individual vote on each of the items in the main clause. Therefore I'm going to rule that the last sentence in this motion is out of order because we'll be voting on them separately, yes or no when the debate is closed. We don't vote twice on motions.

Motion No. 6
Moved by Councillor De Smedt
Seconded by Councillor Steek

THAT Item 2 of the Report of the Executive Policy Committee dated April 7, 2004 be amended as follows:

- by deleting in Recommendation 1.B. the following words: "together with the introduction of a new 3 cents per litre fuel tax applied Province wide with the amount collected in Winnipeg transferred to the City of Winnipeg"

- by deleting in Recommendation 1.B. the figure of $66 Million and replacing it with $33 Million;

- by deleting Recommendations 1.D. and 1.E.

Councillor De Smedt: I'm not sure I understand the ruling Mr. Speaker.

Mr. Acting Deputy Speaker: Council ordered there would be a separate vote on each item in the main clause. A, B, C,

D, E. No. 2 and No. 3. Your motion proposes to delete 1, D and E, those will be voted on yes or no when we get to the main vote. I'm ruling that the last sentence is out of order because there will be a vote on those clauses when we get to them.

Councillor De Smedt: Thank you. A lot has been said over the course of the last 10 months about the new deal, and I think most of us agree that we're at a watershed position at cities throughout Canada.

Yes, I agree with a lot of the words that have been said by Councillors Clement, Eadie, Mayor Murray and others of how important this is to have a consolidated position to take forth to the next level of government so that we have some credibility. I don't dispute that, I think that makes an awful lot of sense.

How we got there probably has been a very tortuous path, one that I probably didn't completely agree with, it's always nice to have public consultation. I would have liked and preferred to have seen that we had maybe estimated this kind of position where we're at today when we had these public consultations last fall rather than go through a $1.2 million exercise which was not largely academic but in a lot of cases destined to only promote one kind of image.

Having said that, I would like to say to Mayor Murray that we thank him for his contributions to this national debate, and it's given not only the City a great image and what's important in trying to move together with other levels of government. At the same time it's brought some credibility to the infrastructure mess as we call it.

I've heard comments around the table this morning that we have to do our part for efficiencies. Hence we better have a statement in this particular clause of doing some efficiencies and we settled on a figure of $10 million. We're not sure whether it's annual, whether it will start in '06 or '07, whether it will be cumulative, but it's a figure that's been put out there. It's regrettable that we just didn't eliminate the figure, and said, we will continue with the fine efforts that the City has made as Councillor Clement has just indicated in extrapolating efficiencies from our departments and moving ahead, that's all we had to say. We didn't need an arithmetic figure that does not really mean anything. It's meaningless. I think the Administration would even agree to that. Of course we're going to try and do efficiencies. Going in reverse order I can support a statement at 1. E, that we'll implement efficiencies. Makes a lot of sense.

It's rather interesting that we're going to ask two other levels of government for significant infrastructure money essentially that's what it is in terms of trying to have a new tax formula with the Province, rather than a series of grants and tax formulas by getting some gas taxation, by getting a share of GST. We're asking other levels of government to quote "reduce our taxes". Bizarre. Why if I were sitting up in Ottawa looking at this document and saying, thank you very much, you want two-thirds of our GST to net you 'x' number of dollars and it will grow so you can lower your taxes. I mean the Government of Canada would like to lower their taxes as well. It's the same as the Provincial Government.

This statement really falls hollow, this whole package is based on others doing what should be our job.

While we're talking about creating efficiencies and where tax cuts ought to be, we agree and I think it was well stated this morning that there is tax on we in this city. We don't want more tax increases if we can avoid it.

My gosh, we haven't talked about the school taxes. There's been oblique reference here that really the true enemy on our property tax bill today is the school tax assessment. That's where we should be homing in to address this next level of government our province, that if we truly want to be competitive and that's really what a lot of this is about this whole package, is that we want to be a competitive city. If we can reduce our taxes as Councillor Clement had

indicated we're going to pick on a figure of 4%, then we'll start to compete and freeze it for five years by the way, we'll start to compete with our colleagues in Western Canada. We're already competing very well with them if you really look at the tax bill. A $200,000 home here in Winnipeg or $100,000 home here in Winnipeg is worth a heck of a lot more than the cities of Edmonton and Calgary and Vancouver and Toronto and Ottawa.

Mr. Acting Deputy Speaker: I hesitate to interrupt you but you haven't yet spoken to the specifics of your amendment. You'll have a chance to speak to the main clause later on.

Councillor De Smedt: Well I wasn't certain of that but thank you. If I can come back and speak to the main clause I would be very keen about that.

If I'm going to be just speaking to the motion and thank you for reminding me of that Councillor Eadie.

It is really bizarre that we're going to ask another level of government who it's within their remit for taxation to tax our citizens more.

I know that during the new deal last fall some surveys were done and people were saying yeah, we could see a gas tax increase. I can tell you how many calls I received from our constituency and from other people around the City that have said, increase gas taxes, good show. Zero. There has not been one person that has called out of their community meetings that I've been with throughout the City that people have indicated that they see an increase in gas tax as a legitimate method to support infrastructure spending at this particular time in our life. This is about being a competitive province and a competitive city. Which is why in the amendment I suggested we just delete the additional three cents increase of taxation and allow the Province to decide whether they want to give us three cents or six cents of their taxation model that exists today. I'm quite happy to take $66 million from them if they would be prepared to do that. Hopefully they would because that's close to the balancing of the 5% from the Federal Government that had initially been promised last year on gas taxation and it was supposed to be matched by provinces, at least that's what we hear from Councillor Clement. I was at that same speech and I didn't quite hear it that way so I'm never sure what the Federal Government had promised. I think they would like to put the provinces on the hook to have an equal share of their funding but that hasn't happened.

I would encourage you on the amendment to approve this amendment. It's still within the spirit of the new deal. We want a greater share from the Province of what they already take from the City of Winnipeg. Councillor Vandal has already indicated in his opening remarks that they take $110 million from the City of Winnipeg, that's quite significant so we'd like to have some of that back to spend on our infrastructure. Whether they will delete grants in the meantime is another issue. Hopefully Subsection C would kick in and we can have a dialogue on the conversion of grants. And I support that particular issue anyway.

In any event, I don't think it's wise for us to signal to our citizens that this council as a whole is going to say, increase gas taxes. There's no justification for it. We ask for a share, that makes sense. That's where we were always at the beginning. But I'm not on the page saying on behalf of our citizens that I'm asking the Province to raise our gas taxes. If they want to do that, the only way they can see their way clear, then let them wear the issue of having to raise the gas taxes. They do not need the help of this council to motivate them to do that. If they're going to be in a financial crunch in succeeding years after this year in their budgets, then let them deal with it accordingly. But it's not up to us I would suggest to you that we're going on behalf of our citizens and saying, by the way, we'd like $66 million a share from what you already take but if you can't do we'll raise taxes three cents a litre. That's very bizarre, and it's very unusual, and it's not appropriate that this council take that position. Thank you.

Mr. Acting Deputy Speaker: Councillor Smith on the clause and the amendment.

Councillor Smith: Mr. Speaker, when I look over this clause, how come we haven't had this previously. All the Provincial Cabinet Ministers the whole Provincial House, the public knows of this proposal. The Mayor has made speeches. Released information. Now we're asked to approve it.

Let me tell you this. It would be disastrous for us to go ahead and vote this down. We would not be supporting the initiative to get greater revenue from the other two levels of government.

You look at the infrastructure, we need revenue. We need to do something. What we're doing now is not enough. I have spoken about the infrastructure deficit, it's incredible. It's like a third world country some of our streets. I'm supportive of the first part of this clause.

I just can't imagine what would happen if we had referred it or delayed it in any way, or went ahead and just voted against this. We should be supporting the Mayor on seeking greater revenue for the City. I'm going to be supporting most of this clause.

Mr. Acting Deputy Speaker: Councillor Thomas on the clause and the amendment.

Councillor Thomas: Thank you. I want to spend as much time as possible as I can talking to the clause itself, but first I have to make some comments on the groundless criticisms that have come forward here. One had to be asleep at the switch to miss what's been happening this past year.

With regard to talking to the Province, just to let you know I've had three meetings with the Intergovernmental Affairs Minister, MaryAnn Mihychuk. I've had at least one face to face meeting with most of Cabinet as well as a number of MLAs outside of Cabinet as well as innumerable telephone conversations. Yes, the Federal and Provincial Governments needs to be on side but they can't say yes if we don't ask.

I've been talking about the concept of a new deal but it would be nice to bring to the table in my discussions with the various ministers a mandated agenda of asks endorsed by this body. I can't go any further with here's the concept, are you interested. This is some of the things we're interested in doing. This is what it would cost you sort of. I can't go any farther than that unless somebody comes out and says this is what we're behind.

With regard to people who said that we didn't have enough consultation. I don't know who what individual person hadn't been consulted in this city. We've had meetings from four to four hundred, hundreds of meetings with citizens. Thousands of citizens consulted. Council itself has been consulted innumerable times before, during and after the consult with the public. At one point council had regular two week updates by our administration with regard to how the new deal process was going asking for our input, each and every step along the way. If you missed those meetings, well that's just too bad. But it doesn't mean that we didn't ask.

There we verbal and written briefings given to us as members of council by the Administration on regular basis. Sometimes we even got memos every day. There were e-mail updates, there were on line forums where we could ask our questions. What communication tool was missed I'd like to ask. What resource was left on tap. The ask has changed because of this input. Now where do we go from here? Let's talk about what the new deal is now.

The sales tax. A number of people have suggested, maybe we could do the hotel tax instead of the GST. Let me tell you people, when you stay in a hotel, if you get two-thirds of the percentage of the current GST, you do get a percentage of when people stay at a hotel. If you ask specifically for the hotel, that gives us $4 million. $4 million for that tax specifically on hotels. I would rather go after for two-thirds of a percent of the Federal GST

and get $62 million than spending all my efforts fighting for $4 million.

Some people have suggested, we could continue to get from our property taxes rather than going into fuel tax and doing a little dance around the fuel tax, property taxes are not the best way to deal with renewing our infrastructure. If we could make every person who uses the street pay each time they use the street, the people who drove in their big Suburbans, hey I have one, lots, they would pay more than the individual who chooses to take the bus everywhere that they go. They're lighter on the land from an infrastructure point of view, therefore they don't pay the same on the property taxes as someone who chooses to drive a big vehicle all over the place, one person in the vehicle compared to 40 people on the bus. You know what, I think that's kind of a good thing.

I would like to see us get a percentage of the fuel tax. What do they do? There's no place else that you drive, if you're not driving on the road you're not driving, gee they're using our roads when their using the fuel. Wouldn't it be a good idea if when they were using our services, they paid for it. That's why I'd like to see us go after the fuel tax.

A current three cents plus an implementation of a new fuel tax or Option B. You know what, let's not decide for the Province, let's not say, well we want them to do this rather than that, that's why we have the two options because we're going to another level of government and we're asking them for their support. It would be nice if we gave them some options either 6% existing or 3% and 3%, give them the choice, wouldn't that be a good idea particularly if we want to get the other levels of government on side as some of you have already said.

Income tax sharing. I am sick and tired of going to the Province and begging for increases in library and transit and ambulance and the other grants that have been flat lined for the past 20 years. Wouldn't it be nice to get a percentage of increasing revenue which is the income sharing formula. That's a growth revenue. If we had it on the same basis today, we would get the growth revenue based on the income tax growth, we would get the same percentage. Instead of going like this and be flat lined we grow with the income tax, that would be a good thing for us. I don't know why somebody has a problem with that.

Property tax reduction. I'm confident as Councillor Vandal said, that if we add $130 million to our income stream that we can through the additional money that we'll get for computerization, the other revenue sharing strategies, that we'll be able to find somehow to get it. And those who say, tell us what specifically, these are the same people who float motions all the time that's saying, you'll find it somehow, but asking for a specific answer when we float an idea. The investigation has to be done first before you make a decision. If our law courts operated that way and came to a conclusion before the investigation was done, that would be a travesty of justice. I would suggest that we need to do the investigation first before we can give you a specific answer about where to save money.

Either we bring people in at the beginning and they say, why don't you know all the answers or we bring people in at the end and say, you didn't consult me before you gave the answer.

I'm just baffled by this split tongue way of talking here. Mostly I am baffled by those who say they weren't consulted. I cannot believe that.

I would say the new deal is important. The new deal needs to be endorsed by us. I'm hoping that we unanimously support it. The citizens of Winnipeg have let us know what they feel is important we asked them. We threw out hundreds of ideas and they're the ones who told us. Some 83%, 88% approval of certain concepts that are listed here.

The Conference Board of Canada is on side with these issues that we raised here. I don't know what more you need in order to support a new deal. I would say, if you don't stand up and show your

support that you're just being plain negative. Because there is no substance to what you're saying if you don't support this. Thank you.

Mr. Acting Deputy Speaker: Councillor Angus on the clause and the amendment.

Councillor Angus: Thank you. Peter Drucker has suggested that any decision is better than no decision Mr. Speaker. From that perspective this particular motion by Executive Policy Committee deserves some serious consideration by this council.

I don't want to spend a lot of time and be chastised as being negative, but this motion is seriously flawed. Nonetheless, it will probably gain support because a motion of this nature which gives a negotiating team an opportunity to go out and negotiate with other levels of government is better than not having any mandate at all.

Let me say that it's flawed in the following fashions Mr. Speaker. One, the Provincial Government has every right in the world to turn around and say, alright Mr. and Mrs. Negotiating Team, we've given you the right to raise taxes in hotel rooms, we've given you the right to raise taxes on liquor. We've given you the right to charge a frontage levy. And you do not have the individual courage to stand up and implement any of those particular opportunity for taxes, dedicated or not. You have not used them. It's very easy for you to come to us and say, give us a bigger share of your pot Mr. Provincial Government, your pot Mr. Federal Government, and yet when the push comes to shove in our particular camp, we're not prepared to make the sacrifice. That's number one.

Number two, there's absolutely no indication this motion that any of this money is going to be dedicated to infrastructure. In fact, there's going to be $10 million in infrastructure savings found. Mr. Speaker, we have all stood up and said, every member of Executive Policy Committee has seriously addressed the issue of a failing infrastructure in this city. It is very very bad Mr. Speaker, and there's no need for me to elaborate on the difficulties we're having in keeping our roads and our sidewalks and things of that nature adequately repaired and the money we need to do that. Yet there is nothing in this particular clause that says, that any portion of this money will be dedicated to that. The only example we've had of sharing…Mr. Moneybags here is trying to get my attention to something. I'm looking at the motion. I'm looking at the motion, and the only evidence I have from this council is the GST money that came to this council and was automatically sucked up into the big black hole of administrative costs and expenditures.

Mr. Speaker, hang on a second, before we start to applaud, as I say, giving these tools to somebody is an important thing. There's no flexibility in this motion. There's nothing to say that we can go for more, or we can go for less, or we can do tradeoffs and things of this nature.

Mr. Speaker, I want to address the fact that there is a whole series of false economy in this particular motion. It's a serious flaw. It suggests in number four as an example that we're going to get 4% reduction, $15 million. I assume, I don't know for sure that that particular type of reduction is going to come from the contracting out of garbage. My friend has suggested we'll save $3 million. That of course will reduce the cost of garbage to be collected, and I hope we're not going to be slapping a user fee on there that's going to become a tax grab. It's going to cost people more so they can subsidize taxes on garbage collection. It should be actually what it is. If garbage is $16 million now and we save $3 million from contracting it out, now it's only $13 million. That doesn't mean that we can't find $2 million in savings, but if we can find $2 million in savings why haven't we found them. Why aren't they built into the budget. We've already built this particular sum into the budget for next year, the garbage savings that are there. I agree with my friend here that if you're going to take from one pot you've got to sort of balance it, the teeter totter has to be balanced. I'm not sure if that's not going to be an additional $15 million.

There's no timeframes on this particular motion as to when we're going to come into place. No indication as to when they're actually going to do the reductions and add the information on Mr. Speaker. We are relying I suspect on $10 million in savings from the PUFF study as indicated, now we're up to $25 million in savings that we're going to find Mr. Speaker. There is nothing to suggest this council will not become any more cohesive, as a matter of fact it will become more fragmented when we have to deal with the individual realities of shutting that particular swimming pool down in your ward or that particular community centre in your ward down without a corresponding equivalent investment on the other side. As far as I can see Mr. Speaker, it's a wash.

The motion has been crafted. It is here in front of us and it's better than nothing but only barely better than nothing Mr. Speaker. Council will endorse this, I have no doubt about that. Councillor Smith is on side, they have the magnificent seven of which I'm no longer part of, and perhaps if I had been I could have suggested some minor suggestions to make this particular motion a little more realistic.

Mr. Speaker, I think that it's very very dangerous for council to give determination to what I call futures. We're dealing in futures. When we deal in $25 million of savings in a very mucky future, a very uncertain as to when it will come into place future, uncertain as to what a PUFF report is going to say and how we're going to react to it, uncertain as to whether or not we're even going to implement a garbage fee or not. Uncertain as to whether we're going to use some of that money to reduce property taxes or not, and uncertain as to any or all of this money will actually be directed towards infrastructure. I have a feeling Mr. Speaker when push comes to shove and we are faced, the Mayor, the new mayor whoever is mayor, is faced with the deal of having to put property taxes up or fix streets, once again the infrastructure in this city will suffer serious setback and the money will be taken from that in order to balance the books so that we can make ourselves look good. It's fundamentally wrong Mr. Speaker.

Having said that, after a year and a half of sort of posturing ourselves before the people in terms of how we want to fix a new deal and what we want to try and come up with, this is marginally better than nothing. We have to give the Executive Policy Committee tools to go forward and try to negotiate. It could be better, it should be better, but it's better than nothing Mr. Speaker.

Mr. Acting Deputy Speaker: Councillor Lubosch on the clause and the amendment.

Councillor Lubosch: Thank you. Before I begin my remarks I want to absolve the Administration from my criticism, this is really all about politics and there's a lot of politics and posturing going on in this chamber here today.

Councillor Clement says that we have to pass something. Councillor Eadie wants to pass the package. Councillor Gerbasi says we should all stand up and be proud. Councillor Thomas says we would have to be asleep not to notice that this is coming. Mayor Murray says, we or he are front and centre on the national stage, perhaps that's where he believes he belongs.

I have spoken to the Premier about the new deal, the former new deal. I have spoken to the Minister of Urban Affairs about the former new deal and this deal, and it doesn't appear to be on their radar screen, either publicly or privately.

What about the new deal, is it really so new? We've asked for gasoline taxes and a share of federal revenue for years in this council chamber. What we haven't asked ourselves is what are we prepared to do to bring our city back from the brink.

If you've read the Canada West Foundation…the fact is Mr. Speaker if we had looked at other research other than the Conference Board of Canada whom we retained, if we looked at what the Canada West Foundation released as

recently as April, 2004, and they're looking west 2004 survey, we would note that citizens in Western Canada are not looking for their municipal governments to cut taxes….As I was going onto say, the discussion here and the new deal is a lot of sizzle and no state. If you look at the research in Western Canada that the Canada West Foundation has provided, it alludes very clearly to the fact that Western Canadians are not looking for their local governments to either cut services or reduce taxes. In fact, 56.9% of Manitobans would like to see taxes by their local governments increase and they would like to see the services and the value for their taxes increase.

In the broad spectrum in Western Canada since we like to compare ourselves to other Western Canadian cities, as many as 59.3% of citizens would like to see taxes increased keeping in step with population increases, keeping in step with inflation in order to maintain a level of service provided by their local governments.

In fact Mr. Speaker, if we did a little more research beyond our borders we would note that only 3.4% of people in Western Canada are actually looking to have revenue relative to the services they provide their citizens, local governments reduced. And most of those people reside not surprisingly in Alberta.

Councillor De Smedt is correct, the single most important decision that the Provincial Government could take, the single most important promise that they could keep to make our city the most competitive in Canada when it comes to municipal taxation is take the education taxes off the property tax bill. But ultimately much work needs to be done in that area, and we've seen little advancing from the Provincial front in that regard.

My concern Mr. Speaker is that while we're looking at this package and wanting to make a decision about something, anything, the fact is this package has a number of things in there that council was never consulted on. I never had the opportunity to attend an informal EPC meeting to discuss whether or not we would look at a 4% reduction in property taxes and a freeze in property taxes in five consecutive years.

Mr. Speaker, I get calls from constituents every day complaining about parks. That they say "have been amputated of their playground equipment". Because it no longer meets the standards. I get calls everyday from business constituents along Henderson Highway who say that Henderson Highway is deplorable. I get calls from constituents everyday about the Chief Peguis Trail which I might add has been on the books since about 1969.

I get calls everyday about trees that haven't been trimmed, in fact in North Kildonan we're dealing with a situation right now where somebody took the matter into their own hands and trimmed the City boulevard tree beyond its ability to recover. They will likely have to pay for the restitution of that tree. Because the tree pruning cycle is 20 years and beyond.

Mr. Speaker, we might be kidding ourselves here thinking that it's discipline fiduciary discipline to hold the line and not raise taxes. To not spend the money that's required. To make a bold decision and start charging for the locker rooms at our swimming pools, so when you put a quarter in and put your clothes away and want to come back and get your swim goggles, it costs you another quarter to get back in and go back out. This is the kind of chicken you know what stuff that we're doing in order to make ends meet while we hold out our hats to the Province and to the Federal Government in hoping that they're going to provide for the poor in Winnipeg. Well the fact is Mr. Speaker, it takes a lot more guts, it takes a lot more creativity and a lot more open government and principle to go back to your electorate and say, you know what, take a look around you. There's lots of stuff falling apart, lots of stuff that needs repair, lots of stuff needs fixing, and I'm going to have to come to you for an extra amount this year in order to get this stuff done because I don't think it's fair to pass this on to future generations while we look good holding zeros, reducing by 2% and watching the City crumble. You only

have to walk outside City Hall, take a look at where the Leland Hotel burnt down. What kind of crap is that? It's a mud hole, there's garbage, there's nothing but used condoms and solvent bottles laying right outside the steps of City Hall. That's disgusting. You can say, well we'll wait for spring cleanup but the fact is, I've walked that route for nine years and it hasn't changed. This is epidemic all across your city.

Anybody who says in this chamber open your eyes, you haven't seen anything, well I challenge you to open your eyes and see the City for its faults as well as for its greatness. There are a lot of great things here Mr. Speaker, but there are a lot of things that are going to hell in a hand basket. The fact is, I'm not going to support an omnibus motion that ties our hands for the next five years and says, do nothing while we hope that the people on Broadway and the people in Ottawa make some decisions in our favour and provide us with the money that we need in order to deal with the tough problems that we have.

The fact is, it takes a lot more guts to go back to the people that elected you and say you know what, we need some help, we have to work collectively and we have to bring this city back from the brink, and that's the pages I'm on Mr. Speaker. I'm not on the blue sky and rose coloured glasses everything is wonderful page, I'm on let's roll up our sleeves and get down to some bloody work. And quit patting ourselves on the back and masquerading like a bunch of winners when the fact is, the City is not winning a whole heck of a lot of ground.

True there's some good news stories in various pockets, there's some good news stories here and there but on the balance how many people want to go to Portage Place tonight to see a movie. Maybe somebody will take an axe to your head or you'll get stabbed in the bus depot, didn't you read the news? Didn't you read the news, right now the Manager of Portage Place is meeting with the Downtown BIZ and members of our police storefront on Portage Avenue to try and find out how they can either shut down the bus shelter or deal with the nut cases that are running around hurting people. And you call this city safe. You call this progressive. We've got the highest rate of family poverty bar none of any western city, according to the national government Councillor Clement. According to Statistics Canada.

Take a look around you and tell me you want to maintain the status quo or hold out for some lofty promise that Ottawa or the Provincial Government is providing. I haven't seen any school tax diminished on my property tax bill. In North Kildonan it now well exceeds the municipal property tax bill. If you want to hang your hat on promises of others. If you want to hang your hat on the campaign speeches of others, go ahead. The fact is, I'm not going to stand up here and support doing nothing until we wait for others to bail us out. Thank you.

Mr. Acting Deputy Speaker: Councillor Steeves on the clause and the amendment.

Councillor Steeves: Thank you. On a point of personal privilege. I'd like to start off by wishing my mother a happy birthday. I know she's probably watching, she's a huge fan of politics. I will state that I guess we won't be going to a movie as previously discussed.

Ladies and Gentlemen of the Chamber, we shouldn't over complicate this. Certainly discussion is required on this. We shouldn't over complicate this. At its base I think everybody in this chamber agrees that the City of Winnipeg somehow someway needs to deal with what all of us perceive as a pretty serious infrastructure deficit. I think everybody in this chamber agrees on that. If I'm wrong, I would like to have that person or those people indicate that to me and to the rest of council. Since this discussion has began there's one thing that has held all 16 of us together at least in one belief, it is our collective belief as a city council that represents the 630,000 people who live in our city, that we need more to fix a lot of the problems that we have. It's certainly debatable as to how we got in this situation it's obviously debatable how

we're going to rectify it. Those two things are certainly debatable.

We should remember that common cause as we vote on this motion today. As Councillor Angus indicated I don't know that we've necessarily nailed perfection today, I'm going to be arguing at least that it is a start.

Aside from the discussion that we've had throughout the course of the last half year or nine months, we haven't talked about a lot of different options. We've discussed a lot of different options in the context of the new deal, and in the context of the newer deal but I think that every suggestion for a new revenue lever, every suggestion for new revenue has been brought forward in some form. Today I haven't heard a lot of new ideas for revenue that have been left off the table pursuant to this entire discussion. That's fair to say I think. Again, I will remind everybody in this council that we're looking to solve a problem. I completely appreciate that people have different opinions on how or why we're going to get there. We have to remember that as something that's going to hold us all together at least to some degree as we wind our way through this debate.

I was one of those folks I suppose who is really interested in the newer deal. I thought philosophically it matched up very very closely with a lot of things that I hold dear as a politician.

The idea of consumption based user pay taxation is something that I as a politician believe in. If you use it you should pay for it. That is I guess in classical political philosophy that runs I guess counter to a more collective more socialist argument whereby everyone should pay a certain amount and that money should be distributed according to the wishes of a larger government. They're two different philosophies and that's why I guess Mr. Speaker, was interested in looking at a philosophical shift for the City of Winnipeg, and that I thought was represented in the new deal that we discussed with our citizens.

Now I think it's fair I think everybody in this chamber again would agree that we had a good discussion with the people we represent. I think everyone of us would acknowledge that that discussion was overdue and that discussion was beneficial. People today in the City of Winnipeg are smarter and more informed on civic issues than they were prior to this debate taking place. Again that is a great thing for the citizens of our community. We would all agree on that.

The newer deal as it's been proposed is a fairly radical departure of course of what was proposed originally in the new deal. I think personally it represents maybe a little bit more of a departure than I would have ideally liked to have seen. I would have liked to have seen a lot of other things that were in the newer deal perhaps remain on the table for discussion. But, in politics I guess we don't always get every single thing that we want. I don't disagree with anything that we're going to be requesting from the other levels of government pursuant to the newer deal, but I'm hoping as this discussion winds its way through that a lot of the things we've talked about in the past will still be considered in the grander discussion. Because as Councillor Angus had indicated, he is correct. He is correct to a very large extent. We are going to certainly run into those pitfalls and those very valid arguments of other levels of government saying to us, you do have some powers that you could exercise to increase revenue and it is to some extent quite easy to make the ask that we're making.

We should remember of course this is a starting point. Nobody in this chamber could rightfully guarantee or rightfully expect that what we see on this paper today will ultimately be where we land in terms of a final deal with the other levels of government. We all support the idea that we want something different with respect to the other levels of government, we should stand up and say, we're going to start this process. It is true Mr. Speaker, it is absolutely correct that to get this ball rolling this chamber has to pass something. We have to start this ball rolling.

We have to acknowledge that what we're passing today may or may not be the finished product that we're looking for at the end of the day vis-à-vis the Provincial or Federal Governments.

With respect to our dealings with the Federal Government and the Provincial Government, those have been challenging. I don't know that I have personally have been part and parcel with those discussions, but we do know those discussions have been going on.

We do know that through FCM the Mayor and others have had ongoing discussions. I'm talking discussions that have been going on five or six years now. I recall, we all recall probably going to Hamilton for the annual FCM Convention which was attended by then Ministers Allan Rock, Paul Martin, David Collenette, Sheila Copps and others and each one of them at that stage, I can see Mr. Speaker I've named some of his favourites and all of those ministers at that time although not getting into the specifics that we've seen today were at that time talking about a new deal for municipalities.

I would remind the Chamber that we have recently heard from in the Speech from the Throne from the Government of Canada "we are committed to providing a portion of the gas tax if eventually that's what works best for municipalities". Then again it was followed up in the wording of the speech "the Government will work with provinces to share with municipalities a portion of gas tax revenues or determine other fiscal mechanisms that achieved the same goals over the coming months. The Government will launch these discussions with provincial territorial governments and will continue to consult with municipalities".

I think this chamber can take some comfort in the very concrete statements made by the Federal Government that they are indeed looking very very seriously at changing their relationship with municipalities.
Personally I'm more concerned with our relationship with our provincial government, I was very very concerned in many ways with what I heard in the Provincial budget speech this past Monday. I am becoming increasingly concerned with the suggestion that our new fiscal arrangement with other levels of government should in some way be tied in with the prospect of the provinces receiving what they perceive whatever that might me an adequate deal on health care.

Mr. Speaker, I think it was probably fair to say that, in the current political framework we are unlikely to see in any realistic timeframe a final deal that satisfies everybody with respect to the Federal and Provincial bodies and their relationship vis-à-vis health care. That is a very very complicated formula and we have a lot of work to do to ensure that our needs as a city councillor, our needs as citizens, the needs of the citizens we represent are not tied to the very very laudable goal of health care and the Provincial Government and their needs to get to certain points.

I personally would like to see this chamber encourage the Provincial Government to move to a model like the Federal Government who has picked out five priorities. Municipalities being one of them. Health care being another one of them. They have said those are going to be their five priorities that they are going to work on. They have not said that one is more important than the other, they have not said that one is subject to the other one being satisfied. We should encourage our provincial government to get to that place. We don't want our new fiscal arrangement being subject to another very very large file that exists in the provincial/federal relationships.

I am going to make a comment on the splitting of the clauses that was mentioned by I believe it was Councillor Steek. I'm not certain.

I would encourage Council to vote on all of the clauses or to support all of the clauses. And specifically I would hate to see a situation although I don't think it's possible, I would hate to see a situation where we wound up supporting D) and E) without supporting A) B) and C). That

would be a true disaster. I don't think it's going to happen either but I want to alert this chamber to that rather unfortunate possibility.

In conclusion Mr. Speaker, I would like to underline the fact that this represents a big but not a final step in this process. A lot of very very real work has to be done with other levels of government to get this ball rolling again, and hopefully get this on the Provincial agenda for this fall. Thank you.

Mr. Acting Deputy Speaker: Councillor Angus, I'd invite you to introduce your sub-amendment, Motion No. 7.

Motion No. 7
Moved by Councillor Angus
Seconded by His Worship Mayor Murray

THAT Item 2 of the Report of the Executive Policy Committee dated April 7, 2004 be amended by adding the following words to Recommendation 1.B.: "that all monies be dedicated to transportation and infrastructure renewal".

Councillor Angus: Mr. Speaker the motion is fairly straightforward on its explanatory face.

The reason for it is, that in spite of both of my colleagues on either side of me suggesting that I read the accompanying material, there is no accompanying material with this on the clause of Council. There is no reference in the clause to the fact that this money is going to go to that. We are trusting in this particular Executive Policy Committee to do the right thing with it, and/or future Executive Policy Committee's to do the right thing. By including this particular dedication of this money to transportation and infrastructure renewal then we can be assured that there will be no ambiguity in the future about whether or not Council wanted that money in this particular to be directed in that fashion. Thank you.

Mr. Acting Deputy Speaker: Councillor Wyatt speaking only to the amendments.

Councillor Wyatt: Speaking to the first amendment or actually in reverse Motion No. 7.

If you read the document and you listened to the folks who've worked very hard obviously on the new deal that's before us, or the motion that's before us. The monies are largely geared already in the document though I guess Councillor Angus wants to insure that on Item No. 1, B. Item No. 2 that all the monies go towards infrastructure and transportation.

It's interesting that this comes forward today because this amendment does speak to the issue of the fact that the new deal being presented before us as indicated by our staff in the seminar that we had, does fall short, in that it does not address the shortfall in our operating funding, and it will not do so in the short term being five to 10 years as what we were informed in the seminar. Which means that there's going to be a huge demand or huge pressure on this council if there are any new funds coming forward based on any new deal to dedicate those funds to operating costs and balancing the operating budget of the City. That's clearly what happened this year when we received a rebate on the GST from the Federal Government and it was sucked into the black hole of the operating budget.

The amendment speaks ironically to the fact that the existing motion that it's amending is flawed itself. If we were to deal with the entire challenges facing the City we should have dealt with it on the basis of not only addressing our infrastructure problem which is crucial but also to know that we should be addressing that so called zipper that Bob Gannon talks about and closing that zipper which clearly has not been done. The fact that we have to move an amendment to this effect today signifies that that has not been done. And there's a real concern that that has not been done. Even if we move this amendment there's a concern that whatever we have in the future via new revenues from the Federal and Provincial Governments, there will be such pressure on this council to balance its books because of the great

fear of a tax increase that it's questionable whether those revenues will go to street infrastructure and transportation.

Speaking to Motion No. 6. I have a problem supporting a higher gas tax when we know already from the Manitoba Heavy Construction Association that the Province is not dedicating their existing entire revenues from their existing gas tax to fixing the roads and the highways of this province, never mind the City. The question is why should we be asking for even a higher gas tax on top of the taxes we have now.

The argument of the share of the existing tax I think is reasonable and fair. Therefore I will be supporting an amendment, the amendment No. 6.

It's clear that we have to remain competitive with our other provinces as was pointed out many times by EPC and with other cities. The risk that we're going to raise gas taxes in a province that relies heavily on the transportation industry and the transport of goods and services, I think could be seen having a negative effect or would have a negative effect on the economy.

I think it's important that if we're going to do anything with regards to gas tax and I'm not necessarily against increasing gas tax, but if we were to do something with regards to gas tax and increasing gas tax, that it be done in relationship to what's happening with the Federal Government and the monies coming forward to our infrastructure, so we exactly know what we should be asking.

Why should we just be picking a random number and saying, this is what we need for gas tax an increase in provincial gas taxes when at any point this year we may have a decision by the Federal Government as being indicated over and over again to give us a share of gas taxes.

The fact that we don't have federal gas taxes as part of the motion coming for the new deal, I think again is a concern of something missing. You could have had a situation where you asked for goods or services or gas tax. Clearly the gas tax, the Federal gas tax, $5 million a year, less than 2% coming back to the cities and to the infrastructure of this country, is a real problem. The FCM has done a fantastic job on lobbying on this issue year after year after year for many years. I think we're kind of finally seeing the work that's gone on with that. I'm surprised that we're not reflecting that today in the motion and we're talking about provincial gas tax but we're not talking about federal gas tax.

On that basis, I will be supporting the amendment by Councillor De Smedt, seconded by Councillor Steek. I have a concern the overall motion itself, I have a concern with clause 1.B. I don't see Councillor Angus' amendment making any improvements to the overall issue of the fact that the gas tax increase at this point is very premature and therefore will not support that. Thank you.

Mr. Acting Deputy Speaker: We have more speakers. I will suggest we call it 12 o'clock and resume debate at 1:30 p.m.

Council recessed at 11:54 a.m.

After recess

Council reconvened at 1:41 p.m.

Mayor Murray: Thank you. Just real quickly. I know as Councillor Eadie said earlier, we're pressed to stick to the issue which is the amendments. I'd like to first speak to Councillor De Smedt's proposal.

I understand the sense of the motion and I think it's fair minded. Out of our public consultations we recommended six cents a litre gasoline out of existing. That's certainly my preference. There is some challenges though with that.

Councillor De Smedt often instructs us quite appropriately on the importance of scholarship and analysis. We're all familiar with the work that the Conference Board of Canada has done on gas tax. Mario who you can talk to anytime by the way. He said when he was here, call him any time. I know it's a

long distance call I even think if you were real cheap and made it collect.

Mario made the point over and over to us in the process and to our staff that even though there's a significant gas tax collected and the Conference Board of Canada's view of it is that the Province does spend 100% of their gas taxes on roads, they just don't spend it in Winnipeg. They collect $200 million and that's spent on provincial highways.

Here's the problem. The $200 million even though we get $10 million, $15 million back, isn't enough to fix the provincial highway system. Talk to our reeves and mayors across the Province, you talk to Les Magnusson in Steinbach, you talk to Bill Camasky in Thompson and any of my colleagues when we get together. They tell me you could double the amount of money in provincial highways and it still wouldn't be enough. The provincial highway in Morris, Manitoba, is the main street as it is often in Portage la Prairie or in Thompson, these are smaller communities and they very much want to see more money not less spent there. Even with 100% of gas tax dedicated by provincial, it's not enough. That's the point the Conference Board of Canada makes in this study and in the work they've done. We said, okay, how much would be enough. It wasn't a number picked out of the air. The number of three cents a litre wasn't arbitrary. It was the recommendation based on what enough would be. What enough over what period of time, enough over 20 years.

Our argument was, that six cents a litre would require accommodation by the Province to put more revenue into the City and to deal with other choices that it could make. Why do we say that?

The basic thing that we can do as a city not to overstate the simplicity of it, is we can raise property taxes or not. Or we can cut services. We're not a constitutional government. We don't have the capacity to reconfigure ourselves the way a provincial or the Federal Government can legislatively. We have the right to go and beg the Provincial Legislature to change things for us.

We said, there is an in-house solution. We also made a commitment listening to the citizens of Winnipeg that this wouldn't be their deal. Wasn't going go be Councillor De Smedt's deal or Councillor Smith's deal or Councillor Wyatt's deal, it was going to be the citizens deal. That's why the polling was so important. That we had something that really came out of what people had said.

The other problem is, if we can do six cents of the existing, I think that would probably be all our first choices. We committed to some integrity and transparency in the process to tell the truth. We went to third party experts. The same organization the Province has used to do their fiscal studies. We follow the same model that the premiers used in dealing with their issues on health care with the Government of Canada.

Finally, I think the last thing I want to say is that, there is a difference in taxes. The Conference Board of Canada says, that gas tax change would be negligible. It would still leave Manitoba with the second most gas taxes in the country. That was their analysis.

The problem we have is that some councillors, and legitimately I understand, I don't agree with it, but I certainly understand and respect the position have argued that we should start raising property taxes again.

My view is, is that we work in Western Canada, we're the start of the Western Canadian regional economy. My goal when I ran for Mayor in '98 and continues to this day, is to bring our property taxes in line with those of other Western Canadian cities. Now we've moved a lot closer but we're still, we still have higher property taxes on the municipal levy and we have to align our municipal taxes on the education side, the education levy with that, and lots of work is being done on that. We've handed that off to the Association of Manitoba Municipalities, and the Manitoba Association of School Trustees. That report is in its final

conclusion right now. It is going to the Minister of Education and the Premier, and it's looking at models, Saskatchewan just did that. They just proposed a 50% cut in education property taxes in Saskatchewan to align with an 80%, 20%, 80% provincial support, 20% property tax support. My sense is that the AMM and MAST position, we won't know what the details are until the Province decides to release that report.

That's being dealt with. There is an impact. All you have to look at is the hotel sector and the downtown. If property taxes continue to grow at the rate that they're overall growing because the education taxes are going up, no one is going to want to invest in the big properties like the Bay, or the big hotels which have depressed assessments. When a hotel is worth $12 million, there's no other city in Canada that has downtown hotels that are worth $12 million. There were $70 million or $80 million in Calgary and much more than that in Vancouver. If these things ever got back to their real level of value and their assessments go from $15 million to $30 million or $40 million, if our hotel properties and we hope they will be one day be worth the same as hotel properties are in other cities, the tax consequences of that with our education taxes are a significant dampener on the environment in which we want to invest.

We said that we didn't have all the answers. We said that we had options. We respected that this is a basis for going forward in future discussions with the Province and Federal Government, and we put two options on the table. We also engaged the United Way of Canada, the Chamber of Commerce, the Labour Council and 65 other organizations who tabled briefs. And some of them had deal breakers in them. This is carefully constructed around respecting the contract we made in not a consultation but a citizen engagement process, the difference in that as it relates to gas taxes. We made a commitment to be directed by our citizens in a reasonable fashion, not just to consult them.

This deal is based on an engagement process of our citizens, not simply a consultation.

I would hope then as much as I agree with Councillor De Smedt and my friends on Council who support that position, six cents of the existing gas tax is my preference. I don't think we should ignore the work of the Conference Board of Canada or even our friends provincially who we've consulted with and to put the other option out there for further analysis because let the Provincial Legislature have that, and have the courage to stand behind more than one option. Even though there's some political risks associated with these things. Thank you.

(Councillor O'Shaughnessy in the Chair)

Mr. Speaker: Thank you. Also on the amendment and sub amendment, Councillor Steek.

Councillor Steek: Mr. Speaker speaking to both Councillor Angus' amendment and to the amendment from Councillor De Smedt. First of all with reference to Councillor Angus'.

It states, infrastructure and transportation. And hopefully when Councillor Angus speaks in closing to that amendment, he'll put in a clarification as to what constitutes infrastructure. Is it streets and roads only? Does it have application to buildings? When he speaks to it, I'm sure he'll clarify on that.

With reference to Councillor De Smedt's position. Many of us around here do not support an increased tax burden.

I respect the fact that the proposition in front of us offers alternatives of six cents a litre which is $66 million or three of the old and three cents new.

If we happen to be as the Conference Board of Canada says at the low end of the scale on current gas taxes, hallelujah. I will not support Clause B asking for an additional three cents up and above what we already have. There is strong

indication that the Province is not coming to the table for that.

My last comment is this. And the Mayor referenced the importance of being competitive from a tax point of view and we'll certainly have the opportunity to explore this a little further when we get into the school tax issue.

This is a city and I would urge all of my colleagues to have a look at it because we have heard relentlessly that we have to be competitive across the country.

I went to the Administration because I had this originally and I couldn't put my hands on it. Out of a survey of 24 cities, municipal tax wise we rank number five. On a ubiquitous 1,200 square foot bungalow, three bedrooms and a finished basement a 6,000 foot lot, this city taxes $1,029.00. However, where we spiral out of control, is of course on the education side.

I happen to believe that this city has done an extraordinary job because from 1990 through to 2003, inflation has been over 30% and the increase in municipal taxes have been less than 18%.

We have kept the covenant with a taxpayers of the City of Winnipeg. I will not pass along an additional tax burden knowingly on the three cents a litre. I believe that that is a provincial obligation to bring "their house into control". It's astonishing when you come into power with a budget of $6 billion and it's now $7.3 billion, you spend every nickel and more.

When it comes to finding $33 million, I would suggest that the Province find it. When it comes to 2/3rds of a point on GST, you bet I'll be supporting that. I will not be supporting increasing the tax burden another three cents a litre. Thank you.

Mr. Speaker: Councillor Angus on your sub amendment, closing.

Councillor Angus: Thank you. I propose a friendly amendment to clarify this situation. I'd like to remove the word "and" from the motion. It would simply read then "transportation, infrastructure renewal".

Mr. Speaker: That is a major change. Is that agreeable to change that word, to remove the word "and". It's in the hands of Council, is it acceptable? It's not acceptable.

Councillor Angus: Let's face this fact. I'm not going to be here in a year and a half, you can do what you want to do because it's going to take a year and a half to come for this deal to come to fruition.

It's for bridges, streets, roads, and any transportation infrastructure. That's what the clarification is. If you leave it in or leave it out, you pass it or you don't pass it, it aint going to make a difference. But it does put into the…

Mr. Speaker: It's a major change. Do you want to start debate all over again on this clause?

Councillor Angus: Mr. Speaker, I don't need to continue on this, there's been enough discussion. The motion simply in my mind allows the Clerk to pull out the evidence that says, when this money does come to the City of Winnipeg, it will be directed towards those types of initiatives that I just identified, and that's what it says in the motion, that's what the clarification is for.

As the former Chief Commissioner of this city Rick Frost used to say, in God I trust, in all else give me the data. The data in this particular case on this particular motion would simply clarify that that money is specifically directed towards infrastructure renewal, a pot that is desperately in need of additional funding. Thank you.

Mr. Speaker: Councillor De Smedt closing debate on Motion No. 6.

Councillor De Smedt: Thank you. I gather I'm entitled to speak to the overall clause.

Mr. Speaker: No you're closing debate. You had that opportunity you never put yourself on the list.

Councillor De Smedt: I'm sorry Mr. Speaker, there's been a disconnect between two parties that were in the Speaker's Chair. I really should be on the list.

Mr. Speaker: If you were first I would have put you there, but we started closing debate with Councillor Angus. That's it.

Councillor De Smedt: Well Mr. Speaker, I can do this very quickly. We can sit and dialogue all day.

The reason there is an amendment to B, is because it's important in the context of the overall motion that we're seeing. Yes, this is about infrastructure renewal. It's about having a meaningful mission as somebody described around here. It's about going forward in common cause. It's about taking a sense of a positive position as a council. I agree with all those nice statements, they make a lot of sense.

Why it's important that we look at having this amendment on the tax increases because it's essentially that. You're asking us to endorse on behalf of all of the citizens of Winnipeg that we're going to raise gas tax. That is not our mandate. It is our mandate certainly to having reviewed it with the Conference Board of Canada with some small polling to say, look it, it's important that we put gas tax revenue back where it belongs. And where it belongs is into the transportation of our city.

It doesn't necessarily mean that you have to raise the taxes Mr. Premier. You can decide. You have that budget. It's your discretionary authority of how you will apportion that money that you're taking from Winnipeg and from all over the Province. But we're not encouraging you or discouraging you to have a gas tax increase. I keep saying, I don't care what the few little polls we were taking during the course of the last seven months, I haven't had one citizen from my ward or from anywhere else in the City say, what a wonderful idea. Raise the gas taxes. Yes it's a wonderful idea to challenge the other two levels of government for a share. Share the GST is positive. That's very supportive. Share the gas tax. What we're dealing now is in the fine print, how much? And bring that back in. Share the income tax revenue. I support C. Makes a heck of a lot of sense. We ought to move ahead in a growth mode. I support what's happened here in the last seven months in trying to describe this. I cannot support a 4% reduction in taxes, and I can't support that item where we're going to have $10 million perhaps annually in efficiencies.

You should really have rolled together Mr. Mayor and EPC, C and D together, or D and E together. Have a provision of property tax reduction related to future efficiencies. Commit to that. That signals to the other two levels of government that this isn't a one handed deal.

To go out to government to two other levels of government and say, give us this amount of money while we lower our taxes is a rather interesting twisted approach of having negotiations. They should look at us and say, why are you reducing your taxes? You're claiming $188 million infrastructure deficit annually. What are you reducing taxes for? We will give you a more favourable sharing of what we now have. But don't expect us without having some signals in here that you're making efficiencies, and relate the efficiencies to future tax reductions. If you can do $22 million, give us that tax reduction or $30 million. Unreal.

The fact of the matter is, I know we are a competitive city. It's been mentioned one of the reasons we want to anticipate the future increasing tax position that many of our clients in the City will face, particularly in the downtown with increasing values, we don't do it by having a broad base position saying, we're going to reduce taxes by 4%. I welcome an increase in assessment values. The mill rate will change to take what we need. And if we do have a lot of gas tax revenue coming in a share of GST, it should be enough to do the infrastructure, transportation renewals, parks and recreation, trimming

trees so that we don't have to have the APAT program. That's the latest one that we should consider Mr. Mayor. It's adopt a pothole and adopt a tree.

Having said all that, I would encourage you to really seriously if we're going to work as a council here, and if we had the opportunity in these informal sessions before you really consolidated yourself down to a final plan because all the briefings that we had were simply, here councillors this is what we're going to do. Take it or leave it. That's what we have here, take it or leave it. Unfortunately.

Very supportive of many of the items in here, but really we should try when we vote individually to dispense with some of the irrationality that we're faced with. Thank you.

Mr. Speaker: Closing on the clause, Mr. Mayor.

Mayor Murray: I'd like to pick up where Councillor De Smedt said. I stood here at this is third council meeting, and said to members of Council, my office is about a 30 second walk from yours, any time you want to come and propose something for the new deal, I will sit down with you one on one in additional seminars.

Mr. Speaker, we have what my friend Councillor Eadie has a word for I won't repeat, as series of last minute flurry of motions with no research, no background, no attached report, no homework done, nothing, by the same people who say, that we haven't had enough process and enough research. Not one.

The number of councillors who have taken advantage of that and I've walked through the council chambers and sat and chatted with a few of you, so far to propose something in the last six months, zero Mr. Speaker who aren't on EPC. Zero. I am more than happy to sit down with you and do that. And not one suggestion.

Yesterday, 24 hours before the Council meeting was there a circulation of a motion or amendment of any amendments at all? Nothing. A week ago, did any councillors circulate any motion saying, I've gotten some ideas on the new deal, nothing. Was there one brief submitted by any member of Council through the entire public consultation Mr. Speaker when everybody else, citizens, got hundreds and hundreds of briefs, not one Mr. Speaker. If the people who are paid by the citizens of Winnipeg who criticize for the 12 or 11 councillors who agree with this, hardly an obligation. They've been working as part of a team. But it was seen one alternative. Even from people who seem to be part time campaigning for Mayor Mr. Speaker, we haven't seen a brief in this entire process about how to make it better until the 11th hour they got up, read the paper this morning, and David Asper a few days ago said we need a citizens bill of rights, so magically I made a bet with someone, bet there'll be a motion here on citizens bill of rights. It's predictable and it's lazy. Most councillors have worked their tails off. Councillor Pagtakhan went out and held community meetings. Councillor Eadie has sat down and done all kinds of work on this. Most councillors. Councillor Gerbasi's come to me with ideas several times. She's gone over to the Province. Councillor Thomas has met with every single member of Cabinet to deliver on this stuff. We've been working well as a team. When councillors make an appeal to work as a team, work as a team.

Mario bet you I could phone him right now and ask how many people made a phone call to sit and chat with him. I'd be surprised if it was more than one or two.

Yes, this has been well researched Mr. Speaker. I don't think I need to talk about 2/3rds of GST. I've explained that, it's a growth tax, it makes sense. We've had good discussions with John Godfrey. He would tell you his comments weren't reflective, that we're in the paper of his feelings. Gas tax. We put two options out there. My preference is no increase. But I don't go to experts and economists and the leading economic research institute in the country, the leading one, and they come back and say you need a second option. I guess some of us are smarter than the Conference Board of Canada, and say well no, we're not even going to put it on the table. Let's take it

off the table. The same people that complain that we're spending $1 million on this, when they get the $1 million advice because we also paid for this report too from Canada West Foundation which said, we're going to be in a debt situation or property tax not if we don't do this, because the alternative isn't low property taxes and low debt, the alternative to not having a new deal is either broken streets or huge pressure on property taxes, and huge pressure on debt. And Councillor Clement just pointed that out. What's the alternative? Because none of you want to support big property tax increases. Some of you don't want to support user pay garbage. Some of you don't want to support all of these other things which we will not have to do if we get the newer deal. We don't need frontage levies which quite frankly are just another property tax as much as we want to dress it up.

Taxpayer protection. We did consult with public. Mr. Speaker some people want to forget that now. The Chamber of Commerce, the CFIB, the Canadian Taxpayers Association, and a lot of regular folks who live in St. James who came to the Miles MacDonnell School had some very choice words for the Mayor. We want taxpayer protection. What is taxpayer protection I asked. Freeze property taxes. If you're going to get the same gas tax that Calgary, Edmonton and Vancouver has, then I want the same property taxes. I'm glad Mr. Mayor and Council, no help from some people. Over the last six years we've cut property taxes to be the forth or fifth lowest in Canada.

Mr. Speaker where are the other four or five lower cities. Calgary and Vancouver where our kids are going, Regina and Saskatoon, surely Mr. Speaker we could do better than Regina. I love Regina but I think we're in a league a little larger city than Regina. My challenge was 10%. That gets us down to the median in Western Canada. Why should we have medium property taxes in Western Canada on our side. Not to lecture the school boards but to do our job rather than tell other people what they should do because it's fair and it's reasonable. If we're going to get the same tax revenues as Edmonton and Calgary and Vancouver, then our citizens on their municipal levy which is the only one we get to vote for, really, have the right to the same property taxes that go with getting gas tax and income tax. You can't as Larry Fleisher used to say, S & B at the same time. You want the gas tax.

If you don't pass that clause Mr. Speaker, and you don't pass it the way it is, you're breaking the coalition that involves everyone from business, labour, taxpayers and residents organizations who came to us in that room and said, that's a deal breaker. A property tax freeze and taxpayer protection is a deal breaker for a lot of groups. We better pass that, or else you just wasted six months of peoples times.

Mr. Speaker: Thank you. We will vote first of all, recorded votes on all, we'll vote first of all on part 1. A. When we get to B we'll do the amendments to B, we'll do that when we get to B. 1. A, two-thirds of one percent, all in favour please rise.

It's unanimous.

One B, the sub amendment, Motion No. 7 of Councillor Angus, all in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Murray, Councillors Eadie, Angus, Clement, De Smedt, Gerbasi, Lubosch, Pagtakhan, Smith, Steek, Steeves, Thomas, Vandal, Wyatt, Lazarenko.

Nays

Mr. Speaker Councillor O'Shaughnessy.

City Clerk: The vote Mr. Speaker, Yeas 15, Nays 1.

Mr. Speaker: The sub amendment is carried.

Motion No. 6 by Councillor De Smedt. All in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors De Smedt, Steek, Wyatt, Lazarenko.

Nays

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

City Clerk: The vote Mr. Speaker, Yeas 4, Nays 12.

Mr. Speaker: The amendment is defeated.

Moving onto 1.B. as originally put forward by EPC. All in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

Councillors De Smedt, Steek, Wyatt, Lazarenko.

City Clerk: The vote Mr. Speaker, Yeas 12, Nays 4.

Mr. Speaker: 1.B is carried.

1.C., all in favour please rise.

A RECORDED VOTE was taken the results being as follows:

Yeas

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

Nays

Councillor Steek.

City Clerk: The vote Mr. Speaker, Yeas 15, Nays 1.

Mr. Speaker: 1.C. is carried.

1.D. All in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

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

City Clerk: The vote Mr. Speaker, Yeas 10, Nays 6.

Mr. Speaker: Carried. And E.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

Councillors De Smedt, Lubosch, Steek, Wyatt.

City Clerk: The vote Mr. Speaker, Yeas 12, Nays 4.

Mr. Speaker: It's carried.

Part 2. All in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

Councillors Wyatt, Lazarenko.

City Clerk: The vote Mr. Speaker, Yeas 14, Nays 2.

Mr. Speaker: Part 2 is carried. Part 3 I think we can do on a voice vote. All in favour? Contrary? Carried.

Now the Report of April 14, 2004.

REPORT OF THE EXECUTIVE POLICY COMMITTEE DATED APRIL 14, 2004

Mayor Murray: I think on Item No. 11 there is an amendment. I'll move Items 1 to 10 and 12.

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

We have a paper amendment on Item No. 11.

Item No. 11 – Manitoba Theatre for Young People – Grant in Lieu of Taxes File FG-2

Mr. Speaker: The amendment moved by the Mayor seconded by Councillor Clement. Taken as read. Any debate on the clause. All in favour? Contrary? Carried.

We have a special or walk on report of the Executive Policy Committee from the meeting this morning. Two clauses. The 2004 Education Support Levies and Mill Rates, and the Winpak proposal. Mr. Mayor will you introduce them one clause at a time.

REPORT OF THE EXECUTIVE POLICY COMMITTEE DATED APRIL 21, 2004

Item No. 1 – Education Support Levies and Mill Rates File FL-3

Mayor Murray: I apologize Mr. Speaker, I know this is one of your things that ticks you off. Unfortunately the timing of when we got the education support levy from the Province didn't allow us to go through the proper notice. It's a formality that we have to vote for it anyway.

The good news is, is we are making some I think progress on reducing education supports. In this year the Province of Manitoba is reducing the education support levy by 13%. There will be a 13% reduction following through on the Premier's commitment to eventually eliminate this.

I know it's probably not fast enough for some folks given the difficulty of the Provincial budget this year, this was a positive step forward Mr. Speaker. I hope since we can only vote yes on this one, at least we're voting for a significant reduction this year for a change.

Mr. Speaker: Speaking to the clause, Councillor Steek.

Councillor Steek: Thank you. The Mayor particularly caught my attention in his last dissertation when he referred to those who did not support his position as predicable and lazy. So I'd like to speak to that for a minute.

There's a great deal of predictability and laziness in this clause. I'm just using the same adjectives as the Mayor did. I'd like to return them.

What I'm saying is this. When you take a look at the impact of the education taxes, take a look at the 2003 residential

property tax charges, and the breakdown between what's municipal and what's education tax. And take a look at the impact that whether it's a 6% or an 8.3% property tax reduction had on where we stand. And take a look at the chart on page 11 where we are now fifth of 25 cities. Fifth from the bottom. Where were we if we hadn't of introduced it. Well we would have been between sixth and seventh.

But, what is critical is that when you take a look at where the school taxes are, the school taxes drive you into the 19th position out of 25. When the Mayor talks about being predictable and lazy, some of us have worked on the other side of the equation thinking that the most important issue facing this city was the removal of the Provincial Education Tax and the school levy. Because we haven't been reporting to him doesn't mean we haven't been doing work on it.

I would suggest that that is the albatross that is strangling this city. We spent $1.25 million to come up with a report on the new deal that says, let's get 2/3rds percent of the GST, and let's look for $66 million out of gas taxes, and I wonder what would have happened if we would have spent $100,000 on a full court press to the Province and said, as the City Council as the citizens of Winnipeg, we'd like to find out what your response is about this.

The truth of the matter is, that's what's holding housing prices artificially low, that's what makes the City unattractive, not the municipal portion. Mr. Weselowski is here. From 1990 through to 2003, municipal taxes I'm going to use River Heights School Division No. 1 as example, rose 18%. Inflation was just over 30%. You can check it on the Bank of Canada's website. But, the school taxes in River Heights have risen 92%. All the reductions in property taxes in the world on the municipal side don't mean anything if we're being strangled by the Province.

You pass the new deal. And kudos to the Mayor for bringing it to the floor. I don't have to agree with everything that's brought forward, I recognize it as a tough piece of work.

I will tell you the issue that is haunting this city, the new deal may supply the money for infrastructure, but, these strangling school taxes are what's keeping investment out of here. You're not going to take it away completely. The critical issue is this.

How do you fund the school taxes? Do you do it with a point of the PST? Do you do it off of the backs of the taxpayer, income tax wise? It's not going away. Let me give you one small but perfect example before I sit down on the school tax levy as to why I have a lot of problems with it.

If you live in a home assessed at $200,000 in this city, after your $400 reduction you pay $5,600 in taxes. If you're a young couple with a couple of professional incomes and a couple of kids in the school system, you pay $5,600 and you probably had to earn $12,500 to keep that. But, if you're a single person living next door in a home of identical value and you've been there for 40 years, and you're living on a fixed income of $25,000, you're paying $5,600 a year to hang onto that house. That's wrong. That's what this council should be pressing the Province on and relentlessly.

The numbers I've given you here are irrefutable. I didn't make them up. I went to our administration. I took a look at tax bills. I'm using School Division No. 1 because School Division No. 1 has raced out of sight like no other school division here. The question you have to ask yourselves is this.

If you had the same kind of courage to stand up and rail for the new deal for a million and a quarter bucks, what would have happened if you had gone to the Province and said you know what, you're strangling this city. Two-thirds of us live here. Give us some alternative.

Are there alternatives under review? Yes there are. But they're not coming down fast enough. That's what's holding this city back. It isn't the fact that we have

aging infrastructure the way every city in the country has. Is it a need that has to be addressed? Yes it does. You know one of the fascinating things that the gentleman from the Conference Board of Canada talked about. When I said to him that's fantastic, $62 million for the City of Winnipeg. I wasn't being lazy or predictable, I spoke with him. I said, how much to Winnipeg. $62 million, and I said, God that's great. I said what about the rest of the country if it's implementing. You know what the answer was? $2.5 billion. More than the health care ticket. Who thinks that there's going to be a race to judgement?

On the other side of the coin what you can do as members of this city council the citizenry of Winnipeg, the Mayor likes to tell you to phone your MPs phone your MLAs. Well I have and I'm sure many of you have. You know what a strangle hold the Province has on this.

You know what? If they're not going to address this as an issue which is holding this city back dramatically, who in their right mind thinks that they're going to rush to give you a percentage of the gas tax. The most punishing tax in this city, period, is the school and education levies. They're at an intolerable level. You read this report, 53.8%.

We vote it through automatically and isn't that the height of irony. We bring the taxpayers of Winnipeg, elderly, singles, widow peoples to their knees who have maintained their properties. We all stand up and vote automatically. What an insult to the democratic process. You know if you if you don't, if this council stood up and said, no, guess what? They'd come to the table.

I would say to this council, you think the new deal was important, not as important as wrestling taxes to the ground on the other side. I keep hearing. You know it was fascinating to me during the course of the debate, we went out on the first new deal, and what did we talk about? We talked about nine user fees that weren't within our jurisdiction. It was okay to go to the Province on that. But somehow we're suppose to remain silent on the school taxes.

You talk to your constituency find out what's a greater concern to them. The new deal or the school and education taxes that are strangling them. We held it to zero this year, whether you believe it was a $40 million deficit run it to the ground or not. We knew there wasn't going to be a tax increase coming out of here and there wasn't. But miraculously we had a 3.5% increase in the school divisions. How does that happen? Ask yourselves. You want to take on a cause, that's it. Thanks.

Mr. Speaker: Councillor Wyatt followed by Councillors Steeves.

Councillor Wyatt: Thank you. I rise today to discuss this. Last month spoke on it as well. I think it's worth speaking on again again and again if necessary.

This clearly is a matter which is being ignored by the Provincial Government. The Provincial Government in their recent announcement in the budget the other day, has chosen again to lose an opportunity to seriously address the whole issue with rising school taxes, and the out of control school taxes that are happening everywhere. They're affecting all of our communities. It is affecting our ability to do business as a council on the basis that it restricts us from addressing our issues and our main source of revenue, the property tax base.

The question has to be why would we not come out as a council and as the Mayor who was at the budget meeting on Monday at the Legislature, why was the message not loud and clear. That is this budget is a disappointment. A huge disappointment. No clear commitments on any sort of new deal after going through months and months of public debate, and no commitment with regards to long term solutions for the school tax problem.

We know that the Association of Manitoba Municipalities has had a working group with the Province of Manitoba discussing these issues. Yet they don't seem to be

coming back with any sort of concrete direction or vision or the Minister is prepared to act upon it.

The Minister himself, we've gone through now three ministers of education. It seems that the issue keeps getting bungled and bungled and being passed along. This is a serious matter.

My community is being hit last year 15%, this year 8%. Eight percent you could argue well, the reduction in the education support levy is going to assist, there's no doubt about it. It's still a huge tax increase being affected by the homeowners of my area and homeowners across the Province and across the City.

We have to push the Province. The Mayor seemed to send the message on Monday that everything's fine. That the Premier and the Minister of Finance, Greg Selinger seemed to find many things to tax, and many avenues to raise fees and financing across the Province and taxes spend like a good socialist would being Mr. Selinger himself, and he found a lot of ways to tax and increase taxes in this province. I congratulate him in practicing the philosophies of the left very effectively. He's doing nothing to assist the growth and development of this province or the City. As was pointed out by my colleague from River Heights, Mr. Speaker, the school tax issue is going ignored and ignored and ignored. And we're standing up and speaking on it year after year after year. The Provincial Government is dropping the ball.

I think we have to send a very clear and loud message and I wish that had been the opportunity, there was an opportunity on Monday to do that at the budget, and the Mayor could have stood up and said, this is not acceptable, there's no new funding here for the new deal. There's nothing being done. The ESL is being phased out is the promise. I will point out that it's being phased out on residential not commercial. We're still going to have an ESL support levy out there. It's not going away. Property taxes themselves, the special levies by the school divisions are out of control.

It's incumbent upon us as a council in my view to show the leadership we need to show. We represent two-thirds of the population of this province. We're the largest municipality in this province. If we stand up and say to the Province, we've had enough, we're tired of doing their dirty work for them and collecting the taxes that are out of control for their education system which they're responsible for and they're mandated to run and it's their jurisdiction, and they don't seem to want to take a handle on it, then we should simply stand up and say as a united council, we've had enough. We are not going to do this anymore. We are going to oppose having to handle this anymore, and make it an issue that we stand united on and I think we would all stand united on. That's the ironic thing today, we as a council this one issue would unite us and the entire city together, and I think it's the one thing that could have been included in the new deal when it comes to taxpayer fairness and taxpayer protection. It definitely wasn't.

I won't be supporting this today. I realize that I've been told over and over that well many famous people have gone to jail other than me. I'll be up there with the likes of Pierre Trudeau and Mahatma Gandi.

I think Mr. Speaker if we all say today, no we're not going to do this, I think yes there would be definitely be a crisis so to speak. It would create a crisis. But you know what? It wouldn't be forgotten. The issue would become a major issue that would have to be addressed. It seems that we're quite prepared to wash our hands and not do anything about it other than make speeches every year, and be able to turn around to our constituents and say, we spoke against it. Thank you very much.

We have to do something more substantial and maybe yes, more radical. I wish it wouldn't have to be the case, I wish that we could have a very strong message coming as a united council through our mayor to the Premier, and that message could have been delivered on Monday instead of the kind of backslapping kind of happy go lucky

message that came out of the Mayor at the Legislature that day. Because that was not the message that was deserving that budget. That budget was a failure, a failure of what could be done, a failure of the problems we're facing, the challenges we're facing as a council, and a failure of the taxes that keep increasing over and over again in our school divisions and are completely out of control. This is a government which by the way promised that the amalgamation of school divisions was going to solve everything. The amalgamation of school divisions made matters even worse in my area of town. We've never seen increases like this before. This is historic in the kind of taxes that are going up.

It's easy for us to sit back and say, well it's not really our problem it's their problem, but it is our problem. When we start getting calls about it, we should be getting calls. I know we always say that it's not our problem. I think we have to make it our problem because clearly they're not making it their problem. Let's stand up and make a very strong statement and not just a statement but a policy out of this council. Just as strong a policy we have when it came to the new deal here that was just voted on. I don't see why we can't be doing the same when it comes to education taxes. It would be very simple. We're against having education taxes on property. There's going to be an opportunity to do that very soon Mr. Speaker, because we have a motion that you seconded that I moved regarding school taxes that had been referred to EPC. So there will be an opportunity very soon to have that discussion. I hope that a very strong statement could come out of this council even though it's two non members of EPC moving the motion. I hope that members of EPC could still see the merit of it and support it. Thank you.

(Councillor Lazarenko in the Chair)

Mr. Deputy Speaker: Thank you. Councillor Steeves.

Councillor Steeves: Thank you. I would like to note for the record this is now the second meeting in a row that the learned councillor from Transcona has worked Mahatma Gandhi into one of his speeches. He's not walking across the railway tracks with him, he's in prison with him. This is bordering on taking over from you Mr. Deputy Speaker in your speech about the close election. I look forward to the ongoing saga as we move forward on our council agenda.

I want to be hundred percent clear on what's being proposed here. I plan on supporting the motion. I think we have that obligation rightly or wrongly.

Everyone here I think agrees that we should if possible, we should be getting rid of the school tax portion on our tax bill if that is at all possible. We're in a unique position in the Legislature of both opposition parties having taken that tact now in two successive elections. I would be prepared to work with whomever on Council wanted to organize something constructive and reasonable to work towards attaining that goal. I think it's a worthwhile goal for this city council to pursue.

I would extend the invitation in a constructive and reasonable way, if anybody who is speaking against this motion wants to quarterback that and run that process and we can all work together and do what we can to move that ball.

I'm not exactly sure of what the implication is of if we were ever successful in achieving that though. I want to shed a little light on that because I think there's some things that aren't being said here, and I want to make sure that what isn't being said is not in fact the case, or I want to find out if it is in fact the case.

If tomorrow for example, we all of a sudden found that the school tax portion were no longer on our property tax bill. As everyone here knows, that wouldn't make any difference on our bottom line here at the City of Winnipeg. We would still be faced at that time with the exact same infrastructure shortfall if indeed you do agree there's a shortfall, the same shortfall would exist in terms of our bottom line.

Is the implication that we would take that 52% to 55% of the tax bill that would now be vacated and backfill it in property taxes to bring it up to whatever infrastructure shortfall we feel we might have? Is that what's being proposed? I'm not exactly sure what the implication, I'm not exactly sure of what's being suggested. Everyone here agrees yes, it would be great to get it off because it would be easier for us to do business, easier for us to attract people etc. etc. etc. But, it would still leave us in the same financial quandary that we find ourselves in today.

Neither of the two previous speakers actually stood up and said, yes, I would take advantage of that situation and backfill that vacated portion with property tax increases. Was that suggested or to what amount? I'm not exactly certain.

If that is what's being suggested, what then? What then of the overall tax argument. Citizens of Winnipeg we're told just can't stomach another gas tax increase because we don't want to add to the total tax burden etc. etc. Do you think for one moment that that vacated portion on our property tax bill is going to disappear off the back of our taxpayers in the Province of Manitoba. Does anyone here think that? It ain't. That would never happen. I guarantee you that would never happen. It would have to be picked up on the Provincial Income Tax rolls.

If the plan, sneaky little rascals that we are, is to vacate half of that property tax bill, or even half plus, if that's the purpose and then backfill it with our needs in infrastructure by virtue of property tax increases, let me tell you, if you think that school tax portion is just going to evaporate into thin air, you're dreaming. And if your concern is the overall tax burden of Winnipeggers, this is not the solution. This is not the solution. Thank you.

Mr. Deputy Speaker: Councillor De Smedt.

Councillor De Smedt: Thank you. We all know that we have some legislative responsibility to just pass this thing through. I think this is encouraging that everyone on Council today I hope will stand up and register their outrage about continuing to have to have school taxes on the residential property tax bill. It's time that we change and get on with it.

To address the apparent concerns of Councillor Steeves, we know there's only one taxpayer, and that's still what's being said. It's about the City being competitive. It's about the right level of government having responsibility to raise taxes for their programs. Not on the backs of a residential property owner, and a property owner itself.

I say that because we have no control over that issue. And it's too easy for that mill rate to climb on the school tax portion to meet their needs.

I think we have to hold all levels of government responsible for what they are responsible for. I think the most sensible thing that can be done if this province would accept this challenge, would be to remove it, explain to the taxpayers how they have to fund education. How it has to compete with other high demand priorities such as health care and get on with it.

Would it result in an increase in income tax? Hardly. What it would do, is certainly restrict their ability to tax and spend as they wish to under their current program. They will have to make difficult choices. But that's their job. That's their constitutional obligation. That is not ours.

What we're trying to do and I think the Mayor and others have argued it so well, and it shows up under the context under the new deal, is to make Winnipeg competitive. To have your taxation on property competitive. If we can get rid of the education tax, it will be competitive.

Are we going to fill the void? Hardly not. Not with what's been happening here during the course of the last nine months. Will there be some user pay taxes? I'm certain there will be. What are the right ones? Under whose authority? For what services? Is it going to be neutral to the City or neutral to the taxpayer? I don't say that very glibly but some people have

indicated that yes, we could have a garbage tax on a user pay system and it's revenue neutral. As Councillor Clement had indicated it's revenue neutral to the City not to the taxpayer. The residential taxpayer will have to pay more under a formula that has been evolving. We haven't had this debate yet. I forewarn you we will. It's suppose to be revenue neutral for the property owner. The residential owner in this case what had been proposed in the past and what is evolving may not be. It will cost the residential owner more.

I think it would make sense for all of us to stand up and say look it, we have to sit down and just vote yea and get on with our constitutional obligation as we're going to be told by some and just do this. On the other hand there should be 16 people around here saying, enough is enough. We don't need gratuitous comments to say, the Province is in a tough bind. That's their problem in one respect. That's their legislative problem. I do subscribe to the theory that there's only one taxpayer. I'm not totally unsympathetic to their challenges. I don't think no matter what level of government was there, Conservative, Liberal way back prior to the mid '50s, or NDP. None of them have wanted to grapple with this. We should force them to do so. One way is to put attention to this matter from City Council.

I think Councillor Steek did mention one thing that is worthy of note. I don't want it to be taken by the Mayor and EPC as a slash and burn item. If we had spent almost one-third of the amount of money we did on promoting the new deal and consultations on focusing on what is the challenge with education taxes on a residential tax bill, I think we could have got an awful lot in polling in support of that position and presented that particular position to the Province and say, here it's yours to deal with. As we're doing now and saying look it, here, we want a share of your gas tax, by the way you also have authority from City Council on behalf of their citizens to tax us more at three cents a litre. That's what we've just done. Bizarre, we're asking them to tax more Same token the residential property tax goes up by an alarming amount certainly on the school tax portion by an alarming amount year after year.

I think it would be instructive for us as 16 people to say to the Province, enough. If they want to continue on with it, one of the things that we ought to legislatively get out of, is having to create the bill and do the summation of the numbers and send that material out. I would say, the taxpayer would be very willing in this case to pay the extra cost of the billing to make this so apparent that it's a provincial bill that they're getting in the mail rather than a city bill. We've been told and I kind of forget what the number has been over the years, how much extra this would cost us if we had two bills going out. We'll send them the information on the assessment information, but they send the bill out. I would rather pay that cost, it's $500,000 a year whatever it is to get the message out. When people start getting a provincial tax bill in the mail annually, based on the assessment value, I think we might get their attention. Thank you.

Mr. Deputy Speaker: No further speakers. Mayor Murray.

Mayor Murray: Thanks very much Mr. Speaker.

I always find my debates with Councillor Steek somewhat amusing. Let's just roll back in history five years on education support levies. When I first became mayor in '98, I spoke out very vociferously on the issue of high education property taxes and we campaigned very aggressively as a council if you remember back then because some of you were involved in that to try and get education taxes down. And Gary Filmon this is how long ago it was, was then the Premier of Manitoba. I don't want to embarrass anybody, I don't remember the Councillor for River Heights/Fort Garry being very vocal at that time on that particular issue. Maybe the government was a different stripe of the day so he felt less comfortable raising the issue, I'm not sure.

I remember Gary Filmon telling me, Mr. Mayor, if we're going to get along here,

you take care of what's yours which is the City half of the property bill, and you let the Premier and the school trustees and the MLAs worry about the rest.

Did we give up Mr. Speaker on that sage advice which I've gotten now from two premiers? Very consistent the Conservatives and NDP have been on this together and odd bed fellows politically on this. There's been a remarkable consistency historically.

Then I started another campaign. I came to you guys, Councillor Lubosch you may remember you're chastising me for not doing enough on this, and I met with Lorne Weiss and Peter Squire at the Real Estate Board. And we asked Bill Norrie to moderate during the not the last but two provincial elections ago a leadership debate on municipal issues co-sponsored between the City of Winnipeg, the Real Estate Board of the City and the Provincial Real Estate Association. No mayor or council had ever done that before. Bill Norrie moderated. What did we extract from the Liberals, the Conservatives and the New Democrats, for the first time we made education property taxes an issue. The Conservatives and Liberals promised to eliminate it. The NDP promised to phase out the ESL eventually and increase the tax credit for homeowners. The NDP won that election and they did that. They increased.

Last election the same thing happened. We went on a campaign. We had questionnaires. We had another televised form. Very effectively. And Stuart Murray made education taxes a huge issue. And what happened? The NDP won more seats than they ever had before in the City of Winnipeg. We've also had two elections to school boards. While we're all so outraged about education taxes and we've raised this in the last mayoralty election, this was on the table again, and people elected the same school trustees that have been raising their property taxes.

Mr. Speaker last time I looked Councillor Steek more often than not, I don't like to chastise councillors but it's a two way street guys you've been complaining about process, you haven't been talking about the substance of this so let's talk about process.

One of the councillors who's always had an excuse for voting for property tax increases or not support freezes, is councillors who just couldn't support a long term property tax freeze if we got all these other revenues. You're still not prepared to pay property taxes. You're pointing your fingers at the school trustees, and what happens, the school trustees point their fingers at the Province, and they say the Province doesn't give them enough money. This city council points its finger at the school trustees saying they're the problem. The Province points its finger at the Federal Government who by the way collect 49% of the taxes in the City but only keep half, they only keep 26%. The Province gets 62% of all taxes collected in this city in the end after transfers. Everyone blames the Federal Government.

I'm sorry guys. For those of you who want to debate process for the next five years and if Councillor Steek wants to spend his time playing the pointing finger game I don't think that's on. And if you guys can't support property taxes here and can't practice what you preach even when you're going to get $123 million in new revenue, with all that new money you're still going to tell people you might raise the property taxes. Who's going to trust you? You want a taxpayer protection bill, Councillor Wyatt we need protection from you. You'll be one of the guys who wants to raise the property taxes. This is very fun and very fine.

And Mr. Speaker, I said at the last two council meetings, Councillor Steek my dear friend I said to you twice now, I'm just pointing out history here, you guys love to point out inconsistency, and I'm on the record on everything and it's all fair game in love and war.

Let's be clear about this. I circulated to you FCM strategy on the new deal for cities. We're following it. The first thing I did five years ago wasn't to go to you was to go to all the other mayors of the major cities and have an agreement about how

this new deal was going to roll out. When the campaign with the Real Estate Board leaders debates, election issues, my friend Stuart Murray not winning on that one. Even after that have we given up Mr. Speaker? No we haven't given up. Through our provincial association bought in as we did with the FCM on the new deal for cities a strategy. There's a report and I reported to you I guess some people aren't listening three times on this I've raised this on the floor of council, I've asked for your help. Can I just be given one minute Mr. Speaker.

The AMM has asked us as Stuart representing the AMM during the budget Councillor Wyatt said the exact same thing I did. Why did he say that? Because the AMM is asking us to keep our powder dry. The Manitoba Association of School Trustees and the Association of Manitoba Municipalities of which we're a member have a strategy on school taxes. They have just submitted or they're about to submit and Bob Weselowski from our staff has been working with them, an entire strategy on how to reduce education taxes. An entire strategy as we as a member of AMM have been asked to support.

We should give the Province a chance because we are working as a team with every other municipality. We have a joint position and I can tell you the AMM's position is to reduce property taxes and align it. Our goal is to get 80% of education support from the Province, 20% from property taxes. Identical to what just happened in Saskatchewan.

Can I suggest that we stick to the script. We follow our provincial association. We support the tax force which we have been represented on, when that report goes in the same way we did on the new deal. We could have shot our wad on the new deal Mr. Speaker three years ago out of sync with everybody else, or we could follow the script. I think we're going to win on education taxes but I don't think we're going to win a lot on our own. I think we've tried that. I think we should support the AMM and MAST effort and strategy. Thank you.

Mr. Deputy Speaker: Thank you. All in favour? Recorded vote has been called for. All in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Murray, Councillors Eadie, Clement, De Smedt, Gerbasi, Lubosch, Pagtakhan, Smith, Steeves, Thomas, Vandal, Mr. Deputy Speaker Councillor Lazarenko.

Nays

Councillors Steek, Wyatt.

City Clerk: The vote Mr. Speaker, Yeas 12, Nays 2.

Mr. Deputy Speaker: The clause is carried.

Item No. 2.

Item No. 2 – Winpak Development Expansion Proposal
File FI-2.4.4.1

Mayor Murray: I thank councillors for their wit and their humour in the previous debates. I think it was good political theatre and lots of fun.

I would like to move this Mr. Speaker. Very pleased to announce we were competing with Atlanta, Georgia and other Canadian cities for two plant expansions, one American by Access. As well Mr. Speaker as our very famous and well respected packaging manufacturer Winpak, a $58 million expansion, one hundred fifty new jobs. Very conservatively. We are being asked and we've negotiated a partnership with the Department of National Defence. I want to thank Minister Alcock and the Federal Government for coming to the table with $1.3 million.

The Province previously has secured a $3 million loan guarantee to do this. This is a massive expansion in Winnipeg of one of our corporate head offices and major manufacturing export businesses.

Council is being asked for two things. With our economic development strategy and reserve, wanted a $800,000 grant to the construction of what is now known as Whytewold Road in the St. James-Assiniboia Community. That road will be significantly upgraded, turned over to the City. We are also being asked for up to probably most of it will not be needed but up to $300,000 in our productivity investment tax credit based on the expansion in capital equipment. This is a massive investment in new technologies. It secures not only these jobs but future expansion, and it positions both American by Access and Winpak as continually growing employers.

I want to point out that for the first time I think in most of the time that most of us have been alive as adults, Winnipeg's GDP is growing by 3.7%. Of the 18 largest cities tracked by the Conference Board of Canada we are now number three. We are growing faster than Toronto, than Montreal. We are growing faster than Vancouver. We're growing faster than Edmonton. Our economic growth is unprecedented. This follows Standard Aero, MCI and many other investments that we've made. CanWest Global. We have seen in the last five years an amazing economic turning on of our economy. One day we'll have taxes linked to it. When we have taxes that are linked to the growth and the economy like sales tax or income tax, we will benefit Mr. Speaker as the Province and Federal Governments does by taxes that grow with the economy rather than growing the tax burden on our citizens.

I think this is good news. I want to particularly thank Councillor Eadie and Councillor De Smedt and Councillor Clement for the street renaming to Wehrie Road. Mr. Wehrie is the owner of this large conglomerate. He was super honoured to have a street named after him. He was one of the pioneers in manufacturing. He chose Winnipeg to launch their North American operations of this finished company. The community committee was very very supportive of that. So thanks to my colleagues from the St. James-Assiniboia Community Committee.

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

Notice of motion. Councillor Lubosch.

Councillor Lubosch: Thank you Mr. Speaker. I don't think I'll need a full 10 minutes to introduce this motion.

Just a little history on it. When the City moved from the previous FRS, financial reporting system to the peoplesoft system, there were some changes that took place. As you may recall the previous budgeting system was one that provided access to Council and to civic employees. When the connexus project rolled out and peoplesoft technology was implemented, the access from councillors to the financial reporting system that is represented under the peoplesoft architecture didn't allow for councillors to access the same kind of financial information anymore.

Essentially what we did have access to was the line by line expenditures of civic departments and an opportunity to look at the financial dynamics of the organization as it unfolded throughout the budgetary year. It didn't provide us with the opportunity to make entries under the general ledger and that sort of thing, but it did give us the opportunity to see what was going on in the organization from a financial aspect.

Since it is a responsibility of this council not only to collect tax dollars from the ratepayers, but also to assure that the governance of the expenditure of that tax dollar is done in a responsible way and since we do have a lot of concerns and questions resulting from the way this council operates in terms of understanding the budget process, understanding the relationship between the operations of the departments and how these things are paid for, it's my opinion that we should all have the opportunity to be able to see first hand how the money is distributed in the various departments, and ultimately how the money is dispersed as the business of the City unfolds throughout the year.

This is why back in February before the budget process was fully underway I requested from the City Clerk's Department to provide access to my computer for the ability to be able to view the financial reporting in the new peoplesoft program. And what it ultimately requires is a password to enable us to logon to the program and the program to be installed in our machines. The City Clerk at that time thought it was possible to provide this but decided to check with Mr. Gannon, our CFO and some of the other folks in the corporate finance department, and they were told at that time that providing an individual councillor with this access was possibly in contravention of some legal definition of how an individual councillor is viewed under the law.

I was told at that time that we were not much different than citizens under this legal interpretation and that ultimately collectively council as a whole would have to ask for the opportunity to be able to view the finances of the City as they did under the previous FRS system. So with that information the recommendation by the City Clerk in discussions with the City Clerk and Secretariat Committee, was to advance a motion to Council and ask that all of council have the opportunity to view this reporting information.

It's not to say that everybody is going to be interested in doing this or interested in delving into that detail, but certainly if we have the responsibility for collecting the money and we have a responsibility for how the money is distributed among the departments and how it's spent, the buck really stops here. If we want to see how that buck is being spent, we should at the very least have the opportunity to view this. That's essentially what the motion asks.

I'm going to open it up for a debate and I'd be pleased to answer any questions that any individual members of Council may have in terms of the motion itself or the motive of the motions or what it means ultimately as a matter of governance in principle and fiduciary responsibility.

Mr. Deputy Speaker: Thank you. Councillor Eadie.

Councillor Eadie: Mr. Speaker, I'm going to move that we refer this motion refer it to Executive Policy Committee, and I'll take two minutes for a brief explanation as to why.

I've had just a brief opportunity to chat with our people in the finance department, and I believe Councillor Lubosch alluded to it, I didn't catch it all because somebody interrupted me.

I know that the department is working on the process of having peoplesoft information available on all of our PC's in our offices, but they haven't worked out all of those process details. I'd like to by referring it to Executive Committee at least give an opportunity to get the formalities of how that can be done back. There are a couple of issues with regard to Freedom of Information, the Privacy Protection Act, I'm not quite clear and I don't want to pass a motion like this holus bolus because I'm not quite clear how some FIPA issues might arise if mistakes are created, so I'd ask the indulgence of Council to refer this to EPC so that we can have the people in our finance department provide the kind of response we need.

I think the intent is good, I know that staff are trying to work on developing the process so that it will be available on our PCs, we just need a couple of weeks to get that kind of information back so that we can have that available. That's the reason for my motion for referral.

Mr. Deputy Speaker: Councillor Lubosch.

Councillor Lubosch: With all due respect Mr. Speaker, I'm going to speak against referral. The reason being Mr. Speaker. Currently over a thousand people in our organization already have access to peoplesoft. The number is growing. The fact is, there's no technical problem at all Mr. Speaker, it's a matter of installing the program and providing a password. It's all Intranet based.

Furthermore, the issue of FIPA, privacy and protection doesn't seem to be an issue with our staff. I've consulted with numerous staff and nobody has been asked to sign any sort of a confidentiality agreement with the City of Winnipeg, baring them from even showing us this information.

The fact is Mr. Speaker, I could go to a clerk in the Clerk's Department and ask them to log on using their machine and their password, and look over their shoulder while I ask them to navigate through the various layers of information in peoplesoft, and nobody's breaking the law and nobody's breaking the rules, in fact there isn't a policy at all with respect to this. I can't really understand what the hold up is unless of course somebody is trying to hide something from the rest of Council and doesn't want to know what was spent on consultants in a particular department. Or doesn't want to know whether a department is over budget or under budget or whether monies are being transferred among programs.

I don't really understand Mr. Speaker what all the concern is. The Department was put on notice February 16 when I first requested in writing that I'd be given access. This e-mail was copied to the CAO, the CFO, the City Clerk, a lot of people in very high ranking administrative positions know that I've been looking for access to this information because I happen to be interested in how the City spends its money.

To refer this to Executive Policy Committee to bury it for another who knows how many months seems to me to be a complete waste of time. The fact is, as this program is evolving, and as changes are being made to the information technology architecture, we should be a part of this. We shouldn't just be there to approve the tens of millions of dollars that this Council in good faith spent purchasing peoplesoft, we should also have the opportunity to use it. I don't want to wait until next fall or next winter to see where the numbers have gone and to see how the budget it going to evolve. I want to be part of the process, I want to be part of an open transparent and inclusive government, even if I don't get to be on EPC.

I think it's important that every member of Council as a matter of their job, have the opportunity from time to time do their own investigation, why tie up expensive administrative time asking questions that you can answer for yourself. If you're computer illiterate if you're interested, information should be right there at your fingertips. And the fact is Mr. Speaker, it was there under the previous FRS system. Curiously enough, nobody ever really brought it to our attention unless you ask for it. I guess that's the way things work around here and I'm telling you Mr. Speaker, that I've asked for it for over two months and I demand to have that on my system, not two months from now, but right now. Thank you.

Mr. Deputy Speaker: Thank you. Motion to refer is in order. On the referral motion, recorded vote has been called for. Those in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

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

City Clerk: The vote Mr. Speaker, Yeas 9, Nays 6.

Mr. Deputy Speaker: The motion is referred.

There are a number of motions, Motion No. 1 is automatic referral. Motion No. 2 is automatic referral. Motion No. 4 is automatic referral. And Motion No. 8 is automatic referral.

Councillor De Smedt: No. 4 I'd like to move suspension of the rules.

Mr. Deputy Speaker: Councillor De Smedt has moved suspension of the rules on Motion No. 4. Give us a reason why.

Councillor De Smedt: This is a contextual issue. It's really timely that we consider this. There's an exception here in our Charter that doesn't really make sense. It only applies to members of Council that don't have to forfeit a seat but other people have to in other jurisdictions. I'm just asking for consistency and then it would be immediately considered by the Province. I would like to have you consider this.

Mr. Deputy Speaker: All in favour of suspension of the rules to hear Motion No. 4? Opposed? Recorded vote. Those in favour of suspension please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors De Smedt, Lubosch, Pagtakhan, Smith, Steek, Wyatt, Mr. Deputy Speaker Councillor Lazarenko.

Nays

His Worship Mayor Murray, Councillors Eadie, Clement, Gerbasi, Steeves, Thomas, Vandal.

City Clerk: The vote Mr. Speaker, Yeas 7, Nays 7. Motion is lost.

Mr. Deputy Speaker: Automatic referral.

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 64/2004, 65/2004, 66/2004, 68/2004 and 77/2004.

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

Clerk: By-laws numbered 64/2004, 65/2004, 66/2004, 68/2004 and 77/2004.

Mayor Murray: I'll move that by-laws numbered 64/2004 to 66/2004, both inclusive, 68/2004, and 77/2004, be read a second time.

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

Clerk: By-law numbered 64/2004 to 66/2004, both inclusive, 68/2004 and 77/2004.

Mayor Murray: I'll move that the rule be suspended and by-laws numbered 64/2004 to 66/2004, both inclusive, 68/2004, and 77/2004, be read a third time, and that same be passed and ordered to be signed and sealed.

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

Question period. Councillor Steek followed by Councillor Smith.

EXECUTIVE POLICY COMMITTEE QUESTION PERIOD

Councillor Steek: Mr. Speaker, through you to the Mayor, and this is a very easy one, and I'm sure the Mayor would want to speak to it.

With the $51 million agreement between the Federal/Provincial and civic government relative to rapid transit, I availed myself of the City's website today to take a look at the glowing endorsations for rapid transit.

The only thing that is missing is any kind of a reference to a cost benefit analysis. So my question for the Mayor is quite straightforward. Has there been any kind of a city study struck? I dare say if there is one it will be going to the website shortly, can he tell us where that study might be? Thank you.

Mayor Murray: The capital projects that we have right now, sewage treatment, Kenaston Underpass and rapid transit, none of them per se have a cost benefit analysis. They are all out of city policy. Plan Winnipeg has called for these investments now for 30 years. They've

been in the City plan, I think Councillor Steek voted for Plan Winnipeg. When EPC tabled our seven priorities for infrastructure Mr. Speaker, this was there. It passed unanimously. I think we all voted for it as well.

The only project that I'm aware that has had a cost benefit analysis, is the rapid transit corridor. It was a study done by the Canadian Transportation Commission, it looked at value for dollar. It compared our city to two other types of scenarios. It had a rating of over two, which is the highest possible rating for the best return on value dollars invested. I know that Mr. Borland has personally communicated with Councillor Steek to offer him that third party. Quite frankly, we are the last Canadian city to get into rapid transit. We also know that we had a study done by our city department that showed the two most congested routes in the City right now, Route 90 and Pembina Highway.

We also know from the En Route To A Brighter Future that we have to improve our model split on major routes. Pembina Highway would be the first one because of the downtown being a large transit user destination and the University of Manitoba that are our greatest success for moving people from vehicles to rapid transit is on that route, so it's starting there. I think this has been discussed and studied for a long time.

Finally Mr. Speaker, let me just conclude by saying, over the last six years our subsidies of transit have gone from about $25 million, $26 million to the mid $30 million range and are growing. If we cannot find ways to get our buses out of traffic and start running those buses full rather than empty, we're going to continue to be less dependent on the fare box and more dependent on the property taxpayer to subsidize transit.

Everything that we have done, every recommendation from the Administration now for 20 years has been to start rapid transit as a bus way system, a BRT system and to start it there. I think that's pretty clear.

I'm hoping that all councillors once they vote for these projects stick to a team approach, and that we fight to get a transit system that's more independent, more self-sustaining and less reliant on property tax subsidy.

Mr. Deputy Speaker: Your second supplementary question.

Councillor Steek: The reference that you have made to the three comparatives. Does that study reference the $50 million first leg or the project in its entirety at $200 million plus?

Mayor Murray: My understanding Mr. Speaker it was what transit submitted with was the southwest transit corridor proposal. I'll have to check the details as to whether that was Phase 1 and Phase 2 of that, or Phase 1. Whichever it is, whether it's Phase 1 or Phase 2 inclusive, which means rapid transit dedicated from downtown to Jubilee and then temporarily diamond lanes to the University or the whole thing, I'm not sure. The dollar value formula is based on the amount of money going into the capital investment relative to the response and dollars coming out and the improvement in service. It was rated first.

Mr. Borland Mr. Speaker I know has offered he copied all of us to meet with Councillor Steek to explain that to him. I'm the Mayor of the City not the Director of Transit. Mr. Borland and Mr. Menzies are two of the most respected transit experts in the country. The Transportation Commission of Canada is the leading agency in this field. Their endorsation of that is good enough. I had someone flippantly said to me, maybe we should do a feasibility study of the Kenaston Underpass. I don't think you need to hire millions of dollars of consultants to study everything, I think it's plain and clear that we have a problem on Kenaston. It's plain and clear that the rapid transit is badly needed that we can't run a bus only system. I don't think no other city going down this road, Edmonton, Calgary or Ottawa did as much preparation as we did at looking at that. I turn it over, I think Councillor Steek should be best directing those

questions to the experts of which I am not one.

Mr. Deputy Speaker: Your third and final question.

Councillor Steek: I appreciate the fact that the Mayor acknowledges he's not the expert on it. That's the reason that I asked what was involved in the study. I would suggest that the Mayor had the same review with Mr. Borland. Thank you.

Mr. Deputy Speaker: Councillor Smith.

Councillor Smith: Mr. Mayor, yesterday you had the meeting of the Audit Committee which you Chair. And at that committee it was decided not to release the Auditor's Report on Mr. Gadawski of the Insect Control Branch. Why the coverup? Why not release that information to all councillors?

Mayor Murray: I think the word coverup is extremely offensive. We are talking about a personnel matter. We are talking about certain privacy arrangements. The individual involved clearly broke city policy in a way that under our management policy those people have to be dealt with.

There's a proper process in place. We've agreed to respect the individual involved. Proper remediation Councillor Smith was known the accountability was In Camera. You heard exactly what had happened. You were sworn to confidentiality by being in that meeting as a privilege that you and I share as councillors, have ultimate accountability.

Mr. Speaker, it's the issue of how much information do we release. We had a discussion about that earlier, we don't want to inhibit the access of councillors or the public to information but there's certain things that are germane to public discussion. Personnel matters in this city as long as I've been in city politics which is 15 years now, have remained confidential. Not because there's a coverup, quite the contrary, proper action was taken, but because we are respectful of what is a personnel matter and what belongs on the public record. I think that all of us who were in the room walked away satisfied both that this matter had been properly dealt with. We want to respect the people involved. We don't want to jeopardize any individual or other people in the workplace.

Mr. Deputy Speaker: Your second supplementary question.

Councillor Smith: Can you recall any other personnel matter that the Audit Committee dealt with in the past year?

Mayor Murray: Yes.

Mr. Deputy Speaker: Your final supplementary.

Councillor Smith: If all of council could be there and could have heard the information, why can we not go ahead and still supply the information to the councillors that were not present? I was the only one present other than your committee.

Mayor Murray: Mr. Speaker there's been a lot of suggestions that we go and spend millions of dollars more on consultants to do operational audits. Sometimes coming from the same folks that think we should spend less on consultants. I never quite connected those two dots.

Councillor Smith, we do audits on everything. We've done a complete operational audit on the Assessment Department which was tabled there, which every councillor had the right to see and those agendas are published. We've done a complete external operational audit on police. We've done several on our open spaces. We've done many on our leasing and property and real estate divisions. All of those things have been done. Those are easier, they all get released, they all come here because they don't involve personnel matters. They go to audit committee and those agendas are published three days before so that people know.

Every councillor could know the details that both you and I know about that particular file simply by attending audit. That's the balance. Every councillor has

access to that. But every councillor is also sworn to confidentiality to respect the privacy matters involved.

I cannot explain to you why you were the only member of council who was present, who's not a member of the Audit Committee. Maybe others would have been more interested, I apologize if there were others there through that discussion. Every councillor has access to that information.

Our Chief Administrative Officer and the City Auditor are always both available, I've never known Shannon Hunt or Annitta Stenning to refuse to sit down and have a frank and candid conversation. Both of them pride themselves and rightly so on how accessible they are to members of council.

Mr. Deputy Speaker: Any further questions?

The Report of the Standing Policy Committee on Public Works dated April 6, 2004.

REPORT OF THE STANDING POLICY COMMITTEE ON PUBLIC WORKS DATED APRIL 6, 2004

Councillor Steeves: I will introduce and move the Public Works Committee meeting dated April 6, 2004, Items 1 to 4, as consent.

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

Motions, none. By-laws, none. Question period. Councillor Smith.

STANDING POLICY COMMITTEE ON PUBLIC WORKS QUESTION PERIOD

Councillor Smith: Mr. Chairperson, I'd like to know when the appointment is going to take place for the head of the Public Works Department. How long is that going to be? We've had that position vacant since January.

Councillor Steeves: Fair question. I know the process is well along, although I can't offer a finalization date today where the exact process is. I know the last time I enquired which was in or about a week ago or even less I suppose they were working on a short list. I can't offer much more than that at this stage. A fair question, and certainly one we hope to get addressed very very soon.

Mr. Deputy Speaker: Councillor Wyatt.

Councillor Wyatt: The last standing committee meeting of Public Works a report was expected, wasn't there, I just want to ask the Chair if it will be at the next meeting. That is pertaining to a motion that was passed by the Standing Committee to direct the Administration to amend the truck route by-law, truck route in Transcona. I just want to know if that amendment will be forthcoming to the Standing Committee.

Councillor Steeves: My expectation is that it will be.

Mr. Deputy Speaker: Standing Committee on Fiscal Issues. April 6, 2004.

REPORT OF THE FISCAL ISSUES COMMITTEE DATED APRIL 6, 2004

Councillor Clement: Thank you. I'm pleased to move the Report of the Fiscal Issues Committee dated April 6, 2004, and move Item No. 1 a consent item.

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

No motions. By-laws, none. Question Period, none.

Standing Policy Committee on Property and Development, dated April 8, 2004.

REPORT OF THE STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT DATED APRIL 8, 2004

Councillor Vandal: I'll move Items 1 through 7 as consent items.

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

Motions. Motion No. 5. Automatic referral. By-laws.

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

Councillor Vandal: I'll move that By-law No. 35/2004, be read a second time.

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

Councillor Vandal: I'll move that by-laws numbered 59/2004, 60/2004, 61/2004, 62/2004, 63/2004, 67/2004, 69/2004, 70/2004, 71/2004, 72/2004, 73/2004, 74/2004, 75/2004 and 76/2004, be read a first time.

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

Clerk: By-laws numbered 59/2004, 60/2004, 61/2004, 62/2004, 63/2004, 67/2004, 69/2004, 70/2004, 71/2004, 72/2004, 73/2004, 74/2004, 75/2004 and 76/2004.

Councillor Vandal: I'll move that by-laws numbered 59/2004 to 63/2004, both inclusive, By-law No. 67/2004, and by-laws numbered 69/2004 to 76/2004, both inclusive, be read a second time.

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

Clerk: By-laws numbered 59/2004 to 63/2004, both inclusive, By-law No. 67/2004, and by-laws numbered 69/2004 to 76/2004, both inclusive.

Councillor Vandal: I'll move that the rule be suspended and by-laws numbered 59/2004 to 63/2004, both inclusive, By-law No. 67/2004, and by-laws numbered 69/2004 to 76/2004, both inclusive, be read a third time, and that the same be passed and ordered to be signed and sealed.

Mr. Deputy Speaker: All in favour? Contrary? Carried.
Question period. Councillor Steek.

STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT QUESTION PERIOD

Councillor Steek: Mr. Chairman, I don't know how to phrase this not as a question because the Chair had promised, said to me, Steek will you please not ask any questions, so I won't ask this as a question I'm going to bring it as a friendly suggestion.

We have been waiting since June to hear maybe something back from PP&D, as to whether or not there could possibly be a definitive policy on land sales. In otherwords, yes, we'll sell it to you, no we won't, or we'll continue to negotiate in five days.

Certainly I have no expectation that that will come back in my lifetime, there is no indication. Let me just put that to rest and ask the Chair if he thinks this idea perhaps has any merit at all? Both Calgary and Edmonton list any and all properties for sale on a website. It tells you where the land is, what its legal description is, what its zoning is, what the asking price is, and it even tells you how to put in an offer.

Does something of that generic application have any interest for the Chair and the Department to facilitate people in buying property? We shouldn't have a definitive policy because the Department doesn't want to come back with one. But does listing on the site the web of everything we have for sale including basic information like zoning, caveats, easements and so forth have any merit? I'm sorry if I asked somewhat of a question Councillor Vandal, please accept my apologies.

Councillor Vandal: Councillor Steek presented a motion back in June, it was received as information. The motion suggested that administration get back to every request to purchase property within a specified area of time. That's an

administrative function, we don't need a council policy for that.

I can tell you that with our new manager of real estate there's a one week limit for corresponding to interests. As far as policy, if there's a property that's surplus and it's for sale, it's offered for sale, that's the policy. If it's not surplus, then it's a bigger issue. We have to declare a property surplus before we can sell it. That's the policy.

Mr. Deputy Speaker: Your second supplementary question.

Councillor Steek: With all due respect, that wasn't what I asked. What I asked was does the Chair see any merit in listing these things on a web page so people know what the blazes is going on? That's all I asked.

Councillor Vandal: Yes I do.

Mr. Deputy Speaker: Your final supplementary question.

Councillor Steek: Good. Not that I think we're really getting anywhere. Here is the final query for the Chair.

Does the Chair believe that there should be a firm and fast policy that each and every offer that comes to the Department is reported back to the Committee? So the offerer at least knows what happens to the offer. Too many things just disappear in the bowels of the Department. Should we have a policy that we have the common decency of responding to the offerer in a timely fashion?

Councillor Vandal: We don't need a political policy for administration to respond to offers to buy property, that's an administrative function, the Administration takes care of it.

Do we need to politically hear every offer that comes forward? If the property is surplus and it's for sale, yes. I believe that is what the Administration clearly do now. If it's not for sale, and I've offered the example several months ago about somebody wanting to buy the old St. Boniface City Hall. Do we as property committee need to know that? No. If somebody wants to buy this city hall, do we need as a property committee for the Administration to write a report to come to us to say, someone wants to buy city hall at 510 Main Street? No. If the property is surplus and it's for sale, ideally if the conditions are right we should sell it. That report should come to Council. I'm not sure what Councillor Steek is not understanding about that.

Councillor Steek: With all due respect to the Chair, we have a multitude of offers that come forward that there are no responses on properties that are listed. And people say, you know what, if you want to turn it down, sobeit. But I want the opportunity to at least have the committee know it was turned down. That is not happening. Other jurisdictions have a clear cut policy. You make an offer, you get a response, and if it's negative from the Administration it still goes through to the Committee and the Committee says we agree or disagree. What is happening now is that offers are just going into the black hole and never coming out. I'm just saying that under the circumstances if you make an offer to the City for a piece of property that's for sale, not an unsolicited offer and that's what you're trying to distinguish. This is property that's for sale.

Surely out of common decency and business acumen, we would have a policy that says, the Administration even if they don't like it tell your committee, and your committee as last resort has that offerer come forward and explain to him why it's not being accepted. That seems fair. That's the question.

Councillor Vandal: We have that policy now. If Councillor Steek knows of specific properties that aren't being responded to, he should bring them to committee so that we can hear about them.

Mr. Deputy Speaker: Standing Policy Committee on Protection and Community Services.

REPORT OF THE STANDING POLICY COMMITTEE ON PROTECTION AND COMMUNITY SERVICES

DATED APRIL 5, 2004

Councillor Gerbasi: I'd like to submit Items 1 and 2 from the Report of April 5, 2004.

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

Motions, none. By-laws.

STANDING POLICY COMMITTEE ON PROTECTION AND COMMUNITY SERVICES CONSIDERATION OF BY-LAWS

Councillor Gerbasi: I'll move that By-law No. 58/2004, be read a first time.

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

Clerk: By-law No. 58/2004.

Councillor Gerbasi: I'll move that By-law No. 58/2004, be read a second time.

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

Clerk: By-law No. 58/2004.

Councillor Gerbasi: I'll move that the rule be suspended and By-law No. 58/2004, be read a third time, and that the same be passed and ordered to be signed and sealed.

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

Question period. Councillor Wyatt, Councillor Steek.

STANDING POLICY COMMITTEE ON PROTECTION AND COMMUNITY SERVICES QUESTION PERIOD

Councillor Wyatt: Mr. Speaker through you to the Chair. It's come to my attention that there's a possibility that the PUFF Report will be brought forward shortly, and that it's going to be rushed off from the Standing Committee to Council by May 19. Is this the case, is it coming to Council? Is there going to be a rush to push through the recommendations of whatever the PUFF study is? What is the process Madam Chair is what I'm asking for the PUFF study. When do we expect it? What will the process be for it?

Councillor Gerbasi: Through you to Councillor Wyatt. The process is that when the PUFF study is ready which we expect it to be very soon, which is on time, it will actually go to Executive Policy Committee rather than our standing committee. That's because the PUFF study actually affects three different departments at least. Public Works as significantly as our standing committee. Although Ursula Stelman has taken a lead often in speaking to the study, Public Works is equally involved in this study. So the study is actually coming to EPC. It will go to EPC and I assume the route there is to go to Council. That doesn't mean that the things in the study whatever they are because we haven't got it yet, it doesn't mean that those things are going to happen instantly. Normally with these types of studies we receive the report and then we ask administration to comment or, we look at it. I don't know what will happen when it comes until I see it Councillor Wyatt, and then we decide what we want to do with it. I haven't actually got it yet so it's kind of hard to state that. The process is, that it will come to EPC.

Mr. Deputy Speaker: Second supplementary.

Councillor Wyatt: We were assured previously in questions in this chamber that that report would be coming back to the Standing Committee. Now we're hearing opposite, that it's not going to come to the Standing Committee, that it's going to go to EPC and then potentially right to Council.

What is the process going to be? The other part of this question is, is there going to be a chance for public input which was assured by our administration at the outset of this entire process?

Councillor Gerbasi: I guess we may have thought it was going to standing committee, I don't know if that was ever

spelled out anywhere. Right from the beginning that report was cross departmental report with different directors involved with it. It's not just one standing committee, Public Works as you know handles all the maintenance. It's obviously extremely involved in our facilities as a partner with Community Services which does the programming. Those two departments and also the PP&D Department for civically owned buildings are very much involved in this study. So it is appropriate that it goes to EPC. I think the concern is that I'm hearing from the councillors that it's going to be whipped through and we won't have a chance to deal with it properly. That's really not the intention, this is a long term plan. We've asked the consultant's to do this work so we have the information. There's no agenda to rush it through anywhere.

In terms of public consultation, there has been in the process of doing the study, the consultant has done extensive consultation with stakeholder groups and through surveys and focus groups.

As you know, as I've said at every council meeting for the last three months because this gets asked every time, we have a process that council approved called the active process which will involve public consultation before any changes are made to our facilities. We want to have buy-in from our communities and work with our communities on that.

The day the study is released, the world is not going to change. We're going to take that study and work through it and determine how to deal with it together as a council and a community. Nothing has changed all along in that process. Thank you.

Mr. Deputy Speaker: Your final question.

Councillor Wyatt: This is clearly something completely different now than what we've been informed in the past. We were assured that it was going to be coming to our standing committee. We were assured that there was going to be full discussion. We were also assured that there was going to be public input and a chance for public input before council has to be asked to vote yea or nay on a huge change with regards to our public use facilities. Now we're being told something completely different. I want a clear clarification from the Chair today. Are we or are we not going to have a chance to have input at the standing committees, and will or will not the public have a chance to have input as well before council's asked to adopt a policy on this matter?

Councillor Gerbasi: Of course Mr. Speaker there's ample opportunity for input. I think there's a bit of an over reaction here. Councillors have the ability to come and speak to it. We can refer it back to standing committees to do whatever is the will of council.

Mr. Deputy Speaker: Councillor Steek.

Councillor Steek: Just one question Mr. Speaker, through you to the Chair. In view of the fact that this is the end of April we were told originally that the police commission report would be coming down either at the end of April or early May. Do we have any expectation of it being May of this year or should we anticipate May of next year?

Councillor Gerbasi: It's in the hands of the CAO. I believe she's said that she expected to have it in a couple of months from when the last time we talked about it. I assume that would be around May. I haven't heard anything because I don't believe it's ready yet.

Mr. Deputy Speaker: Councillor O'Shaughnessy.

Councillor O'Shaughnessy: Madam Chair, the public use facility study it was commissioned a while back, my memory isn't what it should be. Who commissioned the study?

Councillor Gerbasi: I believe it's the City of Winnipeg. It was at EPC. It started at EPC and it involved three departments of course with Public Works and Community Services speaking out a little more. Ursula Stelman kind of took a lead in the team that's been working on

the study. It is not just the Standing Policy Committee's study, it was issues of community clubs come up we tend to be the ones talking about it. I've been speaking to it as a Chair of the Standing Committee. We've had a change in Chairs of standing committees in Public Works.

Right at the beginning Councillor Angus and I sat down with the staff. It was developed, it went to EPC and the motion to do this study was all through EPC. It's going to go back to EPC and there's really been absolutely no change in the process. Thank you.

Mr. Deputy Speaker: Councillor Smith.

Councillor Smith: Will you make a commitment when the PUFF study arrives at EPC to move it to the Standing Committees for referral?

Councillor Gerbasi: Absolutely. I think that's an excellent suggestion. And we probably would have done that anyway, but we hadn't even got there yet because we haven't got the study yet. You're way ahead of me. I certainly think EPC could refer it to standing committees for their discussion.

Mr. Deputy Speaker: Councillor Wyatt.

Councillor Wyatt: Separate matter. It's come to our attention that the photo radar contract that was signed has fallen far short of its projected revenues, and the costs seem to be a lot higher than what was projected. Now instead of making $6 million we're making $2.5 million as of last year. Instead of $16 million in revenue it's down to about $9 million in revenue.

What sort of performance guarantees were signed in the contract if any, and if they weren't, why not with regards to the private contract with the company that's providing the service?

(Councillor O'Shaughnessy in the Chair)

Councillor Gerbasi: First of all in terms of the costs of the program which I believe is about $7 million, that's been constant, there's been no change there. There has been less revenue than was estimated.
I think it's important for Council to remember that this program is about safety and the revenue would be directed towards safety. Of course it would be nice to have more revenue but just simply didn't obtain that revenue. Frankly, that's the way it goes. Hopefully we've saved some lives and people aren't running through red lights.

I think that's really the important thing about photo radar. Thank you.

Councillor Wyatt: We passed a budget last year that based its budget for the Police Department at $6 million worth of revenue, it's now $2.5 million. Other departments have had to slash their budgets to make up for that.

The point is Mr. Speaker, what guarantees, were there any guarantees and why not, in a five year $35 million contract for performance with regards to revenues coming into the City?

Councillor Gerbasi: We knew going into this that there was a certain degree of risk. There's always a certain degree of risk in a budget. We went with the photo radar because it was the right thing to do in terms of safety. We knew it would cost us $7 million. We knew if we only made $5 million we'd be down $2 million. We hoped we'd be up more but that depends on a number of variables. I don't know what all the variables are as to why that's happened but that's not your question. Your question is, are there written guarantees that we're going to get a certain amount of revenue. No. Is there some risk? Yes. We were prepared to take that risk because we'd like to save some lives.

Mr. Speaker: Final supplemental.

Councillor Wyatt: Beyond me, only the public sector signed a $30 million contract with only performance guarantees to fall back on.

Can you supply us a copy of the contract? I've been told no, I'd like to see a copy of

the contract and I think other councillors would too.

Councillor Gerbasi: I think that's sort of a request you could certainly make to the CAO and the Police Chief and they will determine whether that information is available. That's an administrative decision.

Mr. Speaker: Councillor De Smedt.

Councillor De Smedt: I'll be very quick. I would just like assurance from the Chair, and I think I'm going to get it, that what we all approved when we decided to go down this protocol of red light cameras at intersections was that this was for safety. It had nothing to do with generating revenue. If you could get some revenue that would be great.

Councillor Gerbasi: Absolutely. You've hit the nail on the head Councillor De Smedt.

Mr. Speaker: Moving onto Standing Policy Committee on Downtown Development, the rookie Chairman Mr. Mayor.

STANDING POLICY COMMITTEE ON DOWNTOWN DEVELOPMENT DATED APRIL 13, 2004

Item No. 1 – Lease of City-owned Alexander Dock and Adjacent Lands – Paddlewheel Riverboats Ltd. File FI-2.1.1

Mayor Murray: It's a great pleasure to report to the very brief standing committee. This is the agreement that's been reached with the Paddleboat Riverboat for six and a half month extension. This allows them to operate this summer.

The Planning, Property and Development Department is working with them on the development of the site. CentreVenture as you know has tenders request for expression out on a number of waterfront properties. This whole file is moving ahead. I think the Paddlewheel has been a very important part of the development of our downtown, it's one of our major tourism attractions. They're very happy with that. The City's happy with that. I hope we'll also give our blessings to this agreement Mr. Speaker.

Mr. Speaker: Councillor Lazarenko.

Councillor Lazarenko: I want to thank you Mr. Mayor for finally coming to some conclusion with the Paddlewheel Riverboat Ltd. They are the only tourist attraction we have providing the kind of services on the rivers, not to say the other smaller operators.

I was involved briefly with this dealing with the Riverbank Management Committee Mr. Mayor, I know this is only a six and a half month contract. Can you tell Council because I'm looking at a long term commitment to make sure that the riverboat company stays in Winnipeg and to continue providing the kind of entertainment that they do of taking tourists on our rivers.

I'd like to know if that in itself will be considered after the six and a half months will there be a long term agreement because I understand that the owners of the Paddlewheel Riverboat Ltd. are looking at putting in a permanent site that would house pretty well a year round operation. They're willing to invest an awful lot of money in there. I think we have a commitment because if we lose this type of operation Mr. Mayor in Winnipeg it will be a black eye to the City of Winnipeg. They've been in operation for many many years including the first operators who were there 30, 40 years ago. I would just like you to make a commitment to Council to make sure that they stay here in Winnipeg.

Mr. Speaker: Mayor Murray.

Mayor Murray: I appreciate Councillor Lazarenko's interest in this and his support that he's given this.

I can't promise Mr. Speaker that any business will stay in operation. I don't run the business. I think I can commit as we have with this very good partnership with them that the City will certainly hold up its

end of its commitment Councillor Lazarenko to work with them.

I know they're a company that has some capitalization challenges to take on such a big project. We do have CentreVenture our downtown development corporation which Council has generously voted a capital fund for to provide assistance in these kinds of projects.

I know Mr. Margolis who's the new CEO there is working with them. This buys us some time to keep them operating and keep them afloat no pun intended but also to come up with a longer term solution.

As you know Mr. Speaker and Councillor Lazarenko fortunately was very supportive of that. The only area which we're allowing direct waterfront development on the waterfront side, is around the Alexander Docks.

Council passed $350,000 in last year's budget to upgrade the docks and to make them more usable so that the Paddlewheel riverboats will be able to use the dock. That will be starting construction any week now. I know they are looking forward to that.

Through this next season the Alexander Docks are going to be rebuilt. The whole site will be improved. This will get us through the season and gives chance for CentreVenture and the proponent to come up with a long term strategy which will ensure I think our best efforts in ensuring that the paddlewheel boats are on the Red for a very very long time.

Mr. Speaker: Question on the clause. All in favour? Contrary? Carried.

Motions, none. By-laws, none. Questions, none.

Alternate Service Delivery. Councillor Pagtakhan.

REPORT OF THE ALTERNATE SERVICE DELIVERY COMMITTEE DATED APRIL 13, 2004

Councillor Pagtakhan: It gives me great pleasure to move the Alternate Service Delivery Report dated April 13, 2004, Item No. 1 as consent.

Mr. Speaker: It's been asked to be stood down. Did you wish to introduce the clause.

Item No. 1 – Provision of Solid Waste Collection Services File WT-1

Councillor Pagtakhan: The report you see today, seeks approval to prepare a business plan in an inclusive and thorough process. To study ways to improve solid waste collection and ultimately to consider alternate ways to provide efficient and effective service for all residents of Winnipeg.

It's also important to say that this exercise aims at reducing the gap and the cost between the solid waste collection service provided by the City forces and the collection of private contractors.

While that is important to note, it is equally important to realize that we are not making a decision today to contract out the services currently provided by city forces.

However, your approval is being sought to allow our administration to proceed in a thorough and inclusive business planning process. A business planning process with an intent of number one. Maintaining a good relationship with CUPE. Number two, helping all audiences, media and the public to understand the business plan process as necessary to move the City proportion of garbage collection from the status quo to a more efficient and cost effective service.

Number three. We have to complete a business plan will be reviewed by a Joint Council CUPE Committee and recommendations forwarded to EPC and Council for further consideration later this year.

Mr. Speaker continuous improvement is at the heart of any ASD initiative. The report we have before you clearly indicates that the provision of solid waste collection services is an ideal candidate to

go through the ASD business planning and review process. With a key benefit to identifying and fully costing out services complete with a thorough gap analysis recommendations and strategies at reducing any gaps.

Let me tell you this is critical. For the preliminary indicators and study made evident in possible savings to the tune of $3 million per year. The citizens of Winnipeg Mr. Speaker have told us time and time again, and my recent memory as a public servant especially this past fall deals with discussions that we need more efficiency in our operations so that our government is more affordable.

It is indeed incumbent upon all of us to strive to continually strive for more efficient and affordable government.

Mr. Speaker, colleagues your support today for a thorough and inclusive business plan at studies the provision of solid waste services is a critical first step in achieving our efforts as a whole towards a more affordable and municipal government.

Mr. Speaker: Thank you. Councillor Lazarenko you asked that it be stood down.

Councillor Lazarenko: Mr. Speaker I'll not be supporting this. I'm going to give a reason to Council why.

The contracting out I know we've got a policy in place alternate service delivery and the special operating agencies it all has to come to the floor and the table talks with the unions and the services that are being provided to try and get the best dollar for the work that they do.

I'm very very leery and concerned about the present autobin system that we have in place. I'm surprised that there's not one union representative here. I don't believe it. Wait until it comes to contracting out, you'll see what will happen then.

Cost of collection. Mr. Speaker I've been on the Public Works Committee now for 21 years and the number of times we've been dealing with challenges from the outside the private contractors have said that we want to do the areas because we can do it a lot cheaper. I have challenged them on that. I know for a fact it is more because we provide better benefits to our employees. They have a pension plan. They've got the sick time, they've got glasses. They've got their dental plan. With the private sector some of them don't have that. It's only common in the workplace today society every employee should be entitled to that. You don't want to have some construction or these people that work in the private sector, they burn themselves in 20 years and they're finished. They go on welfare because they don't have any benefits to collect, and that's what gets me.

All those years Mr. Speaker, that we have been dealing with the issue with the private contractors, I have challenged them. I said if you want to compete against the City why don't you contract out to the place where the city's picking up garbage such as the downtown in a highrise rental properties. Where the lanes are plugged with deliveries being made and the truck has to sit with the employees waiting to try and pick up the garbage. They don't want that. They go on a high productivity. They go in a place where it's all front pickup. Sure they can do five hundred houses in one day, but send them into the area where our people have to go and do that. We do it because it's our cost and we can afford to do that.

The question is, when you have a truck that's sitting in the lane maybe for 15 minutes, can't move because there's a delivery being made. That has to be considered.

When the autobins were introduced in 1990 I moved that motion. I took that upon myself I was the first councillor with a 29 member council to introduce that in my ward. No one wanted to touch it. Every other member of council feared. I paid the price. Sure the union said I was out to get them because they were going to lose their jobs once the autobins came into being. But not one lost their jobs because their positions were transferred. Either to City Hydro or other places. But

they got out of working this manual labour, we had a compensation cost in four years, $3 million. High rate of them not coming to work being absent. We went into that system because it was the most and the best environmentally friendly cost effective way method of picking up garbage.

One bin will take three houses or five houses and one pick up. We purchased the equipment, we went at that time when it was introduced it was passed in 1990 it was implemented. Finally two years later just before the elections of October 1992. They were introduced in the month of July. I paid the price, big time because those who ran against said you want this huge box car type of a bin in your backyard you won't be able to see your neighbours then vote for Lazarenko. Play these stupid political games.

It went in. It was put into place. We have very little compensation cost and if there is any, the employees crawl into those bins those trucks, have no business going in there because that's when they get injured. There must be a method, we have to take a look and see that it's corrected.

We were making a profit about $500,000 every year in the northwest quadrant of the City of Winnipeg. I don't know what it is now, I understand that it's down.

The problem with the autobins. Just the other day I went down the backlane and I had taken photos and I e-mailed them onto my system to send it onto the department, you would never believe of all the garbage that I saw along those bins, mattresses. There were chesterfields and a lot of that was being brought in from outside of the territory coming in from outside of the City of Winnipeg. Those who do not have the bins, they're bringing in all the solid waste to put it there for us to pick up, and our department does not pick that up, unless there's a complaint which I lodged a complaint it will be picked up.

We've had that problem not one prosecution. Not one person was prosecuted because we have a by-law dealing with the autobins. We have a special budget dealing with the autobins. I've said this to the Mayor many times in the last hot debate we had dealing with the new deal that was taking a look at elimination of the autobins. The money that we spent we had to do all the electrical, telephone line, utility lines had to be lifted. We had to redo some people's garages because the bin would be picking up would be touching the back of the garage. We did that. We went and took down part of their fences, we went and put in a concrete pad to put that bin on there. People were not accepting it, but later on when that was introduced after I had gone through hell, I had a big fish two foot long, six inches wide through a big hole in the middle it was thrown in front of my yard. I got a phone call, you know what that means. This is what I went through. The other councillors didn't because they did not have that in their area. Then later on after how successful the autobin was, other members of council kept saying, I want it in my area. How come I can't get it in my area. A lot of them did get them in their areas.

I know that the Alternate Service Committee has to do their job, and they have to go, the Union has to participate. I know exactly what I can foresee what can happen, it costs us too much money to implement the autobins, it was around $8 million to $10 million to purchase all the equipment. Of all the thousands of homes the thousands of garbage cans that we had removed and took it down, the scrap dealer picked it up. And now for us to go back, are we going to introduce another $10 million as a capital to purchase new equipment by giving the people garbage cans. Are we going to go into that direction? How are we going to budget it? How are we going to put the program in? How are we going to pay for it? What do you do with the vehicles? I understand that some of the vehicles one is being disposed of now.
All this Mr. Speaker, even the roll out bins, all this has to be looked at and corrected because this is the way. I had one of the administrators told me what we'll do with the bins. Seven thousand bins. We'll sell them to the apartment

block owners. Other cities are crying for them. If the other cities are crying for them how come we're giving them away? Poor business, poor business plan is being prepared with this and it's not right.

I will not support, I've spoken on this so many times, Mr. Mayor I know we had a little encounter in the parking lot you didn't even want to discuss that again, but that's how strong I feel in that issue. I feel that strong on this because the autobin system works.

I'll tell you right now, once the survey would be taken majority a good maybe 80% of the residents who have the autobin system would say, please don't remove them. You might be able to take a look putting in some sort of a surcharge, but it's something that the Committee and once it gets further on, that can look at. It's too important to try and do away with something that was implemented a number of years ago and to have that just taken out, other cities would love to have it. To put in autobins, it is not cheap, capital is very very high. Just because we're looking at something how we can save and collect money, there's ways dealing with the autobin system that we can make a good profit.

Start using enforcement. Teach people that are coming in and dumping like I've got the two blocks, there's about 15 every bin had a bunch of mattresses that were burnt. Were never picked up by the City. Now the City has to go and pick that up. Because these people don't care. They will come there, they will dump it. When the neighbours tell them something, they look and start laughing. They show that finger. What happens some of the people even now what they're faced with will not dispose of that bin, they love those bins and they want those bins, they will go there, and they will clean up around those bins and put the garbage where it belongs. Not to have people from the outside come and fill the bin within one evening. They're coming in the middle of the night. Where's our enforcement branch? I've asked this over and over again and the Chair of Public Works, I'll be doing this at the Standing Committee and I've asked for a report to see how many people have been prosecuted, how many charges have been laid. I understand it's been zippo.

Mr. Speaker: Councillor Gerbasi.

Councillor Gerbasi: I do want to speak to this issue. I understand that the process at this point is to look at the option of contracting out that we're not making that decision at this moment. I do recognize that.

Having said that, I think it's important to put a few questions and concerns on the record out there so that the public and everybody is aware that there are some issues that we need to seriously look at in this.

I raised a number of questions. One is, I'd like to know which areas of the City are currently done by private versus public, and what the difference is in the distance between homes and different things. There's different variables that affect efficiency in terms of who gets which part of the City, and I'd like some answers on that.

I'd like to know how we're going to assure accountability and quality of service when we don't have any trucks to go in and clean up messes that might be left by a private company that doesn't have to worry about public opinion or it doesn't have bosses that have to worry about public opinion. I certainly have some questions about 100% private system, and concerns based on things that have happened in other cities.

Also, I think we're obviously going to look at internal efficiencies and see what improvements can be made, and that has to be looked at very carefully. The gap, $3 million sounds like a lot. It might be able to be whittled away with some internal efficiencies and then give us the safeguard of having some of our own equipment available and our own trucks.

The last issue I wanted to raise was the issue of competition. Three or four years ago when I was on the ASD Committee, we rejected the idea of contracting out more than 50% of the business because

of the lack of competition and the concern. When I raised this now with administration I've been told that the market is changed. Well that was only a couple of years ago, the market could change again, and then we're left with a highjacked rates for our garbage collection which has happened here and in other cities with other parts of services.

I just want to make sure that these comments are on the record, these concerns are on the record, and I'm going to be asking some very difficult questions that I want some pretty good answers from as we go through this process. Thank you.

Mr. Speaker: Councillor Smith.

Councillor Smith: The Waste Department, we do all the work that is high cost, residential waste. Businesses the very commercial part of collecting waste we don't touch. It seems to me if we're even talking about recycling from the City of Winnipeg, wouldn't be well for us as a city to be doing all the waste collection and dealing with it. That would be the lowest cost. That's why I think the terms of reference are too narrow. I think we should be looking at the whole waste situation in the City of Winnipeg.

I agree with Councillor Lazarenko about the bins. These bins are worshiped by the people in my area. It's bad enough the lanes now with the old mattresses, chesterfields and so forth is still a bad situation. It was like the backlanes were the dumps of the City of Winnipeg before. I've got pictures showing incredible amount of junk in the backlanes. It doesn't make any sense to go ahead and have such a narrow look at this. I think we should be looking at all waste in the City of Winnipeg.

Mr. Speaker: Councillor Wyatt.

Councillor Wyatt: I raise a lot of the same concerns I think that previous speakers have raised. Outside of infrastructure calls we're getting roads and gravel roads that are washboard and sidewalks cracked and everything else, I think the other greatest set of calls in my office gets is related to garbage and garbage pickup.

I would love to be able to turn around and trade the service from one end of the City to my area of the City, I'll take the City workers picking up garbage any day over the private contractors, is now enjoying the City service.

I'll tell you what, it's the old saying, you get what you pay for. It's very true with regards to garbage pickup because I'll tell you what. It's happened to me once, it's happened a dozen times where on a Friday on a payday a couple blocks just missed, completely gone. Why? Because these guys are getting paid $7 or $8 an hour, and it's a tough job, it's hard work, they get injured and they're out there on the front lines and when they get their paycheque even though it's not a lot, you've got to let off a bit of steam. The Pandora and the Princess are a little busy those days.

The fact of the matter is, that's the reality and these guys are human beings like everybody else here, and they have to let off a bit of steam and so I get calls from constituents and of course when the garbage is sitting out there for the entire weekend. And we get it maybe Monday or Tuesday if we're lucky.

This is not a laughing matter Mr. Speaker. The fact of the matter is, Councillor Lazarenko spoke very well. There's a lot of workers who get injured picking up garbage every year. The autobin has done a dramatic job of turning that around. I'm shocked like Councillor Lazarenko why the union is not here today. The union is supposed to be representing the workers and why they're not here talking to us about this issue is beyond me. They should be up here talking about it addressing their concerns. Maybe they've been able to talk to EPC, the Mayor privately and worked out some sort of arrangement that we don't know about, nevertheless, this is before us here today, and this is a concern that I have. I really believe that a lot of the workers who are going to be affected by this I don't think it does them justice in the fact that

they've been with the City for a long time and the service they provide is crucial.

I believe right now, the ironic thing is I consider myself a free enterpriser. Right now we have the vast majority of the City contracted out. It's a majority about 30% still is done by the City. I believe that in a city our size where we don't have a large metropolitan centre near by, and in an industry like garbage collection it is not a bad idea to let the City still have a foothold in the garbage business to ensure that competitive pricing still exists in the private sector. I would argue the very reason why the pricing is so competitive in the private sector today is because the City is still in the garbage business. I think you would see a change if we walked away from the garbage business, you would see a change, maybe not in the first year and not in the second year but maybe in five or 10 years you would see a change, where you would have an inflationary rise above normal on the pricing and we would see that happen, and then we'd be asking ourselves what happened to the savings. On top of that the service would not be the same.

The report I'm seeing here before me looks like it's already been written, that we're going to be doing this. You read it, it sounds like it's a done deal. The question is, we talk about productivity being lower and the costs and everything else. I'm not seeing in this report the quality of service being provided. I think the quality of service at least what I experienced in my ward is not up to par for what we should be receiving, I think it's the old saying, you get what you pay for and that's clearly the case.

Maybe we have to work with the private sector to raise their standards. Maybe we have to work with the private sector to assist them to increase the quality of performance in areas covered by the City by ensuring better benefits for their employees. Maybe we have to look at autobins on other parts of the cities where we know we can reduce worker injuries. We've seen how worker injuries have been reduced by the autobins. Now with the fact that we've introduced recycling maybe it makes sense to look at a greater autobin system that combines it also with recycling. I think it would make great sense to the City and the community. That is maybe something that should be explored here before we just jump off into the fast run to privatize the rest of the garbage pickup.

Those are my feelings. I'm not in favour of a whole system being covered by the City. At the same time I think having the public sector involved in a garbage business is not a bad thing. I think it's keeping costs down. The question we have now is, how do we improve service with regards to the private sector coverage and improve the quality of service to the citizens because it's not being delivered today.

One last thing. It got so bad that I requested the Public Works Department to send me a list of all their complaints that they got on the public works, you know how it goes through the public works system, Josie takes calls there, and I got a stack this high of complaints occurring in my ward in the last year, that they received about garbage.

This is not an imagination. This is a real situation that we have. I was assured that maybe if there was another contract here it would resolve itself. Well, it hasn't unfortunately. Those are my thoughts.

Mr. Speaker: Councillor Pagtakhan summing up.

Councillor Pagtakhan: Thank you. There are some really good topics and questions and issues being raised today and I appreciate the feedback that we're receiving. What we are going to be voting on today basically is to order the Administration to prepare a business plan, and to go through a business planning process with a Joint Council CUPE Committee. We need to make an informed decision here.

The issues that are raised about accountability, cost of service, autobins, they don't want them to come out, internal efficiencies, quality of services, those are all things we're going to be taking into consideration.

In order to make an informed and the best decision for our citizenry we should proceed with this business planning process, I think it's really really important and very much key in this debate here today.

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

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

Councillors Smith, Wyatt, Lazarenko.

City Clerk: The vote Mr. Speaker, Yeas 13, Nays 3.

Mr. Speaker: The clause is carried.

Moving onto the Report of the Secretariat Committee of April 13, 2004.

REPORT OF THE SECRETARIAT COMMITTEE
DATED APRIL 13, 2004

Councillor De Smedt: I would move Item No. 1, meeting schedule adjustments to reflect the inclusion of that great committee on Standing Policy Committee on Downtown Development.

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

Councillor Steeves moves that council do now adjourn.

ROLL CALL

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

COUNCIL ADJOURNED AT 3:12 P.M.

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