Minutes – Executive Policy Committee – June 1, 2011

REPORTS

Minute No. 307 Jurisdictional Responsibility for the Delivery of Environmental Health Services

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommends to Council:

1. That the Chief Administrative Officer be authorized to negotiate and, subject to certification by the Director of Legal Services and City Solicitor, approve one or more agreements with the Province of Manitoba that will result in the transfer of responsibility for public health inspection services from the City to the Province beginning April, 2012, and that the transition be completed no later than March 31, 2015. Further, that this authorization be provided on the basis that this agreement(s) and transition period would be designed to achieve:

    A. Provincial responsibility for public health inspection services throughout Winnipeg as mandated by the Public Health Act and for administering public health inspection service provisions of current City of Winnipeg by-laws;

    B. City of Winnipeg responsibility for By-law Enforcement Services throughout Winnipeg;

    C. A seamless transition of service delivery for Winnipeggers;

    D. Maintenance of status quo service levels in Inner Winnipeg with a longer term intent to improve the overall public health inspections system over time; and,

    E. Relative cost-neutrality for the City of Winnipeg and the Province of Manitoba.

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

DECISION MAKING HISTORY:

Moved by Deputy Mayor Swandel,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

ADMINISTRATIVE REPORT

Title: **Red Tape Commission: Recommendation 21 - Jurisdictional Responsibility for the Delivery of Environmental Health Services within Winnipeg**

Critical Path: **Executive Policy Committee and Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
P. de Graaf	C. Wightman	M Ruta o/b CFO	M Ruta A/CAO

RECOMMENDATIONS

1. That Council authorize the Chief Administrative Officer to negotiate and, subject to certification by the City Solicitor, approve one or more agreements with the Province of Manitoba that will result in the transfer of responsibility for public health inspection services from the City to the Province beginning April, 2012, and that the transition be completed no later than March 31st, 2015. Further, that this authorization be provided on the basis that this agreement(s) and transition period would be designed to achieve:
    - Provincial responsibility for public health inspection services throughout Winnipeg as mandated by the Public Health Act and for administering public health inspection service provisions of current City of Winnipeg by-laws;
    - City of Winnipeg responsibility for By-law Enforcement Services throughout Winnipeg;
    - A seamless transition of service delivery for Winnipeggers;
    - Maintenance of status quo service levels in Inner Winnipeg with a longer term intent to improve the overall public health inspections system over time; and,
    - Relative cost-neutrality for the City of Winnipeg and the Province of Manitoba.

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

REASON FOR THE REPORT

On July 18, 2007, Council directed Administration to do all things necessary to pursue Options 1 and 2, as identified in the report from the Director of Community Services dated May 25, 2007, regarding the future jurisdictional responsibility for Environmental Health Services, and provide an update to the Executive Policy Committee in January 2008 with the recommended Option. A Council motion further directed Administration that the negotiations with the Province include an understanding that any change to jurisdictional responsibility will not result in a reduction of service in one area of the City to expand service in another area, but that increased service may be added to create an equitable and adequate level of service city-wide.

IMPLICATIONS OF THE RECOMMENDATIONS

Current Governance of Public Health Inspection Services

Since the formation of Unicity in 1972, the City of Winnipeg has delivered public health inspection services within Inner-Winnipeg. The Province of Manitoba has delivered services within Winnipeg's suburbs.

A jurisdictional scan conducted in October 2010 of 11 other urban Canadian municipalities indicates that no other city is governed by a split jurisdiction in public health services.

- Eight jurisdictions - including Vancouver, Burnaby, North Vancouver, Richmond, Edmonton, Calgary, Regina, and Saskatoon - are governed by a regional health authority.
- Two jurisdictions, including Toronto and Mississauga, are governed by local boards of health.
- One jurisdiction - the City of Hamilton - is responsible for its own public health inspection services.

In accordance with the Council direction of July 18, 2007, the Public Service has met with Provincial representatives and considered the following options to address the issue of split jurisdiction in public health inspection services in Winnipeg:

> **Option 1:** Transfer City of Winnipeg Environmental Health Services (public health inspection services) to the Winnipeg Regional Health Authority or Province of Manitoba.
>
> **Option 2:** Pursue the amalgamation of all public health inspections services within Winnipeg (City and Provincial) at the City of Winnipeg.

As agreed upon within those administrative discussions, this report is recommending the transfer of City of Winnipeg public health inspection services (Environmental Health Services) to the Province of Manitoba (Option 1) beginning April 1, 2012. The rationale for this recommendation is that this would best resolve the issue of split jurisdiction in that it:

- shifts responsibility for public health inspection services to the jurisdiction that is currently mandated for the provision of all health services within Winnipeg;

- allows for a more consistent approach with respect to the delivery of public health inspection services;
- consolidates policy and administrative jurisdiction for all public health services (i.e., public health nursing, medical health officer, and public health inspection services) under one level of government;
- enables the City to focus on by-law enforcement property standard inspections.

Service Level Impact

Public Health Inspection and By-law Enforcement Services

If the recommended transfer option were to proceed, the Province would be responsible for the delivery of all public health inspection services within Winnipeg. The City of Winnipeg would be responsible for the delivery of all by-law enforcement property standard inspections city-wide.

The Acts, Regulations and By-laws related to public health inspection services and by-law enforcement services that the Province and the City of Winnipeg Community By-Law Enforcement Services (CBES) respectively would be responsible for are set out in Schedule A.

Human Resource Impact

General Staffing Terms

Sixteen full time equivalent positions (including 15 public health inspectors and one management coordinator position) would be transferred by the City to the Province on April 1, 2012. City of Winnipeg public health inspector employees that transfer to the Province will be subject to the terms and conditions of an Employee Transition Agreement that will be negotiated between the City of Winnipeg and the Province of Manitoba as part of the transfer of public health inspection services to the Province.

Potential Redeployment

It is anticipated that the transfer of employees will be accomplished within the existing terms and conditions of the applicable Collective Agreements. The current CUPE Collective Agreement's Employment Security provisions allow for employees to elect to remain with the City, and are then eligible to be considered for alternate employment within the City of Winnipeg. It is estimated that potential 2012 redeployment costs could be in the range of $38,000 to $61,000.

Financial Impact

Transition Period April, 2012 to no later than March 31, 2015

A Transition Period that could extend up to 36 months (March 31, 2015) is recommended in order to achieve a long-term cost neutrality solution for both the City of Winnipeg and the Province of Manitoba.

In 2011, it is estimated that approximately 4,100 businesses will be licensed under the Doing Business in Winnipeg By-law primarily for public health reasons, including restaurants, temporary food events, swimming pools, and whirlpools. It is recommended that the City of Winnipeg would continue to collect license and other public health inspection service fees under the Doing Business in Winnipeg By-law for a transitional period through an Agreement with the Province of Manitoba to act as the City's agent in the provision of public health inspection services in Winnipeg. During this transition, the City would continue to have jurisdiction for public health inspection services but would retain the Province to provide these services. The intent is for the City of Winnipeg to retain revenues from public health related license fees in order to cover costs for license processing and administration and then remit the remaining fee revenues to the Province. This will provide for cost neutrality for both parties during the transition period and allow time to develop any cost mitigation strategies that may be required by both parties post transition.

It is expected that the Province will manage and fund all one-time and ongoing operating expenses associated with the transfer of Public Health from the City of Winnipeg that exceeds the revenue remittance from the City (e.g. information technology, accommodations, uniforms, auto allowance, salary and benefits).

It is expected that the City will absorb any one-time City of Winnipeg costs associated with the transfer, including redeployment and other employee-related expenses, such as sick leave severance and vacation accrual.

Post Transition Period:

After the transition period, the City of Winnipeg will no longer have any responsibility for public health inspection services. As well, public health related licensing services under the Doing Business in Winnipeg By-law, administered by the City would cease. The direct costs reflected in the FIS represent sixteen public health inspector positions and their associated expenses and does not include the full cost of administering public health related licensing services. Therefore, the City of Winnipeg will offset an associated mill rate support deficit of approximately $432,000 in 2015 annualized to $526,000 in 2016 by reducing expenditures associated with administering public health related licensing; through technological improvement efficiencies and exploration of alternative revenue strategies.

Redeployment Costs:

According to the Human Resource Impact above, premised upon an analysis of current staffing levels and assumptions on staff transferring, and based upon the most likely redeployment scenario, costs should not exceed $61,000 in 2012 (based on nine months). As successful redeployments occur, this annual cost will decrease and should be eliminated by year five. Due to the uncertainty as to which staff will be transferring to the Province, redeployment costs have not been included in the Financial Impact Statement (FIS).

Employee Transfer Agreement (ETA) One-Time Costs:

The most significant ETA one-time cost is sick leave severance. Based upon the collective agreement, and assumptions as to the employees that will likely accept the transfer, this liability is calculated and projected to be approximately $134,175. Given that the employees being transferred will be changing employers and unions, from the City of Winnipeg CUPE to Province

of Manitoba MGEU, this liability will need to be paid to the new employer at the time of transfer. This one-time corporate cost is included in the attached Financial Impact Statement (FIS).

It is expected that the 2011 vacation accrual will be managed throughout 2011 with minimal carry forward to 2012, but employees being transferred to the Province will have accrued 2011/2012 vacation. The estimated 2012 vacation accrual (May 1, 2011 to March 31, 2012) will approximate $91,910 and would be due and payable to the Province at the transition date of April 1, 2012. This one-time cost is also included in the attached FIS.

HISTORY

- On March 22, 2006, the Executive Policy Committee directed the Chief Administrative Officer to prepare and forward reports on all remaining recommendations of the Red Tape Commission in an expedited manner, reflecting a list of priorities.

  Recommendation 21 states:

  Make it an intergovernmental priority to eliminate cases of intergovernmental overlap within Winnipeg's jurisdiction. Negotiate agreements with the Government of Manitoba to eliminate jurisdictional conflicts and inconsistencies, especially with respect to by-laws enforcement and health inspection.

  - *21.1 These negotiations should begin at the public service level, and should be separate and distinct from any other outstanding financial discussions or disputes between either government.*

  - *21.2 In any such discussions, the public interest should be paramount. Nevertheless, the City should be flexible with respect to staffing issues and consult closely with pertinent unions, provided the final goal of consistent service delivery is met by the negotiations process. If collective agreements are a barrier to any transfer of service, cost-sharing or harmonization effort, the City should see to resolve these issues through a transition program with existing staff, or through shared-management or shared agency models that achieve the City's goals.*

  - *21.3 Consistency in the management, training and enforcement of environmental health and safety regulations across the City of Winnipeg should be the City's highest priority in any negotiations under Recommendation 21.*

- On July 18, 2007, Council directed Administration to do all things necessary to pursue,

  Option 1: Transfer City of Winnipeg Environmental Health Services (public health inspection services) to the Winnipeg Regional Health Authority or Province of Manitoba;

  Option 2: Pursue the amalgamation of all public health inspections services within Winnipeg (City and Provincial) at the City of Winnipeg;

  as identified in the report from the Director of Community Services dated May 25, 2007,

regarding the future jurisdictional responsibility for Environmental Health Services and provide an update to the Executive Policy Committee in January 2008 with the recommended Option and that the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

- In January 2008, the Executive Policy Committee laid the matter over for 90 days.
- In May 2008, the Executive Policy Committee laid the matter over for 120 days.
- In October 2008, the Executive Policy Committee laid the matter over for 90 days.
- In January 2009, the Executive Policy Committee laid the matter over for 120 days.
- In May 2009, the Executive Policy Committee laid the matter over for 90 days.
- In September 2009, the Executive Policy Committee laid the matter over for up to 365 days.
- In September 2010, the Executive Policy Committee laid the matter over for 60 days.
- On January 19th, 2011, the Executive Policy Committee laid the matter over until such time as the Winnipeg Public Service concludes an agreement with the Province of Manitoba.

FINANCIAL IMPACT

Financial Impact Statement

Date: May 26, 2011

Project Name:

First Year of Program **2012**

	2012	2013	2014	2015	2016
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	$ (800,843)	$ (1,317,854)	$ (1,343,671)	$ (1,426,051)	$ (1,451,398)
Less: Incremental Revenue/Recovery	(800,843)	(1,317,854)	(1,343,671)	(1,857,738)	(1,977,280)
Net Cost/(Benefit)	$ -	$ -	$ -	$ 431,687	$ 525,882
Less: Existing Budget Amounts	-	-	-	431,687	525,882
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The FIS reflects a transition effective date of April 1, 2012 and completion date of March 31, 2015. The direct costs reflected in the FIS represent sixteen public health inspector positions and their associated expenses and does not include the full cost of administering public health related licensing services.

One-time costs - sick leave severance ($134,175) and 2012 vacation liability ($91,910) - as a result of the actual Employee Transfer Agreement are considered in the FIS above. Annual redeployments costs may be as high as $61,000, but will decline each year thereafter, but due to the uncertainty as to which staff will actually transfer it is not reflected in the FIS.

The City of Winnipeg Community Services Department will offset a mill rate support deficit of approximately $432,000 in 2015 annualized to $526,000 in 2016 as a result of no longer administering public health licensing services. This mill rate support deficit will be mitigated by reducing expenditures associated with administering public health related licensing; through technological improvement efficiencies, and exploring alternate revenue strategies.

original signed by C Fernandes

Department Controller

CONSULTATION

In preparing this report there was consultation with:

Legal Services Department
Corporate Support Services Department
Province of Manitoba

SUBMITTED BY

Department: Community Services
Division: Community By-Law Enforcement Services
Prepared by: P. de Graaf / K. Knudsen
Date: May 26, 2011
File No.


Schedule A