ALTERNATE SERVICE DELIVERY COMMITTEE

UNFINISHED BUSINESS

On motion of Councillor Angus, Clause 1 of the Report of the Alternate Service Delivery Committee dated January 12, 2001, laid over by Council on January 31, 2001, was considered.

Primary Materials Quarry Operations
Alternate Service Delivery Feasibility Study
Files GL-5.6.1 (Vol. 5) and S-8 (Vol. 1)

326 - 1. On February 23, 2000, Council adopted Clause 3 of the Report of the Alternate Service Delivery Committee dated February 4, 2000, approving the opportunity to allow the Primary Materials Quarry Operation to compete with the private sector.

Council further directed that the Primary Material Services gravel pit operation at the Pine Ridge site become a Special Operating Agency (SOA), and be afforded a five year period in which to prove its viability; and authorized the Equipment and Material Services Division of the Public Works Department to proceed with the development of a Business Plan and Operating Charter to be completed by May 31, 2000.

On June 29, 2000, The Manitoba Heavy Construction Association filed a Notice of Application in the Queen's Bench seeking an Order for certiorari to quash the decision made by Council on February 23, 2000, and an Order of mandamus requiring the City to follow procedures set forth in the formal Policy and Framework for Alternative Service Delivery in the City of Winnipeg.

On December 5, 2000, Justice J. Glowacki granted certiorari quashing the decision of Council on February 23, 2000, but did not grant the Order of mandamus.

In order to move the Primary Materials initiative forward in the Alternate Service Delivery process, this subsequent report reiterates the analysis provided, updated to reflect the data collected during the period from February through December, 2000, and affords Council the opportunity to confirm its decision of February 23, 2000.

The Primary Materials quarry, Pine Ridge Pit, has had a long history of operation. It is operated as a utility operation where its costs are recovered from the sale of its products. It provides material to civic departments for its various operations and is a ready source of sand for flood fighting operations. The consideration of this operation as an ASD option has had a protracted time frame due to its proceeding in advance of a formal framework for development of ASD feasibility studies and the introduction of the SOA concept.

Since 1996, the range of options from selling the Pine Ridge Pit, to outsourcing the operation, to creating it as an SOA have been considered, all as outlined in the detailed history provided in Appendix "A" hereto. These options have been costed on a cash flow basis. The options were compared to the status quo, that being keeping the operation "as is". Each option was evaluated over its estimated life.

The financial outcomes and qualitative considerations of the options are outlined below and summarized in Appendix "B" hereto.

Sale of the Asset

In December, 1997, the Executive Policy Committee gave direction to the Administration to evaluate the Pine Ridge Pit for the purpose of its sale. The value of the asset has been determined through an extensive survey of the gravel deposits. The results of the survey have determined that the City's Pine Ridge Pit has good granular reserves and is one of the last remaining pits with significant reserves above the water table, in comparison with existing adjacent gravel pit operations. If the asset is sold, the City would receive the proceeds, but would then be required to purchase its granular requirements in the marketplace. The cost of granular material would depend on the length of time the existing granular reserves are available in the Pine Ridge area. Once the City's pit is depleted, the other area for granular reserves is further north of the City. This would result in longer hauls and therefore, increased costs. It is estimated that this option would provide the City with a net present value of $2,800,000.00. In this scenario, there are non-avoidable costs the City would still incur.

Report of the Alternate Service Delivery Committee dated January 12, 2001

Lease of the Pit

A tender for the lease of the Pine Ridge Pit was advertised in 1997 and responses submitted. The tender allowed a successful bidder to extract an amount of material over an initial five year period. The tender did not place any limits on the type of material to be extracted or from which location of the pit. The stone in any quarry operation is the most valuable material. The history of the quarry operations in the Pine Ridge area is to extract the stone from the granular deposits and leave behind massive amounts of sand as spoil material. Consequently, the amount of revenue received by the City from this type of arrangement will be limited and the asset may be destroyed by not quarrying the pit in an efficient manner. Once the stone has been depleted from the pit, the City will be left with a much less valuable resource. The analysis of this option was based on mining and removal of all aggregate in areas with good stone concentration at the rate identified in the tender. Pit depletion would occur in 15 years. The period of extraction may be shorter if the contractor mined the aggregate at a rate higher than originally identified. In this scenario, the City would be required to purchase its material from the private sector. The cost of the material would also depend on the length of time the existing granular reserves are available in the Pine Ridge area before more distant reserves have to be accessed. It is estimated that this option would provide the City with a net present value of $4,500,000.00. In this scenario, there are non-avoidable costs the City would still incur.

SOA Option

The concept of Special Operating Agencies (SOA) was introduced in the Policy and Framework for Alternative Service Delivery in the City of Winnipeg, approved by Council on March 25, 1998. This option has been evaluated in the context of enhancing the entrepreneurial spirit of the existing utility operation and preserves the pit operation as a City asset. However, it raises the issue of selling the majority of its products to the private sector. The civic staff operating the Pine Ridge Pit has the expertise in quarry operation and the market analysis has determined that with proper pit management and utilizing all of the material, there is a potential net present value of approximately $7,100,000.00. This value is much greater than the outright sale of the asset and preserves the asset for a greater length of time in a productive mode than the lease option.

Proceeding from a utility operation to an SOA operation has inherent risks. The greater risk is the ability to market its products in a marketplace where the buyers may not want the City to be. The City’s Pine Ridge pit is one of the last pits in the area with good quality granular reserves above the water table. Consequently, it enjoys a cost advantage of production of $.90 per tonne. It also enjoys a cost advantage of $.05 per tonne/km hauling compared to any operation further north of the City. Ultimately, the cost advantages will prevail in the marketplace. In 1998, the Pine Ridge operation provided $240,000.00 to the infrastructure program. These funds were primarily from unsolicited sales to the private sector for its excess material.

In 1996-1997, Primary Material Services bid on providing material to the Deacon Reservoir project. Primary Materials was successful in their bid and saved the Water Utility in the order of $400,000.00 as compared to estimates received from the private sector. The cost of the material supplied was reviewed by the engineering consultant on the project.

In a marketing study undertaken by the Public Works Department, the industry consultant concluded that "long-term competitive prospects for the City's Pine Ridge Pit are excellent because there are few other coarse aggregate reserves above water in the area" and "if aggregate processing is accomplished efficiently, successful competition in the marketplace is assured". Therefore, consistent with the financial outcomes presented, it is recommended that the utility operation proceed as an SOA.

To minimize the risk of a full-scale operation, the Administration proposes to proceed with a Business Plan to operate over a five year start up period. In order to compete on an equal basis with the private sector, a tax equivalency cost has been included in the proposed operation. A five year start up is being recommended to permit the SOA to try to establish a market for its products.

If the SOA cannot achieve its goal of selling sufficient product to the private sector, the option of its sale is still available with minimal loss of sale value. This is possible because of the increase in its asset value with the depletion of material from other area quarry operations.

If the SOA does prove to be competitive in the marketplace, it can expand its operation with the security of increased revenues and profits accruing to the City.

Report of the Alternate Service Delivery Committee dated January 12, 2001

In reviewing its previous recommendations on this matter, it is important to note that at its meeting held on January 12, 2001, the Alternate Service Delivery Committee heard from the following parties:

Dave Angus, President and CEO, Winnipeg Chamber of Commerce
Jay Knysh, President, Heavy Equipment Rental Association of Manitoba
Bill Kachur, Kachur Sand and Gravel Ltd.
Bill Fisher, Hugh Munroe Construction Ltd.
Bob Sanderson, Inland Cement
Chubb Chabot, Chabot Enterprises Ltd.
Ken Stuttaford, Vice-President and General Manager for Manitoba/Saskatchewan,LaFarge Canada Inc.
Gordon P. Lee, Nelson River Construction
Chris Lorenc, President, and Barry Mulder, Chairman of the Board, Manitoba Heavy Construction Association
Councillor Timm-Rudolph, Transcona Ward, and
Councillor Lazarenko, Mynarski Ward.

Committee also received written submissions from Jay Knysh, Bob Sanderson, and Chris Lorenc, copies of which have been placed on the file in the office of the City Clerk.

Pursuant to its deliberations thereon, the Alternate Service Delivery Committee directed that the Administration prepare a response to the concerns raised by the delegations, and recommends:

I. That the Primary Materials Services gravel pit operation be authorized to develop a Special Operating Agency (SOA) Business Plan and Operating Charter.

II. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

Moved by Councillor Angus,
Adoption of the clause.

Council recessed at 12:00 noon, and reconvened at 1:35 p.m., same members present, the Speaker in the Chair.

Councillors Clement, Lubosch, Steek and Timm-Rudolph entered the meeting after Council had reconvened.

The Speaker called the Deputy Speaker, Councillor Lazarenko, to the Chair to participate in the debate.

The motion for adoption of the clause was put.

Councillor Timm-Rudolph called for the yeas and nays, which were as follows:-

Yea: Councillors Angus, Clement, Gerbasi, Lubosch, Smith, Steek, Steeves, Deputy Mayor Thomas, Vandal, Eadie, His Worship Mayor Murray and Councillor Lazarenko. 12

Nay: Councillors De Smedt, Prystanski, Timm-Rudolph and O'Shaughnessy. 4

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

REPORT OF THE

ALTERNATE SERVICE DELIVERY COMMITTEE

DATED FEBRUARY 23, 2001

On motion of Councillor Angus, the rule was suspended and the Report of the Alternate Service Delivery Committee dated February 23, 2001, was considered clause by clause.

Selection Report – Glacial Sand and Gravel
Special Operating Agency (SOA)
Files GL-5.6.1 (Vol. 5) and S-8 (Vol. 1)

327 - 1. On January 12, 2001, the Alternate Service Delivery Committee considered the updated feasibility study for the Primary Materials Quarry Operations, including data collected during the period from February through December, 2000. The ASD Committee heard representations from numerous industry representatives and received written submissions at that time.

Pursuant to its deliberations thereon, the Alternate Service Delivery Committee directed that the Administration prepare a response to the concerns raised by the delegations, and recommended that the Primary Materials Services gravel pit operation be authorized to develop a Special Operating Agency (SOA) Business Plan and Operating Charter. Council, at its meeting held on January 31, 2001, laid over consideration of this matter to February 28, 2001.

Having duly reviewed its recommendations at the feasibility stage, the Alternate Service Delivery Committee on February 1, 2001, received an administrative presentation and report on the proposed Sand and Gravel Special Operating Agency, together with a Questions and Answers document prepared in response to concerns raised, and a copy of the Deloitte Touche Special Report. Pursuant thereto, the Committee adjourned deliberations on the administrative recommendations vis-à-vis the Primary Materials Selection Report to February 23, 2001. This extended period provided an opportunity to continue the consultation process between the City's ASD Primary Materials Review Team and interested representatives from the Manitoba Heavy Construction Association. Stemming from these consultations, amendments to the Selection Report have been identified and incorporated herein.

Notably, it has been brought to the attention of the Administration that the initial recommended name "Agassiz Sand and Gravel" may be in conflict with a similar name already in use by an existing business owner. Accordingly, the name "Agassiz Sand and Gravel" has been formally replaced by "*Glacial Sand and Gravel"* Special Operating Agency.

In order to address concerns raised by industry representatives on the potential expansion of the SOA scope, the following clause has been added to the policy framework of the proposed Charter, namely:

"In addition, the Agency will be precluded from:

- *acquiring or leasing additional property for the purpose of mining sand or gravel aggregates, and*
- *entering into the trucking business or purchasing trucks for the purpose of hauling."*

Scope

The major component of the Glacial Sand and Gravel SOA is the Pine Ridge Gravel Pit. The Pine Ridge Gravel Pit is one of the last remaining good quality, clean, above-water sand and gravel deposits in close proximity to the City of Winnipeg.

Accountability Framework

Operating as an SOA will enhance the financial and organizational accountability of Glacial Sand and Gravel. A flowchart outlining the accountability structure of the Agency is included in the Operating Charter, identified as Appendix "A" hereto.

Report of the Alternate Service Delivery Committee dated February 23, 2001

The expectations for the Glacial Sand and Gravel SOA are that it will:

- Provide a financial benefit to The City of Winnipeg beyond the projected benefits of other ASD options;
- Function under generally accepted financial practices;
- Be professional and businesslike in all operational matters;
- Assist the employees in all aspects of their development through training and career planning;
- Be a good corporate citizen.

Financial Performance and Reporting Framework

Pro forma financial statements have been prepared, which include a projected balance sheet, statement of earnings and retained earnings, and statement of cash flows, and are identified as Appendix "C" hereto.

The Agency will analyze the costs of services purchased from City departments. This analysis will assist in the development of future service contracts, such as information technology and legal services which will best meet the business needs of the Agency.

Operating as an Agency, Glacial Sand and Gravel will continue to fully cost its operations. The Agency will be subject to an annual audit, quarterly reporting, and an annual report in accordance with its Operating Charter.

Financial returns outlined in the Agency's annual year end report, in excess of those identified in the financial projections provided, will be reviewed and proper treatment determined by the ASD Committee.

Human Resource Framework

Glacial Sand and Gravel staff fully support the move to an SOA operation. The Glacial Sand and Gravel SOA envisions a workplace where employees continue to work together to provide a reliable, timely and economical supply of primary materials. The Agency's human resource plan endorses training and development to optimize the workforce potential, and provides an opportunity for employees to participate in the planning and decision-making process of the Agency.

The Pine Ridge Gravel Pit has a current staff establishment of seven positions. Of these, four employees are year-round and three are seasonal (April – November). With the transition to SOA status, the Superintendent position will be re-classified to a Chief Operating Officer position. Two additional positions, an Operations Coordinator and a Clerk B, will also be required to meet the ongoing needs of the Agency, as outlined in the organization chart provided and identified as Appendix "B" hereto.

Information Technology Framework

The Agency will negotiate Information Technology (IT) service functions and levels of service with the Public Works Department. The Agency intends to utilize information technology resources to manage information, including financial data that supports the manufacturing, delivery and inventory of aggregate products.

The Agency will have a combination of external and in-house IT support from the Public Works Department. It will rely on these information systems as part of its daily interface with customers within civic departments as well as external to the City of Winnipeg organization.

When appropriate, the Glacial Sand and Gravel SOA will ensure that consistency and connectivity is maintained with standards established by the City of Winnipeg for communications and reporting.

Physical Asset Management

The Agency requires the use of existing fixed assets currently in its operation (loader/crusher, conveyors and power screener) as well as the purchase of a replacement, high-production crusher. The transfer/financing of this equipment to the SOA will be critical to its success.

Report of the Alternate Service Delivery Committee dated February 23, 2001

Performance Measurement

The Glacial Sand and Gravel SOA performance is aligned to four measurable performance goals, as follows:

GOAL	PERFORMANCE MEASUREMENT	MEASURE OF SUCCESS/TARGET
Financial	Quarterly financial targets as outlined in the Selection Report	To meet and/or exceed
	Budgeted net income per the Selection Report projections	To meet and/or exceed
Operational	Expand volume of materials produced at the Pine Ridge location	As outlined in Note 6 of the financial projections
	Increase overall Agency volumes	As outlined in Note 6 of the financial projections
	Implement a management information system	System installed
	Meet and/or exceed productivity rates	Initial benchmarking required
Customer Satisfaction	Obtain customer satisfaction feedback	Feedback and action taken
Training and Development	Implement a comprehensive training strategy	Strategy implemented
	Provide cross-training opportunities	
	Obtain staff feedback	

Issues

- Financial Assumptions**:** The assumptions outlined in the notes to the financial projections (see Appendix "C") are integral to the projected goals of the Agency. Changes to these assumptions could result in significant impacts on financial and operational projections.

- Competition with the Private Sector: This Selection Report is premised on the SOA organization directly competing with the private sector.

Implementation

To ensure a smooth transition and continuity of services, the Glacial Sand and Gravel SOA will spend the first years of operation in a transitional stage. Based on representations from the industry, this transition period has been decreased from five to three years. Within this time, the Agency will monitor overall performance and future projections. The Agency will be permitted to enter into multi-year agreements for product sales.

Conclusion

Operating as an SOA will enhance Glacial Sand and Gravel's ability to provide competitively priced, quality products. The financial and operational flexibility of the SOA model will enable the Agency to make decisions in a businesslike manner and optimize financial returns to the City organization.

Aside from the financial benefits, the following advantages of the SOA option are important to note:

1. The City maintains control over the valuable quarry asset (supply of sand and gravel). This is important for ensuring a fair and reasonable pricing benchmark for future tendering processes. As the current industry trend shows the price of sand and gravel products to be increasing, the City will continue to participate in pricing gains for all sales made external to the organization.

2. A tax equivalency amount would accrue to the City as part of the return for its investment in the SOA.

3. Moving to an SOA at this point does not preclude other options for this operation in the future (i.e. sale, lease) if circumstances change. Implementation of the SOA carries little financial risk in that the value of the pit and its above-water products will continue to increase as competitors in the proximity continue to mine product under water. Any additional investment for equipment as part of the SOA operation can be salvaged in a strong used equipment market if other options are pursued in the future.

Report of the Alternate Service Delivery Committee dated February 23, 2001

4. Quarry staff and the CUPE union support this SOA initiative.

5. This operation is a relatively small and discrete unit within the City organization. Therefore, it is a good candidate to test SOA policy and concepts, which can then be applied in more significant civic operations.

In reviewing the Selection Report for the Sand and Gravel Special Operating Agency, it is important to note that on February 23, 2001, the Alternate Service Delivery Committee heard representations from the following parties:

Shelly Wiseman, Senior Policy Analyst, Manitoba, Canadian Federation of Independent Business;
Dave Angus, President and CEO, Winnipeg Chamber of Commerce;
Barrie D. Brooks, C.A., and Chris Lorenc, President, Manitoba Heavy Construction Association;
Paul Moist, President, and Jim H. Husiak, CA, CMC, CFE, Canadian Union of Public Employees, Local 500;
Victor Vrsnik, Provincial Director, Canadian Taxpayers Federation;
Ken Stuttaford, Vice-President and General Manager for Manitoba/Saskatchewan, LaFarge Canada Inc.;
Councillor Steek, River Heights Ward;
Councillor Lazarenko, Mynarski Ward;
Councillor Timm-Rudolph, Transcona Ward; and
Councillor DeSmedt, St. Charles Ward;

and received a written communication from Bob Dolyniuk, General Manager, Manitoba Trucking Association, a copy of which has been placed on file, together with the briefs submitted by the afore-noted parties, in the office of the City Clerk.

Following its deliberations thereon, the Alternate Service Delivery Committee received the "Questions and Answers" document together with the Deloitte Touche Special Report as information.

The Alternate Service Delivery Committee recommends that subject to Council's adoption of the Primary Materials Feasibility Study recommendation, as outlined in Clause 1 of its report dated January 12, 2001, the Alternate Service Delivery Committee recommends:

I. That Council approve the administrative process used to prepare the Primary Materials Quarry Operations ASD Feasibility Study as being consistent with the principles and intent of the Policy and Framework for Alternative Service Delivery in The City of Winnipeg.

II. That the Primary Materials Services gravel pit operation of the Public Works Department be authorized to commence operations as a Special Operating Agency, under the name of Glacial Sand and Gravel, retroactive to January 1, 2001.

III. That Council approve a loan in the amount of $1,500,000.00 as outlined in the Financial Projection (see Appendix "C" – Projected Balance Sheet) from the Equipment Replacement Reserve at the City's rate of borrowing, to finance the capital equipment needs of the Agency.

IV. That Council approve an operating line of up to $400,000.00, at the City's rate of borrowing. [Note: The Financial Projection, Appendix "C" – Projected Balance Sheet, outlines the anticipated year-end balances on this operating line.] Funds will be accessed through the "Idea Bank" to meet ongoing cashflow requirements in the first years of the SOA operation.

V. That all revenue from the interest payments (estimated at $247,000.00 per annum) on the estimated value of the pit property and income tax equivalency payments (estimated to be $170,000.00 in the fifth year of operation) made to the City from the Agency be directed to infrastructure renewal in The City of Winnipeg; and these contributions be recognized in the annual budget as a separate line item "Contribution to Capital from Glacial Sand and Gravel".

VI. That the Glacial Sand and Gravel Operating Charter as prescribed in Sections 81.10 – 81.16 of The City of Winnipeg Act and outlined in Appendix "A" be approved, including:

A. the delegations and exemptions required by the Agency to exercise businesslike practices, as outlined in *Appendix I* of the Operating Charter;

Report of the Alternate Service Delivery Committee dated February 23, 2001

B. the stakeholder groups from which the Advisory Board for the Glacial Sand and Gravel SOA may be established as outlined in *Appendix II* of the Operating Charter. Ongoing SOA Advisory Board membership appointments and changes to be delegated to the Alternate Service Delivery Committee, with annual ratification by Council through the Selection Report process;

C. the percentage of Council votes as being a 2/3 majority of the total number of members of Council necessary to dissolve the Agency or change the Agency's Operating Charter.

D. the deletion of the words "at this time" in Section 2: Policy Framework of the Charter, under the Products and Services heading.

VII. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the execution of any documents related thereto.

The Alternate Service Delivery Committee also requested the Administration to prepare a report for consideration by the Executive Policy Committee at the time of its deliberations on this matter addressing the following:

1. the need for a GAP analysis;
2. a one year transition period whereby the SOA would continue to supply aggregates to City Departments consistent with current practices versus the proposed period of three years;
3. the requirement of a 2/3 majority of the total number of members of Council to dissolve the Agency or change the Agency's Operating Charter;
4. the anticipated impact on the marketplace; and
5. the support of the CUPE membership for this plan.

On February 27, 2001, the Executive Policy Committee considered the above-noted clause with respect to the Glacial Sand and Gravel Special Operating Agency (SOA). The committee heard the following representations:

Councillor J. Prystanski, Point Douglas Ward;
Mr. G. Mandzuk and Mr. J. Husiak, representing CUPE Local 500;
Mr. C. Lorenc, President, Manitoba Heavy Construction Association;
Mr. Ken Stuttaford, Vice-President and General Manager for Manitoba/ Saskatchewan LaFarge Canada Inc.;
Shelly Wiseman, Senior Policy Analyst, Manitoba, Canadian Federation of Independent Business;
Mr. J. Knysh, Heavy Equipment Rental Association of Manitoba (HERAM).

The Executive Policy Committee also received as information, the administration's response to questions raised at the Alternate Service Committee meeting held on February 23, 2001.

The Executive Policy Committee concurs in the recommendations of the Alternate Service Committee with the following amendment, namely:

That recommendation VI. C. be deleted in its entirety and replaced with the following, namely:

VI. C. i) REVIEW AND REVISION OF THE CHARTER are subject to Council approval through a 2/3 majority of the total number of Members of Council;

ii) TERMINATION OF CHARTER will require a majority of the total number of Members of Council to dissolve the Agency or revoke the Agency's Operating Charter.

Moved by Councillor Angus,
Adoption of the clause.

In amendment,

Moved by Councillor Angus,
That the recommendation of the Executive Policy Committee be adopted.

Moved by Councillor Lazarenko,
That the clause be referred to the Standing Policy Committee on Public Works.

Report of the Alternate Service Delivery Committee dated February 23, 2001

Councillor Lazarenko called for the yeas and nays, which were as follows:-

Yea: Councillors Lazarenko, Clement, De Smedt, Prystanski, Steek and Timm-Rudolph. 6

Nay: Councillors Angus, Gerbasi, Lubosch, Smith, Steeves, Deputy Mayor Thomas, Vandal, His Worship Mayor Murray and Councillor Eadie. 9

and the motion to refer the clause to the Standing Policy Committee on Public Works was declared lost.

The Deputy Speaker called Councillor Eadie to the Chair to participate in the debate.

In amendment,

Moved by Councillor Lazarenko,
Seconded by Councillor Steek,

BE IT RESOLVED THAT the clause be amended by deleting in its entirety, Recommendation III concerning Council approval of a loan in the amount of $1,500,000, and renumbering the following recommendations accordingly.

In amendment,

Moved by Councillor Steek,
Seconded by Councillor Prystanski,

WHEREAS the financial projections of the Glacial Sand and Gravel Special Operating Agency include all costs normally associated with any business;

AND WHEREAS the Deloitte & Touche report states *"the Agency is projected to operate as a self-contained business unit, without undue support or subsidy from the City at large"*;

AND WHEREAS the Special Operating Agency will compete directly with the private sector;

THEREFORE BE IT RESOLVED that Recommendation VI. be amended by including the following, namely:

VI. E. the deletion of the Transition Period of three years.

The amendment proposed by Councillors Steek and Prystanski was put.

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

Yea: Councillors Lazarenko, Clement, De Smedt, Prystanski, Steek and Timm-Rudolph. 6

Nay: Councillors Angus, Gerbasi, Lubosch, Smith, Steeves, Deputy Mayor Thomas, Vandal, His Worship Mayor Murray and Councillor Eadie. 9

and the amendment was declared lost.

The amendment proposed by Councillors Lazarenko and Steek was put.

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

Yea: Councillors Lazarenko, Clement, De Smedt, Prystanski, Steek and Timm-Rudolph. 6

Nay: Councillors Angus, Gerbasi, Lubosch, Smith, Steeves, Deputy Mayor Thomas, Councillor Vandal, His Worship Mayor Murray and Councillor Eadie. 9

and the amendment was declared lost.

Report of the Alternate Service Delivery Committee dated February 23, 2001

The recommendation of the Executive Policy Committee was put and declared carried.

The motion for the adoption of the clause, as amended, was put

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

Yea: Councillors Lazarenko, Angus, Clement, Gerbasi, Lubosch, Smith, Steeves, Deputy Mayor Thomas, Vandal, His Worship Mayor Murray and Eadie. 11

Nay: Councillors De Smedt, Prystanski, Steek and Timm-Rudolph. 4

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

(See Minute No. 334 for attachment)

2001 Alternate Service Delivery Review Agenda

File GL-5.6.1 (Vol. 5)

328 - 2. Alternate Service Delivery (ASD) is a key tool in the City's efforts to achieve a more affordable municipal government. The Administration is committed to an ASD process whereby the best candidates are identified, developed and implemented, consistent with Council direction.

The ASD Policy and Framework adopted by Council on March 25, 1998, outlines ASD development in five phases. Council approval is required for each initiative to progress to the next phase. The ASD framework also requires that, on an annual basis, Council approve the services to be examined in conjunction with the ASD policy, through the adoption of an annual ASD Review Agenda, and that the results and status of ASD initiatives be provided to Council.

As the Administration completes the phases of the ASD process for initiatives on the ASD Agenda, decision documents are presented to Council for consideration. The financial impact of each individual ASD initiative is outlined as milestone documents are forwarded to Council for consideration.

Based on the results of the work over the past year and the circumstances of individual initiatives, a regrouping of the current ASD agenda items is recommended for 2001, as outlined in Appendix "A" hereto. There are no new ASD initiatives to be added at the present time. An update on the status of the remaining 2000 ASD initiatives is outlined in Appendix "B" hereto.

The Alternate Service Delivery Committee recommends:

I. That Council approve the regrouping of the 2000 ASD initiatives for 2001, as outlined in Appendix "A".

II. That Council receive as information the 2000 ASD Agenda Status Update for the remaining initiatives as at December 31, 2000, as outlined in Appendix "B".

Moved by Councillor Angus,
Adoption of the clause.

Carried.

Councillor Timm-Rudolph asked to be recorded as having voted against the clause, in accordance with Rule 50.7 of the Procedure By-law.

(See Minute No. 335 for attachment)