

COUNCIL OF THE CITY OF WINNIPEG

Tuesday, October 22, 2013

The Council met at 9:34 a.m.

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

The Speaker called the meeting to order.

The opening prayer was read by Councillor Eadie.

ROLL CALL

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

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

Pursuant to Section 79(1) of The City of Winnipeg Charter, the City Clerk was directed by His Worship Mayor Katz to arrange a Special Meeting of Council on Tuesday, October 22, 2013 at 9:30 a.m., to consider the following:

1. *Appointment of Interim Acting Chief Administrative Officer*
2. *Report to Winnipeg City Council – New Fire Paramedic Stations Construction Project*

Mr. Speaker: Thank you, Mr. Clerk. Having proceeded with those official requirements, we will now move to delegations. We'll invite...Councillor Steen.

DELEGATIONS

Councillor Steen: Suspend the rules to let...another delegation come, Fire Chief Reid Douglas.

Mr. Speaker: Thank you. I need a...Councillor Browaty.

Councillor Browaty: (Inaudible) list a Colin Craig of the Canadian Taxpayers Federation.

Mr. Speaker: Under...under...

Councillor Browaty: Item 1.

Mr. Speaker: Item 1?

Councillor Browaty: Yes.

Mr. Speaker: Okay.

Councillor Browaty: Oh, is it? The Fire Hall Audit...

Mr. Speaker: That's 2.

Councillor Browaty: Sorry, I apologize, and 2.

Mr. Speaker: Two, okay. Colin Craig. Okay, I need two thirds to support suspending the rules. All those in favour? Opposed? Motion carried, so we will add to our list, five minutes for Reid Douglas and five minutes for Colin Craig. Our first delegation is with regard to the appointment of interim Chief Administrative Officer and we have Mr. David Sanders. Sir, ten minutes.

David Sanders: Mr. Speaker, Mr. Mayor, members of Council. My name is David Sanders and I'm appearing today as a private citizen to speak up in opposition to both matters on your agenda. Since it was finally released yesterday

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afternoon, I've had an opportunity to review the Ernst & Young Report dated October 7th, 2013, which was some two weeks ago. I began to introduce myself to Council earlier this spring, but in the context of today's meeting, I just want to mention that I'm also a former chair of the Winnipeg branch to the Institute of Public Administration of Canada, and the former member of the Western Canadian Municipal Finance Officers Association, and I was a full member of the commercial division of the Winnipeg Real Estate Board for 12 years. I've watched the story unfold in horror. When I attended Executive Policy Committee's first public meeting on the audit report yesterday afternoon, I was expecting to watch the E&Y consultant make a detailed presentation of their findings and answer specific questions from committee members. Instead, EPC kept the consultants on the sidelines up there except to answer just two questions. One, did they detect anything illegal, and two, did they discover any direct breaches of the City's code of conduct. If Council really wants to shine more light on what goes on in the City government, that was not a very promising beginning. Secondly, Appendix A to the consultant's report in the case of consultant did not interview the Mayor or any other Councillors except for Councillor Havixbeck. That is a huge shortcoming of this report and I want to know who decided that elected officials would be shielded from this investigation and why. If we were to re-establish some measure of public accountability at City Hall, it must begin at the top with the Mayor and Council. This report is incomplete, and therefore, inadequate. Nonetheless, the 152 page report including a detailed summary of significant chronological events, plus the comments of the City's senior management and on earlier September 5th, 2013 draft, and the consultant's subsequent responses, provides a great deal of insight into how civic administrators got into such trouble. The summary of the report contained in the City Audit Department's report to EPC is reprinted in the City's press release but this summary glosses over or fails to mention some of the consultant's key findings. First of all, the construction contracts for the four fire stations totally in excess of \$50 million, were all awarded on non-competitive basis to a single firm, Shindico. The openness...

Mr. Speaker: Mr. Sanders, can I just interrupt you for a minute? Your issue here was the appointment of the Acting Interim Chief Administrative Officer, I haven't heard anything about that yet.

David Sanders: I think you're going to very shortly.

Mr. Speaker: All right.

David Sanders: The openness, fairness and transparency of the procurement process as used to contract for the project are in question. Shindico information not available to other bidders during the initial competitive procedures and appears to have been encouraged by City reps after developing alternative design, which then formed the basis under which they are awarded single source contracts for three of the stations. That alternative design actually did not meet the requirements of the original requests for proposals, and yet it resulted in Shindico getting all of the work on a single source basis contrary to the City's Materials Management Policy Section B4.1, the consultant could find no basis for determining whether the City will receive best value for the money from single source contracting with Shindico, and so Taylor Station No. 12 was built on land not yet owned by the City, and far as I know to this day. The construction of the Portage Station was awarded on a basis of two contracts effectively binding the City to build a larger station at a cost exceeding the approved budget and on June 10th, 2013, Corporate Finance estimated that the final total cost of the four stations will be \$18,575,000 including about \$1 million to buy the Taylor No. 12 land from Shindico. The City's Planning, Property and Development has advised that the value of the City land, which was to be exchanged for Shindico's land at 1780 Taylor could've resulted in an excess value transfer up to \$500 to Shindico. Council oversight of this project was effectively circumvented by the splitting of contracts to avoid having to seek Council contract authority. The splitting of contracts to avoid seeking Council budget approval, failing to establish a major capital project steering committee to provide inter-departmental administrative supervision of the progress of the project and commencing construction work without appropriate contract to award authorities in place.

Mr. Speaker: Mr. Sanders, I'm going to refer to my previous comment. I still have not heard anything about the Chief Administrative Officer appointment. At this point, you are rehashing another issue which is actually Item 2, which you're already going to be speaking to, so I would ask you to proceed to dealing with the appointment of the Acting Interim Chief Administrative Officer.

David Sanders: I'll come back, but I'll go to the bottom of page three, both the Chief Operating Officer, Deepak Joshi and the Chief Financial Officer, Mike Ruta, who also served as Acting Chief Administrative Officer from November 2010 to May 25, 2011, were personally involved in and aware of most of the transactions as described in detail in Appendix B summary of chronological events. But last week, EPC recommended that the Chief Operating Officer Deepak Joshi be appointed as the Interim Acting Chief Administrative Officer effective October 17 until Council appoints an Acting Chief Administrative Officer. Now that Council is aware of Mr. Joshi's participation in and knowledge of many of the improper and poorly managed transactions enumerated in the E&Y report, and I'll refer you to just for example, pages 8, 27, 28, 30 and 32 in the chronology. I don't know see how you can possibly approve this appointment this morning. The

consultants also found fault with the actions and emissions of other officers, and I'll come back to that later if you want to hold me to this. Thank you.

Mr. Speaker: Do we have any questions on the appointment of the Acting Interim Chief Administrative Officer? Seeing none. Thank you, we'll call you back when you have your next issue. The next delegation is Bob Axford and Marty Gold in support of Item 1, the Report of the Executive Policy Committee dated October 21 regarding the report to the City of Winnipeg Council on the New Fire Paramedic Station Construction Project. Gentlemen, you have ten minutes.

Bob Axford: Thank you, Mr. Speaker. We're speaking on the Fire Hall report and because you have to choose if you're for or against it, we've chosen to be for it with the amendment that it doesn't go anywhere near far enough. Marty is going to talk a little bit about report specifics and how they're seen by the public but for myself, I've appeared before you several times on governance and public consultation and that's the area that I want to deal with. It's bad enough when the City leadership looks stupid but worse when your actions bring the institution and government in general into disrepute. Taking over a year to deal with the obvious is a disgrace and the CBC poll that shows a 90 percent opposition to the Mayor should tell you something. As bad as this report is, Council should ask what they might have missed. As there appear to have been a lot of massaging and several rewrites. The scope is too narrow perhaps. The terms were too vague. The right people weren't interviewed. I encourage you as a Council to dig a little deeper. Make no mistake, the problem here is a cancer. It's systemic and that's how cancer works. It goes inside and corrupts the cells and you've got some of that problem here in the administration. Council members should ask for the Sheegl/Ruta report that originally went to Brian Whiteside and he blew it out of the water. You need to compare the report from the outside auditor to the original report to see how far the cancer goes and to see who it touches. Because when a surgeon wants to cut a cancer out, they knowingly cut potentially good tissue to be sure to get it all. Even with the report, you still may not be sure and inadvertently pick your new officials from someone who carries and transmits the disease just as Mr. Sanders finished talking about. So I want to commend Mr. Whiteside and Paula Havixbeck for being notable among the people for standing up and understanding who they actually work for. I know personnel issues are in-camera but somebody should ask if Sheegl had departed a year earlier, would there have been a substantial difference to the termination pay. Would a known owned lot would have been rectified and what Shindico had been banned from City work? And if Reid Douglas would volunteer to speak to Council which he might, you might ask the following: does the report cover everything or are its conclusions correct? Where did the idea ever come from to do a property switch and how were you encouraged to do it? And who set up the four buildings on separate contracts and why? And who do you think benefited and did Mr. Katz have his fingers in it as well? Since I mentioned Havixbeck, I want to commend Councillors Smith and Eadie who sometimes took flak but followed their gut feeling that something was wrong. More importantly, I want to tell you that the actions of a small group of people are continuing to steal the agenda, the time, and the tension and the resources of every Council member here. I believe Councillor Orlikow has identified a small piece of the leadership puzzle, but it is bigger, much bigger and the report certainly does not go far enough in this area. What you have here is a very serious governance problem where too much power is concentrated in too few hands. It's not just about Council and the Mayor, although sometimes he sees it as hopeless, Councillor Orlikow certainly has not been happy with the shift of political power away from the Council and to the Mayor's office. I'm here to tell you that the same shift is going on in the administrative side and there are unhappy people over there, too. I could say the same thing about a tilted playing field in the commercial sector and how annoying it is out there. What we have here is a small, informal group usurping power and living in an unholy symbiotic relationship. The bad news is that it's a serious, almost fatal governance problem because it's a behavioural problem which does not get remedied by policy or regulation. Behaviour modification usually requires crisis to affect change. For example, the AA says you need to be upside down in a garbage can on Sunday morning before you are ready to accept help. The good news is the Council is upside down in a garbage can and it is Sunday morning. Of all the Councillors, I think Orlikow being the most outspoken on the issue may be best positioned to lead some of that change. So if you care about your institution and the role of future Councillors I think it's time to get up and lead, because when you have a just cause, you'd be thrilled to see how many people will follow you. Thank you. Marty?

Marty Gold: Good morning Mr. Speaker, good morning Councillors. Some of you in this chamber I've known for 20 or 30 years. Each one of you regardless of where you stand on the political spectrum have an obligation now, a responsibility to show leadership on this file. All the e-mails that are referenced in the chart at the back and the appendix by the auditors; all those e-mails must be released so the public can see for themselves, can read for themselves the exact language that was used by the principles to describe the situation at hand and their actions. The Mayor must show leadership by releasing the report that was being prepared by Mr. Sheegl and Mr. Ruta, so the public can compare their version of events, their version of the proprieties, improprieties with the version found by the audit. This is not a contained problem and that's why we have to get to the bottom of the scandal and there should definitely, in my opinion, be a role for a police investigation, although I don't believe it can be conducted by the Winnipeg Police because of the relationship between the administration and the appointment of the new chief, which is not a shot at either party. It is a matter of public perception. There's plenty of evidence that the parties involved in some of these dealings were more than just passing strangers and many of us can speak to that. If this was Montreal, there would be a massive inquiry.

And the fact that this file dragged for a year has in fact made Winnipeg among taxpayers, it's made the Council Building a place where there is not the respect that there should be for the way things are done with taxpayers' money. There's a bigger scandal in this that I was quite surprised to read last night. That property at 1780 Taylor was commercially worthless and I stumbled across this and covered it on my TV show on Shaw. The developer had been turned down for a preferred zoning change so they'd get a drive-thru in. They couldn't maneuver that property into anything that they found was going to be productive and then the caveat, which I also was the first to uncover, that was filed by the City on that property, that was written by City lawyers, was not worth the paper was written on. The audit shows that that caveat failed in at least five ways to protect taxpayers, and clearly there was one obvious beneficiary of all these moves and that'll be the developer, Shindico and only a criminal investigation can dig deeper into the motive and possible kickbacks or other benefits to unknown persons, and that must be done to restore public confidence. Once again, and I've appeared here how many times, in the past couple years to talk about public consultation. Once again, public consultation was manipulated. In this case, in July 2011 in St. James to ram through a pet project of the powerful. Even so there was a red flag raised that was not only ignored but was ridiculed. Councillor Fielding could've exposed the fire hall scandal in July 2012. If he had listened to the letter from the Viscount Gort that was sent to the community. He must release that letter and then he must apologize to Viscount Gort officials for saying they're trying to mislead the public when it appears they were trying to alert the neighbourhood that something had changed in the scope of the St. James station; that it had been moved on the property itself, and that it was not what was put forward at the public consultation a year earlier. Similarly, in November of 2012, Councillor Swandel made a reference to the Spanish inquisition event that happened to understand why the administrative perspective was and why things happened the way they were. That is when the administration was called before the committee chaired by Councillor Havixbeck. The audit shows that the so-called perspective was to conceal knowledge of shortcuts, conceal knowledge of wrongdoing, favouritism to the developer. Councillor Swandel owes an apology to Councillor Havixbeck for criticizing her efforts to get straight answers and protect the taxpayers. And I also suggest that Councillor Gerbasi is also owed an apology because her instincts about what could go wrong inside the City Hall administrative processes were, in fact, borne out by this audit. Do we have a double standard of what is criminal? In this city, people can get arrested and hauled off for as little as stealing a can of spam. When there is \$3 million of taxpayers' money lost, it cannot be easily dismissed and the public will not accept that. Don't be afraid to ask for an out of province governance review, so independent eyes can look at this and as Councillor Eadie suggested that this place can be reformed and move forward and be more democratic. And as Bob Axford said, the lack of confidence that the taxpayers now have in the administration and Council is startling and it's disturbing, and there have to be concrete steps taken to restore that confidence and to ensure that people know that their tax dollars are being dealt with fairly and wisely, and not being tossed around in a manner that shows any favouritism to anybody, developer or otherwise. Thank you.

Mr. Speaker: Any questions for Mr. Axford or Mr. Gold? Seeing none, thank you gentlemen. Mr. Sanders, you're back. And you have ten minutes.

David Sanders: Thank you, Mr. Speaker. I'd like to continue where I was on page three, in which I was enumerating some of the key findings of the consultant. The project was assigned to former Fire Paramedic Chief Reid Douglas who in the opinion of the consultant was, "an individual who did not have the appropriate expertise nor the resources within his department to manage it". However, the former Chief Administrative Officer Phil Sheegl was deeply involved in design, budgeting and negotiation of the construction and land exchange contracts providing the majority of oversight and directing the Fire Paramedic Chief every step of the way. The structure of the proposed Shindico land exchange swap was known by the current Chief Operating Officer, Deepak Joshi and the former Chief Administrative Officer, Phil Sheegl in advance to the letter of intent being signed and on the instructions of the CAO, Chief Douglas signed the letter of intent dated January 31, 2012, and so did the City's Director of Planning Property and Development, Barry Thorgrimson who had not been leading the negotiations and had not yet made a formal valuation of the Mulvey property, which was to be transferred to Shindico by the agreement. The consultants found that the Corporate Finance failed to provide adequate oversight of the project, capital budget information and noted that Legal Service's function in the facilitator role rather than an oversight role as it related to the land exchange transaction. The splitting of contracts due to a lack of Council funding for approval, the commencement of construction without contracts or contract authorities in place, and the construction on land that the City did not own. The consultant gently says Legal Services should have been more protective of the City's interest. Both the Chief Operating Officer, Deepak Joshi and the Chief Financial Officer, Mike Ruta, who also served as an acting Chief Administrative Officer, were personally aware of these transactions. With regard to the administration generally, being here yesterday, I thought the inability of the manager of materials management to answer Councillor Pagtakhan's straightforward questions at EPC at this stage of this audit to be a pitiful demonstration of the weaknesses in our present civic administration, which have been exploited by an unscrupulous CAO and a sophisticated developer. In these circumstances Council should look for an interim CAO elsewhere in the senior management of the City and begin the search for a new CAO immediately. Incidentally I would suggest that the City not hire Meyers Norris Penny to conduct the next search based on the poor judgment or the lack of backbone they displayed in allowing the former CAO's name to remain on the short list for appointment. And as I said yesterday, while you're working to rebuild confidence in the City, I would start by revoking the delegation of all significant

financial contractual personnel and land use decision making authority throughout the Winnipeg Public Service until the competence of each administrator and the appropriateness of the delegated authorities can be reviewed and approved by Council. Now, with regard to the 14 recommendations that the consultants made in EPC as simply adopted word for word, which leads to some rather interesting statements, I won't read them, but I would like just to comment on recommendation no. 6, which makes reference to the continuing the delegation of signing authority over contracts worth 10 million. That's simply asking for trouble. City Councillors have full-time jobs and there's no good reason why committees cannot meet every week as necessary to review and approve items costing say, 100,000 or more. Other governments do it. Recommendation no. 7, well that one is a list of all the things that went wrong here and it suggests that they should be disclosed to Council. Well, they shouldn't happen. The wording of that recommendation makes no sense. The kinds of transactions listed should never happen unless Council approval has been obtained first. Recommendation no. 10 is very important, I suggest, to provide the City Solicitor with the independence to report directly to City Council and to be able to blow the whistle on administrative decisions of questionable legality. That was missing here, and perhaps it was fatal. And with regard to recommendation 12, the procedure for declaring city land surplus and for selling them needs to be clarified and changed. We have had the fox in the hen house for far too long and it's time to put a stop to the short sided and rapid disposition of lands which were carefully acquired by the City over the years to accommodate long term plans for municipal purposes. I would add Council is also this morning to be asked to approve Recommendation no. 15, the usual one that the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing. In one fell swoop EPC would have Council brush off this whole report and delegate the implementation of the recommendations to the very same people that this report castigates for the incompetence, ethical elapses and blatant disregard for proper procedures and administrative procedures. I object and instead, I would suggest an alternative wording that recommendation 15 be read as follows: that the report and the consultant's recommendations be referred to Executive Policy Committee for detailed review and the preparation of specific policy and organizational changes for the consideration and approval of City Council, and to be reported on at each Council meeting until all recommendations have in fact being implemented. And this is a postscript: when the consultants were asked if they discovered any "direct breaches of the City of Winnipeg employee code of conduct," the consultants answered no. But their report does not make any specific mention of them having reviewed the code and I wonder if they did and I wonder whether they might reconsider their answer if they knew that part D of the code states, 10, paragraph 10, "No employee shall grant any special consideration, treatment or advantage to any person in their dealings with the City." It seems to me that this is what this is all about. Thank you.

Mr. Speaker: Any questions for Mr. Sanders? Seeing none. Thank you very much, sir. In the order that they came in, I'm going to ask, to invite Reid Douglas to attend, followed by Colin Craig. Mr. Douglas, you have five minutes and there will be no questions at the end as in our practice with walk-in delegations so. You have five and there is a little meter right here to keep an eye on.

Reid Douglas: Good morning, Mr. Mayor, Members of Council. Several weeks ago, I addressed my staff in an open memo that was graciously hosted by the United Firefighters of Winnipeg and was widely distributed through the media. In that memo, I stated that I would follow my own advice, advice that I had given to my staff on so many occasions and that is, do the right thing. I have chosen willingly to come before you today to address my part as it relates to the Fire Paramedic Station Construction Program. The ensuing audit, and be accountable, not answering questions, that you may have. I do this purely out of respect for City Council and for the citizens of Winnipeg. If open, truthful and transparent is the desire of the Mayor and Council, and I believe it is; the Mayor reiterated that yesterday, it will begin here today with me. As the one that was in charge of two-thirds of the City's emergency services and the important responsibility of public safety, I believe it's expected of me and is only proper that I do so. Since that initial memo to my staff, I have declined all interviews with the media for the very reason I stated. It was my desire for Council to have a pure and unfettered review of the audit report, one not clouded by offhand comments in the media and now that it has occurred, I'm here to stand up for the project, for my staff and quite frankly for myself. I am willing to accept the responsibility for my role in this project, however, I do not accept responsibility for what I deem a questionable HR issue regarding my termination as Fire Paramedic Chief. My integrity and that of my staff involved in this project have been bantered about in the media for more than a year and now this HR issue that led to my termination involving a handful of staff further increased that scrutiny. As well, speculation regarding the outcome of this audit has only ramped that up. I will make a statement here and now that neither I nor my staff acted in any, with anything but the best intention for the city, its citizens and the firefighters and paramedics of WFPS. As chief of the department, I stated I accepted the responsibility for the role my department played in this project. As the audit has pointed out, I apparently lacked a lot of the expertise and resources to properly manage the project that was assigned to me. I am not here to make excuses or try to justify my actions, however, where I lacked the knowledge and expertise, I relied on the guidance of individuals that I believed had that expertise. Many good and talented people from the City, City employees, have worked on this project from time to time and in no way do I want to diminish all their hard work or the valuable contribution they made. It should be known at this time that I am...I have not received or in receipt of any monetary settlement or signed any non-disclosure agreement with the City other than the one contained in my employment contract. I will not publicly discuss details of what I deem this HR issue. I would be willing to discuss that with Council under a different venue. In closing, I

would like to thank you for this opportunity and will be available after the meeting for questions if you deem that necessary. Thank you.

Mr. Speaker: Thank you, Mr. Douglas. Our next presenter, Colin Craig.

Colin Craig: Good morning. Excuse me and thank you for the chance to speak here today. I'm guessing by now everyone has had a chance to read the audit and you can see quite clearly that it's scathing both in terms of what it says and it doesn't say. I think it's actually kind of hard to know where to start with the document. But what I would like to do is begin with the kudos to thank those that did call for the audit review. I think that that was an important step. Pretty clearly now, it's obvious that an internal review would not have gotten to the bottom of this, given that that would've been conducted by the individual who has clearly misled Council and the public for a significant time on this issue. But I'd also like to give kudos to Councillor Havixbeck again for the grilling that she gave to City staff which should be more common when mistakes are made, rather than those that came down on her for doing what I would encourage more Councillors to do. When mistakes are made, there shouldn't be a shoulder shrugging that everyone move along, there should be tough questions asked to those officials to make sure that the taxpayers are getting good value for money. In terms of, I thought I'd touch on a couple of things here this morning. The first of all, the first point of course is that the previous CAO had indicated that he was aware of what was going on from 50,000 feet up. I think it's pretty clear if you read on page nine, the report notes that "our review indicates that the majority of the project oversight where oversight occurred was done by the current CAO. The current CAO has taken an active role in the project since the early stages and was involved in the design and construction budgets; obtained status updates from the Chief WFPS; participated in negotiations; was consulted and apparently approved the proposed land exchange" thus the big question is why did he get apparently a large severance package, given that he so clearly misled the public? If you look at the situation of the Sage Creek Fire Hall, it's quite bizarre that the City knew that before putting the tender out from two sources that it was going...that type of project was going to be too expensive. They got the results in and that confirmed it and right away it says they immediately went to a particular firm and gave them a sole source contract. That firm was the most expensive one in the RFP that was issued. But worst of all, there was no analysis to support giving the project to that fund. The audit notes "we have not been provided any analysis of the cost benefits of single sourcing, nor are we aware that such analysis exists. There's also no basis under which the City can determine they received good value in not proceeding on a competitive basis". Again, by now, I'm sure many of you are aware of that fact. If you look at the Taylor site, it's pretty clear that the City didn't even bother to identify land it may have owned before looking at that now infamous land swap. Turning to the Portage Avenue site, one thing that stuck out to me was the project proceeded even though Council or not...pardon me, not Council, even though staff were aware that there wasn't funding in place. So they started to build a large foot print for a fire hall even though there wasn't clear indication that the resulting funds were going to come forward. That's down right irresponsible. But another aspect of it was that there was going to be a museum in the fire hall, building a museum in the middle of a fire hall in a clover leaf where there's no parking and it's hard to get to. And on that note, we still haven't actually gotten a full copy of the traffic study for putting that fire hall there in the first place. I mean, it's bizarre that a traffic study of all documents would be blacked out, but that's what we got. Several chapters were completely removed when we eventually got the report. Certainly, I think it's pretty clear that there's still a lot of questions to be asked about what happened, what transpired. Russ Wyatt I think probably put it best when he said that there was organized mismanagement that occurred. The Free Press and Sun have both called for more investigation and I completely agree. I would also agree with what Marty had alluded to earlier, that I think that there is a need for either the Winnipeg Police or the RCMP to take a look at this and/or the provincial government to make sure that everything is in fact as reported. So thank you for the opportunity to speak here today.

Mr. Speaker: Thanks, Colin. All right, that concludes our delegations this morning. I guess we will go into the Executive Policy Committee report for October the 17th. And I understand we have a motion, but Mayor Katz, you would like to introduce the report. Two motions, yes.

**REPORT OF THE
EXECUTIVE POLICY COMMITTEE
DATED OCTOBER 17, 2013**

Item 1 - Appointment of Interim Acting Chief Administrative Officer

Motion No. 2

**Moved by His Worship Mayor Katz,
Seconded by Councillor Wyatt,**

THAT Item No. 1 of the Report of the Executive Policy Committee dated October 17, 2013 be amended by inserting the following recommendation after Recommendation No. 1 and renumbering the other recommendations accordingly:

- "2. *A committee be struck to conduct a candidate search and provide recommendation to Council on a new Chief Administrative Officer (CAO) which will include members of Executive Policy Committee and 2 non-Executive Policy Committee members.*"

Mayor Katz: Yes, Mr. Speaker, thank you very much. As I think most people are aware, the first scenario is accepting the recommendations of the auditor. There is one change for clarification only, Mr. Speaker, and that would be a recommendation 10, that...are we talking about the CAO right now?

Mr. Speaker: Yes, CAO.

Mayor Katz: Oh, sorry Mr. Speaker, my apologies. As far as the first order of business for Council, Mr. Speaker, would be to appoint the acting CAO, Executive Policy has met and yesterday we have commenced the process of starting the search for a new CAO. The goal would be to have that done in three to four months. No one knows how exact that could be, but obviously, we'd like to have that done as soon as possible. In the meantime, we need to have an acting CAO and as you know right now that acting CAO is Deepak Joshi, and obviously there is a very strong feeling that he is one of the fewer individuals in the City of Winnipeg who really knows how the City runs and all the details and that he would continue to be the acting CAO for approximately three months and we find a new CAO, Mr. Speaker. And there is an amendment to that, Mr. Speaker, which I don't know whether you have it right now, but we do have "that a committee be struck to conduct a candidate search and provide recommendation to Council on the new Chief Administrative Officer" which will include members of EPC and two non-EPC members as well, Mr. Speaker.

Mr. Speaker: Thank you. That was our second motion. We have another motion that Councillor Havixbeck has provided, so I guess if I can invite you to speak to that.

Councillor Havixbeck: Ten minutes.

Mr. Speaker: Ten minutes.

Motion No. 1

**Moved by Councillor Havixbeck,
Seconded by Councillor Smith ,**

WHEREAS, the need for transparency, openness and recruitment of someone independent and not part of the fire hail audit occur.

THEREFORE BE IT RESOLVED That Recommendation No. 1 of Item No. 1 of the Report of the Executive Policy Committee dated October 17, 2013 be replaced with the following:

"That Dave Wardrop be appointed as the interim acting Chief Administrative Officer, effective October 22, 2013."

FURTHER BE IT RESOLVED that a proper recruitment process begin immediately with a cross section of Executive Policy Committee and Non-Executive Policy Committee Councillors.

Councillor Havixbeck: Thank you, Mr. Speaker. With no offence to Mr. Joshi personally, I do not feel that he is an appropriate person to appoint even on an acting interim basis. As we've heard from members who have contributed in delegation, he is listed repeatedly in this report. For example, page 12, "the City commenced construction on the Taylor Station 12 in advance of having agreement in place to acquire the property on Taylor Avenue from Shindico. This fact was known by the Winnipeg Fire Paramedic Services, Legal Services and apparently the CAO and COO". This thread is repeated numerous times throughout the report. And I believe that along with the CAO, he was part of the members of our staff who navigated this process. So, I will just read my motion for those who haven't seen it. "Whereas the need for transparency, openness and recruitment of someone independent and not part of the firehall audit occur. Therefore be it resolved that recommendation 1 of Item 1 of the report of EPC dated October 17th be replaced with that Dave Wardrop be appointed as the Interim Acting CAO effective today, and that further it be resolved that a proper recruitment process begin immediately with a cross section of EPC and non-EPC Councillors". And I believe that Mr. Wardrop is a long standing member of the Public Service here at the City. I had a conversation briefly and he confirmed by e-mail that he is willing to help us in whatever manner we deem fit. I think he is far enough removed from the process that he cannot be seen to have had a hand in this report at all. He is not mentioned in this report and I think that's incredibly important in moving forward in an unbiased way. We have a lot of recommendations and I'll speak to that in the next section but we have a lot of recommendations to implement and we need someone at the helm who is willing to implement that and many of those may be related to personnel. I...I'll leave it at that. Thank you.

Mr. Speaker: All right, so we have an item with an amendment and a motion put forward by Councillor Havixbeck. So we will invite you to speak to both if you will. (Inaudible) Three...an item and two motions, correct. Both of them have the second, the second piece, the portion about being a cross section of Executive Policy Committee and non-Executive Policy Committee members. Councillor Eadie has had his hand up first. Councillor Eadie.

Councillor Eadie: Thank you, Speaker Nordman. I was anxious to speak to this particular topic and given my prayer, but listening to the media, I think that I need to speak out about the process of hiring a CAO and how it works down here at City Hall. This government here is formed in a manner that has a CAO that has a lot of power, but it has a Mayor, it's called the strong Mayor model and the EPC is really the ones who work at...well, work directly with the CAO on an ongoing basis, works with the CFO and other statutory positions. And so we had a process here that I hope will be corrected but that process since I've been on City Council was a failure. And I don't know that you can actually say that it's City Council, you have one vote of 16. The way this city is structured, the people on EPC are much more privileged to be immersed in the details of what's going on in that they work with senior management on a higher level than us people who are not on EPC, and so I was glad to see that in both motions, it talks about having somebody who's not on a...a couple of people, including people who are not on EPC to participate in searching for that CAO because it is all of Council that needs to be concerned that we have the proper person in place that understands there is a public interest, that actually knows what a public administration is verses running a private business, and that is so, so important. And I think that through all this process and there's a number of people, I am quite concerned that with our city, even in our senior management positions, they need to listen to all Councillors to the best level that they can. You cannot just stonewall us, making decisions here and then say, "We're only one vote out of 16", and somehow it's Council who decided these things, so because we don't all necessarily do that. When you vote yes or you vote no, you need to seriously consider all the dynamics around making that decision. It's not simply because one political friend says yes and the other ones say no. Look at what we are dealing with and make the right selection and that is so important. So talking about specifically to our decision that we need to make here today, I thank Councillor Havixbeck who I would point out was on EPC and made a yes vote. That's okay. That's fine. She believed that that person would be good. But, what she is proposing here today in this motion, I think, is very, very logical. Very important to note that this is a person who has the background and the ability to do it, understands how the city runs. He is not just from Transit. He's had other experience in other departments and he knows how to shepherd and make things happen for the public interest, to make sure that it works and so, I'm actually supportive and will be voting for the motion to amend and for the interim, putting in Mr. Wardrop because he is not directly involved, he is not named in this. I'm...you know, our current Interim CAO has had a lot of public experience with this City of Winnipeg and I appreciate that that understanding is there, but again, they are named in here and when I was questioning people across the way, although he wasn't part of that questioning, but at Protection and Community Services, you know, it's easy to get into this mentality that we must protect the decisions we made to move along and it's really unclear to me here how this person participated in that. I do appreciate and I think he is a very good Chief Operating Officer, but at this point, the CAO is the person in our structure who has the power, so I will be voting for the motion to have Mr. Wardrop do the interim and I appreciate that all, even the EPC is considering having the other nine of us, well a couple or whatever it is, participating in who the next CAO is. I'm not necessarily sure though and I must point out that we should rush really quickly to have somebody in place that fast. What we need to do is have and promote confidence in people across this country because there may be some really good people across this country and they need to know from this council, that we believe we want to consider anybody who has the expertise to run a city and we want to hire somebody who understands this is a public interest operation. It is the taxpayers, but it's not just the taxpayers, it's all the citizens of Winnipeg who need to be assured and

trust that we are doing the right thing. So I hope that this process, it might take longer, that we reach out, but we do need to be able to restore confidence across the country because I think our last operation did not give anybody confidence from outside of the City that was you know, to be worthwhile to apply again. So we need to somehow proceed that way. So I'll leave you with that. I will be voting for the amendment by Councillors Havixbeck and Smith and I appreciate that this is very difficult times and it isn't always just one of 16 that makes all the decisions around here. I implore everybody to think it through, why you are saying yes and why you are saying no.

Mr. Speaker: Councillor Wyatt. Did you have your hand up earlier? Yes. Followed by Councillor Smith and Councillor Pagtakhan.

Councillor Wyatt: Yeah, Mr. Speaker. I didn't expect to speak on this, but I'm speaking on it because I do have a lot of respect for the other nominee that's been put forward also by Councillor Havixbeck, Mr. Wardrop, who's done a tremendous job for our city and as a head of Winnipeg Transit for the last eight years, has done a tremendous job. I would like to support him. I'm supporting the motion before us today. It should be pointed out to members of Council that we are appointing the Interim Acting CAO, effective October 17th, and that the Interim Acting, that Mr. Joshi is very, has done a lot of service for the city and has indicated, verbally indicated to members of EPC yesterday that he would not be seeking the position of the actual CAO position, and that this would just be a temporary role that he will fulfill and to assist us in the search as we go forward, for a candidate and so, therefore, he is...he verbally indicated to us that he's forfeiting his...in the past as you know, CAOs have applied, acting CAOs or acting whatever or directorships or what have you, he's confirmed that's not the case and therefore, there is a transition taking place and I hope we do a search far and wide. I hope Mr. Wardrop does apply for the position as he has in the past, I believe and wish him well and anyone else who applies for the position. I hope we do a thorough and extensive search right across this country with regards to the CAO which is an extremely challenging job. So I wanted to state that and just put on a comment record, Mr. Speaker that I think Mr. Wardrop has done a tremendous job. I'm not supporting him, I'm supporting the motion before us today for those reasons and to thank Mr. Joshi for stepping forward to fulfill and to do this important role at this time which we appreciate and he's been doing so since last Thursday, I believe. Thank you very much.

Mr. Speaker: Councillor Smith.

Councillor Smith: Yes, Mr. Speaker. Let me tell you this, first of all, I support the recommendations of the auditor, but aside, no matter what recommendations you have, it's the people who are running the show that you have to take into account. You know, the Mayor tries to pass it off as the Council decision. Let me tell you this, Councillor Gerbasi, Councillor Orlikow, Councillor Eadie and myself have had nothing to do with this mess, absolutely nothing to do with this mess. I hold accountable the EPC that was composed at the time of Councillor Browaty, Councillor Fielding, Councillor Havixbeck, Councillor Swandel and Councillor Vandal. They brought this guy on board, with... who didn't have very many qualifications that were worthwhile.

Mr. Speaker: Councillor Smith, I'm going to have to ask you to stay with the topic. We're not talking about the former CAO. We're talking about the Acting Interim...thank you.

Councillor Smith: What I'm saying is it's important who we appoint, and Dave Wardrop is someone I can support wholeheartedly because he hasn't been anywhere near this scene. So you know, he's very knowledgeable and I think he's a good nominee for this position. Let me tell you this. Council as a whole as the Mayor has said, is not responsible. It's the Mayor and his EPC that have called the shots so far and I hope we don't listen to them at this time.

Mr. Speaker: Councillor Pagtakhan.

Councillor Pagtakhan: Okay. Thank you, Mr. Speaker. It's amazing what a good night's sleep will do to you, Mr. Speaker. Mr. Speaker...yeah, sort of, on the motions, Mr. Speaker, first of all, I just want to say that I you know, I fully supported the appointment of the Interim Acting CAO, Mr. Deepak Joshi from last week of October 17. Today we're going to be determining who the next Acting Chief Administrative Officer is, Mr. Speaker and on the motions here going back to Motion No. 2, "a committee be struck to conduct the candidate search and provide recommendation onto Council for a new CAO, which will comprise of EPC members and two non-EPC members", Mr. Speaker, I'm very supportive of that and will be supporting that motion. On the Motion No. 1, Mr. Speaker, relative to the...be it resolved that David Wardrop be appointed as the Interim Acting CAO, this is a tough one because Mr. Joshi is a very competent individual, however, there is some wisdom with the wording of this, Mr. Speaker, you know, penned by Councillor Havixbeck and Councillor Smith relative to transparency and openness and I think building the public trust once again and I have nothing personal or professional against Mr. Joshi, however, he's a very good and capable individual and he is acting as our Chief Operating Officer. Mr. Speaker, I'm of the mind that I could support this motion because David Wardrop, you know what I can say, he's been, he's a great manager and he's done some great work for Winnipeg Transit, specifically rapid transit, a very well and capable guy and with top-notch credentials. So the way I see it Mr.

Speaker, if we had, if I support this motion we could have Mr. David Wardrop as our CAO, Interim Acting or Acting CAO, and Mr. Joshi as our Chief Operating Officer as we move forward towards a search for our new CAO so I see the best of both route on that so I could support that, however as long as Councillor Havixbeck is going to remove the last further be it resolved because I will be supporting Motion No. 2, and as we move to Motion No. 1, that's already been addressed so as long as she is open to a friendly amendment that way. It's something that I could support.

Mr. Speaker: Councillor Mayes.

Councillor Mayes: Thank you, Mr. Speaker. I think Councillor Wyatt basically stole my remarks, in that obviously I think very highly of Mr. Wardrop. I think he's done a good job. Mr. Joshi is named in the report, but certainly not to the extent of many of the other players. I think whoever we bring in as the permanent CAO, and as Councillor Wyatt has very importantly pointed out Mr. Joshi has indicated that he's not going to be applying for that position. Whoever we bring in as the permanent CAO is going to have to be someone who is not involved in this report, such as Mr. Wardrop and as Councillor Wyatt has said. I would encourage Mr. Wardrop to apply but someone who can implement some of these many recommendations. That's not going to be something that's done in the next couple of months that's going to take months and maybe years to revamp the Legal Services Department, where they report, and I'll certainly be coming back to that when we get to the next item, as well, some of these other items. So certainly my view of Mr. Wardrop is not critical. In fact, I'm...I would be very pleased if he did apply for the permanent position, but I think Councillor Wyatt has hit the two main points here, which are we should do as quickly as possible move to an extensive search including outside of the City of Winnipeg and outside of the Province of Manitoba for a permanent CAO. That's the person who will not have been involved in any of the issues we have here. That's the person who is going to implement some of these important recommendations that we adopted yesterday. In terms of the second and Councillor Havixbeck's wording is somewhat similar to what's in the other amendment, getting some non-EPC members on the committee, I think that's important. I think the non-EPC members would vote on that rather than having it selected by any outside party so you'd have the nine people who aren't on EPC voting on the two representatives. The wording in one of these is a cross section which is just vagueness and that's how we got into some of these problems in the first place is vagueness, naming just two people I think is a good step in terms of getting a mix of non-EPC and EPC members on that hiring committee. Let's get that going as soon as we can and let's do a broad search and get somebody in on a permanent basis who can implement these recommendations, thank you.

Mr. Speaker: Councillor Vandal.

Councillor Vandal: Thank you, Mr. Speaker. The only thing new I can add to this is we did have...Executive Committee did have a discussion with Deepak Joshi yesterday. We know that he's a...as Councillor Wyatt has said is willing to move in. I have no idea what Dave Wardrop's intentions are. I know Dave Wardrop has his plate full now with very important transit projects whether it's the smart card or whether it's the bendy buses or whether it's the...hopefully, Phase 2 of rapid transit which I hope we will...we will confirm before Christmas. Very impressed by his credentials. I implore him to put his name forward on the permanent basis. Phase 1 of rapid transit on time and on budget, we can't say that about too many projects, too many capital projects at the City of Winnipeg. So that alone stands him in great stead, so I have no idea what...whether Dave Wardrop even wants this. I completely understand why he would not want it, but with this lack of information I don't know how....it's highly irregular that we discuss this sort of personnel matter on the floor of Council, but I guess that's far for the course on this file. My...so, basically I'm going with what Councillor Mayes, Councillor Wyatt have said. I think we have talked to the principles here. This is essentially a caretaking role till the next...we hire a permanent CAO and I would be adverse to change the recommendation at this stage.

Mr. Speaker: Councillor Orlikow.

Councillor Orlikow: Thank you, Mr. Chair. Well, every time I think this whole process can't go off rails any more, it seems to. What do you...what do we think the public is going to say? You know, nothing about...not even a name. That a person named in the report has been decided in a back room meeting with EPC, without the rest of Council, to appoint them. EPC did this. You guys have mentioned it already in the meeting today that you guys met yesterday. We talked about Deepak, oh, we didn't talk about Wardrop though. We did talk about other people, but just talked about Deepak. He's okay on an interim basis. Again, that was all done at EPC level. What an miss, another missed opportunity to involve all of Council on that decision. Again, so now, we're going to take out this, trot it out. The Interim CAO is going to be a person who is named within the report. Do I believe our COO has anything but pride in the City and does the best job he can possibly do? I do. I have no comment. Same thing as David Wardrop, fantastic person. These people are going to do the best they can, but perceptually, which is where the City of Winnipeg, besides the reality of what the budget says, it's the perception that's out there in the public and the public has lost faith in City Council and how do we respond? We're going to appoint someone who is named in the report to be the CAO. How do we really think...has anybody stopped to think how that will play with the electorate and how they will perceive this? Oh, City Council really is serious about getting to the bottom of this. I don't see that by appointing the COO. I don't see that. I see the completely

the opposite. So again, this has been done, again, by EPC. They're trotting it out. They've already talked to the COO, they haven't talked to Wardrop and now I'm stuck here facing yea or nay because that's what EPC leaves us. Again, that is not what I call democracy. We also have the opportunity and you're asking me to trust city...the Mayor today, to say you know what, we'll have a committee set up, a wonderful committee full of EPC members and non-EPC members, two non-EPC members. Again, who is appointing those people? This should be a matter for all of Council. It shouldn't be some EPC members and some non-EPC members. What it should be...it should be pure and simple, it's Committee of the Whole will decide who the new CAO is. We would all be involved in hiring the new CAO, everyone. That includes the Mayor from one end to me, someone else, again, everybody in between. Why? Because that...we've already shown that the selection process has failed, failed miserably. We tried to make those points last time, did not work out. EPC through whatever reasons they decided, we're going this way. They did. You made a mistake, that's the way it is. Now, don't make the same mistake twice. So again, I am kind of in a jam because we do need an Interim CAO, I understand that. I am concerned about Wardrop's workload. I am concerned that EPC hasn't even talked to Wardrop. I don't want to offer a job to somebody or ask somebody to take in a position. I'm sure any one of our staff would be more than willing to step up to the plate, but again it's incredibly rude of us to do that to them. How are your projects? What are you doing? Where are you at? Who has the time? These are the things that we should all be involved and discussing, but we're not getting that opportunity again so we aren't changing anything. We have this report in front of us. Is it time to change the way we do business at City Hall? But this reflects that no, we're not. We're still going to make decisions based on EPC closed door meetings but none of not, we're not all invited for. We're all...we're going to ignore perception. We're going to ignore the fact that how the public will feel when we do this and then we're going to leave all the decision making about who this committee is, really it's in the hands of the Mayor. Who is going to select? The EPC people are going to select the two for us? Well, thank you very much. Is the Mayor going to select the two for us? Well, thank you very much. Again, it doesn't say anything in here about how we're going to select even those two. Some of the non-EPC members of Council are actually quite, more supportive of the Mayor's position. If I was the Mayor, I'd probably appoint those two people. Again, that's the way I would do it. So what does this mean to us? It's again smoke and mirrors. We're not getting democracy, we're not getting good governance, we're not getting full inclusion, we're getting some flim-flam, and so again, we're going down the same path that we did before. So please, people, step back from this. Again, involve all of Council. Again, maybe we do an interim for a week until we have a discussion to talk about the pros and cons. There are options in front of us. Again nothing's been brought forward and maybe EPC discussed all these options in their little meeting without us. Again, there may be need to discuss with all of us. So again, I'll wait and maybe there will be some friendly motions, maybe there will be some amendments and epiphanies and people will change some stuff and I'll wait till the end, but again we're going down the wrong path again people, so please. We need a lot of work to get done in this city and we've got to get past this. So again, let's not just sort of, put the old salt on the wound. Thank you.

Mr. Speaker: Councillor Fielding.

Councillor Fielding: Thank you, Mr. Speaker. I am of two minds. I want to hear all the debates on these subjects. You know everything that people are saying in the chamber makes a lot of sense whether you have a complete reset. And I'll tell you, there's no one on Council that wants a complete reset of what's been going on over the last year than myself. You know, I think there's been an outline of a process that's been added and I know Councillor Orlikow is very passionate about including you know, non-members of EPC. I think the fact that we would include a number of members and two non-EPC members. I don't know what the process would be to, I don't know how to say, hire them but select them. I would propose that non-EPC members could get among themselves and decide who they want or you could have it done at our normal organizational meeting. Happens on the 7th to decide who, whom the non-EPC members could be there. I think that's a pretty good process. I think that's a step forward from what we've done in the past. I think it shows an openness and transparency to allow non-EPC members to be part of that group that's there. That's a process that happens. I can tell you, I went through, I just went through hiring an Executive Director for the Police Board and we didn't have all seven members of the Police Board hiring and firing. We established an executive search committee and there's three of the members, three of the seven members that came with a recommendation to the rest of the board for make that decision and I think that's very similar to this process in and itself, so I think that is a step forward, it may not be as far as Councillor Orlikow wants us to go, but I think it is a...it is very much a step forward in terms of what we've done in the past standard so I think that's a good process that's there. Mr. Joshi, you know I think has been an employee that has been with the City for a number of years and has a lot of experience in a whole bunch of different fields. The fact that in his conversations, he identified that he would not be applying for the job, I want a very extensive process, wide process. For myself, I think the fact that we've gone through a number of these items over the last year makes me think that we need to bring in someone from the outside for the new CAO's job and you know, kind of having a complete reset, but for that being said, everyone from the City can apply for this role. So I'm willing to support the motion to have Mr. Joshi as the CAO as an interim basis until that process goes under way. It is a three month period that's there. At that point you know, I think if we have a national search, we have some people that are coming to the table. That might make sense looking for someone who's had some outside experience, someone that's got an experience in cleaning up situations if there's problems that are there so I will be supporting the motion brought forward. Councillor Orlikow made a few comments too in terms of EPC and their meetings. Well, we're debating this

right now. Everyone has a say. My vote isn't more than your vote, isn't more than Harvey Smith's vote or Thomas Steen's vote. Everyone has their say. Everyone has one vote on this topic, there's two motions on the floor quite frankly, you know, that's there. You can either support Mr. Wardrop, who I think is, although, I'm not in love with the number of projects that he promotes but I think he's a very competent manager for the most part and as Councillor Vandal has mentioned, his projects have come on time and on budget, a complicated project with land acquisitions that are there. So you know, I do think that Dave is a very competent manager so with that, I will be supporting the motion put forward and go from there. Thank you.

Mr. Speaker: Councillor Sharma.

Councillor Sharma: Mr. Speaker, I agree with the comments that Councillor Vandal made earlier. I think it's important to keep Dave Wardrop in the current position as we're rolling out very important projects in Transit. I'm glad that we're moving forward with a permanent search immediately for a new CAO, but today I will be supporting the motion appointing Mr. Deepak Joshi in the interim. Thank you.

Mr. Speaker: Councillor Swandel.

Councillor Swandel: Thank you, Mr. Speaker. Mr. Speaker, when I was first elected and first appointed to EPC, I had the good fortune of working with leaders like Bill Clement, Mike O'Shaughnessy, Gord Steeves, Brenda Leipsic, who helped guide and mentor me and the one thing that they always did was they always put the City ahead of themselves. They would not have been bogged down in this silly politics that we're playing out right now. In my 10 plus years of experience at this city, known for detail and depth, I can tell you that there is only one person in this administration who has the competence, the knowledge and ability to bring the stability that we need right now and that is Deepak Joshi. The rest of what we're listening here is the political game. That's what it is, Mr. Speaker. This man has shown his loyalty, his competence, his ability. You'll look around, you ask yourselves how many times have you gone to this man to get the things done that you want, your priorities. To...you'll put a motion on this floor and insult him suggesting someone else should have the job of Interim CAO quite frankly is insulting to this man. Doesn't deserve to that. Put yourselves on the back burner and put the needs of the City at the forefront. You have the skill set, the ability, the knowledge sitting right in front of you and the motion is right in front of you. Vote for stability. Vote for strong leadership. You know, let's not keep rocking this boat; muddying the waters; making ourselves look like idiots. Let's get back to stability and get back to the city or the business of building our city. Thank you.

Mr. Speaker: Councillor Browaty.

Councillor Browaty: Thank you, Mr. Speaker. Page 39 of the audit section 4.6 detailed findings and observations regarding project oversight. It appears that both the CFO and COO provided little to no oversight in regards to the project with the role played by the CAO, the lack of COO involvement is understandable. I think Councillor Swandel said it very nicely. It's about doing what we need to do right now on the interim basis. I look forward to the broad search for a new permanent CAO going forward and I think it's very appropriate to include members from outside of EPC in that process. Councillor Orlikow said you know, what is the public going to look like? I'd like to remind him that we're here to do what's best for our City and put the City first as Councillor Swandel said and on an interim basis I think appointing Deepak Joshi as the Acting CAO is in the best interest at this time. Thank you.

Mr. Speaker: Councillor Gerbasi.

Councillor Gerbasi: Thank you, Mr. Speaker. And I know it's unusual for me to wait till the end to speak but honestly I wanted to hear again, know where people were coming from because we didn't have the kind of discussion that you know in a perfect world, we would've had where we could've talked this through together. I think there might have been some private discussions, but this is not, as pointed out earlier, the sort of thing we even should be discussing in public really, but we have no choice because we're in this dilemma because we are talking about people's lives, people's reputations, and I believe...I'm actually going to be supporting the recommendation of Deepak Joshi as Interim and I believe that is the right thing to do. I...when I saw the audit, there were some surprises in there in how clear it was who was responsible for what. I could see, I think anyone who looks at the audit can see who was responsible for what pretty clearly and it certainly was not Mr. Joshi. His name is mentioned, he was there, he was probably aware of certain things and copied on e-mails. That doesn't make him the leader of the project. So I just wanted to say that first of all. Like we have to be fair, but we're not going over all the details of the audit, just to say someone's named. He wasn't blamed. He may have been mentioned, but we will be discussing the audit after. And I also wanted to comment just because we are talking about particular personnel, I too have a great respect for Dave Wardrop. I also agree that he's in the midst of a very heavy agenda with Winnipeg Transit. We're bringing in a fare system, a new fare system right now. They're doing the feasibility studies for the second phase of rapid transit and on and on and on, negotiating to even have more rapid transit, I mean, and yes, I expect, you know, he responded that to Councillor Havixbeck indicated that she asked him,

which is a little bit odd for one Councillor to be arranging who the CAO is which makes you just, which I'm not criticizing her for that but I'm saying it you know, it just doesn't seem like an appropriate process that's going to give the public confidence, but I'm sure he'd be willing to do whatever we asked him because that's the kind of public servant he is. So I'm sure he would've said, "Yes, I would do it". And I'm sure he would be capable of doing it, but we also have somebody in place who is doing it right now, who has not been shown to be of major responsibility at all in this audit as far as I'm concerned. His name is mentioned. He is the COO, of course he was there at certain times, but it's very clear who was responsible in the audit and we'll be getting into that discussion afterwards. Secondly, the notion of allowing two EPC, non-EPC members to participate in the hiring, frankly, you know what, I'm pleased with that. I actually think that is a huge step forward. I know we're supposed to be in opposition, but like, come on people, this is ugly for all of us, what's gone on. And we've criticized and you know, the way the hiring has gone in the past has not been right. So now, this is an opportunity for us as all of Council to have more input and we can choose how that works. We can have that discussion. It seems to me it's been a pretty open door. It's been a pretty open door. It's been a bit of an olive branch here, and maybe when someone gives us an olive branch, we should accept that I mean, at least give it a chance. What have we got to lose and what's been offered here is a chance to have two non-EPC members participate in the hiring process. We've all participated in hiring processes. So I hope that that will work out for us that we can have a better process because frankly, the most important thing in the city, the most important mistake in this entire debacle we've been dealing with for a number of years is that hiring process and how it went wrong before. So we are given a chance to do a better job, let's take that chance, colleagues. So I will be supporting the appointment of Mr. Joshi. He's doing the job now. He is doing it well and he is not the person responsible for what's gone wrong here. He was there, many people were there, including members of Council. So, thank you, Mr. Speaker.

Mr. Speaker: All right, thank you. That concludes...any other comments? Seeing none. All right, I'm going to ask the Mayor to close and then...oh, I'm sorry. Councillor Havixbeck to close and then the Mayor to close. Councillor Havixbeck.

Councillor Havixbeck: Thank you, Mr. Speaker. Well, we've certainly heard of some interesting comments from our colleagues today. And I really question what kind of leadership and what kind of intentions people think I had in bringing this forward. This is not a political game. This is about the leadership and how decisions are made in this organization. There is no leadership under this current model. We have an Executive Policy Committee you know, and for as much as I was chastised in asking Dave Wardrop if he didn't have some preventing conditions, circumstances that wouldn't allow him to help us out, a whole group of Councillors called Executive Policy Committee, had discussions about this. And this is what's essentially wrong with this process. October 2, 5 out of 6 EPC Councillors wrote the Mayor, calling for the CAO's removal. October 17th, a potential payout, no one in the organization can confirm provided the CAO an exit strategy to not be here. I do not trust the decisions out of the Executive Policy Committee. From Thursday to Monday, we could not have waited to have the CAO here, to show up, to answer our questions about it. During that meeting last year, October 29th, 2012, I was assured along with the committee of...Standing Policy Committee on Protection and Community Services, we all heard there was nothing wrong. There was nothing wrong here. There is something really wrong. And part of the person we are appointing in this motion, that being Mr. Deepak Joshi is named in this. He sat there and told us there was nothing wrong. There's something really wrong. A search will take six to nine months which puts us to next summer likely. If you recall the last search took six months. Councillor Orlikow raised some important points. The veil of secrecy of this EPC model of leadership or lack of leadership is not working. Councillor Vandal revealed that this discussion occurred in privacy. Why did you not hold a Council seminar? You could put together an EPC meeting in 14 minutes. Why could you not have had a Council seminar so we are not debating this out here, so that we had something concrete to move forward with? I for one stand by my motion and I believe that the wording, although is much improved in the other motion for the appointment of two members, two members of EPC, two members of non-EPC, the spirit is the same. It's the same and perhaps this could be included in our annual appointments which is happening November 6th. Thank you.

Mr. Speaker: Mayor Katz.

Mayor Katz: I thank you, Mr. Speaker. I will most definitely echo some of the sentiments of my colleagues here. I think it's extremely unfortunate that we have to actually have this discussion. As you know when it comes to staff, we normally do not talk about this, but obviously this is a unique scenario. Mr. Speaker, the realities are, how many times have you heard us talk about concerns about succession planning? What happens if so and so with 35 years of experience decides to retire, who are they developing to take over and that's been a major concern here going back to three CAOs, Mr. Speaker. Here is a situation where we need someone as the acting CAO for a short period of time. I think everybody knows the qualifications of either of these individuals. They are both good people, but the realities are, if anybody other than Mr. Deepak Joshi became the acting CAO, let's all be honest with each other, Mr. Deepak Joshi would still be pulling the strings. They would go to him for every single decision. The knowledge is unbelievable. You don't acquire that knowledge, it takes years and years, that's just the reality. So you know, this was something that was thought about. It was EPC's job to appoint an acting once we didn't have one which we did, we came forward. I think it's extremely

unfortunate for some Councillors to make certain assumptions. The realities are that it was discussed right in the beginning by bringing on two non-EPC members, that those nine other Councillors would make that decision. It would not be the Mayor, it would not be EPC. The two would be selected amongst the nine. Can you give me anything more democratic because some people are concerned about the Mayor picking them or EPC picking them. I think we thought this through and made a wise decision and you know what, I very much thank Councillor Gerbasi for realizing this is a good step forward, but here we are in a situation where we need somebody. We have some very good people working for the City of Winnipeg. Dave Wardrop is definitely one of them, there's no question about that. It's been made very clear that Deepak Joshi was not part of this. I think it's been reiterated by members of Council, so here we are having to make a decision to continue on. It's a...you know, we have 9,000...well, approximately 9,000 people who serve the City of Winnipeg. We have decisions on a daily basis; we're involved in many, you know, city business goes on every day. It doesn't stop and there's decisions to be made actually, to be very frank with you, I'm not even sure if it would be fair to throw someone into that fire until we have someone out there, and we will do a thorough search.

I want to remind everybody. You know, it wasn't that long ago we did a very thorough search for a CAO, okay? It was the CAO Glen Laubenstein and I will remind Councillor Smith that every member of Council which would include him and Councillor Gerbasi approved that selection and within a short period of time Mr. Speaker, he left our city because too many Councillors lost faith in the individual. He moved on to another job, yes, at probably double the pay, but the realities are there was a situation where every single Councillor believed in this individual, supported it and he left because after a period of time, the majority of Council lost faith. Things happen. It's a tough job, Mr. Speaker, being the CAO. I think anybody will tell you that and in the end, we have to make the decision today you know, with the motion there is Mr. Speaker, and there's no doubt if you want to talk about knowledge, government relations, understanding how Council works, I'm not convinced you're going to find a better candidate within the City of Winnipeg for the acting CAO job.

Mr. Speaker: Thank you. So we call the question on two? So Paula's motion first. All right. We're going to call the motion on Motion 2, which is rewording the initial recommendation, the paragraph 2, which originally said that the proper officers of the City do all things necessary to implement the intent of the foregoing, which was the appointment of the Acting Chief Administration Officer position of Deepak Joshi, the new...no. 2 is a committee be struck to conduct a candidate search and provide recommendation to Council on a new Chief Administrative Officer, CAO, which will include members of EPC and two non-EPC members. All those in favour, please rise. Motion 2.

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Katz, Councillors Browaty, Eadie, Fielding, Gerbasi, Mayes, Pagtakhan, Sharma, Steen, Swandel, Vandal, Wyatt and Mr. Speaker Councillor Nordman.

Nays

Councillors Havixbeck, Orlikow, and Smith.

Deputy City Clerk: The vote Mr. Speaker, yeas 13, nays 3.

Mr. Speaker: Okay, so we've replaced Item 2 of the initial recommendation. Now, the Motion 1 with regard to the recommendation being Dave Wardrop. All those in favour, please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Eadie, Havixbeck, Pagtakhan, Smith.

Nays

His Worship Mayor Katz, Councillors Browaty, Fielding, Gerbasi, Mayes, Orlikow, Sharma, Steen, Swandel, Vandal, Wyatt and Mr. Speaker Councillor Nordman.

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

Mr. Speaker: Motion is defeated. So we'll vote now on the item as amended, as amended by Motion 2, so that would be recommendation of Deepak Joshi be appointed the Interim Acting Chief Administrative Officer. All those in favour? Opposed? Recorded vote? Okay. All those in favour of appointing Deepak Joshi, please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Katz, Councillors Browaty, Fielding, Gerbasi, Mayes, Sharma, Steen, Swandel, Vandal, Wyatt and Mr. Speaker Councillor Nordman.

Nays

Councillors Eadie, Havixbeck, Orlikow, Pagtakhan and Smith.

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

Mr. Speaker: Motion carried and Mr. Joshi will be our Acting Chief Administrative Officer for the duration. All right. We have the report of Executive Policy Committee for October 21. Mayor Katz, would you like to introduce it?

**REPORT OF THE
EXECUTIVE POLICY COMMITTEE
DATED OCTOBER 21, 2013**

Item 1 - Report to Winnipeg City Council - New Fire Paramedic Stations Construction Project

Mayor Katz: Thank you, Mr. Speaker. As you know, after a year the auditor completed the review, we all received it yesterday. We had a Council Seminar. There were several recommendations. We fully support and endorse all those recommendations with just the clarification on 1 and only because they weren't sure what it meant but in Recommendation No. 10. It actually meant director of Legal Services where it just said, "Legal Services would report to City Council.", so it should add the words, "Director of", in front of "Legal Services" for clarification. That's what was meant by the auditor's recommendation. The realities are that they certainly discovered many procedures that while some were debatable to say the least whether there was the right to do it or not, others for sure that should not have been implemented. I think, I think I'd like to believe that every member of Council wants to make sure that all these recommendations are implemented, and we implement them as quickly as possible. And then move forward and make sure this doesn't happen again, Mr. Speaker, so I'll just leave it at that for the time being.

Mr. Speaker: Oh, and we have a motion here with regard to recommendation 15, Councillor Havixbeck is moving it. Would you like to speak to that?

Councillor Havixbeck: This and the report then?

Mr. Speaker: Yes.

Motion No. 3
Moved by Councillor Havixbeck,
Seconded by Councillor Pagtakhan,

WHEREAS, that the report is incomplete in that elected officials who may have information pertinent to the report were not included;

AND WHEREAS that the report recommendations affect at least four departments throughout the City of Winnipeg

THEREFORE BE IT RESOLVED that the following recommendation no. 15 be added:

"15. That the report be revisited by Ernst and Young (Auditor) all members of Council be interviewed and the results incorporated into the report."

FURTHER BE IT RESOLVED that the following recommendation No. 16 be added:

"16. That regular, quarterly reporting be provided to Council about the implementation of the recommendations including regular Council Seminars over the next year."

Councillor Havixbeck: I brought forward a motion with Councillor Pagtakhan, whereas that the report is incomplete and that elected officials who may have information pertinent to the report were not included and whereas that the report recommendations affect at least four departments throughout the City of Winnipeg, therefore be it resolved that the following recommendation 15 be added: that the report be revisited by Ernst and Young in co-operation with the auditor and that all members of Council be interviewed and the results incorporated into the report. Further be it resolved that the following recommendation 16 be added: that regular quarterly reporting be provided to Council about the implementation of the recommendations, including regular Council seminars over the next year. So, I believe that this is fairly self-explanatory. I believe that two parts of this were missing for me in the report in that I was the only elected official who was interviewed and that was by way of asking to be interviewed. I think there were members of EPC at the time, who had information. I know I had information back to April prior to this whole issue coming to light. And I think it's incomplete as it is without all elected officials being interviewed. And if there's nothing after that, then there's nothing. Number 16, I mentioned this yesterday when I appeared in delegation at EPC, that I think it's essential that we know how and when and what the process is going to be. I would recommend that we have an initial Council seminar to talk about the recommendations and how and who these will be implemented and I think it's important and imperative on this council that these updates come back to Council at least quarterly over the next year because some of them I believe some of them will take more than a year to implement. Thank you.

Mr. Speaker: Okay, we'll speak to both Motion 3 and the report in general. First speaker, Councillor Eadie.

Councillor Eadie: Thank you, Speaker Nordman. Well, where to start? Okay. First, I'll speak to the motion that's there. Implementing the recommendations. I don't know that we need to amend it. I think that EPC has got the message that we need to know and we can ask questions as to how that's proceeding as City Councillors for on a monthly meeting if we want to. And one of the things I would point out, there's an audit of how these projects are going and over budget and I just wanted to say one thing before I speak directly to the actual report here at hand. One of the changes that I've seen and I think it's very important is that we do see project, big capital project updates at the Finance Committee. They are posted there, and I think that that's very important that that ongoing expenditure in monitoring is one method to try to make sure that things are going okay and that's as long as the senior people who are oversight and making sure these are running good are answering the questions. And that is bringing me to whether or not I want to be questioned by the auditor. You know, I sit on Protection and Community Services and as one of the three members who are not on EPC, I have to say that the chairperson on any of the standing committees is always more privy to what's going on than us, other three but given that, at Protection and Community Services whenever that meeting was, I think it was July, it was a long meeting and people sat across there. We had the CAO and we had the Fire Chief there, we had the CFO over there and we had the head of material purchasing, the purchasing person over there. We had all these people that were there to answer questions and from my perspective, I was quite disappointed because as I heard the external auditor starting to summarize to us yesterday about this report, everything that I had problems with and asked answers of those people across the way have come to fruition. Number one, there is a cost for the land at No. 12 Station on Taylor. It's not in the budget. We, because we're paying for it...I don't know, I don't know how we're going to get that land without paying money, but the fact of the matter is, is that fire station will be over budget once we pay for the land. And what that means is, back when we were debating and asking questions as members of Protection and Community Services, I asked specifically the CFO, are we not going to be coming back here to vote on expanding the budget once again? So I believe it was what, about 2.2 million over and you know what, building fire stations as time goes on, there's a cost in 2009, what, Taylor is pretty well finished now, I think. I can't remember if it's totally finished yet, but, not Taylor, the St. James No. 11 Station, and for me, you know, this is the point, I want an answer, and it's the truth. If you talk to an external auditor and you know, it doesn't matter what...if the CFO agrees or not, disagrees, it's putting the budget over because there's a value on that land. That was question, no. 1. We asked a question, I think all four of us on Protection and Community Services asked the CAO, are you in charge of this...have you been in charge of this project all along? We got an answer, "Oh, I was only involved when I went to Ontario." Well, that's not what the auditor's report says, but that was the answer we got. We're asking questions, right? We want to know for the public's sake what is going on. And you know, the question of the land's deal, the swapping land, you know, yeah. You can swap land, that's fine, as long as you got a fair valuation and you know what you're trading for and how that's all working and it has to be very, done very closely and I think that that was just a failure. Like that...to see that we're making valuations after the fact and we're telling people to you know, things like let's just get it done or you know, oh, the valuations aren't working so we've got to

make this work within the budget. Well, yeah it's important to stay to the budget, but really we know right from the beginning in this report that that budget was not achievable at \$15 million. We know it wasn't achievable in this province based on the quotes. And so for me, looking at this report, I have to say and you know, hearing from the external auditor, talk about how one proponent knows more about what they are bidding on than the other and there is a major design change to what we are building here, and to not have a really open and fair, competitive bid, this isn't just some minor change we're talking about changes to try to get this thing done in a certain budgetary thing and if you want to keep your cost low, you have to have a competitive process, and look at what we have here, again, last year we were out here voting up on the Canada Post Building, okay? Same, same per...same, same operation, there was a problem with the bidding process. There was some detail that others didn't know. Somebody was privy to something, we had to cancel the deal. I think it was Councillor Wyatt who appropriately scuttled that thing and made sure that we proceed in a more fair manner to get a more competitive bid so that we can at least make sure that when we are spending money and you have to spend money to operate the city. That's, you know, that's the way it goes. You can't control inflation. Inflation is what it is and we have to deal with it. So, but we need to have fair and open competitions in order for this city to work and that's very important and I have to say, I really lost confidence in our senior management when I heard it over there. It was quite clear to me that Chief Reid Douglas, I say a prayer for him because I thank him for really considering the firefighters because when he was answering questions, he always made it clear. He wanted to make sure that those stations met the needs of the firefighters and the paramedics in this city, so that they could respond and protect us from very extreme situations.

Mr. Speaker: Sixty seconds.

Councillor Eadie: So that was good. But it was quite clear to me that he didn't have the support to get done what he needed to and you know, I don't know what the details of why he was fired, but I have to say, in this whole process, I think that we need to be making better decisions. And for me, you know, I'm going to accept this report as it is, the recommendations are here. I don't know what more can I say? I just, you know...I just...I have to say this whole thing has ruined my trust in our senior administration. It has. And you know, they need to...like we need to know information. We need to know everything that everything is being run fair. You know, I heard somebody talk about, well, you know, what's the value for the money. Well, you can't know, and I think that the auditor here did a good thing, well, not a good thing, I mean, he couldn't measure because Winnipeg is different than London, Ontario. It's different. It's different than the other province, so I'll be voting for the recommendations, but I don't think there's a need for the motion that...us City Councillors should be questioned.

Mr. Speaker: Councillor Fielding moves extension.

Councillor Eadie: What I would like to leave you with this...

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

Councillor Eadie: What I would like to leave you with this though is this report for me has enough concern that I believe that there needs to be a means, I don't know if it's...I don't know that there's necessarily a crime here until you really actually get all the information because there's a lot of people here and meetings that happen where nobody will make a comment. Nobody will say what was that meeting about. What you need is you need an actual judicial hearing into this and you put these people under oath and you ask them, what's going on because that's the way you're going to find the evidence if there is any issues. I don't know that there is but this report leaves it open enough to think about that. That's what the questioning should be. We need to have the Province come in here and do something and I hope that our provincial counter parts are responsible for local government and the City of Winnipeg are hearing this and have a further investigation and get these people at the table to find out what really happened because we don't know what actually happened in some of these meetings. We need to know what kinds of pressures were put on because we can't have this wall from administration and pretend that there's no problems because there were problems and those people who came to PCS, Protection and Community Services, there was a wall there that we kept trying to get through and we couldn't. So I'm voting for these recommendations, not for the motion that...to amend one of the recommendations. I know that because this is such a very problematic situation. I know that our interim and any CAO that is hired in the meantime will ensure and must ensure that we're aware of what the progress is on fixing the real problems here with our procurement, the whole thing. It's just...it's too much, and I have to say I'm really saddened that we have to sit here today and discuss and debate it. Thank you.

Mr. Speaker: Who's the next?

Councillor Mayes: Thank you, Mr. Speaker. Near the end of his remarks, Councillor Eadie said what more could I say, he could've said I told you so, and I wouldn't have blamed him, if had said that to his credit, he didn't because I think Councillor Eadie of anybody on this. He's taken a pretty consistent line throughout, he voted against the hiring of the

CAO in 2011, and was part of the group that questioned the administration last year. And I think he deserves some credit for saying he was going to bring this matter to the Council floor on the regularly scheduled meeting tomorrow. I would've voted with him at that meeting in terms of what he was proposing to do to in the contract, but we didn't get to that stage and I want to come back to that at some point in my remarks. The...we are speaking to both the amendment and to the main report here. So the amendments that have been tabled to talk about two things, No. 16, let's have regularly quarterly reports that's I think a no brainer. And no. 15 though, it says let's reopen, let's tell Ernst & Young to go back and interview all the Councillors. A, we got a report that's cost a fair bit already, b, it's taken far too long and been delayed for reasons, which I'm still not clear on, but at least we've got it, it is thorough in my view. It lays out very explicitly, a very tailed timeline, chronology, so frankly I'm not really interested in bringing back Ernst & Young to get more interviews and more discussion. Particularly, and this goes to a point where I wanted to make. I really don't see this as an EPC, non-EPC thing. I can certainly stand here and say, "Look, all of this time line, about three quarters of it occurred before I was elected, all of it occurs before I'm appointed to EPC." Some were involved in a part of it.

Councillor Havixbeck would've been on EPC, would've been the chair of the oversight committee for about the last quarter of this. However, Councillor Vandal could say, "Well, look I was here, but I wasn't on EPC prior to the whole first page." We can start parsing the time lines. In fact, there are six Councillors here who weren't even elected including Councillor Orlikow when you see no. 1 on the chronology. So who do we interview? Who is responsible? How far back do we go? There're at least two Councillors who went and passed away, who I believe would've been on EPC during the material time. I think we've got the hand we're dealt with here. We've got the report. Let's go forward with the report. We don't need to go back and sit around and have 16, 18 more interviews of current and former Councillors. What the report says, I think, somebody asked me later, "What did you think?" and I said I thought that was worse than I expected, and I stand by that remark. It is worse than I expected. There's some pretty clear responsibility pointed out. Is there anyone who comes out of this deserving some thanks? Probably Councillor Eadie, quite frankly and I'll commend Reid Douglas for coming here before us and talking about what he said was his lack of knowledge, his lack of skills in being able to implement what he was assigned to do. Now, we're not able to ask him questions and he's no longer with the City staff because his contract was terminated not long ago, not a decision of this group but a decision that rested with the CAO at that time and we've had people say, "Well, the CAO should've been terminated a year ago. You should've waited another couple of weeks." Well, the problem was the longer this matter continued on, the more the CAO would've been able to affect decisions such as the termination of Mr. Douglas. So I think the...this matter has been dealt with now. Some people can say, "You should've acted before.", some people can say, "You should've acted later.", but the fact of the matter is we've got a pretty clear report as Councillor Gerbas has said, it's pretty clear about where responsibility lied and there is a rather large difference between 50,000 feet and get it done. In terms of the...some of the substance, Councillor Browaty has talked as a former real estate person, a lot about the valuation and the real estate aspects here. I want to talk a bit about the legal department being a former lawyer. Whereas Councillor Eadie is saying potentially returning to law, but at this stage I'm not practicing law, and I want to comment that this is a pretty damning report of the activities of the Legal Services Department, not the current Director of Legal Services, Michael Jack, is not named in here, he was not head of Legal Services during the material time, and he, I think actually has given us some pretty good advice and pretty honest advice as this process rolled on. But Mr. Gold's presentation said the caveat that was filed by City Legal Services wasn't worth the paper it's written on and he's right. If you look at page 23 of this report, when outside council was brought in, there's just problem after problem identified with that caveat that was supposedly protecting our interest because we built a firehall on someone else's land, and you don't need to be a very good lawyer to figure out that there's a pretty big problem with that. Certainly, the alarm bell could've been rung by Legal Services long before it was. Now, if I was with Legal Services at the time, I would probably say, "We were reporting to somebody in the direction we had was get it done," so I think we're dealing with that in the recommendation, we're implementation that will remove Legal Services from being under the CAO and make it report directly to Council and I think that's important. It kind of speaks to the view of Council in this is pretty odious, I think. I mean, there's...well, let's add in subject to Council approval to this thing, that's already been signed off. Of course, we never had to...went to Council to get the approval, still filed it with land titles, but we'll just throw that in and we'll just assume it's going to be forthcoming even though we're declaring lands surplus that requires a vote of Council that the legal handling of this I think, frankly had a lot of shortcomings. Again, I don't fault Michael Jack for any of that. I was actually on...when I was a lawyer, I sat on the complaints investigation committee of the Law Society of Manitoba and if somebody brought this in, the alarm bells would've been ringing and questions would've been asked so Mr. Gold's right in that observation that he makes about the...that some very questionable legal work that was done. It's also important to know there's some principles of employment law here. It's not really part of the report. You'll tell me if I'm out of order, but various people have raised questions about well, this report would've given you the authority to simply let the CAO go. Well, you've heard a lot...that's a matter of opinion. You've heard from Mr. Douglas already that he has an ongoing human resources matter with the City. After his termination he certainly has not indicated he's forfeited his right to file a lawsuit. That's what happens when people are terminated or let go sometimes and they feel that there wasn't sufficient cause. So I'm pleased that we can move forward on some of these other matters. Mr. Douglas hopefully will sort out his differences with the City again. We as a Council did not have a say in that. That was the former CAO, who would've made that determination. So I look forward perhaps to some future date getting Mr. Douglas back here because the questions that Mr. Gold and others raised, we should be asking Mr. Douglas who came up with this idea of the land swap. That's a fair

question. That's a question I'd like to have answered. We are unable to do it today, but it's a fair question for the future. There are a number of matters that come out of this in terms, you should've waited, you should've gone earlier with the CAO. I think we took steps to get this matter dealt with...some people have confused the idea of compensation and severance. Let me just say, if you...if you say to your assistant that you're paying him \$4,000 a month and you say on December 1, I'm afraid I'm going to have to let you go and here's four weeks' notice. You don't...the person doesn't go out there and say I just got \$48,000 in severance package, there's a rather large difference between getting your pay and getting your severance. So, I'd commend anyone who's commenting on this issue...

Mr. Speaker: Councillor Orlikow moves extension. All those in favour? Opposed? Carried.

Councillor Mayes: If you remember that, that's a pretty big difference between severance and compensation. So I won't get into any further details, but I think that's an important point. I think it's also worth taking a step back and saying, "Look, how did this...how did this come to light?? Was it EPC? Was it opposition Councillors? No, it's the Fifth Estate. It was somebody sitting right up there in the gallery who first brought all of this matter to the attention of Council and I commend them for doing that because this is not a matter we should deal with lightly. This is a serious matter, a matter that raises some really serious concerns. I think we can move forward from this though. This morning as I finished a run, I ran into a public sector worker who lives on my street heading into work early, quarter to eight. We have a lot of public sector workers work for the City, putting in a lot of good work. I don't want them to be tainted with some of what's come out of this report, but the fella said to me in the back lane, "Well, look, you know, I'm glad this is out now, we finally got this report, I'm glad you can get it behind you, get it dealt with and let's get on with it because this has taken months" and it has taken months. And I want to commend that the report, I think it was thorough. I think it covered a lot of bases. I think the recommendations were appropriate. I was glad to vote for them. I look forward to implementing them. I want to take a particular interest in the Legal Services aspect of that, but at the end of the day, I don't think we need to revisit it further with more interviews and more Councillors being interviewed. This isn't about giving us all a further platform. What I think this is about is getting this matter dealt with, getting the procedures at the City cleaned up, getting a new CAO who's going to move forward on this and restore some faith in the City. Thanks.

Mr. Speaker: Thanks, Councillor Mayes. Who's next? Councillor Gerbasi.

Councillor Gerbasi: Thank you, Mr. Speaker. The audit, as I said earlier was very clear and it clearly shows the fire hall project was fraught with severe mismanagement. There are a number of issues identified that finds some fault with a few areas of the administration that had been mentioned, Legal Services, it...in terms of the Fire Chief, the report does mention that it was assigned to an individual who did not have the appropriate expertise, nor resources within his department to manage it. That says something about the decision to appoint such a person to the position and to bypass the appropriate avenues such as the real estate and property departments that were bypassed on some of that work. The need to keep Council informed was also bypassed when the project was split into four. This also eliminated the requirement for a major capital steering committee, a key point in the audit that came out, which added to the ongoing fumbling of the whole situation. Furthermore, area Councillors were kept in the dark about plans to swap properties located in their wards. For example, in my case, the Mulvey property in my ward turned out to be much more valuable than it was considered initially, being close to a rapid transit station, those things were considered. The report indicates that there was as much as a million dollars extra going to the Shindico side of the equation in that trade from that property making it an unjustifiable swap in the first place. But what's really tragic is that we will probably never know if the City of Winnipeg and its citizens received value for the money spent. The method of single source contracting with Shindico meant there was no way to compare with the competitive bidding process. Again, this is just coming straight from the audit as you're all aware. Also, very disturbing and I think the thing that was...when a lot of people said this was worse than people thought or clearer than people thought was the very disturbing, the clear indication that one firm had advantages that other firms did not have. On page 9, the report states for the two attempted RFPs Shindico had information not available to other bidders and it appeared to have been encouraged by City representatives to develop an alternative design, which then formed the basis under which they were awarded single source contracts with the construction of three suburban stations. Another example in responding to the original RFPs, Shindico indicated that the Sage Creek Station 27 would be built on land the City was about to acquire. The information regarding the City's intention to acquire the property was known to Shindico, but was not provided to the other proponents. As always, there was a desire to blame somebody for all of this, someone who should take or should have taken full responsibility. The report is very clear when it says on page nine, "Our review indicates that the majority of project oversight, where oversight occurred was done by the current CAO." It is clear now that the former CAO was the lead person, the key driver of this process starting from his appointment as Director of Property and Development, then promoted to Deputy CAO and finally as CAO, that was Mr. Phil Sheegl's file, and he was the person whom called the shots. The final appointment of Mr. Sheegl as CAO, we discussed this earlier, was not a majority decision, which is very unusual for that kind of appointment. I don't...you know, I guess we discussed enough on that earlier. I mean it seems to me, members of Council must have questioned that, but they voted for it and in enough numbers. Furthermore, a question that cannot be ignored is the relationship between the Mayor and the former CAO, and this has always been a dark cloud hanging

over this Council. And now, we have the circumstance where a single company who is also a business partner of the Mayor, Shindico, appears to have been given an unfair advantage over other firms. I'm sorry, that's just...this is what is in the report. The impact of this is a damaged relationship with this Council and the public between this Council and the public as well as private sector companies wanting to do business with the city. This is a mess. And as we know, there was another larger audit coming of real estate transactions going back five years based on a motion that I moved originally that Council passed unanimously, given the findings of the fire hall audit, the more extensive audit that is coming, it's more important than ever. But what do we do now? A number of people are expressing frustration and outrage at the CAO's resignation and the subsequent payout, and I know a lot of our constituents are having trouble understanding this outcome, and this apparent lack of accountability. And the details of this will be kept secret from the public and even members of Council and I mention this because I asked the Mayor yesterday if I could find out some information about that and I was told to go to the Legal Services, which I did and I was told by Legal Services that they would like to, they wish they could give me more information, but it's a personnel matter, so that information is not going to be forthcoming except as a number I suppose when the compensation numbers come out. And it may be, we can only speculate that the huge cost of accepting a resignation or letting the CAO go is unavoidable. Either way, there would be a large payout, either way, this is costly, but the public perception of the golden handshake or whatever is there. Once you see the audit and realize the full degree of responsibility that should fall on the former CAO, it is very hard to accept him leaving under these terms. And, so again, the most important issue we face is the hiring of the next CAO and that we do not ever make this kind of decision again. The City has gone through a costly, damaging, frustrating exercise in futility for a number of years, and we will still be paying for that decision, years to come and we will find out more about that in another audit coming to you soon. So, I hope that everybody here understands how powerful that CAO's position is. It was created from a governance point of view to replace an entire board of commissioners and we put one person in that position. We better take that decision very, very seriously and never make a mistake with that decision again. I do appreciate, we discussed earlier, the process of allowing some non-EPC members in that process and I'm going to take that as face value and I'm going to take that as an olive branch. I'm going to take that as an opportunity that we can do better next time because we really need to. Regarding the audit recommendations, obviously, I support implementing them. We...it's thorough and identify some changes that could prevent the same shenanigans from happening again. However, ultimately, in audit, it can only show what is put down in an e-mail or said by a credible witness and if people are clever enough not to send e-mails, that are damning and leave a trail, we will never know the full story. But what will it take to rebuild the public trust? The public trust can only...the public can only trust people who proved to be trustworthy by their actions, and that will take a lot of time, care and attention to the decisions we make, and perhaps, and the public will make that decision one year from now. Just briefly on the motion, I don't think we need to have Councillors interviewed.

Mr. Speaker: Councillor Browaty moves extension. All those in favour? Opposed? Carried.

Councillor Gerbasi: I believe that the auditor...that question was asked of the auditor, and that they talked to the Councillors, they felt they needed to talk to, who had information. They didn't have a...that was discussed and I don't have anything to add. I wasn't part of any of these decisions and anyone who was I know, Councillor Havixbeck, who was the chair was interviewed. So, I feel that to spend more public money resurface, going through all this again is not really a good use of public money and not really necessary at this time. I know some Councillors are talking about a next step and a further step. One other thing I think we want to keep in mind is we have spent a lot of time and energy going over this, beating each other up, throwing people under buses, trying to point fingers of blame. I mean we have to. We have to deal with this, and we are dealing with it, but we also have to run a city. And I would really...I think all of us would like to get back to that job. We have an interim person in place, who's already doing the job...well temporarily until we get a new CAO. We need to move forward. We need to focus on getting the work, building a vision for the City of Winnipeg. You know, with the elections happened yesterday in Alberta, they got a re-elected Mayor Nenshi. They've elected Don Iveson in Edmonton, a young, up and coming, progressive Mayor. So, let's get on with getting, feeling good about our city again. We've got to do this work, we've got to implement this audit. We're going to look at the next audit and we're going to try, we've got to try to clean things up, and we've got to try to get back to work and build the City we want, we dream of here and try to focus, try to move back to a more positive place with our city, which is a wonderful city and we're all very fortunate to be able to represent it here at this table. Thank you.

Mr. Speaker: Councillor Orlikow.

Councillor Orlikow: Thank you. I'll be supporting the recommendations in the audit because they are quite...they're quite good. I just want to talk about the one, which is the amendment on 15. So people have mentioned or maybe the question has been raised, why would we want to carry on this audit? It's been disastrous for all of us politically and demoralized the City. It's shown on the underside of the city that we don't really want to be there, but it is. But why would we want to carry on? And why would we want this for wasting more money on carrying on? Well, I guess if you didn't want to carry on, you have to believe that the past CAO did this all by himself. No direction from any political being. That's what we are saying. The report doesn't have anything on the other side. Was the CAO given any direction by the

political wing to go do this stuff? That is where in the end of the day our accountability does lie. Accountability does not lie by letting a CAO resign or firing a Fire Chief. That's not accountability. Accountability, the buck stops here and stops as we mentioned one vote and one vote and all that stuff, okay? But that is just...that's nice to talk about, but was there any political involvement in making some of these decisions or directing it? What did the political wing and again, I'm not a member of EPC. What did the political wing know and when did they do, and what do they do? These are pretty legitimate questions I think are still hanging on the back side of this audit. It's really like a line with cut, administrative, that's it. I searched a document, I think I found two references to EPC. The two references to EPC were two documents, I would love to see that were not shared with the rest of Council, but that was about it. There's two references, but what about, was there any direction given from EPC or from the Mayor's Office or from me? I don't know, did I direct them? I didn't. But again, I'd be more than open to start talking about that because I don't believe that we have some safe guards in here now that we have some tweaking of some policies, which is very good. We have to always be doing that, continual growth model, it's called. That's very important. However, my concern still is, how did this project get so out of control without, with political leadership or without political leadership. If there was political leadership then how did they make...how did we make such a terrible decision-making process on the way? If there was no political leadership, why wasn't there any political leadership? It's such a huge pile, so again, that's why I support the idea. We need to find out the accountability, the public needs to know this. I need to know this. If we want to re-instill confidence that all of Council to be working together, we have to find out where does the buck stop. I don't think it just stops with one ex-CAO falling on his sword. The matter isn't done yet. So I please, I do think that we should either maybe it's Ernst & Young, maybe it's another group, but I don't believe, I personally don't feel that this issue was resolved. So again, I would love this issue to be resolved. We have so many important issues that we have to be dealing in this city. I wish I could say you know what, close enough. But to me, I cannot believe that the CAO did this arbitrarily by themselves with no knowledge from the political wing and either way you look at it. If they...he was able to do that, then we have another structural flaw. And if he was given direction, well, whoever gave that direction or whatever peoples gave that direction, needs to be also held accountable. So again, I think we have to be looking at the political wing as well.

Mr. Speaker: Any other comments? Seeing none. I will ask...oh, Councillor Wyatt, sorry.

Councillor Wyatt: Mr. Speaker, I rise...first of all, I just want to say maybe the intent of the amendment is a good intent. I can tell you that I was not contacted to be interviewed. If I was, I'm sure I would've more than happy met with the auditor. I learned, like many others, probably in this chamber when I opened the newspaper in August of last year what was taking place and sat at the picnic table and to my dismay read what was taking place. This is a very I think difficult time for our city. We invest huge powers, Mr. Speaker, in the position of our CAO. Huge powers. The decision on who we hire as our CAO is crucial. The fact that we were divided doesn't happen that often, Mr. Speaker, actually when it comes...believe it or not, when it comes to the hiring of a CAO. Usually, we hire the CAO unanimously, but the fact we were divided in this Council Chamber in there, we don't need to read the name again. It was telling. No one wished, myself more wrong than myself in terms of that decision. I wish I was wrong, Mr. Speaker, in terms of that vote. I truly do. I wished the person we hired proved me wrong. I wish the person we hired proved me wrong again last year when I spoke out about the need to make a change last fall, and it's upsetting to learn or get the confirmation that that was not the case. I think, Mr. Speaker, we have to understand that we are moving so this will improve our public service, the recommendations contained in this audit. They're consistent by the way, Mr. Speaker with recommendations made of another audit. When I first got on the Property Committee, well I'm not on any more, but when I did at the time the manager of real estate, filled by the name of Ray Klassen is here no longer with us, gave me two pieces of paper, which, and I've always had it on my bulletin board and is full of holes because every time I need to refer to it. I take it off and I stick it back on. It's Schedule A, came out of the 1999 audit of real estate, which occurred at that time for political reasons, I wasn't here at the time, but offers to purchase city owned property policy. A, policy statement, I'm going to read it because I think it's worth reading, "A policy statement: The principals guiding the process of sale of City owned property include, one, obtaining the best value for the citizens of Winnipeg. Two, transparency in full public access. Three, support of orally development as outlined by planning documents such as, Plan Winnipeg and other Council initiated development policies. Four, support of specific Council mandate initiatives, the standard practice for the sale of City owned property would be through a public offering and sale at market rates. D, Details: one that the Property and Planning Development Department referred herein as the department only act on formal written offers. Two, that the department not act on unsolicited offers on city owned property except for the conditions listed in B3. This includes both properties that has been declared surplus and property that has been declared surplus, but not yet been processed through a public offering. C, the department may act on unsolicited offers to purchase City owned property under the following conditions. A Condition 1, the department may act on unsolicited offers for the City owned property from an adjacent existing owner when the property in question is not developable in its own example, not buildable due to zoning location, size or remnant parcel. In appropriate cases, a property may be offered to the adjacent owners. B, Condition 2, the department may act on unsolicited offers for City owned property in the case where a utility company or government agency or body seeking to acquire the property. The price, agreed price should reflect a valuation completed by an accredited appraiser. C, Condition 3, the department may act on unsolicited offers for City owned property and will sell these properties at or below market value and mandated by Council, approved policies or programs. The Municipal

Aboriginal Pathway Strategies, the Affordable Housing Initiative, the Winnipeg Housing and Homelessness Initiative and Home Grown Economic Development Strategies are examples of these policies and programs", so there are exceptions based on Council Policy. And D, "Condition 4, the department may act on unsolicited offers for City owned property that involves an exchange of land where the privately owned land is required by a city department for public use or to facilitate a Council approved land acquisition program subject to the City land being declared surplus. Delegated authority, this policy does not supersede any current delegated authority for approval, a property transaction." Mr. Speaker, clearly there were areas of this policy, which were ignored based on what the auditor has now given us, broken from a previous one. This cannot continue. We have to ensure that the CAO of the City of Winnipeg is there fully trained, fully expertised in his field or her field, that we hire, always hire, Mr. Speaker, the best and the brightest or attempt to always hire the best, the brightest. This city deserves no less. We want to have a city of excellences. If anything Mr. Speaker, we should be searching right now to find the municipality in this country that is probably considered one of the most successful municipalities and to try to scoop their CAO, or their second, number two person. That should be our goal. We want a successful city. We don't want to repeat this and have an audit every 12 or 13 or 14, 15 years. Mr. Speaker I asked the auditor a question yesterday and you know, we heard the auditor yesterday in the Council seminar. EPC first saw, I first saw this audit, I can't speak for everyone, I first saw this audit yesterday when it was presented to us. And like you, I can tell you Mr. Speaker that I asked the auditor in terms of the private sector individual who is quoted throughout the report, were they conducting themselves illegally? Or is there anything, any issue here? The auditor indicated no, that they conducted themselves as the private sector would. And I guess I take issue with that, Mr. Speaker. I was born and raised in a household. I watched my father work in our little house on Rosseau Avenue West in a front office, and he always told us, I have walked down the street and I don't have to look over my shoulder and that's how I conduct my business and he did that all his life and he still does it that way. I take issue, I believe, Mr. Speaker that the private sector, that it takes two to tango. That the private sector can operate differently, that there can be a higher, more I guess, maybe ethical business role in terms of how things are done. I'm not saying anything was done wrong. I don't want to...we know that in this room, we're not protected Mr. Speaker, in terms of being, having lawsuits filed against them. Heaven knows that they have more than enough power to do so and the influence in the, and the money to do so, but the reality is Mr. Speaker, I believe that there is a need...

Mr. Speaker: Councillor Vandal moves extension. All those in favour? Opposed? Carried.

Councillor Wyatt: If anything, there's two houses, there's the public sector and there's the house of the private sector and the private sector I think has to...has to act in a manner which that does not encourage these sorts of things from taking place in the future. Mr. Speaker, I think that that is something that has to change. Again, the auditor said and I guess, and I agree with the auditor, nothing was done untoward. So, I'm prefacing my comments along those lines, but I will say Mr. Speaker, that we need to ensure that we operate transparently and openly; that we move forward with these recommendations as we have now done, EPC has adopted them fully, fully, and we wish to see them implemented fully and quickly, and as quickly as possible in terms of the changes. Finally, Mr. Speaker, I just want to add that I think we need to take a step back and this is definitely not a reflection on the individuals who holds the post today, Mayor Katz or any future mayors that goes, but we do not have a monopoly on wisdom in the city. I think we have to review and look at our strong Mayor model. I believe that our strong Mayor model that there's a lot of power concentrated and I don't blame the Mayor for after going through CAO, CAO, CAO, wanting to have somebody that the Mayor can get things done, especially when you elected and microphone goes into your face, Mr. Speaker, or in the Mayor's case, his face, and the questions are asked, you're accountable, why aren't you doing this, why aren't you getting it done? I don't blame that individual for wanting to ensure that they have somebody to work with that can help them to make things happen. But I think the power may be Mr. Speaker, in terms of a sixteen member Council has to, it has to change. We do not have...in English, Canada, we definitely have, we are the exception to the rule. We are the exception to the rule, and maybe as a member of EPC, it's silly for me to be talking in these terms, but to be able to defuse and to be able to find another model, but maybe it has to be done. The Mayor is still...it will always be, no matter what, a figure head of the City and somebody that people look up to. This is something that we...that will be part of any new system, but I think that we're still...we're still a work in progress. There's no doubt about it in my mind ever since Unicity was created and ever since Council was made smaller and where we are today. I know my comments are finished, I want to just say that I think that, as we go forward, I hope we can go forward as a Council united and bringing forward these changes. Thank you, Mr. Speaker.

Mr. Speaker: Councillor Fielding.

Councillor Fielding: Thank you, Mr. Speaker. I first would like to say, you know, it's been a very difficult year, challenging wise from a variety of sources that are there. We know what the audit has said is that there was a system-wide failure that you know, I guess, to say there's a system-wide failure, it would be a complete understatement of what's been going on. Obviously, we know that there is a huge errors made through our administration. We know that there's breaches of policy as it relates to the tendering, the procurement piece, to project management, to most importantly, transparency and openness, not just to Council, but to our citizens of Winnipeg. If you look at how this

project started, you know, there's some very good work that's been done, You know, Alex Forrest is here, has spoken about the need for fire halls and he's always passionate about making sure that firefighters deserve the best and they do. I know Reid is here as well to talk, to speak his mind, and those two individuals were part of a group that initially went to look at these models. I think everything started in a proper way, a proper function to find out what models are best to provide the best equipment, provide the best services, and I think to certain extent, if you look at some of the halls we're creating specifically in terms of Sage Creek, it's proven that this hall in itself, will help to save lives. People are going to be able to get to, the firefighters will get to people quicker. You know, people that are in need, so there has been some very good things that have been done. I can tell you from my own experience in St. James, as the Councillor the Speaker knows quite well, that the hall that we are at, Berry was close to a hundred years old. I mean it was outdated equipment that's there. They had it in their budget from 2006. There was a whole process that we went through to find the proper location, the proper venue, but my point is that there's a lot of good things that did happen with the fire hall, and it got mixed in with this process that obviously were circumvented for a variety of reasons and quite honest with you, I'm extremely upset at the process and how this has happened. I pride myself on being an individual that is above, beyond reproach in terms of anything that I do, and so I'm concerned with the process of how it went on. We know that the whole process really calls into question, some of the decision-making process. I don't think necessarily from the elected officials, but at the end of the day, it's us that people elect and it is a lot of administrative issues that we talked about. The report talks about a system wide failure, process in overall, sloppy management to say the very least. We know, and I've got great concerns in terms of the budgeting process. You know, the budgeting processes that were there, there's no wonder that it was \$3 million over budget because it looked like the budgeting was done on the back of a you know, napkin that was put forward in terms of how it was done and how it was implemented. And it, it you know, I've got some great concerns in terms of how the budgeting went a row and the fact that at one point, we clearly knew that the budget would be over the \$15 million cap, which we voted for and that's what concerns me the most or one of the most with this. We also know that there was a dedicated movement. Management was ill-managed I think from the beginning, the processes weren't followed in a correct way and that concerns me quite a bit. We also know that with the audit report says is the responsibility was given to the Fire Chief, who's here today. And the Fire Chief is there to administer fires, to put fires out to hire staff to do it. He's not there to build fire halls. He doesn't have the expertise to build fire halls and negotiate with developers may respect for that. So I would argue that that process was above and beyond that expertise, which he doesn't have the expertise, he's an expert in terms of managing fires and putting those types of items out. He's not a manager in terms of these expertise and I think he did best we can and there's obviously some mistakes and I don't think he got good advice from the people that were involved to say the very least. So I've got some very good, very big concerns of the process. I'm not saying anything new that hasn't been said, a lot of this information of course was there to begin with in terms of the process for it. It's more than disappointing to know how it went on and to break from the public trust that we've had from people that I know and respect and people have some concerns, and so I think this process...it's been a long process. We've taken over a year to get this audit report done. It's come forward, it's provided some new information, some old information that's there. I truly want this to be a reset of where we go in terms of the procedures and policies. The auditor brought forth 14 recommendations that include changes to some of the tendering, the procurement process, the project management, reporting of the Legal Services, which I was troubled with some of the advice we got through our Legal Services and I think having the Legal Services reporting in through Council through the director makes a lot of sense, and I think we need to ensure that we're hiring the right people for these processes to ensure it's happening. I do also want to comment on a couple of items. One was brought up in terms of our committee meeting that came to our committee, for the Berry Street location. And while I can tell you and this was of course attended by yourself, Mr. Speaker as well as the chair, the former chair of that committee as well as Councillor Havixbeck and we did ask a lot of questions. In fact, I've got the transcript right here in terms of the questions we did ask at that point because at that point, there was a letter was brought forward by the Viscount Gort that had concerns about the park. They were more concerned, obviously about the...the noise that were there. I've got the actual letter here. They also talked about the developers applying for the City of Winnipeg for more land that they wished to construct a larger building than they originally planned and they also talked a lot about the park. The park was the main issue for it. We did ask the question as you may recall, call as well as asking about this...had it been asked? And we did ask our administration, it was Christian Friesen, has the building got bigger and I've got the transcript right here and clearly what it says is that building did not expand at all, exactly the same size. They're reconfiguring the placement of the building from the north corner into the south making it closer to Portage Avenue, the majority of the concern is the green space, that was not a park, by reducing the size of the footprint by 613 square feet. They retained the green space for the community having also retained some of the trees and making this more, so we asked a lot of questions and I encourage anyone to go through that transcript and ask because we asked the questions and clearly the answer that we got. We also had Legal Services there that had talked and the Chief of course was there, but the answers clearly are right here that were said to us at that point. So, to say that we could have stopped that process right there at that point, we needed the right information to make decisions and I encourage yourself or Councillor Havixbeck who was at that meeting to speak on that as well. So, in any event, in conclusion you know, I think this process is important to reset the public trust and transparency here at City Hall. A number of individuals are no longer employed with the City, but I think the process we're going forward with the CAO that's there, the new CAO and the process we have to have an extensive process to have someone, possibly from the outside, that would probably be my preference to have a clean

slate to wipe away some of these things. It's great to put some administrative recommendations that we've been told will make a difference in place. I think it's essential at this point and there is a motion also I think by Councillor Havixbeck.

Mr. Speaker: Councillor Browaty moves extension. All those in favour? Opposed? Carried.

Councillor Fielding: And just briefly...in terms of the quarterly reports, I don't have any problems at all with the quarterly reports coming forward to Council to ensure that these recommendations are followed. I would like to see these 14 recommendations done as soon as heavenly possible to get this done. You know, Councillor Havixbeck also mentioned the regular or rather that Ernst & Young all members of Council interviewed, and it should also be incorporated in the budget. I don't have a problem with that. I wasn't a part of any decisions that are there. If the auditor, you know, wants to interview me, I've got absolutely nothing to hide so I'll be supporting Councillor Havixbeck's motion. Thank you.

Mr. Speaker: Anybody else? Councillor Pagtakhan.

Councillor Pagtakhan: Thank you very much, Mr. Speaker and...

Mr. Speaker: Councilor, just before you proceed, I don't know how close we are to the end of the discussion. We're past the 12:00 noon. Is it your will to continue and wrap this up? All right, carry on, that's the will....

Councillor Pagtakhan: Thank you very much, Mr. Speaker. I'll be brief in my comments and just basically say that I'll be absolutely be supporting the 14 comprehensive recommendations up put forth by the auditor from Ernst & Young in his report and will be looking forward to seeing the timely implementation, the speedy implementation of those and there's a motion relative to that, Mr. Speaker and I seconded it because I like the thought of these two thoughts here that we have poorly reports coming with respect to the implementation and Mr. Speaker, you know, at City Hall, 510 Main Street, Mr. Speaker, there's two buildings, the Administration Building and we have Council Building and you know, I think that we need to have a more wholesome finality on this and to have the auditor I think come back and talk to each member of Council, the Mayor and Council, I think is important to have a better sense of finality on that and I don't think there's anyone has to hide from anything on this, so I can't see anyone not supporting this motion, Mr. Speaker. Thank you.

Mr. Speaker: Councillor Smith.

Councillor Smith: Mr. Speaker, I support recommendations wholeheartedly, but just because we pass them today doesn't mean our problem has been solved. You know, I expect EPC to be on top of this, to make sure that these recommendations are carried out and not just because we passed and we feel everything is great, it's not great until we have them implemented and so I'm challenging EPC to make sure that these recommendations are in effect put forward and fulfilled. Thank you.

Mr. Speaker: Councillor Sharma.

Councillor Sharma: The bottom line here, Mr. Speaker, is that we need to make sure this process never happens again. The citizens of Winnipeg expect and deserve better. The report revealed a whole host of shortcomings, a various serious breach of trust, mismanagement, shortcuts and ultimately lack of transparency has all unfolded. It's horrible Mr. Speaker. There is absolutely no sugar coating this. The report certainly speaks for itself. Processes that exist to ensure openness and transparency were not followed. This is all very disturbing. The taxpayers' dollars which they entrust us with need to be protected at all times and they need to get value for their money and in this case, Mr. Speaker, that cannot be determined because of how poorly this project was handled. I support the motion to implement all the recommendations put forward by the auditor, and going forward, I believe these recommendations will be a tool to help regain the trust of the administration. The public has been betrayed and it is our job to ensure this does not happen again. The City must do business in an open, accountable and transparent manner, nothing less than that is acceptable. We all have to take responsibility Mr. Speaker, each and every one of us. Citizens deserve to have confidence in how our city government runs. We need to learn from the findings of this audit and now move forward with concrete actions. The first step is implementing these recommendations. Thank you.

Mr. Speaker: Councillor Vandal.

Councillor Vandal: Mr. Speaker, this report has obviously uncovered a mess. This report is scathing and in fact, I would say that this is the most scathing report I've read in my 15 or 16 years in Council, and I've read a couple of doozers. I've never read so many examples of systematic breaches of City policy across so many departments for a comprehensive capital project of this magnitude and in many examples, a complete lack of due diligence and analysis by public officials. If you turn to page 40 of the report Mr. Speaker, it will give you an overview of the breach of City

policies. Number one, "failure to establish a major project steering committee", which I believe was in place in 2007, 2008 where there was a comprehensive tiger team to look at complex capital projects and to do the analysis. We didn't do it on this one. "Failure to have the initial P3 Project reviewed by a P3 committee." We know the history there, started as a P3 that morphed into several other things. "Failure to have the project reviewed by the Standing Policy Committee on Finance prior to the issuance of the procurement documents. The splitting of contracts due to lack of Council approved funding and the splitting of contracts, which resulted in avoiding delegated authorities". But Mr. Speaker, the most troubling observation is Recommendation 3 or 4 is that the audit makes very clear that there is a real estate firm in the city that was provided information not available to other proponents in respect of this RFP. I find that incredibly troubling. In fact, I feel that this is an observation, allegation, whose repercussions have not yet been felt by the City of Winnipeg and that we as governors of the City of Winnipeg should do all things necessary to protect against future risk and liability. Mr. Speaker, I believe that this is the culmination of years and years of trying to get government to act like a business. To be more entrepreneurial, to be more nimble, to do whatever it takes to get the job done. And the ironic part, speaking as a ward Councillor who lobbied hard on the floor of this Council, every Council meeting to the Mayor, trying to deliver Sage Creek Fire Station is that at the end of...at the end of this process. I'm very happy with my fire station and my constituents are as well. I can't speak for the other fire stations, but clearly...it clearly...it's not an example for future capital projects to move forward. I believe we...we have a huge responsibility in the hiring the next CAO, and we have to get back to Civic Administration 101. We have to get back to doing thorough due diligence, to doing risk analysis to analyzing every question, comprehensive questions with millions of dollars of tax dollars. We have to do the analysis inside out, upside down, sideways, refer things back and forth between departments before eventually they are rolled out. I have worked for other levels of government as an administrator and I know how other levels of government roll out major capital projects. There's a level of administrative oversight I think that we've simply taken for granted and I think this is the opportunity to us, Councillor Fielding says, hit the reset button. We have to do all things necessary to regain the public trust. Mr. Speaker, it's going to take a long time. We have no choice. Our citizens deserve nothing less.

Mr. Speaker: Councillor Browaty.

Councillor Browaty: Thank you Mr. Speaker. I spoke yesterday at EPC where I think I gave most of my comments and don't know if all of you were there, but again, thoroughly disappointing. This was a massive failure in the City's, in the City procured these fire halls. Again, it's wonderful news that are...the men, women that serve the citizens of Winnipeg...have new facilities. The fact that Sage Creek has appropriate fire response times now is certainly good news. In regards to Councillor Havixbeck's motion, I like half of it, the other half of it, I don't think is necessary, so I don't know if we can vote on the clauses separately, the therefore, I would certainly be willing to support the notion that quarterly reporting be provided to Council on the implementation. I think that's Council seminars, whatever means you want to do that. I think that's a very prudent and good route to go on. In regards to retaining the Ernst & Young to consult with all the Council, they went through a very involved process in determining who is involved and what was involved with who. From what I can tell, they went through the City's e-mail archives using forensic methods to get the e-mails that are quoted in here. I don't believe that these were offered up voluntarily from...as I can tell. So again, if any member of this Council was identified as being involved or implicit in any of the questionable things going on here. I think it would've been triggered by these forensic audits, that went on throughout our e-mail system. There is one a question that was asked of me about what I knew about Mulvey and the specifications of a specific property I was asked question by the auditor and I provided a response. If any, if they had any questions of any other Councillors, I'm sure they would've been asked. Councillor Havixbeck took it upon herself, wasn't that...I don't think the auditor approached her. She voluntarily asked to have a meeting with the auditor with the hope there wasn't additional information that she provided. Again from the reports from the auditor, the Ottawa based auditor to us, there was nothing of consequence from the information that Councillor Havixbeck provided and that was the information that was provided to Council in our seminar yesterday, so again taxpayers, our constituents deserve better. I stated yesterday that the notions and the suggestions made by the now former Fire Paramedic Chief that they were pre-decided suppliers that were going to be doing this work. It's completely unacceptable. I think the track that the Winnipeg Sun, Tom Brodbeck today is going down about further investigations might be something this Council needs to consider, but we can do that all due in course. Thank you.

Mr. Speaker: Councillor Swandel.

Councillor Swandel: Mr. Speaker, let me start by saying I'm going to support the recommendation that's before us and the recommendations in the audit. There is no doubt that we can and we do need to improve our processes. When you really go through this thing, it...what I qualified as is well intended stupidity, but I've got to say I've read a lot of audits in my day and in my opinion, this is not a quality audit. It's a convoluted document that's extremely difficult to follow. It requires the reader to jump from the report to the appendices and move back and forth in document in order to make any sense of the representations being made. It lacks simple charts and other visuals that would make it easy to follow. There's a real lack of clarity as to who held what positions and what authority over time and it makes a great deal of

assumptions in reaching conclusions. Having gone through it in some detail, I can say that it appears to be a bit of a self-fulfilling prophecy or a political statement guided by people other than the auditors. Further, no one appears to have read, folks that have previously spoken and some of the reporting, no one appears to have read the administrative responses and taken a holistic look at this. The auditor makes no comments on the risk in front, the risks in front of our administration as they were making these decisions. The auditor seems to rely heavily on comments made by the former Fire Chief after he left the City under a negative scenario and had a sudden epiphany, completely changing his recollection of events. With regard to finances, there's no value for money discussion. No quantities surveying or any kind of cost analysis of all, but near as I could tell, we've got a good value for, we've got value for money here. We've built three and almost completed a fourth station in a very short period of time at a cost that is consistent with construction of this nature. Why did we do this? We were pushing hard. We had a service deficit in the southwest part of the city and our older stations was crumbling. In fact, one was condemned. We are also driven by the CMHC funding deadline, which is not properly dealt with in the audit. The auditor makes a hindsight statement about the ability to get CMHC extensions and almost completely ignores the other pressures the City faced on timing, like the immediate need to get a station built in Sage Creek and the fact that the Berry Street station had been condemned. You don't have to look back too far to remember the...a lot of questions that were being asked about the instruction on some of these stations and us as a political side of this building pushing hard to get this done and it's not our first time hitting a problems as a result of a push to meet ridiculous deadlines. Does anyone here remember the AT Stimulus Funding that resulted in millions of extra costs to the City of Winnipeg? So, where are we going from here? Well, I guess we'll put all these processes in place, quick and politically expedient, isn't it? Very easy to do. The easiest thing to do. We'll likely continue to demonize members of our administration with campaigns with character assassination supported by innuendo and fact-stretching and we'll do that under the guise of a conversation in the public interest. We burned through three CAOs in the last six, seven or eight years. I wonder why. Then we'll spend a great deal of time asking yourselves why it takes so long to get anything done around here and why the administration aren't flexible enough to facilitate getting our priorities done. We'll probably hear the old right wing comments of we need to run this place more like a business. And I'm sure we'll hear calls for a red tape commission or some other public spectacle to be seen to be doing something. Well, forget that these are human beings that we work with our administration as we beat them like rented mules. We'll continue to show our ignorance to the roles of policy makers versus administration. This will all go on as many Councillors get their campaign pictures taken in front of the infrastructure that we continue to build at good value. We'll do this in front of a media that is all about lost its journalistic integrity as they too continue this Supreme Court sanctioned defamation under the guides of conversation and the public interest. And rather than being leaders and serving the public and getting the job done and defending what we do, not that everything here should be defended; Whenever we have a problem, we'll just simply call for an audit, but there will come a day Mr. Speaker, when we will be asking ourselves who is policing the auditors?

Mr. Speaker: That concludes our comments on this particular item. I will invite Councillor Havixbeck to close on her motion.

Councillor Havixbeck: I am closing and closing comments on the report, correct? First of all, when we look around our city and we see our fire halls, I think what a great thing for our city, what a great thing for our firefighters and our paramedics and the Paramedics Union and the Firefighters Union have been represented at all our meetings, I know this. I appreciate that Reid Douglas came today to share his thoughts. It takes great courage to go against the grain and former Chief Douglas shows that he is willing to share and he has nothing to hide by coming here today. Yesterday, Alex Forrest came and presented and he talked about how the dilapidated the buildings were, and I know first-hand, having one of the halls replaced in my ward, how important that was to firefighters and paramedics. It has given them a sense of pride and a place to feel that an initiative that started in 1997 is coming to fruition; that being co-habiting of firefighters and paramedics to improve response times, to improve the services we provide to our citizens and they work hard. Alex Forrest yesterday talked about the dilapidated conditions in our halls. He talked about duct tape needing to hold together the roof in some cases. So these fire halls are important, however, as I said, at delegation in EPC yesterday. The means do not justify the end for me. Comments like get it done, what number do I put in the report, these are shocking. This is the Public Service. And what have we done if we do not share what we know about this file? And I walked into this file, the previous chair had some knowledge of this file. I can tell you there were countless, at least three half day sessions of informal Executive Policy Committee trying to sort through all of this and you know, it was me that came forward to the auditor, June 10th when I learned that the audit was about to come forward to the June Council meeting and I simply said to Brian Whiteside in an e-mail, "For your information, I have not been contacted for an interview related to this. I would have thought as the Chair of this committee, that I should be called to explain what I knew on this file." I was not contacted is no excuse. It's an abrogation of our responsibilities, and actually shirking from our responsibilities. And further to that meeting, I sent an e-mail to the auditor, on June 14th. So from June 10th to June 12th, I had my meeting and I said to him, "Further to our meeting, just to confirm, I suggested you interview Alex Forrest and I also think you need to interview the Mayor. So it's clear from the report that Alex Forrest was interviewed and the Mayor was not. And I have concerns about that. Each and every member of EPC at the time discussed this and what concerns me most is what this has done for taxpayers in this city. Yes, the people who pay our salaries, the people who elected us to be here

to represent them. Think about all the additional cost to this file. We've now potentially paid out the CAO; we have now paid \$230,000 for this report to be done. This has cost taxpayers much more. How long would it take people to earn that kind of money? And one statement stands out for me, "There is a lack of a basis to determine value for money from single source contracting with Shindico. Single source, we single sourced this report. The whole issue of secrecy around this report is very concerning. Last October, I had comments from my colleagues of don't ask so many questions, just let it lie. Just approve the overrun and keep going and you know, I wrote to the CAO, and on October 26 last year, "Councillor, I will be away from the office, Monday and Tuesday, Deepak Joshi will be attending in my absence. I am available today if you or any of the committee members would like to meet to discuss any questions you or they may have specifically for me." Thank you for...and my response is "Thank you for your response, but because of the commitments of all committee members, we are unable to meet this afternoon on such short notice. However, the...of the because of the importance of this matter, we could of course have a special meeting next Thursday, so we have the opportunity to hear from you." Even then he did not want to speak on this issue and I have serious concerns now after reading why. On October 2nd, five out of six Councillors of EPC wrote the Mayor demanding his dismissal from October 2nd to 17th, when the Executive Policy Committee approved either his resignation or his discharge or pay out, there was 15 days of manipulating this report behind the scenes. My understanding from the auditor, the report is dated October 7. On October 10, he told me it was in in lock down and no one had seen it but why was this meeting held with under 15 minutes' notice to all Councillors, so we could not appear in delegation, so we could not understand what was going on first hand and hear the discussion? I find it reprehensible that he was allowed to leave and I feel that he was paid off and if Councillors of the Executive Policy Committee truly have nothing to hide and I take us back to this motion because it is not just Councillors. It is all members of Council be interviewed in this process and their results incorporated in the report. We don't have time, too long. It's delayed already. These are not adequate excuses. Sixteen people here? How long could that possibly take? Two hours? People in this city will remember this. One year from today when they go to the polls, they will remember who supported what. Who supported spending more money and they will vote with their conscience. They will, mark my words, remember what each and every one of us did here today. We need to start restoring trust and confidence at City Hall. Thank you.

Mr. Speaker: Mayor Katz to close.

Mayor Katz: Thank you, Mr. Speaker. Mr. Speaker, I think the process we are going through right now is exactly about restoring trust and confidence. We've had an extremely comprehensive audit that's been done coming forward with recommendations. And I believe that every Councillor is supportive of that at this particular point in time. Mr. Speaker, the realities are you know there are many Councillors here today, some, who have basically expressed wonderful satisfaction with the fact that they have a new fire hall. Some of them have actually thrown parties for the community celebrating those fire halls, but the realities are if you read the report, there is no question there was a major derailment. I don't want to repeat what so many Councillors have said, but the facts of life are that things were not done the way they should've been done. Situations where things were circumvented and whether our administration claims they had the right to do this or not, it was within their purview, the auditor has stated differently. And the bottom line is we called for an outside auditor. We got that and this is their final decision. So Mr. Speaker, I most definitely support all those recommendations. I think it's important for all of us to work hard to make sure that the public does comprehend what's going on and realizes that we are correcting any flaws that took place here and there were many, there's no doubt about that. The other side of the coin, I've heard from several of the Councillors Mr. Speaker about interviewing others who haven't had the opportunity to speak. I recall in the media, Councillor Orlikow you know questioning the credibility of the entire audit because there was a property in his ward and they even talked to him. And in the end, it appears they still didn't talk to him. I can tell you Mr. Speaker, after every meeting just like this one, all right, I stand out there, in front of five, ten, 20 members of the media and they can ask any question. Probably they're even much more tougher than any auditor would be and I'm always happy to do that. I don't believe there's anybody on this floor of Council. I think it's unfortunate that anybody would even apply that that has any knowledge that would basically be of any wrongdoing. I very much believe that and I'll just let that go. Mr. Speaker, I would also say that, and I know I think it was some other, one of the other Councillors mentioned, as far as regular updates whether it's every, whether it's quarterly or more often or not I am very supportive of that, no question about it. That makes a total sense, we should be doing that regardless and we should basically and move forward from this day and trying to work hard to get the confidence of all the citizens back. I think there are major positive steps here that we are ready to implement and just for the record, I want to you know, make note of something. I know EPC was criticized for basically having a discussion about the acting CAO, so I just want to read something from our Charter, Mr. Speaker. The City of Winnipeg Charter enacted by the Province of Manitoba, duties of Executive Policy Committee, recommend to Council, individuals for appointment as officers. That is our job Mr. Speaker where we're doing nothing more than our job if the Councillor wasn't aware of that, they certainly are now, but that's exactly what our job is to come to Council, with recommendations and let Council vote on that, and that's what took place today. So Mr. Speaker, I want to thank, you know, the auditor for doing their job. Brian Whiteside for doing what he felt was best going outside of the system. You heard many views here, you know, mostly critical, some critical for other reasons whatever the case may be. The bottom line is there was mistakes that were made, very major mistakes that were made. They have to be corrected and we have to make sure it doesn't happen again, Mr. Speaker.

Mr. Speaker: Thank you, Mr. Mayor. So we're going to call a motion on the no. 3. Councillor Mayes, you have a comment, yes?

Councillor Mayes: Number 15 and 16, I think at least two other speakers have made similar remarks as to mine in terms of different view of 15 and 16.

Mr. Speaker: So basically you'd like to separate 15 and 16 as a vote.

Councillor Mayes: Yes.

Mr. Speaker: All right, is that the will of Council? Fair enough, okay then. I will ask for a standing vote on no. 15. Do you support the report be revisited by Ernst & Young and all members of Council be interviewed and the result incorporated into the report? All those rise, in favour. Number 15.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Fielding, Gerbasi, Havixbeck, Orlikow, Pagtakhan, Sharma, Smith, Steen, Vandal, Wyatt.

Nays

His Worship Mayor Katz, Councillors Browaty, Eadie, Mayes, Swandel and Mr. Speaker Councillor Nordman

Deputy City Clerk: The vote Mr. Speaker, yeas 10, nays 6.

Mr. Speaker: Okay, we will accept no. 15 as a part of Motion 3. Now, those in favour of 16, please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Mr. Speaker: And I left you all standing so that we have on the record that it was unanimous. All right, now, will the amended motion, item for the report of October the 21st, all those in favour? Opposed? Motion carried. I'll accept a motion to adjourn from Councillor Browaty. Roll call.

ROLL CALL

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

Council adjourned at 12:33 p.m.