



City of St. Albert

Municipal Governance Review – Final Report

March 4, 2013



W e s t e r n M a n a g e m e n t C o n s u l t a n t s

TABLE OF CONTENTS

<u>Title</u>	<u>Page No.</u>
EXECUTIVE SUMMARY	1
1.0 BACKGROUND	1
1.1 Primary Review Objectives	2
1.2 Secondary Review Objectives	2
2.0 PROJECT METHODOLOGY	3
3.0 PRESENT STATE REVIEW	4
3.1 Interview Findings	4
3.2 General Themes	4
4.0 SELECTION OF A GOVERNANCE MODEL	5
4.1 Governance Model Review	5
4.2 Workshop to select Governance Model	6
5.0 COUNCIL AND COMMITTEE STRUCTURES	6
5.1 Main Issues	6
5.2 Benefits	7
5.3 Committee Options	7
5.4 Performance Measures	11
5.5 Council Composition	12
6.0 DELEGATION OF AUTHORITY	12
6.1 Delegation of Authority Matrix	12
6.2 Areas to Consider	13
6.3 Issues to be Addressed	13
7.0 RECOMMENDATIONS	14



Executive Summary

The primary goal of the Municipal Governance Review was to maximize organizational effectiveness by ensuring that the City's chosen governance model and policy were structured effectively. The review has been coordinated by Travis Peter, Manager of Strategic Initiatives and Government Relations and Western Management Consultants. The Review Committee included Mayor Crouse; Councillor Parker; Councillor Brodhead; the City Manager; and the General Managers, the City Clerk and the City Solicitor where required.

The following report outlines the recommendations from Western Management Consultants regarding the City's governance model, governance relationships, policy and procedures.

1.0 Background

In 2011, Council identified a review of the City's governance model and related policies as one of the City Manager's priorities. At this time, some articulated a belief that the City's policies had become dated (most were last reviewed over ten years ago) and that perceived inconsistencies in the policies were contributing to friction at the governance level.

As such, a review was conducted by the City Manager's Office and Western Management Consultants. The review findings suggested that while the City's governance model was generally internally aligned, it was poorly connected with practice and had indeed become a source of irritation and concern for Council and the Senior Leadership Team (SLT).

Following the completion of this initial review, Council created a Governance Review Committee in 2012 to investigate the matter further and make detailed recommendations to Council. The Committee's review was based on the objectives outlined below.



W e s t e r n M a n a g e m e n t C o n s u l t a n t s

1.1 Primary Review Objectives

- Review opportunities to maximize Council's ability to make policy decisions, and maximize the City Manager's (and other administrative personnel's) ability to operate the corporation efficiently and effectively;
- Review whether the City's existing roles and relationships, governance policies, bylaws, etc. reflect Council and Administration's current philosophies, desired organizational practices, and best municipal practices;
- Review what processes or commitments are required to maximize the working relationship between the Mayor and Council and its City Manager; and
- Recommend appropriate adjustments to the City's existing governance policy, bylaws, practices, systems, structure, etc.

1.2 Secondary Review Objectives

- Review whether the City Manager's (and Council's) delegated authorities are appropriate, and make recommendations (as necessary);
- Review the current committee appointment process, including length of appointments, and make recommendations (as necessary);
- Review existing relationships between Councilors and administrative staff, and make recommendations (as necessary);
- Review existing processes or policy regarding speaking on behalf of Council and/or voting at regional boards/commissions (i.e., binding the City with a vote), and make recommendations (as necessary); [This objective was addressed by the City Solicitor in a Confidential Legal Opinion disseminated to all Governance Review Committee members and Councilors]
- Review whether the City should retain weekly Council meetings, or whether a committee-based model led by a designated member of Council and supported by an administrative commissioner would be more appropriate while maintaining existing external advisory committees, or whether an alternative model would be most appropriate, and make recommendations (as necessary);



- Review existing committee workloads and the potential for adding additional members of Council to acknowledge realities, and make recommendations (as necessary); and
- Review opportunities to create a lasting understanding of, and appreciation for, Council and Administrative relationships amongst senior administrative and elected officials, and make recommendations (as necessary).

2.0 Project Methodology

The governance review focused on four main sections, outlined below:

2.1 Present State Review

- a. Key Participants: Review group and staff resources.
- b. Outcome: An accurate and timely understanding of the needs of the City of St. Albert, the legislative and public opinion requirements for a successful governance structure, and data on current practices used in other municipalities.

2.2 Selection of a Governance Model

- c. Key Participants: Mayor and Councilors and the City Manager.
- d. Outcome: A clear understanding of the characteristics of an effective policy governance model, a choice of the most effective structure for St. Albert and the basis of an implementation plan.

2.3 Council and Committee Structure

- e. Key Participants: Review Group, City Manager, City Clerk, City Solicitor.
- f. Outcome: A report for consideration by City Council that provides options for Legislative Structure, required process and policy supports, and recommendations for implementation.

2.4 City Manager/Administration Authorities and Roles

- g. Key Participants: Review Group, City Clerk, City Solicitor.
- h. Outcome: Clear, effective and mutually supported authorities for the City Manager and Administration that support services and programs that:
 - i. Are operationally efficient;
 - ii. Maintain transparency in municipal transactions; and
 - iii. Preserve public confidence in municipal decision making.



3.0 Present State Review

3.1 Interview Findings

Individual interviews were conducted with the City Manager, the Chief Financial Officer, the City Clerk, the Deputy City Clerk and the General Managers. A number of key findings were revealed from these sessions including:

- Governance structure and policies are not promoting strategic consideration and alignment;
- Council meeting schedule is demanding and not efficient;
- More Committees are supported but only if they improve strategic alignment and reduce the number of Council meetings;
- Council/Administrative relationships are generally positive;
- Administration feels its workload is unmanageable;
- Tracking and follow-up mechanisms have served well, but tend to be department specific rather than corporately focused;
- Delegation of authority is not clear;
- Processes and criteria for Council reports are not commonly understood; and
- Mixed opinions on the merits of a full-time Council, an expanded Council, or maintenance of the current Council structure.

3.2 General Themes

The main themes identified in the present state review are outlined below:

- Renewal of policies and structures to clarify the complementary roles of Council and Administration is timely;
- Formal delegation of authority is necessary and will help clarify roles and expectations;



- Strategic alignment is a priority; and
- Committees should only be introduced if they reduce the overall workload and streamline governance.

4.0 Selection of a Governance Model

4.1 Governance Model Review

A strong governance model is integral to the foundation and execution of an efficient and collaborative municipality. The model defines the power relationship between the Mayor, Council and Council committees. It also provides the framework for setting priorities, delegating work to the Administration, allocating resources and measuring performance.

The City's governance model is generally internally aligned, and existing policies have been thoroughly and thoughtfully written, however:

- Policy is sometimes poorly connected to practice;
- The policy/model is over ten years old and in need of renewal; and
- Some requirements are not practical, and may have contributed to some irritation amongst Council and the Senior Leadership Team.

St. Albert's governance structure needs renewal and adjustment to meet the challenges of a rapidly growing municipality. Strategic alignment is a priority for the organization and Council and Administration must understand and respect each other's roles. Delegation tools should be updated for greater efficiency and improved risk management. Information processes, approval protocols and communication tools must be streamlined to maximize existing resources.

Increased flexibility and improved relationships may be achieved within a strengthened governance framework.



4.2 Workshop to select Governance Model

This session was structured to develop a clear understanding of the characteristics of an effective governance model, a choice of the most effective structure for St. Albert and to outline the basics of an implementation plan.

The committee agreed that an emphasis on policy governance should be retained, but that the Carver model is difficult in practice and the CAO model is preferred. The CAO Model is followed by most Canadian cities and the legislative framework for Alberta is based on the CAO model. Under this model the CAO (City Manager) would supervise and direct employees, execute Council policies, advise Council, report on organizational performance and prepare and submit budgets. Training and orientation for the new Council is important to ensure the new governance framework is successful.

5.0 Council and Committee Structures

Council Committees were a major item of discussion with the Municipal Governance Review committee. A number of options were presented and refined with the Committee to determine the solution that would work best for the City of St. Albert.

5.1 Main Issues

Through analysis and interviews with members of the City Administration it was clear that the current Council meeting schedule is too demanding and inefficient. Overall administrative workload is a significant issue and contributing to costly attrition. When compared to major Albertan and Canadian comparators, St. Albert is one of the only municipalities with approximately three Council meetings a month and operates with two less Council members than most comparators. There was a general feeling that with a weekly schedule, the City is consumed with what they are doing this week and are not focused on the next year. Some felt that the current Standing Committee on Finance actually operates as a committee of the whole as there is no other forum to bring these types of issues to. Currently a large number of information requests are coming from Council leading to reports with no decisions or recommendation. In 2011, there was an average of 18 information requests a month in contrast to an average of two policy decisions a month.



5.2 Benefits

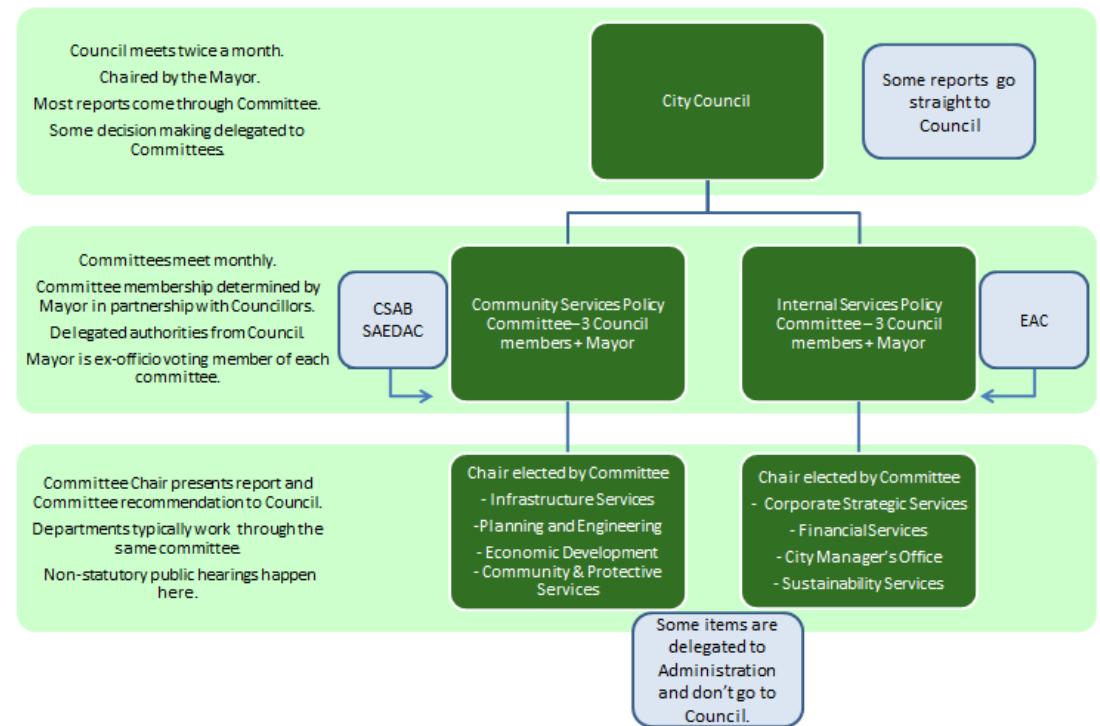
The addition of a consent agenda could streamline meetings and Council may benefit from more time on a smaller number of priorities. A committee model could allow for more detailed presentations, building of trust amongst Council and Administration and better distribution of workload. The desire for the committee structure is to increase community engagement and empower people to provide input at a formative stage rather than argue a decision at the end point. The current perception is that Council is activity driven and needs to reinforce its governance orientation.

5.3 Committee Options

Three committee options were originally presented: the Modified Status Quo, the Functional Model and the Strategic Model. The three options were presented in detail and debated at length at multiple Committee meetings. Western Management Consultants, in collaboration with the Review Committee and the General Managers, continually refined the models to develop a structure that will work best for the City of St. Albert moving forward. The functional model was revised from its original form to meet the unique needs of the City and is outlined in detail below.

5.3.1 Functional Model





The Functional Model is recommended for the City of St. Albert. This model builds on existing department structure, but changes the method of moving information to Council.

The strengths of this model include:

- Enables Council to focus on policy and long-term strategic direction;
- Gives clear guidelines for authorities and demonstrates transparent decision making processes;
- Better management of workload;
- Greater clarity in report flow;
- Allows Council members to 'specialize' in a subject area;
- Easier to track referrals from Council/Committees; and
- Reduces demand on administration to attend all meetings.



Trust between Councilors is fundamental to the success of this model and if the committee structure operates as it is designed, the workload for both Councilors and Administration will be stable or slightly less. The main weakness of the proposed functional model is that it requires understanding, discipline and strict adherence to the role of Committees. If committee work is duplicated at Council meetings, the committee structure will not be operating as it should be. This will result in frustration and extra work for both Administration and Council.

St. Albert is a large, growing and complex municipality. It is – by necessity – moving from informal to formal processes; and from generalist functions to specialist ones. It is no longer reasonable to expect that any individual member of Council, or administration, can be aware of every activity in the municipality. The Functional Model is intended to support this change by defining and supporting specific roles (e.g. the Community Services committee will be the first point of contact for all issues relating to Planning), and standard processes for decision making (e.g. clarity about what decisions are delegated to the City Manager and the Committees). **The extent and challenge of this culture change should not be underestimated.** It will take strong leadership from the Mayor and Committee chairs, and the commitment of all Council members to make the new system work. As well, all supportive policies and procedures will need to be amended to support the new process. An additional challenge is the timing of the implementation given the pending election in the fall.

While the departure from the current state to the functional committee model might seem like a stretch, the new model will prepare the City better for future growth.

5.3.2 Required Process and Policy Supports

In order to ensure the new committee structure is supported, there are necessary process and policy changes that need to be made. Delegated authorities must be assigned to the Committees and advisory committees should be tied to the appropriate functional standing committee to make recommendations. Legislative Services must adjust the Procedure Bylaw so nominating decisions are no longer made at Council, and that nominations to committee be made by the Nominating Committee with annual reviews. Committee membership should be reviewed



annually, but members could be re-nominated to the same committee if they wish. The Committee will select its own chair.

5.3.3 Recommendations for Implementation

Trust is fundamental to the success of the committee model. Without trust, the duplication of work and time is a real threat. In order for the functional committee model to operate at its best, a number of implementation recommendations should be taken into consideration:

- Committee meetings will continue to be web-streamed and open to the public;
- Committee chair presents report recommendation to Council;
- Members of SLT cannot and should not go to every meeting, this will require greater focus at SLT meetings to get a cross-corporation picture;
- The City Clerk could attend Council meetings and assign Deputy Clerks to the Committees;
- Terms of reference must be developed for the committees and the agenda committee including: the members and method of appointing; mandate; reporting protocols; and sunset clauses (if necessary);
- A consent agenda is possible at both the Committee and the Council level and would streamline meetings;
- Councilors could vote on information requests;
- Council meets twice a month, each committee meets once a month;
- Process maps should be developed for various types of reports and where they will be routed;
- The agenda committee must be vigilant in their review of reports to determine what should be delegated to administration rather than come to Council; and
- All Council orientation materials must be updated to reflect the changes.



5.3.4 Timing

The model should be approved so that it is ready for inclusion in the candidate information packages. As such, the policies need to be in place and endorsed by the spring of 2013. A soft launch of the new Committee system could take place over the slower summer months to get everyone accustomed to the new system and to develop learnings for a continuous improvement process. The hard launch of the new system would then be in October with the new Council. There is the possibility of consulting with the public on how the changes are implemented.

5.4 Performance Measures

With the change to a committee model and the CAO governance model, performance measures should be introduced to ensure the changes are having the desired result. Key responsibilities must be identified and monitored and key stakeholders must be made aware of corporation's progress through regular reporting.

Focus on outcomes or what happened as a result of the activity and reinforce desired behaviors. For example: reducing the amount of time GMs spend in meetings. Measure attendance records to see if there has been a drop in GM attendance at meetings and then praise General Managers who attend and participate in their designated committee but do not attend the other.

Success for the City of St. Albert will mean:

- Progress on corporate goals;
- Facilitating ongoing work of the corporation;
- Time allocation in meetings;
- Efficient decision making;
- Greater clarity around process; and
- An engaged community.



5.5 Council Composition

As part of the municipal governance review the composition of Council was studied to determine if changes were necessary. An increase in the number of City Councilors is not recommended at this time but this issue should be reviewed again prior to the 2016 election. The issue of a full-time vs. part-time Council was also discussed, however, the recent Council compensation study was determined be the authority on this subject and no changes are recommended. The distinction between full and part-time Councilors should, however, be noted within the Council Orientation package.

6.0 Delegation of Authority

The appropriate use of delegated authority is a key process for municipalities to ensure operational efficiency, transparency in municipal transactions and for preserving public confidence in municipal decision making.

The City of St. Albert should use a decision making model which provides delegated decision-making authority to the two standing Council committees within clearly defined boundaries. The current delegation matrix must be updated, clarified, maintained and formalized to delineate the delegation to the Administration through the City Manager. Currently, the Administration defaults to take things to Council because they are not clear if they have the authority to make the decision or not. The current delegation matrix is out of date and need to be better aligned to the future work of the organization. Delegations currently exist in policy and bylaw; however, an updated matrix would be a useful and practical summary of those delegations.

6.1 Delegation of Authority Matrix

- Council to Committees
- Council to City Manager
 - City Manager to General Managers



- General Managers to Staff in their Departments
- City Manager to Other Administrative Staff

6.2 Areas to Consider

In general, the following areas should be considered when re-mapping the delegation matrix:

- Administrative Structure;
- Human Resources/Consultants;
- Fees and Charges;
- City Funds and Negotiables;
- Financial Management;
- Procurement of Goods and Services;
- Budget;
- Spending;
- Budget Adjustments;
- Emergency Planning;
- Computer Services;
- Access to Information;
- Agreement and Contracts; and
- Reporting.

6.3 Issues to be Addressed

When discussing delegation of authority with the municipal review committee, there were a number of areas of frustration or grey that should be addressed in the delegation framework.

These immediate issues included:

- Budget adjustments authority/clarity for the City Manager.
- Review the fees and charges process.
- Increase the threshold for the City Manager in procurement policies.



- Create a Council policy on purchasing.
- Increase the City Manager's lease authorities.
- Management of FTEs vs. management of the budget amount.
- Clarity on signing of union settlements.
- Clarify access to information restrictions for Councilors.
- Should the authority to purchase land be given to the City Manager?
- Who should approve advisory committee funding recommendations?

7.0 Recommendations

There are three main guiding principles resulted from this review with accompanying implementation recommendations and considerations:

1. That the City of St. Albert adopts the CAO model of governance and update the necessary policies and procedures to ensure compliance to the new framework.

Comment: The adoption of the CAO governance model and the development of an implementation strategy represent a watershed moment for the City of St. Albert Council. The decisions made through this process will guide municipal decision making for many years.

There are three logistical recommendations related to the first guiding principle outlined in the report that should be considered:

- Renewal of policies and structures is integral to the success of the new governance model.
- Council orientation materials must be updated to reflect the changes in the governance model and systems.



- Performance measures that focus on outcomes must be introduced to ensure the new system is running as it has been designed and creating efficiencies.
- 2. That a functional committee model is adopted with the required policy and process supports and the implementation considerations outlined below be adhered to.

Comment: The functional committee model was developed in collaboration with the Governance Review Committee using the results from the present state review and input from the City of St. Albert Administration.

There are a number of logistical recommendations related to the second guiding principle outlined throughout the report that should be considered:

- Implement a consent agenda to streamline meetings.
- No change to the part-time status of Councilors is anticipated at this time.
- An increase in the number of Councilors is not recommended at this point in time.
- Council to meet 2 times a month, each committee to meet once a month under the new Committee structure.
- Council to vote on information requests.
- Advisory committees should be tied to the appropriate functional standing committee.
- Adjust the Procedure bylaw so that nominated decisions are no longer made at Council.
- Nominations to committee to be made by the Nominating committee with annual reviews, members could be re-nominated to the same committee if they wish.
- Each Standing Committee will select its own chair.



- Committee meetings will continue to be open to the public and web-streamed.
- Committee chair to present report recommendations to Council with the supporting report prepared by the Administration.
- Deputy Clerks to run Committee meetings.
- Terms of reference to be developed for all committees.

3. That a delegation matrix be clarified, updated, maintained and observed in practice to ensure that the right decisions are made by the right decision-makers.

Comment: The intent of an updated delegation matrix is to ensure that transparency is maintained, the public confidence is preserve and the organization is operating as efficiently as possible.

There are two logistical recommendations related to the third guiding principle outlined in the report that should be considered:

- Delegated authorities assigned to the Committees.
- Process maps to be developed for report routing and delegations.

