Minute No. 53
Report – Alternate Service Delivery Committee – November 10, 2004

Item No. 1 **Special Operating Agencies (SOA) Reporting Amendments**
File GL-5.6.1

COUNCIL DECISION:

Council concurred in the recommendation of the Alternate Service Delivery Committee and adopted the following:

1. That the reporting structure in the Operating Charters of the existing Special Operating Agencies (SOA) be amended as outlined in Appendix 1 to the report of the Chief Information Officer dated November 5, 2004.

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

Report - Alternate Service Delivery Committee - November 10, 2004

DECISION MAKING HISTORY:

Moved by Councillor Angus,
That the recommendation of the Alternate Service Delivery Committee be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 17, 2004, the Executive Policy Committee concurred in the recommendation of the Alternate Service Delivery Committee and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On November 10, 2004, the Alternate Service Delivery Committee concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

RE: SPECIAL OPERATING AGENCIES (SOA) REPORTING AMENDMENTS

FOR SUBMISSION TO: ALTERNATE SERVICE DELIVERY COMMITTEE

ORIGINAL REPORT SIGNED BY: Cliff Jeffers, Chief Information Officer

REPORT DATE: November 5, 2004

RECOMMENDATION(S):

It is recommended that:

- Council amend the reporting structure in the operating charters of the existing Special Operating Agencies (SOA) as outlined in Appendix 1.

Report Summary

Key Issues:

- The SOAs would report to the CAO, or to the delegate that best represents the appropriate authority within the Administration, to coordinate their activities, provide financial and operational oversight and champion their cause.
- Because they are intended to operate entrepreneurially, SOAs often have little in common with the other divisions and branches of their 'host' departments. Frequently, their differences may not be fully appreciated or taken into account in departments where more traditional service delivery divisions and branches dominate.
- The revised reporting structure would give the Agencies the appropriate oversight and support to operate in an open and transparent manner as they achieve their entrepreneurial potential.
- Any amendments to an SOA's operating charter requires a 2/3 majority of Council to be approved.
- Future SOAs would adopt the amended reporting structure for their operating charters.

Implications of the Recommendation(s):

General Implications:

	None
X	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: SOAs would report to the CAO, or appropriate delegate, rather than to their host department.

Policy Implications:

	No
X	Yes

Comment: This report recommends changes to the reporting structure of the SOA's Operating Charter wherein the agencies will report directly to the CAO rather than to the director of the 'host' department.

Environmental Implications:

X	No
	Yes

Financial Implications:

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Human Resources Implications:

X	No
	Yes

REASON FOR THE REPORT:

As the operations of special operating agencies (SOA) evolve with experience, the Chief Administrative Officer (CAO) recognizes that the reporting and governance structures for the SOAs need to be reorganized to allow them greater flexibility and accountability. This report outlines the operating charter amendments that are required to have the SOAs report to the CAO who would oversee their operations. An amendment to an SOA's operating charter requires a 2/3 majority of the total number of Council members to approve it.

HISTORY:

On February 25, 2004, Council adopted the report entitled *Alternative Service Delivery Policy and Process Review* that recommended policy amendments and highlight process improvements for alternative service delivery. One of the proposed improvements concerning SOAs was that, on the administrative side, the CAO should establish appropriate reporting and governance mechanisms for the agencies that would enable them to operate in a fair and open manner while achieving their entrepreneurial potential.

DISCUSSION:

The existing reporting and governance structure for each SOA is through the director of the 'host' department to the CAO and then to the Alternate Service Delivery Committee, Executive Policy Committee and Council. In some cases, the SOA's business and its host department's services are not well aligned as the Agency's mandate is different from the host department's strategic direction. The existing reporting alignment between the SOAs and their host department directors is as follows:

- Animal Services reports through Community Services
- Glacial Sand and Gravel reports through Public Works
- Fleet Management Agency reports through Public Works
- Winnipeg Golf Services reports through Planning, Property and Development
- Winnipeg Parking Authority reports through Planning, Property and Development

SOAs have been given the authority to operate in an entrepreneurial manner unlike line divisions or branches within their host department. This different approach to service delivery may not provide the SOA with the best operational fit within the departmental structure. While the SOAs all value the level of support that their host departments provide, an agency's needs (e.g. operational flexibility) may not the same as a branch or division's needs. This difference in needs can lead to the SOA being overlooked by the host department. The SOAs require a unifying reporting structure that represents their interests at the corporate level, coordinates their activities, provides financial and operational oversight and champions their cause.

This report proposes an alternative governance structure designed to ensure that SOAs achieve their full entrepreneurial potential as business entities of the City while still maintaining appropriate levels of supervision and direction. The recommendation is to amend the operating charters of the SOAs wherein they report to the CAO. The Chief Operating Officer (COO) of the SOA would report through the CAO, or appropriate delegate, to the Alternate Service Delivery Committee. The following outlines the elements of the proposed changes.

Proposed Reporting Structure
The CAO's relationship with the SOAs would be similar to the relationship between a holding company and its subsidiaries. The features include:

- taking a strong interest in the performance and financial returns of the SOAs;
- understanding the principal risks facing the SOAs;
- establishing reporting and accountability arrangements that facilitate active oversight; and
- taking action in relation to the alignment of the SOAs' strategic direction.

The CAO would be responsible for overseeing and facilitating the activities of existing SOAs and for bringing new SOA initiatives to Council for approval.

Proposed General Objectives
The general objectives would be to:

1. Expedite policy decisions that confront the SOAs.
2. Support rather than direct the SOAs in their day-to-day operations. SOAs would continue to develop the business strategies and handle the day-to-day management policies.
3. Facilitate common cause actions or opportunities on behalf of the SOAs.
4. Provide oversight for the SOAs and ensure that reporting is consistent and meets appropriate standards.
5. Exercise strategic control consistent with accountability to the CAO and Council.
6. Set clear direction and objectives for SOAs (e.g. ensuring that any "public good" obligations undertaken by an SOA is defined and accounted for in its annual business plan).

Proposed Roles and Responsibilities
The role would be one of governance, consultation and monitoring. The CAO would provide SOAs with:

- Policy interpretation;
- Business plan critique;
- Risk management support;
- Annual reporting advice;
- Formula development for disposition of retained earnings; and
- Performance measurement direction and monitoring.

The CAO would:

- Monitor the finances of SOAs to ensure accountability;
- Provide assistance and advice on issues involving SOAs;
- Promote and develop SOA initiatives;
- Clarify the purpose, priorities and implications of the SOA concept as needed;
- Assist potential SOA initiatives through the development process;
- Assist in the preparation of operating charters, business plans and service level agreements; and
- Critique the performance of the SOAs.

Operating Charter Amendments
In order to implement the proposed reporting structure, the operating charters of the existing SOAs should be realigned so that the Agencies report to the CAO rather than to the directors of their current 'host' departments. The proposed reporting structure amendments to the SOAs' operating charters are outlined in Appendix 1. As stated in the operating charters, any amendments require a 2/3 majority of Council to be approved.

FINANCIAL IMPACT:

There are no financial implications associated with the recommendation.

"Original signed by Radhika Abeysekera"
Manager of Finance & Administration

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

- The Chief Operating Officers of the Special Operating Agencies
- The Directors of the following departments:
  - Public Works;
  - Planning, Property and Development;
  - Community Services;
- Corporate Services - Legal Services

THIS REPORT SUBMITTED BY:

Department CAO Secretariat
Division Strategic Management Division
Prepared by: Iain Day
File No.

Appendix 1: Operating Charter Amendments

Special Operating Agency	Operating Charter		
	Reference	**Current**	**Recommended**
ANIMAL SERVICES (Adopted by Council on November 17, 1999)	***Section 3: Accountability Framework*** *Reporting Relationships*	The Agency continues as part of the Community Services Department, and operates under the management and program direction of the Department Head. Policy direction comes from Council, the Executive Policy Committee, and the ASD Committee in consultation with the Standing Committee(s). The ASD Committee assures corporate financial direction and accountability.	Recommended language: *The Agency reports to the Chief Administrative Officer. Policy direction comes from Council, the Executive Policy Committee, and the ASD Committee in consultation with the Standing Committee(s). The ASD Committee assures corporate financial direction and accountability.*
	Chief Administrative Officer Responsibility	The CAO has executive management responsibility, in concert with Standing Policy Committees to provide policy advice, program and service direction concerning the effective management, operation, and performance of the Agency.	Recommended language: *Chief Administrative Officer Responsibility* *The CAO has executive management responsibility to provide advice and direction concerning the effective management, operation, and performance of the Agency. In particular, the CAO:* • *monitors the Agency's management, operations, and performance relative to the attainment of civic goals and objectives;* • *advises the ASD Committee and relevant Standing Policy Committee on policy matters concerning the effective management, operation, and performance of the Agency; and* • *facilitates effective and efficient working relationships and resource-sharing with other organizations and departments across the City to ensure congruent planning and budgeting and to achieve corporate economies and benefits.*

Appendix 1: Operating Charter Amendments

Special Operating Agency	Operating Charter		
	Reference	**Current**	**Recommended**
ANIMAL SERVICES (Adopted by Council on *November 17, 1999)* . . . continued	*Department Head Responsibility*	The Department Head monitors the Agency's management, operations, and performance relative to the attainment of civic goals and departmental objectives. The Department Head advises the Chief Administrative Officer and the relevant Standing Policy Committee on policy matters concerning the effective management, operation, and performance of the Agency. The Department Head or designate, is an ex-officio member of the Advisory Board. The Department Head receives and interprets the advice of the Advisory Board. This advice is used to assist the Department Head in advising the ASD Committee and Standing Policy Committee and EPC on policy matters, and to provide guidance to the Agency. The Department Head facilitates effective and efficient working relationships and resource-sharing with other organizations within the department, as well as across City departments, to ensure congruent planning and budgeting and to achieve corporate economies and benefits.	Delete sub-section that refers to *Department Head Responsibility.*
	Advisory Board	The Advisory Board is chaired by the Corporate ASD representative. Other than the ex-officio members (Department Head and Agency Head), members are appointed by Council for a two-year renewable term.	Recommended language: *The Advisory Board is chaired by a City representative appointed by the CAO. Other than the ex-officio member (Agency Head), members are appointed by Council for a two-year renewable term.*
		Subject to the appointment of Council the Board consists of: Civic government: • the Department Head or designate (ex-officio);	Recommended language: *Subject to the appointment of Council, the Board consists of:* *Civic government:* • *a corporate representative;*

Appendix 1: Operating Charter Amendments

Special Operating Agency	Operating Charter		
	Reference	**Current**	**Recommended**
ANIMAL SERVICES (Adopted by Council on *November 17, 1999)* . . . continued	**Section 5: Financial Framework** *Implementation*	At an administrative level, the CAO or designate, the Department Head, and the Agency Head shall discuss and agree on the following, as detailed in the business plan:	Recommended language: *At an administrative level, the CAO and the Agency Head shall discuss and agree on the following, as detailed in the Selection Report:*
	Section 8: Accountability Structure	In the Chart box: - Director	Delete the box that refers to *Director*
	Appendix II Advisory Board Members	Subject to the appointment of Council the Board consists of: Civic government: • the Department Head or designate (ex-officio);	Recommended language: *Subject to the approval of stakeholder groups by Council, the Advisory Board consists of:* *Civic government:* • *a corporate representative;*

Appendix 1: Operating Charter Amendments

Special Operating Agency	Operating Charter		
	Reference	**Current**	**Recommended**
GLACIAL SAND AND GRAVEL (Adopted by Council on February 28, 2001)	***Section 3: Accountability Framework*** *Reporting Relationships*	The Agency operates under the management and program direction of the Department Head of Public Works. Policy direction comes from Council, the Executive Policy Committee, and the ASD Committee in consultation with the Standing Committee(s). The ASD Committee assures corporate financial direction and accountability.	Recommended language: *The Agency reports to the Chief Administrative Officer. Policy direction comes from Council, the Executive Policy Committee, and the ASD Committee in consultation with the Standing Committee(s). The ASD Committee assures corporate financial direction and accountability.*
	Chief Administrative Officer Responsibility	The CAO has executive management responsibility, in concert with Standing Policy Committees to provide policy advice, program and service direction concerning the effective management, operation, and performance of the Agency.	Recommended language: *Chief Administrative Officer Responsibility* *The CAO has executive management responsibility to provide advice and direction concerning the effective management, operation, and performance of the Agency. In particular, the CAO:* • *monitors the Agency's management, operations, and performance relative to the attainment of civic goals and objectives;* • *advises the ASD Committee and relevant Standing Policy Committee on policy matters concerning the effective management, operation, and performance of the Agency; and* • *facilitates effective and efficient working relationships and resource-sharing with other organizations and departments across the City to ensure congruent planning and budgeting and to achieve corporate economies and benefits.*

Appendix 1: Operating Charter Amendments

Special Operating Agency	Operating Charter		
	Reference	**Current**	**Recommended**
GLACIAL SAND AND GRAVEL (Adopted by Council on February 28, 2001) *. . . continued*	*Department Head Responsibility*	The Department Head monitors the Agency's management, operations, and performance relative to the attainment of civic goals and departmental objectives. The Department Head advises the Chief Administrative Officer and the relevant Standing Policy Committee on policy matters concerning the effective management, operation, and performance of the Agency. The Department Head or designate, is an ex-officio member of the Advisory Board. The Department Head receives and interprets the advice of the Advisory Board. This advice is used to assist the Department Head in advising the ASD Committee and Standing Policy Committee and EPC on policy matters, and to provide guidance to the Agency. The Department Head facilitates effective and efficient working relationships and resource sharing with other organizations within the department, as well as across City departments, to ensure congruent planning and budgeting and to achieve corporate economies and benefits.	Delete sub-section that refers to *Department Head Responsibility.*
	Advisory Board	The Advisory Board is chaired by a City representative, upon appointment by the CAO. Other than the Corporate ASD representative and the ex-officio members (Department Head and Agency Head), members are appointed by Council for a two-year renewable term.	Recommended language: *The Advisory Board is chaired by a City representative appointed by the CAO. Other than the ex-officio member (Agency Head), members are appointed by Council for a two-year renewable term.*
		Subject to the approval of stakeholder groups by Council, the Board consists of: • the Department Head or designate (ex-officio);	Recommended language: *Subject to the approval of stakeholder groups by Council, the Advisory Board consists of:* • *a department representative;*

Appendix 1: Operating Charter Amendments

Special Operating Agency	Operating Charter		
	Reference	**Current**	**Recommended**
GLACIAL SAND AND GRAVEL (Adopted by Council on February 28, 2001) *. . . continued*	**Section 5: Financial Framework** *Implementation*	At an administrative level, the CAO or designate, the Department Head, and the Agency Chief Operating Officer shall discuss and agree on the following, as detailed in the Selection Report:	Recommended language: *At an administrative level, the CAO and the Agency Head shall discuss and agree on the following, as detailed in the Selection Report:*
	Section 8: Accountability Structure	In the Chart box: - Director	Delete the box that refers to *Director*
	Appendix II Advisory Board Complement	Subject to the approval of stakeholder groups by Council, the Board consists of: • the Department Head or designate (ex-officio);	Recommended language: • *a department representative;*

Appendix 1: Operating Charter Amendments

Special Operating Agency	Operating Charter		
	Reference	**Current**	**Recommended**
WINNIPEG GOLF SERVICES (Adopted by Council on April 24, 2002)	***Section 3: Accountability Framework*** *3.1 Reporting Relationships*	The Agency operates under the management and program direction of the Chief Administrative Officer and the Director of Planning Property and Development. Policy direction comes from Council, the Executive Policy Committee and the ASD Committee in consultation with the Standing Committee(s). The ASD Committee assures corporate financial direction and accountability.	Recommended language: *The Agency reports to the Chief Administrative Officer. Policy direction comes from Council, the Executive Policy Committee and the ASD Committee in consultation with the Standing Committee(s). The ASD Committee assures corporate financial direction and accountability.*
	3.6 Chief Administrative Officer Responsibility	The CAO has executive management responsibility, in concert with Standing Policy Committees to provide policy advice, program and service direction concerning the effective management, operation, and performance of the Agency.	Recommended language: *Chief Administrative Officer Responsibility* *The CAO has executive management responsibility to provide advice and direction concerning the effective management, operation, and performance of the Agency. In particular, the CAO:* • *monitors the Agency's management, operations, and performance relative to the attainment of civic goals and objectives;* • *advises the ASD Committee and relevant Standing Policy Committee on policy matters concerning the effective management, operation, and performance of the Agency; and* • *facilitates effective and efficient working relationships and resource-sharing with other organizations and departments across the City to ensure congruent planning and budgeting and to achieve corporate economies and benefits.*

Appendix 1: Operating Charter Amendments

Special Operating Agency	Operating Charter		
	Reference	**Current**	**Recommended**
WINNIPEG GOLF SERVICES (Adopted by Council on April 24, 2002) *. . . continued*	*3.8 Department Head Responsibility*	The Director of Planning, Property and Development monitors the Agency's management, operations, and performance relative to the attainment of civic goals and departmental objectives. As required, the Department Head assists the Agency COO in establishing effective and efficient working relationships within and outside the organization management, operation, and performance of the Agency. The department Head is an ex-officio member of the Advisory Board.	Delete sub-section 3.8 that refers to *Department Head Responsibility.*
	3.10 Advisory Board	Subject to the approval of stakeholder groups by Council, the Advisory Board consists of: • Department Head or designate (ex-officio);	Recommended language: • *a department representative;*
	Section 5: Financial Framework *5.2 Implementation*	At an administrative level, the CAO or designate, the Department Head, and the Agency Chief Operating Officer shall discuss and agree on the following, as detailed in the Selection Report:	Recommended language: *At an administrative level, the CAO and the Agency Head shall discuss and agree on the following, as detailed in the business plan Selection Report:*
	Section 8: Accountability and Reporting Structure	In the Chart box: - Department Director	Delete the box that refers to *Department Director*

Appendix 1: Operating Charter Amendments

Special Operating Agency	Operating Charter		
	Reference	**Current**	**Recommended**
FLEET MANAGEMENT AGENCY (Adopted by Council on May 28, 2003	**Section 2: Policy Framework** *2.10 Special Operating Agency Status*	The Chief Operating Officer (COO) shall liaise with the Director of Public Works to handle day-to-day administrative matters and to coordinate reports and responses to issues as they arise.	Delete the paragraph.
	Section 3: Accountability Framework *3.1 Reporting Relationships*	The Agency reports to the Director of the Public Works Department. Policy direction comes from Council, the Executive Policy Committee (EPC), and the Alternative Service Delivery (ASD) Committee in consultation with the Standing Policy Committee(s). The ASD Committee assures corporate financial direction and accountability. The Chief Operating Officer shall liaise with the Director of Public Works on a day-to-day basis. An Advisory Board shall provide advice on strategic operations.	Recommended language: *The Agency reports to the Chief Administrative Officer. Policy direction comes from Council, the Executive Policy Committee (EPC), and the Alternate Service Delivery (ASD) Committee in consultation with the Standing Policy Committee(s). The ASD Committee assures corporate financial direction and accountability. An Advisory Board shall provide advice on strategic operations.*
	3.6 Chief Administrative Officer Responsibility	The CAO has executive management responsibility, in concert with Standing Policy Committees to provide policy advice, program and service direction concerning the effective management, operation, and performance of the Agency.	Recommended language: *Chief Administrative Officer Responsibility* *The CAO has executive management responsibility to provide advice and direction concerning the effective management, operation, and performance of the Agency. In particular, the CAO:* • *monitors the Agency's management, operations, and performance relative to the attainment of civic goals and objectives;* • *advises the ASD Committee and relevant Standing Policy Committee on policy matters concerning the effective management, operation, and performance of the Agency; and* • *facilitates effective and efficient working relationships and resource-sharing with other organizations and departments across the City to ensure congruent planning and budgeting and to achieve corporate economies and benefits.*

Appendix 1: Operating Charter Amendments

Special Operating Agency	Operating Charter		
	Reference	**Current**	**Recommended**
FLEET MANAGEMENT AGENCY (Adopted by Council on May 28, 2003 *. . . continued*	*3.8 Department Head Responsibility*	The Director of Public Works monitors the Agency's management, operations, and performance relative to the attainment of civic goals and departmental objectives. The Department Head advises the Chief Administrative Officer and relevant Standing Policy Committee on policy matters concerning the effective management, operation, and performance of the Agency. The Department Head or designate is a member of the Advisory Board. The Department Head receives and interprets the advice of the Advisory Board. The advice is used to assist the Department Head in advising the ASD Committee and Standing Committee and EPC on policy matters, and to provide guidance to the Agency. The Department Head facilitates effective and efficient working relationships and resource sharing with other organizations within the department, as well as across City departments, to ensure congruent planning and budgeting and to achieve corporate economies and benefits.	Delete sub-section 3.8 that refers to *Department Head Responsibility.*
	Section 9: Accountability and Reporting Structure	In the Chart box: - Department Director (Host Department)	Delete box that refers to *Department Director (Host Department)*

Appendix 1: Operating Charter Amendments

Special Operating Agency	Operating Charter		
	Reference	**Current**	**Recommended**
WINNIPEG PARKING AUTHORITY (Adopted by Council on October 27, 2004	**Section 3: Accountability Framework** *3.1 Reporting Relationships*	The Agency operates under the management and program direction of the Chief Administrative Officer through the Director of the Planning, Property and Development Department. Policy direction comes from Council, the Executive Policy Committee (EPC) and the Alternate Service Delivery (ASD) Committee in consultation with the Standing Committee(s). The ASD Committee assures corporate financial direction and accountability. The Agency's accountability structure aligns political, administrative and community interests, in support of its mandate.	Recommend language: *The Agency reports to the Chief Administrative. Policy direction comes from Council, the Executive Policy Committee (EPC) and the Alternate Service Delivery (ASD) Committee in consultation with the Standing Committee(s). The ASD Committee assures corporate financial direction and accountability.* *The Agency's accountability structure aligns political, administrative and community interests, in support of its mandate.*
	3.6 Chief Administrative Officer Responsibility	The CAO has executive management responsibility, in concert with Standing Policy Committees to provide policy advice, program and service direction concerning the effective management, operation, and performance of the Agency. The CAO designates the chairperson of the Advisory Board.	Recommended language: *Chief Administrative Officer Responsibility* *The CAO has executive management responsibility to provide advice and direction concerning the effective management, operation, and performance of the Agency. In particular, the CAO:* • *monitors the Agency's management, operations, and performance relative to the attainment of civic goals and objectives;* • *advises the ASD Committee and relevant Standing Policy Committee on policy matters concerning the effective management, operation, and performance of the Agency;* • *facilitates effective and efficient working relationships and resource-sharing with other organizations and departments across the City to ensure congruent planning and budgeting and to achieve corporate economies and benefits; and* • *designates the chairperson of the Advisory Board.*

Appendix 1: Operating Charter Amendments

Special Operating Agency	Operating Charter		
	Reference	**Current**	**Recommended**
WINNIPEG PARKING AUTHORITY (Adopted by Council on October 27, 2004 *. . . continued*	*3.8 Department Head Responsibility*	The Director of Planning, Property and Development monitors the Agency's management, operations, and performance relative to attainment of civic goals and departmental objectives. As required, the Department Head assists the Agency's Chief Operating Officer (COO) in establishing effective and efficient working relationships within and outside the organization. The Department Head is an ex-officio member of the Advisory Board.	Delete sub-section 3.8 that refers to *Department Head Responsibility.*
	5.2 Implementation	At an administrative level, the CAO or designate, the Department Head and the Agency COO discusses and agrees on the following as detailed in the business plan:	Recommended language: At an administrative level, the CAO, or designate, and the Agency COO discusses and agrees on the following as detailed in the business plan:
	Section 8: Accountability and Reporting Structure	In the Chart box: - Department Director	Delete box that refers to *Department Director*
	Appendix B Special Operating Agency (2005)	In the Chart box: - Director Property, Planning and Development	Delete box that refers to *Director Property, Planning and Development*