

Minutes – Council – June 25, 2026

Minute No. 382

Report – Standing Policy Committee on Community Services – June 9, 2026

Item No. 2 Dissolve Animal Services Special Operating Agency and Reorganize as Animal Services Division of Community Services Department

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Community Services and adopted the following:

1. That, effective December 31, 2026, the Animal Services Special Operating Agency (SOA) be dissolved, its Operating Charter be revoked, and the Advisory Board be discharged.
2. That, subject to approval of Recommendation 1:
 - A. Animal Services SOA assets, liabilities and retained earnings be transferred to the Animal Services Division of the Community Services Department within the General Revenue Fund effective December 31, 2026.
 - B. The actual and remaining retained earnings balance at December 31, 2026, transferred to the General Revenue Fund in accordance with Recommendation 2.A., be referred to the 2027 budget process as a potential funding source for Animal Services capital projects.
 - C. The Director, Community Services Department be delegated authority to set Animal Services Division fees and charges for products and services described in Appendix B.
 - D. Amendments to the Responsible Pet Ownership By-law No. 92/2013 and the Municipal By-law Enforcement Act Enacting By-law No. 59/2016, a draft of which is attached as Appendix C to this report, be enacted.
 - E. The City Solicitor/Director of Legal Services prepare a by-law to amend the City Organization By-law No. 7100/97 to remove reference to the Animal Services SOA, following the filing of 2026 audited financial statements for the Animal Services SOA, and bring same directly to Council for enactment.
3. That the Proper Officers of the City be authorized to do all that is necessary to implement the intent of the foregoing.

Minutes – Council – June 25, 2026

Report – Standing Policy Committee on Community Services – June 9, 2026

DECISION MAKING HISTORY:

Moved by Councillor Santos,

That the recommendation of the Standing Policy Committee on Community Services be adopted.

Carried

Councillors Duncan, Lukes and Wyatt were absent from the vote on the above motion.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 16, 2026, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Community Services and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On June 9, 2026, the Standing Policy Committee on Community Services concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

David Grant submitted a communication in opposition to the matter.

COUNCIL DECISION:

On December 17, 2025, Council concurred in the recommendation of the Executive Policy Committee, as amended, and adopted the following:

1. That the following recommendations with respect to the 2026 Preliminary Operating Budget be approved by Council:
 - R. That the Public Service report back to the appropriate committee of Council within 180 days with recommendations on restructuring the Animal Services Special Operating Agency as a division of the Community Services department, consistent with the City's Continuous Improvement Initiative.

ADMINISTRATIVE REPORT

Title: Dissolve Animal Services Special Operating Agency and Reorganize as Animal Services Division of Community Services Department

Critical Path: Standing Policy Committee on Community Services – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
Z. Austin O. Garrett	C. Fernandes	T. Graham	J. Dunford

EXECUTIVE SUMMARY

The Public Service recommends dissolving the Animal Services Special Operating Agency. Animal Services operations would move into the Community Services Department as a division.

Animal Services has changed over time. It is a core public service that keeps people and animals safe. It relies on both user fees and tax funding to operate. The Special Operating Agency (SOA) structure does not match how the service works today.

In line with the City of Winnipeg's Continuous Improvement mandate, this change is recommended because it will:

- simplify the City of Winnipeg overall financial reporting;
- reduce duplicate administrative work; and
- keep the focus on the service, not paperwork.

What will stay the same:

- the mandate and responsibilities of Animal Services;
- daily operations, service levels, and outcomes for residents;
- funding to the Winnipeg Humane Society; and
- oversight by the Standing Policy Committee on Community Services.

Ending (disbanding) the Agency can only be approved by Council. This requires a two-thirds majority vote. If Council approves, the Public Service will bring forward any needed by-law changes.

RECOMMENDATIONS

1. That, effective December 31, 2026, the Animal Services Special Operating Agency (SOA) be dissolved, its Operating Charter be revoked, and the Advisory Board be discharged.
2. That, subject to approval of Recommendation 1:
 - A. Animal Services SOA assets, liabilities and retained earnings be transferred to the Animal Services Division of the Community Services Department within the General Revenue Fund effective December 31, 2026.
 - B. The actual and remaining retained earnings balance at December 31, 2026, transferred to the General Revenue Fund in accordance with Recommendation 2.A., be referred to the 2027 budget process as a potential funding source for Animal Services capital projects.
 - C. The Director, Community Services Department be delegated authority to set Animal Services Division fees and charges for products and services described in Appendix B.
 - D. Amendments to the Responsible Pet Ownership By-law No. 92/2013 and the Municipal By-law Enforcement Act Enacting By-law No. 59/2016, a draft of which is attached as Appendix C to this report, be enacted.
 - E. The City Solicitor/Director of Legal Services prepare a by-law to amend the City Organization By-law No. 7100/97 to remove reference to the Animal Services SOA, following the filing of 2026 audited financial statements for the Animal Services SOA, and bring same directly to Council for enactment.
3. That the Proper Officers of the City be authorized to do all that is necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

On December 17, 2025, Council adopted recommendation 1.R. of the 2026 Adopted Budget, directing the Public Service to report back within 180 days to the appropriate Committee of Council with recommendations on restructuring the Animal Services Special Operating Agency

as a division of the Community Services department, consistent with the City's Continuous Improvement Initiative.

Animal Service's Operating Charter Section 7 requires approval of two-thirds (2/3) majority of Council to dissolve and/or revoke the Operating Charter.

IMPLICATIONS OF THE RECOMMENDATIONS
--

The mandate, goals, strategies, and day-to-day operations of Animal Services will not change because of the recommendations of this report.

Apart from Recommendation 2.B., there are no human resources, financial, or other implications associated with this report.

HISTORY/DISCUSSION

City of Winnipeg Special Operating Agencies – Implementation, Origins, and Concept

On March 20, 1997, Council adopted a document entitled “Reshaping our Civic Government.” The document identified the development of Special Operating Agencies (SOAs) as one of five strategic initiatives to create a more affordable and fundamentally better civic government.

The City of Winnipeg began designating certain municipal services as SOAs in the early 2000s. The intent was to reform civic administration by introducing greater flexibility within certain municipal services, promoting more efficient and business-like practices, while keeping them under public ownership and accountability. The SOA model was adopted to modernize service delivery, increase accountability, shift operations toward greater cost recovery and long-term independent financial sustainability while continuing to deliver essential public services.

SOAs typically:

- Operate under formal charters approved by Council.
- Have their own management and advisory boards.
- Are self-sustaining, generating their own revenue streams through user fees.
- Are subject to public accountability through annual reporting and audits.

The Special Operating Agencies established within the City of Winnipeg include(d) the following:

SOA	Date Established	Description	Tax Support Funding Received
Animal Services Agency	January 1, 2000	Manages pet licensing, stray animal control and care, by-law enforcement, and emergency response.	Yes
Glacial Sand & Gravel	January 1, 2001	Managed City-owned aggregate sand pits.	Dissolved Dec 31, 2007
Golf Services	January 1, 2002	Maximizes annual return on City golf operations and supports long-term sustainability of golf course assets.	No
Winnipeg Fleet Management Agency	January 1, 2003	Provides fleet services including procurement, licensing, fabrication, rentals, maintenance, fueling, and disposal for City departments (excluding Transit).	No
Winnipeg Parking Authority	January 1, 2005	Manage on-street and off-street parking, oversees Vehicle for Hire industry, and administers screening and adjudication of by-law offences under the MBEA.	No

Since the early 2000s, the City has revisited the SOA model on one prior occasion in response to changing economic conditions and evolving City priorities. This resulted in the dissolution of the Glacial Sand and Gravel SOA effective December 31, 2007.

Of the remaining four SOAs presently operating, Animal Services differs in that it operates with ongoing tax-supported funding to remain financially viable, while supporting core public safety and animal welfare functions.

Animal Services Special Operating Agency Overview:

History:

On November 17, 1999, Council approved the designation of the Animal Services Division of the Community Services Department as a Special Operating Agency (SOA), to commence operations on January 1, 2000, following the “Reshaping our Civic Government” initiative. At that time, the following characteristics supported Animal Services selection as a candidate for SOA status:

- Provision of services at levels and standards that are consistent with legislation and City policy;
- Self-contained, established service with a new, state-of-the-art facility;
- Professionally trained, experienced staff;
- Established relationships with interest holders through core business functions (licensing, partnerships and enforcement);
- Potential to become financially self-sustaining by improving and increasing the value of products and services; and
- Clearly defined performance objectives.

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.

This mandate is delivered through five integrated service areas:

- i. Licensing and permits
- ii. Public education
- iii. Adoption and kenneling, including quarantine of biting dogs
- iv. By-law enforcement, including neighbourhood dispute resolution
- v. 24-hour emergency response

The Agency works in partnership with the veterinary community, the Winnipeg Humane Society, emergency service departments, and other interest holders to support animal welfare and public safety across the city. The Agency is also responsible for the enforcement of the Responsible Pet Ownership (RPO) By-law.

Current Operations:

Over the last 26 years, Animal Services has successfully achieved the majority of the core objectives envisioned when the SOA was formed. The Agency has evolved from a primarily reactive enforcement service into a modern public safety and animal welfare program centered on prevention, education, and community partnership.

This evolution combines proactive education and prevention initiatives, adoption and community outreach programming, strong and strategic partnerships with veterinary, animal welfare, and emergency service organizations, and expanded volunteer and community engagement.

The Agency has consistently met the accountability expectations of the SOA framework through business planning, financial reporting, audited financial statements, performance measurement, and Advisory Board oversight.

The Operating Charter identifies financial sustainability, with significantly less reliance on tax supported funding over the long term, as a key objective. Animal Services has increased licensing participation and expanded revenue generating activities in support of this objective.

Importantly, Animal Services operates at the intersection of public safety, animal welfare, and community service. As such, the Agency delivers services that are not fully recoverable through user fees and requires tax-supported funding to support core functions. From inception of the Agency to date, Animal Services continues to operate as a hybrid public service supported by both self-generated revenue and tax support funding.

Rationale for Dissolution and Reintegration into Community Services Department:

Loss of Autonomy

When the SOA was established, the charter model anticipated that the Agency would operate with increased management flexibility and freedom to manage in a more businesslike way, as outlined in Appendix I (Delegations and Exemptions) of the Agency's Operating Charter, namely:

- The ability to independently operate with exemptions from administrative policies.
- Exemption from vacancy and expenditure management processes.
- The authority to exercise choice in purchase of services, either internal or external to the City of Winnipeg.

Since inception, City practices, oversight, and frameworks have evolved, and the administrative exemptions and flexibilities originally envisioned under the SOA model were not implemented in practice. Animal Services continues to operate within the City's corporate administrative, procurement, human resources, and financial frameworks.

As a result, the level of operational autonomy originally contemplated under the SOA model has not been fully realized.

Financial Reality - A Hybrid Model

The SOA model was intended to foster a more business-like independence, transitioning toward greater financial self-sustainability. In practice, Animal Services does not generate sufficient revenue to fully fund its operation.

Since inception in 2000, the Agency has been reliant on tax-supported funding to support core functions, including enforcement and shelter operations. As a result, the objective of full financial self-sustainability has not been achieved.

Based on current budgets and financial reporting, approximately 31 percent of the Agency's operating funding is provided through the General Revenue Fund, rather than internally generated revenue. The nature of Animal Services as a public safety service, emergency response unit, and community resource means that it delivers functions that are not fully recoverable through user fees and is a public good.

Animal Services therefore operates as a hybrid public service supported by both user-generated revenue, and tax-supported funding. In this context, the SOA structure introduces an additional administrative framework that is not aligned with the Agency's financial model.

Administrative Streamlining

Maintaining the SOA structure requires specialized business planning, separate record keeping, and independent audits, resulting in duplicate administrative efforts and costs.

Reorganizing Animal Services as a division within the Community Services Department would eliminate redundant administrative processes and costs.

A final advantage of reintegrating Animal Services into a standard departmental budget results in the City streamlining and simplifying its overall financial reporting by consolidating its financial reporting into the General Revenue Fund, which is the primary fund supported by the taxpayer.

Reintegrating Animal Services as a division of the Community Services Department would appropriately align with the current operational reality of the service.

Jurisdictional Review

In 2020, the City of Winnipeg conducted a jurisdictional review comparing Special Operating Agency (SOA) models across eight Canadian municipalities: Calgary, Edmonton, Hamilton, Ottawa, Regina, Toronto, Vancouver, and Victoria. The review found that none of these municipalities include Animal Care and Control services within an SOA model. Of the eight, five deliver these services as part of tax-supported operations, while three cities contract out the service.

For comparative purposes, transitioning Winnipeg Animal Services to a tax-supported department would align with how the majority of Canadian municipalities structure and deliver this service.

Dissolving the SOA Model and Restructuring as a Division of Community Services Department:

In the context of the City of Winnipeg's Continuous Improvement mandate, this report recommends dissolving Animal Services as a Special Operating Agency at the close of business December 31, 2026, and re-organizing its operations as a division of the Community Services Department (General Revenue Fund).

The mandate, service objectives, agreements, and day-to-day operations of Animal Services will not change as a result of this reorganization. This move focuses on organizational flattening and administrative efficiency.

Pursuant to Section 7 of the Agency's Operating Charter, dissolution of the SOA requires approval by a two-thirds (2/3) majority of Council.

Three key areas have been considered as part of this proposal:

Governance:

Following the dissolution of the SOA, Animal Services would operate as a division of the Community Services department and would remain under the oversight and direction of the

Director of Community Services. All internal support services (Finance, Human Resources, Innovation and Technology) would continue to be provided through Community Services.

As part of this restructuring, the Animal Services Advisory Board would be discharged. Ongoing engagement with external stakeholders would occur through meetings organized by the Manager of Animal Services.

Under the current SOA model, the Agency provides an annual business plan (Selection Report) to Council. This business plan would no longer be provided separately. Information would be compiled and submitted as part of the Community Services Department annual budget and financial reporting processes. Animal Services would continue to be reflected as a distinct city service area within publicly-released City of Winnipeg budget documents.

The City of Winnipeg Charter requires an annual report, including audited financial statements, to be filed after each fiscal year of the Agency's operations. This report, including the 2025 and 2026 actual financial results, will be filed with the Standing Policy Committee (SPC) on Community Services in 2027. Going forward (2027 onwards), financial information will be included in the Community Services Department annual budget and financial reporting processes.

The Agency currently has a contractual agreement with the Winnipeg Humane Society that provides funding to support two key components; (1) general services and (2) low income spay and neuter program (SNAP). The obligations under this contractual agreement will not change as a result of this reorganization.

Council previously delegated the authority to set fees and charges for the Animal Services Agency to the Director, Community Services on March 23, 2023. Recommendation 2.C. of this report restates and clarifies that delegation will remain after the administrative reorganization proposed in this report.

Amendments to the Responsible Pet Ownership By-law are required to update governance references associated with the Agency and the General Manager. Substantive provisions respecting responsibilities, offences and enforcement have not changed.

Similarly, a minor amendment to the Municipal By-law Enforcement Act Enabling By-law has been prepared to remove references to the title of General Manager and replace them with Manager, Animal Services. These by-law amendments would come into effect December 31, 2026.

After the annual report and audited financial statements for 2026 have been received by Council, a by-law to amend the *City Organization By-law 7100/97* will be brought directly to Council to remove SPC Community Services responsibility to oversee the Agency, including its review of annual business plans and reports, which will no longer exist. SPC Community Services will retain jurisdiction over animal control and related matters, including those administered by the new Animal Services Division.

Human Resources (Staffing) Implications:

The Agency's existing 27.10 full-time equivalent positions will remain in place and all existing staff (CUPE, WAPSO, Out of Scope) will be re-organized into the Community Services department. The Manager of Animal Services will continue to report to the Director of

Community Services. There will be no impact on departmental or classification seniority for any employees as they are already considered as employees of the Community Services department for the purposes of seniority.

Financial Implications:

At the end of business operations on December 31, 2026, the assets, liabilities and retained earnings of the Agency will be transferred to the Animal Services Division of the Community Services Department and included as part of the General Revenue Fund.

No incremental tax support funding is required because of this reorganization. Marginal annual savings in external audit fees of \$8,000 are anticipated and will be retained and repurposed to support operational expenses such as veterinarian services, animal food, and medical supplies.

Pet licensing revenues will continue to be fully dedicated to support animal care and enrichment activities, as well as community-based programming. The balance of Animal Services' operations will continue to be supported through mill rate (tax-support) funding, consistent with current practice. Under the current SOA model, Animal Services can retain accumulated surplus generated through its operations. Following the reorganization within the General Revenue Fund, Animal Services will no longer retain any accumulated surpluses.

Animal Services' unappropriated retained earnings at the end of 2025 are \$1,004,680. On December 18, 2025, Council approved the 2026 Animal Services Business Plan which anticipates an operational shortfall of \$609,231. The 2026 shortfall is due to the service purchase agreement with the Winnipeg Humane Society (\$1,012,000) and net operating deficit (\$468,450); offset by the tax-support transfer from the General Revenue Fund of \$871,219. At the date of dissolution December 31, 2026, it is anticipated there will be \$395,449 in retained earnings. See the table below:

CITY OF WINNIPEG		
ANIMAL SERVICES - SPECIAL OPERATING AGENCY		
Retained Earnings Forecast		
For the year ended December 31		
	Unaudited Actual	Unaudited Forecast
	<u>2025</u>	<u>2026</u>
RETAINED EARNINGS SURPLUS/(DEFICIT) BEGINNING OF YEAR	\$3,402,498	\$1,004,680
Winnipeg Humane Society - Service Purchase Agreement	(987,500)	(1,012,000)
Animal Services SOA operations (Deficit)/Surplus – excl. tax support transfer	(709,287)	(468,450)
Transfer to Financial Stabilization Reserve (Council approved June 26, 2025)	(1,800,000)	-
RETAINED EARNINGS SURPLUS/(DEFICIT) BEFORE TAX-SUPPORT TRANSFER	(94,289)	(475,770)
Annual Tax-Supported Transfer (<i>Note 1</i>)	1,098,969	871,219
RETAINED EARNINGS SURPLUS/(DEFICIT) END OF YEAR	1,004,680	395,449
Note		
1. The tax-support transfer to the Agency was reduced by \$273K in 2025 and \$500K in 2026 from traditional levels of \$1.371 million.		

Detailed pro-forma financial statements based upon a forecast of the Agency's revenue and expenses up to December 31, 2026, have been enclosed with this report as Appendix A.

Animal Services Retained Earnings (Recommendation 2.B.):

Animal Services operates from the facility located at 1057 Logan Avenue, which was constructed in 1997 as a short-term holding facility for stray dogs. Over time, the service has evolved significantly: Animal Services now delivers adoption, volunteer and community outreach programming, veterinary and animal care services, and public safety initiatives that reflect modern, proactive animal welfare and enforcement practices. Growth in population, changes in societal expectations, and diversification of service delivery have resulted in operational requirements becoming more demanding in relation to animal care, staff safety, biosecurity and public-facing programming. The facility operates well beyond its intended capacity and is experiencing increasing complexity in sustaining effective service delivery.

FINANCIAL IMPACT

Financial Impact Statement Date: [March 18, 2026](#)

Project Name:
**Dissolve Animal Services as a Special Operating Agency and
Reorganization as a Division of the Community Services
Department**

COMMENTS:

There are no immediate financial implications associated with the recommendations in this report.

Recommendation 2.B. may have future financial implications as the residual retained earnings as at December 31, 2026 is being referred to the 2027 budget process as a funding source for Animal Services facility improvements.

2026 pro-forma financial forecasts for the Animal Services SOA are included in Appedix A of this report.

Ozzy Garrett, CPA - March 18/26
Ozzy Garrett CPA, CGA
Manager of Finance
Community Services Department

CONSULTATION

This Report has been prepared in consultation with:

- Legal Services
- Corporate Finance Department
- Assets and Project Management Department

OURWINNIPEG POLICY ALIGNMENT

OurWinnipeg 2045 policies related to the recommendations of this report include the following:

LEADERSHIP AND GOOD GOVERNANCE

1.6 Results-Based Budgeting: Use this Plan as a foundation for municipal budget priorities to achieve integrated, intergenerational life-cycle planning that maximizes community return on investment.

GOOD HEALTH AND WELL-BEING

4.8 Building Safety: Enforce compliance with building codes and property maintenance standards, to ensure housing quality, safe building occupancy, and extended building lifecycles.

4.14 Community Safety: Enforce animal control and promote animal welfare standards awareness, to enable responsible pet ownership and safe interaction in the urban environment.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Community Services
Division: Animal Services SOA
Prepared by: Zoe Austin and Oswayne Garrett
Date: March 27, 2026
File No: CMS-2026-03

Attachments:

Appendix A – Animal Services SOA 2026 Pro forma Financial Statements

Appendix B – Animal Services Fees and Charges

Appendix C – Draft By-law to Amend the Responsible Pet Ownership By-law and Municipal By-law Enforcement Act Enacting By-law