

Organizational Alignment

Presentation by Steve Kanellakos, City Manager

City Council

July 13, 2016



Context

- Assumed City Manager role on May 2, 2016.
- Appointed with a mandate to create long-term stability in the organization and improve service delivery.
- Undertook an expansive outreach effort to solicit input and understand the needs of the organization:
 - **Two rounds** of Council consultations;
 - **3,600+ staff reached** through 10 in-person engagement sessions, staff meetings and survey responses;
 - **75** key internal and external stakeholder groups met; and,
 - **10,500+** ideas provided.
- Mayor and Members of Council, all of the current senior management team and 71% of employees highlighted ***organizational effectiveness*** as the largest issue with the City's current structure.

Key Findings

- The current organizational structure and internal governance is unsustainable.
- There is a requirement to flatten management and create a more responsive organization.
- Clear set of priorities must be established.
- There are too many administrative burdens and manual processes.
- Increase collaboration.
- Too many “acting” positions, not enough succession planning.
- Departments must be aligned to match City priorities.
- Staff must be empowered to make decisions with support of their leaders.

Principles of the New Organizational Structure

- 1. Organizational Effectiveness:** Establish a consolidated senior leadership team with direct lines of accountability to deliver on Council's priorities.
- 2. Enhanced Service Delivery:** Group areas with similar mandates to enhance service delivery and remove administrative and operational silos.
- 3. Organizational Culture:** Establish a clear customer-service focus by leveraging innovation and technology.
- 4. Employee Engagement:** Empower staff to make decisions and encourage career growth and development.
- 5. Consolidation:** Consolidate administrative functions to drive efficiency and cost containment.

Costing

- Cumulative savings over this Term of Council from the first step of the new organizational structure is **\$2.7 million** (\$1.1 million annualized).
- Estimated one-time severance cost is \$1.29 million, from reserves.
- Further costs savings will be realized in the months leading up to the Budget tabling in November.
- The new senior leadership team will be mandated to protect front-line service delivery, while eliminating duplication and waste in their respective departments.
- A consolidation of services and reviews to management levels and spans of control will occur as part of the next step of the organizational alignment.

Next Steps

July 13, 2016

- Council receives recommendations for new organizational structure and senior leadership team
- Notification Process

July – August

- Align management structures of departments
- Align business support functions
- Review strategic and corporate priorities
- Identify further areas for consolidation:
- Develop 2017 Budget solution

September - December

- Develop and approve 2017 Budget
- Prioritize and communicate plan to staff
- Execute step 2 of the organizational alignment