REPORT OF THE

ALTERNATE SERVICE DELIVERY COMMITTEE

DATED FEBRUARY 14, 2002

On motion of Councillor De Smedt, the Report of the Alternate Service Delivery Committee, dated February 14, 2002, was considered.

The Speaker resumed the Chair.

Annual Selection Report 2002 – Animal Services Special Operating Agency
Files GL-5.6.1 (Vol. 6), L-4 Vol. 31)

269 - 1. Effective January 1, 2000, Animal Services was designated by Council as a Special Operating Agency (SOA).

The Animal Services Operating Charter stipulates that a Selection Report (summary of the annual business plan) will be provided to Council each year.

Animal Services continues to provide animal control measures under The City of Winnipeg Act and related by-laws, including animal licensing and registration, neighbourhood dispute resolution, investigation and response to animal bites/attacks, stray dogs, illegal animals, injured animals, after-hours emergencies, and enforcement of related by-laws. The service also includes public education and the promotion of responsible pet ownership and care.

Animal Services continues to embrace and support the Community Services Department's vision, mission and values. The Agency also continues to work in partnership with the Veterinarian community, the Winnipeg Humane Society and other industry providers to ensure the human and animal populations of the City of Winnipeg can co-exist in harmony.

STRATEGIC DIRECTION

Animal Services continues to build on the expectations of its stakeholders and remains committed to its goals and strategies, which are critical to improved customer service, core business operation and financial stability. These expectations relate to:

- shifting the cost base from the general taxpayer more towards the users of the system, with the objective of becoming financially self-sustainable to the greatest extent possible
- a strengthened commitment to public health and safety through increased public awareness
- an improved public image, and
- improving and increasing the value of products and services.

Service / Business Goals / Strategies Summary

The following table summarizes Animal Services goals and key strategies:

GOAL		STRATEGIES
1.	To be financially self-sustainable to the greatest extent possible, (significantly less reliance on mill-rate support)	Increase license sales by: - Developing on-line sales capability through the internet - Increase new license sales through Veterinary clinics by offering increased commissions for new license sales - Establishing other external license vendor outlets - Develop partnerships with external providers to establish alternative services, such as dog training, pet grooming, etc. - Increase adoption advertising to capital region. (Advertise dog adoptions in neighboring municipalities and towns). - Explore other initiatives and/or partnerships to offset operating costs - Increase revenue from dog adoptions, reduce associated costs (Sterilization costs) - Establish 2-year dog licensing option

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2.	Improve Health And Safety of neighborhoods	- Enhance prevention and education programs - Reduce the number of stray dogs and dogs running at large
3.	Improve Customer Service	- Improve complaint response systems - Explore various payment options available - Develop customer service survey - Establish 24 hr grace period for 1st time offense for dogs running at large which are wearing valid license
4.	Improve Public Image	- Design and Implement advertising/marketing campaigns which promote the *new* image/identity of Animal Services - Design and implement a voluntary puppy registration program - Develop partnerships and corporate sponsorships to offset costs of promoting the agency and its' services - Develop value added programming - Development of Agency Profile handout - Develop visitor tag program (Advertise with Tourism Manitoba/Winnipeg)

HIGHLIGHTS / ISSUES:

MARKETING

The goals of the 2002 Marketing Plan are to:

- Increase active license by 14,000 over 2001 to 36,000 active licenses.
- Engage and encourage Veterinarians and other pet industry providers to be active participating partners in the licensing of dogs.
- Provide dog owners a tangible sense of value for licensing their dogs by improving benefits and adding usable value.
- Promote Animal Services as a contributing partner in the building of safe communities, safe families and safe pets.
- Promote a positive, caring and interactive image of Animal Services.
- Encourage and educate dog owners to be responsible.

INFRASTRUCTURE

IT Services

For 2002 the priorities are, the integration of existing modules with the Animal Services Information System (ASIS), the development of an integrated point of sale system with scanning capabilities and financial reporting systems.

Fleet

Animal Services currently maintains a fleet of seven specially equipped vans. One van was replaced in 2001 with the remaining six to be replaced in 2002.

FINANCIAL

Pro forma financial statements, as outlined in Appendix "B", include a projected statement of financial position, projected statement of loss and deficit and a projected statement of cash flow.

Tax supported funding for the Agency will continue to be reflected as a separate line item (Cost Center) in the Community Services Department budget.

In 2001 the Agency finished ahead of its original projections with a reduction in the projected retained deficit of approximately $106,000.00. Revenue increased approximately $100,000.00 over 2000 and approximately $139,000.00 was saved in expenses.

The 2002 - 2006 financial projections reflect a decrease in tax supported funding of $150,000.00 in 2003 when compared with the implementation year (2000) and a decrease in 2004 - 2006 of $300,000.00. The major challenge for the Agency in 2002 will be to increase active license sales to 36,000 from 22,000 in 2001. This growth is critical for the Agency to meet its long-term goals to reduce reliance on tax supported funding. The Agency must

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find innovative ways to encourage dog owners to buy a license. Although it is the law that dogs must be licensed, enforcement alone cannot force compliance. The resources needed for a full-scale enforcement driven licensing program is prohibitive. The Agency must look to other initiatives, ways to develop partners to assist in promoting the importance of licensing and ways to add true and tangible value to licensing.

Financial Highlights

Revenue:

Pound Fees

2001 Budget	2001 Actual	Original 2002	Revised 2002
$17,500	$24,050	$20,000	$25,850

In 2001 there were 1,571 dogs impounded for various infractions. Of the dogs returned to their owners 531 were for running at large - 1st offence, 29 were for running at large - 2nd offence and 1 was for running at large - 3rd offence.

Pound fees for running at large 1st offence were increased to $40.00 in 2002 and will increase to $45.00 in 2003. Original figures for 2002 were based on 500 dogs being returned to their owners. The revised figure is based on 550 dogs being returned.

Kenneling

2001 Budget	2001 Actual	Original 2002	Revised 2002
$13,000	$36,641	$14,000	$28,875

Kennel fees for 2002 are increased to $14.00 per day. Revenue is based on 550 dogs with an average stay of 3.75 days. In 2001 there were 741 dogs returned to their owners of which 117 were biters and 63 with no charge for an average stay of 3.8 days.

Licensing

2001 Budget	2001 Actual	Original 2002	Revised 2002
$377,470	$315,566	$685,928	$644,285

License fees rose from $30.00 and $15.00 annually in 2001 to $40.00 and $20.00 in 2002. Fees vary based on category. Dog licenses applicable to intact dogs are $40.00 annually. A 50% discount is offered for sterilized dogs bringing the fee to $20.00 annually. Licenses average 5 sterilized sales to 1 whole sale. Dangerous dog license fees are set at $75.00 annually. There is no charge for service dog licenses and for the first year dog adoptions done through the Humane Society and Animal Services. Revenues are projected to increase approximately $329,000.00 between 2001 and 2002 with $126,000.00 of this due to fee increases and $203,000.00 due to increased sales. Revenues are based on an average license fee of $23.33.

Trap Rental/Set-up

2001 Budget	2001 Actual	Original 2002	Revised 2002
$11,300	$4,395	$11,865	$5,250

2001 revenue projections were based on 140 skunk trap rentals. Actual skunk trap rentals for 2001 were 41 rentals. There was a significant drop in the requests for skunk traps, which could be a sign of natural downward trend in the skunk population or possibly just an isolated anomaly. Skunk populations were on an upward climb for the previous three years and it is uncertain if this is a reversing trend. 2002 numbers will give a better indication of what may be happening.

Expenses

Salaries and Benefits

2001 Budget	2001 Actual	Original 2002	Revised 2002
$1,062,803	$1,044,499	$1,087,751	$1,104,459

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Animal Services will maintain its 2001 staffing numbers. The increase in 2002 over original projections is for Provincial Payroll Tax.

Services

2001 Budget	2001 Actual	Original 2002	Revised 2002
$486,580	$437,487	$542,317	$500,750

a) Audit fees were reduced by $3,000.00.

b) The advertising budget was reduced in 2002 by approximately $30,000.00.

c) Internal equipment rental was reduced by approximately $6,000.00 due to fleet replacement in 2002.

d) Printing, Binding and Photocopy was reduced by approximately $5,000.00.

Idea Bank Loan Financing

2001 Budget	2001 Actual	Original 2002	Revised 2002
$9,605	$746	$8,325	$7,986

Animal Services repays the loan in January when the Agency has a surplus of non-interest bearing cash and draws upon the credit line as needed in the third or fourth quarter of the year.

Initiatives

Dog owners must realize tangible value for buying a license. Value that is meaningful and pertinent to their individual lifestyles and sense of responsibilities.

New License Sales

- The Agency proposes increasing the commission for “new” license sales at all external dog license vendors. Currently all new sales and renewals provide a commission of $3.50 for each transaction to the vendor. The proposed rates will see the commission for “new” sales to increase to $5.00 per transaction. The intent of this increase is to encourage vendors to promote new license sales while receiving an increased benefit. Although this increased commission will increase the cost to the agency, in the long run it should be offset by increased new sales and subsequent renewals in following years. This change would require an amendment to the Animal Control By-law.

Multi-Year Licensing

- The Agency proposes to offer a two-year licensing option in 2002. Currently licenses are required to be renewed annually. It is proposed to offer a two-year license option with a 10% saving in the second year. This will offer convenience to dog owners and if combined with alternative payment options such as pre-authorized credit card debit it would make licensing virtually effort free for the dog owner. This licensing option would be cost neutral to the Agency as savings realized with reduced annual commissions, reduced postage and related stationary cost would off-set the 10% fee reduction in the second year. This option would require an amendment to the Animal Control By-law.

Added Value

- Beginning in 2002 the Agency will provide a coupon sheet with all new license sales and renewals. These coupons were developed in partnership with local retailers and provide at least $30.00 of savings for consumer products and services. This gives the dog owner an instant rebate on their investment.

- The Agency intends to amend its “First Ride Home Free” policy. Currently if a dog is picked up by Animal services and the dog is wearing a valid license and there is someone home at the time of pick-up the dog is returned home free of charge. However, today’s lifestyles find many people not at home due to work or other personal activities or not able to get to Animal Services to retrieve their dog on the day of pick-up.

  One of the fundamental reasons for licensing a dog is so that the dog can be reunited with their family when lost. The Agency proposes to allow a grace period of 24 hours so that owners can make the necessary

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arrangements to retrieve their dog. This grace period will give back value to the owner for being responsible for licensing their dog and give some peace of mind and convenience to allow for arrangements to be made.

- In addition to pre-authorized credit card debit the Agency will be pursuing other options for license payment such as Telepay, On-line payment, etc.

BY-LAW AMENDMENTS

The following two by-law amendment recommendations provide convenience and value to dog owners and provide an incentive for external vendors to pursue new licenses.

a) Increase the service fees payable to external dog license vendors from $3.50 for each license sold to $5.00 for each new license sold and maintain the service fee of $3.50 for annual renewals only, which requires amendments to City of Winnipeg By-Law No. 2443/79 (The Animal Control By-law).

b) Create a two year dog licensing option in addition to the existing one year license, with a 10% fee reduction in the second year, which again requires amendments to City of Winnipeg By-law No. 2443/79 (The Animal Control By-law).

PERFORMANCE MEASUREMENT

2001 was the second full year of operation for Animal Services as a Special Operating Agency. The Agency was able to begin establishing benchmarks in 2000 for various services it delivers. Appendix “A” details comparisons of various services, revenues and expenditures for 2000 – 2001.

2002 ADVISORY BOARD MEMBERS:

From Civic Government Agencies:

- Department Head or Designate (ex-officio)
  Kelly Goldstrand, Manager Community Resources, Protection and Safety Services Division
- Agency Head (ex-officio)
  Tim Dack, Chief Operating Officer, Animal Services
- Corporate ASD Initiative Representative and Chairperson
  Betty Holsten Boyer, Manager of Financial and Business Initiatives
- Agency Staff Representative
  Ted Turk, Animal Service Officer

From Non-Government Agencies:

- Business Representatives external to government
  John Hindle, Owner, Home Run Sports
  One vacant position
- Humane Society Representative
  Brent Thomas, Past President, Winnipeg Humane Society
- Veterinarian Association Representative
  Dr. Lisa Sawka
- ExecutiveMember of the Canadian Union of Public Employees
  Dale Eccles

The Alternate Service Delivery Committee recommends:

I. That the proposed tax supported funding for the Animal Services Special Operating Agency of $1,250,000.00 for 2002; $1,100,000.00 for 2003; $950,000.00 for 2004 - 2006 be adopted in principle, subject to confirmation in the annual budget process outlined in Financial Projections, shown on Appendix “B” - Note 5 j.

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II. That an increase in service fees payable to external dog license vendors from $3.50 for each license sold to $5.00 for each new license sold and maintain the service fee of $3.50 for annual renewals only, be approved, and that the Animal Control By-law No. 2443/79 be amended accordingly.

III. That a two year dog licensing option in addition to the existing one year license, with a 10% fee reduction in the second year, be approved, and that the Animal Control By-Law No. 2443/79 be amended accordingly.

IV. That the City Solicitor/Manager of Legal Services be requested to prepare the necessary by-law for submission directly to Council for approval.

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

Moved by Councillor De Smedt,
Adoption of the clause.

Carried.