

COUNTY MANAGER OFFICE

TO: Council

DATE: October 16, 2018

DIVISION: All

FILE:

SUBJECT: CAO Report

¹**POLICY DIRECTION:**

The purpose of this report is to inform Rocky View County (RVC) Council of the new executive and organizational structure, which I intend to begin implementation immediately. I wish to hear from Council prior to implementation to determine if there are any questions or concerns with these changes to the executive model and organizational structure.

EXECUTIVE SUMMARY:

Council requested, during my tenure as interim CAO, that I review and address challenges, weaknesses and gaps in the administration as well as weaknesses in the delivery of County programs and services. Upon completion of my review, I have identified that going forward the focus should be to implement core adjustments to support a cultural shift. That shift will include a service oriented culture, streamlined processes and an improved relationship with elected leadership and the community. During my review, I have identified key improvements and adjustments that I am convinced will support an improved program delivery and target the desired improvements through a new organizational design. I am recommending a new style of executive leadership and a modern functional design. The implementation of these improvements will require several steps that are outlined in this report.

BACKGROUND:

Rocky View County operates under the single employee model of governance. The CAO is appointed by, and reports to, Council, and is responsible for the administration of Rocky View County. Effectively, the CAO oversees all County operations and provides leadership in the development and implementation of all policies and programs

¹ **Administration Resources**
Rick McDonald, Interim County Manager

established by Council. They also offer guidance and advice to Council, enabling Council to make informed decisions.

Pursuant to the CAO Bylaw 7350 - 2014 the CAO is responsible for the development and implementation of an organizational structure for the effective and efficient implementation of RVC policies, plans, programs and services. As the interim CAO, it is my opinion that the current delivery model requires significant modifications and the following plan will provide a much improved corporate delivery model.

The Proposed Plan

We are now closing in on the end of 18% of the 21st Century. Rocky View County is undergoing rapid change. It is not the same County as it was in the 80's, 90's or even 5 years ago. Back then RVC was primarily a rural, agriculture-based municipality with country residential growth steady and consistent. Then the surge hit, regional development started to expand and County had to rapidly grow with it; however, the County grew somewhat haphazardly. Some examples of the rapid urbanization are key developments such as east Balzac, Langdon and Harmony. These growth nodes have transitioned Rocky View County into a diverse, dynamic and engaged municipality comprised of rural and urban development that is continuing to grow exponentially. Urban type development including industrial, commercial and residential has created profound social and economic influence on its citizens and stakeholders, something RVC seems to be experiencing afresh and working hard to play "catch-up".

Back in the day newspapers, television and fax machines shared information. Today social media and the internet have changed the communication dynamics providing instant information and opinion; impacting growth and development with modern day challenges for proper communication. RVC has begun to experience the need to develop programs and services that appropriately meet the needs of rural communities, growing hamlets and modernized country-residential subdivisions. More than ever before, RVC is being scrutinized and held to account – by its residents, ratepayers, Council and stakeholders. The challenge of diverse landscapes, multiple developments and businesses is forcing leaders to think differently about the direction RVC should be moving and how to get there. While in many cases social media posts instantly polarize, spur or activate RVC responses, it is clear that historical media struggles to engage and

inform with realism and up-to-date information. Previously, RVC was able to respond to issues in a timely manner as well as plan ahead for the future. But in the age of instant communication, the organization has become reactive in nature handling only the “burning fires”.

As RVC grows, there are significant regional challenges causing the elected officials and residents to contemplate how the County will develop, what quality of life to expect, how to do business and how to get involved in their community. Progress is ever evolving. Furthermore, recent implementation of the Calgary Metropolitan Regional Board and the creation of a Regional Growth Plan, has created additional pressure and complication of planning and development objectives for the County. Citizens and stakeholder’s expectations have created a new “norm” regarding engagement, transparency and accountability, and they have become more prominent than ever. Relationships with the provincial and federal government and regional partners have become increasingly complex with various interests clouding the focus and necessitating increased attention. The RVC current and long-term growth projections requires that RVC must affirm its position and influence in a regional and provincial context.

RVC as a municipal corporation is evolving and must develop into a modern professional corporate styled service organization similar to its urban neighbours. The following commentary provides an introduction and framework for a leadership model that will guide the development and implementation of RVC into the future.

Rocky View County Evolving into a Modern Municipal Corporation

What does a modern municipal corporation look like? While difficult to define, it would symbolically be an organization that works collegially in delivery of programs and services through relationships with those in its environment. RVC can be a catalyst for creating an environment in the community that delivers multiple services that create the intended environment. Modern municipal corporations possess the skills and expertise to deliver programs and services and are able to listen, adapt and work with others to implement positive change. It does not operate behind closed doors, or work in a system of singular focus. It must keep moving, evolving and responding to input and deliver proper services within the environment of change around it.

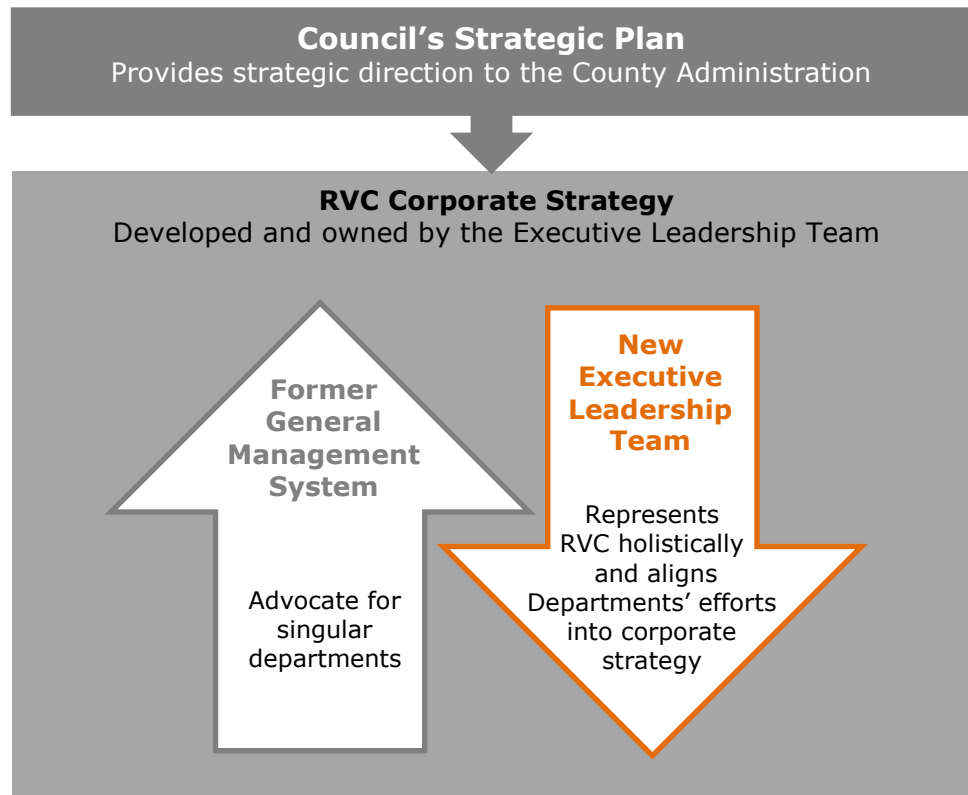
RVC must create a corporate competency that can continually adjust its organizational model, through strategic direction, development of new processes, core competency, leadership style and revisiting of the environmental culture. This requires constant scanning of its surrounding that must identify challenges and opportunities and be able to shift rapidly. A modern municipal corporation seeks input from its citizens, gathers outside perspective and is constantly analyzing its approach and solutions.

Leadership

In the current regime of RVC leadership, there are four different components:



The current emerging change to the linear organization is a redefining of the role of leadership. RVC Council role is well defined within the *Modernized Municipal Government Act*, but the role of administrative leadership is less clear and has been constantly evolving. Currently RVC, as a corporation, operates under a General Manager Leadership model. The GM management model is priority focused on service delivery through oversight of a number of departments. The modern corporate administrative model will provide corporate leadership through a newly created “executive arm” that provides a form of integration management. Under the guidance of Council’s strategic Plan, corporate executives will be responsible for the overall direction of the municipal corporation and oversee the implementation of the corporate strategy through the work of each department. The Executive Leadership Team’s primary responsibility is to the County as a whole and no longer an advocate for a singular department.



Governance and Administration of the Municipal Corporation

In the RVC current democratic governance model, the elected Council has one employee, the CAO as provided under the *Municipal Government Act* and CAO bylaw. The CAO is the head of the Municipal Corporation. Essentially, Council, through a contract, with the CAO have contracted with the Municipal Corporation headed by the CAO to oversee delivery of all municipal responsibilities of the Corporation's delivery of service to Council and the residents and stakeholders. Simply put, Council is the elected governing body providing strategic leadership and holding the Municipal Corporation to account by contract with the CAO.

In essence, the governing "board of directors" of the Municipal Corporation is the CAO and the Executive Leadership comprising of the Executive Leadership Team (ELT). This group of leaders is responsible for setting the expectations and accountabilities of the organization itself, particularly of the directional and operational management as they relate to Council's strategic direction. Council represents the owners of the County (ratepayers and residents) and is the governing body of the municipality under

legislation. The Municipal Corporation is charged with delivering the programs and services led by the CAO and Executive Leadership accountable to Council.

Management

The Executive Leadership Team (ELT) is responsible for preparing employees to understand and adapt to the needs of the environment in which the Municipal Corporation directs and operates through the leadership of the ELT. Through the leadership of the ELT, directors and managers provide management leadership that creates administrative and operational processes to deliver the programs and services that are carried out effectively and efficiently.

The Executive Leadership Team

The ELT governs through strategic direction and oversees the administration and operations, provides integration and as needed directs the Municipal Corporation by supporting appropriate options and decisions.

As the governors of the Municipal Corporation the ELT:

- Designs the organization and sets performance expectations of the organization
- Identifies corporate priorities and approaches from a business strategic perspective
- Defines and creates common context for the County employees
- Applies a business perspective and holistic view of the organization
- Develops systems to create trust with Council through transparency and sound advice
- Demonstrates leadership by empowering and requiring accountability among the managers and staff
- Provides strategic management support with guiding solutions done through the development of a corporate business plan that ensures critical discussion, prompt action and positive outcomes for development, risk management and performance measurement
- Initiates the development of integrated policies and key options for policy solutions and oversees from a high-level vantage point that creates a cohesive organization

- Defines a systematic approach for organizational performance monitoring including employees, workforce, budget, technological tools, processes and reporting

Council Expectations

The objective is for Council to enter into a contract with the CAO that outlines the Municipal Corporation expectations and accountabilities. The CAO and ELT will focus on the expectations of Council as critically important to the success of the Municipal Corporation. Some of the key expectations for consideration as gleaned from a review of numerous municipal corporations:

1. An engaged, accountable, motivated and sound performance throughout the County programs and services through:
 - Leadership by the ELT
 - Sound Management Direction
 - Integration
 - Servant Leadership (Service)
 - Corporate Culture alignment
 - Competent and talented management
 - Performance management
 - Employees engaged
 - Sound relationship with employees
 - Safety
2. Informing Council with current, valid and practical data – strategic advice and guidance on future opportunities, including:
 - Strategic plans that point to the way forward
 - Programs and services review
 - Departmental business plans
 - Project reporting
 - Appropriate Reeve, Council and CAO interface
 - Risk management
 - Operational performance measurement

3. Citizens are informed and understand the link between the County Vision and goals and their needs:
 - Communication
 - Public engagement - strategic plan and implementation
 - Branding - “RVC image” and reputation strategy
 - Key messaging
4. Mutually beneficial relationships demonstrated by the ability to connect with other orders of government, businesses, other external agencies, boards, committees, groups and not-for-profits:
 - Educational institutes
 - Partnerships and strategic alliances with key community groups
 - Business community relationship
 - Economic Development initiatives
 - Arts and Culture
 - Recreation, strategic relationships and activities including special events
 - Regional initiatives and relationships

Implications for the Executive Leadership Team

What is the role of the Executive Leadership Team in the evolution of RVC becoming a relevant Municipal Corporation? The roles and focus of each member of the ELT is guided by the direction given by the CAO and each is accountable for the County to meet those expectations, across the entire Municipal Corporation. Executive members are technical experts; however, the management of the County is in the hands of the Management Team (directors and managers). The ELT members oversee and lead a dynamic and complex organization and each must be effective and knowledgeable about the others portfolio (any one Executive could effectively switch positions with another without major impact on their roles and departments).

Moving from the SLT to the ELT

From Senior Leadership Team	To Executive Leadership Team
General Managers	Corporate Executive Leadership Team
Downward accountability	Upwards accountability to CAO and Council
Advocates for their departments	Advocates for the organization
Individual priorities	Corporate priorities
Micro-managing	Mentoring
Projects and programs focus	Culture, competency, leadership style focus
Direction is narrow, technical or operational	Direction allows big picture thinking and representation of integrated view and articulate intent
Reactive	Proactive

Executive Team Commitments of Leadership

The ELT is responsible to deliver on the leadership model with key objectives that will be the basis of the functioning, defining and organizing the RVC delivery model that includes expectations of the Municipal Corporation:

1. Context of Executive Leadership Members Roles:

- SLT will become ELT – which is intended to indicate the collective role change and what the ELT role is (Executive versus Operational) leadership, providing direction and performance accountability of the Municipal Corporation
- The management delivery model will be further refined with common profiles for directors and managers in the context of ELT performance measures
- Leadership accountability is based on Council direction through Bylaws, resolutions and policies – final accountability rests with the CAO

2. All corporate processes will be aligned

- Common and consistent approach to engaging citizens in the affairs of the Municipal Corporation through administrative directives, sponsored by the ELT and signed off by the CAO

3. Commitment to build trust and accountability with Council – communication with any ELT member and Reeve or Council members is considered communication with the CAO
 - Effective administration and sound information sharing requires that ELT members gather, receive, manage, report and respond to informal Councillor questions and requests
4. Management will align with the ELT and a process will be undertaken to begin the redefinition and processes related to Management and administration of the County operations - programs and services; a future committee of Managers will be designed and implemented. Managers will be able to attend ELT meetings as needed.
 - A management leadership team will be composed of key directors and senior managers along with selected other leaders
 - The initial mandate will be to effectively and efficiently carry out an aligned long term strategy of the Municipal Corporation as well as lead the implementation of integrated strategies (i.e. program and services reviews) and to review operational issues and identify options and solutions.
5. Management of talent and leadership of the management processes that engage high potential and performance individuals in an intentional process to build the leadership capacity of the Municipal Corporation.
 - Initially this process will be used to identify areas of improvement that need to be addressed
 - Over the long-term identification of key individuals for deployment in key roles, roles that require high potential employees who will be supported, trained and invested in.
 - Such talent management will require alignment and integration of all management systems in the Municipal Corporation.

A Change in the Leadership – A New Corporate Executive Model

The following proposes a significant change in the leadership structure. The Corporate Executive will be composed of the following titles with the Director of Marketing and Communications and the Executive Coordinator present in ELT meetings.

- Chief Administrative Officer
- Chief of Staff/Deputy CAO
- Executive Director of Community Development Services
- Executive Director of Operations
- Executive Director of Corporate Services

A revamped Organizational Structure

The new Organizational Structure will implement a proposed consolidation of functions as follows:

1. Chief Administrative Officer:
 - a. Director Marketing and Communications
 - b. Strategic Planning
 - c. Intergovernmental Affairs
 - d. Corporate Project Coordination
 - e. Executive Coordinator
2. Chief of Staff/Deputy CAO:
 - a. Three Executive Directors
 - b. Director of Employee Relations
 - c. Municipal (County) Clerk
 - d. Director Business & Economic Development
 - e. Manager Information Technology Services
3. Executive Director of Community Development Services
 - a. Manager Building Services

- b. Manager of Planning and Development Services
- c. Manager Bylaw and Municipal Enforcement Services
- d. Director Fire and Emergency Services (Fire Chief)
- e. Director Recreation, Parks and Community Support

4. Executive Director of Operations

- a. Director of Operational Services
- b. Manager Utility Services
- c. Director Transportation Services
- d. Manager Agriculture and Environment Services

5. Executive Director of Corporate Services

- a. Director Financial Services
- b. Manager Capital Projects
- c. Manager Assessment Services
- d. Manager Corporate Land Administration
- e. Manager Customer Care Centre

Implementation Plan

STEP ONE

- Acceptance of the proposed plan through a Council Motion to “Accept for Information”, which means Council has no major concerns with the proposed re-organization and re-vamped of executive

STEP TWO

- Address individual employees regarding their personal adjustments with one-on-one private meetings

STEP THREE

- Once individual meetings are completed, host an all-hands staff meeting to kick off the process creating transparency

STEP FOUR

- Develop an implementation team to address the timing and logistics

STEP FIVE

- Recruit to fill positions as needed, key positions first

STEP SIX

- Create Change Management Plan with the Executive Leadership Team to implement and shift the organizational culture. This plan will be presented to Council.

BUDGET IMPLICATION(S):

Currently, the budget implications are being assessed. The fact that there will be new classifications and a few new functions while at the same time streamlining some departments it is not expected that the budget will experience any significant challenges. We do suggest that if there are challenges they be addressed when all the data is in and if a budget adjustment is necessary a request will be brought forward at that time. We do see a number of off-set opportunities.

OPTIONS:

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| Option #1 | THAT Council accept the CAO report as presented for information. |
| Option #2 | THAT alternative direction be provided. |