COUNCIL OF THE CITY OF WINNIPEG
Monday December 13, 2004

The Council met at 9:37 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 Lazarenko.

ROLL CALL

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

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

Pursuant to Section 79(1) of The City of Winnipeg Charter, I am directed by His Worship Mayor Katz to arrange a Special Meeting of Council on Monday, December 13, 2004, at 9:30 a.m., to consider the 2005 Preliminary Capital Budget & 2006 to 2010 Five Year Capital Forecast.

Richard Kachur
City Clerk

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

Mr. Speaker: We have with us ladies and gentleman, two pages if I could have them forward, there we go, welcome back Chris Robak from Sisler High who resides in the Old Kildonan Ward and as well Susan Schipper of Gray Academy who resides in the River Heights Ward, welcome Susan, thank you.

MOTIONS

Moved by His Worship Mayor Katz
Seconded by Councillor Clement

THAT Councillor Eadie be granted a leave of absence from today's meeting due to illness.

Moved by Councillor Lazarenko
Seconded by Councillor Smith

THAT Councillor Pagtakhan be granted a leave of absence from today's meeting due to being away on City business.

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

We have no delegations with us this morning. We'll move right into the report of the Executive Policy Committee of December 8, 2004, your Worship.

REPORT OF THE EXECUTIVE POLICY COMMITTEE
DATED DECEMBER 8, 2004

Mayor Katz: Thank you Mr. Speaker on the matter of the capital budget, I'm going to defer it to the Chair of Fiscal Issues, Councillor Clement.

Mr. Speaker: Do you wish to introduce it Councillor Clement.

Councillor Clement: I guess so.

Mr. Speaker: You're the man.

Councillor Clement: Thank you, oh I forgot, I'm just happy to be here. Mr. Speaker, I'm pleased to introduce the capital budget for this year. I believe that it fairly reflects what the five year capital looked like last year and that it's mostly a continuance of those particular initiatives.

I understand obviously that there are some issues around rapid transit that don't reflect those comments but that's a whole different issue and so I don't really want to go into that. But the balance of the money that we're spending this year whether it be on roads, bridges, curbs that type of thing, it's pretty reflective of what the dollars were last year, they're close.

I know that there's one major project in here, the Kenaston Underpass that we have been looking at for a number of years and most of the money that's in from this year is money coming from the

province and the federal government, that's why when you look at the over all numbers, our capital is actually a 61 million infusion from the current budget to capital and yet our capital budget is approximately 125,000 dollars and that's part of the difference the 26,000 dollars, or the 26 million dollars pardon me that would come from the other two levels on that project.

The other money that's in here we're anticipating that the UCPA agreement with the province will be continued for a least another year while we are hammering out new deal initiatives and those kinds of things. It also reflects a five million dollar amount of money for residential streets that we've been receiving from the province over and above other grants from them over the past number of years and so those kinds of numbers are all built into this. That's all above the 61 million and that's how you ultimately get to the 125, there's local improvements and so on.

I think that the key element of our capital though is that we're living within our means. We started doing that a few years ago and in 1998 Council met and decided that it wasn't going to borrow anymore money and we haven't changed that and that has actually helped us a significant amount. Our debt has dropped and I'm talking about our tax supported debt not utilities, but our tax supported debt has been reduced since 1998 by 38 percent.

That's huge. There aren't other cities doing that Mr. Speaker and not only have we been reducing our debt, we've been doing it while at the same time we have been having current budget freezes and reductions for the most part and it also doesn't reflect that we've had inflation building into all of those numbers, not just into current numbers but into capital numbers as well. The cost of concrete and steel as an example are up significantly in the last little while and so is the price of petroleum based products and those types of things.

So, we have been able to continue to provide a pretty decent program while we are living within our means.

I know that there is or there are some initiatives that people would like to have in the document that are not here and I appreciate that. We did hold a meeting where everybody participated and we got ideas, we asked people to go to, our colleagues go to the various Standing Committees. We received those recommendations; we did make a couple of changes to the document as everyone is aware. We put a couple hundred thousand dollars into the Riverbank Stabilization which I believe gives that pot now about 7 or 800,000 dollars which actually lets them do a project and I think that Riverbank Stabilization would be a key element in any new money that we get as one of the planks of the expenditure for infrastructure money.

So we're trying to be fair minded with that. I recognize that there is a couple of other initiatives that are not in here. One of them in particular and I know that there was a motion being floated around today about the 30,000 dollars per ward that was in the last couple of documents. The reason we haven't gone there is because we believe that there's going to be some federal money coming. We don't know exactly what the amount is and we don't know exactly when we're going to get the letter if you like or the check for that matter but we believe that we're going to hear as early as the federal budget in March and it's also believed through the discussions that have been taking place with the Mayor's of the largest cities in the country as well as delegations through the FCM and the federal government that it's likely that we're going to receive some money, several million dollars in this calendar year and that particular initiative would be a key element in my view for expenditure of some of those funds and the trouble is that you can't put something into a document when you haven't got something tangible to say this is where it's coming from.

But that was the plan, that was when we discussed bringing the document forward and simply because a lot of those small expenditures are easily put together fairly quickly whereas you get into some of the larger documents or initiatives that have to be tendered, they have to go out and

there has to be money attached to various accounts, you have to have that flexibility within the system.

So, we tried really hard to reflect a fair minded document that would reflect what the majority of people think should happen and I think that's what this document does. I'm not going to suggest that there's anything extremely exciting about it because capital budgets aren't usually that and particularly because they're five year plans and for the most part they don't change a lot on a year to year basis. Everybody pretty much has an idea where about 95 percent of the money is going to land before they ever get into it, pretty much.

And I'm sure that when we get into the current budget in the coming weeks that the discussions will be a little bit more animated and interesting and I guess it will be the word I'll use.

Anyway, I think that that's really all that I'd like to say. I think that once again that Executive Policy Committee has tried to be inclusive in this document and also to try and deal with the reality that this is how much money we have and that we have a serious number of initiatives to deal with and I'll wait and see what types of questions get raised through comments from other colleagues and I'd be happy to try and reflect on their comments in closing Mr. Speaker.

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

Councillor Benham: Thank you Mr. Speaker and that you Councillor Clement for introducing the capital budget and I will end the suspense and I will say that I will vote for the capital budget. I'm not about to vote against the Kenaston Underpass or improvements to our sewer and water system or any of the other excellent things and as Councillor Clement has said quite workmen like things that are in the capital budget and are necessary to do.

So, instead Mr. Speaker in keeping with my personal political, philosophical hero George Grant who once wrote Lament for a Nation only to lament what he saw as a bad turn in politics for this country, I will lament for this city, Mr. Speaker because as I go through this and ask myself the important questions that I always ask myself as a journalist which is what's missing and of course Mr. Speaker it's quite obvious what's missing.

What's missing is 34 million dollars from the Federal and Provincial governments for rapid transit that this Mayor, this Executive Policy Committee and this Council as a whole decided to turn back to the federal government through a motion introduced on this Council floor and I should note of course the two members of the Executive Policy Committee at the time, Councillor's Gerbasi and Thomas voted against that motion, as did Councillor Smith and Councillor Angus.

Other than that, every member of Council supported a motion which sent back to the federal and provincial governments 34 million dollars that was destined for the citizens of Winnipeg. None of them have ever explained why, none of them have ever given a good reason for turning back money we had in our hands. None of them can explain Mr. Speaker why when we were going to have shovels in the ground four or five months from now finally building a rapid transit system for the citizens of Winnipeg which the Mayor has conceited the citizens of Winnipeg deserve. He is starting to use that language which the Councillor for Transcona, Councillor Wyatt has said it's not a matter of if; it's a matter of when. Well when was going to be four or five months from now and every Councillor who voted against it is responsible for that project not going ahead this spring and for Winnipeggers not getting what they quite rightly deserve, which is a rapid transit system in this city.

Instead of course Mr. Speaker we have the Mayor's decision to appoint Councillor Wyatt and other Councillors to this task force including Councillor Gerbasi. This of course is simply to duplicate and Councillor De Smedt will be happy to know that I'm going to refer once again to his excellent report Direction to the Future which he chaired and which on page 53

recommends that the city determine the conditions and time frames for proceeding with a bus way system with particular reference to the south west transit corridor as the first stage in its development.

If all Councillor Wyatt did was to go hold a meeting after this meeting Mr. Speaker and return and say, you know what this task force report endorsed three times by this council as recently as two months ago is all we need. It's true. Let's just proceed with a bus way with particular reference to the south west transit corridor soon as possible, thank you very much; sorry it was all a bad dream. It's a year long season of Dallas, it was just a bad dream, let's go back and get the job done. Let's get the shovels in the ground.

It has been hallucinations as Councillor De Smedt says from his seat. Let's get back to the reality of building a rapid transit system in Winnipeg. Instead we have an indefinite delay and for what. What is it we get in return. Is there money on the table Mr. Speaker right now that every Councillor who voted to give the federal money back. Is there money on the table right now from the federal government for community centres, which every Councillor always new was a red herring.

Is there federal money there and if so under what program because I have asked the Mayor three times on the floor of this council to explain to all of us, especially the Councillors who voted to give back the money, where he's getting that federal money.

Mr. Speaker I had a chance meeting over the holiday season with the President of the Treasury Board, Mr. Alcock, Reg Alcock who of course is the federal cabinet minister responsible for Manitoba and he confirmed to me what he said on the record which I tabled at the September 29th meeting of Council which is that he will do his best to fight for money for Winnipeg. But that Winnipeg must meet the criteria of any new federal program it applies to. One would expect nothing less Mr. Speaker.

He confirmed to me that that is the case. Which program, I didn't have a lot of chance to ask him for details but in fact he didn't have one. He said well it may come. Does the Mayor know. Do any of the Councillors who voted to give that money back, do they know how that money is coming back to the City of Winnipeg. Do they know when it is or under what program and if they do then they should say so.

But I would say Mr. Speaker, I would make this point that if there is a separate program to build community centres in every city in Canada and I've never heard of such a program, I've never heard of community centres being built in Jean Pierre, Quebec or Prince Rupert, B.C. or Moosomin or in fact any other place in Canada with federal money. This would be a huge change in our federal system, a huge invasion of the federal government into things we should be responsible for. Of course, we're always happy to get cash Mr. Speaker but where's it coming from. I challenge the Mayor and I challenge every Member of Council who voted against rapid transit to show me where, cause it hasn't happened yet.

And if we were to qualify under that program Mr. Speaker, if we were to qualify for community centre money and if we were to qualify for gas tax money and of course I hope we get some, that will help. If we were to qualify for those and we know for sure we qualify under the Canada Strategic Infrastructure Program because that's where we got the money, then who is to say we couldn't get both or all three, gas tax and federal money for community centres and money for rapid transit. And how will every Councillor who voted against rapid transit, who voted to give that money back to the federal government, even if we get it under a program we qualify for, how will they justify to their voters and their taxpayers their lack of fiduciary responsibility, their lack of accountability, their decision to throw away perfectly good money destined for the citizens of Winnipeg.

What is missing from this capital budget Mr. Speaker, a commitment to building

rapid transit that would have started this spring, now it won't. That's the responsibility of every Member of Council who voted to halt rapid transit and they will be held accountable for it by the people of Winnipeg. Thank you Mr. Speaker.

Mr. Speaker: Thank you Councillor. Now the emotionally levitated Councillor Gerbasi.

Councillor Gerbasi: Well thank you Mr. Speaker, I'm not sure how I can follow that, that was, anyway. Thank you. It was inspiring, thank you Bill, I'm glad you found it inspiring, I hope you did, I certainly didn't.

Very well said, I completely concur with my colleague, Councillor Benham but I did what to raise a couple of other issues related to the capital budget. I first would like to thank EPC for including the Riverbank money back in, I appreciated, it is gratifying when you go before EPC asking for something and they listen and I think they should get credit for that and I appreciate the tone of Councillor Clement that the riverbank stability does need to become a priority and that we're looking at that with new federal money and I think that's an important move forward for Council because I haven't really heard that kind of support for dealing with riverbank stability up until now. So I'm very pleased with that.

One of the points that, a matter that does concern me and I guess it might seem like a small matter to Council which is perhaps why it wasn't dealt with. I don't believe it is a small matter and I went and spoke to EPC about it and it wasn't listened to and that was the issue of the accessibility program in 2006. Now I understand we're dealing with 2005, but we can't have it both ways, we say this is a five year planning document and that we're only looking at the year we're in, but yet when it's something we want to do, we add it in 2009, something like the Chief Pegus Trail extension, we want to build a new roadway. That can get added in 2009 after the fact, but something as important as the city wide accessibility program for 2006 could not be and I think that's an inconsistency that's very frustrating.

Another thing that I find frustrating about that is I came to EPC last year when I was on EPC, but last year I also asked that we look forward as it is a five year planning document, that we look forward and we don't end our accessibility program and just to let you know what that program is, it's a 250,000 dollar a year program that was established only for three years. Now the reason it was only established for three years was because we were so grateful to get anything in the capital budget to deal with downtown accessibility, this stuff like curb cuts and door handles in our city owned facilities. We're talking about our own facilities, our own streets, our own downtown so that all of our citizens can have an accessible environment to use.

And one of the examples of when we use that was when the Disabled Persons International, Disabled People's International Summit was here last year; Council generously supported that International Conference. We spent a huge amount of money from that fund to fix up some of the curbs in the downtown around the Convention Centre and we did a number of initiatives because we had that pot of money available to deal with it and to just to let you know the demand, there is already 500,000 dollars worth of projects in line for 2005 and I recognize we have some money in 2005 but the capital budget is a long term planning document and I came to EPC before the 2005 budget and said let's not let this money run out and they said we'll refer it to 2005 and here it's 2005 and there referring it to 2006, so next year I'm going to have to come back and plead and it's going to look like we're putting something in at the last minute and it really is something we've been asking for for years and I really hope and maybe Councillor Clement can reassure me in his closing remarks that we're not going to start slacking off on this because we've really been leaders in accessibility. We've got a universal design policy.

We're the first city in Canada to have that. We've got a sign language interpretation program. We're the first city in Canada, let's not have no money available when our citizens go into a swimming pool and

they can't get into the washroom. I mean it's crazy and this is just a basic thing we should do. We should be fixing our existing problems before we're building a bunch of brand new streets and focusing on that. We seem to have no problems spending vast amounts of money on new road infrastructure and it's like pulling teeth to get a little bit of funding into accessibility.

So I urge EPC to give me some reassurance that when 2006 comes, we're not going to cut this program and I don't mean to sound like a broken record but there's very few areas where we spend money on this issue and it's a huge number of our citizens that are affected. I mean, it's all of us eventually. So please please please consider that.

I think it's, Donald said it so well, I don't want to go on and on, I appreciate being on the rapid transit task force, I really do. We've been working very hard and I don't, but again the issue will be, that whatever the committee recommends we will have to find funding for and we will have to start all over and it will be delayed several years if Council does make a commitment to spend that.

So, I will be supporting the budget as well because there is many basic things in here we need to do and we need to move forward. I urge Councillor Clement to assure me that we will not cut the accessibility program that we can give the community of people with disabilities some assurance that they don't have to worry from year to year that they're going to be forgotten.

But I am somewhat disappointed that you know as the Mayor said a few months ago, it's about priorities and right now today from this budget the priorities are pretty clear. The same old, expanding new roadways and not enough for maintaining what we have and I really hope we are going to see more vision in the future and that this is going to change for the better and thank you Mr. Speaker those are my comments.

(Councillor Lazarenko in the chair)

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

Councillor O'Shaughnessy: Thank you Mr. Speaker. I'll only take a minute but I would like to thank and congratulate both Mayor Katz and Councillor Clement for the job they've done within the limited resources available.

The decision not to borrow money that had to be repaid through the tax supported budget was made back when Susan Thompson was mayor as Bill alluded to.

We have stuck to it and this year for the first time we are reaching the point where a full cash contribution, I believe in the 61 million dollar range is scheduled to be made cash to capital. While limiting, it is also liberating and as Bill mentioned our tax supported debt has decreased, our annual payments have decreased freeing up money for other projects without having to go to the public for a tax increase.

I really other than that, I've got up to say that Councillor Benham twice used the word reality and I'd like to welcome him from baking the traditions and the fairy tell world of journalism to the real world of governance and to point out that in this budget although there's over 300 million dollars worth of projects and why can't there be a million or a half a million or a quarter of a million for my project, that most of this budget is in utilities and is financed separately from the tax bill.

A lot of the other projects both within and without of utilities are mandated by the provincial government either through direct specific mandates such as water treatment or the general mandates within our Charter. Many of the projects are there because their cost shared and those are the projects that senior levels of government are willing to participate in. Our vote is somewhat limited there.

And finally, the majority of the rest of the money goes for what I'll call the people's priorities. There's been countless polls taken over the last number of years and

the priorities never change and they are infrastructure and protection and a huge drop off to everything else. And within those mandated and those, well formally mandated by other governments and properly mandated by our residents, there's not a heck of a lot of money left over and to find the room to put a quarter million dollars in for riverbank stabilization to keep it on the front burners so to speak, I think this EPC has done a good job and I would like to congratulate them for what they've done and hopefully we can make inroads with senior levels of government so that there is more capital cash so we can get into some of these other areas that are also important in future years. Thank you.

Mr. Deputy Speaker: Thank you. No further speakers? Councillor Smith.

Councillor Smith: Yes, Mr. Speaker. You know Councillor Clement said this was not a very exciting capital budget and he's right but it could be. If we were actually going to meet the needs of the citizens of Winnipeg, it would be an exciting budget. I don't want to deal with all the things that this budget does not contain that should.

I want to deal with one thing, that has been ignored and ignored and that is the back lanes. You know, I've got, of all the bad back lanes in the City of Winnipeg, 35 percent are in my ward and I'll get one back lane one block done. That's not good enough. You know, I don't know how often we have to say this, the back lanes are in horrible condition in my ward and they're in horrible condition in Councillor Benham's ward and horrible condition in Councillor Gerbasi's ward, but the main place where they are horrible is my ward.

Now, when I talk to the past Mayor, you know, he said we all act on behalf of the city. We take everything into account and you'll be pleased Councillor Smith. Well, I wasn't pleased because nothing was done. Words are cheap. Action is more important and we haven't done anything with back lanes and they're in horrible shape and really I think that it's something we can't keep on ignoring. It is something we have to deal with. I mean, the people on EPC can shut their eyes, but they should open them.

You know this is something that we have to address and I'm not pleased that we're shutting our eyes to this problem. But there are other things in the budget that are worth while, so I will be voting for it, but sort of reluctantly because it's sort of the bare minimum.

(Councillor O'Shaughnessy in the chair)

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

Councillor Lazarenko: Mr. Speaker I move that the question be put.

Mr. Speaker: Moved by Councillor Lazarenko that the question be put.

All those in favour? Contrary? One all tie.

Please stand, all those in favour of putting the question, please rise.

The question is, is that the question be put. Editorializing on that would be tantamount to speaking to the motion.

All in favour of putting the question now, please rise.

Thank you. I can count that. Opposed.

Motion is defeated. Next on the list and the only other name on the list, Councillor Thomas.

Councillor Thomas: Thank you, I'll consider this my Christmas present. You know I have to say that generally this budget is what we can do with what we have. When I first got on city council I was quite frustrated with the budgeting process because everybody had their little pet projects and they said well if you can support me in this project, I'll support you in the other project and our debt went up and up and up. Well we learned from that when we became one of the most indebted cities in Canada and we said we're not going to do that anymore, we're going to not borrow except from ourselves. We're going to cap it.

Would I'd like to see here more for back lanes, I sure would. I have a lot of awful back lanes in my area. Would I like to see more for pedestrian facilities, I sure would and bicycle paths and curbs and fixing city streets. I would, but I think what we're doing is we're doing the best we can with what we've got.

I'm really looking forward to percentage of the gasoline tax, federally and provincially. I think if we can get that, it will allow us to do all the infrastructure, fixing the streets, fixing the back lanes, fixing the curbs and all the things that we would, would have loved to have done that we can't. But I think we've done the very best we can with the limited dollars we have and I think we should congratulate ourselves for being realistic with the budget and not dreaming pie in the sky ideas and keeping it down to what we can afford.

So I thank all of Council for participating in this and for showing a lot of restraint to get us where we are. I thank the administration for giving us very good advice and I thank all of us for keeping within our priorities that we set for ourselves to get the job done. Thanks.

Mr. Speaker: Thank you Councillor. Councillor Lazarenko.

Councillor Lazarenko: Thank you Mr. Speaker. It just astounds me that when I was in the chair, there was no one; no further speakers were going to speak now. All of sudden when I call the question, there's, so I'm going to take my turn now to speak.

Now you have to bear with me. Mr. Speaker, I heard some of the comments being made and how many times I've heard him here in these chambers for so many years. Some of this should have been decided or at least let us know in advance that someone wants to have a motion or wants to discuss certain issues.

Councillor Benham talked rapid transit, full eight minutes and I understand his position Mr. Speaker, if I representing River Heights ward, I'd be doing the same thing. If I was Councillor Angus, I'd do the same thing. If I was a Member of Parliament, Reg Alcock I'd do the same because you're smack in through their area. I've asked this question time and time again, what will rapid transit do, the proposal that was made before us in the ward that I represent. Nothing. Councillor De Smedt, nothing. It's only one specific area and I thank the Mayor for implementing a committee that'll give the citizens of Winnipeg an opportunity to go into each quadrant of the city of Winnipeg to get the opinion of the taxpayers that will be paying for this proposal, which is around 400 million dollars.

The issue has been discussed in Council so many years yet from the former late Stephen Juba who was a Mayor, Councillor O'Shaughnessy, you were in council back in the 70's with me. We heard this over and over again. Discussions were talked about, suggestions were made, the question was money. It's easy for the federal government to say that we will contribute our share, the province because they'll get their money back in no time at all because of the tax concessions they get. Every nail, every spike that'll be driven in, whatever's required, they get their share of taxes, not only to say the personal income tax. They get their money back, we don't.

I've always said, we are not playing in the same field as what the province and the federal government do. I've always said lets discuss with them, riverbank stabilization. I'll touch on that for a moment. I thank the Executive Policy Committee, first have to thank Councillor De Smedt and his committee, that's offered and said yes, we have to reinstate back the $200,000. I appeared as a delegation at both, before that Standing Committee and before Executive Policy Committee. $200,000 just touches the tip of the iceberg, the problem we've got with riverbank stabilization.

Give you an example, St. Vital Park, in a four year period; we lost one million dollars of erosion. Now, my colleague, Councillor Steeves will have to take that battle because it is in his ward. The cost was $635,000 for the year 2000, now, its $1,635,000. We have 49 sites that have

been located as areas that we have to stabilize. Twelve are picked with priorities and those priorities have been presented to the various committees', the priorities are each on a desk of every member of Council. We have to decide, do we want to get our riverbanks to look just like a disaster, to be an embarrassment for the whole, throughout Canada and the United States. The work that they do, how the priorities are, stabilizing what you've got is, because one nature, Mother Nature takes away the bank, it never comes back and you can not replace it.

Rapid transit, I've always said, the committee headed by Councillor Wyatt will be going into all six areas of the city of Winnipeg. I want my area, the people that I represent to have a chance to say what is it they want. Not for us to decide here. I want to see what they'll say. Then we'll proceed, if they say yes, then we'll go ahead. I'll vote in favour.

Mr. Speaker, to find capital in programs, it's not that simple. We have been doing this for so many years, we have caused more confusion to the administration because once we decide before it used to be, give us a 2 percent cut each and every year for 6 years with the former Mayor and the Executive Policy Committee who at that time, each and every time voted in favour, even those of us who were opposed to settle those cuts. It went through because the Mayor of that time had said, you vote with me on my committee that I am the chair because of not, you will be sitting on the outside looking in. That's the name of the game. That's the way it's played here.

And some of the members of Council know what happened with the previous Councillor who was on EPC and got a walking ticket for a short while. To prepare a budget Mr. Speaker, it has to be done in such a way you leave the job to the people that are qualified to our administrators that when we tell them two percent cut, they did come in with two percent cut. And if we say we want a zero, they come in with a zero. And we'd say look, a moderate tax increase maybe one or two percent to satisfy the needs of our customers who are the taxpayers of the city of Winnipeg for the City of Winnipeg Corporation, then it is done.

School taxes have been increased by 5 to 6, 7 percent in some areas and what happens, school taxes now in some areas are higher than our municipal taxes and we're the ones providing the most services. We do the cleaning for them around the school, we contribute money to their recreation facilities, parks and playgrounds, we give them money of which doesn't come from their pocket.

Years ago I had one of these late school trustees had told me outright, Harry you guys are a bunch of fools. We give you that and you pass because you've got no choice. You take the phone calls; you take the abuse from the taxpayers of the city of Winnipeg because it goes on. That dollar sign goes in the bottom line, both for school taxes and for the municipal taxes. We argue this over and over again and Mr. Speaker, back in the 70's when the former premier Gary Fillman was in Council had sung the same tune. Get off to the province because dam it, it's there responsibility. Take us off the tax role that we have to collect the taxes. What happened when he got in there, like others who were in Council here as Councillors went in as MLA's changed their song.

Heh, just a minute. If we do that, where are we going to fill the pocket that we've empted from our side. So it's kind of a vicious game which is unreal, unrealistic and it is not democratic. You have school division, trustees who run for public office at the same time as we do, they get elected and their job is actually nothing. They meet once a week, especially Winnipeg Division #1, in secret most of the time. You cannot get a copy of their budget and Mr. Speaker I've asked, I did one time get a budget book this thick from a former school trustee, with a school trustee Mr. Speaker at that time just about got himself in a pile of trouble because she had released confidential information Mr. Speaker that was pertaining to our responsibility yet we have to collect the taxes.

I know I'm off topic a bit here Mr. Speaker, I'm just giving you scenario one, what happens Mr. Speaker when we are talking about creating funds for the citizens of Winnipeg that our responsibility is in collecting. Later on wait, when this school tax school budget comes to us, you'll now what I'm talking about.

So Mr. Speaker to take the issue and say what is the best way for us to proceed in such a fashion that is such, people will accept our budget that we're passing which is the capital. Each and every year we have our budget in place and I thank the Mayor, Mr. Mayor, is that the $200,000 has been relocated back in there, but it's just the tip of the iceberg, Mr. Mayor I just want to go on record each and every one like I said before will have to do their share.

Mr. Speaker, I am going to conclude, I'll be voting, I apologize some of those that felt offended because I called the question but since there was no speakers so know I just hope to see about another five speakers after me.

Mr. Speaker: Councillor Wyatt.

Councillor Wyatt: Thank you Mr. Speaker. I rise today to speak on the capital budget. I think we all wish we could do more. We wish we would have more resources to do more. Clearly that is the case today.

The challenge we have Mr. Speaker I think is not so much with how the city has managed its own dollars as quite rightly pointed out by Councillor Clement. The work done by this level of government has been outstanding in the last number of years with regards to trying to manage its own affairs. Over and over again we've attempted to convince the other levels of government thou that we need more resources and its come to a point now where it's a breaking point Mr. Speaker, where we have a 61 million dollar budget on very basic infrastructure, roads, streets and sidewalks and were having to claw back 15 million of that in a capital budget because of the state of affairs with regards to infrastructure from other levels of government and dollars from other levels of government for that infrastructure.

Clearly Mr. Speaker, the time is come, the federal government has recognized that there will be monies flowing, we hope that will be the case. I think its clear and it should be stated on the record that this municipality along with other municipalities across the country are at a breaking point. Our infrastructure is at a breaking point. We cannot anymore continue with the resources and with the tax room that we have right now given to us in a constitutional framework, the rules govern set down to us by the provinces give, continue on the road of funding infrastructure inadequately to the level we are doing today.

And it's clear that the other levels of government have started to recognize that and its clear that were going to see something coming in the new year at least from the federal government.

The provincial government by the looks of it is still sleeping and I'm hoping that they wake up. In Ontario for example the provincial government not waiting for Ottawa and on their own decided to allocate one cent of their fuel tax to municipalities starting next year and then following that one cent will go to one and half cents and then the following year to two cents of their fuel tax. That would be tremendous in this province if the provincial government were to do that.

That has not yet occurred. We have not heard that any specifics from the province with regards to that, but clearly the provincial government which now we're learning is going to be benefiting from new sizeable federal transfers is now in a position to do something for all the municipalities in Manitoba, including the largest municipality, the city of Winnipeg.

So I'm hoping that we see something from the province. The federal government has already indicated quite clearly that they're going to come forward next year with the equivalent of about 400 million dollars of infrastructure dollars to spread across the country phasing in up to 2 billion dollars of infrastructure dollars.

Municipalities have been clear that we were hoping that it could include all fuel taxes; it's only including the gas tax. But nevertheless the federal government is coming forward and indicating that they are willing and they're prepared to bring monies to municipalities for next year, sometimes next year. We need to get a strong message from our provincial government and the premier.

Ontario is already doing that, other provinces are already doing that, we need to see where the province is, yes the province is putting 5 million dollars towards streets, residential streets and we appreciate it but that has stayed at that level for quite a number of years now. The same goes for transit, we want to talk about transit and funding, provincial funding for transit has been frozen and one time provincial funding was 50/50 roughly for the operating costs of our transit system. Now it's more like 70/30 or even less.

The province has to send a message to all the municipalities of the country that it's serious about infrastructure. That it's serious about renewing our infrastructure. We talk about for example recently in other council debates about the sewer and water requirements now put on to us by the provincial government. 750, 800 million dollars of which they've given us 70 million. We appreciate that, but that's still not enough in light of the fact that we had to try, a report came down from the CEC recommending tripartite funding.

The provincial government must get serious with regards to our infrastructure money. The key economic success of the city Mr. Speaker, and I think we all agree to the provincial economy is the success of this city and if the province is not going to come to the table, its going to jeopardize not only the city's health and well being but the entire economy of the province and I think that message has to be stated loud and clear and I think we must be united as a council. Yes we are often divided when it comes to what our priorities are within the budgets that we have.
But I think we must be united today at least to say that we believe this is the bare minimum we're passing today but we know we have to do more in the future. The problem is we just don't have the resources to do it with. Sure we could go out and we could tax, we could raise taxes one percent or two percent but we all saw it today, actually in the Free Press today an article, 6.1 percent average increase in property taxes in school divisions across the province. The tax room is not there, Mr. Speaker. If the provincial government again were serious about removing school taxes off the property tax bill maybe we might be able to consider that, maybe we might be able to consider a property tax increase of 1 or 2 percent that would raise either three and half or seven million dollars Mr. Speaker dedicated to infrastructure.

That might be an option but can we do that at the same time when I know in my school division in the last two years, well one year they raised it fifteen percent, the next year eight percent. It's impossible to argue the case Mr. Speaker because of the fact that the school division spending is out of control. Once again we're looking to the provincial government for leadership. We're calling on them for leadership from this chamber. We're saying we need your support; we need your help for the sake of our economy, for the sake of the provincial, for the sake of our infrastructure to ensure that we have a sustainable and growing city.

Mr. Speaker, I'll be supporting the capital budget today and I wish the Mayor and Executive Policy the best of luck with regards to negotiations with the provincial government. Thank you very much.

Mr. Speaker: Thank you Councillor. Councillor Clement summing up on the budget.

Councillor Clement: Thank you Mr. Speaker. I'm not going to enter into the rapid transit debate. We had that debate Mr. Speaker and I appreciate that Councillor Benham is passionate about that particular issue and obviously believes that if he makes a speech here every three weeks about it, that he's going to convert more and more of us, quicker or something.

But, anyway, I have no problem with him having his democratic say, but I don't think it's as relevant today given some of the discussions we've had previous. I would only like to say this. Its fine to enter innuendo about I think the word was that the money is lost, we've turned it back. We've given it back and I don't believe that's accurate Mr. Speaker. It's accurate that we've suggested that it not be spent on rapid transit in the short term and I don't doubt for a second that Councillor Benham spoke with Minister Alcock and got exactly those words from him.

Because I've spoke to Ministers over time and I've had them tell me what they could, but the fact of the matter is, is that the lead Minister doesn't have the same conversation with me as he's going to have with the Mayor as he's going to have with the Premier and the Premier's not going to have the same type of discussion with me over a coffee or a pop as he's going to have with the Mayor either. And they play their cards pretty close to the vests. All I know is that this Mayor has stood on this floor and he has assured everybody that he's had those conversations and that the money in fact will be available and I believe him.

The other issue, Councillor Gerbasi raised the issue of accessibility and she's quite right. It was created as a three year pilot program and I don't think that there's any question that the program has done a tremendous amount of good within the community in terms of accessibility. What we're talking about is trying to balance the budget and while it's quite true that we are dealing with a document that goes out into 2010, we all know that in that five year document that there is some flexibility to change some of those things and I'd like to assure her that we did hear her on each and every occasion when she raised the issue which has been at least three I think.

We understand her point but the bottom line right now was trying to balance and we are kind of looking out a little bit. There's issues, there's riverbank stabilization, there's accessibility, there's local parks, there's regional sidewalks, there's any number of issues that we can individually raise as things that are near and dear to our hearts. All of them are infrastructure related and all of them can be given strong consideration once we know that we're going to get some other money to play with and I believe that the intent will be that we will look at all of those issues in a very very serious way at the time and so I just wanted to say that.

I'm not going to get into the issue of expanding roadways because every city has to progress. We have huge residential development or have had huge residential development in south west Winnipeg in recent times and there, everybody knows that there is a shortage of building lots currently and that one of the major areas being reviewed is in south west Winnipeg once again and on top of that we've also got a huge initiative that'll be coming at us in the next period of time at Kapyong Barricks. We don't know the timing of that but we all know that it'll be a huge mix of commercial and residential development as well as parklands and all of it requiring the ability to move traffic and we have to keep moving forward as a city and build some of these things from time to time, not withstanding their cost.

Councillor O'Shaughnessy raised the issue about when we all started this. You know, it's interesting I'm going to run out of time, I'm not going to be able to do this so there's no point getting into this I guess, I was going to reflect on how we got into this issue back in the '80's. All I can assure everybody is when a lot of the heavier borrowing years were in place and I wasn't, I wouldn't want to suggest, I wasn't in any position of power or anything like that or extreme influence back in those days given some of the people that were in the chamber at the time Mr. Speaker, but I believe that everybody dealt with matters based on the best information that they had in front of them at the time and they weren't given good financial guidance in my view in terms of why we were borrowing at the time.

So, with that Mr. Speaker I would like to move the budget and move it forward to vote on it. I think that it's a fair minded document and no documents perfect, this

one's not bad and I think that we've had our opportunity to speak to it. Thank you.

Mr. Speaker: Thank you Councillor. All in favour of the budget? Contrary? Unanimously carried.

Your worship by-law.

EXECUTIVE POLICY COMMITTEE CONSIDERATION OF BY-LAWS

Mayor Katz: Thank you Mr. Speaker, I'd like to move that by-law number 183/2004, a by-law of the City of Winnipeg to authorize the borrowing of money in the principle amount of $50,084,000.00 by issuing and sale of debentures of the City be read a first time.

All in favour? Contrary? Carried.

Councillor Steeves moves adjournment.

ROLL CALL

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

COUNCIL ADJOURNED AT 10:34 A.M.