REPORT OF THE

ALTERNATE SERVICE DELIVERY COMMITTEE

DATED OCTOBER 29, 1999

On motion of Councillor Angus, the Report of the Alternate Service Delivery Committee dated October 29, 1999, was considered.

Moved by Councillor Angus,
That the Consent Agenda, Clause 1, be adopted.

Carried.

Selection Report - Animal Services
Special Operating Agency (SOA)
Files GL-5.6.1 (Vol. 3) and EL-4 (Vol. 29)

90 - 1. On March 20, 1997, Council adopted Clause 1 of the Report of Executive Policy Committee dated March 17, 1999, with respect to "Reshaping Our Civic Government", following which direction was given to review alternative service delivery options for Animal Services.

On December 8, 1997, the Animal Services Division of the Community Services Department presented a feasibility study to the Standing Committee on Fiscal Issues. The Special Operating Agency (SOA) model was recommended in the study as it best met the future operating requirements of the Animal Services Division and was consistent with the primary objectives set forth in the "Reshaping our Civic Government" (1997) document.

The following characteristics supported Animal Services selection as a candidate for SOA status:

- Provision of services at levels and standards that are consistent with legislation and City policy;
- Self-contained, established service with a new, state-of-the-art facility;
- Professionally trained, experienced staff;
- Established relationship to stakeholders through core business functions (licensing, partnerships and enforcement);
- Potential to become financially self-sustaining by improving and increasing the value of products and services; and
- Clearly defined performance objectives.

On December 17, 1997, Council adopted the recommendations contained in Clause 2 of the Report of the Standing Committee on Fiscal Issues dated December 8, 1997, directing Animal Services to prepare an Operating Charter and Business Plan for operations as an SOA.

The role of Animal Services has evolved significantly throughout the years to meet the increased needs of the community. Animal Service programs today provide services that deal with dogs, cats, wildlife, domestic animals, pest control and exotic animals. In the past, Animal Services was primarily focused on the enforcement of by-laws. The services offered by Animal Services have expanded to include prevention through education, conflict resolution and mediation, public relations and the involvement of community and industry. The expansion of services has assisted in safeguarding the interests of the community and protecting the public good by reducing incidents involving dogs running at large, reducing the number of unwanted animals, and reuniting pets with their families.

As an SOA, Animal Services will continue to be a contributing component of the Community Services Department. As such, the Agency will continue to embrace and support the departmental vision, mission and values, including its guiding principles and management philosophies, outlined in Appendix "B". Operating under this framework, Animal Services will maintain the following mandate:

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> *To promote, protect and safeguard the health of the community by establishing and maintaining an urban environment which permits the City's human and animal populations to co-exist free of conditions which adversely affect the health, safety and enjoyment of the community. Animal Services is responsible for the enforcement of animal care and control by-laws to minimize risk in the communities served.*

As an SOA, Animal Services will be granted more direct responsibility for results and have the increased management flexibility needed to attain new levels of performance *(...greater freedom to manage in a more businesslike way)*.

Accountability Framework

Operating as an SOA will enhance the financial and organizational accountability of Animal Services. A flowchart outlining the accountability structure of the Agency is included in the Operating Charter, identified as Appendix "A" hereto. Appendix "C" outlines the characteristics of the SOA model.

The "Public Good" remains a top priority for Animal Services. The strategic direction for Animal Services is based upon the expectations of stakeholders and is considered fundamental to improved customer service, core business operation and financial stability. The strategic direction involves:

*Shifting the cost base from the general taxpayer toward the users of the system, with the objective of becoming financially self-sustainable to the greatest extent possible;

*Strengthening the commitment to public health and safety through increased public awareness;

*Improving public image;

*Improving and increasing the value of products and services.

Animal Services has identified opportunities to further improve services, such as a visitor tag system, revenue recovery from imposed fines, travelling animal show permits, a dog adoption program and a puppy registration program (an implementation schedule is included as Appendix "F"). Functioning as an SOA, Animal Services will encourage entrepreneurial spirit, innovation and flexibility. This will assist in the achievement of service goals and maximization of opportunities.

The following table illustrates the Agency's goals and strategies. The realization of these goals is fundamental to customer service improvement, core business operation and financial stability.

GOAL	STRATEGY
To be financially self-sustainable to the greatest extent possible (significantly less reliance on tax supported funding)	□ Increase financial autonomy □ Increase license sales □ Create other positive revenue sales
Improve health and safety of neighbourhoods	□ Reduce the number of incidents (complaints) □ Develop associations between breeders, vets, sellers, etc. □ Increase the participation of animal-related businesses and groups in the creation of regulations (e.g., exotic animal by-law)
Increase public awareness and participation	□ Develop education programs □ Develop advertising programs □ Improve community interaction and participation

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Develop partnerships	□ Develop partnerships for marketing (corporate sponsorships for advertising) □ Develop partnerships for operational activities (e.g. kenneling of cats with the Winnipeg Humane Society) □ Develop partnerships with industry professionals (vets, breeders, and retailers)

In accordance with the City's adopted Policy and Framework for Alternative Service Delivery, an Operating Charter (Appendix "A") is a formal articulation of the function, mandate, terms, conditions and requirements governing the operation and defining the function and mandate of an SOA. An Operating Charter is approved by Council in conjunction with its consideration of the potential SOA's selection report. This selection report is a summary of the SOA's Business Plan.

Consistent with the SOA model, the Agency head is accountable for the financial and operational success of the Agency.

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 financial position (Appendix "G").

Tax supported funding for the Agency will be reflected as a separate line item (cost centre) in the Community Services Department budget. More detailed budget analysis is provided as part of the annual business planning process.

Within the first five years of SOA implementation, the Agency will analyze the costs of services purchased from City providers. This analysis will assist in the development of future service contracts, such as information technology, legal services, and vehicle leasing/purchasing, which will best meet the business needs of the Agency.

Operating as an Agency, Animal Services will fully cost its operations. The Agency will be subject to regular external audit, quarterly reporting, an annual report, and a variety of detailed variance analyses in accordance with its Operating Charter.

Treatment of any surplus revenue will be reviewed by the ASD Committee based on the Agency's financial results outlined in the annual business plans and year end reports.

Human Resource (HR) Framework

In order to have an effective service, Animal Services must shift the focus from enforcement to prevention through education, conflict resolution and mediation, and public relations. Considering this, job descriptions and classifications will require updating to meet the needs and strategic direction of the Agency. Training will be offered to assist employees in meeting the expectations of the SOA. Training will involve skill enhancement, a customer service focus, and entrepreneurial business practices. All work changes will be done in consultation with unions and within the parameters of the existing collective agreement(s). Employees will have the opportunity to perform their required duties in a results-oriented, efficient atmosphere. All employees will retain their status as civic employees.

Currently, there are 19 budgeted positions for Animal Services. An additional three positions will be required to meet the ongoing needs of the Agency. In instances where there is a substantial change in duties warranting a new classification (i.e., Clerk B to Clerk C), the option of retraining, as opposed to redeployment, will be explored. Strategically investing in human resources leads to long-term, positive financial outcomes. In all instances the Agency will endeavor to ensure the workforce remains constant and employees are adequately trained. Proposed organization charts are included as Appendix "D".

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Transition workshops will be held to assist employees in the change process. To foster a healthy and productive working environment in which all employees contribute to the success of the organization, the Agency will assist employees in overcoming the fear of change by holding focus groups and information seminars. The Agency will promote and encourage employee input, innovation and ideas.

The Human Resource strategy aligns with and reflects the civic and corporate vision and mission, where each employee contributes to the delivery of quality services at a reasonable cost, by working together to achieve affordable, responsive and innovative public service.

Information Technology (IT) Framework

Animal Services is one of a number of client groups within the Community Services Department. The Agency will negotiate service functions and levels with the Information Systems and Technology

Division of the Department. Animal Services seeks to utilize IT resources to facilitate the effective and efficient delivery of public services through the integration of information technologies with its service delivery.

The Animal Services SOA will receive information systems and technology services from the Community Services Department Information Systems and Technology Division during the first five years of operation. During this period, the Agency will evaluate IT services and consider the most efficient and effective way of purchasing those services.

The Animal Services SOA will maintain ownership of the "Animal Services Information System" software and will, where appropriate, 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 a wide range of material assets. These assets consist of:

*A facility for kenneling, customer service, and administration;

*A fleet of reliable and properly equipped Animal Services vehicles;

*A computer system specific to Animal Services' requirements while remaining integrated with the broader City system; and

*General office furniture and equipment.

Computer equipment and office furniture have been valued in the opening balance sheets, shown on Appendix "G". Animal Services will repay the City of Winnipeg for these assets over the duration of the first five years of SOA operations. The facility and service vehicles are paid for through a lease arrangement and operating funds respectively.

Performance Management

To capture both qualitative and quantitative measures, Animal Services' performance measures are based on outputs (how much is accomplished) and outcomes (effectiveness) of the strategies and actions of the organization. The strategies and actions are aimed at accomplishing well-defined goals which, in turn, are aligned with the overall strategic plan of the Community Services Department.

The performance measures for each category are used to translate mission and strategy into objectives and measures. Animal Services' measures are aligned with five high-level service goals. These goals are identified as financial stability, improved health and safety of neighbourhoods, increased public awareness and participation, improved public image, and improved customer service. The key performance measures for each will be used to evaluate the performance and success of the Agency. Appendix "E" shows a list of the measures that will be used for each of the five aforementioned goals.

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It is presumed that as the performance standards of Animal Services rise, a corresponding rise in public expectation will occur. For this reason, a short narrative on "trend analysis" will accompany the performance management reviews. If, for instance, there is an initial rise in the number of complaints received, this may illustrate that the public is becoming more aware of the services that the Agency provides (perhaps as a result of the marketing campaign Animal Services will implement). Performance management is of the utmost importance and the Agency will make a commitment to diligently measure performance using pre-established criteria.

Issues

Staff Acceptance - Eventual acceptance by all staff of the goals and objectives of the Agency should occur upon the realization of the potential opportunity of an SOA. Without active on-going participation of staff and the union, the goals established in the Business Plan will be difficult to attain.

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

Implementation

To ensure a smooth transition and continuity of services, the Animal Services Agency will spend the first five years of operations in a transitional stage. Within this time, the Agency will implement new services, fully train existing and future staff, and monitor its overall performance and future needs. A Gantt Chart has been developed to outline the proposed implementation schedule (Appendix "F").

Conclusion

Operating as an SOA will enhance Animal Services' ability to provide quality services to the citizens of Winnipeg at an affordable cost. The Agency will be fully accountable to meeting the service needs of the community in a timely, quality-conscious and cost-effective manner. The financial and operational flexibility of the SOA model will enable the Agency to make decisions in a business-like manner, customizing the services offered to satisfy the increased needs of the communities.

The Alternate Service Delivery Committee recommends:

I. That the Animal Services Division of the Community Services Department be authorized to commence operations as a Special Operating Agency as of January 1, 2000.

II. That the proposed tax-supported funding for the SOA of $1,250,000.00 for the years 2000 to 2002; $1,100,000.00 for 2003; and $950,000.00 for 2004 [as outlined in the Financial Projection for the Five Years Ending December 31, 2004 - Note 6(f))] be approved in principle, subject to confirmation during the annual budget process.

III. That a loan in the maximum amount of $500,000.00 be approved as outlined in the Financial Projection (Appendix "G" - Projected Statement of Financial Position) from the Idea Bank Reserve to offset initial start-up costs of the Agency, pursuant to pending amendments to the Idea Bank Reserve parameters.

IV. That the rate schedule outlined in Appendix "H" be approved as it relates to dog license and kennel fees, and that the Animal Control By-law No. 2443/79 be amended accordingly.

V. That the Animal Services Operating Charter as provided for in Sections 81.10 through 81.16 of The City of Winnipeg Act be approved, as outlined in Appendix "A", including:

a) the delegations and exemptions required by the Agency to exercise business-like practices, as outlined in Appendix "I" of the Operating Charter;

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b) the establishment of the Agency's Advisory Board membership and terms of appointment as outlined in Appendix "II" of the Operating Charter; and

c) the percentage of Council votes 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.

VI. 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.

Adopted by consent.

(See Minute No. 107 for attachments)