

**REPORT OF THE
EXECUTIVE POLICY COMMITTEE**

DATED JANUARY 25, 1996

On motion of Her Worship Mayor Thompson, the Report of the Executive Policy Committee, dated January 25, 1996, was considered clause by clause.

Her Worship The Mayor and Councillors:

**1996 Current Tax Supported Estimates and
Utilities Portion File FE(1996)**

342 - 1. In accordance with The City of Winnipeg Act, the Current Estimates were prepared and tabled with the Executive Policy Committee at a Special Meeting held on November 10, 1995.

Council commenced hearing citizen delegations on November 20, 1995 and proceeded to hear Department Head budget presentations until completion on December 1, 1995.

On December 11, 1995, the Executive Policy Committee heard delegations from concerned citizens and organizations.

The Executive Policy Committee has now reviewed the 1996 Current Tax Supported Estimates and submits their recommendations contained in the document dated January 25, 1996, entitled "A Fundamental Re-examination of City Government."

The theme of the Executive Policy Committee recommendations "A Fundamental Re-examination of City Government", accurately reflects the nature of the specific recommendations and the difficult decisions proposed.

In reaching these recommendations, the Executive Policy Committee has tried to adhere to and focus clearly on a number of key issues which have been emphasized time and time again. These include:

- . no increase in the property tax rate
- . all key service levels maintained
- . maintenance and enhancement of our quality of life
- . privatization and innovation
- . balancing short term needs with long term goals and vision
- . cost containment
- . salary adjustments - an economic reality

In making these proposals, (as outlined in Schedule "B"), the Executive Policy Committee is embarking on a fundamental re-examination of the way in which the City does business. This includes more public/private partnership and innovations, and different ways of providing services to citizens effectively at a lower cost. These recommendations position the City not only for 1996, but for the future.

No Increase in Property Tax Rates

If the Executive Policy Committee recommendations are accepted by Council there will be no increase in the property tax rates for Winnipeggers. This is the first time this will have been achieved since the formation of Unicity in 1972.

The original budget recommendations from City Administration provided for a tax freeze on the basis of total 1996 revenues being equivalent to 1995. Executive Policy Committee felt a more stringent definition of "tax freeze" was required. If 1996 property taxes were set at a level to generate the same total revenues, it would still have necessitated a mill rate increase.

Property taxes are calculated using the following formula:

"Property assessment X provincial portioning X mill rate = revenue".

Report of the Executive Policy Committee dated January 25, 1996

The original base budget recommendations from administration froze total property taxes at \$350 million but required a mill rate increase. The Executive Policy Committee is recommending that the mill rate for property taxes be frozen at 1995 levels. In essence, this means that the City will receive lower total tax revenues due to changes in assessment and provincial portioning. An adjustment was also made to business taxes which results in \$600,000 less revenue.

Schedule "A" outlines the comparative total revenues of the Base Budget Forecast and the Executive Policy Committee Forecast Revenues with no increase to the property tax rates.

All Key Services Maintained

The citizens of Winnipeg have clearly expressed their desire that civic service levels be maintained.

The Executive Policy Committee makes 105 recommendations many of which deal with services to the citizens of Winnipeg. If these recommendations are accepted by Council, all key services will be maintained, such as: transit, police, ambulance, fire, bridge and sidewalk maintenance and parks and recreation services. In addition, provision has been made for an enhancement to library service based on the outcome of a study to be conducted during 1996.

Balance Services and Quality of Life

City Government provides an extremely broad range of services which are valued as integral parts of the quality of life in Winnipeg. Plan Winnipeg clearly articulates the desire of Winnipeggers for a balance in the services they receive, and the vision for how these services can be improved in the future.

While there are service changes and adjustments in a number of areas, Executive Policy Committee has sought to meet the broad variety of needs within the community, fairly and equitably - balancing the needs for many services which provide the high quality of life Winnipeggers value.

Privatization and Innovation

Executive Policy Committee feels strongly that civic government cannot continue to operate as it has in the past. The City's cost structures are simply too high but are not unique. Many other cities face similar challenges and have increasingly looked to the private sector as partners in meeting the service needs of citizens in a cost effective manner.

In the original base budget prepared by administration, there were a number of recommendations for public/private partnerships and innovations which will help to continue to provide high quality service to the citizens of Winnipeg at lower cost. The Executive Policy Committee is recommending that civic staff proceed with the development of business plans to implement initiatives such as:

- . Contracting out of park lawn mowing
- . Contracting out of library book delivery services and shelving of materials
- . Contracting out all Handi-Transit service
- . Increased contracting out of refuse collection services
- . Contracting out quarry operations
- . Consolidating stores functions
- . Downsizing and/or contracting out of the construction branch
- . Contracting out of janitorial functions in Police Services

Short and Long Term

In making these recommendations, Executive Policy Committee has recognized the challenge of providing services today while building and planning for the future of the City, and the needs of future generations. Specifically, the Executive Policy Committee recommendations include a number of initiatives and further study in the areas such as:

- . Alternate service delivery options for parks and recreation services
- . Feasibility of a self-financing civic buildings utility
- . Possible contracting out of meter reading
- . Civilianization of selected police services positions

Report of the Executive Policy Committee dated January 25, 1996

- . Privatization of the Brady Landfill
- . Privatization of Winnipeg Hydro

Of particular note, funds have been provided to conduct a study to rationalize Emergency Response services in the Ambulance and Fire Departments. The Executive Policy Committee is also proposing a thorough review of fleet operations. Similarly, while there have been no reduction to transit routes, neighbourhood swimming pools and skating rinks, Executive Policy Committee is of the opinion that these areas must be reviewed during 1996 to determine a less costly service delivery approach. Partnerships with the community and/or the private sector will be explored.

Cost Containment

The Executive Policy Committee carefully reviewed proposed expenditures in accounts not considered to be front line service areas such as furnishings, advertising, professional consulting services and printing. These are not as critical to meeting the direct service needs of Winnipeggers.

However, Executive Policy Committee recognizes that Department Managers and Senior Administration will be challenged to continue to provide service within the resources available.

Salary Adjustments - An Economic Reality

This area was the most difficult to deal with and the recommendations are being made in a spirit of fairness, taking into account community standards and needs.

In order to meet budget objectives, continue to provide service, and treat all employees equitably, Executive Policy Committee recommends that the City request the Provincial Government to enact legislation allowing the City to reduce annual employee salaries by 2% this year and a further 2% next year. This will be applied equally to all elected officials and civic staff regardless of position or salary level.

On December 13, 1995, Council referred back Clause 4 of the Report of the Executive Policy Committee dated December 13, 1995 relative to the 1996 Current Estimates - Utilities Portion.

The Executive Policy Committee recommends:

- I. That the 1996 Current Tax Supported Estimates as outlined in Schedule "B" be adopted by Council.
- II. That the Province of Manitoba be requested to enact legislation allowing the City to reduce annual employee salaries by 2% in 1996 and 2% in 1997, applied equally to all elected officials and civic staff regardless of position or salary level.
- III. That the 1996 Current Estimates of the utility operations as outlined in Schedule "C" be approved subject to the adjustments affecting the utility operations outlined in the recommendations of the Executive Policy Committee with respect to the tax-supported estimates, including specific adjustments to Transit, Hydro and Equipment and Material Services as well as general adjustments for salary and non salary accounts.
- IV. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

Moved by Her Worship Mayor Thompson,
Adoption of the clause.

Moved by Councillor Golden,
Seconded by Councillor Lazarenko,

WHEREAS Council has been informed that the Chief Commissioner of the City of Winnipeg, Mr. Rick Frost, has committed, on behalf of the City of Winnipeg, that negotiated employment contracts with City employees would be honoured in the 1996 budget;

AND WHEREAS there has been no attempt by the Executive Policy Committee to discuss or negotiate this matter with C.U.P.E. or the other bargaining units;

Report of the Executive Policy Committee dated January 25, 1996

AND WHEREAS considerable damage will be done to all Winnipeggers if negotiations are not held to attempt to find a budget solution that respects the bargaining process;

NOW THEREFORE BE IT RESOLVED that the 1996 current budget of The City of Winnipeg be referred back to the Executive Policy Committee for recommendation.

The motion to refer the clause was put.

The Speaker called for the yeas and nays, which were as follows:-

Yea: Councillors Golden, Lazarenko, Lubosch, Murray, Thomas and Vandal. 6

Nay: Councillors Prystanski, Clement, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Angus. 10

and the motion to refer the clause was declared lost.

Moved by Councillor Lazarenko,

That Council go into Committee of the Whole.

The motion to go into Committee of the Whole was put.

Councillor Clement called for the yeas and nays, which were as follows:-

Yea: Councillors Golden, Lazarenko, Lubosch, Murray, Thomas, Vandal and Angus. 7

Nay: Councillors Prystanski, Clement, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Deputy Mayor Eadie and Her Worship Mayor Thompson. 9

and the motion that Council go into Committee of the Whole was declared lost.

Moved by Councillor Prystanski,

That the rule be suspended to allow Council to consider more than two amendments to the clause.

Carried.

In amendment,

Moved by Councillor Vandal,

Seconded by Councillor Murray,

WHEREAS the City of Winnipeg uses a market basket approach to determine the goods and services essential to meeting the basic food, clothing and personal needs of children and infants on municipal social assistance;

AND WHEREAS the present municipal children's social assistance rates were arrived at in consultation with the City's Coordinator of Nutritional Services, the City's Medical Health Officer as well as the Pediatric Section of the Manitoba Medical Association;

AND WHEREAS there exists a substantial body of research (Health of Manitoba's Children, B. Postl, 1995; Nutrition Network, K. Waters, 1994) which demonstrated the importance of maintaining social allowance rates at levels which allow for adequate nutrition of infants as reflected in formula costs;

AND WHEREAS the City of Winnipeg is currently budgeting \$160,000 for the Christmas Allowance for social assistance recipients;

Report of the Executive Policy Committee dated January 25, 1996

AND WHEREAS the reduced rates within the Executive Policy Committee's proposed estimate does not adequately meet the basic food, clothing and personal needs of children and especially the unique nutritional requirements of infants supported by municipal social allowance;

NOW THEREFORE BE IT RESOLVED that the City of Winnipeg redirect the \$160,000 allocated for the Christmas Allowance as well as allocate another \$1,092,441 in order to maintain the children's 1996 social assistance rates at the 1995 level.

In amendment,

Moved by Councillor Lazarenko,

Seconded by Councillor Golden,

BE IT RESOLVED THAT Council delete the following items in the EPC Recommendations of January 25, 1996:

	1996	1997
18. Arbitration	179,000	20,000
and		
19. Communications Branch	127,000	127,000

AND BE IT FURTHER RESOLVED THAT Council reinstate the following items as recommended by the Committee on Protection, Parks and Culture at its meeting on November 27, 1995:

65. Contracting out of Janitorial Functions - Police Department	75,000
and	
66. Other Privatization (Zoo, Kennelling Services)	25,000

In amendment,

Moved by Councillor Murray,

Seconded by Councillor Thomas,

NOW THEREFORE BE IT RESOLVED THAT the provision for a library fee be eliminated and replaced with an endowment fund as originally directed by the Committee on Planning and Community Services.

In amendment,

Moved by Councillor Murray,

Seconded by Councillor Vandal,

WHEREAS there are many alternatives being proposed that offer other choices to City Council regarding the 1996 Budget;

NOW THEREFORE BE IT RESOLVED THAT the proposals in the Winnipeg In the Nineties Budget discussion paper and other suggestions presented to Council today be reviewed by the City of Winnipeg and considered as amendments to the 1996 estimates.

Report of the Executive Policy Committee dated January 25, 1996

The Speaker called the Deputy Speaker, Councillor Prystanski, to the Chair in order to participate in the debate, and after speaking, resumed the Chair.

The amendment proposed by Councillors Murray and Vandal was put.

Councillor Clement called for the yeas and nays, which were as follows:-

Yea: Councillors Golden, Lazarenko, Murray, Thomas and Vandal. 5

Nay: Councillors Prystanski, Clement, Lubosch, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Angus. 11

and the amendment was declared lost.

The amendment proposed by Councillors Murray and Thomas was put.

The Speaker called for the yeas and nays, which were as follows:-

Yea: Councillors Golden, Lazarenko, Murray, Thomas and Vandal. 5

Nay: Councillors Prystanski, Clement, Lubosch, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Angus. 11

and the amendment was declared lost.

The Speaker advised that each recommendation in the amendment proposed by Councillors Lazarenko and Golden would be considered separately.

The recommendation to remove Item No. 18 was put.

The Speaker called for the yeas and nays, which were as follows:-

Yea: Councillors Golden, Lazarenko, Murray, Thomas, and Vandal. 5

Nay: Councillors Prystanski, Clement, Lubosch, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Angus. 11

and the recommendation to remove Item No. 18 was declared lost.

The recommendation to remove Item No. 19 was put.

The Speaker called for the yeas and nays, which were as follows:-

Yea: Councillors Golden, Lazarenko, Murray, Thomas and Vandal. 5

Nay: Councillors Prystanski, Clement, Lubosch, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Angus. 11

and the recommendation to remove Item No. 19 was declared lost.

The recommendation to remove Item No. 65 was put.

Report of the Executive Policy Committee dated January 25, 1996

The Speaker called for the yeas and nays, which were as follows:-

Yea: Councillors Golden, Lazarenko, Murray, Thomas and Vandal. 5

Nay: Councillors Prystanski, Clement, Lubosch, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Angus. 11

and the recommendation to remove Item No. 65 was declared lost.

The amendment proposed by Councillors Vandal and Murray was put.

The Speaker called for the yeas and nays, which were as follows:-

Yea: Councillors Golden, Lazarenko, Murray, Thomas and Vandal. 5

Nay: Councillors Prystanski, Clement, Lubosch, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Angus. 11

and the amendment was declared lost.

The motion for the adoption of the clause was put.

The Speaker called for the yeas and nays, which were as follows:-

Yea: Councillors Prystanski, Clement, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Angus. 10

Nay: Councillors Golden, Lazarenko, Lubosch, Murray, Thomas and Vandal. 6

and the motion for the adoption of the clause was declared carried.

(See Minute No. 348 for attachments)

**Policy Basis for the Development of the
1996 Current, Capital and Utility Budgets
Files FE(1996) & FC(1996)**

343 - 2. Council at its adjourned meeting of December 1, 1995 automatically referred the following motion to the Executive Policy Committee in accordance with the resolution passed by Council on November 8, 1995, which reads, in part, as follows:

“iii) All information received from delegations and presentations be automatically referred to the Executive Policy Committee with any recommendations, by motion, arising out of Council for consideration by the Executive Policy Committee...”

*Moved by Councillor Murray,
Seconded by Councillor Vandal,*

WHEREAS the City of Winnipeg is committed to Plan Winnipeg and total quality management as stated in the City of Winnipeg Continuous Improvement Program;

AND WHEREAS the “Deming Principles” which are the underpinning of the continuous improvement initiatives outline a customer service driven approach to budget;

Report of the Executive Policy Committee dated January 25, 1996

BE IT RESOLVED THAT City Council commit to Plan Winnipeg and the City's Continuous Improvement Plan as the policy basis for development of the 1996 current, capital and utility budgets.

The Executive Policy Committee recommends that this resolution be received as information.

Moved by Her Worship Mayor Thompson,
Adoption of the clause.

Carried.

Councillors Golden and Thomas asked to be recorded as having voted against the clause, in accordance with Rule 50.7 of the Procedure By-law.

Winnipeg Transit Initiatives **Files FE(1996) & TT-1 (V. 27)**

344 - 3. Council at its adjourned meeting of December 1, 1995 automatically referred the following motion to the Executive Policy Committee in accordance with the resolution passed by Council on November 8, 1995, which reads, in part, as follows:

“iii) All information received from delegations and presentations be automatically referred to the Executive Policy Committee with any recommendations, by motion, arising out of Council for consideration by the Executive Policy Committee...”

*Moved by Councillor Thomas,
Seconded by Councillor Vandal,*

WHEREAS Winnipeg Transit rate increases, elimination of routes and increased headway have lead to lower ridership, falling revenues and additional infrastructure costs;

BE IT RESOLVED THAT City Council pursue options proposed in the Winnipeg Transit initiatives document tabled at Council on Thursday, November 23, 1995.

The Executive Policy Committee recommends that this resolution be received as information.

Moved by Her Worship Mayor Thompson,
Adoption of the clause.

Carried.

Councillor Thomas asked to be recorded as having voted against the clause, in accordance with Rule 50.7 of the Procedure By-law.

Residents' Advisory Groups **File GN (Vol. 4)**

345 - 4. On March 22, 1995, Council adopted a resolution, which was laid over by Council on February 22, 1995, relative to the legal status of Residents' Advisory Groups.

Council gave second and third reading to By-law No. 6393/94, to establish Residents' Advisory Groups for each Community Committee in the City.

For the information of Executive Policy Committee, Section 41(8) of The City of Winnipeg Act states:

"41(8) Where council passes a by-law under subsection (7), council shall provide funds to each residents' advisory group to enable it to operate effectively."

Report of the Executive Policy Committee dated January 25, 1996

The matter was referred to the Executive Policy Committee for policy direction in connection with the financial support for the Residents' Advisory Groups.

The Executive Policy Committee recommends that Council be advised that if Community Committees wish to provide financial support to Residents' Advisory Groups they should do so through Community Per Capita Grant Allocations.

Moved by Her Worship Mayor Thompson,
Adoption of the clause.

Carried.

Councillor Thomas asked to be recorded as having voted against the clause, in accordance with Rule 50.7 of the Procedure By-law.

1995 Budget with a 0% tax increase/ Multi-year budgeting to target a substantial property tax decrease by 1997

File GL-5.6 (Vol. 5)

346 - 5. Council at its reconvened meeting held on April 28, 1994, ruled automatic referral of the following motion to your Committee, under Rule 16.1 of the Procedure By-law No. 5400/90:

*Moved by Councillor Angus,
Seconded by Councillor Clement,*

WHEREAS many of the people of the City of Winnipeg feel they pay too much property tax;

AND WHEREAS Council has taken a number of initiatives to reduce costs by downsizing management and combining Departments;

AND WHEREAS multi-year budgeting is consistent with good management techniques;

THEREFORE BE IT RESOLVED that Executive Policy Committee be directed to bring in a 1995 Budget that projects a 0% tax increase for the citizens of the City of Winnipeg;

AND BE IT FURTHER RESOLVED that Executive Policy Committee be directed to introduce a system of multi-year budgeting which will target for a substantial property tax decrease by 1997;

AND BE IT ALSO RESOLVED that the new budgeting system allows departments to establish three year budgeting which may involve fewer line items, more authorities for managers to move money between line items and freedom for Departments to retain or roll-over year-end savings to attain overall Departmental objectives;

AND BE IT FURTHER RESOLVED that an annual contingency reserve be established to address unforeseen required expenditures;

AND BE IT ALSO RESOLVED that managers be allowed to develop incentive programs that meet the needs and reflect the cultures of their Departments; considering bonus programs, gain-sharing programs, and departmental awards linked to performance.

Report of the Executive Policy Committee dated January 25, 1996

The Executive Policy Committee recommends that this resolution be received as information.

Moved by Her Worship Mayor Thompson,
Adoption of the clause.

Carried.

Councillor Thomas asked to be recorded as having voted against the clause, in accordance with Rule 50.7 of the Procedure By-law.

EXECUTIVE POLICY COMMITTEE

CONSIDERATION OF BY-LAWS

Moved by Her Worship Mayor Thompson,

347 - THAT the rule be suspended and By-law No. 6773/96, a By-law of the City of Winnipeg establishing the 1996 Mill Rate (Current Estimates) be read a first time. File FE (1996)

The motion to suspend the rule was put.

Councillor Thomas called for the yeas and nays, which were as follows:-

Yea: Councillors Prystanski, Clement, O'Shaughnessy, Phillips, Silva, Steek,
Timm-Rudolph, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Angus. 10

Nay: Councillors Golden, Lazarenko, Lubosch, Murray, Thomas and Vandal. 6

and the motion to suspend the rule was declared lost, not having received the required two-thirds vote of the members present in accordance with Rule 3 of the Procedure By-law.