Minutes - Executive Policy Committee - September 24, 2008

REPORTS

Minute No. 479 Organizational Restructuring
E-File GL-5.6

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommends to Council:

1. That the Chief Administrative Officer be delegated authority to make any changes to the organizational structure as it relates to the Winnipeg Public Service.

2. That amendments to City Organization By-Law No. 7100/97 be approved to reflect changes as outlined in Appendix 3 to the report of the Chief Administrative Officer dated September 19, 2008.

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

DECISION MAKING HISTORY:

Moved by Councillor Swandel,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

ADMINISTRATIVE REPORT

RE: Organizational Restructuring

FOR SUBMISSION TO: Executive Policy Committee

ORIGINAL REPORT SIGNED BY: Chief Administrative Officer

REPORT DATE: September 19, 2008

RECOMMENDATION(s):

1. That the CAO be delegated authority to make any changes to the organizational structure as it relates to the Public Service.
2. That Council approve amendments to the Organizational By-Law No. 7100/97 to reflect these changes as set out in Appendix 3.
3. That the proper officers of the City do all things necessary to implement the above recommendations.

REPORT SUMMARY

Key Issues:

- Section 88 of the City of Winnipeg Charter allows Council to establish and maintain the administrative structure for the City. The City of Winnipeg created City Organization By-Law No. 7100/97 setting out delegations approved by Council. No changes are contemplated to the City of Winnipeg Charter but revisions are recommended to the Organization By-law as set out in this report.
- The City retained Dr. Don DeGuerre, Concordia University, to facilitate a number of open systems theory design sessions using participative design techniques with affected staff to innovatively review the City's current organizational structure.
- Through this process and subsequent reviews by senior management, a new open systems design is being recommended that would reduce the number of reporting relationships directly to the CAO and cluster like services under three Deputy CAO's. The proposed structure streamlines processes, reduces duplication and departmental silos. No changes are planned for both the Winnipeg Police and Fire Paramedic Service which would continue to report to the CAO. Under this model, the City Clerk and Audit departments would report administratively to the CAO, however, their statutory reporting relationships would not change. Both the EPC Secretariat and CAO Secretariats would be eliminated and the positions and associated staff would be re-assigned to other areas within the organization. The Public Service has been keeping vacant positions open to accommodate this reallocation. Annualized savings of $1.5 million are budgeted starting in 2009.

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

☐ Involves a multi-year contract
Comment(s):

The City organization by-law 7100/97 will require amendment to reflect the recommendations setout above. No changes are required to the City of Winnipeg Charter.

Policy Implications:

x No
Yes
Comment(s):

Regulatory Implications

☐ None

☐ Eliminates or reduces regulatory impact

X Proposes regulatory impact

Comment(s):
The City organization by-law 7100/97 will require amendment to reflect the recommendations setout above. No changes are required to the City of Winnipeg Charter.

Environmental Implications:

X No

☐ Yes
Comment(s):

Human Resources Implications:

☐ No

X Yes
Comment(s):

Staff within the EPC Secretariat and CAO Secretariat will be reassigned to other areas within the organization and reporting relationships will change through this process.

Financial Implications:

☐ Within approved current and/or capital budget

X Current and/or capital budget adjustment required
Comment(s):

The proposed restructuring will result in savings for the City. The Public Service estimates that savings of approximately $1.5 million annually may be realized.

REASON FOR THE REPORT:

Council approval is required for any changes proposed to the City Organization By-Law.

HISTORY:

Over the last number of years, the City has reviewed its organizational structure periodically to ensure that it reflects the direction of Council and provides the most efficient and effective means of delivering services to the citizens of Winnipeg.

In 1997, the City engaged George Cuff to review the City's organizational structure. This review led to the removal of the Board of Commissioners which was then replaced by the Chief Administrative Officer Model. At the same time changes were proposed to legislation, by-laws, Executive Policy Committee, standing committees, departments and senior management to reflect the new direction.

Since that time, there have been several reorganizations of lesser magnitude and scope to incorporate current management or political direction including the adoption of the Alternative Service Delivery model with respect to delivering services.

DISCUSSION:

1. Current Structure

The current organizational structure is provided as Appendix 1. It has been in place since 1997 with some minor amendments and modifications made over the ensuing years to reflect the direction of Council.

Issues with the current structure include duplication of effort, lack of clarity around roles and responsibilities, and "silo" behaviour of departments which prevents optimization of efficiencies.

2. Proposed Structure

General Overview

The recommendations that follow have been made with consideration to the overall perspective of facilitating efficiencies and effectiveness throughout the organization. The proposed organization structure streamlines senior management decision making and promotes integration of activity between business units. The model rationalizes administrative systems and allows the CAO to focus on strategy and the long-term requirements of the City. This organizational structure starts the movement to a flexible and agile management structure that allows the Public Service to not only be responsive to Council's needs but also sets the stage to be proactive in anticipating the future requirements of our community.

The proposed structure would see the elimination of both the CAO and EPC Secretariats. The proposed structure is provided as Appendix 2.

Utility Review

Under the direction of the CAO, a review is currently being undertaken by Deloitte's on a new utility governance model and strategic partnerships. It is expected that this review will be completed by the middle of September and result in significant changes relating to the Water & Waste utility. This report will have to be completed and agreed to by Council in a timely manner in order to meet the provincial requirements to upgrade our sewage treatment facilities. Similarly, this report will provide the platform for further research relating to a possible Transportation Authority. Both models will result in changes in operations with a view to providing cost-efficient service to the citizens of Winnipeg. Given the significance of these initiatives, a special office will be created to over-see the creation of the new Utilities. Thereafter further restructuring may be required depending on the progress of these initiatives.

EPC Secretariat and the CAO Secretariat

Under the new model both Secretariats would be eliminated and staff will be redeployed to other assignments with the Public Service or the Mayor's Office. 27 positions will be impacted. This change will improve the flow of reports to the City Clerk and the Mayors Office. In addition, the change will allow the City to transfer the significant operating knowledge residing with staff in both groups to operating departments where their experience is most needed.

Audit Department

Currently, Audit reports to the Audit Committee and to the Mayor and EPC. Reporting relationships vary between municipalities but in several cities, Audit reports to the CAO. For purposes of the reorganization, the Public Service is recommending that Audit report administratively to the CAO. The principal reason for this change is to reflect the increasing need to allocate resources to areas requiring additional administrative review and support. The City Auditor's statutory responsibilities would continue but the City Auditor would also receive instructions from the CAO in terms of service needs within the organization.

City Clerks Department

Most municipalities in Canada have the City Clerk report directly to the CAO or other administrative departments. The City Clerk will continue to have a statutory relationship to Council but will work with the CAO of the public service. As the structure evolves, the Clerk will play an important role between the public service and the members of Council to ensure continuity in the legislative decision-making process.

3. Implementation

Once approved by Council, the CAO will begin the process of advising all staff concerning revisions to the organizational structure. Many of the changes will be implemented immediately but others may take a further 6 months to complete. It is the intention of senior management to implement the recommendations in the report as soon as possible.

4. Summary

The following summary represents some of the benefits that will result from the proposed reorganization:

- Financial savings in the range of $1.5 million annually will be realized.
- The new structure will promote flexibility and agility in terms of management decision making at the City.
- It will result in better service responsiveness and reduce the constricting effect of service delivery in a silo environment.

Financial Impact Statement:

Project Name: Organizational Restructuring

Date: August 28, 2008 First Year of Program **2009**

	2009	2010	2011	2012	2013
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs					
Less: Incremental Revenue/Recovery	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Net Cost/(Benefit)	$ (1,500,000)	$ (1,500,000)	$ (1,500,000)	$ (1,500,000)	$ (1,500,000)
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ (1,500,000)	$ (1,500,000)	$ (1,500,000)	$ (1,500,000)	$ (1,500,000)

Additional Comments: The reorganization will result in savings which are estimated to be approximately $1.5 million annually on a City-wide basis.

Original Signed by Michael Ruta

Chief Financial Officer

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

External Consultation With:

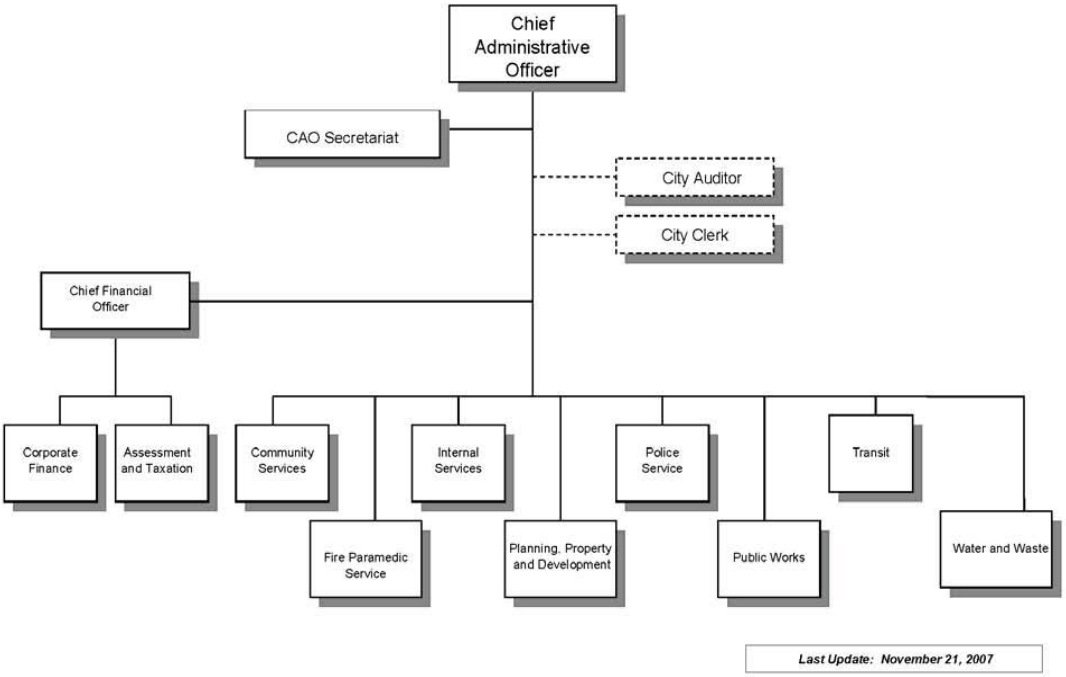
THIS REPORT SUBMITTED BY:
Chief Administrative Office
Prepared by: Chief Financial Officer
File No.

Appendix 1

APPENDIX "B" to By-law No. 7100/97

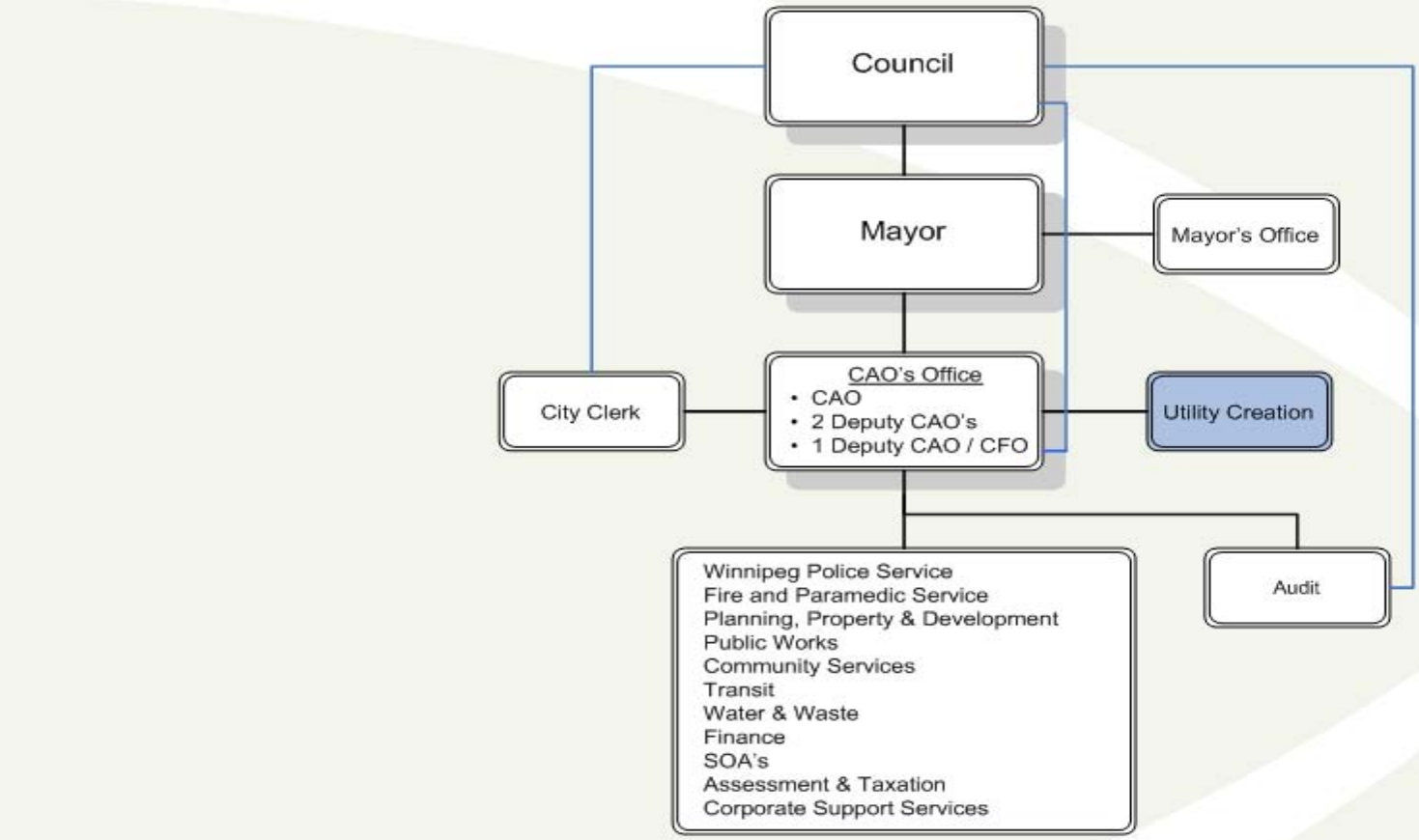
CITY OF WINNIPEG
ADMINISTRATIVE ORGANIZATION

(amended by 7170/98; 7516/99; 7573/2000; 7702/2000; 7741/2000; 8162/2002; 100/2007; 203/2007)



Last Update: November 21, 2007

Appendix 2


Council
Mayor
Mayor's Office
City Clerk
CAO's Office
• CAO
• 2 Deputy CAO's
• 1 Deputy CAO / CFO
Utility Creation
Winnipeg Police Service
Fire and Paramedic Service
Planning, Property & Development
Public Works
Community Services
Transit
Water & Waste
Finance
SOA's
Assessment & Taxation
Corporate Support Services
Audit
Denotes Statutory Reporting Relationship
August 14, 2008

Appendix 3

THE CITY OF WINNIPEG

BY-LAW NO._____

A By-law of THE CITY OF WINNIPEG to amend the City Organization By-law No. 7100/97.

Draft

THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

1. The City Organization By-law No. 7100/97 is amended:

(1) In Section 16:

(a) by repealing and substituting:

"**MAYOR'S OFFICE**

16 The Mayor's Office staff shall provide policy and strategic analysis, research, communication and support in such areas as the Mayor determines are required to assist the Office of the Mayor. The duties of the Mayor's Office shall include issues management and the scheduling and approval of the agendas of Executive Policy Committee and the Standing Policy Committees of Council."

(2) In Section 17:

(a) by repealing and substituting:

"**ADMINISTRATIVE ORGANIZATION**

Except as otherwise provided herein and subject to the appointment of statutory officers as contemplated by *The City of Winnipeg Charter*, the administrative structure of The City of Winnipeg shall be established by the Chief Administrative Officer."

(3) In Section 19:

(a) by adding Subsection 19.1:

"19.1 The city auditor shall report to Council and the Chief Administrative Officer."

(4) In Section 24:

(a) by adding Subsection 24.2:

"24.2 The City Clerk shall report to Council and the Chief Administrative Officer."

(5) By repealing Section 31;

(6) By repealing Section 35.1(1), (2), (3), (5), (5.1), (7), (8), (9), (10) and (11);

(7) By repealing Appendix "B";

(8) Appendices "A", "C", "D", "E", and "F" are repealed and the attached Appendices "A", "C", "D", "E" and "F" are substituted.

DONE AND PASSED, in Council assembled, this day of , 2008.

Draft

Mayor

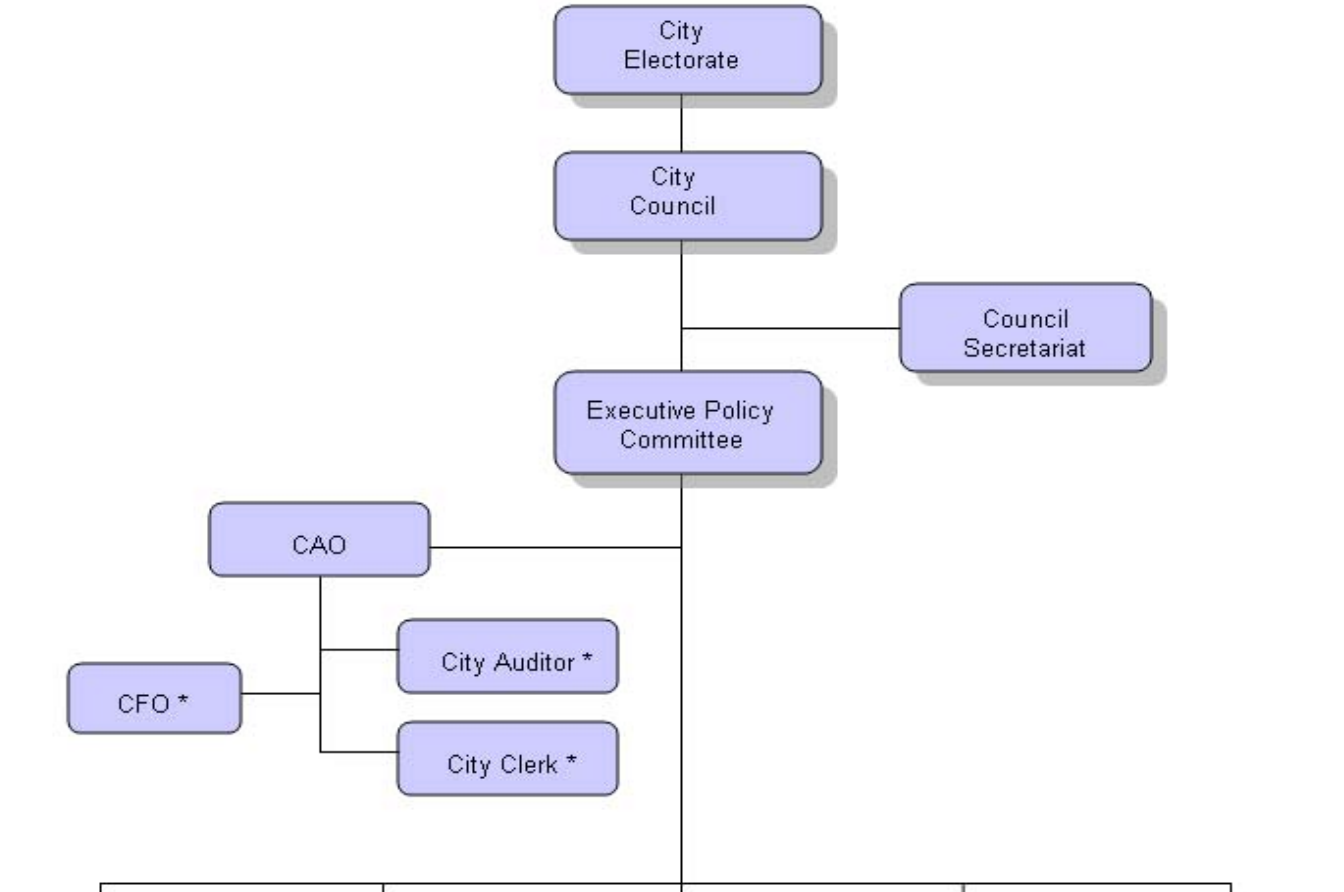
City Clerk

Approved as to form:

Acting City Solicitor/Manager of Legal Services

By-law No. _____

APPENDIX "A" to By-law No. 7100/97



Additional Appropriations

Engineering Services
Fleet Management
Open Space Maintenance
Public Works Maintenance
Solid Waste
Traffic Control
Transit
Transportation Planning
Water/Waste Services

Animal Control
By-law Enforcement
Cultural Services
Disaster Planning
Fire and Paramedic Services
Harbour Master
Libraries
Museums
Police Services
Public Health
Recreation & Parks Programming Services

Asset Management
Building Inspection
Development Control
Facility Maintenance
Heritage
Housing Policy
Land Development
Licensing
Parks Planning
Planning & Land Use
Riverbank Management

Asset Management
Development Control
Land Acquisition
Land Development
Planning & Land Use (downtown area)

**** CFO, City Auditor and City Clerk have statutory reporting relationship to City Council***

By-law No._____

APPENDIX "C" to By-law No. 7100/97

COLUMN 1	COLUMN 2
1. Commissioner of Finance and Administration City Treasurer Director of Corporate Finance Director of Purchasing Director of the Budget Bureau	Chief Financial Officer or as delegated by the Chief Administrative Officer
2. City Assessor Director of Assessment City Assessor/Director Assessment Director of Property Assessment	Director of Assessment and Taxation or as delegated by the Chief Administrative Officer
3. Director of Land Surveys and Real Estate Director of Land and Development Services Director of Planning	Director of Planning, Property and Development or as delegated by the Chief Administrative Officer
4. Director of Waterworks, Waste and Disposal Director of Water and Waste Disposal	Director of Water and Waste or as delegated by the Chief Administrative Officer
5. Director of Personnel Chief of Human Resources and Corporate Services Chief Information Officer	Director of Internal Services or as delegated by the Chief Administrative Officer
6. Director of Streets and Transportation	Director of Public Works or as delegated by the Chief Administrative Officer
7. Director of Ambulance Department Chief of the Winnipeg Fire Department Chief/Director, Emergency Response Service Chief Operating Officer, Fire Paramedic Service	Fire and Paramedic Chief
8. Director of Library Department	Director of Community Services or as delegated by the Chief Administrative Officer
9. Director of Business Liaison and Intergovernmental Affairs Department	Chief Administrative Officer or designate
10. Supervisor of Buildings Inspections Manager of Building Inspections	Manager of Development and Inspections or as delegated by the Chief Administrative Officer

Draft

APPENDIX "D" to By-law No. 7100/97

COLUMN 1	COLUMN 2
1. Budget Bureau Finance Department Purchasing Department	Corporate Finance Department or as delegated by the Chief Administrative Officer
2. Department of Waterworks, Waste and Disposal Department of Water and Waste Disposal	Water and Waste Department or as delegated by the Chief Financial Officer
3. The Personnel Department Corporate Services Department Corporate Information Technology Department	Internal Services Department
4. Department of Land Surveys and Real Estate Land and Development Services Department Planning Department Land and Development Services Department Civic Buildings Department Property and Development Services Department	Planning, Property and Development Department or as delegated by the Chief Financial Officer
5. Ambulance Department Fire Department Emergency Response Service	Fire Paramedic Service
6. Library Department	Community Services Department or as delegated by the Chief Financial Officer
7. Streets and Transportation Department	Public Works Department or as delegated by the Chief Financial Officer
8. Business Liaison and Intergovernmental Affairs Department	Chief Administrative Officer or designate
9. Assessment Department Property Assessment Department	Assessment and Taxation Department or as delegated by the Chief Financial Officer

Draft

APPENDIX "E" to By-law No. 7100/97

COLUMN 1	COLUMN 2
1. Director of Operations	Director of Public Works Director of Water and Waste or as delegated by the Chief Administrative Officer
2. General Manager of Parks and Recreation Director of Parks and Recreation	Director of Community Services Director of Public Works or as delegated by the Chief Administrative Officer
3. Director of Corporate Services	Chief Administrative Officer or designate Director of Planning, Property and Development Director of Internal Services or as delegated by the Chief Administrative Officer

draft

APPENDIX "F" to By-law No. 7100/97

COLUMN 1	COLUMN 2
1. Operations Department	Public Works Department Water and Waste Department or as delegated by the Chief Financial Officer
2. Parks and Recreation Department	Community Services Department Public Works Department or as delegated by the Chief Financial Officer
3. Corporate Services Department	Chief Administrative Officer or designate Planning, Property and Development Department Internal Services Department or as delegated by the Chief Financial Officer

draft