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ORGANIZATIONAL REVIEW

OF THE

VILLAGE OF RYCROFT

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Organizational Review
Village of Rycroft

Introduction

The Village of Rycroft, as identified in their Integrated Community Sustainability Plan developed in March, 2010, wanted to have an independent review of the Village's organizational structure as well as its overall efficiency and effectiveness, ensuring the best use of staff and municipal resources. As stated in the Village's request for proposal, some residents are indicating that they feel the Village administration is overstaffed and overpaid and Council wishes to determine what are the actual staffing needs, what can be done more effectively and efficiently, and how to make the best use of taxpayer dollars. This review ascertains staffing needs, appropriateness of organizational structure, and the overall efficiency and effectiveness of both governance and administration.

Scope & Methodology

Our reviews examine the effectiveness of the organization and its ability to meet future demands by providing an objective third party analysis. We utilize not only our extensive experience and expertise, but also our first hand knowledge and practical experience of numerous other organizations both public and private. The objectives are:

- To review the effectiveness of the organization and its ability to meet current and future demands by providing an objective third party analysis utilizing the knowledge, experience, and "best practices" of other organizations and municipalities.

- To create a cost effective and efficient organizational structure and division of work that provides optimum customer service and flexibility for future growth and increased work demands.

- To ensure that administrative and management practices and procedures are efficient, cost effective, and up-to-date and provide excellent service with minimal bureaucracy.

- To create a productive workplace that fosters the use of those management practices such as delegation of responsibility and participation of all staff in order to promote teamwork, service, quality, individual accountability, and ownership and adaptability to future change.

- To ensure that human resource management policies and practices in such areas as performance management, recruitment and selection, and compensation add value by fostering productivity and customer service and promoting individual responsibility and accountability.

- To recognize the distinct roles of Council and administration and to foster productive working relationships between them.

The methodology that we use in reviewing the effectiveness of any organization is a highly participative one. We believe that the process itself that is used to perform an organizational review is as equally important as the outcomes of the review; in fact the success of the outcomes is directly influenced by the process. Our experience with organizational reviews, reengineering and restructuring in general has shown time and time again that if staff at all levels are not fully involved in the process, there is no commitment or buy-in and the organization is left with poor morale and does not achieve the cost effectiveness and competitive advantage that were the reasons for the review in the first place.

We believe that better decisions and outcomes are arrived at through the participation of all concerned. Regardless of our expertise and experience in organizational effectiveness and development, it is the individual employees who fully understand the work that they do on a daily basis and who can, therefore, contribute the most about how that work can and should be organized to provide the best service in the most cost effective manner.

In conducting this review we have held confidential individual interviews with all the staff of the Village and all of Council and some neighboring municipalities.

Please note that the primary purpose of the review is to find areas for improvement. This is not intended to detract from the fact that the Village has many well experienced, dedicated, and capable staff. We would like to thank all of these people for their input, which we trust is accurately reflected in this report. The responsibility for the findings and recommendations of this report, however, rests with us.

The Context

The Village of Rycroft is by no means unique in the issues that it faces. There are many municipalities of similar size throughout the Province and throughout the country that face the following issues:

- Concerns regarding economic viability and sustainability.
- Aging infrastructure and the enormous costs of repair and replacement.
- The need for the same expertise that is required by larger municipalities, such as expertise in water and wastewater treatment and general engineering services, yet the difficulty in attracting qualified staff and paying for them.
- The need for economic development to ensure a viable tax base.
- The increasing complexity of municipal administration and the need for qualified staff.
- The increasing scarcity of qualified staff in such key positions as Chief Administrative Officer and Public Works Superintendent.
- The continuing need for increased use of technology and the attendant costs.
- The change of mindset that is needed to address these issues rather than continue to operate in the same traditional manner because, "It's always been done this way."
- The need to run the municipality as a viable modern business.

The Village has recently undergone a Municipal Corporate Review by Alberta Municipal Affairs in December of 2009. The review was ordered by the Minister in response to a request from Council as a result of continuing problems with the behaviour of both Council and residents at Council meetings. We are pleased to note that the findings and recommendations of this review have been taken seriously and that the behaviour at Council meetings has changed considerably for the better.

As stated in the Corporate Review, the Chief Administrative Officer (CAO) has had to effect a lot of changes since her appointment in September, 2008. "Indications are that the municipality was in a state of disarray when she commenced her duties, and during her year as CAO, she has focused her efforts on administrative tasks such as policy development, improvements, and updates to financial records, and re-organizing the files. Her productivity level in this regard is impressive, especially considering the game of catch-up she was forced to play."

In addition to the above mentioned changes, the list of accomplishments by administration since September of 2008 is impressive. To name just a few:

- Implementation of electronic funds transfers for payroll and Council remuneration.
- Implementation of a point of sale machine for the Village and the ability to pay by debit, Visa, and MasterCard.
- Rejoined Communities in Bloom.
- Updated the municipal server system and the telephone system.
- Preparation of a model for regional fire services governance.
- Amending errors and cleaning up both the utilities roll as well as the tax roll to ensure accuracy and validity of records and ongoing accounts.
- Completion of the application for the water plant upgrade.
- Upgrade of water meters which is nearing completion.

It is also important to note that grants totaling $1,121,939 were received in 2009 and the appropriate reporting has been completed. Some grants had not been previously applied for and secured since 2007.

The Village had no serious tax increase for a long time prior to 2008. This continuing avoidance of tax increases is a mistake that many municipalities have made in an effort to avoid and stave off the inevitable. When increasing costs and demands for services inevitably require an increase, it then has to be a sizeable one rather than gradual and this is, of course, upsetting to many residents.

All of these issues and events form the context for our findings and our recommendations.

Findings & Recommendations

Administration

- The Chief Administrative Officer (CAO) is overloaded with work and unable to delegate as much as should be, in part because of existing staff competencies, and also due to a lack of cross training amongst all office staff. This situation creates an extremely inefficient use of staff time and is not cost effective. It is critical for such a small community that all staff are cross trained as much as possible. It is also critical in terms of succession planning. Competent CAOs are extremely hard to find, and it is in the best interests of the Municipality to ensure that all staff are as highly trained as possible in the event that the CAO is absent or retires, for example.

- Most policies and bylaws have been updated, as mentioned above, but there are many grammatical, spelling, and other errors which must be corrected. This reflects poorly on the competence of the Village, especially when all policies are openly available on the Village website.

- The duties of the two clerical positions in the office need to be reviewed and restructured for more equitable distribution of responsibilities and to aid in the overall process of cross training. There is no rational requirement for a Deputy CAO in an office of this size. It would be far more appropriate to have two general Finance Clerks or one could use the generic term of Municipal Clerk. There is no rationale for two levels of responsibility.

- The Village is not a large enough municipality to warrant a separate Safety Officer position. We note that the position is also responsible for Bylaw enforcement and Animal Control and provides animal control services on contract to Saddle Hills County. There is no need, however, in our opinion to have a separate individual designated as a Safety Officer. What is required is that the pertinent Occupational Health and Safety policies and regulations are in place and are adhered to. Employees performing at risk duties, such as those in Public Works, should receive appropriate training as and when required. Relevant policies and procedures are readily available from other jurisdictions and need not be reinvented. There is no need for a ninety-one (91) page Safety policy; besides, no one will read it. Safety is everyone's responsibility and should not be the primary responsibility of one individual. We have a high respect for the issue of safety for all employees, but this is bureaucratic overkill, especially for an organization of this size.

Recommendations

- The clerical staffing in the office should be reorganized in a more effective and cost efficient manner. We recommend that there be two positions of equal level and responsibility that are totally cross trained and also able to answer most questions and requests for service when the CAO is away. The title of these positions should be an appropriate generic title such as Municipal Clerk or Municipal Assistant.

- Policies have been updated and should now be quickly reviewed and corrections made where required for errors in grammar, spelling, and punctuation so that the Village presents itself in a more professional manner to all residents and the general public.

- The position of Safety Officer/Animal Control/Bylaw Enforcement Officer should be reviewed to determine what services are actually required and what services can be cost shared with neighboring municipalities. As stated above, we do not see a need for an ongoing position of Safety Officer. This position should be sustained on a regional basis with other municipalities; the Village itself is too small, in our opinion, to warrant such a full time position. There are other more important core services that are required.

Public Works

- The Public Works department is not staffed appropriately. The Foreman has certificates in Water and Wastewater Treatment, but does not have the general knowledge and expertise in managing an overall public works operation and facility. She and her staff are working extremely hard and trying to fulfill all the requirements, but there is a lack of knowledge and skills in day-to-day public works and heavy equipment operation. This is not meant to detract from the hard work, dedication, and excellent service that is being provided.

- There is no generalist "Public Works Operator" who can operate the heavy equipment and has the knowledge and skills to perform general public works and facilities maintenance. The grader was operated on contract last winter.

- The Village is completely reliant on outside contracts for any professional engineering or engineering technician services.

- Much of the Village's equipment is in need of replacement. The grader and backhoe are in storage and are both quite old. They require frequent maintenance which is not cost effective. There is no front end loader and the street sweeper has been sold.

- Only the Public Works Foreman has the certificates in water treatment and distribution and waste water treatment and collection that are required by the Province. There is no backup on staff.

- Public Works staff use a laptop as there is no direct computer linkage with administration and they are unable to directly input required statistics and test data regarding water quality to the Alberta Government.

Recommendations

- A generalist Public Works Operator should be hired to complement the qualifications and skills of the foreman so that all areas of Public Works are adequately covered. We note

that there have been several attempts to hire an Operator without success. We recommend a far more rigorous recruitment process that includes a selection panel and full reference checking.

- Other staff must start to obtain the required certificates in water treatment and distribution and wastewater treatment and collection.

- Public Works staff should have appropriate computer access to administration. We understand that this is being worked on. Staff should also have the ability to directly input required water quality data to the provincial government.

- The Village must decide which public works services are to be kept in house and which ones must be contracted out to either the private sector or to neighboring municipalities if possible (see Shared Services below). These decisions should be based on a cost benefit analysis taking into full account the cost of equipment purchase, replacement, and maintenance, as well as the cost of staff to provide these services.

Strategic Planning

- We note that the Village has a list of 2010 Municipal Goals. This is in response to the recommendations of the Municipal Corporate Review. A list of goals, however, falls far short of a comprehensive Strategic Plan with clearly defined goals, objectives, and priorities as well as an Action Plan with assigned responsibilities and expected completion dates. The Integrated Community Sustainability Plan (ICSP) does not fulfill this need either. There are no clear priorities, for example, and no concrete and practical day-to-day action plan.

- Council, in other words, still does not have a clear sense of direction other than dealing with immediate and pressing concerns as they arise. The Village is clearly trying to accomplish a great deal in as short a time as possible, but there is no clear assessment, for example, of what the Village can afford to accomplish, what services are required and which are not, what are the priorities and what needs to be done to attain those priorities.

Recommendations

- This review is only one step in determining where the Village is now and what major issues need addressing if they are to move forward. They must also develop a practical Strategic Plan so that they have a clear idea of where they want to go, what steps need to be taken to get there, and what resources are needed. They must be prepared. A clear plan and sense of direction is critical if the Village is to move forward. The Village can use their ICSP as well as their list of 2010 goals to develop a Strategic Plan that has clearly identified priorities and an action plan to achieve those priorities.

- As part of the Strategic Plan, the Village should also conduct what is referred to as a Core Services Review. The Village, in other words, must determine what services they should

provide to the taxpayers and what services they can afford to provide. This is a critical exercise for a small community with limited resources and some residents already complaining about the tax rates.

- Once the Strategic Plan, including a review of core services, has been drafted, public input and reaction should be sought through all possible means of communication and especially through Community Hall meetings where Council and administration can answer any questions.

Human Resources

- The Personnel Policy is in need of serious revision as it does not reflect best practice and many areas are redundant and can be discarded. Much of this "Policy" is actually administrative procedure.

- There is no comprehensive compensation policy and the salary grid does not conform to accepted wage and salary administration standards. The actual compensation is not, however, too high; in fact some positions are paid below market average.

Recommendations

- All human resource management policies should be updated to ensure their relevance and their conformance to best practice.

- A rational compensation structure and plan should be developed and implemented with an overall survey of total compensation to ensure that the Village is comparable with other employers in order to attract and retain qualified staff.

Fire/Disaster Services

- The Fire Chief for the Village is also the Fire Chief for the M.D. The Regional Fire/Disaster Services Manager is on contract from Saddle Hills County and also serves the Town and the M.D. of Spirit River.

- The Central Peace Region Emergency Management Authority covers Saddle Hills County, Birch Hills County, the M.D. of Spirit River, and the Town of Spirit River (the regional group referred to as G5).

Recommendations

- We note that the Village and the Regional Manager are working towards a Regional Fire Services Commission to include the full G5. This is commendable as it will ensure the full cooperative use of all available resources and will enable regional training on site, saving considerable time and money.

Recreation

- The Village Arena is owned by the Village and governed by the Rycroft Arena Board. The Community Hall is owned by the Village and governed by the Community Hall Board. There is also a Rycroft and District Recreation Board between the Village and the M.D., which is apparently dormant, but has approximately $25,000 sitting in a bank account. The various bylaws involved are not in order. We understand that talks are supposed to take place with the M.D. to determine a future course of action and what to do with the money.

Recommendations

- We recommend that one true Recreation Board be formed with representation from all the players concerned as well as the community at large. Recreation is a perfect example of the need for a regional approach as facilities are used by both rural and urban residents, regardless of where the facilities are located. The purpose of the Recreation Board would be to provide input to Council, as the Village owns the facilities, as to what the community wants and needs regarding recreational services and facilities.

Council/Governance

- Council currently has the following committees: Protection to Persons & Property, Public Works, Water, Sewer, & Sanitation, Economic Development, Finance, and Human Resources. This is not an efficient use of time and resources, for either Council or administration. All of the issues that pertain to such committees listed above have to be brought to Council as a whole anyway, before any decisions can be legally made. We also note that the Protection to Persons & Property and the Economic Development Committees have no councillors appointed to them.

Recommendations

- Council should abolish the five committees noted above. The last two have full Council membership anyway.

- Council should review the appointments to all committees and boards to ensure that they are not redundant and that they are beneficial to the community.

- Many municipalities are finding it far more effective and less time wasting to just have one Committee of the Whole meeting followed by one regular Council meeting once a month. We recommend that Council adopt this practice.

Economic Development

- There is little if any active planning for economic development. This is a critical need for the Village if it is to maintain economic viability. Some have said that a healthy community with up-to-date infrastructure comes first. Yes, but the Village needs a stronger tax base in order to properly maintain infrastructure and provide desired services. The Village must first have the required financial means of maintaining a healthy and vibrant community.

Recommendations

- It is imperative that the Village take all active steps possible to attract and encourage all desired economic development. The "Crossroads Industrial Subdivision" development is a good beginning, but business has to be attracted to the subdivision and economic development has to be sustained. This cannot effectively be done purely locally and should be done on a regional basis with the cooperation and involvement of at least the M.D. and preferably all of the G5.

Shared / Regional Services

- It is extremely helpful to the future viability of the Village that virtually all of Council are well aware of the benefits of shared services and regional services in general. Council is not constrained by the frequently found municipal mindset that says "we must do everything ourselves otherwise we will lose control, as well as our autonomy and identity."

- The Village is already heavily involved in shared services and initiatives such as the following:

  - Central Peace Regional Waste Management Commission
  - Central Peace Regional Emergency Management Agency
  - Central Peace Regional Assessment Review Board
  - Central Peace Medical Clinic Management Committee
  - Regional Water Feasibility Study
  - Joint Water Meter Upgrade Project
  - Contract Assessment services from Saddle Hills County
  - Contract Animal Control services to Saddle Hills County
  - Regional F.C.S.S.
  - Central Peace Community Health Council
  - Ongoing regular G5 meetings
  - Town of Spirit River Airport (G5)
  - Regional Fire Services

Recommendations

- **It is imperative that the Village explore every possible opportunity for sharing services with the surrounding G5 communities. Smaller municipalities cannot afford to go it alone and it will only become increasingly difficult with every day that passes. We have attached some of our published articles on this subject.**

- The Village should also be proactive in promoting the concept of Regional Government. We do not advocate the type of regional governance that the Province has promoted in various areas with an additional layer of government superimposed over existing local municipalities. This hasn't worked, as we have seen with Health Care, and it only creates additional bureaucracy and increased costs rather than greater efficiency and cost effectiveness. What we advocate is a coming together of various municipalities with similar economic and geographic interests and a voluntary determination by all concerned of a new regional government structure with a new Regional Council that fairly represents all constituencies. It is better to reach some form of voluntary agreement before it is imposed as a result of the highly ineffective use of tax dollars under the present municipal structure. The current structure cannot be maintained without some fundamental changes.

- We recommend that the Village and the other G5 communities do a full inventory of what services are currently being provided and what resources they each have, and an assessment of what the full costs and benefits would be to all the municipalities if all services were shared. Everyone concerned would then have a clearer idea as to the feasibility and potential benefits of regional shared services.

It is worth noting that the combined total population of the G5 is only 6,536:

- Village of Rycroft 638
- M.D. of Spirit River 662
- Town of Spirit River 1,148
- Saddle Hills County 2,478
- Birch Hills County 1,610

Birch Hills County has five Hamlets. Saddle Hills County has only one Hamlet and several unincorporated communities. The Village of Rycroft and the Town of Spirit River are the only two urban municipalities in the entire region.

It is only through the effective sharing of staff and all other resources such as equipment and technology that most municipalities will survive and prosper in the near future, and it is to the benefit of all municipalities, urban and rural and large and small to ensure that this occurs. Each member municipality in the G5, for example, can benefit from services that can be provided by other members, yet which they can't afford to obtain alone. There is a great deal of economic benefit and leverage to be had by pooling assets and working together.

The Minister of Municipal Affairs has been petitioned for a dissolution study as some residents feel that they would be paying lower taxes if the Village were dissolved. We must point out that such a process is highly flawed and outdated. We have sat through public dissolution meetings where residents asked pertinent questions as to what they could expect in terms of service from the County or M.D. if their municipality was dissolved. Because of the archaic process used, these questions could not be adequately answered and municipal officials were even prevented from answering them. The process is highly bureaucratic and does nothing to ensure a mutually respective, beneficial, and cooperative process. It should also be noted that there is nothing to say or guarantee that the taxes for the residents of Rycroft would be any lower after dissolution than they are now. This is a common misconception that is made under such circumstances.

Summary and Conclusion

As stated above, the Village of Rycroft is by no means unique in the issues that it faces. It is at a point where it has to shed it's traditional mindset and realize that the Village, in order to survive and prosper, must be run as an efficient and cost effective business.

Many residents, according to the recently conducted 2010 Citizen Survey, wish to maintain their quiet, small, community atmosphere and lifestyle, but they also want improved and increased services. They want these services, yet they are complaining about the amount of taxes they have to pay. A reasonably acceptable tax rate cannot be maintained, however, without a significantly larger commercial or non-residential tax base. This, in turn, does not necessarily please those who wish to maintain the quiet, small, community atmosphere. And so you have a vicious circle and a constant debate between those who want more development and those that are opposed. This is the difficulty that many such communities are facing.

We fully understand the desire to maintain the small community lifestyle, but the reality is that the Village must pay attention, first and foremost, to the question of economic sustainability and especially the issues of shared services and regionalization. If it does not, it will not be able to provide an acceptable level of service for any taxpayer.

Respectfully submitted,

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