Minutes - Executive Policy Committee - June 13, 2007

Minute No. 404
Report - Standing Policy Committee on Protection and Community Services - March 5, 2007

Item No. 3 Governance of Assiniboine Park
File PR-7.1

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Protection and Community Services, as amended, and submits the following to Council:

1. That a new governance structure be approved for Assiniboine Park beginning with the creation of a not-for-profit corporation (the "Corporation") that would operate independently from The City of Winnipeg with a mandate to lead, manage, fundraise, restore and redevelop the overall Park and its amenities.

2. That the Corporation assume responsibility for management of Assiniboine Park in a phased approach as contemplated by the Report of the Acting Director Community Services Department dated February 7, 2007.

3. That the initial Board of Directors of the Corporation be established by the Mayor selecting the Board Chair, together with whom a slate of Board nominees would be developed. Members of the initial Board of Directors will represent the City of Winnipeg, the Province of Manitoba, the Zoological Society of Manitoba, Friends of Assiniboine Park Conservatory, Partners in the Park, Charleswood Rotary Club and the community at large as each agrees to accept an appointment to the Board of Directors. Initial and subsequent appointments to the Corporation's Board of Directors shall be subject to ratification by Council.

4. That the new governance structure include provision for the establishment of a Community Advisory Committee comprised of individuals from various sectors of the community to provide input to the new governing body on matters that will affect the public, which appointments would be made by Council.

5. That within six (6) months of incorporation, the Corporation presents its strategic plan to Executive Policy Committee for review and referral to Council for approval.

6. That $100,000.00 be allocated to start-up funds for the Corporation from the Assiniboine Park Reserve Fund for costs associated with the development of the Board and their strategic plan.

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7. That within twelve (12) months of incorporation, the Corporation negotiate a Management Agreement with the City of Winnipeg for approval by Council.

8. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

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DECISION MAKING HISTORY:

Moved by Deputy Mayor Leipsic,

That the recommendation of the Standing Policy Committee on Protection and Community Services be concurred in with the following amendments:

- Amend Recommendations 1 and 2 to delete the words "and Forest"

- Add a new Recommendation 4, namely:
  "4. That the new governance structure include provision for the establishment of a Community Advisory Committee comprised of individuals from various sectors of the community to provide input to the new governing body on matters that will affect the public, which appointments would be made by Council."

  and renumber the remaining recommendations accordingly,

and forwarded to Council.

Carried

Councillor Wyatt asked to be recorded as having voted against the above motion, in accordance with Rule 47(7) of The Procedure By-law No. 50/2007.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 14, 2007, the Executive Policy Committee laid over the matter for up to 90 days.

Further, on March 14, 2007, the Executive Policy Committee received submissions with respect to a new governance structure for Assiniboine Park and its attractions from the following:

- Irene Merie, Executive Director, Partners in the Park, submitted a presentation dated March 14, 2007
- Gary Swanson, President, Canadian Union of Public Employees (CUPE) Local 500, submitted a presentation dated March 14, 2007

STANDING COMMITTEE RECOMMENDATION:

On March 5, 2007, the Standing Policy Committee on Protection and Community Services concurred in the administrative recommendation, and submitted the matter to the Executive Policy Committee and Council.

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DECISION MAKING HISTORY (continued):

STANDING COMMITTEE RECOMMENDATION (continued):

Further on March 5, 2007, the Standing Policy Committee on Protection and Community Services recommended to Executive Policy Committee that further discussion on the governance of Assiniboine Park is required on the operating funding, new governance structure, and the involvement of the existing organizations throughout the transition process.

Further on March 5, 2007, Irene Merie, Executive Director, Partners in the Park submitted a presentation dated March 5, 2007, with respect to the new governance structure for Assiniboine Park.

On January 8, 2007, the Standing Policy Committee on Protection and Community Services granted an extension of time to the meeting of the Committee on March 5, 2007 for the Administration to report back on the development of the proposed new governance model for Assiniboine Park and its attractions including a cost/benefit analysis and all key requirements necessary to operationalize this entity.

COUNCIL DECISION:

On July 26, 2006, Council approved in principle the new partnership model of governance for Assiniboine Park and Forest which included the following:

2. That the Administration be directed to report back to the Standing Policy Committee on Protection and Community Services, on the development of the proposed new governance model for Assiniboine Park and its attractions including a cost/benefit analysis and all key requirements necessary to operationalize this entity, by November 20, 2006, and that in the interim, the three (3) partner organizations (The Friends of the Assiniboine Park Conservatory, Partners in the Park, Zoological Society of Manitoba) and CUPE Local 500 be consulted in face-to-face meetings.

RE: A New Governance Structure for Assiniboine Park

FOR SUBMISSION TO:	Standing Policy Committee on Protection and Community Services
ORIGINAL REPORT SIGNED BY:	Clive Wightman, Acting Director Community Services Department
	Patti Sullivan, Chief Operating Officer Assiniboine Park Enterprise
REPORT DATE:	February 7, 2007

RECOMMENDATION(S):

1. That Council approve a new governance structure for Assiniboine Park and Forest beginning with the creation of a not-for-profit corporation (the "Corporation") that would operate independently from The City of Winnipeg with a mandate to lead, manage, fundraise, restore and redevelop the overall Park and its amenities.

2. That the Corporation assume responsibility for management of Assiniboine Park and Forest in a phased approach as contemplated by this Report.

3. That the initial Board of Directors of the Corporation be established by the Mayor selecting the Board Chair, together with whom a slate of Board nominees would be developed. Members of the initial Board of Directors will represent the City of Winnipeg, the Province of Manitoba, the Zoological Society of Manitoba, Friends of Assiniboine Park Conservatory, Partners in the Park, Charleswood Rotary Club and the community at large as each agrees to accept an appointment to the Board of Directors. Initial and subsequent appointments to the Corporation's Board of Directors shall be subject to ratification by Council.

4. That within six (6) months of incorporation, the Corporation presents its strategic plan to Executive Policy Committee for review and referral to Council for approval.

5. That Council allocate $100,000 in start-up funds for the Corporation from the Assiniboine Park Reserve Fund for costs associated with the development of the Board and their strategic plan.

6. That within twelve (12) months of incorporation, the Corporation negotiate a Management Agreement with the City of Winnipeg for approval by Council.

7. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

Report Summary

Key Issues:

- On July 26, 2006 Council adopted in principle, a new partnership model for governance of Assiniboine Park and Forest, characterized by the creation of a new, not-for-profit organization, led by an over-arching board and operating independently from the City under long-term agreement with the City of Winnipeg in order to lead and manage the overall Park and its amenities, with the City retaining ownership of all properties and providing an annual operating grant.

- The new governance model is expected to provide overall strategic direction to the entire Park and Forest complex, including responsibility for raising and leveraging new funds to complement the City of Winnipeg annual operating grant for the management and redevelopment of the City's premier green space.

- The Corporation would be established as a not-for-profit organization pursuant to the Manitoba Corporations Act. It would be accountable to City Council through the Executive Policy Committee. Assurances that protect overall public interest regarding free park access, park development, control and use of lands, finances and the Corporation's performance would be built into a Management Agreement between the City of Winnipeg and the Corporation.

- The Mayor would select the Corporation's first Board Chair, together with whom a slate of nominees would be developed for ratification by Council.

    - It is recommended that the initial Board of Directors would include representation from the City of Winnipeg and the Province of Manitoba and from each of the existing Park partner organizations, namely the Zoological Society of Manitoba, Friends of the Assiniboine Park Conservatory, Partners in the Park, Charleswood Rotary Club and the community at large.
    - Subsequent Board appointments would be subject to ratification by City Council and would be made after receiving a report from a Nominating Committee of the Corporation.

- As outlined in this report and in the governance report approved by Council in July 2006, the Corporation could ultimately assume responsibility under a Management Agreement with the City of Winnipeg for overall management, development and operations in Assiniboine Park. Before doing so, the Corporation's Board will want to examine in detail, current and potential park operations, government funding commitments and mechanisms, fundraising and charitable status potential, human resource and Collective Agreement implications of assuming City of Winnipeg operations under a new employer, and other critical considerations to be weighed before the Board determines a timeframe, future role and commitment for assuming Park operations.

- The Assiniboine Park Enterprise (APE) Division has undertaken extensive analysis and research to compile data and information for consideration by the Corporation's Board. APE can provide support to the Board and the Assiniboine Park Enterprise Reserve can

provide interim start-up funds for required legal or professional assistance required by the Board.

- Within six months of incorporation, the Corporation's Board is required to present its plan of action for Council approval, including recommendations for assumption of responsibilities, and preliminary budget requirements.

- Within twelve months of incorporation, the Corporation's Board is required to have negotiated terms and conditions of a Management Agreement between the City of Winnipeg and the Corporation. The Management Agreement will be subject to Council approval and will detail the overall scope of the Corporation role, authority and reporting requirements to the City of Winnipeg. A transition plan for any City of Winnipeg and Park partner organization business operations that will be transferred to the Corporation will be developed in concurrence with the Management Agreement.

- As an alternate to the model proposed, the Winnipeg Library Foundation, model was considered. As a fundraising body without authority in operations, the Library foundation model is a success, however, Assiniboine Park requires a governance and management model that will provide overall strategic direction for the Park, that will integrate operations and fundraising, provide one line of accountability and act on behalf of Assiniboine Park as a whole. The Corporation may want to consider a Public Foundation model for concerted fundraising efforts.

Implications of the Recommendation(s):

General Implications

( ) None

(**X**) For the organization overall and/or for other departments

(**X**) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Comment(s): Implementation of these recommendations will result in the development of a new organization created to manage and develop Assiniboine Park.

Policy Implications

( ) No

(**X**) Yes

Comment(s): Implementation of these recommendations will result in the development of a new organization created to manage and develop Assiniboine Park by way of a Management Agreement with the City. It is anticipated that there will be policy implications related to how this new

organization may function once the Corporation's strategic plan is presented for Council approval.

Regulatory Implications

(**X**) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s):

Environmental Implications

(**X**) No

( ) Yes

Comment(s):

Human Resources Implications

(**X**) No

( ) Yes

Comment(s): Potential Human Resource implications will be known when the Corporation's Board presents its strategic plan, outlining operations it may wish to assume and in what timeframe.

Financial Implications

(**X**) Within approved current and/or capital budget

( ) Current and/or capital budget adjustment required

Comment(s): The Assiniboine Park Reserve Fund will provide "Start-up Funds" to a maximum of $100,000 to meet costs associated with development and support of the Board, creation of the Corporation, and for purposes of retaining professional and legal expertise as required.

Report

REASON FOR THE REPORT:

On July 26, 2006 Council adopted in principle, a new partnership model of governance for Assiniboine Park and Forest, and directed Administration to report back to the Standing Policy Committee on Protection and Community Services on the development of the proposed model including a cost/benefit analysis and all key requirements necessary to operationalize the entity. Administration was directed to consult with Park partner organizations and CUPE Local 500 regarding development of the model, to include principles of citizen free access to Assiniboine Park and that the values of the Assiniboine Park Framework Plan received by Council in 2004 be considered as requiring public consultation and agreement between partner organizations before changes are made. Additionally, Administration was advised to examine the Winnipeg Library Foundation, Inc. as a model.

HISTORY:

- In July 2002, a Council seminar was presented by Assiniboine Park Enterprise regarding "A Future Vision for Assiniboine Park". Analysis to date indicated that Assiniboine Park continued to be extremely important to the community, but that major components of its infrastructure required significant reinvestment. Various not-for-profit volunteer groups operating within the Park had recently undertaken or were proposing significant initiatives in partnership with the City of Winnipeg.
- In July 2004, City Council received the Assiniboine Park Framework Plan, a long-range physical development plan created in conjunction with Partners in the Park, The Friends of the Conservatory and the Zoological Society of Manitoba. Council directed administration to test through business case analysis, the feasibility, sustainability, capital requirements and fundraising potential of the Framework Plan.
- Park governance was the first order of study undertaken, as the governance model chosen was considered to affect the development of the business model, the amount of private sector funds that could be raised, and ultimately, determine the amount of continued effort and work partner organizations would be willing to make in support of City of Winnipeg structures and attractions.
- The Assiniboine Park Governance Study was conducted in 2005 by reviewing current operating practices in the Park, researching best practice models elsewhere, creating criteria for good governance and various draft models for consultation, discussion and input with more than 150 persons representing key stakeholders and parties interested in Assiniboine Park.
- In July 2006, Council adopted in principle a new model of governance with the key characteristics being:
    - Creation of a new organization established as a not-for-profit corporation;
    - Organization would be led by an over-arching board comprised of representatives appointed by the City of Winnipeg, the Province of Manitoba and existing Assiniboine Park partner organizations;
    - The board would operate independently from the City under a long-term agreement with the City to operate the Park; the City would retain ownership of all properties and provide an annual grant reviewable year over year.

DISCUSSION:

Assiniboine Park is challenged to maintain its place of prominence as the City's premier green space. The requirement of many millions of dollars to update out-dated attractions and deteriorating buildings and exhibits is compounded by the need to develop a contemporary leadership and administrative structure to facilitate and structure a revitalized future. Despite showing its age, residents of Winnipeg remain big supporters of their Park. More than seven of ten Winnipeg area residents visit at least once annually, and almost half visit multiple times each year for an estimated visitation figure in excess of four million. Moreover, successive surveys indicate that Winnipeg area residents hold strong emotional ties to Assiniboine Park as well as very supportive views of Park redevelopment and rejuvenation efforts.

Civic government alone cannot undertake required improvements and development initiatives in Assiniboine Park. There are shared and compatible objectives for Park development and rejuvenation between government, the private and volunteer sectors. Under a Board structure of shared responsibility, authority, investment and risk, the Province of Manitoba, private sector interests and volunteers would bring resources to Assiniboine Park to form a viewpoint and development plan for the "whole Park" rather than for single attraction interests.

A new not-for-profit corporation would be the driving force in charge of revitalization of Assiniboine Park and Forest. The Corporation would be formed to fund and operate the Park, to develop and implement plans to rejuvenate existing attractions and to build new ones. Accountable to City Council, the Corporation would be expected to raise funds for capital improvements, develop new revenue opportunities within the Park, determine priorities and set direction for Assiniboine Park within the limits of authority provided by City Council and expressed in a Management Agreement between the City and the Corporation.

Assiniboine Park Enterprise has consulted extensively in the development of plans for a new Corporation-led governance model, with the Park's key partner organizations, the Zoological Society of Manitoba, The Friends of the Assiniboine Park Conservatory and Partners in the Park. Partner organizations have underscored the importance of ensuring sufficient funding for park operations and development, adequate independence of the Corporation, and a concern that the drive and commitment of volunteer members of these Park Partner organizations not become lost in a hasty change to a new model. Similarly, CUPE and WAPSO, unions representative of Assiniboine Park staff, expressed concerns about a transfer of staff to a new employer that has not yet been formed, assurances of continuation of benefit programs, and adequate provision of safeguards including costly redeployment options for staff who may choose not to transfer to the new employer.

It is recommended, therefore, that a phased approach be adopted, allowing the Corporation to develop a thorough understanding of Assiniboine Park, as it is today, and a cost-effective, shared approach and joint agreement with the City of Winnipeg on plans for future operations, funding and Park redevelopment. Initial phases of this approach would be characterized by creation of the Corporation, organization of the Board, development of a strategic plan, and development of a Management Agreement.

The first phase would have the Mayor appoint the Corporation's Board Chair, together with whom the Mayor would develop an initial slate of nominees for Council ratification. The initial Board of Directors would include representation from the community at large and from each of the existing Park partner organizations, the Zoological Society of Manitoba, The Friends of the Assiniboine Park Conservatory, Partners in the Park, and the Charleswood Rotary Club

(associated with the Assiniboine Forest), each of which have long histories of operations, interest, involvement and investment in Assiniboine Park and Forest. Dialogue would begin with the Provincial government to determine interest in participating in the rejuvenation of Assiniboine Park through Board representation and other means. Subsequent Board appointments would be made after receiving a report from a Nominating Committee of the Board, and following ratification by Council.

Pursuant to the Manitoba Corporations Act, a not-for-profit corporation would be established. The Assiniboine Park Enterprise Division would provide initial administrative support to the Corporation's Board, and funds from the Assiniboine Park Enterprise Reserve would be used for initial Board costs, including legal and professional expertise that may be considered necessary to thoroughly explore potential agreements, current and potential operations, Board liability issues, park costs, etc. The Assiniboine Park Enterprise Division has undertaken extensive analysis and research on Park costs, development and sustainability of the Assiniboine Park Framework Plan (the long-range physical plan for Assiniboine Park), public support of the Park and potential fundraising capacity. This information, as well as information that may be provided by Park partner organizations and civic unions will be essential to the Corporation's Board considering options for how, when and under what conditions it could proceed to undertake park operations and re-development successfully.

Within six months of start-up, the Corporation's Board should present its initial plans and recommendations to Executive Policy Committee. Those plans will include proposals for the role of the Corporation relative to assuming responsibility for civic and partner operated Assiniboine Park operations, timeframes and budget requirements to move forward. Following Council approval of initial plans, the Corporation will then negotiate a Management Agreement with the City of Winnipeg, detailing all terms and conditions of agreement with respect to assumption of an active role in Assiniboine Park. The Agreement will be transparent in its safeguards of long-term public interests in the well-being of Assiniboine Park, including principles indicated in Council's July 26, 2006 decision regarding the governance model. The Management Agreement will be subject to Council approval and should be completed within twelve months of incorporation.

Financial Impact Statement

Date: February 7, 2007

Project Name:

First Year of Program 2007

A New Governance Structure for Assiniboine Park

	2007	2008	2009	2010	2011
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Total Additional Debt Required	$ -	$ -	$ -	$ -	$ -
Current Expenditures/Revenues					
Direct Costs	$ 100,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 100,000	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	100,000	-	-	-	-
Net Budget Adjustment Required	$	$ -	$ -	$ -	$ -

The Assiniboine Park Reserve fund can provide "start-up funds" to a maximum of $100,000 to meet costs associated with development and support of the Baord, creation of the Corporation, and for purposes of retaining professional and legal expertise as required.

Cindy Fernandes, Acrting Manager
Finance & Administrative Services

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Internal Consultation With and Concurrence By:

Public Works Department
Legal Services

External Consultation With:

Zoological Society of Manitoba
Friends of the Assiniboine Park Conservatory
Partners in the Park
Charleswood Rotary Club
Canadian Union of Public Employees, Local 500
Winnipeg Association of Public Service Officers

THIS REPORT SUBMITTED BY:

Community Services Department
Assiniboine Park Enterprise Division
Prepared by: Frank Caldwell, Manager, Assiniboine Park Enterprise

File No.