

## **CITY OF VAUGHAN**

### **EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 24, 2014**

Item 2 Report No. 8, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on June 24, 2014.

## **2 FUNCTIONAL REVIEW OF THE COMMISSION OF ENGINEERING AND PUBLIC WORKS FINAL REPORT**

The Finance, Administration and Audit Committee recommends:

- 1) That the recommendation contained in the following report of the Interim City Manager and the Commissioner of Engineering and Public Works, dated June 16, 2014, be approved;
- 2) That the presentation by the Commissioner of Engineering and Public Works and C6, presentation material entitled “*Engineering and Public Works Functional Review*”, dated June 16, 2014, be received; and
- 3) That Communication C3, from Danielle Chin, Building Industry and Land Development Association, Upjohn Road, North York, dated June 13, 2014, be received.

### **Recommendation**

The Interim City Manager and the Commissioner of Engineering and Public Works, in consultation with the Commissioner of Planning, the Commissioner of Strategic and Corporate Services, the Director of Public Works, the Director of Development and Transportation Engineering, and the Director of Engineering Services recommend:

1. That Parks and Forestry Operations functions continue to be integrated with the City's other principal public works functions; and
2. That the commission be renamed the “Commission of Public Works”; and
3. That the proposed organizational structure for the newly renamed Commission of Public Works be endorsed; and
4. That the governance and team structure for the Development review and approval process be endorsed; and
5. That staff report back with any additional identified changes to the Commission of Public Works and Planning Commission resulting from the planned operational review of the development process involving the Innovation and Continuous Improvement Department and stakeholders.

### **Contribution to Sustainability**

A re-alignment of functions into an organization which can evolve and meet the Public Works Service needs of the City's citizens and businesses will enable the Commission to be flexible and adaptable, and therefore, sustainable as the City of Vaughan grows.

### **Economic Impact**

The new organizational structure has the following economic impact:

- 0 additional Full Time Equivalent (FTE) positions
- 6 redefined non-union positions focused on increasing accountability in Water, Wastewater and Stormwater Services and Development Approvals functions

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The net funding of the proposed re-alignments is:

- a decrease in tax levy funding required by approximately \$200,000 (-0.14%)
- an increase in Water and Wastewater Rate funding by approximately \$300,000 (Water 0.295%, Wastewater 0.256%)

#### **Communications Plan**

There have been communications throughout the Review in scheduled monthly updates to Engineering and Public Works staff on progress of the project. Monthly reports from the Project Manager, updates from the Commissioner and meetings with the Engineering and Public Works Management Team were also undertaken throughout the project. Staff team meetings were held on June 9, 2014 where staff was updated on the new organization structure. A meeting with BILD representatives was also held on June 9, 2014 to share the new governance structure and processes focused on improving the development application review and approval process.

Following implementation of the Review findings, communications to Council, citizens and business will be developed to announce the simplified Public Works Services structure and accountabilities. This will improve communication between Public Works Services areas and citizens and the businesses that we serve.

The changes will also be communicated through regular meetings with the York chapter of BILD, through the York Region Municipal Directors/Commissioners group and Liaison committees and through updates to business, ratepayer and professional organizations. In addition, Corporate Communications will assist in communicating the commission's new name.

#### **Purpose**

The purpose of this report is to inform Council of the results of the Functional Review of Engineering and Public Works and to finalize this phase thereby allowing staff to move into the implementation phase of the new Commission structure.

This report also discusses the opportunity for synergies and efficiencies which can be realized by permanently integrating Parks and Forestry Operations into the Public Works Commission. A new governance, reporting and team structure between Development Planning and Development Engineering, and other departments involved in the development process is explained.

#### **Background - Analysis and Options**

##### **Public Service Renewal**

On October 29, 2013 Committee considered and adopted the Public Service Renewal initiatives of the City Manager and Senior Management Team. The Public Service Renewal Report included proposed changes to the Planning Commission and discussed the planned Functional Review of the Engineering and Public Works Commission.

##### **The Functional Review project has now been completed**

The Functional Review project started in December 2013 and went through four phases to identify the organization structure which would enhance business efficiencies, accountability, citizen focus and organizational culture. During the initial phases of the project, staff, the Mayor and members of Council, BILD and the Region were interviewed to obtain feedback to support decision making in the project. The concerns highlighted by staff were the need for improved communication, clearer processes and linkages between groups, roles and responsibilities and

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the need for staff development. The Mayor and members of Council had identified the need for improved communications and a focus on the development approval process, as well as, concern for the span of control in Public Works. The BILD community suggested a 'one window' approach and clearly defined processes and timelines for development approvals.

**The functional review work has focused on best positioning the Commission to deliver demonstrated consistent services to residents and businesses for the next 5 to 7 years of the City's evolution**

It was with these opportunities for improvement in mind that a refreshed organizational structure has been developed and future actions to ensure success of the new organizational structure identified. The future actions, such as strengthening linkages between Commissions, process development, metrics development, and organizational cultural enhancements directly address the concerns raised during the interview process. The Executive Summary is provided in Attachment 1.

**Key changes include focus on integration of like services, improved communication and Commission wide business support**

The key changes in the proposed organizational design include the following:

- Creating a department integrating Roads, Parks and Forestry Services to optimize use of available resources;
- Creating a department focused on water, wastewater, stormwater management and solid waste (Environmental Services);
- Clearly defining lead accountabilities for the Public Works Service areas (described in more detail below); and
- Expanding the capacity of the Commissioner's office to support business activities that cross departmental boundaries and are critical to the overall success of the Commission.

**The new organizational structure clarifies responsibilities within the Commission with respect to Water, Wastewater, Stormwater, Solid Waste, Roads, Parks and Forestry and Development Services**

The new structure benefits the City in several key ways:

- Clarity for citizens, businesses, stakeholders and partners regarding Public Works Services is increased;
- Several improvement initiatives found in streamlining our processes which support the City's development industry partners are being pursued;
- Clarity of management roles of individual staff members has been achieved;
- Financial planning oversight and accountability of Public Works Services has been emphasized.

**The Commission is reorganized around complete and comprehensive responsibility for each Public Works Service**

The new organizational structure provides for clear responsibility for each of the Public Works Services, Infrastructure Services and Development Services as described below:

#### Public Works Services

Each of these Public Works Services will have a distinct and comprehensive business plan and budget:

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##### Roads, Parks and Forestry Department

- Roads
- Parks and Forestry Operations

##### Environmental Services Department

- Water
- Wastewater
- Stormwater
- Solid Waste

##### Infrastructure and Development Services

Each of these infrastructure service functions (capital delivery, asset management, and infrastructure master planning) will oversee delivery of projects and activities identified in the distinct business plans and budgets of the Public Works Services:

##### Capital Delivery and Asset Management Department

- Capital Delivery
- Asset Management

##### Development and Infrastructure Master Planning Department

- Infrastructure Master Planning
- Development Services - Development Services will have its own business plan and budget, reflecting the unique nature of a wholly cost recovered service, and has remained a distinct service to ensure focus on the development infrastructure required to service the growth of new communities and intensification areas.

#### **Highlights of the benefits for each grouping of services shows synergies and efficiencies**

The Public Works Service areas have been organized into two departments (Roads, Parks and Forestry, and Environmental Services) to address span of control across the Services, and to group like areas of responsibility.

##### Roads, Parks and Forestry Department

The combining of roads, parks and forestry will allow for more efficient use of resources (labour and equipment) and operational contracts for like services, thus minimizing administrative costs and improving efficiencies.

##### Environmental Services Department - Water, Wastewater, Stormwater, Solid Waste

This grouping of these Services reflects industry norms in integrated oversight of Environmental Services. Many of these services are provided by similarly trained staff and/or qualified contractors, and are subject to specific regulations and compliance requirements. Furthermore, the identification of Stormwater as a distinct Service emphasizes an area which is now becoming increasingly important to citizens and businesses.

##### Capital Delivery and Asset Management Department

At this point in the City's evolution, the functions of capital delivery and asset management will provide project management reside in a separate department and deliver services in addressing Public Service Area requirements through the Capital Delivery and Asset Management Department. This will ensure efficient use of pooled resources when managing capital projects, developing asset management strategies and long term infrastructure planning.

##### Development Services and Infrastructure Master Planning Department

The functions within the Development Engineering portfolio remains largely the same and consists of activities, such as, engineering development charges, development driven

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environmental assessments, review of development applications, preparing subdivision agreements, construction inspection and acceptance of new development related infrastructure and residential lot grading. The operational studies and projects on existing infrastructure which had been managed by Development and Transportation Engineering will be moved to the appropriate Public Works Service to focus the attention of the dedicated resources in Development Services on improved service to the City's development community.

Infrastructure Master Planning will also be a function of this group as it is driven by growth needs. This department will provide project management of infrastructure master plans in consultation and in support of the Public Works Service areas.

**The lead for each Public Works Service has been clearly defined and will now be responsible for the comprehensive management of each of the Services with reliance on project oversight with the Director of Capital Delivery and Asset Management and the Director of Infrastructure Master Planning**

The activities and projects in capital delivery, asset management and infrastructure master planning will support each of the Public Works Service areas. The leads for these Infrastructure Services will work collaboratively with the Public Works Service leads when prioritizing projects and initiatives.

**Further work to strengthen linkages with other Commissions have also been identified for improved efficiencies**

Planning – the initial discussion of the relationship and linkages between Development Engineering and Development Planning have taken place and a governance structure will be further refined with staff in Development Planning and Development Engineering and the development industry to further refine the details.

Parks Development – with Parks Operations and Forestry integrated into Roads, additional discussion will take place to strengthen linkages between Parks Development and Parks Operations. The outcome of these discussions will be reported back to Committee in a future report. Parks Development and Parks Operations staff will be involved in the development of processes and linkages between the two groups.

Access Vaughan – an item raised for future actions is the relationship between Public Works Dispatch and Access Vaughan.

**Linkages and communication between Development Planning and Development Services have been defined and strengthened**

A priority area identified through the Public Service Renewal initiative and which was identified through the analysis of the functional review was the linkages and relationship between Development Planning and Development Engineering with respect to the development approval process. It was apparent that a closer relationship, between the two groups and discussions around improved processes and capacity to meet better defined timelines and processes are necessary recognizing City building initiatives and growth pressures. As a result, discussions were initiated with stakeholders around maintaining a high level of service.

To help address the above concerns a new governance structure has been proposed which promotes virtual teams and a dotted line relationship between the Commissioner of Planning and the Director of Development Services. The governance structure may be refined recognizing the planned operational review of the development process involving the Innovation and Continuous Improvement Department and stakeholders. This concept has been introduced with the VMC

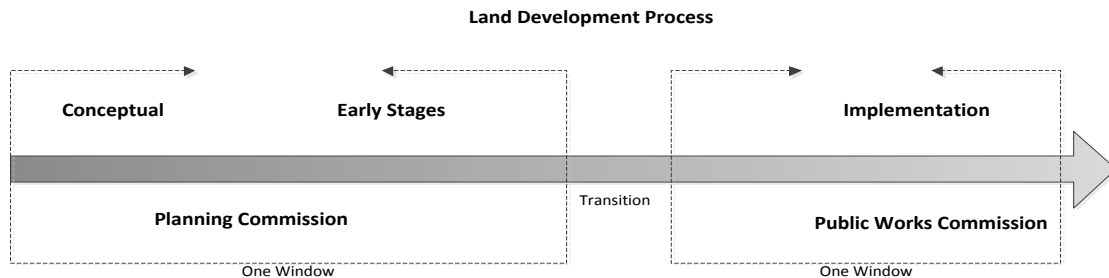
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Implementation team, where team members reside in several different commissions and have a dotted line relationship to the City's Executive Director. The governance structure proposes an improved communication strategy, a 'one window' approach to planning related applications and engineering related applications, and a formalized structure for staff in various departments to work together to proactively manage emerging issues (e.g., new policies to facilitate intensification) and to collaborate on complex applications and reports. This is illustrated in Attachment 2.

The 'one window' approach involves establishing a one person contact for the development community during all stages of the development process. Generally, the Planning Commission will be the One Window point of contact at the conceptual and early stages of the application process (Pre-Application Consultation, Official Plan, Zoning By-law, Block Plan Draft Plan of Subdivision) while the Development Engineering and Transportation Department in Public Works will be the One Window related to development agreements, construction, inspection and acceptance. Additional discussion with the Innovation and Continuous Improvement Department and stakeholders will help to refine this One Window process. This concept is illustrated below:



Proposed clearer linkages between Development Services and Development Planning have also been emphasized. More resources at the management level with greater and diverse expertise (intensification experience) have been identified. A targeted recruitment process to attract those resources is being pursued.

The Innovation and Continuous Improvement department will be starting the development approvals mapping process in July and establishing timelines and metrics to ensure transparent service delivery in this area. This work should increase the development community's confidence that the levels of service will be improved despite increasing pressures. The work will also address stakeholder requests for more information, on-line tools and added efficiencies that can be achieved through execution of elements of the IT Strategy related to the development process. This includes but is not limited to upgraded versions of software and greater access to data and information through enhancements to the Corporate Geographical Information System (GIS).

A major consideration from stakeholders is the need for receiving timely reviews and conditions of development approval related to infrastructure and servicing early. It is important to note that in many cases the City must rely on a much larger government review team, that includes the Region of York, the TRCA, and government agencies and utilities (e.g., Ministry of Transportation, Hydro One) to finalize engineering and servicing conditions on development applications. In many cases some of these comments must be provided prior to or concurrent with the City finalizing comments which are then provided to the Planning Commission. The work to be completed by Innovation and Continuous Improvement will focus on the City's internal processes and establish timelines for comments from City departments but will also discuss measures to help address external dependencies including inputs from the Region, TRCA and other government review agencies as part of the larger development system.

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**Business Planning and Budget development will be aligned for each Public Works Service and Development Services**

To provide for improved business and financial planning and efficient and effective delivery of service, business plans and budgets will be aligned by Public Works Service and Development Services. The draft 2015 Public Works Commission budget will be organized with seven business plans and budgets, one each for Roads, Parks, Water, Wastewater, Stormwater, Solid Waste and Development. The activities and projects in infrastructure master planning, asset management and capital delivery will be incorporated into each of the public works service areas.

**Commission of Engineering and Public Works to become Commission of Public Works**

While the existing Commission name reflects the City's organizational evolution to date, staff also reviewed the applicability of the name for the immediate future. The name "Commission of Public Works" better reflects today's broader industry norms and is more intuitive for citizens and businesses that serve the citizens. The new name signals a new single approach to the Public Works Services and consolidates all parts (engineering, operations and maintenance, capital delivery, infrastructure planning and development) under one encompassing name.

**Next steps in the functional review include executing the implementation plan for re-organization to be completed by September 2, 2014**

Future actions, as identified in the final report, form the basis for the implementation plan. Future actions have been broken into three categories:

- Strategic – metrics development, operational process reviews, recruitment
- Linkages, communication and culture – linkages with other Commissions and departments, developing a citizen focused culture and engagement strategy
- External partners – exploring opportunities for collaboration and coordination with the Region of York, PowerStream and Toronto and Region Conservation Authority

**Relationship to Vaughan Vision 2020/Strategic Plan**

In consideration of the strategic priorities related to Vaughan Vision 2020, the recommendations of the report will assist in:

- Demonstrate Effective Leadership
- Value and Encourage a Highly Motivated and Engaged Workforce
- Attract, Retain and Promote Skilled Staff
- Support the Professional Development of Staff
- Demonstrate Excellence in Service Delivery
- Ensure a High Performing Organization

**Regional Implications**

The Functional Review project, once implemented, will improve the delivery of all of the Commission's Public Works Services to citizens, businesses, and improve the Commission's relationships with all stakeholders, including the Region of York.

**Conclusion**

This report is put forward recognizing that the corporate review is still being finalized, therefore flexibility has been built into the new organization structure to accommodate any new direction taken corporately.

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The organizational structure for the Public Works Commission will provide citizens, businesses, partners and stakeholders with a clear identification of who to approach with issues and questions regarding any of the Public Works Services and will provide clarity of responsibilities related to development related Infrastructure reviews and approvals. Improved communications, new processes, clearer roles and responsibilities and a citizen focused culture will further engage staff to deliver citizen satisfaction.

**Attachments**

1. Executive Summary
2. Proposed Governance Structure for Development Planning and Development Engineering

**Report prepared by:**

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(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)