REPORT OF THE

STANDING COMMITTEE ON FISCAL ISSUES

DATED APRIL 20, 1998

On motion of Councillor Angus, the Report of the Standing Committee on Fiscal Issues, dated April 20, 1998, was considered.

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

Councillor Murray requested that Clause 1 be pulled from the Consent Agenda.

Alternative Service Delivery Initiatives - 1998 File GL-5.6.1 (Vol. 1)

588 - 1. The Standing Committee on Fiscal Issues has been advised that during the past several years, the City has been pursuing a large number of Alternative Service Delivery (ASD) initiatives. The "roll out" process to date has been somewhat ad hoc in nature. In order to provide a greater degree of consistency in approach, the *Policy and Framework for Alternative Service Delivery* was developed and was approved by Council on March 26, 1998.

ASD GENERATION PHASE

The first phase in the ASD process is Generation. The requirement is that a list of potential candidates for ASD will be prepared annually for consideration first by the Standing Committee on Fiscal Issues and ultimately for consideration and approval by Council. Because the process is new this year, the recommended candidates should be considered as " pilots" and others will follow. While these pilots are expected, potentially at least, to lead to the implementation of one or other of the ASD forms, experience gained also will be used to refine the ASD process itself.

The candidates are as follows:

Parking, Parkades and Parking Meter Operations

This is a business area that has historically operated out of a number of departments including the former Streets and Transportation Department, the former Civic Buildings Department and the Winnipeg Police Service. Some of these businesses were examined in a 1997 Audit Department report which focused on the profitability of three City-owned parkades and the parking meter operations. That document reported Audit Department's findings and made a number of recommendations notable among which was that " The City may wish to consider...alternative service delivery options...".

The study now contemplated will use and expand upon the work done by the Audit Department. Additional issues now being addressed will include the operation of the Winnipeg Parking Authority generally, as well as the potential for other profit-making uses of space in the right-of-way (eg. advertising, etc.).

Inventory and Stores Management

The City holds significant inventories in some 39 separate locations. This circumstance was identified and its ramifications have been examined by the Materials Management Process Improvement Team which was established as a part of the larger Financial Management System project. A business case has been drafted which identifies Inventory and Stores Management as a potential candidate for ASD.

Radio and Electronics Shop

This is a business area that is presently a branch of the Corporate Services Department. Its service delivery focus is almost exclusively internal. Historically the service focus was on communication and electronic systems support for the Emergency Services Departments - Police, Fire and Ambulance and for line departments with large radio-

equipped large fleets (eg. Water and Waste, Public Works, Transit and Parks and Recreation). More recently, this branch has significantly expanded its role as broker/negotiator for all telephone and related services used by the City.

East End Cultural and Leisure Centre

The East End Cultural and Leisure Centre, located at 575 Larsen Avenue (Elmwood), includes a 3,720 square foot building containing a woodworking shop, pottery studio with kilns, and a general arts area. The outside grounds have a parking lot, wading pool and a children's playground. In 1998, the Chalmers Community Centre submitted a notice of intent to operate the wading pool as an ASD. The equipment at this facility is already made available to individuals on a fee-for-use basis. The intent is now to examine the possibilities of the entire operation being operated using some form of ASD.

ASD AND THE BUSINESS PLANNING PROCESS

During 1998, the Administration will produce business plans for six departments (Assessment, Transit, Waterworks and Waste, Public Works, Property and Development, and Community Services). As a part of the business plan preparation process, these departments will be identifying potential ASD candidates. The first of these business plans are expected to be available at the end of June 1998. At that time additional ASD candidates are likely to be brought forward for Council's consideration as a part of the overall business plan approval process.

PREVIOUSLY AUTHORIZED ASD INITIATIVES

On March 20, 1997, Council adopted an Executive Policy Committee recommendation which made reference to a number of strategic initiatives for reshaping civic government. A significant number of those initiatives are of the ASD type. These initiatives are now at various stages of development and implementation. Now that the Policy and Framework for Alternative Service Delivery has been approved by Council, the Administration will proceed to align all of the as yet uncompleted initiatives with the approved process. A table showing where the previously approved ASD initiatives are in the process is attached for the information of Council, and referred to as Appendix "A". The status of some of the higher profile initiatives is shown in the following table.

ASD INITIATIVE	ASD PHASE
Review of Winnipeg Hydro Privatization	Identification and Planning (Feasibility Study)
Fleet Management	Identification and Planning (Feasibility Study)
Animal Services	Development (SOA Business Plan/Operating Charter)
Quarry Operations	Development (Business Plan on Alternatives)
Arenas	Development (Community Centre Partnering - Proposal Call)
Outdoor Pools	Identification and Planning (Feasibility Study)

These, along with the remainder of the outstanding "Reshaping" initiatives, will be brought in line with the process set out in the *Policy and Framework for Alternative Service Delivery.*

It should be noted that unless absolutely necessary, the Administration does not intend to "back track" on any of the previously approved initiatives now in progress. For example, there is no intent to now go back and conduct a full blown feasibility study on the arena issue as would normally be required. Instead, initiatives in progress will be moved forward from where they now are in the ASD process unless some very compelling reason to do otherwise emerges.

There are no new financial implications associated with the following recommendations as staff and other resources necessary to pursue these initiatives are provided for in approved budgets. A statement of these financial implications is outlined in Appendix "B".

Report of the Standing Committee on Fiscal Issues dated April 20, 1998

The Standing Committee on Fiscal Issues recommends:

I. That Council authorize the preparation of feasibility studies in respect of potential candidates for Alternative Service Delivery as follows:

i) Parking, Parkades and Parking Meter Operations;
ii) Inventory and Stores Operations;
iii) Radio and Electronic Maintenance Services;
iv) East End Cultural and Leisure Centre Operations.

II. That Council be advised that the Administration will work towards aligning all previously authorized Alternative Service Delivery initiatives with the process prescribed in Council's *Policy and Framework for Alternative Service Delivery*, approved on March 26, 1998.

III. 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 hereto.

Copy of attachments referred to in the above clause are on file in the office of the City Clerk.

Moved by Councillor Angus,
Adoption of the clause.

In amendment,

Moved by Councillor Murray,
Seconded by Councillor Vandal,

THAT the clause be amended by adding the following recommendations.

III. The responsible standing policy committee be directed to review any proposal for alternate service delivery and make recommendations to council on the policies of the city that require consideration in the review.

IV. That every year each standing committee undertake a major policy review of at least one department and recommend to council policy changes, candidates for alternative service delivery and evaluations of previously implemented A.S.D.'s.

Moved by Councillor Thomas,
That the clause be referred back to the Standing Committee on Fiscal Issues.

The motion to refer was put.

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

Yea: Councillors Golden, Lubosch, Murray, Thomas and Vandal. 5

Nay: Councillors Angus, Phillips, Silva, Steek, Timm- Rudolph, Deputy Mayor Eadie and Councillor Clement. 7

and the motion to refer was declared lost.

The amendment was put.

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

Yea: Councillors Lubosch, Murray, Thomas and Vandal. 4

Nay: Councillors Angus, Golden, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Deputy Mayor Eadie and Councillor Clement. 9

Report of the Standing Committee on Fiscal Issues dated April 20, 1998

and the amendment was declared lost.

The motion for the adoption of the clause was put.

The Speaker advised that on the request of Councillor Murray, sections i) through iv) of Recommendation I would be voted upon separately.

Recommendation I i), pertaining to parking, parkades and parking meter operations was put.

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

Yea: Councillors Angus, Golden, O'Shaughnessy, Phillips, Silva, Timm-Rudolph, Deputy Mayor Eadie and Councillor Clement. 8

Nay: Councillors Lubosch, Murray, Steek, Thomas and Vandal. 5

and Recommendation I i) was declared carried.

Recommendation I ii), pertaining to inventory and stores operations was put.

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

Yea: Councillors Angus, Golden, Lubosch, Murray, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Vandal, Deputy Mayor Eadie and Councillor Clement. 12

Nay: Councillor Thomas. 1

and Recommendation I ii) was declared carried.

Recommendation I iii), pertaining to radio and electronic maintenance was put.

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

Yea: Councillors Angus, Golden, Lubosch, Murray, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Vandal, Deputy Mayor Eadie and Councillor Clement. 12

Nay: Councillor Thomas. 1

and Recommendation I iii) was declared carried.

Recommendation I iv), pertaining to East End Cultural and Leisure Centre operations was put.

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

Yea: Councillors Angus, Golden, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Deputy Mayor Eadie and Councillor Clement. 9

Nay: Councillors Lubosch, Murray, Thomas and Vandal. 4

and Recommendation I iv) was declared carried.

Recommendations II and III were put and declared carried.

Councillors Murray and Thomas asked to be recorded as having voted against Recommendations II and III, in accordance with Rule 50.7 of the Procedure By-law.

Council here reverted to the order of business "Introduction and Welcome of Guests and Announcements".

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

589 - The Speaker recognized in attendance in the gallery, Colin Angus of Castlegar, British Columbia, the son of Councillor Angus, and on behalf of Council extended warm wishes to Councillor Angus on his imminent wedding to Janice Charko.

STANDING COMMITTEE ON FISCAL ISSUES

MOTIONS

Moved by Deputy Mayor Eadie,
Seconded by Councillor Clement,
590 - BE IT RESOLVED that the Standing Committee on Fiscal Issues review ways and means by which the City's business tax may be phased out and that the Committee report back to Council with their recommendations when this review is completed.

Automatic Referral to the Standing Committee on Fiscal Issues in accordance with Rule 16.1 of the Procedure By-law

Moved by Councillor Angus,
Seconded by Councillor Golden,
591 - WHEREAS City Council recently approved a loan guarantee for Dakota Community Centre based on a comprehensive business plan;

AND WHEREAS the business plan called for 100% rebate of the GST, which has been the practise for other Community Centres;

AND WHEREAS the Federal Government has recently "clawed" back the GST even beyond the 50% the club is entitled to receive;

AND WHEREAS the Dakota Community Club had intended to pay contractors utilizing their GST refund;

AND WHEREAS the Dakota Community Club can "bank" finance a short term low interest demand loan to pay their contractors while they resolve this problem with the Federal Government;

AND WHEREAS the Dakota Community Club cash flow and business plan will allow for this bank loan to be paid off in a reasonable time;

AND WHEREAS the bank requires the Cities authorization as owners of the facility to secure the loan;

THEREFORE BE IT RESOLVED that the Standing Committee on Fiscal Issues review the amount of the loan, and the repayment plan and make a recommendation to Council for the May 27, 1998, Council meeting on the advisability of securing this loan for the Dakota Community Club.

Automatic Referral to the Standing Committee on Fiscal Issues in accordance with Rule 16.1 of the Procedure By-law

Standing Committee on Fiscal Issues - Motions (continued)

Moved by Councillor Angus,
Seconded by Councillor O'Shaughnessy,

592 - WHEREAS the Property and Development Services Department is marketing certain City owned properties in the City of Winnipeg;

AND WHEREAS the properties being sold were properties no longer required for streets and transportation, parks and other purposes;

AND WHEREAS this found money is reputed to be earmarked to be returned to the department for purposes of meeting expenses;

AND WHEREAS the profit from these sales belong to general revenue and should be considered in relation to the City's total budgetary requirements;

THEREFORE BE IT RESOLVED that the Standing Committee on Fiscal Issues review this practice and develop a policy for consideration of Council;

AND BE IT FURTHER RESOLVED that any land sales that are concluded and the related monies generated by these sales, be held in Property and Development Services until the policy is developed and approved.

Automatic Referral to the Standing Committee on Fiscal Issues in accordance with Rule 16.1 of the Procedure By- law

STANDING COMMITTEE ON FISCAL ISSUES

QUESTION PERIOD

593 - Councillor Thomas expressed concern about the timeliness of information being received and questioned if, in the future, items scheduled for alternative service delivery (ASD) would be listed on the agenda and for reports to be circulated prior to the Standing Committee Meetings.

Deputy Mayor Eadie replied in the affirmative and further agreed to take the matter up with the administration to ensure they recognize printing and distribution deadlines.

Councillor Thomas questioned the process for Councillor input on the ASD decisions.

Deputy Mayor Eadie noted that input should be directed in writing to the Chief Financial Officer since the evaluation of potential models for ASD is done by the Administration prior to final recommendations being considered by Council. The Speaker, Councillor Clement added that there would also be opportunity for input at the Standing Committee level when the reports came from the Chief Financial Officer to the Standing Committee on Fiscal Issues.

Councillor Steek questioned when the consultant's report relative to the the City's pension plan would be brought forward for Council consideration.

Deputy Mayor Eadie advised that he had not seen the report and did not know when the report would be presented and distributed but that he would investigate the matter further.

Councillor Steek questioned who was looking after the maintenance of the Elmwood Cemetery.

Deputy Mayor Eadie advised that, to the best of his knowledge, the maintenance of the cemetery remained the responsibility of the owner.

Councillor Murray questioned how the ASD process related to Plan Winnipeg and Chapter Seven in Plan Winnipeg, and further questioned what the relationship is to Plan Winnipeg policy and policy implementation.

Standing Committee on Fiscal Issues - Question Period (continued)

Deputy Mayor Eadie stated that an attempt is made to have all the policies relate to the requirements of Plan Winnipeg.

Councillor Murray questioned the relationship the Standing Committees have to policy development.

Deputy Mayor Eadie suggested that Councillor Murray consult the City's Organizational By-law.

Councillor Thomas questioned if there would be an opportunity for a public forum on ASD.

Deputy Mayor Eadie noted that, prior to recommendations being considered by Council, the matter would be considered by the Standing Committee on Fiscal Issues where the public would have an opportunity to input.

In noting that the Elmwood Cemetery did not currently have any employees, Councillor Steek asked if the City was undertaking any of the cemetery maintenance.

Deputy Mayor Eadie reiterated that as far as he was aware, the owner was still responsible for looking after the cemetery but agreed to advise all Members of Council if he learnt of a different process.

Councillor Steek questioned the status of the Committee on Tax Reform's report.

Deputy Mayor Eadie agreed to undertake to obtain the answer.