Minutes – Executive Policy Committee – November 26, 2019

Report – Standing Policy Committee on Protection, Community Services and Parks – November 14, 2019

Item No. 1 Museums – Special Operating Agency

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Protection, Community Services and Parks, as amended, and submitted the following to Council:

1. That Recommendations 1-2, and 8-9, of the report of the Winnipeg Public Service be concurred in, namely:

   "1. That a Special Operating Agency for museums not be established.

   2. That the City of Winnipeg Museum's Board be disbanded.

   8. That the Public Service be directed to review the current agreement structure in place for each of the following museums and report back to the appropriate committee of Council with recommendations for approval of proper leases and/or agreements to guide the responsibility of operating costs:

      A. Le Musee de Saint-Boniface Museum
      B. Transcona Historical Museum
      C. Seven Oaks House Museum
      D. Ross House Museum
      E. The Historical Museum of St. James – Assiniboia
      F. Grants Old Mill

   9. That the Human Resource Services Department manage the redeployment of one Transcona Museum CUPE Museum Curator employee per the Letter of Understanding between the City of Winnipeg and CUPE – Redeployment."

2. That Recommendations 3-7 of the report of the Winnipeg Public Service be laid over for up to 180 days, and that the Winnipeg Public Service be directed to consult stakeholders on options and alternatives and provide a written report back to the Standing Policy Committee on Protection, Community Services and Parks, namely:

   "3. That beginning with the 2020 budget, the current annual grant of $764,934 be provided annually to the Winnipeg Arts Council (referred to as Museum Grant Funds), to be taken from the Council approved museum grant funds.

Report – Standing Policy Committee on Protection, Community Services and Parks – November 14, 2019

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

4. That beginning with the 2020 budget, the Museums Grant Funds provided to WAC above, be delivered in the first year to the six museums (Le Musee de Saint-Boniface Museum, Transcona Historical Museum, Seven Oaks House Museum, Ross House Museum, The Historical Museum of St. James – Assiniboia and Grants Old Mill) currently receiving those grants totaling $764,934 in the same annual amounts they have received previously.

5. That beginning with the 2020 budget, the remaining $45,580, previously allocated to the City of Winnipeg Museum's Board for administration, be reallocated to the Winnipeg Arts Council to administer the $764,934.

6. That the Winnipeg Arts Council be directed, in consultation with museums in Winnipeg, to determine through appropriate polices and processes for distribution of the Museum Grant Funds to all qualifying museums in Winnipeg in time for the calendar year 2022, and to administer and distribute those Museum Grant Funds annually thereafter as a transparent, juried process open to all qualifying museums.

7. That the City enter into, execute and deliver a grant agreement with the Winnipeg Arts Council that sets out the terms and conditions of the City's grants as set forth in Recommendations 3 to 6, and that the Chief Financial Officer be authorized to negotiate and approve the terms and conditions of such grant agreement in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City."

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

Report – Standing Policy Committee on Protection, Community Services and Parks – November 14, 2019

DECISION MAKING HISTORY:

Moved by Councillor Rollins,

That the recommendation of the Standing Policy Committee on Protection, Community Services and Parks be concurred in, with the following amendment:

- In Recommendation 2 delete "and provide a verbal report" and replace with "on options and alternatives and provide a written report".

and forwarded to Council.

Carried

Christian Robin, Co-Chair, Winnipeg Museums Board, submitted documentation titled "Plan B: An Acceptable Solution for the Six City-Owned Museums".

STANDING COMMITTEE RECOMMENDATION:

On November 14, 2019, the Standing Policy Committee on Protection, Community Services and Parks concurred in the recommendation of the Winnipeg Public Service, with the following amendment:

- That Recommendations 3, 4, 5, 6 and 7 of the Winnipeg Public Service be laid over for up to 180 days and that the Winnipeg Public Service be directed to consult stakeholders, and provide a verbal report to the Standing Policy Committee on Protection, Community Services and Parks on the matter.

and submitted the matter to the Executive Policy Committee and Council.

Christian Robin, Co-Chair, Winnipeg Museums Board, submitted a communication in opposition to the matter.

Carol Phillips and Dominic Lloyd, Winnipeg Arts Council submitted a communication with respect to the matter.

Thomas McLeod, Association of Manitoba Museums, submitted a communication with respect to the matter.

Report – Standing Policy Committee on Protection, Community Services and Parks – November 14, 2019

DECISION MAKING HISTORY (continued):

COUNCIL DECISION:

On October 24, 2019, Council concurred in the recommendation of the Standing Policy Committee on Protection, Community Services and Parks and adopted the following:

1. That an extension of time of up to 60 days be granted for the Winnipeg Public Service to report back on establishing a Special Service Unit, under Section 215 of the City of Winnipeg Charter, to be known as the City of Winnipeg Museums Special Operating Agency, complete with a proposed business plan and operating charter, and that this SOA be aligned under the purview of the Customer Service & Communications Department which reports to the CAO.

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

On May 16, 2019, Council concurred in the recommendation of the Standing Policy Committee on Protection, Community Services and Parks, and adopted the following:

1. That an extension of time of 120 days be granted for the Winnipeg Public Service to report back on establishing a Special Service Unit, under Section 215 of the City of Winnipeg Charter, to be known as the City of Winnipeg Museums Special Operating Agency, complete with a proposed business plan and operating charter, and that this SOA be aligned under the purview of the Customer Service & Communications Department which reports to the CAO.

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

On September 20, 2018, Council concurred in the recommendation of the Standing Policy Committee on Protection, Community Services and Parks, as amended, and adopted the following:

1. That the Chief Administrative Officer be directed to report back, in 180 days, on establishing a Special Service Unit, under Section 215 of the City of Winnipeg Charter, to be known as the City of Winnipeg Museums Special Operating Agency, complete with a proposed business plan and operating charter, and that this SOA be aligned under the purview of the Customer Service & Communications Department which reports to the CAO.

ADMINISTRATIVE REPORT

Title: Museums – Special Operating Agency

Critical Path: Standing Policy Committee on Protection, Community Services and Parks – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
D. Watt	M. Lemoine	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

Museums play an important role in ensuring that the past is recognized and remembered. Although museum contents are not owned by the City of Winnipeg, the City has provided a number of mechanisms, including financial and administrative, to support these organizations, specifically Le Musee de Saint-Boniface Museum, Transcona Historical Museum, The Historical Museum of St. James – Assiniboia, Ross House Museum, Seven Oaks House Museum, and Grants Old Mill, and will continue to do so in the future.

The Special Operating Agency model (SOA), as approved by Council in 1997, was reviewed and assessed to see if it could serve as the foundation for those museums for which city funding is provided. A number of key principles from the SOA model were examined such as entrepreneurship and innovation, client-centred focus, decentralization, autonomy, and flexibility, full costing, diversity and uniqueness, and responsiveness and performance measurement. The Public Service has determined that the SOA model for museums is not compatible as many of the approved key principles are not met.

The Public Service recognizes that these organizations all have a unique relationship with the City and that there should be a more consistent approach. This report is proposing the following:

1. Establishing a funding mechanism through the Winnipeg Arts Council (WAC) to administer funds and institute a policy and process for distribution of those funds.
2. The disbandment of the City of Winnipeg Museums Board, who previously administered funds.
3. Establishing proper lease agreements with each of the organizations which will lay out the responsibilities and provide for a more consistent relationship.
4. Assist with the opportunity for museums to participate in The Manitoba Heritage Trust Program (endowment fund).

It is envisioned that these enhanced relationships will provide the consistency and clarity required for these museums to excel.

RECOMMENDATIONS

1. That a Special Operating Agency for museums not be established.

2. That the City of Winnipeg Museum's Board be disbanded.

3. That beginning with the 2020 budget, the current annual grant of $764,934 be provided annually to the Winnipeg Arts Council (referred to as Museum Grant Funds), to be taken from the Council approved museum grant funds.

4. That beginning with the 2020 budget, the Museums Grant Funds provided to WAC above, be delivered in the first year to the six museums (Le Musee de Saint-Boniface Museum, Transcona Historical Museum, Seven Oaks House Museum, Ross House Museum, The Historical Museum of St. James – Assiniboia and Grants Old Mill) currently receiving those grants totaling $764,934 in the same annual amounts they have received previously.

5. That beginning with the 2020 budget, the remaining $45,580, previously allocated to the City of Winnipeg Museum's Board for administration, be reallocated to the Winnipeg Arts Council to administer the $764,934.

6. That the Winnipeg Arts Council be directed, in consultation with museums in Winnipeg, to determine through appropriate polices and processes for distribution of the Museum Grant Funds to all qualifying museums in Winnipeg in time for the calendar year 2022, and to administer and distribute those Museum Grant Funds annually thereafter as a transparent, juried process open to all qualifying museums.

7. That the City enter into, execute and deliver a grant agreement with the Winnipeg Arts Council that sets out the terms and conditions of the City's grants as set forth in Recommendations 3 to 6, and that the Chief Financial Officer be authorized to negotiate and approve the terms and conditions of such grant agreement in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

8. That the Public Service be directed to review the current agreement structure in place for each of the following museums and report back to the appropriate committee of Council with recommendations for approval of proper leases and/or agreements to guide the responsibility of operating costs:

    - Le Musee de Saint-Boniface Museum
    - Transcona Historical Museum
    - Seven Oaks House Museum
    - Ross House Museum
    - The Historical Museum of St. James – Assiniboia
    - Grants Old Mill

9. That the Human Resource Services Department manage the redeployment of one Transcona Museum CUPE Museum Curator employee per the Letter of Understanding between the City of Winnipeg and CUPE – Redeployment.

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

REASON FOR THE REPORT

On September 20, 2018, Council directed the Chief Administrative Officer to report back, in 180 days, on establishing a Special Service Unit, under Section 215 of the City of Winnipeg Charter, to be known as the City of Winnipeg Museums Special Operating Agency, complete with a proposed business plan and operating charter, and that this SOA be aligned under the purview of the Customer Service & Communications Department which reports to the CAO.

Further, on September 11, 2018, The Standing Policy Committee on Protection, Community Services and Parks directed the Chief Administrative Officer to report back in 180 days on the development of a City of Winnipeg Museums Policy Statement to guide the new museum SOA.

IMPLICATIONS OF THE RECOMMENDATIONS

If the recommendations are adopted the Museum Board will be disbanded and the funding mechanism for grants provided to the museums would be administered by the Winnipeg Arts Council, similar to what occurred with grant funding for 5 other museums in 2018. In addition, proper agreements would be negotiated for use of City owned buildings and/or land for which the museums are situated.

HISTORY/DISCUSSION

Special Operating Agencies

On September 24, 1997, Council adopted Clause 3 of the Report of the Executive Policy Committee dated September 1, 1997, entitled “Special Operating Agencies Initiative”, which provided for the strategic direction for the implementation of the SOA initiative, including legislative amendment requests and a development and approval process.

On March 25, 1998, Council adopted the “Policy and Framework for Alternative Service Delivery (ASD) in the City of Winnipeg” report which provided the policy for determining the most appropriate method and structure for providing services to achieve the best value for the municipal tax dollar, Special Operating Agencies were included as one such method.

As per Council request, The Province of Manitoba amended *The City of Winnipeg Charter Act* and under Section 215 allowed for the establishment of Special Service Units.

Under the Special Operating Agencies Initiative report approved by Council in 1997, a number of key principles must be considered prior to a service being established as an SOA:

- entrepreneurship and innovation;
- client-centred focus;
- decentralization, autonomy, and flexibility;
- full costing;

- diversity and uniqueness;
- responsiveness; and
- performance measurement.

In addition to the above, an ASD Decision Process was adopted by Council, included as Appendix A to this report.

After reviewing both the key principles noted above, as well as the ASD decision process, both adopted by Council, the Public Service has determined that a special operating agency would not be a suitable mechanism for the museums. In addition, the establishment of an SOA would be a considerable expense to the City and the funding for museums would need to be maintained as they are not self-sufficient.

City of Winnipeg Museums Board

On May 24, 2006, Council established The City of Winnipeg Museums Board to implement the Heritage Preservation Policy (to ensure the ongoing preservation of Winnipeg's museum resources and assets) and to audit the ongoing operations of the museums that receive grant funds and in-kind services from the City.

This board came into effect in 2007, and the ongoing budgeted museum funds (a total of $1,030,934 in 2018 dollars), were transferred to it, including the funds which were previously allocated through the Winnipeg Arts Council, for Dalnavert, the Manitoba Children's Museum, The Manitoba Museum, the Ukrainian Cultural/ Educational Centre, and the Royal Aviation Museum of Western Canada, for distribution as grants by Council.

On September 20, 2018 Council directed that the current annual grant of $266,000 be provided annually to the Winnipeg Arts Council (referred to as Museum Grant Funds) to be delivered in the first year to the five museums (Dalnavert Museum, Manitoba Children's Museum, Manitoba Museum, Ukrainian Cultural/Educational Centre, and the Royal Aviation Museum of Western Canada). In addition, they directed the WAC, in consultation with museums in Winnipeg, to determine through appropriate policies and processes for distribution of the Museum Grant Funds to all qualifying museums in Winnipeg in time for the calendar year 2022, and to administer and distribute those Museum Grant Funds annually thereafter as per a transparent, juried process open to all qualifying museums.

The Museums Board has not met since March 19, 2018 and has been inactive since that time. The Museums Board met only infrequently in 2017 and 2018, with the majority opinion of the board being that they had met their mandate and as a result of the creation of the Mayor's Advisory Committee on Heritage, Culture and Arts. One of the goals of the new Advisory Committee was to "provide strategic direction to immediately facilitate the process of transitioning from the Museums Board to a new juried granting process for museums".

The Public Service is recommending that the City of Winnipeg Museums Board be disbanded and that the Board's remaining administration budget of $45,580 ($21,300 already having been reallocated to WAC as part of the 2019 budget) be reallocated to the Winnipeg Arts Council commencing in 2020 to administer and distribute the grant funds to qualifying museums.

Overview of the Museums

Each of the 6 museums in which the City provides operating funds have different circumstances in regards to their use of the building and property, lease agreements, operating expenses, etc. It is important to provide a breakdown for each of these museums.

1. Grant's Old Mill Museum

Building and grounds are the property of the City of Winnipeg. The St. James-Assiniboia Pioneer Association Inc. maintains a lease with the City for the maintenance and operation of the mill. The current agreement which expired in 1997 is in an overhold.

2. Historical Museum of St. James-Assiniboia

Building and grounds are the property of the City of Winnipeg. The Historical Museum Association of St. James-Assiniboia holds an annual continuing lease with the City. Recently, the tenant advised that they will want to be responsible for the maintenance of the facility which the City agreed to. The museum pays the City of Winnipeg a civic accommodations fee of $29,052 in 2019.

3. Seven Oaks House Museum

Building and grounds are the property of the City of Winnipeg; City also provides a grant in service - controllership services paying salaries of employees. There is currently no agreement in place for use of the property.

4. *Transcona Museum*

Building and grounds are the property of the City of Winnipeg; City also provides a grant in service - controllership services paying salaries of all employees and bills. There is currently 1 City of Winnipeg employee at the museum, as a result of an agreement between CUPE and the City in the 1980's. This is the only City employee at any of the museums, with all other employees being employees of the Museums rather than the City. The museum pays the City of Winnipeg a civic accommodations fee of $34,454 in 2019. There is currently no agreement in place for use of the property.

5. Ross House Museum

Building and grounds are the property of the City of Winnipeg; was run by the Manitoba Historical Society until April 26, 2018, when grant / control was assigned to Seven Oaks House Museum Board. The museum pays the City of Winnipeg a civic accommodations fee of $6,225 in 2019. There is currently no agreement in place for use of the property.

6. Le Musee de Saint-Boniface Museum

Museum and grounds owned by Despins Charities. There is a 1963 ninety-nine year lease agreement between the City of St. Boniface & Grey Nuns to lease property and run as a museum; St. Boniface Museum has a by-law, City of Winnipeg By-law No. 4824/88, specifying powers / responsibilities of Board. This lease provides the City use of the building as a museum and all operation costs are to be paid by the City, the lessor

has no expenses. A current annual grant of $450,000 is provided to cover off these costs.

There are an additional 3 museums which the City does not provide additional grant funding for as they are operated within their identified Departments.

1. *Living Prairie Museum*
   It is operated by City staff with funding provided from the Public Works Department. An external organization, Friends of Living Prairie Museum, supports the Museum and works collaboratively with the City.

2. *Winnipeg Police Museum*
   It is operated by a Volunteer Board of Directors. A grant is provided by the Winnipeg Police Service for $18,000 from their existing operating budget. This particular museum was not previously managed by the Museum Board.

3. *Fire Fighter's Museum of Winnipeg*
   It is operated by a Volunteer Board of Directors. An operating grant is provided by the Winnipeg Fire Paramedic Service.

Summary of Museum Operations:

Museum Name	Building & Property city owned	Lease	Civic Accommodations fee paid
Le Musee de Saint-Boniface Museum	*No*	*Yes (previously City of St. Boniface)*	*No*
Transcona Historical Museum	*Yes*	*No*	*$34,454*
The Historical Museum of St. James – Assiniboia	*Yes*	*Yes*	*$29,052*
Ross House Museum	Yes	No	$6,225
Seven Oaks House Museum	Yes	No	No
Grants Old Mill	Yes	Yes (in overhold)	No
Living Prairie Museum	Yes	N/A	N/A
Winnipeg Police Museum	Yes	N/A	N/A
Fire Fighter's Museum of Winnipeg	Yes	N/A	N/A

As described above, each museum has a different agreement with the City of Winnipeg, or some have no agreement in place at all. The Public Service treats each of the 6 museums (those who receive grant funds in 2019 directly from the City) as a third party entity and does not include their operations or financial positions within the City's consolidated financial statements.

The Public Service is recommending that it be directed to ensure that appropriate agreements are in place for the 5 museums (Transcona Historical Museum, The Historical Museum of St. James – Assiniboia, Ross House Museum, Seven Oaks House Museum, and Grants Old Mill) who receive operating grants from the City of Winnipeg. These agreements will follow the Council adopted Policy on the Sale/Lease of City Lands to Non-Profit Organizations.

The Public Service also recommends it be directed to investigate what City services are now being provided to the Le Musee de Saint-Boniface Museum, and to develop an agreement identifying what services will be the responsibility of the Museum and which will be the responsibility of the City, to ensure clarity in the future.

Having a formal agreement in place will ensure that building, operating and land responsibility is clear and consistent across all museums.

The Public Service is also recommending that the Human Resource Services Department manage the redeployment of one Transcona Museum CUPE Museum Curator employee per the Letter of Understanding between the City of Winnipeg and CUPE – Redeployment.

Council will continue to appoint citizen members to the following boards so long as the City provides funds to those organizations: Ross House Museum, Le Musee de Saint-Boniface Museum, Historical Museum of St. James – Assiniboia, Grant's Old Mill (St. James-Assiniboia Pioneer Association Inc.), Seven Oaks House Museum and Transcona Historical Museum.

The Manitoba Heritage Trust Program

The Manitoba Heritage Trust Program (the "Program"), initiated by the Manitoba government, is administered by The Winnipeg Foundation (the "Foundation") with support from the Association of Manitoba Museums and the Association for Manitoba Archives. The Program provides support for museums, archives, and supporting organizations to establish and grow endowment funds providing long-term sustainable revenue for their organization.

In order for museums to participate, each must provide an initial contribution of $2,500, which may be provided on their behalf by the Foundation for those who wish to participate. Museums would be required to fundraise from external sources who would contribute to the Foundation and in turn, the Foundation would issue a donation receipt. All eligible gifts up to $50,000 will be proportionately matched by the Province. Specifically for every $2 given the program will gift an additional $1 to a maximum of $25,000 per organization.

The museums are required to have charitable status in order to participate in the program. The City of Winnipeg recognizes that the museums may not currently have charitable status and therefore the City would agree to receipt earning payouts from the Foundation and then flow through these payments to the museums.

Further information on the program can be found at https://www.endowmanitoba.ca/manitoba-heritage-trust-program/.

FINANCIAL IMPACT

Financial Impact Statement

Date: August 27, 2019

Project Name:
Museums – Special Operating Agency

First Year of Program **2019**

	2019	2020	2021	2022	2023
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	$ -	$ 810,514	$ 810,514	$ 810,514	$ 810,514
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ 810,514	$ 810,514	$ 810,514	$ 810,514
Less: Existing Budget Amounts	-	810,514	810,514	810,514	810,514
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. Direct costs above represents the funds to be reallocated to Winnipag Arts Council. It consists of $764,934 annual grant for the six museums (Le Musee de Saint-Boniface Museum, Transconal Historical Museum, Seven Oaks Museum, Ross House Museum, The Historical Museum of St. James - Assiniboia and Grants Old Mill) and the $45,580 for administering the grants for a total of $810,514.
2. Funding for this grant will be available through Museums Department Budget and City of Winnipeg Museum's Board budget under City Clerks Department subject to approval of the 2020-2023 Budget Process.

Original signed by T. Yanchishyn
Tanis Yanchishyn
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

City Clerks Department
Planning, Property & Development
Legal Services (as to legal issues)
Human Resource Department

OURWINNIPEG POLICY ALIGNMENT

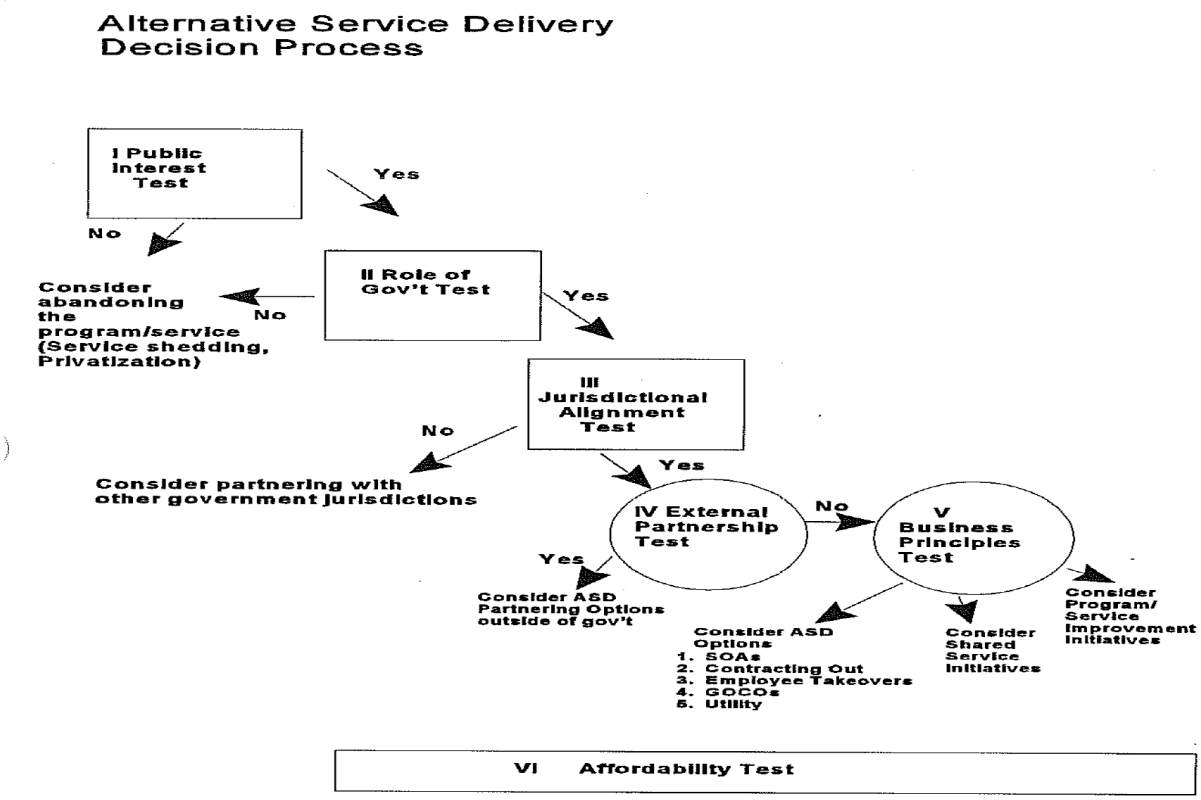
N/A

SUBMITTED BY

Department: Office of the CAO
Division:
Prepared by: D. Watt, Manager of Corporate Initiatives & Administration
Date: August 19, 2019

Attachments:
Appendix A: Alternative Service Delivery Decision Process

Appendix A: Alternative Service Delivery Decision Process



Tests	Key Questions
I. Public Interest Test	*Does the program/service continue to serve a public interest?*
II. Role of Government Test	*Is there a legitimate and necessary role for government in this program/service?*
III. Jurisdictional Alignment Test	*Is the current role of the municipal government appropriate?*
IV. External Partnership Test	*Could or should this program/service be provided in whole or in part by the private/voluntary sector?*
V. Business Principles Test	*If the program/service continues within the municipal government context, how could its efficiency and effectiveness be improved?*
VI. Affordability Test	*Is the program/service affordable within the current fiscal restraint? (consider lower levels of service, other funding sources and shedding of some or all of the program)*