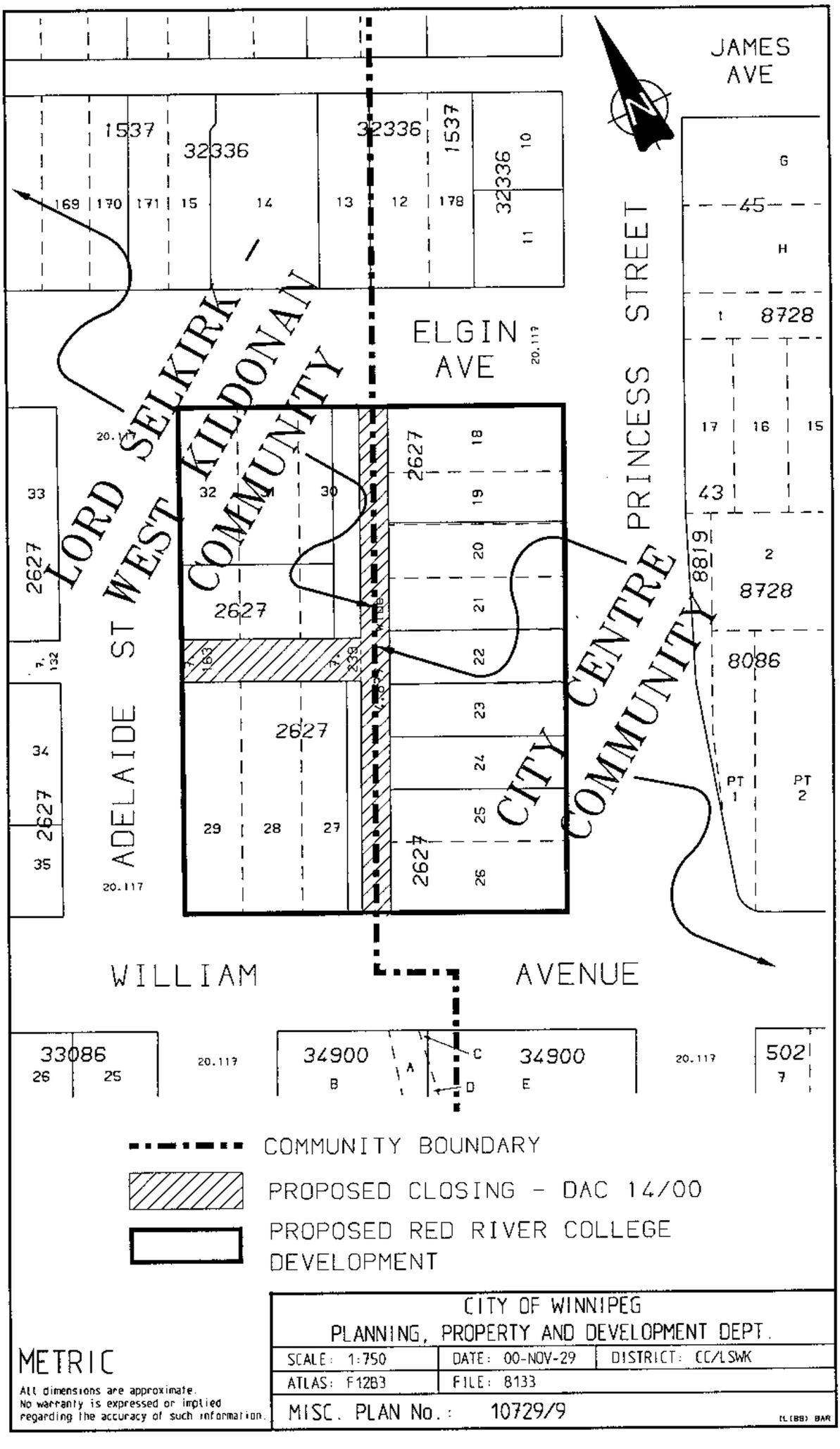
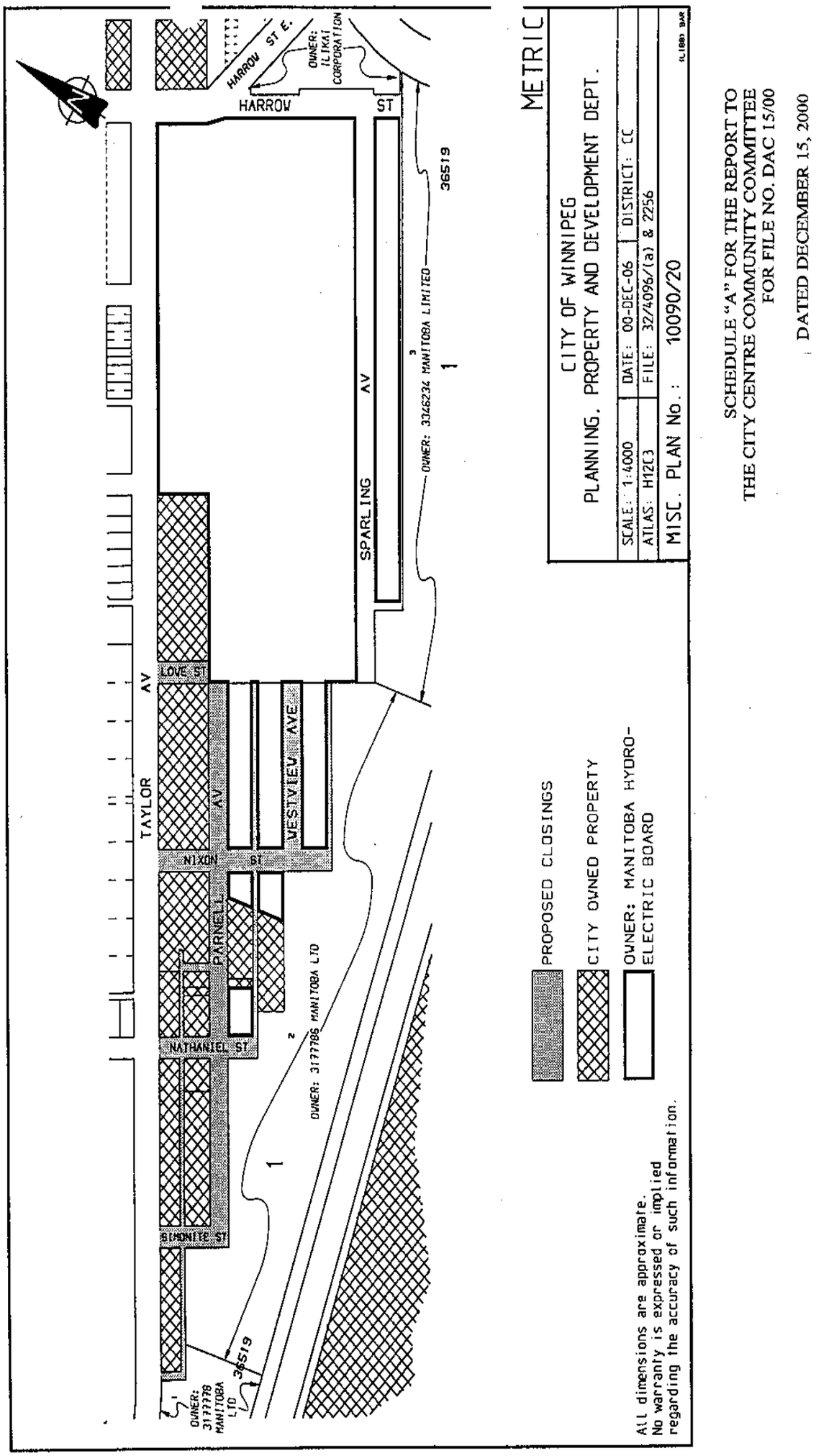
329 - Schedule "A" referred to in Clause 1 of the Report of the Standing Policy Committee on Property and Development dated February 6, 2001



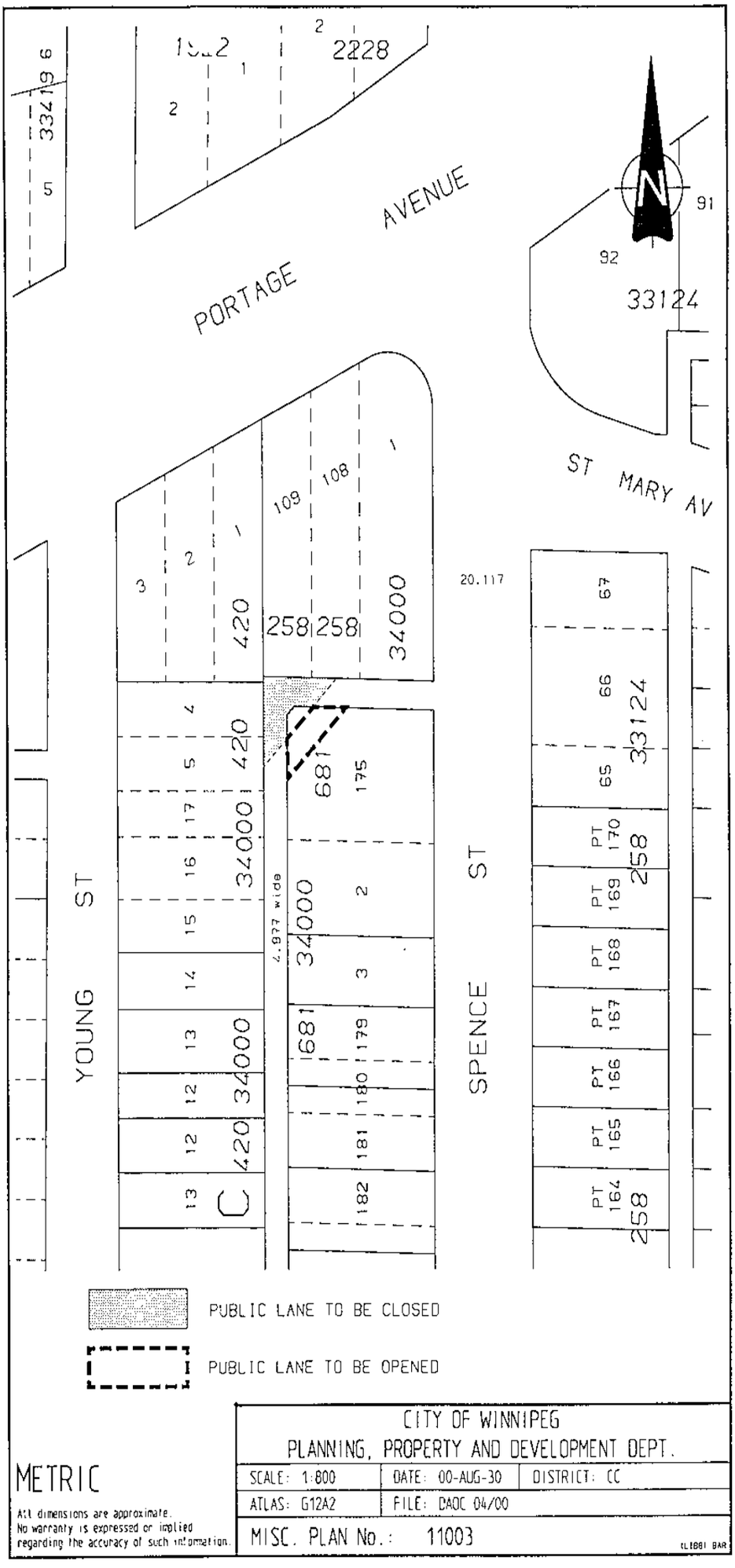
330 - Schedule "A" referred to in Clause 2 of the Report of the Standing Policy Committee on Property and Development dated February 6, 2001



SCHEDULE "A" FOR THE REPORT TO
THE CITY CENTRE COMMUNITY COMMITTEE
FOR FILE NO. DAC 15/00

DATED DECEMBER 15, 2000

331 - Schedule "A" referred to in Clause 3 of the Report of the Standing Policy Committee on Property and Development dated February 6, 2001



SCHEDULE "A" FOR THE REPORT TO
THE CITY CENTRE COMMUNITY COMMITTEE
FOR FILE NO. DAOC 4/00
DATED DECEMBER 14, 2000

332 - Schedule "A" referred to in Clause 4 of the Report of the Standing Policy Committee on Property and Development dated February 6, 2001

By-Law No. _____

File No. **DASZ 26/2000**

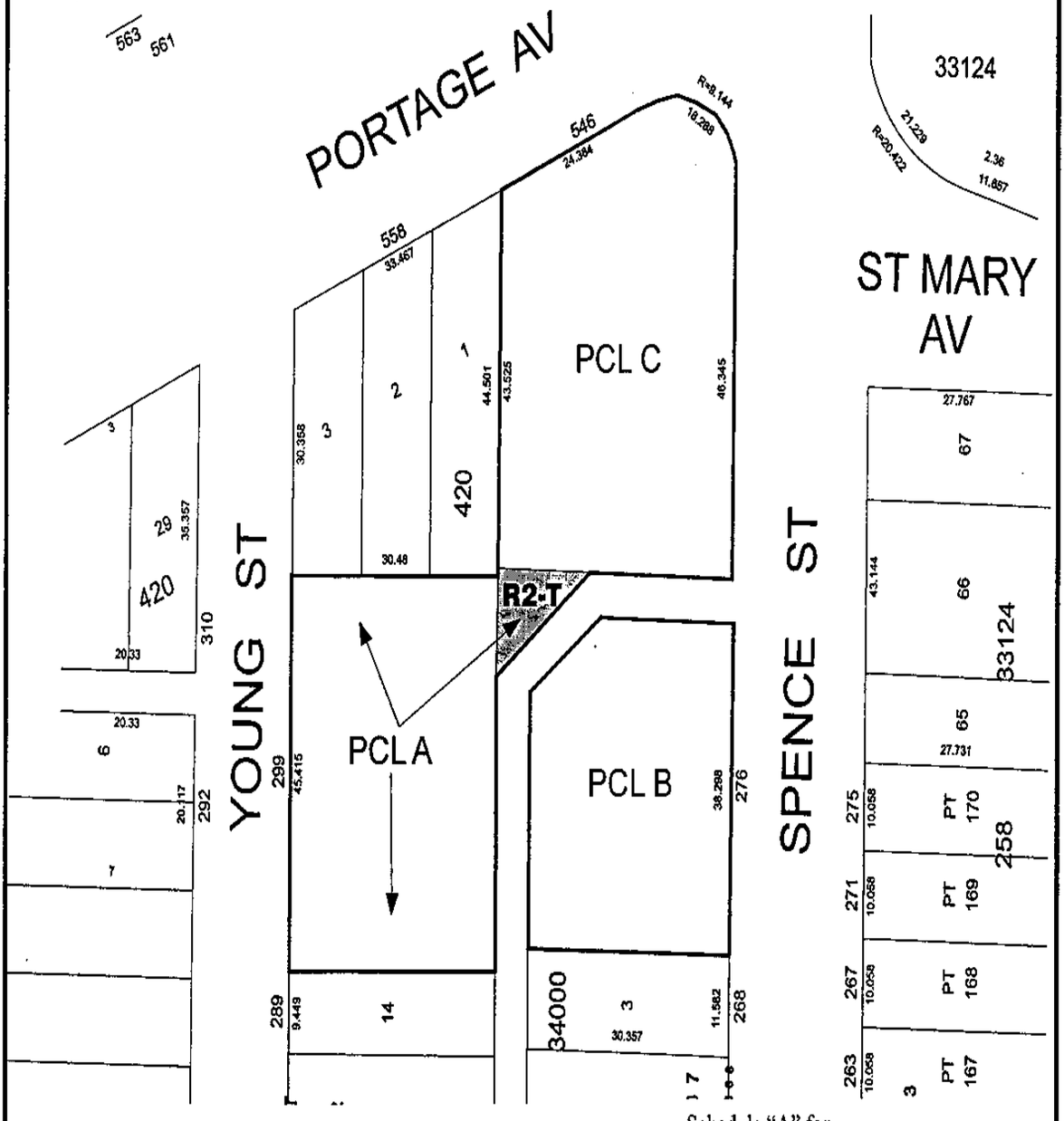
Atlas Sheet No.

N

AA23
CITY CENTRE
COMMUNITY

Explanation

A proposal to approve the plan of subdivision shown outlined below and to amend By-law No. 6400/94 by rezoning the land on the south side of Portage Avenue, west of Spence Street from an "R2-T" TWO-FAMILY TRANSITIONAL DISTRICT and a "C2" COMMERCIAL DISTRICT to an "R2-T" TWO-FAMILY TRANSITIONAL DISTRICT as shown shaded below.

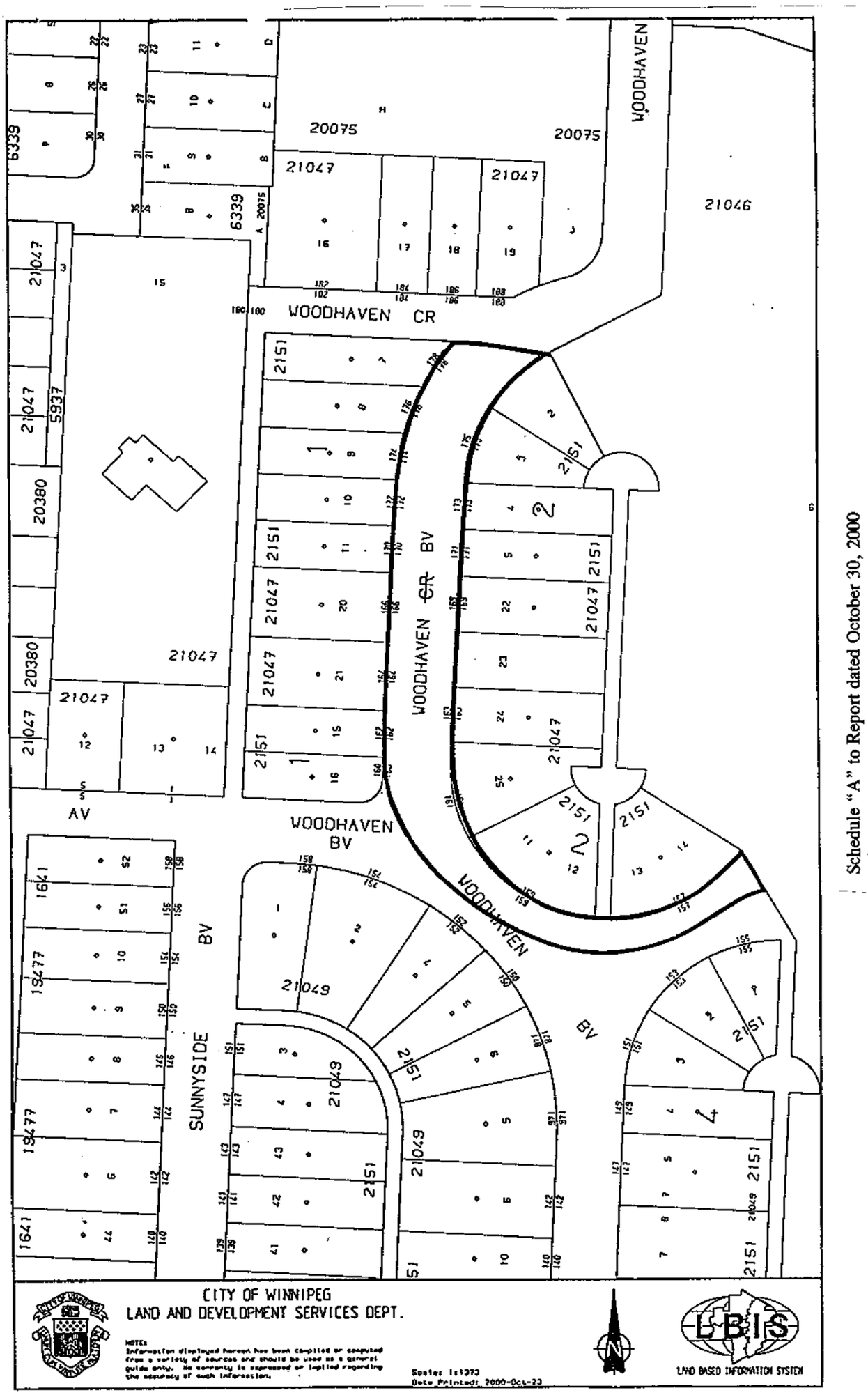


Schedule "A" for
File DASZ 26/00
City Centre Community Committee
December 13, 2000

THIRD READING : _____ EFFECTIVE DATE : _____

ZONING AGREEMENT : YES ☐ NO ☐ CAVEAT No. _____

333 - Schedule "A" referred to in Clause 6 of the Report of the Standing Policy Committee on Property and Development dated February 6, 2001



Schedule "A" to Report dated October 30, 2000

334 - Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001

Appendix A

GLACIAL SAND AND GRAVEL

OPERATING CHARTER

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Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Section 1: PREAMBLE

Background	On , 2001, Council approved the development of a Special Operating Agency (SOA) Business Plan and Operating Charter for Glacial Sand and Gravel.
Establishment of the Agency	Glacial Sand and Gravel has been designated, effective January 1, 2001, as a Special Operating Agency, and this Operating Charter has been approved by Council resolution ( ) pursuant to The City of Winnipeg Act.
Name of the Agency	Glacial Sand and Gravel.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Section 2: POLICY FRAMEWORK

Mandate

To supply users, on a competitive basis, aggregate products in a timely and cost efficient manner, both internal and external to The City of Winnipeg.

Goals

The goals of Glacial Sand and Gravel are to:

- be financially profitable
- mine aggregate resources in a responsible and prudent manner
- ensure a constant supply of various aggregate products
- improve and promote customer service

Operating Principles

The operating principles are:

- financial accountability
- financial independence
- customer service
- produce quality products
- competitive fairness in business dealings

Products and Services

The Special Operating Agency may provide products in the following three areas:

1) sand and gravel products
2) crushed limestone products
3) treated sand

Services provided include:

- processing and stockpiling treated sand
- sandbag production on an emergency basis

The Agency will not be involved in the production of asphalt or concrete at this time.

In addition, the Agency will be precluded from:

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

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Clients/Customer Base	The customer base consists of a wide spectrum of government jurisdictions, government agencies, corporations, companies and individuals.
Special Operating Agency Status	The Glacial Sand and Gravel Special Operating Agency will operate and conform to accepted business practices in all financial and business dealings. It will be accountable for the results of business operations on the basis of the performance measurements outlined in the Selection Report. The SOA will be required to operate independently and be accountable to the appropriate administrative or political entity and will come forward for policy direction not explicitly covered or implied in the Charter document.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Section 3: ACCOUNTABILITY FRAMEWORK

Reporting Relationships

The Agency operates under the management and program direction of the Department Head of Public Works. Policy direction comes from Council, the Executive Policy Committee, and the ASD Committee in consultation with the Standing Committee(s). The ASD Committee assures corporate financial direction and accountability.

The Agency's accountability structure aligns political, and administrative interests, in support of its mandate.

Council Responsibility

Under The City of Winnipeg Act, Council has final decision authority relative to the Special Operating Agency. This includes, but is not restricted to, designation of the Agency and its Operating Charter, Selection Report, and delegations of authority.

After a startup period no longer than six months, Council receives summary quarterly and annual reports as information to assess Agency performance.

Executive Policy Committee Responsibility

EPC on recommendation of the ASD Committee reviews Agency plans, reports and proposals and recommends appropriate decisions by Council. It maintains a strategic oversight role.

ASD Committee

The ASD Committee is responsible for providing corporate financial leadership of Alternative Service Delivery (ASD) initiatives, including Special Operating Agencies. While the Committee's overriding concern is to assess Agency financial needs and implications, and Selection Report issues, it may play a broader role in evaluating the corporate benefits delivered by the Agency within the strategic context of ASD.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Standing Policy Committee on Public Works Responsibility	The Standing Policy Committee on Public Works reviews, from a policy perspective, Agency plans, reports and proposals on referral from, or in conjunction with, the review process through the ASD Committee. Its comments are factored into analyses and recommendations forwarded to EPC and Council.
Chief Administrative Officer Responsibility	The CAO has executive management responsibility, in concert with Standing Policy Committees to provide policy advice, program and service direction concerning the effective management, operation, and performance of the Agency.
Chief Financial Officer Responsibility	The CFO directs financial expertise that assists the Agency in its formation and ongoing operations.
Department Head Responsibility	The Department Head monitors the Agency's manage-ment, operations, and performance relative to the attainment of civic goals and departmental objectives. The Department Head advises the Chief Administrative Officer and the relevant Standing Policy Committee on policy matters concerning the effective management, operation, and performance of the Agency. The Department Head or designate is an ex-officio member of the Advisory Board. The Department Head receives and interprets the advice of the Advisory Board. This advice is used to assist the Department Head in advising the ASD Committee and Standing Policy Committee and EPC on policy matters, and to provide guidance to the Agency. The Department Head facilitates effective and efficient working relationships and resource sharing with other organizations within the department, as well as across City departments, to ensure congruent planning and budgeting and to achieve corporate economies and benefits.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Chief Operating Officer Responsibility

The Chief Operating Officer is accountable for sound management of the Agency in accordance with the highest public sector standards, and ensures that the goals stated in the Selection Report are achieved.

The Chief Operating Officer is responsible for managing the Agency's planning and reporting processes. The COO provides the Advisory Board with agency plans, summary quarterly reports, annual reports, Charter revisions, and other proposals and information required from time to time for effective management and accountability.

These plans and reports are provided, in turn, through the CAO for information/approval of the ASD Committee, in consultation with the Standing Policy Committee, EPC and Council.

The Chief Operating Officer is also an ex-officio member of the Advisory Board.

Advisory Board

The role of the Advisory Board is to provide advice on the Agency's strategic operations and on changes to its mandate, structure, business practices, and finances. The Advisory Board reviews and comments on the Agency's proposed agency plans, summary quarterly and annual reports, and charter revisions.

The Advisory Board is chaired by a City representative, upon appointment by the CAO. Other than the Corporate ASD representative and the ex-officio members (Department Head and Chief Operating Officer), members are appointed for a two-year renewable term. Board members may be selected from various stakeholder groups *(Appendix II)* approved by Council. Actual member appointments are delegated to the ASD Committee. Council is advised annually of current Advisory Board members through the annual Selection Report process.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Subject to the approval of stakeholder groups by Council, the Board consists of:

- the Department Head or designate (ex-officio);
- the Chief Operating Officer (ex-officio);
- a corporate representative, appointed by the CAO;
- one Glacial Sand and Gravel Agency representative;
- an executive member of the Canadian Union of Public Employees (CUPE);
- three business representatives.

The chairperson is responsible for calling meetings, setting agendas, directing meetings, seeking advice from members. Other external resources or Agency staff may be invited to attend meetings at the request of the chairperson. The composition of the Board may change over time as needs or circumstances warrant. All persons appointed to the Board will be required to file a declaration under any existing conflict of interest policy adopted by The City of Winnipeg.

The Board meets at least quarterly or at the call of the chairperson.

Customer Relations

The Agency is accountable to its customer in meeting their material and service needs in a timely, quality-conscious, and cost-effective manner. The Agency embraces a service excellence ethic in all customer relations.

Corporate Relations

The Agency continues to be bound by relevant legislation, by-laws, and Council resolutions. Exemptions and delegations *(see Appendix I)* are conferred through this Operating Charter by Council, to enable it to meet its mandate and business objectives.

Departmental Relations and Service Agreements
.

The Agency has been delegated the authority to exercise choice in the purchase of services, either internal or external to The City of Winnipeg

The Agency will continue to receive its current levels of service, or service levels, from other civic departments as outlined in the Selection Report. During the three year transition period, the Agency, in conjunction with the relevant civic departments, will monitor and review all costs and utilization rates, and upon completion of a business case analysis, the Agency will determine whether or not it will be entering into a service agreement with a City service provider or seek an external service provider based on best business case practices.

Delegation of Authority

Exemptions from City policies and delegations are listed in *Appendix I.*

Delegations allow the Agency to administer the existing policy. They are vested in the Agency Chief Operating Officer, who may sub-delegate to facilitate day-to-day operations.

Appropriate policy directives are to be incorporated as amendments to the Charter at the earliest opportunity. The Agency will be exempt from new policy/directives unless specifically directed to participate.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Section 4: PLANNING AND REPORTING FRAMEWORK

Planning and Reporting Schedule

The planning and financial reporting schedule will be determined by the CFO in consultation with the Agency Chief Operating Officer to synchronize with the general planning, budgeting, and reporting requirements of The City of Winnipeg.

Operating Charter

An Operating Charter is a formal articulation of the function, mandate, terms, conditions, and requirements governing the operation, and defining the function and mandate of an SOA. The Operating Charter is a public document.

Selection Report

A summary of the annual Agency plan, the Selection Report, will be provided to Council each year. The Agency will participate in the broader planning process of The City of Winnipeg.

Annual Report

Subject to the City's financial reporting requirements, following the end of each fiscal year, the Agency will prepare an annual report for Council, detailing its results for the year. The report will include an analysis of operational and financial results compared to plan targets, as well as the audited financial statements of the Agency for that fiscal year.

The separate and distinct nature of the Agency's report does not preclude consolidation in the City or a departmental annual report and year-end financial statements, nor does it preclude any form of public consultation.

Quarterly Reports

Interim reports on the Agency's financial position and progress against key objectives and performance targets will be prepared each quarter.

After an appropriate startup period, quarterly reports will be forwarded in summary form to Council as information.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Section 5: FINANCIAL FRAMEWORK

Fiscal Year

The fiscal year of the Agency coincides with the fiscal year of The City of Winnipeg.

Implementation

At an administrative level, the CAO or designate, the Department Head, and the Agency Chief Operating Officer shall discuss and agree on the following, as detailed in the Selection Report:

- accounting principles to be applied
- assets and liabilities (an opening balance sheet)
- periodic reporting
- information systems and technology
- long and short-term financing
- cash management and investing
- budget requirements (if any), and
- material provision agreements/contracts

As part of the management principles inherent in SOAs, the standard budgetary expenditure controls, do not apply. Bottom-line financial results are the mechanism for measuring the success of the Agency.

Costing and Pricing

Subject to any fee or charge established by Council, material pricing shall be reflective of general market prices. Prices will vary depending on material type, availability and volume purchased.

The basis for competition by the Agency will be similar, wherever possible, to other aggregate producers.

Audit

The Agency will have annual audits in compliance with legislation. Special audits and/or evaluations may also be conducted as the need arises.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Section 6: HUMAN RESOURCE FRAMEWORK

Staff Levels

The Agency may adjust its staff complement within the established financial parameters as business circumstances dictate. The Agency can utilize term and casual staffing as necessary to meet short-term workload requirements.

Compensation and Classification

The Agency's staffing and classification activities are governed by collective agreements.

Training and Development

The Agency will provide its employees with the training, career development, and retraining necessary to serve its customers and respond to changing market forces and civic policies.

Performance Management

The Agency will conduct performance appraisals annually at all levels.

The emphasis on bottom-line financial performance and results assists in formulating measurable objectives and in deciding whether objectives have been met. Performance measures attempt to capture results-based information.

This bottom-line focus and the promotion of an entrepreneurial style across the organization mean increased use of the Agency multi-year plan as a framework for assessing individual performance. The performance of the Agency Chief Operating Officer is assessed based on achievement of annual targets presented in the Selection Report.

Labour Relations

All employees of the Agency retain their employment status.

All terms of the collective agreement and union representation continue to apply. However, the Agency is under no obligation to accept recommendations stemming from joint City/Union Committee processes.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Section 7: IMPLEMENTATION AND REVIEW

Effective Date

The effective date of Special Operating Agency status for Glacial Sand and Gravel is January 1st, 2001.

Transition Period

A transition period of three years is required. This enables customers, stakeholders, and the Agency to adjust to the modified operating environment with minimal disruption to service delivery.

Evaluation

In support of its mission, the Agency is responsible for achieving performance targets set out in its annual Selection Report.

The Agency will be evaluated annually against these targets, and reports on its performance in the annual report.

A formal evaluation of the Agency's effectiveness will be planned consistent with the requirements of The City of Winnipeg Act.

Review and Revision of Charter

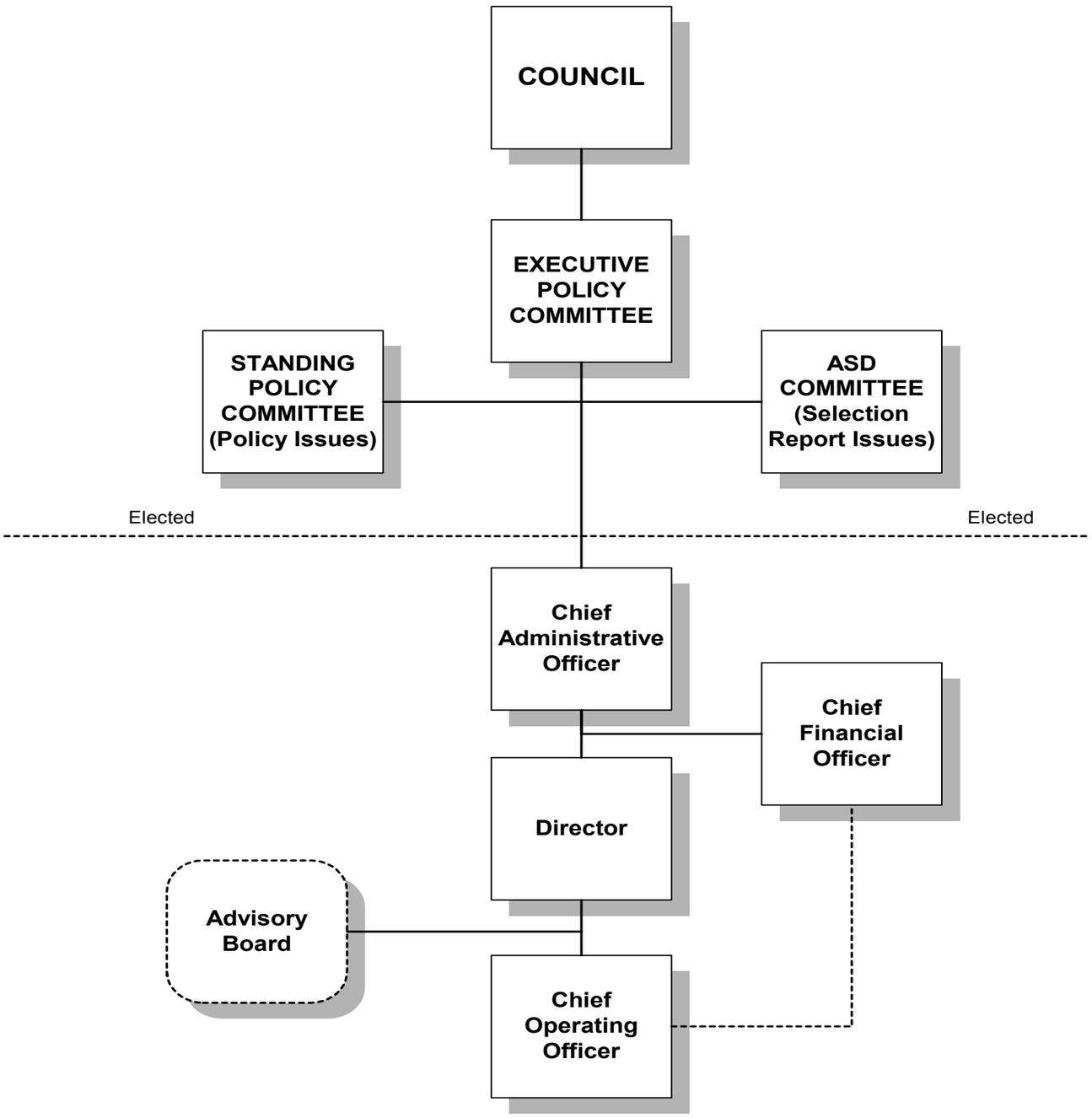
Review of the Agency's Operating Charter is carried out as required. Proposed revisions to the charter are tabled with the ASD Committee as part of the annual Selection Report approval process. Any revisions to the charter are subject to Council approval through a 2/3 majority of the total number of members of Council.

Termination of Charter

Council will establish 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 revoke the Agency's Operating Charter. If the Agency is dissolved or reorganized to the extent that a substantially different organization is constituted, a final report covering the period from commencement of the fiscal year to the date the Agency operations ceased or were reorganized must be submitted to Council within 120 days of reorganization or cessation of operations.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Section 8: ACCOUNTABILITY STRUCTURE



Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

AGREEMENT

Agreement

This document represents the Operating Charter of the Glacial Sand and Gravel Special Operating Agency as established by Council under The City of Winnipeg Act.

The undersigned affirm the terms and conditions of this charter and agree to uphold its aims and objectives in support of a sustainable SOA.

_____ _____

Chairperson, ASD Committee **Chief Operating Officer**

_____ _____

Chief Administrative Officer **Department Head**

Dated this _____ day of _____, _____.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Appendix I

Delegations and Exemptions

In adhering to businesslike practices, the Agency will require certain delegations and exemptions. The following delegations and exemptions are integral in meeting the financial and operational goals of the Agency:

a) The Chief Operating Officer has delegated authority within the jurisdiction of the Agency consistent with that of the Department Head for Public Works, with a dollar limit not to exceed $100,000.00.

b) Exemption from vacancy and expenditure management processes and related global budget reductions.

c) The Chief Operating Officer has the authority to fix and charge prices, rates and fees for aggregate products and any related services, in competition with the private sector.

d) By approval of this Charter, the Agency has the authority to exercise choice in the purchase of services either internal or external to The City of Winnipeg, provided that standards of consistency and connectivity for communications and reporting are maintained. In the interest of business efficiency, the Agency has the authority to sole source the purchase and acquisition of granular materials and transportation of the same.

e) Exemption from the standard spending limits for budgetary control purposes.

f) Glacial Sand and Gravel SOA will continue to service City departments for their aggregate requirements consistent with current practices for a period of three years from the date of the establishment of the Agency. This will consist of supplying treated sand, traffic gravel and road base material for maintenance purposes only. Materials supplied for Capital projects will continue to be provided through the tender process.

g) When the Agency is directed to undertake "public good" initiatives (e.g. supply granular material for sandbag production) such initiatives will be reimbursed at full cost to the Agency.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Appendix II

Advisory Board Complement

Members of the Advisory Board may be selected from stakeholder groups approved by Council. Appointment of individual members for a two-year renewable term is delegated to the ASD Committee.

Subject to the approval of stakeholder groups by Council, the Board consists of:

- the Department Head or designate (ex-officio);
- the Chief Operating Officer (ex-officio);
- a Corporate representative;
- one Glacial Sand and Gravel representative;
- an executive member of the Canadian Union of Public Employees;
- three business representatives.

Subject to conflict of interest, the three business representatives are selected from, but not limited to, industry stakeholder groups such as:

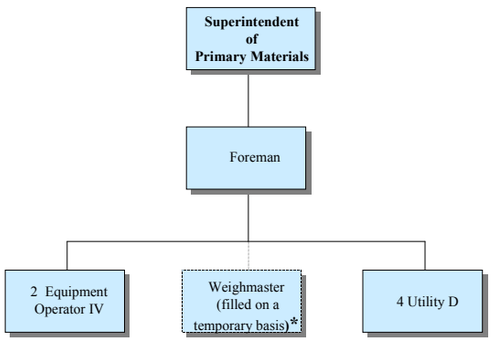
a) Aggregate Trucking;
b) Government or Government agencies: Federal, Provincial or Municipal;
c) Heavy Equipment Suppliers;
d) Concrete and Asphalt Producers;
e) Material Testing;
f) Gravel Pit Operators;
g) Financial Management;
h) Any others approved by Council.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Appendix B

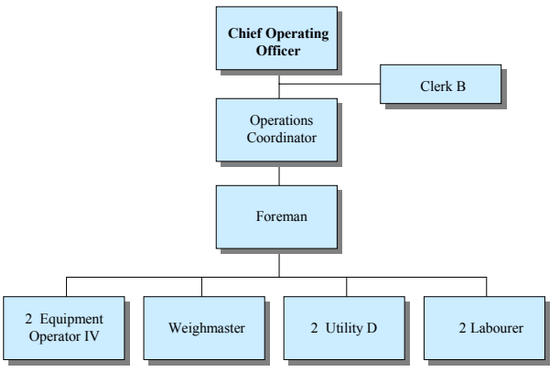
Organization Charts

EXISTING ORGANIZATION CHART



* Currently an Equipment Operator IV is acting as a Weighmaster

PROPOSED ORGANIZATION CHART



Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Appendix C

Glacial Sand and Gravel – Special Operating Agency

Financial Projection

Five Years Ending December 31, 2005

GLACIAL SAND AND GRAVEL - SPECIAL OPERATING AGENCY
PROJECTED BALANCE SHEET
DECEMBER 31

		2001	2002	2003	2004	2005
		$	$	$	$	$
ASSETS						
Current	Note 8					
Cash on hand		1,000	1,000	1,000	1,000	1,000
Accounts receivable		152,175	163,538	176,183	180,233	190,515
Due from City of Winnipeg		-	-	-	107,637	391,079
Inventory		90,600	90,600	90,600	90,600	90,600
Future income tax asset		40,902	20,935	-	-	-
		284,677	276,073	267,783	379,470	673,194
Aggregate Inventory	Note 8					
Pine Ridge Pit		3,800,000	3,800,000	3,800,000	3,800,000	3,800,000
Less: accumulated depletion		(63,800)	(138,400)	(220,200)	(309,200)	(406,600)
		3,736,200	3,661,600	3,579,800	3,490,800	3,393,400
Property and Equipment	Note 8					
Property and Equipment		1,515,720	1,515,720	1,515,720	1,515,720	1,515,720
Less: accumulated depreciation		(165,000)	(323,250)	(476,775)	(626,993)	(774,895)
		1,350,720	1,192,470	1,038,945	888,727	740,825
		5,371,597	5,130,143	4,886,528	4,758,997	4,807,419
LIABILITIES						
Current	Note 8					
Accounts payable and accrued liabilities		86,535	88,360	91,128	92,533	94,364
Income tax equivalents payable		-	-	64,032	170,610	348,486
Due to City of Winnipeg		140,021	153,293	41,876	-	-
Current portion of long-term debt		279,991	298,743	318,751	340,097	-
		506,547	540,396	515,787	603,240	442,850
Long Term	Note 8					
Retirement allowance and vacation liability		155,475	155,475	155,476	155,476	155,476
Long-term debt - City of Winnipeg		4,757,591	4,458,848	4,140,097	3,800,000	3,800,000
		4,913,066	4,614,323	4,295,573	3,955,476	3,955,476
Equity						
Retained earnings (deficit)		(48,016)	(24,576)	75,168	200,281	409,093
		5,371,597	5,130,143	4,886,528	4,758,997	4,807,419

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

GLACIAL SAND AND GRAVEL - SPECIAL OPERATING AGENCY
PROJECTED STATEMENT OF EARNINGS AND RETAINED EARNINGS
YEAR ENDED DECEMBER 31

		2001 $	2002 $	2003 $	2004 $	2005 $
REVENUE	Note 6	1,718,136	1,869,636	2,029,886	2,083,886	2,266,636
COST OF SALES		805,334	836,428	871,572	896,495	934,310
GROSS PROFIT		912,802	1,033,208	1,158,314	1,187,391	1,332,326
EXPENSES	Note 7					
Bank charges and interest		5,484	9,429	5,874	1,994	1,759
Depreciation - property and equipment		165,000	158,250	153,525	150,218	147,902
Selling, general and administrative		494,236	504,122	514,204	524,488	534,977
Interest on long-term debt		337,000	318,000	300,000	279,000	261,000
		1,001,720	989,801	973,603	955,700	945,638
EARNINGS (LOSS) BEFORE INCOME TAX EQUIVALENTS		(88,918)	43,407	184,711	231,691	386,688
PROVISION FOR INCOME TAX EQUIVALENTS		40,902	(19,967)	(84,967)	(106,578)	(177,876)
NET EARNINGS (LOSS) FOR THE YEAR		(48,016)	23,440	99,744	125,113	208,812
RETAINED EARNINGS (DEFICIT), BEGINNING OF YEAR		-	(48,016)	(24,576)	75,168	200,281
RETAINED EARNINGS (DEFICIT), END OF YEAR		(48,016)	(24,576)	75,168	200,281	409,093

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

GLACIAL SAND AND GRAVEL - SPECIAL OPERATING AGENCY
PROJECTED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31

	2001 $	2002 $	2003 $	2004 $	2005 $
Cash flows from operating activities					
Cash receipts from customers	1,628,605	1,858,273	2,017,241	2,079,836	2,256,354
Cash paid to suppliers and employees	(1,184,838)	(1,273,554)	(1,307,081)	(1,332,572)	(1,371,815)
Long-term interest paid	(337,000)	(318,000)	(300,000)	(279,000)	(261,000)
	106,767	266,719	410,160	468,264	623,539
Cash flows from finanancing activities					
Repayment of long-term debt	(246,788)	(279,991)	(298,743)	(318,751)	(340,097)
Net Cash Inflow (Outflow)	(140,021)	(13,272)	111,417	149,513	283,442
Due From (To) City of Winnipeg, Beginning of Year	-	(140,021)	(153,293)	(41,876)	107,637
Due From (To) City of Winnipeg, End of Year	(140,021)	(153,293)	(41,876)	107,637	391,079

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Notes to the Financial Projection

For Five Years ending December 31, 2005

1. Description of Business

On March 20, 1997, Council adopted a document entitled "Reshaping our Civic Government". The document identified the development of Special Operating Agencies (SOAs) as one of the five strategic initiatives needed to create a more affordable and fundamentally better Civic Government. On September 24, 1997, Council adopted the strategic direction with regard to SOAs identified in the report entitled "Special Operating Agencies Initiative." Consistent with the foregoing process, Equipment and Material Services of the Public Works Department prepared a report that outlined all options for alternate service delivery. This report identified the Special Operating Agency option as the financially most viable option. On February 23, 2000, Council directed the Public Works Department to prepare a business plan based on the SOA recommendation. Pursuant to the Order of certiorari granted by Justice J. Glowacki on December 5, 2000, quashing Council's decision of February 23, 2000, the Alternate Service Delivery Committee, on January 12, 2001, considered the updated feasibility study for the Primary Materials Quarry Operations, including the data collected during the period from February through December, 2000, and recommended that the Primary Materials Services gravel pit operation be authorized to develop a Special Operating Agency (SOA) Business Plan and Operating Charter. Glacial Sand and Gravel anticipates that it will commence SOA operations on January 1, 2001.

The SOA deals in three primary products:

1) Sand and gravel products which are mined from the Pine Ridge and Transcona locations;
2) Crushed limestone products which are purchased for internal City of Winnipeg users; and
3) Treated sand which is produced for City of Winnipeg usage.

2. Accounting Principles

The projected financial statements have been prepared on the basis of Canadian generally accepted accounting principles. The projections include the following significant policies.

Product Inventory
The inventory of products manufactured and stockpiled at the Pine Ridge Pit will be, at the time of the SOA start-up, stated at the lower of cost and net realizable value.

Equipment and Structures
Equipment and structures are recorded at cost. Assets will be depreciated over the estimated useful life of the asset using the following annual rates:

- computers 30%
- heavy equipment 10 years

3. Assets Acquired

The agency plans to acquire the equipment and structures currently owned by the Primary Materials Branch. These items have a fair market value of $169,900.00. Land in the amount of $15,720.00 has also been included at book value. In addition, the Agency plans to acquire $1,330,100.00 of assets at the commencement of operations including $75,000.00 for computer equipment and systems and $1,255,100.00 for machinery. All of the above will be financed via long-term debt from the Equipment Replacement Reserve, repayable over a five year period at an interest rate of 6.5% (The City of Winnipeg long-term rate of borrowing).

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

The City and the SOA have determined, and mutually agreed, that the value of the Pine Ridge Pit is $3,800,000.00, and this value will be placed on the SOA balance sheet along with a similar amount in long-term debt. Interest will be paid at a rate of 6.5%. Principal will be repaid at a mutually agreed upon date in the future, consistent with Council's decision in this regard.

4. Financial Projections

This financial projection is an estimate of the financial position, results of operations, and change in cash flow for the operation of the Glacial Sand and Gravel Special Operating Agency, using management's assumptions that reflect the Agency's planned course of action for the five years ending December 31, 2005.

These projections are based on the SOA operating as a self-contained business unit, including all costs required to support its operations. Cost categories considered and included are: human resource, operations and maintenance, facility, capital and associated debt, overhead and one-time conversion costs. These costs represent a full costing model.

Management's judgment has been used in the assumptions and the most probable set of economic conditions, together with the hypotheses stated below. The hypotheses are consistent with the purpose of the information, but are not necessarily the most probable in management's judgment. Since assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this projection, the actual results achieved during the projected period will vary from the projections and the deviations may be material.

5. Hypotheses

The financial projection has been prepared based on the following hypotheses:

a) That The City of Winnipeg will transfer the assets named in Note 3, necessary to commence the operation.
b) That the SOA will be allowed to purchase any support services required to sustain ongoing operations.
c) As the SOA continues as part of the municipal government structure, the entity is not subjected to corporate income taxation. However, in order to approximate a business model, the financial projections of the entity reflect a provision for income tax equivalents at a rate of 46%, payable to The City of Winnipeg. In addition, future income tax assets which represent the carry forward of unused tax losses have been included for illustrative purposes. These are utilized in future years to offset income tax equivalents payable. No future income tax liability has been recorded as the assumption has been made that depreciation/depletion for accounting purposes approximates capital cost allowance for taxation purposes.
d) That The City of Winnipeg may extend an operating loan and provide long-term lending sufficient for the Agency to commence operations with interest charged at 6.5%.
e) According to the annual business plan projections, a portion of the SOA earnings will be reinvested into the SOA.
f) Council will approve the Glacial Sand and Gravel SOA's Selection Report.
g) Access to the Equipment Replacement Reserve as a source of funding for equipment and machinery purchases.

6. Assumptions - Revenue

Sale tonnages and dollars are based on current circumstances and information from earlier studies performed by reputable industry experts. All information is reflected FOB pit.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

SALES - TONNES	2001	2002	2003	2004	2005
Pine Ridge	$264,000.00	$318,000.00	$354,000.00	$390,000.00	$432,000.00
Transcona	50,000.00	50,000.00	75,000.00	75,000.00	100,000.00
Limestone	30,812.00	30,812.00	30,812.00	30,812.00	30,812.00
Treated Sand (from Pine Ridge)	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00
TOTAL	$399,812.00	$453,812.00	$514,812.00	$550,812.00	$617,812.00

SALES - DOLLARS	2001	2002	2003	2004	2005
Pine Ridge	$988,800.00	$1,140,300.00	$1,258,800.00	$1,312,800.00	$1,453,800.00
Transcona	83,500.00	83,500.00	125,250.00	125,250.00	167,000.00
Limestone	164,586.00	164,586.00	164,586.00	164,586.00	164,586.00
Treated Sand (from Pine Ridge)	481,250.00	481,250.00	481,250.00	481,250.00	481,250.00
TOTAL	$1,718,136.00	$1,869,636.00	$2,029,886.00	$2,083,886.00	$2,266,636.00

7. Assumptions - Expenses

Note: Unless separately disclosed, all non-material expenditures have assumed a 2% inflationary increase each year.

a) **Salaries and employee benefits**
The SOA expects to operate with the following staff levels over the next five years:

- WAPSO Exempt 1
- WAPSO 1
- CUPE 7

Employee benefits are estimated to be 18% of total gross salaries.

b) **Professional and Consulting Services**
The SOA will budget $4,000.00 annually toward the purchase of outside professional and consulting services, such as quality and inventory control.

c) **Audit Fees**
The SOA expects to pay $5,400.00 annually toward audit fees.

d) **Automobile Allowances**
Automobile allowance expenses will be incurred by two staff members.

e) **Pit Management Information Technology**
The SOA has budgeted $75,000.00 toward the purchase of a pit management hardware and software system and subsequent implementation and training.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

f) **Accommodations**
The SOA has budgeted $12,000.00 annually for the lease of a trailer to house office support staff located at the Pine Ridge Gravel Pit.

g) **Telephone Services**
An additional high speed computer connection telephone service expense of $10,000.00 has been budgeted to provide additional telephone lines to the Pine Ridge Gravel Pit location, including a high speed data transmission line.

h) **Advertising/Sales Promotion**
The SOA expects to spend $12,000.00 in its first year of operation to advertise its new SOA status. In subsequent years, advertising dollars will depend on sales volume, but have been left at 2001 levels for the purposes of this financial projection.

i) **Training**
The SOA expects to incur costs of $8,600.00 annually in addition to the Information Technology training budget.

j) **Depreciation**
Depreciation is based on rates identified in Note 2.

k) **Depletion**
Pit depletion will be charged at a rate of 20¢/tonne for the Pine Ridge location.

l) **Administrative Charges**
The SOA expects to purchase administrative services from the Public Works Department. Included in these costs are fees for finance, human resources and information technology, totaling $86,667.00 annually.

m) **Interest**
Interest will be paid at an annual rate of 6.5% for its long-term debt and operating line of credit in accordance with Notes 8 g) and h).

n) **Other Governmental Charges**
Payments for the Provincial Rehabilitation Levy of 10¢/tonne and the Rural Municipality of Springfield's Aggregate Mining Levy and Road Maintenance Levy of 6.8¢/tonne will be expended on an annual basis. The Provincial Rehabilitation Levy exempts the SOA from further site restoration obligations.

8. **Assumptions – Assets and Liabilities**

a) **Cash on hand**
Petty cash in the amount of $1,000.00 will be available for incidental expenditures.

b) **Accounts Receivable**
Accounts receivable have been calculated on the basis of one month of sales being outstanding at year end. As a result, 9% of revenues have been shown as the receivable balance. The SOA has budgeted $20,000.00 annually to cover outstanding accounts where payment is not yet available.

c) **Aggregate Inventory**
The Agency has purchased the gravel pit asset at a value of $3,800,000.00. It is being financed as long-term debt from The City of Winnipeg at an annual rate of 6.5%.

d) **Property and Equipment**
The Agency will purchase assets in use from The City of Winnipeg at fair market value. Other assets will be purchased in accordance with Note 3.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

e) **Accounts Payable and Accrued Liabilities**
Accounts payable will be paid on the basis of 30 day terms and it has been assumed that accounts payable will be approximately 9% of eligible expenses.

f) **Retirement Allowance and Vacation Liability**
At the time of Agency inception, a liability was determined that would extinguish the amounts entitled to employees of the Agency upon retirement.

g) **Due to The City of Winnipeg**
The Agency will require short-term financing in the form of an operating line of credit from The City of Winnipeg of up to $400,000.00 from the Idea Bank. Interest will be paid to the Idea Bank at a rate of 6.5%.

h) **Long-Term Debt**
Debt for property and equipment purchases totals $1,484,370.00 and will be obtained from the Equipment Replacement Reserve at an interest rate of 6.5% repayable over a five year period. Debt taken for the purchase of the gravel pit in the amount of $3,800,000.00 will incur interest charges at 6.5% which will be payable to the Idea Bank.

9. **Long-Term Debt**

Long-term debt at December 31 of the following years consists of the following:

	2001	2002	2003	2004	2005
Debt (interest rate 6.5%)	$5,037,582.00	$4,757,591.00	$4,458,848.00	$4,140,097.00	$3,800,000.00
Less: Current Portion	$ 279,991.00	$ 298,743.00	$ 318,751.00	$ 340,097.00	-
Long-Term Portion	$4,757,591.00	$4,458,848.00	$4,140,097.00	$3,800,000.00	$3,800,000.00
$3,800,000.00 in debt for the Pine Ridge Pit has no fixed term of repayment (see Note 3)					

10. Related Party Transactions

The Special Operating Agency's transactions with its related company (The City of Winnipeg) are carried out in the ordinary course of business, and consist mainly of the sale of aggregate materials (sand and gravel) and the purchase of administrative services, material from the Transcona Pit at $.25 per tonne, and the payment of interest on long-term debt. Sales, purchases and interest on long-term debt recorded at market values for the years ended December 31, consist of the following:

	2001	2002	2003	2004	2005
Sales	$ 871,436.00	$ 871,436.00	$ 871,436.00	$ 871,436.00	$ 914,636.00
Purchases	$ 99,167.00	$ 100,900.00	$ 108,918.00	$ 110,721.00	$ 118,811.00
Interest on Long-Term Debt	$ 337,000.00	$ 318,000.00	$ 300,000.00	$ 279,000.00	$ 261,000.00

335 - Appendix "A" referred to in Clause 2 of the Report of the Alternate Service Delivery Committee dated February 23, 2001

APPENDIX "A"

2000 ASD INITIATIVES REGROUPED FOR 2001

I. DEVELOPMENT AGENDA

INITIATIVE/ CATEGORY	RECOMMENDATION	REASON
Removal or Referral		
1. Stores/Inventory (materials management, purchasing)	▪ Referral to Enterprise Resource Planning (ERP) project	▪ Stores/Inventory initiative will be dealt with through ERP
2. Self-Contained Breathing Apparatus Repair and Maintenance	▪ Removal from ASD Agenda	▪ External circumstances no longer provide an opportunity for ASD initiative
3. Communications Systems Branch (Radio Shop)	▪ Removed from ASD Agenda	▪ Referred to the Administration to implement Status Quo with improvements option, as adopted by Council on October 18, 2000
4. One Stop Shop Permit Application	▪ Removal from ASD Agenda	▪ Project considered complete as determined by Council on January 31, 2001
5. Solid Waste Collection	▪ Removal from ASD Agenda	▪ Waste Minimization Strategy adopted by Council on February 13, 2001
ASD Phase II: Feasibility Study Preparation		
6. Printing 7. Assiniboine Park Zoo 8. Parking 9. Winnipeg Police Training 10. Brady Road Landfill (to commence in 2002)	▪ To continue through established ASD process	▪ Progress has been made and is expected to continue (see Status - Appendix "B")
ASD Phase III: Business Plan Preparation		
11. Fleet Services 12. Golf Courses	▪ To continue through established ASD process	▪ Progress has been made and is expected to continue (see Status - Appendix "B").
Selection Report Completed – Council Decision Pending		
13. Primary Materials	▪ To continue through established ASD process	▪ Primary Materials SOA to be considered by Council on February 28, 2001 (see Status - Appendix "B")
14. Animal Services SOA	▪ To continue in active monitoring phase	▪ Quarterly and annual reports to be received as information

Appendix "B" referred to in Clause 2 of the Report of the Alternate Service Delivery Committee dated February 23, 2001

APPENDIX "B"

2000 ASD AGENDA STATUS UPDATE

ASD Phase II: Feasibility Study Preparation

Internal Printing Services (Corporate Services Department)

The main role of the Internal Printing Services is to economically deliver quality print reproduction of any or all of the City's time sensitive or confidential documents. Given the advances in technology there are a variety of potential ASD options under consideration.

Status

- A feasibility study has been submitted and was corporately reviewed.
- A selection report, summarizing the feasibility study findings, is currently being prepared for consideration by the ASD Committee.
- Administrative recommendations include proceeding with a status quo with improvements model with a referral to the Administration for implementation.

Assiniboine Park Zoo (Community Services Department)

The City Zoo provides visitors with increased knowledge, appreciation and enjoyment of wildlife and wildlife conservation through the exhibition of animals, related education and special events, and tourist and economic development.

Status

- A Request for Proposal for a Zoo Master Plan was issued, reviewed and awarded.
- An internal economic analysis regarding the Zoo is nearing completion and will form the basis for some of the master planning work. This is actually being done as part of the Master Plan by the consultants. The work is being done by Economic Research Associates, an international company specializing in the economic analysis of zoos and other attractions.
- The zoo master planning consultant has indicated that, in his experience, a new form of governance should not be considered for the zoo until a master plan is complete, and the first phase of development is underway. This will facilitate the community support required for any revised governance model to be successful.
- The detailed financial planning will flow out of the Master Plan and the economic analysis.

Parking (Planning, Property and Development Department)

This initiative involves the review of the current governance model as well as the organizational consolidation of all aspects of parking operations and management for both on and off-street parking and enforcement. The early definition and approval of an appropriate model for the business operations of this entity is the critical outcome. This initiative impacts a number of City departments, including Planning, Property and Development, Public Works and Winnipeg Police Service.

Status

- This is a multi-department project being led by Planning, Property and Development.
- A project manager was hired on a term position to conduct the feasibility study phase.

Appendix "B" referred to in Clause 2 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

- The feasibility study is nearing completion. Recommendations will include moving forward with a consolidated operation for parking services in the City of Winnipeg.
- If Council approves the feasibility study recommendations, development of a business plan is expected to commence in 2001.

Winnipeg Police Service Training (Winnipeg Police Service)

This service is responsible for all training of Winnipeg Police Service (WPS) personnel, which includes recruit, in-service and specialty courses of instruction. As training becomes more expensive for smaller agencies, the WPS may be able to capitalize on the central location of the City, in a region in which the WPS is the major municipal police force.

Status

- Discussions were held with:
  - Red River College on the potential of an academic partnership with a view to reducing the classroom portion of recruit training, and
  - Law Enforcement and Security Training Academy of Canada on the potential for a partnership with a private institution.
- Discussions continued with the Planning, Property and Development Department on a potential re-location. As there are significant financial considerations to this project, a re-location may not be possible.
- The initiative met with the Winnipeg Police Service Operational Review working group to discuss Alternate Service Delivery opportunities.
- A market research survey was undertaken including contacting 40 public and private agencies as potential clients.
- The Review Team exercised a leadership role in the associated research and discussions on the issue of payment of recruits in training.
- The feasibility study has resulted in the development of three options for alternate service delivery, as follows:
  a) Accelerated Training Model (Status Quo with Enhancements)
  b) Training Sold to the General Public
  c) Partnership with a Post-Secondary Institution
- A report will be developed for submission to the ASD Committee recommending Status Quo with enhancements with implementation to be referred to Administration.

Brady Road Landfill (Water and Waste Department)

The Solid Waste Disposal Utility owns and operates the Brady Road Landfill. The Landfill is licensed as a Class 1 landfill.

Status

- In a bid to become more competitive in commercial disposal, a proposal was developed to reduce tipping fees from $40.00 per tonne to $22.50 per tonne, which was adopted by Council on February 23, 2000. This change has reduced the projected deficit in the Solid Waste Utility in 2000.
- An equipment replacement program has been established.
- Work on the Disposal/Landfill ASD will commence once the implementation of the Waste Minimization Strategy is complete (estimated to be 2002).

Appendix "B" referred to in Clause 2 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

ASD Phase III: Business Plan Preparation

Fleet Services (Public Works Department)

This is a utility operation within the Equipment and Material Services division of Public Works. The operation consists of two distinct parts, Equipment Supply and Shop Services. A fleet of approximately 2,400 pieces of equipment is maintained (autos, ambulances, pickups, dump trucks, motor graders, construction equipment, landfill compactors, etc.) for all civic departments except: Fire Paramedic, Winnipeg Police Service, Regional Water and Sewer of Water and Waste, Property Assessment and Winnipeg Hydro.

Status

- The feasibility study phase is complete.
- On October 18, 2000, Council approved the recommendations of the ASD Committee to have the Public Works Department prepare a business plan and operating charter for Fleet Services as a Special Operating Agency (SOA).
- The Department is currently running a competition for the Chief Operating Officer (COO) position for the Fleet operation.
- The COO will lead the preparation of the business plan and operating charter.

Golf Courses (Planning, Property and Development Department)

This initiative brings together the City-owned and operated golf courses as a "portfolio of assets". Elements of each one are operated so as to maximize overall profitability. The Golf Courses portfolio consists of 13 courses, as follows:

- 6 Private clubs on City-owned lands – lease agreements
- 2 Private operators on City-owned lands – lease agreements
- 2 Contractors on City-owned courses – management agreements
- 3 City-owned and operated courses

Status

- On February 23, 2000, Council approved the recommendations of the ASD Committee to have the Department prepare a business plan and operating charter for Golf Course Services as an SOA.
- A Chief Operating Officer for Golf Course Services has been hired, effective October 10, 2000, and has concentrated recent efforts on meeting seasonal staff and discussing the upcoming business plan process.
- A business plan and operating charter for the Golf Services SOA is being developed.
- The intent is to implement improvements coming out of this phase in time to benefit the upcoming golf season.

Appendix "B" referred to in Clause 2 of the Report of the Alternate Service Delivery Committee dated February 23, 2001 (continued)

Selection Report Completed - Council Decision Pending

Primary Materials (Public Works Department)

This is the City's quarry operation in the Birds Hill area. It is a currently a utility operation within the Equipment and Material Services Division of the Public Works Department. The operation supplies granular needs for street maintenance, winter sanding, local water and sewer maintenance as well as other civic departments.

Status

- Originally Council, on February 23, 2000, approved the feasibility study recommendations to move into a business planning phase. As a result, a business plan, operating charter and selection report (summary of the business plan) were completed by the Administration.
- The Manitoba Court of Queen's Bench ruled on December 5, 2000, to quash Council's February 23, 2000 decision.
- The ASD Review Team has since met with industry stakeholders and the Manitoba Heavy Construction Association to discuss the initiative.
- Updated feasibility study recommendations and a selection report have been submitted to the ASD Committee.
- It is anticipated that both documents will be considered by Council on February 28, 2001.

ASD Implementation

Animal Services SOA (Community Services Department)

Animal Services traditionally focussed on animal control under The City of Winnipeg Act for animal behaviour, stray animals, illegal animals, wildlife concerns, quarantine and impoundment of stray/unwanted animals, etc. Through the SOA, a new direction focuses on service enhancements, including prevention, education and increased financial self-sufficiency through licensing revenue initiatives.

Status

- The SOA began operation on January 1, 2000.
- The successful recruitment of additional staff as approved in the business plan has occurred.
- Members for the Agency's Advisory Board have been appointed and are meeting regularly.
- A quarterly reporting process has been implemented.
- A Dog Adoption Program was implemented in June 2000.
- The Agency participated in a number of events to improve the "profile" of the Agency (i.e. the Great Manitoba Dog Party, Teddy Bear Picnic, displays in shopping malls and half-time sponsorship of Blue Bomber games).
- Additional marketing and advertising initiatives have been undertaken including bus tails, billboards and mobile sign advertising.
- There are approximately 16,500 active dog licenses as of December 31, 2000 (the 2000 target was 16,000 licenses).
- A web site is being developed for the Agency.
- Overall, the Agency is progressing ahead of financial plan as at December 31, 2000.
- The Agency is currently working on the business plan for the new year and the annual report to be submitted to Council in 2001.