COUNCIL OF THE CITY OF WINNIPEG
Wednesday November 24, 2004

The Council met at 9:33 a.m.

The Clerk advised the Speaker that a quorum was present.

The Speaker called the meeting to order.

The opening prayer was read by Councillor Gerbasi.

ROLL CALL

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

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

Mr. Speaker: We're graced with a page this morning, Chris Robak from Sisler High School who resides in the Old Kildonan ward and welcome.

We have a special guest this morning, Tony Esposito, President of the Canadian Public Works Association, Manitoba Chapter to present a Public Works Association award. Mr. Mayor if you would.

Mr. Roy Houston: Good morning, my name is Roy Houston. I am the Manitoba Director for the Canadian Public Works Association and this morning gives me a great deal of pleasure and pride to give this award to the City of Winnipeg.

A little history, the Manitoba Chapter of the Canadian Public Works Association started here at their inaugural meeting October 8, 1954 so this is the 50th Anniversary of that organization. This organization is made up; approximately 50 percent are city of Winnipeg employees. There are members from across the province and there are members from the private industry, engineering consultants, contractors and suppliers.

In 1964, John F. Kennedy started this award for the United States. It was to recognize the efforts of the public works officials across the country. This award we transferred to Canada, we started in the 1990 timeframe and since it's been awarded, the City of Winnipeg has got this award several times. They put on a terrific show and to engage the public, to show the things that public works people do here.

Public Works Week in Winnipeg was held here in May, 2004. The City of Winnipeg held a public works week expo for citizens throughout the week which included an extensive climb on equipment display, aerial bucket, hay rides, information displays, live entertainment and a kid's activity zone. There was a 25 foot inflatable slide, a fire safe house and a car town. Over 6,000 people attended and this was just after it snowed there in mid May.

Of the people that attended, we asked them to donate a food item for Winnipeg Harvest. There was 22,000 pounds of food collected. The success of public works depends on the strengths of partnerships within the municipality.

Public Works Department was heavily involved, Water & Waste Department, the Transit community, Police Services, Fire Paramedics Services, Manitoba Hydro and the Manitoba Chapter of CPWA.

Winnipeg hosted an extraordinary week of events. The goal was to educate the citizens about the value of public works in their community.

So at this time, on behalf of the Canadian Public Works Association, I have this award to make for the best Public Works Week in Canada. Competition from across he Country and I was one of the judges, but it was a fair and evaluated competition and the criteria was well set out before the submissions came in.

I'd like to commend the people from the City of Winnipeg that were involved, Ken Welchinski here, he helped the twenty or so civic employees, some of them in the gallery today and I would like to recognize their efforts. They worked very hard, it takes them a year of planning for the one week event and they do a terrific job and

there's lots of enthusiasm, it's nice to see people out there with their families, we have several Councillors that attended as well to see what's going on. It was a really great event and this is the category in the larger communities, the award for across Canada, presented to the City of Winnipeg for its outstanding efforts in comeration of Canadian Public Works Week, bringing the attention of public works contributions to the well being of their community for 2004, Mayor Katz.

Mayor Katz: It truly is an honour to accept this award on behalf of the City of Winnipeg. I would like to thank all of the dedicated professionals we have working in our Public Works Department. It's because of your hard work, your passion, your commitment to our city that we have been recognized by the Canadian Public Works Association.

There's nothing quite like receiving recognition from your work, from your peers and I want to thank Tony Esposito, Roy Houston and Ken Welchinski and Bill Larkin for making our city proud. Thank you all very much and thank you.

DELEGATIONS

Mr. Speaker: Next on our agenda is delegations. We have one delegation this morning, Mr. Nick Ternette in opposition to Item 1, Report of the Public Works dated November 9, 2004, welcome Nick.

Mr. Nick Ternette: Good morning Mr. Speaker. Mr. Speaker, Mayor Sam Katz and Members of City Council, how many times do we have to appear at City Council to fight the bus fare increases. For the past 10 years we have been nickel and dime to death, a metaphor being that every time bus fares increase by a nickel or a dime, there is a decrease in ridership. And every time we have appeared and we've asked when will the bleeding stop.

Last year former Mayor Glen Murray indicated to me that once the new deal was in place, there would be a decrease in bus fares and they would not increase anymore, but of course that hasn't happened, has it. No new deal has been put in place yet and to be blunt Mayor Katz, can you ensure us that there won't be bus fare increases next year and the year after that and after that. In spite of your promise to have seniors ride the buses free during the off hours beginning next year.

Don't you think this idea is somewhat discriminatory. Students, people with disabilities and people on fixed incomes ride the bus to. Shouldn't they get a break, are we going to have a larger bus fare increase next year in order to subsidize the seniors. Please don't misunderstand me, I'm not here to attack seniors, I fully support free bus rides during off hours but I think it should be available to everyone, not just one sector of the population.

I'm absolutely sure that Mayor Katz and Members of Council are fully aware of the transit report of four years ago which indicated the crisis that transit has been in since 1986, the last time that transit ridership was at it's peak during which time there has been a 21 percent reduction in service, there are fewer buses on the road today then in 1986 and as I have said over and over and over again, there's been a significant decrease in ridership each time bus fares have increased. And by the way if you look at the chart that the administration provides in comparison to average fare comparisons, you will find that Montreal, Calgary, Ottawa and Edmonton, all which have rapid transit are all cheaper than the bus fares in Winnipeg, I wonder why.

Now you might ask and legitimately, why is this happening in Winnipeg and not elsewhere. In other cities bus fares are increased but ridership does not decrease. That's because in all other major cities in Canada, public transportation and service is viewed as a priority but not in Winnipeg. And as such, the continued decay of the transit system in Winnipeg has resulted in what I call ghettolization of public transportation and it's just not my view, it is the view of many people in the city.

This means that only those who cannot afford a car take public transportation that is people on fixed incomes, students and

seniors. The majority of whom live in what we have defined as the inner city. While in other cities, suburbanites leave their cars at home and take public transportation to work, to entertainment, etc. Here suburbanites prefer to buy a second car to solve their transportation problems rather than using public transportation.

Bus fare increases in those cities can easily be absorbed by the suburbanites and the middle class, while in Winnipeg fare increases force many of those who take the bus to seek an alternative, such as walking or riding a bike. Every year City Council agrees on what I say, as you know bus fare increases have occurred for the last 10 years, 10 years but shake their heads and argue and because of the increased costs of gasoline and the failure of the provincial government to increase it's cost sharing of transit and no question about it, it has decreased over the past decade from previously a fifty fifty percent cost sharing agreement to now 60 percent covered by the City and 40 percent provincially and that is true, in fact in most other provincial governments, finance public transportation to a far greater degree than in Manitoba, but these two arguments indicate therefore bus fares automatically must be increased.

So were caught, I think in a vicious cycle, as bus fare increases, ridership pays more and more of the cost of operating transit. In fact the latest figure I have that the ridership of people who use buses pay close to 70 percent of the operating costs operating, not capital, operating costs of bus fare. But on essential services, if bus service is viewed as an essential service such as Police, Ambulance, etc. which are paid out of property taxes, why are we in terms of who use transit wind up having to pay the majority of the cost now.

It's like using a user fee in a sense. Ridership decreases and the quality of transit system deteriorates and no one seems to know what to do about it.

And even more frightening to me personally is this whole, what I have discovered, I've talked to people, is this two car culture in Winnipeg. It's so prevalent, it's so ingrained in our culture, it's beyond my belief. No other city has it like this. I want to remember these based on the public forums of the new deal which were held last year if you remember. In the north end, the working class area, those that are most likely would have been using public transit, publicly indicated in a meeting that even if public transit was free, they would not use public transit and that is simply a kind of statement that you would not hear in any other city.

So while I strongly support, ultimately I understand that Donald Benham, Councillor Benham will move a motion eventually to decrease bus rates, I fear at this time it will do nothing to increase bus ridership, not in Winnipeg.

Why, because of the way people view bus service. People see services are slow, buses are dirty, bus shelters are unheated and not only unheated but many of these bus shelters if you walk down Portage Avenue, those glasses are smashed and I do a lot of walking. I live in the downtown, I walk there and if you look at those things, I find bus shelters smashed. I mean how many times do they have to clean up the broken glasses of these things that aren't heated in the first place.

Why they use glass, I don't know, but the amount of vandalism at a bus shelter is something that all of you Councillors should go and look. I've seen at least one or two in Wolseley, and on Portage Avenue where I walk, on Arlington, where else I've seen them smashed, every third or fourth months, at least 3 or 4 bus shelters are smashed. And they have to be replaced.

Whether this is a reality or not and this is one of fact, I think we have a decent bus service system actually, but the reality, that's the reality, but the perception of the public in general is buses just are no good in this city.

So I'll be blunt, ridership will only increase when there's both a significant improvement in the transit system including service as well as decrease in bus fares. Decrease in bus fares on its

own will not do it and improvements in the transit system on its own will not do it. It has to be a two prong approach in order to get people to start thinking that public transportation is more important than using the private car.

In conclusion, we cannot continue down this slippery slope. We cannot continue this vicious cycle of rising bus fares and deterioration of service where ultimately I believe will result in public transportation becoming privatized. I urge council to freeze transit fares for this year and in spite of the suggestion of the administration that it suggests that every month that you either freeze or do not increase bus fare increases it will cost the city approximately 110,000 dollars. I first of all would challenge those figures, but I would say, I still think you should freeze this fare until next June when the task force on rapid transit, which not only will emphasize the form of rapid transit in Winnipeg, but will also develop the steps needed to improve, because part of its mandate I understand and I've seen the report is to improve the current public transportation and when that report comes back in June, I would hope we can act on it and then we can look at the whole issue of bus fare and what kind of bus fares we should have in Winnipeg as compared to other cities. I thank you very very much.

Mr. Speaker: Thank you Nick. We have some questions if you would permit. Councillor Benham and Councillor Smith.

Councillor Benham: Thank you Mr. Speaker and through you to Mr. Ternette. Mr. Ternette thank you for your submission and of course I agree with much of what you've said here. Many of the points you've made including the point you made about the provincial share having been reduced and that this is counter to both policy about Kyoto and what is happening in other provinces. What do you believe this Council and what do you believe the public can do to increase public pressure on the province to contribute more to the city's transit system.

Mr. Nick Ternette: Mr. Speaker to Councillor Donald Benham. I think that we need to negotiate more openly and get public support for the things. I mean there always been discussion and I have done my own share, I've been asked this question over and over again. I have written to my MLA, I have talked to him about that. I think there needs to be a more open public discussion on this thing.

We have not had a task force or discussion on public transit. We're now creating a task force on rapid transit, that's a valid issue, but why not have public meetings held in various communities and get the people who are using the public transit system to start understanding and realizing this. I don't think they understand how transit is funded and what ever else and I don't think a lot of them really realize that we fund 70 percent of the operating costs which I think is absolutely shocking and that it's time for them to stand up and say, that the province we should renegotiate, this city should openly renegotiate up front, not behind close doors with the province for a better share agreement.

I mean you're going to get a little bit more money from the province, obviously you're getting more gambling money coming in. There's been recent negotiations in that way. I don't see why in a frank way with some public support which you need to build up first before you just go and negotiate, that we can't negotiate a better deal for transit with a cost sharing agreement between the Province and the City of Winnipeg. Thank you.

Mr. Speaker: Councillor Smith.

Councillor Smith: Yes, Mr. Nick Ternette, when you talked about price, about the north end saying that would not even if it was free, I wondering what beside price would you like to see changed most dramatically to improve transit ridership.

Mr. Nick Ternette: Mr. Speaker, that's a good question. I'm, too be honestly I don't know. I know that 1986, and I'm not sure what the bus fare was in 1986, maybe someone can point that out to me was when the transit people themselves

indicate was the height of ridership, that was the most use of ridership that we had.

I obviously don't think that what we're charging now, because the report indicates that every time you increase by a nickel, you decrease ridership by a 100,000 or so people approximately. We've lost at least 20 million people since 1986 who used to ride the bus in 1986 and don't ride the bus in 2004. So obviously there has to be a balance. I do believe that we should break even; I don't believe that transit should operate in the hole, but the point is if we're paying already 70 percent and most other cities don't pay that kind of individual fare, we should be able to balance it. If the province ups its share back to 50/50, let's argue for the sake, that it will be a 50/50 percent, I mean I think that bus fares could be decreased to a $1.25 or so.

Personally, I've always favoured a dollar, but I think you need to find out what's the balance of improvement of the transit system and that people actually start saying A, I want to use the transit system and the level of pricing, ultimately to be very very honest with you, I think until we have an LRT system here, a light rail way system and a train system then the middle class will start using it because trains are clean, efficient and people love it of all classes and that's when the whole public transportation system will change in Winnipeg. That's just my personal opinion.

Mr. Speaker: Thank you Nick. Thank you very much.

Mr. Nick Ternette: Thank you.

MINUTES

Councillor Lubosch moves the Minutes of the meeting held on October 27, 2004 and the meeting of November 3, 2004 be taken as read and confirmed.

All in favour? Contrary? Carried.

Mr. Speaker: Moving along to the report of the Executive Policy Committee dated November 10, 2004, Mayor Katz.

**REPORT OF THE EXECUTIVE POLICY COMMITTEE
DATED NOVEMBER 10, 2004**

Mayor Katz: Thank you Mr. Speaker. I would like to introduce the Report of EPC for November 10, 2004 and move adoption of consent Agenda Items 1 to 6.

Mr. Speaker: Number 4 has been asked to be stood down.

Consent Agenda Items 1 to 3, 5 and 6.

All in Favour? Contrary? Carried.

**Item 4 - Unfair Labour Practices
File FP**

Mr. Speaker: Mr. Mayor did you wish to introduce the clause.

Mayor Katz: Councillor Gerbasi.

Mr. Speaker: Councillor Gerbasi.

Councillor Gerbasi: Thank you Mr. Speaker. I would just like to put a few comments on the record regarding this report on unfair labour practices. I'd like to acknowledge in the audience, Larry Pelzer the newly elected president of the Winnipeg Labour Council is here and I'm very pleased to see this report brought forward and I fully expect it to receive unanimous support today. I thank the Mayor and Executive Policy Committee for that.

I wanted to acknowledge the former president of the Labour Council, Heather Grant-Jury who worked on this, sort of behind the scenes supporting this and encouraged Council to move forward on this and also Councillor Thomas who worked on this with me as well and of course the administration who put together this mechanism to deal with this important issue.

It's very difficult for municipal governments to deal with global issues such as child labour and forced labour but today Winnipeg is taking a first step to do our part. Canada has adopted several United Nation and International Labour

Organization conventions and this new policy respects those pertaining to child labour and forced labour.

Briefly this report will see us include a declaration that conventions of the UN and ILO will be respected in the documents for purchasing textile and apparel products. This policy places the onus of compliance on the vendor and allows the city to cancel a contract if it comes to our attention but the vendor with whom we do business is using child or forced labour.

Winnipeg cannot police the world and no municipality has that, those resources, but we can send a message that child enforced labour practices are unacceptable and we will not do business with companies knowingly that use them.

Ultimately, international organizations and the federal government need to do more to put mechanisms in place to deal with these global problems, but in the mean time I am pleased and proud that this council today is doing our bit, so thank you, again to the Mayor and Council for their support. Thank you.

Mr. Speaker: Thank you Councillor. All in favour of the clause? Contrary? Carried.

Move onto the report of November 17, 2004 Mr. Mayor.

REPORT OF THE EXECUTIVE POLICY COMMITTEE
DATED NOVEMBER 17, 2004

Mayor Katz: Thank you Mr. Speaker, I'd like to introduce the Report of EPC for November 17, 2004 and move adoption of consent Agenda Item 1.

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

EXECUTIVE POLICY COMMITTEE MOTIONS

Motion No. 2
Moved by Councillor Angus
Seconded by Councillor O'Shaughnessy

WHEREAS in April of 2002, the Province of Manitoba released the report STRENGTHENING MANITOBA'S CAPITAL REGIONS: GENERAL PRINCIPLES AND POLICY DIRECTIONS, co-sponsored by the City of Winnipeg;

AND WHEREAS sections 2.2.2 and 2.2.4 of the report encourage the sharing of services among Capital Region municipalities as well as inter-municipal tax sharing in situations where it is practical and financially advantageous to all the municipalities involved;

AND WHEREAS there are currently plans for development of a new sub-division consisting of 157 acres with 350 +/- lots in the rural municipality of East St. Paul, inside the Perimeter Highway on a section of land that borders the City of Winnipeg;

AND WHEREAS the most effective and efficient process for development of said site would be a partnership between the rural municipality of East St. Paul and the City of Winnipeg, with both organizations providing some of the services needed for the sub-division development on a cost recovery basis;

AND WHEREAS there is the potential for benefits to the City of Winnipeg in terms of revenue sharing in the development of said site;

AND WHEREAS the development of the site is likely to occur with or without the participation of the City;

THEREFORE BE IT RESOLVED that the City of Winnipeg enter into discussions with the rural municipality of East St. Paul regarding the development of the new sub-division, with said discussions not limited to but including issues such as:
- services that would be provided by the City of Winnipeg
- development of formulas for complete cost recovery by the City of Winnipeg services provided such as water and sewer
- development of an agreement regarding future revenue sharing between

the two municipalities for this and other similar projects.

We have motion number 2 which would be automatic referral to EPC. We don't have any by-laws this morning. I believe that's a first. Question Period. Councillor Gerbasi followed by Councillor Pagtakhan.

EXECUTIVE POLICY COMMITTEE QUESTION PERIOD

Councillor Gerbasi: Thank you. My question Mr. Speaker is regarding the new red tape committee that was announced yesterday and clearly it's a good thing to reduce red tape and make it easier to do business in Winnipeg, so that's very much appreciated, however a city does a lot more than only facilitate business and development. We do everything from heritage preservation to neighbourhood safety to running swimming programs for kids and the makeup of this committee is primarily business people and developers yet the mandate of the committee is very broad, in fact the material handed out yesterday said no program service or department will be exempt from review, I'm ready about to get to my question. No program service or department will be exempt from review. Can the mayor explain why the committee has such a broad mandate, but has such a narrow makeup in terms of its membership.

Mr. Speaker: Thank you. Mr. Mayor.

Mayor Katz: Thank you Councillor Gerbasi. I think first of all you would probably agree that economic growth in our city benefits all citizens. Number two is that if you look at the list of people, I always find it rather interesting that one may criticize individuals without really knowing allot about them. We don't know what these people do and what their basic interests are. You don't know and nor do I, although I've spoken to some of them how much they may be concerned about the environment or social needs. So I don't understand why anybody would criticize the makeup if you don't know what all these individuals are all about. Because I can ensure you, they're about a lot more than business and speaking for myself, I come from a business background but you don't know everything that I've done and I'm certainly not going to share with you at this point in time but later on I'd be happy to. The facts of life are, these people care not just about business, but about the city, they have issues, they care about children not going to bed hungry, they care about our environment. So just because they have a business background, let's not throw the book at them, let's give them a chance is all I'm saying. Thank you very much.

Mr. Speaker: Supplemental Councillor Gerbasi.

Councillor Gerbasi: It was certainly not intended to criticize any of the individuals on the committee; it was more the overall makeup of the committee just slightly defending myself. But my next question is, my follow up question is, how does the Mayor intend to ensure given that there is no administration on the committee, that the administration will not simply be called before this committee and beaten up by the committee, by people who may not have a thorough understand of what the staff do and they may not be there to explain themselves as part of the committee.

Mayor Katz: Very good question, thank you Councillor Gerbasi. I believe since you were there yesterday you know that we're working very close with the CAO on this. We are working with administration, their input is very valuable and on top of that, after all the hard work this committee puts in, whatever recommendations they come up with, in order to get a yeh or a neh, you know they have to come before Council and you know they're going to get that through the administration and that's the way we have their input and that's also the way we're going to have a debate. So nothing they come up with is automatically become the rule. It all comes through administration and it comes through Council, so everybody will have input. And that's the only way I think it should take place. Thank you.

Councillor Gerbasi: Thank you.

Mr. Speaker: Thank you. Councillor Pagtakhan.

Councillor Pagtakhan: Thank you Mr. Speaker, through you to Mayor Katz. Your Worship, I know that one of the visions you have had shared with City Council and the citizens of Winnipeg as your focus of working towards a transparent public reporting of actual costs of delivering services and in your action plan you talked about championing and implementing a service based budgeting process. Can you take a moment to reaffirm and address with council and the citizens of Winnipeg your commitment towards working towards a transparent reporting model and as well some of the steps and strides you've taken towards creating and implementing a service based budget process.

Mr. Speaker: Thank you Councillor. Mr. Mayor.

Mayor Katz: First of all you're right, I campaigned based on being transparent and open. I've tried at every opportunity to show that, whether it's sharing the PUFS report, whether it was just the other day where we all had an opportunity to have a seminar and look at our capital budget. I felt it's important for every Councillor to have the information so they can represent their constituents properly. To me, that's just automatic, that's the way it should be done. I've had many meetings with the CAO and we believe that the process we're trying to bring into affect at this point in time for every department to be accountable for themselves and for anybody to be able to look at a report and see exactly revenues, see expenses, see where the monies are coming from, see which department is actually paying for itself, see which department is, has revenues in excess of expenses, see which department we have to basically put money into.

From my point of view, everybody sitting on this floor should be aware of those and we want to make it real simple, so you can just look at it and at some point in time when that report is shared with you, I think you will look at this and say you know what, wow this is great, this tells us exactly what we want to know, it's like having the encyclopedia right at your finger tips and a lot of effort is going, is coming from our administration and from the CAO's office. Thank you.

Mr. Speaker: Thank you Mr. Mayor. Councillor Benham.

Councillor Benham: Mr. Speaker, given the lavish opening news conference for yesterday's red tape commission with one white glove attendant taking my coat and another pouring my tea, could the Mayor please provide a detailed breakdown of the budget for the red tape commission, how much will the commission be spending and on what.

Mr. Speaker: Mr. Mayor.

Mayor Katz: Thank you Councillor Benham. First of all, I don't think, I guess it's an opinion but I would call that anything but lavish, if you call some fruit and water and bran muffins lavish, I guess it's lavish but I don't think by normal standards, it would be lavish, that's number one. Number two I was very glad to see yourself and Councillor Gerbasi and actually Mr. Speaker. You were there later on, I thank you for coming but just for the record the cost of that was approximately I think just under a thousand dollars so I don't think that would be lavish. I think it was also important to have something like that outside of city hall and I think the media as well as the public was appreciative showing that we can work outside of this venue.

The facts of the budget, the budget is approximately between 100 to 120,000 dollars and once again, I say you know that's a budget, I'm not convinced all that money will be spent but as you know and as you pointed out to me at our last EPC meeting every time you do have information gatherings there is a cost so that's what were looking at approximately. I think it would probably save us a great deal of time down the road which would probably amount to hundreds of thousands of dollars in the future on an annual basis. There is no doubt in my mind when this is complete that we will have a friendlier, easier, more efficient system at city hall and that's what it's all about. Thank you.

Mr. Speaker: Supplemental Councillor Benham.

Councillor Benham: Mr. Speaker, how many public hearings will the commission be holding and where.

Mr. Speaker: Mr. Mayor.

Mayor Katz: At this particular point in time, I could not tell you the location or the number. I'm sure I would be happy to consult with the chair who will be organizing this, Councillor Magnifico and get back to you on that.

Mr. Speaker: Final supplemental Councillor Benham.

Councillor Benham: Yes, and I appreciate that Mr. Speaker from the Mayor and of course under our rules we aren't allowed to question Councillor Magnifico on the committee, so through you to the Mayor, will the commission then consider holding public hearings in every one of Winnipeg's fifteen wards.

Mr. Speaker: Mr. Mayor.

Mayor Katz: I don't believe that would be a very productive use of time or money. It was not that long ago at Executive Policy Committee when you asked a similar question regarding rapid transit and the response I gave you I'll give to you again. If when it came to trying to make a decision on BRT, the former Mayor and his press secretary who I think is a very knowledgeable individual deemed that two, two hearings, one at the University of Winnipeg and one at the University of Manitoba was sufficient, I wonder why they would think at this point in time, fifteen would be required when only two were looked at for a project which was approximately four hundred million dollars. Thank you very much.

Mr. Speaker: Thank you Councillor, thank you Mr. Mayor. Councillor Magnifico.

Councillor Magnifico: I don't know what's going on here and it really bothers me. I don't think there's anybody in this room that doesn't understand what this commission is about.

Mr. Speaker: I'm sorry Councillor Magnifico, is this leading to a question. You don't get to answer, you get to ask.

Councillor Magnifico: Absolutely, okay, I would like to ask Mr. Benham if I could Mr. Speaker.

Mr. Speaker: No you can't, you can only ask the Mayor.

Councillor Magnifico: I would like to ask the Mayor, hey, I'm new at this.

Mr. Speaker: Councillor Magnifico, if you would give the floor to Councillor Angus for a second.

Councillor Angus: Councillor Magnifico would ask the Mayor if he would be kind enough to confirm whatever his thoughts are, he may be able to get his question on the floor.

Mr. Speaker: If you wish to coach newer Councillors please do it on your own time. Councillor Magnifico.

Councillor Magnifico: So whom I am speaking to Mr. Speaker.

Mr. Speaker: You speak to the Mayor through me and it's in the form of a question with a bit of a preamble.

Councillor Magnifico: What I would like to know Mr. Speaker through the Mayor, if there's someone in this room that really truly doesn't understand what this commission was set up for because it sounds like there is some doubt. This commission was set up to help the city of Winnipeg.

Mr. Speaker: You would like the Mayor to say. If you asking the Mayor to outline to these people what it was setup for.

Councillor Magnifico: I'd like to get a message across here somehow.

Mr. Speaker: You can ask the Mayor. Thank you Councillor Magnifico.

Mayor Katz: Thank you Councillor Magnifico. First of all I very much appreciate the questions that are asked, but you know it's rather interesting, we've all I guess for the last three months, they were raving about Permits X-Press, every one of us has said something positive about it. The public has said something positive about it, the industry, the building industry has said something positive about it and the interesting part, this is exactly the kind of example that we hope to find more of with this commission and I'm sure that Councillor Benham knows there were probably very few public forums other than talking to people in the industry in any one of the fifteen wards to get to Permits X-Press, I mean things can happen in a democratic way without having to have fifteen hearings and I'm assuming what you really want to know is, is this going to be done in a democratic way and I agree it should be done that way.

But I think we both know, it does happen that way and good things can happen without expending large amounts of money to make sure this city runs more efficiently, that people want to do business here, that someone in, on Alfred Avenue who wants to build a single car garage and needs to get a permit, things flow through in a easy process and that's what it's all about, making Winnipeg a user friendly facility, wanting people to rant and rave about our city, saying I want to move to Winnipeg, I want to open up a business in Winnipeg, I want to hire those young people who are graduating and that will help us not only increase our population, but broaden our tax base.

This is what this is all about. And I'm thankful it exists, I'm thankful that Councillor Magnifico has chaired it and I'm thankful that you asked me those questions. Thank you.

Mr. Speaker: Thank you Councillor Magnifico. No one new, round two. Councillor Gerbasi, followed by Councillor Benham.

Councillor Gerbasi: Thank you. Mr. Speaker the Mayor poised recently for the news media in a privately operated garbage truck and the Mayor was highlighting a crime prevention initiative with the police chief and this private company and given that our own employees also act, the 50 percent of them that we still have in this business, act as the eyes and ears of the police and given that they have similar initiative and that these employees feel nervous right now, that their jobs may soon be contracted out, is the Mayor intending to pose with our own employees sometime soon to highlight their initiatives.

Mr. Speaker: Thank you Councillor. Mr. Mayor.

Mayor Katz: Thank you Councillor Gerbasi. Since I've been elected to the office, I can't think of one request for a media or press conference that I have declined and I can ensure you that I'm asked by any entity, I would be happy to be there number one.

Number two, I have no idea why anybody would have any concern about their jobs related to a press conference that has to do with using private citizens as ears and eyes for our Police Department. I'd like to think that we all do that on a regular basis, but these are people that are up in the wee hours of the morning when obviously crime is sometimes at it's peak and I'm thankful that they're happy to do that which is an initiative that has taken place in two other cities in Canada as well and I'm happy that we were able to join those cities.

Mr. Speaker: Thank you Mr. Mayor. Supplemental Councillor Gerbasi.

Councillor Gerbasi: Yes, considering that those employees, it does appear that the private company employees were acknowledged where our own employees were not. Does the mayor have any intention Mr. Speaker to apologize to these employees or to offer them some other opportunity because I believe it's preceded by them as a slap in the face that these other employees were acknowledged and they were not. Is there an apologize forth coming.

Mr. Speaker: Mr. Mayor.

Mayor Katz: I don't think it's realistic for anybody including me obviously to make an apologue for what someone may perceive or interpret. So, maybe yourself have made a mistake in how you've perceived it to be because I have not had one single phone call or email or comment on that subject and they know I am so accessible, so I'm sorry to hear that some people may have found it to be that way, but that is not at all the case. Thank you.

Mr. Speaker: Thank you Mr. Mayor. Final supplemental Councillor Gerbasi.

Councillor Gerbasi: So I'm wondering if the Mayor is unaware of the press release, released by CUPE and the fact that this was raised and was this not raised with you by CUPE, because I understand that it was and I've seen the press release about this issue. So I would assume you would have been aware of it.

Mr. Speaker: Mr. Mayor.

Councillor Gerbasi: Were you not aware of it?

Mayor Katz: As I said earlier, I have not been contacted by any member of CUPE, either by phone, by email, by fax or stopping me in the street. Hopefully that clarifies it. Thank you very much.

Mr. Speaker: Councillor Benham.

Councillor Benham: Thank you Mr. Speaker. A new question regarding the Canadian Museum for Human Rights and I have given the Mayor notice of this question. Federal government recently stated it would not provide operating funding for the Canadian Museum for Human Rights and this comes in the context of two earlier statements we discussed at the last council meeting. First that the Museum is not quote, a national institution and secondly that the federal government would not provide more capital funding until both the city and the province increased their shares.

My question, what has the Mayor done since the last council meeting to ensure Winnipeg does not loose this very important 270 million dollar project.

Mr. Speaker: Thank you Councillor. Mr. Mayor.

Mayor Katz: Thank you Councillor Benham. I would totally agree with you this is a very important project for our city and I'm glad you feel the same way as probably everybody in this council chamber. I can tell you that I have had meetings as recently as the end of last week when I was in Ottawa. I met several Ministers; this certainly was a topic of conversation. I truly believe that at one point in time this project would have appeared to be derailed. I believe that everybody is working once again to make this happen and I am at this point in time opportunistic that this will still become a reality. Thank you very much.

Mr. Speaker: Supplemental Councillor Benham.

Councillor Benham: Thank you Mr. Speaker. Has the demand for more capital funding from the city been repeated and if so, what has the Mayor replied.

Mr. Speaker: Mr. Mayor.

Mayor Katz: The capital requirements that are being asked for from the proponent and I'm referring to Gail Asper right now who's heading this, they have asked the federal government for significant amounts of money. They believe the federal government should be the major source of funds not the city specifically and even the province to a lesser level and there're ongoing conversations that are taking place right now. I can't tell you that I'm privy to every conversation that takes place between the Proponent and the Minister, but I can tell you that I have spoken to all the parties concerned and I do believe that sometime in the near future, I'm confident that the federal government will come to the table, put the monies that are required to make this project become a reality. Thank you.

Mr. Speaker: Final supplemental Councillor Benham.

Councillor Benham: Thank you Mr. Speaker and again in the spirit which the Mayor struck which I believe are all Members of Council want to see this project happen, what can City Councillors and given the Mayor's sense that is back on track and I'm happy to hear that but we know things can go off track again as well, what can City Councillors and other citizens of Winnipeg do to help get the message across that this city deserves and expects to get federal support for the Canadian Museum for Human Rights.

Mr. Speaker: Thank you Councillor. Mr. Mayor.

Mayor Katz: There are two things. Number one, we all have to be cognizant that this Museum is not for the city of Winnipeg, this is for all of Canada, that's number one and sometimes that messaging has not gotten out properly. Number two, and I'm sure your aware of this, there are times when it makes sense to grab headlines and make comments and get it out on the front page, there are times to sit back, let the conversations flow and get the results as opposed to the headlines and that would be my friendly advice at this stage of the game. Thank you.

Mr. Speaker: Thank you Mr. Mayor. Councillor Lazarenko.

Councillor Lazarenko: Thank you Mr. Speaker. To you Mr. Mayor I have spoken to you a little over a week ago with respect to the problem that exists right now with the former employees and union members of the old arena and what is happening right now with the new arena. Are you going to be able to fill council in or meet with the union and find out what is going on.

Mr. Speaker: Thank you Councillor. Mr. Mayor.

Mayor Katz: Thank you Councillor Lazarenko. For those that may not be aware of what the Councillor is referring to is Local 63, IATSE, International Association of Theatrical Employees. After years of service at the Winnipeg Arena, after renegotiating a deal that was very beneficial to the landlord/ tenant, I'm not sure which they were at that point in time, there was obviously a belief that they would be working on an agreement in the new MTS Centre. What happened which came as a surprise too many is True North decided to utilize a company outside of Vancouver, which I can tell you Local 63 was not very happy.

They did contact me, I actually spoke to the rep from Toronto as well as the local rep, they send me some information, after going through that information, actually they were in the process of doing an information picket opening day which I guess was last Tuesday I believe. I told them that after reading the information, I believed what had taken place was absolutely wrong, I was going to set up a meeting with the representatives of True North, they very much thanked me for my input, I have spoken to the representatives of True North and negotiations have commenced once again. I don't know what the results are, but I'm sure I will be updated. Thank you.

Mr. Speaker: Thank you Mr. Mayor. Supplemental Councillor Lazarenko.

Councillor Lazarenko: Thank you Mr. Mayor. You're going in the right direction. My second question Mr. Speaker is a deep concern to me as what is happening now, through the media, the friction, the dispute between two unions and that is the Fire Fighters and the Paramedics. I was concerned, my question is Mr. Mayor can you get involved somehow with the two unions and find out what is going on before we have the final vote on amalgamation because I'm very disturbed as to what is happening.

Mr. Speaker: There is no vote on amalgamation but Mr. Mayor would you like to answer the question.

Mr. Mayor: There is a process going forward as we all know. I think it's important for all of us to have as much information as possible. I am not one to try and interfere with the process, if there is a problem I'm happy to jump in. I can tell you that I have had conversations with both sides and I'm hoping we can come

to a conclusion that will make everybody happy and I'm not at all happy to see what's going on. I find it rather sad, it's nice if we can all work together, that was the intent when we moved forward on this and I think like I said in the beginning, we have to let the process go forward, if someone says I'm needed and asks for me, I am there.

Mr. Speaker: Thank you Mr. Mayor. Thank you Councillor Lazarenko. No one further, will move to a third round. Councillor Gerbasi, followed by Councillor Benham.

Councillor Gerbasi: Thank you Mr. Speaker. The Mayor has said on the public record that in a recent RFP for the restaurant on the Esplanade Riel that it will not longer be a requirement to provide services in French, but a preference. Enterprise Riel has also publicly stated that they believe that it should be a requirement, given that the restaurant is the gateway to the French quarter and that this may be seen as a lack of commitment to the character of the French quarter if no French services are provided. Can the Mayor explain why such a decision was made.

Mr. Speaker: Mayor Katz.

Mayor Katz: Thank you Councillor Gerbasi. As you know there was a RFP that went out the first time for the restaurant. With all the hoop la that took place, in the end there was one proponent that actually wanted to go forward, did not meet the requirements of the administration. The administration was then directed to put out another RFP. It was administration's thought that that condition should not be put in. The logic behind it is quite simple.

Number one, we want to make sure that we get as many proponents coming forward, hopefully there's thirty restaurateurs and maybe some other ideas that come forward. But more importantly, I think that one has to have some faith in the private sector of restaurateurs. If one is a restaurateur and if myself or Councillor Gerbasi were to decide to open up a restaurant in St. Boniface on Provencher, I would say that both of us being astute individuals would probably have service bilingual in both languages.

I don't think you have to tell people the obvious. I think good business people know what to do, especially if they're investing their own money, I can assure you they will take every precaution to make sure that they are successful and after looking at that situation and talking to administration we could not find one example where we told the private sector to provide that kind of service. They know when they should do it, they know when they may not be necessary and I'm quite confident that whoever the successful proponent is this is something they would offer because they want to do business.

Mr. Speaker: Thank you Mr. Mayor. Councillor Gerbasi, final supplemental.

Councillor Gerbasi: Thank you Mr. Mayor, I appreciate that and we do certainly all want to see something happening there but I guess my question is, if it's true that business's knows that they really have to put in French anyway, were only going to get businesses that are going to be able to do that, if it's common sense that that's what their going to do, right a the gate of the French quarter, why not continue to make it a requirement rather than send a message that we're not really, it sends a message we're not that concerned about it if we don't make it a requirement, so why wouldn't we if were so confident and have the faith that those people will be doing that anyway Mr. Speaker.

Mayor Katz: The RFP specifically says that we, I don't know if says we strongly recommend or we recommend bilingual services, we encourage, thank you very much, that's number one. Number two the comment was made, well yes that we believe these people will do it but let's carry a big stick, sorry I don't need a big stick to convince someone to do what's best and what's good business practice.

Mr. Speaker: Thank you Mr. Mayor. Councillor Benham.

Councillor Benham: Thank you Mr. Speaker. Mr. Speaker since coming to office the Mayor has said first said the new deal was dead. Then that he was going after his own new deal. Then that he was going after a federal deal first, then a provincial deal. In his latest statement on Monday the Mayor said he has made ten different proposals to the premier, Mr. Speaker what are the ten proposals the Mayor has put forward.

Mr. Speaker: Mr. Mayor.

Mayor Katz: First of all just to correct that statement, the reference was that if anybody had taken any direction from the existing MLA's sitting with the New Democratic Party as well as the premier, they had said, No to the new deal. They weren't raising taxes, these are, the new deal does not exist, even though we keep on discussing it.

We are working on many deals and that was what the reference was, I was referring to and the realities are there's no secret, anybody here who sits in this chamber knows that the city needs more revenue, we also need growth revenues. We need a bigger share and in some areas we need to get something where we've never gotten something before. I mean, there are many areas, the number ten is something that I did say, it might have been twelve, okay. All I'm saying is that during discussions we talk about many areas where hopefully we can work out a deal to get our share of some of those revenues. Thank you.

Mr. Speaker: Supplemental Councillor Benham.

Councillor Benham: Thank you Mr. Speaker. Why is the Mayor not including this council and the public in those negotiations, why are they taking place behind close doors.

Mr. Speaker: Thank you Councillor. Mr. Mayor. You have thirty seconds.

Mayor Katz: I'll try and be brief. Number one, they don't take place behind close doors all the time. These are conversations that I'm having quite often for example yesterday; I spoke to Scott Smith, the Minister of Intergovernmental Affairs when I was at a speaking engagement in front of 600 people. I spoke to Gary Doer at another convention, these conversations take place every time we see each other in public, we meet on Broadway or we see each other in a restaurant. These are ongoing conversations, so if you think this is something going on behind private doors and I guess what I find amazing is I don't think and if there is you let me know, if you don't think that I am being open and sharing information with Councillors in this chamber, then I would appreciate you telling me that. It's my understanding that it's probably one of the most open type forums that we've every had where every Councillor is being told what's going on and an appropriate time as opposed to last minute, but if you do feel different Councillor Benham just let me know, that tells me I should do a better job. Thank .you.

Mr. Speaker: Thank you Mr. Mayor. The time for question period has expired, I would like to point out to Council and apologize to Council, the procedure by-law does say that the EPC question period is also a time when Councillors may direct a question to a Councillor on a board or commission that is not reporting directly to a Standing Committee, so questions of Councillor Magnifico or in due time with rapid transit to Councillor Wyatt, etc. would indeed be in order during the EPC question period for future reference, I would point that out to Council.

Standing Policy Committee on Downtown Development, report of November 4, 2004 Councillor De Smedt.

**REPORT OF THE STANDING POLICY COMMITTEE ON DOWNTOWN DEVELOPMENT
DATED NOVEMBER 4, 2004**

Councillor De Smedt: I'm like to introduce the Report of November 4, 2004 and move adoption of consent Agenda Item 1.

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

Motions none, By-laws none. Questions of the chair of Downtown, no questions. Moving onto the Standing Policy Committee of Property and Development, Report of November 2, 2004 Councillor De Smedt.

REPORT OF THE STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPEMENT DATED NOVEMBER 2, 2004

Councillor De Smedt: I'm like to introduce the Report of November 2, 2004 and move adoption of consent Agenda Item 1 to 15.

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

STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT MOTIONS

Mr. Speaker: Motions, we have one moved by Councillor Pagtakhan, seconded by Councillor Smith which would be automatic referral to the Standing Committee.

Motion No. 1
Moved by Councillor Pagtakhan
Seconded by Councillor Smith

WHEREAS the Historical Buildings Committee is mandated to advise City Council on heritage issues and policies through the Standing Policy Committee on Property & Development,

AND WHEREAS Heritage Winnipeg's mandate is devoted to the promotion, restoration, rehabilitation and preservation of Winnipeg's built environments,

AND WHEREAS Heritage Winnipeg's board of directors represents a broad cross section of heritage stakeholders including the Downtown BIZ, and Destination Winnipeg,

AND WHEREAS Heritage Winnipeg's mandate is congruent with the goals and objectives of the Historical Buildings Committee,

AND WHEREAS Heritage Winnipeg desires to be represented on the Historical Buildings Committee,

THERFORE BE IT RESOLVED that City Council consider providing direction to the Historical Buildings Committee to expand its volunteer membership to include an appointee from Heritage Winnipeg.

Mr. Speaker: By-laws Councillor De Smedt.

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

Councillor De Smedt: I'll move that by-laws numbered 165/2004, 167/2004, 168/2004, 169/2004, 170/2004, 171/2004, 172/2004, 173/2004, 174/2004, 175/2004 and 181/2004 be read a first time.

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

Clerk: By-laws numbered 165/2004, 167/2004, 168/2004, 169/2004, 170/2004, 171/2004, 172/2004, 173/2004, 174/2004, 175/2004 and 181/2004.

Councillor De Smedt: I'll move that by-laws numbered 165/2004, 167/2004, 168/2004, 169/2004, 170/2004, 171/2004, 172/2004, 173/2004, 174/2004, 175/2004 and 181/2004 be read a second time.

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

Clerk: By-laws numbered 165/2004, 167/2004, 168/2004, 169/2004, 170/2004, 171/2004, 172/2004, 173/2004, 174/2004, 175/2004 and 181/2004.

Councillor De Smedt: I'll move that the rule be suspended, and that by-laws numbered 165/2004, 167/2004, 168/2004, 169/2004, 170/2004, 171/2004, 172/2004, 173/2004, 174/2004, 175/2004 and 181/2004 be read a third time, and that the same be passed and ordered to be signed and sealed.

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

Questions. No questions of the chair at the moment.

Standing Policy Committee on Protection and Community Services has no report, motions or by-laws. Are there any questions of the chair? No.

Move onto Standing Policy Committee on Public Works, the report of November 9, 2004 Councillor Eadie.

REPORT OF THE STANDING POLICY COMMITTEE ON PUBLIC WORKS DATED NOVEMBER 9, 2004

Councillor Eadie: Thank you Mr. Speaker, I'm pleased to move the Public Works Committee meeting dated November 9, 2004, Items 1 to 5 as consent.

Mr. Speaker: 1 and 3, so Items 2, 4 and 5 as consent.

All in favour? Contrary? Carried.

Item 1 - 2005 Transit Fare Increase File TT-2

Councillor Eadie: Mr. Speaker, I'll move the adoption of clause 1, I'll wait to hear what the comments might be, but just briefly this is not a surprise to anyone. This has been forecast for the last number of years that we are going to be doing some incremental increases in transit fares, usually on an annual basis to meet the ongoing costs to run the system to respond to the policy that roughly 50 percent of the costs of running the system are paid for out of the fare box and the balance is subsidized on the property tax base.

This sort of keeps us in that mode Mr. Speaker. To pass this clause provides about 1.1 million dollars in revenue to the utility in the fiscal year of 2005. Much of our increase over the last year has certainly been in the costs of fuel. We spend about 8 million dollars annually or at least in this last year to fuel the system, to provide fuel for transit. We've had fuel increases, perhaps if we actually sign a deal with the feds on gas tax, we might get some of that money back as well if we actually find out what the provincial policy is on a new deal, we might get some sharing of provincial gas tax revenues coming back as well because the provincial subsidy that we've had on transit has been basically frozen in time for about the last decade and hasn't changed.

So Mr. Speaker, I will, everybody I'm sure has read the clause and this is not a new item and not a surprise to anyone. I will simply say in moving the clause that I commend it to Council for approval.

(Councillor Lazarenko in the chair)

Mr. Deputy Speaker: Thank you Councillor, who asked this to be stood down. Councillor Gerbasi your next.

Councillor Gerbasi: Thank you Mr. Speaker. Here we are once again at everybody's favorite debate, the transit fare increase of a nickel and this year in some ways it's exactly the same as every other year and in other ways it's different.

It's the same in that we have the same frozen funding from the province, frozen for a decade or more or whatever it is, that 16 million while the city's tax supported portion grows and grows. It's the same story as the users of transit pay more and more.

This year in 2004, the tax supported city portion of the transit will be 33 percent while the province's portion drops only to 15.6 percent and the user will pay 51.4 percent. This when the system used to be 50/50 funding, that's very significant.

Much the same as other years, we talk about this, we raise this and every year we get the same from Broadway and no change. This year is also the same in that we have the same old transit system. We have no high speed transit; we're studying the idea, rather than implementing it. So it will be years at a minimum before we can start on a real plan, put it in our budgets if Council ever

makes that big step of making transit a priority.

We have the same buses spread out providing thinner and thinner service as we talk about more expansion of the city. We'll probably continue to do that.

To give credit where credits due, we have made some of the improvements recommended and adopted by Council in the Direction to the Future report. The transit groups working report that was, the working group on transit that was chaired by Councillor De Smedt and included Councillors Lubosch, Eadie and myself. There have been some targeted fare discounts to university students, some improvements to transit shelters and some improved scheduling.

But ultimately as our own report told us, if we can't get people from point A to point B in a reasonable amount of time, they will not take the bus, except of course for those who have no other choice. Ridership is finally leveling off in the last few years after plummeting over the last decade. I don't believe we will see significant increases in transit ridership until we start providing faster service and I hope that the transit task force will come up with a way to make something happen and the Mayor has asked me to keep an open mind about options other than the BRT plan that we had funded, researched, cost benefit analyzed and studied and we're already to go with and I will, before we shelved that idea, and I'm fully prepared to keep my mind open on that but I also ask that the Mayor keep his mind open on all the transit options including looking at bus rapid transit as we moved forward but I digress slightly.

For many years I have reluctantly voted for transit increases, hoping beyond hope that the province would heed the city's cry of frustration and we would come to a funding agreement and hoping to put the pressure on them by not taking it all on ourselves, that was the argument we made year after year and there's some validity to it.

In recent years, knowing we were preceding with a comprehensive plan for a better transit system that if we hadn't made the recent change, the rapid transit system would have been started right now. It seemed not unreasonable to ask a little bit more of transit users, who were going to be riding significant better transit service right away.

So today it is somewhat different because we really have nothing to offer the users of transit today to justify this increase. So I really need to see some evidence that transit users will see meaningful improvements to our system and that we will see a better funding deal with the province before I'm ready to support another transit fare increase. Thank you Mr. Speaker.

Mr. Deputy Speaker: Thank you Councillor. Councillor Benham.

Councillor Benham: Thank you Mr. Deputy Speaker and I certainly want to associate myself with the comments just made by Councillor Gerbasi and with the comments made in delegation by Mr. Ternette who of course has been very consistent on this issue as well.

I will vote against this fare increase. I campaigned against a fare increase of another nickel. I told my voters clearly that I would do that. This is a loosing proposition Mr. Deputy Speaker, the definition of insanity is to do the same thing over and over again and expect different results.

Well Mr. Speaker, we fit that definition in this City Council because year after year after year, successive City Councils have raised fares by a nickel, sometimes by a dime hoping to get more money for the system, hoping to build the system, hoping to get the kind of buy in that would give a truly public transit system in Winnipeg instead of the spiraling downwards system that we now have.

Mr. Speaker the figures provided by Winnipeg Transit and I will say right now Mr. Deputy Speaker that I trust the bureaucrats we pay at Winnipeg Transit to provide us with the facts. I do not question the facts they've provided me with here. And it turns out that fares were

25 years ago in 1979, a cash fare for an adult was 40 cents and it was raised, it was almost doubled in the intervening five years by 1984, it was 75 cents and of course today we are going to be increasing it to a $1.85.

What have the people of Winnipeg got for that money. When you ask people for more money generally Mr. Deputy Speaker anyone in business or anybody running a service gives them more, gives them better service, is that what we've done, no Mr. Speaker, successive moves by this Council and because we get less money from the province, have gutted the public transit system, resulted in reduced service.

We have the same number of buses today, perhaps fewer than we did in 1986 and yet they must cover a bigger city, they must cover more routes. How do they do that Mr. Speaker, very simply they reduce frequency, they reduce service, the buses start later, they end earlier and what happens Mr. Speaker, well it's not hard to predict. Ridership declines and it's declined sharply. When was the best year for Winnipeg Transit, does it have any thing to do with the size of the city, no Mr. Speaker, the best year was in 1945, throughout my entire lifetime we have steadily been declining. The number of revenue passengers in 1945 with a much smaller Winnipeg at that point, must smaller population wise, much smaller size of area, a 120 million revenue passengers.

We've managed to cut that in half by the kind of neglect that had gone on. Even though the city grew, even though we had more people through constant neglect, successive City Councils reduced that. In 1982, 60 million, it was half what it was in 1945 but it was still 60 million.

The figure in 2003, the latest I have figures for 37.7 million dollars, almost cut in half again, almost a quarter of what it was in 1945. And as a result Mr. Speaker of this definably insane policy, what do we have, we have a shrinking base of transit users. We have fewer and fewer people who care about what happens on our public transit system.

I got here by bus today Mr. Speaker, but I dare say very few Councillors arrive that way, I know some do and I dare say very few Winnipeggers who have the choice leave their cars at home. Why? Because it would be a bad decision, for most of them it would be a bad economic decision. This city unlike most cities actually makes it pay to drive your car downtown and offers no incentives to take public transit, certainly not service.

Now Mr. Speaker as both Mr. Ternette and Councillor Gerbasi have pointed out, on top of the usual insult to transit users of asking for more money and providing less service, something that would be unacceptable in any other business or service in the world, apart from adding that insult we added genuine injury.

We had a plan. We offered it to them. We had a report from Councillor De Smedt that recommended it. We had a report from Councillor Steeves that endorsed it and bafflingly we have continued to endorse those reports while gutting the only recommendation that meant anything and that Mr. Speaker was bus rapid transit. That was the proposal to actually provide transit users with a better service.

That was a proposal to actually attract new riders to the the transit service and Mr. Speaker if we had voted yes on that I would vote for a nickel increase in a flash, but it is the notion that we provide worse and worse service and charge more and more for it that is causing me to stand up and say on behalf of Winnipeg Transit users, no, get a better idea. Invest in public transit in this city the way they do in every other city in the world. Provide a genuine option to the private automobile so that we can get downtown or we can get to the places we need to go to in some way other than the private automobile.

Pay more for less, no thanks Mr. Speaker; Winnipeggers are not like that and they're fed up with it. Let's genuinely and generously invest in public transit. Let's give people an option and then as in every other city in the world Mr. Speaker, they will come to our public transit system and they will be very happy to have a

better service and a genuine option. Thank you.

Mr. Deputy Speaker: Thank you Councillor. Councillor Smith.

Councillor Smith: Yes, Mr. Speaker, it's good to see that Councillor Gerbasi is changed her position from the last time that we had this debate.

But you know, this week there was a letter to the editor in the Free Press that stated the case very clearly. After every fare increase, I see fewer familiar faces on the bus as people get fed up with the cost and poor service, Tom McCauley.

The fact is, we have had a decrease in service, the information we have on this clause doesn't talk about cuts in service. You know it just compares the various cities, what they're charging for transit. It doesn't give an accurate picture. The fact is we have had a decrease in service.

You know I talked to someone in my neighbourhood the other day. It takes him an hour to get to his place of work in Transcona. I mean you know that's intolerable.

So, we have a very, we've had decrease in service and that's really affected transit. I think more so than the hike increases.

Now, have we lobbied the provincial government. Have we really made an effort to go ahead and get the provincial government giving us more money, so we have a 50/50 setup. No. I don't think we've done anything. I've never seen a copy of a letter; I've never seen the Mayor make a statement, like nothing occurs. We just have the increase every year of a nickel or a dime.

I don't think that's tolerable. Now, in riding the transit by the way, and in riding the buses, I notice the ad revenue has decreased. I mean most of the buses are empty of ads now and I wonder why. No one has told me that either.

So, there is no reason to go ahead and give an increase at this point. There is no information, there's no justification. I mean we all know that gas prices are going to go up, but you know look at we're going to be approving more and more for the automobile every year. We've gone ahead and we've got the clause at this Council meeting that Councillor Clement is very concerned about.

You know, we're always spending more and more for the automobile and we're not doing enough for the public transit. You know, I know people will say, it's only a nickel, it's only a nickel, but that's a dime a day and for people on low income it means a lot. You know, it's just not tolerable to go and be increasing this every year. It's just insane.

We get a decrease in ridership, we don't gain anything, we get poorer service. We're not doing our job if we make this increase today.

Mr. Deputy Speaker: Thank you Councillor Smith. Councillor De Smedt your next.

Councillor De Smedt: Thank you Mr. Speaker and I'm pleased to have an opportunity to comment today. I'd like to thank Councillor Benham for constantly reminding everybody that I had the privilege of chairing a committee of Councillors in 1998 and 1999 to bring a report forth on BRT and I think contained within the context of that report was that yes in the fullness of time we ought to improve our service, we ought to have something that moves people aggressively and positively around the city in a more timely way.

But, there's no timeline on exactly when we would start this and there was a reality to that and the reality is that we face so many other challenges in this city, in that we're trying to keep taxes low at the same time take into account all the priorities. We did not feel that we could say it had to be urgently considered within one or two, three year time frame.

Ideally I would agree we should have done that. But you know the reality of our life around here is that there are such things as priorities and I think what has happened during the context of the last

five months with a new Mayor and a new reorganization around Council is that we've decided that it's time to just reprioritize this particular initiative.

The previous Mayor had inserted his priority for rapid transit in competition with other capital projects and played a trade off game of doing one to include the other. And that's not the way we should be doing business around this council table.

So I regret to kind of inform ourselves and remind ourselves that that particular process didn't have unanimous support around this table a year and half ago.

Several of us voted against and commented on in Hansard. We may have voted for phase one or part of phase one, but we didn't embrace the full transit BRT concept. At this point in time and that's the operative phrase, in the fullness of time, I agree with the principal that we need to move ahead and have rapid transit of some form in this particular city.

Now I thank Councillor Smith for bringing up the point, what have we done in our lobby, in our relationship with the province to get increased funding. For well over 20 twenty years now the funding subsidy respecting transit has been level. So this is not an ideological critic of who is over sitting at fort fumble at the Assiniboine, this is about how we can get more money legitimately that is paid through several levels of government back into an important item in this city such as rapid transit.

So I share the observation, what have we done. I'm sure we've done a lot. Is it enough, no, it's part of the equation of whatever we want to call the newer deal times two or whatever it happens to be.

I agree with that principle. Our Mayor has come up with an innovative thought that we ought to be looking at the BRT concept in relation to light rail transit. You know if any of you have any influence on our railways in this country, I would urge you to start lobbying over there. I think these companies have a huge responsibility back to the public across Canada and in this city for the privilege of creating railways we've allowed them to bisect, trisect, quadruple sect our city, which in some ways has made development very very difficult and of course as we have growth, both industrially, commercially and residential, it's often difficult to get some continuity and to get good transportation lines.

So if they would like to contribute voluntarily some of their rail lines that are no longer in use, I think it would be a wonderful public contribution to allow us to consider perhaps a light rail transit.

I think it was just interesting that the Mayor and I was just chatting about this the other day and I'm sure some of us share this opinion. You know, other than VIA Rail showing up in the middle of city at Union Station what the heck goes on there. I mean that's where the light rail transit terminus ought to be. If you want a dream and we would have it there and we could bring people from all over the city and then I don't have to build a separate bridge for the east transit way, all the way out to Transcona because if you look at the plan, guess what, to have this beautiful plan that goes all the way to Transcona which I don't disagree with in principle, you have to spend 45 or 50 million dollars on a bridge just to put a bus way. It doesn't make any sense. At least I don't think in my mind.

It does make sense in principle if you have all the money in the world, but when we have to rationalize priorities and decide what comes first, I think we have to put things on the back burner for a while. Not that I think we should be shelving BRT, LRT, moving people around in an efficient way forever. Its how do we bring it together with everything else that we have.

So I support the Mayor in challenging us this summer and we agreed here several months ago to put it on the back burner for a while while we consider some other options. It's not that's its away forever.

So why we bring it up today on a five cent increase which, I'm never happy about these 5 cent increases and particularly never happy that they always come in

December so we can approve it in January. As Councillor Angus is well aware, we made a decision one year to delay it until March so that we could have a further debate as we got into the operating budget and we could further negotiate with the province to see if we can get some more subsidies for Handi-Transit, for more buses and whatever and give us a leeway and that was sensible.

We took a 300,000 dollar hit to do that, that's a 100,000 dollars a month to delay that. But then the next year we bring it back in January again. We should have carried on that twelve month cycle. Allow the people to get through the winter time in the existing transit fares and in the spring time we say, welcome to spring and here's your five cent increase unless we get more funding from our other partners in this wonderful endeavor that were in here trying to build our city in which is the province and hopefully the feds.

So we are really jumping on board here and criticizing our transit department saying the service is going down. Yes, if you looking in total, because we probably have reduced the number of buses in comparison to 1982 but there are other reasons that are operating here to. It's the will of the people to want to use their private motor vehicle and they have the ability to do so. But you know, I think our transit service in many areas of the city is very good.

I would prefer that we have air conditioning on there if we could afford it, so it's nicer in the summer time, a little healthier, but I think we should be telling the transit department we thank them for the job that they're doing in many areas. We have small buses running in some of our communities to provide the laterals to pick up the major bus routes that are operating 30 foot buses. We chatted for years, why do we have a 30 foot bus running around with only 2 or 3 people on it from time to time. Maybe, we could look at the life cycle costs and bring it down by getting maybe 15 or 20 passenger vans or commuter type vans that exist you know throughout North America right now.

I'm not sure that's a handy answer, we're not trying to solve all of Transit's problems today, but let's stop beating up Transit because we are going to have a five cent increase. You know the province has an obligation, either to help fund transit a little bit more as a separate new deal item if you wish or because I support the fact that many people are having difficulty paying for transit, but the province has the ability through a low income cut off model to give a subsidy to the people. It's their people too remember, so why don't they do that. I mean that could be a huge win win for them until we can get through this period of 4 or 5 years and find out what we're going to do to try and move people around in a most effective way. Thank you.

Mr. Deputy Speaker: Thank you. Councillor Angus you're next.

Councillor Angus: Thank you Mr. Deputy Speaker. I was very interested to hear the suggestion by a member of Executive Policy Committee that we put the increases off until the current budget being delayed in March, and I'm sure Council would look at that as some sort of a reprieve or a realistic opportunity of putting the twelve month cycle from the 1st of April to the 1st of April.

The first year of course we would have to bite the bullet on an approximately a 100,000 dollars a month and Mr. Speaker that is the issue, I'm not here to rehash the virtues of some better transit system. I know that there is a need for a better transit system; I'm not here to enter into the fray and the argument of the provincial government. We all know that they have been absolutely, what's the word I'm searching for; they've abrogated their responsibility to public transit.

They haven't increased their contributions since 1992 Mr. Speaker. It's been frozen at that particular level and so the question remains who is going to pay. The system that we have now puts us in a position where the provincial government contributes a little bit, the cash fare box, the people that use the system pay a little bit and the property tax payers of the City

of Winnipeg pay a little bit. That formula has been in place for a long time. It was to be 50 percent from the city and 50 percent from the province and 50 percent from the people that use the system.

Now if we decide in our ambivalence to become a social state and provide transportation at no additional cost, then that means my property tax payers in my ward are going to have to make up the difference to meet those costs.

Now is that fair, that it all should be loaded on them. Maybe it is, maybe there is a better model. Maybe we have tried to look at a different way of doing it and I'm not going to pick at the scabs of the rapid transit system, everybody here knows how I feel about that, I think it was a lost opportunity we should have gone for. But the fact remains the city right here, right now, were looking at 1.2 million dollars next year that someone is going to have to pick up to make that elastic band in public transit work. And if we don't charge it to the people that actually use the system, which works out to be approximately a 3 percent increase in the system, then we are going to be charging it to the people that own homes in your ridings.

So somebody's going to have to pay, the question is who. I think the system we've got now is imminently fair. If the province came to the table and increase their contribution, we would not have to put in these regular increases on a regular basis. But as long as were going to continue to give raises to the employees, Council is not going to have the courage to back off on buses that only run few people, that is less than 20 percent of the revenues on routes within their system because of the politics of it, because you can't cut that bus in my particular ward because three or four people happen to use that bus and continue to cost us money, then were going to have to find the money from somewhere else. And the money is going to have to be found by a combination of the property tax payers and the people that use the system.

The system is fair, it's a little bit obnoxious in the terms of the continual increases, but the problem is the Province of Manitoba and our unwillingness to cut low paying routes and save the system money. If you want to review something, review those low paying routes, put them on the table and watch once again as they have four or five times in my history every single Councillor come to the table and say God you got to keep this one going down Turnbull Drive because Mrs. Wallace might want to use that bus and it's an important route.

And perhaps it is, you don't want kids having to walk 2 miles down Turnbull Drive to get home on a Saturday night when they've just gone out with their friends to something. So, but the route doesn't pay.

So somewhere we got to accept the fact that somebody is going to have to pay and the division of who is going to pay and how they're going to pay falls to the property tax payers and to the people that use the system and the pressure should be put upon the provincial government to increase their contribution to transit. Thank you.

Mr. Deputy Speaker: Thank you Councillor. Mr. Mayor you're next.

Mayor Katz: Thank you Mr. Deputy Speaker. First of all I would just like to, it's been mentioned a couple times here today that with every increase in fares, ridership decreases. Just for the record, when the fare was increased last time, ridership did not decrease, it increased slightly. That's number one.

I just want to read something, to the vibrant and healthy city which places its highest priority on quality of life for all its citizens. I'm sure most of you probably recognize these words. I see it everyday as I walk into my office; it's called The Vision, Plan Winnipeg. And I must comment on the rapid transit issue which is obviously tied into this, number one we all know what took place not that long ago. And I'm so thankful that the majority of City Councillors realized that there was something possibly out there better, possibly more vibrant, possibly more efficient, possibly something that would

bring us in to the 21st century that people could get excited about.

As you all know, I just got back from Ottawa and as you also all know that not long ago I built a ballpark. The first thing I did before I started building that ballpark, I visited 43 other ballparks. I spoke to the people who built them, got the good, got the bad, got the ugly, found out what they did wrong, found out what they did right, well when I went to visit Ottawa to ride on the O-Train and meet with Mayor Chiarelli and I must confess I was very impressed. Eight kilometers of O-train taking you to the University campus with a population of approximately 20,000 people, see any similarities.

Found out that they built it much cheaper than a BRT. Found out in the past everybody would say it's four or five times more, now what they say is it's four or five times more if you don't have the infrastructure. But here's what I found amazing, after talking to Mayor Chiarelli and after talking to the Director of Transit who was from Winnipeg who lived here for many years, all those resources, they've done it all, they have BRT, they have LRT.

Well as you know, here they are a resource not far from us. Do you know how many times they were contacted by members of our administration to get some input. Do you how many times they were contacted by Members of Council or the Mayor to get some input. Anybody want to guess, not once. Not once according to them did anybody contact these people and say, hey give us some input on LRT verses BRT. We're here for you, what can we do. They have offered themselves as a resource and I can tell you there is no comparison, no comparison whatsoever between the two. They both serve a useful purpose. For us not to explore all options and make sure we do what's best for our citizens, then we're not doing our job.

Mr. Deputy Speaker: Thank you Mr. Mayor. Councillor Steeves.

Councillor Steeves: Thank you Mr. Speaker. I'll be brief; all of my points have been covered except for a couple of them. I just want to say to start off with; I've had a chance to visit with along with the Mayor to tag along with the Ottawa BRT and LRT systems. I too was impressed. If the Mayor plans on going 43 different BRT's, I don't know if I can make myself available for all of those, but we'll see.

I was pleased that Councillor De Smedt, when I put up my hand to speak I was worried that nobody was going to stand up for the transit service, and I'm pleased that Councillor De Smedt had a chance to do that. I'm not a regular bus taker myself, but I did on the occasion of the BRT debate have a chance to reacquaint myself with transit by virtue of coming to work, leaving work, I took one of the reporters with me on a trek out to the University along the Pembina Highway demand shed because I thought that was, because obviously it was a source of the debate and I have to say, I don't know exactly what people expect from this service from the Winnipeg Transit Authority but the service in my estimation was exactly what I though it would be, it got people from point A to point B. They were in buses that I thought were serviceable, they were good, people had places to sit.

I don't when people use terms like the service is spiraling downward out of control terrible. I don't exactly know what that means. I don't exactly know what that means, that was exactly the words. I wrote them down, spiraling downward. I don't exactly know what that means. If a person wishes to take the bus and live in the city of Winnipeg, in my opinion within the 35 minute demand shed, you've all seen that little diagram, the city of Winnipeg with the red line that goes all around. There is a lot of places in the city you can live. You can live all the way out Portage Avenue and maybe on a sort of decreasing funnel like map. You can live in North St. Vital, St. Boniface, there's tons and tons and tons of housing available for people who want to live in this city and wish to access within that 35 minute demand zone.

I think that's what we always worked with, so I, we have to be a little bit careful because of people want to say that the

service is spiraling downward and it's not as good as it use to be and it's terrible, it's so so bad, I wish people would articulate exactly what they mean because my experience as brief as it's been and as unabbreviated as it's been, it really didn't seem that bad.

I had a chance to utilize the service along St. Anne's, a chance to utilize the park and ride in South St. Vital; I did both of those things. The service got me directly downtown and back without incident. It was as quick as using a car. The service exists. I guess for other reasons, people choose not to use the service.

I'm not exactly sure why that is in the City of Winnipeg or other cities. I think people are increasingly making that choice. But one thing is for certain, if we can compare ridership in the city of Winnipeg, my information, I could be wrong, is that percentage of ridership is actually fairly strong compared to other cities in North America. I don't think our percentage of ridership as a per capita of the population is that low.

Now, I'm not saying we couldn't do things a lot better in Transit, but I don't think it helps when this Council stands up and says what a bad transit service we have. Because I don't think it is that bad. I honestly don't.

Now the function as Councillor Angus mentioned, if we accept the fact that the service isn't quite as bad as some people are saying it is, and I would say that is a position we should be taking because that is certainly my position, that we have to talk about price because I do believe that price does keep people off the buses. I agree with that. But the question is who as Councillor Angus has said who is responsible for that cost. I mean do we see this as a direct connection to the property tax base in the city of Winnipeg. Is that the connection we would automatically draw, because if our argument is that people who of a lower social demographic in the city of Winnipeg don't have the access, don't have the funds to access mass transit, if that's our argument and it may well be and fair enough of it is. If that's our argument, how should we assist these people, like what's the best way of doing it.

I mean right now, a person for a full fare monthly bus pass is paying around $70.00. That is a lot cheaper than driving a car and servicing a car and owning a car, etc., etc., etc. But if we want to bring that down, how should we do that. For example if we want to help a person who lives on social assistance in this province, in this city and we may well want to do that, we may well want to do that and I would certainly support that type of thinking.

If that's what we want to do, does it make sense, to sort of take the money directly out of the transit service, is that what we want to do or does it make more sense to take the money out of general revenue in the province and give those people funding through either their social assistance cheque or if there're folks who have low income to work that in even to a greater extent than we already have within our fare scenario right now.

There's methods of helping these people but the question is, does it make more sense to leave money in the transit service right now and let the rest of the population assist people of lower social demographic in a different way and I would argue that it does because I think what you are doing and I don't say this slight, but I think what you are doing by suggesting we should reduce fares without any guarantee or any acknowledgment that there should be money coming from other areas. What you're doing is to a certain extent; you're cutting off your nose to spite your face.

The service that you're concerned about that you think might be spiraling downward is only going to get worse and we all acknowledge that. If we're taking the money out of the service by virtue of not putting that five cent fare increase in it. If we're taking that money out we all agree the service is going to get worse. That's what's going to happen. It's a formula; the service is going to get worse.

So think about where the money should come from, that's all they do my Council

colleagues and no one takes any great pleasure in this and certainly I don't but I think if the goal here is to help people who have less means access transit, regrettably I think by reducing fares is maybe not the best way to do that because what's going to do is at the same time you're helping these people who can't spend the extra nickel, at the same time that you are doing that, you're also diluting the service which is exactly the last thing we want to do.

So it's a bit of chicken and an egg, we have to be very very careful about that. We want to help these people, we should do it through our income mechanisms, through the social safety net, whatever it happens to be because we need to ensure that the service is from because then we are going to have to start addressing those issues. There is all shorts of things we could be doing by the way that have nothing to do with fare increases and again Councillor Angus who obviously is intimately aware by virtue of his time on public works are the issues of public transit.

We're loosing tons and tons of money by virtue of running these transit services through these outlying areas where people just frankly are not using the buses. We made some adjustments through our transit authority in terms of rescheduling, yes we all got the calls and say why aren't you running the 76 through St. Vital etc., etc., etc. I was taking this because it was less convenient, while the fact is we can't afford to do it.

There's things like gena services that we were looking at in a city of Winnipeg where we can say, look we're only going to run the buses up and down St. Anne's, up and down St. Mary's on an increased frequency and were going to do it like a subway, BRT system, just bam, bam, bam up and down, but you know what, you have to find your own way to these places. You have to find your own way to St. Anne's, you have to find your own way to St. Mary's and sure that's the type of thing and it's going to be tough and it might even open up things to the private sector where we're going to say look, does somebody want to step in and run this service. Does someone want to step in and charge a person a buck to get them from Oak Leaf Crescent to St. Anne's Road or Oak Leaf Crescent to St. Mary's Road. If you want to do that, then maybe we should have the courage to say, it might be time to look at that.

That's the type of thinking we need to do. There are things we can do that I think will hold this service in good standing.

Mr. Deputy Speaker: Councillor Wyatt you're next and final speaker.

Councillor Wyatt: Thank you Mr. Deputy Speaker. I'd like to thank the previous speaker for his comments. I think he shares a lot of the same ideas and concerns I have. I rise to speak to this. I have spoken about this issue every December or November when we always debate this subject, right before Christmas.

The comment that struck me from a previous speaker was that had we had the previous rapid transit system and had we approved it, he would have no problem voting for a 5 cent increase today. And the question I ask is what about a 10 cent increase, or what about a 20 cent increase or what about a 50 cent increase. And I ask this question not to be rhetorical, I ask the question simply because of the very point Mr. Deputy Speaker that we did not have with the previous proposal before us which we were going to enter into, a 400 million dollar plan, we did not have a business plan, at least it was not shared with this council.

There was no business plan shared, there was cost benefit analysis, but there was no business plan provided to the council or shared with council outlining how the system was going to operate. And I find that ironic, I find ironic when a Councillor or somebody in this Chamber wants to build a simple recreation park for 5 or 6 million dollars, you're told you have to go out and get a business plan. When it comes to a 400 million dollar rapid transit system we don't need a business plan.

So Mr. Speaker the point is this and in a business plan as we all know, there are cash flow projections and in a business plan there are expectations of what your costs will be and hopefully in a good business plan you're overly aggressive on that. And in the business plan Mr. Speaker, there are expectations of what your revenues will be and in a good business plan those expectations are conservative. And in a business plan indicates where you're going to find and finance a system like this. In a business plan you would be addressing issues such as the provincial funding and the fact that the provincial funding is being dropping off and what should be the provincial funding.

In a business plan, Mr. Speaker we would be addressing the issue of fares and indeed what fares may have to go up to finance because that was the big question, we're going to build this new system, we're going to build one leg of it and yet we would have this leg running down to the University and we would be potentially be putting ourselves in a situation where we would have to be raising fares for the entire city to pay for this one leg. Why, because we did not know, we did not have a business plan.

Now the task force has been struck and wisely struck Mr. Speaker, in light of the fact that we made the decision, hold off on doing anything with rapid transit to look at the vision of where we can go as a city for rapid transit.

It won't provide the business plan because it's looking at the options of where we can go as a city. The business plan would be the next step following that. But first of all Mr. Speaker, before we start to invest, before we start to say we're going to spend 10's of millions of dollars of public money. Before we jeopardize the very public transportation system that we all prize and that we know many of our constituents use and enter into an agreement or commitment to spend 10's of millions of dollars, we should have had a business plan and we did not have a business plan.

If we did, it wasn't shared with this council. We did not have a business plan, there was nothing on the record, there was no business plan, at least maybe the previous chair of Public Works had a business plan, I didn't see it.

So, Mr. Speaker, nobody likes raising the fares five cents and hopefully if we get on with the task of building a rapid transit system, we won't but we also have to be aware that when it comes to building a new system and developing that, we have to ensure that we look at all the costs and opportunities available for that. Thank you Mr. Speaker.

Mr. Deputy Speaker: Councillor Eadie on closing debate.

Councillor Eadie: Thank you Mr. Speaker, I appreciate hearing the comments that were made by all of my colleagues who spoke before me. I understand that some Members of Council feel they can't vote in favour of this clause, my feelings aren't hurt if they don't Mr. Speaker, I trust that they approach this as everyone of us does with honestly felt feelings and views and my colleague Councillor Benham who has just gone through a meeting with his electors in June, has indicated he campaigned against this kind of thing and I respect that.

He's entitled to that, he's duly elected here as everyone else is and he's entitled to express that point of view if he feels that he's expressing it honestly.

I appreciated the, some of the commentary from Councillor Benham, I don't know why he coached it in this way where he said he trusts the reports and the information that comes from the bureaucrats in Transit because before that I don't thing anybody was questioning the reports that come from the bureaucrats, not that I remember anyways and it certainly didn't happen during the committee's review of this.

But I too, trust the advisors and the professionals in our department in Transit or others who come forward with their best professional advice. And what those same transit bureaucrats have indicated to me and to my colleagues on the

committee and of course then it's available to all members of Council that in 2003, the last full year where statistics are available, transit fares did go up five cents in 2003 and the transit ridership went up in that year by about 70,000. That's a statistic from the department.

Between January and August of 2004, when the latest numbers are available and again when transit fares went up by five percent, five cents rather on January 1 of this year, there was a modest increase in ridership of 2.7 percent.

So some of the doom and gloom that is expressed by folks within and without the chamber about what fare increases do is not really born out by the information provided by the bureaucrats if you want to call them that in our transit department who I think, as a matter of fact I know, provide their best professional advice.

It was interesting Councillor Benham indicated roughly 25 years ago, the transit fare; the cash fare was about 45 cents. That was about the time when I first got elected here Mr. Speaker and Councillors were paid about $11,000 a year. Things change and we're certainly not paid anywhere near that much now and fares go up.

Mr. Speaker if there's no economic sense in putting off this sort of thing because people will pay for it in the end. Our fiscal year is the Calendar year as prescribed by the Charter, if you're going to make a decision to do this; you do it and make it effective January 1 so that the company can take the best possible advantage of the revenues to provide the service.

I always here that everybody is complaining about service and I'm sure, as a matter of fact I know Mr. Speaker that people do. I've been to every other major; I've been to most big cities in Canada. I've been very privileged and I've talked to my counterparts in those cities. I've ridden many of their transit systems from time to time when I'm in those cities. Lots of good things, some things not so good, but I hear from my counterparts in other cities, yeh you know we get complaints to, everybody complains from time to time Mr. Speaker, you read letters to the editor. Nobody, no city that I'm aware of, at least in this country has the perfect system.

Customers and some customers will always complain, you're never going to get away from that. I think our people in the transit system have been able to do a very very good job of trying to provide with the resources that they have available to them, the very best possible service that they can. Everything has to be affordable. In spite of some of the gloom and doom that some people will say Mr. Speaker, our transit people continue to try to find innovative ways of bringing the public to the system. I recall when they brought in telebus a number of years ago, you should have heard the complaining from some people within this chamber at the time and some folks, what a waste of money telebus is who would ever use it.

Today its part of the system and it's improved vastly and many transit users use it. I use it, frequently on those times when I ride the bus. That's just one example Mr. Speaker of what our staff try to do to provide innovative ways of bringing the public to the system. None of it happens for free, there is no free lunch in this system Mr. Speaker, no where.

But I just have to simply close by saying, we are in this situation, the system has to be paid for, even former Mayor Murray when he spoke in this debate last year, said we don't have a lot of other options. Cities aren't getting growth revenues these days. We have no new deal yet. Somebody has to pay for the system Mr. Speaker and between the users and the property tax payers, that's how we finance it.

Mr. Deputy Speaker: Thank you Councillor. Ready for the vote. 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 Katz, Councillors Eadie, Angus, Clement, De Smedt, Lubosch, Magnifico, Pagtakhan, Steeves, Thomas, Wyatt, Mr. Speaker Councillor O'Shaughnessy, Mr. Deputy Speaker Councillor Lazarenko.

Nays

Councillors Benham, Gerbasi, Smith.

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

Mr. Deputy Speaker: The clause is carried. Report of November 15, 2004.

Clerk: No, clause number 3.

Mr. Deputy Speaker: Pardon me, clause 3.

Item 3 - 2005 Water and Sewer Rates
File WW-2.3

Mr. Deputy Speaker: Councillor Eadie.

Councillor Eadie: Yes, thank you Mr. Speaker I will move the adoption of clause 3, the proposed increase in the sewer rates for 2005. Basically Mr. Speaker and this is no surprise, because certainly last year when we debated this, we were facing some issues with regard to Clean Environment Commission recommendations, cabinet ministers getting excited in the legislature and overriding the Clean Environment Commission's timelines for the work that needs to be done with treatment.

And what we have in front of us today Mr. Speaker reflects the reality of the situation. We have yet to get any firm commitment from the provincial government with regard to helping us meet the costs of their ministerial directive and the users are going to have to pay the bill.

So part of this increase Mr. Speaker is to start putting away money in reserve to begin the, what is required to do, to follow the clean Environment Commission's recommendations and we all have received that report at some time ago and also to meet the increased costs of providing service to the public. I won't, I don't think I need to get into any more detail. We've had the report in front of us and its here for Members of Council have had so I will just simply indicate that I recommend approval of this report and I'll wait to hear what Councillors might have to say.

Mr. Deputy Speaker: Thank you Councillor Eadie. Councillor Angus.

Councillor Angus: Thank you Mr. Speaker. I'm not going to rehash what my colleague has said, but I will add to this, that the province who continued to treat us as a bit of a poor cousin, in spite of the fact that we had, Council agreed policy and package that we took to the Clean Environment Commission of 25 years of making these improvements with money that was salted away in a savings account that was going to grow to the magic of compound interest. They decided to move the timeframe up for political expedience and make the generous contribution of less than 10 percent of the total cost foisting the other costs on the balance of the people of the city of Winnipeg who use it.

And I'm really think that it's time that we got better cooperation from the province and a better understanding of how the city works and how professional we are and the opportunities that we have.

We are faced with this and I have a warning to my colleagues on Executive Policy Committee. Not too many years ago we stood in this chamber and we supported a water rate freeze over a ten year period and at that time we decided to increase the contribution from the reserves that is dividends that are paid by the utility back to the corporation that owns it. That's not uncommon and that's a good thing, particularly in good times, it's like paying out on shares, the dividend.

Mr. Speaker those monies are used to support the mill rate and that's a nice thing, because it keeps the mill rate down. But also Mr. Speaker, most companies when they have run into difficulties and they no longer have the monies to pay the

dividends because they have to do major capital work repairs on the ballpark as an example, I'm just using that as an example, you wouldn't pay those dividends. But were in the very very difficult trap of having to raise property taxes 7 percent in order to accommodate the more than 20 million dollars in dividends we transfer from the utility to subsidize the mill rate.

Now nobody in his right mind is going to stand up here and say whoa, wait a minute, we're going to put taxes up 7 percent because the provincial government has forced us to do these repairs and we've got these dividends that are flowing, let's just flow them right in there and try to keep the rates low.

What we're doing is borrowing slight of hand Mr. Speaker; we are putting the water rates up so we can continue those dividends flowing to the city of Winnipeg.

Now I going to suggest, sure it's right, it's absolutely right, it says right in the report Mr. Chairman of Finance that we're in excess of 20 million dollars is being transferred and it also says that we're raising the rates in order to accommodate the repairs that are needed. And further Mr. Speaker it says that a policy review is going to be undertaken as to how much should be transferred and that's a very good thing and I'd like to see some official action on that come to the Public Works Committee with sort of parameters and discussion so that we can look at it.

But, my message is to the Executive Policy Committee and this is going to go through and I'm not going to vote against it. I understand that all the difficulties of getting the sewer treatments fixed. I understand that the money has to come from someplace and I'm more than ever understand the fact that we're not going to jack people's property taxes up.

We are going to jack their water rates up. Water I believe is a fundamental sustenance of life and should be made as available at cost and if we do have excesses we have dividends, we can either rainy day fund it or pay dividends to the corporation.

Not withstanding that, I want to serve notice that when you start doing, getting on the slippery slope of raiding reserves to try and subsidize the mill rate, you get into a whole lot of difficulty, because next year you've got the problem of the subsidy not being there and you've got the mill rate going up. So you've got a hole for whatever amount you took out of the reserve, unless there's some plan to replace that reserve. In the water utility there is, that dividend will continue to flow and once we have a policy we'll all better understand how much money is going to flow and that's cool.

But if we get into the slippery slope of selling our television set in order to buy groceries, once we've eaten the groceries, we not longer have a television set. And the facts are that you've got to pay attention to those types of things because it may look good and it may feel good this year when you try to make ends meet to keep the taxes low but if you've taken money out of those reserves and those reserves are no longer there, then you've got a hole.

And so be cautious of this philosophy of transferring money, dividends from reserves and or from utilities of this nature because it is not necessarily a never ending pot.

So Mr. Speaker I just wanted to bring that to the attention of Council because I may not be here for the capital debate. Thank you.

Mr. Deputy Speaker: Thank you. Councillor Steeves.

Councillor Steeves: Thank you Mr. Speaker. We have to have a little talk about this at some stage of Council, this is eminently concerning and I, as folks around the table know were being asked to spend ¾'s of a billion dollars at least, that's in capital improvements only with probably another over 300 in associated operating costs, that's over the next 25 years that total, but most of it is coming to fruition over the course of the next 10 years. A billion dollars.

One billion dollars, that is a lot of money that we are being asked to spend and we're being mandated that expenditure by the provincial government by virtue of some recommendations made in the CEC report which has been handed down to our council through the provincial government.

As people know in exchange, as assistance to that expenditure of around a billion dollars we've been offered about 24 million dollars in assistance through the provincial government. My understanding is at this stage we don't know when that money is going to flow or what the parameters are going to be with respect to that money, which strings may or may not be attached.

In essence, the information I received from our public works administration is that even though we are embarking on a plan right now to spend 543 million dollars in capital over the next ten years and 307 million dollars in operating costs for the next ten years, the 24 million dollars or whatever it happens to be coming from other levels of government has not yet even been delineated as to when it going to be coming or what it's going to be for, etc., etc., etc.

So, we have to keep the end goal in mind here. The end goal in mind of course is to clean up the water as everyone is aware. We're concerned that us pumping sewage directly or after a certain amount of cleaning into the Red River is going to have an adverse affect not only on the Red River but on Lake Winnipeg.

Just so everybody is aware and just so I can put this on the record again, the current contribution to the nitrogen and phosphorus in Lake Winnipeg for the City of Winnipeg is around 6 percent give or take depending upon the year.

Six percent. I'm not aware of any other municipality that's being asked to spend any money in terms of cleaning up, their nitrogen and phosphorus contributions to Lake Winnipeg. But it does strike me that this large expenditure on behalf of the City of Winnipeg, as presented by our Public Works administration at the CEC hearings, our position then and our position now is that this money that we are expending will not have an appreciable impact on the nitrogen and phosphorus content going into Lake Winnipeg.

That's the information that I have received. That's the information that was presented to the CEC commission before they came down with their recommendations. That's a bit concerning. It's a bit concerning in that we are being asked to spend this money and there doesn't appear to be an acknowledgment that the ultimate goal of the reduction of nitrogen and phosphorus in Lake Winnipeg would appreciably be affected. I think that's something we have to discuss especially since we are talking about a 50 percent increase in our water and sewer rates over the course of the next 10 years roughly.

It might be worthy of consideration that if we want to spend this amount of money, a billion dollars over the course of the next 25 years minimum, if as a province, if as Winnipeggers we're not just Winnipeggers, but we're also Manitobans, if as Manitobans we want to spend 1 billion dollars on this problem over the course of next 25 years, it might be worth discussing whether or not it would more sense to raise that money provincially, heck Winnipeggers are 2/3's of the province anyway, the money is coming from the exact same people and if we were to raise that 1 billion dollars, would it not make more sense to look maybe at where we're going to be spending that money within the Province of Manitoba because you know 94 percent of the problem is not coming from within the boundaries of the City of Winnipeg.

We know that's the situation. We know that's the case. These things have been suggested to the provincial government and we really haven't got a whole, we haven't gone a long way in this debate. We're probably spending depending upon which definitions you use within the capital budget. In this 2005 capital budget we are planning on passing, we're probably going to squirreling away, I'd say between 40 and 60 million dollars of this

money to begin looking at how we're going to implement some of these changes.

And all I'm saying is, I'm not railing against the goal of reducing nitrogen and phosphorus in Lake Winnipeg that is clearly a worthy goal. But our administrative position has been since day one, this might not be the best way to go about it. Over the course of the next 25 years, we're talking about the expenditure of around 300 - 400 million dollars on combined sewer overflow reduction, which essentially means it's taking our combined sewers and making them into separate sewer systems. Again, a nice thing to think of, the information that I have is that's not going to even make a 1 percent difference in the N & P reduction going into Lake Winnipeg, not even a 1 percent difference.

Could that 400 million dollars be used differently to better affect somewhere in this province, maybe within the City of Winnipeg even. What concerns me is that we've maybe as a Council we've maybe lost this issue a little bit. We're going ahead and we're doing what we perceive to be the right thing in terms of raising this money and good for us and I think our heart is in the right place but I think we should be very very careful that we don't think that we're solving the problem by virtue of this expenditure. We might be solving the city of Winnipeg's issue but if we're truly concerned about the end result of Lake Winnipeg, then we have to look a little bit deeper into this problem because if we're having problems with Lake Winnipeg now, again the scientific information we've received, is that it's not going to be solved by this expenditure.

Now, I will support this clause because you don't seem to have any alternate plan and we're going forward and we're going to be doing some things that probably need to be done in the short term in any event. But what I'm hoping that I can express upon Council is that we'll spend some time looking in detail at this file, so we can best determine whether or not this is the best expenditure of our money on an ongoing basis.

A very very difficult issue because it's huge on the disgust factor when we talk about sewage. People hate to think of us not doing every single thing that we can. But we are doing actually quite a bit right know and indeed the first half of the money or the abundance of the money, the 352 to 543 money is actually better spent money because we're upgrading our three treatment plants and that is where we're going to have the most impact on our new treatment load going into the Red River and eventually winding up in Lake Winnipeg.

So, while the money up front, the first money is actually in my opinion stronger money and better spent money. I hope we just don't loose track of this and begin spending this money and letting go of it because ultimately we may have to revisit on behalf of our citizens whether or not this is truly the best expenditure of this huge amount of money and I hope that people will take that to heart because we need to stay on this fallow, because no one is suggesting that we shouldn't be doing everything that we can. All that I am suggesting is, is long term, we have to make sure that what we're doing even though it might not sound popular, we may be able to do more than what we're currently doing with this huge expenditure of money because it might be a touch misdirected. Thank you Mr. Speaker.

Mr. Deputy Speaker: Thank you. Councillor O'Shaughnessy.

Councillor O'Shaughnessy: Thank you Mr. Speaker. I just rise to put a question to the chair of the Standing Policy Committee, I'm somewhat embarrassed to say that I wasn't aware that we took 20 million dollars a year from the water utility into general revenues to subsidize transit riders, to pay for police and fire and other things. I thought the only monies that came from within the utility went to repair the water lines, extend the water lines, etc. and the sewer lines.

I know the previous political administration and the staff minions of said administration treated the rest of Council like mushrooms in this place, however the new openness, if this is

bringing to light that type of practice I would like to know because having being around here for the same length of time as yourself and Councillor Angus who brought this to light, I'm somewhat embarrassed if I find that we take 20 million dollars a year out of that and put it into general revenue, and I'm just finding out about it at this stage of the game.

So when you sum up, if you could qualify that I would appreciate it.

Mr. Deputy Speaker: Thank you Councillor. Councillor De Smedt.

Councillor De Smedt: Thank you very much Mr. Speaker. I'd like to thank Councillor Steeves for really bringing some focus to this particular issue.

Just so I don't surprise my Mayor and colleagues on EPC, I need to be consistent on this particular subject, I will not be supporting the increase as a matter of principle and there is a reason and we debated this very quickly last year and perhaps not sufficiently.

The reason we are getting forced into an increase in the water and sewer rates is that the province mandated something without any consultation, they didn't even take the recommendation from the Clean Environment Commission report, chaired by Terry Duguild and that committee had recommended that this be, this very huge investment be three levels of government contributions to support it, because no municipality can face a billion dollar investment over a short period of time and that a more realistic 25 year time period.

The province ignored those recommendations. Now, this is a political issue and I don't think we can always operate separately in saying well you know, we have this report, licensing of our facilities are important here, we have to respect that, our hearts are in the right place of saving the environment which I support by the way and we need to get on with it. But the fact of the matter is when we do get on with it, when we do agree that this is such an important subject we need to bring in those other major partners and that is the province.

And we need to articulate that and demonstrate political sensitivity about our articulating that. When we recommended this during debate last year to the former mayor, of course it was all said, well look, we're in negotiations on the new deal and other things, we really don't want to upset the province. That's essentially what the answer was. I'm not sure what the words in Hansard will say, but that was the theme. I cannot be seen to be in confrontation with the Premier on this.

The fact of the matter is this city Council on behalf of our citizens ought to be seen, not necessarily in confrontation but in significant challenge with the province about their report and about mandating an early timeline and a very costly timeline for us.

And I think it's important that we try and bring focus to this subject. I think as Councillor Steeves started to by indicating to the people that these incremental increases each year seem to just go by, nobody's complaining. Fact of the matter is, in ten years time they're going to complain.

And the real issue here is the competitiveness of our city to attract business, maintaining business and being sensitive to their needs. Yes, our water and sewer rates are very competitive and attractive, not overly so, we're just slightly higher I believe than Edmonton and Calgary, its marginal analysis. Theirs might go up, ours are going up even more so. Its part of the whole mix, we have to have a holistic approach if I can use that term about our competitiveness in Western Canada and against our friends to the east. Our provincial tax rate is high; our property tax rate is funding education. You add it all together and businesses add up the bottom line, they just don't say well Winnipeg's nice because the water and sewer rates are low. If the water and sewer rates go way up high and they're added to the whole mix and they'll look at the commercial tax base and look at the business tax and they'll say, I don't like the bottom line.

And that's why four years ago, I'm sorry five years ago in 1999 this council made a

decision to lower the large volume water and sewer rate. Remember Schneider's that was going to come here, huge investment, regrettably they sold their business to Maple Leaf and they didn't come. And so the second shift, etc. and growth in Brandon is going on.

I think eventually meat packing and butchering and what not is going to come back to Winnipeg considering what's happening in our export market opportunities. It will come back and one of the attractions will be proper water and sewer rates. What they ought to be I'm not certain here. Should we be doing some work to help mitigate the phosphorus and nitrogen and other things and overflow of our combined sewers into the Red River, of course. We had a plan, this council was fully aware of all the errors and so was the province. We had a plan to do that. On decombining and adding to it and obviously because of the environmental issues and things that did happen, we're being motivated to do it a little quicker, but in fact, it's now become more aggressive than really our citizens ought to be paying for on their own through the water and sewer rates.

So my position simply is that this Council ought to be sending a shot across the bow. We hear you, but we don't really like the decision that the province has taken on mandating for licensing purposes of what we have to do and I know that given a few more years here, I think they've extended it two or three years, perhaps four. But still the bill is becoming even more expensive.

And so I don't like voting against this because it's in part the right thing to do but as soon as we do that and we walk away from the table, say we'll talk about it again next October or November, right. And sure enough it will be another 6 percent increase and the end of the line, the sewer rates go up almost 50 percent. I know it smoothed out because they give us a report that says your utility bill will only go up this much, but it's your sewer bill that's going up and some large volume users, business people that may have to use the sewers more than they use the water will see a significant increase. So, it's part of the mix.

Now how do we do that delicately and send that shot across the bow. I don't know, what I'm trying to do is to through this Council and with the Mayor to give them more ammunicition in discussion on whatever our newer deal is going to be.

We know that we want to get to meet, for this city to be competitive; we want those education taxes to come off property tax. I'm not happy that's it's all going to appear maybe on our income tax bill, but you know it really would be useful if the Minister of Education would have to fight within cabinet or over at the province with his colleagues for proper income tax money rather than say, oh that's easy I'll just allow the school boards to raise the taxes and it goes up. He doesn't have to fight like heck, like the Minister of Health does and Environment and everybody else. It's too easy. So we got to give them some backbone over there to start tackling these issues.

How can we do that, saying don't make our city uncompetitive, yup we need to do this, let's make sure the timeline is right. I think the timeline is too aggressive. Let's get some assistance and then we can tackle the federal authorities together to get some assistance to deal with this.

But I can't stand up here year after year, as I said this is a matter of principle for me, I argued this last year that I don't think this Council fussed enough if you want to put it in that term to the province that this is a significant issue. We're smoozing our public and they're sitting out there just saying, it's only this much an increase this year, that's not much.

By in large though at the end of it, with the aggregate it will be significant and we're paying the bill. They're probably going to have to go up anyway, in some cases because of inflationary increases. We know the water and sewer rates will have to migrate on their own at some point in time.

In any event, sharing with my colleagues on EPC and with the Mayor, that's the

reason that I will vote against this in terms of principle and hopefully next year we don't have.

Very quickly, as Councillor Steeves has indicated, you know we need to have a more open discussion when we have the seminars, we very quickly go there and hear the information and walk out. We don't sit down and take enough time to really debate the issues. It's unfortunate, it's just a matter of our busy schedules I suppose, but I think Councillor Steeves has brought up a good suggestion. Thank you.

Mr. Deputy Speaker: Councillors there are 3 more speakers, the time is just about 10 to twelve, next to speak is Councillor Smith.

Councillor Smith: You know I'm not supporting this clause either. I really appreciate the comments from Councillor De Smedt. I think they carry a lot of weight in my mind. I think he's right.

But there is also another thing about this clause I don't like. And that's the cost of the water treatment plant. You know we're still waiting for the government to tell us what level of water we should have. They have a standard, they have not ordered us and here we are embarking on an expenditure that is not necessary.

New York City doesn't have a water treatment plant but Winnipeg wants one. Why, I think we want it because of the smells that we get in the water in the late summer. But that's not worthy enough to spend 214 million. I am satisfied with our water today. I think we have good water, reasonably good water and there's no need for a water treatment plant.

I spoke against it when we were debating this. I think I was the only vote against it. But the fact is, why are we spending 214 million when we don't have to. That's why I'm not voting for this clause.

Mr. Deputy Speaker: Thank you Councillor Smith. Councillor Thomas.

Councillor Thomas: Thank you.

Mr. Deputy Speaker: Just a minute, just hang on Councillor Thomas, a point of order Councillor Eadie.

Councillor Eadie: I'll actually like to move that we suspend the rule to sit beyond twelve o'clock to complete the debate and the vote on this clause if that's agreeable.

Mr. Deputy Speaker: Okay, go ahead, yes.

All in favour? Contrary? Carried. Go ahead Councillor Thomas.

Councillor Thomas: Mr. Speaker, as with previous speakers I have a litany of concern about how this has been foisted upon us and why others are not being directed to live up to their responsibilities.

According to the Clean Environment Commission, 40 percent of the problem at present is from the United States of America. Even with that, they are continuing to threaten on occasion to bring forth Garrison again. The Devil's Lake Diversion is continuing over the objections of international treaties that they are responsible for and all of this is horrendous. But we must do our part to clean up the Red River.

Yes, there are communities which have no treatment whatsoever. They dump raw sewage 100 percent of the time into our river systems. There are septic fields which are not properly constructed which are leeching into our river. There is high nitrate chemicals used in farming and they are leeching product into our river.

That all being said, we should be getting more money if a fast track by the provincial government is demanded and I think we should demand more money and I think we should demand that others be held accountable. That does not negate our responsibility and that is why I am supporting the clause. Thank you.

Mr. Deputy Speaker: Thank you Councillor Thomas. Councillor Clement.

Councillor Clement: Thank you Mr. Speaker. I wanted to provide a bit of

information because I was kind of surprised that Councillor O'Shaughnessy suggested he didn't know we got some water, some revenue from our utility.

We have been receiving in current revenue from our water and sewer rates approximately 15 percent of whatever increases there's been over the years to the bottom line in our budget and it's been going on for decades. This is not new.

Matter fact, one of our old friends who used to sit right around here Councillor Golden used to call it a hidden tax every year. It's not hidden, we're on TV for goodness sakes. It's hardly hidden. It's a public document.

But you know, everybody looks at things at different way I suppose. Bottom line is that is I have to share with you in terms of our bottom line that virtually every city in Western Canada that we compete with all the time for taxation, receives far more in utility revenue than we ever do. Regina is up over 6 percent , Edmonton in fact gets all of their revenue from the telephone industry in their city as an example of some of the things and they all get in the range of 5, 6, 7 percent of their total revenue from utilities and were somewhere down around 3.

In fact, it's less than that now because we don't have Winnipeg Hydro anymore. Although we still have some of the revenue for a wee bit of time.

So it's not new that we're getting revenue from this account. It's just not something that gets talked about a lot I guess. I also want to make it very clear because Councillor Angus made a reference to raiding reserves that not one nickel of the money that we transfer comes from reserves. When the money comes in through the tax bills for sewer and water, some of the money gets spent on new water main renewals, some of it gets spent on sewer renewal, some of it goes into a environmental reserve, frankly in fact almost as much as what we take to general revenue goes to environmental reserve every year as an example. So, it's well managed in my view.

The issue though and I guess the one last thing I'm going to point out to you, Councillor Smith raised the issue of the water treatment plant, his numbers are accurate, we are spending that kind of money. Where this came from frankly, originally was that the federal government was sending signals that they were going to request these increases in the way that we protect our water and we're well aware of the things that happened in Ontario and Waterton and places like that, that have had some problems and you don't want to wait for that to happen.

We started increasing water rates in 1990 to pay for this and the good news is is that we're going to have half of it in cash as a result of that, when we have to pay for it and when we borrow the other 104 million dollars we will have a stream of cash of about 11 million dollars a year to pay for it, but there's another issue. The issue is you have to operate the water treatment plant and that water hasn't been set aside anywhere and part of this increase that we're voting on today is to create the revenue on a yearly basis to operate the water treatment plant and it's that reason that I'm actually going to vote for this today, frankly and I'm going to hold judgment for the future because I want to talk for a couple of minutes about the issue that Gord Steeves raised.

We all know that the Clean Environment Commission reviewed our mandate on environmental issues. We all know that they wrote a report that said that the issue should be dealt with A, so that we aren't causing any difficulty in Lake Winnipeg even though we're only I thing it's 8 percent of the problem, everybody is using different numbers. I've heard 8, somebody's saying 5, it's not much anyway Mr. Speaker, is the bottom line.

And I'm not aware of anything that's happening to do with the other 90 some odd percent. As an example, our folks in West and East St. Paul are being directed by the provincial government that they can't pump grey water into their ditches which is going directly into the Red River. I haven't read anything about that. It was in the paper not long ago, haven't heard a word about that. What are they doing

about all these other issues, what are they doing about farmers who are leeching into our rivers that are heading to Lake Winnipeg.

What are they doing in terms of talking to the federal government about the problems that are coming up from the south in the United States. I don't know. All I know is that the Clean Environment Commission report said that we had to do these things. It provided over a 25 year period, we started looking at that and then all of a sudden there was direction to speed it up and so we've got a plan to speed it up and we're starting that process and in fairness to the premier last March when the tri-partite agreement was announced, there was 48 million dollars provided for this project. But the facts are that the project isn't 400 and some odd million dollars like provincial bureaucrats thought it was, it's 911 million dollars. It's huge and we can't afford to pay for it and I'm not going to vote for a 54 percent increase on sewer and water to pay for it either because they started letter writing and knee jerking earlier than they had to do that.

And Councillor De Smedt is right, it was suggested to us don't ruffle any feathers, don't make a big issue of this, I'm negotiating with the province. This is what we heard from the previous administration in this chamber. Well it's okay to be negotiating over there but the fact of the matter is that this is a huge issue and it's not going to go away and it can't be paid for by a 54 percent increase in sewer and water.

This is a huge issue and it has to be dealt with in a tripartite way and I'm expecting, myself that we're going to be getting further revenue from both the province and the federal government in this regard or we're going to have to review how fast we do it. They can direct us to do something and I think that in good faith that we have to deal with it. It is an environmental issue and I think everybody in this chamber cares about environmental issues, much as this with many others, but there's fairness here and what's been thrown at us is not fair whatsoever in this regard.

And it's time that we got a little better idea of the what the province and the feds are going to do in this regard because if we're going to be just continually asked to keep bumping sewer and water rates every year to pay for this 911 million dollars and by the way we gave you 48 million administratively, our people are planning this initiative without any other money even though they felt they are giving us 48 million, we're hearing that they might not even cash forward until 2006.

Well nobody announced that last March. They announced it; this is what we're doing. They were no time frames or cash flows so there has to be time frames and cash flows and there has to be more cooperation on this particular issue and I think we have to negotiate these things in good faith and you don't have to hit somebody over the head with a sledge hammer to get their attention or we shouldn't have to. But fair is fair and I think that we're having a reasonable debate about it but I think that we do have to serve notice that on this specific issue, it's not reasonable for the citizens of Winnipeg to get a 54 percent increase over time in sewer and water rates so that we can solve a 5 or 6 percent situation environmentally in Lake Winnipeg when not one other thing is happening or being directed by the provincial government or others to solve the other 90 some odd percent of the problem Mr. Speaker. Thank you.

Mr. Deputy Speaker: Thank you Councillor Clement you're right on. The last final speaker, I guess closing debate will be Councillor Eadie and then we'll break for lunch. Councillor Eadie

Councillor Eadie: Yes, thank you Mr. Speaker. First of all I can't recall when I opened debate on this if I might have misspoke myself and I might have indicated that water and sewer rates are going up with this. If I said that I'm immediately correcting myself. This clause only deals with sewer rates, the water rates are not going to be changed in 2005, so I just can't recall if I said both were going up.

And secondly Mr. Speaker, and Councillor Clement covered it but when Councillor O'Shaughnessy asked the question about transfers from general revenue fund, Councillor Clement was quite correct, this is long standing policy, it's never been secret and if you look on your computer screen on page 24 which gets into the body of the report that's in front of us right now, it does have an Item 6, transfers to the general revenue fund. The utilities do transfer funds to the general revenue fund in the form of a percentage of sales revenue, net of capital reserves as a return to the city on ownership of the utilities etc.

That's all in the report. It's nothing new; we've been doing it for years. As a matter of fact, further in the report it will show you that in fiscal year 2005, the water utility will transfer 10.1 million and sewer will transfer 11.3 million to general revenue for a total of 21.4 million and change, so that's right in here and there's no change to that.

Mr. Speaker, we all know what the genesis of this particular clause is. We've had some discussion about it. We know that we are being faced with some Clean Environment Commission orders which we are of course going to comply with and we also know that the Minister, now the Minister of Water Stewardship got all excited on September 29, 2003 and one of those rare days at the Manitoba Legislature was sitting and indicated that we can do better Mr. Speaker and we will. The we didn't include the provincial government per se because there hasn't been a retraction of that ridiculous statement that he made, either from the premier or from the Minister and it certainly hasn't come forward with a cheque for the costs of the sewage treatment, changes that we would have to make as a result of the Clean Environment Commission order. So, yes that's still ongoing discussion, but the Minister jumped in and got a little excited and it's caused us problems.

Mr. Speaker I want to say overall in this thing, that the city of Winnipeg does not ever have to hang its head in shame as a government when it comes to the way we treat water and sewage in this city. Out there we have multi millions of dollars worth of plant and equipment who's purpose is to make sure that the water we provide to our citizens is as safe and as pure as it possibly can be and that the affluent that comes out of our homes and our businesses is as clean as it possibly can be after it's gone through treatment.

Every single time another order of government issues new environmental standards, we're right up there first in line Mr. Speaker to make sure that we comply. We have a team of professionals in the water and waste utility who are there Mr. Speaker and we often don't have to wait for government orders, our staff keeps abreast of the newest technology, the newest practices and we try to implement them within our utility whenever it's possible. We don't have to hang our heads in shame and let no one ever think that we are resistant to these new regulations when they come out. We may disagree on the effect of them.

A number of years ago, we did disagree when a provincial environmental minister thought we should be doing more decholorization of our affluent when professionals said it wasn't going to make one iota of difference. But we met with the government and we have our officials and our professionals meet and we worked out an arrangement where we are still doing the best, the best possible we can do to treat our affluent and we're doing it within environmentally acceptable practices.

We never hesitate and we're not hesitating now. We have to start planning for the future. We are as Councillor Clement is saying, building up some; we're trying to build up some cash to begin the process of following what the Clean Environment Commission has suggested we do, not withstanding the silly ramblings of the Minister.

So we're prepared to do that Mr. Speaker. We were prepared to do it over a 50 year period, when the Clean Environment Commission suggested we should do it in 25; we were prepared to revise our plans to do that. We were not hesitating; we

were not holding back, we were not saying to hell with the environment we're not going to do it. We've never ever said that. It's not the policy of this city government Mr. Speaker. We are always there; we are in the front of the line to make sure that we provide the best possible service we can when it comes to the provision of water and the treatment of the affluent.

So, there's no point, don't put your heads in the sand Mr. Speaker, we have to begin now. Someday we might get much better financial contributions from the provincial government and from the federal government and some day that cash might flow, but it's not flowing today and in the mean time we can't sit still and hope that God will provide with the users of the system Mr. Speaker, have to begin preparing for what is required for the future and that's what this clause is about.

Mr. Deputy Speaker: Thank you Councillor Eadie. Ready for the vote. Recorded vote has been called for. All in favour, please stand.

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Katz, Councillors Eadie, Benham, Clement, Gerbasi, Lubosch, Magnifico, Pagtakhan, Steeves, Thomas, O'Shaughnessy and Lazarenko.

Nays

Councillors De Smedt, Smith, Wyatt.

City Clerk: The vote Mr. Speaker, Yeas 12, Nays 3.

Mr. Deputy Speaker: The clause has been carried. We will now adjourn to 1:30 this afternoon.

Council recessed at 12:15 p.m.

After recess

Council reconvened at 1:30 p.m.

(Councillor O'Shaughnessy in the chair)

Mr. Speaker: We now call to order the reconvened meeting of Winnipeg City Council of this date, November 24, 2004. When we adjourned, we had just finished with the first report of Standing Policy Committee on Public Works. We will now move on to the report of November 15, 2004 I believe, Councillor Eadie.

REPORT OF THE STANDING POLICY COMMITTEE ON PUBLIC WORKS DATED NOVEMBER 15, 2004

Councillor Eadie: Yes, Mr. Speaker, I will move the Public Works Committee meeting dated November 15, 2004, Item 1 as consent.

Mr. Speaker: It has been asked to be stood down. Would like to introduce the clause Madam Clerk.

Item 1 - Kenaston Underpass Project - Preliminary Design
File SC-4

Mr. Speaker: Councillor Eadie.

Councillor Eadie: Mr. Speaker, I will quickly move the clause. It simply authorizes the expenditure of some funds out of the Strategic Transportation Fund to begin the process of the Kenaston Underpass Project and approval of the preliminary design stage so that the other work of tendering or what have you can get under way and things can get started as early as possible in the New Year. So, let's move the clause.

Mr. Speaker: Councillor Gerbasi.

Councillor Gerbasi: Thank you Mr. Speaker. I appreciate the opportunity to put a few words on the record regarding the Kenaston Underpass Project preliminary design. When this Council decided several years ago in our infrastructure priorities to apply for funding to the federal and provincial governments, the two major projects that we approved were Kenaston and bus rapid transit in the first phase.

Council was split at the time because many felt that investment in transit infrastructure was long overdue after decades of neglect as a capital priority and others felt the pressure of their constituents in that part of the city. They were tired of listening to impatient people waiting at railroad crossings and especially as traffic worsened with continued increased development in the south part of the city.

When it was Council's plan to build both projects, that money was set aside for both of those of those projects, at least in principle as it's noted in the capital budget sheet underneath, that was the intention. And obviously things have changed.

When it was Council's plan to build both projects there was a balance to things and a look at the bigger picture in the sense of a consensus. It was a plan that respected the frustrations of single occupant drivers and respected the benefits of high speed transit for users and for downtown development and environmental realities.

Those projects had been in Plan Winnipeg for decades and were in our grasp to be achieved. Now today, we have shelved the transit priority and if we do see something happen in rapid transit in the city, which I surely hope we will have the wisdom to do and may be many years before the project is developed and funding is found and it may be that we won't build it at all as other priorities often take over.

Having said all that, today we are being asked to support part of a plan, a project not a vision of a city. It is a project that extends the Sterling Lyon Parkway so here we are building new roadways while the old ones fall into disrepair and our transit system shrinks as our city spreads out.

I'm sure the next thing will be widening Kenaston as well as a push for the 40 million dollar plus roadway expansion such as the Chief Pegus Trail extension which I'm sure we'll be hearing about that soon as an important priority.

The five million dollars that today will certainly be added to the Kenaston Project from the 2004 Budget is being taken away from transit infrastructure investment and I think that needs to be noted. Sorry, if I'm not jumping for joy about this. It is hard to see when this Council if not now after coming so close twice, now and in the 1980's will find the money again to invest in transit infrastructure. If it's not a priority today, when will it be.

Earlier, at this meeting we heard a range of comments which reviled much about where this Council seems to be going. Councillor De Smedt talked about investing in transit infrastructure is not a priority right now and delaying it due to other priorities, not sure how in a year or two or ten or five, this is likely to change. Both the Mayor and Councillor Wyatt talked about the transit project as a 400 million dollar project. Again, with all due respect, silly notion that we have to build the entire system all at once. We all know that these systems are built in phases everywhere including Ottawa.

There are two messages being sent that contradict each other. Transit is not a priority, message one. We have other priorities. Message two, it is important but we need a new and a different plan. But I'm just not sure which one it really is. There is a double standard when we look at the Kenaston project and the BRT project which is another point. The cost benefit analysis apparently isn't enough for Councillor Wyatt for transit. He says we have to have a business plan to our we haven't done our homework, but we don't need a business plan for Kenaston, we don't even need to have a good cost benefit analysis results, half as good is good enough and why is that, because there is a political will to build it. There's a political will to build new road infrastructure, but none to build transit infrastructure, so why don't we be honest about that.

The Mayor has said, it is about priorities. Well as one member here and I may have only one voice here, but it's my job to say what that voice is and what that view is. And my priority is to spend our scarce

capital dollars on transit infrastructure, not just to build more new roads and it's a sad day for Winnipeg that once again we're only investing in new roadway expansion and we will have to start all over again from square one to convince many to put this money back. And as we vote today to take this money away from transit infrastructure, you know forgive me for not being delighted about that.

I realize I sound like a broken record for you, to you today but someone has to point out the narrowness and the lack of vision here today. As oil prices rise and action is desperately needed on green house gases, what does this Council do, absolutely nothing.

So please Mr. Mayor, prove me wrong and prove that this city will someday do something to have a modern transportation policy like most other cities in Canada. Thank you.

Mr. Speaker: Thank you Councillor. Councillor Clement.

Councillor Clement: Thank you Mr. Speaker and I'll be brief. First of all I'd like to make some accurate statements about the tripartite agreement that was agreed to some time ago. First of all, on January 30, I don't recall if it was 1999 or 2000, it was one of those 2 years, it's in Hansard, we approved seven projects for consideration. I can't remember them all off the top of my head, but Waterfront Drive, the Pedestrian Bridge, Kenaston, Centennial Pool in St. James and the rapid transit was 5 of the 7. I remember that off the top of my head.

That motion was passed 16 to 0 in this chamber Mr. Speaker to put those 7 projects in front of the tripartite discussions so I thought I would throw that on the table, it wasn't about two projects number one.

Secondly, I know what you said, it's my turn now. Secondly, we're building new roadways, well isn't that amazing, we have a existing roadway called Wilkes Avenue, when you build the underpass you have to dig underneath and you can't go across anymore, so we've got a street called Wilkes on one hand that is a dead end and Wilkes on the other end that is a dead end. The streets that are being rebuilt are replacing those streets, by the way, Wilkes Avenue hasn't had a nickel spent on it in the last 15 years and it's like a cow pasture from Shaftesbury to Kenaston.

It is, it's just ridiculous, I get more phone calls about it, the only reason people are satisfied is I keep telling them it's going to get rebuilt when this project happens. So, we're not building new roadways as such, we're building roadways to replace other ones that are going to cease to exist, cease to require maintenance, snow removal and all those other types of things Mr. Speaker.

You now, people can talk about cost benefit analysis all they want and they can try and compare apples and grapes or apples and oranges or they can bring in pineapples once and a while if they want Mr. Speaker but fact of the matter is, every time that a train stops traffic on Kenaston Boulevard, people loose the cost of fuel, and that's an environmental issue, people don't shut their vehicles off, we can all say that they should, but they don't and that's the reality of it, because it's winter time here half of the time.

The second thing is Mr. Speaker, is the loss of time. People who live in White Ridge, Richmond West, Linden woods and pick one on the south end, even on St. Vital they're coming around that way on those roadways, don't know what time to leave for work. They don't know what time that they can take their kids to daycare because they don't know what time the trains are coming. You can't live a normal life like that, it's ridiculous.

The other issue is that most of those vehicles when you're out there; they aren't all cars full of commuters each and every day. This isn't just about the people who live in White Ridge or Lindenwoods or Richmond West or others for that matter. Take a drive out there someday. Watch what vehicles are stopped there and you'll see everything from TV repairman to our own Public Works vehicles to every service imaginable within the city of Winnipeg and when

they're stopped there, they're not making any money for their employers, for themselves and they're sure as heck not helping anybody else sitting there watching a train go by.

It's time to get this project on and you know in terms of lack of vision, I have to tell you, I wasn't here when Lindenwoods became a community or WhyteRidge became a community. I've watched them grow, I've watched them mature. The last time Mr. Speaker, that there was an analysis of the revenue that came out of WhyteRidge or actually Lindenwoods verses the money that gets spent there out of the tax dollars, there was a net benefit to the city of Winnipeg of 3 million dollars a year. That's just from Lindenwoods. That cost benefit analysis was done using all appropriate data. That was a fact.

Bottom line is, there's all kinds of vision here and nobody can be clairvoyant and see the future but I can tell you that when we opened the Charleswood Bridge in 1995, nine years ago, that 26,000 vehicles a day left Kenaston. Well they're back, they're still 26,000 on the Charleswood Bridge but Kenaston has their numbers back again and you can't keep that kind of traffic flowing unless you start building infrasturucre that's required to do it.

This is the most needed piece of infrastructure that's been required in our city for almost two decades and in fact when the federal government by the way did their cost benefit analysis, in fact the railways will tell you, that this intersection of the CN main line at Kenaston is the most, holds up more traffic than any intersection in all of Canada today. That's what CN says and when the federal government put this against the tripartite money, they found that this particular project met in fact exceeded all of their criteria to buy about seven times according to the lips of Minister Alcock.

So, it's time to get on with this project and not be raising other issues. There's all kinds of other issues to deal with but you don't benefit one by talking about the other one. If you've got an issue with one, then make your case on the on, you don't do it by shooting down another project that is very very worthy Mr. Speaker.

Mr. Speaker: Thank you Councillor. Councillor Eadie.

Councillor Eadie: Ask the question Mr. Speaker.

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

Motions none. By-laws.

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

Councillor Eadie: I'll move that By-law No. 176/2004, 177/2004, 178/2004 and 179/2004 be read a first time.

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

Clerk: By-law No. 176/2004, 177/2004, 178/2004 and 179/2004.

Councillor Eadie: I'll move that By-law No. 176/2004, 177/2004, 178/2004 and 179/2004 be read a second time.

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

Clerk: By-law No. 176/2004, 177/2004, 178/2004 and 179/2004.

Councillor Steeves: I'll move that the rule be suspended and that By-law No. 176/2004, 177/2004, 178/2004 and 179/2004, be read a third time, and that the same be passed and ordered to be signed and sealed.

Mr. Speaker: Along with suspension of the rules, All in favour? Contrary? Carried. Questions none.

Fiscal Issues, Councillor Clement the report of November 9, 2004.

REPORT OF THE STANDING COMMITTEE ON FISCAL ISSUES DATED NOVEMBER 9, 2004

Councillor Clement: Thank you Mr. Speaker, I am pleased to move the Fiscal Issues Committee meeting dated November 9, 2004, Item 1 and 2 as consent.

Mr. Speaker: All in favour? Contrary? Carried. No motions. By-laws.

STANDING COMMITTEE ON FISCAL ISSUES CONSIDERATION OF BY-LAWS

Councillor Clement: I'll move that By-law No. 180/2004 be read a first time.

All in favour? Contrary? Carried.

Clerk: By-law No. 180/2004.

Councillor Clement: I'll move that By-law No. 180/2004 be read a second time.

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

Clerk: By-law No. 180/2004.

Councillor Clement: I'll move that the rule be suspended and that By-law No. 180/2004, be read a third time, and that the same be passed and ordered to be signed and sealed.

Mr. Speaker: All in favour? Contrary? Carried. Questions chair of Fiscal Issues, none. Alternative Service Delivery report of November 10, 2004 Councillor Angus.

REPORT OF THE ALTERNATE SERVICE DELIVERY COMMITTEE DATED NOVEMBER 10, 2004

Councillor Angus: Thank you Mr. Speaker, it's my pleasure to move the Alternate Service Delivery Committee's report of November 10, 2004, and move adoption of the consent Agenda Item 1.

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

And Councillor Benham moves adjournment.

ROLL CALL

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

COUNCIL ADJOURNED AT 1:48 p.m.