

**REPORT OF THE
EXECUTIVE POLICY COMMITTEE**

DATED JULY 4, 2001

On motion of His Worship Mayor Murray, the Report of the Executive Policy Committee, dated July 4, 2001, was considered clause by clause.

Moved by His Worship Mayor Murray,

That the Consent Agenda, Clauses 1,2,3,4,5,6,7,8,9,10 and 11, be adopted.

Councillor Lubosch requested that Clause 5 be pulled from the Consent Agenda.

Councillor Smith requested that Clause 9 be pulled from the Consent Agenda.

Councillor Angus requested that Clause 11 be pulled from the Consent Agenda.

The motion to adopt the Consent Agenda, Clauses 1,2,3,4,6,7,8 and 10, was put and declared carried.

**Proposed Widening of Regent Avenue West
Between Panet Road and Lagimodière
Boulevard**

File DAO 5/2001

687 - 1. The Executive Policy Committee has been advised that the widening of Regent Avenue West requires a street opening by-law pursuant to Section 495 of The City of Winnipeg Act.

In order to accommodate the widening and addition of dual left turn lanes on Regent Avenue at Lagimodière Boulevard the existing eastbound lanes on Regent must be aligned south of their present location. The right-of-way between Panet Road and Lagimodière Boulevard must be widened by approximately four metres to accommodate this realignment.

The widening of Regent Avenue West was originally identified as a part of the 2001 portion of the Public Works Department's 5 year (2000-2004) Capital Forecast. In anticipation of the increased traffic volumes caused by the expansion of the Crossroads Shopping Centre, the Standing Policy Committee on Public Works, at its meeting of February 8, 2000, authorized the City administration to do all things possible to acquire the necessary lands and effect the widening and renewal of Regent Avenue in the year 2000.

In a report dated February 24, 2000, the Public Works Department identified the need for the lands required for the widening and, since the acquisition of the lands was not identified in the 2000 Capital Program, obtained the approval of the Chief Financial Officer for the acquisition.

At its meeting of June 6, 2000, the Standing Policy Committee on Public Works authorized the Planning, Property and Development Department to negotiate the acquisition of the lands required for the widening.

Subsequent negotiations with the affected property owners were successful, and on September 28, 2000, the Standing Policy Committee on Property and Development approved the terms and conditions of the purchase of the lands.

The City has acquired the lands and the construction of the pavement widening has been completed. It is now appropriate to dedicate the property as a public street.

Funding for the cost of registering the documents required to effect the street opening is available in Account No. 01-118117-630-199 W. 129. These costs are considered to be immaterial.

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The Executive Policy Committee recommends:

- I. That the City Solicitor/Manager of Legal Services be instructed to prepare the necessary by-law for submission to Council to effect the street opening, as outlined on Schedule "A", Misc. Plan No. 10837/1.
- II. That the Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing.

Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

Adopted by consent.

Lane Corner Widenings – First Lane East of Main Street Between Semple and Forrest Avenues

File DAO 6/2001

688 - 2. The Executive Policy Committee has been advised that corner widenings require a lane opening by-law pursuant to Section 495 of The City of Winnipeg Act.

In February of 1995, the Board of Commissioners approved the request of the District Engineer for the North West District that the Planning, Property and Development Department be authorized to negotiate for the acquisition of the lands required for lane corner widenings at the rear of 190 Forrest Avenue, 189 and 190 Kingsbury Avenue, 190 Burrin Avenue and 189 Semple Avenue.

The corner widenings are required to allow large vehicles such as garbage trucks and snow plows the ability to maneuver in the lanes.

In July 1995, the owner of 190 Forrest Avenue agreed to the sale of the lands required for the corner widening illustrated on Schedule "A". In December 1995, Council approved DAO 13/95, the application to dedicate the lands as public lane, and directed the City Solicitor/Manager of Legal Services to prepare the necessary by-law.

In November 1995, the owner of 190 Burrin Avenue agreed to the sale of the lands required for the corner widening illustrated on Schedule "B". In January 1996, Council approved DAO 14/95, the application to dedicate the lands as public lane, and directed the City Solicitor/Manager of Legal Services to prepare the necessary by-law.

In May 1995, the owners of 190 Kingsbury Avenue agreed to the sale of the lands required for the corner widening illustrated on Schedule "C". In April 1996, Council approved DAO 2/96, the application to dedicate the lands as public lane, and directed the City Solicitor/Manager of Legal Services to prepare the necessary by-law.

In May 1995, the owners of 189 Semple Avenue agreed to the sale of the lands required for the corner widening illustrated on Schedule "D". In April 1996, Council approved DAO 3/96, the application to dedicate the lands as public lane, and directed the City Solicitor/Manager of Legal Services to prepare the necessary by-law.

The owner of 189 Kingsbury Avenue refused to sell the portion of his property required for the corner widening illustrated on Schedule "E". The Planning, Property and Development Department opted to proceed in 1996 with the preparation of a plan of survey to effect the other lane corner widenings and to approach the new owner when the property at 189 Kingsbury changed hands.

When the preliminary work on the plan of survey began, the Geomatics Branch of the Planning, Property and Development Department discovered that the network of survey monuments in the area was so badly damaged that the survey could not be conducted. The Geomatics Branch requested funding from the Public Works Department to undertake the survey required to replace the missing and damaged monuments. In 2000, the Public Works Department authorized the funding.

The ownership of 189 Kingsbury had changed by 1999 and in November of that year the new owners agreed to the sale of the lands required for the corner widening illustrated on Schedule "E". The terms of the acquisition were approved by the Standing Policy Committee on Property and Development and by Council in January 2000.

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The survey monument network in the area has been restored. All of the property required for the lane corner widenings have been acquired by the City and it is now appropriate to dedicate the lands as public lane.

For administrative purposes, all of the previous approvals are being combined under File No. DAO 6/2001.

Funding for the cost of registering the documents effecting the opening by-law in the Winnipeg Land Titles Office is available under Account No. 03118117 649690708. These costs are considered immaterial.

The Executive Policy Committee recommends:

- I. That the City Solicitor/Manager of Legal Services be instructed to prepare the necessary by-law for submission to Council to effect the lane corner widenings in accordance with the attached Schedules "A", "B", "C", "D" and "E", Misc. Plan Nos. 9434/1, 9422/1, 9435/1, 9436/1 and 9423/1, respectively.
- II. That the Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing.

Copy of attachments referred to in the above clause are on file in the office of the City Clerk.

Adopted by consent.

Human Resource Strategic Plan Files GP-1.28 (Vol. 1), GP-1.30 (Vol. 1)

689 - 3. The Executive Policy Committee has been advised that in September 1999, City Council directed the Administration to proceed with a project to prepare a Human Resource Strategic Plan for the organization.

Under the City of Winnipeg Organizational By-law No. 7100/97, City Council has overall authority for human resources but has delegated to Executive Policy Committee jurisdiction for human resource policies and specific authority to develop and establish policies relating to civic employees including employee relations, contract negotiations, changes in civic establishment and related personnel matters and delegate to the Chief Administrative Office such related power, duties and responsibilities as it deems advisable.

In September 1999, City Council directed the civic administration to prepare a Human Resource Strategic Plan through a broad consultative process with opportunities for input from members of City Council, senior administration, employees and civic unions. The goals of the project were to produce a plan which would provide strategic direction to the organization in the management of its human resources; a plan which would align with the City's vision, mission, values and guiding principles, corporate priorities and initiatives and would support departmental business planning; a framework and specific initiatives which would help focus and mobilize and direct all human resource management activities towards the achievement of corporate goals and objectives.

Subsequently, a Steering Committee chaired by the City's Chief Administrative Officer was formed. A project team was assembled and consultants were engaged to facilitate development of the plan. In March 2001, the Steering Committee approved the final Human Resource Strategic Plan project report and directed it be brought forward to Council.

For many years, The City of Winnipeg has lacked a comprehensive policy framework for the management of its most significant resource, our civic employees. Though the City has many policies and practices respecting human resource matters, these were developed incrementally over many years, often in reaction to a particular problem or event. Today, a significant number of these policies and procedures, services and authorities are outdated, disconnected from each and many lack alignment to overall organizational goals and objectives. The Human Resource Strategic Policy, outlined on Appendix "A" and associated Plan, outlined on Appendix "B", provide the needed framework.

The funds for this initiative will be accommodated within the Corporate Services Department current operating budget.

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The Executive Policy Committee recommends:

- I. That City Council adopt the Human Resource Strategic Policy for the City of Winnipeg as outlined in Appendix "A" and accept as information the Human Resource Strategic Plan summary report outlined in Appendix "B".
- II. That the Chief of Human Resources and Corporate Services be directed to do all things possible to implement the Human Resource Strategic Policy and Plan.

Copy of attachments referred to in the above clause are on file in the office of the City Clerk.

Adopted by consent.

Proposed Civic Environmental Committee for The City of Winnipeg

File E (Vol. 3)

690 - 4. The Executive Policy Committee has been advised that the recent establishment of an Environmental Coordinator has increased the capacity of the City of Winnipeg to address corporate and community environmental and sustainable development issues, goals, objectives, and strategic opportunities. Winnipeg is gaining reputation as an environmental leader through its recent activities and public commitment to environmental issues. The recent release of "Toward a Sustainable Winnipeg - An Environmental Agenda" and the awarding of a number of grants from the Federation of Canadian Municipalities' new Green Municipal Enabling Fund have propelled Winnipeg into the forefront in Canada for municipal environmental programming. The establishment of a Civic Environmental Committee (CEC) would further reinforce Winnipeg's commitment to becoming a leader in municipal environmental and sustainable development issues, provide the necessary support mechanism to receive public input and community support, and allow City Council to meet its long-standing commitments in Plan Winnipeg (Policy Section 3B Environmentally Responsible Decision-Making).

The main purpose of the CEC shall be to provide advice and report on environmental and sustainable development issues to City Council and the administration, facilitate community consultation and education, and monitor progress on the implementation of policy, programming and service delivery initiatives. Administrative support for the CEC will be provided primarily through a contract position, the recently established Environmental Coordinator, and other recommended support structures as outlined below.

Proposed Terms of Reference:

The following terms of reference were developed in consultation with environmental groups, the administration, and the examination of municipal models elsewhere. This proposed structure was based on the principles of inclusion and openness and is structured to reflect Council's strong commitment to environmental issues and sustainable development and developing opportunities for Winnipeg to be a national leader in municipal green initiatives.

Mandate:

The mandate of the CEC includes the following responsibilities:

- a) to promote actions within the City of Winnipeg based on responsible environmental decision making and sustainable development (i.e., programs, services and actions that simultaneously achieve environmental protection, economic vitality and social well-being);
- b) to coordinate public input into decisions that affect the environment by acting as the City's key forum bringing together key environmental stakeholders;
- c) to review and strengthen current civic policies where necessary, develop and propose new policies in areas where none currently exist, and make recommendations to Council and the administration;

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- d) to provide advice and guidance to Council on issues that affect the environment;
- e) to advise on the City's strategic and sectoral planning so that environmental sustainability becomes a key integrating tool in planning processes by identifying emerging issues and providing advice on appropriate actions;
- f) to facilitate education and awareness and promote an ethic of responsible environmental decision-making and sustainability within all City of Winnipeg institutions; and
- g) to monitor the City's progress in achieving its environmental targets and to issue an annual "State of the Environment and Sustainability Report".

Initial Tasks: Fundamental Building Blocks

As an initial task the CEC will be charged with developing a comprehensive strategic environmental agenda that identifies key issues and an action plan that identifies key priorities for implementation. The recent release of the Mayor's Environmental Agenda forms the basis for a more comprehensive agenda. It identifies numerous environmental issues and opportunities. The intent of this document was to provide a starting point for discussions with the community, the administration and Council on a comprehensive environmental agenda. It provides an initial discussion point that the CEC can use to further develop a comprehensive agenda. Some key environmental issues that should be considered by the CEC in the development of an environmental agenda include but are not limited to:

- energy/energy conservation
- water/water conservation
- waste management/waste reduction
- air quality
- climate change
- pesticide/herbicide use
- green procurement and budgeting
- fiscal incentives/perverse subsidies
- municipal environmental impact assessment
- sustainable development principles
- suburban and ex-urban growth/land-use planning
- sustainable transportation

The consideration of these and other environmental issues in consultation with the community, the administration and Council would assist the Committee in clarifying its mandate by identifying consistent strategic priorities and opportunities.

Reporting Structure:

The Environmental Committee would report to Council through the Executive Policy Committee and, where appropriate, through other Standing Committees. This reporting structure most appropriately addresses the need to coordinate many complex and crosscutting environmental issues across Council committees and individual departmental roles. Frequency of reporting shall be ad hoc and would be dependant on the nature and immediacy of the issues that are being addressed by the CEC. There shall be a requirement for the CEC to report to Council annually regarding progress.

Membership and Structure:

- a) One City Councillor;
- b) The CAO / or designate and,
- c) Representatives of the environmental, health, social and economic development communities, nominated by the public.

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Nominations will be solicited from the public and reviewed by the Executive Policy Committee. The Executive Policy Committee would submit recommendations for both a Committee Chair and members to Council for approval. Recommendations would be based on detailed criteria that would ensure appropriate and balanced representation of community equity and diversity.

The CEC will be authorized to form temporary ad hoc sub-committees and may appoint members with specific expertise in the issue at hand.

The membership, structure and mandate will be subject to review prior to December 31, 2005 by the Executive Policy Committee. The Civic Environmental Committee will have a term of four years expiring December 31, 2005.

Support:

The committee will be supported through the creation of a contract position to coordinate activities including communications, record keeping, meetings, and administrative activities similar to other Committees of Council. However, the committee shall have the option to contract a local environmental organization to provide such administrative support. Benefits of such an arrangement include the following:

- It provides the opportunity for environmental organizations in the community to take an active role in the Committee maximizing the principles of openness and inclusion.
- It provides the flexibility to access the local expertise of organizations.
- Potentially lower administrative costs resulting in more resources for research and education activities.

The Environmental Coordinator would also provide support to the committee and assist departments with the implementation of CEC recommendations into the City's policies, programs and decision-making processes through an internal environmental coordinating committee.

Internal Administrative Coordinating Committee:

The Environmental Coordinator shall chair an internal administrative coordinating committee that would provide expertise and respond to research requests on civic environmental issues by the Civic Environmental Committee. This committee will also provide a point of contact by which comprehensive cross-departmental recommendations could be coordinated to ensure effective implementation. The various departmental directors will appoint their representatives for the internal administrative coordinating committee members.

Resources:

The implementation of recommendations of the Civic Environmental Committee will be carried out through the redevelopment of programs and services, and through the solicitation of funds from other levels of government, foundations, organizations and other sources.

In addition to these approaches, the CEC should be provided with the amount of \$69,000.00 annually to support the adequate implementation of its mandate, as outlined on Appendix "A". The budget will cover the contract support staff, the cost of the production of the proposed annual "State of the Environment and Sustainability Report" to Council and other costs associated with meetings and public consultations. Monies will be used for:

- research and project requirements;
- reports or educational materials produced.

In an effort to maximize the principles of openness and inclusion as well as to draw on the resources of the community, the Civic Environmental Committee shall be encouraged to utilize the resources of various non-governmental organizations in Winnipeg to provide research support and policy advice on a fee for service basis.

The Executive Policy Committee recommends:

- I. That Council approve the establishment of a Civic Environmental Committee to provide advice to City Council and the administration, facilitate community consultation and education, and monitor progress on environmental and sustainable development issues and opportunities.

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- II. That the Terms of Reference and associated annual budget for a Civic Environmental Committee be submitted to City Council for approval.
- III. That the Executive Policy Committee seek public nominations for membership in the proposed Civic Environmental Committee, once approved by Council.
- IV. That the Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing.

Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

Adopted by consent.

Implementation of a New By-law to Regulate Smoking

File EH-1.2 (Vol. 10)

691 - 5. The Executive Policy Committee has been advised that Council approval is required to develop a new by-law or amend By-law No. 3541/83 to Regulate Smoking.

On July 12, 2000, the Executive Policy Committee directed the civic administration to report back on the following:

- Legal Services to draft a clean air by-law, said draft by-law to allow smoking in areas where children are not allowed (i.e. in bars) and to consult with the hotel and health care industry for their input and recommendations;
- Consult with the Provincial and Federal Governments to provide information on what the current clean air guidelines are;
- Consult with medical and public health communities to comment on the Hotel Association's proposal for cleaning the air of environmental tobacco smoke (ETS) through the use of ventilation systems;
- Implement a public information program in community centers to reduce smoking in the community;
- Reduce the phase in time of the proposed by-law to less than five years.

It is a mandate of The City of Winnipeg to protect the health and safety of its residents. The development of by-laws is one critical mechanism for ensuring this occurs. In redrafting the smoking by-law, elected city officials are demonstrating commitment to effecting policy change that will protect and improve the quality of life for its citizens with regards to the harmful effects of second hand smoke. The intent of the City's direction focuses particularly on protecting the health and safety of a vulnerable group of citizens, the children of the community.

The current City of Winnipeg by-law to regulate smoking, By-law No. 3541/83, was first passed by City Council in September 1983 and, at that time, was one of the most progressive pieces of legislation in Canada with respect to this issue. It was amended in 1990, 1991 and 1995 with a consolidated by-law published in November 1996. This by-law restricts smoking in retail shops, patient care areas, banks, municipal offices, reception areas, elevators, service lines, buses and bus shelters; and requires restaurants, bars and public assemblies to designate 50% of the total seating area as a "No smoking area". It also requires appropriate "no smoking" signage and specifies the fine for individuals or corporations that contravene this by-law. Although the by-law limits smoking, it does not eliminate ETS in all indoor public places.

On June 11, 1999, the Standing Policy Committee on Protection and Community Services received an update on the issue of second hand smoke in restaurants and bars within Winnipeg from the Medical Health Officer and established an "Ad Hoc Committee to Review Smoking and Environmental Tobacco Smoke in Public Places", comprised of Councillor Lubosch as Chairperson and Councillor Smith. The Ad Hoc Committee engaged in a range of activities in order to study the issues related to the elimination of exposure to ETS in indoor public places in Winnipeg. A report detailing these activities, along with a more detailed report of the Stakeholder Hearings, was submitted to both the Standing Policy Committee on Protection and Community Services and the Executive Policy Committee in the summer of 2000. This report recommended that The City of Winnipeg develop a by-law by June 1, 2001 that prohibits smoking in all indoor public places.

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A public survey of Manitoba residents in November and December of 1999, which was coordinated by the Manitoba Medical Association, indicated that:

- 93% of people believe ETS to be harmful to others in public places. A previous poll in Manitoba in 1996 indicated that 90% felt it to be harmful.
- Over 70% of Manitobans support a smoke-free by-law for restaurants.
- 60% of Manitobans support a smoke-free by-law for all indoor public places. While over 60% of respondents age 25 years and older would support a by-law, less than half of those ages 18 – 24 said they would support it.
- A more detailed summary of this scientifically completed survey may be found in the report titled “Attitudes Towards Second Hand Smoke” by Prairie Research Associates.

Key stakeholders in Winnipeg were identified and invited to present to the City of Winnipeg’s Ad Hoc Committee on Environmental Tobacco Smoke at hearings scheduled during January 2000 on the challenges they expected to face if the City implemented a more restrictive by-law related to smoking in indoor public places and how these issues could best be managed. The issues identified during these hearings have been the basis for identification of the critical issues and has directed subsequent research respecting the development and implementation of the proposed new by-law.

Key Issues

From research conducted, the necessary components required for an effective ETS strategy complemented with the new ETS by-law will be further described. For background information and a comprehensive understanding of the information used to formulate the principles and the components of the by-law, the reader is referred to the report describing the proceedings of the Stakeholder Hearings held by the Ad Hoc Committee to Review Smoking and Environmental Tobacco Smoke in Public Places which can be found in the Agenda of the Standing Policy Committee on Protection and Community Services dated June 27, 2000. Numerous discussions have occurred with other Canadian municipalities to review their status with regards to a smoke free by-law and learn more about their legal, enforcement and public education strategies. These findings have been utilized in developing the recommended implementation strategies for Winnipeg that follow.

In accordance with the direction given by the Executive Policy Committee in July 2000, Legal Services, in collaboration with the Community Services Department, has prepared a draft of the proposed new by-law to Regulate Smoking, as outlined on Appendix “A”.

Health Risks of Environmental Tobacco Smoke

Firstly it is important to reiterate the rationale and purpose of the new by-law, which is to protect the health and safety of Winnipeg citizens. All research indicates that exposure to environmental tobacco smoke is a significant health hazard. There is compelling scientific evidence that children and adults exposed to ETS are more likely to suffer from a range of serious health conditions.

International scientific reviews indicate that second-hand smoke is the third leading cause of preventable death – after smoking and drinking alcohol.

Overwhelming scientific evidence indicates that children exposed to ETS are more likely to suffer from impaired lung function; eye, nose and throat irritation; respiratory illness, including asthma, pneumonia and bronchitis; chronic middle ear infection.

The Environmental Protection Agency classifies ETS as a “Class A” carcinogen for which there is no known safe level of exposure. Federal and Provincial public health strategies across Canada have identified ETS as a serious health hazard. Health Canada has indicated that all involuntary exposure to ETS is harmful and should be avoided. Protection of the public requires elimination of environmental tobacco smoke in indoor public places.

Research recently published on the effect of legislative controls (including a by-law to make public places smoke-free) on the use of tobacco in California over a ten year period from 1988 – 1997 indicate a significant reduction in the rates of lung cancer (a 14% decrease). Similarly, a second study concluded that a large and aggressive tobacco control program is associated with declines in cigarette consumption and a reduction in deaths from heart disease.

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Level Playing Field

The issue of “a level playing field” has often been raised in discussion with the stakeholders and the industry representatives. Stakeholders have expressed that if a ban is necessary, it must apply equally to all businesses in the entertainment industry. This included restaurants and bars, bowling alleys, halls, bingo halls, sports settings, etc. Although the first priority may be to restrict smoking in public places where those under 18 years are permitted, it is recommended that at some defined future date, smoking be restricted in all indoor public places.

This principle is again important when developing enforcement strategies. Any exemptions specified within the by-law must not result in an advantage or disadvantage to any one group or business as compared to other groups or businesses. This report identifies Environmental Health Officers as the enforcement mechanism for this recommended by-law. As The City of Winnipeg does not have jurisdiction for public health inspection services within the suburbs, the City may wish to consider discussions with the Province of Manitoba to ensure consistency in enforcement strategies for all businesses throughout the City. With the resources requested for enforcement within this report, the City will only be able to follow-up with complaints about compliance within its own “public health” jurisdiction. While this will result in human resource issues for The Province of Manitoba, the Provincial Government has a responsibility in relation to this important public health issue and can demonstrate this through its support of the lead efforts taken by The City of Winnipeg.

Use of Ventilation Systems as an Alternative to No Smoking in In-door Public Places

The Environmental Protection Agency classifies ETS as a “Class A” carcinogen for which there is no known safe level of exposure. Even the best ventilation devices that can be practically used within restaurants and other businesses do not reduce the level of ETS in the air to zero. Ventilation can reduce but not prevent the levels of and the spread of ETS to adjacent/connected non-smoking spaces.

Health Canada has stated that all involuntary exposure to ETS is harmful and should be avoided. The Assistant Deputy Minister of Health developed a briefing note on Tobacco Smoke Ventilation, outlined on Appendix “B”. This was developed in response to a request from the City of Toronto to test a ventilation system that had been proposed by the restaurant and bar associations as a possible alternative to smoke free areas. This briefing note states “the problem with ventilation as an exposure reduction strategy is that exposure, even if the system is operating at maximum efficiency, is never zero.” It ends with “since no ventilation system will protect everybody, and might even delude non-smokers into a false sense of protection, it is concluded that such systems are not as good as a total ban”. Thus, Health Canada will not test ventilation systems or recommend their use.

In Manitoba, Provincial standards for indoor air do not include a measurement for environmental tobacco smoke. A few of the components of tobacco smoke have specific levels for which individual air quality guidelines are recommended; however, in a report on Indoor Air Quality by the Federal – Provincial Advisory Committee on Environmental and Occupational Health published in July 1989, the section on tobacco smoke states “in view of the carcinogenic properties of tobacco smoke, it is recommended that any exposure to tobacco smoke in indoor environments be avoided”.

In a few Canadian municipalities, the by-laws do provide an option for businesses to build a completely enclosed, separately ventilated, designated smoking room for a portion of its seating space. These municipalities have included this as an interim measure towards a complete ban on smoking in public places for which there are specific dates to be phased in over the next few years. Concern was expressed at the City of Winnipeg Stakeholder Consultations that the installation of separately ventilated rooms is extremely costly and therefore not an option for many small businesses. Thus, if allowed, this would eliminate a “level playing field” for all businesses and not move towards the long-term goal.

In further consultation with representatives from the hospitality industry in Winnipeg some are advocating for the use of ventilation and filtration as an acceptable option to restricting smoking. Reportedly some systems are being piloted in Winnipeg but an evaluation report of the effectiveness of these in removing ETS from the air has not to date been provided by the industry. As a part of the public health and medical assessment of the use of ventilation systems, the Honeywell Report which had been shared as a good alternative by the industry was sent by the Winnipeg Regional Health Authority to an independent consultant physicist who is world-renowned for his decades of research on air quality and the effectiveness of ventilation options in removing ETS from the air. His report indicated that this system did not claim and could not remove all ETS from the air.

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From a medical and public health perspective the Medical Health Officer from the Winnipeg Regional Health Authority states that the industry making ventilation systems cannot make any health claims since these systems cannot remove all ETS from the air and therefore the use of such systems to protect the health of citizens is not a solution. A statement confirming this resolution from the Medical Health Officer is appended, Appendix "C".

Public Awareness & Education Strategy

This is a key component for greater public acceptance of this by-law, which will then build acceptance and compliance from both individuals and from businesses. Most jurisdictions that have implemented a ban on smoking in indoor public places have identified the importance of supporting this change with a public information and education campaign. When implementing this by-law The City of Winnipeg is responsible to provide public education about the new by-law, as well as targeted information for proprietors. A combination of strategies will best meet the educational needs for both groups. The more dedication put into appropriate marketing strategies, acceptance and compliance with the new by-law will be increased and the demand on enforcement resources will lessen. The implementation of a smoke free by-law is a significant policy issue with huge public and political impact; therefore it is important that this strategy be coordinated at the level of the CAO Secretariat. As this issue will raise public and media interest, it is critical that there is ongoing and coordinated communication between the offices of the Mayor, Councillors, the Chief Administrative Officer and City Clerk's. Information specific to the new by-law with related questions and answers will also be added to the City's website.

As well, partnerships with other organizations, associations and businesses that may assist in public awareness will be pursued. The Winnipeg Regional Health Authority has confirmed their responsibility is to provide information to the public on the health risks of second hand smoke, as well as tobacco reduction strategies including smoking cessation programs.

Further to this, partnership opportunities are being explored with the WRHA for the operation of an ETS information phone line, which the public could call for information on any ETS and health issues. Referrals of by-law specific enquiry's and complaints would be directed to Environmental Health Services for follow-up by enforcement personnel. It is anticipated there will be thousands of enquiry's particularly in the few weeks prior to the implementation date of the new by-law, and for several months afterwards. Calls will likely focus on clarification/interpretation of the new by-law, expressions of support or non-support for the by-law, queries about smoking and other health-related issues, and complaints about specific smoking occurrences. To be effective, this line requires an in-person response by trained personnel during the main business hours (perhaps for 12 hour shifts) at least for the first several months of the transition to the new by-law. Public notification of this phone number to access information and report concerns will be communicated through the marketing strategy.

A comprehensive public education campaign would include general information on the health risks of second hand smoke, particularly for children; the fact that the purpose of this by-law is to protect the health of citizens, particularly children; what types of businesses will be affected; the details of the by-law; the date it becomes effective. This can be disseminated through newspaper ads, billboards and bus ads, radio announcements, community billboards and newspapers, advertising in movie theatres and direct mail outs to homes. In addition, information could be distributed through tourism contacts such as through hotels, travel agents, transport carriers and into advertisements about Winnipeg e.g. CAA Travel guides. Winnipeg can be actively and positively promoted as a smoke-free place in public areas where children are permitted.

Specific educational resource packages, signage and fact sheets need to be developed for businesses to target their questions and needs while also including some of the same information given to the general public. Information will specify what their responsibilities are; encourage smoke-free policies in general, and give information about where to call for more information and for any compliance issues or concerns.

In addition, a media strategy needs to be developed so there are consistent messages being given. As the date for the by-law change comes closer, there will be interest from the public and the media with regards to how the by-law is being received; possible complaints; and enforcement or legal issues. There will be a need to track public acceptance of the non-smoking by-law. Data to support this can be collected from the ETS information line and from using the automated telephone survey mechanism that the Public Library uses to survey citizens. Communication strategies with timelines need to be developed from both the corporate and the department level and may include other related departments who might be requested to give interviews such as Police Services.

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Compliance Strategy

The current by-law to Regulate Smoking, By-law No. 3541/83, has been in place for many years, is well accepted by the community, and requires very minimal enforcement. However, it does little to limit the exposure to ETS, hence the need for a new by-law. Over time, the new by-law will hopefully be as widely accepted.

Experiences of other jurisdictions have demonstrated the importance of structuring the by-law in such a way that the onus for ensuring compliance rests with the proprietor of the facility, as opposed to only the individual patron. Unlike Winnipeg, many municipalities have this legislated ability. The City of Winnipeg may wish to consider requesting the Provincial Government for an amendment to the senior legislation, The Non-Smokers Health Protection Act such that the owner/proprietor of the establishment is required to ensure compliance with any by-law passed by a municipality pursuant to this legislation. This would greatly enhance compliance by placing ownership on the proprietor similar to other health and safety related by-laws. It will reduce the need and costs of additional enforcement personnel, and facilitate the process of laying charges if any infractions do occur.

It will be incumbent upon The City of Winnipeg to have adequate enforcement resources available to respond to specific situations where either the proprietor or patrons are not complying with the by-law. In situations where the individual contravening the by-law may become aggressive or obstructive, Police support may be required similar to any other personal risk situation.

It is recognized that whenever more restrictive by-laws are introduced, there is some initial level of resistance within the community. As a result, increased enforcement resources will be required for proactive monitoring and enforcement throughout the City, particularly within the first year of the by-law's existence. Other Canadian jurisdictions have found that having a 100% smoke free by-law is very different than having any other lesser percentage of smoke-free areas. Every area has found that initially it takes increased resources to enforce the new by-law until no smoking in public places becomes the social norm. Most jurisdictions have utilized either environmental health personnel or by-law enforcement officers for most of their enforcement efforts with regards to smoking by-laws. Elsewhere, Police personnel have played a variety of support roles, in some areas even co-visiting with environmental officers.

In Winnipeg, Environmental Health Officers have an enforcement responsibility for many health-related by-laws. A model of combining educational approaches with surveillance and enforcement of the new by-law would best increase acceptance and compliance. The comprehensive public education and communication strategy described earlier will provide both general and targeted information approaches. Environmental Health Officers are uniquely positioned as having expertise on environmental and health issues, expertise in providing preventive health education to communities, groups, and individuals, and both the designation and experience in providing monitoring and enforcement roles. A small team of Environmental Health Officers would make contact with businesses affected by the transition to 100% smoke free areas within the months preceding the date the new by-law goes into effect to inform them of the by-law and provide support. These same staff would then be the "by-law resource people" for the new smoking by-law, which would include investigation of individual non-compliance and follow-up with any ongoing compliance infractions with proprietors. One officer would maintain administrative aspects of the smoking by-law enforcement strategy such as developing enforcement protocols, maintain consistency in approach, and could then provide training and support to other Environmental Health Officers. Monitoring proprietors again shortly following the implementation of the by-law is the most effective recommended strategy that demonstrates that the City is committed to enforcement of the by-law and strengthens support for businesses to help them manage any infractions. Flexibility in the working hours of staff would allow these inspections to occur when many premises are doing their highest business and would increase the visibility of the environmental health officers. Three full-time Environmental Health Officers are required for the months prior to the effective date of the new by-law and up to the first anniversary of the implementation date. The financial impact statement specifies the costs related to these necessary resources.

Police Services do not see themselves as having a direct role in by-law enforcement, particularly with regards to health-related by-laws. They do not have the time or the resources to be able to enforce the smoking by-law. However, they do provide a much needed support for conflict situations. Accessibility to Police Services is required in the event that a risk or crisis situation develops during enforcement of the by-law.

The City of Winnipeg does not have jurisdiction for public health inspection services within the suburbs. Thus the City may wish to consider discussions with The Province of Manitoba to ensure consistency in enforcement

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strategies throughout the City. This approach allows the Province and the municipality to work collaboratively in protecting the health of Winnipeggers.

Lead-in Time Before Implementing a More Restrictive ETS By-law

A lead-in time is critical to develop a comprehensive public education and communication strategy in order to increase public acceptance and compliance with the changed by-law. Public awareness will increase public monitoring and encourage self-monitoring. These months will allow for the development of administrative systems and procedures and allow staff resources to make a personal contact with the affected businesses to facilitate their compliance with the by-law. A minimum lead-in time of 9 months is recommended. As well, all stakeholders recommended a lead-in time of somewhere between 6 months and 5 years before a revised by-law would take effect in order to allow businesses to adjust marketing strategies and business plans. The proposed implementation date of January 1, 2002 allows for an adequate lead-in time.

Local Community Context

The movement towards creating smoke-free indoor public places is being furthered by many business leaders in our community. More local restaurants are voluntarily becoming smoke-free. Portage Place, St. Vital, Polo Park, and Kildonan Place malls have implemented a smoke-free policy for their food courts. Many local businesses have recognized the benefits of being smoke-free and are showing their readiness and support for such a by-law. A listing of local restaurants that are smoke-free can be found on the website of Cancer Care Manitoba.

During the past several months, while The City of Winnipeg has been considering changes to the current ETS By-law, other levels of Government and professional associations have implemented initiatives that have heightened public awareness of the dangers of ETS and support the elimination of ETS in public places.

At the Provincial level, Manitoba Health released a strategy paper titled "Reducing Tobacco Use" (1999) and a further document on discussion to this report called "What You Told Us" (2000). As part of a comprehensive tobacco control strategy it recommends that smoking be banned in all public places and workplaces. Since this strategy paper was released, a new Provincial Government has formed. Manitoba like most other jurisdictions has, to date, left the implementation of ETS by-laws to the municipal level of government. However it is important to continue to seek partnership opportunities at the senior level of Government to further protect the health of Winnipeg and Manitoba citizens.

At the Federal level the Steering Committee of the National Strategy to Reduce Tobacco Use in Canada, along with the Advisory Committee on Population Health, released a report called "New Directions for Tobacco Control in Canada". One of their priorities for action is the development of legislation and policies to support protection from second-hand smoke in public places, the workplace and schools. Recommendations have been put forward that there be monies for national coordination of these strategies which would then better support local areas in their efforts. Both government levels also are focusing on strategies to "denormalize smoking", that is, making smoking socially unacceptable. The federal government has developed new regulations for packaging of tobacco products that include graphics of some of the health outcomes of using these products in an effort to decrease smoking.

Other Canadian Municipalities

Eliminating exposure to environmental tobacco smoke is an issue currently being dealt with by many jurisdictions in Canada and the United States. A range of legislation relative to Environmental Tobacco Smoke currently exists among Canadian cities. In Canada, at least 81 municipalities have implemented legislation to prohibit smoking in restaurants. Bars are required to be smoke-free in at least 59 Canadian municipalities.

A comprehensive listing of Canadian municipalities who have existing or pending smoke-free by-laws is outlined on Appendix "D". In December 2000, Edmonton passed a new by-law that restricts smoking in many indoor areas including restaurants as well as their outdoor patios, which came into effect on May 1, 2001. In January the by-law was amended to allow restaurants to declare and register themselves as age-restricted and thereby permit smoking in up to 50% of their space. Regina is still in the process of reviewing their smoking by-law and currently has an implementation date of July 1, 2001 for restaurants to be 80% non-smoking. Fredericton, New Brunswick has become the first Maritime province to pass a smoke free by-law for restaurants effective February 13, 2001 for all restaurants greater than 25 seats, and making all restaurants smoke-free in January 2002. The newly amalgamated

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City of Ottawa passed a smoke-free by-law on April 25, 2001 which will be implemented August 2001 to restrict smoking in all public places and workplaces including restaurants, bowling facilities, clubs, bars, etc.

Winnipeg has the opportunity to effectively enhance the well-being and quality of life for its citizens as well as its visitors by protecting them from the hazards of second hand smoke. The proposed new by-law is a significant and critical step in the right direction.

The Executive Policy Committee recommends:

- I. That Clause 1 of the Report of the Standing Policy Committee on Protection and Community Services dated June 27, 2000 "Ad Hoc Committee to Review Smoking and Environmental Tobacco Smoke in Indoor Places" be filed.
- II.
 - i) That the City of Winnipeg enact a new by-law whereby after January 1, 2002 no person shall smoke in an enclosed (indoor) public place where anyone under the age of 18 is allowed to attend or be present, with the exception of age restricted premises licensed under *The Manitoba Liquor Control Act*.
 - ii) That the City of Winnipeg By-law No. 3541/83 to Regulate Smoking and all amendments thereto be repealed as of January 1, 2002.
 - iii) That Council request the Provincial Government to amend the provincial legislation, The Non Smokers' Health Protection Act, to place the onus on the proprietor of any business or premise for ensuring that their premise is in compliance with the municipal ETS by-law.
 - iv) That Council request the Provincial Government to direct their public health inspectors to enforce the by-law to regulate smoking within their public health jurisdiction.
 - v)
 - a) That Council approve an extra appropriation in the budget year 2001 in the amount of \$175,000.00 for the public education campaign required for implementation of this by-law.
 - b) That the further funding requirement of \$195,000.00 for the enforcement and public education campaign resources required in 2002 be referred to the 2002 budget process.
- III. That Section 3 (1) of the draft by-law be deleted and replaced with the following:

3. (1) An area licensed as a cocktail lounge, beverage room, cabaret, spectator facility or sports facility under *The Manitoba Liquor Control Act* that restricts children under 18 from being in the area.
- IV. That the by-law short title be "The Smoking Regulation By-law".
- V. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Copy of attachments referred to in the above clause are on file in the office of the City Clerk.

Moved by His Worship Mayor Murray,
Adoption of the clause.

In amendment,

Moved by Councillor Lubosch,
Seconded by Councillor Steek,

WHEREAS City Council is desirous of protecting the health and safety of all of its residents;

AND WHEREAS it has been irrefutably demonstrated that environmental tobacco smoke in enclosed public places is injurious to public health;

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AND WHEREAS it has been recommended that a specific date be identified for the prohibition of smoking in all indoor public places;

AND WHEREAS July 1, 2002 will provide for adequate time for implementation;

THEREFORE BE IT RESOLVED THAT:

- i. All references to “January 1, 2002”, be deleted and substituted with “July 1, 2002”.
- ii. Recommendation II i) be amended by deleting all words following “...public place”.
- iii. Recommendation III, of the clause, be deleted in its entirety and the following substituted therefor;

THAT Section 3 of the proposed By-law No. 7870/2001 be amended by deleting the words “where anyone under the age of 18 is allowed to attend or be present”, and Section 4 (a) be deleted in its entirety and that the remaining parts of section 4 be appropriately re-titled.

In amendment,

Moved by Councillor Vandal,
Seconded by Councillor Gerbasi,

BE IT RESOLVED that all licensed premises which allow smoking be directed to enclose their premises, from all non-smoking public places (including ventilation).

With the concurrence of the seconder, Councillor Gerbasi, and with the permission of Council, Councillor Vandal withdrew the motion to amend the clause.

In amendment,

Moved by Councillor De Smedt,
Seconded by Councillor Lubosch,

WHEREAS City Council is desirous of protecting the health and safety of all its residents;

THEREFORE BE IT RESOLVED THAT the proposed By-law No. 7870/2001 be amended by

- i) Adding to Recommendation II (i), of the clause, that the City of Winnipeg Smoking By-law be implemented in phases starting in July 2002 and that all phases of implementation be completed by July 2004, with phases to be determined in consultation with all stakeholders; and
- ii) Amending Recommendation II (i), of the clause, by deleting all words following “...public place.”
- iii) Deleting Recommendation III in its entirety and the following substituted therefor;

That Section 3 of the proposed By-law No. 7870/2001 be amended by deleting the words “where anyone under the age of 18 is allowed to attend or be present”, and Section 4 (a) be deleted in its entirety and that the remaining parts of Section 4 be appropriately re-titled.

The Speaker called Councillor Eadie to the Chair and left the Chamber.

Councillor Eadie called the Deputy Speaker, Councillor Lazarenko, to the Chair.

The Speaker resumed the Chair.

Moved by Councillor Lubosch,

That Rule 32 of the Procedure By-law be suspended to allow the motion proposed by Councillors Lubosch and Steek be considered before the motion proposed by Councillors De Smedt and Lubosch.

The motion was put and declared lost.

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The amendment proposed by Councillors De Smedt and Lubosch was put.

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

Yea: Councillors De Smedt, Lubosch and Smith. 3

Nay: Councillors Lazarenko, Angus, Clement, Gerbasi, Prystanski, Steek, Steeves, Deputy Mayor Thomas, Vandal, Eadie, His Worship Mayor Murray and Councillor O'Shaughnessy. 12

and the amendment was declared lost.

The amendment proposed by Councillors Lubosch and Steek was put.

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

Yea: Councillors De Smedt, Lubosch, Smith, Steek and Vandal. 5

Nay: Councillors Lazarenko, Angus, Clement, Gerbasi, Prystanski, Steeves, Deputy Mayor Thomas, Eadie, His Worship Mayor Murray and Councillor O'Shaughnessy. 10

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 Lazarenko, Angus, Clement, Gerbasi, Prystanski, Steek, Steeves, Deputy Mayor Thomas, Vandal, Eadie, His Worship Mayor Murray and Councillor O'Shaughnessy. 12

Nay: Councillors De Smedt, Lubosch and Smith. 3

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

**Expenditure from the Land Dedication
Reserve Fund – Winnipeg Youth Soccer
Association Inc. – Assiniboia and Riel
Community**
Files EP-2 (Vol. 28), PR-2.6(31) (Vol. 8)

692 - 6. The Executive Policy Committee has been advised that the Assiniboia Community Committee concurred in the allocation of \$8,000.00 from the Assiniboia Land Dedication Reserve Fund for the purpose of attaining equipment for use in the Assiniboia Community Committee area.

The Executive Policy Committee has been further advised that the Riel Community Committee concurred in the allocation of \$8,000.00 from the Riel Land Dedication Reserve Fund to defray costs associated with expansion and development of the 9-A Side program through the creation of specialized fields throughout the city.

The Executive Policy Committee concurs with the above and recommends:

- I. That funds in the amount of \$8,000.00 be approved from the Assiniboia Community Committee Reserve Fund for the purpose of attaining equipment for use in the Assiniboia Community Committee area.

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- II. That funds in the amount of \$8,000.00 be approved from the Riel Community Committee Land Dedication Reserve Fund for the Winnipeg Youth Soccer Association to defray costs associated with expansion and development of the 9-A Side program through the creation of specialized fields throughout the city.

Adopted by consent.

**Expenditure from the Land Dedication
Reserve Fund – Maples Youth Activity
Centre – Lord Selkirk-West Kildonan
Community**

File EP-2 (Vol. 28)

- 693 -** 7. The Executive Policy Committee has been advised that the Lord Selkirk-West Kildonan Community Committee concurred in the allocation of \$900.00 from the Lord Selkirk-West Kildonan Land Dedication Reserve Fund to the Maples Youth Activity Centre for its portion of the cost of installing a water fountain at its Elwick site located at 30 Maberley Road.

The Executive Policy Committee concurs with the above and recommends that funds in the amount of \$900.00 be approved from the Lord Selkirk-West Kildonan Community Committee Reserve Fund for the project.

Adopted by consent.

**Expenditure from the Land Dedication
Reserve Fund – Norwood Community Centre
– Riel Community**

File EP-2 (Vol. 28)

- 694 -** 8. The Executive Policy Committee has been advised that the Riel Community Committee concurred in the allocation of \$10,000.00 from the Riel Land Dedication Reserve Fund to the Norwood Community Centre to defray the cost associated with the re-draw of the structural plans for the addition to the Community Centre.

The Executive Policy Committee concurs with the above and recommends that funds in the amount of \$10,000.00 be approved from the Riel Community Committee Reserve Fund for the project.

Adopted by consent.

Senior Management Compensation

File GU-4.6 (Vol. 11)

- 695 -** 9. The Executive Policy Committee has been advised that the City Organization By-law No. 7100/97, section 26 (12)], states that the CAO shall “recommend a management classification and remuneration plan to the Executive Policy Committee.”

Under that same by-law, section 4 (18)], Council granted Executive Policy Committee the authority to "Develop and establish policies relating to civic employees including employee relations, contract negotiations, changes in the civic establishment and related personnel matters and delegate to the Chief Administrative Officer such related power, duties and responsibilities as it deems advisable;”

The City of Winnipeg Organizational Review, conducted in 1997, identified several significant management compensation related issues facing the City of Winnipeg. The review identified the practice of automatic increments and the lack of annual performance reviews as challenges to enhancing managerial accountability and effectiveness. Further, with growing sick leave cash-out liabilities and often generous severance provisions, the

Report of the Executive Policy Committee dated July 4, 2001

review observed that City resources were being diverted from the development and retention of employees still in the organization.

In December 1998, the CAO engaged Hay Management Consultants to review current senior management compensation practices, with a view to developing recommendations for a revised management compensation plan, and to aid the City in articulating a Senior Management Compensation Policy.

The Hay Group has concluded its review, and the results and recommendations are summarized in its presentation, as outlined on Appendix "B".

The City of Winnipeg's proposed new Senior Management Compensation Policy and Plan were developed to strengthen senior management's accountability and performance focus. The Plan has been designed to ensure the City can continue to recruit and retain talented administrative leaders. It would directly link compensation to performance and measurable objectives, while its phased implementation is in keeping with efforts to address the City's current fiscal challenges.

Senior Management Compensation Policy

For many years, senior management have been treated as an extension of the Winnipeg Association of Public Service Officers (WAPSO) bargaining unit. However, a distinct and separate Senior Management Compensation Policy and Plan would represent an improvement, reducing the potential for conflict of interest in management's development of recommendations for bargaining with WAPSO.

The proposed Senior Management Compensation Policy, as outlined on Appendix "A" would recognize and support Senior Management's unique strategic role in accomplishing the City's overall goals and objectives. It enshrines the principles of accountability, employee contribution, internal equity, and external competitiveness.

Senior Management Compensation Plan

The proposed Senior Management Compensation Plan, developed with the support of consultants from the Hay Group and William M. Mercer Ltd., is comprised of three basic elements: 1) a "levels of work" classification scheme; 2) a bonus plan contingent upon achievement of departmental and corporate goals and objectives; and, 3) a Supplemental Executive Retirement Plan (SERP).

1 - Levels of Work

Using the Hay job evaluation system, the proposed "Levels of Work" plan categorizes senior management jobs into three pay grades: A, B, and C, as outlined on Appendix "C".

Each level has its own new pay scale separate and apart from the WAPSO grades formerly used to determine senior management compensation. Each scale will have six (6) steps, and progression through the range will be based upon performance.

The pay rates accompanying each level have been calculated in accordance with the 50th percentile of the Canadian public sector market for senior executives. The 50th percentile (or median) was chosen as the primary reference point, at which Winnipeg's civic administration would neither lead nor lag behind the public sector market as a whole, helping ensure our ability to attract and retain professional employees in the future. Market analysis shows that City of Winnipeg senior management positions in Levels B and C are roughly at the market median, while those in Level A fall below the market median, when considering total remuneration (salaries, variable pay, if any, and benefits).

At least once every three years, the CAO will review the pay rates for each level of work in relation to changes in labour market rates and/or changes in the cost of living, and at her or his discretion, the CAO may adjust the pay rates for each level accordingly.

Report of the Executive Policy Committee dated July 4, 20012 – Re-Earnable Annual Bonus Plan

The Plan allows for the payment of an annual, re-earnable bonus of up to ten percent of base salary, depending upon the number of performance objectives achieved during the course of a given year, as outlined on Appendix “D”. Senior managers’ annual performance objectives are to be set in discussion with the CAO.

With the addition of a bonus plan, the City of Winnipeg would fall within the range of the 75th percentile of the Canadian public sector market when design total cash compensation is compared.

3 – Supplemental Executive Retirement Plan (SERP)

SERP’s are becoming more prevalent in both the public and private sectors, as salaries continue to rise, while the Canada Customs and Revenue Agency cap on maximum allowable pensionable earnings (currently approximately \$97,000.00/annum) remains constant. There is evidence that SERP’s will increasingly be used as a competitive edge in the recruitment and retention of executive personnel, in both the private and public sectors.

The consulting firm of William M. Mercer was retained to investigate the options and costs of offering a SERP. Their findings are outlined on Appendix “E”.

Summary

Both the proposed Policy and the proposed Plan emphasize the accountability of senior management in carrying out administrative programs to advance Council’s priorities.

The proposed Policy aims to ensure that there is a strong management team over time, by focusing on attracting and retaining professional senior managers. The Policy also seeks enhanced accountability, by linking remuneration to the achievement of organizational goals and objectives.

The Executive Policy Committee recommends:

- I. That the proposed Senior Management Compensation Policy, outlined on Appendix “A”, be adopted.
- II. That the associated framework for the Senior Management Compensation Plan, outlined on Appendix “B”, which incorporates: a renewed classification model, base salary structure and amending formula; a performance-based bonus plan; and a supplemental executive retirement plan, be approved.
- III. That the Chief Administrative Officer be directed to proceed with the development and implementation of the plan, in accordance with the above policy and framework, in a manner, and along a timeline, which recognizes the organization's current financial challenges, priorities and existing contractual obligations.
- IV. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Copy of attachments referred to in the above clause are on file in the office of the City Clerk.

Moved by His Worship Mayor Murray,
Adoption of the clause.

Carried.

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**Proposed Amendment to The City of
Winnipeg Act to Permit Limited
Expropriation of Lands Outside the City of
Winnipeg Corporate Boundaries for the
Purposes of Winnipeg Hydro**

File H (Vol. 9)

696 - 10. The Executive Policy Committee has been advised that the Administration is advising they are unable to complete the land acquisition component of this Winnipeg Hydro project without the utilization of the expropriation process. As The City of Winnipeg Act does not permit the City to implement an expropriation beyond the City's corporate boundaries for Winnipeg Hydro purposes, the administration is seeking the approval of Council to proceed to amend the Act accordingly. Any proposals to amend The City of Winnipeg Act require the approval of Council.

Winnipeg Hydro has been operating and maintaining the 69KV Pointe du Bois Transmission Line, from the Pointe du Bois Generating Station to the Rover Terminal Station; and the Slave Falls Transmission Line, from the Slave Falls Generating Station to the Scotland Terminal Station since 1911 and the 1930's respectively.

Design, survey work and the acquisition of land on the Point du Bois Line have been ongoing since 1996 in aid of the proposed construction of a new 138KV transmission line initially scheduled to begin in 2001.

Notwithstanding that Winnipeg Hydro has openly occupied, utilized and paid taxes for the lands within the Pointe du Bois Transmission Line, legal survey work determined that Winnipeg Hydro does not have either title to, or other forms of registered property interests in a number of portions of the lands which are part of the Pointe du Bois Transmission Line. It is understood that some 90 years ago some land transactions may have been handled differently than they are today and as a result there may have been relevant documentation at the time which was not properly registered and is now lost.

Funding for the Point du Bois Transmission Line Upgrade is approved in the 1997 Capital Budget. Work Order 40-118117-5597011117 contains sufficient funds to proceed with an acquisition program by expropriation.

This project to upgrade the existing 69KV to a 138KV transmission line will require public consultation. The City's consultant has recommended, and the City's administration agrees, that it would be prudent to address any outstanding property issues well in advance of the public consultation process.

Initially, the legal land survey process identified approximately 67 km of the Pointe du Bois Transmission Line lands to which the City had no title or registered property interest. The City's Geomatics Branch was able to locate various documents and relevant correspondence related to "Old System Lands" and was eventually able to "raise" title to roughly 60 km of land along the Pointe du Bois Transmission Line which now is registered under the Real Property Act in the name of The City of Winnipeg. This leaves roughly 7 km of property to be acquired from some 16 entities. The Planning, Property and Development Department anticipates it may be able to negotiate the acquisition of most of the properties where the registered owner can be identified and located (9 owners).

However, for the remaining 7 properties it is not possible to locate an owner, heir or successor in title to the lands. In these cases the Administration has explored various potential alternatives to acquiring the lands, these being:

1. By tax sale process, which outside the city limits differs from the City's process, e.g. tax sale land sold by public auction outside city limits which creates a risk that the City may not be able to acquire the lands by this method; also, this process is not timely (at least 3 to 5 years);
2. By applying to the Courts for a declaration of easement, which may not be granted and does not provide the City with complete property rights that a registered fee simple interest does;
3. Expropriation, which for this purpose the City does not currently have the statutory power.

The first two alternatives are cumbersome, lengthy (possibly five years or more) and not likely to yield the desired result. The City's Administration is proceeding with the first two alternatives as fall back methods of acquisition in the event alternative No. 3 (the preferred alternative) is for some reason not achievable. The most efficient and effective way to ensure that Winnipeg Hydro acquires the title or interests it requires in a reasonable time (8-18

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months from granting of authority to expropriate and City Council's enactment of an expropriation by-law) is by the expropriation process.

The City's Legal Services Division has reviewed The City of Winnipeg Act to determine whether the City has the authority to expropriate lands outside the City limits and advises that although the City of Winnipeg Act has provisions for the City to expropriate lands outside the City for its water utility under the Greater Winnipeg Water District Act [C.W.A. section 554(2)], Schedule C section 5(1), no such authority exists for the City's Hydro utility. The sections of The City of Winnipeg Act, Part 6, which speak to the City's authority to acquire lands by expropriation are limited to lands within the City boundary (unless excepted e.g. the Greater Winnipeg Water District).

The City needs to secure the statutory power to expropriate outside the City limits for the purposes of Winnipeg Hydro so that it can act independently as the need arises to acquire lands for either the Pointe du Bois or Slave Falls Transmission Lines. Only these two lines need to be addressed because under an agreement with the Province,

Winnipeg Hydro may not build any new dams or power plants. Also, Winnipeg Hydro advises that it already owns sufficient land at the terminus of each of these two lines for its facilities as they now exist and into the foreseeable future.

The Department has consulted with the Legal Services Division as to whether the Province of Manitoba can expropriate the necessary properties and then transfer them to the City. In this regard, it would appear that The Provincial Land Acquisition Act authorizes the Province to acquire land by expropriation for the purposes of any work or program constructed or carried on by the Provincial Government. Further, The Public Works Act authorizes the Province to expropriate any land necessary for a 'public work', which most probably means a 'public work' related to the Provincial Government. However, that Act also allows the Province to declare by proclamation any property to be a public work subject to that Act. Therefore, the Legal Services Division advises that the Province would probably be entitled to rely on The Public Works Act. The Department has inquired of the Land Management Services, an SOA of the Province of Manitoba, whether it is able and willing to expropriate these parcels of land on the City's behalf and at the City's cost.

The Administration has over the last six months or so, further explored the alternative of having the Province of Manitoba expropriate the lands required by the City in the event that the Province was reluctant to expand the City's powers to expropriate outside the City limits. Despite repeated attempts by the Department and the Legal Services Division, the Administration has been unable to obtain a suitable reply from the Provincial officials. From the onset, the Department expected that a formal reply to such a question would be difficult to obtain as the issues are quite complex and the invocation of the powers of expropriation can be a difficult political decision. At this time, however, the Department is of the opinion that an official position will not be forthcoming from the Province and that the City's interests are best served by proceeding with the initiative as recommended in this report. The Department surmises that the Province might be prepared to expedite an amendment to The City of Winnipeg Act to enable the City to expropriate the necessary lands rather than proceed to expropriate on behalf of the City of Winnipeg.

The Pointe du Bois Line Upgrade Project was initially scheduled for a line upgrade in 2001 however; this time line cannot now be met. At best, if the City obtains the immediate cooperation of the Province of Manitoba, by authorizing the City to expropriate, then the new commencement target date to proceed with the project would be in the year 2002. Given the design, survey work and land acquisitions yet to be done, Winnipeg Hydro requires that this upgrading project proceed without delay and, specifically, that the property interests of the remaining portions for the Transmission Line be obtained as soon as possible. Misc. Plan No. 11069, Appendix "A", shows the location of all the properties to be acquired for the Pointe du Bois Transmission Line.

The Executive Policy Committee recommends:

- I. That the Province of Manitoba be requested to give favourable consideration to granting the City of Winnipeg the authority to expropriate lands outside the City of Winnipeg's corporate boundaries for the purposes of Winnipeg Hydro (specifically, for the operation, maintenance and upgrading of the Point du Bois and Slave Falls Transmission Lines and appurtenant facilities) and that The City of Winnipeg Act be amended accordingly.

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- II. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

Adopted by consent.

**Canada-Manitoba Infrastructure Program:
Waterfront Drive
Main Street Reconstruction – Lombard
Avenue to Alexander Avenue
Provencher Pedestrian Bridge**

File S-7 (Vol. 4)

697 - 11. The Executive Policy Committee has been advised that Council approval is required for the Canada/Manitoba/City Infrastructure Program.

On January 31, 2001, Council approved Clause 3 of the Report of the Executive Policy Committee, dated January 24, 2001, including a list of seven (7) candidate projects for the Canada/Manitoba/City Infrastructure Program and authorized the City's Infrastructure Committee to use these projects in negotiations.

On February 1, 2001, applications were submitted for the Canada/Manitoba/City Infrastructure Program for Waterfront Drive, Main Street Reconstruction and the Provencher Pedestrian Bridge.

At its meeting held on September 5, 2000, City Council approved the Provencher Paired Bridges Project, involving separate vehicular and pedestrian bridges, for implementation and authorized the commencement of Engineering Design and Tendering. The plan includes CentreVenture Development Corporation as partners for the development of the pedestrian bridge as part of their Boulevard Pedestrian Link Project. This pedestrian walkway project links St. Boniface City Hall with Broadway at Main Street. The City has allocated up to \$5.6 million from the project budget to the pedestrian bridge. The estimated cost of the pedestrian bridge is \$15 million with CentreVenture Development Corporation securing the balance of funding required.

Canada/Manitoba/City Infrastructure Program:

The Canada/Manitoba/City Infrastructure Program for 2001 has been negotiated. In anticipation of approval by Manitoba and Canada of the proposed Waterfront Drive Project, the reconstruction of Main Street from Lombard Avenue to Alexander Avenue and the Provencher Pedestrian Bridge being included in this program, Council is requested to approve this program and the funding requirement shown on Table 1 to ensure timely completion of the projects. Due to the very tight schedule to begin Phase I construction on the Main Street and Waterfront Drive works in 2001, Council must approve these projects on July 18, 2001. Tenders are expected to close in late June and July.

This will enable the City to proceed with these projects as soon as they are approved. The City funding requirements are outlined on Appendix "A", with 2001 funding requirements.

Waterfront Drive:

\$1,389,000 in G.S.T. rebates that have been reserved for this project, sufficient for the 2001 City requirement.

Provencher Bridge:

The Provencher Bridge Project has budgeted \$5,600,000.00 for the City's share of the pedestrian bridge. This is included on the 2001 and the 2002 to 2006 Capital forecast.

Report of the Executive Policy Committee dated July 4, 2001

Main Street Reconstruction:

The northbound roadway will be reconstructed in 2001 and requires \$1,494,000.00 in City funding to be approved in 2001.

The Executive Policy Committee recommends:

- I. That Council approve the Canada/Manitoba/City Infrastructure Program for:
 - a) Waterfront Drive
 - b) Main Street Reconstruction – Lombard Avenue to Alexander Avenue
 - c) Provencher Pedestrian Bridge

subject to approval by the Canada/Manitoba Infrastructure Secretariat.
- II. That the Standing Committee on Fiscal Issues be directed to identify a funding source for the Waterfront Drive Project and the Main Street Reconstruction Project in the amounts as outlined on Appendix “A”.
- III. That the Chief Administrative Officer and City Solicitor/Manager of Legal Services be directed to do all things necessary to undertake these projects.

Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

Moved by His Worship Mayor Murray,
Adoption of the clause.

In amendment,

Moved by Councillor Angus,
Seconded by His Worship Mayor Murray,

WHEREAS the three Canada/Manitoba Infrastructure Projects, (1) Waterfront Drive, (2) Main Street Reconstruction between Lombard Avenue and Alexander Avenue, and (3) Provencher Pedestrian Bridge, cannot be started in 2001 unless the work commences immediately, in advance of formal announcement as Infrastructure Projects by Canada and Manitoba;

AND WHEREAS the City has undertaken all preliminary works required to commence these projects in 2001;

THEREFORE BE IT RESOLVED that Recommendation III be deleted and replaced with the following:

- III. That the Chief Administrative Officer be delegated the authority to award all contracts and take all steps necessary for the immediate commencement of the work of these projects, in advance of formal announcement of these projects as Infrastructure Projects.

The amendment was put and declared carried.

The motion for the adoption of the clause, as amended, was put and declared carried.

**REPORT OF THE
EXECUTIVE POLICY COMMITTEE**

DATED JULY 11, 2001

On motion of His Worship Mayor Murray, the Report of the Executive Policy Committee, dated July 11, 2001, was considered clause by clause.

Moved by His Worship Mayor Murray,

That the Consent Agenda, Clauses 1,2,3,4,5,6,7,8,9 and 10, be adopted.

Councillor Vandal requested that Clause 10 be pulled from the consent agenda.

The motion to adopt the Consent Agenda, Clauses 1,2,3,4,5,6,7,8 and 9, was put and declared carried.

**Proposed Closing of Parts of Kenaston
Boulevard and the Public Road South of
Rothwell Road**

File DAC 1/2001

698 - 1. The Executive Policy Committee has been advised that the street closing requires a by-law pursuant to Section 495 of The City of Winnipeg Act.

On January 4, 2000, the Standing Policy Committee on Property and Development approved DASSF 539/99, an application to subdivide the property at the north west corner of Kenaston Boulevard and the Public Road, as outlined on Schedule "A", for the proposed Tuxedo Business Park, an industrial complex containing 11 multi-tenant office/warehouse buildings. One of the conditions of the subdivision was the transfer to the Developer of the surplus portions of the right of way, shown as "Proposed Street Closing" on Schedule "A", as part compensation for land conveyed to the City to establish a wetland drainage facility.

On March 13, 2001, the Assiniboia Community Committee approved the subject street closing.

On July 5, 2001, the Standing Policy Committee on Property and Development approved the transfer of the street under the following conditions:

The Purchaser is to consolidate the certificate of title to the subject lands with the certificate of title(s) to Lots 4 & 5, Plan 39113.

The exchange of the subject lands must satisfy the City's requirements to convey lands to the Purchaser under Servicing Agreement AG 539/99.

The Developer has agreed to these conditions.

The street must be closed before it can be transferred. Title to all public rights-of-way in Manitoba is vested in the name of the Crown. The registration in the Winnipeg Land Titles Office of a closing by-law removes the public right-of-way status from the land and vests the ownership of the property in the City's name. The City is not entitled to dispose of the land until this has been done.

This report is submitted in accordance with the provisions of By-law No. 7325/98, a by-law to allow certain street opening and closing applications to be submitted to the Executive Policy Committee for report to Council without the requirement to be reviewed by a Standing Policy Committee.

The following criteria must be met before the authority given in the by-law may be exercised:

1. The proposed closing must have been addressed at a public meeting and received approval from the Committee before which the public meeting took place.
2. The proposed closing and transfer must have been approved by the Director of Public Works.

Report of the Executive Policy Committee dated July 11, 2001

3. The proposed closing must have been submitted to all affected City Departments and public utilities with no objections having been received.
4. Any conditions regarding engineering aspects (i.e. relocation of facilities) must have been mutually agreed to.
5. The terms and conditions of any easement agreements created by the proposed closing and transfer must have been addressed.
6. The proposed closing must have been approved by the affected property owner(s).
7. The terms and conditions of any agreements concerning the proposed closing and transfer must have been approved by the Director of the department that requested the closing and either the Standing Committee on Fiscal Issues, the Standing Policy Committee on Property and Development, or the Director of Property and Development Services, as is appropriate.

All of these conditions have been met.

There is no financial impact as all costs associated with this closing are the responsibility of the Developer, Tuxedo Business Park Incorporated.

The Executive Policy Committee recommends:

- I. That the City Solicitor/Manager of Legal Services be instructed to prepare the necessary by-law for submission to Council to effect the closing, as outlined on Schedule "A", Misc. Plan No. 11070.
- II. That the Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing.

Copy of attachment referred to in the clause is on file in the office of the City Clerk.

Adopted by consent.

**Fundraising Campaign Loan – Friends of
Elmwood Cemetery Inc.**

File PC (Vol. 5)

699 - 2. The Executive Policy Committee has been advised that Council authority is required to revise a previously adopted recommendation.

On May 26, 1999, Council adopted the Report of the Executive Policy Committee, dated May 19, 1999, regarding Elmwood Cemetery.

The Executive Policy Committee report recommended, among other matters, the following:

- IV. That Council approve a loan of up to \$112,500.00 to "Friends" for the purpose of a \$5 million Fund Raising Campaign and that the funds be advanced \$37,500.00 in each of 1999, 2000 and 2001. Said loan is to be repaid to the City in full, without interest, by December 31, 2001 from the funds raised for Elmwood Cemetery. This loan will be conditional upon a matching loan/loan guarantee from the Province and the "Friends" submitting audited annual financial statements and a status report on the fund raising activities.

The approved loan amount of \$112,500.00 has been included in Council's adopted operating budgets for the years 1999, 2000 and 2001 and is available for the "Friends" fundraising campaign. There is, therefore, no financial impact.

It is necessary to revise the previously adopted conditions, in particular the repayment date, regarding the provision of a loan to "Friends" for their fundraising campaign.

From the inception of the "Friends" in 1999, their initial plans included the delivery of a fundraising campaign for the purpose of increasing the amount of the perpetual care fund to enhance the financial viability of the operation of

Report of the Executive Policy Committee dated July 11, 2001

the Elmwood Cemetery. However, due to the amount of remedial work “Friends” were required to perform to bring the cemetery to an acceptable state of repair, the planned 1999 implementation of their fundraising was delayed by approximately two years.

On May 7, 2001, the “Friends” wrote The City of Winnipeg and The Province of Manitoba requesting the disbursement of the full amount of the loan for their fundraising campaign so that they could start their campaign. Included with this letter was a brief description of the campaign, including a preliminary budget, as outlined on Appendix “I”.

The City can provide loans under Section 313 of The City of Winnipeg Act which states the following:

313 Subject to the approval of the Minister of Finance, the city may, on such terms and conditions as the Minister of Finance may approve, make loans and grants for, and guarantee indebtedness incurred for, any community undertaking not otherwise authorized under the Act, and the Minister of Finance may refer any application for approval under this section to The Municipal Board for its advice and recommendation.

The Province of Manitoba has reconfirmed its approval of a three-year interest free loan of up to \$112,500.00 to Friends of Elmwood Cemetery Inc., to finance 50% of the administrative costs of the planned Fundraising Campaign on the following conditions:

- a) the loan is not to exceed the lesser of \$112,500.00 or 50% of the administrative costs of the planned fund raising campaign;
- b) The City of Winnipeg is to make a matching loan;
- c) the loan is to be repaid in full three years after the date the loan agreement is signed;
- d) that security for the loan be provided in the form of a first charge against the proceeds of the fund raising campaign;
- e) that prior to the advance of the loan, “Friends” provide the Minister of Consumer and Corporate Affairs with the fundraising plan including a detailed budget, timetable and fundraising target and confirm
- f) that prior to the advance of the loan, a license be obtained under The Charities Endorsement Act;
- g) that quarterly unaudited financial reports be provided on the fund raising campaign; and
- h) that the annual audited financial statements for Friends of Elmwood Cemetery Inc. for 2001 and the following years will include financial statements on the fundraising campaign.

The 1999 motion adopted by Council referred to a \$5 million campaign target. The “Friends” have revised this target to \$3 million due primarily to operational efficiencies realized in running the cemetery over the last two years. Coupled with a modest increase in the perpetual maintenance fund over this same time period and planned income enhancements from the new columbaria, the “Friends” estimate that an additional \$3 million will be sufficient for the long term operational viability of the cemetery.

It is recommended that The City of Winnipeg also reconfirm its approval for a three year interest free loan of up to \$112,500.00 to Friends of Elmwood Cemetery Inc. to finance 50% of the administrative costs of the planned fundraising campaign on similar conditions to those imposed by the Province.

The Executive Policy Committee recommends:

- I. That the May 26, 1999 adopted Council recommendation regarding an interest free fundraising campaign loan to the Friends of Elmwood Cemetery Inc. be revised as follows:
 - a) That Council approve a three year interest free loan of up to \$112,500.00 to Friends of Elmwood Cemetery Inc. to finance 50% of the administrative costs of the planned fundraising campaign subject to the following conditions:
 - i) The amount of the loan is not to exceed the lesser of \$112,500.00 or 50% of the administrative costs of the planned fund raising campaign;
 - ii) The Province of Manitoba is to make a matching loan;
 - iii) The loan is to be repaid in full, no later than three years after the date the loan agreement is signed;
 - iv) That security for the loan be provided in the form of a first charge against the proceeds of the fund raising campaign;

Report of the Executive Policy Committee dated July 11, 2001

- v) That prior to the advance of the loan, a license for the fundraising campaign be obtained under The Charities Endorsement Act;
- vi) That quarterly unaudited financial reports on the fund raising campaign be provided to the City's Chief Financial Officer;
- vii) That the annual audited financial statements for Friends of Elmwood Cemetery Inc. for 2001 and the following years will include financial statements on the fundraising campaign; and
- viii) That the Minister of Finance approve the City's request for approval of this loan.

II. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including requesting approval for the loan from the Minister of Finance in accordance with Section 313 of The City of Winnipeg Act.

Adopted by consent.

**Expenditure from the Land Dedication
Reserve Fund – Clifton School Parent
Advisory Council – City Centre Community
File PR-2.6(32) (Vol. 9)**

700 - 3. The Executive Policy Committee has been advised that the City Centre Community Committee concurred in the allocation of \$8,000.00 from the City Centre Community Committee Land Dedication Reserve Fund, to the Clifton School Parent Advisory Council, to assist with the cost of Playground Revitalization.

The Executive Policy Committee concurs with the above and recommends that funds in the amount of \$8,000.00 be approved from the City Centre Community Committee Reserve Fund for the project.

Adopted by consent.

**Expenditure from the Land Dedication
Reserve Fund – Winnipeg Youth Soccer
Association Inc. – City Centre Community
File PR-2.6(32) (Vol. 9)**

701 - 4. On July 4, 2001, the Executive Policy Committee approved the allocation of \$8,000.00 from the Assiniboia Land Dedication Reserve Fund for the purpose of attaining equipment for use in the Assiniboia Community Committee area.

On July 4, 2001, the Executive Policy Committee also approved the allocation of \$8,000.00 from the Riel Land Dedication Reserve Fund to defray costs associated with expansion and development of the 9-a-side program through the creation of specialized fields throughout the City.

On July 3, 2001, the City Centre Community Committee also concurred in the allocation of \$8,000.00 from the City Centre Land Dedication Reserve Fund to assist the Winnipeg Youth Soccer Association with the cost of a 9-a-side soccer field development.

The Executive Policy Committee concurs with the above and recommends that funds in the amount of \$8,000.00 be approved from the City Centre Land Dedication Reserve Fund to assist with the cost of a 9-a-side soccer field development.

Adopted by consent.

Report of the Executive Policy Committee dated July 11, 2001

**Winnipeg Development Agreement Funds –
Streetscaping Initiatives in the Downtown
File FR-3.2 (Vol. 2)**

702 - 5. On July 11, 2001, the Executive Policy Committee passed the following motion, namely:

WHEREAS on September 20, 2000, City Council approved a motion to direct all remaining residual funds within the Winnipeg Development Agreement (WDA) to the Strategic Initiatives Program for final project implementation;

AND WHEREAS WDA Policy Committee has delegated to all partners the authority to reallocate funds of up to \$50,000.00 between programs, up to August 31, 2001, anything over this amount requires necessary WDA approvals;

AND WHEREAS residual funding may become available should committed projects come in under budget prior to August 31, 2001;

THEREFORE BE IT RESOLVED that any residual WDA funding remaining unexpended as projects come to a completion, be redirected to streetscaping initiatives in the Downtown.

and submits same to Council for approval.

Adopted by consent.

**Millennium Library Project
File L (32.1) (Vol. 2)**

703 - 6. The Executive Policy Committee has been advised that Council approval is required to proceed with an agreement between The City of Winnipeg and the Winnipeg Library Foundation that will allow The City of Winnipeg to move forward in the development and financing of the “Millennium Library Project”.

In March 1997, The City of Winnipeg engaged the RPG Consulting Group to provide an analysis of the Centennial Library. As a result of their analysis, RGP put forward a report and recommendation for a major renovation and expansion to the Centennial Library. This was presented to the former Standing Committee on Planning and Community Services on October 21, 1997.

In 1997, the Winnipeg Public Library Board created the Winnipeg Library Foundation to raise funds for the Library. The Winnipeg Library Foundation has embraced the Millennium Library Project as a fund-raising initiative and has subsequently launched a major public campaign for private donations in support of the project.

The 2000 Capital Budget and 5-year Forecast, approved by Council on January 26, 2000 includes funding for the Millennium Library Project of \$1.0M in each of three years (2002, 2003, 2004) for a total of \$3.0M. Also on January 26, 2000, Council approved an additional \$1.0M from the Library Reserve for the Millennium Library Project, “subject to:

- Other funding being in place from the Federal and Provincial Governments;
- Adequate dollars remaining in the reserves”.

There have been several meetings between The City of Winnipeg’s senior administration and the Winnipeg Library Foundation since the above approvals by Council. As a result of these meetings, the administration and the Winnipeg Library Foundation have prepared a ‘Terms Sheet’ for Council’s consideration and approval, outlining the policy parameters for the Millennium Library Project.

The Terms Sheet, outlined on Appendix “A”, is an agreement between The City of Winnipeg and the Winnipeg Library Foundation and, as such, defines the policy parameters for the Millennium Library Project. The Millennium Library will be a modern, dynamic, accessible library facility, and will be an important development in

Report of the Executive Policy Committee dated July 11, 2001

the revitalization of Winnipeg's downtown. The Project involves a major redevelopment and expansion of the existing Centennial Library. It will consist of state-of-the-art technology that includes an auditorium with multimedia enhancements, increased public access computers, a computer-training lab with a minimum of 20 seats, and wired study carrels. It also includes many new amenities such as an enhanced children's section with an Aboriginal Reading –in the Round area; a young adults area; a Canadiana Room that will highlight Winnipeg's local history; and specialty collection areas that will address the needs of persons with disabilities, multicultural communities, seniors, ESL/literacy students and the Aboriginal Community. The Project is intended for completion in the year 2004.

The project cost for the Millennium Library will be approximately \$17.0M, part of which will be provided through The Government of Canada, The Province of Manitoba, The City of Winnipeg and the Winnipeg Library Foundation. Specifically, the project funding contributions are as follows:

- The Winnipeg Library Foundation - \$7.0M:
 - The Winnipeg Library Foundation has committed to a goal of raising \$7.0M in private donations.
- The City of Winnipeg - \$4.0M
 - The City of Winnipeg has conditionally committed \$3.0M through its Capital Budget. A further \$1.0M will be funded from the Library Technology Reserve.
- Province of Manitoba - \$3.0M
 - Provincial commitments of \$3.0M yet to be secured.
- Government of Canada - \$3.0M
 - Federal commitments of \$3.0M yet to be secured.

The City of Winnipeg will provide the management for the Millennium Library Project and will undertake project design and construction for the renovation and expansion of the current Centennial Library site. Further, The City of Winnipeg will establish a Millennium Library Project Steering Committee with representation from the appropriate City of Winnipeg departments and shall include a minimum of two representatives from the Winnipeg Library Foundation.

As identified in the Terms Sheet, Appendix "A", the 'naming' rights for the Centennial Library, or designated areas within the facility, will be considered in consultation with the appropriate City of Winnipeg staff, will be determined by the Millennium Library Project Steering Committee and will be subject to the approval of City Council. It is acknowledged that the Winnipeg Library Foundation has identified, through fundraising efforts to date, the following preliminary list of donor recognition opportunities:

*Opportunity	Amount	Name
Theatre-Auditorium	\$500,000.00	Carol Shields
Art Gallery / Exhibit Space	\$100,000.00	M. Blankstein
Children's Services Counter	\$150,000.00	Wawanesa
School-Aged Children's Area	\$ 50,000.00	B. Natch
Pre-School Children's Area	\$ 50,000.00	TD Bank
Young Adult Technology Centre	\$ 75,000.00	Royal Bank

* It should be noted that The City of Winnipeg Millennium Library Project Steering Committee will determine the size and configuration of the Millennium Library and its component parts. The decisions of the Millennium Library Project Steering Committee will be determined on a majority basis.

It is important to recognize the Millennium Library Project as a significant public-private partnership that will see all three levels of government, as well as, a significant investment from the private sector, working together to achieve a common goal of improving library services for the citizens of Winnipeg.

The Executive Policy Committee recommends:

- I. That Council approve the Terms Sheet, outlined on Appendix "A", which defines the policy parameters for the redevelopment and expansion of the Centennial Library, 251 Donald Street, hereinafter referred to as the Millennium Library Project.

Report of the Executive Policy Committee dated July 11, 2001

- II. That Council delegate to the Chief Administrative Officer the authority to establish a Millennium Library Project Steering Committee with representation from the appropriate City of Winnipeg departments, and shall include a minimum of two representatives from the Winnipeg Library Foundation.
- III. That an application be made to the Canada/Manitoba Infrastructure Secretariat to secure Provincial and Federal funding.
- IV. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

Adopted by consent.

**Appointment to the CentreVenture Board
of Directors**

File EP-1.2.3 (Vol. 3)

704 - 7. On July 11, 2001, the Executive Policy Committee passed the following motion, namely:

WHEREAS Council on September 20, 2000 appointed two additional citizen members to the CentreVenture Board of Directors, bringing the complement of citizen members to eight (8);

AND WHEREAS the Mayor would like to increase the composition of citizen members on the CentreVenture Board of Directors to nine (9);

THEREFORE BE IT RESOLVED that Polly Craik be appointed as the ninth citizen member on the CentreVenture Board of Directors;

and submits same to Council for approval.

Adopted by consent.

**An Additional Heritage Conservation Tax
Credit for the Adaptive Re-Use of the
Former Winnipeg Free Press Building, 300
Carlton Street**

File G-3.1.5 (Vol. 2)

705 - 8. The Heritage Conservation Tax Credit (HCTC) Program received approval in principle by Council on December 12, 1996.

The enabling by-law received all three readings by City Council on February 25, 1998.

On March 13, 1998, Council approved the following:

- A. That a Heritage Tax Credit of \$200,000.00 per year for ten years (1999 to 2008 inclusive) be made available to Shelter Canadian Properties to be passed on in total to, and through its lease with, Air Canada.
- B. That an allocation of \$200,000.00 be budgeted for in the 1999 to 2008 Current Budgets as a line item to cover this support (total cash flow of \$2,000,000.00) to be indirectly offset by incremental tax revenues generated by the project.”

In July 1998, as an enticement to utilize cut limestone and re-stained brick as a finish on the pedestrian link to Portage Place, and a cut limestone veneer at the first and second floors of the east and north facades of the building

Report of the Executive Policy Committee dated July 11, 2001

addition, the City approved an additional tax credit of \$185,000.00 under the Downtown Heritage Tax Credit Program.

On February 1, 1999, Shelter Canadian Properties Limited (Shelter) requested an increase in the Heritage Tax Credit to \$5.5 M from the \$2.185 M credit approved to date. The rationale for the request was that the cost of work had expanded considerably in order to attract additional tenants for the vacant space.

During the first half of 1999, Shelter Canadian Properties Ltd. applied to the Winnipeg Development Agreement Program 13A, Buildings Preservation, for a project grant of \$750,000.00 to preserve the exterior terra cotta and masonry. In July of 1999, due in part to limited funding remaining in the Program, the City approved a grant of only \$150,000.00.

In August of 1999, the administration advised the developer that the City would only consider requests for additional tax credits if the applicant submitted a detailed Conservation Report outlining the current building conditions, proposed architectural and mechanical work, maintenance plans, and cost estimates.

On March 27, 2000, DAPR Architecture completed the Conservation Report.

On July 31, 2000, based on the completed Conservation Report, Shelter submitted a request (attached) for an upward revision in the maximum tax credit amount to \$4.5 M.

On October 20, 2000, The City received a letter from the President and CEO of CentreVenture advising that the Development Corporation is supportive of a supplemental request from Carlton Call Centre Inc. for additional Heritage Tax Credits for the former Free Press Building at 300 Carlton.

On December 12, 2000, The City of Winnipeg received a letter from Shelter, outlining the areas and costs of incremental work that the Developer has undertaken or proposed at 300 Carlton.

On December 21, 2000, The City of Winnipeg received a letter from Shelter, outlining points of clarification to the Shelter letter dated December 12, 2000.

On May 31, 2001, the lawyer for Air Canada confirmed that an arrangement has been made whereby Air Canada will be vacating their leased space on the 5th and 6th floors of the Carlton Call Centre effective as at September 1, 2001. This space will be sublet from Air Canada by CanWest Global.

On June 20, 2001, Council considered an Economic Incentive Package for the CanWest Global Communications Corp. based upon the premise of up to 1,200 new jobs to be located within the downtown.

FREE PRESS BUILDING BACKGROUND:

In 1998, Shelter proposed the adaptive re-use of the former Winnipeg Free Press Building that had been vacant since 1991. The March 1998 EPC Report described the project as follows:

“The project would involve re-use of the existing building, parking in the basement floors, and a three story addition to the north and west of the existing building to front on Carlton and Ellice Avenue for an eventual total floor area of approximately 270,000 sq. ft. A pedestrian skywalk connection to Portage Place is also proposed.”

“Air Canada would occupy the expanded second floor as a call centre for a total of approximately 75,000 square feet. The expanded main floor and third floor, and the existing upper floors total approximately 195,000 square feet and would likely be occupied by call centres or office uses.”

“No tax credits were proposed for the remaining occupants of the building, and therefore incremental taxes flowing from those portions of the building would be of immediate benefit.”

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SIGNIFICANCE OF THE ADAPTIVE RE-USE PROJECT:

Shelter have taken a highly visible vacant heritage building located in the heart of the central business district, and have converted it into a contemporary, efficient office building that houses an Air Canada Call Centre, Manitoba Health, and the University of Manitoba Continuing Education.

1. This project served as the prototype for the Downtown Heritage Conservation Program and the CentreVenture Heritage Tax Credit Program.
2. This project, the first major heritage building rehabilitation in the downtown since the Ashdown Warehouse residential conversion (which had a \$1.5 million subsidy), has had a positive effect on the Central Business District including:
 - new call centre employees in a key industry for the City;
 - stabilization of the North Portage District;
 - served as an example of the workability of tax credits as incentives for the adaptive re-use of vacant heritage buildings;
 - brought approximately 1,000 people into the downtown;
 - contributed to the increased perception of safety in the Downtown, and;
 - showed that obsolete vacant industrial buildings can find new uses, but that government incentives are important to make these difficult projects viable.

CURRENT REQUEST:

The July 31, 2000 letter from Shelter requests an additional tax credit to a maximum of \$4.5 M. This would represent an increase of \$2.315 M over the \$2.185 M in tax credits that Shelter have received to date. Shelter has based their request on both a project that expanded since the tax incentive was originally offered to Air Canada, as well as on extraordinary and unforeseen costs that have been identified within the Conservation Report.

On December 12, 2000, Shelter provided the following breakdown of incremental work that has been undertaken or proposed at 300 Carlton. An administrative response to each of these points is provided later in this report.

1. "Conservation of the basement and sub-basement structure for long term use as a heated parking garage storage area respectively. Total cost \$882,000.00.
2. Exterior repairs for conservation of the masonry, terra cotta, and historic signage. Total proposed cost is \$1,124,000.00.
3. Interior restoration work in the lobby including refurbished decorative plaster work, repair of historic finishes, repairs to the revolving door entrance, and refurbishment of light fixtures. Total cost incurred in 2000 is \$182,000.00.
4. New west entrance addition as required by the Historic Buildings Committee. Total cost incurred in 2000 is \$216,000.00.
5. Limestone clad pedestrian link to Portage Place. Total cost incurred is \$255,000.00* (typo in the December 12 letter as corrected within the Shelter December 21, 2000 Letter).
6. Enlargement of building area for Manitoba Health expansion. Total cost incurred in 2000 is \$1,975,000.00."

"The total incremental cost identified as \$4,634,000.00 supports the application for an additional Heritage Tax Credit of \$2,315,000.00. Without this additional tax credit amount the exterior conservation repairs and terra cotta preservation cannot be financed and completed."

Under the terms of the Heritage Conservation Tax Credit By-law No. 7155/98, Section 12(2) states:

"If the net private investment is greater than approved due to structural or other conservation problems which could not have been anticipated prior to the commencement of the project, the applicant may submit information regarding the excess net private investment to the designated officer for consideration for further tax credit. The designated officer shall forward the information to the Designated Committee for review and recommendation. The Designated Committee shall forward its recommendation to Council for a final determination."

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The administration concurs that additional tax credits should be provided to Shelter on the basis of extraordinary and unforeseen costs specifically with regard to the stabilization of water damaged terra cotta.

The heritage restoration work at 300 Carlton Street, other than the stabilization of the water damaged terra cotta has been effectively completed.

There are no provisions in the by-law that would allow the administration to make a recommendation on additional tax credits to be offered to a building owner based upon an increased scope of work.

ADMINISTRATIVE RESPONSE TO SHELTER'S DECEMBER 12, 2000 LETTER:

The following discussion is based on a point by point response to Shelter's identified incremental costs:

1. Parking in the basement floors was identified within the Report of EPC dated March 13, 1998. The Historic Buildings Committee did not request this portion of the project for 'conservation' purposes. It is acknowledged however, that the basement parking and storage are integral components of the success of the total project.
2. In July 1999, the City approved a grant of \$150,000.00 under the WDA Program 13A, Buildings Preservation. This Report recommends an additional tax credit of \$400,000.00 based upon 50% of the estimated cost to restore the water damaged terra cotta. The total incentive package proposed would therefore be \$550,000.00 representing 49% of the total estimated value of the exterior repairs.
3. The Historic Buildings Committee provided preliminary input on the heritage interior renovations identified, but did not approve any drawings and no Certificate of Suitability was issued for the work. The administration acknowledges that the interior lobby conservation and alterations were necessary.
4. The new west entrance addition was required by the developer as the primary address and main entry for Manitoba Health. The Downtown Design Board and the Historic Buildings Committee approval of the addition are required.
5. Shelter advises that the \$255,000.00 identified represents the hard and soft costs of the pedestrian link and does not include the cost of the tyndal stone veneer and restored brick that was given an additional \$185,000.00 tax credit in July of 1998.
6. The March 13, 1998 Report of EPC identifies the proposed project as representing a total floor area of approximately 270,000 square feet. On January 31, 1999, the Building Architect identified the current gross floor area as 291,190 square feet representing an increase of 21,190 square feet or approximately 8%.

On the basis of the DAPR Architecture Conservation Report, the administration concurs that the hard and soft construction costs that would be eligible for the HCTC is \$22.095 M. Based upon the HCTC By-law, Shelter, if applying today, may have been eligible for 50% of this total, or \$11.0475 M in tax credits.

AIR CANADA CALL CENTRE:

On January 12, 2001, the lawyer for Air Canada, Aikins, MacAulay and Thorvaldson (AM&T), confirmed "that it is not expected that the call centre in Winnipeg will achieve anywhere near the 500 position employment commitment made to the City of Winnipeg in the March, 1998 negotiations."

On May 31, 2001, AM&T "confirm that an arrangement has been made whereby Air Canada will be vacating their leased space on the 5th and 6th floors of the Carlton Call Centre effective at September 1, 2001. This space will now be sublet from Air Canada by CanWest Global." A separate Report on this request has been prepared.

Since Air Canada has not been able to achieve their required job targets and are moving out of the Carlton Call Centre, the current Council authority with regard to the \$2 M HCTC should be rescinded.

The administration does not believe that the loss of this \$2 M HCTC will adversely affect Shelter as the tax credit was designed to flow to Air Canada through certain lease provisions.

Report of the Executive Policy Committee dated July 11, 2001

The net effect is that Shelter is left with an existing \$185,000.00 Downtown Heritage Tax Credit, while the administration is recommending an additional \$400,000.00 in HCTC. The total recommended tax credits are therefore \$585,000.00 representing approximately 2.6 % of the total eligible construction costs. Combined with the \$150,000.00 WDA Grant, the total incentive package recommended within this report represents approximately 3.3 % of the total eligible construction costs.

Shelter is applying for total tax credits of \$2.5 M representing approximately 11.3% of the total eligible project costs, and a further \$1.915 M over the amount of tax credits that the administration has recommended within this report.

EPC REQUEST FOR INFORMATION OF DECEMBER 6, 2000:

At its December 6, 2000 Meeting, EPC requested that the “additional Heritage Conservation Tax Credit proposal be reconfigured by omitting the cost of the underground parking.” Utilizing Shelter’s incremental costs as identified within their December 12, 2000 Letter (and confirmed within the DAPR Conservation Report), the HCTC would be calculated as follows:

Current Approved (Air Canada) HCTC	\$	0
Current Approved Downtown Heritage Tax Credit	\$	185,000
Total Value of Shelter Incremental costs		\$4,634,000
Less Value of Underground Parking		(\$ 882,000)
Sub-Total subject to HCTC		\$3,752,000
50% HCTC	\$1,876,000	<u>\$1,876,000</u>
Total tax credits according to EPC instructions		\$2,061,000

A \$2.061 M tax credit represents an additional \$1.476 M HCTC over that which may be recommended by the administration.

A \$2.061 M tax credit translates to approximately 9.3 % of the total eligible construction costs.

Shelter argues quite correctly that the project has evolved significantly since March 1998, and that no one could have predicted the final scope and cost of the project. The administration is cognizant of the many unknowns at the time of the project conception, the fact that Shelter could have applied for additional tax credits at the initial approval stage, as well as the significant contribution that Shelter has made to heritage conservation and the downtown. However, the administration recommends that any additional HCTC over those as identified within this report, be weighed carefully in light of the original March 1998 EPC Report that identified the basis for the agreement with Shelter.

Many of the details of the incremental work that Shelter has provided as support for an additional HCTC were previously identified within the March 1998 EPC Report. The administration recommends that the essence and the principles of the original agreement with Shelter be maintained.

As a condition of the HCTC by-law, prior to issuing tax credits, Shelter would have to enter into a legal agreement with the City stating, in this case, and among other things, that they have abided by all City by-laws, there are no outstanding issues, and they have met all conditions required. The administration has identified to Shelter, some outstanding approvals that need to be finalized prior to the issuance of tax credits.

Furthermore, on June 20, 2001, Council considered an economic incentive package for CanWest. The package was conceptually prepared on the basis of CanWest being free from the municipal portion of property taxes, and business taxes for a ten year period subject to CanWest achieving certain job, payroll, and lease targets. CanWest has sublet the Air Canada space within the Carlton Call Centre beginning on September 1, 2001. Utilizing the formula that was negotiated, CanWest will be eligible for an estimated \$112,000.00 to \$168,000.00 grant for their estimated municipal portion of the property taxes at 300 Carlton for the years 2002 through 2011.

On the principle that the municipal portion of property taxes should not be credited twice for the same property (i.e. CanWest receiving a grant for their portion of the property taxes and Shelter applying tax credits towards the entire building), the CanWest economic incentive package must be considered when calculating the annual HCTC for Shelter. Shelter ultimately receives direct benefit from a stable long term tenant within the building.

Report of the Executive Policy Committee dated July 11, 2001

This Report recommends an additional tax credit of \$400,000.00 HCTC (total \$585,000.00 tax credits) over the period 2001 through 2010. The additional \$185,000.00 tax credit results from a previous approval under the Downtown Heritage Tax Credit Program. Sufficient funds to effect this recommendation are already identified within the adopted 2001, and the approved in principle 2002 and 2003 operating budgets of the Planning, Property, and Development Department.

Should Council approve tax credits on the basis of the December 6, 2000 EPC request for information, a further \$1.476 M in HCTC (total \$2.061M HCTC), additional funds to effect this recommendation may need to be identified within the operating budget of the Planning, Property, and Development Department. The need for additional funds can only be realized as and when the cash flows from the Reserve are determined. Cash flows from the Reserve have proven to be unpredictable, due to delays in the timing of the restoration projects and the corresponding delays in the application of the tax credits.

HCTC IMPLICATIONS:

In order that EPC be apprised of the full financial implications of the three 'companion' Reports (the Air Canada request, the Shelter request, and the CanWest economic incentive package), the administration provides the following analysis of the potential HCTC implications based upon the widest range of scenarios.

RECOMMENDED SCENARIO:

Based upon the approval of the recommendations of all three administrative Reports, the potential tax credit implications are as follows:

Year	municipal realty tax	CanWest portion	total estimated tax credit for Shelter
1999	\$ N/A	\$ 0	\$ 0
2000	\$ N/A	\$ 0	\$ 0
2001	\$228,110	\$ 0	\$228,110
2002	\$332,820*	\$112,000*	\$220,820
2003	\$332,820*	\$112,000*	\$136,070**
Total			\$585,000

* The matter of reassessment and its effect on the mill rate is yet to be determined. This number represents the best approximation of what municipal realty taxes would be based upon the estimated assessed value for the building.

** Shelter's maximum tax credits would be \$585,000.

All of the recommended tax credits could be fully applied within the third year (2003) of their use.

EXECUTIVE POLICY COMMITTEE REQUEST FOR INFORMATION:

Based upon Executive Policy Committee's December 6, 2000, instructions, the potential tax credit implications are as follows:

Year	municipal realty tax	CanWest portion	total estimated tax credit for Shelter
2001	\$228,110	\$ 0	\$228,110
2002	\$332,820*	\$112,000**	\$220,820
2003	\$332,820*	\$112,000**	\$220,820
2004	\$332,820*	\$112,000**	\$220,820
2005	\$332,820*	\$168,000***	\$164,820
2006	\$332,820*	\$168,000***	\$164,820
2007	\$332,820*	\$168,000***	\$164,820
2008	\$332,820*	\$168,000***	\$164,820
2009	\$332,820*	\$168,000***	\$164,820
2010	\$332,820*	\$168,000***	\$164,820
Total			\$1,879,490***

Report of the Executive Policy Committee dated July 11, 2001

- * The matter of reassessment and its effect on the mill rate is yet to be determined. This number represents the best approximation of what municipal realty and business taxes would be based upon the estimated assessed value for the building.
- ** CanWest's business plans suggest that they will be occupying the 5th and the 6th floors within 300 Carlton for 2001 through 2004. The CanWest economic incentive package is effective 2002 through 2011.
- *** CanWest's business plans suggest they may be occupying 3 floors within the Carlton Call Centre for 2005 and beyond. If CanWest remains on 2 floors during this period, Shelter may be eligible for additional tax credits estimated at \$336,000 for an estimated tax credit total of \$2,215,490.

Should Council approve a \$2.061 M HCTC, (total \$2.246 M in tax credits), the net effect of this would be that virtually no municipal realty or business tax revenue associated with 300 Carlton Street would be realized by the City of Winnipeg until 2012. CanWest would be eligible for business tax credits at source while the other major tenant within 300 Carlton, Manitoba Health is not subject to business tax.

The Executive Policy Committee recommends that City Council approve the following recommendations as they pertain to an agreement, pursuant to the City of Winnipeg Heritage Conservation Tax Credit By-law No. 7155/98, between the City and Shelter Canadian Properties Ltd. (as agent for the owner, Carlton Call Centre Inc.), for the adaptive re-use of the former Winnipeg Free Press Building at 300 Carlton Street:

- I. That, on the basis of extraordinary and unforeseen costs, an additional Heritage Conservation Tax Credit of up to \$400,000.00, to be used over a ten year period (2001 to 2010 inclusive), be made available to Shelter Canadian Properties Limited, consistent with the criteria and provisions set out in the City of Winnipeg Heritage Conservation Tax Credit By-law.
- II. That, on the basis that the essence and the intent of the original Council approval be maintained, that Shelter Canadian Properties Ltd. request for an additional \$1.915 M in Heritage Conservation Tax Credits not be approved.
- III. That the necessary funds as required by Council approval, be budgeted for within the 2002 to 2010 Current Budgets as a line item to cover this support.
- IV. That the Chief Administrative Officer be delegated the authority to finalize and approve terms and conditions of all agreements required to implement both matters as identified herein and including Council instructions.
- V. That the Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing.

Adopted by consent.

**Winnipeg Development Agreement Residual
Funds – Ashdown Hardware Store – 476
Main Street**

File FR-3.2 (Vol. 2)

706 - 9. On July 11, 2001, the Executive Policy Committee considered a report from the Director of Planning, Property and Development, dated July 9, 2001, relative to Winnipeg Development Agreement (WDA) Residual Funds.

On April 14, 1996, Council approved the Program Authorization for the Strategic Initiatives Program as part of the Winnipeg Development Agreement. The objective of the Program is to identify and fund feasibility analysis, planning activities and strategic project initiatives which provide sustainable opportunities for economic development in Winnipeg. This program will build on the City's traditional and emerging growth areas such as transportation, information technology and tourism, as well as those associated with Winnipeg's cultural diversity and heritage.

Report of the Executive Policy Committee dated July 11, 2001

On September 20, 2000, Council resolved that any remaining uncommitted and residual funds be reallocated to Program 14: Strategic Initiatives for final project implementation.

The former J.H. Ashdown Hardware Store, 476 Main Street, was acquired by Shelter Canadian Properties for the purpose of converting the building into a mixed-use complex. In July 1999, Winnipeg City Council approved a cost-sharing grant under the Winnipeg Development Agreement Program 13 A – Buildings Preservation of up to \$225,000.00 for the repair of the façade, brick replication and new windows. In correspondence to the City dated May 30, 2001, the owner advised that current costs, including brick veneer on Main Street total \$898,000.00, double their estimates in 1999. The owners were seeking an additional \$224,000.00, however, as limited WDA funds remain, it is recommended that a commitment of up to \$200,000.00 be made to support this initiative. Council approval is required for Strategic Initiative Projects in excess of \$100,000.00.

There is no additional financial impact as WDA funding has been budgeted for in previous years.

The Executive Policy Committee recommends:

- I. That Council approve \$200,000.00 of WDA residual funds through Program 14: Strategic Initiatives for façade restoration on the Ashdown Hardware Store, 476 Main Street.
- II. Project approval be subject to:
 - a) Projects being funded by September 30, 2001 (completion date for WDA programs);
 - b) Proponents enter into legal agreement with The City of Winnipeg; and
 - c) Reallocation approval from WDA partners.
- III. That the Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing.

Adopted by consent.

**Request for a Heritage Conservation Tax
Credit – Ashdown Hardware Store, 476
Main Street**

File G-3.1.5 (Vol. 2)

707 - 10. On January 15, 2001, Ashdown Arts Exchange Consortium Limited, a wholly-owned subsidiary of Shelter Canadian Properties Limited, advised the Planning, Property and Development Department, that they would be acquiring 476 Main Street, that they proposed to invest approximately \$5.3 million to renovate the site and that they were requesting \$1.5 million in Heritage Conservation Tax Credits (HCTC).

On June 27, 2001, Shelter Canadian Properties Limited submitted a detailed project budget breakdown and formal request for \$1,750,000.00 in HCTC, as outlined in Appendix “A”.

City Council retains sole responsibility for accepting or rejecting applications and for setting the amount of tax credit to be allocated to each authorized project.

James H. Ashdown, civic leader and hardware merchant, built this retail outlet in 1904 after a fire destroyed his 1875 building on this site. Ashdown capitalized on the prairie settlement boom and innovative marketing to establish stores and warehouses in the four western provinces; operate a catalogue business; and sell a variety of goods ranging from hardware to sporting goods, houseware, and household appliances. In 1959, the structure was “modernized” with the brick plastered over, windows covered, and the cornice removed. The business continued in the family until 1970 when the building was sold to Big 4 Sales.

The City acquired the building in 1995 with a view to redeveloping the site. A Request for Proposals in 1999 awarded the building to the Ashdown Arts Exchange Consortium Limited, who proposed to redevelop the structure into a mixed-use complex. The project, as currently envisioned will develop a mix of office, studio, work / live condominiums and rental space for Crocus Investments, the Folk Festival, Homemade Music, the Manitoba Contemporary Dancers and the Manitoba Conservancy of Music.

Report of the Executive Policy Committee dated July 11, 2001

In 1999, a grant of up to \$225,000.00 was approved towards the restoration of the façade under the Winnipeg Development Agreement, Program 13A – Buildings Preservation.

On May 30, 2001, Shelter Canadian Properties Limited advised that the restoration costs for the façade have increased to \$898,000.00 and that they were requesting an additional grant of \$224,000 to cover the shortfall.

On July 18, 2001, Council will consider the approval of an additional \$200,000.00 through the WDA- Strategic Initiatives, to allow for a complete brick veneer on the facade of the Building.

The Incentive Program:

The Heritage Conservation Tax Credit incentive strategy was adopted by City Council in 1998 on a pilot basis for three years with a review during the third year. The purpose of the program was to assist a limited number of projects selected for their ability to:

- increase property assessment values; and
- fulfill functions not likely to be displaced from other parts of the city.

City Council has approved the following tax incentives under this program:

Building Name	Work	Amount of Incentive	Status
Former Free Press Building, 300 Carlton Street	commercial offices	up to \$2 million	tax credit for Air Canada portion of building
Marshall Wells Building, 136 Market Avenue	interior upgrade	up to \$3 million	work complete
Portage Village Inn, 311 Portage Avenue	interior upgrade	up to \$835,000	work complete
Princess Street	Red River Community College campus	up to \$15 million	work underway

The value of an approved tax credit may be up to 50% of the net private investment made in eligible (heritage) work. This credit may be used at a recipient's discretion over a maximum 10-year period to reduce the property, business and, in specific circumstances, the amusement taxes levied by the City on the structure and its site.

Scope of Work:

The HCTC program is intended to support work that:

- repairs and stabilizes City-designated heritage structures;
- extends the life of such structures;
- conserves significant architectural or other heritage elements; and/or
- rehabilitates space to meet contemporary requirements, but in the process, makes minimal changes to a structure's historical integrity, including its defining design characteristics, site and environment.

Based on a breakdown of the costs provided on June 27, 2001, the following is deemed as eligible costs for the Ashdown Hardware Store:

Base building renovations excluding exterior	\$2,730,000
Attached Parkade	<u>\$ 700,000</u>
TOTAL	<u>\$3,430,000</u>

The Heritage Conservation Tax Credit at 50% of eligible costs is therefore \$1,715,000.00 (and not the \$1.75 M as requested).

Report of the Executive Policy Committee dated July 11, 2001

Significance of the Adaptive Re-use Project:

The rehabilitation of the former Ashdown Warehouse Store is critical to the ongoing efforts to find uses for vacant and underutilized buildings in the downtown, and specifically the Exchange District. This large building prominently located on one of the City's main thoroughfares will serve as an excellent example of City Council's commitment to support the private developers in rehabilitating buildings that may appear to be of marginal significance, but are part of a collection that is unique in Canada.

The Ashdown Hardware Store restoration will be a major catalyst in the stabilization of Main Street and will bring in countless people of all ages to the variety of arts facilities. It will contribute significantly to the perception of safety in the downtown. It will demonstrate that obsolete, vacant buildings can find new uses, but that government incentives of various forms need to be made available to make these difficult projects viable. It will also demonstrate the workability of heritage tax credits as incentives for the restoration of heritage buildings.

Financial Analysis:

The Ashdown Hardware Store has been vacant for a number of years. Current Assessment on the vacant building is as follows:

Former Stylerite Building	Realty Assessment	\$287,000 (2001)
Former Big Four Building	Realty Assessment	\$301,000 (2001)
		\$588,000

The Municipal portion of the Realty Taxes would therefore be \$12,284 in 2001. An analysis of the future assessed value and the estimated municipal portion of taxes is currently not available.

The HCTC of \$1.715 M is recommended for approval due to the significance of the project in revitalizing a prominent vacant and architecturally incompatible building, into a vibrant multi-use project at a key location within the Exchange District.

The developer has submitted an overall project cost estimate of \$5,283,766.00. If approved, the total Heritage Incentive for the project will represent 32.46 % of the total project value.

The Executive Policy Committee recommends:

- I. That Council approve a Heritage Conservation Tax Credit of up to \$1,715,000.00 for the Ashdown Arts Exchange Consortium Limited, to rehabilitate the former Ashdown Hardware Store, 476 Main Street.
- II. That Council approve the Heritage Investment Reserve as the source of the project funding, and that the necessary funds be budgeted for within the 2003 through 2012 current budgets as line items to cover such support; and,
- III. That the Chief Administrative Officer be authorized to finalize and approve the terms and conditions of all agreements required to implement matters as directed by Council; and,
- IV. That the Proper Officers of the City do all things necessary to effect the intent of the foregoing.

Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

Moved by His Worship Mayor Murray,
Adoption of the clause.

Report of the Executive Policy Committee dated July 11, 2001

In amendment,

Moved by Councillor Vandal,
Seconded by His Worship Mayor Murray,

BE IT RESOLVED THAT the clause be amended to include Recommendation V as follows:

That the Tax Credit be contingent on the brick work being restored to its original state on the south, north and west side of 476 Main Street.

The amendment was put and declared carried.

The motion for the adoption of the clause, as amended, was put and declared carried.

**REPORT OF THE
EXECUTIVE POLICY COMMITTEE**

DATED JULY 17, 2001

On motion of His Worship Mayor Murray, the rule was suspended and the Report of the Executive Policy Committee, dated July 17, 2001, was considered clause by clause.

**Skateboarding in the City of Winnipeg
File ST-7.2 (Vol. 14)**

708 - 1. On May 25, 2000, Council considered a report from the Standing Policy Committee on Protection and Community Services and passed the motion, namely:

“That the Standing Policy Committee on Public Works give favourable consideration to amending By-Laws No. 1573/77 and 1481/77, to allow skateboarding on sidewalks subject to the following restrictions:

1. *No skateboarding on regional street sidewalks.*
2. *No skateboarding adjacent to or fronting on a place of business.*
3. *Skateboarding on sidewalks be used as a mode of transportation only. Trick skating and the use of equipment to perform tricks shall not be permitted.*
4. *Skateboarders shall practice courteous, defensive operating, giving due consideration to pedestrians and must have the skateboard under control at all times. Skateboarders must dismount when approaching pedestrians.”*

On July 19, 2000, Council amended the Traffic By-law No. 1573/77.

In general, skateboarding may be permitted on most sidewalks except those that are heavily used by pedestrians.

The recently amended sections 6.2 (a) and 6.2 (b) of the Traffic By-law No. 1573/77 were developed under Council’s direction with the intentions of preventing the need to install hundreds of “No Skateboarding” signs at significant cost. However, these current provisions of the by-law are difficult to enforce effectively because of the following:

The general public does not easily recognize the Downtown Business Improvement Zone and the Exchange District Business Zone districts as set out in By-laws Nos. 5080/89 and 5081/89.

The general public does not easily recognize sidewalks that abut or are adjacent to lands and premises in commercial areas zoned C1-5 under The Winnipeg Zoning By-law No. 6400/94.

It is the Administration’s recommendation that “No Skateboarding” signs be erected on designated streets as outline on Appendix “A”. (These designated sidewalks currently have heavy pedestrian traffic.) Additionally, the Director of Public Works Department may designate other sidewalks as “No Skateboarding” if and when required. Since the Director of Public Works has been delegated the authority to place such traffic control devices on the street, it is not necessary to maintain a schedule of these streets in The Traffic By-law.

The cost for the installation of “No Skateboarding” signs on designated street sidewalks is estimated to be \$10,000 and therefore is financially feasible. This expenditure is approximately half the normal cost because obsolete 450mm x 450mm aluminum bus stop plates will be recycled for this purpose. An illustration of the proposed design of a “No Skateboarding” sign is outlined on Appendix “B”.

Under the newly proposed amendment to By-law No. 1573/77, the “No Skateboarding” signs would clearly identify the sidewalks where skateboarding is prohibited. As a result, education and enforcement would be easier.

The Community Services Department and Winnipeg Police Service will develop communications strategies to advise the public of the revised skateboarding provisions on City streets. The costs for communication materials are estimated to be \$2000.00 and are included within the 2001 current estimates for the Community Services Department and/or may also be supported through sponsorships initiatives.

Report of the Executive Policy Committee dated July 17, 2001

On July 5, 2001, the Standing Policy Committee on Protection and Community Services considered the report from the Director of Community Services, dated June 25, 2001, with respect to Skateboarding in the City of Winnipeg and concurred in Recommendation C., of the report, namely:

- C. That the Community Services Department in conjunction with Police Service develop a communications strategy to advise the public of the revised skateboarding provisions on City streets.

The Committee also forwarded the remaining recommendations to the Executive Policy Committee for favourable consideration.

Council approval is required to amend Traffic By-law No. 1573/77. A copy of the Financial Impact is on file in the office of the City Clerk.

The Executive Policy Committee recommends:

- I. That Council rescind and adopt the following amendments to the Traffic By-law 1573/77 of The City of Winnipeg:

Rescind Section 6.2:

6.2 “No person shall ride upon or use a skateboard on a sidewalk, where the sidewalk:

- (a) is located in the Downtown Zone, defined as the area within the geographical boundaries of the Downtown Business Improvement Zone and the Exchange District Business Improvement Zone as set out in City of Winnipeg By-laws Nos. 5080/89 and 5081/89, respectively; excepting Assiniboine Avenue and those portions of Kennedy Street, Edmonton Street, Carlton Street and Hargrave Street between Broadway and Assiniboine Avenue; or
- (b) abuts or is adjacent to lands and premises in commercial areas zoned C1-5 under City of Winnipeg By-law No. 6400/94”.

Adopt Revised Section 6.2:

6.2 “No person shall ride upon or use a skateboard on a sidewalk where there is placed a traffic sign prohibiting such use of the sidewalk”.

- II. That the City Solicitor/Manager of Legal Services be instructed to prepare the necessary amending by-law.

- III. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

Copy of attachments referred to in the above clause are on file in the office of the City Clerk.

Moved by His Worship Mayor Murray,
Adoption of the clause.

Carried.

**Expenditure from the Land Dedication
Reserve Fund – La Fleche Park – Tennis
Court Renovation – Assiniboia Community
File EP-2 (Vol. 28)**

709 - 2. The Executive Policy Committee has been advised that the Assiniboia Community Committee concurred in the allocation of \$30,528.34 from the Assiniboia Community Committee Land Dedication Reserve Fund for tennis court renovations.

Report of the Executive Policy Committee dated July 17, 2001

The Executive Policy Committee concurs with the above and recommends that funds in the amount of \$30,528.34 be approved from the Assiniboia Community Committee Reserve Fund for the project.

Moved by His Worship Mayor Murray,
Adoption of the clause.

Carried.

**Expenditure from the Land Dedication
Reserve Fund – Tin Lizzie Auto Museum
Inc. – Lord Selkirk-West Kildonan
Community**
Files EP-2 (Vol. 28), PR-2.6(34)(Vol. 10)

710 - 3. The Executive Policy Committee has been advised that the Lord Selkirk-West Kildonan Community Committee concurred in the allocation of \$25,000.00 from the Lord Selkirk-West Kildonan Community Committee Land Dedication Reserve Fund to the Tin Lizzie Auto Museum Inc. to offset the costs of the facility renovation project.

The Executive Policy Committee concurs with the above and recommends that funds in the amount of \$25,000.00 be approved from the Lord Selkirk-West Kildonan Community Committee Reserve Fund for the project.

Moved by His Worship Mayor Murray,
Adoption of the clause.

Carried.

**CentreVenture – Assignment of Tax
Credits**
File EP-1.2.3 (Vol. 3)

711 - 4. The Executive Policy Committee has been advised that CentreVenture in its role as a Development Bank wishes to be able to provide gap financing to successful applicants under the CentreVenture Heritage Tax Credit Program which is fully secured by payments equivalent to existing tax credits. The present By-law Nos. 7200/98 and 7632/2000 do not allow for the assignment of tax credits for the purpose of providing security on a loan.

On April 26, 1999, the Mayor and the Chief Administrative Officer released a working draft report titled “CentreVenture: A new approach to Downtown Revitalization”. The report recommended the creation of a new downtown development corporation - CentreVenture - to provide entrepreneurial leadership in the resurgence of the downtown.

CentreVenture Development Corporation (“CentreVenture”), a corporation without share capital, was incorporated on July 9, 1999 under The Corporations Act of Manitoba for the purposes of promoting and fostering economic, residential, and cultural growth and development in the Downtown district of the City.

Within the Startup Business Plan, CentreVenture defined its responsibility as a Development Bank to: “primarily focus on maximizing the leverage of CentreVenture’s funding with public / private sector investment. The Development Bank will initiate creative financing, in the form of direct loans, loan guarantees, performance and discretionary grants, fund feasibility and architectural studies, realty, amusement, and business tax concessions.”

CentreVenture’s StartUp Business Plan dated September 10, 1999 indicates that one of its functions is to act as an Urban Development Bank and that gap financing will be one method used to bring qualified projects to their logical conclusion.

Report of the Executive Policy Committee dated July 17, 2001

On September 29, 1999, Council endorsed the spirit and intent of CentreVenture's Startup Business Plan and recognized the June 1999 CentrePlan Development Framework as a guideline for downtown development.

Also on September 29, 1999, Council approved a total of \$3 M in endowment funding for the CentreVenture Development Bank, as well as an annual operating grant of \$250,000.00 for the years 2000 through 2002 inclusive.

On April 26, 2000, The City of Winnipeg approved and allocated \$2.5 M to fund the Downtown Conservation Heritage Tax Credit Program to stimulate and encourage restoration, preservation, and presentation of historically designated buildings within the CentreVenture mandated area.

While there was no mention in CentreVenture's StartUp Business Plan of using the City's tax credits for security purposes for gap financing, CentreVenture has since made a number of inquiries regarding the use of the tax credits for security purposes. As the present by-laws do not allow for the assignment of the tax credits by applicants, CentreVenture has been entering into loan agreements with the applicants, and registering mortgages against the applicant's property. These mortgages rank behind existing mortgages on the property in terms of priority.

CentreVenture was created to provide entrepreneurial leadership in developing and sustaining business opportunities and economic growth in downtown Winnipeg.

By-law Nos. 7200/98 and 7632/2000 are by-laws to establish a program of property tax credits to encourage and assist in the renovation and improvement of designated structures in the downtown area of The City of Winnipeg.

CentreVenture has identified the City's tax credit program as a source of security for providing gap financing. Gap loans may be required to compensate in situations where the lenders perceive an additional risk. Gap financing can also be used to bridge construction loans with equity until takeout mortgages are advanced. Takeout mortgages may be based on completion of final construction or lease up.

CentreVenture wishes to establish a procedure whereby if CentreVenture has loaned funds to an applicant for a historical building restoration, all tax credits to which the applicant would be entitled from the City under By-law No. 7200/98 or 7632/2000 would, by virtue of the assignment by the applicant, flow directly as cash payments from the City to CentreVenture for the purposes of repaying the principal of the loan. The applicant would be required to make additional monthly interest payments directly to CentreVenture. The premise used by CentreVenture in making its request is that the provision of gap financing for heritage restoration work will increase the assessed value of the property and therefore future tax revenue to the City.

For the purposes of protecting its security, CentreVenture is requesting that the financial incentive payments be provided directly to it by the City. It is further requesting that these payments be made unconditionally, that is, the stream of payments would continue even in the following situations:

- The applicant is in default in making property tax or other payments and the City takes the property in tax sale.
- The applicant defaults under the Heritage Agreement entered into between the applicant and the City
- The applicant defaults under a first mortgage and the property goes into mortgage foreclosure.

CentreVenture has requested that this procedure would apply not only for loans that it will be advancing in the future but also for loans presently in place.

At present, By-law Nos. 7200/98 and 7632/2000 do not contemplate assignment of tax credits except in the limited circumstances of the sale of the property in which case, among other things, the approval of the Designated Committee is required.

Section 474 of *The City of Winnipeg Act* authorizes the type of program which CentreVenture is requesting, namely a program of grants which may be paid over a period of time fixed by by-law.

In order to meet CentreVenture's requests, By-law Nos. 7200/98 and 7632/2000 could be amended to provide for the payment of grants directly to CentreVenture for the purpose of providing loans to building developers. This option would involve annual payments to CentreVenture at the direction of successful tax credit applicants and those payments would replace the tax credits which would otherwise be provided to the applicant under the by-laws.

Report of the Executive Policy Committee dated July 17, 2001

Payments to CentreVenture would be subject to terms and conditions to be set out in an agreement between CentreVenture and the City.

This process would be suitable to deal with certain situations where difficulties have arisen under the present tax credit scheme. For instance, at present, in the case of a condominium development, the developer would be unable to receive the tax credits once the condominium units are sold and become separately registered in the names of the unit owners.

This process would require an agreement between the City and CentreVenture which would specify the circumstances under which grants would be paid to facilitate gap financing. The agreement and by-laws should provide that the grants to CentreVenture would be limited to the amounts that would otherwise be provided in tax credits. CentreVenture would assume the risk of advancing any financing which might exceed actual municipal and business taxes over the 10 year period, and would have responsibility for forecasting the amount of those taxes as finally determined through the appeal process.

Under this system, a more rigorous auditing system would be desirable. CentreVenture should be required to report on a regular basis to the Chief Administrative Officer or her delegate, the Chief Financial Officer, with respect to the status of all projects which CentreVenture has approved for gap financing. As is the case with tax credits, these grants would be transparent.

As previously mentioned, a problem has arisen in the situation where the applicant is the developer of a condominium complex project. Both By-law No. 7632/2000 and 7200/98 provide that the approved tax credit or portion thereof may only be transferred to the new Owner or Long-Term Tenant of the applicant if the Designated Committee so approves and if the new Owner or Long-Term Tenant agrees to assume all obligations of the applicant as set out in the applicable by-law, otherwise the tax credit or portion thereof is not transferable and will be cancelled.

In the case of a condominium project, upon completion there would be a number of new condominium unit owners. In order for the applicant to transfer the tax credit or unused portion thereof to the new condominium unit owners, each new owner would have to obtain the approval of the Designated Committee and would have to agree to assume all obligations of the applicant under By-law No. 7632/2000 or 7200/98. The developer and new owners would have to take into account the transfer of the tax credit or unused portion thereof when entering into an agreement of purchase and sale.

In order to avoid these difficulties, By-law Nos. 7632/2000 and 7200/98 could be amended to allow for a condominium building owner applicant who has entered into a gap financing arrangement with CentreVenture to, at the applicant's option, continue to be entitled to receive the tax credit or unused portion thereof after the sale of the units. The tax credits would then be forwarded by the City to CentreVenture in the form of a grant to be applied against the applicant's gap loan.

It should be noted that there are a number of concerns and/or potential risks associated with the proposed grant scheme:

1. In order to meet CentreVenture's request, payments would be unconditional upon ongoing payment of realty and business taxes by the applicant or property owner. This could lead to a situation where the city would acquire the property in tax sale and still have an on-going obligation to continue advancing funds to CentreVenture equivalent to tax credits. It can be argued that if this occurred, the value of the property received by the city through tax sale would have increased due to renovations carried out by the applicant. However, experience has shown that a significant amount of money can be spent on heritage restorations without any impact on the property assessment/taxes. Keeping in mind that where the city acquires property in tax sale, the tax liability may include school taxes and local improvements, it is quite possible that the property could revert to the City through tax sale with a greater tax liability than its value.

The total amount of tax credits available under both by-laws amounts to a maximum of \$5 M. To the extent that the maximum amount of total tax credits is increased in the future, the City's exposure would increase as well.

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2. The majority of funding for the programs has been committed.

The total amount of tax credits available under By-law No. 7200/98 was \$2.5 M and \$2,454,297.90 has been committed under this program. The tax credit program created by this by-law expired on April 30, 2000. Two projects that qualified under the by-law have not yet been completed.

The total amount of tax credits available under By-law No. 7632/2000 is \$2.5 M as funds are made available from the Heritage Investment Reserve and \$2,186,134.00 has been committed to date under this program.

As the majority of funding has been committed, the opportunity to fund new projects has been reduced.

3. The administration has authored a report with respect to Heritage Conservation Tax Credits that discusses the possibility of the Province being requested to enact legislation allowing the City to exempt properties from the assessment roll. There would be no tax credits or grants available for assignment in this case. The advantage of this option is its immediate impact, high public visibility and administrative simplicity. This report is scheduled to be considered by the Executive Policy Committee at a future date.

The Financial Impact Statement is outlined on Appendix "A".

The Executive Policy Committee recommends:

- I. That the CentreVenture Heritage Tax Credit By-law No. 7632/2000 and The Downtown Heritage Conservation Tax Credit By-law No. 7200/98 be amended to allow for grants equivalent to the annual tax credits provided under these by-laws to be paid by the City of Winnipeg directly to CentreVenture, at the applicant's option, as repayment of loans provided by CentreVenture to finance renovations and improvements of designated heritage buildings.
- II. That the Chief Administrative Officer be delegated authority to finalize the terms of an agreement between CentreVenture and the City specifying the circumstances under which grants would be paid to CentreVenture to facilitate gap financing.
- III. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

Moved by His Worship Mayor Murray,
Adoption of the clause.

Carried.

**Delegated Authority to Award Contracts
for the Supply and Delivery of Fire Trucks
During the Prorogue Period – July 23 to
August 31, 2001**
**Files GC-11 (Vol. 7), GF-1 (Vol. 19),
GL-9 (Vol. 16),**

- 712 - 5. The Executive Policy Committee has been advised that Council has the authority to delegate the authority to award contracts exceeding one million dollars to the Chief Administrative Officer.

The Fire Paramedic Services Department is in urgent need of new vehicles.

Tender No. 66-2001 for the supply and delivery of an aerial ladder/platform fire pumper (quint) apparatus was issued in January 2001. The City has been unable to acquire the required vehicle pursuant to that tender. It is anticipated that a new tender will be issued in July 2001 with a closing date in late July or early August.

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Tender No. 314-2001 for the supply and delivery of triple combination pumper fire apparatus closed on June 26, 2001 and the bids are currently being evaluated.

The Director of Public Works currently has delegated authority to award contracts not exceeding \$1,000,000.00 but it is likely that one or both of the above mentioned contracts for firetrucks will exceed that amount. The award of these contracts for firetrucks is time sensitive in order to meet the needs of the Fire Paramedic Services Department. Neither Standing Policy Committee on Public Works nor Council will be meeting between July 19, 2001 and August 31, 2001.

Funds are available from the Equipment Replacement Reserve Account.

The awards will be made to the lowest responsive bidders.

The Executive Policy Committee recommends:

- I. That the Chief Administrative Officer be delegated the authority to award contracts greater than \$1,000,000.00 for the supply and delivery of Fire Trucks during the period of July 19, 2001 to August 31, 2001, provided that the total amount of the contracts awarded pursuant to this authority does not exceed \$3,500,000.00 inclusive of taxes.
- II. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Moved by His Worship Mayor Murray,
Adoption of the clause.

Carried.

EXECUTIVE POLICY COMMITTEE MOTIONS

Moved by Councillor Angus,
Seconded by Councillor Murray,

713 - WHEREAS there is a need to provide directional signage to ensure that pedestrians and motorists who are destined for specific attractions in Downtown Winnipeg are able to reach their destination without undue delay or confusion;

AND WHEREAS there are currently a number of city departments and outside agencies who have developed or have indicated a need to develop criteria for Downtown directional signage;

AND WHEREAS there is a need to ensure that such signage be developed and implemented in a planned, coordinated and cost effective manner;

THEREFORE BE IT RESOLVED that the Chief Administrative Officer or designate be delegated authority for the coordination of Downtown directional signage, in consultation with the appropriate stakeholders;

AND BE IT ALSO RESOLVED that they create a concept plan with budgetary implications and report back to the Executive Policy Committee in 60 days.

The Speaker ruled automatic referral to the Executive Policy Committee in accordance with Rule 16.1 of the Procedure By-law.

Moved by Councillor Angus,
That the rule be suspended to allow consideration of the motion at this time.

Carried.

The motion was put and declared carried.

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

714 - On motion of His Worship Mayor Murray, the following by-laws were read a first, second and third time, the rule being suspended for the third reading of each by-law, and were passed and ordered to be signed and sealed, namely:

By-law No. 7866/2001, a by-law of The City of Winnipeg to enter into an Agreement with 2763941 Manitoba Ltd. to redeem certain property from Tax Sale by instalments in accordance with Section 255 of The City of Winnipeg Act. File FL-2.4 (Vol. 16)

By-law No. 7867/2001, a by-law of The City of Winnipeg to widen the south side of Regent Avenue West between Lagimodiere Boulevard and Panet Road. File DAO 5/2001

By-law No. 7868/2001, a by-law of The City of Winnipeg to widen the first public lane east of Main Street between Forrest Avenue and Semple Avenue. File DAO 6/2001

By-law No. 7869/2001, a by-law of The City of Winnipeg to establish a pension benefits program for Members of Council of The City of Winnipeg. File GC-2.3 (Vol. 6)

By-law No. 7870/2001, a by-law of The City of Winnipeg to regulate smoking. File EH-1.2 (Vol. 10)

By-law No. 7880/2001, a by-law of The City of Winnipeg to close parts of Kenaston Boulevard and the public road south of Rothwell Road. File DAC 1/2001

Councillor De Smedt asked to be recorded as having voted against By-laws 7869/2001 and 7870/2001 in accordance with Rule 50.7 of the Procedure By-law.

Councillors Lubosch and Smith asked to be recorded as having voted against By-law 7870/2001 in accordance with Rule 50.7 of the Procedure By-law.

On motion of His Worship Mayor Murray, the rule was suspended and the following by-laws were read a first, second and third time, the rule being suspended for the third reading, and were passed and ordered to be signed and sealed, namely:

By-law No. 7883/2001, a by-law of The City of Winnipeg to amend By-law No. 1573/77, being The City of Winnipeg Traffic By-law. File ST-7.2 (Vol. 14)

By-law No. 7884/2001, a by-law of The City of Winnipeg to amend the CentreVenture Heritage Tax Credit By-law No. 7632/2000. File EP-1.2.3. (Vol. 3)

By-law No. 7885/2001, a by-law of The City of Winnipeg to amend the Downtown Heritage Conservation Tax Credit By-law No. 7200/98. File EP-1.2.3. (Vol. 3)

EXECUTIVE POLICY COMMITTEE**QUESTION PERIOD**

715 - Councillor Steek inquired if there had been ongoing discussions between The City of Winnipeg, the Province of Manitoba and the Federal Government relative to the issue of prostitution and funding for the creation of safe houses. His Worship Mayor Murray took the question under advisement with the view to providing an update at a later date.

In reference to the infrastructure program, Councillor Angus inquired if His Worship Mayor Murray was aware of what was delaying the project, inasmuch as the infrastructure package has been ready since before the 1998 election.

His Worship Mayor Murray noted that the Provincial Government had not provided a clear statement as to which projects they would or would not support, citing a number of projects that remain unresolved. He indicated that the matter would not go to the Federal Treasury Board until late August and stated that there had not been anything definitive from the Province about when, if and how funds would be released for the infrastructure program. In the event the Province and the Federal Government decide to move ahead with an infrastructure program this year, His Worship noted that the Chief Administrative Officer had been delegated authority to move forward, on a limited basis, with the smaller projects that Council has already approved, namely the Waterfront Drive and the North Main redevelopment.

In reference to 2002 budget deliberations, Councillor De Smedt requested assurance that an opportunity would be provided for early consultation and feedback with all Members of Council.

His Worship Mayor Murray acknowledged that a Council seminar would be scheduled but noted that, although the Province has had the City's budget for three years, a number of key issues remain unresolved and a clear message on the status of jointly funded programs must be obtained from the Minister of Finance and the Premier. He advised that he is confident that a two percent budget tax cut can be met, so long as the addition of new items to the budget is limited. His Worship stated that there will be some revisiting and clarification of priorities, but asked that Council wait until September before delving into the details of the budget process.