Agenda - Executive Policy Committee - December 10, 2003

REPORTS

Item No. 1 Budgetary Implications - The New Deal
File FR-2

ADMINISTRATIVE RECOMMENDATION:

That the report be received as information.

Agenda - Executive Policy Committee - December 10, 2003

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On October 29, 2003, the Executive Policy Committee referred the matter to the Chief Administrative Officer. Further, the Executive Policy Committee considered a written presentation with respect to budgetary implications of the New Deal, submitted by Theresa Ducharme, on behalf of People In Equal Participation Inc.

COUNCIL DECISION:

On October 22, 2003, Council ruled automatic referral of the following motion to the Executive Policy Committee:

Moved by Councillor Steek,
Seconded by Councillor Wyatt,

WHEREAS on September 24, 2003, a majority of City Councillors supported an Administrative Recommendation that $500,000 be transferred from the General Purpose Reserve to support the "New Deal" Initiative;

AND WHEREAS the direct costs of the "New Deal" now totals $986,825;

AND WHEREAS the "New Deal" is about transparency and accountability;

THEREFORE BE IT RESOLVED that the Administration disclose immediately the preliminary budgets relative to any and all department staff directed to research and analyze the "New Deal";

AND BE IT FURTHER RESOLVED that the Administration disclose immediately the preliminary budgets for the October 2, 2003 "Imagine A City" one-day event, all media campaigns, town hall sessions, travel and any other costs associated with the "New Deal";

AND BE IT FURTHER RESOLVED that the Administration update Council on a monthly basis comparing preliminary budgets with actual expenses incurred.

RE: New Deal Initiative – Budget and Expenditures to November 30, 2003

FOR SUBMISSION TO: Executive Policy Committee

ORIGINAL REPORT SIGNED BY: Chief Administrative Officer

REPORT DATE: December 8, 2003

RECOMMENDATION:

That this report be received as information.

REPORT SUMMARY

KEY ISSUES:

IMPLICATIONS OF THE RECOMMENDATION(S):

General Implications
X None
? For the organization overall and/or for other departments
? For the community and/or organizations external to the City of Winnipeg
? Involves a multi-year contract
Comment(s):

Policy Implications
X No
? Yes
Comment(s):

Environmental Implications
X None
? Yes
Comment(s):

Human Resources Implications
X No
? Yes
Comment(s):

Financial Implications
X Within approved current and/or capital budget
? Current and/or capital budget adjustment required
Comment(s):

REPORT

REASON FOR THE REPORT:

On October 22, 2003, Council ruled automatic referral of a motion requesting disclosure of the full budgetary implications of the New Deal to Executive Policy Committee. On October 29, 2003, Executive Policy Committee referred the motion to the Administration for response.

HISTORY:

In November 2001, the Province of Manitoba and the City of Winnipeg committed to renewing the City of Winnipeg Act in two phases. Phase one of the renewal process focused on a streamlining of the Act and concluded when the new City of Winnipeg Charter came into force on January 1, 2003. Phase II of the renewal process is intended to examine further steps that could be taken to provide the City with more autonomy, broader powers and greater financial flexibility. (Appendix A)

Background research and analysis in support of Phase II of the City Charter began in the fall of 2002. Research and analysis of this nature is a core mandate of the Strategic Management Division in the CAO Secretariat. The research focused on

- Completing an analysis of the City's financial sustainability,
- Researching the range of possible options in a new financial framework for the City
- Developing a consolidated, service-based financial model (the Service Funding Model) that allows various expenditure and revenue scenarios to be developed and tested, including the development of an individual impact tool
- Participating in national studies on the state of cities

At Council seminars in January and May 2003, the Chief Administrative Officer presented information with respect to the City's financial sustainability.

At Council seminars in November and December 2002 and in May and June 2003, Council articulated and confirmed their #1 priority as ' to get the Provincial and Federal Governments to move toward an urban agenda (New Deal)'. At the June seminar and with respect to their priority, Council highlighted two guiding principles: (1) communication and (2) public consultation.

On March 19, 2003 with the tabling of the 2003 Preliminary Current Estimates, Council approved a recommendation by EPC that the City of Winnipeg negotiate with the Province of Manitoba for equitable cost sharing of services and/or the authority to introduce alternative sources of revenue in order to reduce reliance on property tax revenue. And further, that the proper officers of the City of Winnipeg be authorized to do all things necessary to implement this recommendation.

On September 22, 2003, Council approved a transfer of funds from the General Purpose Reserve to provide additional support to the New Deal Initiative.

DISCUSSION:

The New Deal Initiative has included three primary activities:

A. Research
B. Public Consultation
C. Imagine a City Conference

A description and breakdown of preliminary budgets and expenditures paid, including staff costs, for the period September 1 through November 30, 2003 follows. Commitments are also identified. A summary is provided in Appendix B.

Appendix C provides a summary of the public consultation process.

A. RESEARCH

Objective: to provide Council with factual analysis on background, issues and options relating to a new deal for the City.

Components:

(1) macroeconomic analysis
(2) general research
(3) local and national polling

A description of each of these components follows.

1. Macroeconomic analysis

   The Conference Board of Canada, a non-profit group specializing in economic analysis, was contracted to complete an analysis of the 'early ideas' new deal package.

2. General research

   General research and analysis has included:

   - Further developing the Service Funding Model to include a business impact tool and research into the development of a renter's impact tool
   - Researching various tax tools and user fees (pros/cons; impact on various sectors, use in other cities,) and implementation issues (border issues, etc.)
   - Overseeing a research contract with Integral Economics, a non-profit group from B.C., specializing in tax shifting and land value taxation.
   - Developing a property data base to analyze options relating to property tax and frontage levies
   - Responding to various research inquiries from the Federation of Canadian Municipalities and other organizations studying the state of cities in Canada
   - Responding to inquiries from citizens, organizations, universities and cities locally and from across the country

3. Polling

Prairie Research and Associates was the successful firm to an RFP issued in August. A survey instrument was developed to test various aspects of a new deal for the City. The poll was conducted in September and included 600 citizens. The results of this poll were distributed to Council on September 29, 2003.

Research Budget and Expenditures To Date:

	Budget	Expended to Nov. 30	Committed	Balance
A. RESEARCH				
1. Macroeconomic analysis	90,000.00	-	53,000.00	37,000.00
2. General research	38,300.00	41,860.01	5,000.00	(8,560.01)
3. Polling	58,000.00	15,141.00	13,000.00	29,859.00
TOTAL	$186,300.00	$57,001.01	$71,000.00	$58,298.99

B. PUBLIC CONSULTATION

Objective: To fully engage citizens and stakeholder organizations in a constructive dialogue re: (1) a vision for Winnipeg; (2) the state of the city's infrastructure; and (3) 'early ideas' regarding a more contemporary financial framework to fund City services.

Components:
(1) Town halls and Stakeholder Workshops
(2) Individual Citizen Engagement
(3) Advertising Campaign
(4) Internal and External Communications

A description of activities for each component follows:

1. Town Halls and Community Workshops

Seven Town Hall meetings were held with approximately 2,800 citizens attending. The primary objective of the Town Halls was to identify issues with the 'early ideas' New Deal package. Costs associated with the Town Halls included: facility rentals, audiovisual equipment rentals, translation, and printing. Vendors contracted to support the Town Hall process have included Winnipeg Audio, Bluewater Sound, Corpav, Central Display, Office Depot, Dave's Quick Print and Denise LaPorte Dawes.

In addition to the Town Hall meetings, a series of Community Workshops have been conducted with a broad range of stakeholders including organizations representing big business, small business, arts, entertainment and culture, labour, social services, low income citizens, resident associations, educational institutions, professional associations, the media, target groups such as seniors, youth, students, and the Aboriginal community, lobby groups representing the environment, the hotel industry, transportation, rural municipalities, etc.

Sixty-eight (68) workshops have been held with approximately 2,700 individuals participating. Generally, the organization hosted the event at no cost to the City. However, on three occasions the City incurred the cost of space rental.

In addition to the Town Halls and Community Workshops, staff responded to hundreds of phone calls, e-mails and letters; prepared various presentations; developed various printed materials, documented all events and, in the end, will prepare a comprehensive report. Staff also developed a database of organizations to facilitate future consultation activities.

Furthermore, an advisory group representing a broad cross-section of community leaders was assembled to provide advice on both the content of the New Deal proposal and the process of consultation.

2. Individual Citizen Engagement

Beyond the Town Halls and workshops, individual citizens were encouraged to participate in the 'New Deal' discussions through a number of other mechanisms.

- In particular, this part of the consultation process included development of 'New Deal' web pages providing citizens with a broad range of materials relating to the early ideas package including topical questions and answers, updated news reports, national research on urban challenges, video clips of recent events, etc.
- The Winnipeg.ca/newdeal site supported two electronic Town Halls to date with more planned in the future. During the e-town halls citizens were encouraged to e-mail in their questions, comments and suggestions. Citizens received an e-mail response from the Mayor during the town halls.
- Citizens also had the opportunity to make inquiries at their leisure by emailing newdeal@winnipeg.ca
- In addition, the site hosted the individual impact and business calculators, allowing citizens to individually and confidentially assess the impact of the 'early ideas' proposal.

There were approximately 27,000 unique visitors to the New Deal web pages through September-November, with those visitors hitting 127,000 pages. The web pages are updated daily.

Costs associated with the web pages, the E-Town halls included: design, translation, and video production. The successful vendor engaged through RFP in support of these web pages was Midcan Productions.

To reach citizens that have been unable to attend Town Hall meetings and/or who do not have access to the Internet, an information sheet on the state of the city's infrastructure and New Deal process and next steps is being developed and will be mailed directly to city residents.

3. Ad Campaign

Fusion Group was the successful respondent to the RFP issued for an ad campaign. The objective of the ad campaign was to encourage citizens to get engaged in the new deal discussion. The campaign would ensure that citizens knew that they had numerous opportunities to learn about some of the challenges facing the city, some of the early ideas on how those issues could be resolved and where and when they could share their own ideas on the future of their city.

To meet the schedule for commencing public consultations by the end of September, the contract was awarded on September 3, 2003.

The budget and expenditures to date for the Ad Campaign follows:

Ad Campaign	Budget	Expended to Nov. 30	Balance
Focus Testing (of creative concepts, ideas, terminology)	19,400	19,983	(583)
Outdoor Billboards (production, printing and rental)	59,160	55,270	3,890
Outdoor Transit (production, printing and rental)	20,800	21,198	(398)
Print Advertising (production, newspaper ad space)	93,690	91,074	2,616
Radio Advertising (production, radio time space)	29,750	19,561	10,189
Direct Mail Flyer to homeowners	73,200	71,993	1,207
Printing handouts	4,000	4,171	(171)
Total	$300,000	$283,250	$16,750

4. Internal and External Communications

Regular communications with Council members and staff were an important element in the Initiative. Council has received printed support materials and briefings on a regular and as-needed basis. Council member's executive assistants and call center and communications staff from all departments received orientation to the New Deal initiative to facilitate their response to citizen inquiries. In addition, a Town Hall was provided for City staff, along with e-mail announcements and articles in every internal newsletter. Information was also provided to employees through their various civic unions.

In keeping with the importance of this issue and the volume of interest it would generate, a media and issues tracking service was purchased. This was an e-government initiative to enhance operations and efficiency.

Public Consultation Budget and Expenditures To Date:

	Budget	Expended to Nov. 30	Committed	Balance
B. PUBLIC CONSULTATION				
1. Town Halls and Community Workshops	69,100.00	16,922.98	2,500.00	49,677.02
2. Direct Citizen Engagement	228,000.00	19,028.91	71,000.00	137,971.09
3. Ad Campaign	300,000.00	283,250.40	16,749.60	0
4. Internal and External Communications	116,800.00	42,367.50	58,932.50	15,500.00
TOTAL	$713,900.00	$361,569.79	$149,182.10	$203,148.11

C. IMAGINE A CITY CONFERENCE

Objective: To launch the public consultation process on the 'early ideas' New Deal package by focusing on a vision for Winnipeg.

The one-day event was held on October 2, 2003 at the Hotel Fort Garry. More than 500 people attended the morning event and 108 people attended the lunch/afternoon session. The morning focused on the concept of a 'creative city' and the afternoon focused on the challenges and opportunities facing cities across Canada.

Components:

(1) Speakers
(2) Catering, facilities and social program
(3) Conference support

1. Speakers. Five speakers presented at the morning and afternoon sessions including Richard Florida. Costs associated with the speakers included keynote speaking fees, travel and accommodations. Also included in this line is audiovisual support and simultaneous translation.

2. Facilities, Catering and Social program. The event was held at and catered by the Fort Gary Hotel.

3. Conference Support. Strauss Communications was contracted to coordinate the conference including registration, programming, logistics, etc.

Imagine a City Conference Budget and Expenditures:

	Budget	Total to Nov. 30	Balance
C. IMAGINE A CITY CONFERENCE			
1. Speakers (incl. audiovisual, translation)	57,220.00	43,986.00	13,234.00
2. Catering, facilities and social program	8,600.00	12,600.00	(4,000.00)
3. Conference Support	20,805.00	12,666.00	8,139.00
4. Other		1,132.00	(1,132.00)
TOTAL	$86,625.00	$70,384.00	$ 16,241.00

STAFFING

The role of the CAO Secretariat is to provide policy research and analysis, project management and communications support in keeping with Council priorities.

The following table identifies permanent staff assigned to the Initiative.

Staff	Expended to Nov. 30*
Research Team ▪ 2 FTE's (1 staff from the Strategic Management Division and 1 staff from Corporate Finance)	44,900.00
Public Consultation Team ▪ 5 FTE's *(Staff from the Strategic Management Division and the Public Affairs Division)*	107,700.00
Project Manager ▪ 1 FTE	25,800.00
TOTAL	$178,400.00

*includes benefits

Staff from other Departments including, Corporate Finance, Public Works, Water and Waste, Assessment, Corporate Services (Legal Services) and City Clerks, have been consulted on an as needed basis to provide technical information, data and/or advice. A staff person from the EPC Secretariat provided overall management to the Imagine a City event on a part-time basis.

FINANCIAL IMPACT:

Financial Impact Statement — Date: December 5, 2003

Project Name: New Deal Initiative — **First Year of Program** 2003

	2003	2004	2005	2006	2007
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	$ 986,825				
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)		$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	986,825				
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Information report. Funds are within current budget as approved by Council on September 24, 2003.

Senior Financial Accountant
Pat Bodnar

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

THIS REPORT SUBMITTED BY:

Connie Walker
Manager, Strategic Management Division
CAO Secretariat

MAYORS OFFICE
CITY OF WINNIPEG
MANITOBA, CANADA
2001 NOV 29 A 8:49

MINISTER OF
INTERGOVERNMENTAL AFFAIRS

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Fax: (204) 945-1383

November 23, 2001

His Worship Glen Murray
Mayor
City of Winnipeg
510 Main Street
Winnipeg MB R3B 1B9

Your Worship:

This Government, with the full participation of the City of Winnipeg, is committed to immediately begin the process for renewing *The City of Winnipeg Act*. This is a significant initiative which recognizes the need for a mature Province/City relationship and will result in broader powers for the City to manage its issues.

Consistent with our recent discussions of November 8, 2001, the renewal of the Act will occur in two phases. Phase one will begin the renewal by introducing a bill this Session, which will broaden authorities of the City of Winnipeg. The bill will reflect the existing re-draft, reopened to add authorities in strategic areas.

Provincial officials have already begun working with City officials to set up a collaborative process to ensure we move as far in the renewal process as we can this Session.

Phase two will continue our commitment to fundamental renewal of Province/ City relations. It is our intention to examine, in cooperation with the City, further steps that could be taken to providing the City with more autonomy, broader powers and greater financial flexibility. You have highlighted examples from other jurisdictions where concepts such as home rule or charter cities are being used. Accordingly, this phase would involve, in part, a review of existing models elsewhere in North America that fit the needs of large cities now and into the future. It is expected that this phase of the renewal initiative can commence as soon as resources are available.

I am looking forward to working with you in leading this important legislative renewal initiative.

Yours sincerely,

Jean Friesen

Jean Friesen
Minister

c: Premier Gary Doer

TOTAL P.02

Appendix B

Summary of Budget and Expenditures

	Budget	Expended to Nov. 30	Committed	Balance
A. RESEARCH				
1. Macroeconomic analysis	90,000.00	-	53,000.00	37,000.00
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2. Catering, facilities and social program	8,600.00	12,600.00	-	(4,000.00)
3. Conference Support	20,805.00	12,666.00	-	8,139.00
4. Other		1,132.00	-	(1,132.00)
Sub Total	86,625.00	70,384.00	-	16,241.00
PROJECT TOTAL	986, 825.00	488,954.80	220,182.10	277,688.10

STAFFING	
Research Team ▪ 2 FTE's (1 staff from the Strategic Management Division and 1 staff from Corporate Finance)	44,900.00
Public Consultation Team ▪ 5 FTE's *(Staff from the Strategic Management Division and the Public Affairs Division, CAO Secretariat)*	107,700.00
Project Manager ▪ 1 FTE	25,800.00
Sub Total	178,400.00

Appendix C

Summary of the Public Consultation Process

Town Halls	7 Town Halls 2,800 attendees
E- Town Halls	2 E-Town Halls 120 questions and responses
Community Workshops	68 Workshops 2,700 attendees
New Deal web pages	27,000 unique visitors 127,000 hits
Public Opinion Survey	600 residents
Imagine a City event	500 attendees