



**Grant Thornton**

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# Municipality of Clarington Organizational Structure Review

## Recommendations and Implementation

Final Report

December 4, 2019



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## Executive summary

In August 2019, Grant Thornton was retained by the Municipality of Clarington to provide an organizational structure review. As per the Provincial Audit and Accountability funding guidelines, the draft report submission is to be presented to the provincial government on or before November 30, 2019, by the Municipality of Clarington.

The purpose of this engagement was to perform an Organizational Structural review and to make recommendations that may re-align overall and/or department level structures in an effort to achieve savings as a result of efficiency gains from improved collaboration, effective change management, employee engagement and the implementation of key performance indicators.

During the August 2019 to November 2019 timeframe, Grant Thornton followed a structured review process. This included the following components:

- 1) Formal departmental, council and union stakeholder interviews
- 2) An Ontario based municipality written benchmarking exercise (6 respondents)
- 3) A Municipality of Clarington all staff on-line survey (128 respondents)
- 4) Budget review
- 5) Existing Departmental Structure review
- 6) Strategic Initiative report/s review

As a result of gathering and analyzing the above information, in October 2019, Grant Thornton provided an interim report (attached as an appendix to this final report), detailing the current state assessment of the Municipality of Clarington's Organizational Structure and a summary of the benchmarking. This interim report also included departmental feedback on perspectives of departmental performance and perceived areas of improvement from staff and council.

This final report includes 30 recommendations and the rationale supporting each recommendation. The goal of the recommendations is to achieve quantifiable cost savings, where productivity, attrition and overtime data was made available, sourced and identified. Productivity gains and resulting cost savings have been expressed as a range at the recommendation level where applicable.

Maintaining existing constituent and primary departmental services was considered mandatory in the recommendation evaluation process. All recommendations were made with this principle top of mind.

Many operational structural re-alignment recommendations identified productivity gains and cost savings. The gains were a result of different factors, including collaboration, staff engagement and workflow alignment, all of which have a positive impact on productivity and resulting cost savings.

Within the 30 recommendations, indirect gains and cost savings opportunities have been identified that stem from leveraging existing Municipality of Clarington initiatives and best practices found effective within other Municipalities and industry knowledge in general.

This is further illustrated within this report including benefits from performance management, workflow automation, human capital management and the introduction

of Key Performance Indicators - productivity level metrics at the departmental and staff levels.

Given the nature of this engagement and the opportunity to present organizational structure re-alignment recommendations, effective change management and departmental management best practices are required in an effort to realize the maximum potential savings over time.

This report has been written to deliver clear and logical recommendations with associated quantifiable financial benefits. It is not the intent of this report to observe realized cost savings by implementing all recommendations at once. As a result, this final report includes a phased approach to implementing the recommendations over time.

# 1.0 Report Overview

## 1.1 Authorship

This Final Report is prepared by Grant Thornton LLP (Grant Thornton) for the Municipality of Clarington's Organizational Structure Review. This report is based on information and documentation that was made available to Grant Thornton prior to the time of drafting the report. Much of the information was gathered from interviews with and documents provided by the Municipality of Clarington and members of its staff. As such, Grant Thornton assumes no responsibility and makes no representations with respect to the accuracy or completeness of any information provided to us. We are not guarantors of the information that we have relied upon in preparing our report, and except as stated, we have not attempted to verify any of the underlying information or data contained in this report. It is understood and agreed that all decisions in connection with the information as presented in this report shall be the responsibility of, and be made by, the Municipality of Clarington.

## 1.2 Document Purpose

The purpose of this document is to present our organization structure review findings and recommendations to the Municipality of Clarington. Moreover, this report will also be shared with the Government of Ontario and posted publically, as is required by the Provincial Audit and Accountability Fund. This report is not to be used for any other purpose, and we specifically disclaim any responsibility for losses or damages incurred through use of this report for a purpose other than as described. Grant Thornton does not assume responsibility for, or provide any guarantee of achieving, any dollar estimates of cost savings.

## 1.3 Background

The Municipality last underwent an organizational structure review in 2000. After almost 20 years, in an effort to be in line with best practices, and as a result of the availability of the Audit and Accountability Fund, there is opportunity to identify areas to improve efficiency and effectiveness. Since the review in 2000, the Municipality's population has grown over 35%. During this time, the Municipality has experienced senior level retirement and internal turnover, creating the opportunity for a complete and independent review. With a 2011 – 2016 growth rate of 8.8%<sup>1</sup>, the Municipality of Clarington is experiencing significant urban growth.

The Municipality of Clarington has received funding for this review from the Provincial Audit and Accountability Fund. The Province of Ontario is providing financial support to municipalities willing to engage a third party to find cost savings in the delivery and structure of municipal programs.

## 1.4 Objectives

This organizational structure review is intended to improve the internal and external understanding of the organizational structure of the Municipality. The organizational structure review recommendations will include opportunities for improving efficiency through modifications to the organizational structure while maintaining existing services and staffing levels.

The Municipality should be prepared to maintain service levels despite growing demands. In order to provide sustainable recommendations that position the Municipality well in the future,

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<sup>1</sup> <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>

this review will look at the organizational design structurally, independent of personalities and individual strengths.

The outcome of this review is to ensure that the Municipality of Clarington’s organizational structure supports effective and efficient service delivery, administrative performance and sustainability, today and into the future.

## 1.5 Scope

The scope of this review is to examine the Municipality of Clarington’s organizational structure and “provide specific and actionable recommendations for cost savings and improved efficiencies” (quoting from the Audit and Accountability Fund Program Guidelines). This review therefore focuses on making implementable and sustainable recommendations to maximize efficiencies, improve service delivery and drive administrative savings as a result of improved collaboration, effective change management, employee engagement and the implementation of key performance indicators.

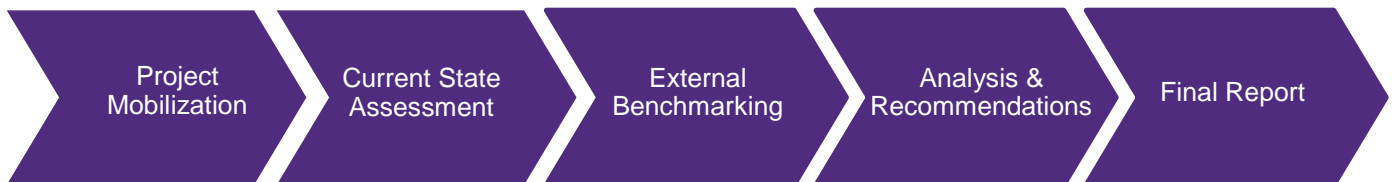
### Out of Scope

The following areas are outside of the scope of this review, but have ties to and interdependencies with some aspects of our recommendations:

- Department level organization
- Individual level roles and responsibilities
- Process mapping of functions
- Service delivery of Economic Development
- Outside boards, agencies or other organizations

## 1.6 Approach

**Figure 1.0: Overview of Project Methodology**



Having a clearly set methodology provides both transparency in our report and objectivity in our analysis, stakeholder engagement, and layers of control to build in redundant re-evaluation of options by a cross-functional team.

A current state assessment of the Municipality of Clarington’s organizational structure was conducted to understand and assess each department’s internal functional structure. This included consultations with key stakeholders, an online survey for all Municipal staff and a review of background documentation. A comparative analysis of the organizational structures of similar municipalities was also completed. The comparative analysis included a benchmark survey of peer municipalities to gather insight into Municipal organizational structure and departmental budgets. The peer municipalities that were benchmarked are: Pickering, Chatham Kent, Whitby, Milton, Burlington and Kitchener.

The current state assessment and benchmarking summary (see appendix B) provide a summary of our observations of the Municipality's organizational structure and a comparison of structure and budget to six peer municipalities.

Services for further analysis and benchmarking were selected based on indicators such as functional ownership and task accountability, duplication of efforts, clarity of roles and responsibilities, opportunities for process efficiencies, history of departmental consolidation, service level considerations and departmental expenditure as a percentage of the overall Municipal budget.

The collated current state data was analyzed in a performance framework, which included areas for improvement from the 4P framework (Purpose, People, Processes and Performance). The 4P analysis used the following perspectives to categorize opportunities for improvement:

- Purpose and strategy: defines the relationship between the desired outcomes and practices pertaining to the Municipality's organizational structure (P1).
- People and culture: opportunities pertaining to the Municipality's organizational structure, roles and responsibilities, culture dynamics, and communication procedures (P2).
- Processes and finances: includes opportunities as they relate to approaches and processes to provide services and programs, including responses to bottlenecks, inconsistencies, cost reductions, and identification of areas that work well (P3).
- Performance and measurement: includes pragmatic data and statistics to gauge services and support continuous performance improvement (P4).

Recommendations (see section 2.0) were formulated based on the following criteria:

- Following best practices based on the literature, available case studies, industry knowledge and the benchmarking of peer municipalities.
- Balancing the size and responsibilities of each department.
- Aligning functions, departmental priorities and departmental expertise to create a structure that will streamline process and promote productivity.
- Creating structural opportunities for improved communication and collaboration.
- Benefits and challenges of hierarchical versus flat organizational structures.
- Opportunities and challenges from centralized and decentralized approaches to functional alignment.
- Outsourcing considerations for non-core competencies and specialized functions to find efficiencies.
- Reviewing current budgets.

Cost savings (see section 3.0) were calculated, where possible, based on the available data, and are grouped into five areas of impact:

- Restructuring – cost savings where vacant positions do not need to be filled

- Productivity – cost savings from improved productivity, implementation of Key Performance Indicators (KPI)
- Collaboration and Communication – cost savings from increased workforce engagement
- Human Capital Management and Performance Management – cost savings from implementation of formal leadership coaching, training, performance management evaluation (all staff)
- Workflow Automation – cost savings from use of tools and software to automate certain functions and processes
- Outsourcing – cost savings achieved by outsourcing of specialized services

## 2.0 Recommendations

Table 1.0 provides a listing of our recommendations, indicating the departments directly impacted, the type of recommendation, area of cost savings and 4P analysis categorization.

**Table 1.0: List of recommendations**

Legend of Area of Impact (cost savings):

R = Restructuring

P = Productivity

C & C = Collaboration and Communication

HCM & PM = Human Capital Management and Performance Management

WA = Workflow Automation

O = Outsourcing

Legend of 4P Analysis:

P1 = Purpose and Strategy

P2 = People and Culture

P3 = Processes and Finances

P4 = Performance and Measurement

Recommendation		Department(s) Impacted	Type of Recommendation	Area of Impact (cost savings)	4P Analysis
1	Combine Office of the CAO with Mayor and Council administrative support to form Executive Services	CAO, Mayor and Council	Restructuring	R, HCM & PM	P3
2	Move Tourism from CAO to Community Services	CAO, Community Services	Restructuring	P, C & C	P3
3	Move Climate Change from CAO to Planning and Development	CAO, Planning and Development	Restructuring	P, C & C	P3



Recommendation		Department(s) Impacted	Type of Recommendation	Area of Impact (cost savings)	4P Analysis
4	Add Legal to Corporate Services department	Legal, Corporate Services	Restructuring	P, C & C	P3
5	Add Clerk to Corporate Services department	Clerk, Corporate Services	Restructuring	P, C & C, HCM & PM	P3
6	Move Accessibility Coordinator from Clerk to Community Services	Clerk, Corporate Services	Restructuring	P, C & C	P3
7	Move oversight of Volunteers from Community Services to Human Resources	Community Services, Corporate Services	Restructuring	P, C & C	P3
8	Outsource Animal Services	Clerk	Restructuring	O	P3
9	Move Purchasing from Corporate to Finance	Corporate Services, Finance	Restructuring	P, C & C, WA	P3
10	Create centralized Customer Service	Corporate	Restructuring	WA	P3
11	Create a Public Works department	Engineering and Operations	Restructuring	R, P, C & C, HCM & PM	P3
12	Move all Facility & Park Design, Construction and Maintenance to Public Works	Public Works, Community Services	Restructuring	<i>Included in R12 savings</i>	P3
13	Move Crossing Guards from Planning to Public Works	Planning, Public Works	Restructuring	P, C & C	P3
14	Move field booking from Operations to Community Services	Operations, Community Services	Restructuring	P, C & C	P3

Recommendation		Department(s) Impacted	Type of Recommendation	Area of Impact (cost savings)	4P Analysis
15	Move Building Services (CBO) from Engineering to Planning and Development	Engineering, Planning and Development	Restructuring	P, C & C	P3
16	Move Development Approvals from Engineering to Planning and Development	Engineering, Planning and Development	Restructuring	P, C & C, WA	P3
17	Possibility to Outsource Forestry	Operations	Other	N/A	P1, P3
18	Review of Snow Removal	Operations	Other	N/A	P1, P3
19	Create a Planning and Development department	Planning, Engineering	Restructuring	<i>Divided into R15 and R16</i>	
20	Create formal Economic Development communication link between Planning and Clarington Board of Trade	Planning and Development	Restructuring	N/A	P1, P3
21	Move Cemetery administration from Clerk's to Community Services	Clerk, Community Services	Restructuring	P, C & C	P3
22	External review of Emergency and Fire Services	Emergency and Fire Services	Other	N/A	P1
23	Formalize process for Performance Evaluation	All, Corporate Services	Human Capital Management	HCM & PM	P1, P2, P4
24	Create role for in-house training	All, Corporate Services	Human Capital Management	HCM & PM	P1, P2, P4
25	Formal Human Capital Management (leadership training,	All, Corporate Services	Human Capital Management	HCM & PM	P1, P2

Recommendation		Department(s) Impacted	Type of Recommendation	Area of Impact (cost savings)	4P Analysis
	performance management) process				
26	Implement Key Performance Indicators	All, Corporate Services	Productivity Improvement	P, HC & PM	P1, P4
27	Formalize support/processes for departmental and team level communication	All, Executive Services	Productivity Improvement	C & C	P1, P2, P4
28	Review of department level structure	All	Productivity Improvement	R, P, C & C	P1, P2
29	Process improvement initiatives (lean methodology)	All	Process Improvement	P, WA	P4
30	Workflow automation	All, Corporate Services	Process Improvement	WA	P1

## 2.1 Restructuring

### 2.1.1 Executive Services

#### Recommendations

Combine Office of the CAO with Mayor and Council administrative support to form Executive Services (R1)

Move Tourism from CAO to Community Services (R2)

Move Climate Change from CAO to Planning and Development (R3)

#### Recommended Corporate Agenda

The Executive Services Department will provide administrative support for the Mayor, Council and the Chief Administrative Officer (CAO). The Mayor and Council provide oversight to the Municipality. The CAO is responsible for the administration of the corporation, including strategic planning, corporate policies, and communication.

#### Impact

Aligning the administrative support resources of the Mayor and Council with the Office of the CAO will achieve some efficiencies while providing the Office of the CAO with some support.

There is a strong link between successful administration (of the organization) and communications (to the organization). Keeping a strong link between Executive Services and the Communications Team will ensure alignment and support effective execution of strategic

initiatives. Streamlining this department will help create capacity for communications to support change management and interdepartmental communication structures. The placement of Tourism will be clarified in the Community Services section (see section 2.1.6).

In an effort to align functions and expertise, the Climate Change Coordinator will be moved to Planning and Development (see section 2.1.5 for further explanation). The Corporate Policy Analyst position will stay under the CAO to ensure alignment and responsiveness to the overall corporate needs. Depending on future decisions regarding the permanence of this position, future consideration should be given to the breadth and scope of its functions, with the potential to support specific departmental policy needs.

### **Timeline**

The creation of an Executive Services Division and subsequent internal reorganization can all happen immediately. Moving the Tourism team over to Community Services and the Climate Change Coordinator to Planning and Development can occur within the next year, dependent upon the preparation of these two departments.

### **2.1.2 Corporate Services**

#### **Recommendations**

- Add Legal to Corporate Services department (R4)
- Add Clerk to Corporate Services department (R5)
- Move Accessibility Coordinator from Clerk to Community Services (R6)
- Move oversight of Volunteers from Community Services to Human Resources (R7)
- Outsource Animal Services (R8)
- Move Purchasing from Corporate Services to Finance (R9)
- Create centralized Customer Service (R10)

#### **Recommended Corporate Agenda**

The Corporate Services department will provide internal support services (Human Resources, Information Technology, Legal, Clerk) to the Municipality, as well as provide oversight for a centralized external Customer Service division. The Human Resources portfolio will include performance management, training and corporate education, payroll and volunteer oversight and administration.

#### **Impact**

The addition of a formal performance management process will support the implementation and management of key performance indicators including productivity and service level metrics. The move to support in-house training will achieve efficiencies and long term cost savings while contributing to overall performance and staff engagement. Although specific training areas must be coordinated with each department, having HR oversight will help create alignment and reduce duplication between departments.

The Information Technology portfolio underwent a strategic planning initiative in 2017 that set out a number of IT projects and investments for 2017 – 2022. Within the current and planned capabilities of the Municipality's information technology infrastructure, there may be options to

streamline processes (i.e. fewer POS stations) or bolster functions (i.e. full use of current Great Plains modules and additional modules) to support business development. As organizational structure changes are made, our recommendation is to examine all affected business procedures for opportunities to automate workloads and streamline process. For example, the adoption of an e-requisition option to work with Great Plains, or even just to scan to pdf for ease of approval/sign off on Purchase Orders and Invoices. (Please see section 2.3 for further discussion and considerations.)

Purchasing as a function relies on clear communication and collaboration between corporate, legal, finance and the department requesting the purchase or procurement. Further explanation of the recommendation to move the Purchasing portfolio to Finance is described below in section 2.1.3.

Moving the Legal department (solicitor and law clerk) to Corporate Services will improve working relationships with cross-functional areas and facilitate further legal oversight for projects. Consideration should be given to the Solicitor's role/oversight on contracts and the contracting process with the potential to assume some responsibility for this portfolio.

Moving the Clerks department to Corporate Services will allow for shared management, oversight, and future realignment of functions. Once the Corporate Services department is realigned, there may be opportunities at the portfolio level (i.e. Clerks, Legal, HR, IT) to realign functions to further streamline.

Our recommendation is that animal services be outsourced to a provider within the region. The Municipality of Clarington is currently providing a high quality animal control service; however, there may be opportunities to focus or streamline service offerings and animal services could be efficiently and effectively delivered by an external provider.

Based on our findings from the current state assessment and peer benchmarking, we recommend a centralized approach to customer service. Please see section 2.4 for further explanation of this recommendation.

## **Timeline**

The Corporate Services recommendations will require significant coordination and organization between all portfolios and should be phased incrementally.

### **2.1.3 Financial Services**

#### **Recommendations**

Move Purchasing from Corporate to Finance (R9)

#### **Recommended Corporate Agenda**

The Finance Department will be responsible for all financial activities of the Municipality, including Accounting Services, Budget, Taxes, Capital Asset Management, Long Term Planning/Purchasing and oversight of Internal Audit.

## Impact

Adding the Purchasing function to this department is recommended so that efficiencies may be achieved through streamlining processes and the number of process owners. Purchasing is an area that requires strong collaboration and timely completion of activities. The Finance department will be responsible for this process and its link to creating/completing purchase orders but will work with all departments where needed. There are likely synergies in terms of process improvements that can be realized through both the overall purchasing and purchase order processes; a number of efficiencies will exist through workflow automation in the purchasing process.

Department-level structural reorganization is out of scope for this project, however, consideration should be given to the structure of this department, with a focus on aligning roles/titles to the areas of focus: i) long term planning and capital asset management, ii) accounting, tax and budget, iii) purchasing and iv) internal audit. The adoption of the right technology should lead to some streamlining of current process and create capacity for formal long term planning, budgeting and policy analysis. Future consideration can be given in terms of the composition of these teams, with a potential opportunity for training and development of staff members to increase expertise in the area of long term planning.

Internal Audit is an important function within the Municipality. It is recommended that the Finance department be responsible to provide support, data and some oversight. From an internal audit best practice and controls perspective, the Finance department will report up to an audit committee or board which will include external representation providing an objective unbiased review and oversight function.

## Timeline

R9 can be implemented in Year 1, dependent on the physical space and technology needs of moving the Purchasing team into the Finance department. Regardless of the physical location of this team, all future purchasing process changes should be made in accordance with this new reporting structure.

### 2.1.4 Public Works

#### Recommendations

- Create a Public Works department (R11)
- Move all Facility and Park Design, Construction and Maintenance to Public Works (R12)
- Move Crossing Guards from Planning to Public Works (R13)
- Move field booking from Operations to Community Services (R14)
- Move Building Services (CBO) from Engineering to Planning and Development (R15)
- Move Development Approvals from Engineering to Planning and Development (R16)
- Possible Outsourcing of Forestry (R17)
- Review of Snow Removal (R18)

#### Recommended Corporate Agenda

Public Works will oversee all engineering and operations functions.

## Impact

Bringing together the Engineering and Operations Departments is an important step to streamline design, construction and maintenance procedures and functions. As a single department with one budget, Engineering and Operations will be able to make more effective decisions about maintenance work, appropriately deploy the required resources and have full control of the criteria for and schedule of construction and maintenance work. This will result in cost savings as priorities can be aligned to optimally manage and maintain infrastructures while efficiently deploying resources.

The Municipality has initiated a project to build a new recreation facility in south Bowmanville. The Community Services department has invested a significant amount of time and effort into the design and planning for this new recreation facility. Community Services has overseen all past recreation facility construction. If the grant funding is successful and the project advances, this construction project would need to be factored into the implementation plan for the organization restructuring.

Within the Public Works department, functions should be realigned between the engineering and operations managers to streamline the decision making and functional processes. Based on functional roles and expertise, our recommendation is that all of the design and construction is owned by engineering and all maintenance and labour be owned by operations. All urban and rural road maintenance and design will fall under Public Works; Engineering and Operations will need to work together closely to ensure alignment on the design (engineering) and maintenance (operations) functions. Traffic, inclusive of crossing guards, should be the responsibility of the operations portfolio. Snow removal and fleet maintenance will be the responsibility of operations. The booking of fields and outdoor spaces will become the responsibility of the Community Services department (see section 2.1.6 for further explanation).

Building Services (Chief Building Official) and Development Reviews (Development Manager and Park Development Manager) will move to the Planning and Development department. By grouping all planning, development approval and review functions, the strengths of each team can be leveraged by their respective counterparts through awareness and functional alignment. Knowledge sharing would then improve the understanding of functional relationships and opportunities for further process improvement can be realized.

Additional opportunity to outsource specialized services may exist within the Public Works department. Potential functions that were identified during our review were Forestry and Snow Removal. There is currently an external review underway to review Forestry Services. From an organizational structure perspective, the Municipality of Clarington should consider outsourcing Forestry Services. There is currently some Forestry expertise within the Engineering department, however, this function should fall under Operations and may be required to scale to meet experience and service level expectations. In order to scale Forestry operations efficiently while maintaining service levels across other areas, outsourcing should be a consideration.

An internal review of the Snow Removal portfolio was underway during our current state assessment to determine if new equipment is required to maintain service levels in response to

the growing road network. The Municipality currently provides timely and quality snow removal services (some non-road areas such as sidewalks are contracted out), however, with a growing road network further investments or outsourcing may be required to maintain service levels. We recommend that a review be completed to determine what the optimal mix of internal versus contracted services is for the Municipality. This should include all Snow Removal services (roads, parking lots, sidewalks).

### Timeline

The creation of a Public Works department should be a priority for the Municipality. Given recent retirements, the immediate restructuring of Engineering and Operations will ensure continuity of management, quality services and staff engagement. Moving Building Services (CBO) and development approvals to Planning and Development will create Engineering department capacity. This re-alignment component will afford a more seamless merger between Engineering and Operations. The timing on this will be dependent on the implementation of R20 (creating a Planning and Development department). Following complete reviews of Forestry and Snow Removal services, a decision should be made by Year 2 as to whether these services, or components of these services should be outsourced.

#### 2.1.5 Planning and Development Services

### Recommendations

- Create a Planning and Development department (R19)
- Move Climate Change from CAO to Planning and Development (R3)
- Move Crossing Guards from Planning to Public Works (R13)
- Move Building Services (CBO) from Engineering to Planning and Development (R15)
- Move development approvals from Engineering to Planning and Development (R16)
- Create a formal Economic Development communication link between Planning and the Clarington Board of Trade (R20)

### Recommended Corporate Agenda

The Planning and Development department will oversee all planning and development functions. This will include all planning projects, Building Services (CBO), development approvals, special projects (inclusive of climate change).

### Impact

The creation of a Planning and Development department (expansion of roles and responsibilities of the current Planning department) will align all planning, building services and development approval functions with the goal of eliminating time and energy spent on following applications through various departments and to various stakeholders.

Once this has been completed, a number of these processes may benefit from a process improvement review (see section 2.3 for further explanation). Some functions may be more appropriately placed in a different portfolio; consideration should be given to all non-core services that support the overall Planning and Development processes for the Municipality. Examples include recommended ownership of the annual growth trends review by the Building Services portfolio and the inclusion of Realty services as a formal responsibility of the department.



The Planning department has a strong understanding and knowledge of current and future development projects within the Municipality. Our findings highlighted a need for a formal communication channel between the Clarington Board of Trade (CBOT) and the Municipality to share knowledge and ensure alignment. Our recommendation is that a formal communication link (formal meeting, working group or advisory committee) is created between Planning and Development and CBOT.

The Special Projects team is comprised of individuals who leverage knowledge and resources across the organization to move unique opportunities forward. There is strong alignment with the planning project methodology, and keeping these teams together allows them to leverage experience and expertise. Moving the Climate Change Coordinator to the Planning and Development department will allow more knowledge/methodology sharing, alignment on initiatives and alignment on functions.

There are distinct links and need for information sharing between the Planning and Development department and the Clarington Board of Trade, who is responsible for the Municipality's economic development. Our recommendation is that a formal communication process between this Municipality and CBOT be created via the Planning and Development department so that priorities and projects can be aligned and information shared on regular basis. Please see section 2.6 for further discussion on this recommendation.

## Timeline

The creation of a Planning and Development department will be dependent on the appointment of a Director for the department; the Development department is currently overseen by an Acting Director. Realignment of the Crossing Guards, Climate Change Coordinator and Development Managers to Planning and Development can occur in Year 1, or immediately following the department's creation. Moving the Building Services (CBO) team represents a larger change in personnel and may require more logistical planning; as such this may be a Year 2 implementation. The creation of a formal communication process with CBOT should commence in Year 1, in a flexible modality that allows individuals from other departments to be added to the group where needed.

### 2.1.6 Community Services

#### Recommendations

Move Tourism from CAO to Community Services (R2)

Move Accessibility Coordinator from Clerk to Community Services (R6)

Move all Facility and Park Design, Construction and Maintenance to Public Works (R12)

Move field booking from Operations to Community Services (R14)

Move Cemetery administration from Clerk's to Community Services (R21)

#### Recommended Corporate Agenda

The Community Services department will be responsible for the delivery of community facing services, including indoor and outdoor recreational programs and services, tourism and cemetery services.

## Impact

All facility and park design, maintenance and construction will be under the Public Works department, and all field, park and facility booking (including cemetery services) will be owned by Community Services. Realigning these operational and administrative functions will allow more focus within each department and achieve efficiencies by way of role specialization and reduction of duplications.

The Municipality has initiated a project to build a new recreation facility in south Bowmanville. The Community Services department has invested a significant amount of time and effort into the design and planning for this new recreation facility. Community Services has overseen all past recreation facility construction. If the grant funding is successful and the project advances, this construction project would need to be factored into the implementation plan for the organization restructuring.

Community Services has a strong customer service team who has strong relationships with external partners and residents. Moving the role and position of Cemetery administration to Community Services will further align like roles and allow synergies between processes and best practices. This will also present opportunities for shared tasks between roles as needed to respond to demand and/or cover leaves. Moving the Tourism team will present an opportunity for alignment with and leveraging of the community facing services that the Municipality delivers. This will also provide the Tourism team with a larger support within the Municipality.

Accessibility has an important role within the Community Services department, including compliance, training and being an advocate for. In an effort to align roles and responsibilities with functional structures (i.e. practical application of), consideration should be given to placing this role within the Community Services department.

As these functions are realigned, there will be opportunities to further align and automate aspects of the booking processes, as further described in section 2.4.

## Timeline

These are all recommendations that could occur within the next year, however, as they involve the movement of roles and the people who perform them, timing will depend on the availability of space and overall capacity for change (dependent on implementation of other recommendations) in each department.

### 2.1.7 Emergency and Fire Services

#### Recommendations

External review of Emergency and Fire Services (R22)

The fire department provides fire prevention, suppression and education to the Municipality. The service delivery model, composition and management of this department is outside of the scope of this review. Based on our findings, our recommendation is that an external review of the fire

suppression service delivery model (i.e. number and composition of staffing, number of firefighters per truck on calls) be completed.

## 2.2 Human Capital Management

### Recommendations

Formalize process for Performance Evaluation (R23)

Create role for training in house (R24)

Formal HCM (leadership training, performance management) process (R25)

### Impact

There is a positive correlation between morale and productivity when effective staff development programs are implemented. A formal position description and staff review process should be implemented. Staff that clearly understand their role and responsibilities have a greater sense of purpose and understanding of their respective work effort and contribution to their departmental performance. Where effectively implemented, higher levels of staff engagement are realized and overall individual and departmental performance improves. Where roles, responsibilities and objectives (MBO's – Management By Objectives) are defined, space is created to have objective conversations regarding performance. A formal review process including one on one staff coaching where the practice of positive reinforcement, areas of development and performance against goals/metrics should be implemented. When formally deployed with a defined and consistent frequency, the success rate of desired habits and behaviors are being adopted improves significantly and results in higher engagement scores and improved work effort performance. Effective training for all management is recommended in the areas of leadership, coaching, performance management and organizing/implementing a consistent staff review process. In addition to on-going informal coaching, in order to maximize performance improvement and desired change, the staff review process should be based on a formalized schedule including ongoing cadence. Overall, this initiative will improve management (Managers/Directors) productivity levels and enable management to be more effective in supporting and mentoring respective staff which in turn will lead to improvements in front line efficiency and performance.

In addition to leadership, coaching and performance improvement skills development, it is recommended that management be trained on how to on-board a new hire. There should be a formal on-boarding and training program for all employees. The on-boarding and training program should be customized by department and function. For new hires, performance acceleration and engagement levels are realized much more rapidly when defined on-boarding procedures, agendas and training programs are implemented.

### Timeline

The HCM related recommendations will take time to fully implement. However, there are items that can be implemented in part in conjunction with the restructuring. The overall HCM strategies outlined above should be formalized and introduced by the HR function within the Municipality. All departmental Directors and Senior Management will have the responsibility to then customize the program to satisfy the needs of each respective department (within formal parameters

outlined by HR), launch the program and ensure the programs and format are monitored and adhered to.

## 2.3 Productivity & Process Improvement

### Recommendations

Implement Key Performance Indicators (R26)

Formalize support/processes for departmental and team level communication (R27)

Review of department level structures (R28)

Process improvement initiatives (lean methodology) (R29)

Workflow automation (R30)

### Impact

It is recommended that departmental key performance indicators be introduced to the Municipality, including productivity level metrics at all staff levels and service level metrics at staff levels where applicable. Where key performance indicators are implemented and measured accurately, an increase in functional, departmental or overall organizational performance is realized. Service level and productivity level metrics are typically included within Key Performance Indicators. Service level metrics typically speak to performance, (turnaround time/response time, accuracy) while productivity level metrics speak to efficiencies and cost savings opportunities (# of units processed per FTE/shift). In an effort to maintain service level performance for the constituents of the Municipality of Clarington with the objective of achieving efficiencies and resulting cost savings, it is important to measure both service and productivity level performance.

This introduction of Key Performance Indicators (KPIs) should begin with the Human Capital Management function. As per our recommendations reported in section 2.2, KPIs should be included as part of the on-boarding and training process. This sets behavioral and performance expectations of the respective role. Clearly defined and documented KPIs act as a reference point during performance evaluation events and on-going coaching.

It is recommended that KPI's aggregate up to management, director and department levels. Management has the responsibility to report on the KPI's, achieve KPI targets and manage departmental performance accordingly and within HR guidelines. Based on industry experience and best practices across multiple public and private sector verticals, where key performance indicators are implemented, service level improvements and efficiencies/cost savings are realized.

In alignment with the proposed organizational structural changes, it is recommended that a base set of KPIs are implemented at the departmental and staff levels. This will work to establish a baseline to measure performance as a result of the structural changes, provide visibility into staff/functional/departmental performance and identify opportunities for improvement over time.

It is recommended that a formal top down and bottom up reporting and communication structure is implemented. Bottom up reporting, on a weekly and eventual daily basis, would include the

capture of KPIs and justification for performance (what worked well and areas to improve). From a top down reporting and communication perspective, in addition to structural, HCM and strategic changes occurring within the department and/or at the overall Organizational level, considered appropriate to be shared that are intended to be shared with staff members, it is our recommendation that the top down reporting and communication pattern occur on a monthly basis at minimum and should include recent departmental KPI performance, targets and recognition.

Through KPI performance visibility, the recommended structural changes, including reporting structures, titles and functional alignments can be further adjusted based on quantifiable justification and measured performance. Through the structural realignment, the elimination of functional duplication will be realized, resulting in short term productivity gains.

Areas of potential short term cost savings will be through attrition and reduction of overtime hours (see appendix A). Idea that measuring the effect of current versus future scheduling (hours) could be examined and altered to allow flex hours to accommodate evening activities/events. In addition to potential short term gains, KPI's will measure the effect of optimized interdepartmental communication where the structural recommendations are implemented.

While technology and automation introduce the opportunity for improved governance and controls, there are measured productivity gains realized by departmental functions impacted by workflow automation. Further, through visibility of information (managing resources, work orders, service performance), management becomes much more efficient and can make confident and timely management decisions based on accurately reported data. The Municipality should take a close look at approaches to centralizing and storing data to create efficiencies, data insights and transparency. Potential quick wins can be identified (for example with data entry, scanning and shared access to documents and data) to larger, strategic initiatives (for example around electronic processes or a central repository of data).

In conjunction with looking at technology, training in best practice process methodologies is recommended. There are currently a number of staff at the Municipality who are certified or are undergoing the training for certification in lean methodologies. There is a clear opportunity to formalize process improvement across the organization and to leverage this newly trained expertise as it will help to identify, lead and support process improvement initiatives. Our findings identified a number of procedures that may likely benefit from a formal process improvement discipline where streamlining workflow and responsibilities will optimize performance, including:

- Land and property development approval procedures
- Purchase Order and Invoice approval workflows
- Responding to constituent inquires
- Contracts

### Timeline

At a high level, these are strategic recommendations that will be implemented over several years. There are quick wins identified and there are longer term gains which will be dependent up effective change management execution including leadership, effective communication, training

and staff development and adoption. We outline below a phased approach to deliver the results over time.

## 2.4 Customer Service

### Recommendations

Create centralized Customer Service (R10)

### Impact

A centralized approach to a Customer Service division will create a single point of contact for constituent inquiries. Customer service representatives will have a repository of answers to frequently asked questions, guides for common request and set processes for directing questions and/or gathering information (i.e. from departments). Aligning the customer service functions will help to reduce the confusion caused by the differences in resident-facing processes between departments and the lack of clarity around roles and responsibilities pertaining to points of contact and provision of services to residents and external organizations. This model will leverage the skill and expertise of a dedicated customer service team so that all departments benefit from the support and processes this team will provide.

Additionally, where possible and practical, the Municipality should consider options for electronic submissions, bookings and payments. For example, the Community Services department will have oversight for both indoor/recreational program bookings and outdoor fields/spaces. We encourage that these processes are consolidated and that the Active Net system currently used for indoor/recreational programs be fully leveraged.

Benefits of a centralized approach to customer service include:

- Single location and point of contact for inquiries
- Standardization of processes and responses to inquiries
- FAQ and guides for common concerns/inquires (resulting in a potential reduction of inquires)
- Centralized payment model for municipal services (i.e. taxes, permits)

Although specific transactional services such as booking spaces and paying taxes will still be managed by the individual departments, residents will have a single location to come for assistance with processes, answers to frequently asked questions and options to make payments. Customer service representatives ideally would be able to assist with most processes and general inquires; where required, they would be responsible for either making an inquiry with a department and providing the information to the resident or connecting the resident to the appropriate departmental contact.

### Timeline

The creation of a centralized Customer Service division will be a strategic initiative that involves dedicated planning, investment of time and resources and change management. An analysis of infrastructural and technology requirements is needed to fully scope out the timeline and cost. It is not expected that this work would be started until year 2; cost savings from increased

productivity will not be realized until the centralized customer service model is fully implemented and active.

## 2.5 Economic Development

### Recommendations

Formalize communication process between Clarington and CBOT (R20)

### Context

Local economic development services can be provided by an internal (municipal model) or an external (not-for-profit Corporation) model. Key attributes of each model are listed below in table 2.0. The majority of peer Municipalities manage Economic Development internally. Based on the stakeholder consultations, the external Economic Development service delivery model (CBOT) used in Clarington there is an opportunity to improve communication with the Municipality. This would promote alignment on projects and priorities and knowledge/information sharing, especially in terms of land and demographic data.

The goal of both internal and external economic development offices is to provide strategic direction and support for economic development and a link to the private sector. This often involves commercial development, downtown renewal, tourism and community development. Functions of the economic development office may vary depending on the size and characteristics of the municipality, but typically include:

- Strategic economic planning
- Forecasting infrastructure/development
- Retaining/Growing local business
- Supporting small businesses/investors
- Attracting new investors and entrepreneurs (both local and foreign)
- Supporting public relations for the community
- Participating in downtown revitalization
- Enhancing trade opportunities for local entrepreneurs
- Advocacy

Although the reporting structures are different, common to both internal and external models is the presence of an advisory committee. The economic development office should have ties to both the business community and municipal council or administration.

**Table 2.0: Key Attributes of Internal and External Economic Development Service Delivery Models<sup>234</sup>**

	<b>Internal Service Delivery Model</b>	<b>External Service Delivery Model</b>
<b>Structure</b>	<ul style="list-style-type: none"> <li>• Municipal department/staff members that report through the administration to municipal council</li> <li>• Stand-alone department or may be integrated with another department (such as a planning department)</li> </ul>	<ul style="list-style-type: none"> <li>• Not-for-profit corporation that is governed by a board of directors</li> <li>• Autonomy provides the ability to operate with a minimum of bureaucracy</li> </ul>
<b>Focus</b>	<ul style="list-style-type: none"> <li>• Economic development strategic plans can be more directly integrated with other municipal strategic plans</li> <li>• Increased collaboration between departments and economic development staff</li> <li>• Greater involvement in communications and marketing</li> </ul>	<ul style="list-style-type: none"> <li>• More closely aligned with business and industry</li> <li>• Can be a competitive advocate on behalf of an investors/developers to ensure the municipal functions such as planning and engineering are being proactive and responsive</li> <li>• Representation of a number of groups or interests</li> </ul>
<b>Administration and Policy</b>	<ul style="list-style-type: none"> <li>• Provides efficiencies in administration through integration with council meetings, single set of books/accounting</li> <li>• Policy and direction are streamlined and municipal protocols can be adopted regarding committees and appointments</li> <li>• May be held more accountable than external organizations</li> </ul>	<ul style="list-style-type: none"> <li>• One step removed from the municipal administration</li> <li>• Working practices are more closely aligned with the private sector than those of the public sector</li> <li>• Hours of work can be adjusted to match those of the private sector</li> <li>• Ability to carry forward surplus or deficits from year to year</li> </ul>
<b>Funding</b>	<ul style="list-style-type: none"> <li>• Funded by municipality</li> <li>• Potential for more sustainable wages, benefits, and pensions can help attract and retain skilled staff</li> </ul>	<ul style="list-style-type: none"> <li>• The board of directors is accountable to obtain funding; most of this funding is generally from the municipality</li> </ul>

<sup>2</sup> Thompson, S. (2010). Delivery models of local economic development: An analysis of internal and external models in Ontario. *Papers in Canadian Economic Development, Vol. 12.*

<sup>3</sup> Blais, P. & Redden, A. (2009). Investing in economic development: Important key indicators municipalities should assess. *Municipal World.*

<sup>4</sup> Government of Ontario. (2012). Economic Development Case Study Handbook. <http://www.ontla.on.ca/library/repository/mon/26008/313532.pdf>



	Internal Service Delivery Model	External Service Delivery Model
		<ul style="list-style-type: none"> <li>• Access to some funding sources (i.e. grants) that may not be available to municipalities</li> </ul>
<b>Access to Expertise &amp; Information</b>	<ul style="list-style-type: none"> <li>• Direct access to established municipal services including human resources, finance, geographic information systems</li> <li>• Access to municipal land and demographic data</li> </ul>	<ul style="list-style-type: none"> <li>• Increased presence of outside expertise</li> <li>• Stakeholders may be more likely to get involved and assist an external economic development</li> </ul>

### 3.0 Cost Savings

The restructuring cost savings are calculated based on the salary costs of any vacant positions that will be removed. These are either vacant positions that were created by a combination of recent retirements and structural reorganization (i.e. Operations and Engineering coming together under a single director). The low and high values are an estimated cost savings based on the salary range of the position. The asterisked (\*) values are low estimates for positions whose salaries/wages are not listed on the Municipality of Clarington’s Grids For Distribution. The cost savings for i) Productivity and Key Performance Indicators (KPI), ii) Collaboration and Communication and iii) Human Capital and Performance Management were calculated based on a percentage of the salary/wages (FT and PT) of the staff who would be impacted by these changes, exclusive of senior management (directors or director-level and managers). These values are from the salary, wages and associated costs included in the 2019 departmental budgets. The cost savings ranges for each area are explained below. We assume productivity to be equivalent to cost savings (i.e., doing more with less cost).

- i. Cost savings ranging from 5% to 10% are possible through productivity improvements and the implementation of KPIs. This is a conservative calculation based on industry knowledge, case studies and published reports. Productivity gains can be achieved through a number of improvements, including: streamlining processes, clarifying roles and responsibilities, increasing engagement and improving communication. The implementation of KPIs is known to promote productivity, accountability, communication and focus. Studies show that municipalities who have implemented KPIs have realized productivity gains, stimulated creativity and engagement and improved budget processes (insight into expected and delivered service levels, realistic costs and benefits).<sup>5</sup>
- ii. Cost savings ranging from 4% to 10% are achievable through further collaboration and enhanced communications. Quality and engagement of human resources is a key contributor to organizational growth and sustainability. According to a Gallup 2016 study<sup>6</sup>,

<sup>5</sup> Government Finance Officers Association. Performance Management: Using Performance Measurement for Decision Making, Approved 2007.

<http://www.gfoa.org/downloads/budgetpermanagement.pdf>

<sup>6</sup> Gallup (2016). The Relationship Between Engagement at Work and Organizational Outcomes. 2016 Q<sup>12</sup> Meta-Analysis: Ninth Edition

organizations can achieve up to 17% increased productivity from improved employee engagement and communication (from a bottom quartile engagement ranking to a top quartile ranking, 5.6% improvement per quartile). Based on the feedback collected from internal stakeholders and the observations of our assessment, the Municipality would be placed at a middle level of engagement (high second quartile or low third quartile) and could consequently realize up to 11.3% improvement. A that a lack of engagement in the workforce cost organizations 5-6% productivity.

- iii. Cost savings ranging from 8% to 10% are achievable through formal Human Capital Management (HCM) and Performance Management processes. A second Gallup study<sup>7</sup> found an 8% to 18% improvement in performance (including productivity and sales data) when performance evaluations, formal feedback processes and developmental coaching were implemented.

The implementation of workflow automation software and tools has been shown to reduce cycle times, streamline processes and ultimately reduce overall workflow costs by up to 30%<sup>8</sup>. Moreover, a recent automation report (2020 In(Sight) Report<sup>9</sup>) found that 53% of employees surveyed could save up to 2 hours a day through automation and that 78% of business leaders could free up to 3 hours a day. Of note, on top of the estimated 15% - 25% will be savings associated with the increase in accuracy, accountability and job satisfaction that is normally experienced through automation.

Specialized services that require specific knowledge and expertise may be more appropriately delivered by an external provider. Outsourcing of specialized services will achieve cost savings by way of the efficiencies that a specialized service provider can achieve, the reduced need for training and/or certification to deliver these services and the ability to focus these efforts elsewhere. Based on industry experience, cost savings of at least 25% are generally achieved. Table 3.0 includes the figures that we could estimate cost savings for. Additional savings will occur through implementation of overarching recommendations. Note: Grant Thornton does not assume responsibility for, or provide any guarantee of achieving, any dollar estimates of cost savings.

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<sup>7</sup> Gallup (2017). Re-Engineering Performance Management

<sup>8</sup> Integrify (2019). Business Process Management Software.  
<https://www.integrify.com/business-process-management/>

<sup>9</sup> WorkMarket (2019). 2020 In(Sight) Report.

[http://images.adpinfo.com/Web/ADPEmployerServices/%7B085df6b6-e471-4e88-b8fb-dc0b2b9b2b07%7D\\_2020-In\(Sight\)-Report.pdf](http://images.adpinfo.com/Web/ADPEmployerServices/%7B085df6b6-e471-4e88-b8fb-dc0b2b9b2b07%7D_2020-In(Sight)-Report.pdf)

**Table 3.0: Cost Savings**

Recommendation		Areas of Impact													Total Low (\$)	Total High (\$)	
		Restructuring		Productivity		Collaboration and Communication		Human Capital & Performance Management		Workflow Automation		Outsourcing					
		Low \$*	High \$*	5%	10%	4%	10%	8%	10%	15%	25%	25%					
1	Combine Office of the CAO with Mayor and Council administrative support to form Executive Services	\$100,000	\$120,000							\$49,911	\$62,389					<b>149,911</b>	<b>182,389</b>
2	Move Tourism from CAO to Community Services			\$10,635	\$21,269	\$8,508	\$21,269									<b>19,142</b>	<b>42,538</b>
3	Move Climate Change from CAO to Planning and Development			\$2,500*	\$5,000*	\$2,000*	\$5,000*									<b>4,500</b>	<b>10,000</b>
4	Add Legal to Corporate Services department			\$17,166	\$34,331	\$13,732	\$34,331									<b>30,898</b>	<b>68,662</b>
5	Add Clerk to Corporate Services department			\$53,702	\$107,404	\$42,961	\$107,404	\$85,923	\$107,404							<b>182,586</b>	<b>322,211</b>
6	Move Accessibility Coordinator from Clerk to Community Services			\$3,950	\$7,900	\$3,160	\$7,900									<b>7,110</b>	<b>15,800</b>
7	Move volunteer oversight from Community Services to HR			\$2,500	\$5,000	\$2,000	\$5,000									<b>4,500</b>	<b>10,000</b>
8	Outsource Animal Services													\$159,190		<b>159,190</b>	<b>159,190</b>
9	Move Purchasing from Corporate Services to Finance			\$24,900	\$49,800	\$19,920	\$49,800			\$74,700	\$124,500					<b>119,520</b>	<b>224,100</b>

Recommendation		Areas of Impact												
		Restructuring		Productivity		Collaboration and Communication		Human Capital & Performance Management		Workflow Automation		Outsourcing	Total	Total
		Low \$*	High \$*	5%	10%	4%	10%	8%	10%	15%	25%	25%	Low (\$)	High (\$)
10	Create centralized Customer Service									\$45,000	\$75,000		45,000	75,000
11	Create a Public Works department	\$360,000	\$440,000	\$360,625	\$721,250	\$288,500	\$721,250	\$577,000	\$721,250				1,586,125	2,603,751
13	Move Crossing Guards from Planning to Public Works			\$21,896	\$43,792	\$17,517	\$43,792						39,413	87,584
14	Move field booking from Operations to Community Services			\$7,500	\$15,000	\$6,000	\$15,000						13,500	30,000
15	Move Building Services (CBO) from Engineering to Planning and Development			\$57,559	\$115,118	\$46,047	\$115,118						103,606	230,235
16	Move development approvals from Engineering to Planning and Development			\$14,300	\$28,600	\$11,440	\$28,600			\$42,900	\$71,500		68,640	128,700
21	Move Cemetery administration from Clerk's to Community Services			\$2,500*	\$5,000*	\$2,000*	\$5,000*						4,500	10,000
<b>Totals (\$)</b>		<b>460,000</b>	<b>560,000</b>	<b>579,732</b>	<b>1,159,464</b>	<b>463,785</b>	<b>1,159,464</b>	<b>712,834</b>	<b>891,043</b>	<b>162,600</b>	<b>271,000</b>	<b>159,190</b>	<b>2,538,141</b>	<b>4,200,160</b>

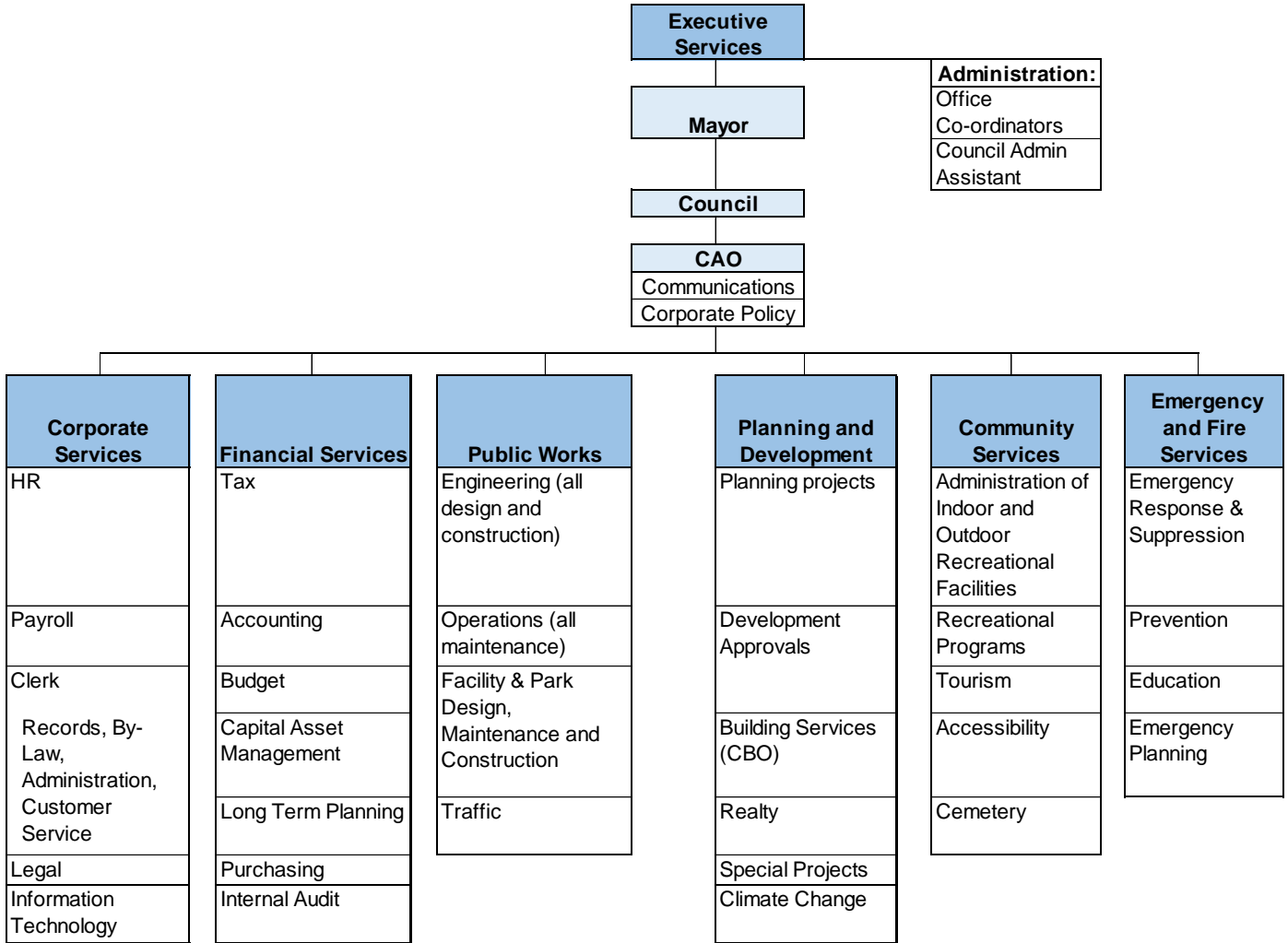
\*Where applicable, dollar values expressed above do not include employee benefits

# 4.0 Implementation

## 4.1 Proposed Organizational Chart

Figure 2.0 provides an overview of the proposed organizational chart for the Municipality of Clarington based on the recommendations outlined in section 2.0 of this report. Note: FTE's per department are not included as total count of employees per role/team is unknown.

**Figure 2.0: Proposed Municipality of Clarington Organizational Chart**



## 4.2 Phased Implementation

**Table 4.0: High Level Phasing of Implementation**

Recommendation		Phased Implementation		
		Year 1	Year 2-3	Year 4-5
1	Combine Office of the CAO with Mayor and Council administrative support to form Executive Services	•		
2	Move Tourism from CAO to Community Services	•		
3	Move Climate Change from CAO to Planning and Development	•		
4	Add Legal to Corporate Services department		•	
5	Add Clerk to Corporate Services department		•	
6	Move Accessibility Coordinator from Clerk to Community Services		•	
7	Move oversight of Volunteers from Community Services to Human Resources		•	
8	Outsource Animal Services		•	
9	Move Purchasing from Corporate Services to Finance	•		
10	Create centralized Customer Service		•	•
11	Create a Public Works department	•		
12	Move all Facility and Park Design, Maintenance and Construction to Public Works	•		
13	Move Crossing Guards from Planning to Public Works	•		
14	Move field booking from Operations to Community Services	•		
15	Move Building Services (CBO) from Engineering to Planning and Development	•		
16	Move Development Approvals from Engineering to Planning and Development	•		
17	Possible Outsourcing of Forestry			•
18	Review of Snow Removal	•		
19	Create a Planning and Development department	•		
20	Create formal Economic Development communication link between Planning and Clarington Board of Trade	•		
21	Move Cemetery administration from Clerk's to Community Services	•		
22	External review of Emergency and Fire Services	•		
23	Formalize/create process for performance evaluation	•	•	
24	Create role for training in house		•	•
25	Formal Human Capital Management (leadership training, performance management) process	•	•	•
26	Implement Key Performance Indicators	•	•	•
27	Formalize support/processes for departmental and team level communication	•	•	•
28	Review of department level structure	•	•	
29	Process improvement initiatives (lean methodology)	•	•	
30	Workflow automation	•	•	•

### 4.3 Phased Cost Savings

Table 5.0 presents an estimated timeline for when cost savings will be realized. Please note that there may be different timelines for the implementation and when cost savings will be realized.

**Table 5.0: Estimated Cost Saving According to Phased Implementation**

Recommendation		Phased Cost Savings		
		Year 1	Year 2-3	Year 4-5
1	Combine Office of the CAO with Mayor and Council administrative support to form Executive Services	\$100,000		
2	Move Tourism from CAO to Community Services	\$6,380	\$12,760	
3	Move Climate Change from CAO to Planning and Development	\$4,500		
4	Add Legal to Corporate Services department		\$15,449	\$15,449
5	Add Clerk to Corporate Services department	\$19,333	\$81,626	\$81,626
6	Move Accessibility Coordinator from Clerk to Community Services		\$7,110	
7	Move volunteer oversight from Community Services to HR			\$4,500
8	Outsource Animal Services		\$159,190	
9	Move Purchasing from Corporate Services to Finance	\$39,840	\$79,680	
10	Create centralized Customer Service		\$45,000	
11	Create a Public Works department (including R12, realignment between operations and engineering)	\$360,000	\$613,062	\$613,062
13	Move Crossing Guards from Planning to Public Works		\$39,413	
14	Move field booking from Operations to Community Services	\$13,500		
15	Move Building Services (CBO) from Engineering to Planning and Development		\$103,606	
16	Move Development Approvals from Engineering to Planning and Development		\$68,640	
21	Move Cemetery administration from Clerk's to Community Services	\$4,500		
24	Create capacity/role for training in house	There will be cost savings associated with these, but depending on the scale of implementation, ranges are difficult to estimate. Some of these cost savings for specific processes are captured above.		
25	Formal Human Capital Management (leadership training, performance management) process			
26	Implement Key Performance Indicators			
27	Formalize support/processes for departmental and team level communication			
28	Review of department level structure			
29	Process improvement initiatives (lean methodology)			
30	Workflow automation			
<b>Total</b>		<b>\$548,053</b>	<b>\$1,185,036</b>	<b>\$755,137</b>

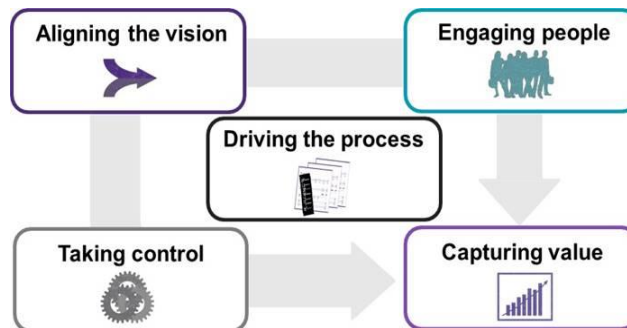
## 4.4 Strategic Execution

The success of this review will be in the implementation and strategic execution of these recommendations. The measure of success will be in the amount of productivity and engagement that is gained, reflected in total cost savings achieved.

There are many skills, tools and processes that connect strategy with successful strategic execution. Three areas that together lead to successful strategic execution are formal process for:

- i. Change management – Central to the change will be championship from senior leadership. In addition, the creation of a steering committee to support and guide a project/change manager, properly resourced and with clearly defined authority and responsibility for outcomes will contribute significantly to success.
- ii. Project management – The Municipality should consider assigning a designated project manager tasked with facilitating effective strategic execution across all areas of the Municipality. This will allow for focus and management of the processes, tools, and activities needed to complete a project change activities. Moreover, departments can be held accountable for processes leading to more effective communication and control.
- iii. Controls – Controls can include initiatives such as managing timelines, quality and budget. These inputs that manage the risk of failing on a project like budget or timeline for success (that include staying the course long enough and staying within projected completion timelines), decision process to change scope/timelines/budgets for projects that tie to vision/goals/intents.

**Figure 2.0: Moving Vision to Value Realization**

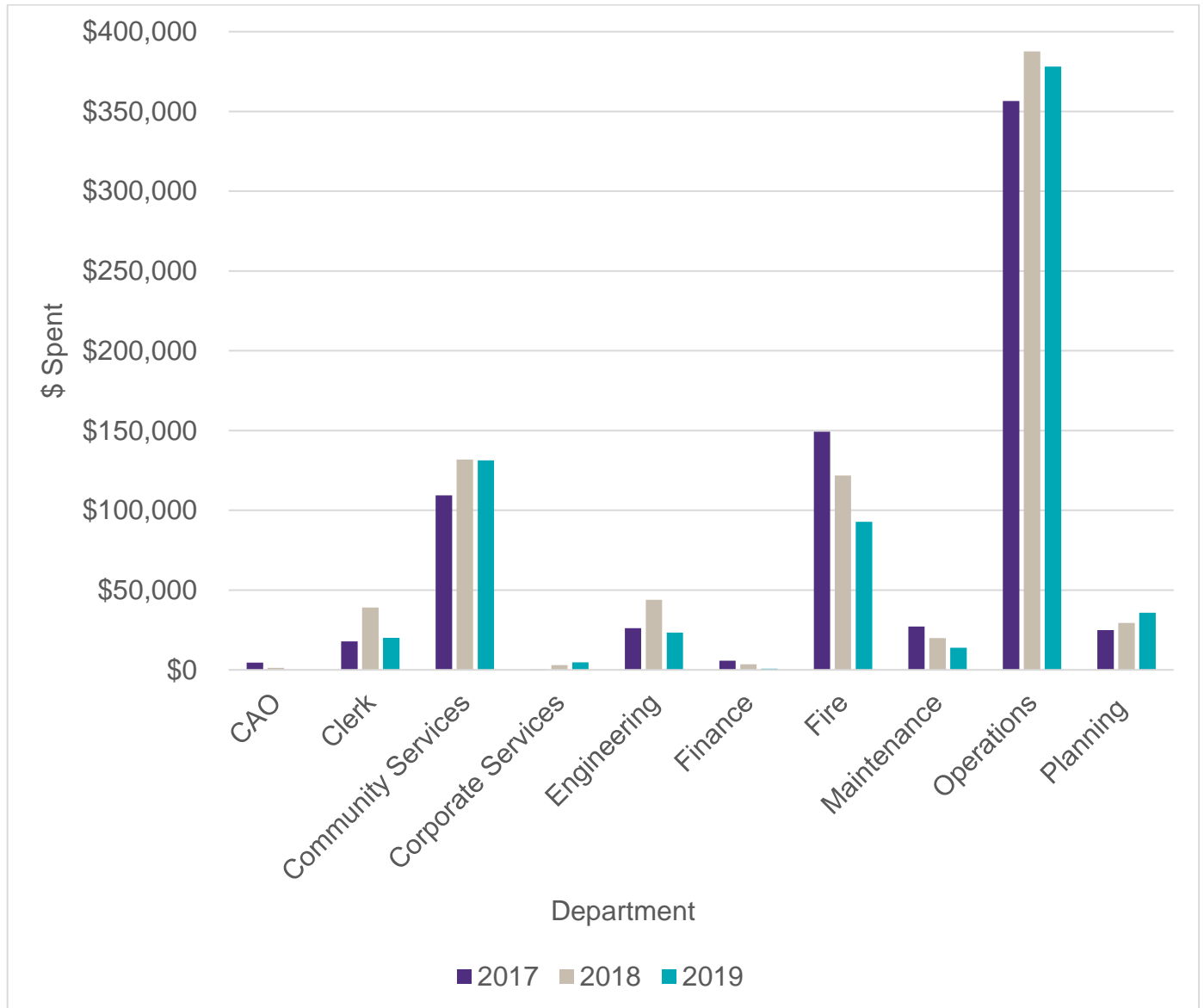


Finally, the most effective control in any change management undertaking is an excellent communication protocol. This protocol is driven by the stakeholder map and the milestones established by the steering committee. Defining what needs to be communicated and to whom, how frequently to seek feedback, and the communication periods and milestones, drive accountability and buy-in, and reduce implementation risk.



## 5.0 Appendices

### Appendix A: Overtime Wages Paid by Year and Department<sup>10</sup>



### Appendix B: Current State Assessment and Benchmarking Summary

*Separate document attached.*

<sup>10</sup> Based on figures provided by the Municipality of Clarington