

STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



Report to:	Mayor and Council Members	Priority:	<input type="checkbox"/> High <input checked="" type="checkbox"/> Low
Submitted by:	Tracey Vaughan, Chief Administrative Officer tvaughan@cobourg.ca	Meeting Type:	Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/>
Meeting Date:	September 26, 2022		
Report No.:	Office of the CAO-023-22		
Click or tap to enter a date.			

Subject/Title: 2022 Organizational Review Update Report

RECOMMENDATION:

That Council receive this 2022 Organizational Review Update Report for information purposes.

PEOPLE: The Town of Cobourg supports and cares for the social and physical well-being of its citizens.

- Leverage the Equity, Diversity, and Inclusion (EDI) Strategy to promote inclusion in the community.
- Develop a Human Resources Plan to manage demands and plan for succession.

PLACES: The Town of Cobourg protects, preserves, and promotes its natural assets, heritage, arts, culture and tourism.

- Align Asset Management Plan with budget.
- Create a Climate Change and Community Sustainability Plan.
- Manage sustainable and balanced growth.
- Upon completion of Cultural Master Plan, consider creation of Town of Cobourg Arts, Culture and Tourism Division.

PARTNERSHIPS: The Town engages in strong, sustainable public and private partnerships to improve the quality of life for everyone.

- Facilitate meaningful collaboration with Cobourg citizens.

PROGRAMS: The Town of Cobourg provides efficient and effective corporate, community, business and recreational services for its residents, businesses, and visitors.

- Improve corporate governance.
- Improve corporate effectiveness.
- Improve customer service.
- Develop Information Technology (IT) Strategic Plan.

PROSPERITY: The Town of Cobourg plans for, markets and develops assets for economic growth and financial security.

- Promote local economic development.
- Coordinate funding opportunities to optimize community development capital and special project funding opportunities.

2. PUBLIC ENGAGEMENT

This report has been circulated to the public 10 days in advance of the Committee of the Whole meeting.

3. PURPOSE

The Town of Cobourg's Organizational Review provided a comprehensive review and set of recommendations to the Town of Cobourg with respect to corporate structure, service delivery and staff resourcing designed to build:

1. Efficiency and effectiveness in municipal service provision;
2. Customer service excellence;
3. Valuing and respecting Town staff;
4. Value for money for Town services provided;
5. Fiscal responsibility; and
6. Accountability and transparency.

The primary focus of the recommendations were with respect to how the town delivers its services, which included:

1. The Town's organizational structure and how it supports the effective and efficient delivery of services;
2. Staffing, including the number and roles of Town employees; and
3. The Town's internal process for service delivery and decision-making processes

4. ORIGIN AND LEGISLATION

On October 4th, 2021 KPMG presented the Town of Cobourg Organizational Review Report to Council. KPMG had updated their draft report based on their presentation and feedback from Council during the open session on September 13th, 2021 and October 4th.

On acceptance of the report on October 4th, 2021, Council directed the Chief Administrative Officer to prepare a staff report with recommendations from the Organizational Review to analyze and implement for 2022 and beyond, the Implementation Report was received and approved by Council, and this update is to report on the status of that Implementation Plan.

5. BACKGROUND

The Organizational Review, along with the Service Delivery Review, were identified as key priorities in Council's 2019-2022 Strategic Plan, and funding for that work was reflected in the Town of Cobourg's 2020 Budget. In keeping with Council's Strategic Plan Goals and Budget approval, Staff were directed to undertake both a Service Review and Organizational Review.

Council endorsed the Organizational Review Report by KPMG and directed the Chief Administrative Officer to present an Implementation Plan for Council review and approval and staff implementation.

The mandate given to the Chief Administrative Officer by Council is to identify areas for change within the organization and to enact the recommendations of the Service Review Report, Organizational Review Report, and Strategic Plan.

These guiding documents provided concrete recommendations for the Town of Cobourg to support and advance our strategic priorities, enhance the efficiency and effectiveness of service delivery, manage our risks, respond to growth, and contribute to our longer-term financial sustainability.

6. ANALYSIS

The results and recommendations of the Organizational Review presented by KPMG to Council were based on municipal best practices with respect to organizational capacity, structure, and processes, all designed to enhance the effectiveness and efficiency of the organization and to improve the customer service experience for residents.

Review was completed in the following areas:

Skills and Capabilities

1. Determining if the necessary skills exist within the organization to support its needs.
2. Identifying strategic education and training opportunities for staff required for the organization to meet its goals; and
3. Evaluating leadership strength in the organization to determine if the organization is well positioned to deliver on its strategic goals.

Ways of Working

1. Ensuring that staff spend the majority of their time on value adding activities;
2. Maximizing staff roles to ensure that they are efficient and supported by streamlined systems and processes; and
3. Examining if staff can link their output to high level objectives, critical success factors and key performance indicators.

Organizational Structure

1. Determine the optimum number of work levels within the organization.
2. Examine the value-add of each level of the hierarchy and structure and how it supports the business strategy.
3. Identify and make recommendations to ensure an appropriate and consistent span of control within the organization; and
4. Recommend mechanisms for collaboration across different parts of the organization.

The following key themes emerged from the review:

1) The Town's Staffing Levels

- i. Town staffing levels are generally consistent with, or lower than, the selected comparator municipalities, with functions having a generally lower level of staffing than the selected comparator municipalities;
- ii. Certain functions and/or activities have increased due to increased client demand, increased regulatory compliance requirements or the addition of new services, there have not been commensurate increases in staffing levels;
- iii. Findings suggest priority on cost containment and affordability, which has limited increases in the staffing levels despite changes in demand, regulatory requirements, or new services; and
- iv. Dilution-rather than adding staff to address increased pressures, the Town has assigned additional responsibilities to existing staff.

2) Strategic Priorities

- i. The Town's strategic plan outlines key priorities and action items for the 2019-2022 Council term. While progress has been made KPMG, noted action items not yet started, or those that may have not be completed before the end of the strategic planning period are due to limited staffing resources or staffing gaps.
- ii. The Strategic Plan Mid-Term Review identified the following new defined focus areas; to improve corporate governance, improve corporate effectiveness, enhance communication effectiveness, and improve customer service. Typically, this falls within the mandate of finance and legislative services, both areas that are identified as currently having staffing levels that are less than comparator Municipalities and would require staff resources to achieve these priorities.

3) Customer service

Newly identified this year in the Strategic Plan Mid-Term session, was the Strategic Action Item "Improve Customer Service". The Town has never developed a formal customer service strategy, documented performance standards, tracked or measured the customer service experience, and has not designed its processes, policies, or job descriptions to focus on customer service.

To complete this strategic action, a corporate approach is required to design and implement a customer service strategy and program with the associated policies and processes. This requires dedicated resources; however, the Town does not currently have a designated member of its management team responsible for customer service. While customer service traditionally falls under the Town Clerk, KPMG noted severe dilution in this area as this individual is currently responsible for multiple functions which include Legislative Services, By-Law Enforcement, Procurement, Policy Development and AODA compliance, which limits their capacity to lead the Town's customer service initiatives.

- i. A key aspect of developing a customer service strategy is incorporating customer service into job descriptions, employee recognition programs, policies and procedures, and performance management, all areas within the mandate of Human Resources. As noted in KPMG's report the Town's HR function also has a lower level of staffing than comparator municipalities.

4) Organizational Culture

- i. KPMG noted that in 2021 the Town underwent its first ever employee pulse check and several trends emerged regarding gaps in or the absence of training, succession planning, a performance review process, and limited employee recognition/appreciation programs. KPMG further noted that the Town's Human Resources department has been unable to develop these programs due to limited staffing resources, the overall inefficiency of its human resources systems, and the need to provide human resources support to other Town-related organizations.

5) Risk Exposures

KPMG noted a number of areas where the Town's capacities are under resourced, with responsibilities either; not assigned, or assigned to individuals in addition to their other functions, exposing the Town to significant risk.

- i. Municipal best practice includes having a formal centralized procurement function, which the Town of Cobourg does not have. This position and capacity ensure the development and enforcement of standard terms and conditions, contract and agreement monitoring, spend analysis and ensuring ongoing compliance with changing legislation related to procurement;
- ii. The Town does not have a long-range planning function with respect to Official Plan updates, CIP development, Active Transportation Planning,

Affordable Housing, amongst other key community areas of priority. This leaves the Town relying on the planning department staff to perform this function in addition to processing development applications. To ensure the right balance of development with a long-term planning focus, municipalities require dedicated resources to examine long range issues and opportunities, while balancing priorities for an active, healthy, sustainable and vital community;

- iii. The Town does not have a dedicated asset management function which has caused significant delays in the identification of capital assets and their investment/reinvestment requirements, further hindering the ability of the Town to plan and effectively finance capital costs. Additional resources in the Town's engineering area would enable broader infrastructure planning, asset management, and inform our long-range financial planning. At present the current staff positions are focused on meeting the current demand for the delivery of immediate capital projects and the review and approval of development applications.
- iv. The Town does not have a dedicated capacity for environmental and energy efficiency strategies which causes higher utility and operating costs as well as higher environmental emissions and impacts the Town's ability to advance sustainability initiatives. Capacity is needed to identify and implement efficiency and conservation initiatives, and the pursuit of sustainability initiatives; and
- v. While the Town maintains a high level of information technology capacity, the level of staffing is significantly lower than comparator municipalities. This limits the organizations' ability to implement changes related to operating efficiencies that require technology solutions, advance customer service improvements, implement the digitization of manual processes, and increase service offering through remote delivery channels. Additional investment in IT staffing resources is required to address these capacity gaps.

6) Town's Internal Polices, Processes and Decision Making

- i. Current demands on Town resources are exacerbated by:
 - (a) The inefficiency of processes, and
 - (b) The Town's policy environment;
- ii. The Town does not have a Human Resources Information System ("HRIS"), which requires staff to manually accumulate and file all information relating to employees and diverts capacity away from higher impact activities such as; performance management, attendance management, training strategies and monitoring of training requirements, and employee recognition programs. A HRIS system

would transition HR to a digital environment and would improve the ability of staff to track key information, flag risks, and monitor and address HR trends in real time;

- iii. The Town's current procurement policy limits the purchasing authority of Directors to \$5,000, requiring approvals to go to the CAO up to \$50,000 or to Council if over \$50,000. This creates operational inefficiencies, increasing the level of reporting required for procurement approvals already approved by Council in the budget. KPMG notes that this level of approval is significantly lower than that adopted by other similar-sized Municipalities; and
- iv. The Town does not have a formal delegation of authority by-law which provides the authority of staff to approve certain matters without Council approval. This requires routine and/or low-risk decisions needing to be approved by Council, increasing the level of reporting and the time required for decision making causing delays for members of the public accessing those programs and services.

7) Growth Pressures

- i. The Town anticipates a significant population growth in the next 15 years, with the population projected to increase to more than 26,000 by 2034, adding almost 3,500 dwelling units and 50,000 square feet of non-residential development forecasted, which will translate into an increase in resource requirements for the Town;
- ii. The projected level of growth will create increased demands for:
 - a) Municipal infrastructure planning for the Town's road network and other infrastructure to accommodate higher population and usage,
 - b) Transit planning related to population growth and changing demands on service,
 - c) By-law enforcement due to increased pressures on parking and other by-law matters, planning for affordable housing development, which will all require increased resources for planning, procurement, and contract administration; and
- iii. Departments will likely be required to:
 - a) Increase resources to meet the higher level of demand, or
 - b) Reduce service levels to balance resources with demand.

Proposed Courses of Action

KPMG has outlined these seven (7) key areas of areas for consideration when looking at the overall effectiveness and efficiency of the organization and our ability to deliver high quality and sustainable programs and services. KPMG noted these areas and how operations are significantly challenged and constrained by existing operating inefficiencies, and the absence of capacity for strategic level activities. Their report also highlighted concerns with respect to the Town's ability to address and improve the customer service experience and organizational culture, noting key enhancements that would be required to be able to act on the areas of corporate governance and effectiveness, communication effectiveness, and customer service as identified in the Strategic Plan.

KPMG attributed these concerns with respect to the Town of Cobourg's ability to meet our operational and strategic goals to the following:

- Current Staffing Levels;
- Inefficiency of Current Policies;
- Processes and Decision Making; and
- Absence of Key Programs or Tools.

In response to these concerns, and in recognition of the findings of the comparative analysis that KPMG has done with our comparator municipalities, a course of action has been recommended which includes the following areas of focus:

- 1) Staffing Adjustments intended to:
 - i. Balance resources with demand;
 - ii. Address risk exposure;
 - iii. Provide capacity to implement operational challenges and advance strategic priorities;
- 2) Organizational Realignment to enhance service delivery and advance corporate strategies;
- 3) Enhancement to the Town's policy environment to right size decision making processes; and,
- 4) Improve the Town's operating processes and systems and ways of working.

1) Staffing Adjustments

An analysis of comparator municipalities identified where the Town's full-time staffing levels appear to be low, indicating the need for additional resources to avoid further dilution of responsibilities. KPMG observed that many staff positions are carrying several key portfolios and as a result are not able to give enough time and attention to all these important priorities, and as a result we see lags in response times, project implementation schedules, or in some cases an absence of activity or progress as staff are unable to get to all of the key tasks.

The review also identified several positions that are present in other municipalities but are missing from the Town of Cobourg, these included customer service management, climate change initiatives, policy and grant writing, economic development, asset management planning, long range planning, and legal and risk management. In response to the key themes KPMG's report proposed thirteen (13) new positions and assumed the continuation of the Accessibility/EDI Coordinator role, and the conversion of the current Clerk Role to a Director of Legislative Services.

The positions proposed by KPMG were intended to respond to growth pressures and address where the Town's existing resources were viewed as insufficient to meet current (at the time of their review in 2021) or expected demands for services. In addition, these positions were required to create capacity to enhance the Town's risk management capabilities by providing dedicated resources to identify, manage and respond to risk areas and corporate requirements that are currently insufficiently addressed by Town personnel due to competing demands and/or the absence of specialized skills.

The skills and capacity provided to the corporation through these positions would also enable the organization to implement operational improvements to internal processes and policy environment and/or contribute towards the achievement of strategic priorities identified by Council, including governance, continuous quality improvement and customer service excellence.

A summary of the proposed new positions, including estimated annual costs (wages plus benefits as proposed by KPMG) as well as the rationale for their addition, and Job Descriptions were provided by KPMG.

KPMG recommendation #1: Staffing Adjustments

The positions identified all position the organization to move forward in a more effective and efficient way, with an ability to:

- (i) Balance resources with demand
- (ii) Address risk exposure
- (iii) Provide capacity to implement operational changes and advance strategic priorities and service review objectives, and
- (iv) Respond to growth pressures. We have identified significant gaps in organizational capacity due to limited staff resources, the dilution of staff positions, and skill and capacity gaps in the organization.

Council requested that the Chief Administrative Officer prepare a phased-in approach for the proposed positions as a means of balancing the increase in the Town's capacity and capabilities with affordability pressures facing local taxpayers. Consistent with this direction, the proposed positions were prioritized based on the following considerations:

Priority 1 (primary) – Positions that are funded through user fees or have related cost savings as opposed to being fully funded by the municipal levy. As noted in the KPMG report, certain positions are funded either wholly or in-part through user fees as opposed to the municipal levy, or the Town has

been able to capture savings through the service review, or other organizational savings, allowing the Town to add the positions without creating affordability pressures for ratepayers.

Priority 2 (secondary) – Positions that enhance the Town’s ability to minimize risks (financial, legal, regulatory, reputational) are prioritized as these provide, in essence, a degree of protection for the Town and demonstrate our due diligence in these key areas of operations. This category is further divided into:

Priority 2(a) Positions that enhance risk management while contributing toward attainment of key Council Priorities

Priority 2(b) representing positions that are expected to solely enhance risk management.

Priority 3 (tertiary) – Positions that increase the ability of the Town to address key Council priorities as well as manage ongoing growth pressures.

In Table 1, staff proposed a staffing implementation plan which advanced all the Priority 1, Priority 2, and Priority 2b positions in 2022 with a July 1st start date. The exception to this was be the transition of Town Clerk to Director of Legislative Services, which was proposed to take place January 1st, 2022. The tax rate impacts were projected at 1.88% in 2022, and 2.21% in 2023 and 0.56% in 2024.

Table 1

Priority Category	Position	Annual Salary and Benefits	Annual Levy Requirement	Hire Date	Incremental Levy Requirement			
					2022 Fiscal Year	2023 Fiscal Year	2024 Fiscal Year	
Priority 1	Director Legislative Services	\$ 20,000	\$ 20,000	Jan 1, 2022	\$ 20,000			
	Building Inspector/Plans Examiner	\$ 87,000	\$ -	Jul 1, 2022	\$ -	\$ -	\$ -	
	Manager of Long-Range Planning	\$ 122,000	\$ 61,000	Jul 1, 2022	\$ 30,500	\$ 30,500	\$ -	
	Grant and Policy Writer	\$ 87,000	\$ -	Jul 1, 2022	\$ -	\$ -	\$ -	
	Manager of By-Law Enforcement	\$ 122,000	\$ -	Jul 1, 2022	\$ -	\$ -	\$ -	
	Manager of Infrastructure Planning	\$ 122,000	\$ 122,000	Jul 1, 2022	\$ 61,000	\$ 61,000		
Priority 2(a)	Manager of Transformation Initiatives	\$ 122,000	\$ 122,000	Jul 1, 2022	\$ 61,000	\$ 61,000	\$ -	
	Manager of the Office of the CAO	\$ 122,000	\$ 122,000	Jul 1, 2022	\$ 61,000	\$ 61,000	\$ -	
	Information Technology Analyst	\$ 87,000	\$ 87,000	Jul 1, 2022	\$ 43,500	\$ 43,500	\$ -	
	Human Resources Analyst	\$ 87,000	\$ 87,000	Jul 1, 2022	\$ 43,500	\$ 43,500	\$ -	
	Manager of Economic Development	\$ 122,000	\$ 77,000	Jul 1, 2022	\$ 16,000	\$ 61,000		
	Accessibility/EDI Coordinator	\$ 108,599	\$ 108,599	Jul 1, 2022	\$ 54,000	\$ 54,000		
Priority 2(b)	Manager of Procurement	\$ 122,000	\$ 122,000	Jul 1, 2022	\$ 61,000	\$ 61,000	\$ -	
						\$ -	\$ -	
Priority 3	Program Support Financial Analyst	\$ 110,000	\$ 110,000	Jul 1, 2023	\$ -	\$ 55,000	\$ 55,000	
	Infrastructure Planning Analyst	\$ 80,000	\$ 80,000	Jan 1, 2024	\$ -	\$ -	\$ 80,000	
					\$ 451,500	\$ 531,500	\$ 135,000	
					Increase to levy	1.88%	2.21%	0.56%

In table 2 Staff proposed a staffing implementation plan that advanced all of the Priority 1, Priority 2, and Priority 2b positions in 2022 with a July 1st start date, except the Manager of Transformation Initiatives which was deferred to a start date of 2023 (highlighted in grey)

The tax rate impacts were projected at 1.63% in 2022, 2% in 2023 and 0.82% in 2024.

Table 2

Priority Category	Position	Annual Salary and Benefits	Annual Levy Requirement	Hire Date	Incremental Levy Requirement		
					2022 Fiscal Year	2023 Fiscal Year	2024 Fiscal Year
Priority 1	Director Legislative Services	\$ 20,000	\$ 20,000	Jul 1, 2022	\$ 20,000		
	Building Inspector/Plans Examiner	\$ 87,000	\$ -	Jul 1, 2022	\$ -	\$ -	\$ -
	Manager of Long-Range Planning	\$ 122,000	\$ 61,000	Jul 1, 2022	\$ 30,500	\$ 30,500	\$ -
	Grant and Policy Writer	\$ 87,000	\$ -	Jul 1, 2022	\$ -	\$ -	\$ -
	Manager of By-Law Enforcement	\$ 122,000	\$ -	Jul 1, 2022	\$ -	\$ -	\$ -
	Manager of Infrastructure Planning	\$ 122,000	\$ 122,000	Jul 1, 2022	\$ 61,000	\$ 61,000	
Priority 2(a)	Manager of Transformation Initiatives	\$ 122,000	\$ 122,000	Jul 1 2023		\$ 61,000	\$ 61,000
	Manager of the Office of the CAO	\$ 122,000	\$ 122,000	Jul 1, 2022	\$ 61,000	\$ 61,000	\$ -
	Information Technology Analyst	\$ 87,000	\$ 87,000	Jul 1, 2022	\$ 43,500	\$ 43,500	\$ -
	Human Resources Analyst	\$ 87,000	\$ 87,000	Jul 1, 2022	\$ 43,500	\$ 43,500	\$ -
	Accessibility/EDI Coordinator	\$ 108,599	\$ 108,599	Jul 1, 2022	\$ 54,000	\$ 54,000	
	Manager of Economic Development	\$ 122,000	\$ 77,000	Jul 1, 2020	\$ 16,000	\$ 61,000	
Priority 2(b)	Manager of Procurement	\$ 122,000	\$ 122,000	Jul 1, 2022	\$ 61,000	\$ 61,000	\$ -
Priority 3	Program Support Financial Analyst	\$ 110,000	\$ 110,000	Jul 1, 2023	\$ -	\$ 55,000	\$ 55,000
	Infrastructure Planning Analyst	\$ 80,000	\$ 80,000	Jan 1, 2024	\$ -	\$ -	\$ 80,000
					\$ 390,500	\$ 531,500	\$ 196,000
					1.63%	2%	0.82%

Council provided the following implementation timeline direction to staff for 2022.

• Building Inspector/Plans Examiner	Advance hire date to January 1st
• Manager of Long-Range Planning	Approved to hire July 1st
• Grant and Policy Writer	Advance hire date to April 1st
• Manager of By-Law Enforcement	Advance hire date to February 1st
• Manager of Infrastructure Planning	Advance hire to April 1st
• Director Legislative Services	Implement Jan 1 st
• Manager of the Office of the CAO	Defer to Jan 1 st 2023
• Mgr Strat Initiatives & Customer Service	Approved to hire July 1st
• Information Technology Analyst	Approved to hire July 1st
• Human Resources Analyst	Approved to hire July 1st
• Manager of Economic Development	Advance hire date prior to July 1st
• Accessibility/EDI Coordinator	Advance hire date to March 1st
• Manager of Procurement	Approved to hire July 1 st
• Manager of Economic Development	Approved to hire July 1st

Status updates for hiring of all Council approved positions

• Building Inspector/Plans Examiner	Hired
• Manager of Long-Range Planning	Recruitment challenges, in process
• Grant and Policy Writer	Hired
• Manager of By-Law Enforcement	Hired
• Manager of Infrastructure Planning	Recruitment challenges, in process
• Director Legislative Services	Implemented Jan 1 st
• Manager of the Office of the CAO	Deferred to January 1 st 2023
• Mgr Strategic Initiatives & Customer Service	Recruitment challenges, in process
• Information Technology Analyst	Recruitment in process
• Human Resources Analyst	Recruitment challenges in process
• Manager of Economic Development	Recruitment challenges in process
• Accessibility/EDI Coordinator	Hired
• Manager of Procurement	Recruitment in process
• Program Support Financial Analyst	Deferred to July 1 st 2023
• Infrastructure Planning Analyst	Deferred to July 1 st 2023

2) Organizational Structure Adjustments Implementation Schedule

KPMG also recommended realignments within the existing organizational structure to ensure that Town resources are focused on strategic priorities and mitigating pressures and potential risks facing the Town.

a) Office of the CAO

The first area of review was the area historically been referred to as Executive Services or the Office of the CAO interchangeably, now to be referred to as the Office of the CAO. The staff that report to the Chief Administrative Officer (CAO) included 11 direct reports. See Organizational Structure – Appendix in KPMG Report. This structure has placed a high number of direct reports to the CAO, which is outside of the recommended span of control. KPMG recommends a streamlining of the number of direct reports to ensure a more effective and

efficient structure. The redevelopment of an Office of the Chief Administrative Officer (CAO) would include the following changes:

- I. Manager of the Office of the CAO - New Position and dedicated resource that would assume administrative and operational tasks from the CAO providing an increased capacity for the CAO to focus on strategic level initiatives, execute Council direction, focus on partnership development and organizational development, and focus on leadership with the Senior Management Team;

Staff will be resubmitting this position for approval in the 2023 budget as it was deferred through the 2022 budget to 2023.

- II. Manager of Strategic Initiatives and Customer Service - New Position and dedicated resource to lead Town initiatives related to Customer Service, Continuous Improvement, Performance Measurement and reporting, and Strategic Initiatives.

Staff recommended this position for Council approval in 2022; however, recommended that the position be placed in Legislative Services reflecting municipal practices regarding the placement of customer service, quality improvement, and KPI reporting within Legislative Services Departments. We have experienced recruitment challenges with this position, it has been posted twice and we did revise the initial posting based on feedback we received. Staff are diligently working through recruitment process and hope to be successful in the fall of 2022.

Legislative Services also submitted a grant application under the Municipal Modernization Fund Intake #3, the Review Stream that was endorsed by Council regarding a Customer Service Strategy and Implementation Plan that will focus on external and internal service delivery and identifying how the Town can fulfill objectives of the Town's Strategic Plan Objective #4 – to Improve Customer Service. An RFP has been completed with a closing date of September 20th the responses will be reviewed by the committee and a successful proponent will be selected to begin the Customer Service Strategy Review and proposed plan.

This expert review, combined with the staff position will assist the corporation with planning and implementation of a Customer Service Strategy and the design and implementation of analytics, and reporting.

- III. Grant and Policy Writer – New Position focused on accessing senior government grant programs for capital and operating requirements, and leading policy development and review for the corporation based on Council

and CAO direction. This position is dual role and will also be responsible for the development and updating and monitoring of our corporate policies.

Staff recommended this position for Council approval in 2022, and that the position be placed in Legislative Services. Policies, grant application, and by-laws are best positioned within Legislative Services. This position was hired in May 2022 based on Council direction for an accelerated hire date.

- IV. Town Communications Function - Existing Position currently reports to CAO and would continue to operate in the Office of the CAO;
- V. Town Emergency Management Function - Existing Position currently reports to the Fire Chief. The Emergency Management function could be moved from Fire to the Office of the CAO, providing a Manager of the Office of the CAO was in place, they would report to the Manager of the Office of the CAO, this move would to ensure strengthened linkages with communications, provide the Town with resources for enhanced risk identification, and enhance the access to Town's operating departments in recognition that the Town's response to community emergencies may include a range of municipal infrastructure and services;

Staff recommended that this position be placed in Legislative Services. The Emergency Management position has aspects regulated through Provincial Legislation and ensures that the Town is complying with the provisions of the Emergency Management and Civil Protection Act (EMPCA) requirements and is responsible to support the Town's Emergency Response. The Legislative Services Division contains By-law Enforcement, which works closely with protection services departments, that supports the emergency management position and requirements under the act. Legislative Services Department is also responsible for provincial compliance filings and working with external and internal stakeholders across the municipality, which aligns with the duties of the Emergency Planner. The Emergency Planner and Legislative Services work together to interpret rules and regulations as set by the province. The province empowered By-law Officers to enforce provincial rules under the EMPCA and having the emergency planner work alongside Legislative Services would provide consistency and additional support.

This position was moved to the Legislative Services Division once the structural changes were implemented in January of 2022. The Director of Legislative Services was appointed by By-law as the Community Emergency Management Coordinator (CEMC) with the Emergency Planner designated as the Alternate CEMC.

- VI. Town Directors, and the Fire Chief would continue to report to the CAO.

Staff recommended that these positions all continue to report to the CAO, and further that in 2022 the Fire Chief be incorporated into Council Meetings and the Senior Management Team. Historically the Fire Chief and Deputy have not participated in these meetings unless on specific topics, creating a knowledge, policy and operations gap between Fire Services and the Corporation. This change will close those gaps between the Fire Department and the corporation ensuring more cohesive operations.

With the departure of the Fire Chief and Deputy Chief in 2022 we have not implemented the requirement for the Interim Fire Chief to attend all meetings, however they have attended all meetings that have any items on the agenda that may require expertise from the Fire Chief. The Town is currently recruiting for our Full Time Fire Chief and attendance at Council meetings will be a requirement of the position.

- VII. Human Resources would remain in the Office of the CAO;

Staff agree no realignment is required.

We have experienced significant recruitment challenges with the new Human Resources position funded in the 2022 budget, staff continue to work diligently to recruit for this position, and we are incorporating feedback to consider for this recruitment to reflect current trends.

- VIII. Office of the CAO and Mayor and Council would continue to share the 1 full time Executive Administrative Assistant position on a 50/50 basis; and

Staff agreed to defer a staff request in this area in 2022 due to other staffing pressures facing the organization; however, this position has been identified as needed and will be put forward for consideration in upcoming budgets.

- IX. Economic Development functions moving to Planning and Development.

Staff and Council agreed with this recommendation and the transfer of the Economic Development function into the Planning & Development Division was completed as approved at the February 14 Committee of the Whole and February 22 Regular Council meeting. The advanced hiring, as per Council direction, of the Economic Development Manager took place on May 16 but the position became vacant on July 7. Staff reposted the position and have continued to work through the recruitment process and we anticipate that we may have a successful candidate to announce in September.

b) Planning and Development

- I. KPMG recommended delineating the Town's Planning functions into two (2) separate sections:
 1. Development Approvals, which is responsible for the processing of development applications, and
 2. Long-Range Planning, which is responsible for Official Plan updates, CIP development, Strategic Initiatives, and other community-based planning activities; and

Staff and Council agreed with recommendations and began the work to delineate the planning functions in to the 2 separate sections.

The Building Department successfully hired its new Deputy CBO at the end of May of 2022, and the implementation of the e-permitting software is underway.

Recruitment challenges occurred for the Long Range Planning Manager and the hiring has been delayed as a result, however we anticipate having a new Planning Manager on board October 17th.

Recruitment and understaffing have impacted project work with the focus having to be on day-to-day core objectives: answering enquiries, building permit review, development application review. While there has been limited opportunity for project work (ZBL Review, Tannery District Secondary Plan) progress on the ICSP, and Affordable Housing CIP has been made reviewing 2021 applications, opening of funding window for 2022, land Inventory engagement with recommendations schedule for the Fall of 2022.

Staff continue to work on improving efficiencies and priority setting, an example of this is the delegation of items including direction from Bill 109.

c) Public Works

KPMG recommends delineating the Town's Engineering functions into two sections:

- i. Capital Project Management, which is responsible for the design and delivery of capital infrastructure projects;

Infrastructure Planning, which is responsible for planning in response to projected growth in the community, legislative requirements for asset

management planning, transit planning, and environmental and energy initiatives.

The suggested realignment of the Engineering Department into capital vs long range infrastructure planning has been re-evaluated by staff and determined not to be suitable for a town the size of Cobourg or the current resource skill level. The Engineering department has a sizable workload with development, long range planning (including asset management) and capital works.

Long range planning is directly related to development review which is over 90% of resource allocation currently for both the manager and two technicians. Asset management is a coordinated effort between long range infrastructure planning activities and capital works. These important functions cannot be done independently of each other and with limited people, there needs to be a diverse knowledge of all responsibilities of the Engineering Department understood by all staff for continuity of business practices should vacancies/vacation/sick time occur and in order to accommodate a workload balance.

Staff determined that the long-range infrastructure planning and asset management functions need to fall under the Engineering Department as a responsibility of the Manager of Engineering. The Manager will be responsible for delegating projects to Staff as they are prioritized to suit the Town and regulatory needs. The Manager of Infrastructure Planning is now therefore designated as the Assistant Manager.

Transit and GIS will continue to report to the Assistant Manager as well as the future Infrastructure Planning Analyst whose title is also under review. The qualifications of the Analyst will depend on the evolution of asset management planning for the Town (GIS, financial or engineering background).

The Assistant Manager job description was evaluated by a third-party consultant and determined to be placed at one pay scale higher than what was suggested in the KPMG report. The position was posted in early May for three (3) weeks and to date (Mid August) has only received seven (7) applications. It is anticipated that the job description is too specific to the requirements of asset management experience and the wide range of experience preferred including long range infrastructure planning, transit, GIS, fleet management, sustainability, etc. Having descriptions with such broad portfolios can be a deterrent for senior staff in the engineering industry who tend practice a more specific and common area of expertise.

In a smaller organization, Staff are expected to fulfill multiple roles and not all applicants will have experience in all the required responsibilities. Asset Management is a new and emerging area of

expertise, and the availability of Asset Management experts is relatively low in relation to the requirement for this expertise.

Asset Management is emerging as a learned skill that may best suit a candidate with infrastructure design and project management experience and will also rely on the Town's financial experts to produce financial strategies and budget planning. It is anticipated that asset management planning will continue to require the guidance of an experienced consultant to meet O.Reg. 588/17 deadlines; however, the route taken is intended to utilize a consultant as minimally as possible and will result in a deliverable that staff can continue to update annually in house.

It is important to note that within the forthcoming ICSP Draft Report a Sustainability Coordinator has been additionally recommended to advance the initiatives of the ICSP plan for the Town. It was noted in the KMPG report that the Manager of Infrastructure Planning would have sustainability incorporated into the job description. Engineering staff through development review and capital projects have an obligation to consider best practices and innovative approaches to climate change and environmental sustainability on a project specific (capital or land development application) basis. The Town's Green Development Standards may also drive minimum requirements for engineering related works for which staff will be accountable. Low impact development such as stormwater treatment facilities are a good example of new emerging techniques for managing stormwater that are now being adopted by the Ministry of the Environment. However building related processes and community initiatives involving energy conservation and green house gas reductions are not typically within the purview of the qualifications needed for engineering related work at the Town. It is not anticipated that the Assistant Manager of Engineering will also be the sustainability coordinator for the Town.

d) Legislative Services

KPMG recommends structuring Legislative Services as its own department to ensure regulatory and legislative input at the senior leadership level, with a direct line of reporting to the CAO, and implementing an enhanced by-law enforcement function within the organizational structure. This would require a conversion of the Town Clerk to Director of Legislative Services, which is consistent with municipal practices.

Staff recommended this realignment and the associated staff positions which include the conversion of Clerk to Director of Legislative Services, the continuation of the Accessibility/EDI Coordinator, the additions of Manager of By-Law, Manager of Strategic Initiatives and Customer Service, Grant and Policy Writer, and the

move of the Emergency Planner position from Fire Services to the Legislative Services Division and made these structural changes in January 2022 as per Council approval.

These positions have all been successfully hired, as with other positions we did experience recruitment challenges which did impact our anticipated timelines. These are the following hire dates;

Accessibility/EDI Coordinator- April 11th 2022

Manager of By-Law- April 25th 2022

Manager of Strategic Initiatives and Customer Service (Manager of Transformation Initiatives)- TBD

Grant and Policy Writer- May 2nd 2022

3) Operational and Governance Changes

KPMG notes constraints and capacity issues related to the ways of working at the Town, and while the proposed staffing additions are intended to address the capacity gaps and issues, there are also changes that should be considered to the Town's internal processes and Policies to right size decision making processes and improve the operating processes and ways of working.

I. Adoption of delegation of authority bylaw.

Staff agree with this recommendation and will bring a delegation of authority by-law to Council for consideration in the new term of Council.

II. Revise our current procurement policy to include:

- a) Increased approval levels for Directors and CAO that reflect the scale of the Town budget;**
- b) Exception based approach for Council which identifies the need for Council approval based on specific criteria;**
- c) Ability for the Town to participate in shared procurement opportunities with other local municipalities within the County and other best practices for procurement.**

Manager of Procurement: Job description has been finalized, and the position has been posted. Once this position is filled a work plan will be completed which will include the review and modernization of the Procurement/Purchasing policy/By-Law, recommendations for software enhancements to improve the purchasing process and add

more financial controls into the procurement function to reduce the risks associated with purchasing, assessment of future staffing needs in this area and the development of a training and education plan.

Financial Analyst: Position is expected to start early 2023 with the hire target date no later than July 1, 2023. The primary function of this new position will be to provide support and backup to the Senior Financial Analyst. This position will assist all managers and directors with understanding their financial budgets and reports and improvements to overall financial reporting both internally and externally to Council and the Public.

Information Technology Desktop Support Technician: The posting for this new position has closed. Resumes are currently being reviewed by the Director and Supervisor of I.T. Interviews will be scheduled in September 2022 with the expectation of hiring before the end of 2022. This position will provide support and backup to the I.T. Supervisor and respond to routine calls for service from town staff.

- III. With the addition of the Grant and Policy Writer the Town could discontinue its current approach to policy development and develop a streamlined framework that differentiates between operational policies and those requiring Council approval and includes Council and the CAO at the appropriate times in the policy development process.

Staff agree with this recommendation. While the Policy Review Team has been able to review and forward five (5) policies to date for approval, staff and Council recognize that we required additional staff resources and a change in process to improve this area and ensure ongoing review and monitoring. Part of this work will include reviewing all policies to ensure that they are being targeted for the appropriate approval authority and that they have a staggered review timeline to ensure that our policy framework has different timelines for approval.

- IV. Continue to submit applications under the Modernization Fund to assist with the continued implementation of operating efficiencies.

Staff reported to Council that they would apply through this funding stream for an E-Permitting project, an HRIS system, a Customer Service Strategy, and support for Asset Management Implementation. These are all priority projects identified through the Service Review, and/or Organizational Review, and if successful would reduce the impact on the tax levy for these four (4) projects. These projects were submitted for funding consideration, and we were successful for the

E-permitting project, the HRIS project and the Customer Service Strategy and all project have begun and expect to be completed either later in 2022 or in the first half of 2023.

- v. The Town could discontinue the Council Coordinator role of governance for a committee structure, this has been recommended to be deferred to the term of the new Council following the 2022 elections.

Staff will bring this forward for consideration for the new term of Council.

- vi. The Town could consider developing an action plan for the implementation of process changes related to the Organizational Review.

Staff agreed with this recommendation and have developed a work plan for all Divisions and submit this progress report to Council for your information.

7. FINANCIAL IMPACT/BUDGET

All costs associated with the Council approved direction to the Chief Administrative Officer through the Organizational Review Implementation Report were included in the 2022 budget for Council consideration, and will continue to be presented in future operating budgets for review and approval.

8. CONCLUSION

Staff are committed to working to accomplish Council direction on Strategic Initiatives while making the necessary organizational changes to respond to growth, meet demands, improve the effectiveness and efficiency of Town services, mitigate risk, and incorporate a pursuit of excellence approach with respect to customer service, governance, and performance. The information related to the recommendations contained in this report are intended to demonstrate how the organization is working to achieve these goals. Staff continue to respond to the direction of Council on these recommendations, and submit this report to Council for information purposes.

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THAT COUNCIL direct the Chief Administrative Officer to pursue the recommendations proposed by staff in Section #3) Enhancement to the Town's policy environment to right-size decision making processes, and the Town's operating processes and ways of working, or provide alternative direction to the Chief Administrative Officer; and

THAT COUNCIL direct staff to bring forward all items related to these Council approved recommendations to the 2022 budget deliberations.

Report Approval Details

Document Title:	Organizational Review Implementation Plan - Office of the CAO-007-21.docx
Attachments:	- Appendix 1_Cobourg Organizational Review Open Session Report_Oct 21 2021.pdf - Appendix 2_Cobourg Job Descriptions_FINAL.pdf
Final Approval Date:	Oct 22, 2021

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

No Signature - Task assigned to Tracey Vaughan, Chief Administrative Officer was completed by workflow administrator Brent Larmer, Municipal Clerk / Manager of Legislative Services

Tracey Vaughan, Chief Administrative Officer - Oct 22, 2021 - 3:09 PM

Report Approval Details

Document Title:	Organizational Review Report September 26th 2022 - Office of the CAO-023-22.docx
Attachments:	- Appendix 1_Cobourg Organizational Review Open Session Report_Oct 21 2021.pdf - Appendix 2_Cobourg Job Descriptions_FINAL.pdf
Final Approval Date:	Sep 16, 2022

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

Tracey Vaughan, Chief Administrative Officer - Sep 16, 2022 - 9:02 AM