



Staff Report

If this information is required in an alternate accessible format, please contact the Accessibility Coordinator at 905-623-3379 ext. 2131.

Report To: General Government Committee

Date of Meeting: October 19, 2020

Report Number: CAO-021-20

Reviewed By: Andrew C. Allison, CAO

By-law Number:

File Number:

Resolution#:

Report Subject: Organizational Structure Review Update

Recommendation:

1. That Report CAO-021-20 be received for information.

Report Overview

This report is intended to provide Council with an update on the changes made to our organizational structure that were approved by Council on March 2, 2020.

- 1.1 Through [Report FND-021-19](#), staff were directed to undertake an organizational structure review. Grant Thornton LLP (“GT”) was engaged to undertake the review.
- 1.2 The first step taken by GT was to complete a Current State Assessment. GT then performed an analysis based on six specific areas of impact (cost savings) and what they termed a 4P analysis (Purpose and Strategy, People and Culture, Process and Finances, and Performance and Measurement). This resulted in 30 recommendations and a high-level implementation outline that were presented in GT’s December 4, 2019 report entitled “Municipality of Clarington Organizational Structure Review”.
- 1.3 In [Report CAO-016-19](#), staff identified that financial implications (e.g. impact on the municipal budget, possible sources of future funding to assist with the implementation); human resource issues (e.g. collective agreement implications, pay equity); physical space requirements; functional analyses of impacted positions; realistic timeframes for implementation; and, most importantly, input from staff needed to be considered as integral parts of any implementation plan.
- 1.4 Through Resolution #C-430-19, Council directed staff to prepare an implementation plan and a cost analysis for consideration during the 2020 budget deliberations. [Report CAO-006-20](#) responded to that direction. It addressed all 30 recommendations in GT’s report, and assessed whether they would help the Municipality improve how services are delivered. Some staff analysis was compiled in Report CAO-007-20 which was confidential because it contained personal information about identifiable individuals.
- 1.5 Resolution C-087-20 passed by Council on March 2, 2020, provided as follows:

That Report CAO-006-20 be received;

That Council endorse the organizational structure changes generally as set out in this Report;

That Grant Thornton Recommendation #8: Outsource Animal Services, be received for information;

That Animal Services remain status quo, thus Animal Services will not be outsourced;

That the Correspondence Items 7.1 regarding Recommendation #3 in Report CAO-006-20, Organizational Structure Review - Implementation Plan (Grant Thornton Recommendation #8: Outsource Animal Services), be received;

That staff be directed to apply for funding under the next intake of the Audit and Accountability Fund in order to assist with the implementation of Recommendation #26 (Key Performance Indicators);

That non-statutory Deputy Director positions (not including Emergency & Fire Services) be eliminated;

That Staff be directed to review the content of staff positions across departments, and KPI's, with the funding to be considered as part of the 2020 Budget; and

That all interested parties listed in Report CAO-006-20 and any delegations be advised of Council's decision.

- 1.6 As part of the 2020 Budget, Council established the Continuous Improvement Reserve Fund with an initial \$100,000 to assist in the implementation of organizational changes recommended in Report CAO-006-20.
- 1.7 Through Report [FND-025-20](#), Council directed staff to retain Grant Thornton to pursue the implementation of Recommendation #26 (Key Performance Indicators) utilizing a portion of this Reserve Fund.
- 1.8 The Provincial government has not announced a second intake of the Audit and Accountability funding. Should those funds become available, staff will attempt to determine if the work described in section 1.7 above can be covered retroactively. If not, staff will identify other projects that will meet the Province's funding criteria.

2. Restructuring

- 2.1 Updates respecting the changes to our organizational structure that were approved by Council on March 2, 2020 are provided below using the recommendation numbering in the GT report. March 2 was the last Council meeting before the COVID-19 pandemic became the focus of much of our corporate decision-making.
- 2.2 It is important to note that where the restructuring or realignment is noted below as having been implemented, all steps required to fully implement the change may not have occurred. At a minimum, what has changed are reporting relationships and job titles. However, other administrative steps may still be required (e.g. new GL accounts, job descriptions, pay equity assessments, and physical office relocation). Some job responsibilities are being shared so that they are supported through the transition.

1. Combine Office of the CAO with Mayor and Council Administrative Support to Form Executive Services

2.3 The changes approved by Council have been implemented, and the cost savings were captured in the 2020 budget.

2. Move Tourism from CAO to Community Services

2.4 Tourism became part of Community Services in September 2020.

2.5 Report CAO-006-20 raised the possibility of cost savings if the Liberty Street Tourism Office (the Visitor's Center) was closed. This possibility will be discussed in a report from Community Services scheduled for a GGC meeting in November.

3. Move Climate Change from CAO to Planning Services

2.6 This functional realignment was implemented in March 2020.

4/5. Add Legal and Clerk's to Corporate Services

2.7 Phase 1 of this recommendation was implemented this month (October 2020) through the formal creation of a Legislative Services Department. Legal Services, Clerk's, Municipal Law Enforcement and Animal Services are now separate divisions within this new Department.

2.8 At this time, real estate services remain within the Special Projects Branch of the Planning and Development Services Department.

2.9 GT recommended that the next phase of this recommendation (merging Corporate Services with either Legislative Services or Finance) could take place in Year 2-3. As was mentioned in Report CAO-006-20, there could be savings and efficiencies achieved if Legal, Clerk's and Corporate Services are brought together, but there could also be savings and efficiencies if Corporate Services is combined with Finance – essentially taking the Municipality back to where it was 20 years ago. Another possibility identified in Report CAO-006-20 was that the Human Resources Division currently in Corporate Services could be combined with Legislative Services, and IT combined with Finance.

2.10 As was stated in Report CAO-006-20, there is a lot of work that must be undertaken by Corporate Services to fully implement the recommended structural changes. After much of that work is done, and the newly reorganized departments have had some time to adjust, the issue of how to reposition the individual divisions currently within the Corporate Services Department can be assessed. The expectation is that this second phase of restructuring can be implemented in 2021.

6. Move Accessibility Coordinator from Clerk's to Community Services

2.11 In June 2020, Community Services staff began working with the Clerk's Department to assume the responsibility for accessibility. Upon her return from maternity leave in February 2021, the Accessibility Coordinator will officially join the Community Services Department.

7. Move Oversight of Volunteers from Community Services to Human Resources

2.12 Staff felt that oversight of volunteers should remain with Community Services and Council agreed. Therefore, there were no structural changes.

8. Outsource Animal Services

2.13 Through Resolution C-087-20, Council directed that Animal Services should remain status quo and not outsourced.

9. Move Purchasing from Corporate Services to Finance

2.14 This recommendation was implemented on June 1, 2020.

10. Create Centralized Customer Service

2.15 Council endorsed this recommendation. Creating a centralized customer service model will require significant staff time, planning, research and possibly monetary investment. A robust plan will be provided for Council consideration once staff have created a business case and prepared the necessary implementation strategy. Staff will be developing this over the next two to three years.

2.16 Staff are looking at the possibility of using the Lean certification process (black belt) to create a centralized customer service model.

11. Create a Public Works Department

2.17 This recommendation was implemented in July 2020.

12. Move all Facility & Park Design, Construction and Maintenance to Public Works

2.18 These recommendations (slightly modified as described in Report CAO-006-20) have been implemented. Effective July 2020, all park design, construction and maintenance services have been combined and are now delivered through Public Works. All buildings and facilities responsibilities have been combined and are now managed by the Community Services Department.

13. Move Crossing Guards from Planning to Public Works

2.19 Public Works became involved with the transition of the School Crossing Guard Program from Planning in the summer, and the formal realignment was implemented in September 2020.

14. Move Field Booking from Operations to Community Services

2.20 This realignment was implemented in August 2020.

15. Move Building Services (CBO) from Engineering to Planning and Development

2.21 This recommendation was implemented in July 2020.

16. Move Development Approvals from Engineering to Planning and Development

2.22 In Report CAO-006-20, it was stated that staff recognized the potential benefits of this recommendation but did not feel that this reorganization is needed at this time. Instead, staff recommended that this recommendation be revisited in 2021. That is still the plan.

17. Possible Outsourcing of Forestry

2.23 In [Report CAO-003-20](#), Council was presented with a review of forestry services. Through Resolution #GG-062-20, Council voted to (a) endorse the recommendations of the Forestry Service Delivery Review; and (b) conduct a customer service and work order process review using in-house resources and Lean methodologies.

2.24 Efforts to date have included the commencement of a Lean Six Sigma review, the further refinement of existing City Wide software, and the development of a staff training program. Improvements in these areas have allowed for the better tracking of service requests and the creation of more efficient work schedules. The re-purposing of existing staff resources within the Public Works Department has also allowed for the recent hiring of a qualified arborist to fill a vacancy.

18. Review of Snow Removal

- 2.25 Issues (including timing) related to possible outsourcing of snow removal were addressed in Report OPD-001-20. Through Resolution #C-022-20, Council voted to pursue a phased approach starting with two snowplow routes. In Report OPD-002-20, staff recommended the cancellation of outsourcing due to the higher than expected tender pricing. Subject to Resolution #GG-137-20, the matter has been referred back to staff to obtain additional tender pricing and a report back in the Fall of 2020.
- 2.26 Ontario Tech will be working with the Public Works Department this winter on a snowplow route optimization project. It is anticipated that this exercise will yield several efficiencies.

19. Create a Planning and Development Department

- 2.27 This recommendation was implemented in July 2020.

20. Create Formal Economic Development Communication Link Between Planning and Clarington Board of Trade

- 2.28 The changes discussed in Report CAO-006-20 have all been implemented.

21. Move Cemetery Administration from Clerk's to Community Services

- 2.29 Staff and Council did not agree with this recommendation. Therefore, no action was required.

22. External Review of Fire and Emergency Services

- 2.30 The 2020 budget included \$80,000 (fully funded by development charges) for an update to the Fire Master Plan. Staff are currently reviewing all submissions made in response to the RFP.

23. Formalize Process for Performance Evaluation

- 2.31 GT recommended two action items under this one recommendation – the creation of formal position descriptions and formal performance evaluations.
- 2.32 We have engaged ML Consulting to assist in the preparation of formal job descriptions (which we currently do not have) that can be used as part of our Pay Equity process and also linked to departmental business plans and KPIs.

2.33 In 2018, Policy B7 was updated to provide a completely revamped Performance Management Review form. The form is to be completed on an annual basis and reviewed semi-annually. It includes sections that define SMART organizational goals and objectives as well as career development goals. Going forward, this form may be adjusted to include references to KPIs. The possibility of establishing a system of performance reviews for CUPE staff will be discussed as part of collective bargaining discussions (Notices to Bargain was received from both CUPE locals on October 2, 2020).

24. Create Role for Training In-House

2.34 Training and development will be key to the Corporation's future success for all of the reasons set out in Report CAO-006-20. The challenge is that much of this training can be expensive to procure, hence the recommendation from GT to hire someone in-house to provide the service at a decreased cost. The 2020 budget for staff training and development was \$276,000 which was an increase of approximately 2.3 per cent as compared to what was budgeted in 2016.

2.35 The Municipality has in-house staff who are able to leverage their expertise to design and develop university-level educational training. Corporate Policy Analyst, Justin MacLean, has been leading this initiative. With the assistance of Mike McCron, Corporate Safety Officer, and Jason Douglas, Network Administration Supervisor, Mr. MacLean provided virtual training on working from home in a healthy, secure and effective way. The session was titled, "Working from Home – Maintaining Culture, Community and your Sanity." A second (2 part) virtual training session was offered to employees on the topic of Persuasive Presentations. Over 100 employees participated in each of these sessions.

2.36 In the past, the Municipality had a customer service training program. It was run by internal staff (beyond the scope of their day-to-day job functions), but all of the individuals who were delivering this in-house service have retired. It needs to continue, but staff who have the skills to deliver this service in-house have time constraints. Longer-term support for this and other training initiatives will require budget allocation.

2.37 COVID-19 has curtailed our plans to deliver in-person training through lunch and learns. Instead, staff have been researching on-line training modules that could be utilized for a wide range of staff development initiatives.

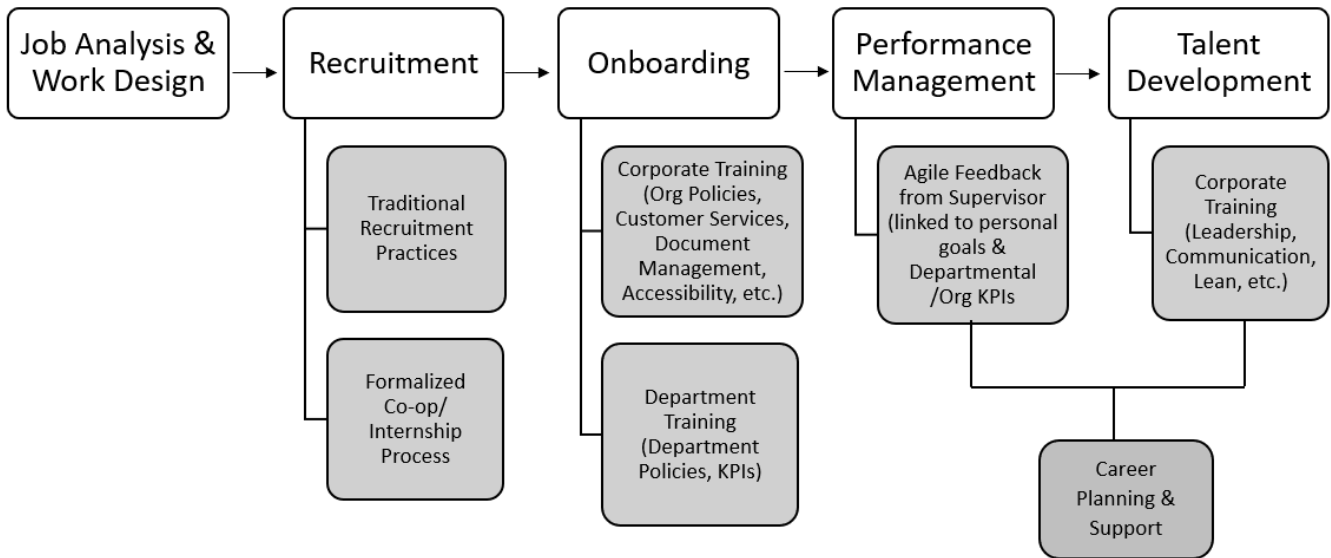
2.38 Consideration must also be given to efficiencies that can be created by building out technical training opportunities. The Public Works Department is required to certify and train employees in a variety of disciplines. The Department currently hires outside contractors to do most of this training.

2.39 Training is also required for the roll-out of several new digital initiatives under the leadership of our IT Division. Currently, IT does not have sufficient human resources to provide software training to departments.

25. Formal Human Capital Management (Leadership Training, Performance Management) Process

2.40 It was clear from GT’s recommendations that our Human Capital Management functions need to be adequately resourced and integrated into our overall corporate business planning. The following chart was built based upon industry best practice and research. It provides context to some of the early stage HCM re-design work that our Human Resources Division is undertaking and seeking to build upon:

Human Capital Management – Recruitment and Retention



Job Analysis and Work Design – As mentioned above, we have retained the support of a pay equity expert to build out formal job descriptions that appropriately coincide with our pay structure. This will allow for a streamlined work design and ensure that positions are compensated fairly. The first step in this exercise will be to review the positions that have had their duties adjusted as a result reorganization. Another facet of this work will involve tightening up our pay equity review process. We have received advice that the process we were given in the past is likely more cumbersome than required by law and can be adapted to create immediate efficiencies.

Recruitment – HR staff are working with IT to investigate the procurement and integration of a digitized applicant tracking system. This will support our recruitment and intake processes. Further, the Office of the CAO has been working with the Region of Durham on a partnership initiative that would create relationships between local governments and post-secondary institutions.

Onboarding – Corporate training, as mentioned above, is underway with the development and deployment of two unique modules that have already been delivered and made available to staff. It is anticipated that further training will be developed (in-house) and rolled-out with the business planning/KPI work from GT. It is vitally important that such a large change initiative coincides with appropriate education and training for all staff who will be affected by it. Otherwise, the chance of success and corporate buy-in diminishes.

Performance Management – This will be addressed through the Performance Management Review Form in conjunction with the GT work in relation to KPI development and business planning. Both the KPIs and goals set out in business plans will provide a measuring benchmark for managers evaluating staff performance.

Talent Development – Corporate training, potentially the development of a management training program, are currently being considered to address this item.

26. Implement Key Performance Indicators

- 2.41 GT has been working diligently on assisting with the development of Key Performance Indicators (KPIs) and associated business plans for each Department. It is expected that their work will be completed by the end of this calendar year.
- 2.42 Staff will be targeting to have some formal KPIs in place in the first quarter of 2021.

27. Formalize Support/Processes for Departmental and Team Level Communication

- 2.43 A key part of our overall corporate success, not just with our structural changes but literally everything we do, will be to ensure that we have strong interdepartmental communication.
- 2.44 Using Microsoft SharePoint technology, the Communications Division developed a COVID-19 portal for internal staff updates during the pandemic. This is a trial run, as staff familiarize themselves with the technology and opportunities to enhance internal communications and begin the process of building a robust internal online portal for all staff.

28. Review of Department Level Structures

2.45 Department Heads will continue to realign and restructure within their individual departments. The recommended organizational structure in Report CAO-006-20 was not etched in stone. If there is a better way to align functions and positions within the newly created departments, realignment can and will be undertaken.

29. Process Improvement Initiatives (Lean Methodology)

2.46 Training continues and we have found ways to address various needs, including challenges relating to the recent pandemic by moving yellow belt training online.

2.47 Green belt projects are on-going, and a process has been put in place and is being rolled out this fall for staff across the corporation to submit projects for consideration for improvements through a continuous improvement project.

2.48 The Municipality became a member of the Ontario Lean Community of Practice (OLCP) as a means to collaborate with other municipalities across the Province who are also embracing the continuous improvement philosophies associated with Lean. This will continue to benefit Clarington from a resource and ideas perspective as we continue to ingrain the continuous improvement philosophy into our culture.

2.49 Staff are looking at the next step in certification with a black belt and targeting the Corporate Customer Service Strategy.

30. Workflow Automation

2.50 As noted in the IT Strategic Plan that was endorsed by Council in 2017 (see Report [CAO-008-17](#)), “technology is core to enabling municipal governments to keep up with growth in demand and rising customer expectations.” Today’s customers demand better access to online services and more timely response to service requests and enquiries. This philosophy was endorsed in recommendation 30 of the GT Organizational Structure Review report.

- 2.51 The COVID-19 pandemic has emphasized the critical role Information Technology plays supporting municipal services and ensuring business continuity. The IT Division has adapted quickly to facilitate change in the current work environment, allowing most business activities to continue seamlessly throughout the pandemic, to the point that Clarington IT has been sought out for advice from peer municipalities. The introduction of remote participation in meetings, electronic and remote invoice approvals, storage and retention in new formats, electronic access to on-site files, and movement to elements of e-procurement, have all been implemented in-house to allow the Municipality to continue offering services. COVID-19 impacts are expected to continue to affect many service programs and delivery of services, and the ability to respond to residents' needs and expectations. All of this will continue to depend on support from critical and reliable IT infrastructure and staff.
- 2.52 With Council's approval of the Municipal Business Solution (MBS) system in June 2020 (see Report [COD-018-20](#)), most municipal services will have an enhanced ability to facilitate service demands and data accessibility. It is also expected that the Key Performance Indicators will incorporate multiple facets of the MBS application. The targeted timeframe for complete implementation of MBS is Q4 of 2021.
- 2.53 Staff from the Clerk's Division and IT Division have been actively working on an Information/Knowledge Management Initiative that will transition all departments to an integrated electronic records management system. The Clerk's Records Management staff have conducted a number of record inventories and information-gathering meetings. As well, staff have documented process workflows for all business processes of the former Engineering Department. Together with business processes identified through the MBS project, this review provides the necessary information to identify areas of focus for efficiencies, elimination of duplication, and improved record sharing. Staff are in the final steps of developing the plan for the new Public Works Department and have initiated the inventories and information gathering for the new Planning and Development Services Department.
- 2.54 With the implementation of Office 365 earlier this year, Clerk's and IT staff are looking to leverage this technology suite when implementing new file plans for these two new Departments. Staff anticipate that Office 365 will replace some legacy systems. Over the next couple of months, staff will be trained on the tools available through Office 365. In the meantime, Records staff are designing the file plans and the department staff (both of these select Departments as well as across the Municipality) are working to clean-up shared drives and to digitize where they can. Some of the digitization work was undertaken this year through redeployment.
- 2.55 The Finance Department is working on online payments for certain services, with a planned roll out later this month.

3. Next Steps – Strategic Execution

- 3.1 To have a successful roll-out of the changes, a cross-functional implementation team was established in March of this year. The pandemic curtailed the planned involvement of that team and most communications relating to the organizational changes. The following outlines what is planned going forward:

Date	Communication
November	Implementation Team Meeting (Update from Grant Thornton on KPIs and business planning process)
November	Department Head discussion, led by CAO and GT, outlining GT's work to date
November	Update to all managers (Management Meeting)
November	E-mail status update to all staff on GT's work to date
December	Delivery of GT final report
January	Townhall meeting discussing business planning and KPIs and how they will impact operations moving forward
February	Launch Management Training session related to leadership development, empowering staff, business planning, accountability through metrics, training (to be developed in-house) and data based /driven decision making
Ongoing	Status updates on progress (highlighting wins, opportunities and challenges) and reporting KPIs

4. Conclusion

- 4.1 Staff have dedicated a significant amount of time to implement the changes that were approved by Council in March of this year, and they have done so while having to respond to the challenges of the pandemic.
- 4.2 It is anticipated that the organizational structure changes detailed in this Report will respect and build upon our current strengths to produce tangible service delivery improvements.