



Second Session — Thirty-Third Legislature
of the
Legislative Assembly of Manitoba

STANDING COMMITTEE

on

MUNICIPAL AFFAIRS

36 Elizabeth II

Chairman
Mr. S. Ashton
Constituency of Thompson



VOL. XXXV No. 1 - 8:00 p.m., TUESDAY, 7 APRIL, 1987.



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Third Legislature

Members, Constituencies and Political Affiliation

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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON MUNICIPAL AFFAIRS

Tuesday, 7 April, 1987

TIME — 8:00 p.m.

LOCATION — Winnipeg, Manitoba

CHAIRMAN — Mr. S. Ashton (Thompson)

ATTENDANCE — QUORUM - 6

Members of the Committee present:

Hon. Messrs. Bucklaschuk, Doer and Evans
Messrs. Ashton, Baker, Downey, Ducharme,
Ernst, Kovnats, Maloway and Scott

APPEARING: Mayor William Norrie, City of Winnipeg;

Mr. Harold MacDonald, City of Winnipeg;
Dr. L. James Shapiro, St. Germain Community Association;

Mr. Don Adamek, St. Germain Community Association;

Mr. Fred Corey, St. Germain Community Association;

Mr. Don Fleming, Private Citizen;

Mr. Marjan Urbanowicz, Old Kildonan Residents Association.

MATTERS UNDER DISCUSSION:

Bill No. 8 - An Act to amend The City of Winnipeg Act.

Bill No. 13 - An Act to amend The Municipal Assessment Act.

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BILL NO. 8 - THE CITY OF WINNIPEG ACT

MR. CHAIRMAN: Before us tonight we have Bill No. 8 and Bill No. 13. We've received an indication that the Mayor of the City of Winnipeg would like to make a presentation and unfortunately has to leave for another meeting. I was wondering if it would be the will of the committee to hear Mr. Norrie at this point. (Agreed)

Okay, agreed.

Mr. Norrie.

MR. W. NORRIE: Thank you very much indeed, Mr. Chairman, and members of the committee. I appreciate very much your courtesies in hearing us tonight, and we don't want to take too much of your time.

First of all, I would like to -(Interjection)- pardon me? Well, I've got the mikes in front of me here.

I think, Mr. Chairman, I should indicate to you first of all that we do have tonight with us a number of our administrators, and I have Councillor Harold MacDonald who is with me, who is the Chairman of the Finance

Committee of the City of Winnipeg. We have our Chief Commissioner, Mr. Diakiw, and we have the Deputy Treasurer, Mr. Bilow, and we have Deputy City Solicitor, Mr. Richard Klapecki.

Mr. Chairman, what I wanted to do and what we were asked to comment on was simply Bill 8, and Bill 8 as you know, is a very important bill from a point of view of the City of Winnipeg Council and from the point of view of the City of Winnipeg taxpayers.

Bill 8 in the section dealing with "limited increase" gives the City of Winnipeg the power to phase in tax increases which will result from the reassessment.

I would like to just point out to you, Mr. Chairman, that the phasing-in process, the concept of phasing in, was one of the recommendations of the Weir Commission and members of the previous government, and members of this government I'm sure will be familiar with the commission that former Premier Weir was asked to chair and which brought in a number of recommendations, and one of them dealt with the phasing-in process; and the City of Winnipeg Council a number of years ago, when that report was tabled, unanimously adopted the principle of phasing in. At that point we were not discussing a number of the items that we are discussing today, but the principle of phasing in was very strongly supported and we do very strongly support that principle today, Mr. Chairman.

It's very important from the point of view of the citizens of the City of Winnipeg who will be experiencing some tax increases as a result of the reassessment to have the City Council given the authority to provide for phasing in.

I would like to indicate to you, Mr. Chairman, that the Council has not as yet adopted its tax policy, although the Executive Policy Committee today dealt with it and the budget will go to the City Council on Monday evening, sorry, Monday morning, and the tax policy and the budget will be dealt with at the same time.

The reason, Mr. Chairman, I guess that we're really here is to urge you that you give Bill 8 the speediest possible attention that you can because we are not able, at our Council meeting on Monday morning, to provide for the phasing-in concept and to lessen the impact to the residents of the City of Winnipeg unless this legislation is passed by the Legislature, and we have the authority as of Monday morning to provide for the phasing in.

The reason that Monday morning has been set, as you probably are aware, is that we are required by law to pass the City of Winnipeg Budget each year by March 31. March 31, of course, has come and gone. We were able to receive from the Cabinet, and we were very pleased to receive this cooperation, we received an extension of two weeks, extending the date by which our budget had to be passed to the 15th of April. So we must meet that 15th of April deadline, which is Wednesday.

We have many items to discuss at the Council meeting. We had originally set it for Tuesday.

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Unfortunately or fortunately we had to move it back. Monday evening is the beginning of Passover, so we had to move it back till Monday morning, so there is some urgency.

So, Mr. Chairman, first of all, that is why Councillor MacDonald and I are here, is to urge you to pass the bill with the greatest possible speed. I should think that Bill 8 is not controversial really in any way at all. It does two things, principally, as you are aware. It extends the time for appeal to the ratepayers; and it also provides for the phasing in.

The policy of Council has not as yet been adopted, as I indicated, but the proposal is that increases over 10 percent, arising as a result of the reassessment, will be phased in over a period of three years as provided for in the section "limited increase" on page 1 of Bill 8, and those years of course would be 1987, 1988 and 1989.

The section gives the Council the authority as it sets out there, to limit the amount of increases in taxation on such terms as are designated by the by-law and the conditions as set out in the by-law. It would be our intention as I indicated, if adopted by Council, to recommend that they would be dealing with increases over 10 percent, they would be dealing with single family residences and they would be phased in over a period of three years.

Now, Mr. Chairman, we had a lengthy debate today in our Executive Policy Committee and there was very strong feeling among the members of the committee, I would say Councillor MacDonald, virtually unanimously of the opinion that it was extremely necessary to assist the residents of the City of Winnipeg by giving them the phasing-in conditions and we want to do that.

There is a cost of course to the city to do that. We are prepared to absorb that. We're going to be entering into some discussions with the government about that as well, as we have indicated we would; and we want to see some 9,553 homes, which are the number that will be affected by the proposal that we have put forward and which was adopted today at EPC, given the assistance of having their property tax increase over 10 percent phased in.

So, Mr. Chairman, it is of benefit to everyone in the City of Winnipeg in the sense that those who suffer that 10 percent increase will receive the benefit.

I should indicate to you as well that it is going to be the policy of the Council, if the recommendations that we have made today are adopted, that all decreases that come about as a result of the reassessment process will not be phased in but will be given the benefit to the taxpayer immediately. So those experiencing decreases will receive those forthwith; those experiencing increases over 10 percent will be phased in over three years.

So, Mr. Chairman, very briefly that's the reason we're here. We would like to see speedy passage of this bill. We think it's noncontroversial. It's important for our tax policy. We need to be able to deal with it on Monday morning and we're hoping that you are able to proceed quickly and to assist the citizens of Winnipeg by giving the Council the authority in the bill.

If there are any questions on the presentation, I'd be happy to respond, Mr. Chairman.

MR. CHAIRMAN: Mr. Ernst.

MR. J. ERNST: Thank you, Mr. Chairman.

To Mayor Norrie, while you've spoken only about Bill 8, Mayor Norrie, you also have Bill 13 on the table before the committee tonight. That is in some way parallels the question of the phasing-in legislation in the sense that it gives, as we are led to believe, permissive legislation for certain classifications to be created.

First of all, are you aware of Bill 13 and then its contents?

MR. W. NORRIE: Bill 13, I presume, is the differential mill rate bill, is it? I don't have it. I was not prepared to speak on it.

MR. J. ERNST: Mr. Chairman, perhaps I can then, for the benefit of the Mayor. Bill 13, Your Worship, includes certain words that would allow the government to create two new classifications, that one being for golf courses, and the other being for condominiums - owner-occupied condominiums.

MR. CHAIRMAN: Mr. Norrie, do you wish to comment?

MR. W. NORRIE: On that bill? What is the question?

MR. J. ERNST: The question is, Mr. Chairman, first of all, are you aware of the bill and does the city support that bill?

MR. W. NORRIE: Yes, we do. The bill really comes about, Mr. Chairman, as a result of negotiations between the city and the province. There was a small committee struck of our Executive Policy Committee including Councillor MacDonald, our Deputy Mayor, Councillor Stephenson, and myself. We had many meetings with Mr. Doer, as Minister of Urban Affairs, and Mr. Bucklaschuk, as the Minister of Municipal Affairs.

We had originally made representation to the government really on three matters as requested by our Executive Policy Committee. We were not asked to specifically request classes but we were asked to seek relief, if I remember correctly was the precise term of our Executive Committee, to seek relief for three groups of owners. One was the condominium owners who at that point were going to be split between Residential 1 and Residential 2.

We were also requested to seek relief for the golf courses which were virtually going to be put out of business because they were going to be in the commercial category. And we were also asked to seek relief for large lot owners living on the outskirts of the City of Winnipeg.

So we had those discussions and we, as a result of those discussions, received notification from the government that a special classification was going to be created for condominiums. We did not specifically ask for a special classification. We had thought perhaps they might all go in to Class 1. But the decision was made to create a separate class and of course that was not our decision. That was a decision of the government.

We support the relief that is being granted as a result of that action.

MR. J. ERNST: Could the Mayor advise if the City of Winnipeg has taken an official position on either of the

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new classifications granted to date, golf courses or owner-occupied condominiums?

MR. W. NORRIE: We took a position, Mr. Chairman, through you to Mr. Ernst, asking as I indicated for relief for those two specific classes of property holdings.

We specifically requested very early on at the Board of Commissioners' level when we were negotiating administratively, that there be a specific class for golf courses because that was recommended by the Weir Commission and we felt that that was most appropriate and very necessary.

We also took the position that there should be relief for the condominium owners. We did not, as I said earlier, request specifically a separate class.

MR. J. ERNST: Mr. Chairman, through you to Mayor Norrie, you neatly avoided my question, Your Worship. I asked, did the city take an official position?

You speak about the imperial royal "We." Does that mean "We" being the City Council has taken that position, or "We," a committee of City Council, or "We," yourself and several other members of City Council?

MR. W. NORRIE: Mr. Chairman, the Executive Policy Committee today endorsed a recommendation which will be going, as I indicated, to the City Council on Monday morning hopefully, which obviously deals with the classifications that are being established by the Cabinet. Two of those are referred to in Bill 13 and of course, in order for those two classes to be operable, the bill has to be passed by the Legislature.

But we officially took the position that we would proceed with setting mill rates based on those eight classes.

MR. J. ERNST: Your Worship then, through you Mr. Chairman, up until today had the City of Winnipeg taken official position on those two classifications, that is, golf courses, owner-occupied condos?

MR. W. NORRIE: The city took the position administratively first of all, as I indicated earlier, that there should be a separate class for golf courses. The Executive Policy Committee, as I indicated earlier, instructed Councillor MacDonald and the Deputy Mayor and myself to seek relief for the three categories of properties that I spoke of. So that was the Executive Policy Committee, not City Council. It has never gone to City Council.

MR. J. ERNST: Another question then, Your Worship.

You mentioned the third category for which you were instructed to seek relief, that being owners of large lots in the periphery of the city that are not serviced by normal urban services. What was the outcome of that and can you tell me what the position of your group was when you advanced that position to the government?

MR. W. NORRIE: The sub-committee of the Executive Policy Committee made the presentation to the Ministers, as I indicated, relating to those three categories of ownership.

We made the point, I think, strongly, and Councillor MacDonald was there, Councillor Stefanson, the Deputy

Mayor was there with me. The three of us discussed the three categories. It became clear I think in our discussions that there was not going to be a separate category created for the large lot owners and as a result of that information we then proceeded to attempt to get additional relief through other means, principally through deferral legislation, which was endorsed by the Executive Committee; and that I understand is now in the hands of the government being worked on and hopefully will come in very shortly.

MR. J. ERNST: Your Worship through you again Mr. Chairman, do you and the members of your committee as the Deputy Mayor and Councillor MacDonald support a classification for large lot people in the periphery of the city who are not serviced by normal services?

MR. W. NORRIE: No, we did not order separate classification. We thought that there ought to be some method other than a separate classification for assisting those particular groups of people.

MR. J. ERNST: Your Worship, then if you don't, and Councillor MacDonald I notice also shook his head, that he didn't support a new classification for those large lot owners, how then could it be that you were sent forward to negotiate on behalf of the city in the same manner that you were sent forward to negotiate on behalf of golf courses and owner-occupied condominiums?

MR. CHAIRMAN: Order please.

I realize that many members of the public may not have been before committee before, but we do have some very clear rules which do prohibit demonstrations from the gallery.

I would appreciate it if you could please refrain from any such demonstrations in the future.

Mr. Norrie.

MR. W. NORRIE: Mr. Chairman, the only instruction that we received from the Executive Committee, as I indicated, was to seek relief for those three categories. Specifically we had earlier administratively, as I said before, indicated that golf courses should receive a special category because they were included as a special category in the Weir Commission Report, and the justification is in the report and I'm sure through you Mr. Chairman, that Mr. Ernst has read the report and is familiar with it.

With respect to the large lot position, we had a delegation from Headingley, from South St. Vital, from other parts of the city at the Executive Policy Committee. Very excellent presentations were made. A full discussion took place amongst the committee members.

The position of a separate category was not sustained. At the last Council meeting there was a motion introduced by one of the councillors calling on us to discuss with the government the possibility of changing the definitions of the residential component of the large lot and the farm component of the large lot. That was dealt with today at the Executive Policy Committee and we are going to be meeting with Mr. Doer and Mr. Bucklaschuk as soon as possible to follow that discussion up.

MR. J. ERNST: Could you advise the committee, Your Worship, on the results of your discussion with respect to that proposal?

MR. W. NORRIE: Well, the discussion as a result of this morning's meeting or today's meeting hasn't as yet taken place.

MR. J. ERNST: No, no. What direction did you receive from the Executive Policy Committee to speak to the government on?

MR. W. NORRIE: The direction we received today was one with which the committee agreed and that was to seek a meeting with the Ministers to talk about the definitions of the four-acre, the above-four-acre, the under-four-acre, and how they might be changed in order to accommodate some of the perceived problems that arise.

We also sought advice from the City Assessor. You have to be very careful as you are aware, Councillor Ernst through you Mr. Chairman, that the City Council does not get involved in assessment issues because - Mr. Ernst, sorry, that's from another scene; I could say Deputy Mayor. The problem is that we have no direction over the City Assessor.

The City Assessor, as you know, is an employee of the city, a Statutory Officer, but the City Council does not, cannot not statutorily, nor in my opinion should, have the ability to direct the assessor. The assessor does his job, his professional job. There is an appeal process to the Board of Revision and then a subsequent appeal process to the Municipal Board and that keeps it out of the political arena, as I think it should be.

So as a result of the discussion today, Mr. Ernst through you Mr. Chairman, we were asked to meet with the government to see if we could refine the definitions and seek some assistance which would alleviate the problems of the large lot owners.

MR. J. ERNST: Mr. Chairman, through you again to the Mayor. Your Worship, the question of the large lot classification is paramount in obviously a number of people's minds here this evening, let alone members of the committee, but I wanted to ask you a question.

Do you feel it's a reasonable position for people living outside of the normal urban limits of the city, albeit inside the boundary, who receive no service with respect to, let's take, for example, transit; should through their property taxes contribute to the city's transit deficit?

MR. W. NORRIE: You know the answer to that, Mr. Ernst, but let me help you again if I can.

You are aware that real property taxation is an ad valorem tax. It has nothing whatsoever to do with services. It is a tax on value, ad valorem being value of the property. So what happens is that the assessor in his professional opinion, whether it's rural or whether it's urban, places a value on the property and it has really nothing to do with whether it's serviced or whether it's unserved.

The fact of the matter is that the properties that are not serviced in the City of Winnipeg are by the assessor given a lesser value because the value of the land is what he is assessing and on which we place the mill

rate, but in his assessment he takes into the value of the land the fact of its location, the fact of its servicing.

I can tell you that, for instance, in the South St. Vital area, and this would be true in other areas of the city, outside the urban limit line property might be assessed, last year a half a cent per square foot, some at seven and a half cents per square foot, within the urban limit line the same lot, the same size assessed at \$2.62 a square foot. Now it seems to me that that is obviously reflecting value.

The problem that we face here is that most of the lots that we are talking about, unfortunately are very very large lots. They contain a lot of square feet. So if you take seven cents times 296,000 square feet you're going to get a higher ad valorem tax than you're going to get on 6,000 square feet times \$2.62. And that is the simplest way that I can put it, Mr. Ernst.

I think that we recognize that obviously services are not provided to the same extent in certain areas as they are in others. But you ought not to confuse services with assessment.

MR. J. ERNST: If, Mr. Chairman, we're not to confuse the taxes that people pay with the services that they receive . . .

MR. W. NORRIE: I didn't say that, with respect, Mr. Chairman. I said don't confuse assessment with services. You can compare taxes and that's legitimate; but don't compare assessment with services.

MR. J. ERNST: Then, Mr. Chairman, I believe earlier on the Mayor had indicated that the tax was an ad valorem tax and had nothing to do with services. I think that was your statement. And I said if in fact that's the case, then what do you do with the money that you collect for taxes, if not to provide services?

MR. W. NORRIE: We do all the things, Mr. Chairman, that Councillor Ernst did when he was the councillor and when he was Deputy Mayor. We provided services that we are obligated to do. Services of course have improved since Mr. Ernst left the city.

Seriously, Mr. Chairman, what we do, we do what we have to do statutorily and we do what the council in setting its tax policy is responsible for. And you have to again differentiate between assessment policy and tax policy.

Tax policy, councillors are totally responsible for tax policy. They set the mill rate; they set the budget; they set the level of services and they are accountable to the electorate.

They are not accountable for assessment. The assessor in his professional capacity as a Statutory Officer is responsible for that and the appeal process is there if people are not happy with the assessment.

Councillor MacDonald has been anxious to add something and perhaps he could add to that comment, Mr. Chairman.

MR. CHAIRMAN: Mr. MacDonald.

MR. H. MacDONALD: On the level of services just during Mr. Ernst's regime -(Interjection)- no not at all.

Mr. Chairman, we are aware and I am sympathetically aware of the problems of those who live on or near

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the urban limit line and have problems with this reassessment and the threat of taxation increases. We understand that tax increases for many people in these large lot circumstances could be multiplied by 10 to 18 times. No matter how just, theoretically speaking or mathematically speaking, a reassessment might be, that kind of increase is quite unconscionable and quite unacceptable as far as we are concerned.

The implication of Mr. Ernst's questions is that this whole thing can be forestalled by creating yet another classification; and all we are saying is that that's not necessarily the answer. In fact, when I shook my head at that question and we were unanimous, the Deputy Mayor with myself and the Mayor on this matter, we don't think that to form a new classification is the best way of really effectively helping these people.

Let me give you an example. We did not ask for a new classification for condos, we were given one. Now condo owners are going to be taxed at the rate of 40 mills per unit instead of 30 mills per unit. That is not what we asked for and nobody really knows what the effect would be on large lot property owners if we just shot from the hip - you shot from the hip - and produced another classification.

So what we want to do is we want to provide some kind of effective help and that's what we're working at. We have looked at tax deferrals which are not an acceptable solution to many of the people there. We are also talking about a redefinition of the types and uses of property, whether agricultural or residential, what the proportions of that property might be. It is under investigation and as far as we are concerned, I think I speak for many councillors, we are not satisfied with this reassessment or with the new schedule of taxation until these unconscionable increases in tax are dealt with. There's no way we simply want to see this go through in some kind of mathematically pure basis.

But I just want to say that to create another classification, and we have ample evidence in my view on Residential 3 classification, to create another classification is not a happy answer to every problem.

MR. J. ERNST: Councillor MacDonald, if he would entertain a question, Mr. Chairman.

Councillor MacDonald, as I understand from what the Mayor said earlier, you were sent forth by the Executive Policy Committee, you, the Deputy Mayor and himself, to negotiate classifications for three types of property, golf courses, condominiums - sorry, not classifications, different treatment - for golf courses, owner-occupied or condominiums in general, and the question of large lot residential holdings.

Regardless of your own personal opinion and you stated earlier to my questions, Mr. Chairman, that you are not in favour of classifications, of shooting from the hip, and rather at the moment you're prepared to do nothing to assist these people in those predicaments, of increases somewhere between, as you indicated, 10 and 18 times - I am aware of others that are as high as 34 times - but apart from that, how is it then, Councillor MacDonald, that you could advance - or did you advance the position that you were instructed to advance on behalf of the Executive Policy Committee, that is, negotiate for a large lot classification?

MR. H. MacDONALD: We were not instructed by Executive Policy Committee to negotiate for a large lot classification. We were instructed to provide for relief for this group of people and we are working at that. And as I say there are various different ways we want to get the best solution for them that's possible.

MR. J. ERNST: A final question, Mr. Chairman, so I can be absolutely clear, could the Mayor or Councillor MacDonald, or both, indicate then that the position of the city at the moment is they are not prepared to advance the cause of large lot owners for a separate classification for their assessment?

MR. H. MacDONALD: That is so.

MR. W. NORRIE: Part of the reason we're here today, Mr. Chairman, is to assist the large lot owners as other property owners will be assisted and that is to urge speedy passage of this Bill 8 which allows for phasing in and the large lot owners along with people in the inner city and in the suburban areas who face those increases will receive that benefit, and that's really basically the reason that we're here, Mr. Chairman.

MR. J. ERNST: No further questions, Mr. Chairman.

MRS. S. CARSTAIRS: I'd like to ask the Mayor and his committee representative if in fact when they originally met with the Minister of Urban Affairs, if they discussed all three areas which required relief or whether the emphasis was only on the golf courses and the condominiums?

MR. W. NORRIE: We discussed, Mrs. Carstairs through you Mr. Chairman, all three areas that we required relief.

MRS. S. CARSTAIRS: Can the Mayor, Mr. Chairman, tell the committee whether in fact their requirement or the desire of the committee was for separate classifications for golf courses and condominiums?

MR. W. NORRIE: We did not request a separate classification, as I said earlier, for condominiums. We had indicated that we felt that the condominium owners, the owner-occupied condominiums, should be assessed or should be taxed at the same rate as the residential one, and we actually thought, quite frankly, that condominiums would all go into Residential 1.

You may remember that in the original proposal condominiums up to four units were actually in Residential 1 and those above five and up were in Residential 2. I think we probably all assumed they would go into R.1. They ended up as as a Residential 3 classification, but that was the decision that was made by the government.

With respect to the golf courses we certainly did request a special class because that was the only way that Weir saw, and we agreed with Weir, to lift them out of the commercial category; and if they were left in the commercial category they would have been out of business.

With respect to the large lots, we had the same general discussion with respect to the large lots as we had with respect to the other two and that was to seek relief.

MRS. S. CARSTAIRS: Can the Mayor, Mr. Chairman, tell the committee if, when seeking relief for condominiums and I gather from the Mayor an understanding that it would in fact go into Residential 1 similar to what is done in the Province of Ontario, if at that point they believed that that was the best solution and did their legal staff provide any objections or any difficulties with it going into a Residential 1 classification?

MR. W. NORRIE: We did not have our legal staff with us when we met with the Ministers. The councillors and myself were there with the Ministers and we did not refer to legal counsel. We had no legal counsel with us. It was later at the, I think the indication from the Minister of Urban Affairs, that their legal counsel had discovered or had some apprehensions about the classification, putting them into the Residential and it was their decision, I presume although I don't know for sure but I presume, on legal advice to the Ministry, that they be created a separate class.

MRS. S. CARSTAIRS: Mr. Chairman, to the Mayor.
But to the best of your knowledge your own city solicitors did not have any objections to, or any legal problems with it going into a Residential 1 category.

MR. W. NORRIE: I'm not sure that we particularly consulted our legal solicitors at that point, or our solicitors. We indicated what we wanted to do or what we thought should happen and I must admit that we were not pushing for a separate class, as I indicated, and we simply said to the Ministers, look, we want relief for these classes, for these three categories of properties, and that was the result of our discussions, what you have in front of you.

MRS. S. CARSTAIRS: Can the Mayor through the Chairman tell us if, in fact, as a result of the submission that will go to all of City Council out of EPC today if, in fact, condominium owners will indeed be assessed a different mill rate than that assessed a single-family dweller.

MR. W. NORRIE: Oh, yes, indeed they will. Yes, they will. My recollection is the condominiums will be 39 point something mills; the residential owners will be 30 mills. So there will be a differential between Class 1 and Class 3 of about 9 mills.

MRS. S. CARSTAIRS: When you and your committee, Mr. Mayor through the Chair, sought relief for condominium owners, was it not relief similar to that offered to homeowners, but now that relief is not going to, in fact, be afforded to them?

MR. W. NORRIE: The relief will certainly be afforded to them because if they were not in Class 3 at 39 mills they would be in Class 2 at 50-some mills. I'd have to look that up. About 50 mills. So they are receiving relief down from 50 mills to 39, so that's relief. It's not as much relief as they would receive as if they were an R.1, but it's certainly relief from 50 to 39.

MRS. S. CARSTAIRS: Mr. Chairman, I am sure the Mayor is aware that immediately upon requests for

discussions of golf courses and condominiums a decision was made by the Minister of Municipal Affairs to introduce a new piece of legislation but no considerations seemed to be given at that point to the category of large lots. What happened to this particular area requiring relief? Did it get lost in the shuffle?

MR. W. NORRIE: Well, I think if I may surmise, and I really don't know, but I think Mrs. Carstairs, through you Mr. Chairman, what in fact happened was that the large lot situation was not raised with the Minister until we raised it. We were the first people to raise the issue with the Minister when we went for the three classes; and at that point there was not support evident from the government initially but it had to be reviewed by their staff and so on which was appropriate.

When we met again the advice came back that they were not prepared to create a separate class for the large lots and as a result of that after as you would expect some intense discussion, if I can put it that way, we then tried to explore other methods of seeking relief for the large lot owners, faced with the fact that there was not going to be a separate class created.

MRS. S. CARSTAIRS: The Mayor indicated, Mr Chairman, that they were not the first persons to raise the issue - or they were the first persons . . .

MR. W. NORRIE: No, I said we were the first persons, to the best of my knowledge.

MRS. S. CARSTAIRS: . . . to raise the issue of large lots which means that it was your impression that you were not the first to raise the issue of condominiums and golf courses.

MR. W. NORRIE: Well, that's correct, because we had raised the issue, Mrs. Carstairs through you Mr. Chairman, of the golf courses at the very beginning of our discussion administratively before it even went to the executive committee or the council because it was part of the Weir recommendations. And we had then had in our initial discussions amongst Councillor MacDonald, myself, the Deputy Mayor and the Ministers some preliminary discussions with respect to, it was basically R.1 and R.2 at that point because there had been some suggestions even amongst our own group.

Councillor MacDonald will well remember this, that there only ought to be a single residential category as opposed to R.1, R.2 and now R.3. So at that point we were not really thinking about or had had no representation, or had not really faced the issue of the large lots, it was not in the picture at that early time of the discussion.

MRS. S. CARSTAIRS: Just a final question.

From the date when reassessment became an issue, was it not obvious that the large lots were going to receive a horrendous increase in taxes if this assessment continued without any room or guidance for relief?

MR. W. NORRIE: Well, I suppose it would have become as obvious in that category as it became obvious in many other categories, that without the relief provided

in the bill that's now before you, the phasing in, that a lot of properties were going to receive horrendous increases; and that was why we were making the representations.

And at the very early meeting that we had with the Minister we raised the issue that if they were to go to classifications - and you have to remember I think the history - originally the City Council's position was not for classification and differential mill rates. The original position of City Council was for apportioning and apportioning at the assessment level is what the Weir Commission recommended and what, in fact, the government, I presume is moving to, because in Mr. Bucklaschuk's letter he indicated that differential mill rates and the process that we're going through now is an interim step towards the total move to current value and tax reform.

So at that point we said very clearly, now, look, if you are going to ask us to take the responsibility of imposing differential mill rates at the City Council level rather than imposing the apportionment at the assessment level by Provincial Cabinet Order as Weir recommended, we are going to insist that you give us the authority to phase in some of these excessive increases, or some of these large increase, and the Ministers at that point gave us their commitment that as far as they personally could they would see to it that they would take it to Cabinet and they would do everything they could to give us that authority; and Bill 8 is the result of that and I commend them for that undertaking and delivering on that.

MR. CHAIRMAN: Mr. Walding.

MR. J. WALDING: Just a few questions, mostly on Bill 8 if I may, please.

I've heard from a very reliable source that the wording contained in Bill 8 came about as a result of the recommendation from the city.

MR. W. NORRIE: It was our draft, Mr. Walding. I don't know whether it has been changed since then but we submitted the draft. That is the practice that all the provincial governments that I've been involved with have followed. When we want an amendment dealing with The City of Winnipeg Act we submit the first draft and then it's perused by the government solicitors.

MR. CHAIRMAN: Mr. Doer.

HON. G. DOER: A point of information.

I have a copy of the March 4th letter that I can make available to the committee at a later point. Yes, from your solicitor. There are changes but the letter will be self-evident.

MR. J. WALDING: The next question from that, Your Worship, was does Bill 8 reflect the intent of what you had recommended be in Bill 8?

MR. W. NORRIE: Yes, it does.

MR. J. WALDING: There are no effective changes, I take it?

MR. W. NORRIE: No. We are quite pleased. I discussed this with our solicitor as late as 5:30 tonight, Mr. Walding

through you Mr. Chairman, and this was the essence and the wording in effect that was submitted by the city.

We worked on it very carefully. It was worked on by our City Treasurer and by our legal department, and it is the wording that we submitted and we're happy with it.

MR. J. WALDING: The wording says: ". . . notwithstanding this Act or any other Act," which means that any by-law passed by the city stands in its original form and doesn't need to be approved by the Cabinet or by the Legislature or by anybody else?

MR. W. NORRIE: Well, the provision, Mr. Walding, for the differential mill rate by-law requires that it be approved by Cabinet, but the provision for the phasing in under the terms of the legislation that we have proposed and which is in front of you does not require approval by the Cabinet or by anyone else. It's a by-law of the City Council.

MR. J. WALDING: Yes, that was the reading of it.

MR. W. NORRIE: Yes, it is.

MR. J. WALDING: That was my reading of it and I wondered why you insisted on having that absolute authority without Cabinet's overview.

MR. W. NORRIE: There is a longstanding theory of municipal government, Mr. Walding, that we like as few restrictions in The City of Winnipeg Act as we can possibly get away with. I should put it more positively but that's the essence of what I - I would be quite happy to have you delete the provision that the differential mill rates have to be approved by the Cabinet, but I don't think that that's going to happen.

The whole theory of municipal government and what the government's White Paper is moving toward, is that there would be fewer restrictions on the City Council and that City Council would accept responsibility for its own decisions.

I think that councillors are quite prepared, Mr. Chairman through you to Mr. Walding, to accept responsibility for actions over which they have control. What they really get very frustrated about is having to accept responsibility for actions over which they don't have any control.

So in this sense it gives certainly the full responsibility to the Council; Council then has to accept responsibility for whatever by-law they pass.

MR. J. WALDING: Does Bill 8 empower the city to pass any number of by-laws having to do with the restriction of tax increases?

MR. W. NORRIE: The intent of the act and certainly the intent of the recommendation that we will be taking to the City Council on Monday morning is to provide for, as I indicated earlier, phasing in for a category of property which will not be discriminatory but which will apply equally to everyone in that particular category. It will be for those experiencing over 10 percent increases in single family owner occupied properties.

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MR. J. WALDING: But Bill 8 would empower you to pass another by-law next month and another one the next month and so on, any number of by-laws, in fact.

MR. W. NORRIE: We wouldn't do that because our tax policy is fixed once a year at budget time and we will be passing our Budget on, hopefully, Monday morning. We will then pass the phasing-in by-law at the same time and that will provide then for the phasing in.

We would not come back and do that three months later or two months later, first of all because administratively it would be virtually impossible to work out; and secondly, our budget predications are done on the basis of the cost of that phasing in on a one-time phase in only.

MR. J. WALDING: Your Worship, but would this empower you to pass another by-law next year for the 1988 tax year?

MR. W. NORRIE: It actually provides that the phasing in is limited to three years. It would empower the city to pass a by-law this year for '87; next year for '88; and the following year for '89, and that would be the end of the authority.

MR. J. WALDING: But there could be one different by-law for each of those years, or several by-laws for each of those years?

MR. W. NORRIE: Yes, theoretically there could be. I would expect though that Council would be consistent in the three-year period because the first by-law would actually provide, as we have set it up, for the phasing in over the three-year period; and we are providing for a certain percentage the first year, a certain percentage the second year and a certain percentage for the third year. And it would be my intention, and I think it would be administratively their intention, and probably Council's intention, as well, that there would be only one by-law passed and that would cover the three years.

Now, theoretically, the Council could change it the second year, change the percentages, they could do whatever they wanted, but it's very unlikely because the first by-law would cover the three-year period.

MR. J. WALDING: Your Worship, would this Bill 8 empower you to give tax relief to owners of large lots?

MR. W. NORRIE: Oh, yes. Yes, it would, absolutely. The large lot owners, like the condominium owners, like the single-family dwelling owners who experience over 10 percent increase, will receive the same phasing-in consideration as every other property in that category.

MR. J. WALDING: And that would be whether or not a separate category of large lot owners was set up or not.

MR. W. NORRIE: Yes, absolutely.

MR. J. WALDING: I wanted to ask now about those people who have their tax increase limited by means of the powers in Bill 8. Would the remainder of that tax due be carried over into the future, or would it be in fact cancelled for them for that year?

MR. W. NORRIE: What would happen, Mr. Chairman, through you to Mr. Walding, is that you would get your regular tax bill; the increase, which resulted as a result of reassessment, over 10 percent would be shown as an item on your tax bill and would be phased-in 75 percent this year, 50 percent the next year, 25 percent the next year.

So you would, at the end of the three years, then pay the full amount of taxes but you would not, in the interim, be paying the full amount of taxes as if you had been levied the full amount in the first year. And you will appreciate there is a cost to the city to doing that and we are prepared to stand the cost.

MR. J. WALDING: So if a portion of the taxes would then be cancelled . . .

MR. W. NORRIE: Well, in effect they are cancelled, yes. They are made up from other sources. But that's another way of putting it; that portion would, in fact, be cancelled.

MR. J. WALDING: Is there presently a provision in The City of Winnipeg Act which enables Council to cancel taxes?

MR. W. NORRIE: I think there is a provision to cancel taxes, Mr. Walding. It has to be done in a rather convoluted way, if I remember. It has to be done by way of a grant and the grant is then contrad? against the tax account.

It's not an appropriate authority for a situation like this.

MR. J. WALDING: Thank you, Your Worship.

Would this Bill 8 enable you to set separate tax rates or separate tax limits on increases on commercial properties where there were increases, on a separate basis?

MR. W. NORRIE: It would enable us to phase them in. The rates are actually set under the Differential Mill Rate By-law, but all this does is provide a mechanism for dealing with those increases.

We do not propose to phase in increases on commercial properties if our recommendations are accepted by Council; those increases on commercial properties will be effective immediately.

MR. J. WALDING: But Bill 8 would empower you to do so.

MR. W. NORRIE: Yes, it would.

MR. J. WALDING: And it would empower you to set separate limits on individual commercial properties?

MR. W. NORRIE: No, not on individual properties. We cannot be discriminatory in our by-laws.

I think what you're getting at is if we chose commercial property (a) here, and commercial property (b) here, and (c) over here and dealt only with them, excluding all of the other commercial properties, that would not, in my view, and I think our solicitor has the same view, would not be sustainable because that would be a discriminatory by-law in law and could be struck down.

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If we were to apply phasing in to commercial properties or to any other category of property, it would have to be done across the board for that particular group.

MR. J. WALDING: A final question on that point, Your Worship.

If you didn't intend to have a discriminatory tax rate, and you didn't intend to put the limits on commercial properties, and you didn't intend to pass additional by-laws, and you didn't intend to do other things, then why have you asked for those powers in this bill; and why is the Minister asking the Legislature to pass on to you those powers?

MR. W. NORRIE: Because, Mr. Walding, when this section was drafted by our solicitor when we had our discussions, we did not know what, in effect, we were going to do. All that we knew was that we wanted to phase in, we wanted to cushion principally residential properties because, you know, the whole essence of this assessment problem is that with the reassessment there has been a dramatic shift from the commercial-industrial properties to residential and, if we were to do nothing at all, the purists - we have some purists on City Council and I'm sure you have some purists here - who would say, do nothing, just simply let the results of reassessment flow through. You and I would probably be moving out of our houses if that happened.

So our concern was that we wanted to have a mechanism to assist people who were going to receive inordinate, now "inordinate" is a subjective judgment, maybe 10 percent isn't the right figure, maybe it should be 5 percent, maybe it should be increases over 20; we have chosen 10 percent and you can always debate what percentage you should have chosen but, the fact of the matter is, when we drafted and submitted this section to the government, we did not know - in fact we didn't know until today at 3:30 p.m. what our policy was going to be.

We had a lot of discussions with the government; we had a lot of discussions amongst ourselves. We didn't know what authority we were going to get, and so we frankly wanted the provisions to be as broad as possible to give us a variety of options.

We have chosen one option, but we wanted it to be broad and that is what the provision is in the act.

MR. J. WALDING: Your Worship, since you have had that discussion this afternoon, are you now in a position to know much better exactly what it is that you want to do? Are you now in a position to recommend to the Legislature a by-law that you be given the powers only to enact a by-law having to do with residential property, one by-law for a phasing-in purpose, and not these other extraneous and very extraordinary powers which we are being asked to give to the city?

MR. W. NORRIE: Mr. Chairman, what we are prepared to do, and what we are in fact doing, is recommending to your committee that the provision that you have in front of you be the one that be adopted, partly because it covers the situation; partly because it gives us the flexibility that we may require, although I don't really see us changing.

But the other factor is, quite frankly, Mr. Walding, through you Mr. Chairman, is that if we were to start changing at the present time, knowing how quickly solicitors work - and I can say that as a member of the profession - I'm afraid we would not see the appropriate legislation by Monday morning, and we need it by Monday morning, Mr. Walding. It's very important that we have this passed by Monday morning; not only passed, but effective for us to operate under.

MR. J. WALDING: Thank you, Your Worship.

Just one further question on Bill 13. Maybe one of my colleagues down there will give you a copy.

MR. W. NORRIE: I have a copy. You gave me a copy.

MR. J. WALDING: Defining classes of property. 31.2. Would you like to give me your legal opinion as to whether there is any limit on the number of classes that the Cabinet set up?

MR. W. NORRIE: Well, I'm not in a position, Mr. Chairman, to give a legal opinion because I'm not in that business any longer. But let me give you a personal opinion. My personal opinion is that there is probably no limitation on the number of classes that can be established by the Cabinet as long as they come within the provisions of the act already passed. And the reason, as I understand it - and I'm not totally briefed on Bill 13 - but as I understand it, the reason that this bill is before you is simply because there is some question about whether condominiums can go into a separate class because of the definition, and that is a legal issue that the Minister and I have touched on, but it certainly has been discussed between him and his departmental counsel.

But, in terms of the concept of the creation of number of classes, I don't think there is any limitation. Whether it's wise to do it or not, is another issue.

MR. J. WALDING: Thank you, Your Worship.
Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Downey.

MR. J. DOWNEY: Thank you, Mr. Chairman.

I'll try to be brief. When one looks at the list of people wanting to make presentations, groups or individuals, it shows the importance of such a piece of legislation and I'm pleased that the Legislative Assembly has taken the time to hear them because, with all due respect, Your Worship, it appears as if it has more implications than what was initially discussed with some of the members of the Legislature and I think it's an important point to make.

I'll try to be brief but it is the process of this Legislature to hear the public and when we see this room full of people, another room full of people, it is affecting a lot of people and it is our responsibility, as legislators, to hear those individuals in this process, and that's an extremely important exercise we're carrying out. We'll try to move as quickly as we can because a lot of people want to be heard.

You have indicated that the phasing in will affect some 9,553 home-owners. You also indicated that there is a

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cost to the city because they are not picking up the additional expenses. What dollar figure is put on that cost that will have to be picked up by the city, remembering that the city gets its money from all the taxpayers of the area which you represent.

What is that cost?

MR. W. NORRIE: That actual cost, Mr. Chairman, through you to Mr. Downey, is dependent on what is done. The cost to phase in in 1987, both the municipal levy, \$579,700; the cost in '87 to phase in the school portion would be \$520,300; for a total of \$1.1 million. In '88 the total cost is \$733,000, and in '89 the total cost is \$366,600.00.

MR. J. DOWNEY: Mr. Chairman, that will be picked up by the remaining taxpayers of the City of Winnipeg?

MR. W. NORRIE: Well, it will be picked up in a way that will not appear, certainly in '87, as part of the '87 general budget, current budget. It will be picked up from, what we call future tax reserve, and we will take from the future tax reserve the amount of money required to pay the costs of phasing in, and that will be for 1987.

What will happen in '88 and '89 will have to be determined by the Council at that time.

MR. J. DOWNEY: You have also indicated, Your Worship, through you Mr. Chairman, to the the Mayor, there will be some that will receive a decrease. How many home-owners will receive a decrease?

MR. W. NORRIE: Mr. Bilow can you help me on that? I don't have that figure?

MR. BILOW: I think it's 80,000.

MR. J. DOWNEY: A very substantial number.

MR. W. NORRIE: 99,000 home-owners. I should tell you there are some 175 total taxpayers, Mr. Bilow. The total number of taxpayers, the total number of ratepayers, 175,000. Our of those, 99,000 will receive decreases and, as I indicated earlier that number for the assistance on the phasing in over 10 percent, 9,553.

MR. J. DOWNEY: Well, just to help clarify the matter then, we have 99,000 that will receive a decrease; we'll have 9,553 that will get cushioned from this because of the phasing in; and the remaining 68,000 or 60,000-some will have to bear the additional costs of the phasing in. That's basically how it boils down.

MR. W. NORRIE: Right. You have to remember that some of those will be in the residential category between zero and 10; and another larger percentage will be commercial properties which will not, if our policy recommendation goes through, receive any phasing in. They will experience their increase immediately.

MR. J. DOWNEY: Well, just a final point and it's more a comment than a question and I think that it's extremely important when we have 68,000 or 70,000 taxpayers in the city that are going to be impacted not either

getting a decrease, but are in fact getting an increase to carry the move that is made, that it's important we take the time to make sure that those individuals clearly understand what is taking place and I think the committee should move to try and hear as many of them as possible as quickly as they can.

Thank you, Mr. Chairman.

MR. W. NORRIE: Just on that point, Mr. Chairman, I should tell you, perhaps for interest of the committee, that many of the hours spent by councillors on this whole issue and the discussion revolved around who should, in fact, receive increases; who should, in fact, receive decreases. At one point there was a fairly substantial body of opinion that those receiving decreases should also have their decreases phased in. That point of view did not ultimately carry.

There were some who felt that the increases to be phased in should not take effect until they received a 20 percent increase; some felt it should have been lower. So there were all shades of opinion, and you can move those figures simply by moving the percentage points up or down. You can create a larger number of people receiving increases or decreases; or you can decrease them by moving your percentage point. So there's a wide shade of variation and at some point you have to make a decision, Mr. Chairman.

MR. CHAIRMAN: Mr. Ducharme.

MR. G. DUCHARME: Thank you, Mr. Chairman, through you to the Mayor.

Mr. Ernst has covered quite a few of the problems in regard to this, and to make it short like Mr. Downey has expressed, I'm glad he asked the question in regard to the cost of phasing in. It looks like it represents, probably to those who are going to be phased in, an average of \$100; is that correct? Approximately \$100 per . . .

MR. W. NORRIE: It will vary. It would be probably half of that, I would think, on average.

MR. G. DUCHARME: Mr. Mayor, on Wednesday, March 18, Mr. Shapiro and his group from St. Germain Community Association made a presentation to EPC. Can you tell me when, through your unsuccessful negotiations, when you were aware that they would not be getting this classification?

MR. W. NORRIE: I would have to go back in my mind, Mr. Chairman. I think that our discussions with the Ministers, and perhaps Councillor MacDonald can assist me here if I'm wrong, our discussions with the Ministers, prior to the group coming to Executive Policy Committee, had indicated that there would not be a separate classification.

We heard the delegation which represented the owners from all suburban areas. We heard their presentation, we then again discussed it with the government. But, I believe, and I'm quite sure, that we had received an indication prior to their presentation.

MR. G. DUCHARME: To the Mayor, again, was it before February 16 when the Councillor in the area, Doreen

Desmarais, had also made a written presentation - I don't know whether it was to EPC - but there was a letter in regard to the awareness and the expression of disappointment in this not being another classification.

Were there further discussions carried on again after that councillor made a presentation after February 16?

MR. W. NORRIE: Councillor Desmarais appeared as a delegation, Mr. Chairman, at the Executive Policy Committee. She is not actually a member of the committee, but our policy at the City Council is that all councillors can and are welcome to attend EPC meetings, and she spoke to the meeting. And at that time she very eloquently and very strongly voiced the concerns, particularly of the South St. Vital residents beyond the urban limit line, beyond the perimeter. Her indication was, at that time, that group wanted to come to the Executive Policy Committee to talk about assessment, and the position of the committee was that they were really not the body to address the issue of assessment because they didn't control assessment - EPC or Council does not control assessment.

Subsequently Councillor Desmarais and Mr. Shapiro and others indicated that they wanted to come to talk about matters other than assessment and, of course, that was quite appropriate and they did, in fact, get on the agenda and come and address the committee.

MR. G. DUCHARME: Back to Bill 8, what is the total amount of appeals that are being presented to the city at the present time? What approximately is the amount?

MR. W. NORRIE: The total number of appeals?

MR. G. DUCHARME: Yes.

MR. W. NORRIE: My last indication was about 7,500. Do we have a further update? About 7,500 appeals.

I might add that the first two batches of appeals that were heard, the first one was about 12, they dealt only with one because the other 11 withdrew after the explanations had been given to them by the assessment department, and explanations given.

So they are not going to hear, I'm sure, the full 7,000, but about 7,000 or 7,500 have been filed, and that's exactly about the number that we had predicted.

MR. G. DUCHARME: Maybe we're scaring some of them off. However, could you tell me any estimate of how many we will probably have - if you don't know the numbers - with the 105-day extension, or the appeal period, could you tell me any idea what your department has said of what we're going to be faced with, or what you're going to be faced with?

MR. W. NORRIE: I don't have any indication as to whether or not the extension of the appeal period will increase that number at all, Mr. Ducharme, through you Mr. Chairman, I really don't know.

Certainly the opportunity is there, and we have no objection to that provision in the bill at all.

MR. G. DUCHARME: At the pace you're going now with 7,500, how many have you heard of that 7,500?

MR. W. NORRIE: You'd have to address that question to the Board of Revision. We do not have any connection with the Board of Revision. Mr. Irving's group, or the secretary there, could give you that information, but we are separate and distinct.

The one difficulty, I might say, that I think everybody is concerned about is that, with the extension period, although we don't object to it and, in fact, welcome it, there may be some confusion because you have to remember, Mr. Chairman, that it is assessment that is appealable, and not taxes.

MR. G. DUCHARME: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Connery.

MR. E. CONNERY: Well, Mr. Chairman, first of all, I would like to express my displeasure about the size of the room with the crowd that we have and people having to be in another room and not being able to be here. I think the government could have facilitated something better.

Mr. Chairman . . .

MR. CHAIRMAN: Order, order please.

I would caution the members of the public, once again please, not to participate in any demonstrations. I think it would facilitate the proceedings of the committee if we did try and follow the rules. In fact, I know there are a large number of people in the audience waiting to present, perhaps if we can stick to the rules we might be able to get through the proceedings of the committee somewhat easier.

Mr. Connery.

MR. E. CONNERY: Mr. Chairman, it is a sad day when the people of Manitoba can't express their feelings to the government.

Mr. Chairman, to the Mayor . . .

MR. CHAIRMAN: Order please, Mr. Connery.

I would just indicate to you too, as well, that those are our rules and that they will have the opportunity to express their views to the members of the committee. In fact, some 64 people I believe have indicated their desire to do so and we will hear them out later.

Mr. Connery.

MR. E. CONNERY: To the Mayor, what is going to be the situation with farm land within the perimeters of the city limits?

MR. W. NORRIE: Farm land, wherever it is situated in the city, whether it's within the Perimeter or outside the Perimeter, will be in a special classification, as directed by the Cabinet, and will bear the same percentage of the roll this year as it bore last year.

MR. E. CONNERY: So there would be some increase in taxation on farm land?

MR. W. NORRIE: I can't tell you about the taxation. There will probably be assessment increases in some area. Some areas may be losing what is called the area allowance. But I can't tell you, as a general statement, that there will either be increases or decreases.

MR. E. CONNERY: To the Mayor, I wonder if the Mayor realizes the financial situation that farmers are in, and that the tax load that is presently on farm land is untenable to those people who are trying to farm until their land sells as residential.

Has the City Council had any thoughts on alleviating some of that high taxation on farm land?

MR. W. NORRIE: Well, one of the thoughts that we've had and the reason again why we're here tonight, Mr. Chairman, is to alleviate those taxes by phasing in the increases.

We realize that the farm economy in Manitoba and elsewhere is not what it should be but, quite frankly, the City Council really doesn't find itself in a position to do very much about the farm economy. That is really not within the realm of our jurisdiction.

What we do have, Mr. Connery, through you Mr. Chairman, is an anomaly of certain situations where farm lands are within an urban area and we have mixed-use lands. There have been certain proposals, for instance, like communities in Headingley that really are not urban and perhaps should not be in the City of Winnipeg, perhaps should be assessed with municipalities.

MR. CHAIRMAN: Order, order please.

Can I please ask, once again, for the cooperation of members of the public in the audience. We do have a clear set of rules prohibiting demonstrations from the audience. I don't want to have to disrupt the proceedings of the committee to keep reminding people, although my role as Chair is that I will have to do so.

I would rather I think stick to the rules, proceed through this, and then those members of the public wishing to make presentations will be able to do so a lot earlier.

Mr. Norrie.

MR. W. NORRIE: I was about to say, Mr. Chairman, that with respect to communities like that I don't think the majority of city councillors would have any hard feelings, or would oppose a separation between communities like I mentioned and the City of Winnipeg.

What you have to remember, though, is that we have some difficulties with city services that are outside the boundaries of the city. We are constantly being asked by the surrounding municipalities to provide ambulance service, fire service and, when we try to negotiate agreements with them, we are sometimes unsuccessful. So we have had to discontinue, for instance, ambulance service to the surrounding municipalities, which of course those groups seceding or withdrawing from the city would then lose. So it would be a subjective judgment that members of those communities would have to make, but we wouldn't have any particular objection, I don't think.

MR. E. CONNERY: Just one final comment, Mr. Chairman, to the Mayor.

The phasing in of what you called huge and excessive increases on the large lot, by phasing them in over three years, is not alleviating the tax, it's just saying you're going to hang in three years.

MR. W. NORRIE: What it does, it postpones the evil day, if I may put it that way.

MR. E. CONNERY: That's not alleviating.

MR. W. NORRIE: What it does, Mr. Connery, is that it means that for those three years those properties are not paying the full level of tax.

Now if we adopted the purest theory and said reassessment means reassessment, and if the value of land is X, or the value of land and building is X, and we let it flow through to that, then those people or myself or any other resident of the City of Winnipeg would be paying more taxes.

The problem really is this, I think, if I can be frank, Mr. Chairman. If reassessment had been completed during the days of Metro, during the early days of the unified City of Winnipeg, and had been done gradually, we would today be at the level of assessment that everybody is afraid we're going to be at; and, if it had been done gradually over the specified period of a reassessment every three years, we would all have been at a higher level. My house would have been assessed at a much higher level than it is now. The farm lands that you speak about would be assessed at a much higher level.

What has happened - and I alluded to this earlier - what has happened is that the values of residential properties have gone up much, much faster than the values of commercial and industrial properties and over the period of time the shift has taken place, moved the assessment values away from commercial industrial on to residential and, quite frankly, what we are trying to do is we're trying to prevent that massive shift taking place all in one year.

MR. CHAIRMAN: Okay, thank you, Mr. Norrie.

MR. W. NORRIE: Thank you very much.

MR. CHAIRMAN: Dr. Shapiro. I understand Dr. Shapiro has a written presentation that will be distributed to the members of the committee.

DR. L. SHAPIRO: Mr. Chairman and Members of the Committee, my name is Dr. Shapiro. I am the Vice-President of the St. Germain Community Association. St. Germain is an area bounded by the Red River and Highway 59 and the Perimeter Highway and the city's southern border.

My comments tonight represent the views of the residents of St. Germain and also pertain to other residents of the City of Winnipeg having unserved residential lots outside the urban limit line, but inside the city's boundaries. There are also unserved homeowners inside the urban limit line who share our concerns.

Early on our views were attributed to a few disgruntled landowners south of the Perimeter Highway. Our numbers here tonight belie that fact. Behind me in a separate room there are at least 500 additional people listening to us.

You have before you residents of North Headingley, South Headingley, South Charleswood, St. Germain, John Bruce Road, Old Kildonan and North Kildonan. A glance at a city map will reveal that, instead of being a few disgruntled residents south of the Perimeter, we are more than a few of Winnipeg's residents who have formed a ring around the city.

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Mr. Chairman, we feel that we are being taxed unfairly and classified inappropriately. Through public discussion of Bills 8 and 13 we hope to address these concerns, elaborate them for you, suggest changes and recommend alternatives.

Bill 8 deals with an extension of the appeal date and phasing in the increase in our taxes which will result from a general reassessment. Bill 13 deals with regulations defining classes of property on the basis of size, ownership, types and uses of land and buildings.

The six classifications originally presented to the residents of Winnipeg have resulted in large inequities for owners of unserviced rural residential lots outside the urban limit line, but within the city's boundaries. These inequities are of such magnitude that they threaten our very ability to continue to realistically view these holdings as our homes in the future.

The primary assumption which is causing so many of us potential hardship is one which assumes that you can treat us the same as you can a serviced lot inside the urban limit line. The problems that such an assumption can create were referred to on page 7 of the District Plan for St. Vital which was published in 1977, a full 10 years ago, Mr. Chairman. The District Plan states that such an assumption may create problems in land assessments; indeed, it has.

All residents outside the urban limit line have some component of their property designated as Residential Class 10, the same as a serviced single-family home inside the urban limit line. If one has under four acres, then all four acres are classified as Residential Class 10. Because a lot up to four acres in size is much larger than a city lot, that homeowner is going to pay much more in taxes because the two lots are evaluated on the same basis. If one has over four acres, say 100 acres, then 10 percent of one's property is assessed in the Residential Class 10 category. That means that 10 acres of this individual's property will be taxed as if it is a serviced lot inside the urban limit line. The remainder of this resident's land will be assessed as if it was farm land and will be assigned a Class 30 designation.

Mr. Chairman, most of us do not own hundreds of acres, nor do we own serviced city lots. Very few of us are full-time farmers; yet many of us do engage in agriculturally based activities. After all, that is one of the reasons that we live in this area. With few exceptions, we are neither city lot owners, nor full-time farmers; we fall somewhere in between. The problem that this situation creates for the present classification scheme has produced some very large inequities in our assessments. It is these inequities that we would like to address tonight.

A realty tax, Mr. Chairman, should be based on property values and nothing else. When it is based on property values, it is impartial. That does not mean that it is fair, Mr. Chairman. Rich individuals can own a small property and pay a small tax while individuals with little income and much real property will pay a lot of tax. In this sense, the realty tax is unfair. It is, however, impartial and treats all property owners by the same rules.

The current legislation is not doing that. Now, one's property tax is dependent upon who you are, not only on how much property you have. If one fits into a category City Council and the province wants to please,

such as a golf course or a condominium, you will pay a low tax rate; if not, one is taxed exorbitantly, unfairly and inequitably.

The current reassessment is supposed to be catching up with the changes in value over the last 23 years which have not been reflected in previous assessments. The major change has been the rapid rise in value of land that was previously undeveloped 23 years ago and is now fully urbanized.

Mr. Chairman, we are not urbanized; we never had been, we are not now, and we will not be in the future because Plan Winnipeg will not allow it. We do not have sewers, transit service, paved streets, sidewalks, city water, hydrants for fire protection, and many other amenities that you take for granted, such as street lights, community clubs and flood protection.

According to the present classification, Mr. Chairman, we are technically being designated urban; in fact, we are rural, and our lifestyle revolves around that fact.

Please note, Mr. Chairman, we are not saying that we want these services; we are not saying that we should not pay taxes; we are not saying that we should not have our taxes increased. We are saying that our proportion of the city's taxes should be fair, should be seen to be fair, and should be equitable with respect to the services we receive.

It is not right, nor is it fair to tax someone who does not have city services as if they do have these services. Mr. Lorne Morton, the Deputy Assessor for the City of Winnipeg, is quoted as saying that the ". . . increase in suburban property taxes is directly due to an improved quality of life in the suburbs." Mr. Chairman, I stand here before you tonight and I say that Mr. Morton is wrong.

Bill 8 does not address the inequities that we perceive, Mr. Chairman. Bill 8 extends the date by which one can appeal one's assessment. We have no objection to that aspect of Bill 8. Bill 8 also refers to phasing in, a term that I would like to return to in a few moments. Now let me just say that phasing in does not directly address the inequities in the current classification scheme.

Bill 13 is another matter, however. Bill 13 states that the Lieutenant-Governor-in-Council may make regulations defining classes of property on the basis of size, ownership, types and uses of land and buildings. It would seem that Bill 13 can directly address the inequities in the current classification scheme that pertain to us now.

It should be noted, Mr. Chairman, that to date there have been no additions to the current classification scheme, and there will not be until Bill 13 is passed. At that time two new classifications will be created to address inequities that pertain to golf courses and condominium owners. One can only wonder, Mr. Chairman, what magical powers were invoked to create two new classifications, while a third is ruled out of the question.

Bill 13 would give the Lieutenant-Governor the ability to make a third classification that would pertain to all unserviced residential lots outside the urban limit line, but within the city's boundaries. Once such a classification is granted the City of Winnipeg can issue a mill rate which would reflect the unserviced nature of our lots with no potential to subdivide and subsequently to develop them. Of course, it must be

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remembered that the City of Winnipeg could issue a mill rate so high in value that it would completely negate the value of a separate classification. Although it is possible, Mr. Chairman, it would almost certainly be inviting political suicide since the vindictiveness of the action would be manifestly apparent and would be an election issue of immense importance to voters and the media alike.

We think a separate classification would be a reasonable solution to the problems confronting us, Mr. Chairman. Obviously not everyone feels the same way.

The objections that have been put forward to argue against our proposal are varied. One reason that is given is that we are wealthy and can afford to pay higher taxes. That statement is an assumption that is unsupported by empirical evidence. Because it is not true, Mr. Chairman, it is a lie. Not only is it a lie, it is a damn lie.

I am sure that there are those among us who have more money than others. The same is true in your neighbourhood. Does that make you rich? Does that mean that you should be excessively taxed because of your proximity to wealthy individuals? Mr. Chairman, we are not wealthy individuals. We are home-owners struggling to maintain family holdings.

But we have large lots, others say. Such a statement seems to equate a large lot with a large house, and both with wealth. That is unsound thinking, Mr. Chairman. We own large lots because the Division Plan will not allow us to purchase smaller lots. Since we have no sewers we have to install our own septic fields. With the type of soil we have it is not unusual for our septic fields to weep all the time. Do you want to live next to that? Of course not; so the lots are large by city standards.

Another reason we hear to justify our high taxes is that the higher taxes reflect our potential to subdivide our land and reap the profits associated with such a situation. In fact, we cannot subdivide our properties; Plan Winnipeg will not allow us to do so.

We have been told that it was our choice to move outside the urban limit line so we should accept the consequences of those actions. If one wants a semi-rural environment and large properties then one should accept the consequences of such a decision. These comments miss the point. It may be our choice to forego services in a trade-off for lifestyle, but why should we be taxed for services we do not receive?.

Further, it is assumed that all of us chose to move from the city to areas outside the urban limit line. Many of our residents were raised in these areas; many moved to these areas from other rural areas; some of our residents moved to these areas because they could not afford to live within the perimeter; and, yes, it is true that some of us did move to these areas from the city. It is equally true that all of us expect to be treated fairly and equitably as citizens of Winnipeg, living in the Province of Manitoba. We do not expect to be treated as aliens not deserving the same consideration all other citizens of Winnipeg receive because we do not have political influence, high paid lawyers, or voters of a similar political stripe as the province or the city.

It has been said that we were undertaxed before so we should not complain if we are overtaxed now. First, we do not feel that we were undertaxed before; second,

we do not feel we are going to be overtaxed in the future; third, we did not make the tax laws of the past. Twenty-five years of bad taxation does not justify a 26th year of bad taxation.

Increasingly it is said that there is not enough time left to make the necessary changes. That, Mr. Chairman, is not a problem of our creation. Indeed, the City of Winnipeg has not conducted a general reassessment for 25 years. It has ignored its legal responsibility, its legal obligation for a quarter of a century. One can hardly say that there is not enough time to rectify an obvious error or to, in any way, blame that situation on us.

On the other hand, it is becoming increasingly evident that Judge Croft erred when he ordered a general reassessment by the end of 1986. That was not enough time to adequately prepare for this reassessment. There was not enough time to train assessors, nor was there enough time to predict the problems that might be encountered by the classification scheme the province offered to the City of Winnipeg. And, once the problems were identified and obvious, there was not enough time to think of alternatives to them and to implement them. But, once again, Mr. Chairman, I must point out that this potential problem is not of our making.

The same arguments apply to the City of Winnipeg's computers and for the same reasons. With respect to the implementation of a new classification for us, the Assessment Department has told us that it would not take that long, there are only approximately 1,700 of us. In addition, this obstacle did not prevent the two additional classifications from being added to the original six.

It has been argued, Mr. Chairman, that if special classifications are made for every group that wants a break, the reassessment procedure becomes a joke. No one is asking for a break, Mr. Chairman; we are asking that inequities in the system be corrected. The number of inequities which are appearing is evidence that the present classification scheme is simply not adequate. Additional classifications should be created to cover all these inequities. Not addressing the inequities will not make them go away and it will not equitably redistribute Winnipeg's tax base. Operating on the assumption that a flawed system is better than no system is not in the city's or the province's best interests. Again, 25 years of bad tax decisions does not justify a 26th year.

Some people have argued that a separate classification is not necessary because the marketplace will reflect the lack of services outside the urban limit line. In an ideal world that may be the case. This is not an ideal world, however. Properties sold among relatives, between good friends or business associates, transactions conducted under duress, out of ignorance, foolishly, etc., all contribute to market value, and all contribute inappropriately to market value.

Market value, or resale value, does not necessarily reflect true value of land. In fact, the Assessment Department in the City of Winnipeg does not have enough sales data to tabulate an accurate assessment of our properties. There is a very slow market turnover in the rural areas; hence, our market value has not been established and it is unfair to say that our lack of services will be reflected in the 1987 tax bills.

Mr. Chairman, awhile ago I said that I wanted to return to an aspect of Bill 8 that dealt with the term "phasing in." Phasing in and its twin, deferred taxes, are cited as procedures that will benefit the large lot owner. Phasing in does nothing to address the inequity of being taxed unjustly and unfairly, it simply spreads the full impact of the inequities over three years. Phasing in would work where the imposed taxes are fair and equitable. In our case they are not, we are being taxed as if we had serviced lots.

Phasing in requires new legislation. The Provincial Government feels it already has the authority to give the City of Winnipeg permission to defer our taxes. Additional legislation is not required.

The Weir Report clearly indicates that deferred taxes are a method that can be used to protect agricultural land from abuse by speculators and developers. We are not speculators and developers; we are homeowners struggling to maintain family holdings.

Deferring taxes benefits the speculator and the developer by relieving them of the necessity of paying high taxes, in excess of the agricultural value of their land, until such time as they can develop it. If the cost of carrying their property during this time frame is low, then it becomes economically feasible to pay a penalty representing the difference between what was collected in taxes and what could have been collected in taxes during the previous five years, if the property had been subdivided and developed, i.e., removed from agricultural classification.

For the speculator and the developer, who always intended to develop the land, the profit to be reaped justifies the cost of the deferred tax. For the homeowner, who bought the land with no ulterior motives, deferred taxes means that a lien has been placed upon his property. What purchaser, upon finding out that there is a deferred tax which could be imposed upon him in the future, would not insist upon some payment toward the future imposition of that tax? The homeowner is being cheated of what profits are rightfully his, and has the marketability of his property reduced. In addition, deferred taxes do not solve the problem of inequitable taxation. Why should we be made to pay later for services we do not enjoy now?

Mr. Chairman, we are practical homeowners. We realize the pressures being placed upon you. We know that trying to answer questions which have no correct answers is not an easy task. You, in turn, must realize that there is another side to this coin. That side says that failure to do something to alleviate the heavy tax burden that is being imposed upon us is going to severely affect our senior citizens, retired residents, widows and widowers, and our residents of fixed incomes, not to mention the ordinary wage earner struggling to make ends meet.

It is no accident that there is a slow market turnover outside the urban limit line. Our residents tend to stay here for long periods of time after they establish their homes. Consequently, we have a larger than normal proportion of older residents on fixed incomes. In our area these people will not be able to keep their homes if their taxes increase by the amounts hinted at by the magnitude of their assessments.

With taxes as high as one suspects they will be, many of our retired residents will sell their family homes and move off their land. Others will question what the future

holds for them and begin to think about selling. These are unfortunate and unnecessary results of a poor taxation policy. It is doubly unfortunate coming from the NDP party.

The Minister of Health, Mr. Desjardins, has repeatedly said that the Pawley Government wants to keep seniors in their homes as long as possible to cut down the costs associated with Medicare. This will not happen under these circumstances. Inside the urban limit line there are social service agencies that can assist these individuals; outside the urban limit line there are not. Why not? Because these agencies will not venture past the Perimeter Highway.

If the increase in taxes does not cripple many of our fixed income families, then the added burden of our school taxes is sure to do so. Our school taxes are applied directly against our total assessment. Since our assessed values have risen dramatically, it follows that our school taxes are going to rise similarly. It is at this point that the camel's back will break, Mr. Chairman. Our senior citizens, retired residents and ordinary homeowners making just an average wage cannot afford the whopping increases our taxes are going to reflect.

Hence, Mr. Chairman, if it is the case that a separate classification cannot be had, we would like to offer an alternative to you for your consideration. Lower the lower limit of agricultural Class 30 from four acres to one-half acre; eliminate the "10 percent of one's property" rule that currently pertains to the establishment of one's Class 10 property, and classify all lands in excess of one-half acre as Class 30, or agricultural. This applies two different classifications to all properties over one-half acre with all properties having an equal one-half acre residential component. Without this change, or without a new classification, the application of a differential mill rate will unfairly penalize the under four-acre property owners and the very large property owners. We feel this suggestion will eliminate this obvious inequity based upon size of property, as well as reducing the tax burden on our properties.

A prime objective of municipal taxation is the equitable distribution of the tax burden according to the value of each resident's property. If equity in taxation is to be achieved it must result from equity in assessment. The four-acre rule does not allow this to happen; the 10 percent rule is also unfair.

The proposed change that we are suggesting you make in The Municipal Assessment Act, Mr. Chairman, need not infringe upon other municipalities in the Province of Manitoba. The change can be included in Bill 13 along with a regulation which allows it to be applied solely to the City of Winnipeg, based on ownership of land in the City of Winnipeg.

This suggestion should not be difficult to implement, Mr. Chairman, after all, other provinces have undergone general reassessments and some of them have been quite creative in their use of classifications and regulations.

In the 1970's, for example, the Province of British Columbia had a land freeze to prevent the spread of urban sprawl. They devised a classification called "rural residents" for home-owners like us. It recognizes the lack of services provided to lots outside the urban limit line, and it also recognizes the rural nature of the locations involved.

There is no agricultural component in the classification. There is also no "10 percent of your property is residential" rule. This is a creative and honest classification. Why can't the Province of Manitoba come up with some original solution to this problem? As for limiting the suggestion to Winnipeg, I can only say that it would not be the first time Winnipeg was treated differently from other municipalities. Winnipeg is the only municipality allowed to apply a differential mill rate to its assessments.

Mr. Chairman, it is the law makers who set the rules for the Assessment Department to follow. Do not send us to the Assessors Office without a new set of rules for them to follow. They will only say that the rules do not allow them to do otherwise. We are in a Catch-22 situation. The Assessment Department relies on your rules to guide them.

We have indicated to you two ways to help us solve this problem. To us, Mr. Chairman, the logic seems sound but it would appear that political influence, not logic, is writing Winnipeg's property tax this year. That is manifestly unfair, Mr. Chairman.

During the last election, Mr. Chairman, the motto of the NDP was "Stand Up For Manitoba." We are part of Manitoba, Mr. Chairman, why aren't you standing up for us? Are you so brazenly political that you are willing to sacrifice us for the larger number of voters inside the urban limit line? If you can skewer us today, who will you skewer tomorrow?

Mr. Chairman, it is true that we are a voting minority. Nevertheless, we do not want to be your sacrificial lamb on the political altar. You are a government that was elected by the people and because of the people, not in spite of the people. We expect you to act responsibly for what is right, for what is fair, and for what is equitable. We do not expect your legislation to make us move off the land, to sell our homes, or to lose our homesteads.

An unfair and unjust tax burden is being handed to residents of unserviced rural lots, both inside and outside the urban limit line. That unfairness and its attending inequities are the issues to which this assembled gathering wishes to address its comments.

Two individuals would like to address themselves to the issues I have raised in this presentation. Mr. Don Adamek and Mr. Fred Corey will address the specifics of our proposal. Following their presentations, we will be pleased to answer any questions that you may have.

MR. CHAIRMAN: Mr. Adamek.

MR. D. ADAMEK: Mr. Chairman, Members of the Committee and concerned residents. My name is Don Adamek, I am a resident of St. Germain. As stated by Dr. Shapiro, we have a number of recommendations and concerns to put before you. We ask that you consider them and take favourable action on them.

We are requesting, firstly, a new classification be created that will encompass all residential unserviced property outside the urban limit line but within city boundaries.

The urban limit line, as you are aware, is a boundary in Plan Winnipeg which prevents subdivision of property into urban lots and the extension of city services before the year 1999. This whole area outside the urban limit

line, but within city boundaries, consists of approximately 1,500 unserviced residential lots, of which about 350 are in the St. Germain area.

The total land mass outside the urban limit line, but within the city's boundaries - we are about 40 percent of that land mass of the total city area. Because we are such a large land area and a small population so different from the norm of the city inside the urban line, we need a special classification to facilitate a fair and equitable taxation.

We are currently under two classes, Class 10, under four acres; and Class 10 and 30, over four acres. Once this new classification is created the city can then set a differential mill rate which reflects the level of services provided. This mill rate must ensure that the proportion of taxes paid by residents outside that urban limit line does not increase faster than those inside. The fact that our land assessment increased 10 to 40 times, whereas the average serviced lot has increased four to eight times, is evidence that we will assume a much higher share of city taxes.

It has come to my attention through a reliable source that, under the proposed mill rate currently being discussed at City Council, our taxes will rise in real dollars by 30 percent to 40 percent, on average. The current average in our area is approximately \$3,000; with the 40 percent increase it will rise to approximately \$4,200, while the city average will approximately rise 4 percent. This situation is outrageous and must be addressed by you, the people who make the legislation.

A new classification has been introduced for golf courses, in other words large greenbelt areas, and condominiums, high density population areas. We are a large unserviced land area with a low population density and, therefore, should be classified accordingly.

Time has been given as an excuse for not introducing a new classification; this is not a valid reason. We had a meeting with Mr. Funk and Mr. Morton of the Assessment Department and they stated it would not be a problem even to manually adjust the approximate 1,500 assessments. They estimated it would only take about two days.

If a new classification cannot be created, then we suggest another method with an adjustment only to the classification 30, agricultural. The Class 30 limit should be lowered from four acres to one-half acre. The first half acre, plus building, should be Class 10 residential, and the balance of the lot should be Class 30, agricultural. We suggest the half acre be Class 10 because the 10 percent system currently on four-acres-plus lots is inequitable to greater lots than five acres in size. I realize that is a city assessment rule, not a provincial; it's chosen by the assessors, the 10 percent amount. But the arrangement will eliminate the inequities of lots above and below four acres in our area.

I show a Table of how this works and you can study it as we go through. As shown in the Table, the building remains the same in all classes. In other words, the assessed value on the building always remains the same, but the land assessed Class 10 currently is high for lots under four acres, and high for lots above five acres. The proposed half-acre class will eliminate the inequities.

If the Agricultural 30 limit is not lowered to include lots less than four-acre lots, then two-acre lots may pay more than the five-acre lots, if it's not been lowered.

As shown in the Table a 45-acre lot currently is 10 percent. If its total assessed value at 2,000 an acre is 90,000, then 10 percent of that, in other words, 9,000 is being applied to the 10 residential. Under our proposal that half acre would be the actual half-acre value, not the 10 percent value. Therefore, it would lower the residential portion on that 45 down to 1,000, and the balance would go under the Ag. 30 proposal.

The two-acre lot, right now, is currently at 100 percent residential. We ask that the half acre be the actual 25 percent, since half an acre is 25 percent of the value, be applied to the half acre. We are not asking you to change the assessed figures, only how they are categorized, or classified.

Of course, this would mean an adjustment to The Municipal Assessment Act. The wording would make it apply only to land inside city boundaries and outside their urban limit line. The wording, therefore, would only affect cities, of which there are five in Manitoba - Winnipeg, Brandon, Portage, Flin Flon and Thompson - not all the municipalities as was feared, or told us.

The cities urban limit lines - I don't know if the other cities have them - could then apply this assessment system to their large unserved low population density lots. Only the land is affected. The residential building and the contiguous half acre of land around the building is still taxed the same as other Residential 10 lots in the city's assessment roll.

In summation, the whole purpose of reassessment was to create equitable taxation. The province and the city must demonstrate to the ratepayer, objectively, that equity has been accomplished. It is obvious to us that this has not been achieved. A special classification with the appropriate differential mill rate can best eliminate the inequities of large unserved lots outside the urban limit line and within city boundaries.

Thank you.

MR. CHAIRMAN: Perhaps if I could ask members of the public, who do have copies of their briefs, to give it to our Clerk of Committees and he'll make sure that they are distributed.

Mr. Ernst.

MR. J. ERNST: Mr. Chairman, there are a great many people here this evening, many of whom, if not all, have registered to speak to the committee. Practically speaking it is not five minutes past 10, so it might be that we'll hear all of those people tonight, in fact, it will be almost a physical impossibility.

Might I suggest that the committee continue to sit until 11 or 11:30, then resume sitting tomorrow evening, to hear the balance of those people. Then those who cannot remain for the balance of the sitting this evening, can at least be left to go and return again tomorrow evening to consider, rather than hold them here all evening expecting to be heard when, in fact, they won't be. It at least gives them the opportunity of getting home a little earlier.

MR. CHAIRMAN: Mr. Ernst, we do have a committee meeting tomorrow. I'll test the will of the committee in terms of the hour that we would adjourn, at least the approximate hour of adjournment tonight.

Mr. Doer.

HON. G. DOER: Mr. Chairman, we'd certainly concur with the recommendation from the Member for Charleswood. I think there are a number of people still on the list and if we can't hear them tonight, certainly tomorrow night and, consistent with your recommendation, if people have to leave certainly they shouldn't be preempted from speaking to us tomorrow.

MR. CHAIRMAN: Can I take it then that members of the committee will continue till approximately 11:30 p.m. tonight?

Mr. Ernst.

MR. J. ERNST: Eleven o'clock.

MR. CHAIRMAN: Okay, we'll continue until eleven o'clock tonight; and there is a further sitting of the committee tomorrow that has already been scheduled.

Mr. Corey, please proceed.

MR. F. COREY: Mr. Chairman, Members of the Committee. I am Fred Corey, and I also represent the residents of St. Germain.

We support Bill 8 because it permits council to phase in the high increases in taxation which the residents of St. Germain are facing, over the 1987, 1988 and 1989 tax years, and because it extends the appeal date to permit property owners who are unaware of the dollar value tax implications of the general reassessment to submit appeals.

However, as there will be general reassessments approximately every five years, the limited increase provision should not apply to the specific years 1987, 1988 and 1989, but rather to any year of general reassessment and the following two years.

Similarly, the extension of the appeal date should not be specific to 1987 but should apply to any year of general reassessment.

Another concern is the wording of the proposed section 152(10). The phrases "separately assessed parcels of property" and "such terms and conditions" permits council to limit the increase on separate, i.e., individual parcels of property based on any terms or conditions. This wording permits political abuse of tax dollar increases over this three-year period, although the Mayor has indicated that this will not occur. In the interest of fair and equitable taxation, increases should apply city wide or across a class of property. It should not address individual properties. Therefore, the word "separately assessed parcels of property" should be deleted.

We also support Bill 13 because it provide the enabling legislation permitting caucus to make a regulation defining classes of property based on size, ownership, types and uses of land and buildings. It permits classes of property - as Mr. Ernst indicated, a new class will be created for a condominium or a golf course - but it also permits the establishment of any other classification that can be established by regulation.

As representatives of over 300 large residential lot owners, we request a new regulation be adopted to establish a new class based on the proposed Bill 13. This is a class for large, unserved, low-density residential lots more than half an acre in size, and less

than 40 acres in size, outside the urban limit line, but within the city boundaries. These lots are assessed by the acre, rather than by the frontage foot. This new class would be based on size - as Bill 13 says, more than half an acre and less than 40 acres. It also could be based on ownership and it could include only contiguous owner-occupied properties within the City of Winnipeg.

This provision for ownership within the City of Winnipeg could restrict it just to the cities so that other municipalities would not be a concern. It is based on type, including low-density residential unserviced lands outside the urban limit line. These are lots that cannot be subdivided to less than two acres before 1999. It is based on use; lands containing a house, well, septic tank or field with additional land used for hobby farms, agriculture, gardens, livestock, fruit trees, recreation, and a variety of other purposes.

This proposed new class meets all the criteria for a new class and provides a distinct class between the residential Class 10 which includes typical serviced lots and apartments up to four units, and the agricultural Class 30.

The agricultural class could then be confined and used for lands that are actually for agricultural purposes with a mill rate that reflects the cost per acre of farming, or the rate that a farmer can buy his land for, rather than solely land value. This will enable a farmer to operate on the land after paying his taxes. Most farmers had increases in land assessment of 10 to 20 times. The average city-wide increase was only four-and-a-quarter times. Without a differential mill rate, a farmer who previously paid \$20 an acre in taxes, will face new taxes of \$50 to \$100 per acre - although the Mayor has indicated that the agricultural mill rate is being established as such that the agricultural component will still pay the same percent of the roll, so that should alleviate part of this problem.

This new class would fill the gap between a typical serviced lot of less than half an acre, which is assessed based on the street frontage, with a declining rate for land depth in excess of 100 feet, and a farm which has a minimum of 40 acres in size.

There is more merit in establishing a new class for a large lot residential than there is in establishing a new class for golf courses and condominiums.

Let's look at golf courses, there's approximately 18. At least seven of those, possibly more, are city-owned. Their land use is a low density commercial land accommodating a recreational use. There's also many properties that accommodate recreational uses like curling clubs, bowling alleys, gymnasiums and they're assessed by the acre. It's a very specialized class and includes golf courses, but apparently not driving ranges or miniature golf courses, or other similar recreational facilities like privately-owned baseball fields, or soccer fields and playgrounds.

The effect of the reassessment: Golf courses have a fairly high increase in land value, but most are in areas where the land assessment only increased between five and 10 times, except for the two in Headingley which are further out.

The redevelopment potential: There's the opportunity to sell the land for redevelopment at any time due to the high value of the land. The Glendale Golf Course, for example, recently sold its Portage Avenue frontage

as commercial land. Most of these are owned by a Golf Club, but there's typically some provision for access by the public.

If we look at condominiums there's approximately 4,000 units, maybe a few more. The land use is high-density, single family. They're in multiple-family type buildings and they're assessed by the square foot.

The effect of the reassessment: The assessment is almost entirely on the building, which is already one-third exempt and which, in most cases, had a below average increase in assessment, because the land increased at a much higher rate than the building did.

The redevelopment potential is limited and most are owner-occupied, but this condominium represents a second class, in addition to the multiple-family classification, for high-density residential lands.

Now we'll look at large residential lots. There would be approximately 2,000 of them. The land use would be low-density, unserviced, single family with additional land use for agricultural, recreational, vacant purposes and they'd be assessed by the acre, rather than by the square foot, or frontage foot, as other residential lots are.

The existing class is Class 10 residential for the lots that are less than four acres in size. Now above four acres 10 percent of the lot is Class 10 and the balance is Class 30 agricultural. Therefore, there are inequities at present for lots less than four acres and for lots more than 10 acres.

Now the effect of reassessment is that land assessment has increased 10 to 40 times. Building assessments have increased approximately four times, and this combined increase is much higher than the city-wide average of 4.25; and many properties now have much higher land assessments than they do building assessments.

The redevelopment potential is: The lots that are more than five acres in size can be subdivided down into five-acre and, in some cases, two-acre lots. But most of the lots are already five acres or two acres.

The proposed size is: Lots that are more than half an acre, or less than 40 acres.

Now if a new class is being established to create a high-density single-family residential class distinct from multiple-family residential, then it follows that a special class should also be created for low-density single-family, distinct from the typical serviced lot. These large lots are facing much larger inequities due to higher increases in assessment and limited municipal services than either golf courses or condominiums.

The new class for golf courses is also for low-density commercial land similar to our lots, but again our increases in assessment are much higher. If the province is prepared to take action to correct inequities facing golf courses and condominiums, it must also take action for large residential lots. There are not a lot of other groups, besides the large lot owners, asking for new classes, so it is doubtful if the creation of this additional class will result in demands for more classes.

If the Legislature or caucus won't pass a regulation establishing a new class, then the only other alternative is to amend the current regulations for the agricultural Class 30 to reduce the minimum size from four acres down to include lands in excess of half an acre, to permit the city to classify all residential lands, in excess of half an acre, as agriculture. This regulation would

then require that the first half acre be classified as residential for all lots under 40 acres in size, having a house or not; lots over 40 acres should have the first half acre residential, if they actually have a house. This requirement for half an acre Class 10 assessment, if there is no house, is to ensure that vacant lots are not taxed less than lots that contain a house. Currently, vacant lots more than four acres are entirely agricultural.

This amendment would eliminate inequities due to classes that currently exist as follows: If you look at the graph you can see that up to four acres the property is entirely classed 100 percent as residential. Now at the point you go over 3.99 acres, then only .4 of an acre is assessed as Class 10, and this increases at the rate of 10 percent of the total property. So as you get up to 10 acres, then one acre is classed as Class 10, or residential; at 40 acres you're size as the four-acre maximum; and when you get up to 100 acres, or 200, you've got 10 acres which is classed as residential; and these large farms have higher Class 10 assessments than a typical serviced lot inside the city.

Now, by going just to the straight one-half acre system, then everyone would be treated equally, they'd have a half-acre Class 10 assessment which would take into account the value of the residential component of the land, and the balance of the land could be assessed at a differential mill rate which would reflect the value of this additional land.

Currently the residential assessment bears no relationship to the area required for residential purposes, which is at most 0.5 acres; rather it relates to the total holding, whereas I explained, lots of one to four acres and over 10 acres in size, have very large Class 10 residential assessments. The area of Class 10 assessment was never an issue before because the mill rate was the same for all classes, so it didn't matter what you were classed. You know, the number was irrelevant because the assessment was the same. There were some tax benefits to farmers, but in terms of the large lots we're dealing with there's no difference.

With different mill rates for each class of property this inequity will result in differences in tax paid. Lots between two and four acres will pay higher taxes than lots of four to six acres in size. And this has been substantiated by the Mayor because he said that the agricultural component will pay the same percentage of the roll that they paid before. So, because there is a high increase, the agricultural component will still remain quite low, but the very high Class 10 component will increase substantially.

This alternative, in comparison to the new classification, does not provide an agricultural class that reflects only farming operations and it's, therefore, not as beneficial to farmers as the new class would be.

Given the implications of differential mill rate, there is a need to address the inequities facing large unserviced lot owners. There are two methods of solving this problem: either you create a new class by adopting a new regulation; or amend the agricultural class regulation from four acres down to half an acre. Even if this is only done within the City of Winnipeg it would be acceptable to us.

We leave it to you to recommend the preferred method. The failure to have reassessment over the past 25 years has resulted in differences in the property

values, but if these reassessments had taken place in regular intervals, these higher taxes that some areas would be paying would have been reflected in the value of land that people are paying now because people only have a certain number of dollars to pay for their mortgage, and interest, and taxes. So by imposing this tax now, you're not taking into account the value that might have taken place if these changes had taken place by regular reassessment over the last five years.

We'd be happy to answer any questions that you have.

MR. CHAIRMAN: Are there any questions.

Okay. Thank you, Mr. Corey, Mr. Adamek and Dr. Shapiro.

Mr. Adamek.

MR. D. ADAMEK: I just want to address what the Mayor had said earlier. He emphasized that our land is given a fair shake, that we're only approximately 18 cents a square foot, and the City of Winnipeg is \$2.64-2.65 a square foot. An analogy that I can draw would be: a barrel of crude oil is \$15 a barrel; yet you refine that oil down to car oil and it sells for \$2 a litre. So, in other words, you have the same analogy. Servicing that oil makes it valuable, so you would have that same ratio up 25 times the amount.

So his story that we're getting a break because it's only 18 cents a square foot, is only because that's what people are willing to pay for that land; not that we're getting a break. I just wanted to clear that point up.

MR. CHAIRMAN: Thank you, Mr. Adamek.

The next presentation is Don Fleming.

Mr. Fleming.

MR. D. FLEMING: Mr. Chairman, Members of the Committee. One phrase that has been repeated many times over the years is: "Government of the People; By the People; For the People." Well, we are the people and we do not feel that our elected representatives are listening to our predicament.

Let me explain another one of the inequities we are faced with as "large lot" property owners. It must be understood that I am describing how fire insurance rates are set for homes beyond the protection of fire hydrant or firehalls. The majority of the companies use the following rate structure - Least Expensive to Most Expensive.

The first one is Town Grade One: This is a rural community where the home is within 1,000 feet of a hydrant and 5 miles, by road kept open year round, of a responding firehall.

Metro: The City of Winnipeg and within 1,000 feet from a hydrant and five miles from a firehall. Town Grade Two: No hydrant protection but within five miles, by road kept open year round, from a responding firehall.

Town Grade Three: All other locations.

For the majority of the residents assembled here the problem is one of being classed in the Town Grade Three Rating Group, the most expensive category.

I have just recently had to renew my private property and fire insurance - bear in mind I am talking about the exact same coverage. Starting with the year 1983

my premiums were \$540, through Manitoba Public Insurance Corporation. In 1984, through MPIC, the premiums were \$470; 1985, \$497, again through MPIC. In 1986, when I qualified for three years no claims or, as termed by MPIC, a VIP discount of \$55, and a \$200 deductible discount of \$58, my premiums were \$525.00. For the previous three years the \$200 deductible was included.

Now we come to 1987. I have now qualified for a fourth year of no claims, or the VIP discount - no discount for \$200 deductible as it is all inclusive, or has been done away with. The rate now jumps to a horrendous \$704.00. This, I presume, is to assist our elected representatives in recapturing their "36 million" in losses due to their inability to operate a viable Crown corporation.

There is another phrase - "Competition is the best thing for Business." In the insurance business this seems to hold some truth. I am now faced, after four years of doing my part and patronizing a government-run insurance, to go "hat-in-hand" to their competition. It turns out that a line company, Wawanesa, who have been able to increase their surplus to 168 million, are willing to insure "Preferred Risk" clients at a reasonable cost. My premiums, for the same coverage as stated before, are \$466, even less than my previous four years with MPIC.

Unfortunately, I cannot go out and shop for my Property Assessment as I can my insurance.

We, as "Large Lot" property owners, are forced to live with a piece of legislation that is not fair and equitable to all residents of Manitoba. My insurance rates go from a low of \$470 to a high of \$704, an increase of 50 percent in three years. Where is it all going to end?

Gentlemen, I implore you to listen to the ratepayers assembled here and find a just alternative to the present system.

Thank you.

MR. CHAIRMAN: Thank you, Mr. Fleming. Are there any questions for Mr. Fleming.

Thank you again, Mr. Fleming.

The next presentation is Mr. Marjan Urbanowicz, the Old Kildonan Residents Association.

Mr. Urbanowicz.

MR. M. URBANOWICZ: Mr. Chairman and Honourable Members of the Committee. Just before I start I would like to mention something about Mayor Norrie's speech there. He mentioned continually about phasing in, phasing in, phasing in. I don't think we want any phasing in. All we want is lower assessments and lower taxes. I just wonder how much phasing in he did when it came to the Fort Garry Hotel.

To the Legislative Committee: I am speaking on behalf of the residents of Old Kildonan. I am angry. I was angry last year when I received my taxes. With a new assessment I am outraged. Amalgamation with the City of Winnipeg promised no lessening of service; in fact, the tone was that our lifestyle would be enhanced. Such has not been the case; in fact, the opposite is true. Reality today is completely different from the promises and agreements that we have made.

The only good services we have today are garbage collection and schooling. As a Councillor for the Old

Kildonan, prior to the amalgamation of the suburbs with Winnipeg, we were wined, dined and listened to an array of smooth speakers from the City of Winnipeg, and representatives of the province, extolling the virtues of joining all the suburbs with the City of Winnipeg to form one large metropolitan area, Metro Winnipeg.

One item that was omitted in the discussion, the fact that Winnipeg had a large debt. We, in Old Kildonan, were debt free and all our public buildings, equipment, fire trucks and all municipal machinery were paid for. All roads were in good shape, all hard-topped. All schools, with the exception of one, were new. In other words, the municipality was in good shape and debt free. I was very skeptical about joining Winnipeg and assuming their debt. I was right; today I can see the mistake.

We had friendly amalgamation of sorts with West St. Paul. We had a joint fire department, RCMP detachment, and some joint road maintenance and snow removal on certain roads. These joint services reflected in low taxes. The first shock of the fallacy of the merging with the City of Winnipeg came with the first tax bill; it was almost double to the previous year.

As a result of this high jump in taxes many of the suburbs wanted to get out of amalgamation. West St. Paul, Rosser and Springfield, and some others - if my memory serves me correctly - pulled out; too bad we did not.

Today, for example, West St. Paul has better service, better roads - most are hard-topped - than Old Kildonan, and the taxes are only one-third of what we are paying, one-third, and I'll prove it to you later on. That is only on 1986 taxes, and not to this new reassessment, which will be much higher.

What we had before amalgamation and what we have today, services we used to have before amalgamation which were promised to be maintained were gradually eliminated. All roads were hard-topped; today are all mud, mud. All roads in Old Kildonan were gravelled every second year before hard topping, every second year. We have had no gravelling since amalgamation, that's 20 years or over.

All were built high originally to cut down on snow maintenance. Today all roads are flattened out, spread out to double the width without proper crowning, almost level with the surrounding land. The province pays money for main road assistance; we never see any of it. This money is not used here in our municipality.

Poor road maintenance has created dusty conditions resulting in unhealthy environment. Because of these constant clouds of dust we cannot open our windows without filling the house full of dust, necessitating the use of air conditioners; washed clothes cannot be hung outside, necessitating the use of dryers all year round. Air, fresh air, was one of the reasons we moved into this area originally; today we don't have fresh air.

Soil was permitted to be removed, contrary to the by-laws of Old Kildonan, which they promised to maintain and which they did not. The City of Winnipeg has made all the by-laws extinct. Although they're still on the books they never lived up to them; they never lived up to their promises. Soil was permitted to be removed, contrary to the by-laws of Old Kildonan. This has led to swamps being formed, creating mosquito-breeding grounds; land useful for agriculture, only good for weeds and infestation.

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The constant excessive dumping of various poisons by airplane, helicopter, truck and hand-spraying has, over the years, polluted our drinking water making our wells questionable for use. And you may wonder why are we in Winnipeg? Almost all wildlife has been killed off by poisoning their drinking water and their habitat. These same poisons are being dumped on our gardens, our vegetables and our fruit. Last year every three days for two months - I wish the gentleman in charge of environment were here tonight. Commercial beekeepers have been driven off, not because of lack of forage, but because of constant dumping of poison on their food supply.

The children of Winnipeg are drinking milk laced with various poisons from the same source. The hay is being used to feed the cattle and the next day the children are drinking that milk.

Last year at haying time a helicopter spent two hours dumping Dursban, a deadly poison connected to the orange stuff that they used in Vietnam, only slightly more diluted, on hay fields in the process of cutting. The following day the people of Winnipeg were drinking milk from these poisoned fields. All my bees were poisoned in the fields, testifying to the strength of the poison; undoubtedly it ended up in our wells as well.

The beekeepers remaining have their bees killed off every year and the government departments responsible weasled their way out of paying compensation. I'm still owed compensation for last year's bee killing. I haven't received a cent of it yet.

Permitting unrestricted and polluted dumping of various forms of garbage, Old Kildonan was a centre of market gardening before amalgamation; today it is the garbage dump of Winnipeg. You've probably seen me in the papers last summer, or on TV on several occasions, in speaking with regard to this.

People in built-up areas in Winnipeg complained about a few potholes on the roads. Our roads are nothing but potholes, yet we pay the same taxes and in many cases even higher taxes. Most roads when wet are impassable, or a danger to traffic. It is a common sight to see cars in the ditches after a rain. On one occasion, just recently this spring, there were four cars within a span of two hours in a ditch right in front of my place.

Our vehicles need constant front end alignment and shock absorbers. The use of snow fences and snow field ridging has been gradually discontinued. Snowblowing across open fields constantly fills our yards and driveways, placing enormous hardship on the elderly and the invalids. Snow maintenance is of poor quality and exorbitantly costly in the manner employed.

Years before the city took over we had discovered, through trial and error, that the snowblower is the ideal piece of equipment for prairie conditions. However, the Public Works Department persists on using the road maintainer plow and front-end loader used as a pusher. This immediately builds ridges on both sides of the roads which catch more and more snow, necessitating constant plowing until the snow becomes so high that it cannot be moved. If the snowblower was used from the start, about 75 percent of the maintenance would be eliminated, a great saving plus better road conditions.

Road maintenance on the prairies is unlike the maintenance on city streets. Most load limit signs on

soft roads have been eliminated; no restrictions placed; no enforcement by police, in fact, we never see police there.

Heavy trucks and semis often use our roads to avoid weigh scales and road restrictions on highways, further deteriorating our roads. Most culverts across ditches from residences are damaged by careless operators during early spring snow removal to open up the ditches. They are never repaired, they haven't been repaired for 20 years. Many are partially, while others are almost completely, collapsed, thus impeding the spring runoff of water.

We have no home mail delivery; we have to go half a mile to two miles for our mail. Any way we have to go necessitates the use of vehicles. No buses for us, further adding to our cost of living here.

Police protection is almost non-existent; responses from one to two hours on the average, sometimes not till the next day, sometimes not at all. Patrol by police is nil; almost all homes in our area have been broken into at one time or another. Some have been broken into several times. We have to rely on our own protection; Neighbourhood Watch, locks, alarms, dogs and guns, especially dogs and guns.

As most of our areas have no fire hydrants our insurance costs are at least \$100 or more, which adds to the cost of living here. When a home catches on fire in our area, it generally burns down to the ground, whether the fire department arrives or not. I haven't seen one house saved yet and I've seen quite a few burnt, not one.

We are paying these high taxes for what? The only decent service we get is garbage collection and schooling; all other services are non-existent or of such poor quality to be almost worthless. Our tax dollars, to a great extent, are certainly not spent here, but are used to subsidize built-up areas of Winnipeg.

Similar situations are encountered in all outlying areas surrounding Winnipeg. The land tax brings in millions upon millions of revenue, yet not one red cent is returned. The land requires nothing from the city or the province or the Provincial Government, and receives nothing from both levels of government, and yet the land is bringing in the taxes.

The people of the suburbs are just captive pawns paying much and receiving little. Where is the justice in this? The only reason the city wanted us to join, with the help of the provincial government, was to acquire a large land base, to place their large debt on our backs. Their pet theme was that the city would systematically develop in a regulated manner, taking Portage and Main as a centre of a circular pattern, develop all areas evenly. We now know that this did not happen. St. James, Charleswood and St. Vital profited to the greatest extent, while we were left with the dubious honour of holding the bag.

Our taxes have been increasing at an alarming rate; on the other hand, services have been decreasing to the point where they are almost non-existent. This is equality, Winnipeg style.

To add insult to injury the province had the gall wanting to revert land from the Leila Avenue to Bergen Cutoff to farm land, after we had been forced to pay these high taxes for over 20 years as development land. Try farming where the soil has been removed, gentlemen, try farming.

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Today we are paying for services which we do not receive; services that people in the developed areas of the city take for granted. Here are some figures we cannot take for granted - this is a consensus of local neighbours - additional costs above our taxes, these figures are factual and reasonable for the majority of people living in outlying areas. I am sure that people in developed areas do not have all these expenditures. These figures do not include the capital costs of original installations of such items as sewage tanks, septic fields, well pumps, piping and air conditioning - not for cooling the air, but for filtering the dust that blows off our roads. If the amortization costs were included, these figures would be three or four times as high on a 10-year basis.

I brought up a few of the figures here: water supply, well and pumping, \$75; water treatment, salt softener, etc., \$100; sewage pump-out and service maintenance, \$150; additional car expenses due to road conditions, no bus service, car used for every need of transportation, \$300; necessity of air conditioner and clothes dryer indoors because of constant dust of road conditions, \$75; higher insurance costs because of the unavailability of water supply for firefighting, \$100; total \$800.00. Remember, these are only annual costs of maintenance.

If amortization of capital costs over a 10-year period were included, these costs would be three or four times as high, which is \$25 to \$3,200.00. That's why I am outraged. This seems like blatant robbery, being forced to pay for everything, even for many services I don't get. I am certain that Joe Citizen in any development in Winnipeg wonders what those hicks in the sticks are screaming about. To add insult to injury I present figures to you that comparable properties are paying with all services that are good, and some much better than ours, these figures are what we in Old Kildonan would be paying, approximately, today if we did not join the City of Winnipeg.

Example 1 - A two-story house in good condition, 2000 square feet, attached double garage, some out-buildings, nine-and-a-half acres of land, last year's taxes, \$780.00. Comparable property just across the boundary line in Old Kildonan, within sight of the other house, in fact, I own the other house, within sight of each other, \$2,635.45.

The house in West Kildonan is about 60 percent larger than mine. Now that's what I call a difference in taxes, and that's why I call it the biggest mistake of our lives joining Winnipeg.

Example 2 - House, 1,700 square feet on two-and-a-half acres of land, separate garage, the house is seven years old, and the garage is a new garage - no, it's two years old, this garage - the taxes are only \$730.00. Comparable house in Old Kildonan, \$2,350, only one-quarter of a mile away.

Need I say more?

I, with others, spent several days in the West Kildonan Community Office comparing assessments of a large number of properties and also speaking with the assessor in the assessment office. Such a hodge-podge lame excuse for assessment, a variation of from \$1,000 to \$4,000 per acre differential on adjoining properties of the same categories.

Now I would like to show you people exactly how the Assessment Department operates and I would also

like you to check into this Assessment Department. I suggest, the Provincial Government better step in and find out what's going on in the Assessment Department. You may find a scandal far greater than anything you've had recently.

This Assessment Department, when I asked them what they based their assessment on and he says, it's based on the way each assessor assesses the property. I said, can you show me some guidelines that you work from? He said, we have no books or guidelines we can show you. Now, whether that is true or not, I don't know, but I wish you people would find out.

And certainly my property being taxed \$9,000 an acre; the property next to me on the south side, is charged at \$8,000 an acre; the property directly across the street from me is charged at \$6,000 an acre; the property east of me, which happens to be a lumberyard has No. 8, part of that lumberyard is free of tax. Now I would like you people to look into that.

Many people in the suburbs have spent most of their lifetime here and wish to remain here but, if this new unfair system is implemented, the low wage earners, the people on fixed incomes, the pensioners who are living on subsistence income will be unable to meet these taxes whether the assessment went up five times or 30 times. Perhaps it is the intent of the Council and the Provincial Government to dispossess the people who have small holdings and farms, and place them on welfare to fill in the apartments in the developed downtown core. If they do not wish to live downtown, tax them out of their homes and force them to live downtown; that's one way of preventing the urban sprawl.

There may be some reasoning to their madness but I can assure you, we will not take this injustice lying down. In the first place, we will stand up and fight City Hall and the Provincial Government. In fact, people should be fighting for us, not we fighting you. But it isn't the case.

We are not the first, and we will not be the last. History is full of such examples. What we are experiencing today is just another instance of wasteful unfeeling misguided government forcing stupid and unjust taxes on people who elected them. Before election nothing but pure honey flows from their lips; they promise Utopia. Several years down the road, after blundering mistakes, grand plans, ignorance and corruption, accesses of all kinds, it's time to pay the piper. So, who pays? Is it the people in the inner core? No, they can't pay any more, those that do pay, and the rest are on welfare. Is it business? No, they say they are now paying too much already, and besides, they all have good lawyers looking after their interests.

Well, who is going to pay? You guessed it, the poor working slob in the suburbs who, in many cases, built his own home on a few acres of land, raised a few chickens, planted his own garden, minded his own business and tried to raise his children in an unpolluted clean environment, free from crime, and, above all, cheaper taxes. He was willing to forego many city comforts like stores around the corner, walked a mile or two to the mail box, instead of having it delivered to the house, drilled his own well and dug his own septic field or tanks at great expense, and no bus service.

It cost him more to live in the suburbs; he did not mind the discomfort. Now comes the fly in the ointment,

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high taxes. He had only two choices. Remember the saying, "You can't fight City Hall." Well, it's not true. You can fight City Hall, I've done it and won.

Five times last year, and once on a financial case I won a few years previously which the city settled with me out-of-court, rather than me taking them to court. Citizens who are unfairly treated must unite and take class action, the show of strength is in unity. Individually we will be picked off one by one.

Choice No. 2 - Admit defeat; do nothing. Remember we already are the highest taxed city in Canada, without the new taxes. We have the most councillors per capita of any city in Canada or the United States. Our councillors and Members of the Legislature are well paid, have the best pensions. We have very poor government; I dare this government to prove me wrong. Do the honest thing and just think, and I would be only too glad to retract my statement.

You are our government. We are the people you are governing. We elected you; we pay you good salaries - which you set yourself, and voted yourselves good pensions - to work for us, not against us. Be fair, honest and just. These are very serious issues. Think this over very carefully and do the right thing. Our future depends on your decision, and your future depends on our decision. Think it over.

Now, there's something that I omitted, it should have been read a little earlier, I'll read it now. This government, which professes to be the champion of the underprivileged, the poor and the working man, and which I personally supported most of my adult life, this same government is going to drive me off my property and out of my retirement home; the home which I built

myself and the land which I have worked for over 40 years. Think about it, ladies and gentlemen.

I am not alone in this predicament. If you persist on this road of high taxation, we will be on your doorstep. You haven't got enough room or finances to house us all in the inner core.

In the Thirties big farmers and small landowners alike were driven off the land and ended up in Winnipeg. My property happened to be one, or part of that property, that thing happened to them. In the Thirties big farmers and small landowners alike were driven off the land and ended up in Winnipeg on relief because of the inability to pay their high taxes.

The land was sold later by auction for \$2.50 to \$8 an acre; land that they had paid \$3,000 for sold, on auction, after the municipality had seized it for taxes, for \$2.50 to \$8 an acre; after the people living there were thrown out. Their belongings and farm machinery was thrown out into the ditch and the house was padlocked and barbed wire was put across the fence with a sign, "No Trespassing"; on their own properties.

Think it over carefully, ladies and gentlemen, history has a habit of repeating itself.

Thank you.

MR. CHAIRMAN: Thank you, Mr. Urbanowicz.

Order please. The hour is eleven o'clock, our agreed upon time of adjournment.

The committee will resume its sitting tomorrow at 8:00 p.m.

COMMITTEE ROSE AT: 11:00 p.m.