

COUNCIL OF THE CITY OF WINNIPEG

Wednesday, December 11, 2013

The Council met at 9:36 a.m.

The City Clerk advised the Speaker that a quorum was present.

The Speaker called the meeting to order.

The opening prayer was read by Councillor Mayes.

ROLL CALL

Clerk: Madam Speaker Councillor Sharma, His Worship Mayor Katz, Councillors Browaty, Eadie, Fielding, Gerbasi, Havixbeck, Mayes, Nordman, Orlikow, Pagtakhan, Smith, Steen, Swandel, Vandal, Councillor Wyatt.

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

Madam Speaker: I would like to introduce our Page for today's meeting, Elizabeth Walker of Fort Richmond Collegiate who resides in the St. Norbert Ward. Thank you so much for being with us here today. (applause)

Madam Speaker: Mr. Mayor, I understand you have some announcements.

Mayor Katz: Thank you, Madam Speaker. I actually have two. Firstly, this morning we pay tribute to an outstanding statesman and leader, Nelson Mandela. Nelson Mandela embodied the attributes of freedom, justice and hope. As President of South Africa, he worked to bring about the reconciliation and build National unity. As a visionary leader he taught us the importance of seeking ways to live in peace. As an individual, he had much to teach us about generosity and forgiveness. Most incredibly, after spending 27 years in prison under very difficult conditions, he forgave his captors. In his book Long Walk to Freedom, Mandela said, "No one is born hating another person because of the colour of his skin or his background or his religion. People must learn to hate, and if they can learn to hate, they can be taught to love, for love comes more naturally to the human heart than its opposite." Nelson Mandela represents the best of humanity. The world mourns his loss, including those of us here in Winnipeg. His legacy will be in the young people who study his life and model their lives after his teachings. The City of Winnipeg will lower its flag to half-mast on Sunday, December 15th, the day of Nelson Mandela's burial, in tribute to this great man.

I also have one other announcement, Madam Speaker. I would like to read a statement that I issued on Saturday night following the win by team Jennifer Jones at the Roar of the Rings. We are thrilled that Winnipeg's own Jennifer Jones, along with her teammate members: lead Dawn McEwen, second Jill Officer, third Kaitlyn Lawes, alternate Kirsten Wall and coach Janet Arnott will represent Canada in curling at the 2014 Olympic Winter Games in Sochi, Russia. We congratulate all the members of the team for the hard work, determination and dedication shown throughout these Canadian curling trials and through years of practice and bonspiel play, to earn the rare honour of representing Canada at the Olympic Games. We are delighted that this win comes in Winnipeg at the 2013 Tim Horton's Roar of the Rings. All of Winnipeg celebrates your achievement and we wish you the very best as you go for gold in Sochi. Thank you.

Madam Speaker: Thank you, Mr. Mayor. We have a condolence motion for former Councillor Alan Wade. Madam Clerk, will you read the motion?

MOTIONS

**Moved by Councillor Smith,
Seconded by Councillor Gerbasi,**

THAT Council place on record its profound sorrow at the death of former Councillor Alan Wade, which occurred on December 7, 2013.

Alan Wade served the citizens of Winnipeg as Councillor for the Notre Dame Ward, in the City Centre - Fort Rouge Community, from 1971 to 1992.

This Council extends to his family its deepest sympathy and condolences in their bereavement.

Carried by Silent Standing Vote

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Madam Speaker: Thank you. Will everyone please rise for a moment of silence?

MINUTES

Councillor Steen moves that the Minutes of the meeting held on November 20, 2013 be taken as read and confirmed.

All in favour? Contrary? Carried.

DELEGATIONS

Madam Speaker: We have two delegations with us here today in regards to four different items. First up is Mr. David Sanders. Are you here, sir? You are here in opposition to the following items: Police Headquarters construction project steering committee meetings, Office of the Ethics Commissioner, Over-expenditure authorization for the redevelopment of the Winnipeg Police Service headquarters.

David Sanders: That's right.

Madam Speaker: You may begin, sir.

David Sanders: Thank you, Madam Speaker, Mayor Katz and members of City Council. My name is David Sanders and I am appearing today as a private citizen to speak in opposition to three matters on your agenda. All of which relate to the ongoing failure of this Council to deal effectively, with serious public concerns about mismanagement, an alleged misconduct in major civic development projects and real estate transactions. Based on recent decisions including recommendations on this Council agenda, I conclude that the Mayor and members of Executive Policy Committee and a majority of City Council are now determined to stonewall further inquiries; cover up the full truth; avoid taking further remedial disciplinary action and hope Winnipeg electors have a very short memory.

With regard to the 1st item that is the matter of the Police Headquarters construction project steering committee meetings, this is a resolution requiring that the Winnipeg Public Service, despite its refusal to date, provide all Members of Council with a list of the members of the new Police Headquarters redevelopment project steering committee, their meeting dates and the minutes of the meetings for the past five years. At its meeting on November 27, EPC simply recommended that this resolution be "received as information" meaning it would be placed in the City's very large circular file without any debate or explanation whatsoever. There is simply no good reason for denying our elected Councillors access to complete information about how senior civic servants have managed the Police Headquarters project. And any reason I can imagine would involve efforts to protect, not only the administrators, but also the Mayor and members of EPC from potential disciplinary action. And it's no wonder that the City administration has been able to run amuck. I do hope that a majority of Council will give me some cause for hope by rejecting EPC's recommendation and improving the resolution before you.

With regard to the 2nd matter, the Office of the Ethics Commissioner: for many months now I've been hounding EPC and Council to implement and enforce the 2001 City of Winnipeg Employee Code of Conduct, including the establishment of the mandated Code of Conduct Committee of Council, but no such Code of Conduct Committee has been established without any explanation being given. Now suddenly, the Mayor has walked a resolution into the December 4th meeting of EPC, without any advance notice or supporting documentation, and EPC now wants Council to approve it this morning. And I'm sorry, but in my opinion, this is actually just a blatant attempt to pretend to respond to the growing chorus of demands for independent investigations of City operations and projects, and the enforcement of ethical and legal standards of behavior, without actually doing either before the next civic election on October 22nd, 2014. The truth is that City Council already has the legal legislative authority it needs right now and all it lacks is the will to use it. And if I might review the Mayor's motion, it begins, "Whereas the Municipal Council Conflict of Interest Act was enacted to prevent Members of Council from engaging in conflict of interest in the conduct of the responsibilities as elected officials." Now, this Act requires Councillors to disclose their assets and interests, and potential conflicts of interest and to avoid participating in or influencing any decisions benefiting themselves, their dependents or, I might add, their business partners. And where it is alleged that a Councillor has violated a provision of this Act, the Council may direct the Clerk to apply to the Court of Queen's Bench for a declaration that the Councillor has violated a provision of this act, and if guilty, the seat of the Mayor or Councillor is declared vacant.

The second clause of the motion, "Whereas on September 21, 1994, City Council adopted a code of conduct for Members of Council in order to strengthen the existing conflict of interest legislation and enhanced public trust." Well, that 1994 Code of Conduct for Members of Council is still on your books and it was intended to set a higher standard for behaviour than is described in the Municipal Conflict of Interest Act. The Manitoba Ombudsman has the authority to

receive written complaints from Council or anyone else and to investigate administrative decision made by Council or City employees using his powers under part five of the Manitoba Evidence Act. The Ombudsman reports and recommendations are reported to City Council for appropriate action... That's the case right now. And pursuant to sections 47 and 74 of the City of Winnipeg Charter Act, City Councillors forfeit their seats if they are convicted of certain criminal code offenses, including section 1-22 "breach of trust by public officer", and section 1-23 "municipal corruption" and Council may pass a by-law defining other offences by Councillors which would also be punished by forfeiture of their seats. This Council has that authority right now.

"And whereas" -- continues on March 21, 2001, "Council adopted the City of Winnipeg Code of Conduct for its employees as required by section 89-1 of the City of Winnipeg Charter Act." Well yes, this 2001 City of Winnipeg Employee Code of Conduct does establish standards of conduct for employees, including the disclosure of potential conflicts of interest and the prohibition of unacceptable behaviours and it provides with the submission of complaints and the protection for whistleblowers, that's in there, for investigation by department heads, the Chief Administrative Officer or the Council Code of Conduct Committee, which Council refuses to appoint and for it... as well the taking of remedial and disciplinary action. That's all there, already. Unfortunately enforcement of this Employee Code of Conduct appears to be ineffective to.

The motion goes on, "And whereas at its meeting of February 18, 2009, Council requested the Province to review and amend the existing legislation and create a Conflict of Interest Commissioner; and whereas on October 24 of this year Mayor Sam Katz wrote to Premier Selinger asking again to reconsider reviewing and amending the legislation to create stronger conflict of interest rules and guidelines for the City of Winnipeg and Council. My understanding is that the Province has repeatedly responded to such requests by advising that the City already has the legislative authority necessary to do the job. And I wonder how anyone can take these requests from the Mayor and Council seriously when they recently voted 9 to 7 to reject the motion to order an independent audit of the entire new Police Headquarters redevelopment project. And where is the Ernst and Young report on the belated interviews of the Mayor and Council regarding their knowledge of the new Fire Paramedic station construction project. And where is the requested report of external legal Council on any illegal actions which may be appropriate based on the initial report?

On September 27, 2012, almost fifteen months ago... more than a year, Council ordered that an external and objective real estate management audit be conducted, going back a minimum of five years involving all major land acquisitions, sales, transfers and external leasing activities including all transactions where commissions or management fees were paid with City of Winnipeg funds. Ernst and Young's report on this broader forensic audit was promised last summer but has been delayed again and again since then. I have to wonder how their investigations may have been restricted. When I discovered last week that so far, Ernst and Young has made no attempt to contact any of the five commercial real estate brokerage firms which were pre-qualified to provide commercial real estate services to the City during the past five years but were never called upon except for two very minor sale transactions. If the City Council actually wants a serious investigation with witnesses testifying under oath and with the power to subpoena the production of documents, they need only refer the matter to the City Auditor, who has already been given those investigative powers under part 5 of the Manitoba Evidence Act, pursuant to section 106 of the City of Winnipeg Charter Act.

The motion goes on, "And whereas the City of Winnipeg has continuously endeavoured to ensure that its operations are transparent, responsible and accountable to the citizens of Winnipeg. And I would be rotfl your Worship, if these matters weren't so serious. EPC's specific recommendations are to create the Office of Ethics Commissioner, an independent person, make them personally responsible, providing advice to Members of Council, members of the public service, investigating complaints, and reporting to Council on investigations and recommending subsequent actions and sanctions as required by Council. And that the Ethics Commissioner report to Council that funds be provided in this coming years budget. And further, that the Province of Manitoba be requested to amend the City of Winnipeg Charter Act to provide the Ethics Commissioner with investigative powers and the ability for all... for Council... Council... to sanction Members of Council, statutory officers and members of the Winnipeg Public Service on a recommendation of the Ethics Commissioner. As I've explained above, City Council already has all the legislative powers it needs to revise and enforce all of the existing ethical standards and codes of conduct for both Councillors and employees. You may even refer matters to your own City of Winnipeg Police Service Major Crimes Division for professional investigation of potential criminal behaviour, and the Police Service may in turn refer matters to the RCMP's Serious Crime Unit in D Division, which might be appropriate in the case of the new Police Headquarters redevelopment project should such investigation be necessary. If Council wishes to create the office of Ethics Commissioner just the same, you might first review the history and success of similar Ethics Commissioners in other jurisdictions and ask yourselves whether outsourcing ethics is the way to go? The citizens of Winnipeg need professional competent and ethical leadership before our civic administration once again, and arranging for that now is the least this Council can do to atone for its dereliction of duty during the past five years.

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And regarding the last item, the Over Expenditure Authorization for the Redevelopment of the Police Service Headquarters. This is a request from the Winnipeg Public Service to authorize an increase in the capital budget for the Police Headquarters redevelopment project by 17.2 million, from 162 million to 179,200,000; and to increase external borrowing authority for the project from, 139.9 million to 155 million. When Council was persuaded to purchase the Canada Post Building at 266 Graham Avenue on November 25, 2009 the original construction cost estimate was 105 million. After, and I quote from the report, "Due diligence indicates that 266 Graham is well constructed and is expected to have an extended service life." Then, however, on July 20, 2011, Council was asked to approve an increase in the construction cost to a so-called guaranteed maximum price of 137,750,000 raising in the total project cost to 162 million. Except that it wasn't guaranteed maximum price after all. Today we have a new guaranteed maximum price of 155 million and with soft costs of 17 million, construction interest of 6 million and building acquisition costs of 12,600,000 the project total is 190,600,000 and remembering that 18,900,000 has been invested in the Canada Post Office tower, the overall commitment is almost 210 million as of last month. But that is not counting any change orders yet to come. And it doesn't address the drastic reduction in the project budget for furniture, fixtures and equipment, from 22.1 million originally to 5.6 million now. Perhaps some of the necessary equipment will now be financed by separate capital budget items, which total about 10 million, for Police division systems upgrades in the new headquarters building during the next three years. Who knows what surprises await us next? There are so many unanswered questions about the design, development and construction of this project, when the Standing Policy Committee on Downtown Development considered this recommendation on November 22nd, the Committee was unable to agree on any recommendation. When EPC considered the matter on November 27th, they received very little new information except, the... I find... previously disclosed 804,000 real estate commission paid to Shindico and among other things, the advice of the current engineering consultants that they had to redesign the whole building at a cost of some \$5 million after another 5 million had already been spent on an incomplete and non-code compliant design by the original engineering consultants retained by the City.

Until the unanswered questions are properly investigated and dealt with, I object to approving an increase in the project budget and I particularly object to recommendation number four which would delegate authority to Chief Financial Officer to approve all contract over-expenditures necessary within the new overall budget. I think, the least Council can do is require one of its Standing Policy Committees to approve any over expenditures necessary and when EPC all of a sudden decided to endorse these recommendations on November 27th, they told each other when a wonderful Police Headquarters we're going to have and completely unqualified city administrators and Councillors suggested that the construction of the 606,000 square foot state of the art Police headquarters at \$293 per square foot was a very good deal, as compared with the 33,000 square foot East District Police Station at 379 per square foot, the 33,000 West District Police Station at \$470 -- \$479 per square foot and perhaps now the 33,000 square foot south district Police Station, which appears to be \$559 a square foot. These are not comparable projects. They are very much smaller suburban stations are built using a cookie cutter design, they are only one storey and they have only surface parking on the site. The new police headquarters downtown has two levels of underground parking and four floors of space for Police operations and offices. I don't have the current drawings and to my knowledge no one has published the detailed dimensions of the renovated building, but my best guess, for now, is that the four floors the above grade total sum 385,000 square feet and that the headquarters project cost, if you exclude the 7.4 million gun range of 138,200,000 equals about \$476 per square foot for the 385,000 square feet of Police operations base that is under construction. Just for perspective, and it's not the same at all, consider that the 600,000 square feet of class A office tower and Winnipeg Square shopping centre at 360 Main Street, plus the three level 1,000 car Winnipeg Square parkade underneath were purchased in 2010 for about 138 million in total. The office tower and shopping centre were purchased at about \$190 per square foot.

I suggest that EPC and the majority of City Council stop trying to sweep this under the big rug here at City Hall and start fixing the problems. Thank you all and season's greetings.

Madam Speaker: Thank you, Mr. Sanders. Any questions at this time? Seeing none, you may step down. Thank you very much. Next is Mr. Ken Guilford. He is in opposition to the item Committees, Boards and Commissions, Citizen Member appointments.

Ken Guilford: I'm here.

Madam Speaker: Good morning Mr. Guilford.

Ken Guilford: Morning.

Madam Speaker: You have ten minutes and I want to caution you, that you can only speak to the process. And you can't speak to... in regards to any members that have been appointed, only about the process. You may begin.

Ken Guilford: Yeah the process. I don't have a copy of that but I thought I could congratulate the people. I would to...

Madam Speaker: You can speak to the process, sir.

Ken Guilford: I don't know, correct me if... Anyway... Okay. My name is Ken Guilford, Mayor Norrie and Sharma... and other City Councillors and the audience. I am... looking for... thanking the people who were elected and I... I feel the people... and unfortunately I wasn't one of them, but I guess that happens. But I sent e-mails to most of you and you know my purpose and that. So I would like to say thank you for taking the time and listening to me and I don't know what else I can say. Okay, thank you.

Madam Speaker: Thank you very much for coming out today.

Ken Guilford: Okay, thank you.

Madam Speaker: Any questions for Mr. Guilford? No? Seeing none? Thank you very much.

Ken Guilford: Okay, thank you.

Madam Speaker: We will now move on to committee reports. Mr. Mayor on the report of EPC dated November 27th.

**REPORT OF THE
EXECUTIVE POLICY COMMITTEE
DATED NOVEMBER 27, 2013**

Mayor Katz: Thank you Madam Speaker. I would introduce the report and move adoption of consent agenda items 1 to 4.

Madam Speaker: Okay, I will call the question on one, three and four. All those in favour? Contrary? Carried.

Item 2 - Police Headquarters Construction Project Steering Committee Meetings

Madam Speaker: Mr. Mayor to introduce the item.

Mayor Katz: Madam Speaker, I think we all know what the item is here. We have a Police headquarters building that's... now has a true guaranteed maximum price. There have been meetings at Downtown Development and EPC. The idea here is to move forward, approve the money so we can complete the project and have a 1st class facility. I would love to hear what the Councillor has to say and then I'll respond.

Madam Speaker: Councillor Havixbeck.

(inaudible)

Councillor Havixbeck: I do not support EPC's recommendation to simply file this request. This project has gone from 135 million to over 200 million and counting. When we saw the results of the fire hall audit we saw that there was no project steering committee. I have been assured that there was a steering committee; however, this request is for the dates that the committee met, who was at the meeting and minutes for the meeting. I cannot believe that the administration tells me they would not or could not provide some or all of that information. And I was told I would need to bring it forward as a motion, which I have. EPC seems satisfied that there is no need to know that information, even though, in light of a fire hall audit that said there was no project steering committee on a major project, this one is even bigger, both in its scope and the cost overrun. Is it possible that no one cares that this is so significant? It's a small part of it. Does that not trouble anyone around the EPC table? I guess I just am baffled on how we can restore trust and confidence at City Hall with not having this information forthcoming. And perhaps the argument will be made that some of the information is sensitive. Why not be able provide the dates and who was at meetings? I fail to see how that could be sensitive. We can often do things in-camera if that's preferred. I think there needs to be a better solution for this. Thank you.

Madam Speaker: Any other discussion? Councillor Swandel.

Councillor Swandel: Thank you, Madam Speaker. I for one am not troubled and I believe those of us who understand the process... the approval process, what was done here... but there was nothing untoward here and that this dead horse has been beaten enough – I should not be troubled. All you have to do is go back and read the original report. You can see clearly what was included, what wasn't included. If you understand cost escalation and if you understand soft costs versus hard costs, if you understand unforeseen... those types of language. I certainly am not troubled. I would hope the rest of us around the chamber can get off of this trying to create a public spectacle where one should not and do a better job of understanding our previous approvals and get on with building this great City. You know, a brand new police headquarters, downtown, four new fire stations, a new human rights museum, a new hockey arena. A new Chief Peguis Trail, a new Disraeli Bridge, a new active transportation bridge connected to the Disraeli Bridge... let's not be troubled. Let's get this City built and continue to improve our infrastructure and build a better place for all citizens of our great City.

Madam Speaker: Thank you. Councillor Orlikow.

Councillor Orlikow: Thank you, very much. I concur with Councillor Swandel, in the fact that we need to be moving forward. But the problem is if we move forward as blindly as we seem to be moving forward presently, I'm worried about the future. If we can't handle these last two projects with all the... in my opinion, some incredible issues that have popped up... not even having the information to know what those issues are, makes it very difficult to have the comfort and the belief that moving forward to other great capital projects to make this great City happen won't result in these massive cost overruns. It's not the fact if we have a nice Police station or not. The fact is that we had a budget and blew it. We should, instead of putting our heads in the sand... we should be really finding out what went wrong; how can we prevent this from happening in the future. So again this motion about transparency and making sure that we all work together, not just so EPC have the information but we all have the information that we feel comfortable moving forward with other projects. And I can generally say to the public, you know what, we did make an error, we fixed it, we know what happened and here is how we are fixing it. That's not how we move forward. We don't move forward by putting our head in the sand and hope it goes away.

Madam Speaker: Thank you. Councillor Eadie followed by Councillor... or pardon me, Councillor Gerbasi followed by Councillor Eadie.

Councillor Gerbasi: (inaudible)

Madam Speaker: Okay, Councillor Eadie.

Councillor Eadie: Thank you, Madam Speaker. Thank you Councillor Gerbasi. You know, it's interesting. You know, there should have been a steering committee and you know, we review this stuff and you know, I'm hearing... what was it... overall it was 72 million or whatever it is over budget. I just... you know, have to stay if there was a steering committee overseeing this project I guess it was originally voted on in 2009. Yes, we needed a new Police headquarters and there is no doubt about that, and it looked like this was an opportunity to purchase the Canada Post Building which, you know, has... is an old enough building and, you know, everybody knew it needed renovations, but... and there is this discussion about soft costs, hard costs and so on. Well... and I noticed in this budget, when we are developing capital budgets, and we do this quite often, is we spend the soft cost money and we create a design and we initiate certain things before we come up with setting a budget, which you know really we should be voting on budgets that's a Class A estimate so that people know that we're following a good process. The process of this particular project, I think, was quite flawed right from the get-go to try to say that this is a budget so early on and vote for a budget for the renovation and doing the square footage. What should have happened here was the vote to purchase the building and the money required, the soft cost required to come up with a design so that you could come up with a Class A estimate and then City Council should vote on a budget for the project. You know, we all know that it was going to be expensive because we are talking about a major headquarters here in a growing and big city in this country of Canada and with the new needs of police services, you know, this was bound to happen. So for me, I don't know why we have to bury this. I'd like to know, you know... if there was a steering committee from the get-go, I don't know why we are getting all these wrong recommendations. You look that... you'll see that for example the Chief Peguis Trail Extension, \$1.5 million to start studying, what is the real cost there? We're not voting on what the budget is to build that road because right now we haven't the foggiest idea what that is. That's the process that should be used. I want to know what this steering committee, whether or not they are cognizant of this stuff because, for me, this is kind of the same thing as the fire hall project. You know, you weren't even down to the final design; you have a station in St. James that you know... people were thinking you're building a fire hall on a flat piece of land somewhere not in a clover leaf. You know those kind of decisions and those kind of design aspects need to be considered. So for me, I don't know why we can't get this. We are moving forward with getting the headquarters finished. I will be voting for, you know, the extra money there, but I really

have to say that there really should have been an audit of this... of the construction of this project but... and I'd like to see through the Steering Committee where the dysfunction happened and I think that Councillor Havixbeck's motion is relevant and it should have been there. So I will be voting against EPC's recommendations just to simply receive this as information 'cause we can move forward. And we do know what we are talking about soft costs, hard costs. You spend the soft costs first, make sure you have your design then you bring to Council what the total budget going to be and we vote on that. And guess what happens? You are not over budget or you are not that far over and you are not that far under. That's how it should work and that's how I'll leave it Madam Speaker.

Madam Speaker: Thank you. Councillor Gerbasi.

Councillor Gerbasi: Thank you, Madam Speaker. I think I understand the intent of this motion is to try to understand what happened with the project. But where that really belongs, I think, is in the audit that isn't happening that should be happening. I mean, you know, releasing... I mean, maybe they have this information, maybe they don't, I'm not sure how the Steering Committee worked if minutes of every meeting were kept and if they're available for 5 years, they can release them and if that even is necessarily a good idea... I don't know what's in there. There could be confidential information in there. I don't know but I think the reason that we're seeing these kind of motions and we're going to continue to have this discussion over and over again and there's probably going to be a new motion every meeting until EPC and the Mayor agree to have an audit because the audit will provide the answers; it will go through the facts. It will identify, like the fire/paramedics audit did, where the primary responsibility lies, as well as give recommendations to make changes to not make... if mistakes were made, to not make them in the future. So I think the problem with the situation is that Councillors feel we're in the dark, that things haven't been thoroughly reviewed with recommendations on how to go forward in a more positive manner. And maybe certain Councillors feel that there's no problem here and that everything's fine but I don't think that's how the public feels; I don't think that's the perception. I think we owe it to ourselves, to clear... you know, if you are convinced this project was done as it should have been done then why be afraid of an audit then... then that's what it will show. And I think that, that's the fundamental problem here and as long as we put our heads in the sands and don't do this audit we're going to have another motion every month asking for all sorts of information. I would rather have an auditor investigate all this stuff than have everything sent to, you know, The Winnipeg Sun or the Free Press to sort of have a discussion about there. I mean obviously what should be public, should be public and some of this information perhaps should be. But I'm just saying, you know, you talk about beating a dead horse and spending our time on negativity, the only way to move forward with this is to have a proper audit and I really hope that EPC and Council will consider that. You know, it's taking a real toll on our staff morale. Everyone's being tarred in a negative fashion and quite a lot of that I'm sure is probably unfair; the public is angry and it just sort of spreads to everyone... to us, as well as the administration. And it's kind of... we're all living with this because we're not taking the steps that need to be taken to put this baby to bed, so to speak. So honestly, I think it's for our own good, for the good of the staff and for everyone, to do a proper audit of this. You know, I don't know if this is a motion that makes sense and perhaps the Mayor in his answer can explain whether if this is something that's doable, to release this information, is there minutes from 5 years? I don't know, but I certainly understand the intent of the Councillors moving it... it's frustration. You know, we don't have the answers and we don't have a process in place to get the answers and to get recommendations to move forward so these kinds of projects don't end up being cast in this light and having this sort of reputation of the City put in jeopardy as well as our staff who come into work every day and are all tarred with the same brush as we are. So put an end to this and let's have an audit of this project. Thank you, Madam Speaker.

Madam Speaker: Thank you. Councillor Wyatt.

Councillor Wyatt: I thought we voted on the audit matter actually... last month. And so has Councillor Gerbasi's time to speak to that verses the motion we have before us today. And I think it's quite clear, if the Councillor and certain Councillors want to grandstand, which is what they are doing in terms of this issue, and if they want to continue grandstanding... they'll have a great opportunity later on the agenda when you can try to vote down the 17 million that we are going to have to spend in terms of Police headquarters. Just be rest assured we will probably be facing lawsuits and all sorts of fun trying to sort that project out if that is actually voted down and the money not earmarked. I can see it. You know, I guess, you know, it is definitely the funny season, or the beginning of the funny season, where we see this grand standing going on, on this issue. The only reason the public, and Councillor Gerbasi is definitely doing her best to whip up public sentiment both against the public service, against doing this project and getting it done; and against the Mayor in her own political agenda, to be able to send the message which is to simply say this Mayor should be defeated and that's her goal. That's really what it's all about. And...

Councillor Gerbasi: Point of privilege... (inaudible) comment about my motivation. I'd like that removed please.

Madam Speaker: Councillor Wyatt, can you stick to the item please?

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Councillor Wyatt: I will stick to the item, thank you Madam Speaker. But, you know, the reality is, an audit... I find ironic that those who often criticize us for doing operational reviews that cost hundreds of thousands of dollars, now want us to undertake an audit that will probably cost millions because of the size and scale of this project and probably come up with the same sort of recommendations or the same findings that was found in the fire hall audit. So we can go down this road, Councillor Gerbasi... Council debated it last month. The reality is you are going to be spending millions and putting good money after bad. The motion before us is simply grand standing on a huge scale. If the.. if Councillor Havixbeck has lost confidence with our senior administration, which is what she is implying with this motion, put a motion forward to demand the resignation of the CAO... the Interim Acting CAO because that's what she is actually going and that's what you're doing by supporting this. And so if that is the intent, then put your money where your mouth is and actually call for that because that is exactly what this is all about. It's an attack on the senior management of the City that we've now put in place to try to sort this matter out. It's an attack on those who are trying to get the job done and it's to sort of (inaudible) it out. Who made the recommendation of this Council for the last CAO? Who was on EPC, who made that recommendation? The same person who is moving this motion. The grandstanding that's going on here is the best grandstanding I've seen in years. The best grand standing I've seen in years. And it's shameful and I have never... and I've never gotten up and made a speech like this in recent memory but I've had it with regards to this. This is ridiculous. I've never seen anything like this and if you want to demand and throw in the doubt, your confidence in the CAO... It's not a joke, Councillor Havixbeck, I'm speaking directly to you,

Madam Speaker: Councillor Wyatt.

Councillor Wyatt: Then move a motion on the floor now and call for the resignation of the Interim Acting CAO, if that's what this is all about. Because that's what you're basically doing...

Madam Speaker: Councillor Wyatt.

Councillor Wyatt: Councillor Havixbeck, by bringing this nonsense forward.

Madam Speaker: I want to remind everyone your comments will be brought through the Speaker. Councillor Smith you have the floor.

Councillor Smith: Yes, Mr. Speaker, I support Councillor Swandel and Councillor Wyatt's attempt to go ahead and bury the head... our head in the sand on this issue. You know, it's a tradition of this present Council to bury their head in the sand on important issues. We should have an audit pure and simple but I would suggest to you that Councillor Wyatt and Councillor Swandel want to continue the tradition of burying our head in the sands and I think we should do that.

Madam Speaker: I see no further speakers.

Madam Speaker: Mayor Katz to close.

Mayor Katz: Thank you, Madam Speaker. I'll try and bring it down a notch or two. I attended...I chair the EPC Committee. There were several questions put forward by Councillor Havixbeck. I wrote them all out; I asked the administration to come forward; have the CFO there; had representation from the Winnipeg Police Service; had the engineers there, asked every question and they answered them. And in the end, the conclusion was quite simple. Okay? Yes, the drawings were not complete, yes they were drawings that did not comply with code and yes we got value for money at \$293 per square foot versus the others and there are also comparisons that I brought up in Los Angeles and in other cities. That to us is key... did we get value for taxpayer dollars? You know, with this specific motion I'm not going to try and guess what the purpose of it is, okay. There's no question that every time you bring it up as Councillor Gerbasi said, that does do damage to our administration and everybody who works for the City of Winnipeg and I think that's unfortunate. I also think many of the comments that have been made in the past are very unfortunate. When you make atrocious comments, you know, the media loves that kind of stuff so you can expect it to get headlines and they are just doing their job but there's people here who are creating that. But let's just look at some facts. God, let's see where should we begin. Let me start with July the 14th of 2011. "Over-expenditure authorization for the redevelopment of the Winnipeg Police service headquarters being increased to \$162 million". First of all it went to Downtown Development, Councillor Gerbasi did support it... it was supported unanimously at the Committee. It then went to Council, Madam Speaker. Guess what, at Council, every single person who just spoke, they all supported it. It was supported unanimously. Everybody here was part of this. You can run and hide and point the finger at someone else or you can accept responsibility; identify the mistakes. It was yours truly on so many occasions who has stood up on this floor and said, "I don't want to be an ostrich and bury my head in the sand and pretend nothing good or bad is going on". We have to identify it. We identified the problems. We asked the questions and this Council unanimously, Madam Speaker, supported it. That's just a fact. So you know, let's look and see what we have. Everybody wants to talk about things. Just recently, we completed the East Yards, on time, on budget, approximately \$43 million. You think you hear anything

wonderful about the great job that our City administration did? You won't hear anything about that. Bad stories get more coverage than good stories. The reality is this was not a good story. We went over budget. There were mistakes made, questions have been asked, answers have been gotten. I think it is time... And the most telling fact was when Constable Benoit, who was part of this right from the beginning, representing the Winnipeg Police Service, talked about the wonderful benefits of this new facility; how we can now comply with federal and provincial regulations which we couldn't before. The impact it will have on the men and the women of the WPS. We have something we should be proud of; it will have a long life. Guess what, it went over budget. That's a fact. It went over budget. We also know why it went over budget. It was also approved by Council. I can sit here and list off and I have in the past, the number of projects that have gone over budget. Either done by the City, the Main Street Bridge, Esplanade Riel, provincial projects, the Floodway, a beautiful facility downtown Manitoba Hydro. Were there scandals there? Was there incompetence? Was there mismanagement? You know, I think the realities are, we are all part of the problem; we're all part of the solution. This one Council has dealt with. We will continue to deal with it here today and I think it's time to close the book, get it completed, now that we gotten the answers and move forward. Thank you.

Madam Speaker: Thank you, I'll call for the vote. All those in favour? All those opposed? Recorded vote. All those in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Katz. Councillors Browaty, Gerbasi, Mayes, Nordman, Pagtakhan, Steen, Swandel, Vandal, Wyatt, Madam Speaker Councillor Sharma.

Nays

Councillors Eadie, Fielding, Havixbeck, Orlikow, Smith.

City Clerk: The vote, Madam Speaker, yeas 11, nays 5.

Madam Speaker: Motion carried, or item carried... pardon me. Mr. Mayor on the report of EPC dated December 4th.

**REPORT OF THE
EXECUTIVE POLICY COMMITTEE
DATED DECEMBER 4, 2013**

Mayor Katz: Thank you, Madam Speaker. I'd like to introduce the report and move adoption of consent agenda items 1 to 6.

Madam Speaker: We have a motion on item one.

Councillor Eadie: Six.

Madam Speaker: What are we pulling? Councillor Gerbasi?

Councillor Gerbasi: Six please.

Madam Speaker: I will call the question on items two through five. All those in favour? Contrary? Carried.

Item 1 – Committees, Boards and Commissions – Citizen Member Appointments

Madam Speaker: Okay, Mr. Mayor to introduce the item.

Mayor Katz: Thank you, Madam Speaker, I believe this was... we had to make a change to a city rep who would sit on the Board. We have someone from legal who actually, it's the same individual that it appears is providing all of the legal

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work for the City in conjunction with the Convention Centre. He is a great candidate. I hoping they could work something out but it appears they aren't able to so this would be a change to have Dave Wardrop represent the City of Winnipeg as opposed to the original candidate.

Madam Speaker: Councillor Nordman to introduce the motion.

Motion No. 1

Moved by Councillor Nordman,
 Seconded by Councillor Fielding,

THAT Recommendation 15.B of Item 1 of the Report of Executive Policy Committee dated December 4, 2013 dealing with the City of Winnipeg Representative to the Winnipeg Convention Center Corporation Board of Directors be amended by replacing the name "Krista Boryskavich" with the name "Dave Wardrop" as follows:

15. B. *That the following City of Winnipeg Representative be appointed to the Winnipeg Convention Center Corporation Board of Directors for a 2-year term to expire December 31, 2015:*

Dave Wardrop

Councillor Nordman: Thank you Madam Speaker. Yeah, it's pretty straight forward and we would like to nominate Mr. Wardrop to represent the City on the Convention Centre.

Madam Speaker: Excellent. Any further discussion? Councillor Nordman, would you like to close on the motion?

Councillor Nordman: Ditto.

Madam Speaker: And Mr. Mayor would you like to close on the motion? Okay, I will call the question then. All those in favour? Contrary? Carried.

Item 6 – Office of Ethics Commissioner

Madam Speaker: Mr. Mayor.

Mayor Katz: Thank you very much, Madam Speaker. As you know, this is something that has been discussed for quite a while on several occasions. I have been told by our staff that we do not have the power or the authority to do what has to be done. I've written letters to the Provincial government a few years ago; the response was we have that power and authority. I wrote another one just recently and I got back the same response. So, this time, Madam Speaker I actually decided it was time to go outside and get a legal opinion, which is what I have done and I'm just going to read something here very quickly on this, which will basically, unfortunately, contradict what one of the delegations said earlier. In 1994 Winnipeg City Council passed a by-law for the Code of Conduct for Members of Council. That Members code set out guiding principles to avoid conflict of interest and it was intended to supplement existing federal and provincial conflict of interest legislation. The Members code directed by the City Ombudsman as the appropriate officer to investigate complaints of improper conduct of Councillors but it did not set out any powers or procedures for the Ombudsman to investigate complaints. The Members code also did not provide the Ombudsman any authority to provide oral or written advice on questions of conflict of code matters or report to Council on investigations and recommending subsequent actions and sanctions as required. The Council resolution included a request from the Province of Manitoba enact legislation to give the City the legislative authority to establish by by-law more stringent and additional standard of conduct with respect to the duties set forth in the Municipal Conflict of Interest Act and to impose penalties for the breach of those standards. The Province of Manitoba did not introduce such amendments to the City of Winnipeg Act and the Office of City Ombudsman does not exist under the Charter which the Province revised in 2002. I will continue just reading one other excerpt which i think is really important. The question is: whether Council could pass a by-law that would provide it with the same powers to investigate as the City Auditor or Provincial Ombudsman. Answer: it is our opinion that the City does not have the authority to introduce broad investigative powers as set out in part 5 of the Manitoba Evidence Act, as that may be only done by the Provincial Legislature which is why this motion has come forward, asking the Province... and this is a very well established, qualified, independent firm that works in the City of Winnipeg. And so, Madam Speaker, I hope that everybody believes we should move forward on this and get it done and

if it's approved today it would go back to the Province. I also took the liberty yesterday of contacting Minister Chief and making him aware of the fact that we do have independent, outside counsel verifying what many of us here on the floor believe, as well as our own legal department, but this time it's outside counsel.

Madam Speaker: Thank you. Councillor Gerbasi.

Councillor Gerbasi: Thank you, Madam Speaker and I'd like to thank the Mayor for getting that opinion. We already had that opinion from our own legal and advice from our City Clerk's. It's unfortunate that there has been this... I don't know if it's a communication gap or whatever it is but I think it's very, very clear what the problem is and I think the problem has been made more apparent in the last few days because one of the things... if we had an Ethics Commissioner in place where there were issues, there would be a place to go to deal with elected... we are not only talking about criminal behaviour or official conflict of interest type of behaviour. We're talking about respectful work place issues, things like that. We have no way of dealing with those. I mean, look at what happened in Toronto and other places. There is... we don't have an Ethics Commissioner go-to, if there's issues with elected officials, how they either treat each other or treat staff. And we've already seen that in the media in the last few days where there is no recourse to deal with bullying that comes from Councillors. We see it frequently... comments that insult the entire civic service inappropriately... words do matter. It's one thing to talk about auditing a project; it's another thing to say everyone in the... whatever... blaming people and using words, as we have seen from the atheist infidel comment, words matter. Some words are more offensive than others and some words are more disrespectful and you're saying something else. So, we have seen this and if a Councillor right now says something and I'm not just pointing to that, there's other examples in the last few days, we have been reading about of impugning the ethics of our civil service who can't defend themselves in public, who can't say anything back. They are people with families and their names get mentioned. There's no process for this. All that can be done is somebody, either the Speaker or the Clerk or the CAO or somebody can try to let the person know that they don't think what they did was respectful and that really turned out well, didn't it? So I mean the fact is, there isn't anything. You can ask somebody as a Councillor, did you do something wrong? And they can just say, Sorry I don't want to talk to you now. Because there's no investigative authority, there's no sanctions, there is nothing anyone can do and that's the power that the Mayor outlined in the legal opinion, which is the same opinion we've had all along but nobody seems to believe our own opinion, so we've got to get another opinion. But I'm saying, like in 2009, this Council voted to ask the Province to give us this authority. So, nothing has changed, we don't have that authority and, you know, I hope the Province will listen. I have been raising it with them and I intend to continue to work on this, myself, with our colleagues there. I'm assuming that, you know, they haven't got down to the nitty-gritty of the details and they don't understand. I myself looked at the Charter provisions that the Province talked about as being, "Oh you can do this", and we can't. You know, there is one section where they talked about we could have a Councillor removed from office. Well that's only if they are convicted in a court of a criminal offence. I mean, it doesn't apply to the issues we're dealing with on a day to day basis with enforcing issues around code of conduct or respectful work place. The issue of conflict of interest as well, you know, it's difficult to get things investigated, to get to the bottom of anything. So I appreciate that this has come back. Council supported this in a majority, in 2009, and I hope the Province will listen because I think part of the problem we're having, we don't have the means to deal with and we've reading about it in the news the last few days. And I think our morale of our staff is not very high right now. And you know, I think it's one thing... you know, there was some talk earlier about accusations of grandstanding and this and that. When I asked for an audit, I'm asking for a proper process and I try to... I believe I do it in a respectful manner and I think that's what we should be doing. We should be calling for accountability to each other and to our administration in a respectful manner; not going laying blame to everyone in general or going too far with our words and impugning motivations that aren't there. And I think, we do need a respectful work place. We do have a respectful work place policy but it's just basically an honour system. If somebody doesn't do it, there's nothing that can be done to sanction them anyway. So I really thank the Mayor for bringing this forward again and I hope that Council will support it. Thank you.

Madam Speaker: Thank you. Councillor Eadie.

Councillor Eadie: Yes, thank you Madam Speaker. In reading this recommendation from the Mayor and EPC... I'm reading through this and I hope that my understanding is... it's pretty clear. We can establish the ethics person and enter into whatever contractual obligation we need to and I think that there are a number of responsibilities for that Ethics Commissioner or ethics person if you want to call them that. That they can actually do a number of pieces of work without having to utilize investigative powers which is one aspect of... what... which is an aspect of what we're asking of this person that's being established. But I would bring to your attention, we recently had some amendments to the Employee Code of Conduct and one of the things I promised you was that this Council meeting I was going to bring a motion to amend that Employee Code of Conduct to make it very clear that employees working in industry directly related to what they do for the City is a conflict and it should be made very clear. There is a clause that sort of describes it but you know what? You have to be a pretty highly qualified lawyer to understand what it's trying to say. So when those employees are reviewing it, it's not absolutely clear but if we had a clause in there, this could do that. And so I'm hoping... and it sounds like we don't have to wait for the Province to give us investigative powers in our Charter, which I

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agree. They do need to put it in our charter and they're the ones who amend our charter not us. It would be nice if we could just amend it ourselves but we can't and so, we have to get the Province to do that. But I see that this ethics commissioner/person could be undertaking some things. And it's not quite sure... It does say a Councillor could ask a question so I'm hoping I can forward my proposed motion to amend the Employees Code of Conduct to have it evaluated by this ethics person who could then make a recommendation as to whether it should be described in the body of what constitutes a conflict or else it could be described in the section that talks about the undergoing of investigation, or describing what will be the outcomes once its researched by whoever the qualified person is. And as I read it, it says that this ethics commissioner is making recommendations because in the Employees Code of Conduct it's very clear who has responsibilities for making decisions so this person would be providing recommendations to the person making a decision. But, so I'm hoping that one of the first duties of this ethics person will be looking at this motion that I'm proposing to the Employee Code of Conduct. So I thank EPC and the Mayor for moving this forward. I think this is progress. Whether or not they have teeth, we had a presenter that talked about whether you privately bring in an ethics commissioner, or bring in an ethics person. And I know parliament the ethics person has been kind of ignored at times on certain aspects or certain issues but ultimately, I think that it's good to have an external person that is quite capable of dealing with ethics, dealing with Councillor conflicts, dealing with employee... statutory officers and employee... difficult employee issues because they're not easy things to solve. And you know, it's kind of hard when you've worked with somebody for many years to make a decision to say, well you know, either you leave employment or you do this, or you do that. And so I think it's very important to have that external person involved, so I will be supporting this motion and thanks to the Mayor and EPC.

Madam Speaker: Thank you Councillor Eadie. Councillor Fielding.

Councillor Fielding: Sure, well I too will be supporting the motion brought by... forward by Executive Policy Committee and the Mayor. Thank you very much. There is this... as Councillor Gerbasi mentioned, this was an issue that has been talked about, I think since 2009. I did support it at that point, the motion going forward. I think... you know let's face facts, there has been a... I don't want to say a breach of trust, but people are concerned of everything that's been going on at City Hall in terms of the fire hall audits and everything else that's there. I think this is one small measure that can bring some faith back to our citizens. I think going forward, there is a number of accountability of pieces that City Hall really needs to engage in and that's not a partisan, whichever way you are voting on budgets and what listing of groups you're on. But I think it's something that impacts all politicians in this chamber and elsewhere. And the Ethics Commissioner, I think it's something that's there. We can figure out from the Provincial piece of whether we have the authority or we not but it's incorporated into the budget and makes a lot of sense going forward. I think there's a number of other measures that we can do to get the accountability back and trust of our citizens back. Over the next number of months whether you look at whistle blower protection, whether you look at lobbyist registry. I have been a big proponent of referendum on big, major capital projects whether it be rapid transit or what have you, spending a big chunk of change on it that have our citizens have a say in it. And also this is not necessarily related to the ethics and the accountability but I think it goes towards that. Whether we look at some models, like treasury board model, where you are not just tracking money at City Hall, (inaudible) money right at the initial end, but you're tracking money more importantly as it's flowing out. So at least at the end of the day there's a political component to it and political people have a say and you can't stand up and say you know we didn't know about that as well because I think it's important for it. So I do appreciate this from Executive Policy Committee. I will very much be supporting this in any way you can, if there's any other measures we can talk about accountability and transparency at City Hall. I think it's the best time to do it right now and I don't think it's too late for our citizens to regain trust in it. And so this is the first step, so very much supportive of it. Thank you.

Madam Speaker: Thank you. Mayor Katz to close.

Mayor Katz: Thank you Madam Speaker. I certainly hope this will be passed unanimously, I think that will make a major statement to the Provincial Government. I also hope that we can have dialogue with them so if they need explanation I'd be happy to have the lawyers communicate with them and explain why someone gave them the wrong impression but I think it will be nice to get this done once and for all. So I hope this does pass unanimously.

Madam Speaker: I'll call for the vote. All those in favour? Contrary? Carried unanimously. Thank you. Mr. Mayor we have a walk-on report from the meeting of EPC which took place this morning. Councillors, there are paper copies of this report on your desks. Mr. Mayor, do we have a motion to deal with?

**REPORT OF THE
EXECUTIVE POLICY COMMITTEE
DATED DECEMBER 11, 2013**

Mayor Katz: Yes, I'd like to move that rule be suspended and that report of Executive Policy Committee, dated December 11, 2013, be considered.

Madam Speaker: All those in favour? Report dated December 11th. The thicker one.

Councillor Eadie: Are we just voting (inaudible)? We're suspending the rules to consider each report?

Madam Speaker: Yes. Okay, all those in favour? Contrary? Carried. We'll deal with each item one at a time.

Item 1 – Winnipeg Civic Employees' Benefits Program, Board of Trustees – Appointments

Mayor Katz: Can't say aye until I introduce it. I move that item one be adopted, Madam Speaker.

Madam Speaker: All those in favour? Contrary? Carried.

Item 2 – Animal Services Special Operating Agency – 2014-2016 Business Plan (Selection Report)

Mayor Katz: I move that item two be adopted.

Madam Speaker: All those in favour? Contrary? Carried.

Item 3 – Winnipeg Police Service Endowment Fund By-law – MOU with the Winnipeg Foundation

Mayor Katz: I move that item three be adopted.

Madam Speaker: All those in favour? Contrary? Carried.

Item 4 – Winnipeg Police Pension Fund Letter of Credit

Mayor Katz: I move that item four be adopted.

Madam Speaker: All those in favour? Contrary? Carried.

Item 5 – Vacant Buildings, Taking Title to Vacant and Derelict Buildings, Neighbourhood Liveability, and Zoning By-laws – 2012 and 2013 Performance Measurement Report

Mayor Katz: I move item five be adopted.

Madam Speaker: All those in favour? We have a few speakers, do we? Councillor Eadie followed by Councillor Mayes.

Councillor Eadie: Yes, Madam Speaker, I'm in full support of this report. It's an excellent report. What I don't understand is... is it because of timing? This report, the previous year, came through Protection and Community Services. Low and behold, I see an announcement and it pops up and I know that by-law enforcement is doing an excellent job in trying to achieve the goals, that those... the Neighbourhood Liveability By-law and the Vacant and Derelict Building By-laws but I'm really like... I would love to have caught this at PCS so I could ask some questions and explore it a bit more, but it's very clear. It's that they're having great success. They're working in neighbourhoods within

my ward and within other people's wards, trying to make the streets look quite well. One of the things missing in this report and I pointed out, while the resident's associations are working quite closely with by-law enforcement to make sure that neighbourhood liveability qualifications are up there and vacant derelict building issues are dealt with. The Selkirk Avenue BIZ has played a role as an organization in these particular Dufferin and William Whyte neighbourhoods and spent a lot of time helping actually some seniors meet neighbourhood liveability by cutting their grass; making sure that the private property is cleaned of garbage and making sure that their cut grass... These are things that the Selkirk Avenue BIZ street maintenance crew were helping out throughout the summer. And so, I think that everybody working with by-law enforcement, we are seeing a great improvement. I was hearing from people in late summer, how good they thought that the North End was looking because in the spring I was getting calls about people were... just totally lost hope for the North End and they've seen how things were really improving and moving forth and so this report is good. And you know, there are still a lot of vacant, derelict buildings throughout the City and I'm quite confident that eventually we're going to get them down to as low as possible and with... Actually, I think the City has some direction with by-law enforcement on topic. What could help though is if the City put more money into various housing projects that help people who can't afford to fix up their homes to make them look better. So that there was more funds available for them to improve the value actually of those houses and move the assessments up again which is an important City aspect to remember about our housing stock in the city. So anyway, it's great to see this report and I was only concerned that it didn't come to Protection and Community Services first. I don't know why it had to come to EPC at a special meeting. Thanks.

Madam Speaker: Councillor Mayes.

Councillor Mayes: Thank you Madam Speaker. Councillor Eadie and I alternately praise or criticize each other. Here I'm praising him. He did email me last night and said you know, you are the new Chair of PCS. Why did this item not come for PCS? And I said I was not aware it ever came to PCS in the past. Councillor Eadie sent me a very long email indicating some of the issues that he raised here today. So I had hoped to flag that at EPC this morning and failed to, so I apologize to Councillor Eadie for that. But what... certainly as the Chair I think Councillor Eadie has raised a number of concerns, a number of issues that he wanted to talk to at the committee. It is a good news item; progress is being made. So I'm wondering if procedurally, if the Clerk or others can advise if there is some way of having this come back to PCS. As I understand it has in the past, certainly before I was Chair and it can be talked to at that point. Perhaps there isn't but so then I wanted to highlight that Councillor Eadie didn't just bring this up this morning, he did raise this as soon as when this report was made public and indicated it's been an issue of concern to him and to the residents of his ward.

Madam Speaker: Are there any other speakers on the matter? Mayor Katz.

Mayor Katz: Madam Speaker first of all, I appreciate the comments that have been made. I very much echo what Councillor Eadie has said. I mean the realities are, we are making great progress and giving hope to a lot of our citizens. The number of derelict buildings has declined significantly since we've gone in there. Neighbourhoods are looking much better. You know, there's no question, we still have lots of work to do but this has been a great beginning. I'm not... I'm not aware of why this came late, to be very frank with you. I understand the point that's been made both by the Chair and by Councillor Eadie. You know, it could be referred back. I don't know the time sensitivity. I certainly would be more than happy to speak to the Department and get an answer which I'm sure between myself and the Chair we can get that answer and give it to the Councillor. If the Councillor wants to insist that it be referred, you know, I'll maintain an open mind. I just don't know if we could accomplish anything. But you know, if we're all happy with what's going on we can move this forward and then I can assure the Councillor that I'll find out exactly why this came at the late date, because I don't know why.

Madam Speaker: Yeah. Call for the question. All those in favour? Contrary? Carried.

Item 6 – OurWinnipeg Plan Amendment – PW 1/2013

Mayor Katz: I'll move that item six be adopted.

Madam Speaker: All those in favour? Contrary? Carried.

Item 7 – Extension of Loan Guarantee Increase - CentreVenture Development Corporation

Mayor Katz: I will move that item seven be adopted.

Madam Speaker: Mr. Mayor we have some speakers. Could you introduce the item, please?

Mayor Katz: Absolutely. This has to do with the CentreVenture, the acquisition of the property to build the hotel on. Right now I can tell you they are working on a potential deal. When they originally did it, the deadline, or the term, they gave themselves until December 31st. Obviously they're going to need a little bit more time. So they've asked for an extension. I'll listen to what has to be said and I'll respond after that as well.

Madam Speaker: Thank you, Councillor Havixbeck.

Councillor Havixbeck: Thank you, Madam Speaker. I just wanted to raise one point... as I was reading the report... that perhaps the Mayor could clarify in his comments. The policy as of 1992 on page six, item I says that the request by CentreVenture does not meet these criteria. So in essence in approving this loan guarantee we are waiving then, this criteria. Specifically, the City has been asked to guarantee should not represent more than 50 percent. So it's more than 50 percent of the total funding of the project I take it. I just wanted clarification and some assurance of the confidence level in the project.

Madam Speaker: Councillor Fielding. Okay, back to you Mayor Katz.

Mayor Katz: Thank you. The amount of money we are talking about here is \$6.6 million, which was the amount that was used for the acquisition of the land. A hotel will be built there. And just for clarification, the developer Stuart Olson, who is now building the Convention Centre, one of the criteria was that if a hotel is not built, they have to make a contribution of \$16.6 million which would be the money from incremental taxes we would have gotten which would go to the Convention Centre for their share of the investment they have to make. So we're covered on that because we have actually that, we withhold that payment from the contractor. So I'm not sure specifically, but I know we do have the authority to basically extend the time parameters which is what we're looking for. I can tell all of Council that there is very concrete dialogue going on to develop the hotel. My understanding is that the hotel development may not take the entire piece of land which actually could be perceived as a plus because with an expanded Convention Centre with a brand new hotel the value of that property should be more obviously. So, That's the facts as I know them right now.

Madam Speaker: Thank you. All those in favour of item seven? Contrary? Carried. We have no motions so we'll go... move on to by-laws under EPC. Mayor Katz.

EXECUTIVE POLICY COMMITTEE CONSIDERATION OF BY-LAWS

Mayor Katz: I'll move By-law No. 12/2013 be read a 1st time.

Councillor Eadie: Can I ask a question?

Madam Speaker: Councillor Eadie.

Councillor Eadie: This morning's special EPC meeting had items one through nine.

Madam Speaker: We'll move on to walk-on by-laws after. Is that your question?

Councillor Eadie: Report number nine was about density in neighbourhoods and I thought it was...

Madam Speaker: We only have seven items that were walked on.

Councillor Eadie: Oh it just ended? Okay, great. Thank you.

Madam Speaker: Good. Yes, he's got the answer. On to by-laws Madam Clerk.

Clerk: By-law No. 121/2013.

Madam Speaker: Mr. Mayor would you like to start with the by-laws again?

Mayor Katz: Sure. I'll move that By-law No. 121/2013 be read a first time.

Madam Speaker: All those in favour? Contrary? Carried.

Clerk: By-law no. 121/2013.

Madam Speaker: Next set of by-laws Mr. Mayor.

Mayor Katz: I move the following By-laws be read a first time 136/2013 and 137/2013.

Madam Speaker: All those in favour? Contrary? Carried.

Clerk: By-law No. 136/2013, By-law No. 137/2013.

Mayor Katz: I will move By-laws numbered 136/2013 and 137/2013 be read a second time.

Madam Speaker: All those in favour? Contrary? Carried.

Clerk: By-laws number 136/2013 and 137/2013.

Mayor Katz: I will move...hang on. My computer just went down, sorry. Yeah. I'll move that the rule be suspended and By-laws numbered 136/2013 and 137/2013, be read a third time and that same be passed in order to be signed and sealed.

Madam Speaker: All those in favour? Contrary? Carried. We now have walk on by-laws Mr. Mayor.

Mayor Katz: I'll move the rule be suspended and By-law no. 130/2013 be read a first time.

Madam Speaker: All those in favour? Contrary? Carried.

Clerk: By-law No. 130/2013.

Mayor Katz: And I'll move the rule be suspended and By-law no. 138/2013 be read a first time.

Madam Speaker: All those in favour? Contrary? Carried.

Clerk: by-law no. 138/2013.

Mayor Katz: I'll move that By-law no. 138/2013 be read a second time.

Madam Speaker: All those in favour? Contrary? Carried.

Clerk: By-law no. 138/2013.

Mayor Katz: And I'll move that the rule be suspended and By-law no. 138/2013 be read a third time and that same be passed in order to be signed and sealed.

Madam Speaker: All those in favour? Contrary? Carried. We have one motion that's an automatic referral, that's motion number two. Now we'll move on to question period for the Mayor. Good I don't see any hands up. No question period for the Mayor?

Madam Speaker: Can I... yes?

Mayor Katz: If I may because it will come up later on but on the motion that's automatic referral I believe what they are trying to say is the 200th anniversary of his birth so they might just want to look at that and clarify that.

Mayor Katz: Of his birth.

Madam Speaker: It says of the passing currently Councillor.

Mayor Katz: Yeah, that's not correct.

Councillor Havixbeck: It's the anniversary of.

Mayor Katz: It's the anniversary of his birth.

Madam Speaker: Do you want to amend this Mr. Clerk?

Mayor Katz: You can leave it till later. Just pointing it out.

Madam Speaker: Questions for the Mayor. Councillor Orlikow.

EXECUTIVE POLICY COMMITTEE
QUESTION PERIOD

Councillor Orlikow: Mr. Mayor, just a quick question. I only have one today. I have others but it's okay. But my single question is two months ago Council passed a motion regarding fire halls to release all documents that EPC had received regarding the fire halls. To this date I've received nothing. It hasn't been...we have the Stantec report regarding the Portage fire hall. There may be other reports. Can you give me any update why we haven't received anything to this date?

Mayor Katz: The update that I'm happy to give the Councillor is that I'm aware of what he's talking about and I know that he should and all members of Council should have received that, and during our lunch break, I will make a phone call to make sure that is done because it should have already been done. Pleasure.

Madam Speaker: Any further questions? Councillor Havixbeck.

Councillor Havixbeck: Thank you Madam Speaker. With regard to the police headquarters' overruns, the Mayor supported...or voted against having any kind of an audit on it at our last meeting and he had his reasons. Is he satisfied with the explanations provided thus far of the cost overruns of nearly 60 percent?

Mayor Katz: Madam Speaker, through you to the Councillor, I don't think any member of Council should be satisfied with cost overruns. I think it's extremely important for us to know why there were cost overruns and to get the answers. At the last meeting where I know Councillor Havixbeck was present, we asked the questions and we got the answers in detail from the engineer, from Constable Benoit and from the CFO and I think EPC accepted those answers to all the questions. Thank you.

Madam Speaker: Second question.

Councillor Havixbeck: Yes. Thank you Madam Speaker. There were two questions left unanswered at our last meeting, so I'll start with one. Was the Mayor aware at the time of contract being awarded that the public service had reduced the amount of the allowable security bond?

Mayor Katz: Mr. Speaker I think they're referring to the...I think the Councillor is referring to the surety bond, and what I can tell you is that in dialogue with the administration, it became very apparent that if they lowered the surety bond, they would get more competition, which I think everybody believes more competition is a good thing, and on top of that that the City was at no risk, so I did ask those questions and that was the answer and I'm happy to share that.

Madam Speaker: Thank you. Anything further Councillor Havixbeck?

Councillor Havixbeck: Thank you Madam Speaker. The second question or my last question when I appeared in delegation that was not answered and I am going to re-ask it now, is will the Mayor tell us whether he specifically, either personally or in any of his business dealings, has any business dealings with any of the relationships with the contractors, subcontractors or owners of those involved in the police headquarters? And for example...

Madam Speaker: Councillor Havixbeck that would be declared in documentation that we need to provide to the Clerk every year. Right? That question is out of order.

Councillor Havixbeck: Okay.

Madam Speaker: Any further questions?

Councillor Havixbeck: Oh I have many more, yes. Could the Mayor tell us the status of the current Public Safety Building and its parkade?

Mayor Katz: Through you to the Councillor, I am of the opinion that everybody should be aware of that as soon as the new police headquarters is complete, we will start making the move into there. That's projected to be the beginning of June. Once it's vacated there is the hope that we may be able to have our type of campus approach and have one of our departments potentially move in there. As I can also tell you, because of the situation, if it's used for office space verses police headquarters, the criteria on what had to be done as far as cladding, etc., changes drastically. As far as the underground parkade, my understanding is that I don't think it has a long life at this stage of the game. As you know it was shut down over a year ago and we are in the process of actually determining all the intricacies that go on there. In those days, they built different ways. There's many connections for heating, etc., in there, but I believe personally, and this hasn't been decided, that you know, once we determine all that we'll probably go out for an EOI or an RFP. It would be knocked down and hopefully you might see residential, you might see commercial, you might see a parkade, you might see a combination of all three. So that is to be determined in the future.

Madam Speaker: Thank you. Councillor Nordman.

Councillor Nordman: Thank you Madam Speaker. It's my pleasure to rise and ask a question through you to the Mayor. On December the 4th, a scribe from one of the local dailies put forward the proposition that we should be entertaining the thought of Unicity 2.0 and that Winnipeg should be expanding its boundaries. I ask on behalf of my colleagues in the partnership of the Manitoba Capital Region if there's any truth or seed of an idea here that the City has embraced?

Mayor Katz: Madam Speaker, through you to the Councillor, I think it's obvious that any member of the media or any member of Council or any citizen can have an opinion, and I assume they speak for themselves. I believe that everybody here on the floor of council is very much aware of the fact that you can talk about that type of scenario. You can give your opinion, pro or con, but the facts are it's like talking to the wall because it means nothing. The only level of government that has any say in that basically is the Provincial Government. So let's all be very clear on that. The City has no authority whatsoever. It's the Provincial Government that does that. That's number one. Number two, I will say through you to Councillor Nordman, there was a time when we were trying to address the issue of water and waste to Rosser regarding Centreport where the idea came up for that piece of land, just that piece of land's going to be developed, to be part of the City because that way we could have provided the water. As you know now that's not the case and I don't know, 20, 30, \$40 million would have to be spent by others to accommodate that, but I can assure you, I don't think you've ever heard that from me. I can tell you right now that I do believe I've heard on this floor, there are many who believe that any land within the perimeter should be part of the City. There are people who believe some land outside the perimeter should be part of the City. There are those who basically are not very happy with potential developments on our borders, etc., but I think everybody here knows the rules are clear and simple. You need provincial authority to do that. End of story. So no, I will not be bringing anything forward.

Madam Speaker: Thank you. Councillor Nordman anything further? Any other questions for the Mayor? Councillor Havixbeck.

Councillor Havixbeck: Thank you Madam Speaker. Can the Mayor tell us when the property real estate audit will be coming forward?

Mayor Katz: Madam Speaker, I can basically give the same answer to the Councillor through you because she's already asked the auditor and he told her within a couple of months although she said it would be within a week. That was wrong. It's a couple of months, and I have heard no change on that. I don't know about the other members of Council but I know recently, I myself was basically interviewed as part of their process. So I assume unless the auditor says different, the answer is the same which the Councillor has already been told.

Madam Speaker: Thank you. Councillor Havixbeck.

Councillor Havixbeck: Thank you Madam Speaker. Further to my question about the old Public Safety Building or the current one that we have, has any report been done more recently to determine how much it would cost to re clad? My understanding was that a large part of the cost was due to moving police which have unique security needs, of course, in being relocated even temporarily. Does the Mayor have any update on that information?

Mayor Katz: The only thing that I can share with all members of Council is that because of the security of the police building, any type of recladding would be significantly less than what was done, what they were looking at for the police

headquarters. I can give an example of how the Winnipeg Convention Centre was recladded at a small percentage of the kind of numbers that we were looking at. I have not seen or been informed of any specific numbers at this stage of the game.

Madam Speaker: Thank you. Third question Councillor Havixbeck?

Councillor Havixbeck: Thank you Madam Speaker. On November 15th, all of Council received an e-mail from the former Fire Paramedic Chief. Can the Mayor tell us whether any consideration has been done with the contents of his e-mail?

Madam Speaker: Mr. Mayor. That's a personnel matter. So we will...

Mayor Katz: The Councillor should know Madam Speaker that that's human resources and personnel and I don't know why she would ask me. I know that he is a very good friend of hers. Maybe she could talk about it.

Madam Speaker: Thank you. Councillor Gerbasi and then Councillor Orlikow.

Councillor Gerbasi: Thank you Madam Speaker. My question has to do with some comments that were made I guess at an EPC meeting...I wasn't able to be there...regarding the Sherbrook Pool, and I know we're having the budget discussion next week and so on, but there's been a lot of community...the community's been mobilized to fight for this pool, and the comments that the Mayor made led people to believe that he was saying that the pool was going to be saved, at least that he wanted it to be. I was just trying to get some clarity on his intentions, or is that just simply his opinion that he would be supportive of that or is he sending a message to all the people that are not just in the Daniel McIntyre Ward of course, a lot there, but many other wards that where we have people who use the Sherbrook Pool or would like to use it. Again, is that what is going to happen? Can we go and tell our people they can relax? That their pool is going to be open now or is this just something that the Mayor wishes to see happen?

Madam Speaker: Mr. Mayor?

Mayor Katz: Madam Speaker, I did send my letter to Santa and hopefully he'll grant me my wish, but on a very serious note, I do thank Councillor Gerbasi through you for asking me that question so I can clarify exactly. First of all, what I specifically stated to the media is there is a consultation process taking place and that has to finish. We have heard second hand or third hand that it appears that the residents want that pool re-opened. And if that is the conclusion of our consultation, then I believe that we should be responsive to the residents. I've also had a conversation with Councillor Smith, and there were some ways I thought we could raise some monies, and the comments that I made were predicated on the fact that we were told that it would take \$1 million to make that building safe, and when I'm talking about safe I'm talking about structure, I'm talking about the roof. It would take an additional \$1.8 million to basically take care of the mechanical and the electrical. That's a total of \$2.8 million. If those numbers are accurate, I do believe, and if the citizens are desirous of having that re-opened, I believe we can accomplish that goal and identify the money. I have also made the comment that there would be other sources that we could utilize and in the end it will be Council's decision because Council will make the final decision on that. But that was exactly what I said and that was exactly what I meant, and I believe we can do that. There will be people who will argue, and I know our administration believes that it's outlived its economic lifespan and it should be closed etc. There are others who believe differently, but in the end, I think we're here to address the concerns and issues of the public, and if that's where the public is, then I've already told Councillor Smith that I will work with him to raise the monies that are required based on that \$2.8 million and I know Councillor Smith is very much committed to that as well.

Madam Speaker: Thank you. Councillor Gerbasi second question.

Councillor Gerbasi: Thank you very much. I think one of the concerns I have about the consultation process is that it was directed specifically only to Daniel McIntyre.

Madam Speaker: Do you have a question Councillor Gerbasi?

Councillor Gerbasi: Yeah I do. Yeah, I think that's what I'm trying to ask.

Madam Speaker: No preamble on the second question. Thank you.

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Councillor Gerbasi: Okay. Now I've lost my train of thought so I'll take a little more time to get my thought back, but no, I said like one sentence. But what I'm saying is, the public consultation...point of order. Could we have quiet while I'm trying to ask a question?

Madam Speaker: Councillor Gerbasi you have the floor.

Councillor Gerbasi: Thank you. My question has to do with the consultation process. As I was trying to say it concerned me that it didn't include other communities that also access that facility. It was focused only on Daniel McIntyre Ward and I think that's been raised, and I just wonder if the Mayor appreciates that concern and realizes that we should also be hearing from a broader range of people, not only people...like the users of the pool are more than the people of Daniel McIntyre and I just want to know that he appreciates and understands that concern.

Mayor Katz: Madam Speaker, through you to Councillor Gerbasi, we have heard from people who don't live in Daniel Mac. I have gotten e-mails and letters from people who live in River Heights, people who live in Lindenwoods, people who live in Tuxedo, people from all over the city, so I'm quite cognizant of that fact but I do appreciate Councillor Gerbasi putting it on the record.

Madam Speaker: Councillor Orlikow.

Councillor Orlikow: Thank you. Mr. Mayor...

Mayor Katz: Councillor said he only had one question.

Councillor Orlikow: I know but there is time left and we all get ready for our big pot luck. But, so I do apologize for the second question for you. I know you love hearing my voice, and it got raised from the police...some of the questions Councillor Havixbeck asked. When we...it's regarding the old police station and the parkade. When we all agreed and you referenced this before and how we all agreed and unanimously approved these things that we went through. Well part of my initial approval for moving to the Canada Post Building was the fact that we could sell or monitorize these two other buildings...the parkade. Then again, and the error popped up that someone didn't look at the caveat there. The caveat doesn't allow us to sell it back to whatever. Again, the decision was based upon some information, for example when we said to go forward, the report didn't really say that we had less than 30 percent design, so again, these information pieces do effect how we decide things, and when things change later on, it raises great concern. So my concern right now is has there been...and I think there has been so that's why I want to ask you. Has there been some resolution to that issue regarding the caveat for the police headquarters and the parkade being that they...have they released the City's obligation to those two buildings?

Mayor Katz: Through you to the Councillor, no need to apologize. I was just joking, number one, but number two, I do appreciate the question. It is a good one. First of all, let's separate the two issues. The caveat, when that property was given to us many, many years ago, it basically said it had to be used for City use, and we're basically talking about the Public Safety Building. The realities are that that is still the case. The family is spread all over the place and to try and get 100 percent consensus, I don't think any of us would live long enough to see that happen which ultimately means we can take one of our other departments and move them here where they are renting from the private sector and paying rent, they can be in our own building so there is a positive to that. As far as the parkade and the other lands, that is separate. The vast majority of that is City-owned land. We as a Council can decide to put that out for a EOI, an RFP; see what kind of ideas come forward and get a development there and hopefully broaden the tax base and see something very productive built there, so those are the two ways it works.

Madam Speaker: Any further questions? Councillor Vandal.

Councillor Vandal: Thank you. Thank you Madam Speaker. We had...my question is about U-pass, and I'm going to reference the report that was in Public Works meeting on Tuesday saying that universities in B.C. and Alberta have seen an increase in up to 50 percent in student ridership for those who have implemented the U-pass and that a follow-up study completed after a three-year U-pass pilot program in Edmonton showed that over 50 percent of the students who had been using U-pass continue to use transit as their primary mode of transportation after graduation. So my question Madam Speaker through you to the Mayor is that would you ensure that yourself of course and your Executive Committee give serious consideration to the students who will be appearing in delegation tomorrow morning I believe at EPC to advocate for the motion coming out of Public Works on implementing the U-pass?

Madam Speaker: Mr. Mayor.

Mayor Katz: Madam Speaker, just for clarity through you to the Councillor, I can't think of a time where I don't give serious consideration to any delegation that comes forward on any topic. That's what I'm there for. That's what I'm there to do. On U-pass I met with the students quite a while ago to encourage the U-pass scenario in my office as a matter of fact. The challenge that we have right now is the gap that exists. I can tell you yesterday I actually met with Councillor Gerbasi, who obviously is supportive of that, and we had a discussion on the U-pass and I do believe that in order for that to be successful we would need to close that gap which is a possibility and that should be a serious discussion. And I can tell you this morning, I spoke to the Director, Dave Wardrop about that and asked him for some information as a result of my discussion with Councillor Gerbasi. So I hope that answers it Councillor.

Madam Speaker: Thank you. Any further question Councillor Vandal? Any other questions? Okay. Councillor Havixbeck. The Procedure By-law only allows for two sets of questions by one member. Any further speakers? Yes.

Mayor Katz: I would be happy to bend the rules. As much as she wants.

Madam Speaker: Can we suspend the rules Mr. Clerk? Okay. All those in favour? Contrary. Carried. Councillor Havixbeck.

Councillor Havixbeck: Well thank you.

Councillor Havixbeck: About a year ago I had asked, and there was a motion and we agreed here on Council to have a Council seminar related to the levels of insurance that we have on civic buildings. A Council seminar was established for September 16th and we ran out of time at that meeting. Subsequently we received slides. The slides for me do not answer and we have since had another fire in one of our buildings, that being the St. James Civic Centre. This was spurred by the Elmwood Community Centre having a fire. So that's my preamble. I know, I can see your face and you're going to say move along. So my question is, is the Mayor open to having a Council seminar, a proper...where we are provided a proper list with the information and go back to that?

Mayor Katz: Madam Speaker, I think Councillor Havixbeck answered her own question. We already arranged for a Council seminar. Unfortunately it did not take place. If the Councillor would like me to intervene and ask them to reschedule that, it'd be a pleasure.

Madam Speaker: Thank you. Seeing no further speakers. Okay. That will conclude question period for the Mayor. We'll move on to the report of Property and Development. Councillor Browaty.

**REPORT OF THE
STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT
DATED DECEMBER 3, 2013**

Councillor Browaty: Thank you, Madam Speaker. I'd like to introduce the report of December 3, 2013 and move adoption of consent agenda items 1 through 11.

(inaudible)

Madam Speaker: All those in favour of 1 to 10? Contrary? Carried.

Item 11 – Leased Accommodations – Charleswood Library

Councillor Browaty: Thank you very much, Madam Speaker. It's exciting that the City of Winnipeg is reinvesting in libraries and creating new branches throughout the City. In this particular instance we're taking, probably our smallest and oldest, branch within the library system. Apparently there's only one stairway to the basement. It's really underserved in the Charleswood community. And we are building a far larger facility in a space that in my experience I think is going to work well. The fact that it's in a shopping centre with other amenities... other amendments that will likely come up right... very close to the current facility. I think it's going to be very exciting to move forward on this. So I'm curious and look forward to hearing the Councillor's comments.

Councillor Havixbeck: Thank you, Madam Speaker. I am voting in support of this item but only because a little bit more work was done and I might preface it by saying I'm a proponent of having a library that is an asset, belonging to

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the City. However, public consultation occurred in November and the department was willing to partner with me and go out and meet with individuals. They conducted a survey, as well as they involved the planner because there are a number of concerns around parking and a school being nearby the proposed location. So I feel that the results were very positive, the community was very excited about this project and so I am happy to move it forward together.

Madam Speaker: Excellent. Councillor Browaty to close.

Councillor Browaty: Thank you very much. Again this is a leased facility. It's got a 15 year lease; that gives us opportunities 15 years from now to consider what other options are out there. As we know, the Ridgewood community was recently approved by this Council and perhaps the model that this Council has endorsed moving forward, doing mixed facilities where we have other civic amendments included: things like swimming pools and athletic facilities, similar along the lines to the Cindy Klassen facility. That's certainly an option going down the road. So the community will be well served over the next 15 years and it gives us still the opportunity to do something different going forward in the future.

Madam Speaker: I'll call the question. All those in favour? Contrary? Carried. We have no motions so we'll move onto by-laws. Councillor Browaty.

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

Councillor Browaty: Thank you. I move that the following by-laws be read a first time. By-law no. 141/2013, 142/2013, 143/2013, 144/2013.

Madam Speaker: All those in favour? Contrary? Carried.

Councillor Eadie: Wish to be recorded against By-law no. 144/2013.

Madam Speaker: So noted.

Clerk: By-law no. 141/2013, By-law no. 142/2013, By-law no. 143/2013 and By-law no. 144/2013.

Councillor Browaty: I move that by-laws numbered 141/2013 to 144/2013 both inclusive be read a second time.

Madam Speaker: All those in favour? Contrary? Carried.

Councillor Eadie: Recorded against By-law no. 144/2013, please.

Madam Speaker: Okay, thank you.

Clerk: By-laws numbered 141/2013 to 144/2013.

Councillor Browaty: I move the rule be suspended and by-laws numbered 141/2013 to 144/2013 both inclusive be read a third time and that same be passed in order to be signed and sealed.

Madam Speaker: All those in favour? Contrary? Carried.

Councillor Eadie: 144/2013. Nay.

STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT
QUESTION PERIOD

Madam Speaker: Okay, so noted. Questions for the chair? Questions for the chair? Councillor Havixbeck

Councillor Browaty: Ah, there we go. I move to give her three rounds of questions.

Councillor Havixbeck: I don't have that many for you. I just have one question and I really mean one question. You raised... the chair raised an important issue to me at the Downtown meeting, November 24th I believe, and in the subsequent EPC meeting, where the police headquarters was approved and the cost overruns were approved. At the Downtown Committee, the Chair said, "That somebody didn't tell Council what was and wasn't included in the GMP." Can the Chair tell us, is he satisfied that he knows who didn't and that he now has the answers on this issue? Because he did support it at EPC a few days later.

Councillor Browaty: Thank you, very much Madam Speaker through you to Councillor Havixbeck. I still remain concerned that the level of risk that was left in the GMP that presented to us was not fully explained. That said, I mean I think we have all reviewed that there is in fact good value coming forward out of this Police headquarters, when you look at it on a per square foot basis. The value of the base building that was there, I think, will be proven once this is all said and done. I still look forward to having... I have spoken to the CFO on this matter and he's suggested that perhaps a building construction valuation be done after the fact to see what value was received from what was constructed and it's been suggested that that value is going to be quite high. Just to correct the record, I was absent from the meeting of EPC where the item was voted on and I did at that time... I was actually representing the City at an AMM meeting. So I did not vote at EPC on the matter just to correct the record.

Madam Speaker: Councillor Gerbasi.

Councillor Gerbasi: Thank you. Given the answer you just gave Councillor Wyatt, if a motion were to come back...

Councillor Browaty: What?

Councillor Gerbasi: Or Councillor Wyatt? Oops. Slip of the tongue! He's on my mind. Councillor... through you to Councillor Browaty... If a motion were to come back regarding an audit and since you didn't really get the opportunity to support that at the other meetings, which it could come back in 30 days because the same motion can come back after 30 days, would you consider supporting that?

Councillor Browaty: Again, I believe the right track to go down is to make sure that we received good value for taxpayers at the end of the day. I think that's the matter that really matters at this point and I would be very supportive of a motion to do a... I think, I forget the proper terminology but a construction valuation of the work that was performed and the value... Sorry?

Councillor Swandel: Quantity Survey.

Councillor Browaty: Quantity survey. Thank you very much Councillor Swandel, that's what I would very much support.

Madam Speaker: Thank you, any further questions for the Chair? Okay, seeing none, we'll move onto the report of Protection and Community Services Committee. Councillor Mayes.

**REPORT OF THE
STANDING POLICY COMMITTEE ON PROTECTION AND COMMUNITY SERVICES
DATED DECEMBER 2, 2013**

Councillor Mayes: I'll move adoption of the report dated December 2, 2013.

Madam Speaker: All those in favour? Contrary? Carried. We have no motions. No by-laws. Any questions for the Chair? Councillor Havixbeck.

**STANDING POLICY COMMITTEE ON PROTECTION AND COMMUNITY SERVICES
QUESTION PERIOD**

Councillor Havixbeck: Thank you Madam Speaker. Through you to the Chair, can the Chair tell us is he aware of how the police currently respond to incidents that are in our transit system when the transit operator makes an emergency call?

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Councillor Mayes: I'm not sure that that's correctly directed towards me in that transit would fall under Councillor Swandel's jurisdiction as Chair of Infrastructure, and police services would obviously fall under Councillor Fielding's purview as Chair of the Police Board. That said, I'm pleased to have the question in that we are trying to take some steps in the budget to increase transit security that I'm sure the Councillor is aware of and hopefully supportive of. I'm not sure of the particular details in terms of contacting the police. Certainly we've done a lot on the buses in terms of increased cameras, increased... we've done some publicity of people who have assaulted drivers but on that particular technical question you may be better served by directing that to Councillor Swandel.

Madam Speaker: Thank you. Second question? No? Any further questions for the Chair? Okay. We'll move on to the Committee on Infrastructure Renewal and Public Works. Councillor Swandel.

**REPORT OF THE
STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS
DATED NOVEMBER 19, 2013**

Councillor Swandel: Thank you Madam Speaker I am pleased to introduce the report and move agenda item number one.

Madam Speaker: All those in favour? Contrary? Carried. Mr. Mayor we have a walk on report from the meeting of EPC, which took place this morning. Again Councillors there are paper copies that have been distributed on your desks.

Councillor Vandal: Just a quick point of order, Madam Speaker.

Madam Speaker: Yes.

Councillor Vandal: In the future when we get these can he get an index on top of everything to just know what we're dealing with.

Madam Speaker: A table of contents?

Councillor Vandal: Yeah.

Madam Speaker: Sure.

Councillor Vandal: Table of contents. Sorry.

**REPORT OF THE
STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS
DATED DECEMBER 9, 2013**

Councillor Swandel: No problem. That's a good point. There was a lot of information came forward and actually... Okay I'll wait and let the Clerk introduce. (inaudible) Pardon me? I'll move to suspend the rules and that... so that the report of the Standing Policy Committee Infrastructure Renewal and Public Works dated December 9, 2013 be considered.

Madam Speaker: All those in favour? Contrary? Carried.

Item 1 – Renaming Winnipeg Transit Reduced Fare Category

Councillor Swandel: Thank you Madam Speaker. I'll move that item one be adopted.

Madam Speaker: All those in favour? Contrary? Carried.

**Item 2 – Front Ending Agreement for the Extension of Kildare Avenue West
Pursuant to the July 17, 2013 Council Decision**

Councillor Swandel: That, Madam Speaker, I was a little hasting in moving this this morning. I do need to review a bit further in a couple of different areas on this one. So I'm going to move this be referred back to EPC.

Madam Speaker: So we have a referral motion on the floor. Are there any speakers to that? No? Mr. Clerk. So we'll call the question on that.

Councillor Swandel: I didn't stand it down. It's just.. I'm not...

Madam Speaker: Councillor Wyatt.

Councillor Swandel: I didn't move it to the...

Madam Speaker: Can we have speaker on that, Mr. Clerk? No speakers on the referral motion without instructions, correct? Okay. All those in favour? Contrary? Carried.

Item 3 – Amendment of Approved 2013 Capital Budget to Include Additional Developer Payback Project

Councillor Swandel: I will move that item three be adopted.

Madam Speaker: All those in favour? Contrary? Carried.

Item 4 – Changes to Handi-Transit Fare Structure and Automated Fare Payment from Account, Implementation of Regular Transit Senior Discount Fares for Seniors

Councillor Swandel: Thank you. Madam Speaker. I'll move that item four be adopted.

Madam Speaker: All those in favour? We have one speaker on that item. Councillor Eadie. You may rise.

Councillor Eadie: Thank you, Madam Speaker. I just (inaudible) am voting for this. Anyway, I just wanted to as I said at Public Works Committee meeting, I know the Chairperson was off on City business and while I believe this is a really good move in regards to handy transit. I just wanted to red flag for people just so Councillors will know in case you get calls. I did get some e-mails...some people were concerned about having only an account basis to pay for handy transit trips. And there are some issues with in that, in that a large number of persons with disabilities who use handy transit operate on a very, very minimal budget in terms how much money they do. And within that... those numbers of people, a number of them may have some difficult experiences trying to budget and making sure they utilize the amount of trips that they can afford per month and so on. And so, that if the paying by account is the only methodology... and I would point out as well there are a number of persons with disabilities who may not have a bank account for example. That... you know... some consideration really needs to be given if there is no other method of payment regarding handy transit trips. It wasn't totally clear in the report I read, so I'm just pointing that out. But this is a definitely good direction to go and I'm wholly supportive of this report and move... This does have implications within the budget, so...

Madam Speaker: Councillor Swandel do you have any comments for close? Or sorry Councillor Orlikow, would you like to speak?

Councillor Orlikow: Just to be very clear for myself here, I am voting against all of this not because it's a good idea or a bad idea, it's the way that it's dropped upon us today. This has serious ramifications for our financial budgeting. So for me just to say "I trust you. It's okay we'll just move forward" is disrespectful, I think for myself, so that's why I am voting no.

Madam Speaker: Any further speakers? Councillor Swandel to close.

Councillor Swandel: Just a couple of points of clarification before we call the question, Madam Speaker. This was not just dropped today. This was actually brought forward on December 9th. It was the budget delegations meeting of Public Works. I was not in attendance but Councillor Vandal chaired the meeting. So it was there and the reports have been

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available since prior to that meeting. On the issue of 'payment for handy transit' recommendation 2 sub C and D, in addition to the electronic fund transfers and credit card payments, mail-in cheque or in person by cash, cheque, debit, credit card or credit card payment at the Fort Rouge Transit Customer Service Centre, 414 Osborne Street, or also D is the special arrangement made with employers or social service agencies for the employees or clients. So there is some flexibility in there as for payment, how to pay and it's sort of inferring that there are supports available for those that might need assistance in getting that done. Those are my comments and I'll let it move ahead.

Madam Speaker: Thank you I'll call the question: All those in favour? Contrary? Carried. We have no motions. We'll move on to by-laws under Public Works. Councillor Swandel.

STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS
CONSIDERATION OF BY-LAWS

Councillor Swandel: Let me get back to my other documents here. I think I got one by-law somewhere. I'll move that By-law no. 146/2013 be read a first time.

Madam Speaker: All those in favour? Contrary? Carried.

Clerk: By-law no. 146/2013.

Councillor Swandel: I'll move that By-law no. 146/2013 be read a second time.

Madam Speaker: All those in favour? Contrary? Carried.

Clerk: By-law no. 146/2013.

Councillor Swandel: I will move the rule be suspended and By-law no. 146/2013 be read a third time and that same be passed in order to be signed and sealed.

Madam Speaker: All those in favour? Contrary? Carried. Any questions for the Chair? Councillor Browaty.

STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS
QUESTION PERIOD

Councillor Browaty: Thank you very much Madam Speaker. Through you to the Chair, the City last year implemented I think a very positive program – the "Know your Zone" program so that residential streets are cleaned on 12-hour periods. One concern though is...and it's happened to me twice now in two residential plows I think consecutively, where the majority of my ward has garbage and recycling day on the same day that they are scheduled to be plowed. Is there any chance that the Water and Waste Department as well as the Streets and Maintenance Division of Public Works co-ordinate so that snow contracts and garbage days are coordinated so that it's possible to coordinate so that they're not linked up again?

Madam Speaker: Councillor Swandel.

Councillor Swandel: Thank you Madam Speaker. Through you to Councillor Browaty, it is my understanding that they actually are coordinated, and I'll take it up with the Director. My understanding is when they initiate, they do the streets where the garbage is coming for the pick-up...the garbage and recycling is coming, and that's the start of the slow clearing cycle, so where your garbage day is is generally where the snow clearing starts in order to be able to have it happen. If there are problems with that, I'll certainly take it up with the Director and see what improvements we can make to ensure that that is in fact happening.

Madam Speaker: Thank you. Councillor Havixbeck.

Councillor Havixbeck: Thank you Madam Chair. I'd like to ask the Chair through you why the streets were not plowed for an entire week?

Madam Speaker: Councillor Swandel?

Councillor Swandel: I'll take that up with the Director and get an answer back but usually streets are done according to the Snow Clearing Policy, and that timing would be dealt with in that...they also try and do it in a reasonable fashion so that if there's more snow coming, that then they would let it accumulate before so they don't have to do it twice. So I'm not sure exactly what the reason was this time but we'll get the Director to fire an answer over to Councillor Havixbeck.

Madam Speaker: Second question?

Councillor Havixbeck: Thank you Madam Chair. Also within the answer could he find out, could the Chair perhaps find out, were there more than usual stop signs knocked over and light standards knocked over and what was the additional costs on additional sanding that may have resulted?

Councillor Swandel: Yes.

Madam Speaker: Councillor Havixbeck anything further?

Councillor Havixbeck: Yes. This is relative to the question that I was asking the Chair of Protection and Community Services which I understand was misguided and should have been directed to the Chair of Public Works. But is the Chair aware of how the police respond when a transit operator makes a call from a bus and could anything be changed perhaps in there to be perhaps more responsive if that is indeed an issue?

Councillor Swandel: No I'm not aware and as always anything could be changed if it's the will of Council.

Madam Speaker: Any further questions for the Chair? Councillor Eadie.

Councillor Eadie: Madam Speaker, as the Chairperson wasn't at the meeting when I spoke to the security issue, I believe that there is the mechanisms within buses when they push the emergency button it goes to Transit Control first and then if it's determined that the police need to respond, it then goes to 911. It's my understanding that there is a possibility that that button could go directly to 911 so that somebody could be immediately dispatched. In situations where the reality is that we can provide a lot of security on buses but the reality is there won't be somebody on every bus all the time in order to catch anybody who is being violent towards a customer or a driver. So my question is, is the Chairperson willing to request that transit gear up their emergency button on the buses to go to the 911 emergency services?

Councillor Swandel: The Chairperson is willing to engage in any reasonable activities to ensure enhanced security for all transit drivers and transit users. For us trying to dictate there will be a button that goes to a certain place, we need to have a great deal more conversation before we can just say that we're going to do that. It's not unlike people calling for four-way stop signs in communities. As politicians we always want to do that, but at the end of the day when you ask traffic engineers, sometimes it's not the best thing to do to reduce accidents, so you know, I'm just using that as an example that this needs to be a consultative process. We need to involve our employees and we need to work with people on transit. We just don't want to come up and say let's put a button in that we can push and have police responding to buses whenever we want. That might not be the best approach. It might be best approach but let's do that throughout the process.

Madam Speaker: Thank you. Councillor Eadie, second question? You're good? Councillor Orlikow.

Councillor Orlikow: Thank you Madam Chair. Through you to Councillor Swandel. I thank you very much. I like that. You always will be to me. My question is "are you aware" question regarding the reduced school zones...reduced speed limits on school zones. The policy is coming out from the Province now and I've been engaged with it and I've also met with the police. So far what I understand, the reduced school zone is going to require the City of Winnipeg to install pretty well I think it's 12, 14 foot signs on both sides of the boulevards around schools, these are 14 feet high. You can't talk about sign pollution any more than that. All around the schools, 282 schools that we're going to have to somehow pay for all this, and it will be monitored through photo radar. Are you aware of this?

Councillor Swandel: Not those specifics, no Councillor, through you Madam Speaker to Councillor Orlikow. In the report that came forward there was an indication of the City being responsible to pay for some signage. You know, photo enforcement is obviously controlled by Provincial legislation. Signage will be installed as the standard is created to install signage. If that's the standard then that's the standard. I'm not sure that is in fact the standard. Fourteen feet seems a little bit high to me when I look at other signs but, you know, I'll certainly ascertain some more detailed information and maybe the Councillor and I can have a little off-line conversation about it and see if we need to be taking

something up here on a common front to go to the Province and ensure that nothing ridiculous is going to happen that is going to put us in a difficult financial position.

Councillor Eadie: I believe in terms of the school zone speed limits and all the sign stuff, it's my understanding actually that...and if the Chairperson could get back to me on this, but it was my understanding that slowing down the speed limit by schools is not going to be implemented on regional streets as I understand it on local streets, so then I'm wondering why a 14-foot sign might not work, so will the Chairperson please get back to me in regard to the actual provisions? Is it slowing down the speed limit on regional collector streets or only on local residential streets?

Madam Speaker: Thank you.

Councillor Swandel: Certainly Madam Speaker I will get the department to ascertain some answers from the Province as to the specifics of the legislation and get that forwarded to all Councillors for their consideration.

Madam Speaker: Thank you. No further questions I see for the Chair? Councillor Havixbeck.

Councillor Havixbeck: Thank you Madam Speaker. Last month I asked the Chair about the surplus of \$7.2 million in the regional and local streets. I'm wondering if there is any further information that can be provided about whether those contracts were awarded. I went through the City's bid site. I couldn't find that bids were awarded. This money was identified as surplus money when the bids came in in June, July-ish for local streets and regional streets and it was identified as an opportunity to get more work done. Can the Chair tell us more about that?

Councillor Swandel: Certainly as all Councillors should know, there is a process in order to have projects go forward. You need to have a budget and then you start the design work and from the design work you put the tender package together and then you put the tender out. I'm not exactly sure where those specific projects are in that process but regardless of whether or not they are done or out for tender now or whether they don't hit for tender until next year, you wouldn't be able to start the work, any portion of the work, until you actually have a budget to do that. So that's why you create the budget that we created earlier on.

Madam Speaker: No further questions? Councillor Havixbeck, second question.

Councillor Havixbeck: Just to follow up to that, the press release was issued by Public Works September 24th identifying a number of other projects including TBOs and so further. Can the Chair tell us does this mean that these projects now become priorities in 2014?

Councillor Swandel: I'm not sure where the priorities are. They are just projects that are approved the same as the project in 2014 will be. They will probably be bundled with some 2014 projects or they might go out stand-alone. We let the department handle those things. I can provide the phone numbers of the head of Materials Management and the Public Works streets engineers that look after those types of things so that the Councillor can have a direct dialogue to see where those specific projects are at if that would be helpful.

Madam Speaker: Last question? Thank you.

Councillor Havixbeck: Thank you Madam Speaker. I have repeatedly asked at our Finance Committee for those answers. Could the Chair get the Director to respond and inform all Councillors because there is an interest, I would think, among all Councillors to know where \$7.2 million went.

Councillor Swandel: Well \$7.2 million is allocated to streets projects. Those streets projects will be done as they are ready to be done. There is no magic wand that gets waved that says here, the engineering's done. We know where the undergrounds are and we know how many cubic metres of concrete or asphalt that we need. Those require consultants to do that work. The first step is usually put a tender out for the consulting engineers to start doing the analysis on site, hiring the surveyors, etc., etc., etc. I could certainly ask the Director, and as I know Madam Speaker you're aware and I know that you do on a regular basis, is call over to the department to get the information yourself, but I can see if I can reverse that process and get the Director to call directly to Councillor Havixbeck or provide detailed information for us all by way of e-mail.

Madam Speaker: Thank you. Any further questions? Okay. Seeing none. We'll move on to the Committee on Finance. We have no report, no motions and no By-laws. Any questions for the chair? Councillor Eadie.

STANDING POLICY COMMITTEE ON FINANCE
QUESTION PERIOD

Councillor Eadie: I just have a question with regards to the Alternative Services reports.

Madam Speaker: Could you rise, Councillor?

Councillor Eadie: Those didn't need to be brought to the table?

Councillor Wyatt: Yeah, they are coming up.

Councillor Eadie: Okay, so don't we do that before question period for Finance?

Madam Speaker: Councillor Havixbeck? You had a question?

Councillor Havixbeck: Just a point of order, do we actually have question period now or do we bring those items forward? The reports first?

Madam Speaker: I don't see any reports here on the agenda.

Councillor Havixbeck: The ASD items. Okay.

Councillor Wyatt: Question period.

Councillor Havixbeck: Can the chair tell us whether he has determined any new information with regard to the City's current furlough program that exists?

Councillor Wyatt: I didn't know I was supposed to get information with regards to the current City's furlough, but maybe the Councillor can remind me.

Councillor Havixbeck: Over the last month I have questioned this at Finance Committee, on the floor of Council, through the media, I believe Councillor Wyatt is aware of that question on what are the parameters of the current furlough program at the City of Winnipeg. Are all employees allowed to use this program? Can he give us any specifics about that? I believe his comments were that it was a good question and he would love to look into it. So...

Councillor Wyatt: Yeah. And I think I recall the CFO indicated to the Councillor that he would get back to her with regards to her question. So I know she's asked it, so I'm sure he will do that.

Councillor Havixbeck: Could the chair ensure that occurs before the budget actually comes forward?

Councillor Wyatt: I'll make every attempt.

Madam Speaker: Councillor Eadie.

Councillor Eadie: Yes, Madam Speaker. Oh is it my turn? Yes. Madam Speaker, recently after our last organizational meeting, the Chair of Finance was also made responsible for economic development in the City of Winnipeg and my question is, what has the Chairperson of Finance, who has that other responsibility been doing in regards to the economic development progress within the City of Winnipeg?

Councillor Eadie: Thank you for that question, Councillor Eadie. I've already met with Marina James and I'll be meeting with our City staff in the coming weeks. To be quite honest, I've been busy with the budget, with the Committees and seeing that through. But the fact of the matter is, that's something that I look forward to addressing in the New Year and some ideas. And I'm welcome... I welcome ideas that Councillor Eadie might have as well. I have a few ideas in terms of what we can do as a City. I think the Mayor has some thoughts as well and so I'm excited about the role and the portfolio and what we can do. I think one of the things that should be stressed is economic development was something which was very big actually if you recall some 20 years ago. We had Winnipeg 2000. There was a real push. Now, of course 20 years ago we were in the middle of the 1990s recession and if you recall the top thing on people's minds were jobs. That was the issue. You know, now, the so-called... the good times are rolling and the strong economy, we kind of take it for granted, I suppose, in terms of economic development that will automatically happen. I don't think we should. I think if anything this is where we actually double our efforts to ensure that the growth that we're experiencing today and the economic strength we're experiencing today can continue. It's not always a guarantee. Right now I think we as a

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country and in Western Canada living on cheap... rather cheap energy, oil, which is generating and driving a lot of the Western economy plus the growth of China and India but there is a lot of opportunity there that we could be taking advantage of that we're not in my view. I think we're doing a great job with Economic Development Winnipeg but I think there is more that we can do especially connecting back to this chamber in terms of Economic Development Winnipeg and the initiatives and the opportunities that are already there.

Madam Speaker: Okay, that will conclude question period. Councillor Havixbeck.

Councillor Havixbeck: That okay?

Madam Speaker: Yes, I don't see any other hands.

Councillor Havixbeck: As the chair knows I have been asking for the number of actual, not budgeted, actual full time equivalents for the City of Winnipeg and we were told at a meeting in July that it would take approximately two months to have that information compiled but that it would accompany the budget. So far I don't see that information to know whether we are on target, below budget, over budget in terms of the number of new hires for the City of Winnipeg. Can the Chair tell us will this information be coming with the budget?

Councillor Wyatt: Well two things: first of all the budget is already tabled what the budgeted FTEs are and the projected budgeted FTEs, it's less than 1 percent in terms of the actual overall growth. But I can tell you that the CFO has indicated and indicated in the Standing Committee recently to the Councillor, that the report in terms of the actual FTEs is coming forward at the beginning of the new year and the concept... the idea is to reflect the factoring in of the vacancy management. It was... I think he said very safe to say that the number is less than what's actually budgeted so in other words the vacancy management has an effect. We're actually holding back in terms of filling positions so the amount of actual bodies in a full-time equivalent, an FTE, are not the same as the FTEs, so it's less. It is what the indication seems to be so far. But the actual number and the confirmation of that has not been made formal but it's something which is being brought forward. So I thank the Councillor for being persistent on this and she's been like a pitbull on this one. So I mean... and thank her for her persistence on it because you know I think it's an important thing. We should know the head count. Now remember the head count will be different as well because folks, you know... the head count will be a lot more only because of the fact that they're not... when you calculate a full-time position we have a lot of term employees, we have a lot of part-time employees, especially with a lot of the seasonal work and seasonal nature of the work we do as a City. So in terms of that I hope I've added some clarity. It would be the beginning of the new year. Unfortunately, I wanted it as part of the budget, I think we all did, but it wasn't and it wasn't ready. But the administration is working to get that ready and there's no doubt that the Councillor has had a role to play with that. So I thank her.

Madam Speaker: Thank you. Third question.

Councillor Havixbeck: Thank you, Madam Speaker. And the Chair raised an important secondary issue to that and that is the matter of vacancy management. For 2013 it was budgeted at 13.6 million. At our Finance Committee this week we could not obtain answer whether that was on target. Can the Chair tell us perhaps what the vacancy management consists of and whether by the end of the year we will achieve the 13.6 and how that is affecting services, if at all?

Councillor Wyatt: 13.6 is the budget for 2013. 14.1 is the budgeted 2014 amount. And I can tell you Councillor, that you know, I'm sure it has an impact. How it has an impact is probably difficult to measure but I'll tell you, you know, it definitely has an impact. It's a real number. Though I do know you argued strenuously to increase that number fairly dramatically so I'm not too sure what your point is; either you want reduction in services and you want increased vacancy management or you're actually saying that you want now to reduce vacancy management and reduce the number. I'm not too sure where you are going with this, so I guess I'm confused that way. But frankly, yeah vacancy management, it holds back hiring individuals in positions that we've declared are necessary to do the job of the City of Winnipeg but it is a strategy that has been around for as long as I've been on this Council to address the budget shortfall and the budget challenges that we as a City are facing. If it wasn't for vacancy management we wouldn't have had the tax freezes that we had all those years and we wouldn't have been able to keep down the tax increase that we have right now.

Madam Speaker: Thank you. Any further questions for the Chair? Seeing none. What is the will of Council? Would you like to break for lunch seeing the hour? Okay, so let's break for lunch and we will reconvene at 1:30. Reconvene at 1:30. Thank you.

**Reconvened meeting of
Winnipeg City Council of
December 11, 2013, at 1:36 p.m.**

**REPORT OF THE STANDING POLICY COMMITTEE ON
DOWNTOWN DEVELOPMENT, HERITAGE AND RIVERBANK MANAGEMENT
DATED NOVEMBER 22, 2013**

Madam Speaker: Good afternoon Councillors and welcome back. We are now on the report for Downtown Development, Heritage and River Bank Management. Councillor Pagtakhan.

Councillor Pagtakhan: Yes. Thank you, Madam Speaker. I understand that several people want to speak to this so I will stand it down.

**Item 1 - Over-Expenditure Authorization for the Redevelopment of the
Winnipeg Police Service Headquarters Building**

Councillor Pagtakhan: Thank you Madam Speaker. This is...we are voting on the over-expenditure authorization for the Winnipeg Police headquarters building. Madam Speaker, this is a great news story for the history of the City of Winnipeg. The Winnipeg Police Service are having a brand new Police headquarters. It's great for our downtown and great for our city. You know, this was headed up by Inspector Randy Benoit of the Winnipeg Police Service and a very dedicated and well qualified team of professionals. And Madam Speaker, when this item came forward to Downtown Development, we asked members of the Committee several questions and it was fairly evident from the engineering consultants, to Inspector Benoit, to the Chief Financial Officer and to all parties involved, that they had a great understanding and personally, I felt confident that they answered all our questions very well. And if you read the report, Madam Speaker, it's pretty evident that they also talk about the guaranteed maximum price and what that involves. Now, if there is some risk associated with a project of this scope and this magnitude and this scale, and the report in front of us here, Madam Speaker, addresses that I think in a very detailed fashion. As well as when we had the engineering consultants come down and give us, you know, explanations and answered several questions from members of the Executive Policy and the Mayor, I felt that they certainly answered all our questions. So, with that, I'll stand down and see what other people have to say.

Madam Speaker: Councillor Eadie.

Councillor Eadie: Thank you, Madam Speaker. I'm having trouble speaking. Thanks for the Christmas pot luck. I think I'm a couple of inches bigger. Anyway, I just... I'm rising to... as I said about the other motion that we debated earlier today. I just want to make sure that I am clear what my position is in regards to the over-expenditures and the whole overall project over time. I will be voting for this increase because the reality is, is that the Winnipeg Police Service does need a new headquarters to deliver the kind of services that they do in today's dealings with crime and other aspects of policing in this City. But, you know, that said, I want to be clear that what I believe has happened here with this project and I said it before, the whole budget process and how we approached this from the beginning I think was a problem. And so I just want to be clear though that I think the political side of setting a budget, you know, there is a rationale as to why you might move forward and we heard about people's concerns because we have the old building and that might go to do something, and this, and various reasons and those reasons are, you know, the kind of reasons you look at do we want to purchase a building or build a new building? This is clearly cheaper than building a brand new building. It was a good idea. It's right in the centre of downtown; very good place for it to be. So the rationale for the purchasing of this building, I think was quite good. I think though, where the failure in the process is, and I'm not sure at what point a steering committee for a major project gets created and the Chairperson of the Downtown Committee referred to the Winnipeg Police Service's representative, I guess, on this project, and obviously, that Inspector understands exactly what the needs are of the Winnipeg Police Service. But again, I don't know that our Winnipeg Police Service are experts in the whole concept of designing and building and purchasing and dealing with that land stuff, which was similar to the fire hall, they do need appropriate supports in order to carry forward a major project like that. But I think when this vote originally occurred, there was some sort of guesstimate at what the budget would be to do this, and that was passed. And once you pass that as the budget, you had a problem because you don't know what the real costs are going to be when you get to the point of construction because you hardly have any designs. And you know, the design was being developed all along to a certain point and there's been a lot of questions asked and what the failures were there... those

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are there. I think an audit would clarify them even more but that aside we are not talking about an audit here. This is the 17 million. So I just want to be clear that the political process in deciding a budget and going ahead with this project is essentially where the problems with this whole project started. And it's my understanding, I'm not criticizing the... you know, I could be critical of individual administrators within the City but I'm not. I want to be clear here. I am not attacking any of the public service workers here in terms of, you know, whether or not they did the right... made the right decisions, hired the right people, whatever that is. My ultimate concern with the Steering Committee is: was there a Steering Committee back when this thing first started going forward. And I'd be interested to know why they decided to guestimate what the budget would be and have City Council vote on that. We should have voted on the purchase of the building because that's... was a good place, good location, it's not brand new, should cost less. Ultimately though I still don't understand why they guestimated a budget for construction that didn't start for a couple or few years. The best practice is to, you know, put out the soft costs; let's really examine this building. So okay that expenditure of City Council and then once you've the appropriate design that you can actually get a real good solid estimate, a grade, class A or whatever you want to call it, once you've got that, then you vote on a budget. Everybody knows that we needed a new Police headquarters so that had to proceed and it is proceeding and as the Mayor said, we will be... the Winnipeg Police Service will be scheduled to move in in June. I think that's great. It did cost a lot of money but again I think if we built a brand new facility of this sort it definitely would have cost a lot more money. So, I'm voting for this, yes, you can accuse people all you want about the problems but the reality is, I think even through the political process there was mistakes made in bringing this to Council for judgement. And it would be good to sort of evaluate to make sure that when we proceed with other projects in the future, we don't end up with these huge cost overruns. Being involved in the Winnipeg Seven Oaks School Board in the past and involved in the building of schools, I know that there's a lot of soft cost, a lot of work that goes into coming up with the design for a high school, for example, before they even look at setting the budget and then the budget is set, they go to tender and there is a whole bunch of other processes there. And I haven't heard of any high schools or schools going way over budget, so I think that that's a very important thing to consider. So I will be voting for... to increase the money. The Winnipeg Police Service does need the facility and I'll leave it at that. Thank you Madam Speaker.

Madam Speaker: Thank you. Any further speakers? Councillor Mayes.

Councillor Mayes: Thank you, Madam Speaker. I think I'll be quite brief, just three things. Today and at the previous meeting someone used the term we all voted in July, 2011 on the \$138 million proposal. Just to be clear I wasn't elected at that time, so I'm not saying anything about the vote which was unanimous to approve the 138 million at the time but I wasn't here for that. Certainly I think some of the questions could have come up at that time but at that hour it appears Council was comfortable with that figure. So what we're really debating here is the \$17 million in additional items. So we've... part of the issue here has been the various figures that have used. We've heard terms like 60 percent cost overrun: what we're really looking at here is about 12-13 percent overrun from the 138 that was approved to the additional 17 million that's being looked at here, most of it being financed through debt cost. The... if you look at the issues too, there is a lengthy report about that, if we're debate being the 17 million. There is a lengthy report, things like the decertification of Draka cable by UCL Canada, as a two hour fire-rated cable during the construction forced the use of Pyro cable which is approximately three to four times the cost of Draka cable. This was a contributing factor in the overage. Not anybody's particular fault. It's a technical issue. It resulted... we needed to use the cable we needed to build to code... this was the result. So I don't think there's anything to be gained there by pointing fingers at anyone. Similarly there's a cost for stairs pressurization to meet building code at 486,000 almost half a million. I think we would want to meet the building code in a project of this magnitude. So I think it's important to keep in mind, that I haven't heard anybody look at these 17 million in costs and say well that's clearly someone padding, someone being out of line. The question I asked at EPC to the consultants was, "is this on the shoulders of the Police? Did they make unnecessary changes? Did they make some sort of vanity changes to improve the building?" Before I finished the question, the consultant stopped me and said no this is not on the shoulders of the Police. They didn't make any unnecessary changes. Any changes they made went through a lengthy process. This is other issues that relate to the drawings and to the standard at which the drawings were done. The other point I want to make is we had a speaker here, someone come down this morning and talk about how the... there is no audit of the entire new Police Headquarters redevelopment project: I want to be clear because I think this has not been made clear to the public, certainly not some of my friends and I think some of the speakers we have here, there is an audit. The audit... the same person who appeared this morning talked about Ernst and Young is auditing the purchase of the property. That's indisputable. I think all of us have already been asked questions by Ernst and Young on the purchase part of it. You may take issue with the whole... the subsequent construction phase and what cost came out of that but there is no doubt here that there is an audit going on of the purchase portion of this development. Councillor Eadie made some good comments about the advantages of keeping it downtown and not building a whole new building so I won't go into that, but just so that people are clear on the record here, Ernst and Young is auditing the purchase of this facility. So in summary Madam Speaker, I think it's important to try and keep a handle on the percentages and the numbers. We are looking at a \$17 million overrun, that's not 60 percent. There is pretty good rational for that 17 million and again there is an audit ongoing. No one is interfering with it. There was some allegations this morning. No evidence at all that Ernst and Young has been

restricted. They all came here. They all asked us questions about the purchase part. So there is an ongoing audit of the purchase portion of this transaction. Thank you.

Madam Speaker: Thank you. Councillor Gerbasi.

Councillor Gerbasi: Thank you, Madam Speaker. When this issue was at Downtown Committee, we had a lot of discussion about it there and I did not support it, not because... I mean, I realize we're going to have to pay the money but it was more of a position of principle, just to explain my position that I really felt that Council should do a further audit than what we're doing of only the purchase on the prop... So that was the reason, just to explain why I didn't support it at Standing Committee. I believe that when we moved the motion for the five year audit of real estate and property transactions, I think it was the intent and a generally cover the major projects that were happening. At the time, there was the fire paramedic audit which was going on and once the results of that audit came out, I think that's what really emblazoned in my mind and in many people's, the need to do a similar type of process where we look at the construction and the management. And I just want to point out a lot of people here are talking about cost overruns and obviously, you know, that's a huge concern if there were preventable cost overruns or not, that's an important concern. But I think this is about more than cost overruns. It's actually about a public perception and a Council perception in terms if you look at the fire paramedic situation where there was that... to assure the public that Council's operating in a fair manner when it comes to procurement and contracts and issues like that. So, that's what an audit would clear up and again, I'm baffled that people who feel everything was done absolutely perfectly are so worried about having this audit because if it is, then it will show that and it will show that everything was done on the level. So, I think you know, I'm really uncomfortable just putting our heads in the sand as Councillor Orlikow referred to it earlier on this and I think the public is not accepting these answers. You know, the other issue I've heard for why we have to just carry on without examining this further is the cost. I heard Councillor Wyatt talking about millions of dollars. Well I highly doubt we are talking about millions of dollars. We're probably... we might be talking about a couple hundred thousand dollars. They're already auditing the same project so it can't be that much. We could even expand the contract to the same firm. I'm sure we're not talking millions of dollars, like that's absurd. So it's doable. It should be done. The public wants it done. A chunk of Council wants it done. I believe the vote was... there was something like seven of us in support. There could be as many as eight from the last vote. And so yes, we probably... I'm sure this money will pass and, you know, I would support it ultimately in the end. I'm really just taking a principled stand here that I believe that we should be looking at that. And the reason we need to look at an audit and not just sweep it under the rug is because recommendations can come out of that. Maybe it is a lot like the fire hall and we've seen, been there and done that but maybe there's other things that happened here. We don't know that. We're not auditors and we haven't looked at this. So that is my position and I just wanted to make it clear and I hope members of Council will reconsider their decision in the future meetings and allow this audit to proceed that should proceed. Thank you, Madam Speaker.

Madam Speaker: Thank you. Any further speakers? Councillor Havixbeck.

Councillor Havixbeck: Thank you, Madam Speaker. This item will pass here today, I have no doubt and I would like to say for the record that I believe that our Police services deserve to have excellent facilities. They don't right now and they do deserve to have excellent working conditions. However, like this... I liken this to the fire hall situation and intuitively I know something is wrong here. And I will not be supporting this today, but I do know it will pass because the votes are there. It astonishes me that this Council could unanimously agree that when there was a \$2.3 million overrun on a \$15 million project, we would spend the \$230,000 to get to the bottom of this. It astonishes me that we have \$75 million and Councillor Mayes I believe indirectly said that that's 60 million. It's actually 56 or 60 percent over. It's actually 56 percent over the original cost of 135 million. It just astonishes me that with such a significant cost overrun, so many still unanswered questions and I will go to those unanswered questions in my speech here, that we will not include this as an important piece in restoring trust and confidence of all of us, of citizens. So you know, I cannot accept this because we were told at Finance Committee this may not be the end. When is the end going to be? The square footage I raised at EPC. In your power point slides that every Council member received the square footage on this project was listed \$278. In the report it's listed as 293. The actual calculation that I come up with based on 606 square feet is 346. Do you know the consultant had the audacity to say they were working on it at 2:30 in the morning and they may have made a mistake. Well, how many more mistakes? I'm sorry, I still question it. They said they may have made a mistake on the 278. It was still not answered when I asked the question in delegation at Executive Policy Committee, how was authority transferred from Ackman to Caspian? I don't believe I got an answer on that, as well the whole notion of guaranteed maximum price. The consultant said he thought Councillors should know what that means. Guaranteed is guaranteed I thought and I heard the Mayor say that when we approved this way back when that it was guaranteed. So what does that mean? Who knew and when did they know that there were only 30 percent of the design specifications completed? And when did they know that? Those questions are still not answered to me so perhaps someone can clarify them for me and I may change my opinion, but for now, those are very significant issues that are not answered. And I go back to the need for the audit. Not just to explain the cost overruns but to restore the trust and confidence. It

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can be done for \$200,000. I'm assured of that. We looked at 2.3 in cost overruns and spent the money on that and 75 million over I think deserves the same. So those are my points. Thank you Madam Speaker.

Madam Speaker: Thank you. Councillor Fielding.

Councillor Fielding: Thank you, Madam Speaker. And further to what some of the other speakers had indicated... I'm kind of in an interesting spot, too because I chair the Police Board and I very much know that the building is needed. You know, I don't think that there is anything wrong from the Winnipeg Police Service in terms of the things they added. I think we have gone through that process, we know some of the information. So, the building is very much needed. But to a certain extent I think we also need and what's been going on here over the last six, eight... really, a year and a half, is issues of accountability and transparency and that does concern me. You know, I know the project is over \$75 million over budget and there has been some talk of what it is per square footage. Did we get a good deal or didn't we get a good deal versus other buildings that have been built here but that's irrelevant I think. I mean it's great that we are getting great square footage but the reality is what's in our budget is \$75 million difference from when we started this journey, this process and this isn't just happened once but this is the 2nd time we're coming back. I think that there is still unanswered questions. I don't think it's unreasonable if we're going to put the money in. I don't necessarily have a problem putting the money in to get the project done but to have some sort of audit on that and to find out what happened, I've been promoting the idea of possibly having some sort of a treasury board where you have... and you know there is a capital committee where administrators are part of the \$10 million but obviously there's some flaws in the system. And if you had some political oversight you know where it would be treasury board model, where you're actually, you know, approving money as it goes out, I think it can make a difference. So, I'm in a tough position because I do think it's needed. I think the money is merited but there's this piece of transparency and openness and I think at the end of the day if nothing's wrong, it doesn't hurt to take a look at these things. In terms of the money, the \$200,000, I identified we had a million dollars in the budget last year for two operational reviews that came in around \$500,000. There should be money tucked away in Corporate Finance to do some things like this. My concern is whether this is going to... the cost is going up even further. So, at this point, I don't think I will be supporting the motion going forward. If there is an audit that was attached to it, then I would definitely support the money. But I think at this point we are in Council, the accountability and transparency is the key to this and without getting to the bottom of it through an audit I don't think I'll be supporting it. Thank you.

Madam Speaker: Thank you. Councillor Orlikow.

Councillor Orlikow: Thank you very much, Madam Speaker. Just in to... First of all, we were asked to come forward with questions to the committee. We were asked to be our own auditors and come forward with some questions to the committee. So I said okay I'll try; do my best in the limited time we have. We have the fire audit, still trying to work on through that. And then the budget coming down... double budgets coming down at once and somehow I'm supposed to do all my other work and become an auditor somehow, so that whole process already has big flaws in it in my opinion. However, I did ask one question. However when I got the reply back from the consultant about the cabling and stuff like that, I had four new questions. And then I asked more questions and got more questions because I don't know about cabling. I find it baffling in my head that an industry... national industry standard will change overnight with no one knowing about it. That's what we're told. Or, you know, we couldn't find... other places were able to find the cable in time but we missed the boat on that. Why weren't we able to find the remaining cables and get it to Winnipeg? It's a huge project. Why did... Was someone sleep being at the wheel and we didn't contract out and find that cable while it was still available? I don't know. So there's a number of questions came but then I just said, why, I can't do all this work. This is... I am not an auditor. I think it's a fun job. I think I'd like to be an auditor if I have the skills to do it and I had maybe not this full time job because it is. There's questions that you're probing. You're trying to do it in a way that you're just looking and you're just asking a question and until you are satisfied you keep asking a question. And again so I did one and it didn't satisfy me. It may have satisfied everybody else that's fantastic but it just raised more questions for me to go. And then the budget came. So now I haven't done... I'm not done asking these questions. As a Councillor, my prerogative is always to be able to ask the questions and I will continue to asking them as soon as I be able to get my head above water. I do like the fact that I see in here that the project itself is taking some responsibility and backtracking on some of its canopies, the lease of the canopy \$50,000, some window treatments... they're going to do that. My question is, is there more that they can be doing? I've heard about some of the interior work in the Police headquarters being quite lovely... very lovely... maybe too lovely. Maybe we need to be asking are we using granite countertops or aspinat countertops. Like have they looked at devaluing some of the internals? We don't need to have marble floors. I don't even know if they have marble floors but again, you are looking at about maybe a million and a half - \$2 million in there that you know what, we made a \$17 million mistake now but we found you \$2 million or... \$19 million mistake but found 2 million that we can cut back on. Things are a little interesting as reduction in project continuancy, it's half a million dollars. Well we're not done yet so I'm not sure why we're reducing that as well. So these are kind of where I'm left at. So this morning, I wasn't relieved to hear from the Chair of Finance, when he made... I think it was probably just inadvertently made the comment but it says a lot, "We don't really need an audit because you know what? We'll probably

find the same things that we found in the fire audit". Well that's not a very comforting, relaxing thought. We don't need an audit because we already had an audit that showed how bad things were. So this is just the same thing. I'm sure he'll explain later on that comment. But to say that we don't need an audit because we'll find the same things we found in the fire hall audit? Well the fire hall audit was really shocking to me so again that actually says we probably really should do one. I did have the opportunity for the real estate audit to talk to the Ernst and Young there and absolutely not... it's not going to cost millions of dollars. They've done thousands and thousands of these so that red herring, it's going to cost millions of dollars to do is only a red herring. You know, get some facts. You know we always tell each other to get your facts straight. Well, let's all get our facts straight, not just kind of use it as we want. So and then the most troubling part is, we have been told at least once if not more than once, "This is it". "This is it, no more pricing. We're good to go". Well we've heard that before. We've heard that about \$30, \$40 million before. So, is this the last one? Is it really, really the last one? Or will there be a new number coming up for a new something we didn't know and you should all just expect that because it's construction. Well, we know that we all do construction work. We know that there are sometimes things that pop up but there are also decisions that you have to make. Do I actually do that now or do I have to go find savings from another project? I don't know if that was done internally. How much that was done. So, I am very concerned but now we're sitting here today, caught in a corner. They have to get the project finished. There is just no way around it. So am I going to say no? I should say no because I don't have assurance that I am going to be investing the public's money wisely. That's my concern; I think it's all our concerns. Some people around Council believe that's fine. We do know we're investing it wisely, we hear the spin about maximum value... we're getting great value. That's a nice spin but the fact of the matter is it's \$70 million over budget. That's a fact. Spin it as much as you want and say we got great value for the dollar but that \$70 million could have been used on a lot of other things and it may have affected our decision whether to go forward from moving from the Police headquarters where we presently have. We already know that we're already having trouble selling the existing building which is another rationale why we should go forward on the project. So these are serious issues. This is 80 million bucks that we have to huge debt increases in our books. We're deferring projects everywhere. There's a whole... we're having service cuts coming. We're having property tax... this is all happening. To say that \$80 million is really not a big issue, that's a huge issue. And if anybody looks at our books I think they will see as well that we don't have \$80 million to spare. Will the Police headquarters be a fantastic building? Again, I'm not even sure of that yet. We've had the meeting, we weren't sure about some of the departments and how they would work. So was due diligence done? Is it being done even with the \$17 million? I don't know. That's a problem. But the other problem is they need to finish this building. We're not going to let the building sit there, 98 percent done. So, I really have no idea how I will be voting in the next minutes.

Madam Speaker: Councillor Vandal.

Councillor Vandal: Thank you...thank you, Madam Speaker. I think this is an issue that's been discussed thoroughly several times and I agree. I agree that it's a difficult one. And I think the key question and the one that frustrates me the most is that is there anybody here who would have approved the report in July 2011, had we known that the design was only 30 percent complete? Is there anybody in these chambers that really would have said yes, we're going to go ahead and spend one hundred and... what was it at the time, 37 million, knowing full well that the designs were 30 percent complete? That's the question we have to ask ourselves. When I was downstairs for the informal seminar on this, one of the leads, the private leads on this whole issue, one... his 1st line he started with was that City Council approved a report in July, 11 with a design that was 30 percent complete. And I said hang on there. The administration got a copy of that July 11th report, brought it downstairs and I think we all read it that morning and we looked at that report and the report says and I quote and it's in this report "the contractor has presented a GMP, a guaranteed maximum price, of 137.7 million. The Contractor's submission includes several conditions that may impact the final costs of redevelopment", full stop. There is no mention, Mr. Speaker of a design that was 30 percent complete and I still don't know how that stayed out of the report. And now it's very convenient for some of us who think it's a fantastic project and you know what? It may well be a fantastic project once it's opened. I hope it is and I'm actually quite sure it is going to be one. But right now it's easy for us to say well you voted on this. You voted on July, 2011 report that said that there were several contingency factors that may increase the cost and when I think contingency I certainly don't think \$17 million, and we know what 17 million...and if you go even further back, we're talking close to \$17 million, Mr. Speaker, which is why I voted for the audit last month and would vote for it again if it were to come forward. If we've learned anything from this issue that we certainly have to change our wording. Councillor Havixbeck talked about what the word "guaranteed" means. We know what the word "maximum" means. Within we all know what the word "price" means and when we approve a report that says "guaranteed maximum price" what do we expect? Exactly. So that's the conundrum I'm in, Mr. Speaker. I'm told that at the seminar the consultants also said the cost increases or the price, this may not be the end of it. I'm hoping that the speaker, when he wraps up can perhaps make reference to that, if he has any information. And the difficulty is that we have to pay for this. What would happen if the votes didn't go through to not construct this? The project would stop and the people that would ultimately suffer are Police Services. So, I'm going to wait to hear what the Chairperson who thinks this is an absolutely fantastic project, and it may well be in a few months once it opens, has to say on where this goes and if there is the potential of further cost increases. Thank you.

Madam Speaker: Councillor Browaty.

Councillor Browaty: I thank you very much Madam Speaker. Again, at the Downtown Committee, I was really very frustrated by the fact that our project lead, Osama AbuZeid made the comment at that table that Council should have known better in July of 2011. Let's go back to July of 2011. We were all in good moods, U2 had just performed at the Canad Inns Stadium, Pearl Jam was coming in September, the top song of the summer according to Billboard Magazine was Party Rock Anthem by LMFAO. Let's not talk about what those letters stand for. Let's not go there.

Councillor Fielding: Jets were being announced.

Councillor Browaty: Yeah, the Jets were just announced. These were happy times in the City of Winnipeg. Page 14 of a report of July 2011. As noted previously... Oh sorry. The Contractor has presented a guaranteed maximum price (GMP) of 137.750 million. The Contractor's submission includes several conditions involving remediation, construction costs, caissons/piles, slab flooring, fire stopping/fire proofing, etc. that may impact the final cost of the redevelopment. Normally if you go out and you go buy a new car, you know, don't pay until 2027 or whatever. There is an asterisk there and if you read the fine print you know what's behind it. Council did not know what was behind these words right here. Nowhere did they tell us that we knew what 30 percent was the designed estimates that we were dealing with. I'm very frustrated; very angry. There were aspects of the whole cabling piece that you know were beyond the control. Building code specs changed. There were some costs that you couldn't foresee. And the fact that you know we're rehabbing a building. There could have been better warnings rather than page 14, you know of a report issued during the July of 2011. It could have made it clearer and a lot more transparent to this Council as to what was going on. The suggestion that you know... I mean... and at this point we were being asked...in July of 2011 we were asked, to authorization additional expenditures for what was going to be a very top shelf project for our Police officers and well needed facility. But it was understood that you know, and very well expected that that was the end of it. And they in fact negotiated this guaranteed maximum price and there was an expectation of what guaranteed maximum price meant. But again, based on the information we were given I don't think it was reasonable for us to expect that overruns of this magnitude especially, would be part of what is coming ahead for us. Reality is we do need to proceed with this. I don't think there's been anything criminal or corrupt that's gone on here as some colleagues have alleged and it is different. I think it's quite different than the fire hall piece where I did support the notion of going forward for an audit. With the fire hall audit, there was a land swap that Council did not know about. There was a listing of a property on Grosvenor that we had not authorized a particular company to go and list for us. And the fact that we had... that this Council had authorized ...different departments within the City bureaucracy had authorized the construction of a fire hall on land we did not own and do not have option to purchase, obviously, makes that circumstance very different and why this is, again you know, very, very unpleasant but still very different. So unfortunately we're in this position. We are moving forward with a very good, I think, Police Headquarters for the men and women of our Police Service. I do think there are still a couple issues forthcoming and we need to make sure that we come up with a scenario that's fair for our officers, in particular about in parking, but also fair to the rest of our Public Service where it's understood that getting to and from work, whether it's whatever transport you have as well as parking is respected. As well as respecting that the nature of police work is a little different and you know that needs to be considered in this whole piece as well. So that's still another challenge coming forward in the days and weeks ahead as we start moving over to the facility mid next year. So I will be supporting this over expenditure today. I'm not happy about it but looking forward to the new facility.

Madam Speaker: Thank you. Any further speakers? I'll call the vote now. Councillor Smith.

Councillor Smith: When we in effect pass something with the idea of what it's going to cost and then we have a 17.2 million overrun, I want to know why. You know. I don't want to know why to blame someone, I want to know why so we can in future capital projects of this type, that we have.. we know what we are doing. You know, you learn from your mistakes, and I think we can learn from this mistake. I don't want to blame anyone. I don't think that's worthwhile but I think it's worthwhile to have an audit to go ahead and analyze what did take place and so we... and have recommendations so that we don't have this type of thing happening again. You know, I know it's going to pass, but I'm going to vote against it because I think it's important for the people of this City to realize what is occurring and the Mayor and his followers, what they want to do. Thank you.

Madam Speaker: Okay, Mr. Mayor.

Mayor Katz: I want to thank Councillor Smith for inspiring me to speak on this topic. Madam Speaker, the easiest thing to do here is vote against it. That's the easiest thing especially when you know there are others who understand the responsibility of the City, understand the implications of not having the money to pay for that, so let somebody else do the heavy lifting and you can just make your statement and vote against it. Isn't that a wonderful life? I wish myself and everybody else had that wonderful life every single day but we don't. We have to make some serious decisions and difficult decisions. I've heard a comment made by several people here today and I think it's a very good one but if you

read the final report, okay and I think I listened very attentively to Councillor Vandal, is this it? I read the report. It basically says at this stage of the game, this is it, we now have complete drawings and anything over and above the price that we're talking about right now is the responsibility of the contractor. That was made very clear and the CFO made that very clear so I wanted to address that because that's a very valid question. I've heard a lot of discussion about the fire hall and the Winnipeg Police headquarters. And I'm certainly not going to be redundant but I think Councillor Browaty made it very clear how one is apples and the other is oranges. We were talking about process there. If you look at the auditor's report, there is no discussion of whether you were 1 million or \$2 million or \$3 million over budget, it was all about process and procedure and how things move forward and did they have the authority to do so or not. That's what that was all about and I think we have those answers. So let's not try and compare the two because there is no comparison. We have a responsibility. We have a brand new Winnipeg Police headquarters that going to be built. No one here should be happy with it going over budget but the amazing thing is here, in one moment I hear the number 75 million, another moment I hear 79 million. Another speaker, 80 million. Look in the paper, other Councillors said a hundred million. I mean you can see how ridiculous this is truly getting. What we're talking about today is \$17.2 million and in that report it identifies every single aspect of every dollar of why it's 17.2 which some Councillors here have already shared. So you know what, take the easy way out; pretend you are being a martyr; don't do the heavy lifting; vote no because there are those of us when believe we are responsible and will always act in the best interests of the City of Winnipeg. Thank you.

Madam Speaker: Councillor Pagtakhan to close.

Councillor Pagtakhan: Thank you Madam Speaker and I thank all those speakers who have taken the opportunity to speak on this important issue. It's worth repeating here and I'll... because Councillor Vandal brought it up relative to the guaranteed maximum price, Madam Speaker. I'll read page 8 of the report it says here for clarity the City has a GMP or guaranteed maximum price with Caspian Projects in the amount of \$137.1 million and Madam Speaker that covers general labour and material price escalation. It covers sub-trade performance and productivity and cost of delays. The 2nd part of that Madam Speaker, is another part of the agreement that says that the City is responsible for risks associated with, for things outlined on page 8 of this report which is: unforeseen conditions and unanticipated requirements, design, scope change and any overage on the seven risk items which are listed on Appendix B which basically are... relate to back up power, or the gen sets, caissons, the fire proofing or the Draka cable, slab remediation, floor reinforcement, exterior column fire proofing and exterior grade beam upgrades. Madam Speaker, I just want to say, you know what? Like all of us have probably had experience with renovating an existing house or garage or structure or whatever and it's a common known fact that you know, you do your best to estimate the budget but more often times than not it's going to be over that particular estimate and that's what's happened here. This report here, what we're voting on here Madam Speaker is this second portion of what's going on with the Police headquarters renovation. And quite elegantly and very capably, the engineering firm, our project management team led by the Inspector Randy Benoit and the engineers at AAR (Adjeleian), very capably laid out, very transparent, very clearly why those... why we are having a \$17.2 million over expenditure relative to the Draka cable, the gen set. They had to move some rooms around. And as well, they talked about 30 percent drawings rightly or wrongly whether it was 30 percent or 80 percent or a hundred percent, Madam Speaker, it doesn't necessarily mean that it's a hundred percent correct. And that was part of the issue as well. So you know, you can have professionals putting together the best set of drawings on a building that's existing but they may not be a hundred percent correct and in this particular case there was "compliance issues" that we had to deal with and that was spelled out very clearly both in the delegations at Downtown Development, at Executive Policy and as well in this report, Madam Speaker. So at the end of the day what are we getting here? We're getting a 606,000 square foot, brand new Police headquarters building that will last 50 plus years, Madam Speaker, it will house 1,250 staff and you know, it's just a great project for our downtown and a very historical project at that for the Winnipeg Police Service. So I did want to also add, Madam Speaker, that I did ask point blank to our Chief Financial Officer who in turn asked all the members of the project team if there was any conflict of interest with anybody on this particular project with the contractors, with the engineers or with each other and there was none. The Chief Financial Officer stressed that there was no conflict of interest. I again asked it...that question at Executive Policy and I received the same response. There was no conflict of interest in this particular project. So I'm really happy to support this and I hope that we'll have a good amount of support for this, I think, really good, significant project for Winnipeg Police Service as they move on and you know, I hope to see all of you at the opening next summer. Thank you.

Madam Speaker: Thank you. And now we'll have the vote; I assume a recorded vote: All those in favour please rise.

COUNCIL OF THE CITY OF WINNIPEG
Wednesday, December 11, 2013

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Katz, Councillors Browaty, Eadie, Mayes, Nordman, Orlikow, Pagtakhan, Steen, Swandel, Vandal, Wyatt. Madam Speaker Councillor Sharma.

Nays

Councillors Fielding, Gerbasi, Havixbeck, Smith.

City Clerk: The vote Madam Speaker, yeas 12, nays 4.

Madam Speaker: Motion carried. We have no motions. We'll move on to bylaws. Councillor Pagtakhan.

**STANDING POLICY COMMITTEE ON
DOWNTOWN DEVELOPMENT, HERITAGE AND RIVERBANK MANAGEMENT
CONSIDERATION OF BY-LAWS**

Councillor Pagtakhan: Yes, thank you Madam Speaker. I'm pleased to move By-law No. 145/2013 be read a first time.

Madam Speaker: All those in favour? Opposed? Carried.

Clerk: By-law No. 145/2013.

Madam Speaker: Okay. Question period. Any questions for the Chair? Councillor Vandal.

**STANDING POLICY COMMITTEE ON
DOWNTOWN DEVELOPMENT, HERITAGE AND RIVERBANK MANAGEMENT
QUESTION PERIOD**

Councillor Vandal: Councillor Pagtakhan, I'm wondering if Councillor Pagtakhan, you can you fill us in on where the Exchange Waterfront Neighbourhood Plan that was approved I believe here last summer, where that's at in the process?

Councillor Pagtakhan: Madam Speaker through to you Councillor Vandal. Thank you very much for the question. As you know, we did vote on that earlier this year. It's my understanding that our public service is coming forth with a report relative to that and as soon as I get it, I'll share it with all members of Council.

Madam Speaker: Any further questions? Okay, that concludes that section. Yes?

**REPORT OF THE
STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS
DATED DECEMBER 9, 2013**

Councillor Wyatt: Point of order Madam Speaker. I'm rising earlier in the meeting. Council voted to refer a matter back to EPC. I would like to have that matter reconsidered. This is, I think, Council deserves to hear this matter and if Council at the end of the day, and I'm speaking specifically with regards to the report called Front Ending Agreement for Extension of Kildare West. At the end of the day if Council still wishes to defeat it, they can. I think it's important though that the information come forward and that Council learns about this and understands what is happening and why this administrative report is before us, and I think Council deserves that. And so I'd like to request that this be put back on for discussion right now and a vote for that effect and I'll request a recorded vote so that we can have this discussion.

Madam Speaker: Thank you. We have a motion to reconsider an item.

Councillor Swandel: Can we speak to the motion?

Madam Speaker: No. It's item number 2

Councillor Wyatt: Gotta vote first.

Madam Speaker: Under IPRW. And all those in favour?

Councillor Swandel: You can speak to a motion.

Madam Speaker: No we need...

Councillor Gerbasi: Madam Speaker, could the Clerk clarify whether you can do that and what the procedure is and if it's a two-thirds vote or what it is?

Madam Speaker: I was just going to get to that, yeah.

Councillor Gerbasi: It's quite unusual, thank you.

City Clerk: A motion to reconsider an item is kind of a central tenet in most democratic procedure and it would be done by a simple majority. All it means is that you have a vote whether or not you want to reconsider the item.

Madam Speaker: And I believe a recorded vote was asked for. All those in favour of reconsidering the item please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Katz, Councillors Browaty, Fielding, Mayes, Nordman, Pagtakhan, Steen, Wyatt, Madam Speaker, Councillor Sharma.

Nays

Councillors Eadie, Gerbasi, Havixbeck, Orlikow, Smith, Swandel, Vandal.

City Clerk: The vote Madam Speaker, yeas 9, nays 7.

Madam Speaker: Motion carried. Yes, Councillor Swandel at this point you can reintroduce the item.

**Item 2 – Front Ending Agreement for the Extension of Kildare Avenue West pursuant to the
July 17, 2013 Council Decision**

Councillor Swandel: I'm going to do exactly what I did this morning. I'm going to ask that this matter be referred. This is a very large amount of money. The numbers make absolutely no sense to me at first blush. It's something that was brought to a budget meeting. It's in the range of \$20 million, Madam Speaker. I don't know whether or not I agree with what's in front of us. I have not time...had time to review the material and I'm simply asking that we refer it back. Over lunch I had two telephone conversations with...

Madam Speaker: Councillor Swandel it's a referral with no instructions, no conversation. Are you referring the motion?

Councillor Swandel: Well I'm introducing and referring at the same time.

City Clerk: You can't speak to it sir.

Councillor Swandel: Okay well my... very clearly this is a very complicated matter and I'm asking that it be referred.

Madam Speaker: There is a motion to refer on the floor.

Councillor Swandel: Recorded vote please.

Madam Speaker: Recorded vote. All those in favour of referring the motion back to EPC please rise.

Councillor Pagtakhan: Before we take the vote on this. Point of order.

Madam Speaker: What is your point of order?

Councillor Pagtakhan: What's the procedure here, Madam Speaker? Do we get to speak to the motion?

Madam Speaker: No

Councillor Pagtakhan: Nobody gets to speak on the motion?

Madam Speaker: Because it's a motion without instructions.

Councillor Pagtakhan: To refer... Okay, if this gets defeated then what happens? Okay, alright. Thank you.

Madam Speaker: All those in favour please rise. Motion to refer. Motion to refer. Please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Eadie, Gerbasi, Havixbeck, Mayes, Orlikow, Smith, Swandel, Vandal.

Nays

His Worship Mayor Katz, Councillors Browaty, Fielding, Nordman, Pagtakhan, Steen, Wyatt, Madam Speaker Councillor Sharma.

City Clerk: The vote Madam Speaker is yeas 8, nays 8. The motion to refer is lost. You can have Councillor Swandel introduce the clause.

Councillor Swandel: I don't have the report here with me. I'm going to do my best to introduce and I think I have to recuse myself, it's really unclear because it's such a convoluted document. So I hope you all take that into consideration while you're doing this. You know, this as I was out of the country was put on an agenda. I was not made aware that it was coming to the agenda of the committee that I chair. It's a very significant amount of money. The amount of money makes absolutely no sense to me at first blush. I can't figure out what land exactly it relates to and what the costs are actually eventually charged to, which I think I'm going to have to recuse myself because earlier on I had to recuse myself for a matter in this area and because it was unclear at that time whether or not this actually impacted a piece of land that I was involved in personally. So at this point I'm going to recuse myself. I will let Councillor Vandal deal with this matter as he was the one who chaired the committee when it was at Public Works. So I wish you all the best in the audit that will come out of this. Thank you.

Madam Speaker: Councillor Pagtakhan.

Councillor Pagtakhan: Yeah, thank you Madam Speaker. I voted to...I wanted...I voted the way I did in the last recorded vote just to allow Councillor Swandel to speak on it and for me to speak on my feelings on it. I don't have a problem with referring Madam Speaker, if the Chair of Infrastructure Renewal and Public Works, with the committee that he heads up, feels very strongly about referring the matter for more information. I have no problem with that. Although I am curious to hear, you know, Councillor Wyatt's reason on this. It is in his ward I understand but we are dealing with quite a large sum of money here so I don't have any problems with referring if that came up again.

Madam Speaker: Councillor Wyatt.

Councillor Wyatt: Thank you and I want to first of all thank Council's indulgence.

Madam Speaker: Pardon me Councillor Wyatt. Councillor Eadie. Yes, go ahead.

Councillor Eadie: Thank you Madam Speaker. You know, when the Chairperson of the Infrastructure Renewal and Public Works Committee has concerns about this and it goes to EPC which he's a part of and all of you are involved in it and looking at this report. I think we should expect some more due diligence on the discussion of this particular item in terms of...I believe this is a developer payback. The City will be paying this money in the future. We've seen some of these deals before. It's kind of a hidden way to demonstrate that we're not paying. Growth is not paying for growth of this City and it's kind of a disguising way. I think that everybody should understand and even the Chairperson of the committee should at least have a full understanding of what lands, where the impact is and all that and it should have been referred back to EPC so that the Councillor in the area that this happening could actually have a very close and detailed discussion with the Chairperson before it moves ahead. And it sounds like to me...sounds like to me that EPC is having trouble working together here and I think that it should be going back there and if we vote it down today, I'm sure it will go back and because there is some sort of an agreement that's been placed into some development agreement somewhere, it will come back eventually but I think it needs to go back. And I think that members of EPC should figure out what's going on there, when they come to us and say, "We should approve this kind of developer payback" and that's where I've got it at. So I will be voting against this particular report today.

Madam Speaker: Councillor Wyatt.

Councillor Wyatt: First of all on a point of order and not my time, we've already voted the referral motion down. So we're actually going to vote one way or the other, up or down on this. So we've already made a decision on that. So that's a point of order, that's not against my time. I just want to make sure that's clear. First of all I guess...do I have the floor now Madam Speaker?

Madam Speaker: Yes.

Councillor Wyatt: First of all, I want to thank Council's indulgence for considering this. This was a matter and I take exception to the words of the Councillor who left the room. Everybody in this room actually voted on this in July. Everybody except for Councillor Swandel who correctly pointed out that he excused himself on it...potential conflict on the matter. Everybody on July 17th voted. It was in a development agreement. It was on the Council agenda. It was spelled out extremely clearly. What we are now implementing actually is the outcome of more than ten years' worth of work. We started, formulated the joint venture with Genstar. In 2002 it started and it came in about in 2003. We actually formed the joint venture because we knew that by developing lands with them we would earn more revenues than we would if we just simply sold the land as raw development. So far the joint venture has actually earned the City of Winnipeg \$10 million. With this development it will earn actually another 6 million with the future phases earning more millions. This tanking today will kill that joint venture, basically. Number one. Number two, this development actually, this road is opening up our Public Works lands, 1500 Plessis Road. 1500 Plessis Road is 40 acres of land. When Public Works and this Council in its wisdom made the decision to build a new consolidated Public Works yard on the east side of the city for \$49 million and it was out of the outcome of a decision made over a decade ago. We then decided to abandon these properties. Believe it or not we were not told about the environmental impact. I pushed the department, a year ago, to get the environmental information and found out the department actually has impacted the land by \$8 million...8 million in terms of environmental cleanup. This road will open it up. Last night at Community Committee, in this very room, we rezoned the land funding on this road and are in the process right now folks, of marketing it through an expression of interest. An expression of interest that hopefully, the private developers who purchase it will remediate the land and will still have a net plus to the land operating reserve in terms of revenues from the sale of that land. This road does not happen...this basically...tanks. This is our road. We have no money to build it so we are actually asking the developer to build it through our land and to connect into basically...why? Ten years ago, I looked at a map of Winnipeg, you can look at the map and the area between Transcona and Winnipeg is empty and yet there's houses going up against the perimeter highway on the other far east end of Transcona. Why is that? I started asking these questions of the planner. Why is that?...the planners of our City. Well they said "Councillor, the issue is because there is a challenge with regards to services. There is a challenge with regards to transportation. We don't know how to overcome them". So what did we do? We set in motion a planning exercise. Councillor Gerbasi talks about it passionately, an area structure plan, a secondary plan. And this Council in July of 2008 adopted the Transcona West Area Structure Plan. After two years of work and public consultation which outlines exactly what's happening here. This has been extremely transparent. This is implementing actually a secondary plan to foresee the development of these lands to assure that the joint venture actually can continue and that we can actually get these other properties onto market. We have passing...if we pass the capital budget next week, a library...it's a library...the Transcona Library, it needs the services this road is going to be bringing. It's actually being built on this road and the department knows that. That's why it was important to deal with this today. And I apologize but I have been working with the administration. They argued that the report was necessary to come back to Council now and that's why it's here. There is nothing untoward about this. I take exception in the reference to an audit. There's nothing untoward about this. This is as clear as day.

And the fact, yes, it is a big number but I can tell you this, our Department has been extremely safe in the terms of the calculation here. They've built into this, ladies and gentlemen, a 25 percent contingency. On top of that 25 percent contingency, they built a 9.5 percent inflation rate for next year which is far higher than the inflation rate as it has been in the last couple of years. They've built in here a half a million dollars of finance administration cost back to the City. That's kind of us paying ourselves. On top of that, so the 4.6 million is the hard number in terms of the road. The actual...sorry, 14.6 million. The actual 14.6 million includes all this construction inflation. We are empowering through the development agreement, Genstar to build the road. We've had meetings with their engineers that they'll be hiring. They feel strongly that not only is the number safe but it's beyond safe; that they can bring the project in for less. What you have today before you is the worst case scenario. So in terms of that, just think it through, if the project comes and in they build the road for less, it will actually come in at a lesser number and with the sale of the lands and the sale of the joint venture lands we can actually pay down the interest and pay in advance. We don't have to wait till 2020. This has the money in the budget in 2020. So it's beyond the existing capital budget that we're discussing right now. So I guess I implore Council not to throw the baby out with the bath water, that this...that you have all been part of this. Now I understand and I can appreciate that you all have your own wards and you're all extremely busy and you all got your own issues in your own wards and this is...You know, I have been very involved with this because this really is the front door into this development. Without this road, you're going to have basically a gravel road driving into this development. It's called Ravelston Avenue West. And then you won't have the opening of the Public...1500 Plessis lands that we're trying to market right now. And that would be a real shame because I think that would set us back and I think tank the joint venture as far as I'm concerned and not only as far as I am concerned, as what was passed by this Council which was 50...it was in the report, 51 loss beyond that. This has to be built because of the fact that you can't have a gravel road coming into a residential development. Ladies and gentlemen, the administration...I want to thank them for their hard work and dedication on this. They're convinced that this is necessary and that's why it's here today. So I would encourage you to support this. This is why I supported development cost charges because we know that there are costs related that are our costs but they are related to development and new development. I haven't even mentioned, Madam Speaker, the amount of taxes that this is actually going to generate. And it's going to be huge. This land...these lands that are basically between Transcona and Elmwood will be able to easily accommodate well over 3,000, probably pushing 3,500 homes. That's not including multiple family dwellings, which will be even higher. We're talking about some new commercial development. We're basically talking about literally millions, tens of millions in new tax revenue. We budget every year, Madam Speaker, 5 - 6 million a year in terms of new tax properties on our roles. If we want to have that kind of growth, we can't jeopardize projects like this. And this is extremely important. I think it's something that I encourage everyone to support and you know, it was not walked on to Public Works, it was put out with the agenda with other reports that were part of it which is not untoward, we do that all the time. And we actually have reports that go...because we are having a Committee meeting so why wouldn't you consider reports at the same time. In terms of the timing why it's important is because of the fact that the...Genstar has to get out. They have to hire the engineers. They got to get the work going and they actually have to see it. They are making an investment on behalf of the joint venture, since they're the managing partner to actually make it happen and build upwards, on top of this, \$12 million worth of roads into a housing development. They're not going to do that unless they know they have a front ending agreement. This is the front ending agreement. If we defeat this today there is no front ending agreement. There's basically no joint venture. Thanks very much, Madam Speaker.

Madam Speaker: Thank you. Councillor Gerbasi.

Councillor Gerbasi: Thank you Madam Speaker. I appreciate...sorry. I appreciate Councillor Wyatt giving us some explanation on this. It's just when you get a report in front of you with a number this big obviously, you know, you are wondering what happened and when we look back in July I don't think the number was in that report. Like when we supported the...you know, it came in with the Council agenda with a gazillion reports and a big, huge development agreement in the Transcona area. Nobody knew that it was going to cost 21 million. Now I'm not saying that...maybe you know, Councillor Wyatt can be very, very convincing when he gets out his charts and shows that he's...the plans that he has been working on. And it's true. Like, maybe this is a wonderful, wonderful idea because, you know, the way you describe what the intent of it is, it does sound like a good idea to be able to enable all this revenue to come back in. But I think for Council to be comfortable to move ahead with that. What we're seeing is a \$21 million expense that without all the explanation that Councillor Wyatt is sort of trying to quickly provide on the fly and it seems to me with an expenditure of this magnitude, you know, that the wise move would have been and I don't understand why Councillor Wyatt opposed it because referring it back would have given him a chance to explain all this very, very thoroughly to us and answer those questions. I have to admit it, it came to Public Works and along with a daylong budget review and stacks and stacks of reports and honestly, I think most members of Council are quite overwhelmed with the amount of material we're trying to wade through and we know we're accountable for every decision we make here. So honestly, I don't think there's any...the people that are asking that this be referred back, it's not saying that we necessarily think it's bad but we are accountable for the decisions we make here and I think it's reasonable and maybe somebody after me would reconsider referring it back again. I don't know how maybe times we can vote on that but I guess we can't. I just think it's unfortunate because I would like to trust and take on faith, you know the explanation that Councillor Wyatt's

given us, it's a good explanation, but the numbers aren't really here. It's just a \$21 million number. You know, I hope he is right that the money will be paid back in full and come back in in other forms of revenue and that this won't be a liability to us but it's a bit of a lot to ask us to trust that without the numbers in the report. It seems to me the administrative report could have shown that. It could have shown the potential income from the project so that Council can say okay, you know, I don't think anyone would question it if it came back, you know, the way Councillor Wyatt is describing it, to show us that, to show the revenue that will ultimately be coming back. So I don't know, I'm sure they're in a hurry to do it. I'd hate to see a project, that this much work has gone into, stopped. That's why I voted for referral. Nobody was trying to defeat it. And now I'm baffled because I'm concerned to go ahead without having those numbers other than taking Councillor Wyatt's word for it, which I'd really like to do but I think we...for a \$21 million decision we need to have something in writing that shows that that money is coming back. So that's my concern. I'm not really sure what we should do as a Council at this point. Thank you Madam Speaker.

Madam Speaker: Councillor Mayes.

Councillor Mayes: Thank you Madam Speaker. I really have a question and I don't want to put Councillor Vandal on the spot because he I guess chaired the meeting but I suspect Councillor Wyatt may be more capable of answering the question I had so I don't know if you are able to defer it, which is basically just...and thank you for shedding some light on this but Appendix A is referenced under recommendation number 1. And the wording of recommendation number 1 is that the details of the draft front ending agreement be received as information and the proposed terms be approved by Council. Does that mean this our proposed document that would give to Genstar and if Genstar amends it in some fashion, it comes back here for a vote? Are we approving a template and if it is amended it doesn't come back here? I mean one is always taken a little aback by the word that has draft stamped all over it, so I'm inclined to support this but I wouldn't...actually would have to get clarification on what is being said about Appendix A? Is that...clearly we are receiving the draft as information but where do we go from there? Is that a bargaining position? Is that a final position? That wording isn't clear to me.

Madam Speaker: Mr. Mayor.

Mayor Katz: Oh I was waiting for the answer. (laughter) Thank you very much Madam Speaker. And I can certainly see the validity of all the comments that have been made. And I think the first thing I would like to say, it's a very unique scenario. I wasn't expecting to see the Chair recuse himself but he has done that and kinda puts some onus on Councillor Vandal to represent him. But just to shed some light, one of the reasons this is here because this actually should have been dealt with in October. It didn't happen in October. There was assurances that it would be dealt with in November and it didn't happen in November and now it's December so I don't think all of Council is aware of the fact of exactly what has been going on with this project, that's number one. Number two is that I think everybody would agree with this, as a result of the project coming in over budget, I think the department is walking on rice paper and making sure they cover a worst case scenario and I don't begrudge them doing that. Actually, that's probably the way it should always be done 'cause if they give us the worst case and we can live with that, if it gets better we would all be extremely happy. So to me that's a positive. But as was stated before by Councillor Wyatt, there are opportunities to recoup some of our monies and pay back so that annual interest of almost, you know, a million plus dollars a year, would not become a reality. So, I very much understand where...when Councillor Gerbasi was speaking, I get what she is saying. But the realities are I believe this has been shown as a worst case scenario which I buy into. But the realities are, there is an upside here for the City of Winnipeg, there's no question about that. And this is a joint venture between the City and Genstar and if the commitments had not been made that this was going to be coming to Council in October and then November, I'm not convinced that even I would support it, but based on that, now that all the information is here and you have the opportunity and I did have the opportunity to read through it. Fortunately, your lovely luncheon did not take up all the time and so it gave an extra 45 minutes to read everything here. And just as a sidebar for Councillor Eadie, you know, I think it's actually a good thing when there is dialogue and at whatever committee level you have, Madam Chairman, how many decisions are unanimous? There's always people who believe, you know one thing and some people believe in the other and that's we get the opportunity to speak on this. So to have two Councillors basically have a difference of opinion...just about every vote you're going to see a difference of opinions...I don't think there is anything wrong with that whatsoever. I like to hear everybody to have their say and basically speak their mind. That to me is a very positive thing. I think it's extremely unfortunate that the Chair felt he had to recuse himself because I would have loved to have heard the comments from the Chair but that's a decision and I'm sure he is making that in an abundance of caution. So that's all I have to say on the topic.

Madam Speaker: Councillor Orlikow.

Councillor Orlikow: This actually illustrates my opinion a completely flawed budget process. Because what I'm understanding again in my...I didn't have the chance, I was doing some other work at lunch, to scan...to scroll through this document quickly and I could be corrected by Councillor Wyatt later on, that what we're asking for is adding \$13

COUNCIL OF THE CITY OF WINNIPEG
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million to next year's budget. That's what I'm reading here. I may be wrong but it says under page five, "financial cost projection proposed Kildare Avenue extension", I don't see it our existing budget right now. I quickly went through it. Again unfortunately if I'm missing something, I'm missing something but I didn't see it in the budget.

Councillor Gerbasi: (inaudible)

Councillor Orlikow: Okay, well that's... well that's... okay again, it may be so. The estimated cost dollars is \$14 million...and today. So what is the impact on the budget? No impact? I'd like to know that. How are we going to do this? Again, thank you very much and I wish I had time to read this document beforehand and if we didn't drop it in the morning of we could call maybe some people the other night and say, You know what? I really want to get this on. Please take an extra look at this document; I'll be dropping it on tomorrow; It would've been appreciated so we could actually have an informed decision and then I could start calculating what the impact will be or not be but this is just a drop on. And now we have to figure out today, in minutes...I have to figure out, is he actually getting paid? Financial cost projections Proposed Kildare Avenue Extension 2014 – \$13 million. And I'm being told don't worry that's paid by the developer and that in the end of the day, it's going to cost an extra...what that's \$6-7 million in financing charges and whatever because the final price tag is \$21 million. Again these are the numbers I'm reading here. How they actually fit into what puzzle and where they go, I am not exactly sure yet because I am doing this by quickly looking over this document, I haven't got to the back pages yet. So I think it's very unfortunate now we're sitting here and we hear Councillor Wyatt say, "If you don't produce this today you're going to kill it". Well you're the one who did that to us. We want to refer it so we can have...it may be a great project so we can talk about it a bit more and figure out what the impact is. I didn't ask to box us in a corner that it's either a yes or no today. I don't want to kill a good project but I also don't want to walk blindly into something because one Councillor in one ward that says, I want this today! Well good on ya, but we have a responsibility to also be looking at the financial impact over all. So I won't be supporting it.

Madam Speaker: Councillor Havixbeck.

Councillor Havixbeck: Thank you, Madam Speaker. This is the most bizarre scenario I think I've experienced yet with the Chair leaving and assigning the Chair role to somebody else. I'm not sure he can do that procedurally but I guess he'll be... Councillor Vandal who didn't support it will be closing on this. The referral I supported because I think it needed more time. It's a lot of money. And now in the comments hearing the Mayor say that it was delayed, delayed, delayed for a few months and now it's rush, rush, rush. We have a gun to our head; we have to decide or the deal is done, I'm not sure what all that means. And you know, taxes to be generated. Where is the cost benefit report that would accompany something like this? Where is the MPV on this property? That part is not clear. Maybe somebody can answer that then today in their closing comments? I'm not sure. It reminds me as well that special meetings on the budget need to be special meetings for the budget period. Can't be bringing new things on because there's a meeting that happened to be scheduled. This could have waited. Perhaps could've had more discussion and debate around the table and explanation and I think that's the biggest issue. We ram these projects through. We rammed through the fire hall project if you recall because we were afraid of losing funding towards that. And so here we are again and perhaps we may need an audit of this file down the road if something is not seen to be correct so I'm not supporting this.

Madam Speaker: Okay, any further speakers? Councillor Vandal.

Councillor Vandal: Madam Chair, I'd like to move this be referred back to Committee for further discussion. There is obviously a lot of questions. A lot of questions that can't be answered thoroughly and Councillor Wyatt makes a compelling case, however the reality is if you read the recommendations, it's a \$21 million...

Councillor Wyatt: Point of order. Motion of referral is not...

Madam Speaker: You are moving referral?

Councillor Vandal: Move it be referred.

Councillor Wyatt: Recorded vote.

Councillor Vandal: Recorded vote.

Madam Speaker: So we're back to where we were. Okay, all those in favour of the referral please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Eadie, Gerbasi, Havixbeck, Mayes, Orlikow, Pagtakhan, Smith, Vandal.

Nays

His Worship Mayor Katz, Councillors Browaty, Fielding, Nordman, Steen, Wyatt, Madam Speaker Councillor Sharma

City Clerk: The vote Madam Speaker, yeas 8, nays 7. It's referred.

Madam Speaker: Motion is deferred. Now we're on to the Alternate Service Delivery Committee.

**REPORT OF THE
ALTERNATE SERVICE DELIVERY COMMITTEE
DATED DECEMBER 6, 2013**

Councillor Wyatt: I move that the rules be suspended and that the reports of the ASD Committee dated December the 6th be considered.

Madam Speaker: All those in favour of suspension of the rules? Opposed? Carried.

Item 1 – Winnipeg Fleet Management Special Operating Agency - 2014 Business Plan

Councillor Wyatt: It's self-explanatory this is the business plan for 2014, Madam Speaker, and we are...we do this every year and this is the time of year when this report comes forward.

Madam Speaker: Okay, thank you. All those...We have a speaker. Councillor Eadie.

Councillor Eadie: Yes thank you, Madam Speaker. I just want to quickly say, I'm sure Fleet Management has got a good plan for the New Year. However given all...like, this...this process...this month, December is just amazing. I'm still reading aspects of the budget, so that I understand what the implications are before I vote on it on the 17th of December. We've got all these reports here. These are...I think they're related to money. I know golf services, you know, it's not running with a net profit here. It will end up needing some mill rate support...I don't know what effect that is. But on this Fleet Management one it's a long report. I haven't read it through and maybe when he closes he can do it but you know, there are other aspects, but one thing I wanted to see, and if it's in the Fleet Management, is we heard from the review of Public Works that there were some really good ideas that Fleet should implement so that we could see more effective services delivered to the people in the residence in our various neighbourhoods, all around the city. And there is no time to know if they are covering that off. The only time...the only thing I quickly caught, one sentence, it looks like we're bringing some in-house repairs over to the East Yards that's probably a good idea on the Fleet Management so that's good. But I can't...I can't vote for something I haven't been able to read the whole report over. I really...I really feel that that wouldn't be doing the due diligence that's expected of me being a City Councillor when I was elected by the people. So you know, I have to vote against this. I would like to have known if they were implementing a bunch of good things for our city so we can deliver better services.

Madam Speaker: Councillor Wyatt.

Councillor Wyatt: Yeah the report is here. It's...I'm sorry for the Councillor who didn't have time it read it. We did have a Committee meeting on Friday. We had an extensive discussion with the Director, or with the Manager of the Department and a lot of information was presented. I would encourage the Councillor to attend the meetings in the future if he is very interested in these items and I would encourage him also to listen to the tape. You can listen to the tape recording. It's all available. There is not...nothing untoward or hidden. We had a really good discussion with the Manager and so it's right here and I think it's pretty clear, black and white.

Madam Speaker: All those in favour? Contrary? Carried. Madam Clerk, item 2.

Item 2 – Winnipeg Parking Authority Special Operating Agency – 2014 Business Plan

Councillor Wyatt: Yeah, I would like to introduce that as well.

Madam Speaker: Councillor Eadie.

Councillor Eadie: Thank you Madam Speaker. Pretty well ditto to the last speech. I quickly read over the first couple of pages on this. I haven't the foggiest idea who the temporary project manager is, or anything in regards to the parking plan. All I can say is I'm voting no. Thank you.

Madam Speaker: Any further speakers? Councillor Wyatt? I'll call the question all those in favour? Contrary? Carried. Item 3, Madam Clerk.

Item 3 – Winnipeg Golf Services Special Operating Agency – 2014 Business Plan

Councillor Wyatt: I'm pleased to introduce this as well. Well I guess pleased but not pleased I suppose, if you read the financial sheet on Page 19. The...We are now in 2014 basically treating golf like a department. We are absorbing all the costs, about \$575,000 that we used to charge back. As well there is about 872,000 in terms of the loan money that's on the gain on the forgiveness of the loan from the Golf Reserve. And so that is being calculated as a one-time revenue, so that's a cost actually. So in 2014 the subsidy to golf will actually be over \$1.4 million. Going forward the subsidy to golf in 2015, we are...we have a \$7.5 million line of credit that basically the public service is recommending we should pay off in light of the fact that we're no longer treating the SOA like a business and to get rid of that debt so \$750,000 is being budgeted on an annual basis for the next ten years. This is again a direct impact on the mill rate support. With that \$750,000 plus the fact that 875,000 is being wiped out in terms of pay back from the Department, you're looking at...you're basically looking at a cost of, in the range of \$1.3 million. This is a direct impact on the public...on our operating budget. It'll hit...it's hitting us already in 2014. It'll hit us even greater in 2015 and beyond. It is on the assumption that there's not going to be a greater need to step in in terms of subsidy. It's based on the assumption that 575 won't change, but that's a big assumption. It would basically mean that the existing amount of golfers that are golfing now would not remain unchanged and as we know, that's not historically been the case. So you know it is what it is and we also had a very good discussion, a lot of information about this at the Committee and it's here for everyone to see.

Madam Speaker: Councillor Eadie.

Councillor Eadie: Yes thank you, Madam Speaker. I appreciate the Chairperson introducing this and actually explaining it. And actually, this is one I am quite familiar with because we did have a seminar some time ago, mind you, but everything he just said I completely understand, but maybe in his closing on this particular motion...or submission of this report...their annual, whatever. There was a recommendation and we were talking about this and I know that the person who's expected to manage golf services was taking the auditor's concerns into context here in terms of the equipment that are...staffing of our golf courses have to use in order to make sure that we actually are presenting some of the better golf courses to golf on. And you know, the better you make your golf course, the more people of course you're going to attract. Yeah, the market is shrinking, but you know if you're providing a good golf experience, making sure the staffing have the equipment that they need, I would like to hear when he closes on this. I may vote yes for this one if he could answer the question, "are we doing that investment in the equipment that the workers on the golf course need"?

Madam Speaker: Councillor Orlikow.

Councillor Orlikow: I read through it a little bit again in my last two minutes. I guess my...I'm a little...we had a seminar on the golf services after we decided not to pave them all over. After we decided not just to sell them outright, we had a seminar and we looked at other options and there were some really good options that golf services provided. The issue of demand we talked about but I don't see any changes. The seminar talked about maybe repurposing one of the golf courses into an urban park or looking at other public uses of that park. That would have solved, I believe, a whole bunch of our problems because it would have increased demand in other places. So here we are saying "well if we don't...we lost so now we're just going to carry on the way it always was and look at all these losses". Well, where are the other choices? So we decided we didn't want to pave them over and sell them to developers. Okay not without a proper analysis of green space, blah blah blah. So we decided that. We decided that golf is an activity that some people want to

play. We decided that. There is a whole bunch of this grey area in the middle that we thought...I thought we got close to, which was maybe we can just take one of the parks there...one of the golf courses there, the least performing in financial terms, and make it into a park or nature reserve or eco-centre or a whole bunch of things. Here I see no change. I see that they're just going to carry on and it's not my fault the losses are because Council voted to let me have these losses all the time. Well no, Council wants a solution. And I thought we had one but I don't see anything in here. So maybe they...someone can answer me why we seem to be going on business as usual without looking at the other options that were presented at the seminar.

Madam Speaker: Councillor Swandel.

Councillor Swandel: Thank you Madam Speaker. I guess the only thing I need to know is when the closing, how the assets are now going to be treated if this is going to be operated like a regular City department. We show the assets in the SOA, as you know, we've got the golf courses, land assets of over \$20 million. We've got the buildings, you know as an asset of over \$2 million and we've got some improvements in furniture and fixtures, those assets. We talk about this amount of debt, do we apply that debt against assets? To do some clarification on...are we actually winding the SOA down here and this is going just coming...be going into parks and recreation? Or are we actually just still going to keep the numbers separate on golf courses and still manage the books as a SOA? I was a little unclear from the introduction there.

Madam Speaker: Councillor Havixbeck.

Councillor Havixbeck: Yes. I just have a few questions and perhaps the Chair could clarify them. He has said that this is becoming...it's shifting from an SOA to a department and I would just like confirmation that that's officially, indeed, what's happening because I don't see where that's listed in here. As well, on page 6 of the report under discussion, discusses "staff reductions will impact five Clerk I starters" and two student maintenance positions. I would like to know if anyone has discussed that, written, corresponded with CUPE on that matter and if that is indeed moving forward as part of this in adopting this? As well, I'm wondering if anybody has sat down and discussed anything about initiatives that could be cost savings with CUPE, because they have a lot of ideas and I'd like to have that answered and perhaps there are...there are some opportunities for improving the bottom line. This past summer, the rate increase...the rate that was going to go towards capital improvements, did indeed all those capital improvements occur? I think there was four or five among a number of golf courses so if the Chair can answer those in his response. You know again, I feel that this is something that's being rushed and attempted to be rushed through and I'm not sure why, if this is part of the budget it should come with the budget next week which would be coming forward on the 17th. So I'm not sure what the rush is here.

Madam Speaker: Councillor Mayes.

Councillor Mayes: Thank you, Madam Speaker. I have missed this issue. It's been awhile since we talked about this. I'll try to be brief. The...Councillor Havixbeck...well we'll see if we can say a few things to maybe bring Councillor Eadie on side. So I think there has been some progress on this matter. The issue of treating it like...not like an SOA anymore is validly pointed out by Councillor Swandel. There are issues, for instance, the depreciation is still being counted here toward which does make the bottom line looks worse than a lot of our City departments. If you compare this to say Bonivital Pool, Bertrand Rink, you're not going to see depreciation jumping out at you in those calculations. You do see the depreciation here so Councillor Swandel is right in raising that issue of how are we going to proceed with the bookkeeping. In terms of contacts with CUPE, I'm glad to hear Councillor Havixbeck raise that. It was CUPE that came forward and said we think you should increase the green fees by \$1 or \$2. We are moving toward \$2 this year. That is being reinvested in capital projects. Additionally, the Riel Community Committee approved some funding from land dedication. I'm not using the word either. The Riel Community Committee approved some funding from land dedication to assist in the flood protection at the Windsor...it was a split vote...at the Windsor Park Golf Course. So Council is making some investments. We are reinvesting to improve the capital product, hopefully making a better attraction. So Councillor Eadie is right in saying, what's...what makes this different? I think there are some progress with the increasing the green fees, going back to improve our courses. Some of the Community Committees putting some money in but there are issues like depreciation that we're going to have to look at going forward.

Madam Speaker: Thank you. Any further speakers? Councillor Wyatt to close.

Councillor Wyatt: Yeah. Maybe I wasn't clear, the SOA still exists. There was no decision made, Madam Speaker, to wrap up the SOA. Though the SOA is operating many ways like a department is what I indicated. And so it still stands as separate in terms of this balance sheet. Council may, in the future, want to roll it in to the rest of the public service that would have to be a decision of Council. I think the key thing here to note is that in light of the fact of the subsidy that we're making right now, \$80,000 on an advertising campaign looks pretty small compared to what we're subsidizing

COUNCIL OF THE CITY OF WINNIPEG
Wednesday, December 11, 2013

today. And it's right now over 1.4 million in 2014 folks and that's what's hitting us. Now I hear what one member of Council said, that why does...what about these ideas of savings? There is nothing preventing the union from talking to us and coming forward with ideas of savings. Our door is always open. We're always happy to hear ideas and solutions from them. It's a two way street. We came forward with some suggestions, earlier this year that were defeated in this chamber. So maybe the onus is on the other side to now come forward with some ideas in savings. So I think...you know I haven't heard any from the union so... Maybe they are formulating something to come forward in terms of savings here. In terms of other options with golf courses, any Councillor is in a position right now to move that they would like to see their golf course developed or something happen with the golf course in their ward. Nothing prevents them from doing that. I look forward to seeing a motion from one of the members of Council here to redevelop a golf course in their ward. I'm sure that it will be done with the election coming up very soon. I look forward to that and having that debate and discussion. And you know what, I'm...something that we can really entertain and look into, especially if it's their ward. They know what's happening in their ward and so it's something that would be very supportive.

So right now, it is a status quo. In terms of the revenue, no the revenue is not going, it's going to pay for the operation. It's not going. Originally the plan was to set aside the money for capital. Unfortunately, we just have to subsidize this operation. I mean that's really...and so the reserve that was set up is actually being closed. I want to make that very clear. That's actually in the book. It's clear as day. Over \$800,000, close to 900,000 coming back to pay for the subsidy of the operation which is necessary, otherwise the subsidy would have had to come from mill rate support, even greater than what it is right now.

Madam Speaker: Thank you and with that I'll call the question. All those in favour of item number 3? Opposed? Carried. Okay. That brings our meeting to a close. Councillor Steen will move adjournment. Roll call Madam Clerk.

ROLL CALL

Clerk: Madam Speaker Councillor Sharma, His Worship Mayor Katz. Councillors Browaty, Eadie, Fielding, Gerbasi, Havixbeck, Mayes, Nordman, Orlikow, Pagtakhan, Smith, Steen, Swandel, Vandal, Councillor Wyatt.

Council adjourned at 3:12 p.m.