



Staff Report for Committee of the Whole Meeting

Date of Meeting: November 6, 2017

Report Number: SRCAO.17.23

Department: Office of the Chief Administrative Officer

Division: Office of Strategic Initiatives

Subject: Management Structure Review Update

Purpose:

The purpose of this report is to provide Council with an update on the implementation of the Management Structure Review.

Recommendation:

That Staff Report SRCAO.17.23 Management Structure Review Update be received for information.

Contact Person:

Neil Garbe, Chief Administrative Officer, Extension 6366

Report Approval:

Approved by: Neil Garbe, Chief Administrative Officer

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), Town Solicitor (as required), Commissioner, and Chief Administrative Officer. Details of the reports approval are attached.

Background:

In March 2016, WMC was retained to complete an organizational management structure review for the Town. The purpose was to assess the Town's current management structure and service alignment to determine the extent of change required to meet current and future needs of Richmond Hill. The consultant's final report was shared with all staff in October 2016.

At the October 24, 2016 meeting, Council considered staff report SRCAO.16.31 Management Structure Review and approved the following:

- a) That staff Report SRCAO.16.31 be received;
- b) That the new staff positions proposed on page 36 of Staff Report SRCAO.16.31(Director, By-law and Licensing Enforcement; Director, Natural

Environment; Manager, Capital Asset Management Planning; Project Manager, Asset Management Planning; Manager, Economic Development) be presented as separate business cases for consideration during the 2017 Budget Committee of the Whole – Operating Budget deliberations;

- c) That staff immediately undertake necessary steps to fill existing Town of Richmond Hill staff vacancies;
- d) That consideration of all further organizational structural changes described and suggested in Staff Report SRCAO.16.31 be referred back to the CAO until recruitment for most of the current staff vacancies in all departments has been completed, following which a report be presented again to Council for review and consideration;
- e) That the comments from Members of Council regarding the organizational management review be referred back to the CAO.

This is the final report referenced in recommendation d).

As part of the 2017 Operating Budget deliberations, Council considered staff report SRCAO.17.02 Management Structure Review Progress on Filling Staff Vacancies. This report provided the status of existing staff vacancies and information regarding how these vacancies would be filled. The staff report was received for information.

At a Special Council Meeting on February 28, 2017 Council approved four of the five new staff positions proposed in the Management Structure Review. The Director, Natural Environment position was not requested in the 2017 Operating Budget as it was deferred to allow for continued evaluation of the roles and responsibilities of the environment functions.

Management Structure Review Implementation

Staff report SRCAO.16.31 identified that implementation of the Review would be immediate with changes effective on November 1, 2016. However, after considering the limited capacity in the organization to absorb this type of change and feedback from Council, implementation has been pushed back to the summer of 2017 through to early 2018.

The approach to implementing the Management Structure Review has been an incremental one that takes into account the ability and capacity of the organization to absorb change. With other significant initiatives underway in the organization, such as operational reviews, key IT transformation projects, and the recent implementation of the Administrative Monetary Penalty System (AMPS), there has been limited staff capacity to accommodate changes to the structure. In addition, key senior positions that were approved by Council during the 2017 Operating Budget process needed to be in place before a number of the more significant changes could be implemented.

After further consultation with Council and reflecting on the amount of change that is underway in the organization for the foreseeable future, the structural changes will be limited in scope as follows:

- *Separate the Regulatory Service Division of the Planning and Regulatory Services Department into two functions, Building Services and By-law and Licensing Enforcement, with a Director position leading each of these functions and change the reporting relationship for the Director of By-law and Licensing Enforcement to the Commissioner, Community Services.* The process of disentangling the two functions has been completed and the recruitment process for the new Director, By-law and Licensing Enforcement is underway. The new Division is expected to be operational and part of the Community Services Department in January 2018.
- *Realign the Environment Services Division.* Staff report SRCAO.16.31 proposed realignment of portions of the Environment Services Division under Planning and Regulatory Services, and further proposed the creation of a new Division within PRS and the addition of a new Natural Environment Director. WMC recommended that the Environment Division be reviewed in more detail to identify a specific strategy for realignment. For that reason, as mentioned earlier, the Natural Environment Director position was not requested in the 2017 Operating Budget to allow more time for review and visioning. A series of meetings between EIS and PRS occurred throughout the summer of 2017 to examine the detailed workflow of individuals within the Environment Services Division, as well as interdependencies between work groups and support required to advance Strategic Plan priorities. A plan has been developed to realign the environmental policy mandate under the existing Policy Planning Division and Director within PRS, and to maintain operating projects and programs under the existing Director within EIS. A transition plan to affect these changes has been developed and will be implemented in early 2018.

Two other changes that were identified in the October 2016 report will not be proceeding are moving Public Works Operations to the Environment and Infrastructure Department and moving Legislative Services/Clerk to the Community Services Department.

As the Capital Asset Management Planning function matures in the coming years, further evaluation of the roles and responsibilities of the areas involved with Capital Asset Management will be necessary to determine if any structural changes would be beneficial.

In the meantime, the new responsibilities of the Environment and Infrastructure Services Department, namely creation of the new Asset Management Planning Division, as well as the implementation of the Civic Precinct Project and a new responsibility managing the Town's responsibilities for the Yonge Bus Rapid Transit Project workload impacts will be the focus of the organization.

The move of Legislative Services/Clerk to Community Services was principally a workload re-balancing, which is now supported by the new Commissioner of Corporate Services.

Two other minor changes that were identified in the report have been made including joining the Sustainable Transportation with the Transportation Planning function and moving the Insurance and Risk Management function to Legal Services.

No other changes are contemplated at this time. As part of good, healthy management practice, the organization will continue to be reviewed to ensure that the Town can respond in an effective manner to the changing demands of the people that we serve. One area that will need to be addressed in the future is the Geographic Information Systems (GIS) function, which currently does not exist. The future governance of this function is the subject of a separate strategic planning exercise that will include recommendations on governance.

Staff Vacancies

Another implementation consideration has been the number of staff vacancies in the organization. In February 2017 when staff report SRCAO.17.02 Management Structure Review Progress on Filling Staff Vacancies was considered by Council, there were 50 vacant staff positions. 27 staff positions were subsequently approved by Council as part of the 2017 Operating Budget process. Between mid-January and the end of September, 97 positions (including contracts) were filled (including 3 positions with future start dates) through the Human Resources Division.

While good work has progressed in filling vacant positions, a number of positions remain difficult to fill especially those in Information Technology. Compensation and a lack of available talent are issues challenging recruitment efforts. At present, work is being managed through our Vendor of Record (Deloitte) however, functions are being reassessed to determine the best way forward. Additionally, staff is undertaking a comprehensive compensation review to be presented to Council in November 2017 that is intended to address compensation gaps in IT and across the organization to ensure that Richmond Hill is competitive in the fierce competition to recruit and retain high quality people.

At present there are 38 positions not filled (excluding those approved in the 2017 budget) 23 of which are in the recruitment process.

Financial/Staffing/Other Implications:

There are no new financial implications associated with this staff report. The financial implications associated with the Management Structure Review were identified in staff report SRCAO.16.31 Management Structure Review and included funding of new staff positions as well as an update to the accommodation plan, which were approved as part of the 2017 Budget process.

Relationship to the Strategic Plan:

Undertaking a review of the Town's management structure helps to ensure that the organization is aligned to the Strategic Plan and able to fulfill its mission of providing

exceptional public service. With Phase Three of Strategic Plan implementation underway, the review is an opportunity to ensure that the Town's organization is responsive to the present and future needs of Richmond Hill.

Conclusion:

This staff report provides an update on implementation of the Management Structure Review. Recognizing the limited capacity within the organization to absorb change implementation has been pushed to 2017 and 2018, and is being approached incrementally at a comfortable pace for the organization.

Report Approval Details

Document Title:	SRCAO.17.23.docx
Attachments:	
Final Approval Date:	Oct 30, 2017

This report and all of its attachments were approved and signed as outlined below:

Neil Garbe - Oct 30, 2017 - 3:30 PM