

COUNCIL OF THE CITY OF WINNIPEG

Tuesday, December 17, 2013

The Council met at 9:33 a.m.

The Clerk advised the Speaker that a quorum was present.

The Speaker called the meeting to order.

The opening prayer was read by Councillor Nordman.

ROLL CALL

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

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

Madam Speaker: I would now like to introduce our Pages for today's meeting, Elizabeth Walker, Fort Richmond Collegiate who resides in the St. Norbert Ward and Midori Matthews, St. Mary's Academy, who resides in the Charleswood-Tuxedo Ward. Thank you very much for being with us today. Now we will move on to delegations. First up. Pardon? Sure.

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, December 17, 2013 at 9:30 a.m., to consider the following:

Item 1 of the Report of the Winnipeg Police Board Dated December 6, 2013 and Item 1 of the Report of The Executive Policy Committee Dated December 13, 2013 regarding the 2014 Capital Budget and 2015 to 2019 Five-Year Forecast and the 2014 – 2016 Operating Budget

DELEGATIONS

Madam Speaker: Thank you. Yes, Councillor.

Councillor Gerbasi: Before we get into delegations, Madam Speaker, I'd like to ask Council to waive the rules to hear five additional speakers in opposition to the budget for five minutes each without questions, up to five minutes.

Madam Speaker: Sure, and I believe we have other folks here as well.

Councillor Fielding: Sure, yeah, I'd like to suspend the rules as well to hear one delegation in opposition to the budget, Mr. Colin Craig.

Madam Speaker: Yes, Councillor Orlikow.

Councillor Orlikow: And also to add one more delegation, Alex Weremy, please.

Madam Speaker: Who is that?

Councillor Orlikow: Alex Weremy, WAPSO.

Madam Speaker: Alex...

Councillor Orlikow: Weremy, thank you.

Madam Speaker: Thank you. We'll just have one motion to hear additional delegations, how's that?

Councillor Swandel: Yeah, and former Councillor Steeves, I believe, wants to be heard as well.

Madam Speaker: Yes. All those in favour? Contrary? Carried. Mr. Clerk. Mr. Lorenc, you are first up.

Chris Lorenc: Thank you very much, Madam Speaker, and perhaps before I begin, congratulations on your election to the role of Speaker, wish you well in this chamber. Good morning, Mr. Mayor, members of Executive Policy Committee and members of Council. I'm here this morning to extend my thanks to the Mayor, to EPC and all members of Council for your collective and individual input, participation and contributions made to the 2014 operating and projected five year capital budgets. I also wish to extend thanks to the Public Service for generating in response to Council directions and questions, advice and options to assist the elected branch in realizing upon its priorities as the ultimate stewards of public fiscal interest. This is not been an easy budget process. They never are nor should they ever be expected to be. The setting of priorities is always fraught with conflicts of views, interests, personality, priority assessment, ideology, sequence, balance and fiscal flexibility. As I said, it is never easy but you have made progress and you should be applauded for it. It is important as you prepare for the final budget debates to take a moment and reflect where you have come from in recent years and where you have the opportunity yet to lead. There have been a series of decisions which demonstrate your appreciation and support for long term planning and sustained and strategic investment in core infrastructure. These long term investments are tied to priorities which facilitate growth and enhance existing areas of economic activity. These directions all come with valued outcomes of growing the economy and the assessment base each in the interests not only of Winnipeg, but the capital region and by extension, Manitoba. You have also in the process not forgotten about social priorities. Recreation and public safety, which are and will remain areas of Civic responsibility, the capacity to address which is enabled by economic growth and therefore, revenues allowing those priorities to be funded. You have held the line on operating budget realty tax increases in the face of growing and competing demands. You have balanced your operating budget in each and every year. You have done this in the face of recession and have done each far better than Civic jurisdictions to the east and west of this province. You can legitimately be seen to be the City to be emulated, not the City that needs to follow the example of others. Of that in our judgement, you should be proud and for that, Winnipeggers should frankly be grateful. So, let us reflect on some of those key decisions. In 2013, you moved forward with the establishment of a new Local Street Renewal Reserve, investing over a 25 year period, a significant amount of capital and placing the streets on a 25 year replacement cycle a historic first. In November, the Mayor appointed a new Secretary of Economic Development as part of the Finance portfolio and we look forward to working with Councillor Wyatt as this role evolves and grows. On December 4, Winnipeg announced a service sharing agreement with the RM of Rosser, which will provide significant assistance for the continued development of CenterPort Canada and will help attract large scale distribution and trade-related centres and new business interest from within the province and more importantly beyond. Council adopted the transportation master plan, which projects short, medium and long term investment priorities, recognizing the imperatives of a seamless and efficient multi-modal system to move goods in and out of the City of Winnipeg and within the City of Winnipeg, this to support our history as a trade and logistics hub, which will only grow. Council will soon consider the merits of a transportation authority to enable and/or empower a structure mandated and presumably funded and/or with access to funding, to implement and oversee transportation priorities established as the prerogative of the elected branch of government and reflected in your adopted transportation master plan. The 2014 operating budget proposes to establish an annual property tax increase dedicated to new regional streets...to a new regional street reserve account. This funding direction acknowledges that within Winnipeg, there are nearly 10 million daily vehicle kilometres of travel, 80 percent of which use the regional street system, the remaining 20 percent on local streets and it also recognizes that it is the regional street system which forms the economic backbone of the city's transportation system, without which there is no commerce, there is no economy, there is no potential for growth and no revenues to governments. Council is also moving forward with the next phases of the rapid transit system accepting that as transportation investment on this scale is accompanied in its initial stages with some uncertainty and financial risk. This, however, is no different than the uncertainty and financial risks associated with historical decisions, which have left us to benefit by the aqueduct from Shoal Lake or Assiniboine Park, indeed the Forks development to name a few. Council is saving Sherbrook Pool, an iconic heritage asset of and for Winnipeg, in the face of a multiplicity of recreational challenges and Council has made or facilitated key start-up infrastructure investments, which have enabled IKEA, the MTS Centre, the Investors Field, the Waverley West, the Canadian Museum of Human Rights, all of these shape who we are and who we can yet become, and that list goes on. The above are legacy signature decisions made, some yet to be made. They are a demonstrable commitment to truly making this the city of opportunity. They are remarkable in the difficulty associated with each decision and that they were made while juggling so many other legitimate requests for attention and redress, but there is a dark cloud on this horizon and it is not one you are unaware of. It is one which will require persistent relationship building, political team work, discussion with the public, skillful diplomacy and recognition in the process that perfection is the enemy of better. The dark cloud, Councillors and Mr. Mayor, is the fiscal imbalance as between Winnipeg and the Province of Manitoba, a challenge in this province, no different than like challenges faced by cities across this great country of ours. Municipalities are required with continued increasing demands for services, to work within a fiscal framework and revenue source structure, struck at the turn of the century, which no longer enables sustainable revenue streams to municipalities, with which to invest in their future and rehabilitate that which exists. Case in point is your realty tax. The Province can, with a one point increase in PST raise roughly 300 million annually of which approximately 60 percent is generated by Winnipeggers, that's roughly 180 million. A one percent increase in Winnipeg's realty tax raises 4.5 million. To extract 180 million from Winnipeg residents, the City of Winnipeg would have to increase its realty taxes by a staggering 40 percent in one fell swoop. The City's capacity within the existing fiscal framework arrangement,

legislative or otherwise, with Manitoba is starving Winnipeg's capacity to invest, to project forward. At a time whereas a Civic government, you have demonstrated a willingness to invest in Winnipeg and Manitoba's economic growth, where you are managing your fiscal affairs within the restrictive and frankly, archaic envelope of that which exists; where you are dedicating taxes to specific focus and purpose driven investments; where you are leveraging dedicated revenue streams to borrow, pushing the public debt up, albeit with dedicated streams; where you are investing in local regional and provincial economic growth, you are entitled and you have earned the right to ask for and receive a far greater share of the existing and growing provincial growth taxes, namely the PST, corporate and income taxes. You have also earned the right to expect from the Province, a firm commitment to transitionally vacate the realty tax base in municipal governments' favour by funding education out of general revenues and not off the backs of property owners. You are balancing your finances, you are facing and making difficult choices and you have earned the moral authority argument. Mr. Mayor and Councillors, you have the opportunity and more importantly in our estimation, the duty by resolution to ask that through the Office of Mayor, but on behalf of Council and the 700,000 residents whom you collectively represent, to petition the Premier to establish a representative task force with participation from Manitoba, Winnipeg, the Association of Manitoba Municipalities and key stakeholders. This task force would review the fiscal imbalance noted above, consider innovative options, offer as a consequence of that process and agreement with transition implementation over a defined period of time commencing with the 2015 budget. This is also a fair question to be put to the two remaining provincial party leaders. It is now the future that demands your and our collective attention. We urge your future-based focus. We in turn are prepared to assist you in shaping it. Thank you.

Madam Speaker: Thank you, Mr. Lorenc. If you could now just wait on the bench and we'll hear from the next speaker and take questions. Mr. Ken Guilford, is he here today? He is in support of item no. 1. Welcome Mr. Guilford.

Ken Guilford: My name is...Madam Speaker, I said that right?

Madam Speaker: Yes.

Ken Guilford: And where is the Mayor? Mayor Katz and all the City Councillors and everyone in the audience, I'm here to talk about what I like to see come out of the budget amongst other things. I would like to see, first of all, just at Mayor Katz door, there's (inaudible) and it says, work...live, work, play. I find that very good. We should all take that in our heart...and that's good. And I would like to talk on the Sherbrook Pool as well as the AYO as some people call it. I call it Aboriginal Youth Organization. I would love to see Sherbrook Pool restored and open as soon as possible. You all have the budget I'm sure...I don't get a chance to get that...I'm a (inaudible) man. And another thing I would like to see is the...oh, sorry...getting back to Sherbrook Pool. I don't understand why so much money has to come out of one...people's properties, why it has to cost so much money to one person. In the AYO, as Aboriginal Youth Organizations, and a good friend of mine, Michael Champagne is in charge of that and I say he does an excellent job of it. I help him as well as I can, (inaudible) wrong with it There's two things. Bell Tower as well as the Idle No More Winnipeg. And Michael Champagne and myself and a lot of others meet at the Bell Tower every Friday at six o'clock and we invite all of you to come out as well and I'd like to see a big crowd out there, make it a worthwhile effort. Lately, it's been pretty cold so it's not so good, AYO is an organization to aboriginal youth and they do a good job working with the people and helping them build up confidence, which I'm sure we all would like and need. One thing I saw the other day is the fact that after committee, EPC, we all got together afterwards and I meet with the other guys, they all got together and sang carols and I thought that was great. That is people building together and I would like to also say what Mr. Chris Lorenc said. He said a lot and that was good. I used to work with Mr. Chris Lorenc when he was the Mayor in Tyndall Park and I was the resident adviser. It was probably most of you don't know what a resident adviser is. The resident adviser helps, advises the Mayor and its Chris...Councillors, with three or four and it was good. Anyway, I won't keep you up, so thank you very much, everybody and I appreciate your listening to me. Thank you.

Madam Speaker: Thank you, Mr. Guilford. Mr. Lorenc, we'll take some questions. I believe Councillor Wyatt had his hand up awhile back and followed by Councillor Eadie.

Councillor Wyatt: My question is to the Mayor of Tyndall Park.

Chris Lorenc: Don't you forget that.

Councillor Wyatt: Thank you for, first of all for your presentation, Chris, and for your support of our budget and you spoke about how we as a Council have...last year we started a local street renewal reserve and dedicated one percent, we're continuing that today, spending one percent on and above existing spending. We're doing the same now with the regional streets. We've increased the tax of one percent dedicating it to a regional street reserve to spend the money on and above existing spending. And then you indicate the challenge we have with the Provincial Government. How do we, in your opinion, when at a time when the Provincial Government announced the PST increase of one percent, which was to raise nearly \$300 million, most of it from Winnipeggers, and with only 7 million coming back to the infrastructure

of the city, how do we as a city wrap our heads around that situation in terms of the fact that they have such ability to raise revenue when one percent to us is the equivalent of \$4.7 million. And yet, we have to solve not just our existing infrastructure woes with that in terms of roads and bridges and streets and sidewalks and lanes, but then we also have all the new strategic infrastructure, the widening of Kenaston, the grade separation, the underpasses, all the challenges, rapid transit, that a growing city demands. How are we to deal with this challenge when we are running into this lack of sympathy over and lack of understanding, really. This seems to be a huge divide between the City and the Province.

Chris Lorenc: Thank you, Councillor. Madam Speaker to Councillor Wyatt. I'm going to paraphrase a very short speech that Winston Churchill gave at his alma mater and he basically said, "Never, never, never ever give up principle and good judgement." You have the moral authority to be making the argument that I addressed. I think you need to solicit and trust public opinion. I think you need to engage public opinion and its support and watch that public opinion work in your favour, and the collective good favour. We saw that public opinion martially, significant change in provincial policy associated with PST just because they've said no today doesn't mean that they're going to be able to say no tomorrow or the day after. So never, never, ever, give up on your principle.

Councillor Wyatt: I hear what you are saying, but unfortunately, the words, we can't spend, use to spend on the infrastructure projects. The...we've gone into debt more than ever before. We've done it very systemically, strategically as according to our financial management plan, but we've nevertheless our debt per capital ratio has gone up and is steadily going up. We have in the capital budget as you know, a \$600 million plan as part of it is rapid transit, part of it is a widening of the underpass on Pembina/Jubilee. We have to come up with a third of that, 600...\$200 million of the 600. What do you suggest we as a City do if we continue to run into this brick wall over on Broadway?

Chris Lorenc: Again, Madam Speaker, through you to Councillor Wyatt, you have adopted your transportation master plan. Your transportation master plan has identified priorities for the next number of decades. What you haven't yet been able to identify is a funding stream that allows those priorities to see the light of day and we understand that challenge. But again, I think that where you can demonstrably make the case that the City of Winnipeg is a legitimate, ongoing champion of economic growth, not only in Winnipeg but the capital region, and by extension the Province, you have therefore a legitimate, cogent, rational, reasonable fair argument, equity-based to speak not only to the public, but to the government on Broadway that a reward for that, a reasonable expectation in exchange for that is a share of growth taxes. You also in our judgment, have the right to petition the Provincial Government which has said over the last number of years that it was proposing to fund on a 80/20 scale education. It hasn't moved in that direction. The Frame Report identifies the calculation. I don't think it's unreasonable or unrational and I don't think Winnipeggers want anything other than what is fair. And I think it is fair to argue because you've established the basis for making the argument. It's fair to argue that Winnipeg and frankly, municipal governments across this province should be afforded an opportunity to share in the wealth generated by growth taxes because they are largely the drivers of economic growth. Is it going to again happen overnight? No. It took years and decades to persuade the Provincial Government through the Gas Tax Accountability Act. It took decades to persuade the Federal Government to allocate a portion of Federal fuel taxes to municipal infrastructure. That doesn't mean that each and every time they said no or it wasn't on the table that you...that you quit and carried on with something different. If it's a matter of principle, if it's a priority, if it's fairness and equity and balanced and share based, you pursue the argument until you succeed, but you don't give up.

Madam Speaker: Last question, Councillor Wyatt.

Councillor Wyatt: Thank you. You've been part of a campaign to get one percent dedicated towards infrastructure province wide. The Provincial Government's definition of infrastructure is much broader than what was defined earlier and it includes things like hospitals and schools and all the things that they fund. Clearly, sir, we cannot now ask for another one percent on top of the existing one percent and they've already earmarked what they consider as their infrastructure priorities. How can we overcome that in terms of the fact that they've already decided that this is where the money is going and it's not going into municipal infrastructure?

Chris Lorenc: Madam Speaker, through you to Councillor Wyatt, the definition of infrastructure in the throne speech is in fact core infrastructure and it's identified as being provincial highways and key transportation assets. It's identified as being municipal infrastructure, road, sewer and water and it's identified as being upgrades to flood protection for Manitoba across this province. Specifically excluded are vertical assets that include hospitals, schools and the like. So the definition of core infrastructure as tabled and articulated by the government in its throne speech we're frankly comfortable with and there is plenty of argument to be made that given that definition of core infrastructure and given specific reference to municipal core infrastructure, you have an argument to make and you should.

Madam Speaker: Thank you. Councillor Eadie, you are next.

Councillor Eadie: Thank you, Madam Speaker. Through you to Mr. Lorenc, I was listening to the presentation at Public Works by Mr. Lorenc on behalf of the Winnipeg Chamber of Commerce and Heavy Construction Industry and I just want some clarification. I know he is appreciative of this budget, but in many discussions and he's been involved in a lot of consultation and discussion about an inner ring road that would facilitate trade and I just wanted to know at this point, is it his opinion then that the inner rectangular kind of, instead of an inner ring road is a priority in terms of the Chief Peguis Trail and the widening of Kenaston to facilitate better trade? Is that the position of the Heavy Construction and the Winnipeg Chamber of Commerce now to not look at such a big wide ringing regional trade route system, more focused in on this sort of inner rectangular within the City of Winnipeg?

Chris Lorenc: Madam Speaker, through to you Councillor Eadie, the view of the Winnipeg Chamber and it is a view that our association, the Manitoba Heavy Construction Association would as well support, is that Council has through an extended process, through much public debate, adopted a transportation master plan and that master plan has identified short, medium and long term priorities included in those priorities is the widening of Kenaston and the rationale given is associated with commerce, de-congestion, the movement of goods within the City of Winnipeg, the capacity of the city to be a competitive and productive jurisdiction in which to conduct business. It recognizes that roughly 200,000 jobs are tied to trade and you have to move goods seamlessly and efficiently otherwise you add cost to the end user which is the consumer. Council came to the same conclusion with respect to the extension of Chief Peguis from Main Street through to Route 90. Those are short-term priorities which in our judgment should be advanced consistent with the adopted transportation master plan. As we understand the budget, there is roughly \$1.5 million that has been assigned, I believe, to the early design work associated with the extension of Chief Peguis and we believe that's the appropriate way to go. But we also recognize that there are limitations on the City's capacity to raise and generate funds which is why we make the argument that you have established credibly that you are investing in resources that you have to grow the local economy. The Province should welcome the City and all cities who take that approach and the Province should recognize that by sharing existing growth taxes to just make the point. We're not here suggesting that you should petition the Province to either create a municipal infrastructure levy, a new tax or to further increase the Provincial sales tax or corporate and income taxes. We're saying that the investments that you are making, investments that the Province appears to be on the verge of making in terms of growing the economy, will generate revenues and the City of Winnipeg like any other city in this province should share in that benefit.

Madam Speaker: Excuse me, Councillor Havixbeck. Would you like to move extension for time? You had questions. All those in favour? Contrary? Carried. Councillor Eadie.

Councillor Eadie: One more question for Mr. Lorenc and I have a quick one for Mr. Guilford. So, from my understanding, some of the one percent of the Provincial money is being invested in roads around the perimeter that connect to the Kenaston and McGillivray and all around this area to help facilitate trade. So would you say that the Province is currently contributing to trying to build this economic trade capability through some of their investments that they announced this year?

Chris Lorenc: I would most certainly agree with that statement. The announcements that have followed the throne speech have all been tied to further expanding the competitiveness of this region, both the City, the Capital Region and the Province, in the context of a growing and yet to be emerged and enhanced, global role in the context of trade. And the decisions that have been already made by Council and decisions that are yet to be made by Council in our judgement, make the case the City of Winnipeg is a legitimate active investing partner in economic growth and should share as a consequence of those investments in growth taxes which it is now not receiving and as an example at Executive Policy Committee, I made the point that the City of Winnipeg has a five year capital sharing agreement with the Province which is fixed at 266 million, I believe, 36 or \$37 million a year. That amount hasn't increased even though the revenues available to the Province as a result of the 1 point PST increase are going up dramatically and the point I made at Executive Policy Committee and repeat here is that is an area that perhaps the City of Winnipeg should pursue because while there is agreement in principle, it has yet to be signed.

Madam Speaker: Anything further, Councillor Eadie.

Councillor Eadie: Madam Speaker, through you to Mr. Guilford, I don't know if you've read this particular piece in the budget, but the aboriginal youth programming that the City is funding is increasing this year and the Mayor saw fit to increase that budget amount by \$250,000 related directly to skills and Mr. Guilford mentioned the Aboriginal Youth Opportunity. So my question to Mr. Guilford is, do you think that the Aboriginal Youth Opportunities, group of young people who meet at the Bell Tower, will be very appreciative of this new effort to provide skills training for aboriginal youth?

Ken Guilford: Thank you, Councillor Eadie. Yes, to answer your short question, but I'd like to make it a longer question. First of all, it is not Bell Tower asking for the money; it is AYO, Aboriginal Youth Organization. And yes, we would be pleased and happy that Mayor Katz has given us that money. Excellent. Thank you very much, Mr. Katz.

Madam Speaker: Thank you, Mr. Guilford.

Ken Guilford: And you are all invited to come, yourself and others, to come to Bell Tower, maybe that's where Councillor Eadie got it mixed up. Sorry about that, and I would like to see more if possible. Thank you.

Madam Speaker: Thank you. Councillor Havixbeck.

Councillor Havixbeck: Yes. Thank you, Madam Speaker.

Madam Speaker: Your question is for...

Councillor Havixbeck: My question is for Mr. Lorenc.

Madam Speaker: Okay.

Councillor Havixbeck: I think we will have to agree to disagree and my question to Mr. Lorenc as it relates to some of the accomplishments in 2013. In June, Mr. Lorenc was very helpful and part of the discussions identifying that pricing had in fact come in under budget, significantly under budget, for local streets. Can Mr. Lorenc tell us with the surplus monies whether it was all indeed spent of the one percent?

Chris Lorenc: Thank you, Madam Speaker. In response to Councillor Havixbeck, I believe you put that question to Executive Policy Committee this week and Councillor Wyatt agreed to provide you with the information. I don't have the level of insight or detail that certainly would be available through the administration, so I can't answer that.

Madam Speaker: Mr. Clerk, I'm asking for direction. Does that end the question period? (Inaudible) All those in favour of suspending the rules? Contrary? Carried.

Councillor Havixbeck: My second question for Mr. Lorenc would be whether he thinks that councillors should know that information on whether all of the money collected in a prior year and its associated borrowing cost should be known before we approve a budget such as this?

Chris Lorenc: In response, you really are trying to pull me into a political debate here that I'm reluctant to get into. It's not my role. But having been there, done that, I can also point to the fact that as I commented to Executive Policy Committee that by comparison to other levels of government, the process of deliberating upon, shaping and injecting decisions into the budget is, by comparison, open and transparent at this level. I would assume that the budget books, in preparation for the operating and the capital as they have been in the past to the best of my knowledge, provide the information that's required to all members of Council.

Madam Speaker: Okay, Councillor Fielding.

Councillor Fielding: Thanks Chris for coming and making your presentation as always. Good information brought forward. Recently, obviously there has been an announcement of the rapid transit system to the University of Manitoba and there's obviously a difference of opinions on it. For the most part, I think you want to make these investments and there is a long term strategy for the City's view, I believe six legs of them. I kind of raised in the public, the thought of doing something like a referendum and you know you've been very supportive of referendums in the past with the PST hike somewhere in the neighbourhood of \$265 million or so. This project represents about \$600 million investment when you look at the rapid transit and existing infrastructure that needs doing. Would you and your organization, knowing your past history of supporting referendums, support something...investment of \$600 million to put it to the people, letting them decide where the money should be spent?

Chris Lorenc: Madam Speaker, through you to Councillor Fielding, I think that my answer is properly placed in context. When we participated in the public discussions associated with the Provincial sales tax, it was referenced against legislation that required the Provincial Government of the day to convene a referendum for the purposes of soliciting public permission and/or consideration to increase identified taxes within the legislation and the Provincial sales tax was one of those taxes and so our comments associated with referendum were directly related to an existing piece of legislation. The rest is history and you know how it's turned out. In the context of the City's budget and Civic decisions, I'm not a fan of going to the public and saying each and every time, you wish to make a capital investment, regardless of

the size, that you need to ask the public for its permission. You get the public's permission to manage the City's finances, in its best interests, every four years. And in our opinion, that's the most important referendum.

Madam Speaker: Anything further, Councillor Fielding? Thank you very much, gentlemen.

Chris Lorenc: Thank you and I wish each and every member of Council a very Merry Christmas and a very successful New Year. Thank you for this opportunity.

Madam Speaker: Thank you. Next, we have Garth Steek who is in opposition to item 1. Mr. Steek? Is Mr. Steek present here today? Okay. Thank you. Welcome.

Garth Steek: Thank you, Madam Speaker. Madam Speaker, Mr. Mayor, members of Council my name is Garth Steek. I am 64 years old. I live in the River Heights Ward and I'm a lifetime resident of the City of Winnipeg. I've come here today to speak in opposition to this three percent property tax increase, which I believe, frankly, is profoundly wrong and under the circumstances, unconscionable. I'm here with my young son, Harrison. Harrison owns a small business and when he needs me, I unpack trucks, deliver groceries and I sweep floors. And I will tell you that as a sweeper of floors, I have overheard a great number of conversations and I've been directly involved in them. I would like to thank Harrison for letting me come here today because of the fact I didn't have to take it as a furlough day. The conversations I've both partaken in and overhear have two re-occurring themes. The first is disillusionment. The citizens of Winnipeg are tired of waste, mismanagement, indifference, incompetence. Sounds harsh? I don't think so. The other theme ties back to something that Lillian Thomas used to talk to me about all the time. Her ancestry was Dylan Thomas, the poet who wrote, "Go not gently into that dark night, but rage against the dying of the light." I'm telling you, there is severe anger. There is angered indifference; there is anger at a lack of communication and an inability to realize information from the ubiquitous administration. When you get old, it's tough to wind the tape back. I don't think we have to revisit the fire hall audit. The scathing report spoke for itself, but we do need to know is this: the reoccurring theme from people we hear is what happened? Why was the CAO allowed to walk the night before that came down and the theories abound. One, you were threatened with a lawsuit. If so, why didn't you fight it? Number two, was there something in there that implicated the Mayor and/or the Executive Policy Committee? We never heard that. Thirdly, we also heard that the reason the CAO left was because of the vast overruns on the police station. So here's something that's really interesting. I look around this chamber and what an extraordinary group of talent, like so many City Councils across the country. I see Vandal and Steen who are elite athletes, tempered at the highest level of competition. I look across to see Mr. Mayes, graduate of a fine law school, Councillor Havixbeck, MBA from Asper, Councillor Gerbasi, Gold medalist in nursing, the Mayor had an extraordinary year, he pointed out at the beginning of the year when he bought an expensive home. So I think it's important to recognize all around this chamber that there's a great deal of talent and I dare say every one of you who's at this table brings something special to it. So that's why it's perplexing that we are unable to find the savings and the efficiencies so that we don't have to come back to the table here again for another tax increase, which is our third running. The average man in the street is hit hard, very hard. The police station has been a fascinating study for many of us watching. To this point we still have not heard why in the middle of 2010 we went to a design build?

Madam Speaker: Mr. Steek, could you please stay to the budget. Please speak to the budget at hand.

Garth Steek: Well, I think it's integral to the budget because I dare say that some of the borrowing has profound impact on the budget, but if that's the case, let me simply move along and say this...

Madam Speaker: Yes, please.

Garth Steek: One of the fascinating things about this debate was hearing from the Mayor and the Executive Policy Committee, "Terrific value for the dollar." Well, I think you're entitled to your opinion, but I don't think you're entitled to your own set of facts. If, as I understand it correctly, we financed a 155 million of this project for 36 years and amortized it at four and a half percent, the total payout in 36 years, you must've read it in your budget report, I'm sure everybody here knows how much it is or maybe you don't because it wasn't in a budget report. In fact, it's \$155 million in interest. So picking up ..., Madam Speaker, I'll leave that document with you.

Madam Speaker: Thank you.

Garth Steek: You may want to share it. What's fascinating about this is that nobody seems to want to really answer the tough questions, be it administratively or be it from the leadership. You know, for a guy who doesn't think in billions of dollars, but thinks like sort of the average guy in the street, let me run this idea by you: You go out and you're going to get your car repaired and you are told it's \$1,350. You come back two, three, four weeks later, finally ready, it's \$2,150. And you say, "What happened?" And the response is, "Don't worry about it, it's great value." So what do you do? You blithely write a cheque? I don't think so. I think what you do is you write a cheque under duress, you go to the

Department of Consumer and Corporate Affairs and you say, "Audit this thing. What went wrong?" For those of us that are out in the public domain, we don't know the intricacies of this product, but I will tell you this. We know something is wrong. We know something is wrong. You unanimously supported a fire hall audit, but nobody wants to audit the police station. Don't you think you owe it to the citizens of Winnipeg to tell us what happened?

Madam Speaker: Mr. Steek, again, that is not the item before us. You did have an opportunity to come to a previous meeting in this chamber to speak to that matter. If you have anything further to add, please continue.

Garth Steek: Certainly do. I believe this is the most important budget the City of Winnipeg will pass and here is why. We already know that certain members of this Council aren't going to be returning, Councillors Vandal, Councillor Fielding indicated they are going elsewhere. I believe, for some people, it could be their last budget. That's a personal commenter. If you take a look at what's happening across this country and I think it's directly critical to this budgetary process, Madam Speaker. We're in a situation whether we look at the inexcusable antics of the Mayor in Toronto; the massive resignations in Quebec; the Senate or what happened here with our Provincial Government when they refused to recognize a referendum. We're all alerted to what's happening like never before. There is a consistent "me" I think the likes of which nobody has ever, ever seen. In the end, what do the gold medalist, purchaser of an expensive residence or a mere floor sweeper have in common? One vote. We need, we want, we deserve accountable, transparent leadership. We deserve the information from the administration. You're going to be voting on a budget here where you haven't been ever given the number of full time equivalents in the City. Why can't we get it? It's the only jurisdiction in the country that won't tell you how many people work here. I think that's important. It's the largest singular line item, isn't it? Salaries, yet we don't know how many people ever work here. We hear about vacancy management, but nobody has ever given a list in the vacancy management of what those replacement positions are or how long they've been vacant. We remember when we come to vote, what happened with Irresponsible, that's a Freudian slip, Responsible Winnipeg. The budget chairman said point blank on the \$600,000 here we made a mistake. You bet you made a mistake. The mistake was that you underestimated we'd remember it.

Madam Speaker: Mr. Steek, we're going to move on to the next speaker now. Would you like to wrap up quickly?

Garth Steek: Just one minute to tie up, thank you very much. I noticed that Mr. Lorenc quoted Winston Churchill. Let me leave you with a thought from Robert Frost. "Two roads converged in the wood and I, I took the road less travelled by and that has made all the difference." I see the Mayor smiling. Maybe I misquoted it, but this is about leadership. That's what this budget is about. Who's going to stand up and be counted? You know where the efficiencies and the savings are. You don't have to have a man on the street come and tell you that. We need, we want, we deserve leadership. Thank you.

Madam Speaker: Thank you, Mr. Steek. If you would just like to stay on the bench, we'll take questions afterwards. In the meantime, we'll hear from Mr. Mike Davidson, who is in opposition to Item No. 1. Welcome.

Mike Davidson: Good morning, everyone. Local 500 always appreciates the opportunity to come to City Hall and express our views. This morning, Local 500 has some grave concerns regarding this year's operating budget for the City of Winnipeg. We do think allocating the two percent for infrastructures repairs is a step in the right direction; however, we know that the .95 percent in general increase, in our view, is not sufficient dollar figure to secure funding for Civic departments. Our property taxes in Winnipeg aren't excessive, especially when we examine other Canadian cities and municipalities right across our Country. No doubt that 13 years of property tax freezes and we had one year we actually had a roll back hurt us in terms of our overall infrastructure condition. Even if we had half a point throughout those years or a point for those years, we wouldn't be in the hole that we are presently in regarding our infrastructure and we do believe that the citizens of Winnipeg would accept that. Every year, Local 500 has asked that property tax increases keep pace at the very least with inflation. Gas goes up, materials go up, like asphalt, sand, gravel go up in price. Concrete is very expensive to purchase right now and some of the renewal and repair initiatives relative to concrete should've been done years ago for that very reason. Taxes are not always very popular, but we know that the public expects their infrastructure to be maintained to a higher level than it currently stands right now. And business taxes bring in roughly 58.9 million a year in revenue to the City, but I can remember a time when business taxes brought in around 63 million a year in revenue. Business uses our infrastructure to make a profit and that's fine, that's necessary, but they also need to be an equal partner. We need business taxes to go back to the \$63, \$62 million levels, considering stores like Home Depot, IKEA, Costco do very well in Winnipeg. The previous reductions in downtown business tax put more of a burden on residential home owners. The proposed operating budget also calls for 3.5 unpaid days for your employees next Christmas. Our work force operates 24 hours a day, 7 days a week. Just because it's a holiday, that doesn't stop the pipes from breaking or the needed repairs to water mains, they won't wait; the calls to 311 won't stop; the snow will not falling because it's a holiday. Our sidewalks and streets need to be cleared and sanded. Our traffic lights maintained and repaired. Our water treatment plants need to be manned 24/7. Our pollution control centres need staff on duty. Our Civic buildings need to be maintained. Many arenas have scheduled tournaments. People want access to our

cemeteries. Forestry still needs to operate in case of wind storms and heavy snow falls and winter is when scheduled pruning takes place. Leisure centres that house gyms are popular and very well attended and senior programs need to continue because for many seniors, this is their only contact with people over the holidays and all these facilities need to be cleaned and maintained. The list goes on and on. Our workforce never takes a day off. We have for over 100 years defended our city and floods, snowstorms, stood up for countless times for public services and simply put, our members are the backbone of the City and serve the citizens of Winnipeg with a lot of pride. Clive Wightman, Director of the Community Services Department, stated at a standing committee that his department has been unable to participate in, an existing money-saving plan, voluntary furloughs because he can't afford to give his time, his staff time off even without pay, as they are needed to deliver services. Quote from Mr. Wightman: "I need every single hour of productivity from civic employees", Wightman said. The media reported on December 10 that Public Works Director, Brad Sacher said he couldn't allow staff to participate in the voluntary furloughs initiatives because he couldn't spare them. I commend these department heads for standing up for public services, standing up for their department and saying the truth what's currently taking place in their departments. There is 2.4 million of future savings as part of the ASD process, however, the cuts are not identified and we say cuts because we've never witnessed the ASD committee to come up with in-house savings that can be passed along to the citizens of Winnipeg. Depending on the cuts to service planned for the upcoming ASD meetings, some Councillors here today may vote very differently on this budget and equally important this process excludes the public to appear at Council because they too don't know what the cuts will be. The Council process is the place for the budget debate, not just the ASD process. These ASD planned cuts should be clearly identified in the budget process. If one of the cuts in the new year is to say Fleet Services, then give our members and the public the respect they deserve and list the cut in the budget document. For the last several years, the City has used vacancy management to balance the budget. The budget doesn't indicate when the positions will be filled, if at all. It is not possible to identify which departments experience the savings as they are grouped with payroll and not shown separately. There's no ability to track actually what happens. These cuts in staffing without question compromise front line services being delivered to the citizens of Winnipeg and I'll just finish up here. Finally, we see in this budget that you make a number of commitments to our infrastructure, to community groups and the business community. Where is the commitment to your employees, the front line workers that deliver the programs and services Winnipeggers rely on? Instead, there are millions of dollars in reductions to staffing levels which will equal less service to the citizens of Winnipeg. In conclusion, we strongly urge City Council to review the budget from the point of view of maintaining our infrastructure and stabilizing our ability to deliver much needed public services. Thank you very much.

Madam Speaker: Thank you. We'll now take questions. Councillor Smith followed by Councillor Gerbasi. Mr. Steek.

Councillor Smith: Madam Chair, I have questions for both. First of all, Garth, good to see you again. I gather you are here as a campaign worker for Councillor Havixbeck. You are on her committee, right?

Garth Steek: Councillor Smith, I wasn't aware she was running, but I do have to tell you this that when I was...

Madam Speaker: Councillor Smith, do you have a question?

Councillor Smith: Yeah, my question, are you on her campaign team?

Garth Steek: I wasn't aware Councillor Smith she had a campaign team. Do you have a budget question for me because I have to...

Madam Speaker: Councillor Gerbasi, question on the budget?

Councillor Gerbasi: Oh, I was distracted. Thank you, Madam. Speaker. My question is for Mr. Davidson. Nice to see you Councillor Steek, former Councillor Steek. Thank you through the chair. Now, one of the things that concerns me a lot about the budget and maybe you can speak to this is we're being asked to approve a lot of numbers without knowing the impact. For example, there's \$2 million in WAPSO cuts, there's 2.4 million in WAPSO and WAPSO exempt staff. There's cuts that we don't know what those numbers mean, millions and millions of dollars. Do you think it's responsible for us as a Councillor to approve something without knowing the impact on the public?

Mike Davidson: No. As I stated, \$2.4 million in future savings through the ASD process, that should be identified. Where are those cuts? Because most certainly, that could impact front line services, there's no question about that. What we are hearing and what we're seeing, say for example, in emergency service, Water and Waste, for example, in the south end of the city, they hire 12 more employees, but they need 20. Fleet has another work location, but they didn't increase the complement of the workforce, so it's just stretching it out. It will be Tim Horton's opening up another store, but you keep the same number of staff on. The service is bound to deteriorate under those conditions.

Councillor Gerbasi: And as you are aware, there was a review of the Public Works Department done, which recommended an increase in capacity in terms of dealing with risk and planning and sort of the strategic type of level of management there and....Does it concern you that we're eliminating management that's managing, for example, our snow clearing service right in the middle of a blizzard when this started? Do you think....does this make sense to you as managing the snow clearing and operations a lot of your members are involved in?

Mike Davidson: Well, Winnipeg is a big city. We need to have management that works with its employees so my answer to that would be we need the correct level of management and referring to the document, the document itself cited CUPE workforce as being very efficient and it had made commentary in regards to the private sector as maybe those are areas that can be improved. That would be an area that perhaps some of that snow clearing, for example, could be brought back in-house. Right across the country, we've seen examples of where, say, residential garbage pick-up in the City of Ottawa was brought back in and over a period of four years, they saved \$5 million, so the report itself was an interesting report, but again it showed CUPE workforce as being pretty efficient.

Madam Speaker: Last question, Councillor Gerbasi.

Councillor Gerbasi: Were you given an opportunity to have input into this budget? Do you feel you were given an adequate voice? Suggestions, like, for example, the one you just made regarding ASD services and looking at providing our snow services better for example in other areas? Do you feel you had that the...that the...your group had adequate input into the process?

Mike Davidson: I would say no. I based that on...I did some checking with our staff too, that are involved in servicing the various departments and their answer to me was no as well. So no.

Madam Speaker: Councillor Mayes.

Councillor Mayes: Yeah, I had a question for former Councillor Steek, who may or may not still be back. Thank you for the kind words about my law school, probably kinder than I would use that I was hoping as you knocked off the athletes you were coming to me to talk about my marathon career, but unfortunate.

Garth Steek: You've got it on the record, Councillor.

Councillor Mayes: My question though is you talked about...you used a pretty strong term "unconscionable" in reference to the property tax increase. We did do a survey, not the public consultation that's been a source of some criticism, but we did a telephone survey and people came back at 2.4 percent. We're above that obviously, but I just want to be clear. It's your position that it should be a zero obviously, there is some disagreement in the public with that, but is your position that the property tax increase should be zero? I wasn't sure what number you landed on there to be honest.

Garth Steek: Yes. And the reason for it is very straightforward. I think it's incumbent on the members of Council, and as I said I think there's an exceptional brain trust here to find the savings, to find the efficiencies, to meet with the unions, to meet with the various department heads. You know, it's amazing this year, Councillor, the way the \$600,000 from last year just disappeared. I didn't see anybody bringing forward a motion saying, "Well, let's bring it back." There are all sorts of small savings in there. We know it and so my answer is twofold. Zero because of the fact you can realize those savings; also because of the leadership issue. Rest assured, people are only looking at ten months out to the next election and they circle this day in October. People will not forget consistent tax increases and the problems that have beset City Council. Some of you are clearly leaders. I want to share a small story with you and I think this is critical. The other day, I was in the Shaing-Bo Restaurant, small eatery on Notre Dame owned by the Pang family, three generations. Lionel Pang, who Harvey knows well, is now the Principal of General Sparling School. When he was the Vice Principal at Mulvey, Harvey got him \$5,000, rebuked by Council and he got it so that the kids in there would all have regular supplies. Why is that story important? Because Lionel Pang came up to me the other day and said, "Garth, do you see Harvey?" I said, "No, but I might see him in Council." He said, "Tell him thank you." Ten years later, the parents, the students and the administrators remember that. So don't for a minute think that in ten months, we will have forgotten this tax increase and one of the other reasons we're not going to forget it is because of the fact that if you've ever seen such an incessant media about City Hall? We don't know what's wrong, Councillor.

Madam Speaker: Councillor Mayes.

Garth Steek: And I'm referencing that police station again, but we know something is wrong.

Madam Speaker: Second question.

Councillor Mayes: I just want to tell you...you mentioned this 600,000 and I'm not sure what you're...if you're referencing that constituency, the 40,000 for each 15. That...that wasn't unfortunately the roll back that wasn't subject to incessant media, it's been very under reported I think that 37,000 of that 40 for each ward is being rolled back, so the increase that you mentioned, and I think the statement made by Councillor Wyatt was that that was a mistake, we listened to public, we're rolling back, so maybe it's a different 600,000 to be fair, but that is being rolled back by 37,000.

Garth Steek: No. I appreciate that. I'm citing that 600,000 is a small example of the savings that are in there. That could be ferreted out. You know miraculously between a combination of things we see the resurrection of Sherbrook Pool. You're creative. The fascinating thing about it is this and here is where I find it difficult. I look at...across Councillor Orlikow. I don't have to agree with him all the time, but you know what, I pay a lot of property taxes and it's a case of I feel that you're not a member of Mayor's inner circle, which often is split in two even in there, you get a second tier representation so the chances of Councillor Orlikow having something come forward that's successful is minute, so maybe here is a fantastic thought. What if you were all equal? What if all 15 members of this Council were paid exactly the same? What if you adopted the Calgary model and you had a strong Mayor alright, but you rotated the chairs? I'll bet you we get creativity like never before and I bet the Steens and the Vandals who are elite in competition, would come forward and say, "Hey, look at this as an idea". And over here, Mayes or Eadie, is going to say, "You know, I like that idea. Let's work together on this." Right now, we have the politics of exclusion not inclusion and that is what is causing problems here.

Madam Speaker: Councillor Smith, you had a question?

Councillor Smith: Question is for Mr. Davidson. Mike, can you tell us about some of the cuts that have taken place over the last few years and specifically, what cuts have, have in, you know, the Mayor's always maintained that front line services are never affected. Can you comment on that?

Mike Davidson: Sure.

Madam Speaker: That concludes question period.

Councillor Eadie: I move to allow him time to answer.

Madam Speaker: Yes, all those in favour? Contrary? Carried.

Mike Davidson: Sure. In the Forestry Department, for example, they primarily respond to emergencies rather than regular pruning. They still have a pruning cycle, but it's not addressed as it was before. Curb replacement, curb replacement, we're backed up...unless it's a safety hazard, a lot of times; it doesn't get addressed, period. We used to have a five year rotation on curb replacement. Sidewalks, can't keep up with the replacement, so many cases, it's just an asphalt patch. It's not really repaired properly. We have problems as I cited before, earlier on having to do in the Water and Waste Service Department with equipment, not enough men getting out. Fleet, fleet, it doesn't have enough people repairing the equipment, so a lot of times, the equipment gets backed up. Clerks, they're overworked in every single department that we are involved in, they could use more staff and that \$14.1 million in vacancy management is huge. So front line services, oh without any question, even the way that spring cleanup is done from when I first started with the City of Winnipeg is done very differently. It used to take eight weeks to do and it was done very thoroughly. Now there's just not, the man hours, the man...the ability man the schedule that's...that used to be in place, so everything gets shortened up, everything gets short-cutted and a lot of times, things just get put off. Our tree pruning cycle with the way it stands for some time, I know it's improved, but it used to be at a five year cycle. That's not the case anymore and the list goes on and on and on.

Madam Speaker: Thank you, gentlemen. You may now return to the gallery.

Mike Davidson: Thank you.

Madam Speaker: We'll now hear from additional delegations, each of whom have five minutes, no questions. The first is Gord Steeves who is in support of item no. 1, and followed by Colin Craig.

(Inaudible speaking in the background)

Gord Steeves: I move extension, thank you very much, Councillor Gerbasi.

Madam Speaker: Welcome.

Gord Steeves: Madam Speaker, Mr. Mayor, members of Council, members of the administration. This is weird. It's nice to see you all again. I've reviewed the budget documents. I'm here and listed as in opposition. I'm going to assure you I am not here to attack you. I know it's a difficult decision. I know that only too well. I've been through it as you know 11 times myself and I appreciate the work you do. It is impossible to talk about this budget without considering the revenue side of the budget as listed in the documents. Mr. Lorenc when he was speaking, talked at some length about the Provincial Government and the challenge we face, I'll say "we" because I still consider myself attached to this chamber in spirit, with the Provincial Government. Mr. Lorenc did say, however, that this is the same challenge that is faced by cities across this country. That's not true. If you look at things like land transfer tax; if you look at things like the transfers that the Province of Manitoba receives from other provinces across this country; if you look at school taxes; it is really impossible to compare the City of Winnipeg with any other city in this country. The lot of this City Council as compared to other City Councils across this country is vastly more difficult. Other provinces don't do these things to their municipalities. They don't do things like land transfer tax; they don't do things like this level of school taxation on property tax rolls. It's hard and it's a challenge you have, but you have to play the cards that you are dealt. In looking at the budget document in the way it was crafted, I thank the administration, it's very well done. One thing that does concern me is debt and this was mentioned as part of the infrastructure envelope that we are rolling out. I recall when I started first on Council, we were in the happy position of declining debt and the bar graph is in your materials. Year on year, there was more and more and more money, which was available to the City of Winnipeg for infrastructure projects. We're going the other way now and I get it. I understand the pressures. Three percent, whatever it happens to be, is not going to solve anyone's infrastructure problems, but the challenge is...what the challenge is, one of the things that does concern me is P3s. Now, I understand P3s have their benefit in some circumstances. Heavens knows, I was lectured by Councillor Clement many times on that and Councillor Swandel and I discussed the merits of P3s, the one thing that does worry me is as you look at the...going out in the out years, the pressure that it puts on infrastructure and for that matter, operating funding in the out years, it's difficult. I think of a person in the Winnipeg 1 School Division, for example, the last couple of years, they have dealt with a four percent and now probably a three percent tax increase. I don't know what the school tax increase is going to be in the Winnipeg 1 School Division, but they talk about numbers in the vicinity of five to eight percent. They have to deal with an additional increase, the PST of one percent, of course. These are challenges for real families, and again, while I understand the pressure exists the challenge has to be for our City Council to continue working towards as low an impact on our citizens as we can have. There are things about the budget I do appreciate. The focus on small business I think is important, the continued focus on small business. I congratulate you for that. I think it matters not only because people who run small businesses are among the hardest working under-paid people in our community, but if we talk about building a city, that vibrancy, that excitement, that on street life, we are really talking about small business, aren't we? If you think of places that are great places to be, vibrant places, we need to support these endeavours. I'm running out of time and I recognize again the challenges that you are under. I know that today you're going to have a discussion. I'm not certain that a lot is going to change. I would ask you to consider some of my comments and if you can, weave them in your deliberations. I appreciate that, and absent that I wish you all the best for Christmas, happy holidays and a prosperous new year. Thank you.

Madam Speaker: Thank you for sticking to the time. Next is Mr. Colin Craig. That's right, there are no questions. That's the procedure at this time. Next up is Colin Craig from the Canadian Taxpayers Association, in opposition to Item 1. You have five minutes, sir.

Colin Craig: Sure, thank you. Good morning and Merry Christmas. Thank you for the chance to speak to the budget and congratulations to Speaker Sharma on your new position. I guess I've got to start off with a little bit of confusion because I remember during the 2010 election, the Mayor's campaign was built around fear mongering that Judy Wasylycia-leis was going raise taxes at crazy rates, but if you look back at what she was proposing, which two percent a year for four years compounded that works out to 8.24 percent, yet if you look at the Mayor's track record now, it's a 47 percent increase on frontage levies in the year one, year two saw 3.5 percent increase in property taxes, 3.87 in 2013 and now a further 2.95 percent for a total of 10.67. So it's a little confusing that this budget is proposing such...such a big tax increase on the backs of other ones, given that what the Mayor campaigned on during the last election. The other confusing thing is that it's hard to understand how the taxpayer is supposed to be able to afford all of the tax increases that are happening because of course City Council does not operate in a silo. Taxpayers have to pay other levels of government as well. So StatsCan figures came out earlier this year showed that individual taxpayer incomes were flat, zero percent, year over year, and yet, the City is proposing a 2.95 percent property tax increase. Manitoba Hydro has been increasing rates by four percent. The City of Winnipeg...the Winnipeg School Division has been raising rates by six to seven percent a year. As well, we saw the Provincial Government raised the sales tax by what they claim is one percent, but if you do the math on the amounts paid by individuals, it works out to about 14.28 percent. So you've got all these taxes going up far higher than what individual incomes are going up by, and when I asked the City of Winnipeg through the freedom of information process, what mechanism is there to take into account what the taxpayer can afford, the answer was nothing. Nothing. There's zero concept at all in your budget process to take into account what the individual taxpayer can afford. So because of all these tax increases going up by various governments, that means individual families out there are going to have to cut back on things that matter to them. And all this, of course, is

happening on the backs of an environment of mismanagement. City Hall has become symbolic of mismanagement in this city, and for that reason it is very difficult for taxpayers to stomach another tax increase year after year after year. Of course, you're all familiar with the fire hall audit, to the information that came out as a result of that. City Hall built a fire hall on land that it didn't own. It improperly tendered out \$18 million worth of contracts and numerous problems and, yet somehow, there's this claim that there is an environment of austerity around here and it's been here for years. But somehow, staff decided to try and work in a mini-museum and a fire hall located in the middle of a clover leaf where there is no parking, so how on earth could anyone dream of such extravagance in this environment of austerity? I would argue that there isn't one. Certainly, we're all familiar with the police headquarters and what's going on there as well, \$75 million over budget in the administration's own report.

Madam Speaker: Mr. Craig, you're speaking to the budget today.

Colin Craig: It's in the context of cost overruns and the cost that is going to be conveyed to taxpayers. Seventy five million dollars over budget and you proceeded with a project which the administration's own report noted, you didn't even take into account what your customer needs, the Police Service. Millions of dollars were spent without really understanding what they needed. It's an example of mismanagement that needs to be addressed instead of going to the taxpayer and taking the easy way out. The Winnipeg Sun's Tom Brodbeck has noted how salary costs have been out of line for a long time, rising 60 percent over the last ten decades. Now ask the people that pay for City services, those in the private sector if they have seen a 60 percent increase and I think we all know what the answer will be. If you look at City pensions, we know that the costs are increasing wildly there and that the City is having to pay more and more into City pension plans, so that City employees can have a far better pension plan than anyone out there could ever dream of. StatsCan data shows that 71 percent of people in the private sector in this province do not have a work place pension and yet the mindset around here is to keep throwing money into the City's pension plan for employees without looking at scaling it back. You can take a very easy way out that the NDP in Saskatchewan did in the late 70s and that is to start putting new employees into a less costly type of pension plan. So the bottom line is that there are all kinds of things that could be done to look under different stones for savings, very reasonable things but instead what you are looking at here today is an opportunity to take the easy way out and stiff the taxpayer with the bill and that's not appropriate. Thank you.

Madam Speaker: Thank you very much. Next is Brian Art from the Canadian Federation of Students. He's not here? Okay. Brian Art is not here? It says Brian on my list here. Okay, thank you. Christian Pierce from the University of Manitoba Student's Association. Thank you. Welcome. You have five minutes.

Christian Pierce: Thank you, Madam Speaker. Good morning, His Worship, Councillors and guests. I had the opportunity to speak at the Public Works committee meeting as well as the EPC meeting and hoping to declare funding for the U-Pass. Obviously, it's disappointing that it isn't included in this budget; however, it is nice to hear that the Mayor, as long...oh sorry, along with Councillor Gerbasi is willing to work on it in the new year. At the end of the day, we want to compromise, that will be a win/win for the City and for the students. So I thank you for publically supporting that Mayor Katz, and I look forward to working with you and I'd like to thank all the Councillors that took the time to meet with us during the summer so that was Councillor Eadie, Councillor Gerbasi, Councillor Vandal, Councillor Fielding as well, so thank you and I look forward to getting to this in the new year.

Madam Speaker: Thank you. Next is Judy Wasylycia-Leis. Following that is Dennis Lewycky, then David Sauer.

Judy Wasylycia-Leis: Thank you very much, Madam Speaker, Mr. Mayor and Councillors. Madam Speaker, congratulations on your position, wonderful to see you sitting in that chair and I hope you never have to do what a woman speaker in the Manitoba Legislature had to do once, which was to stand up and say "order, order, this is not your neighbourhood sandbox". I'm sure that won't happen here. I'm glad for this opportunity to say a few words on the budget. I believe budgets are blue prints for the future. So a budget must address the current pressing fiscal issues before you and new developments that arise but it must do more than that. It must clearly show how we go forward as a city. It must give citizens a sense of certainty and predictability about the future and give them the confidence that their government has a well thought out plan for challenges that are looming on the horizon. Although I'm more in the habit of, lately at least, of critiquing budgets, I would not want to create the impression that there is nothing good in this budget. There are certainly positive aspects to this budget which have to be acknowledged and significant among them, of course, as you've heard from so many is your decision to invest in repairing and reopening the Sherbrook Pool. I've got to tell you that although I don't live in the neighbourhood of Sherbrook Pool, I came to this facility regularly with my son Nick who has a major brain disorder. We came to play in the warm water to get...to get some organized play activities in the pool and to learn some basic swimming techniques and it was so important for him and his health and well-being. And as you know, this facility is so important for people living with disabilities; offers unique and special services with staff who are trained and caring around disabilities, around seniors issues and, of course, children and youth. So good on you. An investment in recreation is a good investment, especially if it leads to healthy communities, and I just...just

following the students, it's great to hear that in fact there's been movement here at City Council about the U-Pass. So important for students at universities and colleges and especially important for the environment. Now, as you'd expect, I do have a few criticisms, so permit me to just mention two broad shortcomings in this budget. First in my view, this budget falls short as a blue print for the future. Nowhere is this more apparent than in the area of taxation and fiscal management. I guess I could just leave it where Colin Craig left off in his presentation, but let me say something more forward looking. I understand and appreciate that Council recognizes the need for sustainable budgeting. But in this budget, the size of the increases, the rather sudden shift in policy, the lack of a clear, multi-year plan and the absence of cost benefit analysis of government expenditures, have all contributed to incredible uncertainty and incredulity on the part of many in Winnipeg. Surely, a more proactive tax plan with small incremental increases year over year is a better approach than the shock of unanticipated tax hikes flowing from, in my view, a reactive and less than transparent planning process. Second in my view, this budget has been developed largely without meaningful citizen engagement and productive consultation. It's great to have this opportunity today and I know many people took advantage of the hearings over the last couple of weeks, but for a participatory democracy, it's a token approach. Citizens should have ample opportunity to express opposition to ideas being proposed or to recommend improvements to programs. Limiting participation to on line questionnaires and a few public workshops and I know a few of you tried public meetings without a lot of support in terms of the overall system, clearly doesn't add up to a productive consultation. The budget cycle is actually a year-long process, so why don't we look at...at using that to get input and empower citizens to participate? Why not quarterly budget reports? Why not seek and solicit actively input from all quarters of the city? There's so much to be learned from other cities who have pioneered innovative approaches in citizen participation, but more importantly, there is incredible energy and expertise right here in Winnipeg to develop and support better citizen engagement, better forward looking planning, so crucial for a sustainable public fiscal policies and for budgets that we can all get behind. Let me just take the liberty of concluding by saying as...as was mentioned earlier by our wonderful friend, Chris Lorenc, to borrow his phrase from Churchill, never, never, never, ever give up on the values of the people of Winnipeg. Thank you and have a joyful holiday season and well-deserved rest. Thank you so much.

Madam Speaker: Thank you. Next is Mr. Dennis Lewycky from the Social Planning Council. Following that is Mr. David Sauer. Thank you.

Dennis Lewycky: Good morning Madam Chair, Mr. Mayor, Councillors. Thank you for this opportunity for the Social Planning Council to comment on the budget. We know there are huge fiscal, social and infrastructure challenges that you're facing, and we'd like to be part of the City's efforts to address these challenges. From our point of view, though that the preliminary budget merely downloads a lot of the problems that you're facing on to the individual citizens of the community. The budget's not providing us with the leadership nor the resources that we need to seriously address these issues. It almost appears that the authors or the architects of the budget are trying to patch up the City in a minor way just until the private sector, the Provincial Government or the Federal Government can step in with new ideas and new investments. We're concerned that the City's approach to fiscal management, that of shifting more of the costs to individuals, is going to further marginalize Winnipeggers who are currently living in poverty and here is why we're concerned. First, recreational services provided by the City are not being spread across the city equally. While neighbourhoods like William Whyte struggle to fit kids into their tiny ice rinks, millions are being provided for large centralized recreational facilities. Secondly, for businesses, the budget appears to give a tax break, but it doesn't pay sufficient attention to the overall importance of making Winnipeg a commercial and cultural centre that attracts business. Funding for economic development has been reduced in this budget and it's clear from what the Chamber of Commerce...the Winnipeg Chamber of Commerce is doing with their "BOLD" campaign is that more creative ideas are needed than just tax cuts. Third, there are more tax increases. Others have talked about that for home owners and fewer staff to deliver services so the conclusion is that citizens are paying more and getting less. Fourth, we heard that you found 1.7 million for the Sherbrook Pool, which is an important asset in the community, however, the estimate for renovation is 2.8 million, so there's a shortfall. And why wasn't the pool recognized as an important asset months ago? Why just a few days ago? Where...also, where is Our Winnipeg, the City's plan being applied to creating the Complete Communities that are needed. Fifth, funding for the Aboriginal Youth Strategy is an important contribution. We think that's an...a very useful and important funding. However, to make the program effective, the City has to step up and carry its share of the burden of employment, other cultural development and housing issues. In the last year, the City has cut funds from poverty reduction. It's revised the housing policy, but ignored the housing crisis and concentrated recreational expenditures in large centralized facilities that are inaccessible for many youth living in poverty. We...there have been cuts to community development staff as well, so that now we just have two community development workers in the whole city. Over the last year, a number of community associations have come to us for assistance on their planning, areas where the City in the past has been helpful and we've been happy to compensate and do some of that training with them, but we've only had very minimal support from the City. And last, for today, we're concerned about how the City has manipulated public opinion to justify its intentions. The public consultation that took place this summer on the budget, what we believe was a costly mistake. The City didn't give the public time and opportunity to examine the budget, understand what it means and what the implications are and to offer creative solutions. The consultation was at best an expensive polling exercise. Now, everything I've said so far is critical and we really would prefer not to be

critical. We would very much rather offer suggestions on how to make improvements. But frankly, we don't believe that there is openness to that kind of comprehensive and in-depth thinking on the budget. We would like...so what we are doing, we know that the City would like to be involved in...citizens like to be involved in the budget so we're proposing over the next year to launch our own alternative City budget process with the Canadian Centre of Policy Alternatives and other community organizations and we'd like to invite all of you to be part of that. We will also be part of the consultation that you're launching next year and we'd like to show how some of the suggestions we've got are both practical and sustainable. My time is almost up and I'd like to end on a personal note seeing Winston Churchill and Dylan Thomas and Robert Frost have been brought into the table. I'd like to bring Nelson Mandela and I'd like to compliment the Mayor who spoke eloquently at the Mandela tribute on Sunday night about the man as a humanitarian and as a principled statesman, and I think you'd remember Mayor Katz that Strini Reddy talked about how Mandela was committed to the principle of Ubuntu, and Ubuntu in Zulu is the concept of where we as individuals are individuals, because of those around us, because of the community and what we'd like to suggest is that spirit of community, that spirit of Ubuntu should also guide things like the City's budget. Thank you very much.

Madam Speaker: Thank you. Next is Mr. Dave Sauer of the Winnipeg Labour Council. Welcome, Mr. Sauer.

Dave Sauer: Thank you, Councillor Sharma. Just wondering if anyone had Brian Bowman's cell phone number. We might be able to call him down and have the very first set of Mayoral debate going on here. We've got Mayor Katz, Councillor Fielding, Councillor Havixbeck, Gord Steeves has left, but Judy is up there, so could have been a very, very interesting budget meeting otherwise, but I digress.

Madam Speaker: Your clock is on, so...

Dave Sauer: Oh, it's okay. My remarks will be very short so I want to thank everyone for having an opportunity to allow the Labour Council to express its opinion here today. We represent 47,000 workers from 76 affiliated union locals here in the city. We've been around since 1894. We had our first City Councillor elected in 1895 who was endorsed by the Labour Council, so a little piece of history for you so we've been here for quite a while. So we do have some concerns, but we also have some commendations for this budget. Transit security appears to have finally sort of hit the front page. It is an issue that has been very important to transit operators and the public for a number of years as we've seen a growing increased number of assaults against passengers and drivers. I want to thank Councillor Brian Mayes for taking the lead on this issue and Councillor Eadie has also been out speaking publically in favour of it. And recently, Councillor Scott Fielding had also expressed that he's on board with it too or at least transit security in some sort of fashion. The unfortunate thing is that a lot of this seems to have started to steam roll a bit after the video was released October of a violent assault against a transit operator, so you know, it wasn't something we wanted that to come to that point, that we had to have this very public display of aggression out there to get the ball really rolling on it. I know, it's been a long time coming, but we're pleased to see that there are six full-time equivalencies for special constable status to protect the public and the operators. There are some concerns that the Amalgamated Transit Union has about the by-law language coming forward. I know that that is still being hashed out. So cautiously, we are supporting this. We're supportive of the idea that the Special Constables be given the power of detainment. There are also concerns about management, though I know Councillor Swandel has said at a EPC meeting that would not be an issue if the constables were using a managerial role. Health and safety is a really important issue, so I'm really glad to see that going forward, but we're little concerned that a health and safety issue sort of seems to be one major issue, but at the expense of other workers and other City workers here. So we have 3.5 days off of mandatory leave that is being proposed and that has stirred up a lot of controversy within the Labour Council. A lot of Labour Council affiliates have been contacting our office and have been contacting City Councillors about this issue, and how it's viewed as unfair to the workforce. A number of department heads have also said that there is issue with it too; that they don't have the staff available to move forward with it. I know MGEU Local 911 was at a Protection Community Services meeting a number of weeks ago and they expressed, you know, concerns around Christmas time that, you know, the streets are not properly plowed, they wouldn't be able to do their job effectively. So the bigger issue there was we don't know even who to apply to yet. We're not even sure, so that's a big concern that that would be a go forward. 14.1 in vacancy...14.1 million in vacancy management. I mean if positions aren't being filled how is there room to give additional leave or force additional leave even when you have a furlough program that we could go? I mean we're getting reduced services, but fees are...seems to be increasing around 32 percent. 2.4 million in Alternate Service Delivery. Why hasn't this been brought forward at the budget? Why is there a separate committee that sort of has to look at that? The big concern from a lot of people with the 2.4 million that I've been hearing about is "are we going to have another golf course fiasco like we did last year?" Is that going to be the similar sort of the standard for when you want to use the ASD Committee? Is that how it's going to be rolled out? Because I would have second thoughts if I were sitting in your position about moving forward with 2.4 million if that's the method they are going to use. We are concerned that there appears to be a business tax freeze of sorts. You have taxes, property taxes and service fees going up, but let's understand that the mill rate's going down, but you're going to sort of keep it steady as the previous year, so we are not going to do a property tax freeze; we're going to increase property taxes, but we're not freezing or not increasing business taxes, so where is the burden sort of being,

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you know, shared around? I mean, if we are all in this together doing the Ubuntu idea, we think it's a bad move not to increase business taxes, especially when we have shortfalls in a lot of different departments and cuts are being put forward. That's all the comments that I have at this time. Thank you very much. Happy holidays, everyone.

Madam Speaker: Thank you, Mr. Sauer. Next, the last delegation is Mr. Andrew Weremy, President, and Mr. Alex Regiec, Vice-President from the Winnipeg Association of Public Service Officers. Are both of you here today? No? And you are?

Andy Weremy: Andy Weremy.

Madam Speaker: Thank you.

Andy Weremy: Mr. Mayor, Councillors and Madam Speaker, thank you for the opportunity to speak here at Council today. I am Andy Weremy, President of the Winnipeg Association of Public Service Officers. I'm here today representing our members that include information technology specialists, service supervisors, planners, accountants, project managers, program coordinators and engineers to name a few. We are speaking in opposition to the proposed operating budgets specifically regarding mandatory furloughs, staff reductions and the environment that this creates in the work place. Today, we have 656 members within the City organization. In the past, Winnipeg has seen a significant population growth over the last few years with a corresponding demand for services. Conversely, WAPSO has experienced a reduction of 137 positions since 2006. The work or workloads have not changed. In fact, it's opposite. Our members report to us that over the last two collective agreements that a majority of them have experienced increased workloads. Doing more with less has definitely become our reality. Is it reasonable that duties undertaken by deleted positions are picked up by remaining staff? Last week at EPC, you heard Vice-President Regiec tell us that our members were telling him that furloughs in their opinion amount to a layoff or a pay cut, and that the application of these furloughs is not equal. They tell us that staff reductions are not efficient as there is little discussion of the cuts and how they impact service delivery, and that they are concerned about the environment that these actions create in our ability to attract other professionals to the work place. And I key on the word, 'our' because many of our members supervise front line staff and other WAPSO members providing service delivery. Our members take their responsibilities seriously and are dedicated to public service. We feel that these reductions over the last years and the planned reductions for 2014 will make it very difficult to continue to provide the high level of service. There is a consequence to each deletion and the consequences need to be assessed, understood before decisions can be made. Does it not make sense to consult that people that run the organization on a day-to-day basis on where changes and improvements could be made? This approach was used in the past and WAPSO and its members would certainly participate in such discussions if we had the opportunity to. I would just like to close by saying we stand in solidarity for all our members and all Civic staff who provide service to the citizens of Winnipeg. We oppose efforts that target and single out dedicated hard working people that play a critical role in the services we provide and the well-being of Winnipeg. We understand that these are challenging fiscal times, but we do not believe that our membership continue to bear the responsibility of these challenges. As President, I give you my personal commitment that we would work together with the Board, our membership and yourselves to try to improve the organization. We urge Council as a governing body of this city to take the time to understand these changes and their impacts before committing to them. Thank you very much.

Madam Speaker: That concludes our delegations for today. We will now move on to the budget reports. This year, Councillor Fielding will introduce the Police budget, followed by Mayor Katz to introduce the overall operating and capital budget. The overall operating and capital budgets include EPC's recommended budget for the Police Service, which is different from the Police Board's. And as said, we will be choosing between the two here today. We shall be debating and voting on the Police budget first after Councillor Fielding opens.

REPORT OF THE WINNIPEG POLICE BOARD
DATED DECEMBER 6, 2013

Item 1 - 2014 Capital Budget and 2015 to 2019 Five-Year Forecast and the 2014 – 2016 Operating Budget

Councillor Fielding: Thank you, Madam Speaker. And this obviously is a new process for people this year, a part of the legislation, the Police Service Act, as well as our by-laws and guidance from the Manitoba Police Commission. We have a responsibility from the Winnipeg Police Board to introduce a budget we think is fair and can effectively operate the Winnipeg Police Service to a certain level. I'm going to make a few quick comments on this. Number one, there was initially a difference of about \$400,000 between what the City had allocated and as people may recall, globally City Hall can allocate the money or they...rather, they approve the money at what levels the Police budget will come in at and it's

a role of the Police Board to essentially fill in the blanks and establish a part of that parameter of the dollars there that are passed through the City Council, how we implement that. And so from the preliminary document that was tabled, there was a \$400,000 difference through the budget process and working hard with the Board and it has been a very interesting year. The Executive Director of the Board, we narrow that gap, in fact, we...we met the City's targets and, you know, there was a substantial difference. There was about a \$3.3 million difference from the budget submitted through the Police initially, through it, but we were able to narrow that gap, in fact, we came in at a balance in secondary phase through the amendment process, there was additional \$111,000 that was asked of the Police Service, you know, obviously, the \$111,000, I wouldn't say it's not a substantial amount of money in a \$200 and close to \$60 million budget, but it is something I believe that we can manage from within. So as such, what I will do is I'm going to receive our report as information. Once again, there is \$111,000 difference for the Police Board budget we came in, and then we would vote on approval of the City's budget, which once again, it's about \$111,000 difference. So I think it is...it is fair, it's something that would put a little bit more stress on the budget, but for the most part, I think it's fair and can be attained. So with that, I'll move to receive this as information and will be voting on the City's budget going forward.

Madam Speaker: Thank you. Councillor Vandal, you'd like to speak to it?

Councillor Vandal: Thank you, Madam Speaker. I...unfortunately, I wasn't able to go to the Public Works...or the Police Board meeting and we all know how important Police Services are to the overall level of work that the City of Winnipeg does. We know that we have a new Police Chief; we have a new Police Board. It's important to get going, but I'm wondering if the Chair could explain to me, when I look at the capital budget books, in Appendix 1, in the traditional format, I see a Police budget of 257.9...257,900,000.00, when I look at the report in front of us on Iview, I see 259, so we go from 257,900,000.00 to 259,200,000, that's a gap of about 1,300,000.00. I'm wondering if perhaps somebody, whether it's the Chair of the Police Board or the Finance Chair could reconcile the gap and how, why it's there.

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

Councillor Fielding: Difference...

Madam Speaker: I'm sorry, excuse me. Councillor Mayes, you had your hand up.

Councillor Mayes: Yes, A couple of brief remarks, it is a new process, I want to commend Councillor Fielding trying to work with Council on this difficult role. One thing that hasn't come out from any of the speakers who made a very...excellent series of contrasting views was page 117 of the book, of volume 1, provides for ten additional crime prevention officers. Last year, we had 13, the year before, we had eight. This is something that's been a steady increase in terms of crime prevention officers, it's not a helicopter, it's not more cars. We are doing...it's not buildings, it's crime prevention, it's something I've talked about with my residents repeatedly and they've indicated support for that, so I do think that's a positive move forward for the City that we are increasing in terms of the details of the crime prevention officers.

Madam Speaker: Councillor Eadie.

Councillor Eadie: Yes, Madam Speaker, it's my understanding we are speaking only to this motion at this point and we have an opportunity to speak to the budget?

Madam Speaker: Yes, that's correct.

Councillor Eadie: It's going to be...it's been moved to be accepted as just information, but I just...Madam Speaker wanted to...just once again, a final time, voice my concern that the North District Police Station has been put off in the budget that we're accepting as information, but also it's being put off in the overall operating budget coming from EPC. And I know that the Police Board is committed to try to work away and deal with establishing and building that facility sooner than later because of its long standing. It hasn't served...the building itself hasn't...existing just to three stations, hasn't been able to really serve it for quite a long time going way far back and I just wanted to, at this meeting, express my disappointment that, you know, with the budget overruns and who knows what the underlying real reason is, but I just want to express that it's very disappointing that we can't see a facility in the north end in a shorter period of time so that the Winnipeg Police Service can continue and supply the kind of services to the community that it does with our changing Police Service, with our new Chief of Police, taking a direction of partnership and working out there in the community to be in a place, in a better building to serve. So I just...I have to just express my disappointment that we aren't seeing this thing...facility being built in 2015. And I think even if we wanted to move it, it would be very difficult at this point to go through all the building processes that...and planning that needs to happen before we actually go ahead and build to supply an appropriate facility for our Police Service. I'll leave it at that, Madam Speaker, somewhat disappointed in that, but I noted that the Police budget is moving...there's, you know, as time goes on, it's going to shift

and with new direction, we had a review of the Police Service. I think that some of those things are moving forward. I think it's very important, so I'll leave it at that. Thanks.

Madam Speaker: Thank you, any further speakers? Councillor Fielding to close.

Councillor Fielding: Thank you. Good question, Councillor Vandal and there is a few moving parts with this. Once again, because there is a difference between what was...initially you adopted and then through the amended process, but essentially the answer to you is there's a number of things. There's a mill rate obviously component that we need to pay. There's also revenue that the Police bring in, so there was some differences in terms of revenue. What we asked the Police to do is track the existing numbers, not a penny more than what is being tracked in terms of traffic revenues that would be there. So the Police brought forward a number to increase the revenue component that's there. We also added \$200,000 for a background checks when you do...you know, when you're registering to do a whole bunch of things you need background checks which should raise about \$200,000. We ask for \$200,000 in efficiencies that's a part of it and a large part of that...that is made up through those means, so once again, there's a tax supported piece and there's also revenues that we also get. Another big part of the revenue where we are able to bridge the gap from the initial \$400,000 that were there, was in terms of the contract that we have through the Airport Authority, we thought that the contract would end in around February. It is being extended out to about October, so there is about \$511,000 difference that will be part of it. There's some different criterias of the amount of officers that would be there, but essentially, we were able to gain about \$511,000, so minus off the 400 that there's a difference between (inaudible), you know, we're able to balance in the \$110,000, the City scooped up for the budgetary processes, you know, from my point of view, it's not something that's going to impact public safety, I made sure about that through the Chief, in other means, it is a little bit tougher to find that 111,000, but it is 111,000 on a \$216 million budget, so I think it is...it is something that we can pick up whether it be through the year. What will have to happen is the Police Board will have to come back with an amended budget and that would come back as well, but it's \$111,000, so the Police bean counters are working on it right now where the best process might be to find that 111,000. So as such, I hope that answers your question. Councillor Eadie's question in terms of the North Police Station, obviously it's put back to 2017. We had a long discussion and thank you for coming out Councillor Eadie and I believe Councillor Mayes as well, came out to the Police Board meeting. Apart of that, we would like to see that moved up, I think if you ask the Police Service, we'd like to see it happen in 15, whether it's happening in 15 or 16, but there is a funding piece, right? So we know that there has been cost overruns with the Police headquarters, the central headquarters that are there. So at the end of the day, we need some more money to push it up into 16 or even 15, and so what I committed to at the Board and with Councillor Eadie was to work with our administration and Executive Policy Committee if there is a way to move, move those dollars up to have the centre open a little bit sooner than 2017 we're all ears, but once again, that's a big cost and we'll have to find a way to finance that. Maybe there's a creative way to do it, but I think we're in spirit there we'd like to see that happen, but you know, it's dollars and cents, so thank you.

Madam Speaker: Thank you. I'll call the vote and motion on the floor to receive this as information. All those in favour? Contrary? Carried. Next, Mayor Katz will open on the overall budget and then we will debate and speak to the operating and capital budgets separately as has been past practice, but we will vote on the two budgets separately. Is that clear? We will speak to them together, but vote on them separately. Councillor Gerbasi.

Councillor Gerbasi: There is a motion on the table. When is that going to be introduced? --

Madam Speaker: Yes, Councillor Vandal will have an opportunity to do that after the Mayor.

Councillor Gerbasi: Okay.

Madam Speaker: Okay, Mr. Mayor.

**REPORT OF THE
EXECUTIVE POLICY COMMITTEE
DATED DECEMBER 13, 2013**

Item 1 - 2014 Capital Budget and 2015 to 2019 Five-Year Forecast and the 2014 – 2016 Operating Budget

Mayor Katz: Thank you, Madam Speaker. Just for clarity, I'm going to be very brief here and let the Chair of Finance introduce the budget as well as close on it and the only comments I do want to make, it was very nice to hear some of the delegations. You heard some positives, you heard some negatives and I guess that comes with the budget because

the budget is simply based on revenue and expenses and that's...we are obligated to balance the budget. And I think it was made extremely clear that as long as the fiscal imbalance exists, this will always be a challenge and I doubt will ever be resolved and you've heard me say so many times before out of every tax dollar, the Provincial Government gets 65 cents, the Federal Government, 27 cents, the City of Winnipeg, 8 cents. It doesn't work. It has to be changed and, as you know, we've tried. The other scenario is and I've made this comment before in other hearings, there is very little doubt in my mind that the school tax should not be on the property tax bill. It should be coming out of income tax and that's been discussed many times and hopefully that change will take place which would have a major, positive impact on all our citizens. And the other thing that sometimes people don't understand and you hear comments about salary increases. Well, we have a situation that emergency services, if there's no agreement, you go to arbitration and when arbitrators make decisions based on giving an increase which could be double or triple or quadruple what inflation is, that is totally beyond our control. And lastly, Madam Speaker, we also have a challenge when it comes to pension plans. We have pension plans that have defined benefits, something that is almost impossible to deal with and something else that needs change and with that, I will let the Chair of Finance introduce the budget.

Madam Speaker: Councillor Wyatt.

Councillor Wyatt: Madam Speaker, in the spirit of Christmas and peace on earth, good will towards all men and women, I want to just say that I'm going to, and I thank the Mayor for giving up the time to speak to the budget, but rather I'm going to speak at the end of the discussion to the budget. I want to hear all members of Council. I think you've all heard me speak to the budget at length at both in Council seminars and in the EPC meeting if you attended that, plus I think a lot has been said about the budget over the last couple of weeks, a few weeks. And so therefore, rather than take this time to do that, I'd like to hear other members of Council and then speak to the budget and keep my remarks in terms of the closing of the discussion. Thanks.

Madam Speaker: Thank you. Councillor Vandal to introduce Motion 1.

Motion No. 1

**Moved by Councillor Vandal,
Seconded by Councillor Gerbasi,**

WHEREAS the City of Winnipeg Museums budget was cut 5 % in the 2013 budget;

AND WHEREAS the 2014 budget contains no financial increases from the previous years;

AND WHEREAS City Museums offer Winnipeggers a valuable cultural, historic and tourism asset for residents and citizens alike;

THEREFORE BE IT RESOLVED THAT the 2014 Museums budget be increased by \$50,000;

AND BE IT FURTHER RESOLVED THAT the Museum's Board be given responsibility to allocate the new revenue amongst the Museums;

AND BE IT FURTHER RESOLVED THAT a transfer from the Financial Stabilization Reserve to the General Revenue Fund be made based on the balance in the Financial Stabilization Reserve after year-end adjustments to address any 2013 General Revenue Fund deficit, to a maximum of \$11.79 million in 2014.

Councillor Vandal: Thank you, Madam Speaker. Maybe we will get out by noon. I jinxed it. Thank you, thank you, Madam Speaker. This is really a housekeeping motion. It's very simple. It's a quick in and out, and I'll read it. "Whereas our museum budget was cut five percent last year in 2013; whereas the 2014 budget contains no financial increases for the museums from previous years; whereas the museums offer a valuable cultural, historic and tourism asset for residents; be it resolved that the museums global budget be increased by 50,000 in 2014; Be it resolved that the Museum's Board who are a group of volunteers that we have appointed, probably about four or five years ago to manage the assets and to manage the museum and where the dollars go, they be given the responsibility to determine where those dollars go, and be it further resolved that a transfer and I took this verbatim from Point I in our operating budget, that a transfer from the Financial Stabilization Reserve to the general revenue reserve be made, based on the balance in the Financial Stabilization Reserve after year-end adjustments to address any 2013 general revenue fund deficits to a maximum of 12.24 million in 2014." What I did, Madam Speaker, is I added 50,000. It used to be 11.74; it's now 12.24 to cover off the 50,000. This is \$50,000 in a 900 million plus budget. Madam Speaker, this is literally a pebble in an ocean. The...nobody is going to notice the difference in \$50,000 and it's going to bring great benefit to a handful of

museums all over the City of Winnipeg, who are governed by a handful of volunteers that we have appointed and we have empowered them to make decisions for the betterment of our museums. I'd like to think that going forward, we are going to be a city of museums with the Human Rights Museum opening up sometime I think in late '14, and we know that the time, the effort and the capacity that we have collectively given, the volunteers have given and all governments have given to the Human Rights Museum. So let's keep the spirit going and what the motion says is that is a pebble in an ocean, \$50,000 and I really consider this housekeeping. Thank you.

Madam Speaker: Councillor Gerbasi.

Councillor Gerbasi: Thank you, Madam Speaker. There have been endless conversations over the last many years about the budget process and the lack of satisfaction many members of the Council and the public have with it. And our dysfunctional Council family has grown more troubled and sick as the years have gone on. And while there has been talk and money spent on the idea of making changes, unfortunately things have gone from bad to worse. Our budget process has now been compressed into a frantic two week, two and a half week time frame which is made any kind of meaningful participation or analysis extremely difficult for the public and non-EPC Councillors. Council used to take five to six weeks on the capital budget and then another five to six weeks on the operating budget in a public, open process. There used to be a back and forth with Councillors and department heads, but now we find even they aren't informed about the details or impact. Could I have some...or could I some more time if it's going to be stopped because there is ten minutes to speak to two budgets that we had two weeks to deal with and I'd like to have the time allotted to me with proper attention to it. That's okay.

Councillor Mayes: There is a point of clarity, Madam Speaker.

Councillor Gerbasi: I'm speaking to the budget.

Councillor Mayes: No, and which is fine. Speak separately to the amendment or is the amendment speech to be all rolled in, just for clarity?

Councillor Gerbasi: That was part of our ten minutes to speak to everything, which is very difficult to concentrate with all this...is there a problem with the process here or...? Okay, thank you. No, it's all right. The budget has become a behind closed door exercise which has created a two-tier system of Councillors. This is an us and them budget. Executive Policy Committee members and supporters are given different levels of information and support than the rest of Council, and it was alluded earlier by one of the delegations. This is not how budgeting is done in other cities such as Edmonton, for example, where other members of...all member of Council, are part of the budget process for months. As a hopeless optimist, I was willing to give the benefits of the doubt when an extensive budget pre-consultation was announced. While the intent may have been genuine, it is clear that it was more about expensive than extensive. At a cost of over \$200,000, we've received little more than a painful and an ineffective public relations exercise. I believe it is possible to have a collaborative process, where Council sets goals and then works together and that we could do so much better. There are proper techniques of public engagement and participatory budgeting out there that could truly be inclusive of our citizens and perhaps the next Council will have the will to make some of those changes. The budget here today is a reflection of the failure of the leaders...of the failure of the leaders on the City Council to carry out any successful strategic planning as a whole Council. What we need is a cohesive vision laid out for the future that reflects Council's goals which we could have if we had goals set out together. Instead, we have an election year wheeling and dealing kind of budget. The way of this current Council is that each Councillor is expected to fight for their own pet projects or for the interests of their ward. The problem is we didn't lose sight of the big picture of what is best for the City. In the end, less powerful areas of the City lose out and so does the overall ability of the City as a whole to provide service to Winnipeggers. While Councillors are busy making deals to get their pet projects done in their ward, there's a...are huge reductions in the budget that will affect the operations of our Community Services, Planning and Works Departments. I would argue that most Councillors don't even understand the impact of what they're being asked to vote for today. Two million dollars in cuts to professional staff, to which Council is expected to agree without even knowing the specific areas and impact. Our Planning Department is so under capacity compared to other cities, we should not be cutting a Senior Transportation Planner and Strategic Planning position. It took years to establish the transportation role within the Planning Department. This serves to prevent departments from working in silos. I fear we will slide further and see often in developments that transportation needs end up being an expensive afterthought or just do not get considered, especially active transportation. Page 147 of the budget calls for elimination of community resource coordination and community development in I quote, 'suburban areas'. This statement is very misleading as this budget eliminates those services to most of the City including areas such as Mayfair, West Broadway and Lord Roberts in my ward, which are hardly the suburbs. These professional and community staff have been working with non-profit groups, community centres and the public to trouble shoot efficiently provide services and consult with the public. They are especially needed in areas where there is less community capacity, for example, in some transient areas where support is needed to keep community centres going. The reality is there are pockets of poverty and need for community support

throughout the City even in the suburbs, but this budget cut service in the inner city and areas shoulder to it, not just in my ward, but in a number of other wards. The Alternative Service Delivery budget in this number, number in this budget is set at \$2.4 million. Does anyone believe this number is real? Last year's number of 2 million fell flat and resulted in virtually nothing. No savings. No one should support privatization targets without knowing what areas are being considered. Council should be told what policy direction is being taken and be informed about what departments and areas of service are being targeted before we vote on this. Forced furlough over Christmas, we've been told, may or may not work. We have an existing furlough program, which we have been told, isn't being used as I guess there isn't enough staff to run our programs. I'm pleased to finally see a turnaround and a commitment to the Sherbrook Pool. It sure took a lot of work and a huge fight from many of us to get this change of heart to occur. At the same time in this budget, we see a huge amount of support for recreational facilities in the new growth areas. It is amazing to me how much harder it is to get this kind of commitment to inner city facilities than it seems to be to build brand new mega centres on the edge of the city with private partners. This budget flows money to the YMCA very rapidly, \$1.75 million this year and 10 million over the next few years. Going forward, there's a cost as high as \$50 million to plan three new suburban mega centre that will be private with some sort of unspecified public access agreement. It may be that there's a reasonable argument to consider partnering with the YMCA in some way, but what concerns me is that this is a massive policy shift that was simply dropped into the budget process. We haven't seen a piece of paper, a report or data showing the need for this. There has been no discussion with Council about moving in this direction. No information about how public access would work. We don't even know the general locations of these facilities although they seem to largely support new growth areas. We also don't know if this will mean a shutdown of neighbourhood based walkable facilities in favour of these mega facilities that are in fact private and not public space. We are expected to go blindly forward without an agreement or memorandum of support from partners with money flowing generously, yet it amazes me that for something like the Sherbrook Pool, citizens have had to come crawling to this Council for years to have their facility reopened. Our financial circumstances are very severe. Reserves have been raided across the board this year and the public is seeing tax increases, water and sewer rates and other fees. We see huge deficits in our future operating budget projections. It seems to me we ought to be being very strategic about what we're investing in. I was very disappointed to see the Osborne underpass dumped from the 2015 budget and dropped back into 2019 and that is only to begin studying it. This is work that needs to be done and has now been deferred essentially indefinitely. Yet, there is funding to study two major regional road extensions in 2014 for combined cost of 2.3 million including the William Clement Parkway. We cannot afford to build a...can I have an extension?

Madam Speaker: Mr. Mayor moves extension, all those in favour? Contrary? Carried.

Councillor Gerbasi: We cannot afford to build a massive extension to our regional streets system while our existing infrastructure is ignored. I really feel the William Clement Parkway is far too premature and I hate to see it barreling ahead of other projects. Business taxes have been mentioned, they remain frozen effectively meaning there was a shift in the tax burden for businesses to residents and I would point out that now that smaller businesses are exempt from paying taxes, this budget is giving big businesses a break at a time when we're asking residents to pay more. The larger businesses should be doing their share as well. A small increase there could go a long way to keep our ability to fund and provide the services we are cutting in this budget. I'm concerned about the overall reduction in reserves, but particularly the Heritage Reserve, which I've spoken to extensively at other committees. Right now, the Heritage Tax Credit Program does not exist in that people cannot apply for it. Somebody has to politically come forward and hope to convince somebody to support a heritage project. This is a hugely successful and important program. We need to have some money in this reserve and we also have liabilities going forward in that reserve. That is a huge concern and I just don't want that to be forgotten. I am thankful for many positives, initiatives in the budget and obviously, there's good things in every budget. With ten minutes to talk to two budgets, it's impossible to speak to the many, many issues that are in this budget that I barely touched on in this speech, but I'm just trying to get out the most important ones, so I thank you for understanding that. I would...in closing, I would like to remind Council that budgets are not only about pipes, police and pavement, but also about people. Forcing decisions without adequate justification or explanation is the wrong way to govern. Slashing our human resources without planning for the future will result in an exacerbation of problems in service delivery and excluding a large part of the body of elected officials from proper participation has led to a damaged Council and has hurt the public's trust in their City Hall. I believe this budget fails the people of the City of Winnipeg and the City of Winnipeg as an organization. Thank you.

Madam Speaker: Thank you. Councillor Mayes, did you have your hand up?

Councillor Mayes: Not yet.

Madam Speaker: Okay, Councillor Fielding.

Councillor Fielding: Okay. Thank you, Madam Speaker and I'd first like to say, you know, a budget process...there's always good things and there's always bad things in a budget or things maybe you don't like and sometimes you've got

to put a little water, water in your wine in terms of supporting things, sometimes you feel that you can't do that. Number one, I...I left Executive Policy Committee about two, three months ago and that was largely based on the budget that was there. There is obviously other issues that are surrounding some of the spending mismanagement that's been going on, but essentially that was part of it. I've been here through 14 budgets and I chaired six of them, happy to say that it's five out of six of them, we didn't raise property taxes, but it is challenging no matter where you go with it. I know that putting the budget together is obviously, it's a tough thing. It's always a tough thing putting together and looking for priorities and expending for it. We know that...and I do want to thank administration for putting this together for the most part. I think that there is a large element of good and you've done a great job as well. I know that what's been frustrating for me...and would've been this budget process is that we are very close. I've been putting aside that you put two percent for infrastructure. I don't think anyone disagrees putting money towards infrastructure. I would argue you can do it within as opposed to the tax increase, but we are very close in terms of getting to the number that was there. The big factor of course is some of the financial mismanagement that we've seen over the last number of months. The fire hall audit, the police station, that's not necessarily germane to this item, but the big factor and the things that I guess I've got some concerns with the budget is another property tax increase, and we know that there have been numerous property tax increases that have happened sometimes. This Council had a very proud record of having 13 property tax increases for...13 property tax freezes in a row, and there has been some before, but this...we are extremely close in terms of balancing for a variety of means and for me it's been frustrating because I think with all the financial mismanagement going on, it's tough to increase taxes and I know this is a question for Mr. Mayor. You know, obviously Mr. Mayor, you campaigned last election campaign...2010, in terms of not raising property taxes, Mrs. Speaker to the Mayor. With that, I'm just wondering do you feel that you owe the citizens and the people that supported you in the campaign, an apology for misleading them in terms of your tax policies were because I think that you do, Mr. Mayor, there's another two items that I've got some concerns with in the budget is in terms of the percentage, that two percent, in terms of two percent increase for infrastructure, I've outlined kind of a plan of how you can do it. There's also things...in terms of the funding. We've got \$600 million of money towards rapid transit that's there. I personally think that you should have a referendum when you're going to spend \$600 million of new infrastructure money, you could do a whole bunch of different projects that are there, whether it be existing infrastructure like fixing things, like Academy and rather the Kenaston Boulevard. You've got things like the Waverley underpass that's in Councillor Orlikow's area. You've got a number of infrastructure projects that can be done or need infrastructure, so I think you need to go to the people; you need to talk to them about this and get their blessing for it. Also, in terms of accountability, I outlined kind of an accountability process, I think, let's face that, Councillor Vandal initially had talked about it where I think we've lost some faith for our citizens and so there's been some good things in this budget, the accountability and transparency office or accountability office that's there, I think that's a step in the right direction. I think there's a number of other items that you can do which I will be outlining in the next little while. But essentially, in terms of the criticism of this budget, I think that we're spending too much money on these initiatives on money that's there and I think you can find some more efficiencies within the new system to counteract it. There is also a number of things that I think are very positive when you look at this budget. There's more money towards infrastructure, now whether you could argue whether you need a two percent property tax increase to do it or you can find it within, I think the fact that we are spending more money on infrastructure, something that I hear from citizens all the time and I think it's very positive in a whole bunch of ways. I think the Wyatt weekends, although they are somewhat controversial a (inaudible) white Christmas. I forget what they're calling it nowadays, but part of that, I think...I think some of that makes some sense. It's a time of year when you're not seeing a substantial amount of work that's going on. There's a lot of people that take holidays so I'm very supportive of that. I do like some of the ASD initiatives, money that allocated for there. I think you can always look to find efficiencies within the system. I think there's also in terms of...some of the park upgrades, we're doubling the amount of local parks that you can support, whether it be \$200,000 before, now it's doubling that which I think makes a lot of sense because there's a lot of regional parks that have...have...that need a lot of work. It's also things like HE projects and also funding for the St. James Civic Centre for 15 and 16, so I want to thank...I want to thank the Mayor, and I also want to thank Councillor Wyatt for that. I think it makes a lot of sense for it. I have outlined, and you know there's a lot of politicians that will come here and while we say, Well, you know you can't spend money here or there, freeze taxes but, you know, you're kind of talking out of both sides of your mouth. So I have put together a plan of how I think I can do it. I do have few minutes, I do want to go through how I think that you could balance the budget. Number one, in terms of year end surplus, this year, this budget, we're allocating a basically a balanced budget, but if you look at the trend, what happens in terms of the September numbers to year, which I only pick up around \$12.7 million last quarter that's there. We're obviously now into our October numbers where there's just over \$3.7, \$3.8 million deficit that's there. My point is that I think you're going to be able to get a whole bunch of dollars that...at year end in terms of surplus. My prediction would be about \$3 million surplus you have at year end that you could put towards balancing the budget. Second, in terms of permit reserves, there's a number of permit reserves, the permit reserves of course are money built in the system if you don't hit our markers for in terms of what you're going to bring in. We know even in 2009 when the economy hit the skids that we were able to hit our budgets in terms of where our projections that come in. At the end of the day, comes off the bottom line, so there's no issues in terms of having this \$2 million reserve that's there. This can come off the bottom line and thus you can save \$2 million from the reserve. The second piece and a very supportive, the third piece rather is money for the YMCA. I do support the concept. I do support the City getting into that business and having an outside, non-profit organization

helping to provide these recreational services that are there, but I think with this, you could defer the \$1.75 million that's built into this year's budget. We know we don't have an agreement with the Provincial Government that's there to fund these things. They are something that I would support in the future, but I think you could defer that \$1.75 million for this year to save that for the budget. Two other items which I think could make sense is \$2 million for vacancy management in 2013 with increases from 14.1 million to \$16.1 million, I think is a prudent approach. I've been here for seven years now. I don't see how the impact of these things, let's face facts, vacancy management number is built into every budget that's there. It's built into every budget, and I don't see how services have been impacted in the past and I think there is more room in terms of the vacancy management that's there. I also think a hiring freeze, having a three month hiring freeze on this...not, not hiring employees, but holding off for just a period of time could save you \$2 million. There's also enhanced assessment and this is something that we incorporated in the budget two years ago. There is some more work. Essentially what happens is when you build a new house, you don't get your property tax bills, Madam Speaker, for anywhere between a year and a half to two years so if we speed up that cycle and you target \$3 million of more revenue, you hire part-time or one time people to do it. You can basically get a three to one return on the investment. That means we're getting our money sooner so what I targeted is \$2 million savings in terms of...\$2 million savings in terms of this. My final point is operational savings, what I penned is \$3 million operational savings. We know in the past, in previous budgets, when the budgets weren't...the level of I think it's \$967 million for operating piece this year. We've been able to save \$10 million one year, \$5 million this year. I think putting a \$3 million savings in terms of the efficiency which represents a 0.03 percent savings from what they have suggested is something that's not going to impact the public service in itself. So my plan would call...would bring in about \$15.75 million. You measure that out versus and I also included actually \$400,000 for Police, which we actually don't need and \$200,000 efficiencies for an accountability and ethics counselor that's there or office that's there. Essentially, there's about \$1.9 million, just under \$2 million more by freezing property taxes that you could invest in infrastructure. So you get what you need to go. You freeze property taxes and you invest \$2 million more than the current City's proposal in terms of infrastructure. So I truly think that this is a process there, once again, I think that the budget isn't... it's not a horrible budget, but I think that there's a lot more work that could be done on it. If there is a will, there is a way in terms of finding some efficiencies in the system, looking at some of the reserves that are there to balance the budget, plus investing more in infrastructure. There needs to be a will to do that. So I think this is a plan that you can go forward with. I think it makes some sense, but I do want to thank the budget committee and EPC and all of Council for all your hard work on this. I think...I think it's hard balancing a budget. It's hard doing all the priorities which I think, you know, are needed and with that, I won't be supporting the budget. There's elements of the capital budget that I probably would support, but overall I won't be supporting the operating-capital budget going forward. Thank you, Madam Speaker.

Madam Speaker: Thank you. Seeing the hour, would Council now like to break and adjourn to 1:30. (Inaudible) One o'clock or 1:30? One o'clock, we will be back in the Chamber. Thank you.

**Reconvened meeting of
Winnipeg City Council of
December 17, 2013, at 1:00 p.m.**

Madam Speaker: Okay, welcome back, Councillors. We'll pick up where we left off. Are there any further speakers on the capital and operating budgets?

Councillor Vandal: I have a point of order, just clarification. The motion that I presented this morning has an error in it. The last "be it further resolved" that it goes "to a maximum of 12.24 million". That should read "a maximum of 11.79 million". There was...I forgot to line up the zeros early this morning. So that should be 11.79 million, so we're all on the same page.

Madam Speaker: Thank you.

Madam Speaker: Any further speakers? Councillor Browaty.

Councillor Browaty: Thank you, Madam Speaker. Budgets are very challenging. There is something good and something bad in I think every one that I've been part of, on my now seven years on Council. Things that I would rather cut and slash. Things that I would enhance, but at the end of the day, we need to make sure that we deliver the services that are demanded by our citizens. So, I agree with a lot of what Councillor Fielding said. I agree with what a lot of people in this room said. I'd like to thank our public service for the work they've done on it and I'd like to challenge them. I still believe that within the City of Winnipeg bureaucracy, there is room for further improvement. I know we've identified a number of positions that are going to be reduced. I want to make sure that not only are some positions reduced, but other areas are enhanced. There are areas I think within our public service where spending a little more money would

actually save us some money in terms of better...being able to award contracts on our core services, in particular, in Public Works. So again, I'll be supporting today's budget. I don't have a ton of specifics that I want to point out. I mean I could go in why it's good for North Kildonan...we've had those announcements, things like the Enhanced Regional Street Program, fantastic. More money for parks and stuff in our communities, wonderful. You know, closing the City down at Christmas besides those emergency services things, if a water main breaks, we're going to fix it. You know, Police and Fire, not an option. You know, we're not going to cut Police, but why not close the Police garage or reduce service in the Police garage during that time. I think our areas within our emergency services that can be cut during those times. Anyways, I don't want to go into hours upon hours here, but again, I think you can get the point. There is good and there is bad. I am not a big fan of the property tax increase portion of the 2.95. I think the one and the one dedicated to capital spending is good and keeps us focused. But again, I think we can continue to do more with less. Thank you.

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

Councillor Steen: Thank you, Madam Speaker. These budgets, that we are reviewing today, represent a very difficult exercise to balance the needs and expectations of Winnipeggers within uncertain economic times. I would like to thank our Mayor, all the members of EPC who worked on that budget, as well as Mike Ruta, Deepak Joshi and all the administration for their work...their hard work. I would especially like to thank the Finance Chair for his leadership and for listening to a lot of people and lots of opinions and I feel it's reflecting in this budget. Many Councillors were unhappy with the budget consultation. It was a first time that we actually did a bigger one and I'm sure it's going to improve over the years, like most things do. And, so we hired MMP to find out what Winnipeggers' priorities were. They held public meetings, conducted telephone surveys and allowed online input, MMP's report confirmed for me what I was hearing from my residents, the number one priority for Winnipeggers is the condition of our streets and infrastructure. For those of us who represent older, more established areas, the state of the infrastructure is even of greater concern since we see very...every day, how bad our streets really are. That's why I believe I have received so few calls about the property tax increase. My residents know this problem has to be addressed and although no one is happy about having their taxes increased, they know it's required. In addition to the infrastructure renewal contained in this budget, I'm also very pleased to see continued support of the Police, Fire and Paramedic Services, and the second biggest concern of Winnipeggers, I'm also encouraged that this budget has a vision for moving the City forward and I'm very pleased that we have doubled the Aboriginal Youth Strategy Funding. This budget also recognized the needs of Elmwood - East Kildonan. There is additional funding for the Molson Street Twinning project, the construction of the East Yards project, moving the Louise Bridge rehabilitation forward and the construction of a splash pad at Valley Gardens Community Club. So based on the fact that this budget addressed many of the needs and priorities of Winnipeg, as well as Elmwood-East Kildonan, I will be supporting this budget and we're very grateful for it. Thank you very much.

Madam Speaker: Councillor Orlikow.

Councillor Orlikow: Thank you, Madam Speaker. First of all, this will be our last budget, for many of us. Some will be returning, some will not be returning based upon choice and some will not be returning based not by choice, however, that's the series of elections and that's what happens, and that's a part of the democratic process which I look forward to taking this budget forward to the public. There's obviously been...there's going to be some people that believe that the budget is the best thing since sliced bread, while other ones will just find it moldy bread and there will be some people in the middle. Again, that's all part of, again about the democratic process. So, first of all, I just first want to thank our City staff for taking the time to answer my questions and if they couldn't find the answer, they are still looking for those answers for me and I do appreciate that. I realize that time was a little short, but at no time do I believe that the administration weren't doing their best to try to give you the answers. However, the reality is true that this year, we had double amount of materials that we had to review and assess in about half the amount of time that we usually have. So that just bottom line, put a lot of work back on to Councillors, especially those Councillors that haven't been privy to it prior to the budget being dropped. This is a pre-election budget. I say that because I'll be pointing out some things that to me, identified that this is a pre-election budget quite obviously and there are too many nice projects in here. Again, I think a lot of them are tied to the election; however, there's some nice projects in here. However, the good news does not outweigh the bad news. Following a poorly attended consultation process for the 2014 budget, we are looking at an increase in 2.95 percent property tax; an increase in 4.5 percent water and sewer rates; increase in fees and permits; increase in borrowing; increased use of reserves; deferring of capital projects; and decreasing wages, staff and services. This all taken place or if we had a \$45 million increase just in one year in revenue. This translates a person who's owning a \$300,000 home, with a proposed taxes, water, sewer fees, waste minimization fee and frontage levy to about \$90 more this year per person. Since 2011, that equals...that the total increase is about \$600 per home. Again, this is excluding school board taxes. It's excluding cost of gas increases, inflation, food cost increases...Pretty well everything has been going up substantially. The City is not excluded from that. And it is an inability so far to control our increasing cost that is tied to the increasing amount of borrowing in the last four years and use of reserves to balance our budget. Reserves have been reduced by \$56 million since last year alone which represents a 22 percent decrease in the

reserves and leaves many of our reserves under or unfunded completely. The City has borrowed hundreds of millions of dollars in the last four years, almost doubling the amount of debt that we have. Again this money will have to be paid back by future generations. Yes, there are some reasons why it's being done, again we have to look at the long term. And, including in that borrowing, this budget does not include the \$225 million in borrowing required for the Southwest BRT as it is not part of our debt strategy, P3 cap or operating budget. That is in the budget right there. So again, we're going to have to find some way if we decide to go ahead with the BRT for that 225 million. I wish it was done during this budget, so we actually know the impact and balance of all our priorities based upon that, but I've been told that will happen at a later time after the budget. I am concerned about the financial health of the City. When taxes, debts, draws from reserves and deferrals all increase and staff are cut, wages reduced and services are reduced at the same time. Implement the mandatory unpaid leave to an undisclosed number of City employees is irresponsible. Irresponsible as this will not address our rising cost issues and the list of employees is still unknown and the amount of saving is still undetermined. Reducing undisclosed number of staff is also irresponsible. These positions and the impact of cutting those positions has not been determined. We need to be supporting our staff, so delays like the Waverley underpass, other projects don't cost us more and mistakes such as those of managing the Police headquarters and fire station are prevented from occurring in the future. The budget consultation buzz unsuccessfully intended to engage the public, but at least, attempt was made. It was kind of like the Bombers' season, not great, but always promising to do better next year. It takes time, but then property consultation provide an opportunity to not only review solutions to the public, but also get great ideas from them, affectedly connecting with residents to be able for me to get over 500 Winnipeggers to sign a petition calling on for the City to make the Waverley underpass a priority by getting the required study done while at the same time working with other levels of government to ensure that the project is done properly and secures the necessary funding. I was also able to offer a budget accountability tool for downloading by the public. This too will provide a multiyear analysis of the figures that are provided within the City of Winnipeg budgets. It also gave me great information to look at some of the good and also ask other questions about the bad. For example, the additional streets, back lanes, sidewalks to be done in 2014 is a good thing, but I am concerned that the solution is not much more than a new tax for new borrowing but it does include...and, but does increase, but does not address the increasing City costs due to unsustainable growth. The \$500,000 allocated to remove or replace 800 of the 10,000 Shubert chokecherry trees is mildly appreciated, but the reducing the Dutch Elm Disease Program by \$1.85 million is not appreciated. The additional commitment to Sherbrook Pool is appreciated, but there's no guarantee it will open, but a \$1.75 million grant and over \$9 million in capital funds can be found to build a new private suburban recreation centre. The City of Winnipeg needs to partner with public groups to maximize public investment and ensure accessibility for all. For example, I was able to reduce my neighbourhood's need for new gym by facilitating the Corydon Community Centre and the Winnipeg School Division to partner with a new gym that the community centre will operate in the evenings. There's also discussions right now regarding through relocation of the new River Heights public library. We are looking at attaching it to a high school. Again, public asset, public access is protected and public dollars are maximized. There are many good projects being funded from the one-time increase in the parks and recreational enhancement program and a \$3 million in new grants, both are determined arbitrarily by the Mayor and EPC. However, the money is for one year only, right before the election, determined without criteria, and without an open and transparent process. While funding remains for the completion of Waverley underpass study, the study was delayed due to staffing shortages. No other money is identified in the budget. Tax is rising, debt growing, services cut. The infrastructure deficit continues to grow and new developments within the City are supported by taking money away from fixing existing infrastructure. Costs continue to rise well above inflation and our debt also continues to rise. The City continues to grow slower than many other municipalities in the capital region while residential growth downtown is nominal. The City of Winnipeg continues to limit access to recreational opportunities by investing in private recreational facilities and leasing public spaces where exclusive use to private groups at the expense of the public. The longer in the delay to find solution to Winnipeg's Financial issues, the poorer the decisions become. For example, firing critical staff that ensures the long term viability of the City. This is a mistake. It is a budget that should not be supported.

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

Councillor Mayes: Thank you, Madam Speaker. A very wise and patient woman, namely my wife, said to me as I headed out the door this morning, "high road", so that is what I'm going to try to take, which is not always easy in this process when you've got people essentially saying you are lying. People putting up publications saying that the City manipulated public opinion, but I'm going to take the high road and trying to speak well. If I don't mention all of my Council colleagues, you'll forgive me, but I'll try to mention a number of you as I roll along. In terms of process, well, I'll speak first to the amendment, the museums piece. I'm pleased to see Councillor Vandal put this forward for debate. I'm not supportive of it because we need to solve the issue of Dalnavert first. Dalnavert remains, it's uncertain whether that museum is going to be open or closed. I've said publically that I would like March 31 to be the deadline, if they aren't, if we don't have a plan in place, let's reallocate the money that's set aside for Dalnavert. I think that's appropriate. I think that's a step we should take. Met at noon with the Museum's Board, I see Matthew and I think William was here as well, so thank you for their work on that board. We are trying to find a way to see if we can increase the funding and it's...unfortunately, Dalnavert just makes that very hard at this stage of the debate. The process about the budget has

been mentioned by many people. There were, I think, in the EPC meeting and presentations here it was said by...it was said that it was a good faith effort by Councillor Wyatt and I think that's right. This was a good faith effort. There were more meetings. There were several more than in previous years. So we've heard complaint about there only being one meeting. There were several meetings. There was the report; we had online access for months. We had telephone surveys. We did, I think, a much better job than we have done in previous years. I look forward to people attacking the Provincial process because there are only two meetings set for Winnipeg, whereas we have five meetings set. But I think that the message that we got was to try to do more; try to expand it out; try to get more participants and I think that's part of a good faith effort for the future. One thing that the Province does do that we should copy and Councillor Vandal and I both praise this, is they do a bilingual meeting where you can have bilingual input and I think that's something we can add to our process in the future: have a meeting for both French and English. The other message that came out of that consultation, people said, "Well, it's just an expensive polling exercise." Well, we did run a poll. We had...got a poll from the public and even if you think that's all it was, the residents talked about 80 percent of them and put a priority on roads and sidewalks and bridges. They also put a priority on crime prevention, so I'm going to come back and talk to that briefly. That's where I think this budget has put its priorities in terms of spending. Additionally, the residents responded by saying they could support a 2.2 percent property tax increase. So it's important when you hear people saying, "It's got to be a zero then the average citizen wants a zero." Well, we all want a zero. It's a balancing act that we have to engage in here. So we have come in at slightly higher than 2.2, but we are still within less than...less than one percent of what the public identified. It's also been said, now you're all closed minded that you're not listening. There was 32 delegations here I think last week...found additional funding for Sherbrook Pool. Got a nice thank you, we all did today from the friends of Sherbrook Pool. So I'm pleased to see there's a commitment to opening that. I think we listened on that. We listened on the U-Pass issue that Councillor Gerbasi has championed. That's coming back to this Council in January and that's something that I think the Mayor and others have made a commitment to so I look forward to supporting that. The other matters that were brought forward in that public consultation process last week, among the more support for an African-Canadian Community Centre. Very pleased to see that we endorsed that in the week following Nelson Mandela's death. I think that's a story that hasn't been reported anywhere, but we are making a financial contribution to the African-Canadian community and I think that's an important step forward and it also speaks to you've had people saying, "Well, the City is more than its roads and bridges." True and we've made a number of commitments here: the reforestation commitment that's been talked about. We made a commitment to Save Our Seine. People said, "Well, that's your pet cause." Please, please keep saying that because nothing would please me more than have people saying that because...and Free Press and others have said it. People are welcome to keep saying that because Save Our Seine is a group that has worked for years. It's the second longest river within the City of Winnipeg, 45 kilometres of Red, 26 kilometres of Seine. It's an important waterway in St. Boniface Ward and my ward, and we're finally making a commitment to try to work with that group. It's certainly not under our control, the person we are funding came in and lectured Councillor Vandal and I recently about a proposed development there. That's...that's exactly what we want them to do, we want them out there defending the interests of that river. So I think the budget recognizes this isn't all about roads or bridges or sidewalks as some people have said. We are making some other commitments in this budget and Dave Sauer is here from the Labour Council...talked about that. I'm very pleased. It's been a two year journey to get to the point of getting some commitment to transit security. People have said, "Well, people ride the bus, don't vote, why are you doing that?" We're doing that because it's the right thing to do. We've had a lot of safety concerns raised by the transit operators. We've had a lot of concerns raised by the patrons, so it's something...I don't think Councillor Eadie is supporting the operating side of this, but he has certainly been a champion of that cause with me and very pleased to see after a lot of effort and a lot of work that going into the budget. There are some things in this budget I don't like. Councillor Browaty last year described the increase in the constituency allowance as ridiculous. And he was right, voted for the budget as did I last year, but we've taken that out this year, which I think shows we were listening and that's to the credit of Council, but it also shows you never love everything that's in the budget. I don't favour the 3.5 days off; that's been talked about by a number of speakers. It's something I'm hopeful we can work with C.U.P.E. and try...to see if there's some other options we have to achieve those savings. Certainly, we heard this morning some talk that...well, the ASD, the Alternative Service Delivery commitments here, maybe this is...this has kind of committed us to certain privatization. I'm not in favour of that. We are...that same fear was raised last year. We had a separate vote on the golf issue. I voted against contracting out the golf. I would vote against contracting out custodial services if that ever makes it to floor of this Council. So just to be clear, this budget is not calling for any particular area to be privatized or contracted out. Additionally, I think we had a bit of a debate here last week about golf services; one of the ideas from CUPE to implement a \$2 round user fee to try to invest back in capital came forward. We are putting that back into capital. I've checked that again with our staff, so we do work with the CUPE and other unions, trying to implement some of the suggestions in terms of public policy. Another issue that's been raised by Mr. Sauer and by CUPE and others, the business tax, we are alternatively being praised inaccurately for lowering it and attacked accurately for cutting it. What Mr. Sauer said was right. The amount of revenue the average business is paying stays the same. It's not favouring large business over small business. Small business continues to get the non-payment that they've had in the past, so the total revenue amount has increased in recent years under Councillor Wyatt's budgets. I think that's a positive, but we do need to look at possibly returning that source of revenue to where it was, roughly six or eight years ago, ten years ago when it was a couple million higher, that will reduce the burden on the property taxpayer. Again, that wouldn't be supported by

everyone in here, but I think that's an important part of the debate. One thing that hasn't gone mentioned today is the amount of money we get...our second biggest revenue source is grants from other levels of government. First biggest obviously property tax and second biggest source of revenue we get, grants from other levels of government. That has frozen for the last three years at 113 million. Not attacking the Province here because it's actually the Federal Government reduction that came down in terms of Police officers this is year. But it is a challenge when your second biggest source of revenue stays static at 11 or 12 percent, you've got to find the money somewhere else, and that's where we are having to look at a property tax increase. There is a mix of opinion out there. I've got somebody calling me at ten after nine this morning saying, "If you vote for a property tax increase, I'll vote against you." I had a senior in my ward e-mail me last night saying that the increase is unfair to St. Vital seniors. On the other hand, I had somebody e-mail me saying, "I won't vote for you if you agree to the savings that are found in the 3.5 days, so there's pressure coming from various different ends. So I think what we tried to do here is steer a middle course that corresponds to some of the input we got back from the public. We talked about an increase in the two percent range. So we've had a number of references to poetry here today. Being a good St. Vitaler or I will site the national anthem of St. Vital namely 'Stairway to Heaven' which contains near its end the passage that "if you listen very hard, the tune will come to you at last" and the tune here I think we are hearing from the public, what we got from the consultation was an increase in the two percent range, priority on roads, we're doing it, priority on crime prevention, we're doing it. They also talked about sense of the City in other aspects, we're doing that, we're funding environmental causes, we're funding the reforestation. We are at funding community centres, we are making some steps forward here, so I think on balance I dislike the 3.5 days. My hope is we can find an alternative to that as we move forward, but on balance there are a number of elements here that I think if you go door-to-door and you talk to people in the arenas and the shopping centres in St. Vital I have found people have said, "Well it's a balanced approach. We will be paying a bit more, but on the other hand, we'll certainly be getting better roads, better Police services and moving forward into the future with issues like the mass transit initiative, which I'm very pleased to see is in here as part of the package. Thank you.

Mr. Deputy Speaker: Thank you, Councillor Mayes. Councillor Sharma.

Councillor Sharma: Thank you, Mr. Deputy Speaker. Through the City budget consultation process, we heard from Winnipeggers and they want the City of Winnipeg to improve public safety, fix streets and invest in parks and recreation. These are the things citizens zeroed in on. I feel this budget addresses those areas in a real and meaningful way. This budget not only continues the work started last year on local streets, but also puts forward a plan to address regional streets as well. Dedicated funding will be going to both local and regional streets this year, a 173 percent increase in funding compared to 2002 before implementing these reserves. The capital budget earmarks funds to carry out a functional design study for the extension of the current Chief Peguis Trail. This western extension of the proposed inner ring roadway system would run between Main Street and Route 90. The extension of Chief Peguis is important to people in my ward, Mr. Deputy Speaker, where residential housing continues to expand and traffic concerns are real. This proposal helps address those local issues, but as a bi-product of a much broader vision which supports the overall growth of our city and economy. Whether it's travelling to and from work, driving the kids to hockey or dance lessons or moving goods to and from market, roads are what connect us to one another. Roads connect us to family and friends, to other neighbourhoods, to jobs and to new market opportunities. Roads are an investment in our economic growth and in our quality of life. Providing families with modern and safe facilities to participate in sports and leisure activities is the goal of the City of Winnipeg's new parks and recreation enhancement program. I often have conversations with constituents who tell me they care about improving our infrastructure and building our community through enhanced services. And this is why I'm so pleased to see the renovations at Seven Oaks Pool that will benefit from this new program. I personally championed the proposed upgrades to Seven Oaks Pool, Mr. Deputy Speaker. These upgrades will include accessible change rooms and improved public spaces. While attending swim classes with my son, I have witnessed families that have accessibility needs struggle with the current set up we have at that pool. So in my view, those changes are much needed, Mr. Deputy Speaker. The upgrades also include the construction of the City's first indoor spray pad. Given our climate in Winnipeg, this unique indoor spray pad will give families a wonderful recreation option 12 months of the year regardless of season. It currently is a well-used facility and with these upgrades, it will be...provide affordable, quality family recreation which will be enjoyed for many years to come. The budget continues, Mr. Deputy Speaker, to invest in public safety, an important service area which now represents 44 percent of the City's tax supported expenditures. In a safety forum hosted in my ward this year, we heard loud and clear that safety is still top of mind for the citizens of Winnipeg. This budget helps us achieve this. As well, I am pleased this budget includes increasing the Aboriginal Youth Strategy Funding with an investment for...of up to three quarters of a million dollars in infrastructure, training and apprenticeship program. This of course is contingent upon one-third sharing from the Province and the private sector. This is very good investment, Mr. Deputy Speaker, to help develop our leaders of tomorrow. Overall, I believe this budget strikes the right balance and I commend the Mayor, the Chair of Finance and all the members of EPC along with our administration for their hard work. It takes a tremendous amount of effort, countless hours to draft a budget of this complexity and I want to acknowledge their efforts. Thank you.

Mr. Deputy Speaker: Thank you, Councillor Sharma. And Councillor Smith.

Councillor Smith: Yes, Mr. Speaker. Let me tell you, first of all, I want to tell everybody here how much I appreciate the Mayor over the Sherbrook Pool. You know, I attended the first EPC meeting dealing with budget. Friends of Sherbrook Pool were not organized yet. They were not there. I was there and the Mayor responded right away with committing 200,000 for it. Now, it's important to realize that the Mayor and I have consulted all the time over Sherbrook Pool and I am very convinced that the Sherbrook Pool is going to be reopened and I thank the Mayor for all his efforts because without the Mayor on this project, we wouldn't have achieved it, so I'm really grateful for all he has done. Now, this budget...so obviously I'm going to be supporting the capital budget. But budgets are difficult. You know, the operating budget, I like the increase in 300,000 for library materials. I like the improved safety on buses. These are all worthwhile. Dutch Elm Disease, I'm not happy with the fact that we are contingent on the Province meeting our side. In other words, the Province doesn't come in on the deal, we don't proceed with our strategy with Dutch Elm Disease. Let me tell you this, these trees made a significant difference to my community. You know, you go down Wolseley and the trees make it cooler in the summer. The trees are environmentally a worthwhile effort. We should be planting more trees, but it shouldn't depend on the Province. We should do it ourselves because we are committed to it. And then the Aboriginal Youth Infrastructure Training Program. We are committed for a third. But we don't do it unless the Province agrees to it. I think we should do it regardless if the Province agrees to it or not. The 2.4 million saving through the Alternative Service review process, where are they? I mean, it's up in the air. It's not going to be realized. There's no indication that we're going to find 2.4 million. Vacancy management. What departments are affected? What positions are not filled? Sure, we save 14.1 million, but it's a cut in service, obviously. The voluntary furlough program. Clive Wightman, Director of Community Services said the existing voluntary furlough has not been used as they are needed to deliver services. He can't afford to give his staff time off work. Brad Sacher, Director of Public Works said he could not spare an employee taking time off. But basically we're not maintaining what we have. You know, at the Cindy Klassen tennis, we haven't been maintaining that tennis court. I mean, that's just one example. So I can't support the operating budget because we depend on the Provincial Government for agreeing too much of it. We haven't had an audit on the new Police station. Let me tell you this, I don't understand why we haven't unanimously gone for an audit for that Police station. The only reasonable course, when you do something and it doesn't work, you find out why.

Madam Speaker: Councillor Smith, please address the budget only.

Councillor Smith: What's that?

Madam Speaker: We're addressing the budget today.

Councillor Smith: I know, but I'm...and this is part of the budget. And overall, businesses...we're reducing our taxation of businesses and we're increasing it on the home owner, which I cannot support. I think we should be increasing business taxes, not reducing them. You know, I would love to support the operating budget, but I cannot support a cut in services and an increase in taxes on the home owner. Thank you.

Madam Speaker: Thank you. Any further speakers? Councillor Vandal, you will be closing on your motion later. Would you like to speak to the budget now? Okay.

Councillor Vandal: Briefly. Thank you, Madam Speaker. There has been good discussion here both from the administration...from the administration, from delegations, former, the former Councillors row as well as the current Councillors. I'm not going to stand up here, Madam Speaker, and tell you that this is a horrible budget because it's not that, and I'm not going to say that it's a great budget because it's not that either. But there are things in this budget that are very positive that I am going to support, Mr. Speaker, in many...in several respects, it's a water-shed budget. On the capital side, there is \$142 million for rapid transit and many of us in this room or several of us, not many of us have fought long and hard to try to deliver a rapid transit system from the downtown to the University of Manitoba. I would dare say that we are a couple of decades too late, but the commitments are there from the City. They are there from the Province. We have to get the Federal Government on side and there's clearly \$142 million in there for a bus rapid transit Phase 2 and that's incredibly positive, it should be celebrated. Councillor Orlikow mentioned \$220 million for the entire package that was announced by the Mayor. I believe there is a significant amount of money there for land drainage that's on the water and waste side, that's already budgeted for and there is some money for the Jubilee extension, which I believe will...a Jubilee / Pembina extension which will also be done at the same time. I think that has to be celebrated and that's the first thing I want to say. I'm very supportive of the capital budget. Athletic fields with an extra 800,000. My ward is going to benefit from that greatly. I've heard positive remarks from the football teams, the soccer teams of the community, are looking forward to that. Reforestation, again very positive on the capital side. It's something that I can speak of with a...in a positive sense. Aboriginal Youth Strategy, I think we are doing work in Winnipeg on the Aboriginal Youth Strategy that no other city is doing and I'm very proud of that. I went to go speak to the Paramedics Recruitment Training Program and it's something that we should all be proud of. There are negatives in the budget, Madam Speaker, and they are glaring. They are obvious and I want to state a few of them. First negative and this is an issue that for a politician is not very sexy to try to advocate on behalf, but nevertheless, I think given the context that we're living in,

given the challenge of the future, it's something that we should be concerned about. It's the \$2 million WAPSO cut-back because I believe this cut-back exacerbates our biggest risk as the City of Winnipeg, the corporation of the City of Winnipeg. I believe our biggest risk is the lack of executive corporate capacity, certainly on the admin side, but you could make the argument on the political side to really grasp, to analyze, to do your proper due diligence and to generally manage those more complex files at cities, municipalities are faced with on a month-to-month basis, Madam Speaker. I'm...I want to be clear, I'm not saying our folks are not capable, but I'm saying that over the years the capacity to handle those sorts of complex projects is not what it once was. It's my opinion only. You don't have to listen to me. You could listen to KPMG or Councillor Smith. KPMG, a report that we paid a quarter of a million dollars by the way to do the Public Works review. They basically came out and said that Public Works do a fairly good job at what they do, but one of their high priority recommendations is that Public Works should add three analyst positions. Financial analyst, which is a financial analyst to fill a current vacancy, an operational analyst and process improvement analyst. Those are the sorts of high...middle to high level management that will ensure that we get reports out in a timely fashion, that the reports when they come out are filled with factual information. There's no glaring omissions. Those are the reports that give the elected officials such as us the information that we need to do our jobs properly for the people that elect us, Madam Speaker. Those are the words of KPMG, and if you don't believe me, if you don't believe KPMG, then just look back on the last year. You have the new Police headquarters scenario where we were all told \$70 million over budget with critical information which was not included in reports, which needed political approval to continue the process, Mr. Speaker. And I'll repeat today what I repeated last week, is there any one in these chambers who would've approved the July 2011 report had they known the design for the Police headquarters was only 30 percent complete? The facts are, Madam Speaker, nobody knew that because it was not in the report. And I'm not...I don't know because we voted down an audit. I don't know if that was simply a glaring, the most glaring omission in the last decade in the City of Winnipeg, but nevertheless the information was not there. We made a bad decision. We could've looked at our alternatives had they come forward at that point. The fire paramedic station fiasco, Madam Speaker, which will be a case study on how not to manage a project, where according to an auditor, Ernst and Young, they said select information was provided to only one proponent. We don't know how that occurred. It could be just simply well-intended stupidity as Councillor Swandel says or, another glaring omission out of our senior public service for whatever reason was not there. We could've dealt with that issue, had we known that process has been managed in a better, in a better way. I can go on and on. There is an asset management system that the administration has been working on for years and years. I don't know where that's at. I imagine it's going to come forward this year or the year after and there are other reminders of how we need to do a better job. All of this to say to bring it back to my point was that I'm not sure whether finding \$2 million of efficiencies in our senior WAPSO staff is going to give us the best bang for our dollar. Three and a half days off for nonessential staff, Madam Speaker, I said it once, I'll say it again, this is an obvious blatant political gimmick. The savings when you contextualize them are minuscule. I will say that one and a half million dollars is half of what the cost overruns were for the fire hall fiasco and about 1.5 percent of the Police station overruns all told. Madam Speaker, the savings in context are minuscule. The organizational effects are I believe damaging and in fact, to implement these days off, in the time of Christmas, I don't believe sends the right message that the Civic administration should be spending...sending and you know, it's not like these days off were happening next week, you know, we're all going...most of us are going to be around, we're going to be working and getting paid. We're imposing those three and a half days off on the next Council and I know I won't be there. I don't know many of us...several of us maybe won't be here, some of us by choice and some by election.

Madam Speaker: Councillor Orlikow moves extension. All those in favour?

Councillor Vandal: But it seems to me that if we really want to do three and a half days to affect this Council, we would do it this...we would not hold it off a year, but nevertheless, I'm not supportive of that. And I think...you know what, at the end of the day it doesn't matter, discussions about WAPSO or CUPE or the heavy construction industry or the Taxpayers Federation, it's about our constituents; it's about the people that elect us, year in and year out and I can tell you that I've done a lot of consultation lately. I was in Sage Creek yesterday with 12 residents. I was in Royalwood on Sunday night with another 10, 12 residents, I was in Windsor Park last week with several residents and I don't get a lot of warm and fuzzes about a property tax increase given the context that we've governed in the last year. I'm not convinced that three points at this time, given the mismanagement, given the problems that we face is going to be very well received by our constituents. I know, Madam Speaker, I work for the people of St. Boniface. I don't work for the Mayor or any particular committee of Council and the message I'm getting loud and clear is that a tax increase at this time is not what my constituents are asking for and I have an open mind on the operating budget. I'm going to sit down, I'm going to listen, I'm going to support the capital budget. I think there are some really good things in there and I will vote accordingly when I wrap up on the museum motion.

Madam Speaker: Thank you. Any further speakers? Okay, hearing none, Councillor Havixbeck.

Councillor Havixbeck: Thank you, Madam Speaker. I'm very concerned about what we've been doing here on Council of late. I believe we need to reform this process, not make a bigger patchwork quilt out of all of it. There are parts of this

budget I could say are very wonderful and I'm sure we've had an announcement about each and every one of them at least once. However, I see an arrogance by the Mayor, by the Chair of Finance, an unwillingness to change, an unwillingness to listen and really listen when people have come to meetings, not just beat them down. You know, I had a speaker come up to me after the EPC meeting, a speaker who was going to follow me saying, "Are they going to be that mean to me, too?" You know, the cost overruns are a sign of arrogance to the citizens in this city. This 2014 budget should not be approved today. It should be sent back and we should be working harder together to come up with something on a more collaborative basis and bring it to citizens in a more whole forum. We are not demonstrating leadership by just passing this through and getting on with our holidays. Those who are planning to support this budget, to me, are showing a disregard. And I have heard from people, citizens from all of your wards, from everyone's area of the city. People do not want a tax increase. Some have said, "Well, all these other cities have raised taxes. All these other cities have raised user fees." Well, guess what, we live in Winnipeg. This is Winnipeg. I choose to live here. Families choose to live here because it is affordable, but it's getting out of reach. Prove me wrong is what I ask. Prove to me, we haven't hired more people than we budgeted for in 2013. No one can provide actual FTEs. Prove to me that we have a vacancy management. That it's a real number. Include an appendix in this report. Prove to me that all the money collected last year was actually spent where we said it was going to be spent, on roads, 7.2 million. We're still asking questions of the department even during this debate. Prove to me that we have managed large scale projects in 2013 effectively, on time, on budget. We have borrowed; we have borrowed \$152 million that our grandchildren and great grandchildren will be paying off. And prove to me that we have criteria for all those groups that came forward during this budget process, in past budget processes for arts, for non-profits. Prove to me that we have a fair understandable process that everyone can come forward with. These are just some of the motions that I have brought forward during last year's budget. These are things that I came to nearly every standing policy committee on this year and last year, and these are things that we are still getting answers to from our administration. All things that I believe matter to citizens in this city, to prevent their taxes and their rents from increasing. Prove to me we did something more and better than we did in last year's budget. Wasteful spending, Responsible Winnipeg campaign, a budget simulator, a budget consultation, finding answers that we could've just gone out on the street and asked people about, a Police review, a Public Works review, recreating an EPC secretariat, increasing Councillors' ward allowances, the need for a fire hall part 1, part 2 and part 3, and a realty audit. And I still see a need for Police headquarters audit, when we've gone over budget, some \$80 million, all unnecessary, if we have managed projects effectively. During 2013, we learned of blatant mismanage and incompetence and it...those exact words were used in a very large file, and no one really knows for sure whether the CAO was left with a payment. In November, we learned that the Police headquarters was some 56 percent over its original budget. There's questions still about square footage rates, borrowing costs. That report was received November 22nd. A week later, this budget was tabled with a three percent property tax increase and it's not just a tax against those who own property in this city because there are so many hidden taxes in here. There is a tax against the poorest of poor in our city here, and that's on converted residence. According to the Landlord and Tenancies Branch that tax because it's over two percent maximum allowable rent hikes can be passed on to tenants by land owners...by property owners. We now have the highest number of citizens ever receiving food hampers throughout the year and at this Christmas season. People cannot afford to have these kinds of rental increases or these kinds of tax increases. Seniors are one of the most affected groups and in my discussions with representatives from Winnipeg Harvest, they tell me in particular, women over 75 years old, they have basically a very fixed income of CPP and Old Age Security. My mother got more...seven dollars more last year on her fixed income, yet we raised her tax bill \$60, plus all the other levels of government. David Northcott referred to these ladies as the tea and toast ladies, for months. No nutritious food. Tea and toast and that's what we are doing to them. Most people agree they need to pay taxes. I'm not saying we need to be tax free forever. They want to know they're getting something worthwhile. Clean water, smooth roads. The snow cleared after it snows and the garbage collected. All basic municipal services I feel we have failed on. I believe we need to work collaboratively with our unions to find savings, not ramming down mandatory furloughs at a time of year when people's bills are the highest. I heard from a City employee, recently divorced female who said it was completely unfair and she didn't know how she would make ends meet. That 3.5 days is significant to many of our employees. This is the last budget that will be approved before the next municipal election. For some, it may be the last budget period. And to me, this budget says we don't support our citizens, we aren't listening and it's a disregard towards each other who have tried to come forward with ideas and the public. I believe we need to work harder towards restoring trust and confidence at City Hall. I think we should send it back and work a little harder into the new year. Thank you.

Madam Speaker: Thank you. Councillor Eadie.

Councillor Eadie: Thank you, Madam Speaker. First, I just like to start off by...I won't use that day, it's the time of season, I'd like to thank the person in charge of trying to get this budget together. I know that the Councillors put in many, many hours of work and tirelessly tried to put something together that basically, and it is very exhausting, but you know, tried to make deals here and there to make sure that a budget could be brought forth that you could try to get everybody's vote, to vote on, and I know that the administration spent many hours working with that person and the committee that struck to work on finances and I know that everybody on EPC has been quite privy to the budget process for a...quite a number of months now and I think that's great. But you know, really, with this process, I have to say that,

you know, it's really awful. I mean, I have two...how long that...two weeks plus two days I think it was and we are supposed to understand this budget inside and out. And, you know, in the recent past history, we've had a budget overruns on major projects and, you know, we could blame some staff or not, you know, I think that what's happened is over the time that I've been a City Councillor now, over that time, what's happened is really that...I think a number of us have kind of lost trust in where things are going, but you know, I have to say in this budget process, this one, this year, when I asked questions in the standing committee, I actually got real true answers. How difficult it is to deal with a constant push to cut, cut, cut, so that we can...so that we don't have to raise property taxes on people who are struggling. They're having a hard time because we live in an inflationary system and many people in this city aren't seeing the kind of raises that some others are, but I don't think we have to pit workers who make more against ones who make less. I think one of problems with some of the speakers I heard today is the reality is, is that there are a lot of people who are high up in many corporations in the private sector who are getting way more profits and can afford probably any property tax increase that we passed on to them in this city, and you know, but the reality is, is that the private sector is operating the way it does. You know, not everybody has, I heard a quote that, what, 71 percent of the people in the private sector don't have a pension other than CPP. Well, I don't say, "Bring everybody else's pension down, how are we getting those people a pension?" But you know, I digress a bit because we're talking about our city budget here, but we did have to, you know, vote to drag a line of credit along to help support pensions for our Winnipeg Police officers and, you know, this is a thing that where I wanted to go here in terms of the managers, senior managers of the city, our administrators who worked really hard to do their job, and yes, some of them do make mistakes, but what we really need to be able to do is to be able to have conversations with our unions and work with them to find and discover ways of doing things more effectively, more efficiently if you want to go by that. I don't think that we need to hire consultants for alternative services thing that has never come to fruition since I've been on City Council. Nothing has happened because you know what, basically if anything there was savings to do to go to alternate services. It was found, but I say that it's actually raised costs. You know, if there is a driving force, we have people working in Solid Waste constantly checking on our private contractors to make sure that they fulfill their obligations. You know I was in the past, in the 90s, I remember we privatized Handi-Transit. Well, we've got a whole bunch of staff now that have to spend a lot of time making sure that our private providers are meeting the needs and we're having to deal directly with these situations. So you know, if you are voting for this operating budget and the alternative services is in it, what I'm saying is, is...and I can't vote for it because what you're doing is you're saying spend money on consultants to try to find cost savings. When there really is none anyway. Why don't we take those consultants that we hired to do it and take that money and redirect it into initiatives that aren't alternative services like we just voted on a new VOIP system for our phones? Yeah, MTS lost and some workers might, may or may not lose jobs, I doubt it, but what did happen though is, is this City saved a lot of money on an initiative that really wasn't looked at as an alternative service delivery. It was looked at as a way of getting our services done in a better way in and we can do that. So make no mistake. When you vote for the alter...this thing with the...this staff...vacancy management, how do you do vacancy management when you hear from your senior managers that they barely have enough staff to meet the service demands that they have. I'll say, you know, there was an ad on CJOB the other day. What we have here is a property tax increase with service cuts, very...not, not good. It's not good. You know, it's wrong, I have to say because, you know, ultimately people expect services. That's what I get calls about. You know I get calls about our street maintenance this year. I got calls about our potholes. We wouldn't keep up to the potholes. We can't keep up to do the street cleaning. We've got...we don't have enough staff to make sure that every street is plowed. We're going back and fixing mistakes. I hear all this stuff and so, like, like, what is that? People want services, that's what I get calls about. I do get calls about people who can't afford to pay more property taxes, I understand that, but this city sits in a situation the same as anybody in their home and that is there are inflationary factors that drive up the cost to run a City and deliver the services and we need to find a balance though, to try to do, and I know that the person in charge of the budget process this year tried to do that, tried to achieve a balance, but in trying to achieve those balances, we're talking about deals and things going on. There's a lot of really good things in this budget, but my biggest problem with this budget is that there is a lot of good things that have happened, but it didn't happen under a plan. It was...come to somebody and say, "What's your special deal, what's your deal here?" You know, I heard about the Seven Oaks Pool. I think this is a great thing. That pool serves all of the Maples. It serves all of West Kildonan, that includes Garden City, Riverbend, Rivergrove, Old West Kildonan, Garden City, it's all those...that's the pool that the people go to, that's the pool that I took my family to. The Sherbrook Pool serves way more people than just the people in the Daniel Mc and it's good to see that the Mayor and others have seen fit that yeah, Sherbrook Pool isn't just about Daniel Mc, it's about having a pool service that is used by many people around the city and I'm sad to say, I'm not seeing the kind of investment in there. I'm not sure that the Province is going to come up with the rest of the money. Hopefully, they do. When that process of application goes through, I'm not convinced, so I don't know. But all I know is when I was talking to the person responsible for the budget, I think we came up with a great thing, a spray pad for Machray Park. Excellent, excellent thing to do and I understand the Mayor in that process, I didn't know this, but I must have missed it in the media, but the Mayor when he was first elected, talked about we have no spray pads in Winnipeg. We now have a number of spray pads, but you know what I've never seen a plan anywhere...

Madam Speaker: Councillor Gerbasi moves extension. All those in favour? Contrary? Carried.

Councillor Eadie: ...that said "where should we strategically invest in spray pads to ensure that people who can't afford to go to the wonderful facility at Kildonan Park", and you know, I think the indoor spray pad is probably a fee for service which you know, is neither here nor there. Hopefully, we can keep the fees low, but ultimately, I've been hearing about a deal with...so these are good things. However, where is the plan? YM-YWCA, we know that they want recreation services out in our new suburbs. We know that's there. Why didn't even send out an EOI? You know, The Y is a great organization, but you know what? They are not the only organization that provides recreational opportunities for the citizens of Winnipeg for a fee for service. They are not the only ones. Why wasn't there an EOI? I don't understand this. We're being told that it's x number of dollars to build a 17,000 something square foot facility. You know, what's in it? All these things...we are being told that. We're putting the money away. We don't even know if that estimate is appropriate or not. Why are we spending our money? Have we not learned our lesson? We are going to a sole source contract with a private provider of recreation services to build them a facility and where is the planning? Where is that? I don't know where that is unless, you know, there was probably a lot of discussions. One of the Councillors mentioned, you know, it's...maybe it's not a bad thing. The City...if it's going go in that direction where recreation services are privatized. I don't agree with it, but if that's where it's going, let's do it in a more up front, open manner, all these things. So I have said that, you know, I think that the local street renewal and regional street renewal are important, but you know, I was going through the capital budget. I said that I was going to vote for this last, what was that...Thursday? I finally had a chance to go through stuff and do some evaluation. We are spending \$3.2 million less this year on our regular local road improvement program. We were told when the budget was first introduced that we are not cutting our regular program, but we're adding on this one percent and those are the numbers, that's the facts because I looked up and so. I have to say today, pardon me to the person who put in all this time, but I will not also be supporting the capital budget because I don't know what else is in there. There is a lot of good things, but I don't know what else is in there and I don't know why we are wasting \$800,000 on a regional road study that we can't afford. So you know, there's a whole bunch of things in here, and I have a real problem with it and it's ultimately...and you know, this is my what, fourth budget as a City Councillor and I have to say that I always have hope that you can make changes, but one of the things you would not notice, for me at this budget, was I didn't offer up any motions to make changes because I really believe that there was...it was fruitless, but I do support the motion from Councillor Vandal for museums. You know, that Dalnavert Museum...

Madam Speaker: Councillor Eadie, your time is up.

Councillor Eadie: Anyway, the Manitoba Historical Society might even get out the Ross House Museum, so I think he misunderstands what's going on with the museums' budgets. Thank you.

Madam Speaker: Councillor Pagtakhan followed by Councillor Nordman.

Councillor Pagtakhan: Thank you, Madam Speaker, and I just want to take a moment to thank, you know, the Chair of Finance, Councillor Wyatt for the work that he's done on putting this budget together as well as the budget working group which is Councillor Browaty, Councillor Mayes for their work as well and all the members of EPC, the Mayor as well as our acting...Interim Acting Chief Administrative Officer, our Chief Financial Officer, our Treasurer and the whole financial team. This is a...there's a lot of work that have been put into this, Madam Speaker, and you know what, I just want to say it's a good budget, it's reasonable budget, and it's a budget I'm prepared to support. You know, I was...in preparing my comments today, I was thinking back on a few of the capital / operating budgets that we did in the past and, you know, just in the recent past, Madam Speaker, you know, I was glad that we put the money into the North End Recreational...or pardon me, the North...what am I saying here...the North Centennial Recreation Centre as well as the Sinclair Park Community Centre. At the time, I wasn't sure of the kind of impact we would see within the community in northwest Winnipeg, but you know I see that now reflecting on that and this budget here, Madam Speaker, does a lot of great things and brings us into the city of the future. I do want to say that, you know, We have had a chance to listen to many delegations and I've heard over and over again, Madam Speaker, a lot of reference to the cost overruns on the police headquarters, but you know, I do want to say this, Madam Speaker, that I'm not sure if people had...did hear me last time, but there are two components of that guaranteed maximum price, Madam Speaker. There was one that says that the contractor, Caspian Projects, yes, I know that, Madam Speaker. But I just wanted to break the rules just a little bit and say that you know there's two parts to that and the second part, we were only talking to the second part, Madam Speaker, and that I want to go to defense, Madam Speaker, because it was said here today, you know, that it's unfair for the professionals, the CGAs, the chartered accountants, the professional engineers, the architects, the project managers and members of the Winnipeg Police Service, Madam Speaker, you know, they work their butts off on this particular project to keep it on budget, on time. It is going to get delivered on time, Madam Speaker, and I want to say those...that those cost overruns were kept...those are justified, fully justified, Madam Speaker, I just want to say that for the record. Thank you. I didn't want to say, back to being a responsive budget, Madam Speaker, that you know what, you know Councillor Smith alluded to it and it's something that he's been fighting for a number of years and it's more...more money for the Winnipeg library system, we're putting \$300,000 into our library system, Madam Speaker, and that you know that's going to go towards the books of different languages, different nationalities. The books, you

know, the libraries, Madam Speaker, are the living rooms of the City of Winnipeg. They are community and cultural centres. They are places that inspire young people, people of all ages, and you know, I do want to say as well, some of that has been mentioned here today, we've got two libraries, Madam Speaker, that are part of the Carnegie Foundation and one of them is a Cornish Library and one of them is a St. John's Library and both of them were built in 1915, Madam Speaker, and they're both receiving substantial amounts of money, 2.68 for the Cornish Library Redevelopment Plan and 2.75 million for the St. Johns Library, Madam Speaker, and that's coming up on their 100th year anniversary. So that I just want to mention that you know that was the hard work that is being done by the Winnipeg Library Foundation. They raised public money to do that and they're bringing a lot of people from the...all of Winnipeg and all of Manitoba to support these libraries. Madam Speaker, I also want to say that you know what, I'm glad that we are supporting a little bit of money for Heritage Winnipeg for all the advocacy work that they are doing in our city relative to the Exchange District, as well, Madam Speaker, you know, we heard from Mr. Barry Remple and members of the Winnipeg Art Gallery Capital Campaign. They came here, did a very professional presentation for the Inuit Art Gallery. We've the largest Inuit collection, I think, in all of Canada, Madam Speaker, and they are doing some fine work. They're getting some private money, they're getting some private money. They're getting some...and they're put together a top-notch presentation and I'm glad that we're putting a little bit of funding there, Madam Speaker. You know, they're asking for \$5 million, but I think that we're sending a, you know, a good message to them that we were going to look forward to supporting them in the future. With respect to, you know, I do want to say, Madam Speaker, that Winnipeggers enjoy some of the lowest municipal property taxes in all of major Canadian cities in Canada. That is a point in fact, Madam Speaker, and I do also want to say, with that, is that we've also been witnessing immigration to our city in huge numbers, 2010 over 12,000 people, 2011 over 10,000 people, 2012 over 13,000 people, 2013 over 11,000 people and that trend is just going to continue going upwards, and you know what, I do want to say, it's a point of pride for me that a lot of those folks, 3,000 folks from...came from the Philippines last year, Madam Speaker, and a lot of them, not all of them, but some of them live in Point Douglas, but most of them, Madam Speaker, live in northwest Winnipeg and you know what, we just approved two major subdivisions in their Waterford Green and Castlebury Meadows and I'm pleased to say that in this budget, Madam Speaker, we're going to be twinning Keewatin Street and Dr. Jose Rizal Way. We are listening to the people living up that way, also responding to some of the development pressures that we're seeing in that part of the city due to immigration, that's a good thing, Madam Speaker, for our city. Also with respect, you know, the good folks at the Burton Cummings Community Centre, they've been working hard year over year, I think since 2007, Madam Speaker, and they did a feasibility study. They've trying to raise some money for a fitness trail there. They've got a huge field there, Madam Speaker, and they wanted to add some value to that neighbourhood in the West Alexander neighbourhood and I'm glad to be able to support them through you know this capital budget. We're putting some money to build a fitness trail there. They're really happy, you know, we're finally answering some of their requests, I think that's a good thing. That's a testimony to every part of our City. There's a whole bunch of great projects in here, and I think that is because we're listening to our constituents, Madam Speaker, and we're responding to the needs, and we choose to work with them and that's a very important point I want to get across here today. As well, Madam Speaker, you know what, I talked about building the City of the future, we've got money for rapid transit; we've got a doubling of active transportation money and I want to thank you know, Chair of Finance and the Mayor, I know they've done some good work on that in the past and we're continuing to do some great work on that. We've got monies for our library redevelopment capital development, Madam Speaker, we're dealing with a whole host of libraries over the next seven years and I think that's a very positive thing that Councillor Smith, I'm sure will be very happy to see that and some of the Councillors whose libraries we're going to be doing and as well as we're going to be supporting some of the capital redevelopment plans of the Assiniboine Park Conservancy. Those are some great things I think that are happening, Madam Speaker, I just wanted to say that we're also doing a little bit of a project that I helped start back in 2005. It was the Edge Clay Centre and it's a great project. Those guys that...sorry, I'm a little emotional. How much time have we got? Those guys did an amazing amount of work on a shoestring, and I'm just glad that we're going to give them a little bit of money, finally to help them out. So, thank you, Madam Speaker.

Madam Speaker: Thank you. Councillor Nordman followed by Councillor Swandel.

Councillor Nordman: Thank you, Madam Speaker. I'd just like to say other than the last 30 seconds Councillor Pagtakhan stole my speech. So, maybe I will maybe address some of the questions and the dialogue that has existed around this table today about the process of the budget. I've got to say that my leader on Finance, Councillor Wyatt, I think, has done an outstanding job of pulling this process together. You know, we went from the early meetings that Councillor Fielding had when he was Chair of Finance where there was maybe one a year to actually putting a program in place. Was it perfect? Far from it. The meeting that we had in my ward was at noon on a Saturday in July. Three people came, but that was the time that was allotted. They were trying to give space from...for people that maybe weren't available to come in the evening or able to come during the daytime, during the week, so Saturday afternoon in July, it was attempted. You know, you learn some lessons along the way and I'm sure that particular experience won't be repeated, but I think we've started a process that will carry on in the future and whether all or some of us are or are not here in a year from now, after October 22, there would be an opportunity that the template is there for the actual process to evolve. It would be more inclusive, but at the end of the day also, you can bring a horse to water, but you

can't make him drink. We provided the opportunity for the citizens to come, and I...with the greatest respect, you know, there's a dozen members of the media sitting in the gallery and Matthew Komus from that...the Museums Board and that's about it, and you know, where is the interest? I know they're depending on the media to report it to them, but at the end of the day too, you know, people in my ward have been more concerned about an issue in Councillor Havixbeck's ward, the United Church Green than I have about the budget. You know, the reality is, the interests of the...

Councillor Havixbeck: Point of order, Madam Speaker. That's an item for an upcoming agenda that shouldn't be spoken of right now.

Councillor Nordman: Thanks. Anyway, I will not mention that again. But at the end of the day, the experience we've had I think this year, has been a most positive one as far as the consultation process, a vast improvement of what we had in the past. You know, Councillor Orlikow made a comment that would be about \$90 on a \$300,000 home that, that would roughly be the price increase, well, that's a couple of tanks of gas. Maybe those folks that do have the \$300,000 home may want to make one less trip to Grand Forks this year and save the gas money, you know, I can't speak to the folks who are in a financially challenged way. I'm sure there are individuals that will find the modest increase particularly of the .95 percent to...they're not worried about fixing the roads, they're worried about what the opportunities are for them to have improved services, but the reality is, we can't be all things to all people, and I think the greater good is being done when we throw the two percent, one for each, the residential and regional roads and work towards that so, I'm the newest guy on EPC, I've been there for six weeks, sort of watched the process come to a conclusion. A lot of the work had already been done before I got there, I took my father's advice and listened twice as much as I talk, two ears, one mouth, and the experience I think was enlightening for me, for those of you who have not been on EPC and for somebody who's a newbie on EPC, I can tell you, how hard the work and the amount of dedication that comes not only from the elected members around that table, but our administration. Mike, Deepak, Jo-Anne, Betty, the whole crew. It just was really quite enlightening to me, the...how prepared our administration is and how well they understand the needs and the wants of the community. So I will be supporting both the operating and the capital budget and look forward to having a relaxing holiday season and wish you all the best and likewise the media. Thank you.

Madam Speaker: Thank you. Councillor Swandel.

Councillor Swandel: I'll be brief. I sat here, I wasn't really going to speak to this, but listened, had a good chuckle, got a little angry a couple times, you know, and I kind of came to the conclusion that never have so many different representations of the same information been put forward to so many in the public. You know, this is a budget. Budgets are very interesting things, you can pretty well do anything you want with. They're just a budget. You know, they are a guiding document. They always have elements in a budget that creates the flexibility required to deal with the operational issues that arise from day to day and you know, this budget certainly isn't anywhere short on flexibility and places where things aren't going to happen exactly as they do, and we have that every year, and every year, we come in usually under one percent or, you know, where we...we point the number, plus and minus. In recent years, we've been on the plus side, but in previous years, we've actually been on the minus side of that. We've had to deal with our fiscal...with that through fiscal stabilization fund. You know, I've...you know, we've things that you know, from delegations and Councillors alike, and you know, fear mongering, misinformation, characterizations that were outright falsehoods and quite a bit of self-serving political diatribes, which have very little or no foundation in reality, but we do have responsibility here to get a budget done. The one thing that I did hear today that struck me and I think it was Judy Wasylycia-Leis that talked about budgets being forward thinking, and it's something that nobody here has taken the time to mention, and it is a void in this budget and it was a void in last year's budget. It's been a void in many budgets, and that's us getting our head around the asset management strategy and a shifting of where we're applying our dollars, and that is going to require great deal of political courage because we may have to take away from our capital spending for a few years to invest more on the operational side or vice versa depending on what that asset management strategy tells you, and what we need in this room is a group of individuals who will have the courage to do that because that's where the value for the future of this city will come from. It's the proper allocation of the dollars in a value-based way of thinking, not a political parochial way of thinking, or in a purely cost approach, but in a long-term value approach in order to ensure that we're leaving this city in good, financial...and I did for, you know, physical condition for our future generations. And I think if you...if somebody really looked at all of this and wanted to criticize this and you know this is a budget. It's the best this group is going to do. You know, you can support or you cannot support it, but that's the one criticism that should stand out on this budget that it is...it's not forward thinking; that it leaves the value equation, you know, at the side. That we still have been unable to bring forward where other cities have been able within a couple of years to get an asset management strategy up and running and limping forward to get it wholly done, we are still thinking about it, talking about it, chatting about it, you know, life cycle management, asset management strategy is probably the single thing of the greatest importance to this city that needs to get done and needs to get moving. You know, obviously, I'll be supporting the budget, so I just encourage you all to think about that and to put some of our own self-serving interests on the back burner and try to figure out how we develop the courage to get that done because it is going to take courage because it's not something that's going to be easy to sell to the citizens of Winnipeg. The citizens

of Winnipeg are going to want to always beat the heck out of this, that you know, "Oh, we're raising taxes and you guys, what do you know? Well, the reality is we're just everybody's next door neighbour and it could just be...just as easily be the next neighbour, and the next neighbour, and the next neighbour, and there's not some great conspiracy of individuals who hide in the woodwork trying to find the next guy who's going to screw this stuff up. We're not...we're here, we're looking at it, we're trying to make the tough decisions that have to be made and it's very difficult to do when you are fighting with 15 to 16 people to get it done. So let's think about that as we move forward and we will move forward from today. I think we all know that. These budgets are going to pass, but let's work to building, you know, the city that we, you know, that we're all committed to, and I think, you know, one thing you can say, each and every one of us is here for the right reasons, so let's not beat up on each other; beat up on particular issues. Let's try to find a way to get forward thinking, to extract that value and continue to make this one of the greatest places in this country to live, and all you've got to do is travel across this country to figure that out. Thank you.

Madam Speaker: Thank you. Councillor Wyatt.

Councillor Wyatt: Yes, it's been a very interesting debate and discussion and I want to thank all members of Council for participating in the budget process. I'd also like to thank all members of the public who've come out to the various meetings and participated as well and spoke in delegation. I think EPC heard a whole host of individuals last week and we were able to make some changes to the budget. You have before you the Executive Policy Committee motion with amendments to the budget and some significant changes were made based on those delegations. I'd like to just speak on some points with regards to the budget. Every budget, of course, has its challenges, everybody knows that. We have to legislatively present a balanced budget, required by law in terms of our operating budget and as well, in terms of our capital budget, we have to have...we're stick to our financial management plan, have a capital budget where borrowing is sustainable. We, of course, lack the tools that we know we need, in terms of addressing our long term infrastructure challenges as Councillor Swandel spoke about our asset management, the long term needs to address our need to maintain our assets, those tools have been...we've been lobbying for years from levels of government for new forms of revenue, new forms of our sharing of existing revenue sources that they have, to no success. So we are falling back on what we have referred to in the past, which is a main source of revenue which is property tax. At the same time, we've had to maintain and control our debt levels to ensure that we maintain our credit rating, Madam Speaker, so that our borrowing costs can be manageable and kept down. All at the same time, we as a Council have made decisions in the past independent of this budget and previous budgets, we have made...or future budgets, made decisions to increase salaries, to increase wages, especially to our emergency services. This is a direct impact on our operating budget and this budget does reflect that as well. We've done this at the same time, with trying to meet demands with regards that we have in terms of a city that is growing and a city that is successful. More demand for more fire halls, more libraries, more buses, more roads and bridges and rapid transit lines as well. I could talk to these matters, Madam Speaker, I could speak to the issue, for example, in this budget, we are keeping the local street renewal reserve, the second year in a row now, a dedicated transparent funded plan that will get us and if we stick to it in future Councils, stick to it, get us on to a sustainable plan, Madam Speaker, with funding in place. Of the 2.95 percent tax increase, one entire point of that 2.95 percent is going to the local street renewal reserve. Is it enough to do it right now to fix our local streets? No. But over the next 24 years and if we stick to it, it will be. Right now, Madam Speaker, the local street renewal reserve, compared to 2012, whereas 21.7 million is going to 35.7 million, 14 million more or an increase of 65 percent, fixing our local streets, residential streets, back lanes, sidewalks. In 2014, we're going from 35.7 million to in 2014, 39.9 million reflecting a one percent increase. In terms of a new step that we've undertaken, Madam Speaker, in this budget, we have introduced the new regional street renewal reserve. The new regional street renewal reserve is a brand new program, modeled on the local street renewal reserve, we're again...we are dedicating one point of the 2.95 percent, one entire point towards the regional streets; regional streets which handle 70 to 80 percent of our traffic and are key to our economy and economic growth and development. Again, this plan is transparent, it's dedicated and on and above existing funding, we're going from 21 million, Madam Speaker, to 35.3 million, \$14 million increase or 67 percent. In the course of the next six years from now to 2019, our funding is going to go from 35.3 million to 64.4 million annually on our regional streets. Over that course of that...in that same period of time that will represent a total amount of spending if future council stick to that plan, of 268.6 million on our regional streets and we plan to spend the same amount again if Council, future Councils, stick to the same plan of 268.6 million on our local streets or a total of \$537.2 million, over half a billion dollars over the next six years, that, Madam Speaker, just a few years ago, was unthinkable. For the first time, we have a plan to start to rebuild to the infrastructure deficit facing our regional streets and our local streets. I can also talk about the plan improvements with regards to parks and recreation in our city, namely that Parks and Recreation Enhancement Program. Our old programs called the Community Park Amenities Program and the Playground Structures Program is being amalgamated into this new program, and we are almost doubling the budget from 3.3 million to 6.3 million. Recreation in my view is a key to this...the health and the safety and well-being of our city. Frankly, I believe that policing and throwing more money at policing ultimately only treats a Band-Aid. It's a Band-Aid solution, treating symptoms. An active, a healthy and a strong young people, I think are crucial. Our parks and recreation program are investing right across the city in the St. Vital Arena, Crescent Drive Park, Tache Promenade, Burton Cummings Community Centre, Transcona Kinsmen Centennial Pool, Valley Gardens Community Club, McCrae Park,

Seven Oaks Pool and on top of that, as the ward Councillors for your wards, you have direct influence in terms of where that 400,000 worth of investment can be going in the future. It is in this year's budget, hopefully, we can keep it alive in the future. And of course, we cannot ignore the Sherbrook Pool, which is now going to stay open. First amended as of Friday's EPC meeting, being brought forward to this Council meeting, a commitment to invest almost \$1.7 million of public money in the Sherbrook Pool and I just want to thank the friends of Sherbrook Pool for delivering to all members of Council a thank you note. I think that's very classy on the day the budget is being considered. I could speak also, Madam Speaker, to the historic new strategic partnership being proposed with our YM-YWCAs. Over the next 11 years, it's being proposed that we invest \$140 million with our share being 46.7 million into new facilities, one in the southwest, one in the northeast, one in the northeast. As the...per the Y's presentation to EPC on Thursday, these facilities would include gymnasiums, multipurpose spaces, aquatic centres, aquatic centres that would contain multiple elements such as lap swimming pool, leisure pools, lazy river, paddling pools, hot tubs, water climbing walls, something that our city has never seen before. We are literally, Madam Speaker, playing catch up across, a catch up in terms of the city happening compared to the rest of the country and even here and the rest of Manitoba and an added bonus, Madam Speaker, the YM-YWCA is the largest child care provider in Manitoba and the added bonus is even though that's not our portfolio or responsibility, but they would be generating upwards of a 140 to 170 more child care spaces in terms of these facilities including, but be potential for before and after school child care depending on the proximity to schools.

Madam Speaker: Councillor Steen moves extension. All those in favour? Contrary? Carried.

Councillor Wyatt: I can speak to the funding for Assiniboine Park, 61.3 million over the next six years. I could speak to the funding for athletic fees, 1 million up from 200,000, 600,000 in St. Boniface alone for Art McOuat Memorial Park. I can speak to the active transportation funding up for, up 2 million above...doubling from 500,000. I could speak, Madam Speaker, in this budget to the reforestation up to a million dollars, up from \$383,000. I could speak, Madam Speaker, to the historic nature of this budget. It's commitment again to rapid transit and to building a modern transportation system other than the automobile. 142.5 million spread over 2014, 2016, 2015 2016 in this budget to start to build and to finish the southwest rapid transit corridor, something that this Council has...chamber has talked about literally for decades. Yes, Madam Speaker, we'll need a change in our financial management plan, yes, it would mean development cost charges, but, Madam Speaker, it will finally get done. I could talk also about the fact that even though we have tight resources, this council decided to ensure that this budget is pro-small business, pro-business, for Winnipeg to keep a pro-business climate. The small business tax credit is being maintained with over 5,000 businesses not paying the business tax and adjusting the tax rate down from 5.9 percent to 5.7 percent reflecting the reassessment taking place, not keeping over \$2 million of new revenues for the City, ensuring that businesses keep those dollars. This, Madam Speaker, in the face of a Provincial Government that has just raised the sales tax one percent and continues to maintain their job killing pay roll tax. I can speak to the fact, Madam Speaker, that this budget now invests, with the changes being proposed today, over nine percent into the Winnipeg Police Service. It's going to be a challenge on road to ensure that that funding is sustainable, but this represents more than \$20 million to keep our city safe, and to fully fund the men and women who put their lives on the line every day for us. I can speak to all these things, but I won't. The one thing I want to speak to...the one thing I want to speak to quickly is the AYS program, is the AYS program, the Mayor's initiative that he started a number of years ago, Madam Speaker, this is a phenomenal thing. We are building more...spending more money on infrastructure and rebuilding our roads and playgrounds and parks and there is an opportunity. There's so many young aboriginal folks out there who lack employment, who lack opportunity, lack hope.

Madam Speaker: Thank you, Councillor Wyatt.

Councillor Wyatt: This is a program that could get folks up off their feet. I encourage everyone in this room to support both budgets. Thank you very much.

Madam Speaker: Thank you. Councillor Vandal to close on your motion, 1.

Councillor Vandal: Thank you, Madam Speaker. My motion is quite clear. It's simply a motion to reinstate the cuts from 2013. I know that I am asking for \$50,000 in a mill rate support of 979 million. The last, therefore be it resolves, just add \$50,000 to the transfers from the financial stabilization reserve to the general revenue fund. Believe me when I tell Councillors, absolutely nobody will know the difference with the \$50,000, and it will respect the work of a volunteer board of directors who manage our museums for us. They do tremendous work. The staff are often working on shoestring budgets. The museums are scattered across the City of Winnipeg and I do know in the amended EPC recommendations that there was a 2014 grant in the amount of 75,000 to the Western Canada Aviation Museum, which I'm sure is going to be a tremendous museum in its own right, but this is about 0.3 of 1 percent of the total ask that the Canadian Aviation Museum was asking. They were asking for 5 million, they got 75,000. We know that there is resources there to make this happen, if the political will is there and I think it's the right thing to do based on the people that...we have asked to be governors and stewards of our museum. Thank you.

Madam Speaker: Thank you. Mr. Mayor to close.

Mayor Katz: Thank you, Madam Speaker. I think at this particular point in time, we've heard everything good and everything bad about both the capital and the operating budget, so I'm going to try to address a few comments that were made earlier. I heard the comments through you to Councillor Orlikow about being concerned about our financial health and are we acting irresponsibly. I know we have a lot of so-called experts on many topics here, but let me share something with you from the experts and that's Moody's, our bond raters. They noted that "Winnipeg's use of effective budgeting techniques has in recent years led to a series of solid fiscal performances and an improvement in its financial position". Moody's also noted that "Winnipeg has strong governance and management structures, including prudent financial systems and policies for both debt and cash management. Management of debt and the City's considerable reserves also represent a source of liquidity that supports a AA1 rating". That just came out in the last half hour. Those are just the facts, Madam Speaker. You know, I also heard the comments about increasing property taxes. It's not necessary, why are we doing it? Well, you know, quite often in these types of situations, as I mentioned, you may hear misinformation, disinformation, and inaccurate information. I'd like to deal with a few facts, so I'm going to share something and through you to Councillor Orlikow. Upon some research, from the year 2,000 to 2008, school taxes were raised every single year in Winnipeg School Division 1, where the Councillor, for 38 percent, Madam Speaker, 38 percent.

Councillor Orlikow: Point of order, point of order. I do not believe that's accurate.

Mayor Katz: That's not a point of order.

Councillor Orlikow: The information he's providing is not accurate.

Mayor Katz: Madam Speaker, Madam Speaker, I'm happy to share this with any Councillor who wants it. That's number one, 38 percent an average of 4.22 percent, all right? Was there concerns about the citizens who could not afford to pay those taxes when they raised them? Never heard anything. What about the fact of championing the cause that the property taxes should not be supporting school taxes. I know I've heard that from Councillor Wyatt. I've said in many occasions, not at all. Madam Speaker, in the nine years that I have been here, property taxes have been increased by 10.37 percent and that's with the one percent reserve for local streets. That's one point per year versus four plus points per year. I'll stand on that record any day of the week, Madam Speaker. Number two, Madam Speaker, I am very happy to hear some of the comments from Councillor Fielding where he felt there's some good stuff and there's some bad stuff. If you recall, Councillor Fielding asked me about the comment that I made prior to the election. So all who's here and I'm very happy to see you that...the scribe from the Winnipeg Free Press is here because he can...oh, he's walking away, it's okay, has also gone on the record validating what I said, not what some people claim I said. I made it very clear that we should not raise property taxes till we look under every rock to see if we can find savings or revenue. And Madam Speaker, we tried that. We went to the Province and asked along with the Association of Manitoba Municipalities for one percent of the existing PST. They said, no. We also asked for a share in revenue from motor vehicle registrations. The answer was no. We asked for a refund of the provincial sales tax, just like the Federal Government does it, they said, no. We asked for some revenue from land transfer tax. They said no. Only then after trying everything else, Madam Speaker, did we move forward with a property tax increase and who led and championed that property tax increase? None other than the Chair of Finance, Councillor Scott Fielding. Now maybe his friends, Colin Craig and Mr. Brodbeck have forgotten about that, but in the years 2011, the Chair of Finance led a three percent property tax increase. In 2012, a 3.5 percent property tax. In 2013, supported a 3.87 percent property tax increase. Madam Speaker, these are facts. These are facts, okay? These are absolute facts cannot be denied, so let's all be very frank with each other. People have talked about this being an election year and gimmicks, et cetera, and this budget is for that. The easy thing to do, Madam Speaker, in an election year, is not raise property taxes. In this budget, two percent of the property tax increase is dedicated 100 percent to infrastructure, regional and local streets. We have a .95 percent increase for general revenue. You will not find a city in Canada that has such a small increase. And you know what, it's been said, "let's not compare us to other cities", but Madam Speaker, that's exactly what everybody does. Councillors, the administration, the media, that's exactly what they do. They look at charts and they compare us to other cities. When unions are negotiating with us, what do they look at? What their brothers and sisters are getting paid in other cities. That is the standard. And I was glad Councillor Pagtakhan pointed out that we have the lowest property...one of the lowest property taxes in the country and I think that's a good thing. That's why we're competitive right now. That's why we are seeing investment coming from China and Germany calling wanting to know, we want to get involved in investing in your city because they see wonderful things. That's why new businesses are coming here and creating employment and that's what it's all about, Madam Speaker, creating employment and quality jobs, so our young people will stay here as opposed to moving away from our city and maybe young people from other cities will be coming here. There is a lot of good things in this budget and no one has ever said any budget ever passed has been perfect, but let's not pretend, this is not a good budget. Let's not be hypocritical and make statements that you know are nonsense. Let's just tell the truth, tell it the way it is. This is a good budget. I will be supporting it. Thank you, Madam Speaker.

COUNCIL OF THE CITY OF WINNIPEG
December 17, 2013

Madam Speaker: It's time to call the vote on motion 1. Councillor...okay, recorded vote. All those in favour,

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Eadie, Gerbasi, Orlikow, Smith, Vandal.

Nays

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

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

Madam Speaker: Okay, we're moving on to item no. 1. We'll vote for the capital budget first and then the operating budget. Okay, it'll be a recorded vote. All those in favour of the capital budget, please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

Councillors Eadie, Fielding, Gerbasi, Havixbeck, Orlikow.

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

Madam Speaker: Carried. Now, we'll move on to the operating budget. All those in favour, please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

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

Nays

Councillor Eadie, Fielding, Gerbasi, Havixbeck, Orlikow, Smith, Vandal.

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

Madam Speaker: The vote is carried. We'll now move onto by-laws, first reading only. Mayor Katz.

EXECUTIVE POLICY COMMITTEE
CONSIDERATION OF BY-LAWS – FIRST READING ONLY

Madam Speaker: The vote is carried. We'll now move onto by-laws, first reading only, Mayor Katz.

Mayor Katz: Thank you. I'd like to move that By-law No. 149/2013 be read a first time.

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

Clerk: By-law 149/2013.

Madam Speaker: Move on to the next set of by-laws, Mr. Mayor.

**EXECUTIVE POLICY COMMITTEE
CONSIDERATION OF BY-LAWS**

Mayor Katz: I'll move the following by-laws be read a first time, By-law No. 139/2013, By-law No. 140/2013, By-law 147/2013 and By-law 148/2013.

Madam Speaker: All in favour? Opposed? Carried.

Councillor Eadie: Could I be recorded in favour of just the 148 By-law?

Madam Speaker: Noted. Thank you.

Clerk: By-law No. 139/2013, 140/2013, 147/2013 and 148/2013.

Mayor Katz: And I'll move that By-laws numbered 139/2013, 140/2013, 147/2013 and 149 of...sorry 148/2013 be read a second time.

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

Councillor Eadie: Could I be marked in favour of 148? Opposition to all the others and in favour of 148.

Clerk: By-Law 139/2013, 140/2013, 147/2013 and 148/2013.

Mayor Katz: Madam Speaker, I'd like to move that the rule be suspended and By-laws numbered 139/2013, 140/2013, 147/2013 and 148/2013 be read a third time and that same be passed and ordered to be signed and sealed.

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

Councillor Eadie: Please record me against all except for 148.

Madam Speaker: Thank you. And that concludes our meeting today. Councillor Steen moves adjournment. Roll call, Mr. Clerk.

ROLL CALL

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

Madam Speaker: Thank you everyone, and Merry Christmas and happy holidays to all.

Council adjourned at 2:49 p.m.