O P E N F O R O P P O R T U N I T Y

Final Report of the Mayor's Red Tape Commission

Winnipeg, June 28, 2005



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Winnipeg

Embrace the Spirit • Vivez l'esprit

November 24, 2005



Sam Katz, Mayor

Dear Commission members:

As you know, last June, I was elected on a platform that called for changes to the way Winnipeg does business with citizens and investors.

During that campaign, I presented an Action Plan that called for several reforms at City Hall, including a reduction in red tape. I told Winnipeggers that administrators needed more freedom to innovate. My plan called for better customer service in several areas, such as in permit and development approvals for job-creating construction in our City. Finally, I expressed my belief that less red tape did not mean layoffs of City staff, although redeployment of staff to higher priority areas should be encouraged.

With these commitments in mind, I'm writing to thank to all of you for your commitment of time and energy to your City. I have asked you to serve as members of a Commission with broad scope to think "outside the box" because I believe your individual experiences will bring a fresh and positive perspective to the red tape problem.

As you know, regulations are often necessary to protect public health and safety. With input from citizens, administrators and your own experiences to guide you, I'm certain you can find ways to improve City Hall's rules and processes while protecting and preserving the public interest in your proposals.

Good luck with your deliberations, and I look forward to your Report early next summer.

Yours sincerely,

Mayor Sam Katz



**Franco Magnifico,
Commission Chair
(Councillor, St. Boniface)**

June 28, 2005

Dear Mayor Katz:

We are honored to present to you the Final Report of the Red Tape Commission.

The Commission's work has been under-budget and on-schedule, and our Report is a balanced, solutions-first review. We found time to address issues on behalf of Winnipeggers present and future, from all walks of life: public servants, entrepreneurs, potential investors and hardworking volunteers.

We have forwarded several specific recommendations that are action-ready. Our Report also includes general suggestions to Council and to Winnipeg's Public Service to improve customer service at City Hall.

When Council implements these recommendations, we are confident that Winnipeg will soon be seen as home to one of Canada's most dynamic, customer-friendly city governments.

On behalf of everyone on the Commission, thank you for giving us a chance to play a part in making Winnipeg the "City of Opportunity" we believe our City can become again.

Yours sincerely,

Franco Magnifico
Commission Chair

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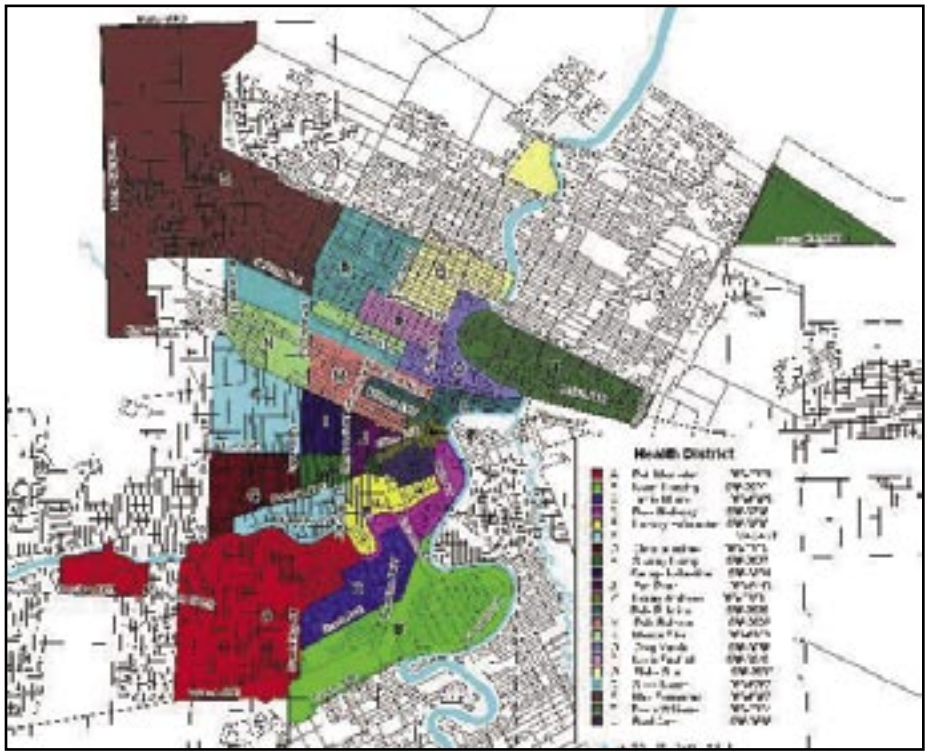
Winnipeg's red tape tradition



The shaded areas are the City's public health inspection zones. Areas outside the shaded zone are still inspected by the provincial government. This is just one of the many red tape legacies left over from the Unicity merger almost 35 years ago.

What is red tape?

We all experience "red tape" in our daily lives. When customers wait in line to get a government form approved, they complain of "red tape." When a rule defies all common sense, people say it is "red tape." When one government department says yes but another says no, we call it "red tape."

Why "red tape?"

The American TV show *The West Wing* popularized one explanation: Civil War veterans faced an onerous process to apply for pensions, and the forms were kept together with red tape. But the phrase is even older: the British civil service used red tape to bind documents for filing or archiving in the early Victorian era. Charles Dickens made the first recorded use of "red tape" to mock officialese and bureaucracy in the late 1840s, and he littered his books, articles and speeches with the expression.

"…skewered through and through with office-pens, and bound hand and foot with red tape."

One of the first recorded uses of "red tape," – in Charles Dickens' 'David Copperfield'

The French translation of this phrase - "formalites administratives" - is useful, as it gets to the heart of the matter: red tape is a formality that makes sense to those inside the system, but makes no sense to the outside world. In the presentation that launched the Mayor's Red Tape Commission, "red tape" was described as:

> "Unnecessary, non-productive or duplicative requirements, processes and paperwork in whole or part from by-laws, regulations, amendments, licenses, permits, reporting and filing requirements, practices, investigation, inspections, forms and other measures. Anything obsolete, redundant, wasteful or confusing that diminishes economic competitiveness."

Commission member Leo Ledohowski quickly convinced the Commission to simply define red tape as "anything that gets in the way of good customer service." As the Mayor noted in his speech to launch the Commission, frustrated citizens might blame public servants for red tape, but the culprit is often bad policies - and many public servants are working diligently to improve service and fix those policies. But Winnipeg can do more.

Winnipeg's red tape tradition

During the Commission's six-month mandate, it came to our attention that some civic leaders do not believe there is any red tape at City Hall. In Winnipeg, we often measure government progress by government standards, without regard for the reality that customers measure Winnipeg's progress by customer standards.

"Effective, entrepreneurial governments cast aside red tape, shifting from systems in which people are accountable for following rules to systems in which they are accountable for achieving results."

The Gore Report on Reinventing Government, 1993

To find red tape, one need only compare Winnipeg to competing cities from the ground up – a comparison even small companies already make as they consider us as a site for their next investment.

Hoping to start a home-based business in Winnipeg? You will pay more in fees to do it than in Edmonton or Saskatoon. In London, Ontario, there is no such thing as a license for home businesses. And you will have to do more paperwork to get the license in Winnipeg than elsewhere. While Vancouver's home license application explains up front what laws you must comply with, Winnipeg's application form asks questions designed to elicit confessions of a potential by-law infraction.

Tempted to lease an office instead? You might still need a business license. Winnipeg has 84 types of business license, with different fees for each, and you may need more than one. In contrast, Saskatoon has one type. Winnipeg's *License By-Law* is over 90 pages long. Saskatoon's law is 20 pages long - with much more white space in the margins.

If you are considering building a new office instead, the process gets more complicated. Even if the land is zoned for your intended use, you may need a variance, or need to address conditions on use – and Winnipeg is rich in both. In 2004, the City received 1,202 applications for variance, a sign that our zoning system is inflexible and problematic.

If you wish to rezone the land, complications multiply. Different committees can make different recommendations on your way up – or down – the approval ladder. This presumes that a committee will report a recommendation, since some are under no obligation to do so in a timely manner. By way of comparison, Calgary's process has two major steps: a planning commission recommendation, and a public hearing at Council.

Even critics in the rezoning process will have a tougher time. While other cities send letters to notify neighbors about a proposal, Winnipeg relies on jargon-filled signs posted by the developer to inform citizens. In other cities, large, clear, government-posted signage offers details on what the developer is doing to make the project fit into the area.

If you receive the approvals you need, you will then require a building permit to complete your new structure. In Winnipeg, it is routine to have construction stop for inspections or permit delays. In Vancouver, complex buildings are built and inspected without interruption thanks to a Certified Professional program that improves code compliance and shifts liability to the builder.

Winnipeg's red tape does not stop at the developer's doorstep or the entrepreneur's office. It wraps around all: public servants, councillors, community groups... even *musicians* face red tape.

If you want to start a band in Winnipeg and sell tickets as you do, best to start by reviewing Winnipeg's "Entertainment Funding By-Law." Are you exempt, or not? It is hard to tell, since the by-law is bogged down with rules that bear no relationship to the realities of the entertainment sector. Our complex performance-based tax model is unique to Winnipeg. Regina has an amusement tax, but does not tax live performances. Most cities have no such tax at all.

The mechanics who repair our emergency vehicles fleet are hired keep fire trucks on the road. But while the City Auditor recently noted an absence of any policy on meal expenses, the City does have a policy to force the shop to seek competing bids – and wait - before buying parts to fix a vehicle in need of repair.

The City has watched its tax assessment system closely after a series of errors in the early 1990s exposed taxpayers to tens of millions in potential risks. Yet City Council is *still* considering whether or not the Board of Revision should file written reasons for its decisions, despite several longstanding requests to do require this. As long

"On the issue of fairness of by-laws and regulations, [federation] members in Saskatoon, Regina, Edmonton and Calgary were more or less in sync. Unfortunately, Winnipeg received the worst rating."

Canadian Federation of Independent Business submission to the Red Tape Commission, citing a 2003 Survey

as the Board fails to do so, the Municipal Board will never have cause to deny an appeal to the higher level, and cannot stop the introduction of new evidence. The result: Revision appeals are laughed off as a wasteful "practice run" by taxpayers and assessors alike. Edmonton, Calgary, Saskatoon and Regina all provide written decisions.

This Report is long because the red tape is so tangled. The consequence is a red tape reputation to match our red tape tradition. Canadian Federation of Independent Business surveys identify Winnipeg as one of the most poorly regulated cities in Canada. Commission staff were invited to watch focus groups held by the federal government as part of Ottawa's paperwork reduction initiative, and business owners in one session described Winnipeg City Hall's methods as "archaic" compared to senior governments. As discussed below, investors who responded to the Commission's own external study found Winnipeg's regulatory environment to be "poor to fair." This was not in comparison to a regulatory utopia, but to nearby competitors like Saskatoon, Edmonton, or London, Ontario.

These are just a few examples from dozens the Commission could cite in this introduction. Critics will rightly note that every government has red tape. Many of Winnipeg's most burdensome policies have cousins in other cities. For example, Calgary's business license system resembles ours, and Vancouver's development approvals can be as onerous.

But comparisons show that Winnipeg has a great deal more to learn from other cities than they do from us. Our best-practice examples – like Winnipeg's Permits X-Press program – were the result of long battles for resources and support. And even where investors and customers understand our systems, many of them find service delivery in other cities to be more facilitative, while Winnipeg is seen as a City that focuses on the negative.

The Commission does not list these comparisons to point fingers or make the situation seem hopeless. On the contrary, the Commission found a great deal to be optimistic about. But the first step in fixing problems is to admit that there are problems.

Red tape in economic context

"Winnipeg was built by business, for business," Alan Artibise observed in *Winnipeg: a Social History of Urban Growth.* Written in 1975, this statement was clearly not meant as a compliment; the early history of Winnipeg is a history of deep divisions between business, labor and government. In the decades after the First World War and the General Strike, Winnipeg resolved these problems and built its physical and social infrastructure. As it did, major industries gradually shifted their focus elsewhere. From 1920 forward, Winnipeg gradually lost the promise it had showed in its founding decades. In economic terms, the so-called "Chicago of the North" was soon seen as another prairie city.

Decades later, Premier Ed Schreyer's government thought a new model of civic government could turn things around. "It is the government's intention, in this program, to enlarge and facilitate urban Winnipeg's role as a generator of development in the province -- and indeed, its role as an urban centre within the larger Canadian context," the Government of Manitoba argued as it created "Unicity," bringing all of our area's municipalities under a single, semi-parliamentary City Council.

By any measure, 'Unicity' Winnipeg was not a generator of development, nor did it succeed in "the larger Canadian context." In the post-Unicity era between 1971-2001, Winnipeg fell further behind competing cities, growing its population by only 13% in those thirty years. The limits of climate or geography do not explain the trend: measured as census areas, Regina grew 15% and St. Catherine's-Niagara by 19%. St. John's grew 29%, Halifax by 38%, and Saskatoon expanded by 44%. London (Ontario) grew by over 50%. Kitchener-Waterloo and Edmonton both grew by more than 80% over the same period. Success stories like Calgary more than doubled in size.

These and other statistics measure life-changing events for Winnipeg families. Less growth means less opportunity. Less opportunity means sons and daughters choose to start a family, career or business somewhere else. Fewer residents means less public or private investment in infrastructure and capital stock, beginning the cycle anew. Together, these trends chip away at the size and skill of our labor force, creating further downstream impacts in our economy, reputation and quality of life. While Winnipeg is breaking free from the cycle for the first time in decades, leaders in this renewal are finding City red tape is tangled in their path.

It is important to place our red tape tradition in this context because a good deal of the City's red tape begins with the merger of the twelve municipalities. Unicity's challenges live on at City Hall – literally. As noted later in this report, public health inspection is just one of many services that is *still* split between the province in the

"A housing report prepared by Clayton Research Associates reported that Winnipeg's downtown population declined from 1996 to 2001… In their analysis Winnipeg was the only major Canadian city to experience a decline."

Human Resources Development Canada Labour Market Bulletin, April, 2003

suburbs and the "old" City downtown, creating inconsistencies in enforcement – and frustrations for City Hall.

Since Unicity, successive governments have trimmed Council from 50 councillors to 16[1] to make it more responsive and more decisive. Yet some Winnipeg systems still hearken back to the experiments of the 50 councillor era. While the City merged, many of its by-laws did not merge with it; some by-laws still apply to "the old city" as if Unicity never happened.

"Let's face it – Unicity was 30 years ago, but in many ways businesses still feel like they are dealing with twelve different cities when they are trying to start a business. We need to do better."

Mayor Sam Katz
State of the City
Address, 2005

It is as though Winnipeg is still making in the middle of an evolution that began in 1971, reached its latest phase with the *Cuff Report* in 1997, and still remains incomplete. Many "administrative formalities" were left in behind along the way. Winnipeg may be one Unicity, but it never got the dynamic government that was supposed to come with the package. Our "red tape tradition" is in large part leftover work from an unfinished effort to modernize our City.

Since 2001, Winnipeg has shown positive signs it can still recover from this legacy. Fiscal restraint is freeing up private and personal capital for investment. Better information and marketing is building relationships with industries and investors. Low interest rates increased the demand for housing, and infill and greenfield projects are meeting this demand. New construction is contributing to a renewal of our downtown. Winnipeg's population is growing again, and the City's economy grew by more than 4% last year. During the by-election campaign of 2004, Mayor Sam Katz won office with a commitment to focus on the City's fundamentals. And inside City Hall, Chief Administrative Officer Annitta Stenning is earning praise as an "agent of change," personally leading public servants to improve business practices.

Our economic resurgence is real. It is important to remove barriers to maintaining the growth we have gained. Our Mayor's vision is to build on this foundation, and accelerate Winnipeg's transition to a dynamic best-practice City.

[1] Including the Mayor

The value of red tape reduction

Even the most general recommendations we make can help City Hall become faster, more dynamic and more helpful in the minds of our customers – and those customers are as likely to be citizens as they are major investors. That said, we can use red tape reduction most effectively if it is a component of our City's economic strategy.

To gauge just how important a component it could be, the Commission and Destination Winnipeg[2] co-financed an independent external study, interviewing business leaders who had recently completed major investments in Winnipeg. The *BDO Dunwoody Consumer Experiences Study* conducted candid, lengthy interviews with over thirty senior business executives from inside and outside Winnipeg. Together, the executives represented hundreds of millions of dollars worth of job creation and investment in our City.

"How does a small country like Canada keep up? How do we keep competitive? This is part of the answer."

Treasury Board Minister Reg Alcock explains Ottawa's paperwork reduction initiative, 2005

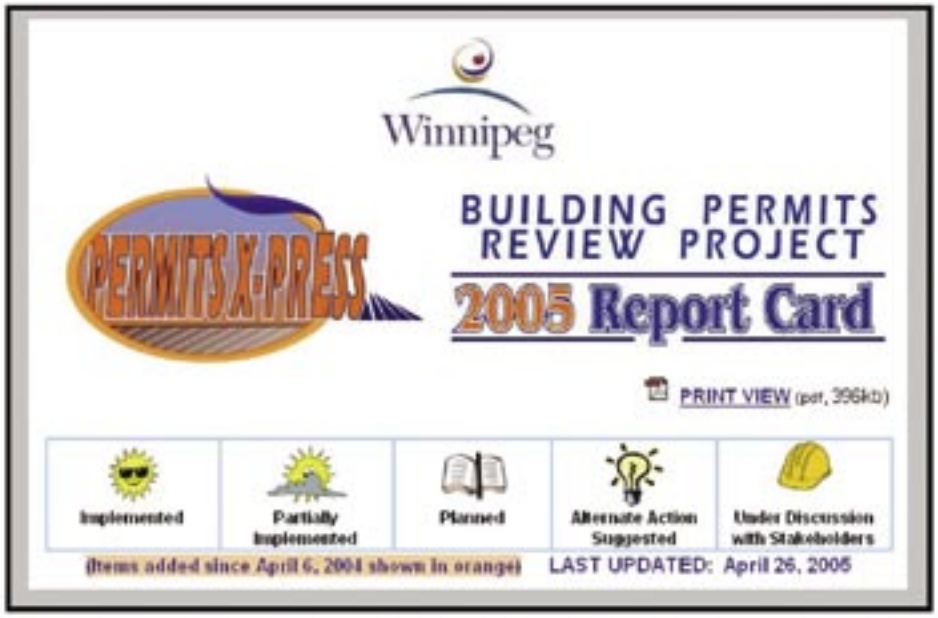
The results were released shortly before release of this report. The good news: most interviewees said red tape would not stop them from making further investments in the Winnipeg market. The bad news: the primary reason for their willingness to invest was the fact that they were already in our market. The inference is that businesses without a connection to our City would not be likely to make the initial investments needed to sustain our recent momentum, or that local businesses may be hesitant about the hurdles involved in completing new investments or expansions in Winnipeg.****

Winnipeg cannot control the weather, our location, global economic conditions, or the price of commodities. But one thing we can control is the service we offer at City Hall. Winnipeg can do better in the fight to cut red tape and offer better customer service to citizens, businesses and community groups.

And Winnipeg is already doing better, thanks to the leadership of several foresighted managers, public servants and many others. It is important to stop and recognize the progress already underway.

[2] Winnipeg's arms-length economic development and tourism services agency.

The good news



While many Winnipeggers expressed frustration with the pace of change, improvements are underway. Pictured above, the online report card for progress on Permits X-Press, just one example of praiseworthy changes at City Hall.

The good news

Given their long experience with civic red tape, many Winnipeggers will scoff at the idea that there is good news when it comes to regulation at City Hall. This is unfair. We can hardly expect public servants to be open-minded about suggestions from the outside world if we cannot be equally open-minded about progress on the inside.

And there is a great deal of it. The Commission cannot note every example in City Hall for the simple reason that we had neither the time nor the mandate to find all of it. Nevertheless, we do wish to cite at least a few examples we came across to recognize the foundation for change is already built.

- Submissions frequently praised the *City's fire inspectors* for their service, professionalism and helpfulness. In some cases where submissions suggested that enforcement needed to be more facilitative and helpful, fire inspectors were offered up as a model to follow.

- The *Planning, Property and Development's Permits X-Press* system was frequently identified as a City best-practice. We also heard strong and positive feedback for the Department's efforts to resolve building issues in advance through "pre-meetings" with project managers. Finally, respondents to the *BDO Dunwoody Consumer Experiences Study* praised the Department for improved management of inspections and reduced logjams at other points of service. Examples of the Department's open-minded approach to policy reform are cited throughout background papers below.
- The *City Clerk's Department* deserves credit on several fronts. The Department was already moving to a best practice level in its online posting of policies and by-laws; this made it easy to recommend the strategy found in our *Introductory Report.* Since that report, on its own initiative, the City Clerk's Department completed steps necessary to act on our most important recommendation, the creation of a permanent City Hall "red tape budget."
- In the Commission's final days, we learned that a team of public servants from Public Works, Water and Waste and Corporate Finance was developing a plan to cut wait times for local improvements. The Commission had just enough time to add a strong endorsement of their approach to our list as Recommendation 18, with all due credit to the team for its focus on customer benefits and red tape reduction.
- In interviews and submissions, citizens praised the work of several employees. The Commission will forward these references to the Chief Administrative Officer and the Mayor for appropriate recognition.

"The fire department is relatively easy to work with – [they are] timely, [and] add value to the process."

BDO Dunwoody Consumer Experiences Study, summary of responses

The Commission must also recognize several policy initiatives that closely paralleled our own recommendations.

After the Commission had already adopted recommendations on home business licensing, we learned that Planning, Property and Development staff were already exploring a model resembling Saskatoon's or Edmonton's in its two-tiered approach. Given the administrative benefits, the Commission felt City Hall could go farther, but wishes to give credit for attention to this problem.

The Manitoba Homebuilders' Association submission to the Commission highlighted concerns with respect to the sale of surplus City land. The Commission learned that policy staff are working to address those problems, with proposals to follow soon.

No doubt, dozens of other examples deserve mention that were not brought to the Commission's attention. Readers should not pass judgment on any individual or department if they are not on our list; our role was not to act as a performance review for the public service or City Council, but to identify problems and recommend solutions to fix them.

Help is on the way – but it helps to know it

Ironically, submissions from two stakeholder organizations complained of difficulty tracking *progress* at City Hall. Even as City Hall addressed customer concerns, the beneficiaries felt left in the dark about the potential solution. While the City's "report information system" purports to track stakeholder impacts, few organizations found this process accessible; one or two we questioned did not even know it exists. Online City Clerk's tools are useful to those who are familiar with them, so Recommendation 27 is designed to improve the awareness and presentation of those tools.

"It has become relatively easy to track the status of building permits within the process through the use of Permits Online for registered contractors..."

BDO Dunwoody Consumer Experiences Study, Summary of Responses

For the Commission's purposes, "hidden progress" was a real difficulty. Commission staff frequently heard public servants, councilors or other sources say "that problem is being worked on," or "we've addressed that issue." Yet it became increasingly difficult to distinguish whether "worked on" meant there had been a meeting, a clear proposal, or scheduled implementation of real change. As John Scurfield remarked in his report on City Hall's assessment crisis in 1996, "leadership must place more focus on action and learn to move out of the idea stage more quickly." Several of our proposals represent reaffirmation of ideas that have been "dealt with before," but never actually acted on.

So it is certain that someone at City Hall will stand up and say "that's not fair, we were doing that already!" about something in this Report. It was not the Commission's job to reinvent wheels if wheels were available; on the contrary. Several Commission recommendations are based on observations from public servants at City Hall, albeit with our own additions in certain cases. With that in mind, we feel it is important to address one more issue before proceeding to our recommendations.

A message for our City's public servants

From inception to conclusion, the Commission heard suggestions that the very idea of a red tape review was somehow disrespectful to those who serve at City Hall. The opposite is true. Sometimes, policies break down. Nothing erodes confidence in the mission of public service faster than a broken policy left unfixed.

City Hall is not blind to problems. We heard from many councillors and public servants who were as frustrated with the pace of change as citizens are. Yet even obvious problems are left to boil on the public burner because of a lack of financial capital or political focus. For example, an early criticism of the Commission described Permits X-Press as proof that public servants already innovate without outside help. Why have a Red Tape Commission if Permits X-Press happened on its own?

The full story is more useful. First, Permits X-Press did not happen in a vacuum; it owes much of its success to the Planning Department's patient consultations with customers. A dedicated Industry Advisory Group assisted the Department in their efforts. Second, the story of Permits X-Press is also a story of progress delayed. The work to create it began several years ago. Public servants might have been able to roll out the program earlier, but the Department had limited resources to implement the innovation.

With this in mind, the Mayor's Red Tape Commission was created to make certain that City Hall does not lose sight of important work as it focuses on day-to-day urgent work. Devise better policies, reform business practices, get input from customers, and smaller problems will fix themselves. Competing priorities at City Hall often distract politicians and public servants from long term fixes.

In some cases, public servants and councillors will disagree with our conclusions – and if discussions remain sincere, that is a healthy result. By way of example, the Chief License Inspector deserves praise for doing the unlikely. Although he clearly disagreed with the direction we took in Recommendation 3, he also helpfully provided the details we needed to develop a specific alternative. Constructive discussion of alternatives is nothing to fear; it is a discussion.

The Mayor is hardly alone in starting the discussion. The United States, the United Kingdom, Japan, Germany, Holland, British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia and New York State are just a few of the many jurisdictions that have started or completed regulatory reviews. Red tape reduction is on the agenda for governments, trade organizations and even the Organization for Economic Cooperation and Development. The federal government is starting its own "paperwork reduction initiative." While more negative than efforts elsewhere, Ontario's Red Tape Commission was deemed worthwhile enough that its harshest critics in opposition merely changed its structure it once they became the government.

Stakeholders have rightly congratulated the Mayor for taking the lead in seeking red tape reduction at the municipal level. In fact, Winnipeg already went through a more modest regulatory review called the *Red Tape Review Panel* in 1997. We have unique problems, but red tape reduction is already a routine idea here, and elsewhere.

In short, the Mayor's Red Tape Commission was created to help, enhance and empower the public service. As Mayor Katz often puts it, we can solve a great deal if we simply adopt a more "can-do" approach to our challenges and examine them in a more positive context. We believe less time spent on administration and red tape means more time for customer service, and more time for customer service means greater respect for the important role public servants play, and better recognition of the quality service that so many public servants already deliver.

"If this Commission is going to make a positive contribution, we must understand why red tape exists.

People often make the mistake of blaming bureaucracy or the people who work within it."

Mayor Sam Katz, launching the Red Tape Commission, November 23, 2004

"The City shall facilitate opportunities for business growth in Winnipeg by assisting business in meeting government requirements associated with new development and expansion, including streamlining procedures and regulations within the civic administration."

- Plan Winnipeg

It is our sincere hope that our recommendations and observations will be taken with this spirit in mind, especially from those who have chosen to serve Winnipeg as a career, in whatever capacity.

A NOTE ON THE RECOMMENDATIONS

The Mayor's Red Tape Commission is publishing this report to speak to several audiences: councillors, public servants, citizens and business leaders. With this in mind, several technical issues found by us or raised with us do not appear in this text, as these issues are more properly considered in the development and deliberation of specific motions in the coming months.

To allow for maximum flexibility, the Commission intends to publish a separate *Implementation Notes* document online to provide additional information, including:

- Proposed timelines for implementation;
- Identification of legal, financial or logistical questions that must be considered in implementation;
- References to Council or Public Service concerns with recommendations where we are aware of them; and
- Citations for selected quotations and data

Organization-wide change



The Red Tape Commission released its guidelines in an *Introductory Report* on February 16, 2005. The Commission has already used the guidelines as part of its own deliberations, and rejected several of its own early proposals as inconsistent with these principles.

First principles

Fighting "red tape" is a broad mission. Reformers and innovators can easily wander down policy tangents and get lost in pointless debates. To maintain focus, Britain's *Better Regulation Task Force* boiled its own goals down to five words: proportionality, accountability, consistency, transparency and targeting.

Early in our mandate, Commission member Stuart Duncan proposed a more detailed set of principles and guidelines for the Mayor's Red Tape Commission. Commission member Leo Ledohowski added a mission statement to summarize the guidelines.

To a cynic, "guidelines" feel meaningless. But diligently applied, these guidelines have already had practical value. We rejected several draft recommendations after a glance through our guidelines made it clear that the idea failed the test of common sense. Testing a policy against basic guidelines can prevent the creation of red tape, be it in law, service delivery or law enforcement. With this in mind, our guidelines appear as Recommendation 1 in the hope that City Hall will adopt them as policy, and use them in the same way.

"The process of answering the questions at the core of good regulation needs to begin with rigorous work by public officials…It is generally too late by the time a Bill reaches the floor of Parliament"

Gary Banks, Chairman, Australia Productivity Commission, 2001

Organization-wide change

As the guidelines note, the Commission believes that red tape reduction cannot be a "special project" in future. It must be a routine part of everyday service delivery. Recommendation 2 reinforces this message with suggestions to spread the customer service mission across departmental silos and boundaries.

We act on a small but important idea in our Report. The Commission grew into the habit of referring to "administrators" as "public servants" – because that is what they are. Few cities call staff "the Administration." This name reinforces the negative image of public servants as "bureaucrats" who simply shuffle paper and get in the way. Several organizations asked us to consider issues like staff succession, job titles and skills retention planning. If businesses want City Hall to keep talent and recruit more, we as citizens can help – by showing more appreciation for the mission of public service.

Naysayers might want a different phrase, since there already is a "WPS" - the Winnipeg Police Service. Instead, it might be easier to stop using confusing acronyms entirely. Readers will note that only two abbreviations - "BDO Dunwoody," and "PCL Constructors," both trademarks - appear anywhere in this document.

RECOMMENDATION 1

Adopt the following "common sense guidelines for better regulation in the City of Winnipeg" as policy, and the Winnipeg Public Service should adhere to these guidelines to prevent the creation of unnecessary red tape in the future.

The Commission submits this recommendation to offer a framework to guide decision-makers in efforts to prevent future red tape.

Common Sense Guidelines for Better Regulation in the City of Winnipeg

Mission statement

"In good faith, and in a timely, facilitative manner, the City of Winnipeg will endeavor to provide excellent customer service and minimize red tape for all citizens, businesses and government."

Objectives of the Guidelines

- To improve the City's customer service to citizens and business;
- To restrict and limit the creation of red tape through unnecessary regulation as part of an overall City effort to reduce the overall burden of red tape on citizens, business and government;
- To provide direction to all City of Winnipeg government departments, agencies and corporations and to ensure consistency in preparing all future regulations, amendments and related paperwork that affect citizens and business.

"Regulatory requirement"

A regulatory requirement is any law, by-law, statute, policy or other directive that creates an obligation on citizens, businesses or administrators. A regulatory requirement can be a form that a citizen must fill out to access a service, a fee that a business must pay, or a rule that prescribes a certain activity for governments.

Principles

All regulatory requirements should be:

- Developed and enforced in good faith
- Necessary for safety, security, health and citizen protection
- Effective in their use and application
- Transparent, simple and easy to understand
- Drafted or enacted in a manner that is accountable
- Fairly and consistently applied and enforced
- Affordable for government, citizens and business alike
- Consistent with other regulatory requirements
- Designed with the potential for electronic compliance in mind to reduce paperwork
- Targeted at the problem to avoid unintended side effects
- Proportional in balancing practical benefits, costs and risks.
- Designed to avoid duplication with enforcement by senior governments

Guidelines

1. The City of Winnipeg will work with citizens and businesses to clearly identify the specific need for regulation and other potential means to address that need. The City will work with citizens and businesses to explore alternatives and ensure the least burdensome option for addressing problems is used. Alternatives can include better use of existing data or programs, better enforcement of existing rules, better cooperation with provincial or federal agencies, responsible models of accountable self-regulation and/or flexible, objective-based rules that allow for different routes to compliance. Advance information will be provided to those most affected by regulations so that thoughtful consultation will take place, and so relevant stakeholders can provide input into regulation and related matters.
2. When it is determined that regulation is necessary, flexibility and innovation will be used to develop the most effective, efficient, equitable and appropriate regulatory requirements. If regulation is necessary, and not targeted to protect public health or safety, the City of Winnipeg will make a best effort to be "red tape neutral" and conscious of the *existing* red tape burden.

3. The cost and benefit of proposed regulatory requirements to government, citizens and businesses will be identified in regulatory impact statements which clearly identify the objective of the new regulatory requirement and how its effectiveness will be measured and reported.

4. Regulatory requirements will not duplicate or conflict with existing regulations in the City and Province. When business regulations affect businesses operating in several jurisdictions, the City will work with those jurisdictions to make regulations as consistent as possible, minimizing the cost and hassle of compliance.

5. New and amended regulatory requirements will be written concisely. Whenever possible, terms and definitions should be uniform and the drafting style should be consistent with other regulatory requirements to ease compliance and reduce potential confusion.

6. The paperwork burden will be minimized by avoiding duplication and complication in regulatory forms. Citizens and businesses should not be required to report information if it is already in the City's system. Online and other technologies should be used to ease compliance and increase transparency.

7. Departments, agencies and corporations will regularly review business regulations and statutes to question the objectives and effectiveness of existing regulatory requirements – and not simply to seek opportunities to create new red tape. "Sunset" clauses and expiration dates should be used whenever possible, but reviews should take place regardless. Not all types of regulations should be subject to the same level of review.

8. The final responsibility for acting on the guidelines should be assigned to the Chief Administrative Officer of the City of Winnipeg and her office, or some other appropriate central agency to ensure that all new regulatory requirements are considered through at least one body. The central agency or office that uses the guidelines and improves regulatory impact statements will play a key dual role as scrutinizer and advisor on red tape across government. The consistent support of a central agency will be crucial, leading to a systematic, internal cultural change in the City's approach to controlling red tape.

RECOMMENDATION 2

Develop an organization-wide customer service mission. Take several steps to infuse the customer service mission everywhere in City government.

Avoid structures which imply that red tape reduction and better service is the responsibility of "some other department."

Recommendation 2 is designed to spread the focus of customer service improvement beyond the confines of one department, 'silo' or agency at City Hall.

Recommendation 2.1

Quality service is the mission of every employee. Forms of address should acknowledge that mission. Given other recommendations in this Report, the Commission believes it is important for citizens and Councillors to refer to public servants as what they are, and recommends that all references to "the Administration" be replaced in future with references to "Winnipeg's Public Service" or "public servants" where it would incur no transitional cost for the City to do so. With this in mind, these terms are used throughout this document.

Where appropriate, public service job titles and job descriptions should recognize that many employees have a shared role as both regulators *and facilitators.*

Recommendation 2.2

To be truly "open for business," City systems and processes must be open and available for customers at the right time, in the right place. City Hall should regularly review service hours and decision-making processes to identify and remedy inconsistencies between City systems and customer needs.

Recommendation 2.3

The City should identify its top ten most active points for customer service and begin a cyclic series of customer service audits of these points of service. Points of service can include the permit system, collection of crime reports or recreation registration, amongst others. Audits should be constructive efforts designed to improve service in cooperation with frontline managers and staff, with measures of customer satisfaction used to track progress.

Recommendation 2.4

Make better customer service a feature of enforcement, especially in the consistent application of by-laws. As an initial step toward Public Service departments should assign existing personnel to identify inconsistent by-law interpretations through testing, customer surveys or other measures. Departments with enforcement roles should organize regular staff training sessions to promote consistent application of codes, laws and regulations.

Recommendation 2.5

Make better customer service a factor in collective agreements. All parties can agree on the importance of excellent customer service. Negotiators must identify customer issues as negotiations goals in consultation with City customers and bargaining units. Wherever appropriate, greater deployment flexibility, merit incentives for superb service and cross-training should be pursued.

As an initial step toward reaching this goal, a working group should identify customer service issues in consultation with representatives of the Canadian Union of Public Employees in time to address these issues in coming negotiations.

Changing how we do business with small business



Small business, big regulation: a permit, a license, a permit and a license displayed as required by law at the Soup Pierre restaurant on Corydon Avenue.

To some, it all looks like red tape. To the Commission, these four forms were an opportunity to demonstrate the City's commitment to small business with a new approach to regulation…

The problem with business licensing

Depending on how you count them, Winnipeg has 84 categories and subcategories of business license, regulating massage therapists and street artists, buses and livery stables, auctioneers and chimney sweeps. The license system is built on the premise that asking businesses to register and pay a fee is the best way to enforce regulations applied to those businesses For example, laundry licenses exist in Winnipeg primarily to allow the City to enforce hours of operation – a goal that can just as easily be met through without a license and a fee in the middle.

The Commission found the *License Law* to be baffling, obsolete, and too specific. Most comparison cities had equally complex systems. The noteworthy exception is Saskatoon, which achieves refreshing simplicity by requiring every business to buy an identical license and pay an identical fee. The Commission sought to be as streamlined in our own proposals to simplify the system. We hoped to attack several identified problems, including:

"Simplification of business licenses can be an important first step in a broader regulatory reform programme."

'From Red Tape to Smart Tape,' Organization for Economic Cooperation and Development, 2003

- **Pointless complexity and excessive process.** Several licenses (including licenses for pool tables and used bookstores, for example) require community committee approval. As the Commission worked on this recommendation, Councillor Magnifico dealt with one case where an antique dealer who had bought an existing shop faced a lengthy wait before it could receive community committee approval to open (the Councillor was able to resolve the issue). This is a common complaint. Other licenses seem designed to achieve the intended result in the most complicated way possible. For example, the vending machine license forces vendors to annually place individual stickers on every machine. Although the City considered (and accepted) the rationale that these licenses were a crime prevention measure a few years ago, other cities have less onerous means of regulating these machines, and so should we.
- **Confusion about purpose and staging.** Many business licenses are really *activity* licenses, designed to trigger certain inspections before a certain action is undertaken. But business-specific licensing often creates confusion in the non-profit sector; at least one charity group was surprised to be told it needed a business license before it could hold a charity dinner at a community centre.
- **Hidden taxation and *Eurig* concerns.** More than once, Commission staff heard a particular license rationalized as "a revenue source," and even heard suggestions that new licenses might provide "revenue opportunities." While a license-in-lieu of business tax might be defensible; use of trade-specific business licenses as a hidden tax is not. It is not just a matter of fairness, but also a question of law: many governments across Canada have worked to comply with the Supreme Court's *Eurig Estate* decision (1998) which found that governments must show a "reasonable connection" between a fee charged and a service offered, or the fee is a tax, with all appropriate legal limits.
- **Mission-creep.** As a government, the City's primary roles are the protection of public safety and the regulation of land-use and construction. Cities are legally ill-equipped to offer consumer protection, because doing so creates a patchwork of inconsistent standards with little in the way of teeth to back them up – which is why most consumer protection regimes are provincial or federal. Yet Winnipeg's *License By-Law* attempts to offer consumers protection from fraud and other consumer crimes. The Commission felt that since the City has enough trouble meeting more basic responsibilities, offering ad-hoc consumer protection is only an invitation to stretch resources even more.
- **Obsolescence.** We license "amusement parlors" but not, say, internet cafes. Given the speed of business evolution, many new license rules are obsolete from the moment they take effect. The by-law already shows several signs of old-age: we regulate "magazine hawkers," and when was the last time a "dance hall" was called a dance hall? Often, companies with innovative business models are forced to license themselves to fit into obsolete boxes

defined decades ago. For example, one Councillor told Commission staff of cases in his ward where old, renovated houses are subdivided into modern apartments. In Toronto, these apartments are praised as an important tool to grow downtown infill housing capacity. In Winnipeg, similar projects are forced to license as "rooming houses." Which approach better serves the public interest?

Faced with so many problems to consider, the Commission rejected the notion of tinkering with licenses in place.

One potential alternative was the Saskatoon model. A one-license-fits-all approach would resolve several issues in one stroke. But Commissioners were mindful of the fact that not all Winnipeg businesses require a business license at present. Copying Saskatoon's alternative would mean expansion of regulations to cover businesses that we do not regulate now.

Red tape as opportunity: the occupancy permit advantage

To make Winnipeg a best-practice city in business licensing, the solution we chose was outright elimination of business licensing. Ironically, this is practical because of red tape in the occupancy permit system.

When occupying a building, Winnipeggers are legally obliged to obtain an occupancy permit certifying that the structure has been inspected for building code compliance. For whatever reason, Winnipeg's occupancy system covers more territory than other occupancy permits. Other cities require an occupancy permit for a change in use (as defined by the building code) or new construction. Winnipeg also requires an occupancy permit for a change in *tenancy*.

From one perspective, this is a negative. But to the Commission, it is an opportunity. Most applicants for a business license are already obliged to apply for an occupancy permit at some point in their tenancy. Both Planning and License staff noted that businesses tended to be compliant with all rules or non-compliant with all rules. Finally, Planning staff noted that the "slow season for business licenses is the busy season for occupancy permits."

The Commission took all of these factors into consideration in choosing the new model. Recognizing the City's pre-eminent role as a planner and regulator of land-use, we believe the City should focus enforcement around property-based authorizations through one permit. As is outlined in detail in the *Implementation Notes*, the new system would preserve all essential regulatory functions in three ways.

First, it would shift license-based regulatory 'triggers' to the occupancy permit system. Where fire, health or record review requirements exist in licenses now, under the new system, occupants would have to comply with these rules as a condition of occupancy instead, with fees levied on a cost-recovery basis for annual or regular inspections.

Second, business-specific license rules would be moved into the by-laws, ending their (often tenuous) linkage to a license. In the new model, limits on hours of operation would now appear in a *Doing Business in Winnipeg By-Law* alongside other business regulations. Needless to say, several obsolete provisions can be eliminated in this new by-law.

Third, Recommendation 6 proposes use of the federal/provincial GST/PST business number be used the City's account number for businesses. If the City can negotiate use of PST registry data with the province, it will no longer need to rely on voluntary license registration to identify what businesses are operating where in the City; better data will be available about what the business is, and where it is based than is available through the license system.

"…I received my [home] business license invoice of $135. Attached to that was a 1/2 page green sheet of unnecessarily ambiguous and unclear complex instructions on how to apply for a refund if your net income was below $5000. It seems to me that going thru that process would cost all of us in the Canadian economy far more than the $135 to go thru all the hoops to do the refund."

- Citizen submission

In a response to an earlier draft of these recommendations, the License Branch was concerned that our proposal did not specify the need for a proactive enforcement model. In fact, our hope is that these recommendations will *improve* the City's ability to proactively enforce both regulations transferred to the new by-law, and safety requirements built into the occupancy permit system.

A more property-based approach will shift the focus of regulation toward a single question: "is someone authorized to perform this activity in this place?" The Commission anticipates some sort of organizational cooperation and cross-training to match skills between the Planning Department and the License Branch with this in mind, but members did not wish to prescribe details.

Startup-killer: the home-based business license

Winnipeg began to license home based businesses several years ago as part of a backlash against high business taxes. Hence the legal name "license in lieu," since the license is really "in lieu" of the business tax. Business and government alike saw home business as a tax dodge – a shortsighted approach, given that the today's home business might be tomorrow's tenant. According to a recent Canadian Federation of Independent Business Survey, 42% of small businesses started in a home, are still in one, or maintain some relationship to a home office.

Once the license was in place, a paperwork regime grew around it. The Commission did not spend as much time on forms as it wished to, but it does point to the home-based business license form as an example for potential improvement.

Imagine a young entrepreneur with an idea. She wants nothing more than to start work in a home office. Yet the first thing the City will do is charge her a fee to apply for the right to do so. Before she receives approval, she must answer questions like this: "will you have employees working from the home?" In the absence of any reason to say no, many will say "yes," to keep their future options open, and doing so confesses their intent to break a by-law. In Vancouver, the home license form states what the law is at the very beginning of the form, encouraging compliance right up front. This is a simple example of what businesses mean when they complain that we are not as "facilitative" as other cities.

The home license is difficult to enforce consistently. It is very difficult to administer. Finally, it taxes our smallest businesses at the point of inception, in sharp contrast to provincial and federal policies designed to nurture new enterprises and let them grow.

Recommendation 4 proposes to remedy this in two steps. First, we propose several quick-fixes to the existing license to reduce paperwork and cash flow. The second step is to cut the license outright, eliminating the $830,000 raised annually as part of a future reduction in business taxes, with administrative benefits for both government and the small business community. As noted elsewhere, use of a joint GST/PST number and improved enforcement of zoning laws should help the city monitor the creation of home businesses. Where a business does not intend to comply, forcing a competing business that is willing to comply to buy a voluntary license is not going to change that.

"Why can't I pay with my credit card?"

Well, why not? The very first submission to the Commission was from a restauranteur who had been forced to close his business to pay a City tax bill in person.

In fact, it is easier than it seems to pay for most City services in any manner one would want; the majority of City payment points offer several convenient payment options. Virtually any City bill can be paid at a branch of the Royal Bank (the City's banker. Still, there are inconsistencies in the level of service offered at many points of payment. City policies allow departments discretion to operate their own payment systems. The result is an unpredictable patchwork of service levels.

Corporate Finance reported to us that the City already has access to most of the technology, systems and equipment needed to rapidly bring departments with fewer payment options up to speed. The Department regularly helps other offices add payment capacity on request. But no policy exists to require this. The one area where payment options lag overall is with online payment, although

"My Shaw Cable, my Rogers cell phone and my MTS bills are all paid automatically each month on my Visa card. It is much easier to pay the one Visa bill rather than the three individual bills, and I get Air Miles as a bonus. I do not want a preauthorized payment to come directly from my chequing account.

My water bill is always a problem to pay. Why can they not accept credit cards?"

- Citizen submission

Planning, Property and Development is remedying this quickly as they move more permit transactions online.

Easy payment is an important component of good customer service. The Commission believes it is time for a consistent policy for all points of payment. More importantly, the City must advertise which options are available to ensure that customer awareness keeps pace with capabilities.

One sticking point: credit card payment for tax and water tax bills. These accounts can run into the tens of thousands of dollars. Credit commissions on thousands of payments of this size could cost the City millions to achieve a marginal public benefit.

The Commission could not find an example of a Canadian city that allowed credit card payment for taxes. However, it is possible to pay these bills with a cash advance on a credit card through the Royal Bank (the City's banker). This interim measure is discussed in the *Implementation Notes*. 'Interim' should be the watchword here. Workplace compensation agencies in several provinces allow businesses to pay premiums with a credit card up to a certain level, and other government agencies are sure to follow.

Streamlining paperwork with existing tools

"There should be a single business number for each business so that business information only has to be completed once… The same number should be used provincially to avoid the need to fill out the same information at that level of government."

- Winnipeg Chamber of Commerce submission

A citizen can rack up a stunning number of 'accounts' with the City: dog licenses, property tax payments, library cards, recreation centre programs and so on. There is no obvious way to create a single account for a single citizen without moving to a customer card or some other approach as suggested in Recommendation 5. Any alternative would likely raise privacy concerns. The Commission encourages City Hall to revisit this problem in future, as it apparently has in the past.

However, an obvious solution does exist for business. Thanks to the federal government's reservation of a block of GST numbers for provincial use, Manitoba and Ottawa have managed to combine PST and GST numbers to create a single "business ID number." The Commission recommends that the City build a single-account number around this innovation by senior governments, and do it with an agreement that allows the City to access provincial business registration data directly, using that account number.

The GST/PST number is not the only case where the City could use templates built by external agencies to reduce paperwork. Professional and industry associations often work with federal or provincial regulators to create standardized documents and contracts, but some governments insist on using their own distinct versions. The Winnipeg Construction Association identified one example of this phenomenon to the Commission which is noted in Recommendation 6.

RECOMMENDATION 3

Eliminate business licenses in the City of Winnipeg.

Merge important public safety requirements now in the business license system into the occupancy permit system, and consolidate others within a simpler *Doing Business in Winnipeg By-Law*.[3]

Recommendation 3 is designed to reduce red tape for small business with a bold and distinct step, and to focus City Hall's resources on key public and municipal regulatory goals.

Recommendation 3.1

Repeal the *(Business) License By-Law* effective as of a predetermined transition date (see *Implementation Notes* for details on this and other measures).

The motion to do so should include any necessary transitional measures, and businesses normally required to register for a business license would still do so until the transition date(s).

Recommendation 3.2

New rules should be enacted to eliminate the use of Community Committees to approve for any business to operate in any area. Instead, Council should either:

(a) delegate authority to a designate public servant to approve conditional occupancy for businesses of a certain type in certain locations, and/or

(b) ensure that any zoning reforms proposed by the ongoing Planning, Property and Development Zoning Review includes a broad "restricted activities" condition in any new zoning system to entirely exclude some regulated activities from certain land designations.

Recommendation 3.3

Prior to the transition date, develop a *Doing Business in Winnipeg By-Law*. This by-law would result in the replacement of trade-specific requirements in the business by-law system with a streamlined approach to regulating hours of business, age limits and socially restricted activities in one by-law.

[3] For greater clarity, this recommendation does not propose elimination of trade licenses, for which reforms are already contemplated under Recommendation 4

Recommendation 3.4

Phase-in the proposed new system, reducing all remaining requirements for a license into requirements for conditional occupancy, with appropriate penalties.

Under this system, the occupancy permit would be a conditional approval that could be revoked for non-compliance with certain identified conditions attached to each permit. The City should amend by-laws to enact this approach.

Occupants operating a business with historic fire hazards or occupying a location deemed to pose a fire risk will require a regular fire inspection as a condition of occupancy.

Occupants operating a business of traditional concern to law enforcement officials will be required to comply with police access and record review requirements as a condition of occupancy.

Occupants operating a business with historic health risks or occupying a location deemed likely to pose a health risk will require a regular health inspection as a condition of occupancy.

Recommendation 3.5

While this recommendation is primarily designed to reduce the paperwork burden for small business, it is also designed to better meet public safety expectations by focusing resources and regulation on key areas of public concern, shifting enforcement from a two-layered model into a system based on one permit and one pattern of enforcement.

The Winnipeg Public Service should have appropriate discretion to make organizational changes to achieve this goal in a manner that draws on the talent and experience of all pertinent enforcement offices. If necessary, fee changes described in Recommendation 3.7 should be set to recover costs for cross-training to make maximum use of enforcement experience in the relevant staff units.

Recommendation 3.6

Once operational, the new system should assign fire, police or health inspection requirements flexibly rather than through a fixed, trade-specific by-law schedule to allow the system to remain modern in the face of changes to business practices.

Recommendation 3.7

Under the new system, fees for necessary inspections and enforcement will be charged to the applicant for an occupancy permit on a cost-recovery basis, and/or to the those businesses receiving inspections and/or complying with record review requirements under the new model. "Cost-recovery" implies cost-recovery for each enforcement function and its administration in the new occupancy permit system, not simply cost-recovery for the functions transferred from the previous license system.

The transition can and should be broadly revenue-neutral from the City's perspective, based on user-pay adjustments distributing costs to those who apply for occupancy permits, and those who receive user-pay inspections.

The Fiscal Issues Committee should review fees one year after implementation to ensure that fees in the new system substantially achieve the goal of cost-recovery.

RECOMMENDATION 4

Improve the application process for home-based business licenses (formally the "license in lieu of business tax," as applied to home businesses) and eventually eliminate them as part of a future business tax cut.[4]

The Commission's goal in seeking elimination of this license is to reduce paperwork, concentrate enforcement resources, and to ensure that our City fosters the growth of its smallest businesses.

Recommendation 4.1

Immediately re-write forms for home-based business licenses to more closely copy other cities in form and function. The form should specify in clear language in the body of its text what is legal, and what is not.

Recommendation 4.2

Where a business with an income of less than $5,000 would be eligible to apply for a rebate in the existing system, instead allow the eligible business to file notice that it would be exempt, without any need for the fee collection or rebate.

Recommendation 4.3

Eliminate the home-based business license as a component of a future reduction in City business taxes. This should be completed in a single step to capture administrative benefits. When elimination takes place, the City should seek help from small business organizations and other agencies to better publicize zoning by-law obligations for home-based business.

[4] This recommendation will in no way remove the obligation on homeowners to respect land-use regulations in force in their neighborhood or community; see Implementation Notes for more details on this.

RECOMMENDATION 5

Adopt an "easy-pay" policy to offer customers a consistent standard for payment options citywide.

The Commission seeks to eliminate inconsistencies in payment policies, to offer a full menu of convenient payment options, and to make customers aware of those alternatives once available.

Recommendation 5.1

Adopt as policy the standard that "any citizen should be able to conveniently pay any bills owing to the City of Winnipeg by VISA, Master Card, debit card, cheque, or cash/cash transfer, online or in person." Designate a central agency within the Public Service to assist other departments and agencies in reaching this standard, and to monitor implementation.

As an interim measure, tax and water bills are payable with a credit card as a cash advance. The Commission recommends that public service staff seek favorable commission terms or design other policies to allow credit cards to be used for all payments.

Recommendation 5.2

On expiry of existing service contracts, a central agency within the Winnipeg Public Service should be authorized to implement this policy through a broad-based request for proposals for City-wide payment systems. This request for proposals should also allow bidders to propose different models for payment that could include the use of permanent customer accounts, or a "City of Winnipeg customer card" for purchase of City services. Costs, efficiencies (for instance, in the collection of debit fees) and the City's overall banking needs should all be important considerations if a vendor is selected under this alternative.

Recommendation 5.3

The central agency charged with implementing this recommendation should advertise the City's payment options, require other departments to do so, and be given resources to achieve this goal – *even where this means re-emphasizing modes of payment that already exist.* Wherever city bills are paid, collected or solicited, a common "easy pay" graphic with pertinent information should be published or posted.

RECOMMENDATION 6

Adopt common account numbers, standardized contracts, and other existing tools from other organizations to reduce paperwork.

Recommendation 6 is designed to reduce paperwork for business and government, using existing tools already built elsewhere.

Recommendation 6.1

Negotiate with the federal and provincial governments to develop a single business account and registry model around the common PST/GST number, now used as the single Manitoba business number. This would allow City businesses to register, update basic information and hold accounts with all three governments using a single account number.

Recommendation 6.2

For City construction contracts, use standardized documents approved by the Canadian Construction Documents Committee wherever possible.

Red Tape Reality Check

Business begins at home



The "license in lieu" for home-based businesses was created primarily to try to spread the business tax burden beyond the pool of commercial renters. Home business owners may also need other licenses in addition to the license for their home office.

The Commission recommended eliminating this license as soon as it is financially feasible to do so. Winnipeg's economy depends on small local businesses and local entrepreneurs. Many home businesses are very small, and licensing them seems shortsighted, especially when the costs of enforcement and administration are considered.

Was this a fair conclusion? To double check, we compared Winnipeg's home license regime to comparison cities.

Comparison cities	Home Business License Regime
Winnipeg	$135 fee for basic application, $111.87 fee for occupancy permit if changes to home made; applicant may need additional licenses and fees depending on business
Brandon	$160 fee for application.
Calgary	"Minor" home businesses: $33 fee; "major" business needs development permit – $295 fee.
Edmonton	"Minor" home business: $40 fee; a "major" home business (for example, with an employee present) pays an $86 fee.
London	No home business license requirement
Minneapolis	No home business license requirement
Ottawa	No home business license requirement
Saskatoon	$95 dollar fee; "Type II" businesses may base an employee on premises with a special permit.
Vancouver	No special fee; home-based entrepreneurs must register at that address

Less red tape = fairer tax systems



The Jazz Festival is one of many city cultural events that has difficulty complying with the complex rules in the *Entertainment Funding By-Law.*

The Entertainment Tax: a failed experiment

The *Entertainment Funding By-Law* expanded the City's amusement tax, levying a 10% surcharge on event, cinema and sports tickets where admission is priced at $5.00 or more.

The tax was designed to raise money from ticket sales to help the arts, but to apply the tax in a way that would not hurt local artists. To help local arts groups, the by-law exempts 164 organizations by name from collecting tax on certain types of events. The exemptions range from the temporary (including an exemption for a week-long run of "Male Intellect an Oxymoron" at the Walker Theatre in 2001) to the permanent, excluding institutions like the Winnipeg Art Gallery from taxation.

"The best way to get a bad law repealed is to enforce it strictly."

- Abraham Lincoln

Yet while these exemptions are written into the by-law, each organization could still lose its exemption under Section 17 for unspecified acts of non-compliance. Read through the by-law, and you will find a web of relationships between sections, connecting each exemption to additional conditions.

The most important condition is stated as a negative. "Where more than 40% of the performers involved in the performance of an amusement do not reside in Winnipeg," the event has "limited local content," and so it is taxable. Yet the default application of the tax is positive: events are presumed taxable until certified otherwise. "Performer" is not defined, but "performance of an amusement" is defined as "performing, holding, staging, exhibiting, playing or

operating an amusement." This would imply that stage managers and lighting technicians can be included when calculating limited local content for a play. Yet in one meeting of a Council Committee monitored by Commission staff, public servants and councillors alike implied the by-law was enforced in a manger that defined "performer" more stringently.

Finally, the by-law leaves final responsibility for tax collection unclear, confusing venues, performers and ticket retailers alike.

Even if the by-law was clearer, it is hard to see what difference it would make. The root problem is not poor administration but poor policy. Thanks to the complex exemptions, a play could conceivably avoid the tax by bringing more extras onstage for a street scene in Act IV. Is it in the City's interest to give a theatre troupe a reason to do so? Tax officials actually read concert and theatre programs to enforce the local performer exemption. Is this how we want public servants to spend their time?

"…the vast majority of the dozens of concerts that take place in the city every week are small affairs such as basement bands, ethnic cultural groups etc. performing to family and friends…Is it really worth the time and energy to track every concert?."

- Citizen submission

It does not have to be this way. Exclude cinemas, the downtown arena and Winnipeg's two stadiums from the mix, and the money raised by the complex performance-based formula is $400,000, a fraction of the $4.5 million grossed. The tax is itself an experiment built on top of our Charter authority to levy an amusement tax. In Regina, the same tax authority is used to levy the tax on cinemas only, a far simpler formula since cinemas operate on a simple business model in a fixed location. In our case, there is reason to look beyond cinemas: the City is obliged by policy and contract to remit taxes collected to the City's three major sports facilities.

As written, the performance-based portion of the *Entertainment Funding By-law* does not serve the public interest or the corporate interests of the City. It takes too much time to administer (for the City and the community both). It takes too much effort to collect. It takes too much political energy to review and maintain. We propose remodeling the tax into a version of Regina's Cinema tax, with major facilities included for reasons noted above. Recommendation 9 is our best effort to strip the tax down to its least offensive parts without scrapping it entirely.

City Hall has held back on reforming the by-law because junking the performance-based formula *might* cost $400,000 – or under 0.06% of total City revenues. Will there be cuts in arts funding? Will it be cut elsewhere? Will taxes rise to compensate?

Answers to these questions usually ignored the mitigating factor of administration costs. The performance portion of the tax is the only part that is difficult to enforce, and the cost of administration must represent a good part of $400,000 raised.

Yet the Commission did not adopt a formal position on arts funding alternatives because members did not accept the idea that the decisions were linked. After all, Winnipeg's "entertainment funding" tax is not really about arts funding. While the title implies otherwise, Section 20 of the by-law is worded to give Council full discretion on what it does with the funds collected. Over half the taxes raised are remitted to sports facilities. With this in mind, it is time to abandon the pretense that the *Entertainment Funding By-Law* is strictly an arts funding issue. Instead, we must focus on the important over the urgent. We need to repair a by-law that is an embarrassment to the City and to its reputation as a great place to live, work and play. The experiment failed; it is time to end it.

Assessment reassessed

The City's Property Assessment Department first became the subject of close scrutiny in 1996, when John Scurfield tabled a report to Council on an emerging crisis within Winnipeg's assessment system. Resistance to change and modernization led to high ratepayer dissatisfaction, a clogged appeals system and a major potential liability to the City. While Council and the Public Service remedied many of the problems that led to the report, the Scurfield Report remains an interesting read ten years later, as the Report's critique was not simply applied to the assessment system (see, for example, "Closing Themes," below).

Since 1995, City Hall has kept a close eye on the Department to ensure that it managed the issues that led to the inquiry. Two major reports reviewed progress. The first review was the *2001 Audit of the Assessment Function* by the Audit Department. The second is the 2002 "Assessment Task Force," also known as the O'Shaughnessy Task Force after its chair, Councillor Mike O'Shaughnessy. Both concluded that progress was "significant," but both also emphasized the need for further changes to make the system as customer-friendly and effective as possible.

The Mayor and the Chief Administrative Officer wrote to departments to ask them to offer suggestions to the Red Tape Commission last December. The Assessment Department's reply was to note that these reviews had already heard their ideas on red tape reduction. The Department felt it should wait for resolution of those reviews before resubmitting ideas to another body. With this in mind, Commission staff compared citizen submissions to the two reviews to find areas of common ground.

Several important suggestions from both reviews were still outstanding six months as the Red Tape Commission finished its work. One example: the recommendation that the Board of Revision should issue written reports of its decisions, as most comparable bodies in major urban centers already do across Canada. According to the Auditor's 2001 report, 10% of the Board's decisions are appealed to the Municipal Board level. Only 23% of those decisions were upheld – which may be

"Currently, the decisions of the Board of Revision are not documented and if appealed to the Municipal Board the appeal process is a new presentation without regard to the Board of Revision decision, or the presentation made to the Board of Revision."

- Manitoba Hotel Association submission

one reason why regular appellants refer to the Board of Revision as a "practice-run." Without a written decision, both parties can arrive at the Municipal Board with new evidence, wasting everyone's time and money in the process. We repeat the recommendation to require a written decision, and urge rapid action to implement it.

The Commission makes three other recommendations below. While the Department has made considerable progress, but Commission staff frequently heard and read suggestions that more could be done to improve the tone of assessment negotiations. Rather than digging into each case to confirm or discard the thinking behind it, Recommendation 8.1 simply repeats the call from previous reports for continuous improvement in assessment customer service, with the specific suggestion that greater standardization of negotiation procedures may be useful.

"Based on our experience, there seems to be three overriding principals under which the Department seems to operate:

1. See you in Court;

2. Let's see how much money you are prepared to spend to fight us;

3. There are only winners and losers.."

- Citizen submission

Recommendation 8.2 is the result of Commission staff's research into the issue of differences and similarities between assessment methods, given tensions with respect to the use of income assessment in some sectors, including (for example) disputes over how to fairly calculate business expenses, for example. Submissions to the Commission frequently complained that the City's procedures were unpredictable in this area, leading to disputes, misunderstandings and costly appeals.

A useful alternative was found in the most obvious place: Manitoba. Businesses in Manitoba work under the same regulatory environment (similar assessment acts, similar liquor regulations, and so on) as City businesses do.

Yet despite those similarities, it appears as though there is relatively high customer satisfaction with provincial income assessment methods compared to those used in Winnipeg. If readers need some measure of this, it must be observed that the City is in a costly legal dispute with the Manitoba Hotel Association over the City's income assessment of hotels, but the Manitoba Hotel Association has no such dispute with the province, even though hotels outside the perimeter are assessed under the same assessment law. It must also be observed that there are differences between the forms, formulas and other procedures used to assess income outside the Perimeter. Ratepayers seem to support the province's approach to valuation as a direct result of the clearer tools they use. It stands to reason that the City can learn more from the province in this respect, and so we recommend that the Department do so as quickly as possible.

Pyrrhic victories

"I suspect that some defences of appeals were supported by no more than a reluctance to admit error," Scurfield remarks in page 90 of his report. In classical history, a "pyrrhic victory" is a victory with so high a price that it was hardly worth winning, and the Commission could cite more than one case in which the City's approach to tax appeals conjures up this ancient phrase.

The O'Shaughnessy Task Force reported in 2002 that it often heard references to a "confrontational attitude" among some assessors; the Commission repeatedly saw the same in written submissions years later. With this in mind, it is important to explain the thinking behind one remark in Recommendation 8.3. The Recommendation reaffirms a suggestion from previous reports which call for the removal of red tape that prevents negotiated dispute resolution. As has been proven in recent years in Ontario, allowing for more flexibility to negotiate after the assessment roll is closed saves time and money. Our existing process forces both parties to appear before the Board of Revision to certify their agreement.

Once Recommendations 8.3 and 8.4 are addressed, there should be few cases left in which the City has any reason to be the appellant in any individual property tax case – and that is the way it should be. If the City's own Board of Revision has made a decision, it is not the City's job to grind the taxpayer down with further appeals; the City already had its chance to file a fair and accurate assessment when it first set the roll, and should hold itself accountable for doing so.

Several submissions expressed profound anger at the City's willingness to appeal and counter-appeal to obtain the 'correct' assessment. Mass appraisal is hardly an exact science; one need only look at the Assessment Department's willingness to adjust values through negotiation to see this. With that fact in mind, the City cannot treat ratepayers as enemies. While the City may have listened closely to the Scurfield Report's advice on systems, it should focus twice as diligently on his advice with respect to *attitudes*. "Measures must be implemented to ensure that the Assessment Department treats the taxpayer as a client and not an adversary," he advised. Fail to do so, and you not only create "red tape" by forcing Winnipeggers through endless appeals, but you also reinforce the perception that City Hall is indifferent to taxpayers, citizens and customers.

RECOMMENDATION 7

Radically simplify the *Entertainment Funding By-Law* (better known as the Entertainment Tax).

The Commission's goal is to end an unpopular and complex tax policy, significantly cutting red tape for the City and Winnipeg's arts community.

Recommendation 7.1

Any new by-law to amend or replace the existing *Entertainment Funding By-law* should eliminate the cumbersome mechanism to exempt local content, and instead apply the tax to any venue hosting a performance with a ticket price of $5.00 or more for the following venues:

- Entertainment facilities with a seating capacity of 5,000 seats or larger; and
- Cinemas of all sizes.

The Commission believes it is essential that this classic example of red tape be eliminated for the benefit of arts and cultural groups, for the benefit of government, and for the sake of the City's reputation.

The amount of revenue that might be lost by doing is approximately $400,000 if no administrative savings are achieved – and this is less than 10% of the gross value of the tax collected.

If Council chooses to "recapture" the tax revenue lost as a result of this recommendation, it should either (a) broaden the simplified entertainment tax to cover all cinema tickets, or (b) raise the rate on the simplified tax, c) do both, or d) explore options that do not rely on performance-based taxation.

RECOMMENDATION 8

Implement outstanding requests from recent audits and other reports, calling for structural changes and other customer service improvements in assessment and assessment appeals. Copy provincial procedures with respect to income assessment.

These recommendations are designed to improve customer service and reduce red tape in tax assessment.

Recommendation 8.1

Where assessors are engaged in negotiated resolution of disputes over valuations, the City should have clear, public guidelines on what issues can be raised in the negotiation, and how the negotiation should proceed. Customer service audits should be used to identify problems and help assessors improve in this area.

Recommendation 8.2

The Winnipeg Public Service should take immediate steps to copy the Province of Manitoba's assessment practices with respect to income valuation of properties, which reduce red tape by more effectively applying existing financial data kept by businesses to income calculations in a transparent, consistent manner. Copy forms, processes and procedures. The goal should to be to adopt any provincial procedure that improves the transparency and simplicity of the system, especially where doing so will more effectively ensure that income-based assessments only assess the valuation of *property*, as required by law.

Recommendation 8.3

The City should immediately request legislative amendments to permit amendment of the assessment roll after it is filed, where there is a written agreement between the City and the ratepayer to do so. Once this change is made, the City should - as a matter of policy - end the practice of appealing Board of Revision, Municipal Board or other tribunal decisions on its own assessments.

Recommendation 8.4

Without further delay, City Council should require that the Board of Revision provide written decisions on request, consistent with the recommendations made by the Auditor in 2001 and the O'Shaughnessy Task Force in 2002, and take any other steps necessary to ensure that neither party to an appeal can introduce new evidence in appeals beyond the Board of Revision level.

Case Studies in Red Tape

"That's entertainment?" - Jazz Winnipeg's experience

Jazz Winnipeg is not a lobby group or a business enterprise. It is a group of dedicated Winnipeggers who love jazz. It is also a group that is exempt from the Entertainment Tax. Or is it?

While the organization feels it has a positive relationship with the City's public servants, it is less certain about its relationship with the City's *Entertainment Funding By-Law.* And with good reason: the organization has found it impossible from one moment to the next to determine if it is in compliance or not – a challenge that City Hall seems to share.

The organization forwarded a chronology of its discussions with the City to help illustrate this point. The Commission is grateful to Jazz Winnipeg for doing so, and for permission to summarize that chronology below:

Feb. 28, 2001 – Jazz Winnipeg granted a general exemption

The exemption is conditional, in that Jazz Winnipeg is presumed to be exempt if it remains in compliance with local content rules.

December, 2004 – Jazz Winnipeg treated as not exempt

Jazz Winnipeg is told that Entertainment Tax is due on over 50 events it held in 2004. The organization received no previous notice to suggest a change in how the local content formula was applied.

February 4, 2005 – City staff offers an update

Public servants meet with arts groups to explain why several of them have been found in arrears, despite specific exemptions in the by-law.

February 7, 2004 – Jazz Winnipeg asks for specifics

As a follow-up to the February 4th meeting, Jazz Winnipeg writes the City to clarify the status of its exemption out of concern that Jazz Festival might now be taxable.

February 11, 2004 – Jazz Winnipeg told it might be exempt

City officials meet directly with Jazz Winnipeg representatives. The City's message: the exemption can be re-evaluated at any time.* At the close of the meeting, it is Jazz Winnipeg's understanding that:

i. the Jazz Festival will be evaluated as one event for the purposes of the local content exemption; and

ii. officials are not certain whether free events will be included in calculating local content quotas.

February 14, 2005 – The City confirms that free events can be used for exemption

City officials confirm – in writing – that free events can be included in calculation of the local content exemption for the Jazz Festival:

"(F)ree admission performances...may be included in the calculation of local content…It is the City of Winnipeg, Taxation and Revenue Division's position that Jazz Winnipeg Inc. has a general exemption for the entertainment funding tax as long as all the criteria of the by-law has been met."

The letter from the City closes with this note: "Ticketmaster should not collect and remit the tax on events hosted by Jazz Winnipeg Inc."

March 11, 2005 – Jazz Winnipeg seeks to confirm that tax will not be applied by Ticketmaster

Using the February 14 letter as a guide, Jazz Winnipeg calculates the residency of its current lineup of performers and concludes that the Festival is in compliance with the local content rule. Jazz Winnipeg writes to Ticketmaster to seek confirmation that the Entertainment Tax will not be applied to Winnipeg Jazz Festival tickets, per previous exemptions.

March 14, 2005 – Ticketmaster insists it must collect tax

Ticketmaster informs Jazz Winnipeg that it "cannot confirm your Entertainment Tax exemption with the City of Winnipeg." Ticketmaster quotes City officials as saying that "only city council has that power and we must wait for the council meeting to take place."

March 21-31, 2005 – Second attempt at confirmation

March 22 is the application deadline for an event-specific exemption to meet the Festival's sale deadline of April 30. Jazz Winnipeg calls City Hall to confirm whether or not they need a special exemption. Answer: based on information given, the exemption is in force, and no special exemption is necessary. On March 31, Jazz Winnipeg asks City Hall to confirm this with Ticketmaster.

April 5 – new policy: Jazz Winnipeg might not be exempt

City officials contact Jazz Winnipeg. The City has re-evaluated their interpretation of the by-law, and are recommending that festivals like the Jazz Festival be evaluated as a series of individual shows, with each show required to reach the local content threshold individually.

City officials now recommend that Jazz Winnipeg apply for a special event exemption after all. However, tickets go on sale April 30; the exemption would not be received until May at the earliest.

Late April - Jazz Winnipeg told it is exempt after all

Jazz Winnipeg receives confirmation that their exemption is still in force.

Permit Potential



900 Burrard Street, in Vancouver. This theatre/high-rise complex is in the last stages of construction, guided by a Certified Professional. The *BDO Dunwoody Consumer Experiences Study* cited Vancouver's Certified Professional program as a best-practice model to safely accelerate permit and inspection services.

The Commission recommends that Winnipeg phase-in an improved Certified Professional program as the centerpiece of a new approach to construction regulation.

Improving permit service delivery

Construction permits exist to ensure that builders comply with building codes. Service expectations are high. But the Planning, Property and Development Department's ability to meet those expectations must be put in context: the City received 36,710 construction permit applications last year – or 117 for every single staff member in a department with responsibility for several other processes. Add a total of 83,051 construction inspections last year - in addition to a further 87,000 development-related inspections.

The Commission has already given the Planning, Property and Development Department due credit for its work on Permits X-Press and other initiatives to improve permit speed and service. Those efforts are not limited to the Permits X-Press initiative. Several submissions called for more seasonal flexibility in staffing to match high summer demand, and the Department confirmed that it is bringing on temporary staff and taking other steps to meet this challenge. Fresh from the experience of Permits X-Press, the Department is now hoping to turn its attention to reform of development permits and the zoning by-law.

But the Department acknowledges that more can always be done with respect to construction permits, and acknowledges that commercial permits and inspections must be a target for future attention. While Recommendation 12 builds on ideas already in use or in development within the Department, Recommendation 11 offers some out-of-the-box ideas from the Commission's perspective, designed to inspire innovation and create incentives for greater compliance. As is seen later in our rezoning proposal, Commission members felt that reorganizing the steps in each process – to complete administrative work after a certain step instead of before, for example – can reduce delays for customers.

"Frankly we live in a neighbourhood where a lot of us are scared of the questions we asked being sent immediately into another level of bureaucracy for follow-up, spot assessments…

Please create incentives for me to actually increase the value of my home through improvements rather than a housing shortage induced re-valuation."

- Citizen Submission

One alternative is Councillor Magnifico's idea for "permits sold off of trucks" – a catchphrase for redesigning the permit system to move customer service transactions to the actual site of the inspection, allowing customers to bypass much of the administration that is performed offsite. The Department saw no reason to reject this idea in principle. As a result, it is recommended here alongside a proposal to offer retail sale of conditional "pre-permits."

Citizens told us that they often did not buy permits for fear of reassessment. The City might register an increase in a home's taxable value even though the work involved might not actually result in a measurable increase from a mass appraisal standpoint. The final subrecommendation in Recommendation 11 addresses this problem, and recommends a change in provincial and municipal rules to achieve this.

Bigger projects, bigger problems

On April 28, 2005, the Commission held a joint meeting with the Planning, Property and Development Department. Commission members Alfred Schleier and Guy Prefontaine led the Commission's participation in the discussion. The central issue: what to do about inspections and permits for larger projects, including large housing developments, multi-residential buildings and commercial construction.

Both sides agreed that there was a problem. Bluntly stated, the City's inspections regime has fostered an environment in which City inspectors often end up doing compliance work that is more properly the responsibility of the builder. Why is this a problem? By way of analogy, think of how much it would cost if the government were to do everyone's income taxes for you – and think of how easy it would be for taxpayers to blame mistakes on the government if it did. In much the same way, too much of a helping hand in construction inspection can foster a sense that responsibility for the costs and work of compliance is the government's problem.

The problem is made worse by the impact of our inspection regime on the City's red tape reputation. Winnipeg has a short building season. Yet citizen and business submissions were full of examples in which our permit and inspection regime created work stoppages.

There are two traditional routes to building code compliance:

- First, our current system, with detailed government oversight of every step: inspection, oversight of plans, drawings and actual construction.
- Second, a audit-based "stamped-drawings" system, which holds building professionals (like engineers and architects) accountable for plans that bear their stamp. Inspections are performed on an "audit" model so that site visits, permit releases and other functions are more flexible, in tune with the actual progress of a project.

In an ideal world, we would move towards the latter. To the Commission's surprise, the Department agreed, but said that there would be industry resistance to such a move, particularly amongst smaller building firms that could experience increased costs as a result.

However, Winnipeg is far from an ideal world for two reasons. First, Commissioners heard convincing arguments from several quarters (including the Commission's own membership) to suggest that early entrants into engineering and architectural professions in our market could use more code compliance experience before their stamp was accepted. Worse: our "handholding" approach to inspections may have reinforced this. This is not a slight on the professionals involved; as Commission member Guy Prefontaine – himself an architect – noted, architectural education focuses more on design than legal compliance, which is why project managers often hire code to focus on those issues for major projects.

Yet the benefits of an audit model are obvious: greater flexibility within the building process, greater speed, less cost, hassle and less red tape. Audit-based enforcement would mean greater flexibility in inspection models, reduced liability for the taxpayer, and better use of Department resources. The Department argued that an audit model could be applied to residential projects, but not for more complex commercial projects.

But how to guarantee better protection for the public and still provide those benefits for all construction projects?

"There is overlap with having inspectors sent to the site to check work that has already been signed off on by professionals, resulting in redundancy."

- BDO Dunwoody Consumer Experiences Study, summary of responses.

"Given time constraints, the building process often starts before the permit is received."

- BDO Dunwoody Consumer Experiences Study, summary of responses.

A tested alternative

The *BDO Dunwoody Consumer Experiences Study* drew our attention to an alternative: the Vancouver Certified Professional Program, which is over 20 years old.

The Vancouver program has the following features:

- Engineers and architects are entitled to certify with the City of Vancouver upon completion of third-party tests to demonstrate facility in local building code compliance.
- Once certified under the City program, certified professionals can build up to three stages of a project with a single building permit. Inspectors now police these projects on an audit basis, allowing builders to remedy code problems without construction.
- Vancouver experienced reduced inspection costs as a result of the program, and so offers permit discounts to reflect this.

"The CP Program has been a huge success story for Vancouver in improving the quality of designs and in dealing with the large volume of ongoing development."

- Vancouver Chief Building Official Dave Jackson

The city of Surrey, British Columbia now recognizes Certified Professionals from Vancouver in its own version of the program.

When Commission members raised the potential of adapting this model, Department managers said that they had explored it in the past, but industry representatives felt that our market was not large enough to sustain the model.

The Commission felt the need to differ slightly from the Department's conclusions in two respects. First, members felt that reforms should apply consistently to all types of construction to remove artificial distinctions. The Commission also believed that a Certified Professional model could work if Winnipeg's program was designed to give the market time to adjust. Vancouver's program was first introduced when its population was smaller than Winnipeg's, in an environment of slow growth and only steady development.

Members of the Red Tape Commission spoke at length to City of Vancouver officials, and discussed aspects of the program in detail. Our view was that the program was clearly a best-practice, had been tested with over 20 years in operation, and had a great deal to recommend it. And so we have done so, subject to improvements made at the suggestion of Vancouver officials and professionals.

Our city wants, and needs development. Whether it is infill or greenfield is not the point. In either scenario, our short building season makes Winnipeg a difficult place to build in, and either infill or greenfield proponents lose if our inspections regime is not flexible enough to allow for high speed construction.

The Commission believes that a certified professional program will iron out the kinks in inspection of new construction, speed the building process, and increase inspection capacity. In the long term, as a substitute for a direct shift to a stamped drawings model, the Commission proposed making the program mandatory for new construction after five years.

Hindsight and foresight

A naysayer argument: how could anyone recommend adopting a a Vancouver model for building regulation? After all, Vancouver had "leaky condos…" As is often the case in Winnipeg, the argument against doing something is often the argument to go ahead and do it. The Barrett Commission which studied the "leaky condo" incident made it clear that responsibility for the problems was not limited to one jurisdiction or inspection model. Rather, a lack of code awareness and compliance throughout the British Columbia building industry was to blame. Inspectors were found to be just as much at fault as builders, design professionals and other actors in the process, in a variety of municipal jurisdictions.

The British Columbia case reinforces the need to promote proactive code compliance across the building industry. Although skeptics might be tempted to say otherwise, the reality is that the Certified Professional model is not deregulation: the building code remains the same. It is not a plan to reduce code compliance: the obligation to be compliant remains. In fact, it is a model that incents better, faster compliance in exchange for a benefit: greater flexibility as to how and when to get to compliance, provided it is reached before occupancy. And that means the builder gets their building built faster, too, with benefits for our economy.

"We end up with full compliance either way – we just get it faster with a good certified professional."

- Vancouver building officials to the Commission, May 13, 2005

One problem that will require foresight: Manitoba's engineer and architectural professions are presently in a legal conflict over their respective scopes of practice. Vancouver reports that it has had no such dispute with respect to its application of this program. Public servants and Councillors will need to be cognizant of this, but under no circumstances should the dispute deter the City from pursuing the economic and civic benefits of this type of program.

Using the audit model for other situations

Recommendation 10 proposes expansion of the audit model into other areas. The *Implementation Notes* elaborate on the specific problems this Recommendation addresses.

RECOMMENDATION 9

The City should shift to audit-based inspection and single building permit issuance for projects led by a certified professional, building on the City of Vancouver's experience with its own Certified Professional program.

As in Vancouver, the model should be optional for proponents for the first five years of operation, after which use of a certified professional should be mandatory for all new construction in the City of Winnipeg.

The Commission submits Recommendation 9 to propose a policy alternative that can safely speed up construction without compromising regulatory goals.

Recommendation 9.1

Council should make legal and other changes necessary to authorize the Winnipeg Public Service to create a self-financing Certified Professional program, allowing engineers and architects to work within an audit model of inspection in exchange for demonstrated facility with local code compliance.

Recommendation 9.2

The program should resemble Vancouver's Certified Professional Program in the following respects:

- After certain plan criteria are met, projects led by a certified professional will be issued a single building permit for up to three stages of construction. The certified professional will be expected to keep city officials informed of progress as per the Vancouver model, but will be free to schedule staged construction based on the plans submitted.
- The program should result in an explicit, codified shift in role so that City inspection of projects led by a certified professional are now audit-based.
- Audits should not interrupt work in progress, and orders for code compliance should not interrupt work unless a clear threat to health and safety has been identified by the inspector or certified professional. This will allow the certified professional discretion on when and how compliance is reached before first occupancy.
- A professional must demonstrate excellent awareness of local codes, code issues and compliance techniques through testing delivered by a third party.

Recommendation 9.3

The program should differ from Vancouver's Certified Professional Program in the following respects:

- The Winnipeg program should require an additional experiential component for certification, based on logged experience in building code compliance rather than a set time limit of experience in the field.
- The Winnipeg program should include some system to allow the City to revoke certification in the event that a certified professional does not meet expected compliance standards.
- The Vancouver program offers discounts for permit fees if a project uses a certified professional. Given that projects led by a certified professional under this model will already see benefits in construction speed and flexibility, the Commission's recommendation is that discounts not be offered or promised until the City has had time to properly measure the program's operational performance.

Recommendation 9.4

Projects of a certain size or type should be subject to a minimum of one audit during construction, and the threshold for this requirement should be set by the Public Service in consultation with the construction industry.

Recommendation 9.5

Any authorizing by-laws and policies should require that use of a certified professional be *mandatory* for *new* construction effective five years after the project has been underway. City inspectors would continue to operate on their current model for additions and smaller projects.

RECOMMENDATION 10

Once a *Certified Professional Program* is operational in Winnipeg, the City should use a similar audit-based approach for regulation of other trades and in other situations.

This Recommendation is intended to highlight other opportunities for a more audit-based model for inspection and regulation.

Recommendation 10.1

Using the experience gained from implementation of the *Certified Professional Program* contemplated in Recommendation 9, the City should develop a similar audit-based model for plumbing and the electrical inspections, especially given the fact that licensing and testing is already in place for both plumbers and electricians.

Recommendation 10.2

At present, some outside agencies (like Manitoba Hydro) have the authority to complete remedial groundwork – for example, filling in a boulevard after a dig – without City inspection. The City should use the audit model to allow firms which regularly work on City property, roads or other to use an audit/certification model to complete the work without having to wait for inspection.

RECOMMENDATION 11

Improve service and convenience for building permit purchasers in the non-professional home-renovation market.

This recommendation is designed to increase basic code compliance through a series of customer service improvements.

Recommendation 11.1

Equip building inspectors to make offsite transactions in a manner consistent with our proposed "easy pay" policy, and alter rules for permits to allow customers to purchase certain permits at the point of inspection.

Recommendation 11.2

Expand consumer education about permits at points of sale for home renovation and construction goods and services.

Recommendation 11.3

Develop and implement a policy by which any retailer of construction goods and materials - especially pre-fabricated kits – can agree on a fixed contract to retail *conditional* City of Winnipeg building permits – or "pre-permits" - at the point of sale for smaller projects or renovations. The contract should be developed in consultation with sector retailers.

The existing permit process requires approval before work takes place. Permits issued under this recommendation would be issued conditionally on an "agreement to comply," and inspections would be designed to certify that the agreement was safely complied with. Citizens would phone for a safety inspection once complete; if no such call came, City inspectors would follow-up.

Recommendation 11.4

Seek provincial support for an exemption threshold to exclude basic maintenance, upkeep and renovations from in-cycle tax assessment increases. If implemented, promote this exemption to reduce the deterrent effect of assessment increases on permit compliance.

RECOMMENDATION 12

Take additional steps to support the Planning, Property and Development Department as it accelerates service speed for permit approvals.

The Commission's goal in Recommendation 12 is to ensure that City Hall supports further permit service improvements.

Recommendation 12.1

Amend the *Building By-Law* and zoning by-laws to eliminate the requirement for permits for decks under two feet in height, and replace the requirement with a provision limiting deck construction to a home's side and rear yard.

Recommendation 12.2

Establish a "fast track" approval for low-risk permits, as per Department recommendations.

Recommendation 12.3

Council should support any proposal forthcoming from the Planning, Property and Development Department to eliminate permits for temporary tents of 10' x 10' or smaller.

Recommendation 12.4

Public service managers successfully used clear, specific and open targets for speed of service to manage change in residential building permit approvals (Permits X-Press). The Commission believes that targets should be also be set for commercial projects and permits, despite obstacles to consistent service in that sector.

Recommendation 12.4

Create a 'permit clock' for display on the City's website. The clock would refresh daily or weekly to show the Department's targeted wait time for selected permits, and the current estimated average time for processing. "Permit clock" displays can also be posted as a hard copy at the point of sale for permits.

Helping citizens notice public notices



Winnipeg



Vancouver

Winnipeg's development approvals system is designed to prioritize public input. But the Commission found examples to show that Winnipeg's public notification policies remain primitive compared to other cities. The Commission recommends a faster development approval process. In exchange, this section includes ideas to give citizens better information and input on land-use and rezoning proposals moving through the approvals system.

Public notice, Las Vegas style

By necessity, a good deal of the Commission's research was informal. While on a private visit to America's fastest growing City, Commission Chair Franco Magnifico stopped to meet with the Las Vegas planning department, gleaning many a best-practice idea. It was an easy decision to steal one of them.

Las Vegas is much more effective at notifying residents about proposed zoning changes than Winnipeg is. The City of Las Vegas mails letters to property owners near a development, and posts signage in the effected area on behalf of the proponent. And Commission research found that the Las Vegas standard for public notification is in fact the Canadian standard in several jurisdictions. In Vancouver, Commissioners found an example to follow: a simple, large plastic sign explained a proposal for a new development in plain language.

"…a fundamental flaw in the process is that it is more likely that residents with a strong objection to a proposal will take the time to attend the meeting."

- Audit Department's 'Audit of Proposed Sale – North East Corner of Waverley Street and McGillivray Boulevard,' 2004

Poor placement of notice posters and other obscure notification issues can often add to community frustrations in a land-use decision process. Since the Commission hopes to both speed up and cool down land use disputes, it seemed a fair trade to improve the notification process to avoid these common complaints.

In a response to a preliminary copy of these recommendations, Planning, Property and Development noted that the City did experiment with hand delivery of leaflets by Canada Post in the mid-1990s, but the program was eliminated "due to administrative costs and delays when citizens claimed not to have received the notices." Hand delivery would not be as complicated, since there would be no need to "prep" a mailing to Canada Post's specifications. Given the alternative methods available to deliver these notices affordably, and given the fact that other forms of notification will remain in place, the fact that the previous experiment failed is not a reason to reject the Recommendation.

Hearing both sides

For reasons cited in the City's Parcel 'A' Audit, the Commission also sought to ensure that positive support for a development or rezoning was on the record. Councillors have a responsibility to hear negative objections, but they also need to hear those objections in context – and that can be a challenge, since supporters are less inclined to be physically present at a hearing. Ironically, the City's website actually urges objectors to physically show up in opposition…

> "It is important to attend the public meeting, instead of merely signing a petition, even if you choose not to speak you can still be registered in opposition." (City of Winnipeg website on rezoning hearings)

…where Calgary's website takes pains to suggest the opposite.

> "Neighbors may, consciously or unconsciously, exaggerate the impact that a new development will have on them." (City of Calgary website on rezoning hearings)

"How can one person who has no support from the neighborhood trump the support I have from local residents and businesses?"

- Citizen submission

To ensure that any positive input is actually on record, Recommendation 13 includes a proposal to formally require that standardized petitions of support be read into the record at any Community committee hearing, and be appended in any report or recommendation to Council arising from that hearing. While this may happen on an ad-hoc basis now, the requirement will make it clear to proponents that this is an option at their disposal. In the 'Parcel A' case cited later, the Auditor specifically notes that the proponent felt that this option was not available to them, but would have pursued some registration of public support if they had known it would be considered at the hearing.

Planning, Property and Development also proposed that zoning notices and posters be placed online on the City's website. The Commission sees no reason why this proposal should not be pursued immediately.

RECOMMENDATION 13

Balance increased speed in the land-use approvals with better public access to information, and create a mechanism to ensure that support or indifference to a project is on the public record.

The Commission's goal is to modernize Winnipeg's notification system for land-use hearings to compensate for any increased speed proposed in this recommendation and Recommendations 14 and 15. Our intent is to eliminate disputes arising from arguments over inconsistent notification. Recommendation 13 also includes a proposal to ensure that positive support for a project is heard and recorded.

Recommendation 13.1

Amend all necessary by-laws and policies to eliminate any proponent obligation to post notices.

Recommendation 13.2

Replace the obligation eliminated under 13.1 with Public Service responsibility for the following:

In the event of an application deemed to require public notice under the by-laws, the City shall:

(a) Within a certain distance of the property for which the notice is necessary, hand-deliver to all mailing addresses a standard brochure designed to resemble the appearance of a public hearing notice poster in color and form, or direct mail notices to property owners.

(b) post standard notices in any locations where a proponent would previously have been required to do so. The City should alter the form and content of these notices to be more user-friendly, and to include specific information on steps to be taken by the proponent to reduce a proposal's impact where relevant.

Recommendation 13.3

For the purposes of 13.2, the Commission recommends that "certain distance" should mean any property adjacent to the property for which changes are proposed, and any other properties up to two blocks away. Where a project exceeds five stories in height, the radius for leaflet notification should be increased by two blocks for each additional one to five stories above that threshold.

Recommendation 13.4

The Winnipeg Public Service should develop a proposal for cost-effective and efficient delivery of these recommendations for Council approval. The plan should include necessary steps to finance implementation through a cost-recovery increase in fees for pertinent applications.

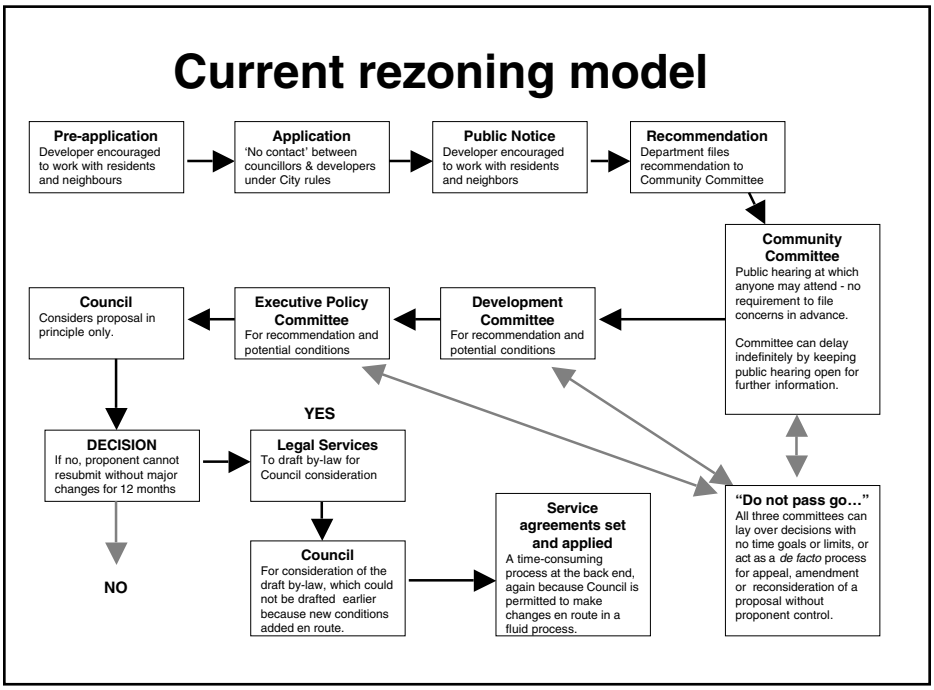
Recommendation 13.5

Create a template for official City of Winnipeg "I support/do not object" petitions for proponents to register their opinion on a proposal. Distribute master copies of this official petition to proponents with specific details about the proposal already placed in the body of the petition's text.

Require that any Community Committee formally read any such petition received into the record before considering objections to a project or proposal in a public hearing, and require that the number of petitioners who reside inside and outside the radius of notification be noted orally before deliberations begin for the record in minutes.

By-laws should be amended to make it an offence to falsify a signature on such a petition, with significant penalties.

Red tape in land use approvals



The Red Tape Commission's summary of a "typical" rezoning approval process.

Winnipeg's rezoning process is one of the most complex in the nation. Developed for Unicity in a civic government with 50 councillors, the model has changed little since the merger, despite the fact that Council is a quarter of the size of its 1970s parent.

Case Studies in Red Tape 1

Twilight Zone: the Parcel A ('Waverley Keg") Audit

As part of our research into the City's zoning procedures, Commission staff distributed the City Auditor's "Audit of Proposed Sale – Northeast Corner of Waverley Street and McGillivray Boulevard," (at http://www.winnipeg.ca/audit/reports.stm) and spoke to members of the audit team responsible for the project.

In 2004, the City Auditor was asked to report on the process used to reject the proposed sale and rezoning of "Parcel 'A' and allow construction of a new Keg restaurant. The unusual details of the conditional sale itself were not of interest. Rather, the case was useful as a detailed example of what can go wrong in Winnipeg's overall process: decisions are bounced between committees, are laid over too often, and responds inflexibly to public criticism.

While the Audit found that the process was followed, it also strongly endorsed "direction to explore opportunities to streamline the process." The Commission responded to several specific concerns. For example, Recommendation 13 was drafted to respond to comments raised in the Audit.

Most importantly, the Audit describes the role of committees in the process:

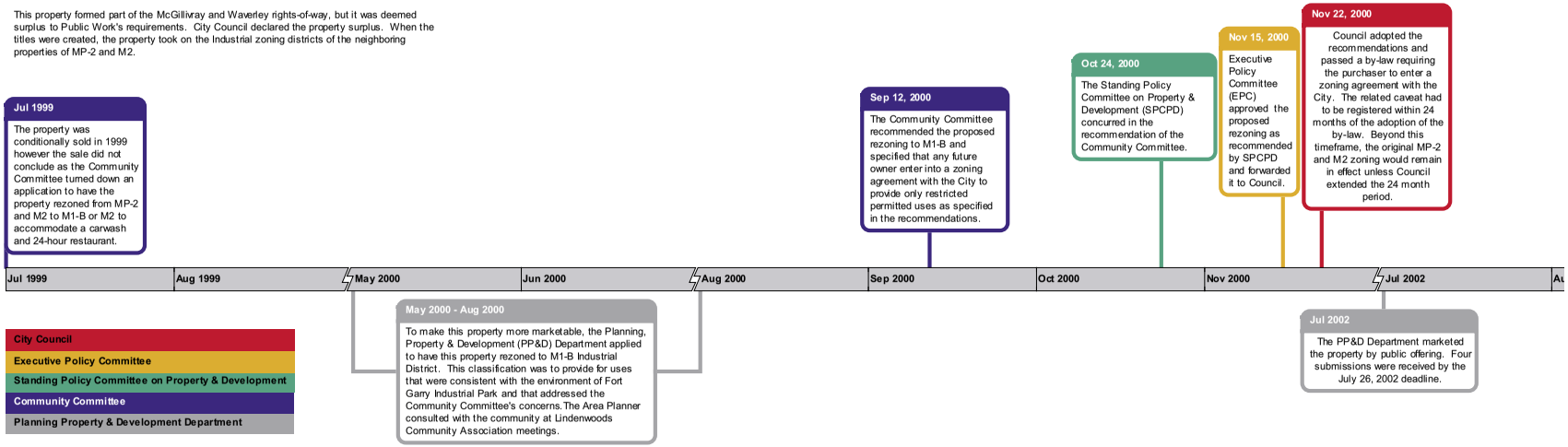
> "While the Community Committee is focused on local issues, the Standing Policy Committee can represent the interests of the City as a whole. Executive Policy Committee provides a 'sober second thought' to the process, and Council ultimately makes a decision with the benefit of all perspectives."

While the Audit argues that these various steps create a "healthy tension" and a system of "checks and balances," the Commission felt that they did too much of both. The committees include the same 16 men and women who make the final decision, only mixed into different combinations. Individual councillors may have considered elements of the Parcel 'A' decision as many as half a dozen times over a seven month period – and this for a proposal that had the full support of public service advisors and planners.

Respondents to the *BDO Dunwoody Consumer Experiences Study* were more critical of the City's zoning process than any other source of red tape – not so much because it produced a "no" answer, but because our system makes it difficult to get an answer at all. The chart on the next two pages – helpfully provided by the Auditor for our use - is as good an introduction to our proposals as any…

Proposed Sale of Parcel A at the Northeast Corner of Waverley Street and McGillivray Boulevard

This property formed part of the McGillivray and Waverley rights-of-way, but it was deemed surplus to Public Work's requirements. City Council declared the property surplus. When the titles were created, the property took on the Industrial zoning districts of the neighboring properties of MP-2 and M2.



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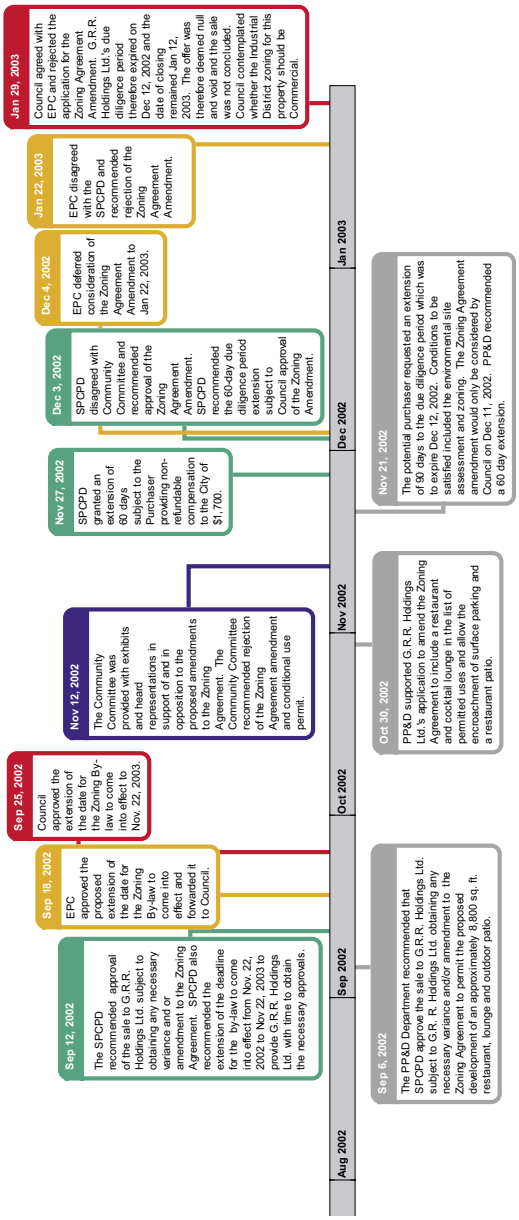

Aug 2002
Sep 2002
Oct 2002
Nov 2002
Dec 2002
Jan 2003
Sep 6, 2002
The PP&D Department recommended that SPCPD approve the sale to G.R.R. Holdings Ltd. subject to G.R. R Holdings Ltd. obtaining any necessary variance and/or amendment to the Zoning Agreement to permit the proposed development of an approximately 8,800 sq. ft. restaurant, lounge and outdoor patio.
Sep 12, 2002
The SPCPD recommended approval of the sale to G.R.R. Holdings Ltd. subject to obtaining any necessary variance and or amendment to the Zoning Agreement. SPCPD also recommended the deadline for the by-law to come into effect from Nov. 22, 2002 to Nov 22, 2003 to provide G.R.R. Holdings Ltd. with time to obtain the necessary approvals.
Sep 18, 2002
EPC approved the proposed extension of the date for the Zoning By-law to come into effect and forwarded it to Council.
Sep 25, 2002
Council approved the extension of the date for the Zoning By-law to come into effect to Nov. 22, 2003.
Oct 30, 2002
PP&D supported G.R.R. Holdings Ltd.'s application to amend the Zoning Agreement to include a restaurant and cocktail lounge in the list of permitted uses and allow the encroachment of surface parking and a restaurant patio.
Nov 12, 2002
The Community Committee was provided with exhibits and heard representations in support of and in opposition to the proposed amendments to the Zoning Agreement. The Community Committee recommended rejection of the Zoning Agreement amendment and conditional use permit.
Nov 21, 2002
The potential purchaser requested an extension of 90 day's to the due diligence period which was to expire Dec 12, 2002. Conditions to be satisfied included the environmental site assessment and zoning. The Zoning Agreement amendment would only be considered by Council on Dec 11, 2002. PP&D recommended a 60 day extension.
Nov 27, 2002
SPCPD granted an extension of 60 days subject to the Purchaser providing non-refundable compensation to the City of $1,700.
Dec 3, 2002
SPCPD disagreed with Community Committee and recommended approval of the Zoning Agreement Amendment. SPCPD recommended the 60-day due diligence period extension subject to Council approval of the Zoning Amendment.
Dec 4, 2002
EPC deferred consideration of the Zoning Agreement Amendment to Jan 22, 2003.
Jan 22, 2003
EPC disagreed with the SPCPD and recommended rejection of the Zoning Agreement Amendment.
Jan 29, 2003
Council agreed with EPC and rejected the application for the Zoning Agreement Amendment. G.R.R. Holdings Ltd.'s due diligence period therefore expired on Dec 12, 2002 and the date of closing remained Jan 12, 2003. The offer was therefore deemed null and void and the sale was not concluded. Council contemplated whether the Industrial District zoning for this property should be Commercial.

Criticisms of the rezoning process

"The largest amount of 'red tape' exists in issues related to zoning. Zoning adjustments take anywhere from 8 months to several years and are extremely expensive." That is just one of many observations made by respondents to the *BDO Dunwoody Consumer Experiences Study.* Commission members knew that improving rezoning approvals had to be a high priority. The Mayor's Red Tape Commission spent the better part of four meetings debating potential rezoning reforms.

Our zoning problem is rooted in the extraordinary inflexibility of our zoning rules, forcing a rezoning process for almost any development. But while the Commission endorses the Planning, Property and Development Department's ongoing *Zoning By-law* review as the best route to solve this problem, there is still the risk that an improved by-law will *appear* inflexible if the cumbersome approvals process is not streamlined to match.

Frustration with the process is high in almost every corner. A councillor told us that he felt that the system "violated the rules of representative democracy." Developers were stunned to watch condition after condition attached to a proposal as it moved deeper into the political process, long after the time when it would have been easy to make such changes. Others resented the use of procedural tactics and layovers to hold up decisions endlessly. Citizens told us that they found the system confusing and indecisive – as they likely would; a long process is as draining for citizens who oppose a project as it is for those who propose it. The system can be so inconsistent that despite decades of shared experience, even members of the Commission could not agree on the finer points of the system's operation.

Simple alternatives exist. The most obvious: a planning commission model similar to those seen in Calgary or Edmonton. Yet, Winnipeg clings to a decision-making model based around a cumbersome array of decision points and *de facto* opportunities for appeal. The rationale most often heard: our system allows "councillors to work face to face with their constituents."

Surely, there must be a better way to deliver on that benefit? After all, it is hard to see any long term value gained for anyone from the current system. Some controversial developments still happen, and some do not, only the approval is obtained after disputes that were longer and more bitter than necessary to achieve the same result. Our existing system did not help downtown, which fell behind thriving downtowns in cities with expedited approvals and planning commissions; the majority of rezonings are, after all, an infill developer's problem. While multiple layers of approval are rationalized as a tool to ensure consistent design and development, one look at the patchwork of zoning conditions and

"I've long argued that we've got a labyrinthine and very not-transparent development process that makes it very hard to get developments approved and makes it unclear to people who want to propose development exactly what the rules are going to be."

- Christopher Leo, Professor of Political Science, University of Winnipeg, and Adjunct Professor with the Department of City Planning, University of Manitoba, to CBC Radio, June 20, 2005

architectural standards in the City to see that this goal has not been achieved. And as seen in Part Five, if public input is so important, than why is Winnipeg so far behind other cities in how it keeps its residents informed?

Our system is not achieving what it is designed to achieve. It does not make decisions fairly, and it does not make them in a timely manner.

Councillor neutrality

Even the observation that the system allows Councillors 'face time' with constituents has its flaws, for Winnipeg councillors are advised that they must act as impartial panelists in community committee hearings. Councillors are instructed to avoid even speaking to development proponents once an application has been filed. This instruction not only stretches the credibility of the system, but denies councillors the opportunity to act politically to remedy a development's problems early in the process, the best possible time to take such action.

The Commission is not entirely clear as to why this advice is still given. As Commission member Chuck Chappell noted, in a 1990 decision, the Supreme Court of Canada confirmed that councillors do have the right to act politically to represent the public interest in a development process. Stranger still, the decision was itself an appeal of a suit against the City of Winnipeg, so the Court's position on the merits of our system cannot possibly be clearer.

At issue: was a councillor biased at a community committee as a result of his previous efforts to facilitate the progress of a particular project? The decision is worth quoting in detail:

> …the statute provides for a hearing before a committee of members of Council. There is nothing in the legislation to indicate that they are to act in a capacity other than that of municipal councillors.
>
> … the test that is consistent with the functions of a municipal councillor and enables him or her to carry out the political and legislative duties entrusted to the councillor is one which requires that the objectors or supporters be heard by members of Council who are capable of being persuaded… [our emphasis]
>
> Statements by individual members of Council, while they may very well give rise to an appearance of bias, will not satisfy the test unless the court concludes that they are the expression of a final opinion on the matter, which cannot be dislodged…

> Here, it would not be appropriate to apply the test of a reasonable apprehension of pre-judgment with full vigour simply because of the councillor's appearance as an advocate for the development before the Finance Committee. The Legislature could not have intended that the rule requiring a tribunal to be free of an appearance of bias apply to members of Council with the same force as in the case of other tribunals whose character and functions more closely resemble that of a court. Some degree of prejudgment is inherent in the role of a municipal councillor.
>
> *(Old St. Boniface Residents Association Inc. v. Winnipeg (City)* [1990] 3 SCR 1170, 1990 Can LII 31 (SCC))

If the Supreme Court has affirmed a councillor's right to promote the virtues of a development in front of the Finance Committee and still be deemed unbiased in hearings at a community committee, why are we restraining councillors from speaking to developers to resolve constituency problems, an act even more obviously in the public interest?

Of course, the Court affirmed – as we would – that all existing conflict of interest, ethics and fiduciary rules remain applicable; councillors must exercise good judgment in such situations.

"The number of committees that get involved in various aspects of a project is unnecessary and over-complicates things."

- "Getting Down to Business," CentreVenture 2002 consultation, summary of responses

Our goals

Members agreed that it was in the public interest to:

- Improve the quality of public notice (Recommendation 13);
- Accelerate approval for projects with no public opposition;
- Accelerate the overall process toward a faster conclusion;
- Eliminate redundant steps in the process;
- Reduce the degree of micromanagement necessary;
- Make decisions earlier in the process; and
- Allow councillors flexibility to facilitate better results.

Recommendation 14 is the spine of the proposed system, and other recommendations are built around it.

Rejected alternatives

The Commission studied two alternatives to the model it finally selected. First, the Commission examined the concept of a planning commission. In cities like Calgary, planning commissions serve as expert advisory boards, forwarding recommendations directly to Council for consideration. Public input takes place directly at Council through regular public hearing sessions.

The process is simple, direct, and blunt. Servicing and development agreements are applied according to standardized parameters, negotiated in advance with the Urban Development Institute. The onus is on the proponent to propose improvements that would address the concerns of neighboring property owners.

Note that some Commissioners felt that this was the right model. But the Commission also sought Council's view. Several Councillors strongly urged us to develop a proposal which would preserve community committees. With this in mind, we did not forward a proposal for a planning commission.

In search of another alternative, Commission members heard praise for the City's new Downtown Development model, another initiative from the Planning, Property and Development Department. The Commission considered expanding that model to cover the entire City. Effectively, Winnipeg's Standing Committee on Downtown Development acts as a planning commission now, only it is made up of elected representatives. The Committee is a one-stop shop for development decisions. However, advice from public servants in the Department convinced us that the transition to such a model would be too time-consuming. Also, the new model seems to work in part because it is downtown, in a land-use environment where residents are more tolerant of multi-use development. Finally, the Downtown model is still fairly new, and it has not really been tested in a major land-use dispute.

"Signal Priority"

After considerable debate, the Commission chose to custom-build an alternative that would retain the core function of Community Committees, but expedite the process around them. Councillor Magnifico observed that it would save a great deal of time if proposals that were unopposed at different stages could move more quickly through the process, in much the same way that specially equipped buses or trains can use "signal priority" technology to 'hold' a green light through an intersection. In a nod to our cousins in the Rapid Transit Task Force, our alternative model has been nicknamed "signal priority" as a result.

The model uses the shell of the Unicity model, but adapts it in several specific ways. See the summary slide, below, for details.

Steps in the proposed model

Step 1. Pre-application

The proponent is encouraged to resolve issues with planners and residents ahead of filing an application.

Step 2. Application

A formal application is made. The Department, the local ward councillor and others are free to work with the proponent to adapt the model informally.

Step 3. Intent to proceed

Once the proponent is satisfied that step 2. has worked out any necessary issues informally, he signals his intent to proceed to the Department, allowing them to formally impose servicing and development agreements onto the proposal and make a recommendation. If the recommendation is a "yes," then the proposal can proceed to the next step. If it is a no, there are two avenues for appeal.

This process will ensure that no political or public process ever considers a proposal that does not first have a "yes" recommendation attached to it from either the Public Service or the Standing Committee.

Appeals of Step 3.

Appeals of imposition of development agreement parameters can be made to a joint appeal panel (see Recommendation 15.3). This appeal can take place while the proposal continues to move forward within the system to save time.

Appeals of "no" recommendations can be heard at the Standing Committee on Property and Development. Some time limit should be set to allow appeals to be filed in the event of an unreasonable delay on the part of the Department.

Step 4. Public Notice.

See Recommendation 13 for new details. Leaflets, signs and other materials should encourage residents to file specific questions with the Clerk so that the developer may be in a position to answer them.

Step 5. Objection received/not received

If a significant objection is received, the City Clerk will schedule, in cooperation with the Planning Department:

- A Community Committee hearing at the next available date, provided it is at least one week after close of notice.
- Consideration of the required by-law at Council at the next available Council meeting following the Community Committee hearing.

If no significant objection is received, the City Clerk will schedule the following, in cooperation with the Planning Department:

- Consideration of the required by-law at the next available Council meeting.

Step 6. Community Committee hearing if objections filed

At this meeting, the proponent should be free to make any amendments to the proposal, on the advice of residents or councillors, provided these changes are not inconsistent with the legal outlines of the proposal as tabled in the Department's recommendation.

At the end of the meeting, the Committee will make a yes/no recommendation, and the Committee is free to attach commentary to elaborate on that recommendation. If the Committee makes no recommendation, that choice will have no influence on timelines.

Proponents who receive a no recommendation should be allowed to move the proposal back to the second step to make further changes if necessary, at their discretion.

Step 7. Executive Policy Committee option to recommend

If the Executive Policy Committee chooses to do so on its own initiative and schedule, it may choose to append a recommendation of "yes/no – in the broader city's interest/not in the broader civic interest" to the report as it moves forward to Council after the Community Committee meeting.

Step 8. Decision at Council

Council votes on the by-law at Council. All normal restrictions on revisiting a question would apply in the event that a proposal fails.

Naturally, it will take months to flesh out the amendments and legal issues necessary in crafting this model. However, the Commission's priority was

to present a model that met both the need for a faster, fairer decision and councillors' wishes with respect to Council; the details can be designed to fit the model, and not vice-versa.

Where the model saves time

■ **Fewer steps**

Under this model, the Standing Committee on Property and Development will not be a 'step' in the process for a major rezoning. Hopefully, this will free up the Committee to focus on longer term planning and development policy.

The "signal priority" concept also eliminates the need for hearings if no objections are filed.

Finally, a proposal will no longer need a "back-end" process. Legal Services will be able to begin work on a draft by-law far earlier in the process, because Councillors will be saying yes/no, not yes/no with the prospect for constant changes and new conditions.

■ **Fewer stops**

One problem with the current system is that each step is not just a step, but a stop. A committee can lay over hearings, add new conditions, and delay the process indefinitely. In the new model, the process moves forward one way or the other. Both the Community Committee hearing and the Executive Policy Committee option are 'steps,' not 'stops' – they have the option to make a recommendation, but cannot use that fact to keep a decision from the next level.

■ **Fairer for proponent**

This process ensures that proponents actually have some control over the shape of their own projects as it moves through the system. Only the proponent can amend her own proposal once it is in the system. Does that mean that an intransigent proponent is more likely to get a no from this model? Perhaps, perhaps not. It will be up to the proponent to make decisions once the servicing agreements are applied.

The proponent will also have a sense of what objections are earlier in the process, since Community Committee hearings will only happen if a resident has filed an intent to object in writing or by telephone. This will offer some means for collection of feedback on what issues will be covered at the meeting.

■ **Fairer for the City**

Some developers candidly admitted that they could get more favorable results by negotiating service agreements at the political level. Our alternative seeks to eliminate inconsistent treatment, ensuring that all developments pay a fair share of service costs through application of rules negotiated with the development community at large.

■ **Better division of responsibility**

While individual councillors can and should work with developers to improve projects, a sequence of committee and Council meetings is not the best place to resolve servicing issues. Under the new system, it would be the Department's responsibility to move forward with a recommendation that has all of the technical information necessary to approve it attached. It will be Council's job to make a recommendation or a decision based on that information. If the information is inadequate, then Council must direct the Winnipeg Public Service to improve the information available overall rather than try to address those issues on a case-by-case basis.

"We have been told we need a variance for our parking because we lease a parking area.. we have been told we need a minimum of 89 parking spaces even though we park a maximum of 60 cars on any given day…"

Respondent to Canadian Taxpayers Federation survey in the Federation's submission to the Commission

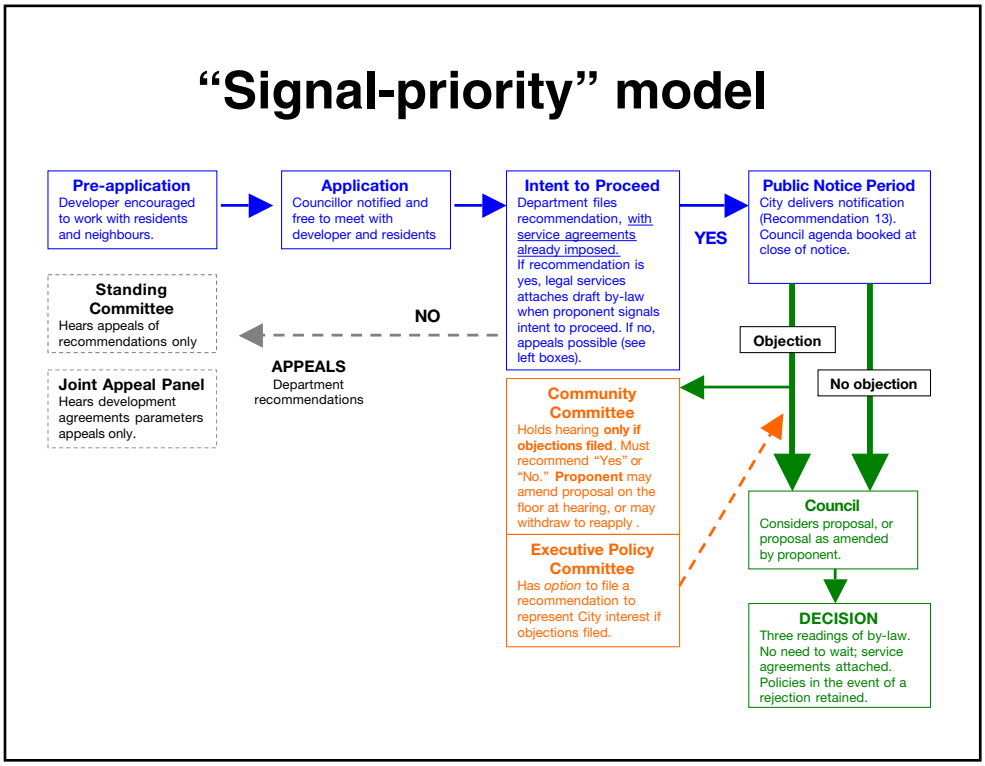
Other recommendations

Recommendation 15 is largely self-explanatory. The biggest delay in our rezoning process is at the back end. The piecemeal application of development and servicing agreements encourages constant tinkering, bartering and negotiation even after a rezoning has been approved. The "service agreements set and applied" box in Figure 1 above barely captures the complexities involved. According to the City's own website, this one step can add as much as six months to the length of the process.

The 1997 Red Tape Review Panel report correctly noted that City Hall was already working to standardize development agreement parameters. But that process fell apart. Both the Planning, Property and Development Department, and the Urban Development Institute had been working toward that goal through an Ad-Hoc Committee.

Commission staff spoke to both parties about this issue, and concluded that the best way to bring this important file to a close once and for all is to treat it as a negotiation. The previous process was organized to resemble a policy discussion, with all the potential for drift and deadlock that this implies. The City should negotiate directly with the Institute, set clear timelines and deadlines, and walk away at the end with as many parameters standardized as possible. The City and the development community will both reap substantial savings in time, money and predictability from doing so. If Councillors wish to influence the application

of development agreements, they can do so by directing the Department to negotiate within certain limits. Once agreed to, the Department would have the right to impose the agreement requirements according to those parameters, subject to the appeal process described.



RECOMMENDATION 14

Adopt changes to make Winnipeg's rezoning process simpler, faster and fairer.

The Commission's goal in Recommendation 14 is to speed up and simplify Winnipeg's zoning approval process in a manner that retains the overall post-Unicity structure.

Recommendation 14.1

Consider implementing the proposed "signal priority" model for rezoning to replace the existing system, as described in the Final Report of the Mayor's Red Tape Commission background papers, and outlined in greater detail in the *Implementation Notes.*

Implementation of Recommendation 15 is an essential component of these proposed reforms.

Recommendation 14.2

Request that the Province of Manitoba amend the City of Winnipeg Charter to provide the City with clear legislative authority to register spatial separation agreements by way of caveats against the titles of affected properties.

RECOMMENDATION 15

Negotiate as many standardized development and servicing agreements with the Urban Development Institute as possible.

Once agreements are set, delegate execution of these agreements to the Winnipeg Public Service based on negotiated parameters to govern their application.

The Commission submits this Recommendation – repeating a similar recommendation from the 1997 Red Tape Review Panel – to achieve administrative savings, to dramatically accelerate the speed of decisions and approvals, and to reduce time pressure on public servants and Councillors.

Recommendation 15.1

In general, Council's role in applying and imposing development and servicing agreements (hereafter development agreements) should only be through the establishment of City policy, or through general instructions to public service representatives as the City develops a negotiating position under these recommendations.

Recommendation 15.2

The City should immediately initiate formal negotiations with the Urban Development Institute, arranged through the auspices of a mediator agreed to by both the City and the Institute, with the goal of broadly standardizing development agreements.

The objective of these discussions is to standardize, through negotiation, as many development agreement templates – including standard terms and conditions - as possible and then to delegate imposition of these agreements to the Director of Planning, Property and Development according to agreed-upon parameters, subject to appeal on the basis of Recommendation 15.3. It is understood that other business terms may still need to be open for negotiation under this model, but any negotiation should take place at the Public Service level.

Negotiations should continue until a set deadline (see *Implementation Notes*). Once that deadline is reached, every template agreed to should be used until the next negotiation cycle, as per Recommendation 15.4.

Recommendation 15.3

Council should take any appropriate steps in law or regulation to create a distinct appeal process, paid for by the proponent, in which disputes arising from the application of the agreed-to parameters for standardized development agreements are resolved by a joint panel of industry and administrative representatives. Panels should be directed to select the solution proposed by either party that most closely matches the application of similar parameters in a comparative jurisdiction (e.g. Calgary).

This appeal process should be reviewed and improved after expiry of the first set of standardized agreement parameters.

Recommendation 15.4

On expiry of the agreement parameters reached through Recommendation 15.2, the same procedure should be used to renegotiate changes to the base set of parameters later.

To ensure responsiveness, expiry and renegotiation of these agreements should happen at least once every three years.

RECOMMENDATION 16

Implement two alternatives to allow for more flexible application of City parking requirements for new developments and businesses.

Our goal is to eliminate a significant red tape barrier to infill development, and add more flexibility to development decisions.

Recommendation 16.1

Allow for a "fee in lieu of parking" through which proponents can obtain a waiver for parking requirements after payment of a standard fee (as is done in Hamilton, to cite one example). The formula for a waiver should NOT be subject to adjustment by any party outside of the budget process. With this in mind, Council should consider including the waiver in negotiations for development agreements as per Recommendation 15.

Projects will eligible for this fee-based waiver at the discretion of the Director of Planning, Property and Development.

Recommendation 16.2

Fees collected through 16.1 should be directly applied to the capital budget of the Winnipeg Parking Authority or any successor authority, and directed exclusively to construction or capital maintenance of public parking facilities. The Authority should have broad discretion to set funds for 'parking regions' so that money collected to build parking within one neighborhood of the City is reinvested in parking in or near that neighborhood.

Recommendation 16.3

Winnipeg should also permit the waiver of parking requirements through the use of "equivalency lease agreements," whereby leases for parking would serve the same purpose as fees under Recommendation 16.1. The policy should be flexible to permit considerations of the *time* parking is to be used to be a positive factor in issuing the waiver. If necessary, proponents should be allowed to combine waivers to achieve targets. Developments or projects would be eligible for this waiver at the discretion of the Director of Planning, Property and Development.

Red tape in the community



A riffle copies natural rock formations along a river's course, cleaning, regulating and moderating the current. Riffles are common in rivers across Canada, and the City has built several along waterways like Sturgeon Creek.

Save Our Seine waited over two years for City Hall's approval to build several of these riffles along the course of the river. The organization lost private and senior government funding because of the delays.

But the riffle pictured above is not 'somewhere else.' It is on the Seine River, near a site chosen for one of the proposed Save Our Seine riffles. Last year, a private developer contracted Save Our Seine's "riffle consultant" to build its own riffle, pictured above.

Meanwhile, Save Our Seine continues to wait for approval.

Case Studies in Red Tape

Riffled by red tape: Save Our Seine

Red tape is not just a problem for business. "Green tape" has entered political dictionaries as a catchphrase for procedures, laws or regulations that stand in the way of environmentally responsible policies.

Save Our Seine is a volunteer-based conservation group that has spent over a decade working to preserve the Seine River. Save Our Seine members spent three and a half hours reviewing their own red tape stories with Commission staff early in our mandate. Their lengthy and troubling list of concerns did not involve rezonings, or the need for more parkland, or the fight against urban sprawl. Their problems were much more basic: who makes decisions about the Seine River at City Hall? Why does City Hall treat volunteer investment less seriously than for-profit investment? Why does a not-for-profit group that voluntarily cleans, maintains and promotes one of the City's natural assets have to cut through red tape to do it?

Save Our Seine's most glaring "green tape" problem is still ongoing. Over five years ago, the Society spent $30,000 on a consulting study to determine where to place "riffles" (see previous page) along the Seine River. They have spent over $18,000 on building materials for the project; the materials are still in storage, waiting for logjams to clear.

The organization has waited so long that waivers from local residents to allow the riffles adjacent to their property expired, forcing volunteers to go back and try to get new signatures. Two skeptics refused to sign the new forms, citing lack of proof that anything would ever happen. Although the City asked for senior government approvals, once obtained, new information was required before they could agree. As Save Our Seine put it, "the last one to provide permission has [always] been the City."

To add to the organization's frustration, a riffle recently appeared on the River as part of a remediation project for a private development. It seems as though City Hall is prepared to fast track remediation, but positive improvement of an environmental asset has clearly not received the same priority treatment.

No doubt, there is a long list of objections standing in between Save Our Seine's desire to improve the Seine and the City's willingness to agree. Liability seems to be a frequent issue, although the City did not allow liability to stop it from building riffles elsewhere at the City's expense.

And therein lies the answer; volunteers are asking to improve an asset at no expense to the City. Whatever the objections, no one seems to be willing to resolve them. No one has ever said "no," to Save Our Seine; the answer is always "maybe."

While the Commission could have dug further to try to hear the explanations, we decided that there was a simpler approach: if the Red Tape Commission is going to offer advice to make it easier to make development decisions at City Hall, it stands to reason that we should offer a proposal to improve service for non-profit groups that seek to add value to community's assets – in this case, by giving our own citizens the opportunity to invest and manage certain City's resources on a more direct basis.

Red tape in the community

It is not just a business problem: Red Tape Commission staff often heard from citizens and volunteers who faced significant red tape at City Hall. Three cases had interesting similarities.

The first case is that of Save Our Seine, above. In another case, the red tape was structural: a stakeholder organization operating a facility in Assiniboine Park appreciated its relationship with the City, but identified specific cases where the lack of a more formal relationship meant that they could not leverage resources from other governments or private sources. In the third case, Councillor O'Shaughnessy raised questions on behalf of a realtor, Sean Rocan, who wondered if there was some way he could be allowed to prune trees on City-owned boulevards fronting on his property.

The similarities:

- In each case, volunteers wish to improve a city asset;
- In each case, the asset is fixed: facilities in a City park, City properties on a watershed, and trees on City boulevards.
- In two cases, the organizations involved have proven their longstanding commitment to the asset in question.
- In two (and conceivably, three) of the cases, volunteer organizations could leverage private or senior government resources in ways that the City could not if the organizations had some fixed relationship to the asset
- In two cases, the organizations involved are frugal in their own administration, yet believe they could do more. While it is not in the mandate of the Red Tape Commission to seek funding for private organizations, the City already expends resources to achieve goals that are shared with each organization.

With these commonalities in mind, the Commission's response is to avoid cherry picking at regulations to remedy the problem. Instead, we propose that the City adopt a model for alternative service delivery that would remedy all three problems and improve the business climate for non-business organizations. The model is referred to here as a "Community Management Lease." Think adopt-a-park, only far more sophisticated. Volunteer societies have successfully managed major parks - like New York's Central Park on this model elsewhere.

Each community management lease would be a renewable agreement between the City and a community group. The lease would allow community groups to make better use of City resources in at least three ways. First, the arrangement would act reduce (or eliminate) the red tape associated with insurance liability. Second, the lease would include some formal relationship between the City

and the lessee to help resolve policy issues. Finally, the City would examine the potential for use of small special operating agencies in cooperation with the lessee to ensure that services delivered to the management lease area are delivered cooperatively alongside the volunteer effort.

The model is a concept only (see *Implementation Notes*), and could be adapted to other situations across the City. The model could work as a sort of public-non-profit version of the City's special operating agencies: governance would be provided by the volunteer group, limited by the terms of the lease and certain City policies. In exchange for the privilege, the community groups would have to meet certain targets and criteria, or lose the lease.

Just as with other groups to which this model could be applied, Save Our Seine already provides services to the City on an ad-hoc basis, so it is not a significant leap to formalize the relationship. The difference between what we have today and this proposal is that the organizations that do volunteer work or provide services on City properties face considerable red tape as a direct result of the *informal* relationship.

Saying "yes" to voluntary taxation

Citizens often petition City Hall for a local improvement. Under current laws, a supermajority of property owners can agree to have the City levy a fee on neighborhood properties to fund new infrastructure for that neighborhood. Now and again, an individual business or property owner will also offer to improve a City of Winnipeg property, street or right of way – to make it easier to safely access their premises, for example.

Since the turn of the century, policy changes in the budget process have slowed local improvements to the point where approval-to-action can take as long as a year and a half for work to begin. The problem: City Hall used to use a 'float' in its capital budget to allow it to approve in-year spending on a proposed improvement. Now, each project is approved individually in the following year's budget. The cause: changes in budget management policies designed to improve debt management and financial accountability.

In an unusual sidebar, a business submission reviewed a situation in which the business had offered to pay for improvements to an intersection. Safety and access to the property was a concern. The City agreed that the changes had value, but eventually rejected the proposal because it was placed within the City's capital budget as though it was to be paid for by the City, and was then removed as a "low priority."

Given the City's infrastructure needs, and given the relatively modest level of funding involved, fast service for those who wish to tax themselves can and should take priority. With this in mind, we forward our support for a proposal now being developed by a team of public servants, and attach our own suggestion to remedy an unusual case as a further sub-recommendation.

Other changes to help citizens and citizen groups

The Commission received a diverse set of suggestions targeted to specific by-laws, ranging from Councillor Smith's suggestions with respect to bonfire permits to Councillor Magnifico's call for a single permit for regular festivals. We could not address all of them in the time allotted. Some cases of interest appear in Appendix I. But three we could address are listed below, with further details in the *Implementation Notes.*

One case deserves specific mention. Public service officials designed the home renovation tax credit program around the existing permit application, even though some credit-eligible work does not need a permit. Why? To try to reduce red tape and cut down on forms. But this was a case where good intentions went wrong, and a reminder of the need to design programs from the customer perspective and not the government perspective. A citizen submission was eloquent (and entertaining!) on the subject, and is worth quoting directly…

> ### "Executive Summary:
>
> A building permit is required in order to apply for the Home Renovation Tax Credit, even if the renovation would not ordinarily require one (in this case, a new roof and new front door). However, when the renovation was complete, I called the Building Permit office to finalize the application, and discovered that the program was closed for the year 2004 as the budget was reached. I have now paid for a permit (approx $45.00) that I did not require and cannot receive any tax credit…

The submission later goes on to compare the result to an "Instant Winner" scam. Since the error was itself the result of best intentions, it should not be difficult to remedy with the simple change proposed below.

RECOMMENDATION 17

Create a "Community Management Lease" model for alternative service delivery, reducing red tape that prevents volunteer groups from adding value to the City of Winnipeg's properties and assets.

The Commission's intent is to create a model that allows for shared City/ Community management of certain assets, eliminating red tape barriers to volunteerism by stable community groups.

Recommendation 17.1

The proposed community management lease should:

- Improve management of liability issues;
- Ensure clearer and more positive links between the community group and policymakers with respect to management of the City asset, land or facility in question;
- Include clear performance measures, allowing the City to revoke a lease if terms are not met; and
- Offer some direct managerial or co-managerial relationship to the community group to permit them to leverage external funding for capital projects or other initiatives.

Recommendation 17.2

If Save Our Seine agrees to do so, the Alternative Service Delivery Committee should work with its members to develop a community management lease for the Seine watershed, reducing red tape barriers to their efforts to clean, maintain and improve City properties along the Seine River and adjacent watersheds.

Recommendation 17.3

Once the lease concept is developed, the City should invite other volunteer-based community organizations already operating on City lands or properties (including those now operating in Assiniboine Park – to consider use of a community management lease to help promote and enhance City assets in cases where volunteers have already proven their commitment to that asset.

Recommendation 17.4

Once progress has been made on Recommendations 17.2 and 17.3, Alternative Service Delivery Committee should expand the community management lease model to allow other existing groups - including existing residents' groups and business improvement zones cut through red tape that prevents them from voluntarily maintaining City assets to community standards.

RECOMMENDATION 18

Support a public service initiative to significantly reduce wait times for local improvements implementation.

Classify a proponent-paid City project as a local improvement to remove it from the budget prioritization process.

Recommendation 18 is designed to significantly reduce several red tape barriers for community groups with one policy reform.

Recommendation 18.1

Support a public service proposal in development that re-create an annual fund – or 'float' – to remove local improvement approvals from the fixed time constraints of the budget cycle. As existing delays deter citizens from *voluntarily* taxing themselves to invest in the City's infrastructure, elimination of this barrier is a high priority and capital budget policies should be amended to reflect this, per the forthcoming proposal.

Recommendation 18.2

Seek provincial support for changes to the Charter requirement that the City publish a newspaper ad before final approval can be given on a local improvement that has received 65% support from nearby residents and property owners.

Given that area residents already receive direct mail notices, given that the advertising can often cost more than the local improvement itself, and given that 60% opposition is needed to reverse approval at that stage of approval, the public service is correct in identifying this provision as redundant, time-consuming and wasteful.

Recommendation 18.3

If a private concern agrees to fund an improvement for the City, the City should use the proposed local improvement float to fund these projects where possible, and amend policies or by-laws where necessary to permit this. This step will remove the possibility that the privately-finance public improvement would be removed from the list of City capital priorities in the ordinary budget process.

RECOMMENDATION 19

Create a "regular events permit" to consolidate permit approvals and payments for regular festivals events into a permanent permit.

Once filed and approved, each "regular event" should have the option to simply renew or adjust the permit annually.

The Commission's goal is to avoid annual repetition of costly process and paperwork where community events and festivals have demonstrated stability and commitment.

Recommendation 19.1

Identify "regular events" that annually require permits from the City. Invite event organizers to apply for a regular event permit over the next year within the normal business cycle.

For the initial round, a "regular event" should be taken to mean any festival, event or project that annually requires permits for transit rerouting, street access or other activities. Each regular event should be sponsored by organizers who can demonstrate:

- Stability in the community (e.g. two or more years of approval for similar permits for the same event in similar locations);
- Community commitment, and
- A permanent point of contact for public input (a board office or mailing address)

Eligible events for the initial round would be invited to work with a team of public servants to prepare one renewable application.

Recommendation 19.2

Once the system is in place for a full cycle, the Winnipeg Public Service should report to the Standing Committee on Community Services, and include a recommendation for a permit fee discount to compensate for resources saved.

Ideally, for regular event permit holders, the only significant cost remaining would be for a change to the annual permit, with only a token fee required for renewal.

RECOMMENDATION 20

Change by-laws and policies to address three citizen concerns identified by the Commission.

This recommendation is intended to address three specific concerns identified by citizens and community groups.

Recommendation 20.1

Edit the Noise By-law to make it more objective-based, addressing concerns that longstanding community events – like Sunday morning church services in longstanding church facilities – could be in violation of the by-law.

Recommendation 20.2

Edit language used in occupancy permits to eliminate uncertainties where permits imply that an approved community living facility cannot house community-living tenants.

Recommendation 20.3

Avoid policies that rely on rebates or other circular flows of money and paper from customers to the City and back again.

Specifically, eliminate the requirement that a permit application be used to apply for the Home Renovation Tax Assistance Program.

Instead, create an application form that includes a permit application for work where the permit would be necessary.

(See *Implementation Notes* for details on these recommendations.)

Government-on-government red tape



This is a fire truck under repair in the Fire Paramedic Service's mechanical shop. Mechanics are expected to seek competitive bids before they can contract for parts and repairs to put this essential vehicle back on the road.

X-File: the disappearance of Partners in Public Service

Winnipeg represents over one-half of the Province of Manitoba's population. It is easy for one government to trip over the other -- a relationship made all the more awkward by the fact that Winnipeg is by law a creature of the larger government. Where the boundaries are poorly defined, red tape appears, especially in the post-Unicity environment.

The most glaring example is with respect to health inspections. The City conducts these inspections in "old" Winnipeg, and the provincial government inspects in the suburbs. Restaurant owners and other small businesses frequently cited inconsistent application of health standards on either side of the boundary as a major headache. The problem is not that one interpretation is worse or the other better; the trouble is that the split makes the rules unpredictable, and therefore tougher to comply with. For a new investor moving into Winnipeg, or a local business expanding into the "other" jurisdiction, this looks like sloppy government, and reflects badly on both the City and the province. Several task forces have called on both governments to remedy this problem over a period of decades.

"In 1995 and 1996 the City / Province began planning the amalgamation of the Environmental Health / public health inspection component of public health services. [Manitoba] Environment has agreed to transfer six Environmental Health Officer / Public Health Inspector (sic) and one Supervisor to the City, provided acceptable conditions of transfer can be achieved."

- Partners in Public Service Project, Summary of Proposals, City of Winnipeg, February, 1998

Health inspection is by no means the only example of overlap. The Community Services Department identified other areas where dual jurisdiction meant inconsistencies in enforcement. In zones where the province inspects for health safety, provincial officers also enforce the City's maintenance and occupancy rules, derelict vehicles by-laws, the *Noise By-Law* and the *Anti-Litter By-Law,* to name a few examples. Public servants believe that City by-laws are a low priority for provincial enforcement in those areas.

The real mystery here is that this problem is supposed to have been solved already. Reports from the Red Tape Review Panel in 1997-1998 record progress for a project called *Partners in Public Service*, an intergovernmental negotiation designed to reduce overlap. Commission staff dug deep to find reports from this process, and documentation was surprisingly hard to find. Even stranger: the documents we did find clearly state that the problem we face in 2005 was *already being fixed* in 1998.

But, of course, this never happened. Somewhere between July 1998 and the end of that year, *Partners in Public Service* disappeared off of the public agenda, taking all progress on this file with it. No one has yet explained on-record why this valuable process suddenly disappeared off the government's radar screen. The Commission could have investigated this mystery further, but there is no need to do so. The *Partners in Public Service* framework is sound: it was based on the principle that the two levels of government should cooperate, and identifies opportunities to do so. Both governments have already done the work necessary to start talking; all that remains is for them to finish talking. Fixing this problem is thirty years overdue.

Intergovernmental negotiations are notoriously unpredictable. Personalities and partisan priorities frequently come into play. The "Who Does What" exercise in Ontario is perhaps Canada's most disastrous example of what can go wrong in such an exercise. Intergovernmental talks grew hostile in part because the negotiations were driven by money, not by a push for consistency in service. Negotiators should focus on achieving consistent service delivery through broadly revenue-neutral exchanges of responsibilities or operations.

The Commission's proposal reflects this lesson, and it is broadly worded to ensure that either party in any consequent talks has room to be creative, provided customer service comes first. As in the earlier *Partners in Public Service* process, discussions should begin at the public service level to avoid politicizing the initiative.

Charging Peter to pay Paul...

Large organizations often use internal financial charges to track costs between departments. Red tape is often the result. One lighthearted example: Red Tape Commission staff waited a week and a half to start work in 2004 after the Mayor's Office learned that the internal rent for our planned office space would be close to $40,000 for six months. At one point, the Mayor personally intervened to try to negotiate a better deal, to no avail. In the end, Corporate Information Technology offered the Commission a less accessible space in a spare office for less than $300 per month, including utilities and technology - for which the Commission expresses its thanks.

Internal charges can create perverse incentives, deterring public servants from using City assets to best advantage. One noteworthy example: the recent announcement of plans to charge for use of the City's Land Based Information System, which is City-owned, City developed software. Business groups asked us to make this publicly-financed tool available for all; yet internal financial charges could limit the use of the tool within government. If the system is useful, should those who developed it have to use internal charges to get the financial support necessary?

That said, many internal charges are fairly applied to prevent overuse of a City asset or service by another department, or to try to track the true cost of a service that has internal customers.

Commission staff counted over a dozen cases in which individuals informally complained about internal charges. High on the list of concerns: the City's special operating agency for parking recently applied a new charge of almost $400 for parking passes valid at City meters. Public servants felt the rate was far above the true cost to the City from lost meter revenue. As Commission staff listened, several managers and councillors reasoned aloud about the strange choice they faced: either use tax dollars to buy the pass at a rate that seemed unfair, or force highly paid public servants to waste time refilling meters while on City business – the exact situation the passes were originally created to prevent.

The Commission was skeptical of several internal prices, but it is not our job to act as a Price Commission. The public interest is served if internal charges are part of a sophisticated, service-based budget system – but only if there is consistency in how charges are applied so that the benefit is not outweighed by cynicism and red tape. With this in mind, the Commission's recommendations call on City Hall to fix this problem internally with a new policy to guide public servants on when and how internal charges should be applied.

"The health inspectors vary in their reports, my stores are 3 km apart and I have one city and one provincial??? Why am I paying city taxes if the province does the inspection?"

- Citizen response, Canadian Taxpayers Federation submission

Procurement

Strict procurement rules are a constant headache for public servants; they are also a headache for suppliers, many of whom could offer innovative solutions to government if only procurement rules were flexible enough to accept them. Procurement rules are designed to ensure taxpayers get value for money, and to ensure contracts are fair and above board. But a proper oversight regime can be accountable without the need for complex, inflexible rules, and the City of Winnipeg has already demonstrated its ability to meet that standard with its award-winning online bid process developed by Materials Management.

Generally, the Commission supports loosening up procurement rules. While some progress has been made since the Winnipeg Red Tape Review Panel called for more flexible procedures in 1997, progress has not gone far enough. We found proof in one example: the fire paramedic services repair shop. Mechanics are required to find three competitive bids and issue a purchase order before work can begin.

Fire trucks and ambulances are by definition fairly unique vehicles, and the value gained from competitive bidding to repair or maintain them is likely to be insignificant compared to the effort needed to get that value. In the past, City Hall solved procurement problems with more process, and more time wasted developing more complicated 'solutions.' Let this case be the example that breaks the pattern: the solution the Commission recommends is to exempt the repair and maintenance of emergency equipment from procurement rules, and hold responsible managers accountable through the budget process, supplanted by occasional Council oversight as needed.

RECOMMENDATION 21

Make it an intergovernmental priority to eliminate cases of intergovernmental overlap within Winnipeg's jurisdiction. Negotiate agreements with the Government of Manitoba to eliminate jurisdictional conflicts and inconsistencies, especially with respect to by-laws enforcement and health inspection.

The defunct Partners in Public Service process can and should be the starting point for these discussions, as documentation from that process identifies opportunities for harmonization, shared delivery or co-management of cross-jurisdictional services.

The Commission's goal is to resolve interjurisdictional regulatory, enforcement and service delivery conflicts by restarting a process that had already come close to achieving desired results.

Recommendation 21.1

These negotiations should begin at the public service level, and should be separate and distinct from any other outstanding financial discussions or disputes between either government.

Recommendation 21.2

In any such discussions, the public interest should be paramount. Nevertheless, the City should be flexible with respect to staffing issues and consult closely with pertinent unions, provided the final goal of consistent service delivery is met by the negotiations process. If collective agreements are a barrier to any transfer of services, cost-sharing or harmonization effort, the City should seek to resolve these issues through a transition program with existing staff, or through shared-management or shared agency models that achieve the City's goals.

Recommendation 21.3

Consistency in the management, training and enforcement of environmental health and safety regulations across the City of Winnipeg should be the City's highest priority in any negotiations under Recommendation 21.

RECOMMENDATION 22

Give public servants more freedom on procurement. Rely on budget oversight rather than prescriptive procurement rules to achieve efficiencies.

The Commission supports measures that give public servants more freedom to do their job effectively and efficiently, provided proper oversight is maintained.

Recommendation 22.1

Exempt emergency equipment repair from procurement requirements, and instead substitute proper oversight through managerial accountability for budget targets, and through occasional review of methods and practices used for repair procurement.

RECOMMENDATION 23

Adopt policies to ensure that internal financial charges are fairly priced and consistently applied, reducing the deterrent impact of these charges where the price is inappropriate, while preserving the financial and analytical benefit of the charges themselves.

Recommendation 23.1

The Winnipeg Public Service should initiate a review of interdepartmental charges, with the goal of tabling for Council approval a policy for consistent application of these charges.

The policy should cover any charging, costing and recovery of expenditures incurred in the provision of goods and services between city departments and agencies. The Policy should be supported by a Public Service Directive to provide guidance on:

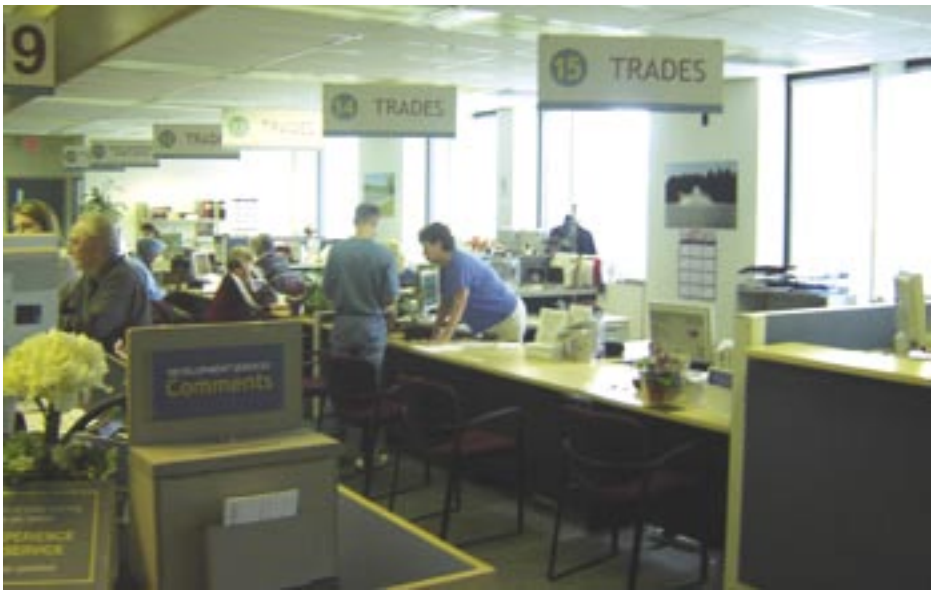
- goods and services should have interdepartmental charges imposed;
- what costs should be included when pricing interdepartmental charges;
- what process should be used to monitor interdepartmental charges;
- the need for service level agreements and key components of the agreements; and
- when and how departments or agencies can be granted the option to seek external suppliers as an alternative to a costly internal service.

This policy should take effect in the next fiscal year.

Recommendation 23.2

The City Audit Department should audit this policy one year after it has taken effect.

Better front doors, better customer service



Trying to find your way? Ordinary citizens and major investors alike told us they often got lost in the maze of City buildings and processes. Visitors often had trouble finding their way to the right City office or desk – even when they were right beside it. The photo shows Vancouver's Development Service Office, which has clear, color signs in large print to rapidly direct citizens to the right counter.

Several simple steps can make the business culture at City Hall more welcoming to outsiders and newcomers.

A culture of service

Red tape can be an obsolete by-law or a complicated process. But it can be a baffling phone call or a confusing office layout, too. Even if a legal process is streamlined, simple obstacles like the use of unfamiliar jargon or the lack of a helpful chart can reinforce the feeling that our government is out of touch, intimidating or indifferent to customers.

Even if citizens or investors are mired in a poorly designed process, good service can turn that into a positive experience, especially if officials are caring, proactive and knowledgeable. Good service can *literally* improve the quality of life and economic potential of Winnipeg – and in some cases, poor service can do serious damage to the City's growth and reputation.

Our proposal to make the "public service" a civil service organization is designed to help improve service over the long term. Staff who stay in one position or 'silo' for too long can become complacent, or lose sight of the outsider's perspective on a process. Staff who work for too long in one office or location can become too wedded to the habits of their particular silo. Public servants are not to blame for these patterns; they happen everywhere, and are a fact of life. And other cities and organizations have policies to remedy them. In civil service organizations, standard practices include:

- The expectation that a staff member will have worked in more than one 'silo' or department before promotion to senior management;
- Occasional rotation of staff who work in areas or districts to other areas to develop fresh experiences; and
- Recruitment of staff into career tracks; in many governments, even entry-level public servants are employees of the public service, not of their particular department.

The Chief Administrative Officer and her Secretariat are already at work with human resources staff to track and identify leadership skills and competencies in the organization, and step-by-step reforms are already underway to ensure senior managers are recruited and hired for their leadership skills. Council should continue to offer its full support for this approach.

Learn as you go?

It is a Winnipeg thing: step into a cab and most drivers will insist that you choose your preferred route to your destination – even if you have never been to Winnipeg before. Just as it is a part of the local culture that a person in Winnipeg is often presumed to be familiar with the City, City Hall seems to function in the same way, leaving newcomers and outsiders struggling to figure it all out.

"The different departments physically located in different buildings is not conducive to efficient business practices."

-BDO Dunwoody Consumer Experiences Study, Summary of Responses

Respondents to the *BDO Dunwoody Consumer Experiences Study* called this phenomenon "learn as you go" – a phrase they applied to Winnipeg City Hall, and not to other civic governments.

The most obvious example of this phenomenon is the most visible: the City's own offices. Enter the Planning, Property and Development complex in Fort Garry Place and you are likely to get lost (as we did), despite placement of arrows and other signs to assist you. Maps are absent from major facilities like the Pan Am Pool. Photographs at the beginning of this section show how confusing it can be to enter City Hall at 510 Main; Commission staff are stopped almost daily by citizens asking for directions, (often, they are in the wrong building).

Several submissions supported this perception. In the *BDO Dunwoody Consumer Experiences Study,* even major investors expressed frustration at simple issues like the layout and appearance of service points; apparently, builders often find the rooms at the Planning Department are too small to lay out the drawings and plans they bring for approval, to cite one example. Problems like this are easily corrected if decision makers take the time to re-examine their own "front door" from a customer perspective – as if they had never seen it before. This principle applies to more than just the physical layout. It applies to City government as a whole.

In public hearings or open committee meetings, citizens new to the process seem to leave the gallery baffled; committees often operate as though citizens were as familiar with the agenda as ten-year incumbent Councillors. Councillor Angus was a one-man best-practice in this regard, politely and patiently explaining his thinking to presenters so they would be clear on what was happening. Commission staff had hoped to hold him up as an example to follow – but he retired before we could do so.

The principle of good service at the front door also applies to City Hall in general. Alarmingly, one submission praised a competing city because "members of its City Council were accessible to potential investors," and political leaders "made it clear that they appreciated our investments in their city" – inferring that sometimes, Winnipeggers left a different impression.

The City can improve customer service at several "front door" points, and the recommendations below list proposed changes to some of these "points of entry."

311 Service: a customer service nerve centre

A 311 service is a municipal call centre, designed to refer anyone with a non-emergency City inquiry directly to a person who can actually help them, just as 911 services do for emergency calls. From the public's standpoint, a 311 system would simplify navigation through City bureaucracy with measurable service standards attached. To the caller, 311 is a friendly "front-door" with a phone number that is easy to remember.

311 systems were developed by cities, for cities. The model has been adapted by cities as small as Gatineau, and as large as New York City. Rural Martha's Vineyard has 311, and urban Minneapolis is bringing its own 311 system into operation. Toronto is now moving to a 311 model. Calgary opened its 311 service shortly after the Commission adopted this recommendation. If the City of Winnipeg hopes to manage resources effectively and improve customer service as it does so, this is an option that should be explored – not because this is a civic 'trend,' but because of the customer service value of the 311 model.

"3-1-1 will provide our city managers better tools too. They will know exactly how long it takes to respond. They'll know where resources are being underutilized, and where resources are stretched. And we can adjust service to improve. 3-1-1 is as much about accountability as it is responsiveness at City Hall."

- Calgary Mayor Dave Bronconnier, State of the City speech, February 8, 2005

But the real virtue of a 311 service is not in its simplicity, but in its complexity. 311 systems are a sophisticated dream for policymakers and managers alike. They take the process of prioritizing complaints out of the realm of anecdote and into measurable territory. 311 systems use software[5] to track the subject and general location of public complaints, giving managers a tool to target service delivery. A 311 system would also shift customer complaints away from Council offices. This is not an incidental benefit: Councillors could then in turn spend more time on policy-making and oversight.

The Commission is not proposing 311 as a magic bullet, nor is it endorsing the adaptation of a 311 system. However, given the number of customer service concerns raised to Commissioners, it is our recommendation that the City step up examination of the *potential* of a 311 system with all reasonable speed. At present, the value of this innovation is currently a "subject for discussion" amongst senior managers rather than an explicit priority for political decision-makers. The danger is that adaptation of a 311 model could take a decade if innovators in the Winnipeg Public Service do not receive decisive support.

It costs nothing to ask your customers

Better customer service is worth paying for. But often, the best customer service improvements can be designed for free. City Hall should be more aggressive about asking business leaders and citizens for advice to help improve customer service. Now and again, help will come with a price tag, but a simple request for input from a regular customer can still be as positive and insightful as a methodical survey or a consultant's study. It is in the private and non-profit sectors' interests to see our government succeed.

The Planning, Property and Development Department has made great strides in recent years by prioritizing formal customer consultations. Several submissions to the Commission praised the Department for this approach.

[5] The city of Baltimore offers its own tracking software – called "Citistat" – free to all takers.

For consideration: file managers

Several submissions to the Commission recommended that the "file manager" concept be used throughout City Hall. A file manager or project facilitator is a single person acting as the sole contact for a particular customer. Customers with a complex project need only work through the file manager to secure necessary approvals, file compliance reports or communicate with decision makers. Note that Planning, Property and Development is already experimenting with file managers for certain projects. Submissions to the Commission praised the City's Film and Cultural Affairs Office for its ability to cut through red tape for film and TV productions; at its core, Film and Cultural Affairs is a file management model applied to an entire industry sector.

"Put into place experienced file managers with responsibility to act as project expeditors."

"Getting Down to Business," CentreVenture consultation, Summary of responses, 2002

While Commissioners were certainly sympathetic with this approach, they also received submissions that strongly objected to the use of file managers. Objections generally fell into two categories. First, critics felt file managers would be bypassed in controversial situations anyhow, reducing the value of the manager to customers, and in one case, an interviewee offered specific anecdotal proof that this could happen through his own experience. A critical stakeholder organization also suggested that a file manager system would shift responsibility for customer service to a small group; most stakeholders shared our view that better service is everyone's responsibility.

In the end, the Commission did not investigate these concerns in further detail. Instead, Commissioners chose not to make a recommendation, believing it would be too prescriptive to ask managers to use this approach without cause to believe it was useful in every situation. Nevertheless, given the popularity of the "file manager" concept in submissions to the Commission, the concept is noted here for reference.

RECOMMENDATION 24

Build a better "front door" to City services through a series of small but important changes to improve the welcome for citizens and business customers.

Recommendation 24.1

Where points of customer contact exist, post online and onsite color maps at City facilities to offer directions throughout each facility, and/or offer clear statements of what function each office performs on this display. Facilities should include, but not be limited to the Fort Garry Place offices and both buildings at City Hall. Make copies of these maps available at appropriate points of access.

Design these maps with voluntary assistance from external customers. This recommendation stands whether or not there is personal assistance available at the point of entry.

Recommendation 24.2

Where citizens need to have certain documents ready to complete a transaction at a City office, post online and onsite displays indicating what a customer needs to have in hand to complete that particular transaction.

These signs should make it clear that the citizen will not be able to complete the necessary transaction without the necessary materials.

Recommendation 24.3

Create digital, graphic organization charts for departments with significant customer service responsibilities, including (but not limited to) Property, Planning and Development, Public Works, City Clerk's, Legal Services, Community Services and Property Assessment. The chart should include a clear photo of each public servants shown in the chart.

The chart should use clear language that is free from local jargon or abbreviations to assist customers in understanding the responsibilities of each public servant pictured.[6] Post these organization charts online.

If privacy concerns[7] are a factor, paper or electronic copies can be offered directly to new or regular customers at the discretion of frontline and customer service staff.

Recommendation 24.4

Create digital, graphic "process" charts for frequently used City processes.[8]

Where there are objections that "a process might not always work that way," say so on the chart rather than eliminating the chart to avoid the objection. Post these organization charts online.

Recommendation 24.5

Through the City's own e-mail servers, imbed in every City of Winnipeg e-mail a hyperlink signature to allow citizens to complain or raise concerns directly to a customer response address. *For example only*, the signature might read:

"The City of Winnipeg prides itself on good customer service. If you wish to register a compliment or complaint about the service you receive, please bring it to the attention of Mayor Katz and Chief Administrative Officer Stenning by clicking on this address."

A similar "feedback slip" should be mass-produced and inserted into bulk or direct surface mail correspondence with citizens and customers in the City.

In keeping with this Report's call to avoid micromanagement of public service work by political leaders, the Mayor's Office should adapt existing correspondence protocols to ensure responses to any comments received are appropriate, in consultation with the Chief Administrative Officer.

[6] Note that this recommendation does not necessarily provide for direct line phone numbers to be posted, especially if a 311 model is in place. Under a 311 model, as proposed below, the 311 call centre would be a central customer service point, and all routine complaints would ideally start with the call answered by the 311 service for tracking purposes.

[7] This concern was raised as a potential objection to this proposal. Given the range of cities, governments and corporations that follow this practice, this does not seem an insurmountable hurdle. For operational reasons, the one obvious exception to this suggestion is the Winnipeg Police Service.

[8] Planning, Property and Development has already moved to do so in some cases on its own initiative.

Recommendation 24.6

The Commission affirms its support for City Hall efforts to consolidate public service and customer service functions on one or more "campus" arrangements adjacent to City Hall. This would reduce red tape in several ways, allowing for easier coordination and paper flow between departments and offices. However, drawing on the customer experience with the Planning, Property and Development consolidation at Fort Garry Place, future initiatives to consolidate City services should *formally* consider:

- customer service issues with respect to access at any new facility or facilities; and
- organization of customer reception within the facility.

Recommendation 24.7

In consultation with advisors from the private sector, City Hall should adopt basic standards for correspondence, phone responses and voice mail responses. These standards should include an expected response time to any call, and the requirement that voice mail greetings specifically state a person's name, department, responsibility and availability.

RECOMMENDATION 25

Report to Council on the merits of a full transition to a 311-based customer service model, with the goal of obtaining a final Council decision on the City's 311 service objectives as soon as possible.

If Council supports the long-term goal of 311 implementation, action on this recommendation now will ensure that any ongoing customer service improvements and plans can prioritize 311-based solutions. The Chief Administrative Officer's Secretariat and other public servants have already completed much of the work necessary to act on this Recommendation.

Recommendation 25.1

The City should solicit the advice of municipal leaders and managers who are familiar with the challenges of 311 implementation in preparing the final report cited in Recommendation 4. Public service advisors should also draw on the experience of Manitoba's private sector customer contact centre leaders to assist with the proposed report.

Recommendation 25.2

Communicate this recommendation broadly with senior and junior managers in all line departments and City agencies. If a project might complicate implementation of a 311 strategy in future, this factor should be considered in project planning.

RECOMMENDATION 26

Improve the reception for citizens, investors and customers who interact directly with City Council.

Recommendation 26 is designed to address a range of concerns with ideas to make existing processes and activities of Council more citizen and business-friendly.

Recommendation 26.1

The Mayor should designate a member of Council as responsible for coordinating Council efforts to improve the general welcome for potential investors from outside the City.

With support from the Mayor's Office, the Winnipeg Public Service and Destination Winnipeg, the designated Councillor should identify opportunities for councillors to play a more positive role in efforts to portray Winnipeg as open for business.

Recommendation 26.2

Where a major investment project raises multiple issues for Committee resolution, Committee chairs should consider holding special meetings to resolve those issues at a single meeting without distraction or interruption by regular business. The designated Councillor's responsibilities under Recommendation 26.1 should include facilitating this approach in appropriate cases.

Recommendation 26.3

Authorize the City Clerk to make several changes to improve the experience of presenting to Council or a Council committee, including but not limited to the following:

- The installation of a time clock in Committee rooms and within sight of the podium in the Council chamber to help presenters keep to time limits;
- Installation of an improved sound system for presenters to Council;[9] and

[9] Recommendation made at the specific request of members of Council

- Specific allocation of time on Committee agendas for discussion of facts with presenters when that is appropriate (at present, presenters are often allowed to leave or left to watch the gallery without opportunity to clarify – or, if necessary, rebut - facts raised in deliberations).

Recommendation 26.4

In the absence of any other provision by committee chairs to do so, where public presentations are to be made at a Committee meeting or other hearing, it should be the responsibility of the Clerk of any committee or hearing to begin the meeting with a quick, oral, formal review of the agenda and procedures for presentations. The Clerk should develop a protocol to ensure consistent application of this recommendation in consultation with Committee Chairs.

Recommendation 26.5

Authorize the City Clerk to consolidate various online documents into a standard "status of bills" document online, to be called a Status of Business Registry, and provide resources to the Clerk to facilitate this step, organizing materials largely available now in the so-called Decision Making Information System in a form more useful for citizens who are unfamiliar with Council's organization. As an example only, the Clerk can be guided by the Saskatchewan legislature's online status of bills at http://www.legassembly.sk.ca/bills/progbill.htm; or a similar chart for the Northwest Territories Legislative Assembly at http://www.assembly.gov.nt.ca/HouseBusiness/Legislation/MainActs.html.

With the cooperation of the Executive Policy Committee Secretariat and the Chief Administrative Officer, this *Status of Business Registry* can and should include updates on proposals not yet tabled for formal consideration where appropriate. It also should contain updates on reports requested or forthcoming that may be of interest to citizens.

The purpose of this document is to eliminate guesswork with respect to the City's policy and legislative process. The *Status of Business Registry* should therefore become the primary point of reference for related business, and the first document to be updated. It should include links to reports and other documents where necessary.

RECOMMENDATION 27

Support the Winnipeg Public Service as it works to create a more flexible, unified civil service organization.

Several stakeholders told the Commission about their concern with succession planning and skills retention at City Hall. The Commission's goal with Recommendation 27 is to ensure that its support for a flexible civil service model is on the record, as it believes that a stable public service is essential to the prevention of red tape that is created by the departure of experienced personnel or by "silo" thinking.

Recommendation 27.1

Council should support ongoing and forthcoming projects designed to allow the Chief Administrative Officer to lead the Winnipeg Public Service in a manner that allows for greater flexibility, greater identification with the organization as a whole, and greater opportunities for training and advancement across the Public Service rather than simply within one department.

This should include (but not be limited to) occasional rotation of managers and leaders into different portfolios to encourage cross-departmental thinking, policies to permit more "lateral promotion," and a greater emphasis on problem-solving and management skills over portfolio-specific experience. Ongoing work is underway to formalize these policies with the support of senior managers in the Winnipeg Public Service.

Recruitment programs should allow the City to recruit skilled candidates into the Winnipeg Public Service for a 'career track' rather than for a specific position.

Recommendation 27.2

Policies should be developed, adapted and implemented wherever possible to encourage more frequent rotation of frontline staff in line departments (e.g. inspectors, managers, engineers) to different sectors of the City.

RECOMMENDATION 28

Consult with stakeholders on techniques to improve impact statements in public service reports to Council wherever possible, helping to prevent red tape before it ever appears.

Our goal is to use the existing public service report system as a form of "regulatory impact statement," allowing citizens and businesses early input into regulatory proposals.

Recommendation 28.1

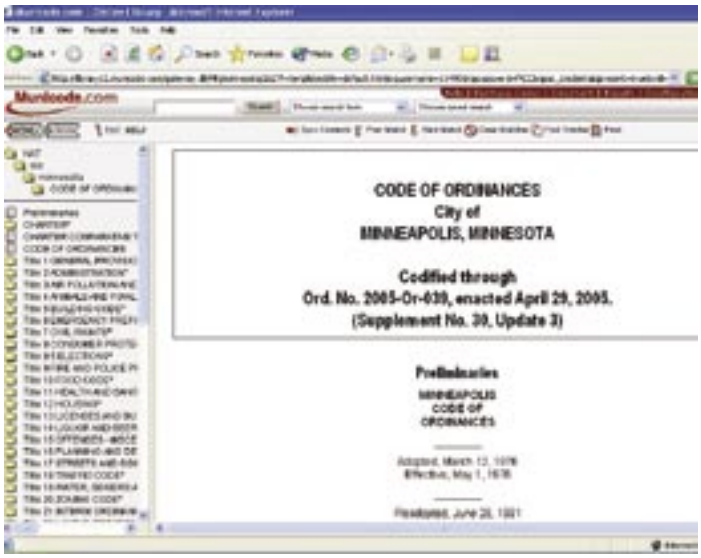
Regularly consult (formally and informally) with active citizens' groups about the use of impact statements in reports to Council and other decision makers.

Recommendation 28.2

Once a "hard count" of regulatory requirements is available as called for in Recommendation 30, pertinent information from that count should be appended to any impact statements in future, and the annual regulatory requirement report should be designed to aid in this process.

If a particular sector already fills out forms for 10 departments, this information should be available to a Council committee when considering new regulatory requirements for that sector.

A permanent system of red tape reduction



Minneapolis is one of literally thousands of US jurisdictions which have their entire Code of Ordinance posted online in a browsable format. Like most Canadian cities, Winnipeg was satisfied to post nothing more than "frequently used" by-laws, making searches difficult and compliance confusing. Satisfied - until now.

Following up on the *Introductory Report:* better by-laws

As noted in our *Introductory Report,* Winnipeg nominally has over 8,000 by-laws on the books. Many of them are obsolete, or have been repealed. We recommended cleaning the by-laws up into a more user-friendly presentation online. One of our goals was to make it easier for councillors, public servants and citizens' groups to identify problematic by-laws without the help of a Red Tape Commission or a legal team. Another goal: to make it easier to comply with our by-laws by making it easier to find out what by-laws are actually in force with complete certainty. Since then, the *BDO Dunwoody Consumer Experiences Study* and other interviews confirmed our theory that councillors, citizens, and businesses were frustrated by our by-laws presentation.

"Too many by-laws exist; some are redundant, some are obsolete, and some rules are perceived to be blatant 'cash grabs…'"

Summary of responses, BDO Dunwoody Consumer Experiences Study

With assistance from Legal Services, the City Clerk's Department has broken down active and inactive by-laws online (a step they intended to take before we recommended it, incidentally). While the by-laws can now be used for the Commission's intended purpose, the City should follow through and ensure that presentation catches up to the content, making it possible to "browse" through our by-laws in the same way that one can browse through Codes of Ordinance online for almost every American city, with the by-laws up to date as a downloadable publication on a 72 hour standard. Achievement of this goal would represent a best-practice among Canadian cities, and once a more user-friendly publication is in place, Winnipeg should make a point of announcing and celebrating this important step forward.

Why do it? The value of a "red tape budget."

Our *Introductory Report* was designed to help prevent future red tape. Our motivation: the experience of the 1997 Red Tape Review Panel. Several Councillors seem to be under the impression that the Panel's recommendations were largely implemented, but several were not. After a receipt of a public service report on implementation progress in 1998, the Panel dissolved. A cross-check of the report's results showed that several major initiatives – like the Partners for Public Service initiative – disappeared shortly after the wind-up. At least one 'report on progress' reported progress that was directly contrary to what was recommended.

While the Commission can see – and does recommend – a role for future red tape commissions to monitor progress every five years, this Commission has no ambitions to exist in between. And Commission members explicitly rejected calls for a permanent Standing Committee or other body to implement our Report; City Hall must take organization-wide ownership of reform if this exercise is to succeed. With that in mind, combined with use of our guidelines, our most important long term suggestion is Recommendation 30, which attempts to copy a successful initiative in British Columbia. Using a hard count of regulatory requirements, British Columbia was able to identify, list, track and eliminate red tape requirements on a methodical basis, making red tape reduction a more specific, quantitative exercise. The provincial government completed its count of almost 400,000 regulatory requirements in just six weeks.

The Organization for Economic Cooperation and Development recently praised Holland for a more financially-minded red tape budget model, and financial "regulatory impact budgets" are also common in other jurisdictions. Given the City's situation, the available advice from the government of British Columbia for implementation, and the unique challenges of municipal government, the British Columbia model seems more appropriate.

British Columbia was able to use this approach to reduce its red tape burden by over a quarter, safely and effectively. "Low hanging fruit" was cut quickly because the methodical approach made it easy to find.

The Canadian Federation of Independent Business has been a strong advocate of the British Columbia model, and noted that the use of a specific target for reduction of the regulatory requirement count was crucial to that success. With this in mind, the Commission is asking City Hall to set a net target of 15% over five years, a modest but useful reduction. Red Tape Commission recommendations proposed for implementation before June 30, 2006 – like the elimination of the business license – should not be included in claims for reduction!

"If you have ten thousand regulations you destroy all respect for the law."

Winston Churchill

RECOMMENDATION 29

Complete ongoing work on identification of active by-laws, and publication of a user-friendly, up-to-date compendium of all by-laws and policies in force on a 72-hour standard.

The Commission seeks a more user-friendly by-laws presentation for several reasons: to send a signal that the City is moving to more modern models, to ease compliance for citizens and businesses, to empower individual councillors to find and remedy red tape on their own initiative without the need to wait for a review, and to create the necessary foundation for Recommendation 30, below.

Recommendation 29.1

The Red Tape Commission is pleased to report that the early work necessary to transform publication of the by-laws is underway as requested in the Introductory Report, and the City Clerk's Department has a working list of active and inactive by-laws posted on its "Decision Making Information System" online.

Council should offer any support necessary to improve the appearance and accessibility of the publication to allow for any online, to access or download a single browsable by-laws document that will be up to date on a 72-hour standard.

RECOMMENDATION 30

Copy the British Columbia model for permanent tracking and reduction of red tape. Use the new by-laws compendium and other tools to create a permanent count that lists the City's regulatory requirements.

This count is to be known as the City's 'red tape budget.' Once complete, set a target to reduce the count of City regulatory requirements by 15% before June 30, 2011, when a Red Tape Commission should be briefly struck to review further progress and identify further opportunities for red tape reduction.

Measurement of the red tape burden is necessary to ensure overall red tape reduction goals are met..

Recommendation 30.1

Winnipeg's Public Service should begin a count of City regulatory requirements in force, acting with advice from the Government of British Columbia.

Stakeholders should be invited to assist in this process. An up to date list of requirements tracked should be posted online, and the Winnipeg Public Service should report to citizens and Council on the state of the count annually.

Recommendation 30.2

The City should set a target of reducing its regulatory requirement count by 15% before the next Red Tape Commission meets to review progress five years after the count is complete.

Closing Themes



City Council should focus on policy and oversight

What is the proper role of City Council? To develop policy, to set direction to match the public's priorities, and to provide oversight to ensure the direction is acted on. Council clearly tries to focus on these objectives, but time and again, process or management issues draw their attention away.

Several major consultant's reports or external inquiries have stopped to note of this trend. Here are just three examples:

The City of Winnipeg Property Tax Assessment Inquiry ("The Scurfield Report"), 1996

"Elected officials should take care to create an environment in which administrators can implement the policy decisions of Council and attend to the financial management of the City's affairs without having to concern themselves with micro-management by politicians. In simple terms, those elected to govern should govern, and those appointed to manage should manage….
City Councillors, both past and present, must accept much of the responsibility for the distortion of the business model."

City of Winnipeg Organizational Review and Performance Assessment ("The Cuff Report"), 1997

"There is an apparent lack of focus on the 'policies' of the City; little reference is made to them, many do not know if they exist, and if so, in what format… the lack of such a focus encourages the 'micromanagement' of administration by Council and its Committees."

"It is our view that Council and committees have either been encouraged or condoned in their involvement in what we term 'administrivia.' This has occurred as a result of a less than rigorous approach to what issues are placed on the committee agendas and the lack of a policy framework around those issues. As a result, and not necessarily because of any intended design, Council members have been increasingly drawn into administrative decision-making." [our emphasis]

Summary of Responses, BDO Dunwoody Consumer Experiences Study, 2005

"Involvement in the decision making process regarding issues such as color, size and shape of buildings by publicly elected officials is not appropriate and generally unheard of in other municipalities. A councillor should not be involved in planning and development of a building…"

"City planners are good, but politicians often interfere and do not allow planners to do what they are hired to do…"

"Councillors are perceived to be the problem behind the advancement and development of the City. The City loses business when councillors get involved in [the zoning] process."

* * *

Time and again, observers describe blurred lines of authority between politicians and public servants. The result: processes are sidetracked mid-stream, or approvals are slowed down as public servants look over their shoulders.

"Too often, the established procedures or guidelines which 'must' be followed do not (or only loosely) apply to a given situation, but the city and it's employees are forced to follow the rules like a pack of blind lemmings headed for a cliff.'"

- Citizen submission

Why does this happen? Ask Councillors why, and the answer is usually the same: Councillors feel compelled to step in to help citizens get better service, or to remedy cases where public servants are inflexible in their application of rules or processes (see below). It is hard to fault Councillors for this thinking.

But political intervention in public service management fosters the very inflexibility it is intended to cure. Both the Scurfield and Cuff reports noted that political intervention in minor management issues builds a business culture that rewards "safe" – in other words, inflexible – decisions by managers. Political priorities start to become confused with management practices.

Political priorities should and must be communicated through budgets, policies and laws. But once communicated, oversight is the next step, not political management.

If Council is unhappy with the results gained, then it can and should hold managers accountable. Council can also try to amend policies to make direction clearer. Several of our recommendations will free up Council's time, remove politicians from micromanagement of issues, and shift Council's role to focus

on prioritization, planning and oversight. Council must embrace the Board of Directors role that others have seen as its proper sphere since the 1900s. If it does not do so, more red tape will be the result, as procedures, decisions and by-laws are altered to try to manage problems that Council is poorly placed to manage.

Our Public Service wants to be more facilitative and flexible

That said, public servants can and should take action to be more facilitative and customer-focused. Despite the best of intentions, some public servants in Winnipeg can often be inflexible in their application of rules and procedures. This is not how it should be, and many public servants we spoke to would rather it were otherwise. Process matters in government, but results matter too, and it is important to consider both in any decision.

It is worth recounting the oft-raised subject of checklists. These were a constant topic of discussion for the Commission. Strangely, while many industry groups talked about the need for better, more facilitative service, they also expressed frustration when City officials helped customers who arrived at service points without the information they needed to file a proper application.

In the 'old Winnipeg,' a few public servants might have simply shrugged their shoulders at the contradiction. What we need is a newer, more proactive approach to such problems, and sometimes, we saw that. The Planning Department is just finishing work on checklists so applicants know what they will need to file a finished application for certain projects or permits. The Department developed the list because customers told them that they were upset at having to come back time and again to respond to new questions. This is a positive step.

So, how to please the customer who has all of her information, but still serve the uninformed newcomer? A facilitative organization will put themselves in the customer's shoes and try to communicate to both. In Las Vegas, building regulators have used checklists for years. Their solution is as elegant as it is simple. Staff have placed a large visible sign in their hallway (copied elsewhere in City brochures and publications) that says, "this is what you will need before we can serve you" and lists the necessary information. Staff make it clear that the alternative is more lineups, slower service and higher costs. Perfect service? Perhaps not, but it may feel a lot more 'facilitative' than waiting in line only to be told to turn back without an explanation. For the customer who arrives without the required information, the effort to explain the process is progress; no change in by-laws necessary.

Small steps like these can make a huge difference to the customer experience. After all, while many citizens told us privately that they feel intimidated at City Hall. It was not the complexity of By-Law 6400 or the wording of a form, so much

"This is not so much a red tape commission as a fairness commission, as most of what we have heard has to do with how rules are applied rather than the actual rules themselves.'"

- Assiniboia Chamber of Commerce submission

as it was examples of service – like one incident where Commission staff watched as a City official repeatedly interrupted an ordinary citizen during an appeal presentation (with no demur from the Committee Chair). The citizen's error? He did not use the "correct legal definition" of 'landlocked' in his comments – as if that mattered so much to warrant a hurried interruption.

Examples like the above are too common, but they pale in comparison to everyday, unsung stories of positive, caring service delivery. Of course, the goal must be to offer that level of service in all cases. The Commission saw plenty of evidence to suggest that Winnipeg can come closer to that goal if talented public servants are allowed to resolve problems without having to look over their shoulder for political approval at every step. Our strong language about an "obsession" with customer service is not unrealistic; a recent "Employee Culture" survey found that most members of Winnipeg's Public Service are proud to be working for the City. With the freedom to act, frontline public servants are the people best-equipped to deliver on service improvements, small and large. If they can deliver on those changes, citizens will quickly lose the habit of turning to politicians to solve problems best addressed on the frontline.

Follow-through: financial issues, leftover items and implementation



THE CITY OF WINNIPEG
VILLE DE WINNIPEG
CITY CLERK'S DEPARTMENT / BUREAU DU GREFFIER

July 14, 1998

FOR DISPOSITION OF ITEM
BY THE
EXECUTIVE POLICY COMMITTEE
ON
SEE
MINUTE No.

CHAIRPERSON AND MEMBERS
EXECUTIVE POLICY COMMITTEE

Report of The Red Tape Review Panel

At its meeting held on July 14, 1998, the Red Tape Review Panel reviewed the progress report on the Panel's recommendations, as approved for submission to the Ad Hoc Committee on Business Liaison.

The Red Tape Review Panel is pleased with the considerable progress made on all of the recommendations and would like to commend the Executive Policy Committee and respective Departments on moving forward and initiating change so promptly.

Final report of *Winnipeg's Red Tape Review Panel,* July 14, 1998.

This report cited several promising examples of reforms in progress. But once the report was filed and the Panel dissolved, several recommendations fell off the public agenda; victims of the struggle between the "urgent versus the important" at City Hall.

The challenge of implementation

City Council must make the final decision on how many of our recommendations will be implemented. If all of our recommendations are acted upon, several departments will experience bottlenecks as a result of new projects sent their way. To give City Hall the time it would need in any scenario to flesh out details or properly stage changes, we outline a three phase schedule in our *Implementation Notes* that would space decisions and actions over several months to give Council time to review each issue individually.

The phases are:

Phase I: June to September, 2005
Proposed for intergovernmental communication, and consideration of minor changes in by-laws and public service procedures.

Phase II: September to December, 2005
Proposed for major by-law changes where little additional consultation is needed (like the Entertainment Funding By-Law amendments) and changes for the next fiscal year (such as the internal charges policy).

Phase III: January to December, 2006
Proposed for major changes that will require extensive edits of by-laws, like the phase-out of business licenses.

We propose challenging timelines. We believe in the need for swift action on several of the more important recommendations, if for no other reason than to send the signal that Winnipeg is open for opportunity once again.

We are publishing detailed implementation notes in part to avoid a repeat of recent history. More than once, the Mayor's Red Tape Commission has heard suggestions that the City's 1997 Red Tape Review Panel had already cut the City's red tape. Why have another review so soon?

The history of the Panel is instructive. Created at the initiative of Councillor John Angus and chaired by Councillor Shirley Timm-Rudolph, the Panel first reported recommendations in June, 1997. City Hall reported back on implementation in July of 1998. The Panel – officially part of City Council's 'Ad-Hoc Committee on Business Liaison' – was formally dissolved in December, 1998.

Working from public service responses to the Panel, the 1998 update reported action "in-progress" on several recommendations. The problem: between then and now, many of those recommendations were never actually implemented – surely a victim of the "urgent first, important later" pressures that are a normal function of government.

"The Red Tape Review Panel also recommends that the Executive Policy Committee give favorable consideration to the establishment of a new Red Tape Review Panel in two years time, to then review the current regulations, processes and procedures affecting customer service and other areas of service delivery."

Report of the City of Winnipeg Red Tape Review Panel to Executive Policy Committee, July 14, 1998

The Panel's final letter to City Council called for a new red tape panel every two years. This recommendation was ignored. Had it been heeded, the failure to implement *Partners for Public Service*, standardize development agreement parameters and other delays might have been caught and remedied. Instead, over seven years later, our Commission found itself revisiting those same issues.

The Commission's chief challenge to the public, the public service and Council is to forever end the habit of characterizing work-in-progress as the sole measure for action. Our proposed timelines are challenging because they have to be – otherwise, change will be "laid over until the next meeting" in the face of other pressures. Where the 1997 Panel was content to measure success as work underway, the Mayor's Red Tape Commission intends instead to rely on the public to measure success or failure, with publicly measurable targets built into the annual reporting system.

One point worth mentioning: public servants may delay change because they have no choice: they do not have the resources available to act. And so it may be useful for the Commission to speak to another issue, namely the costs of implementation.

Financial impacts and mitigation

Change costs money – especially when some of the changes involve ending the City's collection of taxes and fees through complex formulas. But while the Mayor's Red Tape Commission's proposals will requirement financial adjustments and some expense to implement, we believe the necessary adjustments can be accommodated within the City's medium term financial plans. All told, counting major recommendations only, the major cases of financial exposure arising are:

- A proposed *shift* of $2.1 million from specific business licenses to a formula of cost-recovery billings for inspections and enforcement
- A proposed reduction of $400,000 in entertainment tax revenue through elimination of the performance-based tax formula and much simpler application of the tax overall, with a potential offset through tax broadening;
- The reservation of $1 million in the capital budget as a float for local improvements, rather than the current process which budgets each improvement on a project-by-project basis (this is a change in how local improvements are booked, not in what is spent).
- The fluctuating costs of implementing Recommendation 13, offset entirely by cost-recovery fees; and
- A proposed reduction of approximately $840,000 for home business licenses-in-lieu, without any target date specified.

In short, with the exception of the home license recommendation, offsets are built into every major recommendation.

Some recommendations, while small, will still draw on City resources. Legal Services, the City Clerk's Department and Corporate Finance may bear the brunt of these pressures, and this should be considered in any future planning if our recommendations are largely adopted. That said, we encourage Council and the Winnipeg Public Service to take a global view. New work in one area should be balanced against the reduced pressure from other recommendations, for example.

"Various permit fees, in general, appear reasonable compared to other municipalities."

Summary of responses, BDO Dunwoody Consumer Experiences Study

The Red Tape Commission made a point of not estimating administrative savings to allow that public servants to focus on management questions. Nevertheless, it is clear that administrative savings will result from some of these measures, even if all staff are redeployed.

A final point: the bulk of the remaining recommendations effect the Planning, Property and Development Department, which would be expected to support significant changes to by-laws, programs, policies and operations over time if these changes were implemented. Without in any way seeking to direct budget policy, the Commission wishes to make three observations that Council is free to use in its deliberations on this issue:

1. Without exception, every developer we asked agreed that he or she would pay more in fees *if doing so would mean better service,* on the important condition that increases or fee alternatives[10] be linked to service changes and not be part of a simple lunge for general revenue.
2. The Mayor's Action Plan includes a commitment to make the Planning, Property and Development Department a self-financing operation.
3. Several major stakeholder groups told us that the Planning, Property and Development Department was understaffed at key points of service and during key points of the year. Faster service would mean faster construction, which in turn means more revenue to fund faster service in a pure cost-recovery model. In the long term, more than one submission wondered if these observations were the beginnings of a virtuous circle.

Again, these points are raised only as observations, on the understanding that City Council must balance several competing priorities in coming budget years.

[10] For example, Las Vegas' program to charge a fee for developers who wished to meet all officials in the same room for a 'single-step' approvals meeting.

Unfinished business

The Mayor's Red Tape Commission was asked to report before the end of June, 2005. The timeline was relatively short, but the deadline had the virtue of forcing the Commission to focus most of its work on five larger systems: permits, by-laws, customer service delivery, rezonings and licenses.

Commission members were all volunteers, and they took a great deal of time away from successful careers to participate in meetings. The inevitable result: we did not cover every issue nearly as thoroughly as we would have liked. And some issues we flagged as important were not covered at all. However, there is no reason why Winnipeg needs to wait for another red tape commission to address those concerns. We list several important issues that we did not formally consider below.

1. Police Services

The Police Service was the only Department to tell us that it had 'no red tape.' In a reply to a request for information, the Department argued that all it needed was more resources. Before the Commission is wound up, we will be writing to the Department to encourage it to take a second look, as some concerns were brought to our attention.

2. Plan Winnipeg.

The Planning, Property and Development Department forwarded several creative ideas to expedite the Plan Winnipeg process. Most notable: a proposal to replace the need for Ministerial approval with a Ministerial veto, saving time on routine amendments to the Plan. While the Commission was informally supportive, we did not have time to weigh the merits of this or alternative possibilities in any detail, and instead focused on the need to simplify processes under the City's direct control.

3. Encroachments

To ordinary citizens, the best way to explain encroachments is with the word "patios." We received several submissions with respect to patio approvals; many of these were among the most complex and difficult red tape stories submitted. The Planning Department is certainly aware of these frustrations, and proposed greater delegation of authority as one solution in its submission to us. We agreed, but did not have an opportunity to discuss a more detailed recommendation. The Commission will be writing to several City officials to raise this concern more broadly.

"However, for the last year, the Winnipeg Police Service has been unable to furnish criminal record checks upon application; applicants have had to wait for their record checks to be completed and mailed out. Resulting hiring delays put undue strain on understaffed facilities, and in some cases even cause suitable candidates to seek employment elsewhere, extending the hiring cycle. It is worth noting that the Winnipeg Police Service is the only police department in the province that is unable to furnish criminal record checks while applicants wait…."

- Association submission

4. Signage rules and regulations

The Winnipeg Chamber of Commerce asked us to seek a City review of signage regulations, citing frequent complaints about the flexibility, consistency and approvals. Several submissions gave us cause to agree, but we did not consider this as a formal recommendation.

5.The Urban Design Advisory Committee

This Committee was created to resolve design issues – particularly within historically significant areas – at an earlier stage of the construction process. A few submissions cited this as a subject for concern. But the concerns were contradictory. Some builders, developers and architects saw the new process as a negative, while others saw it as progress and hoped we could help to accelerate its implementation. Given this lack of consensus, the Commission turned its attention to other issues..

6. Fundraising

Although the Commission had hoped to explore and endorse a simpler model for regulation of fundraising licenses in the City, it was unable to find an appropriate proposal in the time allowed.

7. Demolition

The Planning Department identified a serious conflict between the City's approach to demolition enforcement and the City's desire to see buildings rehabilitated; in some cases, it appears as though buildings that might have been rehabilitated were ordered demolished before this could begin. We will forward notes on the issue to appropriate authorities at City Hall.

8. The City Website

Citizens, councillors and the *BDO Dunwoody Consumer Experiences Study* all raised concerns with the City's website. Despite recent changes, users found the website lacked consistent information, was difficult to navigate, and often seemed designed to help government rather than to help citizens and customers. Departments were inconsistent in the information offered. Recommendation 24 offers some suggestions to make the website more useful, but the Commission did not wish to delve into website design in too much detail.

9. Availability of strategic information

Several submissions asked the Commission to help improve citizen and business access to information tools – for example, the Land Base Information System and City traffic studies. Anecdotal checks suggest that Winnipeg may be behind other cities in this respect; this was certainly the view of the business organizations that raised this issue. The Commission will be writing to City officials to recommend that this be pursued further.

10. Taxicabs

Both the Winnipeg Chamber of Commerce and individual cabbies raised problems with respect to cab access. Apparently, cabbies feel they are repeatedly targeted for ticketing on pickups, fares and dropoffs. According to the Chamber, this is a particular problem in and around the MTS Centre, and suggestions were made to help remedy this problem. If accurate, this is not an obscure problem: taxis are important for downtown residents who may wish to get by without a car, and the City's current policy is to grow the residential population downtown. Nevertheless, the Commission was unable to follow-up in the time allotted, and so is forwarding this concern to the Chief Administrative Officer and the new Winnipeg Parking Authority for further attention.

"[A Taxi's] ability to properly serve customers is interrupted by the issuance of tickets by commissionaires to taxi cabs. Even serving customers for the new MTS Centre is interrupted by the issuance of tickets in front of this new attraction."

- Winnipeg Chamber of Commerce Submission

11. Greater delegation of authority

If micromanagement is a problem, then greater delegation of authority to staff in the frontline is the solutions. Here, as elsewhere, the Commission received useful data on where there are bottlenecks of approval for routine City functions, and we will forward this data to the Mayor's Office for future consideration.

Appendix: Operations

Operation of the Red Tape Commission



Mayor Katz launches the Mayor's Red Tape Commission, November 23, 2005

Operation of the Commission

The Commission generally met over lunch at least twice monthly between November 24 and June 16, with one additional meeting to share ideas with senior managers from the Planning, Property and Development Department on April 26. The Commission was made up of volunteers who did not receive a per diem or other compensation for their time.

Staff were responsible for forwarding most of the draft recommendations to the Commission for discussion, soliciting public service feedback and briefing members on issues. Several Commissioners also worked on drafts of recommendations and background materials outside of formal meetings, offering drafts, advice, and direction for research.

Recommendations were frequently amended as a result of fast-paced, informal and often vigorous debates. In several cases, recommendations were deliberately simplified to allow public servants some discretion in responding to the proposal.

The Red Tape Commission does not have a monopoly on ideas. To ensure that there is room for creativity in implementing our suggestions, we included goals for each recommendation. Alternative implementation strategies should be judged on whether they are a better means of meeting that goal.

What the Commission was *not* created to do

Now and again, some minor restructuring might be useful to implement one of our recommendations. Administrative savings can certainly be found. But it was not our responsibility to act as a "Waste Commission" or a "Restructuring Commission," and our recommendations must be read with this in mind.

On instructions from the Mayor, our priority was to find ways to help the City cut red tape that stood in the path of existing objectives, not to replace the budget process or act as a program review. We did make recommendations that would have budget impacts, but we did so primarily because these were cases where we judged the time and energy used to be high relative to the benefit accruing to citizens and government.

Submissions and other sources of information

To help guide its deliberations, the Commission asked citizens, businesses and organizations to submit ideas before January 31, 2005. Many submissions arrived after that deadline, and we considered them all. Some of the latecomers had an important influence on our deliberations.

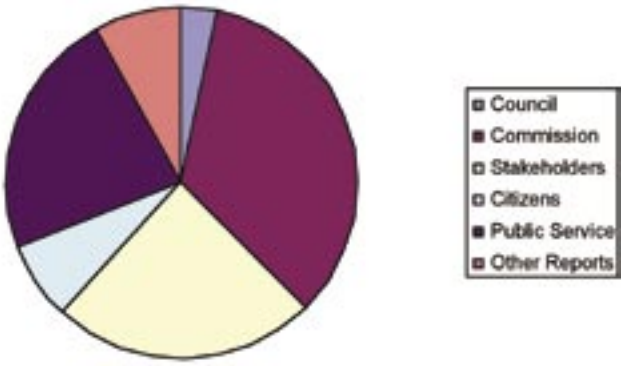
The Commission also relied on the *BDO Dunwoody Consumer Experiences Study*, co-funded with Destination Winnipeg. The study team was led by Eric Stefanson, and his team interviewed chief executive officers, company presidents and regional vice-presidents from companies that together represented hundreds of millions of dollars in recent investment in Winnipeg.

But when it comes to red tape, people like to talk. Commissioners received more input from informal meetings, hallway conversations and formal interviews than any other source. Together, Commission staff and Councillor Magnifico interviewed six city councillors, and informally shared ideas with several other councillors and the Mayor. Board members or staff from several organizations – including CentreVenture, Save Our Seine and the Urban Development Institute – were interviewed in lieu of a written submission. In the majority of cases, Commission staff and the BDO Dunwoody study team found respondents unwilling to speak or write to the Commission unless confidentiality was guaranteed.

Submissions came in every possible form: handwritten, e-mails, voice mails and phone calls. In the end, the Commission received over 150 written responses to its call for ideas. In over a dozen cases, these responses were submissions from professional or business organizations (like the Winnipeg Chamber of Commerce), several of which had themselves surveyed hundreds or thousands of members. Commission staff conducted over 50 formal interviews, and drew on the published

results of 30 interviews conducted by BDO Dunwoody's study team. But the largest single source for ideas was the Winnipeg Public Service. Every department filed a submission of some sort, save one – the Police Department, as noted earlier.

"Root source" for Commission recommendations



Since someone will no doubt ask, the above chart gives an imperfect but useful review of the "root source" for our recommendations. For example, a citizen submission was the first to call for an easy-pay policy, producing a chain of research that led to Recommendation 5, and so a citizen is counted as the root source for that Recommendation. Recommendations 5.1-5.3 were all the result of Commission discussions, and so the Commission is cited as the root source. Councillor Magnifico – the source for several ideas - is counted as a Commissioner above.

Solutions must come first

Observers noted that the Commission did not hold public hearings. With good reason: our biggest challenge was to avoid the necessity for personal investigations that public complaints would generate.

Overall, we did our best to focus on policy, revisiting individual cases only where it was felt necessary to illustrate a policy point. We candidly criticized flaws, and discussed how polices look from the customer perspective. But despite a clear call on our part to keep submissions constructive, responses and submissions occasionally wandered into personal issues or accusations, making it difficult for us to follow-up without stumbling through a time-consuming cross-check of facts just to be fair to all sides. In any future Red Tape Commission, members need to be mindful of this challenge, and work doubly hard to solicit and obtain as much constructive input as possible, and to devise newer and more methodical means of gathering that input.

Membership of the Commission and Staff Support

The Commission was appointed by the Mayor on November 23, 2005. Members were chosen to reflect a mix of professional and process management experience from outside City Hall. While several members represent major organizations as presidents or board directors, none of them was chosen to act on behalf of that organization. Commission members were asked to give advice on issues outside of their day-to-day professional roles, and often did so. The Commission's membership included:

Franco Magnifico (Chair)

Councillor Magnifico (St. Boniface) earned his reputation as a direct and candid advocate for small business during his tenure as a Vice-President of the Manitoba Hotel Association and as the owner and proprietor of the St. Boniface Hotel. An active promoter for charities too numerous to list, he was awarded a Manitoba Medal for his community service in 1995.

Stuart Duncan (Vice-Chair)

Stuart Duncan is putting his considerable corporate and financial experience to use as President of Destination Winnipeg, the City's new economic development agency. But he is also experienced as a government advisor on economic issues and regulatory reform, including past service as Chief Executive Officer of Manitoba's Economic Innovation and Technology Council.

Dave Angus

Dave Angus has served as President of the Winnipeg Chamber of Commerce since 1999. A former marketer and entrepreneur, this Transcona native also has considerable experience in not-for-profit leadership as a member of the Transcona Museum's board, and the board of the Prairie Theatre Exchange.

Charles (Chuck) Chappell

Chuck Chappell is already well known at City Hall as one of Winnipeg's most experienced municipal lawyers, and as a senior partner with Aikins MacCauley Thorvaldson. His legal perspective was often invaluable. And Commission members will not soon forget his Trump-like ability to decisively end lengthy debates with terse phrases like "it's a no-brainer" or "get rid of it!"

Guy Prefontaine

Guy Prefontaine is a rising star in Winnipeg's architectural community, and designed the City's signature Esplanade Riel. A partner with Gaboury Prefontaine Perry, he works with many charitable organizations and is a member of the board of the Manitoba Association of Architects.

Leo Ledohowski

As President of Canad Inns, Leo Ledohowski is one of the City's most successful business leaders, no doubt applying lessons learned as an award winning accountant and a former Commerce professor. While serving on the Commission, he also juggled new responsibilities after his appointment to the Board of the Business Development Bank of Canada this spring.

Alfred Schleier

Alfred Schleier is currently PCL Construction's lead manager for the Manitoba Hydro headquarters project in downtown Winnipeg. With 25 years of Winnipeg construction experience on his belt, he is also the Chairman of the Construction Labour Relations Association of Manitoba.

Ryan Craig

Ryan Craig is Chief of Staff to Mayor Katz, and sat as an ex-officio member on the Mayor's behalf. He previously served as an advisor to the Premier of Ontario, as chief of staff to the Minister of Culture, Citizenship and Heritage, and as a senior advisor to the the Minister of Education.

Commission Staff and Staff Support

Brian Kelcey – Project Manager

As a former Manitoba Taxpayers' Federation Director, Brian Kelcey first saw "red tape" as an appointment to the City's 1997 Red Tape Review Panel – and later as the chief of staff to a Minister of Consumer and Business Services in Ontario. He was the Commission's sole full-time staff member and consultant.

Sandy Altner – Executive Policy Committee Liaison

Sandy Altner brought considerable experience to table as a former management consultant to small business, and a veteran of Winnipeg's arts scene as the Past President of the Winnipeg Folk Festival. She is currently an advisor on Economic Affairs to the Mayor with the Executive Policy Committee Secretariat.

Gary Holmes – Liaison, Winnipeg Public Service

Gary Holmes was present as a liaison to the Chief Administrative Officer's Secretariat – no easy task, since he was the conduit for dozens of Commission requests for information. However, he also deserves recognition as a welcome contributor to several Commission deliberations, and he is in fact the "root source" of Recommendation 11.3.

Commission staff and members would like to thank the following for general advice, administrative support and other assistance:

Annitta Stenning, Chief Administrative Officer, her Secretariat, and all public service staff who met with us or submitted ideas throughout the process.

Richard Kachur, City Clerk; Mark Lemoine, Deputy City Clerk, and Carole Freeman, Clerk, for advice and administrative support.

Allyson Wallace, Destination Winnipeg.

Lea Heaton, Kim Yee and Jhoanna Gonzalez, Office of the Mayor, and

Cosette Dorge and Carmen Stoesz, Councillor Magnifico's Office.

Most of the photographs above were taken by Brad Salyn (Press Secretary to Mayor Katz) and by Elizabeth Soto during her internship at the Mayor's Office.

Commission Finances

The Executive Policy Committee authorized the expenditure of $120,000 on the Commission, based on a $100,000 estimated cost. The projected actual, pending receipt of final invoices, is estimated at $95,000.

A cautionary tale

(And a true story)



Parliament burns: London, 1834. The "mother of Parliaments" was inadvertently destroyed by a primitive example of red tape...

From a speech by Charles Dickens - father of the phrase "red tape"
- to the Reform Club, London, 1855

"Ages ago a savage mode of keeping accounts on notched sticks was introduced into the Court of Exchequer, and the accounts were kept, much as Robinson Crusoe kept his calendar on the desert island. In the course of considerable revolutions of time, the celebrated Cocker was born, and died; Walkinghame, of the Tutor's Assistant, and well versed in figures, was also born, and died; a multitude of accountants, bookkeepers and actuaries, were born, and died.

Still, official routine inclined to these notched sticks, as if they were pillars of the constitution, and still the Exchequer accounts continued to be kept on certain splints of elm wood called "tallies." In the reign of George III, an inquiry was made by some revolutionary spirit, whether pens, ink and paper, slates and pencils, being in existence, this obstinate adherence to an obsolete custom ought to be continued, and whether a change ought not to be effected.

All the red tape in the country grew redder at the bare mention of this bold and original conception, and it took until 1826 to get these sticks abolished. In 1834 it was found that there was a considerable accumulation of them, and the question then arose, what was to be done with such worn-out, worm-eaten, rotten old bits of wood?

I dare say there was a vast amount of minuting, memoranduming, and dispatch-boxing on this mighty subject. The sticks were housed at Westminster, and it would naturally occur to any intelligent person that nothing could be easier than to allow them to be carried away for fire-wood by the miserable people who live in that neighborhood.

However, they never had been useful, and official routine required that they never should be. And so the order went forth that they were to be privately and confidentially burnt. It came to pass that they were burnt in a stove in the House of Lords. The stove, overgorged with these preposterous sticks, set fire to the paneling; the paneling set fire to the House of Lords; the House of Lords set fire to the House of Commons; the two Houses were reduced to ashes; architects were called in to build others; we are now in the second million of the cost thereof..."