



# **MAYOR SAM KATZ**

## **2009 STATE OF THE CITY SPEECH**

**CHECK AGAINST DELIVERY**

Thanks to your support, 50% of today's net proceeds, which I am told will exceed \$20,000, will go towards benefiting Siloam Mission, New Life Ministries, and the Children's Rehabilitation Foundation.

On December 9th, our city lost an immensely valuable member of city council – someone who elevated the bar for all of us - River Heights – Fort Garry Councillor Brenda Leipsic.

Those who had the privilege of knowing Brenda knew of her kindness and compassion as a community leader. Brenda defined class and integrity as someone who built relationships on trust and respect.

She has left a large role to fill, and to all the candidates who have the courage to put their names on the ballot, I wish you the very best in the upcoming by-election.

I want to take a moment to acknowledge and thank Jeff Hartry, Dave Angus, and the Chamber of Commerce for hosting my fifth State of the City address, which I am told is the biggest Chamber event ever.

I know everyone in this room believes in the potential of our City.

Your action is an integral part of the future of Winnipeg.

And that future is built on action and seizing the opportunities provided in today's economic environment.

According to the Conference Board of Canada, Winnipeg's economic growth is expected to rise above the growth of other Canadian cities again in 2009.

And although it may be optimistic to suggest that Winnipeg isn't being hit as hard as other jurisdictions during these tough economic times, - we are still feeling the hit.

Jeff Immelt, the CEO of General Electric, recently said that the current economic crisis isn't a "cycle".

He said, "It's an emotional, social, and economic reset. People who comprehend the new economy will prosper. Those who don't adapt will be left behind."

Globally, governments who want to serve their citizens better are learning to re-set the ways they do business.

No city is immune to a national recession, we feel the side effects right here at home.

And if there is a silver lining, it is that this economic downturn forces us to re-think our position on the global scale, and compels us to seize opportunities more than ever before.

We need to make sure we are ready to accept growth and welcome investment into our city if we are to weather this international economic storm.

And job loss in other areas of our country provides an incredible opportunity for us to seize the skilled labour market, especially with all the major initiatives on the horizon.

This momentum attracts more private sector investment and catches the attention of young professionals, families, and visitors.

It establishes Winnipeg as a destination to succeed in business, to plant roots, raise a family, and capitalize on our dynamic opportunities during uncertain economic times.

Winnipeg is changing rapidly - our population is changing at a much faster pace than in the past.

The City is creating a new Plan Winnipeg, a 25 year blueprint for our future. An exercise not done since the creation of Unicity in 1972.

And this Spring, I will officially launch the public input component to this initiative through a Symposium - A Sustainable Winnipeg.

This will recognize the vital importance of sustainability – social, environmental and financial- to all aspects of our City.

We will introduce effective methods of engagement such as an Interactive web site, Web TV, blogs, roundtable discussions, and scenario visioning workshops.

The end result will be a comprehensive land use plan with transportation and infrastructure components.

This audience has proven to be a good venue to initiate discussion.

When you select a place to relocate, establish a business, start a life for yourself, the overall quality of life is often the deciding factor.

Today, I want to look at our progress, consider what lies ahead, and measure how we stack up, so we can ensure Winnipeg competes in this new economic environment.

I was elected on a promise of change, innovation, and doing things differently at city hall.

The city has worked diligently to create an 'open for business' climate that attracts growth and positive development.

Our budget team, the public service, members of executive policy committee - is hard at work developing this year's operating budget. This is never an easy process with competing priorities all vying for limited revenues.

And this year's budget is not only a challenge, but a battle. Especially when our budget team faces obstacles beyond our immediate control, for example:

Our city's pension provides challenges in terms of additional contributions required which are estimated to be \$21 million starting in 2010 due to the significant negative impact of the current financial markets.

Snow clearing literally varies with the weather. A number of years ago, the city reduced its snow clearing reserve balance to zero and shortfalls resulted for at least 2 years. In 2008, we increased our budgets and were able to contribute further funding to the reserve, but we have a long way to go.

Revenues from building permits vary with the economy and shortfalls in revenue must be incorporated in our overall estimates.

Meanwhile, Winnipeg continues to be a competitive leader and has among the lowest property taxes including utilities in Canada. Nearly 20% lower than the national average.

We have remained competitive by working hard to maintain an eleven year freeze on property taxes. Freezes maintained while school boards have continually increased their portion on the tax bill.

While other cities have continued to raise property taxes, we've held the line.

We've dug deep to find efficiencies and get our house in order.

In spite of what some say about taxes, my goal again will be to freeze property taxes for the twelfth straight year. It will be a battle, but it is what I believe I was elected to fight for.

2008 has been a year of innovation at city hall. Under the guidance of our new CAO Glen Laubenstein, the city has continued to streamline and improve the way our city operates.

2009 is positioned to be a year of excitement, change, and optimism.

Last year, I promised that our public service would have 311 up and running in January of 2009.

I am proud to have announced the launch of 311 two weeks ago.

Our new 311 system gives all our citizens a one-number, one-call system to navigate city hall and provide more accountability to you the customer.

311 builds the foundation for our public service to provide citizens with the level of service they expect.

And this Spring I will work with council and our public service to expand the role of our city auditor and increase the ability for us to measure our performance by implementing a Chief Performance Officer.

You will also notice on your tables a 311 card that I encourage you to use to experience our new customer service system.

We are playing a game of infrastructure 'catch-up'. But repairing our aging infrastructure remains a top priority.

The cost of inflation on construction materials has skyrocketed and some projects – like the Chief Peguis Trail extension or the Disraeli Freeway, are adding to a 2.8 billion dollar infrastructure deficit each second they are not getting done.

Fortunately, Winnipeg can seize on the opportunity provided by the current National economic climate and see some relief as far as inflation and rising construction costs are concerned.

But when we're talking about numbers in the billions, we need to be innovative and ensure completion as soon as possible at the best price for the taxpayer.

Public Private Partnerships, or P3's, have demonstrated their benefit to stretch taxpayer's dollars.

The bottom line is the City will only enter into a public private partnership if the price of providing the construction and maintenance services are lower than if provided by the City directly.

Or if a higher level of service can be provided for the same price by the private partner.

Thanks to the p3 model, our former district 4 and 5 police officers have moved into a modern, efficient, regional station – built on time and on-budget.

The Disraeli Freeway is in need of major repair. This is not an option, but a necessity.

Nobody wants to see a tragic circumstance like what happened in Minneapolis or Quebec.

Our Public Service has recommended a P3 model to save the taxpayer money.

It would benefit from increased efficiency, a more definitive implementation time, and ultimately better value in the delivery of services brought about by increased competition and the ability to innovate.

Last year, I discussed my plans on how the city would tackle the important challenge of undertaking a massive upgrade of our sewage treatment plants in order to meet strict new environmental regulations.

These sewage plant upgrades will significantly reduce the load of phosphorous and nutrients going into our rivers and Lake Winnipeg.

But let me be clear - technological change and environmental improvement through our construction of upgraded sewage plants alone can't solve all our problems.

For instance, new equipment won't prevent another \$70 million cost overrun like we experienced when we upgraded our water treatment plant over the past 3 years.

That's because this is a massive re-construction project that is, quite simply, far too big for our dedicated but small existing department to manage on its own.

Which is why we're exploring creation of a utility which would be 100% owned by the City of Winnipeg.

Today, I can report that work is well underway on this initiative that will, if given final approval by Council, create ...and let me stress... a 100% publicly owned utility that will:

- Ensure seamless continuation of our longstanding tradition of providing safe drinking water and sewage services to our citizens;
- Provide the best value for Winnipeggers by helping us better manage major construction projects to ensure they are delivered on time and on budget;
- Create greater transparency and accountability in rate setting by having rates reviewed and approved, not by politicians, but by the Public Utilities Board;
- Generate new opportunities for our employees and new revenue streams that will flow back to our citizens with the potential to grow our utility business into areas like green energy;
- And we're already working with our stakeholders during this exploratory phase and have opened a dialogue, to ensure we achieve the very best for our employees, our citizens and our environment.

This is an important new opportunity to work collaboratively and I look forward to constructive relationships, with open lines of communication, as we proceed.

As you know, I always relish healthy discussion and debate because it ensures we always do what is best for Winnipeggers and I thank Council very much for their ongoing support as we continue to explore this important initiative.

In the coming months, I will be announcing details on a Transportation Authority Commission.

For too long, our City has built out its suburbs, with new housing developments and commercial-retail properties, then later struggle with the impacts this growth has on our transportation infrastructure.

Various agencies involved in planning or delivering transportation related services will be brought together to create a unified team.

A team that shares a vision of providing excellence in transportation infrastructure that enhances both our environment, and our economy and provides far greater accountability to taxpayers and senior levels of government who provide millions in dedicated funds for roads, bridges and transit.

A rapid transit system and dedicated bicycle paths linking south Winnipeg to the downtown is one step closer following a \$138-million funding agreement reached between the City of Winnipeg and the other levels of government.

The first stage of the Southwest Rapid Transit Corridor will extend from Jubilee Avenue to The Forks with a future stage to run from Jubilee Avenue to Bison Drive with both stages incorporating bike paths into their construction.

We need to provide Winnipeggers with quick, reliable and green transportation alternatives when gas prices remain volatile and at an unprecedented level of uncertainty.

We need to consider life-cycle costs weighed against the environmental, social and economic benefits for any form of rapid transit. And as we move ahead, our public service is working diligently and exploring other rapid transit alternatives.

I've always said rapid transit is part of our city's future. But we needed to make a business case before embarking on projects of this magnitude.

Rapid transit hubs will stimulate residential and exciting mixed use retail development that will make better use of our existing municipal infrastructure, and provide the financial stability needed to make this important project a reality.

And although we have set our sites on long term transit improvements, we've worked to deliver on upgrading our existing service to capture increased ridership and offer positive environmental commuter alternatives to Winnipeggers.

This year has seen additional transit priority signals, 8 kilometers of new diamond lanes, 33 air conditioned buses, 28 heated bus shelters, automated next stop announcements on 200 buses, on-board security cameras, and thanks to the cooperation of our public service and the Amalgamated Transit Union, we were able to ratify an agreement and avoid a city-wide transit strike.

The City has also made immense progress to realize new recreational infrastructure projects such as the new indoor soccer complex, Bronx Community Centre and Good Neighbours Seniors Centre project - which will open this coming spring, and shovels went in the ground this summer on several expansion and renovation projects at Norberry Glenlea, and Valour Community Centres, and the Fort Garry Skateboard Park.

We've completed and opened 5 new aquatics parks this past summer at Provencher Park, River Heights Community Centre, Fort Rouge Park, St. Norbert Community Centre and Norquay Community Centre in Point Douglas.

And soon, Winnipeg will be home to a destination waterpark in the Polo Park area.

We have made great strides to provide top-quality recreational facilities for families, our young people, and athletes and fans of every level.

And private sector investment has helped us to address the challenges of our aging recreational infrastructure this year as well.

Buhler Recreation Park in Transcona opened this past spring – a facility that serves all Winnipeggers year-round: 8 softball diamonds, a baseball diamond, 6 soccer fields, a toboggan hill, and walking and skiing trails.

For the well-being and overall quality of life for our young people and our families, these are critical projects that I am extremely pleased are now a reality.

We've initiated LiveSAFE, a crime prevention policy developed by the City of Winnipeg's Community Services Department and the Winnipeg Police Service and a component of the initiative entitled SPIN – Sports Programs in Inner-City Neighbourhoods.

The purpose was to break down some of the barriers that inner-city children face to participate in sport programming by alleviating the transportation, financial, equipment, leadership and volunteer components, and provides a healthy and positive alternative for children in our community who could be at risk of joining gangs to feel acceptance.

This year, I took on the role of Secretary of Urban Aboriginal Affairs because I see an opportunity to continue building on the positive relationship I have shared with First Nations and Metis leaders.

The city's Aboriginal Youth Strategy announced this past December is a commitment to work in a spirit of cooperation with our Aboriginal, federal and provincial partners.

We recently announced Winnipeg's Aboriginal youth will benefit from more than \$640,000 in funding through the Winnipeg Partnership Agreement.

This investment will support 11 projects that focus on helping Aboriginal youth to succeed through education, employment training, career development, leadership, and skills training.

I am also pleased to announce that I will be recommending in this year's operating budget, to invest 3 million dollars over 3 years in our Aboriginal Youth Strategy to take advantage of our partnership and develop more sustainable, long-term, and meaningful initiatives to encourage employment and training opportunities that ensure Aboriginal youth have the tools necessary to succeed.

And I want to acknowledge the work of the Senior's Advisory Committee and Councillor Grant Nordman, and thank them for all their efforts, and for providing action based recommendations to improve our city services for those who built our city.

Last December the City hired a new Chief of Police, Keith McCaskill. Chief McCaskill has taken immense strides through community consultation and the grassroots of community policing.

If Winnipeg is to be a choice city to work, live, and play, we need to be a safe city.

Gangs, violent crimes, auto-theft – these are all very concerning issues within the City of Winnipeg. Last year's State of the City address focused squarely on what we are doing to address these serious issues, and I've remained focused on public safety as a priority.

Winnipeg saw a 40% drop in stolen cars in 2008 compared to 2007, and a 46% decline in attempted thefts.

Maclean's magazine recognized the steps we've taken in our city including the implementation of CrimeStat, and highlighted the fact that auto-theft has fallen dramatically.

And although I am happy to see these results, I know we can still do better.

2008 was a landmark year of investment for emergency first responder resources so the men and women on the front lines can do their job to the absolute best of their ability and keep the citizens of Winnipeg safe.

The Winnipeg Fire Department saw the largest single addition of apparatus to their fleet in 30 years with 11 new pumpers and an additional quint.

We've added 12 new paramedics, new breathing apparatus and thermal imaging equipment and thanks to our partnership with the province, 40 additional firefighters.

And according to a recent article published in the Winnipeg Free Press, "Winnipeg's Fire Department's medical emergency response times are the best in Canada and now other cities want to copy us. The Ontario Association of Fire Chiefs and Ontario Professional Fire Fighters Association highlighted Winnipeg as a model for other cities."

And although we've been working hard on the basics, we've also dared to dream big to attract major investment in our city.

This Spring, a public hearing process in which infrastructure issues - including roadways, parking, public transit requirements and site development - will be considered for the development of a new major commercial development, here in Winnipeg.

And we've established a new Special Events Marketing Fund to be competitive and have a funding mechanism in place that will ensure our city remains a viable option for future conferences and special events like the Junos, Grey Cup, or the Canadian Country Music Awards.

This fund will directly ensure that we are able to compete effectively in a very competitive environment where other cities are providing incentives for growing tourism.

We have also recognized the potential to build upon the revitalization of our city and to bring people from around the world to visit, and spend money in our city, by setting up a reserve fund of up to 40% of the accommodation tax to fund future capital works for an expanded Convention Centre.

We've shown we are the heart of the continent and replaced the antiquated signage that graced our city's main entry points, thanks to our partners at Destination Winnipeg.

We are letting visitors know they are welcome to our City and sharing something about our identity.

The last year has been a sobering experience about the challenges we face.

We're addressing major infrastructure projects, and we're finding innovative ways to save taxpayers dollars so we can provide a high quality of life for Winnipeggers, as well as our growing number of newcomers and visitors.

We are working hard in this economic downturn to ensure Winnipeg is poised for growth and success.

My advice to all Winnipeggers who have sought other greener pastures and have moved out-of-province, is come home and let us be part of your solution.

To all the young professionals, invest here! Families and newcomers looking to plant roots – grow with us! Winnipeg has the jobs, the affordability, and we have the momentum.

In Winnipeg, if you knock on our door, someone will answer.

There's something rewarding about real, justifiable, and earned confidence: it motivates us to get where maybe we've dreamed we could be. It's been said "when your sense of self-worth goes up, so does your net worth."

The more we accomplish to meet the needs of our citizens today, the more the benefits trickle down to build the wants of tomorrow.

We have the team at the City who are committed in seeing your successes through.

I believe most of your city councillors are here today, and I would like to acknowledge those present, and ask them to rise and remain standing...

I would also like to recognize the following and ask them to stand...

I would like to share with you some inspirational words from an unknown author.

"The highest courage is to dare to be yourself in the face of adversity. Choosing right over wrong, ethics over convenience, and truth over popularity... these are the choices that measure your life. Travel the path of integrity without looking back for there is never a wrong time to do the right thing."

Ladies and gentleman, this is your leadership team, and today is the right time to take action, and do the right thing. Thank you very much.