CONSIDERATION OF REPORT OF THE COMMITTEE ON PROTECTION, PARKS AND CULTURE

The Executive Policy Committee has had before it the Report of the Committee on Protection, Parks and Culture, dated January 28th, 1991, has concurred in the recommendations contained therein and submits same to Council for approval and adoption.

On motion of Councillor Douglas, the Report of the Committee on Protection, Parks and Culture, dated January 28th, 1991, was considered clause by clause.

North Committee Room,
Council Building, Winnipeg.
January 28th, 1991.

His Worship the Mayor and Councillors:

Your Committee on Protection, Parks and Culture submits the following Report and recommends:

Contract for the Management and Supervision of the Harbour View Golf Course and Recreation Complex

File PR-6.6

481 - 1. On August 19th, 1981 Council authorized that the management and operation of the Harbour View Golf Course and Recreation Complex be conducted by a combination of a private contractor and civic staff. On April 14th, 1982 Council approved the award of a 2 year contract for the management and supervision of the facility to Mr. Harry Brotchie. On May 2nd, 1984 Council approved the award of another 2 year contract (including an option for a 2 year renewal of the contract before the expiry of the existing contract) for the management and supervision of the facility to Mr. Brotchie. On March 19th, 1986, Council approved a 2 year renewal of the contract with Mr. Brotchie. On April 13th, 1988, Council approved the award of a 3 year contract for the management and supervision of the facility to Mr. Harry Brotchie. This current contract expires March 31st, 1991.

Harbour View Golf Course and Recreation Complex is a one-of-a- kind municipal recreation facility in Canada that has received one national and two provincial awards. To achieve the most cost-effective management of a recreation complex of this nature and to garner optimum public participation in such a unique facility, the City requires highly skilled and trained personnel in the areas of management, marketing, and public relations as well as specific recreation activities. Mr. Brotchie was awarded the existing contract based on his proven capability to provide the necessary high level of service.

During the time Mr. Brotchie has been providing management services, he has consistently fulfilled all contractual obligations to the City and has provided excellent service to the public. In the review of annual audited financial statements, the Audit Department has confirmed that the requirements of the contract have been satisfied. As well, the Parks and Recreation Department has received many written and verbal comments expressing appreciation for the fine quality of service provided by Mr. Brotchie and his staff. It has been found that in addition to the amenities and programs at Harbour View, the public has been attracted to this facility because of the availability and friendliness of Mr. Brotchie and his golf, tennis, and cross-country ski professionals who have provided guidance in skill development and equipment selection. Although not specifically required in his contract, Mr. Brotchie has recognized their needs and has provided special consideration for disadvantaged groups such as individuals who are disabled, low income, seniors, youth and school groups by waiving or lowering normal fees for activities other than green fees which are under the sole jurisdiction of the City.

During the last three years, attendance has stabilized with a total of 138,180 people projected to take advantage of the facilities and services available at Harbour View Complex in 1990. It is reasonable to assume that in part, this attendance achievement can be attributed to the marketing strategies and the friendly, efficient services provided by Mr. Brotchie and his staff.

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The proposal call for the 1991 to 1994 contract was issued by the Purchasing Department in accordance with the accepted purchasing policy for proposal calls. It was advertised in the Tenders and Sports sections of the Winnipeg Free Press and the distribution and collection of proposals was co-ordinated by the Purchasing Department (Appendix I).

The terms of this new Proposal Call require the successful contractor to provide the same quality and level of services and obligations as contained in the existing contract. In addition it calls for the successful bidder to:-

(i) provide secretarial and reception service for a minimum of 30 hours/week.

(ii) provide general liability insurance in the amount of at least $250,000; an employee dishonesty bond in the amount of at least $50,000; and be solely responsible for insuring his equipment and supplies including all items in inventory.

These additional requirements of the contractor represent services and coverages previously provided by the City. With respect to the insurance clause, the Finance Department recommended that this be a requirement of the contractor to be consistent with other users of City facilities. The secretary/receptionist position principally serves the needs of the contractor. It was determined that it would be more operationally efficient and cost-effective to have that position be a part of the contract.

In response to the call for proposals, the Purchasing Department received one submission, that being from Mr. Harry Brotchie, the current contractor managing the complex (Appendix II).

Representatives of the Audit and Parks and Recreation Department have reviewed Mr. Brotchie's contract proposal in depth and have found that:-

i) the contract proposal meets all of the terms and conditions required in the Proposal Call.

ii) the revenues and expenditures projected by Mr. Brotchie are reasonable and in keeping with anticipated inflation rates.

iii) that at face value the proposed $59,000 retainer fee was reasonable but in light of the City's recent efforts to maximize revenues and limit or reduce expenses, Mr. Brotchie was requested to reduce his retainer request by $4,000 in each year of the contract. Negotiation on this request plus two other minor points resulted in Mr. Brotchie verifying a clarification of his proposal including an annual retainer fee of $55,000 (Appendix III).

iv) while the proposed $55,000 annual retainer fee represents an increase of $16,000 over the existing $39,000 fee, the increase is reasonable when considered in light of the cost of providing additional services required under this proposal call and the fact that this increased cost will not result in any increased revenues for the contractor.

Cost saving to the City of additional services

-	clerical (1990 budget)	$16,600
-	insurance (estimated cost to contractor)	3,500
		$20,000

The clerical salary would be reduced from the Parks and Recreation Department budget effective upon the start of the contract. The insurance premium is not a direct saving to the City, but relieves the City of paying its deductible (up to $250,000) in the event of a claim.

Estimating Mr. Brotchie's new secretarial cost to be $15,000 and insurance premium to be $3,500 totalling $18,500, the increased retainer of $16,000 is $2,500 less than the expenditure he must incur to provide the additional services in this proposal call. In projecting future salary increases, the City will realize additional savings in the second and third years of the contract by having the contractor assume responsibility for clerical costs.

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In light of Mr. Brotchie's excellent service record and reasonable proposal for continued management services, your Committee on Protection, Parks and Culture recommends:-

1. That the City of Winnipeg enter into a contract with Mr. Harry Brotchie for the management and supervision of the Harbour View Golf Course and Recreation Complex under the following conditions:-

   i) The term of the contract will be for three (3) years, April 1st, 1991 to March 31st, 1994.

   ii) The contract will include all of the terms and conditions contained in Appendix I and II.

   iii) A fee of fifty five thousand dollars ($55,000) to be paid per annum in thirty six (36) equal installments on the first day of each month.

2. That the Law Department be instructed to prepare the necessary contract.

3. That the proper officers of the City do all things necessary to implement the foregoing, including the execution of the aforesaid contract.

Moved by Councillor Douglas,
Adoption of the clause.

Carried.

Administrative Support Services for the Winnipeg Arts Advisory Council
File FG-3

482 - 2. At its meeting held on April 4th, 1990, Council adopted the following recommendations:-

1. That all administrative activities related to the Winnipeg Arts Advisory Council, including those currently carried out by the City Clerk's Department, become the responsibility of a permanent Winnipeg Arts Advisory Council administration.

2. That all expenditures for such an administrative support be drawn from the Winnipeg Arts Advisory Council's existing administrative account.

3. That the aforementioned administrative account not exceed 5% of the global cultural grants allocation.

4. That a limited term accountant be hired in order to review the 1990 Cultural grants during the period October 1st, 1989 to March 31st, 1990 and that the funds required in the amount of $13,500 be a charge to the Winnipeg Arts Advisory Council existing administrative account.

At its meeting held on July 11th, 1990, Council adopted the following recommendations:-

1. That approval be provided for the Winnipeg Arts Advisory Council to enter into a contract with Mr. Chris Hurley to provide the administrative support services to the Arts Advisory Council under the following conditions:-

   i) The term of the contract be for six months, ie. July 1st, 1990 to December 31st, 1990;

   ii) The contract to include the terms and conditions as contained in Appendix 7 of the Report on Administrative Requirements, dated October 20th, 1989 as submitted by the Winnipeg Arts Advisory Council;

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iii) The fee for service be pro rated on a per annum fee of $26,600.00; And that the funds required be a charge to the Winnipeg Arts Advisory Council's existing administrative account.

2. That the City Solicitor be instructed to prepare the necessary contract between the Winnipeg Arts Advisory Council and Mr. Chris Hurley.

3. That the proper officers of the City do all things necessary to implement the foregoing, including the execution of the aforesaid contract.

By memorandum, dated July 24th, 1990, the Law Department advised the City Clerk's Department that before such a contract could be executed, the Winnipeg Arts Advisory Council would have to be incorporated under the Corporations Act; and, in the opinion of the Law Department, until such incorporation occurs, the Winnipeg Arts Advisory Council does not exist as a legal entity and, therefore, cannot enter into contracts.

On September 4th, 1990, the Committee on Protection, Parks and Culture reviewed the aforementioned concern of the Law Department and directed the administration to authorize payment to Mr. Hurley on a bi- weekly basis in order to expedite payment of the fee for services.

By letter, dated November 2nd, 1990, the Chairman of the Winnipeg Arts Advisory Council (W.A.A.C.) requested the Chairman of the Committee on Protection, Parks and Culture to refer the matter of contractual arrangement for W.A.A.C. administrative personnel to the Board of Commissioners for consultation with the W.A.A.C. and report as soon as possible. At its meeting held on November 5th, 1990, the Committee on Protection, Parks and Culture considered a communication, dated November 2nd, 1990, accompanied by a copy of an advertisement for a Secretary for the Winnipeg Arts Advisory Council which was recently placed in local newspapers, from the Chairman of the W.A.A.C. The Standing Committee expressed concern regarding the action taken by the W.A.A.C. to advertise for a permanent administrator and resolved as follows:-

"That the issue of administrative support services for the Winnipeg Arts Advisory Council be referred to the Board of Commissioners for full report;

And That in the interim, the Winnipeg Arts Advisory Council be instructed not to conduct interviews for the selection of a Secretary pending receipt and consideration by the Committee of the Board's report."

Contrary to Council's directive, dated April 4th, 1990, the administrative support arrangements for the W.A.A.C. have not relieved the Civic administration from providing additional administrative support. More specifically, under existing arrangements, all administrative costs must be processed through the City Clerk's Department; with the Chairman of the W.A.A.C. submitting invoices directly through the City Clerk's office for payment. While the W.A.A.C. does not review these expenditures, these invoices have been approved by the Standing Committee. In addition to this present administrative arrangement, the City Clerk's Department presently provides the services of one of its Committee Clerks to act as Secretary to the W.A.A.C. to attend the meetings and to perform other related duties, including recording the proceedings, preparation of agendas and transmitting the recommendations of the Council. Other staff members are also involved in the preparation of agendas, typing of correspondence, copying, processing applications, responding to enquiries from applicants, etc.

Moreover, consistent with the City's policy on cultural grant funding, all grant applications received by the administration must be referred together with appropriate financial information to the City Treasurer for analysis and report. Pursuant to Council's instructions on April 4th, 1990, a limited term accountant was hired to review the 1990 cultural grant applications; with the incurred costs totalling $6,650.00. It should be noted that if the limited term accountant had been on staff for the whole year, the cost to the department would have been $13,300.00. For the 1991 Cultural Grant applications, the Accounting Branch of the Finance Department is adequately performing this review with existing resources, including the limited term accountant.

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However, of even greater concern relative to the establishment of permanent administrative support for the W.A.A.C. is the alarming rate at which the administrative expenses incurred by the W.A.A.C. are accruing; as evidenced by the following table:-

1988	$16,028.06
1989	$26,855.09
1990	$71,073.65 (excluding December charges)

Under present arrangements, the W.A.A.C. is authorized to expend up to 5% of the global cultural grants allocation for administration. As present policy will increase the 1991 global allocation, it is likely that the administrative expenditures for the W.A.A.C. could escalate to over $94,000.00.

Aside from the seemingly excessive rate of growth of administrative expenditure, additional concerns are identified as follows:-

- the W.A.A.C. cannot presently enter into contractual arrangements to secure permanent administrative support.

- there would appear to be an absence of internal control within the W.A.A.C.

- the W.A.A.C. does not presently submit operating budgets to the City which means that invoices are passed for payment after the funds have been expended.

The W.A.A.C. has advertised for a permanent administrator (Appendix II) and has formed a committee to review applications, interview candidates and to recommend the hiring of a suitable candidate.

A survey of other municipalities determined that in general, municipalities utilize common approaches in this regard; namely:-

1. Administrative support personnel are the employees of an incorporated body. Under this arrangement, the W.A.A.C. and the City would reach an agreement regarding budget and respective roles and responsibilities.

2. Administrative support personnel are contracted out by an incorporated body. As with the previous option, the W.A.A.C. and the City would reach an agreement regarding budget and respective roles and responsibilities.

3. Administrative support personnel are civic employees assigned to the advisory body from the relevant civic department(s). Under this arrangement, the City of Winnipeg would enter into contract with administrative personnel upon the binding recommendation of the W.A.A.C. and such personnel would be responsible to and report to the W.A.A.C. only.

After reviewing these approaches and other alternatives, the Board of Commissioners in a report dated January 24th, 1991 recommended as follows:-

1. That professional administrative support services for the Winnipeg Arts Advisory Council be contracted as follows:-

The City of Winnipeg enter into a personal services contract with an incorporated individual or company for the provision of administrative support services for the Winnipeg Arts Advisory Council; subject to the following terms and conditions:-

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a) The contract be of a one year duration commencing January 1st, 1991 to December 31st, 1991;

b) The contract include all terms and conditions as specified in Appendix 7 of the Report on Administrative Requirements dated October 20th, 1989 as submitted by the Winnipeg Arts Advisory Council (Appendix I) and the call for proposals (Appendix II);

c) At the sole discretion of the City the contract may be renewed under the same terms and conditions for a further one year period;

d) The fee for service be $26,000.00 per annum, payable in equal installments at the beginning of each month; plus an administrative allowance not to exceed the balance remaining in the administrative allocation. This allowance, subject to annual budgetary approval by the Committee on Protection, Parks and Culture, shall be for such support assistance as freight and messenger, juror fees, transportation, telephone, rentals, postage, seminars, convention and travel, stationery and office supplies, office equipment, and miscellaneous expenses.

2. That the Board of Commissioners report back to the Committee on Protection, Parks and Culture and Council once the evaluation of applications and selection of an incorporated individual or company to provide administrative support has been completed by the Winnipeg Arts Advisory Council.

3. That the administrative account be reduced to 2.5% of the global allocation as opposed to the present maximum of 5% of the global cultural arts allocation.

4. That the policy of Council adopted on January 20th, 1988 and revised on March 7th, 1990 relative to the global allocation for cultural arts funding whereby the allocation growth rate be equal to the prior year's increase in the municipal mill rate or the prior year's CPI index, whichever is lesser, be waived for 1991; and that the global allocation for the 1991 fiscal year be maintained at $1,884,105.00.

5. That the proper officers of the City do all things necessary to implement the foregoing.

The Board of Commissioners provided the following rationale for the above recommendations:-

"With the establishment of administrative support on a contractual basis, all administrative activities related to the W.A.A.C., including those currently carried out by the City Clerk's Department, will become the responsibility of the contractor. Accordingly, there will no longer be a requirement for the City Clerk's Department to draw any expenditures from the administrative account of the W.A.A.C. and the Accounting Branch of the Finance Department will continue to provide the financial analysis with existing resources, including the limited term accountant.

Given the City's acute budgetary situation, it is now recommended that the administrative account be reduced to 2.5% of the global allocation as opposed to the present maximum of 5%. Under this scenario, the maximum amount of funds that could be expended for the W.A.A.C. would be approximately half of $94,000.00; with the $46,000.00 cost savings being either retained by the City or made available to the Arts community in the form of an additional operating grant.

Lastly, given the climate of budgetary restraint, it would also be appropriate to recommend that the policy of Council relative to the global allocation for cultural arts funding whereby the allocation growth rate be equal to the prior year's increase in the municipal mill rate or the prior year's CPI index, whichever is lesser, be waived for 1991; and that the global allocation for the 1991 fiscal year be maintained at $1,884,105.00."

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Your Committee is of the opinion that the matter of a freeze on the global allocation be laid over for consideration during review of the 1991 Current Estimates.

Your Committee on Protection, Parks and Culture recommends as follows:-

1. That professional administrative support services for the Winnipeg Arts Advisory Council (W.A.A.C.) be contracted out as follows:- The City of Winnipeg enter into a personal services contract with an incorporated individual or company for the provision of administrative support services for the Winnipeg Arts Advisory Council; subject to the following terms and conditions:-

    a) The contract be of a one year duration commencing January 1st, 1991 to December 31st, 1991;

    b) The contract include all terms and conditions as specified in Appendix 7 of the Report on Administrative Requirements dated October 20th, 1989 as submitted by the Winnipeg Arts Advisory Council (Appendix I) and the call for proposals (Appendix II);

    c) At the sole discretion of the City the contract may be renewed under the same terms and conditions for a further one year period;

    d) The fee for service be in a range of $26,000.00 to $30,000.00 per annum, payable in equal installments at the beginning of each month; plus an administrative allowance not to exceed the balance remaining in the administrative allocation. This allowance, subject to annual budgetary approval by the Committee on Protection, Parks and Culture, shall be for such support assistance as freight and messenger, juror fees, transportation, telephone, rentals, postage, seminars, convention and travel, stationery and office supplies, office equipment, and miscellaneous expenses.

2. That the Board of Commissioners report back to the Committee on Protection, Parks and Culture and Council once the evaluation of applications and selection of an incorporated individual or company to provide administrative support has been completed by the Winnipeg Arts Advisory Council.

3. That a guideline of 2.5% of the global arts allocation be established for the administrative account; and that a full review of administrative expenditures be completed in cooperation with the Winnipeg Arts Advisory Council to determine the appropriate level of administrative allocation to support their operations.

4. That the proper officers of the City do all things necessary to implement the foregoing.

Moved by Councillor Douglas,
Adoption of the clause.

Carried.

Councillor Wade asked to be recorded as voting against the clause, in accordance with Section 50.7 of the Procedure By-law.

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Status of Regional and Community Parks .
File PR-2

483 - 3. Council on November 21st, 1990, referred the following motion to your Committee, namely:-

"WHEREAS the St. Boniface-St. Vital Community Committee directed the Parks and Recreation Department to submit a comprehensive report on Regional and Community Parks development addressing present conditions, user groups, funds spent over the last five years, access and priorized needs for upgrading and parks development;

AND WHEREAS it was found that if the level of funding remains the same, these current day needs and demands could only be addressed over the next 22 years;

BE IT RESOLVED that the other five community committees submit a similar report;

AND BE IT FURTHER RESOLVED that in the event that similar results are found in all the community committees that the Committee on Protection, Parks and Culture develop city-wide priorities and recommendations and hold a Council workshop to address the above for the 1991-1996 Capital Budgets."

For the information of Council, your Committee on Protection, Parks and Culture has instructed that a comprehensive report on Regional and Community parks development addressing present conditions, user groups, funds spent over the last five years, access and priorized needs for upgrading and parks development be prepared by the other five districts for consideration during the 1992 Capital Budget deliberations.

Moved by Councillor Douglas,
Adoption of the clause.

Carried.