



Second Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

Standing Committee

on

Municipal Affairs

Chairperson

Mr. Gerry McAlpine

Constituency of Sturgeon Creek



Vol. XLVI No. 3 - 7 p.m., Thursday, October 17, 1996

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Members, Constituencies and Political Affiliation

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LEGISLATIVE ASSEMBLY OF MANITOBA

THE STANDING COMMITTEE ON MUNICIPAL AFFAIRS

Thursday, October 17, 1996

TIME – 7 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Gerry McAlpine (Sturgeon Creek)

VICE-CHAIRPERSON – Mr. Ben Sveinson (La Verendrye)

ATTENDANCE - 11 – QUORUM - 6

Members of the Committee present:

Hon. Messrs. Cummings, Derkach, Findlay

Ms. Barrett, Messrs. Evans (Interlake), Jennissen, Laurendeau, McAlpine, Penner, Struthers, Sveinson

WITNESSES:

Mr. Sylvester Yakielashek, Council of the Local Government District of Park

Mr. Ray Frey, Council of the Local Government District of Park

Mr. Rick Borotsik, Mayor, City of Brandon

Mr. Garry Wasylowski, Reeve, Local Government District of Armstrong

Ms. Rochelle Zimberg, Executive Director, Manitoba Association of Urban Municipalities

Mr. John Nicol, President, Union of Manitoba Municipalities

Mr. Larry Johnson, Chairperson, Unincorporated Village District of Cranberry Portage

Mr. Leonard Gluska, Reeve, Local Government District of Consol

Mr. Clarence Braun, Mayor, Town of Niverville

Ms. Mary Hrabarchuk, Unincorporated Village District of Landmark

Mr. Ken Holme, Chairman, Unincorporated Village District of Grunthal

Ms. Diane Wright, Tache Ratepayers Association

Ms. Evelyn Giesbrecht, Unincorporated Village District of Landmark

Mr. Bill Summerlus, Canadian Union of Public Employees, Manitoba Division

Mr. Glen Murray, Councillor, Fort Rouge Ward, City of Winnipeg

Mr. David Sutherland, Chairman, Unincorporated Village District of Landmark

Mr. David Sanders, Colliers Pratt McGarry

Mr. Victor Vrsnik, Manitoba Taxpayers Association

Mr. John Angus, Councillor, St. Norbert Ward, City of Winnipeg

Mr. Nick Ternette, Private Citizen

Ms. Carolyn Garlich, Council of Women of Winnipeg, Committee on Urban and Regional Issues

Ms. Elizabeth Fleming, Provincial Council of Women of Manitoba, Committee on Urban and Regional Issues

WRITTEN SUBMISSIONS:

Manitoba Municipal Administrators Association
Town of Steinbach

MATTERS UNDER DISCUSSION:

Bill 54—The Municipal and Various Acts Amendment Act

Clerk Assistant (Ms. Judy White): Order, please. Will the Standing Committee on Municipal Affairs please come to order. The first order of business this evening is to elect a Chairperson, as the position is vacant; and, to elect a Vice-Chairperson, as Mr. McAlpine has resigned as Vice-Chair. Are there any nominations for Chairperson?

Mr. Marcel Laurendeau (St. Norbert): I nominate Mr. McAlpine.

Madam Clerk: Mr. McAlpine has been nominated as Chairperson. Are there any other nominations? Seeing

none, Mr. McAlpine is Chairperson of the Standing Committee of Municipal Affairs. Please take the Chair.

Mr. Chairperson: The next order of business for this committee this evening is to elect the Vice-Chair. Are there any nominations?

Mr. Jack Penner (Emerson): I would nominate Mr. Sveinson.

Mr. Chairperson: Mr. Sveinson has been nominated as Vice-Chair. Are there any other nominations? Seeing none, Mr. Sveinson will be the Vice-Chair of the Committee on Municipal Affairs.

We have before us the following bill for consideration this evening, Bill 54, The Municipal and Various Acts Amendment Act. Before continuing on with the business referred to the committee, there are a few matters to clarify at this point. First this committee has received two written submissions to Bill 54 from the Manitoba Municipal Administrators Association and from the Town of Steinbach. The submissions have been distributed to the committee members. Does the committee wish to have these submissions appear at the back of Hansard transcript of this committee?

Some Honourable Members: Agreed.

Mr. Chairperson: Agreed and so ordered. Further it is our custom to hear presentations from the public before the detailed considerations of bills. At this point there are 20 persons registered to speak to Bill 54. Is it the will of the committee to hear these presentations?

Some Honourable Members: Agreed

Mr. Laurendeau: Mr. Chairperson, are we going to canvass the groups to see if there are any people from the rural areas that might want to present first, so that if they have to travel they have to—

* (1910)

Mr. Chairperson: Yes, Mr. Laurendeau, we will proceed with that. We have a list of presenters that should appear before the committee members, as well as posted on the back of the room. At this point we will read out the list of the names. We have, No. 1, Sylvester

Yakielashek, Eugene Kostyra, Rick Borotsik, Garry Wasylowski, Glenn Carlson, Councillor Mike O'Shaughnessy, David Sanders, Councillor Glen Murray, John Nicol, Larry Johnson, Leonard Gluska, Victor Vrsnik, Councillor John Angus, Nick Ternette, Carolyn Garlich, Clarence Braun, Mary Hrabarchuk, David Sutherland, Ken Holme, Diane Wright and Evelyn Giesbrecht. The last name for the committee's benefit is an add-on to the presentations this evening.

If there is anyone present in the audience this evening who wishes to appear before the committee and has not registered, you may register at the back of the room, and your name will be added to the list with the Sergeant-at-Arms at the back.

Another matter to deal with is that the persons whose names are called to make their presentations and they are not here, it has been a practice of this committee that in such a situation the name is dropped to the bottom of the list, and if the name is called a second time and the person is not present, the name is dropped off the list.

Did the committee wish to follow this practice?
[agreed]

A further matter to deal with is the out-of-town presenters. There are currently 11 persons registered who are from out of town. These persons' names have an asterisk by their name on the presenters' list. It has been Manitoba's practice to hear from out-of-town persons first out of the courtesy for the distance they have travelled.

Did the committee wish to hear from these persons first? [agreed]

Finally, before we proceed with hearing public presentations, did the committee wish to establish any time limit on public presentations? What is the will of the committee? What is the preference of the committee?

An Honourable Member: Fifteen minutes.

Mr. Chairperson: Fifteen minutes? Agreed?

Mr. Clif Evans (Interlake): Does 15 minutes include the presentation and question period?

An Honourable Member: Yes.

Mr. Chairperson: Fifteen minutes. Is that agreed 15 minutes and question total? [agreed]

We will now begin to hear public presentations. As previously agreed, we will hear from those people who are from out of town first, and we will call those names in the order that they appear on the presenters' list. I would now like to call upon—[interjection]

Order, please. The minister wishes to make a brief statement before the presentations are made. Is the committee in agreement with the minister making that statement at this time? [agreed]

Hon. Leonard Derkach (Minister of Rural Development): Thank you very much, Mr. Chairman. First of all, I would like to welcome all of the presenters here this evening and those who have come to pay attention and take some interest in this particular bill, because it indeed is an important one. I am pleased to be here this evening to hear presentations on Bill 54, The Municipal and Various Acts Amendment Act.

As all of you know, this bill has as its foundation the extensive consultation with municipalities, ratepayers and other interest groups and individuals. This consultation formally began in 1993 when the Municipal Act Review Panel first toured the province to hear the views of stakeholders. We continue to consult with major stakeholders, particularly municipalities, on Bill 54.

As a result of that consultation, several amendments are proposed to Bill 54. This should not be surprising given the size, scope and complexity of this bill and the broad interest of those governed by it. Certain amendments are proposed to address specific concerns of municipalities who would be governed by this new legislation when enacted. For example, municipalities have recommended and changes are proposed that we remove an absence from a public hearing as deemed absence from a council meeting, clarify that minutes of a closed meeting are not accessible to the public unless council allows it, enable municipalities to spend windfall revenue not anticipated in their budget without approval of the minister, clarify application of provisions respecting council committees so the only council committees defined in the original by-law are subject to

those provisions, and clarify the application of petition provisions, particularly to clearly state that only when the act states that a petition is required must it meet the requirements of the act.

Other amendments will also be introduced, as well as housekeeping amendments, to ensure that the new municipal legislation is clear in its intention, and the best it can be, so that it will serve Manitoba municipalities and ratepayers well into the future decades. Thank you very much, Mr. Chair.

Mr. Chairperson: I thank the honourable minister for these comments. We would call the first presenter, Sylvester Yakielashek. Please proceed.

Mr. Sylvester Yakielashek (Council of the Local Government District of Park): Thank you, Mr. Chairperson. Honourable ministers, ladies and gentleman. We have submitted copies of our submission, and we would like on behalf of the council of the LGD of Park, our reeve, Ray Frey, and myself present this on behalf of the council. Our submission, we wish to speak on our primary concerns of the total submission and the other matters we wish to file as secondary concerns with the committee.

To start I am going to ask Reeve Frey to do the first part of the submission with your permission, and I will come to do the second part.

Mr. Chairperson: Excuse me. I would just like to remind you that you have 15 minutes for the presentation and the questions.

Mr. Ray Frey (Council of the Local Government District of Park): Yes, thanks Mr. Chairperson. I will move ahead and I guess I will start off by saying that we are rather a unique municipality the way the bill is addressing us. We are a split municipality nestled against the Duck Mountains in Riding Mountain National Park so we have a diverse area of people, land uses and activities. In our population of about 1,300, we have two urban settlements, San Clara and Onanole, a large rural recreational resident component, we have some agricultural component and a large, nonresident urban seasonal component.

Since the early 1980s, these characteristics are steadily growing. We have the rural cottage industry area, we

have a base for the development of commercial resorts, guest ranching, general commercial services and small business areas catering to recreational amenities like fishing, hunting, outdoor experience, et cetera, and a diverse agricultural area, not only in traditional farming, but also large and small ventures ranging from wild boar ranching, ostrich farming, et cetera.

Our council's development policies are aimed at preserving this rural character and preserving the land base and providing the diverse intermixed activities that we have now. In order to achieve this, we have to ensure that proposed Bill 54 will give the council flexibility in providing the different levels of service, municipal service, levels of service, to the different areas at the same time and the property taxation method will be fair and equitable to all.

I guess our concerns, our first concern is we are talking about the legislation. We would like to see some sort of a guaranteed transition of the loss of our LGD status. For example, the loss of social assistance support could increase our property taxes, the mill rates by 4.3 percent or 23 percent and an additional 2.5 mills or 13 percent for loss of the road assistance. We realize that is not the intent of the government of the day to do that, but those are our circumstances today and we are not sure what is happening in the future. We do not want to become insolvent because our tax base cannot absorb that kind of a change, so we support the status change, but we would like a bill to provide some criteria to evaluate the LGD's ability to sustain itself. If we lose that support, to see it phased in more time—you can put us broke pretty fast if that is the case.

With that, I will turn it back to Sylvester to talk about the other areas.

* (1920)

Mr. Yakielashek: The other two primary concerns relate to the area of the flexibility in the taxation process in terms of providing services. I can refer you to page 4, item (a)(2).

Basically, Sections 309 and 310 in the proposed bill deal with local-improvement projects; they deal with special service projects basically related to capital projects. It is our council's feeling that certain taxes for

operating services should also have greater flexibility in terms of being taxed against properties. That is basically brought out, in our instance, to deal with the various components of our total area between the urban and the rural, between our geographical component, basically to give councils the flexibility to impose taxes for different services and different areas, perhaps impose taxes based on classes of property related to the properties that receive the service.

It is not an intent by giving that flexibility to create different levels of taxation, but more so to be able to tax people more fairly, more equitably in terms of the service that they wish to receive, whether that be a higher level of service, whether it be a different type of service that other areas feel they do not need, and related to the fact that if a particular component of the municipality wishes some service that other areas do not feel the need for and are willing to pay for that service, then why would you not wish to do that to provide service to your residents?

One of the other tools in dealing with sort of those types of components between urban and rural within the same area, is the area regarding local urban districts. We look at that section of the bill as being another means of being able to accommodate the different types of sectors within the same municipality. However, we feel that the terms or the criteria for being able to form local urban districts in regard to the reference to the population residency in regard to the density really needs to be changed. Municipal services are provided to property and are taxed on property and, therefore, whether the populace is seasonal or whether it is permanent, whether they are cottages or permanent residences, the services are provided to service the property.

Therefore, if a locality feels that it has sufficient density of residential and commercial properties that are contiguous, then why should they not have that opportunity to become a local urban district? But the density ratio or criterion used is beyond what—most size villages and towns have a density right now in Manitoba that are incorporated. So we would like that section, in terms of residency, changed to electors, and we made some suggestions in our submission for that, and that the density factor should be removed and basically the criteria relate to residential class and commercial class properties of sufficient size and proximity to make it reasonable to have a local urban district.

So that is a quick presentation of our basic concerns. There are some secondary concerns that I mentioned, which we will just leave in written form with the committee, and I guess Ray Frey and myself are prepared to answer any questions at this time.

Mr. Chairperson: Thank you. Are there any questions of these presenters?

Mr. Stan Struthers (Dauphin): Let me begin by congratulating you on the amount of detail that you have included in your presentation; obviously, you have put a lot of thought and discussion into this. I am interested in the section where you deal with downloading B) (3) (a). We have seen, over the last little while, governments from every jurisdiction downloading till it gets down to the bottom of the pile where the municipal governments come in and they end up picking up a larger percentage of the tab for the services that folks have out there. You mentioned in your presentation fire protection. Are there roads and other things that you feel will be downloaded to the LGD of Park, and how will you then cope with raising the money to pay for these services that are being dropped down to your level?

Mr. Yakielashek: To get to the fire protection business, right now we have a volunteer fire protection group, and they look after the fires, but the new bill talks about education and fire prevention and those kinds of things being the responsibility of the fire department. They are all volunteers, and they are interested in protecting their property. They do not have the time and they do not want to get involved in educating their neighbours or enforcing legislation on a neighbour. They just want to fight the fire. We do not have the rest of the resources to do that within the small rural areas.

To get back to the roads, I started off by saying we do get some 50-50 grant sharing now, and we hope that still comes with us as we become a municipality. Maybe circumstances will change and that might not always be there, but we would like some transition area protection in the bill so that we can get ready for this, so that it does not happen overnight, if it does have to happen.

Mr. Struthers: One more question. Has your council thought of the possibility that it may be forced to raise its taxes locally to make up the difference when the province offloads more and more responsibility onto you?

Mr. Frey: Yes, we have.

Mr. Derkach: Ray Frey and Mr. Yakielashek, we want to, first of all, say, thank you for your input to the process that we have undertaken in reviewing the act. I do believe that your input has certainly been valuable to us, and I thank you for your presentation.

I have a question though with regard to the local urban districts. You make a recommendation in that you support the establishment of the two categories, the municipal category and the local urban district, but you make mention of the fact that rather than using population density, we should look carefully at only using the ratepayer population or both residential and commercial. Is that correct?

Mr. Yakielashek: We are basically saying, let the criteria rest in terms of changing residents to electors regardless of what residency you have, and there again we go back to our components, seasonal or permanent. They are all electors, and they are all ratepayers. So we think that using the term electors is more appropriate because of the components that we have.

We think residency sort of implies whether you have to have lived there year-round to have a say in whether you form a local urban district. We are not so sure that is the most appropriate basis in terms of the criteria or using that term. I guess in council, discussions whether that should be 500 electors or 1,000 or 750—in our case we just felt, well, 1,000 would be appropriate. But they basically want to get away from just residency.

* (1930)

Mr. Frey: The other part of it, Sir, is that our planning district regulation is now going to one-acre cottage lots so given that size of lots, it did not matter how many lots, how big we grow, we would never meet the 400 residents per square kilometre, the designation in the bill.

Mr. Derkach: I appreciate your comments. Thank you very much.

Mr. Chairperson: Mr. Laurendeau, one quick question.

Mr. Laurendeau: Thank you for your presentation. I have one question by the looks of it. It is going to be

around the area on page 6 where you start speaking about enhanced services and the ability to charge the extra fee. Do you see that as a base fee or a flat fee, as a minimum fee? How do you come about with that?

Mr. Yakielashuk: Basically, the municipality would provide the basic services to everyone. There are certain services that every resident receives. We have various subdivisions that are not tightly knit. That is because of our rural character and our component which has allowed us to grow in the last number of years. And in order to preserve that, what some areas want in terms of services, perhaps a higher level of service or a different type of service, other areas do not see it that way.

So what we are saying is, we would just like some flexibility. If this particular subdivision wants street name signs that are not the basic standard for the whole municipality and are wishing to contribute to it because they want to preserve their value and esthetics of the area, why would we not allow them to do that? But at the same time, we do not feel that everyone should be taxed because it is something that basically contributes to the value and esthetics of their own area.

Mr. Chairperson: Thank you, gentlemen, for your presentation.

Call Mr. Rick Borotsik. Good evening. Do you have the distribution to—

Mr. Rick Borotsik (Mayor, City of Brandon): Sylvester did not take all of his time. Is that added to mine?

Mr. Chairperson: I would remind the presenter that we are limited to 15 minutes.

Mr. Borotsik: Well, you have already taken up two minutes, Mr. Chairman. Thank you, I appreciate that.

Mr. Chairperson: Mr. Borotsik, would you proceed, please?

Mr. Borotsik: Thank you, Mr. McAlpine, Mr. Minister, members of the committee. Thank you for allowing Brandon to put forward its views and opinions with respect to Bill 54, The Municipal Act.

First of all, I must say, Mr. Chairman, even though you may not receive all of our recommendations, this has been rather an interesting opportunity for me to see something very strange indeed. Councillor O'Shaughnessy and Councillor Murray from the City of Winnipeg are here. They agree with each other, they are going to be on the same team, and you may well have changed the face of politics in Manitoba already with this legislation.

I have with me, Mr. Chairman, four members of city staff, and I will just briefly introduce them. We have Mr. Earl Backman, who is the city manager. I have Mr. Robin Singleton, the city solicitor; Mr. Ian Ford, the city clerk; and Mrs. Vicki Fifi, who is our by-law coordinator and who in fact knows every word and nuance of this act probably better than the authors of this particular act.

I, first of all, commend the minister and his government in taking the initiative to change legislation that in fact was very outdated and very archaic. It was a long and arduous process; I appreciate that. I also appreciate the fact that in most of what has been drafted in the 252 pages is extremely good for all municipalities; however, in saying that, there are a number of areas that we would like to put forward and put on the table this evening.

We have 79 items that you will notice in the presentation. I have listed them in three priorities: priority one, priority two, and priority three. Of the 79 items, some are very minor in nature. Your staff have been very accommodating in changing or agreeing to some minor amendments in order that we may interpret the act the way you interpret the act. However, there are five items I would like to deal with if I may, Mr. Minister and Mr. Chairman, as briefly as I possibly can in the 15-minute time limit that I have.

The first priority is an item that was dealt with by the previous speaker, and that of residency. It is our belief in the City of Brandon—and I should also tell you that we did not take this legislation lightly by any stretch of the imagination. We have spent literally hundreds of man-hours in reviewing the legislation and, believe me—person-hours, I apologize—hundreds of person-hours in reviewing the legislation, because this legislation in fact will take us into the next millennium and will administer municipalities for a long time to come.

As for residency, Mr. Chairman, we believe in the City of Brandon that in fact there should be a residency clause, where anyone wishing to run for elected office within the municipality should reside in that municipality. There are a number of issues that I can deal with, but since my time is rather brief, I will allow any questions that you may have with respect to these issues; however, we believe that a representative should in fact know the wishes and the beliefs and the issues of the electorate, and that means, obviously, residency, which in fact is not the case now. As long as you are an elector and own land in the municipality, you can reside in any other jurisdiction and run for elected office. The obvious answer to that is that the electorate will obviously make the right choices. I believe very strongly in the electorate, otherwise, I would not be standing before you right now; however, there are anomalies, I am sure.

Item No. 2, is an issue that I am going to have some difficulty speaking to because in fact it was I and the City of Brandon who stood before on amendments of the act and spoke vehemently against having employees of any municipality run for elected office. In saying that, however, our position at that time was not listened to. The amendment was put forward, was enacted, and in fact now employees of municipalities do have the right to run for elected office in those municipalities.

What I see here happening is a government, who should have agreed with us in the first place, however, now making changes that ultimately will not allow any elected or any official who is employed by the municipality to run. The only full-time councillors that we have in the province of Manitoba reside in the city of Winnipeg. A person who is employed by a municipality cannot take a leave of absence to run for that council and forgo their annual income for the stipend that they are going to be receiving on a council.

* (1940)

What we are hoping—and quite frankly we have some very positive experience on this particular issue. I do have a member in the employ of the City of Brandon who sits on my council. He is now seen to be a very valuable member of my council, and in fact should this legislation go through, he will not be allowed to run unless he takes a leave of absence from his employ, and he is a fireman. What I would suggest at the very best case scenario would be to grandfather those currently who are sitting as

members of council and not force them into taking a leave of absence, which they will not do and in fact will not be able to run for council.

Item No. 3, Mr. Minister, you have mentioned some amendments and, unfortunately, I did not catch all of them. There are some items that I am going to deal with that you have already talked to amendments. Item No. 3 is disqualification from council dealing with the public hearing issue. I believe you amended that public hearings were going to be deemed as regular council meetings. We had some difficulty with that, because we do have one or two public meetings within a council meeting, and therefore a councillor would be disqualified in one evening. You have changed this clause from three to two. Thompson in fact has council meetings every Monday night. Should one councillor go on vacation for a period of two weeks, he could be disqualified unless of course there are the necessary motions taken by council. It is our suggestion that the amendment certainly fits with this particular issue.

This one is rather interesting, item No. 4, it deals with abstentions in voting. It has been hidden in the act. We had to find it and get interpretation from staff. We find it very difficult to understand considering most of the act speak to accountability of municipal councils and now you are suggesting that councillors need not vote at the table. That is not the case at the present time under the act. We strongly believe that if a councillor is there as a representative, they should be made to vote in favour of or against any motion that is put forward.

Item No. 5—and I am sure you will tell me when my time is up—is a detail with public meetings. I believe, Mr. Minister, you also talked about some amendments to council committees and public meetings. We would like to see a minor amendment here which would make all the difference in the world. We have no difficulty in keeping council meetings and council committee meetings in public. However, we do have certain committee meetings that we have difficulty with: audit committee, personnel committee, contract negotiations. Then we had also a problem with the minutes, I believe you dealt with that Mr. Minister. Is that correct?

Item No. 6, disqualification for the absenteeism from any public hearing. I believe also you have dealt with that issue, Mr. Minister.

Item No. 7 is very, very important to the City of Brandon and you also dealt with respect to the ability with windfall revenues on nonbudgetted items. The City of Brandon prides itself on its administrative ability to balance a budget. In fact, over the past 25 years we are probably one of the very few who have been in the black in our budgets. We do that with fiscal responsibility. We do a nine-months review of our budgets, and if there are areas that have shown an overexpenditure, we will move some of those funds in to fill in.

The way we read this particular clause in the act, we will not have that flexibility. It is absolutely mandatory that municipal councils have that flexibility. I would suggest it would be like saying that the provincial government should no longer be able to no longer pass special warrants. I do not think that that would be a good business decision for the provincial government. I do not believe this is a good business decision for municipal governments. In fact, I know this is not a good business decision for the City Brandon.

Item No. 8, very important minor amendment. All we are asking here, Mr. Minister, is to simply add the authority to have municipalities allow ambulance service. That is all we are asking. We were told by staff that this indeed would be covered off by The Ambulance Services Act. We are not comfortable with that. That is a high liability. The City of Brandon provides ambulance service. All we would like is clear authority for this particular service in the act, very minor, although it gives us a great deal of mental relief.

Item No. 9, again, a very difficult issue for the City of Brandon. It says here that police officers must answer directly to the pleasure of council. We have a very highly paid—I will repeat—highly paid CAO who in fact administers all staff of the City of Brandon. We do not see why police officers are singled out in this particular clause. In fact, if anything, we have gone through a period of time in the City of Brandon where police did report to an alternate body, and we had some grave difficulties, as I am sure you could recall from years ago. This has to be changed in order for the City of Brandon to be administered properly.

Item No. 10, grants in lieu, another very minor change. We would like to see in the legislation simply that grants in lieu should be paid by Crown agencies. We are told

again, Mr. Minister, that this is covered in Crown agency legislation, but I can assure you that I have personal experience whereby one of your Crown agencies called me mid-budget year and said they were not paying their rent in lieu. We did get that fixed and rectified, and I know a minister and I thank him very much for his help in this particular issue—we believe very strongly that municipal services should be reflected in The Municipal Act. Simply say the Crown agencies will pay—I do not like the term grants in lieu—payment in lieu of taxes.

Item No. 11, simple. We believe that council members should also be allowed benefits such as pensions, and I believe that that should be allowed under the act.

My last one and I am just in time, item No. 12 is the catchall. This is where a minister can pass with Lieutenant-Governor-in-Council legislation that changes the ability for municipalities to operate. I find it, again, very ironic that we are asking municipalities to be terribly accountable to the public, yet in this particular clause, the minister has to be accountable to no one, not to cabinet, not to the House, but can change by regulation to the point where in fact it will restrict the power and duty of the council to pass by-laws. We would like to have this reviewed. Whether it is going to change or not, I do not know, but it was necessary that we put it forward.

Mr. Minister, the other items, priority two and three, are listed for your perusal. I thank you for your time, and it is almost 15 minutes.

Mr. Chairperson: Thank you, Mr. Borotsik.

Mr. Derkach: First of all, Your Worship, I would like to thank you for the input that you have had in this process. It has been three years and we certainly appreciate the involvement of Brandon throughout the process, and you certainly contributed very positively. Your 12 items that you have just gone through are certainly ones that we will consider. We have indicated to you previously, through our staff, that we would certainly give those serious consideration because I do think that by the extensive presentation you have made it is obvious you have put a great deal of thought and deliberation into this. We certainly appreciate that. So with those few comments, sir, I thank you for your very enthusiastic presentation and also for your input. Thank you very much.

Mr. Borotsik: I thought there would be an “however” there. I was waiting for the “but.”

Mr. Clif Evans: Thank you, Mr. Chair, and I want to also thank His Worship for a wonderful presentation and a lengthy one at that—well, lengthy as far as getting it in within the 15 minutes—but it also shows that there are some of the items that you have listed and that you have great concerns about are, in fact, indicated by other municipalities and jurisdictions within the same realm of your concerns. We would certainly like to say that, hopefully, as you have mentioned, over a period of time, items such as those that you have mentioned this evening in the paper and your priorities, priority one and the other priorities, will be addressed over a period of time, once the legislation is enacted and once we see how the act is going to work for everybody. That is what we are going to, hopefully, hear tonight.

I certainly support the one item, maybe not as major as some of the others, but I think that your belief in that a councillor, an elected official, should be, unless under a conflict of interest be subjected to—well, “subjected” may not be the right word—but if he or she is elected, should be, in due process, part of the voting for an issue that is a responsibility that they have taken on by becoming an elected official within that jurisdiction. They should have that responsibility, and I certainly agree with you on that. I do want to ask you then, what you may or not have mentioned, do you support the fact that a reeve or a mayor should be allowed to vote?

Mr. Chairperson: Mr. Borotsik, you have one minute to answer.

Mr. Borotsik: I will do less. That was very interesting. We spent an awful lot of time as a council in dealing with these items. It was very interesting because we had a separate meeting and my council debated this. We have 10 members of council and myself. Five members of council believed that mayors should not have the right to vote; five believed that they should—and I broke the tie. I believe, yes, the mayor and the reeve should vote. I believe that we, too, are elected members. We should have our position fully well out on the table so that the public knows exactly where we stand on those issues. Yes, I do.

Mr. Chairperson: Thank you, Mayor Borotsik for your presentation. Good evening.

Mr. Borotsik: Thank you very much, and I must also say again, I thank you very much for the amount of effort and work that the government has done on this. I know that it is an extensive piece of legislation, but do not forget, it is legislation that is our bible. We need this in order to work, and there are these items that we must have some changes too, either now, Mr. Evans, or perhaps in the very, very near future.

Mr. Chairperson: We will call now Mr. Garry Wasylowski. Do you have copies of your presentation for distribution?

Mr. Garry Wasylowski (Reeve, Local Government District of Armstrong): Yes, I do. I am sure as the evening goes on the names will get easier, Mr. Chairman.

Mr. Chairperson: Thank you. Please proceed.

* (1950)

Mr. Wasylowski: I am making this presentation on behalf of the LGD of Armstrong, and I brought along with us the administrator of the LGD of Armstrong, Don Rybarchuk, and he basically does all the jobs that Rick's people done and by himself.

There are a number of issues but we decided, as a council, to deal with one specific issue. It will be a short presentation, Mr. Chairman and committee members. The council of the Local Government District of Armstrong requests an amendment to Section 333(4) (a)(ii) of the new Municipal Act as follows: Where no registration has been made under The Real Property Act except where the provincial government has a specific designated use for the property. This gets into the unpatented lands and grant in lieu. Examples of specific designated uses are wildlife management areas and Ducks Unlimited projects. This proposed amendment would provide for grant in lieu of property taxes on unpatented lands that have designated uses.

Management of unpatented lands have a say on how the properties are affected. Their decision could adversely affect surrounding landowners that do pay property taxes. I will just give you an example. We, over the last three years, were working on a drainage project and within that project was one-quarter of wildlife management land all by itself, with private landowners

all around. It took us three years to get a licence with many concessions to that, because there was one wildlife management area, concessions that the property owners and taxpayers of our LGD are not happy with, and whether that piece of property was patented or unpatented did not matter. As it happens this one was patented, so we were getting grant in lieu on it, but the same circumstances do happen with unpatented lands.

Unpatented lands in a wildlife management area cannot be used for anything else. They are a stagnant tax base. Wildlife management areas are an asset to all Manitobans. Therefore, the ratepayers of municipalities with wildlife management areas should not be required to bear the tax burden for all Manitobans. Municipalities are required to provide municipal services to wildlife management areas and Ducks Unlimited projects such as fire protection and road maintenance. It is unfair that properties be exempt from their share of these costs because they are unpatented. These examples also have a substantial adverse financial impact on municipalities with low tax base.

Just to provide some background, the provincial government agreed to pay grant in lieu of taxes on lands within wildlife management areas in 1994 due to lobbying efforts of the Union of Manitoba Municipalities along with our council. This would suggest it was the government's intention to pay grant in lieu on all lands within wildlife management areas. This practice continued until 1994. In 1995, the Assessment Branch of Manitoba Rural Development exempted the unpatented lands from grant in lieu using Section 799(3)(a)(ii) of the present Municipal Act.

In closing, we believe that the new Municipal Act should be amended to request—I am too close to the end to finish this off now—as requested to reflect the provincial government's original intention. Thank you for the opportunity to present.

Mr. Chairperson: Thank you, Mr. Wasylowski, are you prepared to entertain some questions?

Mr. Wasylowski: Yes.

Mr. Derkach: Thank you very much for your presentation. I know that we have been through this once before, and your presentation is interesting to say the least. I just wanted to point out that in 1995, the

intention of the amendment under the Assessment Act was to allow various departments of government to pay their share of grants in lieu of taxes rather than Rural Development paying the grants in lieu on behalf of other departments. I can understand that this has created an issue for you as a result of the Department of Natural Resources, I believe, not paying grants in lieu on wildlife management areas.

This is certainly a point that we will consider. I can appreciate where your municipality is coming from and the position that you are taking and, at this point, will be considered seriously. So I thank you for your presentation.

Mr. Wasylowski: For our part, it does not matter which department of government it comes from. That is something that the government has to deal with. We would just like to see the grant in lieu, and I have always asked Mr. Findlay for money, but I do not think we should take it out of Highways this time.

Mr. Clif Evans: I appreciate the candid observations that we have here this evening. It is great. Reeve Wasylowski, how much does it cost the LGD because of the changes that were implemented on you and on the LGD? How much does it cost you in money?

Mr. Wasylowski: It was 1 percent of our tax base, and I think it was \$8,000.

Mr. Clif Evans: Reeve Wasylowski, is that on just the one piece of property that we are talking about, or are we talking about the whole—

Mr. Wasylowski: I believe there are 88 quarters that are involved here.

Mr. Clif Evans: Eight-eight quarters, but this specific example that you are saying cost the LGD \$8,000—

Mr. Wasylowski: Per year.

Mr. Clif Evans: —per year, so potentially this could cost your LGD quite a few hundreds of thousands of dollars perhaps?

Mr. Wasylowski: I mean, \$8,000 may not be a lot of money to some municipalities, but when it is 1 percent of your tax base, it does add up.

Mr. Clif Evans: Thank you, Reeve Wasyłowski, and, certainly, as the minister has indicated, we will be addressing this and certainly will be getting in touch with you and further discussions, as we have before, to deal with it with the minister.

But I would like to ask a question of you, a quick question, and you may not answer if you so wish. You are the chair of the LGD committee for the province. I do not know if there are any presentations, but we have heard a presentation already from the LGD of Park. Are there specific concerns that you as chair and your group of LGDs have at this time that we might deal with very quickly?

Mr. Wasyłowski: I believe the reeve from the LGD of Park addressed some of them, and that was that there is continued funding to the LGDs that will become R.M.s; and, if that can be put into the legislation, we are all for that. We certainly are.

Mr. Clif Evans: Reeve Wasyłowski, I was under the impression in speaking to some of the other LGDs, yourself included—they had indicated to me that these concerns were addressed by the government in the study and in the legislation. Now, are we in an in-between, half of a—

Mr. Wasyłowski: I think the concerns were addressed by the ministers, both of Highways and Rural Development and also Mrs. Mitchelson, that things would continue as they were, but—and I made that request at the ad hoc meeting that we had that something be put into legislation. It was never mentioned by this government that that would be put in the legislation.

* (2000)

Mr. Penner: Mr. Wasyłowski, a number of us around this table represent areas that have significant amounts of Crown lands within local government districts and bordering municipalities, and we certainly recognize the difficulties that many of you face in governing and providing services to those areas that really do not contribute any revenues to the operation of your municipal area. So we understand well what you are saying when you ask for the continuation of programs such as the 50-50 road program and others. So I think you can rest assured that the representation internally

recognizes full well the dilemma that you face in the changes that are being proposed under this act.

Mr. Chairperson: Mr. Wasyłowski, do you wish to answer that?

Mr. Wasyłowski: I do not think there was a response to that.

Mr. Chairperson: Thank you very much for your presentation and good evening.

I would like to inform the committee that there is a name change for the next presenter, in place of Glenn Carlson, Rochelle Zimberg, the Executive Director of the Manitoba Association of Urban Municipalities. Would you please come forward and please proceed.

Ms. Rochelle Zimberg (Executive Director, Manitoba Association of Urban Municipalities): Thank you, Mr. Chairman. On behalf of Mayor Carlson, president of the association, who sends his deep regrets that he is unable at the last minute to be attending here. I would like to present our comments on the Bill 54.

The Manitoba Association of Urban Municipalities represents almost 80 percent of the population of Manitoba who reside in towns, villages, cities and one R.M. throughout the province.

On behalf of the MAUM, I would like to thank the members of the committee for the opportunity to express our concerns regarding Bill 54. In principle, we agree that the new proposed Municipal Act is an improvement in many areas over the existing act and that there has been a dire need for a new act for many years.

In the process of the review of The Municipal Act, we were fortunate to have had as a member of the Municipal Act Review Committee former mayor and president, Mrs. Margaret Hodgson, as our representative. We believe she was able to provide the committee with insight and introspection to the proposed changes and express the views of our membership most ably.

We reviewed the final draft of the proposed Municipal Act and were very pleased with the results of the many months of consultations and revisions. When Bill 54 was presented to our membership, many municipalities

assumed that what had been in the final draft would appear in Bill 54. In many sections this does not seem to be the case. Several of our larger municipal members have reviewed Bill 54 thoroughly, and we are grateful for their assistance to allow us to present this brief to the committee today.

Our brief will outline the major issues of concern and identify those sections or subsections which we feel are of primary concern. In some cases, we presume the errors or wording of the legislation are in error or confusing solely to legislative oversight and could be easily corrected. However, if the changes were made deliberately, we would like to understand and know why. It should be noted by the committee that after each draft and review, comments, corrections and additions and deletions were made to achieve the final draft. Each time one reviews such documents, additional concerns that may not have been noticed in the first or second draft become more apparent. Once the major issues have been corrected, we tend to look for fine tuning to create a document that we know we will be able to work with in confidence.

The following comments reflect the closer inspection of our members to fine tune the legislation: I. Amalgamation and annexation. The MAUM is concerned that the amalgamation-annexation process as outlined in Bill 54 will become a very expensive and onerous one. In Section 38(1) the Municipal Board must prepare a report on its findings and recommendations of the due process of amalgamation and annexation to the minister. In Section 40, the minister can refer the report of amalgamation-annexation to the Lieutenant-Governor-in-Council who may then refer the matter back to the Municipal Board once again for recommendations and findings, thus only serving to repeat the process over and over again without the province having to make any decision.

In the case of one of our members, the City of Winnipeg, they have several concerns that they have addressed in a resolution which is attached to this presentation. We and the City of Winnipeg realize that there are not substantive changes to the wording in Sections 66 to 72 that do not already exist in The City of Winnipeg Act. However, the legislation does not deal specifically with the issue of Winnipeg annexing parts of other municipalities. In addition, we are requesting on

their behalf that the legislation provide for more input from the city in matters of amalgamation and annexation.

Section 52 identifies the requirement to become a local urban district, but there is no legislation as to how large the LUD may become and whether it has to incorporate as an urban municipality once it reaches the population requirements for a small urban municipality. Under the proposed legislation, an existing large urban area, for example, Selkirk, having the criterion of at least 250 residents and a density of 400 per square kilometre, could dissolve as an incorporated municipality and become an LUD.

Disqualification of a councillor: The MAUM had concerns with Section 89; however, we understand that, in the department's discussion with the City of Brandon, those concerns will be addressed. We have included our concerns, therefore, as further information.

Section 89(1) deals with the disqualification of a councillor if they miss two consecutive regular council meetings. Section 154(3) deals with the absence of a councillor for any part of a public hearing which is deemed for the purpose of disqualification to be a council meeting. However, the definition of a council meeting states: "Council meeting" means a regular council meeting but does not include a public hearing held by council.

There is an obvious conflict in these sections. If the intent is to have public meetings deemed as a regular council meeting, then in cases where a municipality conducts public hearings prior to regular council meetings, an absent member could be disqualified before he attends the regular council meeting. Bill 54 also states that, if a councillor is absent for any portion of the two consecutive public or regular council meetings, he or she can be disqualified. It would be recommended that a specific duration of time be allotted for this absenteeism.

Reasons for disqualification: Sections 89 to 92 identify the reasons a council member can be disqualified, but does not identify whether it is the council or the minister who may disqualify the council member. This section should be clarified

Each member has one vote: Section 130 states that each member of council has one vote. This implies that

the head of council or a committee of council has a vote, other than to break a tie vote. There is a difference of opinion from some of our members, as you heard from the City of Brandon—they had a difference of opinion right in their council—as with our membership. Perhaps it should be up to each local council to decide in their procedural by-laws whether the head of council and committee chairs should have the right to vote.

Abstaining from voting: Abstaining from voting was dealt with adequately, in the opinion of MAUM, in the final draft of The Municipal Act and Related Statutes Review, Section 6.1.4 (a and b) in which a council member is only permitted to abstain if they were required to do so under The Municipal Council Conflict of Interest Act or if a majority of members present permit the councillor to abstain. In Bill 54, abstentions under The Municipal Council Conflict of Interest Act are dealt with in Section 129. Any other absenteeisms are not identified. In fact, one could assume that all abstentions are acceptable for any vote. The members of MAUM are of the opinion that it should be amended to reflect the recommendation on the abstaining from voting as in the final draft of The Municipal Act and Related Statutes Review.

All municipalities are equal: It was the intent of the review process on The Municipal Act to produce a piece of legislation that would treat all municipalities equal. There are several sections in the proposed legislation that do not reflect the equality of memberships. Section 281 states that urban municipalities over 1,000 must have a by-law respecting parking for physically handicapped persons while other municipalities may have a by-law.

Part 9 identifies the requirements for police protection, but there are different responsibilities depending on the size and the type of municipality. We are also concerned that the current method of using the municipal tax-sharing program to address the inequities in paying for policing, while it does provide extra revenue for those municipalities who do pay for policing it, does not address the issue that all municipalities should pay equally for police services.

Fiscal responsibility. Sections 158(4) and 163(1) respecting the use of surplus funds and unexpected revenue, restrict the flexibility of municipalities to utilize such monies as they deem appropriate provided the

municipality does not go into a deficit position. Surely having to have ministerial approval to use surplus funds is a regressive and not a progressive move. The intent of The Municipal Act Review and Related Statutes final draft was to provide municipalities a more permissive, enabling and flexible Municipal Act. Neither of these two sections are in keeping with the intent of the final draft. Municipalities have demonstrated a strong and sound fiscal management and need the flexibility to make decisions that are in the best interests of the community at large. As municipalities are not permitted to have a deficit, any use of the surplus fund and unexpected revenues would already be under this prohibition, local improvement or special services by-law.

* (2010)

Sections 318 to 319 respecting objections to local improvement by-laws allow for a minority of taxpayers, a minimum of 25, to object and find redress through an appeal to the Municipal Board for their objection to any development or improvement. However, if the objectors are successful in their appeal, there is no appeal mechanism available for a council who may rightly believe their actions are in the best interest of the community as a whole. The members of MAUM believe that a minority should only be able to appeal on the basis of the taxes assessed and not be able to stop the project from going ahead. The council is responsible to the electorate, and if they make the wrong decision, they will pay with their seats on council.

Payments for grants in lieu of taxes. Sections 333(4) sets out the exceptions for payments of grants in lieu. The MAUM believes that Bill 54 does not identify the distinction between Crown agencies and corporations. Furthermore, the MAUM believes that no Crown agency or corporation, whether provincial or federal, should be exempt from paying grants in lieu of taxes. The MAUM would also recommend that the term “grants in lieu” be changed to “payments in lieu.”

Building inspections. Section 385 deals with the building inspections done by municipalities. It was recommended by the task force in building code liability that all municipalities were to adopt and enforce the Manitoba Building Code. Currently over 70 municipalities have not adopted the building code, and there is no enforcement for them to do so. The MAUM

believes that the requirement to adopt the building code and to enforce the code should be part of Bill 54 as it was recommended in the final draft of the review. Quote: The panel believes that all municipalities should be treated alike and to ensure safe building construction throughout Manitoba, the panel recommends that all municipalities should have the obligation to administer and enforce the Manitoba Building Code. End quote.

We have attached to this brief a copy of a letter from our insurance broker, Art Elias of Hayhurst Elias Dudek, relating to liability of municipalities as outlined in Part 12, Division 2 of Bill 54, which outlines further concerns of our association under this part of the bill.

Time to make a claim against a municipality. Section 394 deals with the time permitted to make a claim against a municipality. The MAUM strongly urge the members of the committee to recommend an amendment from 30 days to 48 hours. Any longer delay will severely impair a municipality's ability to assess any possible liability exposure. I refer you to item No. 1 in Mr. Art Elias' letter.

Regulations: Sections 415 and 416 authorize the Lieutenant-Governor-in-Council and the minister to make regulations affecting how local government conducts its business. The MAUM is of the opinion that these sections are not reflective of the intent of The Municipal Act and Related Statutes Review to provide a permissive and flexible act for municipalities. These sections are regressive of the intent of the Municipal Act and Related Statutes Review to provide a permissive and flexible act for municipalities. These sections defeat the entire purpose of the findings of the review. To permit the province to do as they wish by regulation flies in the face of the wishes of the many presenters at the public hearings and the ability of municipalities to control their own destiny.

In closing, on behalf of the association, I would like to express our satisfaction with the review process for The Municipal Act. The hearings and the opportunities that municipalities had and the association had to address our concerns to the review committee and to the minister were most appreciated. We fully appreciate the scope of the work that went into the preparation of Bill 54, and we commend all those whose time and efforts made Bill 54 a reality.

The bill was long awaited and with much anticipation. We hope that our comments and recommendations in our presentations will be constructive and that our efforts to make Bill 54 reflect the intent of the recommendations of the review panel be accepted. Attached as appendices to our presentation are additional concerns from our members that we wish you to consider. Some reflect concerns of a specific municipality and may not be reflective of the membership as a whole. Thank you.

Mr. Chairperson: Thank you for your presentation. We have three minutes for questions.

Mr. Clif Evans: I want to thank you, Rochelle, for a very precise brief to us here this evening. Just a few questions and a few comments on some of the things that you are indicating in supporting that, of course, being the councillor's right to vote. I believe that that is a very important part of a municipal jurisdiction, as mentioned by the mayor of Brandon.

Number 8, Sections 318 to 19, I feel too and I want to say—and I hope that we will be able to discuss this with the minister further—that a minimum of 25 taxpayers, the community as a whole elects its councillors, its reeve and its mayor to do the job and do what best they can for their communities over a three-year period. Allowing a minimum of 25 taxpayers to go and decide that they are not going to support some sort of an improvement does not seem to be within the realm of a community of maybe 1,000 people. The council has been elected to do a job and will again, like you have said in your brief, pay if they do not do the job or the necessary improvements and such to their local community, and I find this being a little lean as to leaving it to a minimum of 25 people to be able to make a decision for a number of others.

Has this been addressed by MAUM to deal with any changes with the minister per your recommendations?

Mr. Chairperson: Ms. Zimberg, you have 45 seconds to respond.

Ms. Zimberg: Then I would refer you, if I may, to the brief attached to my presentation from the town of Selkirk, on page 5. They have explained it a little bit more in detail to that particular issue.

Mr. Clif Evans: One quick question, you have mentioned a few times here in your brief that the legislation itself, 250-odd pages, does not necessarily complement the final draft. Did your organization and the jurisdictions within your organization find that legislation, perhaps more than once or twice, did not coincide with what you thought was going to be legislation after the final draft was made?

Ms. Zimberg: Mr. Chairman, yes, I think so. We found that there were some changes that we were not expecting in the final draft, yes.

Mr. Derkach: Mr. Chairman, I have a couple of questions. Ms. Zimberg, first of all, thank you for your presentation, but I have to ask you with regard to the final draft of the recommendations that were presented and the legislation that was finally put forward, you had a lot of advance notice and you did have an opportunity to meet with staff of my department and myself to address the areas where you felt that there were no parallels to the recommendations.

Ms. Zimberg: Yes, we did, Mr. Chairman.

Mr. Derkach: Ms. Zimberg, the last question I have is with regard to the number of voters in any municipality who can petition to have a particular aspect go before a hearing, whether it is a local improvement tax or whatever it might be. Under the old act, I believe we had, one petitioner was able to move this particular situation into a hearing. Under the proposed legislation, would you agree that we are far more liberal in allowing more people to have a say in what goes on in their municipality by having 25 signatures go before a council before that matter is moved to a public hearing?

Ms. Zimberg: Mr. Chairman, yes, I would have to admit, 25 is better than one.

Mr. Chairperson: Thank you very much for your presentation.

Mr. Derkach: Thank you very much.

Mr. Chairperson: Mr. John Nicol. Mr. Nicol, please proceed.

Mr. John Nicol (President, Union of Manitoba Municipalities): Thank you very much, Sir. It is a pleasure to be here. The Union of Manitoba Municipalities is very pleased to appear before the Standing Committee on Municipal Affairs considering Bill 54, The Municipal Amendment Act.

We would like to thank the province for bringing forward a new municipal act at this time. As active participants in the review process, the Union of Manitoba Municipalities fully appreciates the time and effort involved in rewriting legislation the size and scope of The Municipal Act. We also commend the province for consulting extensively with municipalities, the Union of Manitoba Municipalities and the public during the development of the legislation. These consultations include public hearings held by The Municipal Act Review Panel on which I was fortunate enough to serve as our representative, and I see we also have here—I would like to get their names in the record—the secretariat Dianne Flood and Lynne Nesbitt who did a lot of guiding while they were at it.

The Union of Manitoba Municipalities also held regular and detailed discussions with our member municipalities since the review was announced four years ago. Shortly after the province released the discussion paper on The Municipal Act, we conducted a survey of our member municipalities and held a special series of district meetings to discuss what changes they favoured in a new act. Since then, we have continued to receive feedback from our members on the proposals put forward by the Review Panel and subsequently the measures contained in Bill 54.

* (2020)

We represent 166 municipalities, including all of the 106 that are rural municipalities, 14 local government districts, 23 villages, 20 towns and three cities. While our members represent diverse interests in areas of the province, we are confident our comments regarding The Municipal Amendment Act accurately reflect the views of a majority of our members.

Generally, the UMM supports the changes that have been made to The Municipal Act. The new legislation is streamlined, provides greater autonomy and discretion for municipalities and reduces the number of provincial approvals. These measures acknowledge the evolution of

local government and the ability of Manitoba municipalities to provide quality services to their ratepayers in an efficient, accountable manner.

The sections setting out municipal spheres of jurisdictions perhaps best exemplify the increased autonomy given to municipalities in Bill 54. The old Municipal Act outlined in detail what activities municipalities could or could not undertake. It was often an onerous and sometimes frustrating task for municipalities to search through the legislation to find the specific section giving them the authority for a particular action. In contrast, the spheres of jurisdiction will set out the powers of municipalities in a more flexible, less restrictive framework.

In addition to this broadening of municipal powers, the operation of municipal government will also be enhanced by a significant reduction in the number of areas where municipalities must act by by-law and by a streamlined process for tax sales. Taken together, all these measures will greatly improve the speed, ease and efficiency by which decisions can be made and implemented by municipal governments.

Financial administration is another significant area which has been streamlined. In the UMM recommendations to The Municipal Act Review Panel, we asked the province strike a balance between the ability of larger municipalities to be more autonomous in regard to financial matters and the desire of some smaller municipalities to continue to receive guidance from the Department of Rural Development. We believe this balance has been achieved. For instance, Bill 54 eliminates the requirement for municipalities to receive approval for their budget and to submit monthly financial statements. However, the new act will require that municipalities notify and seek approval from the minister for any operating deficits and will require municipal board approval for any borrowing by-law.

The UMM also supports the sections allowing municipalities to encourage economic development initiatives by entering into agreements with other governments, adopting strategic plans and making grants. In particular, we agree with Section 257, which allows two or more municipalities to enter into an agreement to share taxes or grants in lieu of taxes. The Union of Manitoba Municipalities had recommended to The

Municipal Act Review Panel that there be the creation of voluntary community development zones comprised of municipalities with agreements relating to issues such as tax sharing and service costs. We hope that the provisions regarding tax sharing will allow municipalities to build upon the successes of other joint ventures such as planning districts, library districts and conservation districts.

One of the major changes in Bill 54 is the reduction in the type of municipalities from cities, towns, villages, rural municipalities and local government districts to rural and urban municipalities. Of particular significance is the conversion of local government districts to urban or rural municipalities. We agree with these measures, and we also strongly support indications from the province they will continue the current funding arrangements for market roads and social assistance for the former local government districts. Smaller populations and large amounts of Crown land mean that local government districts generally do not have an adequate property tax base to provide the same level of service as other municipalities without financial assistance from the province. We encourage the province to ensure the unique circumstances of former local government districts are considered when providing funding to municipalities.

The Union of Manitoba Municipalities believes the overall direction of Bill 54 is positive, nevertheless there are some key provisions which the UMM does not support. The following are our recommendations for amending Bill 54:

Sections 9 and 32 - Formation, Fundamental Changes and Dissolution. These sections allow the formation, dissolution, amalgamation and annexation of municipalities to be initiated by the Minister of Rural Development (Mr. Derkach). The UMM opposes these sections because we believe any dissolution or consolidation of municipalities should be voluntary, initiated at the local level. The provisions of Bill 54 go against the principle of local autonomy and allowing municipalities to determine the appropriate solutions for their individual circumstance. We believe that more will be accomplished through voluntary agreement and co-operation among municipalities than by the government imposing such a change. It is also important to note these sections are a departure from the present legislation. In Section 20 of the current Municipal Act, alteration of

status and areas or boundaries of a municipality is initiated by a petition of the majority of electors of a municipality.

Bill 54 states prior to a fundamental change being made to a municipality, the proponent must consult with the affected municipalities, file a report with the municipal board. The board then has the option of holding hearings, conducting studies or holding a vote of the affected electors. However, we are concerned none of these measures to obtain the opinion of municipal electors are mandatory. Therefore, to confirm that any decision reflects the wishes of the residents, we recommend any change to a municipality be initiated only at the local level and that a binding referendum be held within all the affected municipalities. A referendum should be required for the formation, dissolution and consolidation, but not for annexation.

On elections, our membership opposes the removal of residency requirements for municipal candidates. Candidates should be a resident within the municipality in which they are running to ensure that elected officials will be available and accountable to ratepayers. By their very nature, decisions by municipal officials need to be based on a sound knowledge, conditions and characteristics of their local area. This knowledge is best gained by living in a municipality, experiencing firsthand the effects of council decisions. In addition, requiring candidates to be residents ensures that elected officials will be available and accountable to ratepayers. It is often said, municipalities are the level of government closest to the people. We do not believe any amendments should be introduced which will weaken the connection between municipal electors and their representatives.

The UMM recommends that new legislation should maintain the present residency requirements with one exception. Currently a resident living in an urban municipality can run in a rural municipality for the position of reeve or councillor in a ward which shares a boundary with the urban municipality. We believe the opposite should also be allowed. A rural resident living in an area which has contiguous boundaries with an urban municipality should be able to run for the position of mayor or councillor in the urban centre.

Practice and procedures. In regard to the practice and procedures of councils, we disagree with the changes

regarding voting at council meetings. We support the provisions in the present act which only require the head of council to vote in the case of a tie. Many of our member municipalities believe the head of council's role is to conduct an orderly and impartial meeting and to carry out the final decision of council. Fulfilling these duties may be more difficult if the head of council is required to vote on issues.

In the interests of accountability, the UMM also believes that provision should be added requiring councillors to vote on all matters unless they remove themselves from debate for conflict-of-interest reasons. Municipal councils cannot be compared to provincial Legislatures or the federal House of Commons when determining rules for voting by elected representatives. At approximately five to seven members, municipal councils are much smaller, and its members are not subject to the discipline of voting with a political party. If there is no requirement for council members to vote, it is possible that some decisions could be approved by a small minority—oh, I am sorry, five minutes; I will read faster—of councillors. I am not sure how many of you are listening anyway.

The UMM recommends the head of council not be required to vote except in the event of a tie. All councillors should be required to vote on every motion unless they remove themselves from the discussion under the municipal conflict of interest.

Financial plans. Under this section the municipality must hold a public hearing adopting their financial plan, including the capital budget. Any increase in the capital budget requires notices be given and another public hearing held. The process of sending public notices and holding hearings takes 40 days. This does not provide flexibility for municipalities that may have to deal with unplanned expenses, such as repairing a sewer or watermain break or replacing machinery. We recommend that the time period for the public hearing process be shortened or that provisions be included to allowed for emergency expenditures.

* (2030)

On grants in lieu of taxes. In regard to grants in lieu of taxes, we continue to support our original recommendation that grants in lieu of taxes be paid by tax-exempt

properties, the equivalent to that which taxation would generate current market value assessment. There are municipalities which have a significant number of tax-exempt properties that receive less from grants in lieu of taxes than they would receive if the properties were subject to municipal assessment in taxation. In the past, senior levels of government have made unilateral decisions to reduce or end grants in lieu of payments to municipalities for some of their properties. While municipalities receive reduced revenue from these tax-exempt properties, they must still provide the same level of municipal services. Other ratepayers are then forced to pay more property taxes to compensate for the reduction in grant in lieu payments. We recommend the payment of grants in lieu of taxes be legislated to provide that any tax-exempt property pay such grants in lieu to the municipalities equivalent to that which taxation would generate on market-value assessments.

We have four short ones that we received through our municipal insurance program. I have gone over them with the minister: Section 387, Limited liability for utilities or services, we recommend the term "service line" be specifically added to clarify that the intent is to include domestic waterlines, storm or sanitary sewer. We also suggest in 388 that the term "ice blockage" be added rather than "excessive ice." Section 394 provides a 30-day time period in making a claim against a municipality for loss or damages as a result of the municipality's failure to maintain a municipal road. This could change dramatically in 30 days. We recommend this time period be shortened to 48 hours.

The last section allows noncompliance with the requirement to provide notice of a claim to a municipality if there is a reasonable excuse for the lack of notice. We recommend that claims from property damage require notice within 48 hours or seven days if there is a reasonable excuse that does not prejudice the municipality.

This concludes the presentation of the major concerns of the UMM membership at this time. As the municipalities become familiar with using the act on a regular basis, there will, no doubt, be the need for further amendments. I hope the province will remain open to considering future changes. Once again, we thank you very much for taking the time to listen to us.

Mr. Chairperson: Thank you very much for your presentation, Mr. Nicol.

Mr. Derkach: Mr. Nicol, first of all, thank you for your presentation, and I would like to take this moment to thank you personally for your contribution to the panel. It was indeed a fairly arduous task, and we appreciate your contribution on behalf of your membership to the process. It is only because of that that we have been able to come in forward with an act that is greatly reduced in volume from the former one. Indeed, I think we have moved forward a considerable amount in tidying up this new Municipal Act. With those few comments I can tell you that we will certainly consider your recommendations. We have, I think through my indication of amendments, addressed some of the issues that you have addressed, and we will certainly consider the others seriously. Thank you very much.

Mr. Clif Evans: Mr. Chair, I just want to thank Mr. Nicol for his presentation and the efforts that he has put in for the changes here to Bill 54, and the hard work he and his panel have put into this.

You have noted in a couple of comments that you are satisfied with the fact that the act now gives municipalities more of an advantage in being able to deal with issues quicker, with more expediency, with proper organization, et cetera. You also make mention that there are some clauses in the act that provide the minister—that you are able to have the opportunity to deal better within your local jurisdiction, and, on the other side of it, when it comes to finances or certain other topics in situations within jurisdictions, you have to set the discretion or you have to deal with the minister. Is that going to create a problem in the future? Should there be some changes to that?

Mr. Nicol: Mr. Evans, I hate to admit this, but I do not understand your question. I have known you all my life, but would you just repeat the question?

Mr. Clif Evans: What I am saying is, you have made good comments in here about the fact that now, under this new act, municipalities, jurisdictions are going to be able to have the opportunity to govern themselves better in a lot of situations. Yet, on the other hand, you have made comment in your brief that you are concerned that you are going to have to also go to the minister of the government

of the day for certain concessions, certain things that will be allowed only by the minister's discretion or by coming to the minister. Will that create a problem, a further problem that you might feel the minister, in certain situations, within your local government, will have too much say on certain matters?

Mr. Nicol: That is a difficult one for me to answer because, as you know, for a municipal government, it is always difficult to deal with senior levels of government. I do not see this as being any different. We will continue to fight for what we believe is right for the people there.

Mr. Chairperson: I would like to thank you, Mr. Nicol. The time has expired that we have allowed. I want to thank you for that presentation.

Point of Order

Mr. Struthers: On a point of order, Mr. Chairman, for two presenters now in a row, I have had my hand up trying to squeeze in some of the concerns that the R.M.s and the town councils in my area have had, and on two occasions now, I have been ignored as I have tried to get my concerns up. I think that there is nothing wrong with allowing a little bit of leeway to allow us to get our questions up here like we have been elected to do.

Mr. Chairperson: Order, please. The honourable member does not have a point of order, but is it the will of the committee that Mr. Struthers, in view of the fact that the time has run out, this was agreed, be allowed to ask a question? [agreed]

* * *

Mr. Struthers: I so very humbly thank the other members of the committee for actually allowing me to do my job. Mr. Nicol, a couple of R.M.s and town councils in the Parkland area have approached me with a concern. They were actually very angry that the legislation did not look very much like the final draft that the government of the day had put forward.

Many of the concerns that you have here, I notice, were supposed to be—were in the final draft but were never really presented in the final legislation. Is that a concern that your group has, that the government, the legislation they put forward did not reflect all that accurately the

final report that many of your members thought was going to be represented in the final legislation?

Mr. Nicol: I would sure hate to come between you guys too. I did not want to be the person that was—yes, there were several changes, but I will say, their organization was notified ahead of time that there would be changes, there would be a number of changes looked at. We were prepared to address those. That is what we did here. So it will be a continuing thing, I am certain.

Mr. Chairperson: Thank you, Mr. Nicol. Thank you for your presentation and good evening.

We will call now Mr. Larry Johnson. Mr. Johnson, do you have copies of your presentation to distribute?

Mr. Larry Johnson (Chairperson, Unincorporated Village District of Cranberry Portage): Yes, I do.

Mr. Chairperson: Okay. Would you give your copies to the Clerk and please proceed, Mr. Johnson.

Mr. Johnson: Myself and Mr. Gluska, who is next on the list, we will present together if you do not mind.

Mr. Chairperson: Thank you. Please proceed, Mr. Johnson and Mr. Gluska.

Mr. Johnson: I will let Mr. Gluska speak first.

Mr. Chairperson: Okay. Thank you. Mr. Gluska, welcome and please proceed.

* (2040)

Mr. Leonard Gluska (Reeve, Local Government District of Consol): Thank you, Mr. Chairman, honourable minister, ladies and gentlemen of the committee.

Our presentation is going to deal with two points here: one, the legislation that deals with the incorporation of a community dealing with over a thousand in population and larger; and the other is in dealing with changing the UVD to an urban district. What is being circulated at this moment is supportive of my verbal presentation. I do not have my presentation circulated and in print.

What I want to do is take a moment, or what we want to do here is take a moment, and familiarize you with what our concern is. In doing that, I want to take a moment and give you just a little bit of background of what our geographic situation is, and then I am going to lead you into what our present status and operation are.

I want to refer you to the map that was circulated. I want to indicate that, with the LGD of Consol, the greater part of it is surrounding and west of the town of The Pas, and the administrative office is in the town of The Pas. Wanless is 30 miles north and is really part of the local budgetary process with the larger part surrounding The Pas. Then, to the north, 60 miles to the north of that is the Unincorporated Village District of Cranberry Portage. The Unincorporated Village District of Cranberry Portage basically has had local autonomy here for quite a while in terms of—quite a long time—running its own affairs, not unlike an incorporated village.

In saying that, I want to just briefly run through this document here that we used in one of our presentations, in the latest presentation with the Deputy Minister of Rural Development and his staff. Just to give you a picture, I will take you to the first page and refer to the fact that we have an assessment of around \$7 million, an annual budget of \$203,000, and a population of 826 from the 1992 Canadian Stats census.

We have employees that involve basically four people, as opposed, for instance, to the greater LGD that has only office staff because they do not have any public works as opposed to Cranberry Portage.

I want to lead you just basically without going at any great length. As for the infrastructure that we have, we have the buildings: the utility building, a wellness centre that is developed as a health centre, the village office. We have the infrastructure that we maintain, which is the street lighting, streets, roads and drainage—this is all part of our local budget— and, of course, the signage.

Although the utility is owned by the LGD legally, basically the LGD is not involved in decision making except basically rubber-stamping at council meetings after recommendations come through the local UVD. So actually the utility is operated at the local level; the staff are given direction at the local level. We have five members on the UVD that have various chairs, if you

will; they chair responsibilities that handle various jurisdictions. I guess the problem we have with going to LUD is it would be reduced to three members instead of five, and we feel that would not be adequate to handle it. From the way we interpret the proposed act, it would limit us to three. If it does not, then we have not a problem with it.

Continuing with the structure of what we have, we have a well-developed park and public area. We are in a tourist area, and that was turned over to us by the government about four years ago, the resources. The equipment that we list here that we are responsible for in terms of performing are water and sewer maintenance, and public works is fairly extensive.

As we turn the page, we find that we have a fully developed 30-year-old fire department that is probably one of the finest in rural Manitoba. We have an ambulance service with two fully equipped MHRC emergency response units that involves a building that they own themselves. It is a modern building. They have a completely well-trained staff with two paramedics as volunteers and 16 trained stand-by volunteers. We have a built-up recreation set of buildings that are not dependent on the tax bases for operation.

So I guess what we are trying to say without dwelling on this is that we basically operate our own affairs, and without going into a great deal of detail I would leave you to peruse that next page, present state of affairs, except for the upper last paragraph. I am doing this in terms of saving time and brevity. The LGD of Consol staff at The Pas has minimal contact and therefore little influence over the Cranberry Portage operations. Directions of activities is maintained by regular contact with local committee members based on assignment of responsibilities, something I referred to earlier.

Operations of the new act: The LGD of Consol's administrative staff presently have little direct involvement and consequently limited understanding of public works of the UVD of Cranberry Portage. That is because there was no need for them to be involved. It is not that they do not want to or have not got the ability to understand it, it is just the way it is, the setup, the system.

These affairs are directed by various committee members charged with various responsibilities but not

unlike a municipal council. Under the new Municipal Act, the contact of the day-to-day business of the UVD would be directly contingent on regular direction of the administrator or the LGD of Consol office at The Pas. Because of the distance and the geographics, it would appear that the public works process would become totally unworkable from the remote office of the LGD of Consol.

The two quotes that I have here were taken from the draft, and we noticed as we sat here, today is the first day that was made available to us, the actual act. We see that there are some changes. Sections 2.4.6(1) is actually dealt with under Section 112(2). I believe that has changed the intent, and we were fairly satisfied with that. So I think we can just ignore those two statements.

I will take you to the last page. The bottom line is the new act will take the community of Cranberry Portage back to 30 years ago. At that time it was a tax community where all authority for services had to be through the administrator in The Pas. However, at that time we did not have the infrastructure such as the fire department, ambulance, sewer and water, ambulance and utilities building, office, et cetera. Furthermore, we did not have employees at Cranberry Portage to carry out the functions as related to water and sewer maintenance and public works.

Finally, there was no local political structure such as two wards being represented by two councillors at the LGD level and an elected committee consisting of a chair and four other committee members that are charged with the responsibility of setting up and administrating an annual budget for Cranberry Portage.

Proposed solution: I guess our understanding is the way the act is proposed now is it would preclude us from any longer running a local office that services our local taxpayers; therefore, we would not have a local office secretary that is a pseudo almost-administrator. The other thing is we are and have been looking at incorporation.

Just give you a little bit of background, in 1980 there was a proposal for it; in 1993 we began correspondence, myself and the minister, and we reached an understanding in a letter on August 10, 1994.

As you are aware—this is quoting the letter from the minister—The Municipal Act is currently under review, and the draft proposal is expected this fall. Given the imminent disclosure of such amending legislation, I would recommend we defer the proceeding with the incorporation of Cranberry Portage until after the receipt of the amended act.

* (2050)

Subsequently, we have presented to the review panel on the act when we noticed that the 1,000-figure would preclude us from incorporating. We had not moved with it with this understanding, and now there is an urgency to move with it, and we have actually mustered our troops and with the help of the minister's staff we have a mock budget and so on. But, to bring it to the public hearing and try and do it before January 1, I am not sure if it is going to work, and we are afraid we are going to get locked out if it does not work. All we are asking is consideration here: one, leave the community as we are, as it is; or, two, give us some grandfathering room here for moving into the incorporation status if and when the committee so chooses. Is there anything you want to add, Mr. Johnson?

Mr. Johnson: All I have to say is if it is not broken, why try to fix it?

Mr. Gluska: That completes my presentation. Thank you. I am open for questions.

Mr. Chairperson: Thank you very much.

Mr. Derkach: Thank you very much for your presentation, and I know this is a long-standing issue that you have been plagued with in your area of the province. A large part of the problem is, of course, the distances between the LGD that surrounds The Pas and, of course, your two communities, Wanless and Cranberry Portage. I certainly understand the dilemma. I want to ask you, you have at the current time two councillors in Cranberry Portage?

Mr. Gluska: Yes.

Mr. Derkach: In addition to that, you have a committee of four.

Mr. Gluska: Five. Yes, we have two councillors representing two wards of the LGD at Cranberry Portage, and we also have five local committee members elected locally. Two of those five local committee members are also councillors, and that is the way it has been basically working. I have been on the council of the LGD for I think it was 20 years or 19 years, and of that time I have been the chairman of the local UVD for 17. So it is basically that you work both, but then you have the support of the other local representation because the work becomes—basically, it works from a basis of almost a volunteerism—and the work becomes onerous if you get less people than we already have. We have operated at times when one or two members had resigned and we were down to three and it was difficult, because it just puts that much more workload on us.

Mr. Derkach: Just one last question. You have a population in Cranberry Portage of 800.

Mr. Gluska: Yes, 825 by the last stats.

Mr. Derkach: So you have now proceeded with the process of incorporation.

Mr. Gluska: There has been movement towards that. There has been a mock budget drawn up. There has not been a public meeting. As you know, there was a petition two or three years ago circulated and submitted that required a number of signatures. The public process did not take place, because the local committee got going on it just lately, and a public meeting was not feasible because of various interferences such as a school break at the time and so on.

The other thing is to be sure that we know, or the community knows, in the public meeting, the presentation of what kind of assets and transfers would be taking place when the removing of the community of Cranberry Portage from the LGD because of the tax implications or the revenues involved and buildings that are owned by the LGD in trust and otherwise held for the UVD—these things have to be worked out before a public meeting is held and presented in fairness to the ratepayers to make a decision based on the full information. That is going to take some time, and I guess that is where our concern is right now.

Mr. Derkach: I just wanted to say I am aware of the situation in your area. It is probably a very unique one as

compared to other regions in the province. I just wanted to thank you for your presentation, and we will continue to try and address the situation that is quite a different one as compared to other jurisdictions in the province. So thank you very much.

Mr. Gerard Jennissen (Flin Flon): I also want to thank Mr. Gluska and Mr. Johnson for travelling 800 kilometres by road to get here. I think that is not always necessarily good road, northern road, so I want to thank them for making that effort, and I want to thank them for their presentation.

Point of Order

Mr. Derkach: On a point of order, Mr. Chairman. You know, I have travelled up to Mr. Gluska's area, and I kind of object to the statement that was made by Mr. Jennissen because in fact the roads are not in that bad condition.

Mr. Chairperson: Order, please. The honourable minister does not have a point of order. It is a dispute over the facts.

The honourable member for Flin Flon, please complete your response or your question.

* * *

Mr. Jennissen: I will be very happy to take the minister on a ride to Leaf Rapids next time.

As I understand it, Mr. Gluska and Mr. Johnson, if Cranberry Portage were to fall under the new Municipal Act, there seems to be a lack of flexibility, a lack of control, a lack of local control which would go against the well-intentioned aim of the act itself, would you not find that an irony? Am I correct in that observation?

Mr. Gluska: Yes, I would agree and it is because of the uniqueness that we have and that is why we are here, that basically the spirit of the act is not addressed. It seems to be the opposite to what the intent is in terms of providing more local controls, such as delivering, providing grading. Where is the statement here in a press release? Deliver services to urban areas within rural municipalities more efficiently and effectively through conversion of unincorporated districts to the local urban district. I am sure that is the way we are going to work in

the rest of the province in general terms, but for us it is going to go the opposite way.

Mr. Chairperson: Thank you, Mr. Gluska. Is it the will of the committee to proceed because the 15 minutes that has been allotted has expired? Mr. Gluska, do you wish to make a final comment?

Mr. Gluska: Yes, I would like to thank the minister for his comments in recognizing the fact that we are unique and that is, as I mentioned earlier, why we are here. I want to thank the committee very much for giving us the opportunity to present our views, and hopefully we can come to grips with this for the benefit of the community.

Mr. Chairperson: On behalf of the committee I would like to thank you, Mr. Johnson and Mr. Gluska, for making your presentations this evening. Thank you and goodnight.

We call now Mr. Mayor Clarence Braun. Do you have copies of your presentation for distribution, Mr. Braun?

Mr. Clarence Braun (Mayor, Town of Niverville): No, I do not.

Mr. Chairperson: Okay, you may proceed when you are ready, Mr. Braun.

Mr. Braun: Mr. Chairman, on behalf of the council and the citizens of the Town of Niverville, we would like to thank you for the opportunity that we have to address the concerns of Bill 54. This opportunity cannot be appreciated enough. We recognize that major changes are being proposed, and we as a council are not against change providing that accountability and responsibility are maintained.

Many changes proposed reflect the realities of today and will in fact meet the challenges of tomorrow, and the proposed changes in the act will shape how municipal government will function tomorrow, and ultimately what type of communities we will live in. We would like to express our appreciation to this government for a proactive approach that should produce less red tape, greater flexibility, more autonomy, more accountability and enabling legislation.

However, we do have some real concerns, and some of the concerns have already been expressed tonight by

others. Maybe our addressing the same ones makes the point.

Under Section 131, and I quote: "The minutes of a meeting at which a council votes on a third reading of a by-law must show the names of each member present, the vote or abstention of each member, and the reason given for any abstention." Our understanding of this section is that when council votes on an issue, whether it is by-law or resolution, that a councillor and mayor, should he choose not to vote, may excuse himself. Only on third reading of the by-law is the reason for abstention being recorded in the minutes. Our concern is that there is a fundamental change in accountability from a "corporate council as a whole" approach to an individual "each councillor standing alone" approach. In our view, this notwithstanding clause or opting out clause has the potential to be divisive and seriously to undermine the effectiveness of municipal government.

* (2100)

The form of municipal government that has evolved since the passing of the Baldwin act of 1849 has proven to be very responsive to the needs of its citizens, as it has required a very high degree of accountability from its elected officials. Our present act and the draft legislation leading to development of Bill 54 state: A councillor was required to vote unless a majority of the council when present excused him or he was prohibited from doing so by the act or The Municipal Conflict of Interest Act. So accountability to the people except where in conflict with the act and yet flexibility should a matter of conscience arise.

It is council's concern that Bill 54 in this respect is seriously flawed. To permit a member of council to be excused for any reason opens the democratic system to potential abuse. It could be argued that school divisions operate under this principle, as do other levels of government, but it might be our contention that this only illustrates the point of how the system could be abused, no offence intended. Municipal government is, in our opinion, a type of democratic system where in an open forum there is discussion, debate and, ultimately, a decision made by all the elected officials. There are no party lines; it is a collective decision. It is fiscally responsible coupled with collective accountability, not only to the provincial government, but to all the people who have elected them.

Our second concern relates to Section 130, namely, the principle of one vote per member. When council debated this clause, initially three members were in favour, one against. By the end of the debate, three members were against and one in favour; and, in fact, just to add something to my written notes here, it was after I willingly reflected my willingness to go with council on whatever way they decided to go on the issue. We are assuming that the reason the government included this section is: (1) to address a problem of accountability where the chair has or has been seen to be either manipulative or unsupportive of council, or (2) to address a concern raised by some mayors that they do not have a voice.

My understanding of the mayor, as I am a first-term mayor, intentionally not having run for council but for a mayor's seat, was that the mayor's responsibility was to build consensus and to draw out all options on any given topic to ensure that any given issue had everything addressed and then to reflect council's decision before the community without blame. We looked at the issue and agreed that, while there may be some merit in having knowledge of where the mayor stood on an issue by the voting mechanism, the negative factors could seriously undermine the effectiveness and, ultimately, the role of the mayor. These reasons included the neutrality of the chair. Without the vote, the mayor speaks on behalf of council. There might be difficulty in being spokesman for the council, being able to bring forth all the perspectives on any given issue, a greater temptation to use the chair to accomplish his own agenda. As someone has said, and we will not quote that person's name, a strong mayor does not necessarily need the vote to lead effectively, but a weak mayor may require the vote to accomplish his agenda.

My thanks to you for your time, and my wish for you would be the wisdom of Solomon in satisfying all the perspectives that were brought forward tonight.

Mr. Chairperson: Thank you, Mr. Braun.

Mr. Derkach: Thank you, Mr. Braun, Your Worship. I appreciate your comments on the issues that you have brought forward. As you indicated, there are many others who probably hold a similar view to yours. As we went around this particular issue, we found that there were councils on both sides, and I think you have probably just

illustrated that, even with your own council, so it is not a matter that is clear cut with respect to councils.

Certainly, we are going to take into account what is being said at these hearings, and then we will return as we go clause by clause with amendments that we hope will reflect by and large what the majority of people in this province want. I thank you for your comments.

Mr. Braun: Might I just add that I think there was a proposal made by a previous delegation that we would consider, and we think it would be wisdom, in fact, to allow every council individually to move in this direction. If past history has allowed for the process to work as well as it has in some locations and if management styles are different with different mayors and different councils and if this is a perspective that basically some feel would be beneficial in their communities, such as I know some to be—Steinbach favours the mayor voting—why not allow every council to make this decision individually? That would be our request.

Mr. Derkach: Thank you for that observation.

Mr. Braun: Thank you very much.

Mr. Chairperson: Thank you, Mr. Braun.

The next presenter, Mary Hrabarchuk. Do you have copies of your presentation?

Ms. Mary Hrabarchuk (Unincorporated Village District of Landmark): No, Sir, I do not, because I did not find out about this meeting till about ten o'clock last night when my MLA had informed me through the other member of the UVD of Landmark.

Mr. Chairperson: Please proceed with your presentation.

Ms. Hrabarchuk: Thank you. Mr. Chairman, honourable minister, ladies and gentlemen, the one concern that I have—I am a member of the UVD of Landmark. I took the position a year ago.

Mr. Chairperson: Excuse me. Could you speak more into the mike. Maybe the one on your right there

Ms. Hrabarchuk: That might be better. Is that better?

Mr. Chairperson: Thank you.

Ms. Hrabarchuk: My name is Mary Hrabarchuk, and I am working as a member on the UVD; I took the position a year ago.

I agree with Mr. Gluska and Mr. Johnson, from what I have observed. I strongly believe that if it is not broken, do not fix it. I welcome change but change for the sake of change instead of the betterment of what the taxpayers and the people who elected me expect I cannot wholeheartedly agree with.

I will give you an example. Now, we are not that far removed in distance from Lorette, but I feel that there are people from the village of Landmark who expect hands-on work from the members of the UVD. There are supposed to be three members, or we have had three members in the past serving on the committee. We have our own budget, and I find that that works very well for us, although at this point, when we heard Bill 54 was coming and we read it, the people had called us and said they were unhappy with the bill because the understanding they had was we would lose a lot of our flexibility in what we were able to do for our taxpayers, so we got a petition. Within two evenings, we had way over a hundred people, and we presented it at the last meeting, at council, at Lorette.

* (2110)

There was a technicality that stalled it, which was that we were supposed to have it presented by June. We were not aware of it, but at the moment, my understanding is that out of the three members, one would be cut according to Bill 54. Is that correct?

Now, the third member quit because he said he was just too tired, and there is a by-election coming up, but just for two members to take care of the needs of a very fast-growing community and serve them properly—I will give you an example. Last spring, just within hours, we got our community floodwaters coming up everybody's sidewalk and we called Lorette. We could not get anybody to come out. Our MLA came out, and we had to be on the spot to do what was necessary to keep people's property from flooding. At the same time, because we had our own budget, and I gauged by the amount of snow there was, and I have lived there for 15 years, I gauged as

to the drainage system we have, and I said, this is not going to work. Lorette has a steamer, but we are not going to get first crack on that steamer when we need it. We are last on the list.

So we went ahead, because we had the flexibility to do so, and purchased one. The residents were very thankful for that, because also I ordered sand and sandbags way ahead of time because I live there. I knew what was needed, and whatever I did not know, people informed me very quickly. If I did not have the budget and the flexibility, what would really be my purpose to be in that position? I could not be effective, and all I am asking is that we leave it the way it is and leave the three members who have served till now.

What would work better—from what I find is our councillor who takes our minutes to the council table in Lorette does not reside in the village. He is also too busy to attend any of our meetings, so sometimes when we are talking to him, he has this blank look—what are you talking about? So if we have to have a councillor, what I could see is a councillor and two members serving a UVD would even be better, but do not take the power, the little bit of flexibility we have away from us; otherwise, there will be another community that will be fighting very vehemently to incorporate because they are not going to be happy.

Thank you for your time.

Mr. Chairperson: Thank you very much. Would you be prepared to entertain some questions?

Ms. Hrabarchuk: Yes, no problem.

Mr. Ben Sveinson (La Verendrye): Ms. Hrabarchuk, I appreciate you coming here tonight. Seeing and hearing the explanations from somebody who, in fact, sits on a UVD council, I think, is imperative for all of us in this committee.

Within the LUD as it is spelled out in this act, do you feel that, in fact, as a part of a committee that indeed you would be losing in what way?

Ms. Hrabarchuk: Well, we would be losing the flexibility that we have now and the control of meeting the needs of the people who elected us.

Mr. Sveinson: And the councillor being from outside the UVD would not be able to help you or maybe perhaps would not want to help you, is that what you are saying?

Ms. Hrabarchuk: Well, we invited him to our first meeting a year ago. He was able to make that one meeting, but he has not been back. So he is either too busy or else his rural riding is keeping him too busy to be involved. I feel that in order to meet the needs of the people you have to be involved, you have to be on that telephone when they phone, you have to look into matters.

Mr. Sveinson: So as I think I heard before, leaving it as status quo would be the request?

Ms. Hrabarchuk: Yes. Thank you.

Mr. Derkach: Thank you for your presentation and I have perhaps some comments to make with regard to your presentation as it relates to the committees that are being proposed under the new local urban districts. You had indicated in your presentation that you thought it would be better if, at least, you could have two members and a councillor on the committee. That is precisely the recommendation of the new legislation is that you would have two members of the community plus a councillor representing that ward, and if you do not have a ward system, a councillor would be appointed, if you like, to sit with your committee. Your committee would be responsible for drawing up a financial plan and a service plan which you then present to council and council has to adopt that.

So it still gives your local urban district members a lot of say in terms of representation of that community before the municipal council.

Ms. Hrabarchuk: Yes, that is partly right, but the councillor that we would need to fill in the job description of the third member that is now doing the workload would have to reside, or it would be almost advisable for him to reside in the village and do and share in the work, whereas the councillor that we have now does not. In other words, we are at the minimum bones now with three people doing the work and I do not think we can manage it with less.

Mr. Derkach: Well, I am not suggesting that you should. What I am suggesting is that we are trying to

accommodate communities like yours by having somebody who sits on council also sit on your committee so that, in fact, they when they go back to council they will have an understanding of what the needs of that community are. In other words, the basic plan for the community is made at the community level with the committee. The councillor then takes that to his council and the council then is required to adopt that financial plan for the community.

Now, when you get to individual problems where a councillor is not attending to his responsibilities, I guess I would have to say that it is up to the electorate then to either bring their councillor in to check or, indeed, to elect another councillor at their next election.

Ms. Hrabarchuk: Well, the way I see it is we need three members to do the work because right now our community has got approximately 1,000 people and it is growing, and we have new developing going on, new developments. So if the workload is put on—what I do not want to see is losing that third person.

Mr. Derkach: Okay, and I appreciate your point of view and your presentation, and that is one that we will certainly be taking a look at as well. I thank you.

Ms. Hrabarchuk: Thank you very much.

Mr. Sveinson: When you said two members and a councillor, did you mean as the UVD stands now, or indeed on the new LUD that that would be okay?

Ms. Hrabarchuk: On the new LUD, what I am looking at is what would work better. We are doing changes to improve the act and now would be the time that I am bringing this recommendation. Of the three members, I mean, we are having a by-election right now because one of them quit; he just said it was too much work. Now, the two of us are handling it, but with this by-election, somehow I would like to see that out of the three, one would be a councillor that would take our concerns to the council table in the R.M. and the two would stay as is.

Mr. Sveinson: You are saying that of the three members from the UVD that you would like one of those to be a councillor.

Ms. Hrabarchuk: That is right.

Mr. Sveinson: And what about the councillor that now serves?

Ms. Hrabarchuk: He is not serving, that is what I am saying.

Mr. Sveinson: That is the point that I am getting at. What you are saying is of three members that serve the UVD, you would like one of those to be a councillor. As the minister has stated, under the LUD that would be, in fact, what happens, but I do not think that is the point that you are making.

Ms. Hrabarchuk: Well, the point I am making is I feel that is more than enough work for three people, and if we are going to cut one position and have a councillor come in to pick up the minutes and that would be the total sum of his involvement, I am sorry we are going to have another couple of resignations.

Mr. Chairperson: Thank you very much for your presentation and thank you for coming out this evening.

Ms. Hrabarchuk: Thank you.

* (2120)

Mr. Chairperson: Mr. Ken Holme. Do you have copies of your presentation? Okay, you may proceed, Mr. Holme. You can just lift the mike up.

Mr. Ken Holme (Chairman, Unincorporated Village District of Grunthal): Mr. Chairman, Honourable Len Derkach and committee. Part of my presentation might be incorrect as to quoting certain sections and this might be due to the problem of obtaining the right copy, the latest edition, as to say, but if I may, I believe that the latest edition has the same clauses in it that we have concerns with.

Section I07, pertaining to the local councillor being part of the new LUD committee. The R.M. of Hanover is a very thriving municipality. The R.M. of Hanover at present has three UVDs within its boundaries. The workload of our local councillor is presently at capacity with as many as 25 days in his calendar month booked for R.M. duties not related at all with anything to do with the UVD.

Section I12(2) suggests that the R.M. will arrange for all public works in the LUD, regardless if we have planned it beforehand, but there are daily things that do come up that have to be addressed. With three UVDs within the R.M. we just feel that the staff cannot accommodate. This will also suggest that the LUD committee would be a mere figurehead.

Section I15(1), this section indicates that all bookkeeping and accounting will be done by the R.M. In the case of the UVD of Grunthal, we have our own secretary-treasurer. We prepare our own budget, and we have been doing this to a satisfactory manner for the last 30 years.

We will lose our local autonomy. We will only be a committee of council. Action or reaction to a situation will take much longer. We feel it will cost our taxpayers more for poorer service, and the reason I am saying that is the R.M. of Hanover will have to hire additional staff which will cost more, and the staff will also need additional office space to perform their duties that are now being done by the UVD members and their secretary-treasurers.

Because of the heavy workload that the R.M. of Hanover has in the agricultural sector, some of our urban concerns are always put on the back burner. There will be more inter-community friction because of the fact that there are three UVDs within the R.M. Even though the LUD would want to act on a local issue that would come up, it would take the entire council to have a vote, and they could overrule what the local committee would want.

We have been one level of government that has always had a balanced budget, and we have not raised our tax base in the last 10 years. Through community spirit and initiatives we were one of the first communities in southeastern Manitoba to start up a recycling program, and we can boast that we have reduced our landfill sites by over 55 percent. If I might just add, our particular UVD has been instrumental in starting things like a justice committee, a school library for our community. We feel that, if these powers are stripped from us, there will be no initiatives to carry out in this kind of direction.

In closing, I would like to indicate that we have just celebrated our 50th anniversary as a UVD. We feel that the system as it is now has worked well for us. We also

understand that in certain areas of the province changes have to be made. We would like to have this committee consider making changes to Bill 54 to allow local citizens to decide if they want to retain their present status or adopt a new format.

Thank you very much for your consideration. I am willing to entertain any questions.

Mr. Chairperson: Thank you, Mr. Holme, for your presentation.

Mr. Laurendeau: I only have one question, Mr. Holme. I guess it might just be a misinterpretation of what you said. In your statement it says you have not raised your taxation levels in 10 years, but you stated it is your tax base you have not raised in 10 years. Your tax base itself, has it been stagnant in 10 years?

Mr. Holme: No, our tax base has not been stagnant. We have enjoyed the increased assessment. But what I am trying to say is that our levy per homeowner has not increased, and if anybody has come through Grunthal, you have seen that it is thriving, and it is a going concern.

Mr. Laurendeau: Well, that was one of my concerns because I have been through Grunthal, and I have seen the expansion there and the growth. So I just wanted to make sure that was clear for Hansard because there might have been a misinterpretation if anybody would have read what was actually said. Thank you.

Mr. Sveinson: You mentioned that, in fact, you would like to see each area that has a UVD be able to—the residents vote on it. Would I take that also to mean to leave it or let it remain as UVD?

Mr. Holme: That is correct. About two years ago, Grunthal, at that time, went through the exercise of incorporation. It was a very, very close vote at that time. There was a difference of 20 votes whether to incorporate or whether not to incorporate. I think what has happened since that point in time is the community has pulled together. The local municipality has sort of sat up in their chairs, and it has been known that we are a going concern.

Mr. Derkach: I just want to say thank you for your presentation, and you are one of several communities who

believe that the UVD is the best structure for their communities. Again, this is not an issue that is constant throughout the province; indeed there are those who feel otherwise. So after the presentations are complete, I can assure you that we will consider your comments very seriously as we move through the act. I thank you very much.

Mr. Holme: Thank you very much.

Mr. Chairperson: Thank you. On behalf of the committee, thank you very much for your presentation. Good night. Diane Wright.

Ms. Diane Wright (Tache Ratepayers Association): Thank you for giving me the opportunity to speak to this committee this evening. My name is Diane Wright, and I am here as secretary treasurer of the Tache Ratepayers Association. I am speaking slightly out of sequence tonight as I had expected to address you following a request for some amendments that are going to be made by the Manitoba Taxpayers Association, so if I seem a little out of sequence, I apologize.

I am here to address the proposal in the new municipal act, Bill 54, regarding taxpayer protection. As many of you will be aware, we have recently gone through a long and drawn-out battle in Lorette over relocating our lagoon. In 1995 the R.M. council proposed a borrowing by-law to which the local improvement district objected by petition. The result of that petition was a municipal board hearing and a local referendum held October 25, 1995. Despite the defeat of the by-law and a relocation proposal at the referendum, the R.M. of Tache proceeded again in 1996 to bring forward what was essentially the same borrowing proposal. Again, it was opposed by petition, and again we went through another municipal board hearing, the result this time being that the municipal board refused to authorize the by-law.

* (2130)

Twice within one year our community has had to go to the municipal board to get our right to refuse a borrowing by-law and the attendant proposal defeated. It has been costly and time consuming, particularly for the taxpayer who ultimately bears all of the costs including the legal bills. The last Municipal Board hearing, for instance, took two days of everyone's time. The bill for the lawyer

hired by the municipality has been estimated to be between \$50,000 and \$70,000, and that bill will ultimately be paid by the taxpayers. Had the proposal for protection under Bill 54 with the taxpayer protection clause been in place, we would not have been faced with this costly and time consuming process. We would have had a straight two-thirds majority petition against proceeding with the by-law for the LID, and council would then have had to wait two years before proceeding.

From our perspective, it is essential that this kind of taxpayer protection be extended to all areas of taxation, tax increases, new taxes and borrowing by-laws, so that the taxpayer, who is the ultimate payer of all the bills, has a form of protection from proposals they believe are ill-conceived and out of line with their needs.

As the secretary-treasurer for the Ratepayers Association of Tache, I want you to realize how very grateful we are to the provincial government for the legislation that already exists, both with respect to balancing their own budget and to repaying the debt. However, we really believe that taxpayer protection is essential to every taxpayer in this province. With the changes to The Municipal Act giving so much more control to the local municipal governments, we as taxpayers will be losing that protection. It is vital to us as the bill payers that you extend your protective arm into the new legislation so that the municipal governments do not treat the ratepayers as a kind of cash cow every time they want to proceed with a project.

In closing, I would petition this committee to extend this taxpayer protection legislation to the tax increases, new taxes and borrowing by-laws under this new municipal act. It is essential for us as taxpayers.

Mr. Chairperson: Thank you, Ms. Wright. Would you entertain some questions from the committee?

Ms. Wright: Oh, absolutely.

Mr. Derkach: First of all, thank you very much for your presentation.

Ms. Wright: And it is short.

Mr. Derkach: Yes, it is very short but very much to the point, and I can appreciate the dilemma you have been

going through in Lorette. It is not unlike one that is faced in many communities, but as I indicated to some of our friends who were here earlier, we tried to ensure that we had put in place a process whereby there is an ability for people like yourself who represent the taxpayers, who pay the bills, to have the opportunity to go before a third party to have your concerns met. It is a quasi-judicial body where there is no political interference from either the municipality or from government, and in essence the people who sit on those panels do make that decision in the end.

This is a way in which we try to ensure that there is protection for people who pay the bills and for people who live in communities, and we certainly will endorse this. Can we go further? I cannot answer that at this moment, but your presentation is certainly thought-provoking to say the least. Thank you very much.

Ms. Wright: Our concern here is that there be redress from the taxpayers. We have to have it. Now, we were fortunate in Lorette to be able to use the existing legislation to fight a borrowing by-law that we did not believe in, but with the de-layering that this bill will produce, all right, there is going to put the—I hate the word empowerment, but empowering the municipal governments to the level they are going to be empowered to raise taxes, to assess property tax, to assess business tax is going to make a terrific difference to those communities, so it is essential that that protection be there for all forms of taxation. That is what we are asking.

Mr. Chairperson: Thank you very much for your presentation and good evening.

Evelyn Giesbrecht. Do you have copies of your presentation?

Ms. Evelyn Giesbrecht (Unincorporated Village District of Landmark): No, I really basically only have one question. My presentation will be very short.

Mr. Chairperson: Okay, please proceed.

Ms. Giesbrecht: Thank you, Mr. Chairman. Honourable minister, ladies and gentleman, I have served on the UVD of Landmark for five years, two years as chairperson. I have read your Bill 54 with some

interest—I have not read all of it—but I believe The Municipal Act is likely due for review. It is an old act. It has been in service a long time. It is hard to read, and this one is a little easier to read. But this act is very destructive of the present UVDs. It takes away most of their already very limited powers.

I would like to ask this committee one question and one question only: What safeguards are there in Bill 54 to protect the taxpayer from unfair and abusive taxes? Now I am saying this because we are also dealing with the R.M. of Tache and they passed Bill 1775, and in that by-law the town of Landmark was paying 2.75 for the 350,000 that was borrowed and the surrounding area was paying only one dollar. For every dollar assessment, \$1 for the country; \$2.75 for the town, and this facility is used by all equally. I was wondering if Bill 54 could possibly remedy such a situation. Thank you.

Mr. Chairperson: Thank you very much for your presentation. Are you willing to entertain any questions that there may be from the committee?

Ms. Giesbrecht: I would like to have some if there are any.

Mr. Derkach: I do not have any questions for you. I understand your presentation and your position very well, and certainly that is something that we will discuss once the committee is complete and we have an opportunity to then review all of the presentations. But I do understand your position, and I thank you for it.

Ms. Giesbrecht: Thank you.

Mr. Chairperson: Thank you, Ms. Giesbrecht, and have a good evening.

I call now Mr. Bill Summerlus in place of Mr. Eugene Kostyra. Mr. Summerlus, would you please proceed.

Mr. Bill Summerlus (Canadian Union of Public Employees, Manitoba Division): Mr. Chairman, Mr. Minister, members of the committee, this brief is presented this evening on behalf of the Canadian Union of Public Employees of Manitoba. CUPE represents about 22,000 workers in Manitoba. The majority of CUPE's municipal workers are members of Local 500 in the City of Winnipeg, but CUPE also represents

municipal workers of the City of Brandon, the Town of Selkirk, the City of Flin Flon, the Town of The Pas, the Town of Swan River, Dauphin, Portage la Prairie, Neepawa, Carman and Deloraine.

We are primarily concerned, Mr. Chairman, Mr. Minister and members of the committee, with the sections of the bill which permit regulation despite the operation of collective agreement. That is in Section 50(1) and (2), as I am sure I do not have to tell you. It is submitted that this aspect is a big problem for us obviously because we rely on collective agreements and the terms of collective agreements to be able to tell members what they are entitled to and what is going to happen to their salaries and their benefits over the next few years.

As you know, an amalgamation or a merger may dramatically alter an employee's status. The change in status may have consequences such as a possible loss of employment, possible loss of opportunities for advancement, loss of other benefits. We submit, Mr. Chairman, Mr. Minister and members of the committee that—we would ask that the committee consider removing the provision of the legislation which says, despite collective agreements, in Section 50(2).

We feel that this can be accomplished or that this is possible because the provisions of The Labour Relations Act already exist to cover a situation such as this, and so that a collective agreement, there are provisions in The Labour Relations Act which would deal with a merger or an amalgamation, and we feel that the legislation, this is quite an undertaking, this whole piece of legislation which you have worked out, and it is only that one aspect that we are concerned about or that our submission deals with.

* (2140)

We feel that not only should that be removed and that we are actually echoing the sentiments of the City of Brandon, although I noticed Mayor Borotsik did not mention it. I believe it is in his Priority 2. The City of Brandon also says they are concerned that regulations may operate to get in between employers and employees.

So, in that respect, we would simply ask that you consider removing that and, as well, that you consider imposing some conditions which may make

amalgamations or mergers a safer situation and a situation which is, we would submit, fairer for workers. I have included in the brief provisions concerning job security, concerning protection for salary and benefits, and comments on The Labour Relations Act provisions which we would submit are relevant in this regard. I will not go through that in detail with you because I submit that that is something which the committee ought to consider.

I have also provided at the end of the brief a copy of a regulation which was passed in connection with an annexation in London, Ontario, with the annexation of Middlesex with London, Ontario. It is just an example of the kind of regulation which could be employed which, instead of, we believe, putting workers' rights in jeopardy, would be protecting them. We submit that it goes beyond the intent and I think the sphere of this legislation to affect municipal workers in such a way. We feel that, as we say, no other complaint with the legislation other than that aspect from our perspective, and I would like to thank you for allowing me this opportunity to present this to the committee.

Mr. Chairperson: Thank you very much, Mr. Summerlus.

Mr. Derkach: Thank you very much for your presentation. I know that this particular section is troublesome for you. The intent of the provision was to allow for the LGC to deal with situations where there are more than one collective agreement in place, and I understand that, in fact, under The Labour Relations Act that might be a way of dealing with it.

I am certainly prepared to consider your comments and to look at this section very carefully and see whether or not we can accommodate the request that you are making. I can assure you that we do not want to see the people who work for municipalities to be stripped of any rights that they may have under the present collective agreement.

Ms. Becky Barrett (Wellington): I agree with your presentation and the concerns that you have raised. Question: The job security protection for salary and benefits sections in your brief, I think you probably know a lot more about the relevant pieces of the legislation than I in this regard, but according to what I have been able to

read in the legislation, those are currently not covered at all in Bill 54 and would require then, it seems to me, either amendments to the bill itself or inclusion in the regulations. Do you see a spot in the piece of legislation right now where the job security elements and the protection for salaries and benefits could be amended, or would they have to come as new parts of the legislation?

Mr. Summerlus: I think you are correct that they would have to be included in the legislation as new parts, as I do not believe they are included.

Mr. Laurendeau: I am not one who is really understanding a lot of the union issues. I have not been involved too deeply with unions. I would like one question though that has come up a few times with me now. The city itself and the province have got affirmative action plans instituted, and I have heard that there have been some concerns around the union aspect and the affirmative actions within the city and the province. Are you finding that there have been some problems in that area, or has the union accepted the affirmative action plans of both the city and the urban areas?

Mr. Summerlus: In answer to your question, I am not familiar with any problems in that regard. I know that our particular union, we have entire departments devoted to affirmative action sort of programs, so I would think that from our perspective they would be something that we would support strenuously.

Mr. Chairperson: Thank you very much for your presentation, Mr. Summerlus, and good evening.

Mr. Summerlus: Thank you. Good night.

Mr. Chairperson: Councillor Glen Murray, in place of Councillor Mike O'Shaughnessy. Do you have copies of a presentation?

Mr. Glen Murray (City Councillor, Fort Rouge Ward, City of Winnipeg): Yes, I do.

Mr. Chairperson: Thank you. You may proceed, Councillor Murray.

Mr. Murray: Thank you, Mr. Chairman. I actually came here, as you know, on my own to give a supporting presentation. I found myself giving the city's official presentation, so I will proceed with that.

Good evening, Mr. Chairperson, honourable members, ladies and gentlemen. My name is Glen Murray. I am a councillor with the City of Winnipeg. I am here today to speak on behalf of the council with respect to Bill 54.

I would like to introduce two members of our city staff we are quite proud of; Mr. Tom Yauk, who is our commissioner of planning and community services, and Mr. Brent Rosnowski, who is our manager of intergovernmental affairs. This position that I am about to present was passed by council 15 to 1 with all councillors, save one, voting in favour of this, which gives you a pretty broad range of views as you may know.

Let me begin by first expressing the city's support and appreciation for Section 475(9) of the bill, which deals with the adjustments to interest rates on assessment appeal refunds. This will no doubt have a significant impact on the City of Winnipeg, and we would like to go on record in support of this position and thank you for it.

The City of Winnipeg does, however, have some concerns over components of Bill 54 which appear to accommodate greater provincial discretion in changing municipal boundaries and in promoting secession and annexation initiatives. We have lost Headingley, with St. Germain-Vermette secession a potential reality. Providing for future similar initiatives is not in the city's best interest. Rather than sanctioning ad hoc boundary and territorial changes, the City of Winnipeg advocates a full scale boundary review based on logic and not whim.

The proposed legislative changes are also lacking in clarity about the process of territorial and boundary changes. For example, there is ambivalence about instances where municipal board hearings are a process requirement. Where the City of Winnipeg boundaries are not held constant in a situation where our assessment base and population are not growing, guidelines for changes must be clear.

It is indeed a North American anomaly to allow secession where the common practice is to strengthen urban centres through area consolidation and annexation, and I think I would add with unanimity a concern that while our other sister cities in western Canada are seeing land consolidated and growth consolidated under increasingly unified city boundaries, we are seen to be the

sole city in western Canada which is going in the opposite direction and we feel this undermines our competitiveness as your largest metropolitan centre.

Greater ease of provincial access to boundary changes strips municipalities of an already eroded status. Further erosion will render Winnipeg financially unable to address current problems.

The Headingley and St. Germain secession processes highlight inequity in a circumstance which excludes all Winnipeg taxpayers from participating in a referendum. Secessions impact on an entire city and not just the area wanting to secede. Bill 54 should acknowledge and overcome this inequity. It does neither.

Bill 54 further compromises the very nature of the City of Winnipeg unicity concept, which consolidates several municipalities into one jurisdictional entity. The prospect of the provincial tailor making processes as annexations, secessions and boundary changes arise leaves municipalities in unacceptably vulnerable positions. Plan Winnipeg, endorsed by City Council and the Province of Manitoba, identifies specific city boundaries which the province has chosen to ignore.

* (2150)

Where boundary and territorial changes are contemplated, legislation should outline a clear and precise procedure. This procedure should involve all municipal jurisdictions affected through elected councils, provide an opportunity for public input through a hearing process where the decision to proceed to hearing is made by the province and affected municipal councils, establish a boundary review and rationalization process to examine the appropriateness of existing boundaries between the City of Winnipeg and neighbouring rural municipalities. This should parallel the upcoming review of Plan Winnipeg. We also believe that this should assume that area secessions, like that of Headingley, impact upon the municipality at large. For this reason, a referendum should involve the taxpayers of the entire urban centre affected and not just the area of secession.

We also strongly feel that to provide for annexation by the city of lands in rural municipalities where the density of development is at or approaching an urban scale, this prospect considers the future viability of Winnipeg and

the Capital Region and in particular the development of a cost-effective regional servicing plan.

Again, here, we remain the only major urban centre in western Canada that is not so empowered. To this end, council at its meeting of September 25, 1996, adopted the following motion, and I want to say that this motion was crafted by myself, by the mayor, by Councillor O'Shaughnessy, by Councillor Silva, by Deputy Mayor Eadie. This was a very diverse group of cooks who put together this, and I think we are appealing to you very strongly and very nonpartisanly across members of all parties present, others and independents.

Whereas all properties should fairly share the costs and benefits from the economies of properly organized boundaries in the Capital Region;

Be it resolved that the City of Winnipeg requests that Bill 54 be amended in the following way—now I am not sure whether you have received this. I would just like to hand it out because it is the actual, final amended version of the motion, and I will just cut to the chase rather than going through all the whereases.

The first amendment we would like to see is to require a majority vote of the council of the City of Winnipeg to alter the boundaries of the city; (2) to provide that any proposal for the formation of a rural municipality from land in the City of Winnipeg or for the annexation of land within the boundaries of the City of Winnipeg by a municipality be required to follow the process provided for under Division 2 which applies to a proposal by the City of Winnipeg to annex land outside its boundaries; to (3) to provide that the City of Winnipeg shall be entitled to participate in establishing and must approve the terms of reference and conditions of any impact study relating to a proposed annexation of land which affects its boundaries; (4) by deleting 71(2) and providing that any proposal for the annexation of land within the boundaries of the City of Winnipeg require a request from any municipal council directly affected by the proposal; and, (5) by amending Section 72 to provide that minor annexations of land within the boundaries of the City of Winnipeg can only occur by regulation where City Council has passed a resolution confirming that it is not opposed to the proposed annexation; and, finally, be it further resolved that the city request the Province of Manitoba to establish principles, standards and criteria to

provide for annexation by the city of lands in rural municipalities outside its boundaries where the density of development is at or approaching an urban scale.

I will ask your leave to add my own few personal comments and make a very clear delineation that my comments from this point on are mine as a councillor representing my ward. It seems to me somewhat absurd that for us to change a designation of land use, if we go from an industrial area to a residential area in the city of Winnipeg, and I know there are many before Mr. Reimer right now, our very respected Minister of Urban Affairs, we have to have the consent of both council and the government of the province of Manitoba. That is much more minor change than changing our boundaries and having another municipality annex a piece of our city or having a piece of our city removed.

In this bill, we do not even have the same rights which we would exercise as a council under Plan Winnipeg. We think the Plan Winnipeg process is a very good one. We think that it has established a good protocol, and we think it has worked very well through a number of difficult decisions, and there is mutual consent there. We are a city that represents 68 percent of the population of the province, and—[interjection] Well, 66 percent.

Mr. Chairperson: Mr. Murray, would you please continue.

Mr. Murray: I am sorry, Mr. McAlpine, whether it is 62 percent or 59 percent—a large percentage. We are a fairly large place here in Manitoba—[interjection] More than 60, my former colleague and esteemed friend from down south.

I think the point here is, for us to operate, we have to have some integrity of our boundaries, and I think in their approving Plan Winnipeg, we thought we had sort of resolved that and could get past these issues and get on to, I think, what is hopefully more important, and that the plan has some integrity.

Certainly, we would expect that changes that would be much more far-reaching to the city would at least have the same process in place that apply to rural municipalities which want to annex part of our property. If you go to Division 2 of Bill 54, there is a very elaborate process. I mean, at one point you need 30 percent of the electors. It

is almost impossible to do it without the consent of the city council or the town council or the rural municipality. One would expect that it is somewhat odd in this law that the only municipal council that does not have those rights in this bill is the City of Winnipeg, and I do not think we would be asking too much to at least have the same process in place that applies in Division 2, which applies to, although probably as important, smaller municipalities.

So that really for us was rather bewildering. I have to tell you with some disheartenment, I will close, that when I came down here—the state of affairs between the city government and the province as far as relations has not exactly been upbeat and friendly lately, unfortunately. Most of my colleagues, when I came down here, said, you are really wasting your time. I said, if all of us could agree on this, certainly the government would be prepared to move on it. As my friend Mayor Borotsik said, if Mike O'Shaughnessy and I can come down here together, anything is possible, and I want to just put on the record for Rick, we hope that he can find a councillor to agree with him from Brandon to show up with him one day. We would celebrate that—I am just teasing. It is all in good humour. We get along quite well.

So I will close on a light note and leave it at that and hope that you will absolutely inundate me with questions.

Mr. Chairperson: Thank you, Councillor Murray.

Mr. Derkach: Thank you for your presentation, Mr. Murray, on behalf of the city, and I am not going to inundate you with questions, but it is always nice to be able to debate a few things with you from time to time. I guess tonight is not any different, but just for clarification, this is a situation that is not easy for any government to deal with and as you have seen it is not easy for the city to deal with, and there are very diverse views with regard to how we should proceed on such things as annexation and secession and all of those things.

In rural Manitoba there is quite a different process if part of a community wants to secede from a municipality, and that process is one whereby, I guess, the ratepayers would decide on the matter and it goes directly to the Municipal Board. After the Headingley experience, as you know, the act was changed so that we would reflect

what was the wish of the city, by and large, to have some input from the provincial government before the matter went to the Municipal Board.

Additionally, in Bill 54, there is provision that the Lieutenant-Governor-in-Council must not make a regulation for the formation of a rural municipality from the land in the city of Winnipeg or for the annexation of land within the boundaries of the city of Winnipeg by a municipality unless a study of the impact of the proposed formation or the proposed annexation is conducted and made public.

To me, this means that there is indeed an opportunity then for the public to be aware of the results of the study, and then the natural thing would follow that there would be some input into that as well. This is, by and large, much more restrictive than was the case under the old legislation and indeed under the legislation that existed prior to the amendment after Headingley. But I have to ask you the question: why did Headingley secede?

* (2200)

Mr. Murray: Why did Headingley secede? My personal view? I think there were two reasons. I think one of the things that drove it was an incredible tax burden in the City of Winnipeg. I think the second reason was that it was a neighbourhood and an area that felt that they were characterized predominantly as rural and felt that they had been misplaced as part of the city of Winnipeg. That is what I think their reasons were, and I think that there was some legitimacy to some of their concerns. I will tell you, Winnipeg right now over any major municipality in Canada, tied with Mississauga and Regina, has the lowest operating costs of any major city in the country. That is by Federation of Canadian Municipalities; that study is done by Edmonton, those are not ours.

I would conclude by saying, if we have the lowest operating costs, why are we always in the top third of property taxes in the country? Well, we have the highest dependency of property taxes right now of any major municipality in Canada, around 54 to 56 percent; most are at 40 percent. We are so unisource dependent on revenue. We have not the revenue. Even though Edmonton, Calgary, Saskatoon, Vancouver spend more money per citizen than we do, they are much less

dependent on property taxes. The other reason is we have a debt at about 17 percent going to 20 percent of our revenue. Most other cities in western Canada, save Calgary and they have an Olympic debt that brought theirs up, are down between seven and 11 percent of their revenue going to debt. We went through a level of borrowing in the '80s that was unprecedented. Our debt level right now is higher than it should be.

I have critiqued that. I have not voted for budget and those are very real financial issues, and I would probably share some of the critiques that you would make of the majority on council right now, but that is not why we are here today. We are here to talk about proper organization and as I said earlier in the presentation, a rational plan for the capital region, which we thought we had with Unicity and amending it in a way that included the predominantly urban areas in the city and looked at areas that were predominantly rural becoming part of a rural municipality in a properly negotiated process, with consent and involvement of citizens, with everyone in the Capital Region who is affected by that, participating in it is a very different process than was proposed in this bill, which really empowers small municipalities to have the right to annex with only a study done in which we are not even a partner in determining the process or the contents or the terms of reference of what would be evaluated in that study. That is a level that no city in Canada our size accepts as appropriate. I think it is unreasonable to encumber us and make us less competitive than other major centres by giving us diminished powers compared to Calgary or Edmonton or Vancouver. As a matter of fact, I think we could solve a lot of our financial problems if our hands were held a little less.

Thank you, Mr. Minister. I appreciate the question.

Mr. Derkach: Thank you, Mr. Murray, and I do not want to get into the debate of where you stand regarding taxes and that sort of thing. I think that is a debate that we can have at another time. But, with regard to Bill 54, we are attempting to bring in a balance, and our position probably under the new municipal act is strengthened with regard to the say and the participation that the city has in future secessions by perhaps communities like you have identified. I do not want to see, as a minister, any other areas of the city leave the city, but, on the other hand, this is a democratic society. We have to be a democratic province, and we have to allow for

communities to set their own destiny through a process that is fair both to the province, the city and the people within these communities. I think that is all we are striving to do.

To conclude, I would certainly say that I understand your position. We will certainly give it consideration, and perhaps there are things that we can do to amend the bill to perhaps allow for a better process than we even have today.

Mr. Chairperson: Mr. Laurendeau, very short.

Mr. Laurendeau: It will be a very short question. As a matter of fact, I think it is important that we as a government do work closely with the city councillors. I mean, it is our province and our city, and I think it is important that we get together. The concern that I have got is the whereas that you have put forward; you are stating the Capital Region. I think if we were to correct some of the inequities that we have got within the system now—and you stated very clearly that all properties should fairly share the cost and benefits from the economies of properties organized within the boundaries of the city. I think if that was organized in such a fashion, then we would not be having these secession problems. We would not have had the Headingleys; we would not have the St. Germaines today. I would like City Council to actually come back with a plan on how we could approach that taxation level. I would not ask you to answer the question tonight. That would not be fair.

Mr. Chairperson: Order, please. Mr. Laurendeau, do you have a question of—

Mr. Laurendeau: That is the question. I was just finishing it, Sir.

Mr. Chairperson: Please proceed because our time has lapsed.

Mr. Laurendeau: I am sorry. I will finish it very quickly then. If you could have that brought back along those terms, I would appreciate it. It would help us in the future.

Mr. Murray: I think that is—

Mr. Chairperson: Councillor Murray.

Mr. Murray: I am sorry, Mr. Chairman, my apologies. Your process is a little more formal than ours.

I think that is true, but what we have here is an issue of having some sort of equitable process for making decisions. I could write you a textbook on the financial problems of the Province of Manitoba and the City of Winnipeg, but that is for the next civic election and we will deal with it then. That is not what is before us today. Why would you not, and I guess going back to the same issue that Mr. Derkach, the honourable minister, raised, why would you have one standard for referendums under Division 2 for small rural municipalities and then have a much lesser rule where the City of Winnipeg City Council and government, which is elected, with a mandate on these issues, not have at least have the same authority and control over its boundaries that a smaller rural municipality would have?

It is very hard. One of the things I like about Bill 54 is it tries to give some autonomy to rural municipalities. When I grew up, my father owned a dairy farm in Alexandria, Ontario, and we lived in Montreal. I lived in a large urban centre and spent my weekends milking cows on a farm. I can tell you the neighbours we had on the farm and the neighbours we had in the city were really different folks, with different values and different attitudes, facing very different problems. [interjection] No, it is true, and I think we have to, and I think that we are all guilty of a perimeter mentality on both sides of the perimeter. If we were all a little more sensitive, we could get a lot farther.

So all I am saying is, if you believe those rights—and I agree with you, I think the legislation, as far as empowering rural municipalities to have control over their borders makes sense, and I am not naive. I sit on committees of the Manitoba Association of Urban Municipalities working with the City of Portage. Right now they are facing many of the same problems with surrounding communities that Winnipeg is facing. Why not have a balance there? I mean, if you do not want to take ours, at least apply Division 2 and include the City of Winnipeg as having the same rights.

Mr. Chairperson: Order, please.

Mr. Murray: I will sum up by saying this, that Mr. Derkach and I do not have anything to debate because we

have agreed, and right now I do not think you can call the situation equitable. Even in your own legislation you have got two standards.

Mr. Chairperson: Thank you, Councillor Murray. Good night.

Mr. Murray: Thank you very much.

Mr. Chairperson: It has been brought to my attention that we omitted another out-of-town person. I would like to call David Sutherland forward, please, and our apologies, Mr. Sutherland. Do you have presentations to distribute?

Mr. David Sutherland (Chairman, Unincorporated Village District of Landmark): No, I do not.

Mr. Chairperson: Okay, please proceed, Mr. Sutherland.

Mr. Sutherland: Good evening, Mr. Chairman, and committee members. As it has been stated, and I have been sitting listening to some of this, that the municipal act required changes. We certainly understand that changes nobody particularly ever likes and usually when we get to this point of change people say, hey, wait, wait, what about me, what about me and that happens. Well, I am here to say, what about us, too? I am also the chair of the Landmark UVD, and I am going to bring up the instances of what happens to our UVD in here.

First off, I would like to bring forward about the petitions. There is a little section in here, and because of the familiarity that I have with dealing with a council who is maybe not exactly enthusiastic about doing things for us, when we go to the petitions, the petition becomes very, very lengthy, very wordy and you have to follow it very clearly. Now you must remember, that most of these petitions are sent out by people who fortunately work during the day so they can pay taxes, and they have about four hours of time in their evening to spend between their family and interests in their community. So these same people who are going out and saying, hey, I need a petition because I am opposed to something, now have quite a lengthy process to go through and it is becoming very difficult for these people. We have to remember, most petitions are usually gathered by your average, ordinary joe working stiff.

* (2210)

When we come over to the section, and I am afraid I cannot follow exactly because I am a little outdated in my copy. This was the best one I could manage to get my hands on. It does state that the chief administrative officer must review the petition as soon as reasonably possible to determine its sufficiency. That is a very cute out. We have a secretary-treasurer right now who can have this reasonably possible for a length of two, three years and justify it. As well, as we go back further in there and it says, if the petition is not sufficient in his opinion, it goes back as soon as reasonably possible. Why, when we are so exact in our wording on the people who have to go out who have no training in this area, have to go out and collect a petition, suddenly it gets very liberal in the administration end who has a whole lot of time to deal with that petition.

I realize that an awful lot of effort went into here, and there are a lot of areas of this province. I have travelled very extensively through this province. One of the things that I do notice in the province is that generally the community that has the municipal office in it generally benefits more than the surrounding communities. That is the case in Landmark; that was also the case in Niverville. This is why Niverville, I presume, got fed up. This is why Landmark is looking and trying to get incorporated right now—because we get second-class service.

We have, and it has been suggested that we can turn around and have our council sit with us on the new LUDs and our councillor is going to take this back to council. Right now we sit on a utility and development committee which we also utilize as an opportunity to sit down with the reeve and councillor. On numerous occasions items have come up, we have discussed them, we have voted on them and they have never arrived on council letterhead whatsoever, no resolutions at all. This is what we can expect to see when we change.

What we can also expect to see when we change is our services. It may sound like an awful lot of whining over power struggle. We live very close to our R.M. office, only six miles and, as my fellow council member stated, if we had not been there when the flood waters came this year, the R.M. was not going to be. We have to do things on our own. We are very nuts and bolts, government

level services. We are the guys who are on the phone. We are the people who get those phone calls at ten o'clock and eleven o'clock at night. We have to be able to react to those things. We cannot wait for office hours the next day.

The idea or the concept of saying, let us centralize it and do it through one office so we can save money—I grew up in the city of St. Vital and I remember Unicity and I remember the deterioration of services in the city of St. Vital after Unicity. So I do not buy or believe that our services can be better provided for in a municipality that is further away from us as well as I do not believe that the municipal councillors who are not living in a village can serve us well. A village needs are distinctly different than the rural needs around it.

So when we remove these services from us—and we have been sugar coated all the way through. We have had to find out most of our information ourselves. The information that was supposed to be passed onto us by the R.M. has never been passed on to us.

So we have gone out now, we are here, we are saying that we do not like this, and we are not saying we do not like this because it involves change. We are saying that because we are a growing community. We are one of the communities that is continuing to grow. How do we grow? We grow very well because we have a lot of hustle and an awful lot of drive of the people in the community. We take that away, we lose a lot of that.

During the infrastructure program we prepared our own reports. They went off. We received more infrastructure money for the village of Landmark than the entire R.M. of Tache. That has to tell you a little something about what we are doing in the village of Landmark. We want some control over the development of our town. For years we have had a negligent council who has sat around and let developers develop the town in any way that they saw fit, and we are still paying those costs today. We have roads that were made out of topsoil in our town and, now, the developers did not like us for a while, but we said no, you cannot do that. Are we going to take that control away? Are we going to lose that power? We do that, we hurt the community.

One other section. When it comes down to incorporation under the new act, it looks real good if I am

sitting in the municipal office. It really covers me, it covers me well. There is an awful lot of red tape. When you remember what I said about petitions, incorporation is along the same lines. It is people getting together and saying, hey, I think we can do this by ourselves, but when you go through this, how does a village of people who are out working afford to hire the lawyers just to do the preliminary work to get to the state where they can finally, actually have a referendum on the issue? They cannot. This makes it incredibly difficult to incorporate and I think that is an area that certainly needs to be addressed in here.

Thank you very much. I would be willing to take any questions.

Mr. Derkach: I have no questions because this topic has been addressed on several occasions this evening. All I want to do is tell you that I understand your position. It is certainly one that your MLA has brought forward as well and I just want to indicate that this is an issue that we are going to give some thought and consideration to.

Mr. Chairperson: Thank you very much, Mr. Sutherland, and good evening.

We call now David Sanders. Mr. Sanders, you may proceed.

Mr. David Sanders (Colliers Pratt McGarry): Mr. Chairman, my name is David Sanders. I am a former Deputy Minister of Urban Affairs and Assistant Deputy Minister of Municipal Affairs, but I am appearing tonight on behalf of Colliers Pratt McGarry, which is one of the larger commercial real estate firms in Winnipeg, for which I am the director of Real Estate Advisory Services which includes consulting with respect to property tax assessment.

In recent months we have been seeking to provide constructive criticism of the current proposals for assessment reform and to provide recommendations for alternative measures. You may recall that on the 25th of last month we did present a brief to this committee with respect to Bills 2 and 43. Tonight we are speaking to Bill 54, The Municipal and Various Acts Amendment Act and only with specific reference to Section 341(1)(c) and Section 475(9). These provide for the rate of interest

which municipalities will be required to pay on tax refunds which result from assessment appeals.

As with Bill 43, our concern with respect to the current proposals for reform is that they appear to be motivated more by a desire to minimize the adverse consequences for the City of Winnipeg resulting from its failure to produce fair and just assessments and to revise them in a timely manner rather than a more proper desire to fix the assessment problem in the first place.

In the case of Bill 54, we believe that the proposed reduction in the rate of interest payable on tax refunds will result in very unfair treatment of all taxpayers who are overassessed, and we therefore strongly urge the members of this committee to consider the effects of these two sections of Bill 54 and then to amend them to provide for fair treatment of all persons who become eligible for tax refunds.

Under existing legislation, Section 212(5) of The City of Winnipeg Act requires the city to pay interest on tax refunds at the same rate as the city charges as a penalty for unpaid taxes and arrears. When a taxpayer pays his taxes as required, even though he is contesting the assessment on which the taxes are based and then he is subsequently successful on appeal, we do not believe it would be fair for the city to pay interest on the ensuing refund at a rate less than the taxpayer's reasonable cost of borrowing those funds. In fact, we prefer the present legislation to be simply left unchanged. Just for example, if a taxpayer chooses not to pay the taxes at issue and penalties accrue, then payment by the city of refunds with interest at the penalty rate fairly offsets the charges entirely and leaves both the taxpayer and the city in the position where they would have been had the property been assessed correctly in the first place.

* (2220)

The proposed Bill 54 contains the two sections I referred to, one for the City of Winnipeg and one for other municipalities, and both will reduce the rate of interest paid on refunds to the quarterly interest rate under The Queen's Bench Act for postjudgment interest. It is unclear to me whether Bill 54 intends that the excess taxes would bear interest at the quarterly interest rate in effect at the time of the refund or if the excess taxes are to bear interest at the quarterly interest rate which was in

effect during each quarter of the period for which the taxes are being refunded.

But in any case, the Queen's Bench quarterly interest rate is, quote, the bank rate at the end of the first day of each quarter, rounded off to the nearest half percent, and bank rate under the Queen's Bench Act means the minimum rate at which the Bank of Canada makes short term advances to the chartered banks. Such a rate may indeed be fair to the chartered banks because that is their cost of borrowing from the Bank of Canada, but we suggest it is not fair to virtually every other taxpayer who must pay higher rates of interest. You might note that the Queen's Bench postjudgment interest rate prior to July 1 of 1994 was 5 percent, and that since then it has risen to a high of 8.5 percent on April 1 of '95 but fell again to 5 percent as of July 1 of this year.

On the other hand, the city's penalty rate has been, quote, prime plus 4 percent. Now, the Scurfield report on the city's assessment problems did recommend that refunds should be paid with interest equivalent to the city's rate of borrowing, and I have attached page 148 of the Scurfield report for your reference. For its part, The Municipal Act and Related Statutes Review panel recommended that interest be paid, quote, at the Bank of Canada prime lending rate, and I have attached page 101 of their report.

I am not sure whether the panel really meant the bank rate as in the proposed legislation before you or if they were thinking of the chartered banks' prime rate; they used both terms. In any case, the legislated rate should certainly be no less than the city's cost of borrowing. We would recommend retention of the present legislation or at least substitution of a fair rate of interest such as, and I would suggest this to you, the penalty rate less 2 percent, which would be intended to reflect the taxpayers' reasonable cost of borrowing.

For your information, I am attaching copies of the City of Winnipeg realty tax penalty rate table from 1991 to the present. To illustrate, I have attached the Toronto-Dominion Bank prime rate from 1975 to the present and I have also given you, for comparison, what is recommended under this legislation, The Court of Queen's Bench Act prejudgment and postjudgment interest table from 1986 to July of this year. At your leisure you may wish to inspect it. You will see that

there is a significant spread between the bank rate, which is the Bank of Canada's rate to the chartered banks and which is proposed in the present bill, and a chartered bank's prime rate given to its best customers, and finally, the city's penalty and refund rate, which was in fact of course designed to be a penalty, and I think it has worked in that respect.

On page 4 of my brief I have reproduced Section 212(5) of the present City of Winnipeg Act where you will see it provides for payment of refund interest at the same rate as the penalty rate. I have also provided for you copies of the two sections that I am speaking to in Bill 54, where you will see the proposed change for both Winnipeg and for other municipalities is to go to the Queen's Bench act postjudgment interest rate.

I would suggest two possible amendments. The first set of amendments would be simply to delete subsection 475(9) which deals with Winnipeg and to amend the other Section 341(1)(c) dealing with other municipalities to make it consistent, that is, that the rate of interest paid on refunds by the municipalities would be the same rate as their penalty rate.

However, if you do believe a change is necessary, then I would recommend something such as what I have on my brief on page 4, that, rather than The Queen's Bench Act rate, we use, quote, at the same rate as is provided for in this section as a penalty less 2 percent. There would then be an incentive to pay one's taxes but in the event that the taxes one paid ought not to have been extracted in the first place, then the taxpayer would presumably at least have some reasonable refund of interest based on that legislation as proposed.

Whatever amendments are made, we strongly recommend that the committee ensure that there is a fair transition from the present law to the new one. There still remain many assessment appeals for the years 1990 to 1996 which have not yet been heard and finally determined by the Municipal Board. There are also refunds now payable which may not actually be paid out prior to the date when Bill 54 receives Royal Assent. We believe it would be extremely unfair if the city were to pay any less interest on these appeal refunds than has been paid to those taxpayers who have already been paid out.

Accordingly, we suggest that any change in interest rates should be clearly applicable from and after the date of Royal Assent of this bill and that there should be no change in the rate of interest accruing on outstanding refunds prior to that date.

I would like to close with a specific example for you. We have a client, the owner of an office building in Winnipeg who appealed its 1990, '91, '92 and '93 assessments. These appeals were not heard by the City of Winnipeg Board of Revision until February 13 of 1996, six years later. The owner never requested a postponement. The board reduced the 1990 to '93 assessment from \$3.8 million to \$1.9 million, a decrease of 50 percent. The refund due, with interest, under present legislation, is approximately \$750,000.

As of today, that refund has still not been paid out by the city, although I am told it may be expected shortly. Because the owner knew such a refund was coming in due course, and because the penalty in refund interest rates are presently the same, this owner did not do a cash call and pay the 1996 taxes due on June 30. When the refund is finally paid out, the penalty and refund interest rates since June 30 will offset each other for the period in question under present legislation. In such a case, would it be fair to pay only the bank rate, and particularly going back to 1990? We do not think so.

In fact as a further note, the appeal of the 1994 assessment of the same building, which was filed in January of 1994, was heard at the Board of Revision on January 25, 1995. The decision of the Board of Revision was then appealed to the Municipal Board on March 6, 1995. After much urging, the board scheduled the matter for a hearing on June 17, 1996—more than a year later—but then agreed to postpone that hearing at the request of the City of Winnipeg, and as of today no new date has been set for the hearing of this 1994 appeal. We are now approaching the end of the third year of taxation on the contested 1994 assessment through no fault of the owner.

We think it extremely unfair that the city should have the use of the monies found to be based on an overassessment, which would not have been charged had the assessment been correct in the first place, and then to pay interest only at a rate available to the chartered banks

of Canada, and we trust that, on reflection, you will agree. Thank you very much.

Mr. Chairperson: Are you willing to entertain any questions, Mr. Sanders?

Mr. Sanders: Oh, yes.

Mr. Derkach: Thank you very much for your presentation. I guess in establishing an interest rate, what the intent is of the legislation is to establish some fairness so that individuals who may have a substantial refund coming to them do not delay their assessment appeals because the interest rates that they are getting by leaving their appeals is greater than what they could earn at any financial institution. So what the intent was, was to establish some sort of balance to encourage individuals to get their appeals dealt with quickly and appropriately and without delay. I guess there has to be a compromise there somewhere, I just do not know where it is.

We have indicated in the legislation what we felt the interest rate should be. However, that may be somewhat low and perhaps we should be looking at something in between. I am just not sure. I respect your position in the presentation that you have made, and before we go clause by clause, we will certainly ensure that we give this full consideration.

* (2230)

Mr. Sanders: If I may just comment, I appreciate the member's remarks very much and would urge you to do consider a change. I am concerned that there may be a serious misunderstanding of the cause of the delays. There may well have been some owners who sought postponements. We have not, our clients have not, I am not aware of it. We have all sorts of cases where the delay has nothing whatsoever to do with the owner, has everything to do with the City of Winnipeg, the Board of Revision, the Municipal Board, nothing to do with the owner, and I think it is extremely unfair to go to the other extreme. That is why I appreciate your remarks that this is worth reviewing.

Mr. Chairperson: Thank you very much, Mr. Sanders, for your presentation and good evening

Mr. Sanders: Thank you.

Mr. Chairperson: I call Mr. Victor Vrsnik. You may proceed, Mr. Vrsnik.

Mr. Victor Vrsnik (Manitoba Taxpayers Association): Mr. Chairman, Mr. Minister, honourable members, I thank you for the opportunity to comment on Bill 54. I am Victor Vrsnik, the research director for the Manitoba Taxpayers Association. It is a nonprofit, nonpartisan, member-driven organization representing 13,000 members and supporters in Manitoba. Our mandate is to act as a watchdog on wasteful government spending, to promote fiscal responsibility and democratic reforms.

Municipal governments have the power to unfairly increase the burden on taxpayers through capital borrowing or levying new or higher taxes. What assurances can municipal taxpayers count on to protect themselves from ascending local improvement levies, property taxes, business taxes and amusement taxes? For starters, they can wait three years for another election if they are unsatisfied with their representatives' proposals. Should taxpayers find themselves besieged by a reckless tax-and-spend council, as some of the other presenters have expressed their concern about, they can also take some comfort knowing that provincial regulations force municipalities to balance their budgets. Only with approval from the Municipal Board can a council legally incur debt.

By and large, the balanced budget regulation has kept local government finances in check, but what is to stop a council from unilaterally raising taxes to balance its out-of-control spending? Answer: Simply municipal good will or, if that does not work, a concerted effort by ratepayers to defeat the proposal by a show of popular opposition.

Consider three recent illustrations of taxpayer resistance to debt creation and tax increases. Taxpayers in the R.M. of Woodworth demonstrated their opposition to a \$1-million borrowing by-law for the creation of a materials recovery facility, which is basically for sorting waste. Of 943 registered voters, 203 ratepayers took the trouble to head into town and sign a petition and submit presentations to their council objecting to the tax burden and their responsibility for the debt. The R.M. is heading into hearings, I believe, in December for Municipal Board approval owing to local objections.

Nearly 1,300 citizens out of a voters' list of 2,006 people signed their names to a petition in Minnedosa objecting to a \$200,000 debt for construction of a local community hall. Council was deadlocked at 3-3 until the mayor broke the tie to stop the borrowing by-law and tax increase.

Despite a referendum in Lorette that defeated a tax increase to the tune of \$1.1 million, despite a successful petition constituting 71 percent of the eligible property owners opposed to the project, and despite two Municipal Board rulings rejecting the by-law—there were two versions of it—the R.M. of Tache to this day is still concocting schemes to see their tax increase through to support their infrastructure projects.

The current process of handling taxpayer objections to debt creation and tax increases is somewhat indecisive, giving rise to lengthy disputes and deep divisions within communities. The new act partially remedies this problem by simplifying the mechanism for taxpayers objecting to local improvements or special services proposals. Sections 317 and 318 of the new bill allows constituents to stop local improvements or special services proposals if two-thirds of potential taxpayers liable to pay file a petition to the municipal office within 30 days of notice. We are delighted with this clear-cut mechanism to the point where we are recommending extending it to other forms of taxpayer protection. If taxpayers can object to a local improvement owing to excessive cost, or inability to pay, they should also be entitled to say no to tax increases, new taxes and borrowing by-laws.

The Manitoba Taxpayers Association is, therefore, proposing amendments to Bill 54 that would extend the two-thirds petition mechanism used for local improvements objections to include new taxes, tax increases and borrowing by-laws, offering municipal taxpayers affordable and practical taxpayer protection similar to that found in the province's Balanced Budget, Debt Repayment and Taxpayer Protection Act.

The advantage of this popular veto is that it allows two-thirds of ratepayers to stop pro tax-and-spend interest groups from imposing their political agenda on the municipality. The high two-thirds threshold ensures that this mechanism cannot be used carelessly or recklessly.

Had this provision been in place during the circulation of the Lorette petition, the by-law would have been defeated. There would have been no need for a referendum, municipal hearings or costly legal fees and the subsequent embittered community.

Municipal taxpayer protection is a tested model in other Canadian jurisdictions. Local taxpayer protection provisions are found in British Columbia, Alberta and Quebec and were once in place in Manitoba. For certain types of capital borrowing, British Columbia municipalities are required to obtain ratepayer approval through referenda before borrowing by-laws can take effect. In Alberta, local ratepayers may initiate referenda or borrowing by-laws through petition submissions. In Quebec, provisions similar to Alberta's allow taxpayers to enforce referenda on borrowing by-laws. Manitoba had provisions similar to British Columbia's before 1972. All the above money by-law provisions use referenda to obtain taxpayer approval, but referenda are often seen as too expensive.

For small municipalities this argument is compelling. Therefore, we recommend use of the petition mechanism ensuring that borrowing by-laws and tax protection can be offered at an insignificant cost to any tax-funded treasury.

Within a three-week window nearly 500 Manitoba taxpayers from one end of the province to the other have taken the trouble to either fax us, mail or drop off petitions in support of our amendments, and here is the pile of faxes. At the back of the presentation, we listed all the people and their places of residence as well. These petitions are still coming in in support of our amendments and once they are complete, in about two weeks time, we will present them to the minister, unless you would like to see them now. They are at your disposal, of course.

The amendments are broken up into two parts. Part A concerns taxpayer protection from capital borrowing and Part B refers to taxpayer protection from new taxes and tax increases. The language used in the two amendments is similar to that in Sections 317 and 318 concerning local improvement objections to ensure coherence and compatibility throughout the bill. With the adoption of these amendments outlined in detail on the next few pages, taxpayers can guarantee a measure of control over

their tax bill without having to place their blind faith in their elected representatives. These amendments shield taxpayers from costly municipal decisions while preserving sufficient latitude for governance and administration of municipal affairs. We strongly recommend that you incorporate these amendments in Bill 54, and thank you for your attention.

Mr. Chairperson: Thank you, Mr. Vrsnik, for your presentation. Would you entertain questions from the committee?

Mr. Vrsnik: Of course, yes.

Mr. Derkach: First of all, thank you for your presentation. I have a question with regard to how you would propose to control tax increases that have nothing to do with the municipality. As you know, half of the tax bill is made up of school taxes and that is the one area that municipalities have little or no control over. I am talking in general terms. Municipalities, by and large, control their side of the expenditures fairly well but they have very little control when it comes to the tax bill that comes from the school division, and they simply pass it along. If we impose a restriction on a municipality whereby they have to go to a referendum or to the people before they can enact a borrowing by-law, what then is the parallel process for the school division because you do not identify it here?

* (2240)

Mr. Vrsnik: I agree that is a concern that came up on a number of occasions. In fact, school taxes are one of the fastest growing taxes in the rural communities, but, unfortunately, education taxes are not covered in The Municipal Act and are therefore beyond the purview of these amendments.

On page 7, if I can direct you to page 7, the footnote No. 4, we do address the issue. I will read it to you: "We would happily apply taxpayer protection requirements to school board levies, but The Municipal Act is not the appropriate mechanism for such protections and so municipalities forced to implement mill rate increases on behalf of school boards must be exempted"

Mr. Derkach: But, even though it is outside this particular act, you understand that if we make a change in

the act that impacts on a municipality's ability to pass borrowing by-laws and we do not in any way control what can happen at the school division level, you can see what will happen over time. The taxes that you paid in municipalities compared to the school division will become so skewed that taxpayers will still be angry at municipalities, and they will not have any control over what is happening because the school division can continue to bump up its requirements from that municipality and all the municipality can do is just pass that along.

I guess my request to you—I appreciate your recommendation here, and it has validity, I believe; but, on the other hand, we have to address the other side of the coin. I will want to hear from your association as to how you would impose some kind of control on that side.

Mr. Vrsnik: I would respond to that by saying, one battle at a time, and we are getting to that one. In fact, we have made a presentation to the education review committee a few months ago recommending that, where there are contract disputes between teachers and school boards, the dispute be put to a referendum. Perhaps that would be one mechanism to incorporate for education tax increases as well, but is your concern that the school taxes rolled into the property tax bill and that way you cannot control it?

Mr. Derkach: No, my concern is that you create an extreme inequity when you impose on municipalities limits as to their own expenditures and their own ability to enact borrowing by-laws, but you do not do the same to another level of government, which simply passes its tax bill to the municipality.

Mr. Vrsnik: Then I would suggest that we work towards making Bill 54 and the education act compatible in that area so that there be some mechanism in the education act compatible with the amendments that we are proposing, and I will take that as an advisory and consider it in the upcoming days.

Mr. Derkach: I am not rejecting your suggestions. I think your suggestions have some validity in terms of making sure that there is accountability and that the taxpayer does have some meaningful input into how his or her tax dollars are spent, but I think it requires some further research and thought, so that we do not impose

something that is inequitable. I would ask your organization to give some serious consideration to how provincial governments across this country can allow taxpayers to have meaningful input on both sides of the equation.

Mr. Chairperson: Thank you, Mr. Vrsnik.

Mr. Struthers: Mr. Chairperson, I would like to pick up on some of the concerns that the minister has pointed out, the inequity and the tough spot that I think your proposals may leave the municipal level of government. What we have happening in this country right now is a tremendous offloading of responsibilities from the federal government to the provincial and from the provincial government to the municipal level. You do not have to look too far. The minister was putting his finger on education, and we have seen all across the province where local governments have been stuck at raising taxes locally, making up for the shortfall in funding that the provincial government has been passing on to the local level. You do not have to look very far into the Department of Highways to see where the provincial government is offloading provincial roads onto municipalities who will either be forced to raise local taxes or cut services. Clearly, your association is saying that they will need a referendum to go ahead and raise taxes. Would you be willing then to accept the fact that roads could be dug up and cut services to people if a referendum does shoot down any way that the local people have to raise the revenue?

Mr. Vrsnik: Okay. We are not proposing any referendums, first of all. For the record, what we are proposing is the same mechanism used for local improvements, which is a petition, a petition of two-thirds of the potential taxpayers. I would like to emphasize this point as well. We are not saying municipalities cannot increase taxes with these amendments. On the contrary, we are saying, if a by-law is passed, we consider that tacit approval by the ratepayers. It only becomes opposition if they present this petition. So the municipalities still have the privilege and the liberty and the power to raise taxes, and when they do, it is implicit that it is approved unless it is opposed. We do have provisions for opposing local improvements, and we have had that provision in the old act as well. We are saying, we agree with that principle or the rationale behind that principle. Let us extend it to

these other categories as well so that people will be, like the minister said, in control of their own destinies.

Mr. Chairperson: Thank you, Mr. Vrsnik, for your presentation and good evening.

Mr. Vrsnik: Thank you.

Mr. Chairperson: I call Councillor John Angus. For the benefit of the committee members for people who are making presentations, for those who may not have been here at the outset of this committee, there is a time limit of 15 minutes total, including questions. Councillor Angus, if you are ready, please proceed.

Mr. John Angus (Councillor, St. Norbert Ward, City of Winnipeg): Mr. Chair, honourable members, members, I want to make it clear from the beginning that I am the lone voice in opposition to a City of Winnipeg resolution that was passed by my colleagues. I can only come forward asking that you forgive them for they know not what they are doing. [interjection]

Mr. Chairperson: Order, please. Councillor Angus, please proceed.

Mr. Angus: Thank you, Mr. Chair. Councillor Murray did suggest that he had some co-operation from members of the opposition in bringing certain sections of the bill to his attention, and I think that is perfectly permissible. I do not have any difficulty with that at all, having sat on that side of the table, as you may remember. Finding myself as the lone opposing voice and being perpetually in opposition is not as entertaining as it used to be in other circles that I used to run in.

Let me talk, first of all, about the specific difficulties I had with the motion and one of the reasons that I am here. The media, as it is wont to do, will pick up some of the more exciting and verbose remarks that you might make and quote them out of context. My particular message to my colleagues at council was, this type of arrogance from a motion of this nature is not going to get satisfaction at the Legislative Assembly. You cannot tell your bosses, you cannot tell the lawmakers of this land, that a majority a vote of council is required to allow you to do something. You just cannot do that.

* (2250)

You cannot go to them and say, this council, our council, must approve something you want to do. You cannot say that it requires a request from the municipality before you can be allowed to do something. That is not going to fly in this particular theatre, and I do not care which government is in power. You are going to have to retain the right to make those decisions when municipalities cannot make those decisions or will not make those decisions. I have to recognize that and I do recognize that and my colleagues do not recognize that, or at least consider themselves more important than the people that have created them, if you like, and that is not just going to work.

Do we need co-operation? Yes, absolutely, we need co-operation. There is no doubt about that. Do we need consultation? There is no question about that. We have to have consultation; we have to be able to sit down and talk.

I will take the situation of St. Germain, which wants to secede from the City of Winnipeg for all sorts of reasons that they have, one of which may in fact be the taxes. After I listened to my colleague Councillor Murray talk about why they would want to leave, who would not want to leave when he talks of that nature?

Is there going to be someday, sometime, a Capital Region assessment? Of course there is going to be one. I can remember Mr. Minister and other ministers arguing this with one of the former Ministers of Municipal Affairs in the bigger theatre that we talk about, saying, something has to be done. We have a problem. We do have a problem. No question about that. It is going to come.

It is not going to be taxes ultimately that is going to say to Headingley and to St. Germain that they want to leave. They want to leave because they have a different quality of life. They have a different set of circumstances. They have different servicing needs. They want an opportunity to exercise their right to say, we would like to be different; we do not want to fit into the uniform by-laws of the City of Winnipeg that say, your house will be this far from that house and you cannot have pigs and you cannot have cows and you cannot have horses. They have them out there. They are different than we are and they want to be different and they want the right to be able to say, we would like to leave or we would like to

not leave or we would like to stay with all the facts on the table.

This particular government ordered a study on the St. Germain situation. A Mr. Jim August was employed to do that study. He consulted with me; he certainly consulted with city officials. He prepared a report giving all of the options and laid it on the table here. Now, some of my colleagues suggested we should have a referendum and that all voters in the city of Winnipeg should be able to decide on that. We may be able to put that on the next ballot; if we want to we could put that question on it but, frankly, the people in East Kildonan, West Kildonan do not particularly care whether the people in St. Germain are with the city or not with the city. They care about where the city is going and what is happening to it, yes, but they do not care about the specifics of why those people might want to leave.

I am here to say that some parts of this particular proposal by City Council, if you get rid of the arrogant, opinionated, self-important position that some of them take, is worth considering. We should discuss and there should be strengthening of the discussion provisions, but I just know in my mind that you are not going to give up the power to be able to make the decision, and you are not going to certainly tie legislation to our being able to say yes or no.

So I am asking for you to address the real problem of the Capital Regions. Make it so that people make their decision based on quality of life, if you like, as opposed to decisions that are purely monetary in some people's mind and/or too global for people to really consider.

I think that there is room for co-operation and compromise, and I think that the Capital Region issue has to be grappled with by some government soon. It is going to happen and the people who want to secede from a city, such as the City of Winnipeg, should be aware that they are only going to escape for a very short period of time the whole issue of inequity in taxes. Thank you.

Mr. Chairperson: Thank you, Councillor Angus. We have several questions. Are you willing to entertain questions?

Mr. Angus: Sure.

Mr. Derkach: First of all, I want to say thank you, Mr. Angus, for your thoughtful comments. I honestly mean that very sincerely, and it is this kind of approach, I believe, that can lead us a long way in many of the outstanding issues that are within the Capital Region and within the city. I happen to be a member of the Capital Region, and certainly, as a Minister responsible for municipal affairs and Rural Development, I am anxious to see a greater level of co-operation within the Capital Region because all it can do is strengthen us and our province in the end.

We have moved some way, I believe, but Bill 54 cannot address all of those issues. In creating some of the aspects of Bill 54 as they relate to annexation and secession, we tried to establish a balance where we treat the way secession occurs around the Capital Region in a different way than it is in other jurisdictions of the province because we feel this is an important area in our province and we have to be careful because actions that are taken by governments, whether it is the city level or the provincial level, sometimes impact not only on that local region but indeed on the province. So I do believe in the future we are going to need to address this co-operatively for the good of the province, and I say again, although Bill 54 goes a certain way, we certainly want to work with it and look at how we can improve it in the future. I am one who will tell you tonight that I am prepared to do that.

Mr. Angus: Thank you, Mr. Chair. I appreciate the minister's comments, and with that co-operative attitude as a backdrop, I draw your attention to the anomaly that affects Section 2 of the bill which gives different powers to different regions of the province, and there is a very good point to be made there that you will allow Portage la Prairie and smaller municipalities, which are smaller communities and by their very nature have an easier method of getting everybody together to discuss an issue in certain instances, than you do when you have 600,000 people that have to make that decision and try to do it. So I recognize the differences between the city of Winnipeg and smaller municipalities, but there is a definite anomaly being proposed in The Municipal Act that says, if you have only 1,500 or 2,000 or 3,000 people, you can make a decision one way, but if you are a bigger city you make your decision a different way. So be cautious of that potential pothole in the road because you leave yourselves, for people like my colleagues and

myself, to give you good arguments as to the unfairness of it, if you like. So bear that in mind as you proceed with this bill.

Mr. Laurendeau: Mr. Angus has answered my question, but if I could just thank him for making his presentation tonight and for representing our constituents in the manner that he has. I am very happy in the work that he has done for our constituency for the large number of years he has serviced our needs, and I remember working on some of his campaigns back in the beginning so—

Mr. Angus: We all make mistakes, Mr. Chairman.

Mr. Laurendeau: I would like to say thank you to Mr. Angus. We will leave it at that. We will not go any further.

Ms. Barrett: I have a couple of very brief comments and maybe comments rather than a question. I thought I had a question at the end, but your latest statement has caused me to perhaps rethink it.

Mr. Angus: May I respond to that. I want to assure all the members that I am here to try and create a more co-operative bond. I know who makes the decisions. I know how they sort of try to make those decisions, and I am saying that this type of motion is a slap in the face to that decision-making process. I am not saying that this is imperfect. There are some things in here that should be addressed, and I want to establish that co-operation with the minister to say, look, here is an inequity we have to talk about. I know you will make the decision, but you have to be prepared to listen to us.

* (2300)

Ms. Barrett: If I may, the first comment I would like to make is, I agree with your concerns about the importance of a capital region. I think that this is not the proper place to talk about it, but there are a lot of inequities and problems in the way the capital region has been dealt with. Absolutely, that is a huge issue that is going to have to be addressed soon.

Secondly, you stated that you did not think that people in East Kildonan would really care all that much about St. Germain, Vermette. I know you are talking about

economies of scale or the difference between 600,000 people and Portage with 25,000 or however many they have, but I do think that people in the city of Winnipeg do care about the entire community, so I think that we could have a discussion on that one.

Third, this was going to be my question to you, but your later comments have changed it more to a comment. I think we could discuss the tone of the resolution from City Council, but I do believe you, along with Mr. Murray and the city and others, have talked, have hit the nail on the head, if you will, that there is a real distinction between how smaller communities go through the process of annex and dissolution and formation and this kind of thing versus the City of Winnipeg, and there needs to be a fairer—I think what the city is talking about is the process, not the reasons for, and some of the members of the committee tonight have moved further. It is not so much the reasons for a community wanting to make a change, but it is the process whereby that takes place, and there is a sense, I believe, that there is an inequality.

The recognition of the specialness of the City of Winnipeg is not seen in this. As a matter of fact, the comparative ease with which parts of the city can be pulled apart versus how difficult comparatively it would be for rural municipalities, even those within the capital region, I might add, because there are some rural municipalities that would be under Division 2 rather than under Division 4 in the capital region—[interjection] Sorry, that is a comment because I do not think we are in that much disagreement on that one.

Mr. Chairperson: Ms. Barrett, I thank you for that presentation. Councillor Angus, thank you very much and good evening.

Mr. Angus: Thank you.

Mr. Chairperson: I call Mr. Nick Ternette. Please proceed, Mr. Ternette.

Mr. Nick Ternette (Private Citizen): I am sorry I do not have a written presentation, and I will indicate to you why.

First of all, good evening, Mr. Chairperson, honourable minister and members of the committee. For the record, I want to personally state that I was absolutely shocked

when I was told to go to the Queen's Printer to get a copy of Bill 54 that I was told it was going to cost me \$27. To my mind, this is as undemocratic a process that I know of. How is the average citizen going to pay attention to bills and comment on them by being charged \$27 for one particular bill to find out what the government is thinking?

By the way, if you look at all the delegations, of 21 delegations here there are only three private citizens. I am the first private citizen to address this particular committee. I would wonder, if people cannot have access to information, how you expect the average person to even bother coming here to respond to bills that you want? That really bothers me, and I would like somebody to look into that if that is possible. I am not blaming anyone here, I am simply saying that has never been the case before. Twenty-seven dollars is simply outrageous for any average person, especially a taxpayer or a working person who does not make very much money, to buy a bill in order to find out exactly what clauses to do, so all I have been able to do is read the newspapers and comment on a couple of sections that I am of concern.

As you know, I have been an activist since 1971 in urban politics and I have been concerned about some things, and there are couple of things that I may not even be absolutely accurate about, but I would like to comment. Maybe some people, like Councillor John Angus, might find it surprising I am going to agree with him tonight. That is going to be a shock and I am going to disagree with Councillor Glen Murray tonight. I got to agree with the Taxpayers Association tonight, but that is only because I am coming from a different perspective tonight.

While I am not a member of the Manitoba Taxpayers Association and obviously I have major political differences with them on many, many occasions, occasionally I think the New Right, and I define them as the New Right, can get together with the New Left, which I consider myself to be, to support changes that strengthen the democratic process and protects taxpayers. I support the Manitoba Taxpayers Association amendment to give taxpayers a taxpayers' protection concept whereby local taxpayers could override a borrowing by-law, tax increase or a new tax by signing a petition.

I prefer to call it a plebescite or referendum. I want to specify more the city, because I have been arguing for the last year and if anybody has followed this I have attended council meetings over council meetings to demand that the council push the provincial government to establish binding referendums and binding plebescites. As you all know, City Council at the present time can have nonbinding plebescites and referendums on any issue including borrowing by-laws, but it cannot have binding ones. I would like to see this legislation strengthened, that the City of Winnipeg would have binding referendums or money by-laws.

Money by-laws attempt to control capital spending by the citizens themselves. Therefore if the people want to build more and spend more then they, not the politicians, have to accept the responsibility of increased costs and increased taxes. Conversely, if citizens want to spend less, live simpler with lower taxes, then they have to accept that responsibility for those actions that they take. A binding referendum allows them to do that. To me, that is what I have always called direct democracy not representative democracy. It is the kind of populism and the kind of democracy that I have fought for all my life and people's representations and I think that there is nothing wrong with that. It is a positive step. Anything that increases and empowers the taxpayers to have more control over their own lives is an important issue.

The third aspect that I am here on today is the legislation that enables neighbourhoods or communities to separate. John Angus did not really go into this, but I was shocked. I mean, for the first time in my life, in 25 years, all of a sudden I read the headline: Unicity is a drag. And I agree with him for the first time. He says neighbourhoods will be better as independent states. What he was arguing is that Fort Garry would be better off if it was pre-Unicity, pre-1971, go back to being its own independent state or its own city; so would St. James; so would be Transcona. His argument was that they would be better off, property taxes would be lower. Conversely I would argue the City of Winnipeg would be better off without the suburbs that were unified in the 1971 issue, and we would also have a lower property tax base and would enjoy and empower ourselves much better because of the kind of struggles, as you know, between inner city and suburban struggles that have happened since Unicity was united.

I am sure that most of you know that Unicity, which is the present political and administrative structure of City Council, was created in 1971 by Ed Schreyer under the NDP administration. At that time it was a response to the need for what they thought was to amalgamate and unify the city of Winnipeg into one big city with a modern political structure to accompany the creation of Unicity. That included at that time, with the original thinking that they would have municipal parties at the municipal level and a municipal parliamentary form of civic government with the mayor elected from the majority of council. That was the original idea of Unicity. It did not happen, of course.

At the same time, in order to protect former cities amalgamated into Unicity, vis-à-vis the identity as distinct neighbourhoods, example, St. Boniface Community Committee would have a resident advisory group which was established to administer city-wide policies but deliver services at a community level, decentralized community level service. That was the original idea.

Of course, the pressure by internal conflict of the NDP, by Mayor Juba, by Bernie Wolfe and of course by the suburban councils ensured that that kind of version of Unicity, of a centralized policy-making, decision-making body at the central level, a decentralized body that delivered the services within their own communities, did not happen. What we wound up with was one big centralized bureaucracy where both the administration and the political decisions were to be made but could not be made, because it was just overbureaucratized and overcentralized. What we have is, of course at this time, a mess, which everybody knows City Hall is going through. It does not matter whether you are from the left or from the right, the whole issue of the assessment issue and all that is that you cannot function.

The bigger you are, you do not become efficient. I really have always been a believer in decentralization. Small is better, small is beautiful, Schumacher's concepts, whatever else, and maybe John Angus was right on. I would like to see this legislation strengthened to allow suburban groups to split off from the City of Winnipeg. Maybe we need to say Unicity does not work, because it is not working and everybody agrees. You can even ask Councillor Glen Murray. If you ask him does Unicity as it is presently structured work, he will say no.

Nobody on council will argue that Unicity works. I have even had discussions with Mayor Susan Thompson and she agrees it does not work. Okay.

The reforms that they are trying to do which has nothing to do with Bill 54 which is to create a cabinet-style government to get rid of the administration and create a city manager, without a political structure from the bottom up that allows cabinet-style politics like at the provincial level to exist, all it is going to do is create a hierarchy of concentrated power which is going to disturb everybody. You cannot form reform from the top. If you are going to reform the system, it has to come from the bottom up which means if you really want to keep a one-city thing, then the administrative level and the political level has to be reformed from the bottom up, not from the top down. That is what we are going through. So maybe this legislation should allow the suburbs to go back if they want to, and I believe through the use of a referendum to separate, not just the outer areas but all. Let us recreate 13 cities, small cities with their own governing things. Let them develop their smaller delivery of services, and I guarantee you the service delivery will be better and the cost to the taxpayer will be better. They will pay less for it. I think that is where we need to be heading for. I hope that gives you some ideas and some suggestions where I am coming from. Thank you very much.

* (2310)

Mr. Chairperson: Thank you, Mr. Ternette. Would you entertain some questions from the committee?

Mr. Derkach: Mr. Ternette, I have no questions for you, but I think you have got a very, I would say, interesting view of the situation. I do not know whether or not we can go back to 13 cities in this capital region. Suffice it to say that I do believe that we do have some challenges ahead of us with respect to the capital region and the city of Winnipeg. As a provincial government and as a department that has very little stake in all of the issues, we are more than interested in hearing everybody's views and ensuring that whatever we come out with is going to be for the betterment of the taxpayers in this province and in this city.

Mr. Ternette: Mr. Minister, I appreciate your comments. You know, maybe we cannot. I mean, I am

trying to outline a vision of what may have been. It is probably unlikely that we can go back to what was 20-25 years, since 1971, 25 years ago, but that does not mean that we cannot look at the legislation that will ensure protection so that somehow or other we move towards a decentralized model. All governments are doing it. I mean, you know, we are moving towards smaller and smaller rather than bigger. All governments are cutting down in terms of the size of bureaucracy and everything else, so maybe citizens will have much more control over their own affairs. If the tax base maybe has to be city-wide, I do not oppose that as long as it is a fair tax system. As you know, right now there are suburbs, the inner city is still subsidizing the suburbs in many cases.

We need to recreate a more proper assessment basis, but services should be decentralized. The way we are operating now it is an inefficient system of centralization which is opposite to all the government thinkings all over the world right now. The whole new system of capitalism as we go is going through a revolutionary period. So why not have city governments go? I really believe ultimately the city government ought to have its own complete autonomy. I really believe in a city-state concept where the cities, like in Poland and in many of the former Soviet Union countries, are actually operating under their own control. They do not even respond to provincial legislation anymore. They have their own autonomy to create their own financing, for example, because as Glen Murray says, and I will agree with him 100 percent on that, this is the only city that is financed—56 percent to 60 percent of its tax comes from property taxes. There are cities in Europe today, in Finland, in Scotland and various other ones, if you travel, that have legislation that allows them to finance themselves through income tax, the same way as provincial and federal governments do, not through property taxes.

The ultimate solution in how cities are going to finance themselves is not through property taxes, because that is such a narrow base, it is going to be through income tax. That is the way it is going to go in the 21st Century, and there is nothing wrong with that because that is a fair system, because if you earn more you should pay more and if you earn less you should pay less, a progressive income tax of the situation. Financing cities through that way, there is nothing wrong with that.

Mr. Chairperson: Thank you, Mr. Ternette, for your presentation, and good evening.

I call upon Carolyn Garlich. Ms. Garlich, do you have a presentation? Please proceed with your presentation.

Ms. Carolyn Garlich (Council of Women of Winnipeg, Committee on Urban and Regional Issues): I have with me Elizabeth Fleming, who is the chair of our committee, who is going to jointly present this brief with me.

Our committee is a joint committee of the Winnipeg Council of Women and the Provincial Council of Women. I am representing the Winnipeg Council and Elizabeth is representing the Provincial Council of Women, and we will be speaking together. To help you, Mr. Chairman, as we switch back and forth, we will try to say our names for the record.

Our committee, which I mentioned, is a joint committee, has been interested in land issues in Winnipeg's capital region for some time, and we recognize that many of the problems that exist around Winnipeg also exist around other urban centres in the province. We have monitored development on the fringes of urban centres and attended several Municipal Board hearings. Our concern is with the problem of urban sprawl and its impact on the quality of life of women and families who live in the city of Winnipeg and in other urban centres and, as an offshoot of that, in rural areas of Manitoba. Urban sprawl is defined as fragmented, low-density development at the urban boundary. Urban sprawl is a land use that is very costly to sustain both environmentally and economically; in other words, it is unsustainable development.

The provincial land-use policies are designed to contain such sprawl and to protect agricultural lands, but as we have observed, the policies are not always enforced in practice. In particular the policies calling for the strengthening of existing urban centres and the application of full-cost-accounting techniques are often ignored. Urban sprawl sets up pressures for the kind of boundary changes envisioned in Bill 54. It is costly for a municipality and the province to service widely dispersed development. Where the residents and/or the municipality are unwilling or unable to take on the burden, there are pressures for secession. Ex-urban

development also leads to a decline of the tax base within the urban centres, setting up a negative spiral in which urban development standards decline and urban problems increase. This trend can prompt an increase in property taxes which in turn feeds the exodus.

Now, earlier there was a question as to why Headingley seceded, and here you have our answer. If you allow urban-type developments in rural settings and in this dispersed way, that leads to all these kinds of pressures. Part 1, subsection 2, of Bill 54 says: "The purposes of a municipality are (a) to provide good government; (b) to provide services, facilities or other things that, in the opinion of the council of the municipality, are necessary or desirable for all or a part of the municipality; and (c) to develop and maintain safe and viable communities."

We would say that the ability to do this is affected, of course, by annexation and amalgamation and other things that are involved in this bill. However, no purposes, principles, criteria or guidelines for the annexation and amalgamation of land are described in the bill. Given the difference in servicing levels between urban and rural municipalities, we recommend that a general principle of including urban density and urban type development within urban municipalities and rural scale development within rural municipalities be written into Bill 54. We want you to take note of recommendation 41, Adjustments to the Boundaries of the City in The City of Winnipeg Act Review Committee's final report of 1986, and at this point I am going to pass this over to Ms. Fleming.

Ms. Elizabeth Fleming (Provincial Council of Women of Manitoba, Committee on Urban and Regional Issues): In the recommendation 41 of The City of Winnipeg Act Review Committee's report, they did actually do an overview of adjustment of boundaries around the city of Winnipeg. I do not know if this government ever looked at that. I know that they took up some of the recommendations, abolishing the additional zone and some others in this area but, given the problems this is causing, it might be interesting to look at that again.

As with the amendment to The City of Winnipeg Act which allowed Headingley to secede, this legislation makes for a one-sided process slanted towards that part

of the city which decides to explore the formation of a rural municipality within the city's boundaries.

Section 72 gives considerable power to the minister. It would be wiser to make sure though through a vote of City Council that the minor annexation is indeed not contentious. We therefore recommend that all of the resolved clauses in the City of Winnipeg's resolution on Bill 54, adopted by Winnipeg City Council in September of this year, be incorporated into Bill 54.

We further recommend that when a matter of the formation or dissolution of a municipality and when a matter of annexation or amalgamation of land proposal is forwarded to the Municipal Board that the board, under the new Municipal Act, be required to evaluate the proposal in light of sustainable development principles and guidelines and/or the provincial land use policies. Similarly, we recommend that under Part 4, Local Improvements and Special Services, Section 313, Content of plan require that a local improvement plan conform with the municipalities development plan and/or the provincial land use policies.

A number of the above recommendations are based on resolutions passed by both the provincial and local Council of Women, including our most recent resolution, Responsible Land Use Management around Manitoba's Existing Urban Centres, which we circulated to all MLAs in January of this year. We believe that our recommendations, if adopted, will lead to municipalities becoming better able, especially in a restricted financial environment, to sustain the level of services and facilities which they feel they need or want. In the longer term, the communities will have a better chance of remaining viable and prospering. That is the end of our presentation.

* (2320)

Mr. Chairperson: Thank you. Will you entertain questions from the committee?

Ms. Garlich: Yes, we will.

Mr. Derkach: I thank you for your presentation. One of the areas that I would like to make a comment on is with regard to the recommendation in terms of the Municipal Board's consideration of a proposal to annex land and

that the board consider the proposal in light of sustainable development principles and guidelines under provincial land-use policies. I guess I am one who would say that because we as a province have established the sustainable development principles and the provincial land-use policies, we would expect that a body like the Municipal Board would certainly take into account, not using that as the only measuring stick, if you like, but at least would take into account those aspects when making their decisions.

Ms. Fleming: I think, in the case of Headingley, one of the problems has been, and maybe this is more with the development plan than the actual boundary separation report that was made. I mean, one of the things that has happened is that the municipality is trying to proceed without a water supply at the moment. This is creating problems not dissimilar from those in Lorette, where people are really wondering whether they can pay for their sewer and water if they get it from the Assiniboine River, and this is coming back to the city, which finds itself increasingly under pressure to extend its water supply. On the other hand, the city is trying to conserve water so that it does not have to twin the aqueduct earlier than needs be. So these are the sorts of, you know, what is sustainable here in the way of a water supply, and maybe if this is considered earlier rather than later, it would help even in a boundary matter or an amalgamation or annexation matter.

Mr. Derkach: Not to set up a debate, but to assure you that, as I understand it, at the crux of the decision to secede from the city of Winnipeg, Headingley's concerns were, in fact, the services they were receiving from the City of Winnipeg. The hub of that, of course, was the water service and the sewage disposal service, which even today there is a problem with. We have a standpipe that sits outside the boundary of Headingley, where the people of Headingley have had to truck their water into their community for years, even when they were within the city boundaries.

It is not a question of conserving water; it is a question of utilizing the infrastructure in a sustainable way, and I have been trying to work with the City of Winnipeg to ensure that the supply of water and the infrastructure that is present, both in the city and in capital region, is used in a way which is not only efficient, but is affordable to the capital region and is effective so that all of us cannot only conserve water but conserve the precious dollars that

go into the development of infrastructure in and around the city of Winnipeg.

Ms. Fleming: Well, it is ironic, but if you recall, in 1988, an application was made by, I believe, Leo Cholakis to develop land in Headingley. That was a development, a subdivision, that because of its density would have required the city to extend water and sewer, or at least water, to that area. In fact, City Council voted for it, and the province, to its credit, I believe at the time nixed it. So backwards and forwards we go, but sustainability of the water supply probably should come earlier rather than later.

Ms. Garlich: I would like to add that we create the problems when we allow, essentially, urban-type development to occur in a sprawling fashion in areas which are essentially rural in nature instead of building a city in a logical way, as The City of Winnipeg Act requires and the provincial land-use policies, where you use infill and you develop outward, in which case you can afford the infrastructure. But the infrastructure costs for servicing these widely dispersed developments are so onerous, it is such a burden on a city that this is why they declined to do it, and so the whole problem is set up. Obviously, I can understand why people who are paying the taxes feel they want the services, but the problem is in the way in which we have allowed our city to sprawl.

Ms. Barrett: Mr. Chair, again I wanted to extend my appreciation for your raising the issues of sustainable development in the context of The Municipal Act. You make some very good points, but I just have one question, and that again is in the Municipal Board being required to evaluate the proposal in light of sustainable development principles and the provincial land-use policies. Are you aware that under Division 4, which is the division that sets up the processes whereby elements of the city of Winnipeg can be hived off, if you will, there is no requirement or even any discussion, as I recall, of the necessity for such proposals to go before the Municipal Board? So in effect without some amendments such as that are proposed, which you agree with, by the City of Winnipeg these sustainable development policies going before the Municipal Board would not have any impact anyway.

Ms. Fleming: Is it the case then that only when the City of Winnipeg wants to include some of the rural municipalities, if there is an objection it goes to the

Municipal Board, and that is not reciprocated the other way around? Is that correct? Well, in that case I think that fair dues it should work the other way as well. I think from the point of view of sustainable development we need that check.

Ms. Barrett: Yes, I am trying to quickly find the sections. When a municipality outside the city of Winnipeg wishes to annex, let us say, a portion of the city of Winnipeg or secede from the city of Winnipeg, that is treated differently than if two rural municipalities wished to amalgamate or come together or separate or form. It only requires an impact study, the details of which are not mentioned in the bill, and it does not require anything to go before the Municipal Board. [interjection] It does? Even Division 4 or Section 4 does?

Mr. Chairperson: Order, please. The time of 15 minutes that the committee has approved has lapsed.

I would like to thank you for your presentation, and good evening.

This now concludes the lists of all those people who wished to make presentations and listed before us have been heard from. I canvass the room as to whether or not there is anyone wishing to make presentation that has not made presentation this evening. There being none, this now completes the public presentations. What is the will of the committee?

An Honourable Member: Committee rise.

Mr. Chairperson: Committee rise? Is it agreed?

Some Honourable Members: Agreed.

Mr. Chairperson: Agreed and so ordered.

COMMITTEE ROSE AT: 1:27 a.m.

**WRITTEN SUBMISSIONS PRESENTED
BUT NOT READ**

Re: Passage of Bill 54 by the Manitoba Legislature

The Council and Administration of the Town of Steinbach have reviewed Bill 54 and herewith submit the attached comments for your consideration.

The town's main concerns deal with specific sections which are outlined on the attached. There are numerous other sections which the town hesitates not to comment on. However, the town feels they do not warrant the same consideration.

The town's overriding concern is that there have been numerous changes made since the final report of the Municipal Act Review Panel. The town feels that some of these changes are no longer representative of the guiding principle of the Review Panel whereby legislation would be enabling and flexible, with municipalities being directly accountable to the public, and that provincial supervision should be reduced. In fact, in the town's opinion, some of the changes have reversed the original intent.

The manner in which some of the sections are written reminds the town of a short fable of Tolstoi's. "I sit on a man's back, choking him and making him carry me, and yet assure myself and others that I am very sorry for him and wish to lighten his load by all possible means—except by getting off his back." The town sincerely feels that the province has demonstrated that it wishes to maintain its entrenched paternalistic approach to local government. It is not appropriate, particularly to larger urban centres. Sections of Bill 54 continue to demean urban centres into bureaucratic subdivisions of the province. The changes to the original draft, in the town's opinion, demonstrate that understanding. There continues to be too much "on your back" provincial supervision within Bill 54.

The rewriting of The Municipal Act has been on the back burner for so long, therefore, it is difficult not to just let Bill 54 be enacted without comment, as the new act is greatly superior to the old one. The problem is that there were certain great expectations in the final report that have not been fulfilled in Bill 54.

The town is prepared to meet with you or the deputy minister to review these concerns at any time, on short notice. Please advise as soon as possible if such a meeting can be arranged.

Thank you, and we look forward to hearing from you.

Mayor Les Magnusson
Town of Steinbach

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Municipal Act Review - Bill 54

The Town of Steinbach has several serious concerns with regard to certain sections of Bill 54. The town herewith expresses its objections to the following provisions and the long-term ramifications they will have.

Section 89(1) deals with the disqualification of a councillor following the absence of two consecutive regular council meetings.

The town is concerned how this action blends with Section 154(3), which states that a member who is absent from any part of a public hearing is deemed for the purpose of 89(1) to be absent from a regular council meeting. Then when you read the definition of a council meeting it states: "council meeting means a regular council meeting, but does not include a public hearing held by council." The sections and the definition appear to be in conflict.

Section 130 sets out the entitlement of a councillor to vote.

The town feels that an elected official should be required to vote, and that abstention should not be allowed, other than under The Municipal Conflict of Interest Act, or is permitted to abstain from voting by a majority of council members present. The town feels that to allow an elected official to choose to abstain from voting on any issue flies in the face of public accountability, and the principles embodied in the Municipal Act Review Panel's final report, which states "Municipal government should be open to the public and directly accountable to the electorate." How can you be held accountable by not voting on an issue? This section of Bill 54 is a change from the final draft of the Review Panel, which states in part "a member of council attending a council meeting must vote"

Section 158(4) requires ministerial approval to use surplus funds.

The Town of Steinbach feels that it needs the ability to use surplus funds from one year to the next, instead of raising the required monies in one year to meet expenditures. The town feels this section is demeaning, and feels the province should not place its approval requirements on surplus funds.

Section 163(1) restricts a council to only spend funds on budgeted items, except in respect of disasters, Municipal Board orders or as authorized under subsection 163(2).

The town feels that it must have flexibility to spend unexpected revenues, provided the town is not placed in a deficit position. Unexpected revenues could occur in the form of grants and extra fee revenues. Once again the town feels this section contradicts the Review Panel's principles, which in part state "New legislation should be enabling and flexible." This section is just the opposite - it is not enabling, and it is not flexible. The province, in this section, does not recognize the maturity of urban centres as it relates to management of their own financial affairs, and entrenches its paternalistic Big Brother attitude in such a restriction. The town feels it must have the flexibility to make decisions in the best interest of its community, and feels that it has a demonstrated sound fiscal management approach to its finances.

Section 333(4) sets out exceptions for payments of grants in lieu.

The town feels that this section would exempt agencies such as Manitoba Hydro, Manitoba Telephone, and Manitoba Housing and Renewal from paying grants in lieu of taxes. The town feels that no provincial or federal agency should be exempt from paying grants in lieu of taxes.

Section 385 deals with building inspections done by municipalities.

The Building and Mobile Homes Act requires municipalities to adopt and enforce the Manitoba Building Code. The town is given the understanding that approximately 84 jurisdictions have not adopted the code and do not enforce it. The town feels that the province is not promoting a level playing field by looking the other way, when it comes to enforcement of the code. The requirement to adopt the Building Code and enforce the code should be in Bill 54, as it was in the Review Panel final report. The final report states in part: "The Panel believes that all municipalities should be treated alike and to ensure safe building construction throughout Manitoba, the panel recommends that all municipalities should have the obligation to administer and enforce the Manitoba Building Code." This is a proactive

recommendation, and its exclusion is again one of the changes made between the final report of the Review Panel and the draft of Bill 54.

The town strongly believes that the adoption and enforcement of the Manitoba Building Code by municipalities should be placed in the New Municipal Act.

Sections 415 and 416 authorize the Lieutenant-Governor-in-Council and the minister to make regulations affecting how local government conducts its business.

The town feels strongly that these sections defeat the entire purpose of attempting to enact a more permissive and flexible Municipal Act. It goes so far as to allow the Lieutenant Governor to restrict the power or duty of a council to pass by-laws. The town feels the sections are regressive and do not represent the findings of the Review Panel, and do not represent the wishes of local government. To have a "catch all" provision for the province to do what they wish by regulation once again shows the heavyhandedness of the province in attempting to control local government, and a lack of conviction and commitment by the province to allow local government to control their own destiny.

* * *

Presentation to the Municipal Affairs Committee of the Manitoba Legislature regarding Bill 54

The Manitoba Municipal Administrators Association has undertaken a review of the proposed Bill 54 and has also recently consulted with the membership at our fall district meetings. In general, it would appear our membership is supportive of the proposed legislation. We have appreciated the several opportunities our members have had to make representations to the Municipal Act Review Panel and are generally supportive of the new directions of this legislation. However, it must be stated that some jurisdictions have difficulty with some of the new requirements and it is anticipated that these jurisdictions will address these issues or will request UMM or MAUM to include them in their reports to your committee.

The issues our association would like to address are the parts of the legislation dealing with the Chief

Administrative Officer. We were pleased with the Review Panel's recommendations regarding the CAO and more specifically the following:

a) the requirement to have two-thirds of Council approve the hiring, suspension or dismissal of the CAO

b) the requirement to hire a trained CAO

c) the requirement to have a hearing if the suspended/dismissed CAO requests one

It was very disappointing to find that the proposed legislation does not contain these panel recommendations.

a) The position of CAO, while being better defined in this legislation, will require "tightrope walking" in some instances such as the new requirements under Sec. 122(1). A simple majority requirement to dismiss the CAO is not acceptable given the political environment the CAO is expected to work in. What is particularly worrisome is the situations that arise when a sound administrative recommendation does not match the political solution. Is it appropriate that in the heat of the moment a simple majority vote could terminate a CAO's career? This will no doubt increase the politicization of the CAO position to the detriment of the organization and the community.

b) Our association is attempting to raise the professionalism of our members. This professionalism includes the requirement that our members take the necessary training to do their jobs skilfully and efficiently. Indeed, our association just recently participated on a committee with UMM, MAUM and department representatives to outline our concerns to the University of Manitoba regarding the content and delivery of the Certificate Course in Municipal Administration. Our Professional Development committee is presently considering making professional development mandatory to ensure the members continually upgrade their skills to retain the CMMA designation. These attempts to ensure increased professionalism will be undermined with the deletion of the education requirements as outlined in the Review Panel recommendations. Well-trained administrators is something municipalities cannot afford to do without in these changing times.

c) The third area of concern is regarding the deletion of the requirement to have a public hearing if the suspended/dismissed CAO requests one. A main thrust of the new legislation is public accountability and, in most cases, the new legislation has achieved that end with its public hearing requirements. However, the public accountability issue disappears with the suspension or dismissal of the CAO without a hearing. We cannot understand why this was deleted when the

Review Panel recommended it and the rest of the Act insists on open and accountable Council decisions.

Our association requests you give due consideration to these issues when considering the final form of this new legislation.

Grant McMillan, CMA, CMMA
President, Manitoba Municipal Administrators
Association