

# COUNCIL OF THE CITY OF WINNIPEG

## Wednesday, January 29, 2014

**The Council met at 9:33 a.m.**

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

The Speaker called the meeting to order.

The opening prayer was read by Councillor Pagtakhan.

### 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, Wyatt

### INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

**Madam Speaker:** I'd like to now introduce our Page for today, Elizabeth Walker who resides in the St. Norbert Ward. Thanks so much for being here today. (Applause) Mr. Mayor, I understand you have an announcement.

**Mayor Katz:** Thank you very much, Madam Speaker, and yes, I do. Writer Margaret Fuller said, "Today a reader; tomorrow a leader." Madam Speaker, as you may know, February is "I Love to Read" month in Manitoba. This annual month long event was designed to celebrate literacy; bring awareness to the importance of reading and to encourage families to read and learn together every day of the year. "I Love to Read" month will be observed throughout the city at schools, museums and the Winnipeg public library branches which are offering a whole month of fun activities, planned for Winnipeggers of all ages. This is a wonderful opportunity for everyone to learn something new and to share in the excitement and wonder of the written word. As Mayor and as a parent like many others here, I encourage all Winnipeg families to take part in the daily ritual of coming together to share a book, a game, or even a riddle. It only takes 15 minutes a day to dramatically improve a child's literacy skills and put them on the path to a life-long love of reading. This small amount of time is a huge investment in our children's futures. Thank you. Madam Speaker, if I may as well, I'd just like to add a comment. You know, we live in Winnipeg, Manitoba, Canada and we are so lucky to live in democracy and we know there are those who came before us who fought for those rights and made the greatest sacrifice of all: gave their lives and, when you see what is going on in Ukraine today, how lives are being sacrificed fighting for democracy, we certainly should be very grateful of what we have here today and be very supportive of what they are trying to accomplish in Ukraine and on behalf of all Council we certainly do wish them all the best

**Madam Speaker:** Thank you, Mr. Speaker. Councillor Pagtakhan, you may proceed with your two announcements

**Councillor Pagtakhan:** Yes, thank you, Madam Speaker, and good morning. Just a bit of a service in...public service announcement for those within...members of our Filipino community. Recently, there was news that...that broke with that the Filipino Community Centre of Manitoba had raised...did a fundraising effort and they were sitting on some monies that were supposed to have been sent immediately. The word is out now that they have sent those monies, which is good, but since then, they've drawn some fire and been criticized and have drawn some frustration from several members of Winnipeg's Filipino community and others who have provided donations. So as a result, Madam Speaker, there's been an effort in the community to organize a community town hall forum, a leadership forum that's been organized by members of the Filipino Seniors Group, the Manitoba Filipino Business Council and the publisher of the Filipino Journal, so I just want to basically say that this meeting is happening on Sunday, February 9th at the Filipino Seniors Group located at 49 Euclid Avenue at 2:00 o'clock p.m. The goal of the town hall meeting is to engage in building an effective, positive, innovative and capable Filipino-Canadian community in Manitoba. Most importantly, Madam Speaker, this is a necessary first step to ensuring the 65,000 Filipinos in Manitoba have a platform to empower the community to share knowledge, make connections and voice concerns. Another goal is to discuss about unifying all Filipino-Canadians, already, many groups and volunteers from different perspective and backgrounds throughout the community are helping to extend this invitation. By attending, you'll be part of helping to build a stronger vibrant and healthier Filipino-Canadian community. Now is the time to care and let your voice be heard and to make a difference. We look forward to having you participate and your attendance will be greatly appreciated and feel free to forward this invitation to others. So I just wanted to put that out and Madam Speaker, as well, January 31, a couple of days away, members of the Chinese community all across Canada and especially here in the City of Winnipeg will be celebrating Chinese New Year, the year of the horse. I just wanted to extend, on behalf of all members of Council, Gong Hey Fat Choy, to all members of the Winnipeg Chinese community. My grandmother had a little bit of Chinese blood. So I have a smidge amount of Chinese blood in me. What does the Year of the Horse bring, Madam Speaker? The year ahead will

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bring health and prosperity and is said to be an excellent time to travel as the next 12 months will bring good luck. You are advised to mingle with the locals, savour authentic cuisine, and discover somewhere you have never been before. Thank you, Madam Speaker.

**MOTIONS**

**Madam Speaker:** Thank you very much, Councillor Pagtakhan. We have a leave of absence motion for Councillor Orlikow. Mr. Clerk, will you read the motion?

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

*THAT Councillor John Orlikow be granted a leave of absence from today's Council Meeting due to a personal family matter.*

**Madam Speaker:** We have a condolence motion today for former Councillor Al Ducharme. Mr. Clerk, will you read the motion?

**Moved by Councillor Mayes,  
Seconded by Councillor Vandal,**

*That Council place on record its profound sorrow at the death of former Councillor Al Ducharme, which occurred on December 19, 2013. This Council extends to his wife Joyce, children Sherrill, Lori and Randall, and their families, its deepest sympathy and condolences in their bereavement.*

**Madam Speaker:** We'll now rise for a moment of silence.

**MINUTES**

Councillor Steen moves that the minutes of the meeting held on December 11 and December 17, 2013 be taken as read and confirmed.

All in favour? Contrary? Carried.

**DELEGATIONS**

**Madam Speaker:** Councillor Swandel, will you suspend the rules to allow Gord Steeves be heard for Item No. 6?

**Councillor Swandel:** As much as I don't want to, I will.

**Madam Speaker:** Thank you. We have four delegations with us today in regards to three different items. First up is Mr. Colin Craig, followed by Mr. David Sanders, both of whom are in support of the external audit of the Winnipeg Police headquarters construction project. Mr. Craig, you have ten minutes. Pardon me?

**Colin Craig:** Good morning and thank you for the opportunity to speak here today. CTF is pleased that this motion has come forward and in particular, we'd like to thank Councillors Havixbeck and Gerbasi for their perseverance on this effort. We believe that this motion should pass unanimously as an audit will accomplish three important things. First of all, it'll help the City determine exactly what went wrong with the Police headquarters. If you think about it, the Police headquarters debacle is probably one of the worst cases of cost overruns in the City of Winnipeg's history. Unlike other cost overrun situations such as the one that impacted the stadium, the build for this project falls squarely on the shoulders of one government, the City of Winnipeg. It is perhaps more surprising that...though that some members of

Council are standing by the administration's report as to what went wrong and I say this because if you have a major problem, can you really trust those that got you into the mess to explain what they did in the first place? This isn't a case of someone asking someone to own up to installing a park bench in the wrong location or something minor. Again, we are talking about cost overruns well over \$70 million. Now, if you look at the administration's report, some people say, "Well, it has all the answers.", but I would argue that it doesn't. If you look at the administration's report, it notes that the Police Department's needs were not taken into account. Millions of dollars were spent without taking into account the fact that ceilings in the interrogation rooms weren't up to speed. An elevator for prisoners wasn't accounted for and the dimensions of police vehicles and their ability to enter and exit the building wasn't considered either. When Councillor Havixbeck asked for the steering committee meeting minutes, she was stonewalled. And I don't think it's clear who decided to give Council a guaranteed maximum price either, as that certainly...the guaranteed maximum price was neither guaranteed and it certainly wasn't maximum, so we need answers in that area as well. As an organization, we ask for all the bills and receipts related to this project and we were told it would cost over \$3,000 to get that information. But more disturbing, the administration noted it would take over a hundred hours to pull together all those receipts. Now, I would expect most around this chamber should find it odd that someone hasn't already taken the time to pull together those receipts and take a second look. Why on earth would it take over a hundred hours to do that work at this stage in the game? We asked for details on the \$804,000 that was paid to Shindico for helping with consulting and due diligence work related to the project and on three separate occasions we were stonewalled for answers. The administration's report also notes that the Surety Association of Canada urged the admin to reduce the bonding requirement for the project and thankfully, Bartley Kives from the Winnipeg Free Press followed up on that assumption or that assertion and noted that the president of that organization noted that it was "bs", quote, "That's absolute hooley." No one from the organization ever encouraged any such action by the City of Winnipeg at all. Begs the question of "who is saying we did?" So clearly there are still lots of answers that we need regarding the project. But one of the...the second most important reason for why an audit should occur is that there are no recommendations at all in the administration's report as to how to prevent this mistake from happening again in the future. Hiring an outside audit firm will certainly not only look at the problems and determine what went wrong, but it will provide recommendations as to how these problems can be avoided again in the future and I would assume that everyone around this...the Council table would want to make sure that this type of problem doesn't happen again. Now, if we reflect on what happened last week at EPC, I think that was a good approach. And the City paid a couple hundred thousand dollars or so for an audit into the fire hall situation. That audit determined what went wrong, at least for the most part. And then, Council received recommendations on how to avoid making those same problems again in the future. So EPC then sat down and grilled the administration on exactly where they were at in terms of implementing those recommendations and I understand that that's going to be a regular process. So, given that there is immense value in looking at that particular project, a project that was \$3 million over budget. I think that makes the same sense to do the same thing for the Police headquarters, given the immense problems associated with that project. And the third reason why I think it's important to conduct an audit is to improve morale at City Hall. I spoke a couple of weeks ago with Councillor Gerbasi about the whole process involving the pushing for an audit and one of the things she mentioned, I don't think she would mind if I share this, is that morale has been suffering at City Hall and those that work for the City as of late. And I think that it's important for the public to have faith in those that are governing the City, but as well as knowing that the City of Winnipeg is transparent and accountable and I don't think that's the perception right now. So for those reasons we believe that it's important to conduct an audit. And in terms of amendments to this motion, I'll reiterate something that I raised last week. I think that the administration...pardon me, those that are selected to do the audit should report back regularly to all members of Council and let them know how that audit is progressing and report on whether or not the auditors are receiving full co-operation from those involved in the project or not, so that there are no surprises when the audit is finally released. So thank you very much.

**Madam Speaker:** Mr. David Sanders.

**David Sanders:** Madam Chair, I am presenting on two items today, but the first one is the external audit of the Winnipeg Police headquarters.

**Madam Speaker:** If you could just speak on the first item, and then we'll take questions, then we'll go to your second item. Thank you.

**David Sanders:** Thank you. Well, I'm pleased to support something here this morning. I am now most encouraged by Councillor Browaty's walk-on motion to reverse the astounding Council 9-7 vote in November, which rejected the call for an audit of the new Winnipeg Police headquarters construction project. And I do hope that today Council will give unanimous approval to EPC's recommendation to proceed expeditiously with a comprehensive, independent audit of this entire project from start to finish including a quantity survey review as necessary to determine whether the City has received good value for the huge and completely unexpected investment of some \$200 million. We all need to find out how this happened and how the City can ensure that we don't keep on repeating such mistakes with future major construction projects. If City Council actually wants a serious investigation now, with witnesses testifying under oath and

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with the power to subpoena the production of documents, I would like to point out once again that the City Auditor has already been given those investigative powers under Part 5 of the Manitoba Evidence Act, and pursuant to Section 106 of the City of Winnipeg Charter Act and he is allowed to delegate those powers to an external auditor. In the case of the Police headquarters project, I would strongly recommend that the external auditor be delegated those powers under the supervision of the City Auditor, so that the investigation may be completed before the Council's deadline with the full and swift co-operation of all parties. I note that the Council motion as presented will direct the City Auditor to report back directly to Council, with the results of the external audit within 150 days. The auditor's report should not be submitted to EPC or any other committee first where it might be sidetracked. I believe the suggested 150 days will take us to June 28<sup>th</sup>. The next Council meeting after that is scheduled for July 16th, 2014 and so that is when we should all expect to receive the external auditor's reports on this matter. In the meantime, and I am concerned about this, the commencement of this audit should not be taken as an excuse to drop an even darker shroud of secrecy over the Police headquarters project for the next five months. We need to see a lot more disclosure and transparency right now and I suggest starting with the production of all of the minutes of meetings of the major projects steering committee as requested earlier. And lastly, when will the Ernst and Young real estate management report be received and made public? There's been a deafening silence on this matter. It is expected to deal with the acquisition in management of the Canada Post Building for the purpose of developing the new Police headquarters. Thank you, Madam Chair, that's my contribution on this subject.

**Madam Speaker:** Thank you. Any questions for Mr. Craig or Mr. Sanders? Mayor Katz. Mr. Craig, can you come forward?

**Mayor Katz:** Good morning and thank you for being here. This morning I got on the computer and I looked up Canadian Taxpayers Federation and I saw some interesting information, almost \$4 million in revenue, expendable, 3.8 million, a lot of salaries are paid to what I believe some quality people and I assume always doing your homework and want to be credible, so I do have a question and since you did bring it up in your speech, you did mention the fire hall audit, and actually, at last week at EPC, at almost this particular point in time, you made a comment that basically caused many of us a great deal of concern and it was referring to the fact that people in the administration were asked questions by the auditor, and their response was "it's none of your business." I'm sure you recall that. Many of us took that to heart and were genuinely concerned with that. So, I just want to clarify something because I'm sure you wouldn't say anything without doing your research. We contacted the auditor at Ernst and Young and asked them that question about that and here is his response in writing from Steve Whitla: "We were never given a response that is 'none of your business' during the interview of City staff." I think that shows that was a comment that was made either in error or to exaggerate or make a point. I'm wondering if now hearing from the auditor that no such thing was ever said, and you actually this morning talked about the morale at City Hall. I think you would probably conclude that those kind of comments made very haphazardly would have a negative impact on morale so now hearing what the City Auditor has...or what the auditor has to say about that comment, I'm wondering if you have any response.

**Colin Craig:** Sure. Well, let's have the full discussion. In what context, did I present those comments, Mr. Mayor?

**Mayor Katz:** I ask the question, you can give me the answer. That's your prerogative.

**Colin Craig:** I think you'll recall the conversation and I indicated that this was a comment that was raised by a member of Council in a discussion, and I phrased it as such. I mean, it's troubling when someone on Council has indicated something so troubling to us. I don't believe that that individual was making it up, so this is why I passed that on.

**Mayor Katz:** Thank you, just for the record, the Councillor would not verify what you said and it was said by you, not the Councillor. The Councillor who got on the record would've been asking him, but I would think that you would do some, some due diligence. It's easy to check with an auditor. You have access to them, so I would hope in the future before you make those kind of comments, which can have a major negative impact on morale, you do some due diligence. It would be much appreciated on behalf of all of the City of Winnipeg staff who aren't here to speak.

**Colin Craig:** I think it's pretty clear why we are all here today. We are here to talk about a huge boondoggle; \$75 million or so in cost overruns, so I understand why you're trying to deflect from the issue because you defense the audit all the way along, I don't think it's a surprise to anyone.

**Madam Speaker:** Mr. Craig, Mr. Craig, you were asked a specific question. Anything further on the question?

**Colin Craig:** No.

**Madam Speaker:** Councillor Mayes.

**Councillor Mayes:** Two quick questions for Colin and you'd come down to City Hall last week on the 20th with Mr. Davidson, Mr. Lane and talked about trying to get an audit done by June 1st. Since, in the intervening period, there's been some criticism of the EPC motion that called for an audit to be done by June 30th. Criticism being "Oh, it's too rushed, it's too rushed." You haven't said that today and I just want to make sure your group...you're okay with a target date of June 28th, Mr. Sanders counted the days out exactly June 30th, the end of June, basically.

**Colin Craig:** I think that's fine and I...and again, I would reiterate the recommended amendment to the motion and that is to ensure that Council knows all the way along how the audit is progressing and I don't expect a, you know, a ten page report every week or every two weeks or so, but I think it's important for Council to get a quick e-mail update, maybe once a week, every two weeks so to speak and just indicate how it's progressing, making sure that the auditors are hitting all their targeted deliverables, kind of thing.

**Councillor Mayes:** And the second thing, which is the discussion we had last week just to clarify, the materials that came out on the 20th and I talked to Mr. Lane who seemed like a fine fellow and he indicated his sources. That report that came out last week indicated that there had been a guarantee of 137 million for the total package in 2011 and now we exceeded that by roughly 73, 75 million and we had this discussion and referred it to Bartley Kives as arbitrator and he did agree with the actual...and correct me if you think I am misstating this, but there was a total package, all in one, 35 in 2009, in 2011, came the guarantee. The guarantee was at 137, but not for the total package, that was for part of the construction. In fact, if you go back to that report in 2011, there's a part that's right above the guarantee as it talks about 155. So be pretty hard for somebody to think all in this is 137, so I know you made comments saying what the real issue here is the extent, but just for the record here, this wasn't a \$75 million overrun of the guarantee in 2011. This is 75 over the original price where actually 17 million over what the guarantee was in 2011. If you think I'm misstating something, clarify that, but that's certainly two different reports came out last week indicating that this was 75 over the guarantee and the guarantee was in 2011 when it was already 58 million over and I'll be coming back to that later today, but if you think I've misstated something, fire away.

**Colin Craig:** No, I think you are correct, and we had kind of gone back and forth a bit there by e-mail. And I don't think we've ever suggested that that 135 was the guaranteed price. I believe it was in the ball park of 190 million somewhere. I don't have the figure in front of me, but it was sort of that figure that was last floated a couple of years ago when Council was presented with the estimate as to what the new guaranteed maximum price was. That was the guaranteed maximum price not that figure from several years ago. So I think we're on the same wave length on that. The assertion that it was the \$137 million figure, that was I believe that Mr. Lane had indicated in his document, so yeah, I think...I think we're on the same page.

**Madam Speaker:** Thank you. Any further questions? Mayor Katz.

**Mayor Katz:** Colin, I'm confused. I appreciate the question that was just asked, but if you agree with what Councillor Mayes just said and he is using the 17.2, but yet in your opening comments, you used the number 70.

**Colin Craig:** We're talking...

**Mayor Katz:** So could you clarify that, please?

**Colin Craig:** Yeah, we're talking about the difference between cost overruns and the guaranteed maximum price and the cost overruns on top of that.

**Madam Speaker:** Anything further, Mr. Mayor? Councillor Swandel.

**Councillor Swandel:** Now, I need some clarity. Are you talking about cost overruns on a guaranteed maximum price or a guaranteed maximum price and a change in scope that created an additional cost?

**Colin Craig:** The...I guess to go back to the original discussion that Councillor Mayes and I were talking about, it has to do with an assertion that was made that Council was given an original guaranteed maximum price of \$137 million I believe and in an e-mail discussion, Councillor Mayes had suggested that that wasn't true and that we had made a mistake by putting that forward and I said, "Well, I don't believe we've ever put that forward as an organization, that's sort of our position." It was in a document that we published noting that the author was Graham Lane. I think that it was an honest mistake on his part, and in all...the...it's nice that you've joined us for this discussion about an audit. Usually by now, you've stormed out so...

**Councillor Swandel:** You will see a lot of me.

**Madam Speaker:** Councillor Eadie, you're next. Oh, okay...all right, Councillor Eadie, we'll take a second question from Councillor Swandel first.

**Councillor Swandel:** So just for clarity...Councillor Eadie, I think I still have the floor, thank you. Just for clarity again, are you saying that the \$135 million guaranteed maximum price in that scope of work, of that...what was defined in the \$135 million, of that scope of work and that guaranteed maximum price, that the \$17.2 million that we talk about now is part of the scope of work that was included in that guaranteed maximum price?

**Colin Craig:** No, I don't think that the 137, 135 whatever the figure is, I don't think that was ever presented as a guaranteed maximum price and that was the whole point of the exchange between Councillor Mayes and myself. That wasn't a position that we had said. My understanding of the project was that the guaranteed maximum price was presented to Council, I believe it was about two years ago and it was in the neighbourhood of 190 million, 185, whatever it is, it was in that range and that was presented to Council as, "Look, here is our new guaranteed maximum price, we're not going to see any more cost overruns." Now, of course, we're looking at a project that is in the \$209 to \$210 million range. So, I don't believe we've ever suggested that the \$135, \$137 million figure was a guaranteed maximum price.

**Madam Speaker:** Third question?

**Councillor Swandel:** Well, I guess we're out of time now.

**Madam Speaker:** No further time allowed, Mr. Clerk?

**Councillor Vandal:** I move that we suspend the rules.

**Madam Speaker:** All those in favour, suspending the rules to hear further questions? Contrary? Carried.

**Councillor Swandel:** I think, Colin, just for clarity, what I'm trying to get to is there is a scope of work with a guaranteed maximum price. You have not made it clear whether you're saying that \$17.2 million that we talk about today, 17.2 million, is additional work on top of the guaranteed maximum price scope from two years ago, or it's the same work that was in that guaranteed maximum price?

**Colin Craig:** If you go back and look at the history of this, the original estimate in terms of the renovations and changes that needed to be made to the project to accommodate the needs of the Winnipeg Police Service was...and I'm just looking at my notes here. I believe it was presented in 2009 at the Council meeting. It was indicated that there would be \$105 million and now, to quote from a CBC news article, the total cost to redo this building and make it the Winnipeg Police headquarters would be \$177.4 million, Mayor Sam Katz told reporters. So if we take the difference between 177.4 million and 105, we're in that neighbourhood of 72, 75 million. So if...and I never...I never said it was, but the point is, is that the cost overruns here, this was initially presented to the public as a project that was going to require \$105 million of renovations to that building to suit the needs of the Winnipeg Police Service and now it's over \$177 million. So you can....

**Madam Speaker:** Councillor Eadie.

**Colin Craig:** We'll leave it at that.

**Councillor Eadie:** I guess...thank you. There is a lot of complexities obviously in this whole project and for me, you know, starting back in 2009, I can't remember when City Council actually voted in on a budget. There's a whole bunch of issues, the progress of this whole Police headquarters renovation, major purchase and major renovation project, so to me, my question is simply this to Mr. Craig, is do you believe that the external audit that we are voting on today will actually clarify and make it clear to everybody so that we all don't start accusing each other of saying this and that and that we'll get some clarity?

**Colin Craig:** I think an audit would certainly provide a lot of clarity as to what exactly went wrong. As I mentioned in my speaking points earlier, there's still a lot of questions that haven't been answered. I mean, it's strange that Councillor Havixbeck can ask for something as simple as the steering committee meeting minutes and she's been denied with that. We asked for all the bills and receipts related to this project and were told it would take over a hundred hours to compile it all. I mean that should be a big topic of discussion for Council. Why on earth is it that those documents haven't already been compiled to give them a second look and make sure that everything is above board? I mean, that should be sending off alarm bells in each of your heads right now. You know, there's all kinds of other issues. How do you spend millions of dollars on a project for a service that's fairly sophisticated like the Winnipeg Police Service and not take into account all of the Police Services' needs? We are not talking about trivial things such as where water fountains are

going to go, but the lack of an elevator to transport prisoners. You know, making sure that the ceilings in the interrogation rooms are fortified so that people can't get out, I guess. You know, whatever the needs are, I mean, it's surprising that there's all these questions. You've got a major association in Canada, the Canadian Surety Association disagreeing with your own administration on something pretty important and that is the bonding requirements that allowed the successful bidder to end up, being successful in the bid. So, yeah exactly, I think it's important to have an audit.

**Madam Speaker:** Thank you for answering our questions, Mr. Craig.

**Colin Craig:** Thank you.

**Madam Speaker:** Now, we'll have Mr. Gord Steeves in support of the same item. There is five minutes on the clock. Five minutes. No questions.

**Gord Steeves:** I have none, Madam Speaker.

**Madam Speaker:** You're off the hook.

**Gord Steeves:** I have none. I will begin with this, Madam Speaker, I don't wish to cause any angst to members of Council, but I ask Councillor Fielding where he was last Saturday night and he did tell me it was "none of my business", just so we're clear. He did say that. I appear before Council and with thanks for suspending the rules to hear some of the comments. I remain...I am supportive of the direction you're going generally with respect to the audit. I have a few comments that I'm hoping might help guide Council and maybe you can take my comments and if they assist that's wonderful. If not, well then, that's fine, too. I want to begin by stating that I remain supportive of what you're doing in terms of the project. We don't want that to be lost in terms of the downtown Police headquarters at this location. I, of course, with you, was part of the decision to originally go down this road, and I was supportive of it then. I remain supportive of it now. This will be a wonderful thing for the City of Winnipeg. I think it will have the ancillary benefits of also, hopefully, having some budget benefits on the Police side, infrastructure wise that maybe haven't been discussed in this process and, of course, as we go through this process and this batch of negativity, those things can't be lost because there are positive things that go along with doing this project, budget wise and otherwise. I recall the challenges we went through with the Eaton's building. That was part of the discussion that we had at the time, but we didn't want this building to become one of those types of situations in our downtown. The one question I do have and maybe the point I would put in your head, and I know you had these discussions probably either publicly or privately in your offices with folks that you discuss this with, which is fine. I know you've put a limit of the \$500,000, up to \$500,000 for the purposes of the audit, but the point I would like to make today is I'm wondering what thought was given or thought process that existed to maybe looking at this first internally and then deciding what needed to go out to the external auditors and for me it's purely a cost calculation or a cost concern. We've now gone through...this will be, I guess, not our first audit of the City of Winnipeg and obviously these things have a lot of cost associated with them, but just in review of the reports, it appears to me that in...we originally looked at this in 2009 and of course, I was part of the Council that did so and at my last Council meeting, coincidentally, we upped the budget to an amount in the environment of the 155 that it was at in 2011. A year later, the report came back and it seemed to indicate that the project was on budget at the time and, of course, a year forward the project came back and there was problems with the budget at that stage. It just seems to me that with a little more interior work, we could maybe focus the process of this audit to get it down to a much more narrow focus, without...and if it doesn't eliminate all of the costs associated with an external audit, it seems to me that it could limit the costs of an external audit which is my concern, because it seems to me that when we talk about things like recommendations like the previous delegation talked about, the recommendations that need to come forward to guide the public service, it would be my suggestion that with previous audits that have been done, those recommendations may already exist. So, my message is, I don't think we need to reinvent the wheel and again, I completely get that you folks have given yourselves an upper ceiling. You might not necessarily spend that much. I would just encourage you as the process goes forward and as you look at this, that you do what I know you are going to do anyway. You're going to keep track of the process and just make sure that what you're looking for is things that we haven't already researched before. I think the temptation might be to simply move this matter from where it's at right now into the process of an audit and then it comes back and then it becomes a bit of a process that's hard to track. Those...that's my only thoughts and I would be interested in your comments if there is going to be discussion today, what the thought process was between leaving this internally and the decision to go externally. I thank you for your time, respectfully.

**Madam Speaker:** Thank you. Yes.

**Councillor Havixbeck:** Madam Speaker. I'd like to suspend the rules, so we can ask questions?

**Madam Speaker:** Okay, all those in favour? Contrary? Carried. Councillor Havixbeck.

**Councillor Havixbeck:** Good morning, Mr. Steeves, nice to see you here back at City Hall. You may recall August 2012 you're busy campaigning that summer for the Provincial Tories and you were the chair.

**Gord Steeves:** I can't recall how that one finished up. Oh, I remember now.

**Councillor Havixbeck:** In any event, prior to leaving, you were the Chair of the Protection and Community Services, a chair position, which eventually got appointed to me and within a very short time after you had left, the two most high profile situations that City Hall has been dealing with since then were under your responsibility. Can you tell us, did you know, what did you know at the time about a fire hall that got built on land that the City doesn't own? What did you know about the Police headquarters and the debacle that...

**Madam Speaker:** Councillor Havixbeck...

**Councillor Havixbeck:**...we are now faced with sorting out? I...my question is very straightforward. What did Mr. Steeves know?

**Madam Speaker:** But the item that's in front of us is the Police audit.

**Councillor Havixbeck:** And I'm asking him because he has come here telling us that we should be mindful of the costs. Well, the costs of these two audits are looking at the \$750,000 range. So I'd like to hear some answers from him.

**Madam Speaker:** You can speak to the Police audit if you wish.

**Gord Steeves:** There was a plethora of questions in there. I'd like to...I'd like to begin my answers to those various questions by stating I'm a good person, Madam Speaker. When I left, yeah, coincidentally as I stated, my very last Council meeting, we had a difficult one with the Police headquarters. It was the report of July 20th, 2011, where we upped the spending envelope on the Police Service headquarters, and we all...those of us who were here at the time recall how difficult that was. It wasn't an easy decision to make, but I think we all stood together at the time and said, "Well, we're going to do this. This is an important project for the City of Winnipeg" and we moved quickly at the earlier stages in 2009 to acquire the building. And I think in fairness, all of us would probably acknowledge that at the time, the bigger, more important decision that we made earlier was that we were going to depart from our four district model idea, sort of our plan going forward and it was a pretty big departure, wasn't it, because we had the whole thing set up. We were looking at Hartford, we were looking at the PSB, obviously looking at the Dugald Station which by then, I think, was either done or very, very close to being done and we were working in the western part of the city as well. So, we moved and we did that. We made that very, very difficult decision because it essentially upset an apple cart and I think wisely. After that, we made that decision. After that, what we did was we embarked on a process of trying to getting the cost out and I think to our collective credit at the time and this was over three years ago, we asked our administration to come forward and give us the full costing of this project. What we thought it was going to cost. I think that's good work. I think that's intelligent work. I think it was the right thing to do. So when we looked at the report, it seemed to me that this report should work. And this report should reflect the reality at the time. I think it was wise to bring it forward to Council. I think it made sense. There is one comment in retrospect about the report that might bear some discussion. Item 1e talked about \$7 million. If you were to look at the way that line was worded, it might not be clear that this was on top of the 155, 155 million that was talked about in 1b, and that was referencing the report that came back a year later and it was specifically sort of mentioned in that report, which leads me to believe that maybe somebody else had maybe saw this as not perfectly consistent in terms of reporting so that may be...that may be one thing that we could certainly look at in terms of trying to revise things. Do you want me to keep talking, Madam Speaker?

**Madam Speaker:** Thank you. Councillor Havixbeck, do you have a second question? It's really your third question.

**Councillor Havixbeck:** I see, you know, Mr. Steeves has mastered the art of not answering my first question, so I'm going to ask it again. What did you know at the time about the Police headquarters, the transitioning of contractors, transferring of authority from Ackman to Caspian, the award of the contracts? Can you share any of that with you? You know, this is the first we've actually been...had the opportunity to hear from you and I'd like to hear more of what you know. And part of that, too, is you know, were you involved with the audit of the fire halls? Were you asked for your role in that piece?

**Gord Steeves:** I haven't been asked for, and haven't been asked on any audits, Councillor Havixbeck. I would be happy to talk to anybody. What I knew was the same thing that Council knew which was subsumed in this report. That's what it was. I mean, I don't think...I don't think you are suggesting that anybody knew anything beyond what appeared in this



report in July...on July 20th, 2011. I mean, we're all privy, as far as I'm aware, to the same information and let's be clear, this report at the time was not a good news report. This wasn't something that we were all cheering about and saying isn't this wonderful. We only have to move the budget from 128 million to 155 million. That wasn't easy and nobody was applauding for any of us. So, I mean, if the suggestion is that somehow any of us knew that it was worse than this, I don't believe anybody did, like leaving myself as part of the discussion or aside from the discussion, we all did this and we all looked at this and we all looked at this report and while we all remain supportive of the project, I mean, we looked at the cost and we said, "Well, we had better be honest and straightforward to the best of our ability." And you rely on your administration to do that, and I should say, as you are now aware, that a full year passed and I had been gone pursuing other endeavours, Madam Speaker. And even after a full year, and I wasn't in the chair, I can't remember who was, but the report came back and it was essentially one line that said "This project is on budget." So if there were challenges that existed, if there were no challenges that existed a year after the July 20th, 2011 report, I don't see how anybody could legitimately state that there were challenges that we knew about on July 20th, 2011.

**Madam Speaker:** Councillor Havixbeck, anything further? Okay, Councillor Mayes.

**Councillor Mayes:** It's a pleasure. We haven't had this opportunity and I wanted to thank Councillor Steeves for attending former Councillor Ducharme's funeral. I was unable to make it, but...

**Gord Steeves:** I'm also a former Councillor.

**Councillor Mayes:** I saw that somewhere. Just on the numbers and I wanted to say, I...you were correct in saying that report in July 2011 talks about the 155 million. I would agree with you the 7 million is in addition, but that's not terribly clear, also in addition was the original purchase price, right. So the all-in as you...as one sat here in July of 2011, the all-in aspect was closer to 185 million. You were right, the report certainly talks about 155 for the reconstruction, but one of the few numbers that hasn't bounced around much here is the purchase price, which has been on or very close to 30 million throughout so. You heard that lengthy fascinating discussion we had with Mr. Craig about the numbers, but it's part of what I want to do here today is just 2011, it was 155 for the reno and another 30 for the purchase.

**Gord Steeves:** Right. You're right, Councillor and I acknowledge that and even, it does...your question is a good one and it raises, I guess some challenges. I went back through the reports and had a look and I was reading...it wasn't...and this is no one's fault necessarily and I certainly don't impugn any bad motives to anybody for doing this. But just the way sometimes it came out, it could've been more clear, that's true. It is interesting a year later though when the report came back saying it's on budget, the budget appeared to move from 155 to 162. That part could've been more clear, I think, but again, these things happen, I suppose.

**Madam Speaker:** Anything further? Councillor Fielding, you have ten seconds.

**Councillor Fielding:** Ten seconds, quick! Gord, thank you for coming. Just a couple of questions. You know, why not support the full transparency? I mean, we did that with the fire hall and we know that information did come...

**Madam Speaker:** Mr. Clerk, is there an allowance for more time?

**City Clerk:** Sure.

**Councillor Fielding:** So you know, if you do support the full transparency in terms of the independent review and let's face back to what you said in your comments prior that you know trust has broken. I've got a lot of respect for Brian Whiteside. He does a fantastic job, but if you do have a full independent review of things, all the information is there and that would allow, you know, whether something seems...right now that just looking at the surface, you might not think it is relevant if you have a fuller review of it, it does make sense and in the final kind of question, I'll let you answer them all together was in terms of the time frame. We all know obviously there's elections coming up and I think people want all the information out beforehand, so if you did have our auditor review it, we know process like that probably takes six months and you have a review that would push it passed the election and people wouldn't have a chance to say any of these things. So wouldn't it make more sense in my opinion to have a full independent audit as opposed to delaying the process with, you know, kind of our auditor reviewing it firsthand.

**Gord Steeves:** Right, no, fair question. Thank you, Councillor Fielding. My purpose and my thought was only that if and I don't think we're arguing at cross-purposes on this. I think in, in a lot of ways, we agree. If we could use the information that already exists and when I say information that already exists, I mean information you've already been given by your administration which is not bad information, perhaps not as fulsome as you want, I get it. And information that you received on other audits, again, my comments with respect to recommendations that have come forward. My thought is that if...if it was done that way, with sort of that ongoing stewardship and that ongoing attention, then in fact, it could be

done quicker and less expensively. Driving to work today and I'm looking at my street and I'm thinking well, heaven's sakes, there's probably, I don't know, probably 20 houses on my street and at \$500,000, if every house is paying \$200,000 of municipal taxes then obviously takes 250 houses to pay for the one audit and beyond that, the issue of an audit itself is interesting. Because what you would worry about, what I would worry about is simply that an audit can become a process kind of unto itself and if it's hived off on an audit, then it may or may not come back as sort of a vibrant and good part of the process. I mean, I actually thought, during the fire hall audit, if I may, that the process leading up, sort of, it shed a lot of light, opened a lot of eyes, but actually thought once the audit came back that, I'm not sure that it really led to the conclusions that folks kind of wanted it to or gave us a direction that we quite wanted it to, but I just want to make sure that we're not using the audit as a process to...and I know you're not doing this, but the audit doesn't become a process to kind of avoid the necessary issues because what we all want to do, what you want to do is you want to fix, that's right, you want the process to work, and kind of the more focused the information you get back could be on, this is what went wrong exactly, and this is what went...this is how you fix it exactly, that's the most beneficial and I would say the quickest.

**Madam Speaker:** Thank you. Anything further, Councillor Fielding? Seeing no further questions, thank you for your participation. Now, I'd like to call Mr. Joe Bencharski. He is in opposition...are you here, sir? You're in opposition to Item No. 6 of the report of EPC dated January 22 regarding the external audit of the Winnipeg Police headquarters and you are in opposition. And following that we'll hear from Mr. Ken Guilford. Mr. Sanders, you are on the list after that. Welcome, sir. You have ten minutes.

**Joe Bencharski:** Good morning. This is kind of new for me and I hope I don't mess up. Anyways, Your Worship, members of City Council, fellow presenters, members of the gallery, members of the media, I'm not here to defend anyone nor am I here to oppose anyone. Excuse me. I want the truth to come out just as much as the rest of you. I want the truth and maybe even His Worship wants the truth also. We all want the truth. In an age of misinformation, I'll try to present an accurate...I will try to present accurate information. It is easy to misconstrue something as was the case yesterday when I made a statement to one well-known, respected member of the media who had to be quickly corrected before we had a wild fire. So far, what I have heard is way over my head, from a technical point of view. I'm trying to approach this from a more philosophical point of view, maybe even a political point of view. Politics is about good governance, nothing more and nothing less. Politics is not about patronage, scandals, cost overruns as the new Police station. If you think the public has ever listened to the major...to the program, 'Circus at City Hall', you will quickly identify with what I'm saying. Mr. Speaker, bear with my preamble. Former Mayor Steven Juba was a visionary who had the common touch; exercised his Mayoral responsibilities for the common good, to serve the citizenry in a humanitarian and compassionate manner. During Juba's time, interest, private...public interest superseded the private interest. That's not true today. We have been treated by two such individuals since former Mayor...excuse me, Steven Juba left office, former Mayor Bill Norrie and Mayor Glen Murray, two men of great vision. Why this has been lost, I'll never know.

**Madam Speaker:** Sir, can you get to your point, please?

**Joe Bencharski:** I am getting to my point. You just have to wait. Can you wait?

**Madam Speaker:** You have six minutes.

**Joe Bencharski:** How many?

**Madam Speaker:** Six minutes left on the clock.

**Joe Bencharski:** That's okay. If I don't finish, I don't finish. Why this has been lost I never know, but I could speculate and say maybe, the fiasco at City Hall as the Circus guy puts it, might have something to do with it. Do you know the public is tired of talk of overruns, mismanagement and alleged corruption? They want to do their job, pay their taxes and bills and live their lives. What keeps frustrating over and over again, festering over and over again is the inability to take matters into controlling hands and deal with the matter effectively, efficiently and in a timely fashion. People are sick of this kind of conflicting interaction between members of Council and His Worship. All they want to see is the project completed at the lowest possible. See I'm addressing it, the possible price, maybe because they are from...maybe because they are from Winnipeg, addicted to Monty Hall's 'The Price is Right.' Is that too much to ask for? I'll tell you right from the beginning where I stand and where the public stands, where I stand and where the public stands. The public knows from past experiences that inquiries, commissions and audits do not go anywhere. Just look at past commissions and inquiries and audits, mind you a commission is not an audit and an audit is not a commission, but they also have similar outcomes. Just look at past commissions, for example, the Rowell-Sirois Commission, the Hall Commission, the Borger Commission, did not solve anything except adding an extra expenditure to the taxpayers, to the taxpayer. Furthermore if you want to get elected, was this way to look good before the vote? Call a public inquiry or a commission even an audit. The public will say, "Man, that representative is concerned and responsible. Maybe...just

maybe we should give him or her another term". So, is it political motivation this behind the audit? Now, I'm not saying anything about the handful of Councillors that wanted answers right from the start and ironically it's only a handful and they know who they are, so this is worship. And their point of view is when it comes to construction, I worked in the building construction and facilities industry practically all my life, 35 years my friends before I took a walk away from it. Some of the companies I have been employed with at through term agencies are Pre-con, Mansfield, Maple Leaf, BACM, Borger Brothers, Tallman Paving and Jeff in Saskatoon and Calgary. There could be serious overruns right within the site itself and not necessarily related to general contract. It could be occurring at the lowest level of the project, the trade level, theft of material, theft of hours, tardiness, absenteeism, shady deals made between trade contractors beyond the watchful eye of the general contractor and the general foreman. Please do not be too hasty to point fingers at His Worship's chair. Maybe His Worship is correct in saying we do not need an audit, everything is fine and everybody is wrong. We do not know at this point. I say we have spent enough money on this project to turn back the clock would be unwise. The 500,000 or so is minimal, .66 percent of the total 75 million. That's peanuts in comparison to what has been spent on the rest of the project. When His Worship says we're getting the biggest bang for our buck, he may be right. Furthermore, who was the individual in the bureaucracy of City Hall who wrote the contract? Someone signed the contract with the general contractor; someone put the bids out for tender and some individuals interviewed prospected candidates for the general job, general contractor's job, rather. There are a lot of people to blame. Who's going to line up and take the blame first? Now, do not point fingers. There is also the reversal. No, I do not mean a city circus or a play at the Pantages Theatre. I mean a reversal of those who said that should not be...that should not be an audit and now they are saying there should be an audit. How many of you Councillors have...

**Madam Speaker:** Can you tell us why you're opposing this audit, please?

**Joe Bencharski:** Pardon me?

**Madam Speaker:** Tell us why you are opposing this audit. That's what you're here for today.

**Joe Bencharski:** Can't you decipher for one at one.

**Madam Speaker:** No, I can't.

**Joe Bencharski:** Pardon me?

**Madam Speaker:** Okay, let's continue, sir.

**Joe Bencharski:** Is it clear why I'm opposing it?

**Madam Speaker:** Let's continue. We have one minute.

**Joe Bencharski:** Can I get an extension. No? How many Councillors have worked on a construction site? Believe me, it's a whole different world. Do not be hasty to point a finger unless you have been there, done that. Furthermore, the people of EPC who approved the project, City Hall has voted on, on it, City Hall voted on initially. Do not solely blame His Worship. Those on EPC and City Council must take some blame. I hope I'm correct in saying all of you voted on it. If I'm wrong, please forgive me because no one else will. Those concerned with a public incident, oh yeah, there's a point here, I forgot. Those concerned with the public interest would probably want to see an audit and those concerned with private interest as well, they just want to get reelected. Yet, 75 million is a lot of money and it's hard to imagine that could be...that could be that much contractual trade theft or there could be that much idleness. So something happened on the project that cost a lot of money. Either the work had to be redone, drafting personnel did not provide the proper print diagrams to get the job done properly in the first place, or as a consequence the original work became redundant. If anyone thinks that this will not be brought up during the election campaign is kidding himself or herself.

**Madam Speaker:** Thank you, sir. Any questions for Mr. Bencharski?

**Joe Bencharski:** No extension?

**Madam Speaker:** Any questions for Mr. Bencharski?

**Madam Speaker:** Councillor Smith.

**Councillor Smith:** Yes, sir. I'm trying to figure out. Are you opposed to the audit or for the audit?

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**Joe Bencharski:** No, I'm opposed to it. I already said in in the body of the language. You must have heard me say that commissions and inquiries and audits don't go anywhere, right down in our whole history of this country, we had audits and spent millions of dollars on them. The CPR scandal, there's audits on that. No one ever proved anything. Audits don't prove anything. Let's just forget about the audit, carry on with this project, finish it, it's a nice building. It's a really nice building. I go by it every day and stop the blame game. Forget it. We lost 75 million, big deal. It's not the first time millions of dollars were lost in this city.

**Madam Speaker:** Any further questions?

**Joe Bencharski:** I can't see why you guys are getting hung up on technicalities. Somebody, there's only one Councillor that actually voted against...one Councillor voted...voted against the audit out of all of you.

**Madam Speaker:** Any further questions? Seeing none, thank you very much, sir. You can return to the gallery. Next is Mr. Ken Guilford.

**Joe Bencharski:** I think you were rude not to give me an extension.

**Madam Speaker:** The extension sir, needs to come from the floor. There was none. Hello, Mr. Guilford, you're here in support of Item No. 3, the Homelessness Partnering Strategy. You have ten minutes, thank you.

**Ken Guilford:** My name is Ken Guilford as most of you know already. I'm here almost every week, and I'm definitely in favour of the Chief Administrator to have the authority to negotiate and approve on behalf of the City and if you look at the...communication in unit that the Chief Administrative Officer ought to be delegated the authority to negotiate and approve the terms and conditions, current conditions of all, required to implement the intent of the foregoing. I would like to say that I speak on behalf of a lot of people. I speak on behalf of my past which I'm proud of. I speak for a lot of people, as most of you know and it is very interesting that this motion could come before the floor. I did not know that it was only delegated in term three. And I've had the agenda and now I would like to speak and say, my work is really after 5 years...One year in the concourse (inaudible). I have viewed the same, all the people of my life, went and tried to support myself, others they may push back. You might be in danger. A few of the people tried to fight me, but I met them in a (inaudible) situation. I had one guy I was speaking in the Richardson Building, going up to the concourse and he...I woke him up and I said to him, "What's the matter?" He said, "Nothing, I'm sleeping." "You can't sleep here." And he said to me, "What do you want me to do?" With his body stance, he wants to fight. I said, "The last thing I want to do is have a fight. I haven't got time for one person. You've got to go, man." So he says, "Yes, I'll go, gladly because I'm scared of you, you're a big person, I want to go." So he left. I showed him the way out. He didn't come back for three or four days. But I...any problems are when I hurry people and I'm glad and excited. And I knew that I knew going into that situation and I shouldn't do that. So if I'm late for (inaudible) then whatever then I have to go fast and that's when you go slower because I go...(inaudible) was against you. You know, that's no good. So if I slow down, the guy caught up with me and he saw me, what I do and (inaudible). An interesting thing happens is a word got around and all these people came to me and thanked me both during my shift and after the shift. Robin's Donuts is busy and I thanked him and told him I did a good job and he did a great job, shook hands, there you go. He did not wish...for me to go, at least say...that really, really makes me feel great. These people made me feel good, and I am proud of these people. The other night, I went to the Siloam Mission to ask these people (inaudible) there's quite a few people who had been in the concourse, were there and asking them and one of the problems is, is not enough shelter for these people. They need places to go. As well, there is not enough food and you have to keep on moving. What I'm saying is there's one place on Logan, I forget the name. There's one Siloam Mission, (inaudible). The Union Gospel and the Salvation Army, period. That's all there is. That is not enough. So I'm glad that this motion has come to the floor and I am hoping that it will get passed. I see no reason why it wouldn't get passed. I'll be up in the lobby watching you. Thank you.

**Madam Speaker:** Thank you, Mr. Guilford. Any questions? Okay, seeing none, you may return to the gallery. Thank you so much. Okay, next is Mr. David Sanders in opposition of the Quarterly Status Report on the new Fire Paramedic Station construction project. You have ten minutes, sir.

**David Sanders:** Thank you, Madam Speaker. I will be very brief. I am appearing today as a private citizen to speak in opposition to Executive Policy Committee's recommendation that the quarterly status report on the public service response to the Ernst and Young Audit Report on the New Fire and Paramedic Stations construction project be just and I quote "received as information". You will note that the decision making history of this agenda item states on January 22nd, EPC received a communication in opposition to the quarterly status report, but unusually neither the author nor the text are attached. I did present a communication in opposition on January 22nd as did others and the text of my presentation is appended to the EPC minutes on the City's decision making information system site. Anyway, for the benefit of the Councillors who are not members of EPC, I'm now in...the document I have distributed this morning reiterating the points raised in my presentation here and I wish to repeat my main objections to Council, accepting this

unrepentant denial of the serious problems exposed by the Fire and Paramedics Stations audit report and what I think is the administrative arrogance displayed in this quarterly status report. I do have some questions for you to consider. I wonder when Ernst and Young will report publicly on its follow-up interviews with the Mayor and Councillors regarding their roles and responsibilities in the subject matter of the Fire Paramedic Stations project. I wonder who has been retained as external legal counsel to review the original audit report and to advise on the legal implications and when will their report be made public? And I wonder whether Council would now as opposed to accepting this report as information, advise the public service that it is not up to them to agree or disagree with Council's decision to accept and implement all 14 recommendations of the original Ernst and Young audit report. In the opinion of Ernst and Young and all of City Council who endorsed the recommendations and the general public I might add, the public service failed to accept the recommendations of Council and to follow existing City of Winnipeg By-laws, Council policies, administrative standards and practices in a fair manner for due process and best intentions. I'm not going to go into details on my recommendations, but I just like to mention a few. Firstly, there's a recommendation that the award authority be...for single source contracts be reduced to no more than \$1 million and preferably, in my view, a hundred thousand dollars. But if it's to go to \$1 million, why not do it today? There's no reason for not doing it today. Secondly, recommendation No. 2, it does appear that notwithstanding Council's approval, the public service does not agree with and is refusing to implement Council's decision to change the City's approach to bidding substitutes and to meet the requirements for a quote "truly open and transparent process." This is probably not overly surprising since the finding of Ernst and Young and the decision of Council necessarily means that the identified public service violated the City's code of conduct for employees and if the present public service won't follow Council's direction, I suggest EPC and I would suggest to council you need a new one, Public Service...Senior Public Service. Recommendation No. 5, I've suggested that the inability of the Planning Property and Development Department to oversee and manage major real estate construction projects has not been addressed by the hiring of a couple of new project officers. A major review of the City's capacity and performance is required as has been amply demonstrated by the Fire Paramedic project and the new Police Headquarters project and as will no doubt be shown in the real estate management audit report yet to come. And in that context, I suggest that the response to the Public Service in this report to the recommendation from Ernst and Young and their decision of Council is completely inadequate. And most of the other recommendations my questions relate to why it's going to take five, six, nine months to do them, many of which they say have already happened but yet, they're going to take months and months to work on them. And I would suggest that perhaps that the Council might today by rather than accepting the report as information might begin the process of serving notice to the senior administration that this kind of behaviour is not acceptable and won't be accepted. I might go on to say Council has a question period today and perhaps some Councillors may ask some of the questions which were listed in my written presentation and then instead of meekly accepting this public service response, I would suggest Council refuse to accept it and direct EPC to obtain a much more appropriate response that complies fully with Council's direction in time for the next Council meeting on February 26th. Right now, it does appear that the remaining senior administrators have been dragging their heels and frankly laughing at your ineffective oversights of their inexcusable transgressions. Thank you.

**Madam Speaker:** Thank you. Any questions for Mr. Sanders? Seeing none, thank you. We'll now move on the report of EPC dated January 15th.

**REPORT OF THE  
EXECUTIVE POLICY COMMITTEE  
DATED JANUARY 15, 2014**

**Mayor Katz:** Oh, that's me. Thank you, Madam Speaker. I'd like to introduce the report and move adoption of consent agenda Items 1 to 3.

**Madam Speaker:** All those in favour? Contrary? Carried. Report of EPC dated January 22nd, Mr. Mayor.

**REPORT OF THE  
EXECUTIVE POLICY COMMITTEE  
DATED JANUARY 22, 2014**

**Mayor Katz:** I would like to introduce the report and move adoption of consent agenda Items 1, 2, 4 and 5.

**Madam Speaker:** Okay, so 1 to 5.

**Mayor Katz:** No, 1, 2, 4 and 5.

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**Madam Speaker:** Oh, 1, 2, okay, good. All those in favour of 1, 2, 4 and 5? Councillor Havixbeck, you'd like to pull 5? Okay, all those in favour of 1, 2 and 4? Contrary? Carried. Okay, Item No. 3.

**Item 3 - Homelessness Partnering Strategy - Renewal of Agreement**

**Mayor Katz:** Thank you, Madam Speaker. I stood this down because I just wanted to make sure that everybody is aware exactly what is going on with this program and tackling problem of homelessness goes beyond providing temporary shelter. To end homelessness in our city, we must address mental health and social issues; provide support to those struggling with addiction or escaping abuse and reach out to at-risk youth before they take the wrong path. In 2012, the City of Winnipeg entered the partnership agreement with the Federal Government. Through the Homelessness Partnering Strategy, the City of Winnipeg administers funds on behalf of the Government of Canada. Since we began this partnership nearly two years ago, the City has awarded \$13.3 million to 43 worthwhile projects addressing homelessness in Winnipeg. In that time, I've had the privilege of seeing first-hand how the strategy and these partnerships benefit the community. In February, I attended the grand opening of Centre Flavie Laurent at its new larger facility. This organization assists newcomers and people at risk of homelessness are providing clothing and furniture at no cost. Councillor Vandal was there as well. Two hundred forty thousand dollars in funding from the Homelessness Partnering Strategy is allowing Centre Flavie Laurent to provide more services to more people. In June, the City and the Government of Canada announced \$477,000 for the North End Women's Centre to provide service delivery funding for the Chriss Tetlock Place, a new facility to house and support women facing homelessness and fighting addictions. And in September, the Pan Am Boxing Club realized its dream of opening a thirty bed residence on Arthur Street with nearly 400,000 in capital construction funding from the strategy. I believe Councillor Swandel was there as well. Pan Am Place is a safe, supportive environment that will give young men a fighting chance. We should be proud of the work that is being done in our city by the agencies that are receiving funding from this strategy. The agreement is helping to build a better Winnipeg by helping some of the most vulnerable people in our city. The renewal is up to five years and will inject approximately \$28 million in our economy to address chronic homelessness and will allow the City to continue towards funding to community agencies and organizations for the tremendous work they do in our city. Thank you, Madam Speaker; I will obviously be supporting this.

**Madam Speaker:** Thank you, Mr. Mayor. Any further speakers on the item? We'll call the question. All those in favour? Contrary? Carried. Item No. 5.

**Item 5 - Quarterly Status Report – Public Service Response to the Report on New Fire Paramedic Stations Construction Project**

**Mayor Katz:** Madam Speaker, I believe Councillor Havixbeck stood this down. I'd love to hear her comments.

**Madam Speaker:** Councillor Havixbeck.

**Councillor Havixbeck:** I don't know if he would love to hear my comments. I am quite surprised nobody else is standing this item down. I appeared...what's that?

**Councillor Gerbasi:** It only takes one person.

**Councillor Havixbeck:** Well, I appeared at EPC on January 22nd and I went through the report and I highlighted a number of concerns that I had, particularly in the language. And I was very surprised and I said this at the meeting. I was very surprised knowing the members of EPC as well as I do, that they would allow this report to move forward as it is. First of all, I have to agree with what Mr. Sanders said, it's not...it's not okay and it's not good enough to simply receive it for information. My first comments were that these recommendations were unanimously adopted by Council this fall and were to be implemented, all of them. Saying we concur, saying the administration does not concur, that just is not an appropriate use of the language in such a report. My next question is how many quarters of this report are we going to see? This is the first quarterly report. I would've expected that these recommendations would be done perhaps by May, June at the latest. I don't think it's rocket science that we need to get these things changed and we need to change these things and implement the recommendations in such a way that they touch all of the other large capital projects going on right now. You know, Charleswood Library is being redeveloped and I've asked for weekly project steering team meeting updates. And I'm certain I've driven the administration crazy, but it's important that we know because it may not be a major capital project as per the definition in the policy, but it's a major project going on in a community. And there will be project steering meetings so that things stay on track. I won't go through the recommendations in detail. I did that at EPC, but I want to go back and think about how we got here. We built a fire station on land we didn't own. Do we own that land yet? Is this report helping us own that land? I'm not convinced it is. Will that prevent this from

happening again? Will this report prevent this? Are we putting systems, procedures, processes in place to prevent something like that from happening again? Maybe, but I'm not...it's not jumping out at me and these were the top reasons why we had an audit in the beginning. Council was kept in the dark about much of what was going on in terms of contract splitting. The correspondence, if you recall from the fire hall audit, was quite alarming. What goes on behind the scenes on these projects? And my main question is what is going to be preventing the same scenario from happening again? So, I will not be supporting it because I feel that the report has these deficiencies and they are quite serious.

**Madam Speaker:** Thank you. Councillor Eadie.

**Councillor Eadie:** Yes, thank you. I wasn't going to stand it down necessarily. I just wanted to say the recommendations that are expressed in this particular document, we as Council of course voted to implement all the recommendations that came from the external auditor out of, actually a large report that I don't know was necessarily all made public, but out of a large report, there was a number of recommendations. We voted on implementing them and this quarterly report, which I frankly expected only to see a report on how the recommendations are being implemented. But you know, low and behold, I guess the administration didn't have a chance to vet their perspective on what the external auditors report said and you know, neither here nor there. I guess that's their prerogative although this quarterly reports were part of the...are called to have quarterly reports and the implementation of the recommendations. As far as I can tell these recommendations were all to deal with the problems that were found in the external audit and that's what...that's why they made these recommendations. So when I hear another Councillor say they're not convinced that these recommendations are going to deal with the actual issues that happened with the fire hall construction program, it's clear from the external auditors and our City auditor who has said at EPC he wholeheartedly agrees with all the recommendations and actually agrees with what the external auditor's report was, which did say...did say that the City made some...did some things that are not common and usual in terms of carrying out this program. So you know, when I do see that the administration who I do have confidence in. I mean, you learn from your mistakes and you move on and I understand that. And so when I work with the administration nowadays, I'm not...I believe that I can trust them to carry out what City Council asked them to do, but I just would point out in this report though, that the external auditor did find some issues that need to be dealt with by the implementation of recommendations which City is doing now. So I'm going to be voting for this report, but I wouldn't want the public to think that somehow the administration wasn't carrying out the recommendations that came from an external audit that cost us approximately what, \$200,000. These recommendations are being implemented and I heard the auditor's answer to recommendation too and how the City is doing it and so from my perspective our City auditor says that's...I had some concerns with it, but it's pretty clear from the City auditor, he's confident in what our administration is doing. So I stand in support of this quarterly report, but just making a note that, you know, it became more than the quarterly report we expected to hear from in terms of the implementation of recommendations.

**Madam Speaker:** Thank you. Councillor Fielding.

**Councillor Fielding:** Thank you, Madam Speaker. You know, with this report going forward we all have been through the fire hall debacle in the public. We have sent it to independent auditor. You know, some of the recommendations obviously are being followed. My concern is really with some the wordage that was put forth in the report: the fact that all procedures and policies were truly followed. I think you would have to be delusional to agree that a large amount of some of these things that happened throughout the report, we are talking about obviously the fire hall swap that was there, obviously procedures and policies of Council were not followed. I was one of the Councillors of one of these wards and you didn't know of the actual properties that were there. We know that there is a fire hall that was built on the Taylor Avenue, a property that we don't own, I don't see how that necessarily falls into Council policy. A large amount of these properties, in fact, all these properties were not declared surplus that were part of it and that the final point is in terms of some of the cost overruns. We know there's cost overruns, there's cost overruns with the Fire or the Police headquarters as well, which is substantially more than this, but to somehow say within this report that all procedures and policies were followed, I just don't think cuts the smell test for it. I'm happy that some of these policies or some of the recommendations are being implemented, but I think that, you know, the verbiage of this report doesn't allow me to support it at this time. Thank you.

**Madam Speaker:** Thank you. Any further speakers? Councillor Vandal.

**Councillor Vandal:** Thank you, Madam Speaker. I was not going to speak on this, but I want to echo what Councillor Fielding, Councillor Havixbeck have said. This report is what it is. It's here for information. I believe there's been some progress on some of the recommendations. Some of the other ones, I'm not sure why we're not making the changes immediately, such as the limits on the sole source contracting. But really, I have difficulty accepting is these lines on page two or three and I'll read verbatim, "Throughout the process of delivering the program, the public service accepted the recommendations for Council and followed existing City By-laws, Council Policies, Administrative Standards and

Practices in a fair manner per due process and best intentions." Madam Speaker, I simply...I don't agree with those words. I may agree with the best intentions, but I think Councillor Fielding has identified one policy which was not followed which was you don't sell a property or you don't...you don't...the first step should be to make a property surplus to our civic needs before it goes to the next level, and obviously that was not followed. We have recommendations that say that we weren't, as elected officials, we were not properly represented by legal services. That's extremely troubling and we've made a recommendation around how to change that and there are other recommendations. I'm not going to go through all nine recommendations, but there were some glaring omissions and errors. I'm not saying there was bad intentions, I think likely we were trying to access some Federal money. We were trying to expedite the process. I know in my ward in Sage Creek, we needed a fire hall. We have a fire hall. It was the first one open. It's an excellent fire hall. The community...the community really enjoys the presence of the firehall in Sage Creek, but unfortunately, there's...we've gotten away from old fashioned due diligence, public service, those are values that I think that...that we have to get back to and so I'm not sure where this is going to go. I know it's received as information, so either way the process will continue. But I need to put my thoughts on the record. Thank you, Madam Speaker.

**Madam Speaker:** Councillor Mayes.

**Councillor Mayes:** Thank you, Madam Speaker. Just for clarity, we vote on the recommendations, not the content of every report and looking to the Clerk for confirmation of that and that is confirmed. Certainly, I've taken some issue with the work of the legal staff here and registering the caveat, so I personally don't feel everything was done with the i's dotted and t's crossed, however, my own view is that the recommendations stand separate from that. I remember voting on a budget a couple of years ago. Councillor Fielding had a tendency to open the budget with the statement we agreed that property taxes are the most aggressive form of taxation and I remember saying that I don't agree with that at all in supporting the budget, but I'm not...I don't actually agree with that. I don't agree with it now, in fact, but the verbiage, I mean, we can all sit here and try to edit by committee which is not a productive use of our time. I take that seriously the comments that are made and I certainly have raised some of them in regards to the legal department, but ultimately it's the recommendations here that as well we vote on and what stands in the minutes in terms of the records of Council. So I don't think there's been a lot of disagreement about the recommendations. We are moving forward to implement the audit report, might some of us written it differently? Probably, but at the end of the day, we vote on the recommendations, not on every statement about whether things are regressive taxation or not on statements about whether everybody did their best or not. Everyone's going to have their own view on that and I certainly vouch some concerns their voice, some concerns about the legal department, but ultimately I think the recommendations are worth supporting.

**Madam Speaker:** Councillor Swandel.

**Councillor Swandel:** It's good that people realize that what we are actually voting on here is the recommendations coming forward and that is that the report be received as information and that the proper officers of the City be authorized to do all necessary to implement the intent of the foregoing. That's what we are voting on here today. I think it's also important, you know, and I don't want to get into a debate, I mean it's easy to characterize what the administration put in its response in the negative light, but when you look at the auditor's report, doesn't just talk about City policy, it also talks about Council's intent for City policy and I think that's, you know, where we have the disconnect here. We sort of push hard to get our administration to do something and we got this time line put upon us by the CMHC loans that we went after. These people trying to get that done using the policy that we have, but what the auditor picked up on more than the policy is what the intent of the policy...what the intent Council had in making the policies. So it's important that we actually look and read and understand what's going on here. So as far as this report moving forward, I think we need to receive it as information. I think we need to get the...continue to have the recommendations being looked after and we've got to stop this madness of trying to use this for self-promotion. And understand that we task people with a very difficult task. They went out and got it done and you know, I for one appreciate that. I appreciate our two new Police stations. I appreciate our four new fire stations. I appreciate the new Police headquarters that we are going to have. I appreciate our Disraeli Bridge and I appreciate the Active Transportation Bridge that sits beside it. I appreciate our new Chief Peguis Trail extension and other things that are happening in this city outside of this, like our Human Rights Museum and our international airport, our brand new international airport, which I believe just won some awards for its architectural magnificence. I appreciate the work that we're involved in in conjunction with the Assiniboine Park Conservancy group and, you know, and on and on and on, new stadiums, NHL hockey teams. You know, I appreciate this. And I...I know there's a lot of citizens out there that appreciate this, too and it happened because people got things done. And I remind you all that if we were to live in a pure bureaucracy, you know, what you do is you destroy opportunity and you destroy value. You know, the other side of that is you've got people out there that are deal makers and they're getting things done. They're creating opportunity to...creating value. When you take the time to go through and look at these numbers, the costs that we pay today for these things are the real costs, you know. I was looking at the numbers on the Police headquarters, they started at \$105 million. But in there, it makes a very clear statement that we do not include any numbers relative to the redevelopment of the financial impact statement because we won't know



those numbers until we have the results of the expressions of interest that were being invited. You know, so, you know, it's not unusual that municipalities, cities, Provincial Governments, Federal Governments have to increase as they go further through processes. You know yes, is it easy to cartoon this to caricature, to try to embarrass people for our own self-promotion? Very easy, but I appreciate what we have in this city and I appreciate it because hard-working employees in this building, in that building over there, and throughout the City of Winnipeg got these things done. Thank you.

**Madam Speaker:** Thank you. No further speakers? Councillor Steen.

**Councillor Steen:** I just want to say I agree with the former speaker. Thank you.

**Madam Speaker:** Mayor Katz to close.

**Mayor Katz:** Thank you, Madam Speaker and I certainly appreciate the comments that everyone made. The realities are quite simple. We asked for quarterly reports from the administration they are giving them to us. In certain situations, they've said they need to do some due diligence just to clarify certain things. I think that's them doing their proper job. If they didn't do their due diligence, we probably would be criticizing them. So, Madam Speaker, I will definitely be supporting this. I'd also like to add that when a presentation is made to EPC, we don't basically tell them what to say. These are their comments. I very much respect their comments. I want to hear their comments. I think we've all heard their comments and I will be supporting the motion. Thank you.

**Madam Speaker:** Thank you. I'll call the question. All those in favour? Contrary? Carried. Item No. 6, Mr. Clerk.

#### **Item 6 - External Audit of the Winnipeg Police Headquarters Construction Project**

**Madam Speaker:** We have motions on this item, correct? Okay, so Mr. Mayor, you will introduce the item. Councillor Browaty, you will introduce your amendments. Is there anything further? Councillor Havixbeck, you have some amendments so you will speak third, and then...pardon me? Yes, motion 2 and then we'll speak to all of these amendments concurrently and then vote in reverse order, okay? Mayor Katz.

**Mayor Katz:** Thank you, Madam Speaker, and I very much want to thank Councillor Mayes as well as Councillor Swandel for pointing out some extremely important and factual information that it appears everyone including some members of the media, want to ignore and it was a copy of an email that I saw from Councillor Mayes that made me do a little bit more research and so just to put it very bluntly, because you won't hear this in the media, okay. You will hear words like today that were presented, I think words such as "debacle" was the word Mr. Craig used or "scandal", which is quite often you will see in one of our papers, but let me give you some factual information of what actually happened. In 2009, as was stated earlier, Council approved a report regarding the acquisition of the Canada Post Building. In that report, Council agreed that the public service should issue a call for proposals for a 105 million redevelopment of the mail processing plant. The financial impact statement makes no mention of the redevelopment, however. It is focused solely on the purchase of the building and the report actually tells us why. As the budget impact is dependent on the result of calls for proposal for redevelopment, this has not been included in the accompanying financial impact statement, but will be the subject of a further report to Council, following the call for proposals process. In other words, the 105 million was a budget estimate, what we called here around City Hall a Class D estimate, usually means, plus 30 percent because they had nothing to deal with and there was no call for proposals as it had not gone out. That's all in the report, Madam Speaker. In addition to that, Council then voted in 2011 to increase the project budget. Prior to that time, we did not have a price. Here's the 2011 report. The contractor has presented a guaranteed maximum price of 137.75 million. The contractor's submission includes several conditions involving remediation construction costs which include caissons, piles, slab flooring, fire stopping, fire proofing et cetera that may impact the final cost of the development. All members of Council voted for that except for one because he was yet to be elected, that's Councillor Mayes, okay. It was unanimous. So the reason I say this because you've heard words that I have repeated what others have said. You heard numbers of 75 million, 79 million, 85 million. I actually heard one member of the media on the radio use the number of 300 million. The reality is when this project started, there was a estimate, a Class D of 105 million; did not include any interest; did not include land acquisition. What we are really dealing with here is \$17.2 million. That's the number. It won't get as big headlines because it's not as enticing as other numbers. Madam Speaker, we've discussed this before. Members have certainly been lobbied on having an audit. I, for all intents and purposes, at this stage of the game, I know many members want to get it behind them, have it dealt with because this is an election year. I get that. I don't have any objection to it. Whether or not they're going to discover anything other than what we just said, that's a whole different question. And also, I'd like to just inform Council that for some of the audits that we've done, we approved half a million dollars. I can tell you right now, we'll probably be at least 25 percent over budget on those

audits. So I'm sure before you hear it within a couple of months, some councillor will move to do an audit on the audit. I'll leave it at that.

**Madam Speaker:** Browaty to introduce motion 1.

**EXECUTIVE POLICY COMMITTEE  
MOTIONS**

**Motion No. 1**

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

*THAT Item 6 of the Report of the, Executive Policy Committee be amended by deleting Recommendation 2 and replaced it with the following two recommendations:*

*"THAT the City Auditor be granted the authority to expend one-time funding of up to \$500,000 to engage the External Auditors and carry out the External Audit, as well as fund other existing audits as requested by Council beyond the existing scope of the audit, and that an additional appropriation for this amount be approved."*

*"THAT the City Auditor provide a full cost breakdown of each existing audit requested by Council including the original contract values and any additional appropriations."*

*which will result in the following recommendations to be adopted:*

- 1. That the City Auditor be instructed to engage an external auditor and such other professionals (collectively, the "External Auditors") as may be required to conduct an independent audit and a quantity survey review of the Winnipeg Police Headquarters construction project (the "External Audit").*
- 2. That the City Auditor be granted the authority to expend one-time funding of up to \$500,000 to engage the External Auditors and carry out the External Audit, as well as fund other existing audits as requested by Council beyond the existing scope of the audit, and that an additional appropriation for this amount be approved.*
- 3. That the City Auditor provide a full cost breakdown of each existing audit requested by Council including the original contract values and any additional appropriations."*
- 4. That the City Auditor report back to Council with the results of the External Audit within 150 days.*

**Councillor Browaty:** Thank you Madam Speaker. Motion is in front of you. This is a...despite the motion as moved at EPC being approved by Clerk's and legal services, our legal folks and the CFO have asked for some clarification on some new language. This doesn't change the intent in any way. I'll leave my other comments for speaking later.

**Madam Speaker:** Thank you, Councillor Havixbeck to introduce motion 2.

**Motion No. 2**

**Moved by Councillor Havixbeck,  
Seconded by Councillor Vandal,**

*THAT Item 6 of the Report of the Executive Policy Committee be amended by adding an additional recommendation as follows:*

*"4. THAT there be monthly updates provided to Council on the status of the Audit."*

**Councillor Havixbeck:** This is very straightforward amendment that Council be provided monthly updates on the status of the audit and that can be by way of Council seminar or an email to everyone, some kind of an update.

**Madam Speaker:** Thank you. Any further speakers? Councillor Vandal.

**Councillor Vandal:** Thank you. I just need clarification on the amendments. The part that says that the City Auditor provide full cost breakdown of each existing audit requested by Council. Well, we're requesting an audit. We have a \$500,000 budget, an external audit for the entire Police station issue. But if further goes on to say, provide a full cost breakdown on each existing audit requested by Council including the original contract values and any additional...are we talking about past audits? Are we talking about future audits that have not been approved yet by this Council? Are we talking about ancillary audits that may come forth through the larger audits? If perhaps Councillor Browaty can clarify that for me and if it's past audits, well, I don't know why we would go backwards and not forwards if that's indeed the case, I'll wait for clarification. And other than that, I congratulate Executive Committee for moving forward these recommendations. I think I listened to most of what the Mayor said and I missed the last comment where everybody laughed, but I think that, you know what, this issue has dogged this Council for the last year and I think there's only one way to attempt to regain the confidence of our constituents and that's doing what we are doing this morning. So, I congratulate Executive Committee and Council, assuming this is going to be approved unanimously.

**Madam Speaker:** Thank you. Councillor Browaty, would you like to provide clarification now or use your speaking time later?

**Councillor Browaty:** Thank you very much, Madam Speaker. In regards to Councillor Vandal's questions, the \$500,000 is to include this audit as well as some of the additional costs associated with...additional costs affiliated with the fire hall audit, the real estate audit, specifically this Council also approved the request to go and further interview Councillors and the Mayor. There was an initial cost associated with that. I believe it was Councillor Vandal, in fact, that moved and I believe I seconded the motion to go out and get some information on legal options that this Council has in regards to the recommendations based on the fire hall audit which this Council approved and there are some cost affiliated with that. My understanding again is, this isn't to say that the audit's going to be 400 or \$500,000. The idea is we want to make sure that we get it done in a timely fashion as well as thorough fashion, but again, the auditor can't go and do it unless there are, there are actually specific funds appropriated, so this would be the...come as a motion through the Finance Committee or here by Council and by doing it here in Council today, we move this forward much quicker and that's why we have the number that's on this motion here today. My preference would be to, you know, go out and get tenders first and then come back, but again, in terms of the timeliness, this is what has been recommended to us.

**Madam Speaker:** Thank you. Any further speakers? Councillor Gerbasi.

**Councillor Gerbasi:** Thank you, Madam Speaker. I'm very pleased that the Mayor and EPC have agreed to a thorough audit of the Winnipeg Police station headquarters project. As you know, there has been a concerted effort from a number of Councillors to get this audit happening and up until this motion came forward that there had been significant resistance from the Mayor, EPC and Councillors supportive of the Mayor's stance. This ongoing impasse I think has been very divisive and I think damaging as Council is constantly been painted in a negative light. Even those who've spoken up in favour of the audit are affected. The image and respect for public officials is not helped by the constant storyline and dialogue of a lack of transparency and accountability. This is also had a significant effect on the public service and I am very concerned that the morale...I was very concerned that the morale would continue to be affected the longer this battle over whether or not to have an audit continued. The public at large as well as advocacy groups have also been adding their voices to the growing amount of...reflecting the growing public concern about transparency and accountability. The pressure from citizens and advocacy groups certainly was important in breaking through and solving this impasse. A few weeks ago, and I'm only mentioning because the Mayor himself mentioned it to the media, I took it upon myself to meet with the Mayor and try to convince him that we should move forward with the audit for a number of reasons and I'm very pleased that ultimately he listened and things are moving forward, not just for that reason I'm sure, but...The main reason for me in believing we need to have an audit is that it is the right thing to do. Back in September of 2012, in response to a series of unfortunate events, Council unanimously supported my motion to do an audit going back five years to review all major property and real estate transactions. However, it has since...it's since came to light that that motion's wording does not...was interpreted as not, only including the acquisition of the Canada Post building and not the management and procurement aspects of the project. I believe that the true intent at least in my mind when the motion was drafted was to thoroughly look at all aspects of major projects including this one. Following the fire paramedic station audit which revealed major concerns in terms of the contracting and construction around the project, it became even clearer that a similar audit of the police station project was and is essential. The audit of the fire station showed the process was unfair and uncompetitive in terms of contracts. Clearly, we need to determine if these sorts of issues or other issues took place with it, the police building project. Given that the project is over budget as well, clearly the public has a right to know how this happened and what was done to lead us here. And it's not only about the budget of the project, it's also about clearing the air and ensuring the project was managed and constructed in an appropriate fashion following ethical standards. It is well known that a number of circumstances occurred in relation to the police building project such as sole source contracts, amendments to the contract award process repeatedly, a design that was only 30 percent complete and Council being asked to vote on a guaranteed maximum price without knowledge of the incomplete design issue. It is obvious that Council needs to learn from its mistakes and steps should

be taken to ensure such mistakes are not repeated. The end result of this audit will be a series of recommendations to help Council prevent the same kind of outcome from happening again. We owe it to Winnipeggers, who will be paying our City's ongoing debt into the future, to ensure accountability, transparency and integrity in the major projects that are happening in our city. But, one thing I want to be sure of is, that the audit is done thoroughly and that the scope of the audit is not reduced to meet arbitrary timelines. We have heard of a variety of opinions on the feasibility of this project being completed in the prescribed time frame. Some say we can't do it and some say we can. I would say that we don't really know for sure if it's possible. It depends on who you want to believe, whether it's the expert, espoused view of the Taxpayers Federation, whether it's Bartley Kives. I'm not sure those are the sources we should necessarily be basing this decision on, with all due respect to those people. So I don't think I really know and our own auditor seems to have doubts or concerns about whether it's possible to find a firm that can get hired, put in place and complete the full scope of the audit in 150 days although I'm sure that's what he will set out to do if that's what he's instructed to do by Council. The important thing to me is that we get a full and complete audit done properly without doing a rush job or reducing the scope to meet an arbitrary deadline. If the auditor puts this project out to tender and discovers that the companies who apply cannot complete the full scope with the audit within the deadline, I am requesting today that the auditor bring this matter back to Council at that time and inform Council, so that Council will have the opportunity to provide an extension of time regardless of an election. And I want to put on the record I do not support reducing the scope of the project to meet a deadline. It is an election year as we all know, otherwise known as silly season and it is difficult in the environment of Civic election campaign not to politicize everything and I really think we should not let the timing of that pre-empt allowing for the time needed to do the job properly. So I hope when this comes up that, that would be taken into consideration if it can be done in time, great on the guidelines, but I expect the auditor to report back to us once he determines if that's actually possible. Thank you, Madam Speaker.

**Madam Speaker:** Thank you. Councillor Fielding followed by Councillor Eadie.

**Councillor Fielding:** Thank you, Madam Speaker. First of all, I am very supportive of the motion coming forward. It would've been probably better if it passed initially in the timeframe that it was originally brought forward to the motion. We might have been able to get through the auditors before the October elections that everyone was talking about. We know that transparency is important. We know that people have some concerns and rightly so in terms of what has been going on at City Hall in terms of transparency and specifically, with this project whether it's 75 million, whether it's 50 million. These are huge, huge numbers. We know the controversy that was generated by just the 3.2 million or whatever the final dollar figure for the fire halls that was one of the issues. It wasn't the main issue, but when you have something that goes over \$75 million, it's important to find out what happens and set up some policies and procedures to make sure that never happens again. There was some presentations today that talked about the auditor, ferreted off some pieces of it. My preference would be to put it out and I know the motion here before us is of that: to put it to an external auditor because you don't know what's going to come up and my hope is that you know there wasn't any...and I don't think there's anything untoward about it, but I think we need to set policies and procedures that make sense. I have been a big proponent with these capital projects right now. We've got a process where administrative folks sit on them for over \$10 million. They report in to the Finance Committee on a quarterly basis in terms of their updates for it. But I think for us, for politicians, we need to be a part of that process. I've talked about the things like a treasury board model where politicians, the elected officials, the people that represent our citizens, are able to participate in that and at the very least, you're always going to have problems that happen when you go in the ground, there's always surprises when you do a project, there's always surprises that happen, but there's some political oversight at the very least, you don't want the politicians running away and saying "I knew nothing of this". So I think there needs to be some political oversight. This happens in all Federal Government to the Provincial Governments and I think it's high time to have a treasury board type of model where you're having that transparency and openness and the political masters who were elected to represent the people can have a say and be a part of it instead of at the last minute being surprised by \$75 million overrun on the project now that of course was the lifespan of that project as opposed to what was found later on, but I think that process makes a lot of sense. So I'm happy that it was brought forward. I think it needs to be an external. It doesn't need to be our internal auditor. The reason why we decided with the fire hall audit, similar to this one that we decided to go external versus internal is because it brings more trust for people and that's something, and people are concerned about the honesty that's going on here at City Hall. This is something I think that will bring back that repore. The last piece was some talk about the time frames. I know there has been some debate in the media and other people saying, "Are you going to be able to get this done in the time frames before the election?" Well, at the very least, you can try. And I think you put this forward to be put forth the times. You put a tight time line on it if you have and I support what councillor for Charleswood had indicated in terms of the monthly reporting system, so you're getting some information out, but I think at the very least, you try and you put everything forward and because I think people want to know what the information is before they go to the next election. And quite honestly, I think it's good for the politicians there around here because I can guarantee you no matter which way you voted on this issue or not, people are going to ask you at the door so you're going to say, you know, and they're going to brush all the politicians with the same brush so unless you get all that information out, it's a question mark so it makes sense for everyone. So I hope it's unanimous support. I think it makes a lot of sense in terms of accountability and transparency here in City Hall. Thank you, Madam Speaker.

**Madam Speaker:** Thank you, Councillor Fielding. Councillor Eadie.

**Councillor Eadie:** Yes. Thank you. I don't know what's to be said. It sounds like there's some amendments. I just wanted to start off by saying that I think I'll talk about just the political aspect first. I can understand that the public's concern that, you know, all of a sudden, we're doing this because it's politically...an election year, but I just want to talk about, just really quickly about potential political fallout as a result of the cost overruns on, on the...and how much those cost overruns are. You know, that's up for debate and I think the Mayor made it slightly clear that it was 137 million. So if we are talking about overage of 17 million so that means the project without the cost of purchasing the building is what, 154 million. Anyway, I think that an external auditor...I like the way the actual external auditor dealt with the fire hall audit and laid it out historically laid out a time line. Here's when decisions were made. Here's how much money was spent. Here is all this stuff. That makes it much clearer when you can...well, if the wording helps you to visualize it, but to visualize sort of the steps that are happening when decisions are made. So there was a guesstimate of what, 105 million to renovate a building. I agree with the Mayor and I believe Councillor Swandel is making this point, to build a brand new station, you know, would cost way more. The original decision was not to repair the existing police headquarters, but to renovate the Canada Post building which offered, actually offers a much bigger potential to provide the Winnipeg Police Service with the kind of headquarters that they need to have in order to deliver what we expect from them. As City Council and as a population of the City of Winnipeg, what we expect from the Winnipeg Police Service. But on a political side, these cost overruns, while nobody will say it's directly related, I still say there seems to be some correspondence that we have overages on the Police headquarters and that the delay of building the north district Police station. That's kind of political. I just received a call from a woman who says how awful that existing district 3 Police station is and how it doesn't serve the people properly and doesn't you know, seems to serve the Police Department very well because you have cars parked all over the place. There's not enough parking for them, themselves to deal with their cars and I guess, their own personal cars as well as their work vehicles. So you know, what do we delay another two years on the north district station looking for the money? I know the Winnipeg Police Service and the Police Board are charging forward, trying to find...to make sure that there's enough money and to try to move it ahead a little bit quicker. I think that's very important, but, so these are political fallouts that do happen when you do have overruns and so you know part of this is there. So I'm sure when I'm knocking on some doors, I'll hear from that woman again who's going to complain about the current district 3 Police station. So...so there is a political aspect to it, but I believe that having an independent auditor, and I believe we are asking ultimately at the bottom of this is this is the kind of audit that I don't think that our own auditor has the resources to deal with, to do the kind of audit...yeah, could probably do pieces of it, but the point is, is that I don't think our own City auditor who's quite good, we hired him to do his job. Council voted to have him as our City auditor, have confidence in him, but in terms of the cost, I just wanted to say that I don't know why. We already hired an external auditor on the fire hall program and I think it's the same firm or an extension of the firm that is examining the real estate transactions which actually includes the purchase and other aspects around real estate with the new...well, with the new Canada Post Building, with the new police headquarters building. I don't know why we would have to tender out more. I was quite impressed with the report we received on the fire halls. I don't think that they're doing a bad job and I think that it would be easier for them to do this because they're already really in depth and immersed in our city processes. They've already made recommendations for change. I don't know if any of those, with these new recommendations moving ahead would've had any effect on, you know, going over budget on the Police headquarters, but I'll leave it at that. So I think that, I hope that our City auditor actually continues through and we have the ability. We have an existing contractor. I don't know why we wouldn't follow through with them. Again, I was quite impressed with their ability on the fire hall and they pointed out some aspects that some people don't like to hear, but you know the point is, is they did a good job. So I'm going to be voting in support of it. The motion to have monthly reports on how it's progressing, I think that would add a component of cost to it and I don't know if in that motion because it hasn't been read in detail, whether or not they're calling on a report to Council here or they're talking about a closed in seminar to explain to the auditor and explain to us. It would be more like a treasury board because treasury board deliberations and discussions don't necessarily all, and it can go public as far as I know, but anyway, just to get an update where the audit's going. I don't know, but...and, if the amendments that Councillor Browaty has, is just to clarify so that we don't get into a sticky situations in terms of spending money although I haven't read that motion either and if it's saying that we breakdown the costs of what the auditor's charging us and report on it and all that, it already sounds like what the Mayor said, an audit of an audit. I think that what we should be concerned with is, I think what we should be concerned about is just that as Councillor Swandel says that did we get value for the dollar and the audit as performed and I know he disagrees that we got value for the dollar on the fire hall audit, but I think we did. Thanks.

**Madam Speaker:** Thank you, any further speakers? Councillor Swandel followed by Councillor Smith.

**Councillor Swandel:** Thank you, Madam Speaker. It's no secret that I don't support doing this audit. I truly believe the money would be better spent elsewhere. If we've got \$500,000 to spend on this, I would suggest we should be putting that \$500,000 into the Police headquarters project. It's good the way that the Mayor characterized these audits and what the costs are doing because it gives you a really good idea of how things are not always finite. But I guess...I'm troubled by some things that are being said, you know, we need to remember that estimates are just that, that the Mayor did a

good job of giving a little more detail on what happened in the report of 2009. If you're going to use that as your base, then you might want to start looking at other projects that you can review. I'll give you a really good one to look at, which is the Louise Bridge project, when it first hit the budget, I think it hit the budget somewhere between \$10 and \$15 million. I stand to be corrected, haven't looked at the specific number, but it's now over \$100 million project. And that's not even a budget number. That's an estimate. It's an estimate. So that's there because it's a huge change in scope and so when the project was defined at the beginning, it's different than how it's being defined now, and which is...when you read these reports, you can clearly see the changes and where the cost pieces come from and why you have to pay this money to do that. And you know, it doesn't matter, you can go back and start trying to do the old Public Safety Building. You know, you would be a few hundred thousand square feet short from what you actually need for a growing city of our size now, but you would probably see the same thing as you're going through that. You're going to discover more as you tear that cladding off, there's going to be unforeseen and you're going to go through the same process. And you know, it's...I think more and more, and I get this feedback more and more now that the public are starting to see that the...the misstatements that are being made that people are taking little pieces of audits and they're using them, mischaracterizing, sort of abusing the facts if you will and so we're just going to keep going down this road I guess and it's sort of you know that the statement I like to make of the lack of political courage. Seems to be self before City and I don't think that's what it should be. I think what we need to do here is act in the best interests of the City. We...this one, it's so clear to see what happened that it befuddles me to see that so many people can stand up and say there is something wrong here, we need to get further detail. I'm...you know, I'm a little taken aback by it. Somebody made a comment about improving morale. I think maybe that was made a couple of times and I think it was made up front and that this you know going through this process will help to improve morale. I don't think history shows that. You know, again, I might be naive, Madam Speaker, but I don't think history shows that. No matter what an audit says. Even if it says, you know, these are unforeseen and that somebody, somewhere will find something that they can twist into a negative light, stand on a soap box and say, hey, look at me. I'm going to hang this public servant out to dry because they did this little tiny statement which is part of a much bigger document and a very complex document and just beat them senseless in the public eye. That's your idea of improving morale? You know, I'm sad for this City. I am sad for this City. Yeah, I know someone will take that and they'll turn it around and say, so we're sad for the City because, and then they'll take a little snippet from an audit, totally out of context, twist it. It'll be completely misunderstood. You know, I have copies here of both "Chicken Little" and "The Boy Who Cried Wolf" for anybody who wants to read them because maybe that's at the level of comprehension. Because certainly these audits and what they say are not at the level of comprehension of most of the people that are speaking here today and certainly some of the special interest groups that come forward, you know, self-promoting themselves. It's just...it's ridiculous. So in conclusion, if there's \$500,000, let's put it into making sure that that Police headquarters meets the needs of this City. It's the proper building and we do all we can to give our officers and all the employees of the Winnipeg Police Service the tools and the space that they need to effectively protect and serve this City. Thank you, Madam Speaker.

**Madam Speaker:** Thank you. Councillor Smith.

**Councillor Smith:** Yes, Madam Speaker. Let me first of all say this. I'd like to congratulate Councillor Browaty and Councillor Mayes for in effect, and all of EPC for in effect changing their mind. You know, I haven't heard from them why that they...that the decision originally made was a wrong one. Why...what I'm hearing is that the reaction from the public is such, cornering them on the street and in the stores and so forth and that the public itself has expressed an interest in having the audit. Now, let me tell you this, you learn from your mistakes. Obviously, the Mayor and EPC members don't believe that, but they're only going along with this because the public is responding and wants an audit. And it seems to me, I grew up in British Columbia and we had a Premier, WAC Bennett. He'd say, "I took a second look", but when he looked, he examined the issue and changed his mind. These people are saying "we want an audit because the public wants an audit" and that's good because democracy is playing a role and I think that's the way it should be. We should be all unanimous in supporting this audit because it's reasonable. We learn from our mistakes and I really would like members of EPC and the Mayor to acknowledge that they've learned from this mistake and in effect, opposing the audit originally. Thank you.

**Madam Speaker:** Councillor Wyatt.

**Councillor Wyatt:** Just a clarification, I just wanted to speak as I think some Councillors were asking, it was Councillor Eadie, who's not here, but mentioned...this came up at EPC last week, the issue of the fact that there were some expenses pertaining to the previous request, I think it was Councillor Vandal who moved that there be a legal opinion done with regards to the fire hall audit and that interviews be done. The auditor himself actually came to the CFO and requested the fact that there was an additional appropriation needed for funding for that work and so rather than have another report that has to be written go to finance to approve this additional appropriation. It was thought at EPC just to amend the motion to ensure that 500,000 includes that other work that has to be...that was related, that Council has already requested. So this is work the Council requested, and so that's what the purpose of that amendment, it was at EPC and I think there was a speaker...one speaker indicated that we should be trying to minimize that cost and doing it

externally...or in terms of the \$500,000. There's no doubt about that, I think that's a very good idea, however, at the same time, we are hearing from the public and the different groups that have come forward that they insist that the only way that this can be independent is that it be done by an external auditor. I do believe as though that our auditor is technically independent. He reports to Council and that's the structure. But there is a perception and they say perception is reality in politics. There's a perception that the auditor is reporting to this chamber, therefore, we have to have an external auditor. So it's kind of a six of one and half a dozen of another. You are damned if you do and damned if you don't. So to be frank, I heard what the previous speaker had said, but at the same time, the push for the external auditor is going to no doubt, and especially the time frame here is going to drive that cost. Again, you are darned if you do and darned if you don't. I've heard where some folks say that we should allow the auditor to take as much time as they need and I believe they should take the time they need, there's no doubt about it. However, there's also those who argue that the report should come back before the election and if you push it after the election, you are being political and you're trying to avoid answers coming forward before the Civic election. So again, you know, but then there's others who I just heard speak today say, "No, we should be waiting and allowing that work to happen." And there's no doubt that I believe that the audit could be done in 150 days, but you know, you're going to pay for that, you know. If you want to speed up the amount of time, you're going to do something, you're going to be paying extra to ensure that you can get that work done that maybe it would've taken eight or nine months and is taking only five. So, you know, this is going to be the challenge that the auditor will face to bring this work back prior to...within the 150 days. It's no doubt a great challenge, but, you know, I'm sure that will be built into the tender that goes out, the RFP that goes out and those that bid on this work will understand that that's one of the requirements. So, and they will, you know, bid accordingly. So again, I just want to add some clarification in terms of some of the questions being raised and this was something that came from the public service in terms of these costs that we have now agreed to fund. Thanks, Madam Speaker.

**Madam Speaker:** Thank you. Any further speakers on the matter? Okay, Councillor Havixbeck to close. Councillor Mayes. Did you have your hand up?

**Councillor Havixbeck:** I'm not closing. I'm...

**Madam Speaker:** Well, there's no speaking time, I believe, when you introduce. Mr. Clerk, could you clarify that?

**Madam Speaker:** I think it's just opening and closing. You can make your comments when you close if you like. Councillor Mayes.

**Councillor Mayes:** Thank you, Madam Speaker. Number of numbers have been raised and I want to speak about a lot of those numbers today which has been raised at least in part already, and it's part of the confusion here is 135 sounds a lot like 137, but they are different and that matters in this context. So here is the context which is 2009 a report comes saying 105 to renovate, 30 million to purchase, total, 135 million. No guarantee on that as Councillor Swandel and others have said. And some reports in the media that there was at that point, there was a guarantee. It wasn't a guarantee. Move forward to 2011 and here Councillor Steeves, my predecessor is right in what he...his memory of that vote, what he said earlier today, 2011, July 2011, a lengthy report in front of all of the Councillors here today. What that report talked about was an additional \$58 million going in. That report could have been clearer because the 7 million aspect of it is, is in addition to the capital aspect of it, but there's no doubt, that pro...the number had increased by 58 million at that point, July 2011. Everybody in the room votes for it. Nobody even pulls it off the agenda. There's no recorded vote, July 2011. All the Councillors present support that, \$58 million, 43 percent over the original, nobody votes against, nobody calls for an audit. Guaranteed maximum price of 137 million is contained on a page that also states at page 12 that the project cost is 155 million. You can't then say, "Oh, I thought the whole cost was 137 million when a few sentences above, there is a cost of 155 million. Councillor Vandal is correct that there's a component of it, it's...that's where the guarantee comes in, is at 137 guaranteed maximum price on the renovation part. No the all-in which was what was reported I think Mr. Craig and I are in agreement on this, there was some confusion in the report that his organization, it was not put out by him, it was posted on their web site. So 137 million is the guaranteed maximum price for a portion of the renovation. So, that guarantee I think is Mr. Craig's term, that got blown, he is right, it got blown by 17 million. So what's the overrun since 2011? It's not 75 million, you can't sit around here and say, "I thought in 2011, I was voting on \$135 million project and it got blown by 75." I'm going to look back to Councillor Smith point in a moment here because he's asked about changing of heart so those are the numbers that are before Council in 2011. If you misunderstood that in 2011, you had a second choice because in the 2012 capital budget, which I voted against, Councillor Gerbasí voted against, Eadie, Smith and Orlikow voted against, just to get that on the record. The 2012 capital budget, December 2011, page 380, all-in price 186 million. So if you thought you'd voted for an all-in price of 137 million in July, something should've twigged there and you would've said, "Oh, wait a minute. I thought it was all-in for 137." By December 2011, it's pretty clear we are way over 137, but Council's voted for that. They voted for a \$58 million overrun. I wasn't here, by 43 percent was seem as okay in July of 2011 and this is sort of why I had a good debate with Mr. Craig, I was sort of talking about his accountability all-star team as I said to him, I said, "Look, you know, you put a bunch of people on there who didn't call for an audit in 2011 when it was 43 percent over, 58 million over" and he said,

"Well, look, my main concern is getting an audit now." And I respect that and that's what I'm supporting now. I just want to be clear the vast majority of the overruns were there. They were before Council in July, 2011. Nobody called for an audit, nobody even voted against it as Councillor Steeves accurately remembers. How much is the overrun? Councillor Havixbeck was correct when she said in November, 54 percent, that's crept up to 60 percent in some reports. I asked him, "Where did you get that?" They said, "We rounded." Well, to the credit of St. Vital School Division, I learned that you don't round 54 up to 60. If you're concerned about the accuracy of numbers and it proceeding, you say it's 54 percent is the overrun and Councillor Havixbeck used that figure in November and I think she was right on that in terms of the math. That's still a significant amount. I'm not disputing that. I'm not downplaying that. Was the guarantee blown? Yes, it was, but by 17 million, not by 75 million. Should we have an audit to look into all these aspects? Yes, but it's important to remember the starting point here, there was no guarantee in 2009. There was a guarantee in 2011, but it wasn't \$75 million ago, it was \$17 million ago in 2011. Councillor Smith said, "I think commendably in November, December, I don't want to point the finger at anybody, I just want some answers" and I think that's the right approach, but he sort of challenged us today and said, "Well, you changed your mind, why did you change your mind?" You know, John Maynard Keynes once said when asked that question, "Why did you change your mind?" His response was, "When the facts change, sir, I change my mind. What do you do?" So what are the facts that have changed here? What I said in December, when it was discussed was, "Look. I'm looking at the \$17 million explanation and I think that's pretty thorough." I wasn't here when the rest of you voted on the \$58 million overrun and nobody called it down. Nobody debated it, nobody voted against it. So why are we looking for an audit now? My position has changed since then, the public has said, "Look. We want it all looked into. We want all \$75 million." But maybe I can throw that question back at Councillor Smith then and say, "If you are looking for use, if you're looking for me to explain why I changed my position, frankly the first question I'm going to have for the auditor is why did everybody think it was okay to be 43 percent over in July of 2011. Why did everybody think it was okay to be \$58 million over in July of 2011?" Had a second chance to revisit that in December of 2011, there were some votes against that budget, the capital budget of 2012, but I think that's a fair question from Councillor Smith, "Why did you change your mind?" I think I've answered that to the best of my ability. I'm now in favour of the audit. I have nothing to hide, I wasn't here in July of 2011 when people voted for \$58 million overrun. There was 43 percent over, but if you insist that this is an outrage, that this is 54 percent over, I think you may be...talk to the public about yeah, but I was okay at 43 percent that was groovy, that was fine, I was okay with that. I mean, from my perspective, there have been overruns here. Happy to support an audit. The time frame issue, you've heard from Mr. Craig, I think to his credit say, "Look, we called for June 1st", EPC said June 30th, that's fine. What is interesting is there are some people who say they should be delayed further. Let's remember that the vote in November was we want this report available to City Council by May 1st, 2014, it's 160 days. The people who voted for that in November said, "We want this back in 160 days. Somebody thinks 150 is rushing it, please make an amendment to 160. I'll support it. I'll second it, but people are saying, "Well, now you're rushing it because you've gone to 150 days, you people on EPC." Let's remember, people voted for a 160 day time frame in November. So I don't think you can sit back and say, "You're rushing it at 150 when they were prepared to support 160." The challenge here, I think is to get the audit, to get it done before the election as Councillor Wyatt says, so people don't think that there's some political basis for delaying it. I think June 30th is fine if people want to add 10 more days. I'm happy to vote for that as well, but I think the core of the debate here is to be clear. In 2009, there was no guarantee, 2011, there was a guarantee, it wasn't at the entire project cost would be 137. You heard my questions to Councillor Steeves earlier. "You thought you were voting on 155 plus 30 million.

**Madam Speaker:** ...move extension of two minutes. All those in favour? Contrary? Carried.

**Councillor Mayes:** You thought you were voting on 155, plus the \$30 million purchase price as well", and he said, yes. So I think Councillor Steeves at least is correct in his memory. What was before Council in July 2011. It was not 137 million all-in package. It was in the neighbourhood of 185 million all-in package. Has the guarantee been exceeded? Yes, by 17 million since July of 2011, but it's important to get the chronology here right. It's important to get the numbers right. The chronology is the guarantee came in 2011, not 2009. It's also important to note that 137, we aren't 75 million over that. That number didn't include a number of other costs including the purchase price, so what's in the report in 2011 is worth remembering. So I hope I have addressed Councillor Smith's question. I do think he was right though in what he said in November and December. The point here is not to point fingers; the point is to get an audit. Let's get some answers and therefore I'm supportive.

**Madam Speaker:** Thank you. Any further speakers? Councillor Nordman. No? Councillor Havixbeck to close on your motion.

**Councillor Havixbeck:** And I am speaking, okay. I'm speaking to it.

**Madam Speaker:** You can close on your motion.



**Councillor Havixbeck:** Yeah, I'll do both in the same speech. First of all, I'd like to thank Councillor Gerbasi. Not often do we get an opportunity to work together on something and she has been relentless for months on this as I have. I would also like to thank and congratulate Councillors Eadie, Fielding, Gerbasi, Orlikow, Smith and Vandal. In November this wasn't very popular. This wasn't very popular at all. We lost the vote 9-7 and these were the people who were there from the start and from the beginning who supported the previous motion. So I think it's important to acknowledge these people. And I'm happy to see that others have finally listened to the citizenry and they are making a better choice to work towards restoring trust and confidence at City Hall and having transparency, although in the Mayor's opening comments, I'm not sure he is supporting it, but he did sign a document, so I'm assuming by his signature, it is his support. I'd like to clarify that the amendment before you is simply to have monthly updates, it's not an additional report. I frequently email and phone the auditor to find out the status on various reports and I think that all of Council should have that information as we go forward. The non-EPC Councillors are not privy to that information because those updates are quite frequent when you are on EPC. Many people have talked about getting good value and I believe that the Police headquarters building is a beautiful building. It's becoming transformed. It's revitalizing an area of our downtown, but we have four different values for the...per square footage rate and nowhere at the downtown meeting, at the EPC meeting, do we get a satisfactory level of clarification on that for me. We heard 278 in a Council seminar, 293, 295 and some are saying even as high as 356. So I guess good value depends on which number you use. These and many...and the answers to many other questions were not in the report. I recall a meeting where we heard it's all in the report. It's on the report. It's not. That's...all in the report. There's a lack of clarity around who decided that it was acceptable that the designs only be 30 percent complete when Council did make a major decision on this and I go back to the meeting at EPC last week where Mr. Colin Craig appeared and identified that he could not get a change order on the fire hall built on Portage Avenue to increase the size. He could not get a written change order because there isn't one. So, if that's indicative of other major projects, I have serious concerns. It's not just about the money, that's important absolutely. It's an astonishing amount of money. In asking for things like invoices, project steering team meetings and I don't necessarily need to know the minutes, but two out of three pieces of the information would've been even something that would've alleviated suspicion at City Hall because it's suspicious when you can't produce dates and times and participants at meetings. I think that that raises suspicion and concern and this is probably one of the largest if not the largest project under way right now. We also haven't discussed the borrowing costs and by way of emails, I understand that \$155 million of the 210 project is being borrowed over 38 years. No one's factoring that in to the cost. When you buy a project or when you buy a home or when you do a project on your home and you borrow, you have to factor that into the true costs of what the entire project is so yes, there have been numbers of 300 million tossed around because \$152 million of interest is astonishing. Our grandchildren will be inheriting this so-called legacy piece and in 38 years we will have an 86-year-old building. So I wonder what it would look like at that point and what it will cost at that point. I don't know what went wrong on this file, but I know intuitively just as I knew on the fire hall audit or on the fire halls that there was something wrong. At that time, you may recall, I asked our senior administrators to come to a Protection and Community Services meeting, which they attended for three and a half hours and we had no further answers, even the committee members were tired of hearing the same answers and said get on with it. We need the results. We need to adopt whatever processes and implement recommendations to continue to make change. Perhaps some change will be covered off. That would be a good thing if we could say, "Well, these were some of the recommendations, however, the fire hall audit also produced similar recommendations, but they're well under way, this will not happen again." This motion calls for 500,000 towards this project and I have some concerns about that. I asked that our finance meeting on Friday, how much the additional two pieces of the fire hall audit were and I was told somewhere in the 30 to \$40,000 range for the...interviewing all of Council and elected officials and there was no answer on the legal portion because that was just in the midst of being awarded. Every auditor I have met or run into in the grocery store, talked to it, has said \$500,000 is not needed for that. A project of this magnitude, one place, one set of files, one set of people is in the neighbourhood of 150 to 225,000. So at the end of the day when we have all the answers, I would hope that that's where we land with this. I understand that there's a shortfall with the other because the other did not contain...the fire hall part 2 and part 3 did not contain allocations of funding. In closing, the irony of this is very unfortunate because this is a building for our Police Service and I believe some have pointed out the positives of that and that our officers put their lives at risk for us, for the citizens in this city and they deserve to have a workplace that is conducive for them to be doing their work. They deserve to have places that don't have mice, that don't have water problems, that are up to code and health standards. And on my final point, I have to say we even dropped the ball for them in not ensuring that they have secure parking in this facility. So, I look forward to seeing the results of this, hopefully by the time the summer rolls around we're not hearing that we need an extension for this as is often the case at City Hall and that we have something that can be done in a time frame. Of four firms that I spoke with all said the capacity is there. The capacity is there in the city and it's there in this country to get this done.

**Madam Speaker:** Thank you. Given the hour, I'd like to stress that we wrap up with this item and then break for lunch. Is that the will of Council? Thank you. So Councillor Browaty to close on your motion.

**Councillor Browaty:** Thank you, Madam Speaker. Sometime shortly after I got elected, I was made aware as was Council at the time, we were made aware of the fact that our Public Safety Building right across the street from us here

was unsafe. They built the paneling on the building, the external cladding, the building envelope was failing and then we needed to take some form of action. We were given a number of a couple, maybe it was, 20, 25, \$30 million initially to decant one floor at a time while we treated the external cladding of the building, and that number continued to escalate over time. I forget the original number was, probably less than \$200 million. The decision we made in December in 2009 was, do we want to repair the building or move to the new...or to purchase the Canada Post building on Graham, refurbish the terminal portion of that building into a new police headquarters? That was the decision being made and the numbers we were given at that time were in the neighbourhood of about \$130 million. Yeah, it was slightly more than the recladding options, but it also removed the chaos that we were throwing the WPS into over the number of years as we moved one floor at a time out of their current building into temporary facilities throughout the City and moving them back in. Based on the numbers there at that time, we made this decision to proceed. The reality is this whole project has cost far more than we were told at the time. We had consultants come in, back I believe, it was 2009. They showed us all these fancy whiz-bang diagrams. We were under nondisclosures that I don't want to see too much, but we were under nondisclosures at the time showing what this building was and to us, I'm a lay person, I'm not a...I've never built a hundred million dollar or \$200 million project personally, to us as Councillors, this project seemed to be well thought out, well-reasoned and yet, we had every reason to believe that the numbers we were being presented with were at least somewhere in the ballpark of what they were. Sure, past the estimate, yeah, I mean, plus or minus 30 percent, yeah, most of the time, it's plus 30 percent. As a taxpayer, I'm angry with the way this whole process went. In 2011, when we approved the initial allocation, I was not happy, but again, it needed to be done. We were that far into the project and we were going to get a very top shelf project. The fact that, you know, buried into a report that we were presented with in July of 2011, there were strings attached to the GMP, not good. The fact that there was still further additional \$17 million after this Council believed we had something that was probably to even, to be very close to the final cost, not good. So now, I think an audit is the right choice. Back in November, I was hopeful that we had enough of the answers we wanted back in the report that was presented by the public service, but in reality the public and myself, I think we deserve a full explanation as to why this project went on the way it did, from going back all the way to square one, and I think that's what this audit will provide. I still wonder if, you know, perhaps that...you know, I think for what we got of the...there might be value in the construction values so that's why I think the two-pronged approach of doing both the audit and the quantity survey, I think we have an opportunity now to take a look at it. But again, why were we given these numbers initially? Why were these original consultants so far off? Why was it awarded to these consultants that had such bad numbers? Did they provide a low, a low number and get the work when they knew that the numbers were that wrong? An audit will get to the bottom of questions like that. So I do agree with the Council Havixbeck's amendment. I would personally like to have the City auditor come here every month and answer questions from this Council, too. Provide us with a one page summary as to what's going on and answer our questions. Again, there are only four civic employees that report to this Council, the City Clerk, hi Richard, the CAO, the CFO and the City Auditor. There's only four of them. So I don't think it's unreasonable to have any one of those four officers come at our request to report to us. There were allegations made by the Taxpayers Federations that perhaps some of the delay in the other audits, it was related to not getting answers from the public service. I think we determined now that that is false, but if there is any questions, if there is any delays, the City Auditor will be able to tell us at any given monthly meeting that we can ensure that our public service was redirected to provide the answers that the auditors needs so that these can happen in an expedition's manner. In terms of the timing, I think Councillor Wyatt is on the right track providing enough resources to whatever external auditor we use, I think will provide us with the answers we need within the time frame that is considered. So I'm in support of the time frame that we introduced in the motion a couple weeks ago with Councillor Mayes there. So again, not happy to be in this position, happy that we are getting a new police headquarters, but I think all citizens deserve a timely response to these at least, these very serious and real concerns.

**Madam Speaker:** Thank you. Mayor Katz to close on the item.

**Mayor Katz:** Thank you, Madam Speaker. I believe the motion speaks for itself so obviously I am supportive of the motion. As far as getting a monthly report, I don't have a problem with that although I would caution everybody that on many occasions we've been told some of these other audits were going to be ready certain time and they've been delayed months. So just be aware of that, but I don't have a problem with that whatsoever and you know, it would be nice to move on. I think I've explained the real numbers, the real number and I'm not sure you can even use, I know Councillor Mayes was referring to overruns, but I don't think if you have an estimate that hasn't gone out, you can actually call it an overrun. We do have an overrun of \$17.2 million which I think is approximately 11 percent and I think we'll get the audit done and everybody will have the answers and we can move forward.

**Madam Speaker:** Thank you. We will now vote on motion No. 2. All those in favour? Contrary? Carried. Now, vote on motion No. 1 Councillor Browaty presented. All those in favour? Opposed? Carried.

**Madam Speaker:** How about on the last one? Okay, recorded vote on the item. Now, it would be as amended. Okay. Incorporating motions 2 and 1. Okay, so recorded...does everyone understand? Okay, recorded vote. All those in favour, please rise.

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**A RECORDED VOTE** was taken the result being as follows:

**Yeas**

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

**Nays**

Councillor Swandel

**City Clerk:** The vote Madam Speaker, yeas 14, nays 1

**Madam Speaker:** The amended motion is carried. Thank you. We'll now adjourn for lunch and we can reconvene at 1:30. Is that all right? Thank you.

**Reconvened meeting of  
Winnipeg City Council of  
January 29, 2014, at 1:30 p.m.**

**Madam Speaker:** We are now on motion No. 3. and that is a notice of motion. You look lost, Councillor Swandel. Motion No. 3. And yes, and that is notice of motion, so we'll deal with it at next Council meeting. Motion No. 4 is an automatic referral to EPC.

**Motion No. 3**  
**Moved by Councillor Vandal,**  
**Seconded by Councillor Gerbasi,**

*WHEREAS the major railways own and operate hundreds of kilometers of rail track throughout the City of Winnipeg;*

*AND WHEREAS recent trends in goods rail transport have seen an increase in transport activity, as well as change in the quality of dangerous goods being transported;*

*AND WHEREAS recent high profile rail accidents have prompted public concern regarding the safety of Canada's rail network, especially on routes where large volumes of dangerous goods are being transported;*

*AND WHEREAS the Federation of Canadian Municipalities' National Municipal Rail Safety Working Group has called for swift and concrete action to improve rail safety;*

*THEREFORE BE IT RESOLVED THAT the City of Winnipeg call upon Transport Canada and the Federal government to ensure that all rail safety rules, including those affecting large rail yards such as Symington, are reviewed and modernized to reflect the new realities in rail transport;*

*AND BE IT FURTHER RESOLVED THAT the review include information sharing to municipalities and cities by Railroad companies on the nature and volumes of dangerous goods being transported;*

*AND BE IT FURTHER RESOLVED THAT crude oil and all other flammable liquids be included on the list of substances deemed high-risk for transportation, and that detailed emergency response assistance plans (ERAP's) be in place in the event of an accident.*

**Motion No. 4**  
**Moved by Councillor Swandel,**  
**Seconded by His Worship Mayor Katz,**

*WHEREAS the litigation regarding the Kapyong Barracks land between First Nations Groups and the Federal Government continues to drag on;*

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*AND WHEREAS the site continues to deteriorate and is creating an eyesore within the City;*

*AND WHEREAS the widening of Kenaston is identified as a short-term priority in the City's Transportation Master Plan;*

*AND WHEREAS regardless of who ends up with the land the City will ultimately be able to acquire the lands necessary for the Kenaston Widening Project either through the Treaty Land Entitlement Service Agreement Process with the First Nations Groups, or through the Development Agreement process with the Federal Government's development entity;*

*THEREFORE BE IT RESOLVED THAT the Public Service be directed to negotiate an agreement with both parties that would permit the City to acquire the Kenaston widening land prior to the Supreme Courts final decision on the First Nations case;*

*AND BE IT FURTHER RESOLVED THAT the City Solicitor be directed to provide an opinion to the interim Chief Administrative Officer within thirty days regarding the possibility of the City seeking "intervener" status at the Supreme Court of Canada to seek an order that the City be allowed to acquire the necessary land in the event an agreement is not negotiated with both parties.*

**Madam Speaker:** Okay, now we're moving on to bylaws for second reading, Mr. Mayor.

**EXECUTIVE POLICY COMMITTEE**  
**CONSIDERATION OF BY-LAWS – 2ND READING ONLY**

**Mayor Katz:** Thank you, Madam Speaker. I move that By-law No. 130/2013 be read a second time.

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

**Clerk:** By-law No. 130/2013.

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

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

**Mayor Katz:** I move that by-laws be read a first time, By-law No. 3/2014, 4/2014, 5/2014, 18/2014 and 19/2014.

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

**Clerk:** By-law No. 3/2014, 4/2014, 5/2014, 18/2014 and 19/2014.

**Mayor Katz:** Madam Speaker. I move that By-laws No. 3/2014 to 5/2014 both inclusive and 18/2014 and 19/2014 be read a second time.

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

**Clerk:** By-laws No. 3/2014 to 5/2014 both inclusive, 18/2014 and 19/2014.

**Mayor Katz:** And I move that the rules be suspended and By-laws numbered 3/2014 to 5/2014 both inclusive and 18/2014 and 19/2014 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.

**Madam Speaker:** We'll now move on to question period for the Mayor. Councillor Eadie.

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**EXECUTIVE POLICY COMMITTEE**  
**QUESTION PERIOD**

**Councillor Eadie:** Thank you Madam Speaker. I asked this question at a previous Council meeting, and given what's happened last weekend with the explosion of a...well a natural gas pipeline, I want to go back to dealing with the issue about the moving by pipeline, the moving of bitumen through the Shoal Lake area close to our water supply, and I'm wondering if the Mayor has had any headway in finding out, and maybe we should have a seminar with Council to have our administration explain to us whether or not the proposal to move that bitumen, if they have enough liability to cover any potential disasters that happen at Shoal Lake in terms of the water because we know that pipelines can fail at different times.

**Mayor Katz:** Through you to the Councillor, no, I have not been briefed on that, but I certainly would be happy to sit down with the administration and if required, and if Council wants it, having a Council seminar. I certainly would have no problem with that whatsoever.

**Madam Speaker:** Thank you. Councillor Eadie?

**Councillor Eadie:** Yes. And again, I didn't think I got a clear answer but in terms of that Shoal Lake pipeline, I'm not sure if the City was directly consulted by the Trans Canada Pipeline people who will be moving that bitumen through all the way to New Brunswick as I understand it. So I'd like a clear answer too, as to whether or not the Trans Canada Pipeline and the Federal Government consulted with our Municipality, City, about potential disaster at the Shoal Lake.

**Mayor Katz:** Madam Speaker, once again I will be happy to sit down with the administration and see if we can address that issue and respond to the Councillor.

**Madam Speaker:** Thank you. Any further questions? Councillor Smith.

**Councillor Smith:** Mr. Mayor, can you tell us when the audit of real estate transactions for a five-year period as adopted by council September 27th, 2012, will be available to Council?

**Mayor Katz:** Madam Speaker, no I cannot, contrary to what was stated on the floor prior to this by Councillor Havixbeck. Neither the Mayor nor EPC gets briefed on that. The only time I have been briefed on the update of an audit has been getting a copy of an answer from the auditor to Councillor Havixbeck but I can tell to the councillor is that my understanding is that it is taking longer and it's going to definitely exceed the budget, and hopefully we can get some specific answers from our auditor but that's all the information that I have as of this moment.

**Madam Speaker:** Any further questions? Councillor Havixbeck?

**Councillor Havixbeck:** Thank you Madam Speaker. At Council's October 22nd meeting, the Mayor stated that Mr. Deepak Joshi would not be applying for the position of CAO. Is it true Mr. Joshi will now be applying for the position of CAO?

**Mayor Katz:** Madam Speaker, I find it extremely unfortunate that these types of issues are raised on the floor of Council after this morning's discussion about the morale of our staff, but I'm more than happy to share what many of us already know, is that Councillor...not Councillor, sorry, but maybe he would be a good Councillor...our Acting CAO has made it very clear that he has no intention of applying for the position. As a matter of fact, after the grief and aggravation he's been through, who knows what he may want to do in the near future.

**Madam Speaker:** Councillor Havixbeck?

**Councillor Havixbeck:** Thank you Madam Speaker. At last Wednesday's EPC meeting, Mr. Colin Craig appeared in delegation expressing concern at the response he received to his freedom of information request for the change order for the enlargement or change of scope of the fire hall on Portage. I'm certain that someone doing an addition on their home would likely have something in writing. The issue here is that there was no change order for the fire hall increase in size. The Mayor indicated he would address the issue. Can the Mayor tell us what he's done to address or answer, perhaps, why there was no change order?

**Mayor Katz:** Madam Speaker, I believe there is information on it, and if everybody goes back they may actually recall where there was a very thorough dialogue about a potential museum. They were actually planning to put a museum there. That was basically ruled out by our people saying that didn't make sense. They also talked about having a ladder there as well to address fires in the southwest part of the city, as well as being able to get to the airport on time. They

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also talked about training, and that's where the floor plan was increased in size. This is dialogue. It is on the record and I'd be happy to have that information shared with the councillor if she was unable to find it.

**Madam Speaker:** Third question?

**Councillor Havixbeck:** Thank you Madam Speaker. At our Council meeting December 11th, Council authorized an additional expenditure of \$17.2 million towards the Police headquarters project. This was brought forward by the Mayor and Executive Policy Committee with a sense of urgency. At the Finance Committee just this past Friday, January 24th, the CFO confirmed the builder still had not signed a contract with the City of Winnipeg, and the CFO also noted the builder was refusing to supply invoices for the actual 17.2 million expenditure. For starters, is this true and if so, how can it be?

**Mayor Katz:** Madam Speaker, at that Council meeting we agreed to have a 17.2 million, which is the figure that we should all be talking about, approved to complete that facility and at that point in time we had talked about this would be a fixed contract price. We then need the administration to basically develop a contract with legal and basically have it signed by all parties and I assume that is something that's going on right now as we speak. I'd be happy to get some more information after that, but that's what I'm aware of.

**Madam Speaker:** Thank you. Any further questions for the Mayor? Councillor Havixbeck.

**Councillor Havixbeck:** Can the Mayor tell us, does he know, is there actually a signed contract?

**Mayor Katz:** I have not seen a signed contract, Madam Speaker.

**Madam Speaker:** Any further questions from the floor? Okay. Seeing none that ends question period. Now on to Downtown Development. Councillor Pagtakhan.

**REPORT OF THE STANDING POLICY COMMITTEE ON  
DOWNTOWN DEVELOPMENT, HERITAGE AND RIVERBANK MANAGEMENT  
DATED JANUARY 6, 2014**

**Councillor Pagtakhan:** Yes, thank you, Madam Speaker. Be happy to move items one and two of the January 6th report.

**Madam Speaker:** All those in favour? Item No. 1, both of you. Yes, okay, I'll call the question on Item No. 2. All those in favour? Contrary? Carried. Item No. 1.

**Item 1 - Go to the Waterfront Planning Document**

**Madam Speaker:** Councillor Pagtakhan.

**Councillor Pagtakhan:** Yes, thank you, Madam Speaker. This is a "Go to the Waterfront" planning document. Basically, it's...be received as information. It's the department's long term vision, 20 year plan to develop our waterfront emending with the downtown first policy. I'll stand down and wait for the Councillors' comments.

**Madam Speaker:** Councillor Gerbasi.

**Councillor Gerbasi:** Thank you, Madam Speaker. I just wanted to note, say just a couple of quick comments on this because I think this is an important document. I think it's a really good news story that this extensive planning work has been done. It's been done in partnership between the City of Winnipeg public service and The Forks. There's been an extensive public consultation and what this is about is, is about good planning and it's about utilizing using our green space along the river in a way that makes it accessible to more people and brings more people to the river, and to be able to access it and enjoy it. So, and although we have an...excuse me, sorry...although we have an extensive parks network along the river, now there's definitely many gaps in the system and there's many improvements we can make to increase active transportation and the public being able to use that space. One example that the report talks about that I'm really excited about is that the idea of a pedestrian bridge linking Fort Rouge Park to McFadden Park downtown. That's just one example. There's examples like that in St. Boniface, you know, throughout the city where the river goes to the heart of our city. So really, I just wanted to emphasize that this is a vision going forward that's really positive,

without this kind of good planning work we could miss these opportunities and so I'd like to thank The Forks and the public service for their excellent work on this, and it is not just something to receive as information, it's something to guide our work going forward as a City. So I think it's really important and I think we need to acknowledge the positive work that is being done. This is definitely, definitely one of those. So thank you, Madam Speaker.

**Madam Speaker:** Thank you. Councillor Eadie.

**Councillor Eadie:** Thank you, Madam Speaker. I just, yeah, I'm supportive of this actually go to the river strategic plan for the next 20 years, whether or not we can achieve all that stuff in 20 years, that's...that would be a question, but the point is, is that there is a plan in place to look at what we're doing and it's...it was a consultation. I actually participated at one event in regards to the planning for this, and I must say that I am impressed with what they came up with. While it won't be looking at quite having the same kind of riverbank development that you might see in Saskatoon, who has a slightly different model, but it's similar in its way and it talks about bringing people to the river. The river is the place where people came through and that was one of the highways that we had, making Winnipeg a bigger and a better place as time went on, but...so, within this, you can see where there's plans, I don't know where the Province is, but there's talk of having a park somewhere along at south Point Douglas. There's all kinds of opportunities to open up the river, different ideas, bringing people across the river so that you know actually, there's a lot of people use the Disraeli, the Louise Bridge actually, to go from Elmwood to north Point Douglas so there's a lot of travel back and forth, but you know, there's a lot of other opportunities for people to move and back and forth from one side of the river to the other all along, and so I think this is actually a good long-term vision where we look...yes, there is some development in there, but you know, the reality is also, we talk about the need to build density and to make better places to live downtown and further up and actually, the only thing I would say that I was a little concerned while the planning document does talk about connecting all the way along our rivers all the way out to the city limits, I would point out though the focus is on a specific area in my ward and it goes up to the end of Michaelle Jean Park, which is basically at Selkirk Avenue and the river where Selkirk Avenue begins and it would've been nice actually I think for them to even extend a bit further and take it all the way up to the St. John's Park, which I think could use some assistance and planning in terms of what happens in the future along the riverbanks that way. So I'll leave it at that and it's a great strategic plan and I think it's great that we're going to be voting, I believe everybody is supportive. We know that we call ourselves the River City so here we are, let's go to the river.

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

**Councillor Pagtakhan:** Yes, thank you, Madam Speaker. I just want to thank Councillor Gerbasi and Councillor Eadie for their comments on this. This is a really good planning document; it's really consistent with Our Winnipeg and the great public consultation that the City of Winnipeg is known for with respect to the 'Our Winnipeg' document. You know, virtually every ward in, within our city is touched by rivers, Madam Speaker, and the Red and the Assiniboine Rivers really are the natural wonders of our city. So, you know, this document talks about six precincts: the Armstrong Point in Wellington Crescent, the Assiniboine and Osborne Village, neighbourhood precinct, the St. Boniface and The Forks, Norwood and Riverview, the Exchange District and north St. Boniface as well as Point Douglas and Archibald and Elmwood. So this is a...it's a great vision document and I just want to thank our administration and Council for supporting it.

**Madam Speaker:** Thank you. All those in favour of Item No. 1? Contrary? Carried. We have no motions, no by-laws. Any questions for the chair? Seeing none, we'll move on to the report on the Committee for Property and Development. Councillor Browaty.

**REPORT OF THE  
STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT  
DATED JANUARY 14, 2014**

**Councillor Browaty:** Thank you, Madam Chair. I'd like to introduce the report of January 14, 2014 and introduce the adoption of the consent agenda Item No. 1 and Items No. 5 through 21.

**Madam Speaker:** Item No. 1 and 5 through 21. Call the question. All those in favour? Contrary? Carried.

**Councillor Browaty:** I'd just like to advise Council that Items 2, 3 and 4 were referred back to the Standing Policy Committee On Property And Development. I'd like to move that By-laws numbered...By-law No. 112/2013 be read a second time.

**COUNCIL OF THE CITY OF WINNIPEG**  
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**STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT**  
**CONSIDERATION OF BY-LAWS – 2ND AND 3RD READINGS**

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

**Clerk:** By-law No. 112/2013.

**Councillor Browaty:** I move that By-law No. 112/2013 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. Next set of by-laws.

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

**Councillor Browaty:** I'd like to move the following by-laws be read a first time. By-law No. 6/2014, 7/2014, 8/2014, 9/2014, 10/2014, 11/2014, 12/2014, 13/2014, 14/2014, 15/2014, 16/2014, 17/2014, 20/2014.

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

**Clerk:** By-law No. 6/2014, 7/2014, 8/2014, 9/2014, 10/2014, 11/2014, 12/2014, 13/2014, 14/2014, 15/2014, 16/2014, 17/2014 and 20/2014.

**Councillor Browaty:** I move that the By-laws numbered 6/2014 to 17/2014 both inclusive and 20/2014 be read a second time.

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

**Clerk:** By-laws numbered 6/2014 to 17/2014 both inclusive and 20/2014.

**Councillor Browaty:** I move that the rules be suspended and By-laws numbered 6/2014 to 17/2014 both inclusive and 20/2014 be read a third time and that the same be passed and ordered to be signed and sealed.

**Madam Speaker:** All those in favour? Opposed? Carried. Any questions for the chair?

**STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT**  
**QUESTION PERIOD**

**Councillor Havixbeck:** Thank you, Madam Speaker. It has been nearly two years since the fire hall on Taylor was completed and the City as far as I know still does not own the land. Can the chair give us an update on negotiations with regard to that property?

**Councillor Browaty:** I understand that there will be news forthcoming on that in the not too distant future.

**Madam Speaker:** Thanks. Any further questions? Okay. Seeing none, we'll move on to the report, the Committee on Protection and Community Services. Councillor Mayes.

**REPORT OF THE**  
**STANDING POLICY COMMITTEE ON PROTECTION AND COMMUNITY SERVICES**  
**DATED JANUARY 13, 2014**

**Councillor Mayes:** I move the report of January 13, 2014.

**Madam Speaker:** All those in favour? Opposed? Carried. We have one motion here which is an automatic referral. Motion No. 5.



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**STANDING POLICY COMMITTEE ON PROTECTION AND COMMUNITY SERVICES  
MOTIONS**

**Motion No. 5**

**Moved by Councillor Havixbeck,  
Seconded by Councillor Vandal,**

*WHEREAS the City of Winnipeg has by-laws to protect citizens and to regulate escorts, escort services, and massage parlours;*

*AND WHEREAS the City of Winnipeg has an obligatory role to ensure safety of women and girls and to eliminate chances of sexual exploitation and human trafficking;*

*THEREFORE BE IT RESOLVED THAT the Public Service provide a report about the number of registered escort services and massage parlours and develop a strategy for ensuring by-law compliance given the significant numbers of these establishments listed in the City of Winnipeg.*

*AND BE IT FURTHER RESOLVED THAT the report incorporate safety measures the City of Winnipeg could undertake to prevent women and girls from being trafficked in these establishments across Winnipeg.*

**Madam Speaker:** We have no by-laws and Question Period for the chair. Any questions? Seeing none, moving on to Committee on Infrastructure Renewal and Public Works. Councillor Swandel.

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

**Councillor Swandel:** Madam Speaker, I will move the report of January 13th or pardon me, December 9, 2013, Item 2.

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

**STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS  
MOTIONS**

**Madam Speaker:** We have a few motions here, Motion 6, 7, 8 and 9, 6 says dealing with the...they are all automatic referral? Yes, I was going to read them out for the benefit of everyone. It's...Item No. 6 is on the U-pass. Item No. 7 is on snow clearing and Zone J garbage and recycling. Motion No. 8, 7, yes, that's correct, is a notice of motion and that will be debated next month. Motion 8 is on snow clearing operations and Zone J.

**Councillor Havixbeck:** Seven? I'm sorry, Item 7, it's written as a notice of motion and I had asked by way of email that the Clerk correct that and I didn't notice that when we signed it, that it still says notice of motion. It should not be notice of motion; it should be a motion and automatically referred to the committee.

**Madam Speaker:** Thank you. Motion No. 9 is on snow clearing policy. Okay, automatic referral.

**Motion No. 6**

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

*BE IT RESOLVED that City Council endorse the establishment of a U-pass program as follows;*

1. *That the program be conditional on successful membership referendums held by the University of Manitoba Students' Union and the University of Winnipeg Students' Association to be held by November 1st of 2014, at a level of a \$260 per student to cover the fall and winter semesters;*

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**January 29, 2014**

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2. *That the \$260 fee be subject to inflationary increases as per City of Winnipeg policy;*
3. *That the public service provide budgetary implications of a U-pass program and report back to Council;*
4. *That the U-pass program would begin in September 2016 or sooner if possible;*
5. *That following successful student referendums, Winnipeg Transit prepare an implementation report to be presented to Council for approval.*

**Motion No. 7**

**Moved by Councillor Havixbeck,**  
**Seconded by Councillor Wyatt,**

*WHEREAS citizens have the right to consistent collection of garbage and recycling;*

*AND WHEREAS since the implementation of the new bins and contractor, there have been numerous missed or late pick-ups;*

*THEREFORE BE IT RESOLVED THAT the Public Service immediately begin providing a regular, weekly report by ward to each City Councillor of all late and/or missed pickups including but not exclusive to those reported through the 311 system and from the department.*

*AND BE IT FURTHER RESOLVED THAT this report be available to City Councillors beginning immediately.*

**Motion No. 8**

**Moved by Councillor Mayes,**  
**Seconded by Councillor Vandal,**

*WHEREAS snow clearing operations in Zone J (St Vital and Island Lakes) were not completed within the specified 12 hour window for the residential plow of March, 2013;*

*AND WHEREAS snow clearing operations in Zone J (St Vital and Island Lakes) were not completed within the specified 12 hour window for the residential plow of December, 2013;*

*AND WHEREAS public works staff reported on Tuesday, January 7, 2014, that only zero to thirty percent of Zone J (St Vital and Island Lakes) was plowed within the specified 12 hour window for the residential plow operation of January 5 and 6, 2014;*

*THEREFORE BE IT RESOLVED THAT due to the three consecutive incomplete plowing operations in the same zone, the City of Winnipeg investigate all steps available to improve snow clearing service in Zone J (St Vital and Island Lakes) up to and including potential termination of the snow clearing contract with the current operator.*

*We have no by-laws. Question period for the chair. Councillor Havixbeck.*

**Motion No. 9**

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

*WHEREAS the present snow clearing policy of The City of Winnipeg includes the removal of windrows in front drives but not for the removal of windrows in back lanes;*

*AND WHEREAS snow removal technology has been changing and advancing where new opportunities may be explored for the removal of snow and the generation of snow windrows in back lanes;*

*THEREFORE BE IT RESOLVED that The City of Winnipeg Public Service review and report on options to amend the snow clearing policy of the city to include the removal of windrows in back lanes and report back to Council via recommendations from the Standing Policy Committee on Infrastructure Renewal and Public Works.*

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**Madam Speaker:** We have no by-laws. Question period for the Chair? Councillor Havixbeck.

**STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS  
QUESTION PERIOD**

**Councillor Havixbeck:** Yes, thank you Madam Speaker. Given the importance of creating a competitive environment by having more bidders in the mix, particularly as it relates to road construction, I'm wondering if the Chair can tell us where in the process, the tendering of 2014 road work is at, because the earlier we are in the season for getting out tenders and having contracts be awarded, the more bidders we have, because I would think they would be less tied up with other contracts. Can the Chair please tell us what the status is?

**Councillor Swandel:** I'll have the Director respond directly to the Councillor.

**Madam Speaker:** Any further questions? Councillor Havixbeck.

**Councillor Havixbeck:** Does the Chair intend to answer any of my questions from today's meeting or the last two meetings?

**Councillor Swandel:** All questions asked have been given appropriate answers. Some have come here, some have been forwarded by members of the administration to the Councillor and all members of Council, so if the Councillor is trying to make some sort of an insinuation that something isn't being done, she should put it directly on the record so that Madam Speaker, you could take appropriate action.

**Madam Speaker:** Any further questions? Okay seeing none, we'll move on to the Committee on Finance, which has no report. We have no motions and no by-laws. Any questions for the Chair? Are you sure? Well, that adjourns our meeting, motion to adjourn from Councillor Pagtakhan. Thank you. Roll call, please.

**ROLL CALL**

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

**Council adjourned at 1:58 p.m.**