Agenda – Executive Policy Committee – December 6, 2017

Report – Standing Policy Committee on Innovation – November 30, 2017

Item No. 1 Animal Services Special Operating Agency 2018 – 2020 Business Plan

STANDING COMMITTEE RECOMMENDATION:

On November 30, 2017, the Standing Policy Committee on Innovation concurred in the Recommendations 1 to 4 and 6 of the Winnipeg Public Service and submitted the following to Council:

1. That the 2018 Business Plan (Selection Report) for the Animal Services Special Operating Agency (the "Agency"), including the 2018 budget (a copy of which is attached as Appendix "A"), be approved.

2. That the Agency's Audited Financial Statements for the 2016 fiscal year, ending December 31, 2016 (a copy of which is attached as Appendix "B"), be received as information.

3. That the attached "Animal Services Fees and Charges Schedule" for the calendar years 2018 – 2020, inclusive (a copy of which is attached as Appendix "C"), be approved.

4. That the Jurisdictional Mill Rate Comparison (a copy of which is attached as Appendix "D"), be received as information.

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

Agenda – Executive Policy Committee – December 6, 2017

Report – Standing Policy Committee on Innovation – November 30, 2017

DECISION MAKING HISTORY:

STANDING COMMITTEE DECISION:

On November 30, 2017, the Standing Policy Committee on Innovation concurred in the Recommendation 5 of the Winnipeg Public Service.

STANDING COMMITTEE RECOMMENDATION:

On November 30, 2017, the Standing Policy Committee on Innovation concurred in Recommendations 1, 2, 3, 4, and 6 of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Animal Services Special Operating Agency 2018 – 2020 Business Plan

Critical Path: Standing Policy Committee on Innovation - Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
L. Gordon	L. Gordon	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

The Business Plan is intended to ensure that the Animal Services Special Operating Agency (the "Agency") continues to provide animal control measures under The City of Winnipeg Charter and the Responsible Pet Ownership Bylaw (the "RPO"). This includes pet licensing, emergency response to incidents involving animals, investigation of animal-related complaints including dog attacks, dogs running at large, exotic animals, injured animals, enforcement of the RPO, and neighbourhood dispute resolution. The Agency also provides public education regarding responsible pet ownership and a progressive adoption program for unclaimed animals.

The Agency's main goals are to improve the health and safety of neighbourhoods through the enforcement of the RPO and education regarding responsible pet ownership. The Agency also strives to improve its public image by increasing customer service and satisfaction through the improvement of front-line service delivery; providing professional, caring and appropriate responses to citizen and pet owners' concerns, and humane alternatives to unclaimed animals.

Council approval of Recommendation 1 with respect to the 2018 Business Plan will enable the Agency to:

- Provide an essential service to promote, protect and safeguard the health of the community; and
- Establish and maintain an urban environment which permits the City of Winnipeg's human and animal populations to co-exist free of conditions which could adversely affect the health, safety and enjoyment of the community.

While incremental costs rise annually, Agency mill rate support was reduced by Council in 2017 from $1,378,836 to $1,319,574. For the 2018 budget cycle, the Agency mill rate support was further reduced by $24,178.

There are an estimated 148,386 cats and 112,139 dogs owned by Winnipeg residents within 269,586 households based on a 2008 study. Due to these large pet populations, the City of Winnipeg has significant animal-related services in place. These include Animal Services as the facility to take stray dogs, and the Winnipeg Humane Society (WHS), through a Service Agreement with the City of Winnipeg, as the place to take stray cats. Additional services are in

place including 24 hour emergency response to animal incidents, emergency veterinary care, and low income spay/neuter programming.

RECOMMENDATIONS

1. That Council approve the 2018 Business Plan (Selection Report) for the Animal Services Special Operating Agency (the "Agency"), including the 2018 budget (a copy of which is attached as Appendix "A").

2. That Council receive as information the Agency's Audited Financial Statements for the 2016 fiscal year, ending December 31, 2016 (a copy of which is attached as Appendix "B").

3. That Council approve the attached "Animal Services Fees and Charges Schedule" for the calendar years 2018 – 2020, inclusive (a copy of which is attached as Appendix "C").

4. That Council receive as information the Jurisdictional Mill Rate Comparison (a copy of which is attached as Appendix "D").

5. That Council approve the Advisory Board members in accordance with the Advisory Board Members list (a copy of which is attached as Appendix "E").

6. That the proper officers of the City of Winnipeg be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

As per the Animal Services Operating Charter, Council approval is required for the Animal Services Special Operating Agency's 2018 - 2020 Business Plan (Selection Report) and budget.

IMPLICATIONS OF THE RECOMMENDATIONS

The approval of the Selection Report will allow the Animal Services Special Operating Agency to continue to provide animal control measures under The City of Winnipeg Charter and the Responsible Pet Ownership (RPO) By-law.

HISTORY

Animal Services was designated by Council as a Special Operating Agency (SOA) effective January 1, 2000. The Animal Services Special Operating Agency (the "Agency") enforces the Responsible Pet Ownership By-law (the "RPO").

In the year 2000, the Agency completed 6,416 incidents and received $1,125,000 of operational mill rate support. In 2016, the Agency completed 11,974 incidents and received $726,563 of operational mill rate support. There has been an 87% increase in incidents but a 36% decrease

in funding. Animal Services, as a previous Division of Community Services and now as an SOA, has been protecting people and animals in Winnipeg for over 140 years.

The Agency's Operating Charter stipulates that a Business Plan (Selection Report - summary of the Annual Business Plan) will be provided to Council each year.

The mandate of the Agency is to promote, protect and safeguard the health of the community by establishing and maintaining an urban environment which permits the City of Winnipeg's human and animal populations to co-exist free of conditions which adversely affect the health, safety and enjoyment of the community. The Agency is responsible for the enforcement of the RPO to minimize risk in the communities served.

The budgeted tax supported transfer of $1,295,396 includes two components: $652,273 to support the Service Agreement between the City of Winnipeg (the "City") and the Winnipeg Humane Society, and $643,123 operational mill rate support for the Agency. Over the years, operational mill rate support to the Agency has been reduced to $643,123 in 2018, versus $1,125,000 in 2000, when the Agency was first established.

At December 31, 2012, the Agency recorded an accumulated deficit balance of $1,014,955. At December 31, 2016, the accumulated surplus was $180,434. This was primarily the result from the increase in revenues from pet licensing due to a zero tolerance policy which began in 2011 and lower than expected non-recurring operational costs. Zero tolerance means if an Animal Services Officer makes contact with a pet owner and their pet isn't licensed, they are immediately subject to a $250 fine.

The 2018 operating expense budget for the Agency, excluding the grant to the WHS, is $3,152,249. The Agency receives the lowest amount of mill rate support when compared to major governmental animal agencies in other Canadian jurisdictions (see Appendix "D"). With an operational mill rate support of $643,123, the difference between the Agency's operating expense budget and the operational mill rate support is $2,509,126. This results in significant reliance on pet license revenues for the Agency to successfully operate.

This budget assumes that dog license levels will remain flat in 2018 as some licenses will not be renewed due to pets passing way, being given away, or unwillingness by the community to pay increasing licensing fees. All fees except for cat licenses will increase by the recommended rate of inflation of 1.2%. The cat trap administrative fee will be rebranded and applied to all trap rentals. Concurrently, the skunk trap rental will be reduced by the administrative fee.

The Agency operates successful adoption, volunteer, and foster programs. License revenues help fund the services provided, including housing stray dogs and reuniting them with their owners, attending house fires or car accidents to help in the care of animals where needed, and providing an Adoption Program. A team of Animal Services Officers patrol the streets of Winnipeg to help resolve neighbourhood disputes and incidents involving animals.

The Service Agreement between the City and the WHS is currently funded and administered through the Agency. In 2016, Council increased the funding provided to the WHS by $150,000, and reduced the total mill rate transfer to the Agency, which negatively affected the Agency's budget.

The WHS has been helping dogs and cats in our community since 1894. The WHS accepts surrendered and stray dogs and cats primarily from Winnipeg residents.

The WHS has adoption, volunteer, and education programs and is the only animal welfare organization in Winnipeg that operates an internal veterinary clinic. In addition, the WHS conducts over 2,000 animal cruelty investigations per year on behalf of the Province of Manitoba under the Animal Care Act.

The WHS is an “open admission” shelter with regard to stray cats found in Winnipeg and the Agency is “open admission” with regard to stray dogs found in Winnipeg. “Open admission” refers to an organization that accepts animals regardless of temperament or health, and does not turn away animals.

FINANCIAL IMPACT

Financial Impact Statement

Date: November 10, 2017

Project Name:

First Year of Program **2018**

2018 - 2020 Business Plan (Selection Report) Animal Services Special Operating Agency

	2018	2019	2020	2021	2022
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other -	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 1,295,396	$ 1,319,574	$ 1,319,574	$ 1,319,574	$ 1,319,574
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 1,295,396	$ 1,319,574	$ 1,319,574	$ 1,319,574	$ 1,319,574
Less: Existing Budget Amounts	$ 1,295,396	$ 1,319,574	$ 1,319,574	$ 1,319,574	$ 1,319,574
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The 2018 - 2020 Animal Services Selection Report includes a tax-supported subsidy of $1,295,396 for 2018 and $1,319,574 for 2019 and 2020. This level of Mill Rate Support is provided in the Community Services' 2018 preliminary mill rate supported budgets and 2019 and 2020 forecasts.

Original Signed By K. Lemoine

Kelly Lemoine, CPA, CA
Manager, Finance and Administration
Community Services Department

CONSULTATION

In preparing this Report there was consultation with:
Community Services Department
Legal Services (as to Legal issues)

OURWINNIPEG POLICY ALIGNMENT

03-2 Vitality
Direction 4: Maintain the Health and Safety of Neighbourhoods by Enforcing Animal Control By-Laws and Promoting Responsible Pet Ownership
> Maintain Licensing and spay/neuter efforts to identify the animal population and help control over-population.
> Work with existing community animal welfare organizations to develop a shared vision and expand educational outreach efforts.
> Engage residents and community organization on an ongoing basis to ensure that City animal control services are responsive and effective in addressing locally identified neighbouring needs.

SUBMITTED BY

SOA: Animal Services Agency
Prepared by: Leland Gordon, Chief Operating Officer
Date: July 11, 2017

ATTACHMENTS:

Appendix A: ***2018 – 2020 Business Plan***

Appendix B: ***2016 Audited Financial Statements***

Appendix C: ***Animal Services - Fees and Charges Schedule***

Appendix D: ***Jurisdictional Comparison of Mill Rate Support***

Appendix E: ***Advisory Board Members***

Appendix F: ***Animal Services Newsletter***