

Strictly Confidential

Town of Yarmouth Organizational Review

May 2017



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Foreword of Caution

Interview Interpretations

Optimum Talent gathered information, in part, through a consultation process with key stakeholders. The feedback received through the consultative process represents the opinions, experiences, and perspectives of those interviewed. The information we have presented herein represent, in part or in whole, the major thematic observations collected from these interviews.

Resource Assessments

A review of the Town's human resources was completed, based in part through a review of job descriptions, and information provided via interviews with employees. We have performed standard due diligence in the collection, analysis, and reporting of this information. The observations and recommendations made herein accurately represent the interviews and analysis completed within the scope of this review.

Change in Council Members

The review was initiated prior to the 2016 municipal election. By nature, there was some overlap and some new representation on Council. The Mayor remained constant. The consultative interview process was completed prior to the 15 October 2016 election date and thusly by its nature would not be reflective of any new processes or practices implemented since the new Council took office.

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Purpose of Engagement

The Town of Yarmouth (“Town”) is a municipality focused on providing the nearly 7,000 residents in the region with over 20 services in order to enjoy a safe, clean, well-travelled and fun region. Having been established for nearly 125 years, the Town prides itself on being the fifth largest town in Nova Scotia and maintains a unique partnership with over half a dozen different corporations to provide the resources and facilities to all residents and guests of the Town.

Departments operating at the time of this report within the Town include Planning & Development, Economic Development, Finance, Fire Services, Asset Management, and Public Works. Each department has an operating director and certain departments include additional staff (assistants, officers and crew staff). Council assesses any changes in needs of the Town and ensures that operations effectively meet those needs while keeping in line with the Province’s mandates. Council is made up of elected community members in order to provide governance from those with personal insight and knowledge of the town.

Since being published in 2014, the One Nova Scotia (OneNS) report has been adopted by the Town and actions are being taken to align the municipal and inter-municipal partnership corporations’ objectives and collaborative outputs. The importance of the inter-municipal partnerships is to incorporate collaboration with neighbouring municipalities to utilize efficiently provide mandated and discretionary services to the Town.

To ensure the Town is positioned properly for long term success, council requested this organizational review. Such a third-party review would provide Council and the CAO with an independent perspective and advice on which future organizational changes and decisions could be made to ensure alignment across town administration.

Executive Summary

Town of Yarmouth Organizational Review 2016

In the spring of 2016, the Town of Yarmouth (“Town”) released a request for proposal for an organizational review to be completed. The intent of the review was to engage independent perspective and advice providing a basis on which future organizational changes would enable alignment for long term future success.

Optimum Talent was engaged to complete this organizational review. This included collecting information from a variety of sources including interviews and documentation provided by the Town, performing analysis on information collected against leading practice, and providing a list of recommendations and proposed timeline for future change.

Over the four months spanning August to November 2016, Optimum Talent conducted representative employee interviews. In addition to the employees interviewed, Council requested Optimum Talent meet with the Chief Administrative Officers (CAOs) from neighboring municipalities and a representative from the Department of Municipal Affairs (DMA) to gain additional insight.

The observations and recommendations made herein attest to the human resources and organizational adjustments that can be made by the Town in the positive spirit of continuous improvement that the review was intended. Interviews also produced an overall ‘feel’ that town employees are hard working, dedicated public servants who generally work for the good of the Town. It was regularly mentioned that Town employees get satisfaction for the work they do from positive comments received from members of the public.

Interview Findings

Over 50 interviews were conducted with key themes emerging from those interviews. These themes affect most employees and their work environment. The key themes are broad and aspects of each theme likely affect all departments and levels of the organization. Key themes identified and that need addressing (recommendations have been discussed in the report to follow) fall under the headings of:

- Communication
- Human Resources
- Strategy and Planning
- Performance Management, Assessment and Feedback
- Training and Development Strategy
- Leadership and Culture
- Governance
- Employee Morale
- Budgeting

Recommendations are presented across each theme along with a proposed sequencing for implementation, based on prospective ease of implementation and potential benefit to the Town. Noteworthy, there are three recommendations which impact more than one of the key themes:

strategic planning further linked to budget and performance planning, along with clarity of job requirements of staff), training to all management staff on people management skills, and communication.

Resource Review

Research into the current organizational structure, job responsibilities and HR concerns was performed as part of the requested engagement. All current unique job positions within the Town's organizational structure were reviewed and compared on a completeness, gap and overlap assessment to similar market place positions and duties. The result of the review suggests there is minimal gap assessment between duties required of the Town and those being performed.

With respect to recruitment, retention and succession, the most significant challenge the Town faces is its rural location. This is much aligned with challenges faced by entities in both public and private sector as the prevailing trends around workforce migration are movement towards urban centers and more populated provinces. This serves to reinforce the criticality of a strong and fully integrated talent management and human resource program. A summary of leading practices in HR and talent management has been identified to assist the Town when considering HR strategies.

Trends Research

Research into current practices followed by similar municipalities and Council was performed, in line with the engagement requests. Although not an area requiring change for the Town, the knowledge and insight of these trends will benefit Council in determining whether the Town is operating in a manner consistent with other municipalities/regional governing bodies.

Four trends were found to be of current interest to municipalities across Canada. A majority of them are being implemented within all sizes of municipalities. Current trends include asset management planning, internet access for rural communities, alternate revenue sources, and shared services.

Along with trends research, the Town requested research and recommendations on governance practices. Governance for municipalities requires providing sufficient oversight by council, or can be in the form of inter-municipal agreements and corporations. The best practices in Municipal governance aim for increased accountability and transparency. Current inter-municipal corporation relationships with the Town were assessed during the interview process and findings have been summarized. Themes center on communication with the Town, governance structure, and leadership involvement.

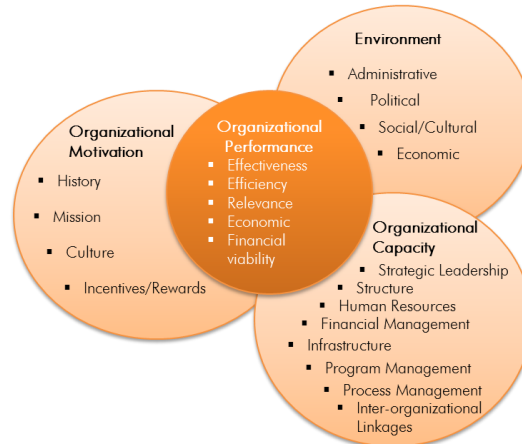
Implementation

A summary of all recommendations and an implementation plan has been provided to enable ease of implementation considerations. The implementation plan provided proposes a logical sequence and timeline for execution of key recommendations. When initiating implementation of the full plan or any pieces therein, the Town might consider a 'real-time' assessment of other competing initiatives, resource levels to complete, and other standard change and project management risks.

Organizational Review

Methodology

Generally, an organizational review is as a process to obtain valid information about the performance of an organization and the factors that affect its performance. It is conducted in order to achieve independent perspective on areas of organizational competence, continuous improvement opportunities, and potential risks to the organization. Typical organizational reviews will probe the organization’s external environment, the organizational motivation or ‘prevailing culture’, as well as the capacity of the organization to perform key business functions. Each of these elements together form a strong indicator of broader organizational performance and thusly, become part of the base upon which our consultations take place.



Consultation

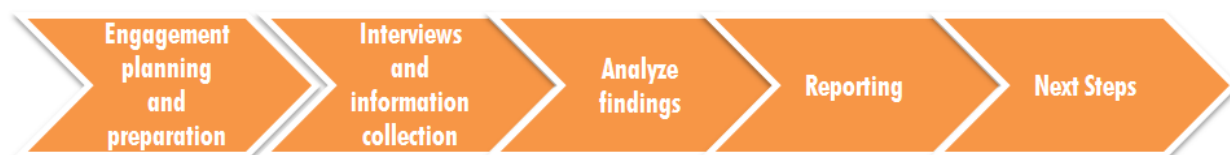
Our consultation process involved an in-depth diagnostic of the observations and experiences of key stakeholders in the organization. This, notably, included the perspectives of a representative selection of employees, Municipal Corporations, Town leadership, and elected officials. A key objective of our consultative process was to gain insight into the many areas of Town operations.

The immediate and future benefits the Town would normally receive through this consultative process include:

- An improved understanding of stakeholder experiences and needs;
- Improved reputation as an organization that proactively seeks the input of staff
- Increased support and greater buy-in by stakeholders for future implementation;
- Deeper base of information from which to make informed decisions on priorities and investments

Preparation of Work Plan

The organizational assessment was structured into five sequential phases. Phases 1 to 4 being within the scope of this assessment and Phase 5 drives toward implementation activity and is not contemplated in this report beyond the presentation of a proposed implementation plan.



Phase 1 – engagement planning and preparation allowed appropriate consideration and validation of the scope of review, key personnel to interview, and intended outcomes.

Phase 2 – interviews and information collection was performed to gather data on current operations. Interviews were held pan-organizationally with a representative selection of roles to gain a full understanding of operations within departments. Interviews were also held with inter-municipal corporation representatives to understand their interaction with the Town, and Council members for their input on future strategy and vision for the Town. Specific observations and experiences shared during interviews were treated as confidential. Information presented in this report reflect aggregated intelligence gained from those interviews. No personally identifying information has been shared. During this phase, we completed internal and external information collection to enable the requisite analysis. Internally collected information included job descriptions, policies, and other relevant human resource information. The external information included comparative information from the market including practices, procedures, used by others which serves as the basis for industry comparison.

Phase 3 – the analysis phase, represented a deep dive into all the collected and reviewed. The broad objective of our analysis is to identify major themes emerging from the consultation and information review, complete a 'gap analysis' between current and potential future practices, and seek opportunity areas for the Town to implement adjustments to further enable future success.

Phase 4 – reporting, was the last in-scope stage for this engagement. This included documenting our findings and recommendations to assist in decision making and pre-implementation planning.

Phase 5 – next steps refers to active support for implementation and is out of scope for this review.

Report Layout & Scope Coverage

The report includes four Parts (A – D). The segregated layout was used in order to join related research work and responses while separating certain deliverables requested by the Town. A brief explanation of the work included in each Part is as follows:

Part A – presents the summary of findings from our interviews with Town staff and inter-municipal corporation representatives. Each theme area includes specific recommendations relevant to the opportunities and issues that arose during the interview process.

Part B – presents an assessment of the human resource programming deployed by the Town including observations and recommendations of future opportunities to optimize

Part C – centers around the external research of governance practices and current trends in Municipal Governance, including leading practices in use of Committee of the Whole.

Part D – summarizes the recommendations addressed within the report and provides tools for prioritizing the implementation of the recommendations.

Part A – Interview Findings and Recommendations

Interviews were conducted with incumbents from unique positions within the Town’s organizational structure and representatives from inter-municipal organizations financially supported by the Town. The discussions held during the interviews were aimed at determining the perspectives and experiences of each individual interviewed. Interviewees were provided the opportunity to share their thoughts and observations on a variety of topical areas consistent with the organizational review methodology.

Interviewees were asked to reflect openly and honestly about their experiences. In many cases individuals shared very personal stories and experiences. Specific individual experiences and observations are not explicitly quoted in this report nor are recommendations attributed to single individuals. There were, however, common themes which were presented repeatedly over a multitude of interviews. In these circumstances, the information was treated as ‘thematic’ and thus justified for further analysis and recommendation.

The common themes discovered through the interview process include:

- Communication
- Human Resource
- Strategy and Planning
- Performance Management, Assessment and Feedback
- Training and Development Strategy
- Leadership and Culture
- Governance
- Employee Morale
- Budgeting

Each theme includes an introduction including a description of the topic and the importance of appropriate application in the workplace, followed by recommendations for the Town of Yarmouth.

Communication

Communication is used to express requests and transfer information between people. Effective use of communication allows individuals to understand what is being communicated to them, why it is of importance and what they can do with the information.

Studies have shown that effective communication in an appropriate manner can positively reinforce an employee-organization relationship and result in improved employee performance as they feel supported by the organization and have a beneficial relationship. This is known as the Social Exchange Theory (SET) and suggests that the continuous exchange of interaction between employees and management builds trust and the sense of reciprocating effort from both sides.

Contrary, if a request is made of an individual without sufficient context or in an ambiguous manner, the individual can lack confidence in their abilities and performance may not be satisfactory for either party. Continuous poor communication between management and employees leads to reduced employee performance and poor morale. If not tended to, this morale will permeate in the workforce and create a negative atmosphere, effecting overall operations and organizational performance.

Effective communication is when “what” is being said is received and interpreted “how” you intended it to. Consideration must be given to the following when a message is communicated:

- **What** is being said – is there sufficient information for the receiver to understand the message,
- Be **clear and concise** – especially if a request is being made,
- **Style** the message is communicated in – aggressive, passive or assertive manner, and
- Having an **open manner** to questions or clarity – resulting in the respondent feeling like the communication is interactive.

Determining how to communicate and the appropriate communication style will vary depending on the message being communicated and the target audience. Different approaches may be taken when communicating from management to employees (delegating work) and that of public messaging or the use of social media for broader information sharing.

Communication and Delegation

Communication between management and employees is usually a common routine. There are less formal methods of delivering the communication; nevertheless requests to employees/supervisors should be made in a documented format, such as email, in order to maintain accountability for duties. Due to the personal relationship between the individuals, managers must maintain an authoritative presence while ensuring they have communicated sufficient information for an employee to complete any requested work and appear willing and able to help in any supervisory manner.

When delegating work to staff, it is important for managers to encourage two-way communication. If staff and managers discuss work that needs to be completed, appropriate deadlines and expectations can be made between both parties. The open communication between staff allows for more efficient workflow and confidence in the output of work.

The communication style between different individuals may vary but managers will better understand the capacity of their department and encourage positive performance if they can find the best communication style with each employee.

Public Messaging

Effective communication is a critical element of working effectively with public stakeholders. A relationship is formed on trust and transparency. In this context, the municipality continues to reinforce that it is operating in the best interest of the community. In larger municipalities and/or where the public communication needs increase to a critical volume, the municipality may interact with the public via a dedicated communications professional, often with public relations expertise. This increases the consistency, speed, and accuracy of information being shared across multiple mediums available to communicate with the public.

A public messaging strategy is beneficial to an organization to ensure information released to the public is done effectively. A strategy helps ensure:

- Clear and correct information is shared across multiple and optimal mediums (website page, media, social media, etc.)
- Communication and media releases are done timely and regularly for the benefit of the community
- Employees and elected officials are able to effectively sharing public information while at the same time protecting individual privacies and confidential information
- Enable rapid and direct response to the public on matters critically important to the town, or those that have generated heightened attention.

Overall, effective communication strategies help both employees and the public know where to look for recent information/news releases and feel a sense of consistency.

Use of Social Media in Communication

Expanding on the creation of a messaging strategy, the use of social media can form part of an effective and affordable marketing strategy. Over the past decade the use of social media has become an increasingly important component of marketing strategies. Engaging citizens on municipal matters may be enhanced significantly by using appropriate social media strategies.

Communication is a timely process and does not occur on a set basis. Social media, however, needs to be updated on a minimum frequency to remain useful to those who use it. As such, an organization needs to plan how many social media platforms it can populate in a manner that does not require exerted resources to update posts and the ability to rely on new information from operations to be present to report on.

Recommendations

Overall communication within the Town is one of the thematic topics arising from the completed interviews. This is not uncommon when compared to other organizations, however equally, still presents opportunity for the Town. There are multiple recommendations made in this report that, once implemented, will aid with communication in the workplace and positively impact overall effectiveness and morale.

While implementing the recommendations made herein, it is ideal to clearly communicate to staff throughout the organization. Optimally, this happens early and often throughout the entire implementation effort. Throughout implementation, the Town may choose to embrace the notion that you cannot 'over communicate'.

Specific observations that may aid communication for the Town, based on interview and review of comparator organization practices include:

1. Briefing Memo from Council Meetings

General communication is key in everyday operations but staying in touch with current operational plans and council decisions and directions is also essential. A memo highlighting Council and Committee of the Whole meetings should be sent to all employees in a timely manner following the meetings. Employees should be directed to source reports and records for additional details. This allows all employees to feel in touch with decisions of council, and part of a team as they will know what is occurring at the council level and in other departments.

2. Internal Communication Strategy

In addition to the memo described above, a public communication manual will help prepare staff for frequently asked questions and what to answer if information is unknown. The manual should include:

- a. A description of what is considered private/confidential information and what is public knowledge,
- b. A list of frequently asked questions and how these can be answered (ie: which departments to contact for certain concerns and at what level the questions should be answered), and
- c. Where staff can look, or who to ask, for guidance on questions they are unable to answer.

Key messaging is provided by the CAO and passed along in the organization. The CAO must ensure he is providing clear messaging and guidance for direction. This messaging may need to be tailored for the audience is important to allow department Directors to inform their appropriate staff members.

3. External Communication Strategy

Development of a public communication strategy should be considered by Council and the CAO. A strategy will need to consider who the best to represent the communication is or which medium/source to use (eg. traditional media, social media), proactive vs reactive communication with the public, and what information is regularly/periodically share in the spirit of continued transparency to Town stakeholders.

4. Directors Meetings

Department collaboration is essential to a well functioning organization. Director meetings should be continue). This is further discussed in key themes to come, but the Director meetings are a key opportunity to share information between departments.

5. Expand and Promote the Website as an Information Portal

Communication of current information is important to feeling in touch with an organization and access to general policies and documents is essential for employees to have a source of guidance and reference when necessary. Such a repository on the Town of Yarmouth website would continue to be kept up to date to store non-restricted documents such as employee policies, process narratives, Council minutes, and more.

Human Resources

Human Resources Department

Role in the Organization

Human resources (HR) is an integral part of all organizations. In a knowledge economy, it is not unusual to have salaries and benefits as one of the highest organizational costs. Further, hiring the right talent who are aligned with the organization ('fit') and can delivery on corporate strategic goals is fully critical to the organization.

People are often considered the one true advantage an organization has to operate effectively. Fully integrated talent management practices will enable Town leadership to take a holistic view of the 'people impacts' across all Town operations.

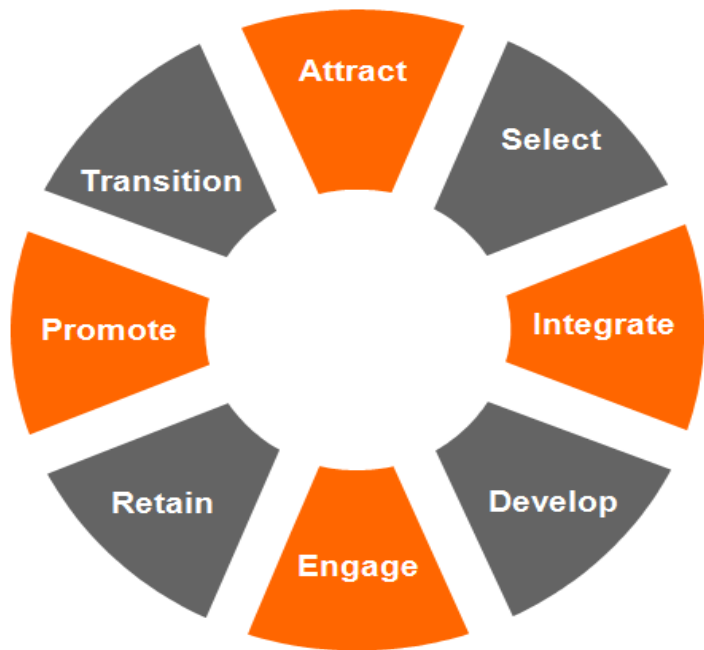
There are 8 broad areas of integrated talent management that, managed well, will enable the organization to achieve its objectives.

Attraction refers to sourcing high calibre talent to the organization. It encompasses typical and non-typical recruiting approaches, using both internal and external 'head hunters'. Attracting or 'sourcing' talent is often cited as one of the major challenges organizations have to overcome, particularly attraction of high-end talent to rural areas.

Selection refers to the process engaged by the town to arrive at a desired candidate in a recruitment process. Leading organizations understand this is now considered a 'two-way street', with both the organization interviewing and selecting talent – as well as the talent interviewing and selecting an organization. This is often referred to as an assessment of "mutual fit". Typically this assessment and selection decision-making is enabled by data analytics (behavioural psychometric assessments) and positional fit benchmarking.

Integration refers to onboarding new talent to the organization. Related to, but different from 'orientation' which typically addresses how an employee will spend his/her first 1-2 days, onboarding/integration refers to the 3-6 month effort to introduce a new employee to the formal and informal 'ways of working', as well as the individuals key to success at a peer & supervisory level.

Develop, Engage, and Retain all address the activities done create a happy, healthy, and productive employees for the mutual benefit of themselves and the organization in pursuit of its objectives. With respect to developing employees, leading organizations identify and invest in employees according to their unique development aligned with the needs of the organization. This is often done in concert with 'coaching based' performance management practices. With respect to engaging employees, leading organizations pay specific and careful attention to the engagement and satisfaction levels of their staff. Many have adopted regular formal and informal assessments of employee engagement – and thusly tailor their staff engagement activities to respond to the needs and observations of their employee base. This contributes to an organizations retention program,



along with robust total rewards platforms, and a culture that offers recognition for exceptional work, excellent work-life balance, strong relationship with colleagues/supervisors, and the opportunity to advance.

Promotion refers to create the opportunity for key talent to progress within the organization. It is often considered in concern with an organizational successional plan. The effective management of a succession plan involves the identification of critical roles in the organization, along with the high potential and high performing staff who have the potential, with development, to contribute to the organization in an increased capacity at some future date. Succession planning efforts are considered to be one of the most instrumental activities undertaken by an organization, in tight collaboration between HR professionals and organizational leaders.

Transition refers to the migration of talent out of the organization, often by way of retirement, resignation, or termination. When the organization shifts its strategic priorities and practices, it is common to have positions (and thusly individuals) affected by such a priority change. Along with retirement and resignation, leading organizations respect and protect their employer brand by treating exiting employees with the respect and courtesy that they were shown when they entered the organization. A robust transition program allows employees to retire, resign, or exit the organization with grace and integrity.

Importance of HR Policies

Each element of the integrated talent management framework can be governed by policy. HR policies are an effective governance mechanism to ensure people management practices are optimally enabled through a clear understanding of what is right/permitted, and what is not. It is effectively an internal control to enable fairness and equity in the workplace as the organization delivers on its mandate. Policies are typically drafted by the HR department in consultation with business/operational leaders and approved for implementation either by executive leadership or a governance body. Leading organizations understand that policies are designed, communicated and enforced in a consistent manner.

Typical benefits of clearly written policies and procedures for an organization include:

- A workforce that clearly understands the rules of engagement in the workplace, abiding by the same policies, consistently enforced. This includes policies as well as HR 'guidelines' and 'procedural documents'
- A platform to allow managers to exercise control and similarly enable staff , thusly treating staff consistently and equitably
- An effective way to send a message to employees that the company cares about them (eg. safety policies, whistleblower policies, employee development policies)
- Enabled decision making along with some legal protection

Consistency

Employees are generally inclined to establish routine. When applied in the workplace, consistency has a positive impact on many broad areas, including:

- **Increased level of comfort** – employees have an understanding of the daily processes that they need to complete. This increases an individual's self confidence in knowing what is expected of them and how to complete the tasks.
- **Greater productivity** – when routine and consistency is applied to tasks performed, this reduces any inefficient time spent determining the appropriate actions to take. Performance that worked in the past and provided satisfactory outcomes (or has been determined by policy as best practice) can be used to complete tasks. The reduced time spent determining an appropriate approach will allow more time to be spent actually completing duties and increase workplace productivity.

- **Well run organization** – having efficient policies and procedures in place that guides consistent performance, leads to an organization appearing well run and non-chaotic. The sense of calm is appealing to both employees and clients to be operating in/with a knowledgeable organization who can handle their operations and provide consistent service.

Consistency can be implemented in the workplace through the use of policies and processes to be followed. These policies must be informative and directive so that employees fully understand what is expected of them and how to perform. Easy access to the policies and process descriptions provides employees with guidance reference when new tasks become present or a reference to use when a change in practice occurs. Ultimately, encouraging a consistent culture in the workplace will allow for reduced ambiguity and misuse of time and resources for the organization.

Job Descriptions

Importance

Job descriptions, or role profiles, are used to help both individuals and an organization to ensure effective operations in a direction communicated by management. Depending on the culture of the organization, you may choose to use a fairly detailed job description or, alternatively, a higher level role profile. In either case, the document will outline the necessary skills, training and education needed by an incumbent, as well as describe the broad level duties and responsibilities within the role. It can then be used in all areas of employment including the identification of hiring needs, streamlining recruitment questioning, alignment of duties to overall organization mission and goals, and as a performance measurement tool.

Communication of Intent

Having a well written job description or role profile provides incumbents the terms of reference for being succession in their position. There is clear communication of the responsibilities to perform, how these duties help the organization perform its mandate and with whom the incumbent will interact.

Consistently Update and Sign Off

Periodically there will be changes that will affect job responsibilities. Due to these changes, it is important for job descriptions to portray the expected performance of an individual in a unique role. Updated job descriptions allow both an incumbent and management to routinely communicate whether expectations are realistic, note any changes in duties and ensure the purpose of the position is still in line with the organizations goals.

Some instances that should result in the immediate review and/or update of job descriptions or role profile include:

- A new position is established;
- Significant changes in responsibilities;
- Re-organization of the unit, division or organization which involves the position;
- Changes in working conditions;
- Changes in technology; and/or
- Periodically reviewed – every 2-3 years

Organizations often link a regular review and 'sign-off' of a job description with the annual performance process.

Onboarding for New Hires

Strong onboarding processes for new employees increase their retention rate and employee morale. The onboarding process is not for the purpose of training staff in their role but rather to introduce an individual to the culture and norms within the workplace. This orientation improves an individual's self-confidence and likelihood of succession a new job. Individuals going through onboarding are more likely to develop rapport and positive relationships with coworkers and the organization. Onboarding is a team responsibility shared between HR, the Manager of the position, coworkers and an identified mentor.

Onboarding is therefore an approach to provide new employees with socializing methods to integrate into the organization's culture in a quick and effective manner. The process can be done online but should have some area of interpersonal introduction. The approach should be designed by the HR department and applied to all new employees. Common practices recommended and used by online software models for onboarding include:

- Reach out to new hires before their start date;
- Plan for a memorable first day;
- Set a schedule for the first week or two to occupy the new hire;
- Introduce new hires to employees of other departments;
- Review job description and corporate plan;
- Allow for feedback and questions on a daily, or more frequent, basis;
- Communicate the culture and norms of the company or department; and
- Allow time for new hires to acclimatize to the new environment.

Implementing the above practices into a planned onboarding process for all new hires will reduce the anxiety and stress experienced in the first week of starting a new job. The process also positively influences efficiency and costs to learning as new hires do not learn by 'trial and error' and have shorter integration time into the workforce and processes.

Succession Planning

Succession planning is a method used to strategically determine and plan for continued talent identification, development, and management within an organization. It uses a process to proactively plan for the training and advancement of qualified individuals to alternative, often higher level positions.

One of the most vital reasons succession planning is important is to consider the transfer of appropriate knowledge from an individual in the position. The process allows for a more streamlined transition for the successor and less strain on both the new employee as well as the department affected by the change. This is especially important for long-standing tenured employees who possess historic corporate knowledge.

Recommendations

6. Formalize Routine Review of Job Descriptions, Policies & Handbook

The Town would do well to ensure job descriptions or role descriptions are established and up to date, the HR policies & programs are fully integrated to address the full suite services identified by the integrated talent management framework presented, ultimately communicated to staff via employee handbook.

7. Optimize Employee Handbook

The employee handbook should be read and signed by employees annually (and any new employee) affirming they've read and understood the included policies. This often notably includes a affirmation of the organizations code of conduct. A non-exhaustive yet critical list of common policies an organization should have in an Employee Handbook includes:

- **Employee Conduct policies** – including dress code, appropriate workplace behaviour, and legal & ethical guidelines for relationships between employees and customers.
- **Compensation/Total Rewards policies** – including equal pay, worker's compensation, timing of pay, deductions and payroll records, etc.
- **Work hours and time away from work** – including business hours, vacation policies, statutory holidays, and paid time off.
- **Employee Benefits** – including insurance coverage, family coverage, bonus compensation, etc.
- **Recruitment/Fair Hiring policies** – including hiring practices, offer of employment and orientation of new employees.
- **Termination policies** – including termination for cause, termination without cause and wrongful dismissal.
- **Disciplinary policies** – including describing the organization's use of either a progressive or participatory approach to notification of misconduct and ultimate termination.
- **Health, Safety, and Environment policies** – including health and safety practices, workplace violence, substance abuse, etc.

8. Fully enable human resource business unit

Town would benefit from fully enabling the role of the HR Coordinator to be optimally effective at leading both strategic and tactic elements of the newly refined integrated talent management experience. The fulsome nature of this HR role will allow both employees and management to understand how they can effectively use HR for guidance.

9. Cross-training

Cross-training should be completed for critical 'must have' tasks within the organization. Cross training protects the organization from risk through intentional/designed redundancy. Effectively, any task deemed critical in the day-to-day operations of the organization should have multiple individuals with the skills to adequately perform the critical duties. Often this is only for a period of time (eg. absence coverage) and may come with additional oversight. Still, this mitigates the risk of short term operational issues due to absences. If managed well, cross training also protects the organization from long term risks resulting from retirements in critical areas of the business – and is an excellent form of engaging long term staff through lateral development opportunities, thereby improving retention and morale. If cross-training is illogical or unavailable, staff can prepare a written document of how their tasks are performed (with step-by-step instructions) which can later be used by another individual to perform the tasks in absence of the incumbent.

10. Formalize On-boarding Program

The Town may consider formalizing its on-boarding program for all new hires. This creates an opportunity for new hires to learn appropriate processes from the start and increases the personal 'fit' within an organization. Management and HR will need to determine who will lead the onboarding process – the HR Coordinator, the department Director or an assigned mentor to the new hire.

Strategy and Planning

Strategy is fundamental to the success and sustainability of any organization. It involves deciding what needs to be achieved, how it will be done, when and whom it needs to be done by, and how progress will be measured. As such, planning is the cornerstone of the management process and is a critical function. Planning of this nature may begin very broadly (such as the development of a strategic plan), or more focused on specific areas of the organization and/or its operations (for example communications, stakeholder engagement, or funding strategies).

Planning and strategy development is an organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment. It is a disciplined effort that produces fundamental decisions and actions that shape and guide what an organization is, who it serves, what it does, and why it does it, with a focus on the future. Effective strategy development and planning articulates not only where an organization is going and the actions needed to make progress, but also how it will know if it is successful.

Recommendations

11. Create a Strategic Plan

The Town should create a strategic plan. The strategic plan will create a clear direction for the Town. This will enable decision making across the organization (spending, resource allocations, etc) in a manner consistent with priorities, and which may help advance the selected priorities at an agreed upon pace.

12. Ensure strategic plan is communicated and accessible

The strategic plan would optimally be communicated and accessible to all. If employees understand the goals of the organization they work for, efficient work processes can be identified as it is generally the operating staff who know their duties well enough to identify areas not aligned with strategic goals. Processes to monitor and report on progress are part of the communication plan for a strategic plan.,

13. Ensure management buy-in to strategic priorities

Leadership in the town should ensure "management buy-in" for implementation of strategic goals. Directors and managers must not only understand the strategy, the importance, and the pillars to ensuring success of the strategy, but they must 'buy-in' to aligning department operations/actions to strategic goals. This is a critical change management nuance that can enable/disable effective implementation of priorities if not firmly in place. The strategic plan should be used by Council and management in both strategic and daily decision making processes.

Coaching Based Performance Management

Performance Management

Performance management has evolved in recent years. What was once about completing annual assessments or ‘appraisals’ is now about an ongoing culture of development and ‘coaching’. It is this coaching based performance management concept that leading organizations have deployed with great success to employee morale and organizational objectives.

It remains critically important the both the organization and the employee are aligned on the employees role and what is expected of them from a performance accountability point of view. Clarity of employee objectives serve to benefit both the organization who knows what each individual will continue, and the employee who understands how they will be managed, and has clearer line of sight between their contributions and success of the organization. The difference now is that a coaching-based approach is deployed on a day-in-day out basis with a focus of helping or ‘coaching’ an employee to optimal performance. This can include coaching on technical elements of a job that can contribute to high performance as well as coaching on ‘soft-skills’ or competencies that can enable their performance and overall success in their role. This is increasingly critical in today’s workforce as long term sustainable success has a greater foundation in ‘how’ an individual achieves success rather than ‘what’ they are technically doing. This coaching is provided real-time as developmentally facilitative mentorship, rather than the former approach to performance management which was often received as bi-annual/annual criticism. For clarity, an annual review/planning meeting is often still conducted to recap past successes, plan for future goals & development, and/or make requisite compensation adjustments. Training is typically provided to managers on effective coaching to enable performance.

In similar fashion, Council may work with the CAO to ensure the incumbent to that role has clarity in mandate, has the tools to get the job done, and is provided the opportunity for active/regular dialogue on successes achieved and resources required to deliver on future objectives.

Goal Setting

To foster a culture of feedback and accountability, and generally to ensure employees are aware of the expectations inherent to their roles (including how they are performing against these expectations), it is important that the employee’s performance is both measurable & measured. This often achieved through the articulation of individual goals. This is aligned with coaching-based performance approach in that it enables constructive coaching opportunities on a more regular ‘real-time basis’.

Leading organizations set goals for the overall performance of the organization. This is articulated in their strategic and annual plans. Well set, those goals cascade to a departmental/business unit level. Ideally, setting goals for (with) individual employees is simply an exercise to cascade that exercise one step further. Employees crave an understanding of how their day-to-day actions contribute to the overall success of the organization. That goal alignment differentiates highly effective operations from those struggling to achieve goals/priorities.

Setting individual performance goals is a two-way process, involving both the employee and management/leadership of the organization. Consideration should be given to ensuring that the performance targets identified for each role are realistically attainable, measureable, and explicitly stated at the outset of the performance period. Contrary to past performance management practices, that may be short term (1-3 months) or long term (1-2 years).

Frequently when performance management is mentioned, people think of the employee performance appraisal or review. Performance management, however, involves much more than the appraisal or annual conversation. Leadership should invest in robust goal-setting aligned to overall organizational direction – and then motivate and coach employees to achievement on a real-time, ongoing basis rather than once/twice per year.

Feedback

The basis for effective coaching based performance management is feedback. It is one of the cheapest and most powerful tools for providing employees with direction and guidance. It is provided in both formal and informal methods, and provides an employee incredibly valued external perception of their success and opportunities for improvement, along with the support to be even more effective. Unfortunately, many people do not receive sufficient feedback at their workplace to impact their behaviour or technical knowledge. Relaying coaching advice that is constructive in nature is often not in the 'toolkit' of the modern manager. Yet feedback is so critical to the employee experience. Without this awareness, employees cannot align with the organizational direction, and can't improve in areas they may desire. When feedback is part of a corporate culture, it helps employees relate to whether or not they are achieving their goals, what they are supposed to be achieving in their role, what they are currently doing well and what areas require improvement, and how they are impacting others in the workplace.

The important aspects to remember when providing ideal coaching based feedback is that it must be provided in a manner that is:

- **Timely** – individuals learn by correlating their performance with a response (feedback received). Feedback should be provided as close to the related action as possible – i.e.: after a big job is completed.
- **Specific** –describing the actions/performance that lead to feedback is critical, whether complimentary or constructive feedback. Ambiguous feedback does not allow for focused improvement goals, nor does it properly reinforce/reward successes.
- **Appropriate** – feedback should be provided in a constructive and positive manner. Leaders should concentrate on celebrating successes and, where required, discussing alternative actions that could've bread success. This is a desired approach rather than 'attacking' the original actions of the employee.

Recommendations

To better enhance the performance management and appraisal approach currently implemented by the Town, the following should be implemented:

14. Train management on coaching-based performance management

15. Implement coaching-based performance management across the organization

Training and Development Strategy

In any organization, professional development for employees is of paramount importance. This especially holds true for professions that have constant change and companies looking to grow their employees in their careers and management positions. In order to remain relevant, it is key that leadership and employees receive appropriate training and professional development (regardless of how formal or informal) to help facilitate that. Similar to not-for-profits, municipalities struggle with the challenge of expending funds on professional development for employees, it is especially important therefore that the organization develop a training and development strategy to make strategic and financially prudent investment decisions.

Job competency models are the innate skills or 'traits' that an incumbent must demonstrate with satisfactory proficiency in order to successfully carry out the expected requirements of a given role. They address both the technical and the behavioural attributes required to do the job well. Establishing job competency models for the unique positions within the Town will allow for the completion of a skills gap analysis. The skills gap assessment is an evaluation on the degree to which an incumbent possesses the required competencies of the role they hold. This information then forms an important input into the training and development strategy for each team member.

Recommendations

16. Skills Inventory and Training Plan for Each Position

Management should review the skills and competencies necessary for success in each role, and develop employee specific strategies to ensure that they are being offered training and development opportunities.

17. Plan for Employee Absence and Leave

Consideration should be given as to how cross-training and sufficient coverage can be provided for key responsibilities and activities during employee absences, and these contingency plans should be documented to ensure training is developed to support the plan.

Leadership and Culture

Leadership comes in many forms. It is not always a position title that determines leadership but the ability to lead through inspiration, persuasion and personal connections. Leadership can be shown through the formal or informal influence, and soft skills an individual possesses. It's not just the creation of results that makes good leadership but the ability to make others feel passionate about being a part of the cause (ie: involved in the company, spearhead a new project, suggest improvement ideas). These soft skills are usually gained through a combination of coaching sessions and on-the-job learning managing a department.

Effective leaders are able to deliberately create challenging results by enlisting the help of others. They can change company cultures, empower others, and ultimately rally employees around a common goal. Good leadership is an essential key to corporate success.

Although leadership can manifest itself in different ways in different people (and can be situation dependent), there are some common key traits that are often inherently present in leaders. Some of the most important characteristics include:

- **Self-Awareness.** You have an intimate knowledge of your inner emotional state. You know your strengths and your weaknesses including your capabilities and your limitations, which allows you to push yourself to your maximum potential.
- **Self-Direction.** You're able to direct yourself effectively and powerfully. You know how to get things done, how to organize tasks and how to avoid procrastination. You can make decisions quickly when necessary, considering all the options on the table.
- **Vision.** You're working towards a goal that's greater than yourself. It could be something small, like the success of the team, or a larger vision like world peace. Working towards a vision is far more inspiring than working towards personal gain.
- **Ability to Motivate.** Leaders don't lead by telling people what they have to do. Instead, leaders cause people to want to help them. A key part of this is cultivating your own desire to help others. When others sense that you want to help them, they in turn want to help you.
- **Social Awareness.** Understanding social networks and key influencers in that social network is another key part of leadership. Who in the organization has the most clout, both officially and unofficially? Who moves the hearts of the group?

In partial contrast to leadership, management drives at something completely different:

- Management normally focuses on work and tasks – very tactical activities
- Linked to inputs: people, time, equipment and anything else that involves achieving a designated task
- Primary focus is on managing a team of people and their activities
- A manager has been given authority by the nature of their role.
- Often times, high performers at an employee level
- Primarily based on a skill that you know how to use, and know how to enhance.

Many leaders and managers alike fail to realize the direct impact they have in shaping culture. It is crucial that people leaders at all levels are aware of their roles and responsibilities in upholding the positive work environment. A culture will form in all organizations – the opportunity apparent is whether or not leadership will help shape it for the benefit for all, or ‘let it happen’ potentially to the detriment of employees. Some building blocks of any flourishing organization include developing a culture of trust, mentorship, and delegation.

Culture in any organization is very important, playing a large role in whether or not the organization is a happy, healthy place to work. While many managers/leaders acknowledge that culture is significant, it is important to put this acknowledgement into action as it relates to fostering the development of culture and advancement of change.

Recommendations

18. Optimize Leader & Team Dynamic

Continue to enable collaboration culture between organizational leadership, departmental managers, and staff staff with a focus on workplace strengthening. This includes may include periodic informal assessments of the dynamic between leadership and the team to ensure communication flow, trust, mentorship, and delegation is occurring naturally and optimally.

19. Director and Departmental Meetings

Monthly Director meetings should continue. Directors should provide updates of their department ` activities and successes to each other and to the CAO. Departmental meetings should be held regularly in all departments. Directors can use the opportunity to compile information for their department report, as well as sharing the reports from other departments.

Governance

Municipal entities play an important role in our society. They are the closest government to the people and provide basic services including water, transportation, sewage and garbage collection, fire and police protection, recreation and planning services. All publicly accountable organizations face numerous challenges in responding to the growing expectations of their stakeholders in a complex operating environment. Under these conditions, well-governed municipalities have proven to be more effective than poorly governed ones. To accomplish their goals successfully, municipalities require a robust system of governance, at the head of which must be an effective Council.

Governance refers to the processes and structures used to direct and oversee and provide strategic direction to an organization's operations. It defines the division of power and establishes mechanisms to achieve accountability among stakeholders, the CAO and Council members. Good governance systems are designed to help organizations focus on the activities that contribute most to their overall objectives, use their resources effectively, and ensure that they are managed in the best interests of their stakeholders.

Role of Council

An effective Council is very important to a municipality if they are to successfully meet the challenges created by funding struggles, shifting demographics, increasing expectations and heightened accountability.

According to 'A Handbook for Municipal Councils', the members of Council, including the Mayor, have the following statutory responsibilities while acting at a local government level:

- To consider the well-being and interests of the municipality and its community
- To contribute to the development and evaluation of the policies and programs of the municipality respecting its services and other activities
- To participate in council meetings, committee meetings and meetings of other bodies to which the member is appointed
- To carry out other duties assigned by the council, and
- To carry out other duties assigned by or under the Municipal Government Act.

Decision Making

Council generally follows a mandate to plan, manage and deliver essential services, develop long-term plans, establish policies and implement programs for local economic development as well as social and environmental sustainability. Council, through the Municipal Government Act, is granted the necessary power to make these decisions and exercise duties by way of resolutions, policy creation or by-law enactment.

Governance vs. Administrative

Governance, in the form of policy making and providing direction for the organization is the role of council and separate from the administration of the organization. Separation of the political and administrative duties allows for accountability within roles and retains the Council's status to provide oversight and direction. It is the CAOs responsibility to act as liaison between Council and the administrative staff unless the Council has not appointed a CAO.

In compliance with the Municipal Government Act; *no council member, committee or member of a committee established by the council shall instruct or give direction to, either publicly or privately, an employee of the municipality.* Council may only provide direction to the municipality's administration through appropriate communication of plans, policies and programs for the municipality to the CAO.

Recommendations

In relation to Council and governance, going forward the following processes should be implemented.

20. Priorities and Objectives of Council

Priorities and objectives for each Council term should be determined early in the Council mandate. Having these short-term priorities and objectives that align with the Town's strategic plan will help stakeholders identify areas that are important to current Council and strategies to support these.

21. Governance – Orientation for Council

An orientation process is critical for all Council members. Council orientation can assist new members in understanding duties and expectations as well as giving Council clarity on present and future priorities or work in progress.

22. Governance – Assess Organizational Impact

This is a means to discuss and identify the impact of a decision on those involved in the process and those affected by the outcome. Employees should be consulted through the CAO, on their ability to implement pending policy decisions.

Employee Morale

Employees are critically important to the success of a municipality. They perform the daily duties to keep the organization serving the community in a manner determined by Council. They are face to face with the public when infrastructure requires fixing, providing emergency service response, ensuring clean water and garbage removal, and answering any queries and concerns raised in person or over the phone. To provide efficient services, employees need to feel motivated and willing to perform assigned duties. Employee morale is a large contributor to this sense as it is the cornerstone of their emotional state.

Employee morale affects motivation and is therefore, linked to how productively and efficiently daily duties are completed. The impact of low employee morale can affect productivity and has underlying costs to the organization. Research by the Gallup Organization has estimated that, in North America alone, there are 22 million actively disengaged employees costing the economy as much as \$350 billion dollars per year in lost productivity. Costs relating to human resources are often the highest costs to an organization. Investments in training and workplace improvement help to reduce the costs of low morale.

The following highlights the impact of morale on an organization.

Negative Morale Impacts

- **Productivity challenges** – low morale has been linked to increased absenteeism which impacts personal productivity as well as those that rely on the work performed by absent individuals.
- **Less engaged workforce** – low morale reduces the self-satisfaction in work performed resulting in a workforce that has less productive teams, disengagement with customers and the adoption of withdraw from providing meaningful effort in a job.
- **High turnover** – as employees lack the motivational force to stick with a job and learn coping strategies for difficult job requirements, new skill knowledge or interaction with coworkers. Some turnover can infuse the organization with new ideas, however high turnover is not ideal.
- **Unnecessary company costs** – as employees are less productive, absent more frequently and have to be replaced, this cost to an organization is immense.

Positive Morale Impacts

- **Productivity improvement** – positive morale results in increased self-esteem and job satisfaction. Employees are more determined to work in an effective manner and take on additional work to help their department function better.
- **Collaboration efforts** – positive morale within the workplace leads to the willingness to work with and help/support other staff members. This collaboration gives employees a sense of shared vision and further amplifies morale.
- **Employee retention** – positive morale has been linked to employees staying longer at their place of work and taking on increased efforts to manage greater responsibilities. Ultimately leading to a workforce with the skills, knowledge and enthusiasm to work effectively.
- **Cost saving** – due to the efficiencies experienced by an engaged and collaborative workforce, cost savings are amplified.

Teamwork/sense of team

Teamwork refers to the process of working collaboratively with a group of people in order to achieve a common goal. Teamwork is critical to the effective functioning of any organization. Inherent in the notion of teamwork is that people align themselves on a common objective and cooperate in the pursuit of that objective using their individual skills.

Team work is important in the context of a business environment as it fosters:

- **Problem solving:** Each team member has a responsibility to contribute equally and offer their unique perspective on a problem to arrive at the best possible solution. Teamwork can lead to better decisions, products, or services. The quality of teamwork may be effective by analyzing the following six components of collaboration among team members: communication, coordination, balance of member contributions, mutual support, effort, and cohesion. In one study, teamwork quality as measured in this manner correlated with team performance in the areas of effectiveness (i.e., producing high quality work) and efficiency (i.e., meeting schedules and budgets). A 2008 meta-analysis also found a relationship between teamwork and team effectiveness.
- **Healthy competition:** A healthy competition in groups can be used to motivate individuals and help the team excel.
- **Developing relationships:** A team that continues to work together will eventually develop an increased level of bonding. This can help people avoid unnecessary conflicts since they have become well acquainted with each other through teamwork.] Team members' ratings of their satisfaction with a team are correlated with the level of teamwork processes present.
- **Everyone has unique qualities:** Every team member can offer their unique knowledge and ability to help improve other team members. Through teamwork the sharing of these qualities will allow team members to be more productive in the future.

Recommendations

Employee morale within the workforce at the Town will be positively impacted with the implementation of recommendations stated in this report. Additional contribution to morale include:

23. Proactively build culture – staff events

The Town will contribute to positive morale by continuing to proactively build the culture of the organization. The 'needs' of the culture will change over time based on the priorities of the organization and the unique needs of the employee base however will always be grounded in the requirement for a strong sense of being part of a team. Leadership, with input from employees, may put additional consideration to appropriate staff/team building activities. The appropriate number and nature of events may change over time but the need for affiliation will not.

24. Soft skills training

Many of the managers and supervisors within municipal government, including the Town, are technical experts in the areas of Planning, Engineering, Accounting, Emergency Services etc. The role of management and the soft skills, or people skills, required for management roles are important to success in management positions. Investment should be made in developing the soft skills of managers throughout the Town.

Budgeting

Budgeting is used to plan for the future and compare the past performance to the financial plan. A budget provides management with a process to plan for future success and prepare mitigating actions for foreseeable difficulties. Budgeting may also be used as an organizational performance measurement tool.

Municipalities are required by the Public Sector Accounting Board standards to prepare financial statements which include a comparison to budget. The Financial Reporting and Accounting Manual of the Nova Scotia Department of Municipal Affairs provides structure for budgeting should and reporting that guides all municipalities in the province. Through the budget process, Council members should achieve a level of comfort and understanding for any large or important changes in the budget in order to approve the budget and associated tax rates.

The Government of New Brunswick recommends municipalities follow the following process when setting budgets:

1. **Establish a Budget Calendar** – determine a timeline for the annual process, allowing sufficient time for information gathering, consolidation of data and employee deadlines. This must be agreed upon and communicated to all related parties for an effective process.
2. **Request Input from Others** – appropriately involve staff who can provide insight on the upcoming needs of each department. At a minimum, this should include the department directors, funded project supervisors, accounting staff, asset management coordinator, the CAO and Council.
3. **Collect Necessary Information**
 - a. Annual plan for expenditures (programs and services) – ideally these should be identified by department and linked to strategic priorities
 - b. Forecast revenues for the year – broken into component revenue streams for identification
 - c. Sufficient support for large increases or decreases in any areas.
4. **Review Information and Prepare Draft Budget** – Director of Finance or CAO to review the budget information submitted by department, following up on insufficient support information or support documents.
5. **Review Draft and Make Changes** – CAO to present the budget to Council and provide a wholesome understanding for areas of change, or no change where previously expected. Council is responsible for assessing and questioning the long term strategy of supporting the proposed budget.
6. **Approval by Council and required minister (if applicable)** – approval by majority vote from Council. It is then the CAO's responsibility to communicate the approved budget to related departments and project supervisors.

Recommendations

25. Budget Process

The budget process should to be documented and communicated to all those involved in the process, internal and external.

The budgeting process documentation should include::

- **Set deadlines** for required information (ie: monthly statements, department budget estimates, etc.)
- **Link changes in funding** to strategic goals/priorities of the Town.

- **Meetings with Directors** to gain an understanding of upcoming fiscal plans/needs/wants. This should be attended by the CAO in order to provide Council with sufficient insight. (The initial meeting with Directors will likely also prove to be an information session on the importance of accurate budgeting and the need to be honest between needs and wants of departments).
- **Determine** how large of a change in annual budget line items must have supporting information linking the amount to strategic priority improvement actions.

Part B - Resource Review

Organizational Structure & Team Sizing Assessment

Structural Assessment

The structure presents a means of dividing employees into departments that can be managed by one department director. Each department director should be working with similar organizational goals and provided oversight and guidance from the most senior level of authority, the Chief Administrative Officer (CAO).

The organizational structure of the Town generally represents the structure that has been reviewed in other municipalities. When reviewing the structure of operations, it is important to consider three major considerations: (i) *separation or clustering of work*, (ii) *supervisory spans of control*, (iii) *levels of organizational structure - flat vs tall*

Separation of work

Separation of work refers to the logical clustering of like activities together to achieve organizational benefit. This clustering normally creates departments and divisions that are managed by appropriately trained resources. Specifically, the Town's organizational structure represents the normal separation of work expected in a municipal unit (e.g. Public Works, Planning/Development, Economic Development, Fire, etc.) and is highly aligned to other comparable municipalities in how work is divided organizationally.

Supervisory Spans of Control

Spans of control refers to the number of direct reports a supervisor manages. In a knowledge based environment the optimal spans of control are between 5:1 and 8:1 (i.e. one manager supervising 5-8 employees). In processing environments that are highly characterized by repetition of tasks, the optimal span of control raises to approximately 15:1 (one manager supervising 15 staff). Generally, the span of control should be as broad as possible without sacrificing efficiency and exceeding number of staff that an individual can effectively supervise.

Upon review of the Town's organizational spans of control, we are satisfied that the Town has intelligently determined appropriate spans of control across each major cluster of work activity. It is noted in many cases the spans of control are much less than the optimal benchmark (8:1) however this occurs in departmental areas that are specialized or technical in nature, thus requiring appropriate technical supervision.

Levels of Organizational Structure – Flat vs Tall

The 'flatness' or 'tallness' of an organizational structure is often referenced by the number of levels in the organizational hierarchy. For a small or mid-sized organization, a flat organization will generally have 3-6 hierarchical levels. For small or mid-sized organizations, seven or more levels is generally considered relatively tall. There are advantages and drawbacks for both flat and tall organizations but organizations are more often opting for flatter structures in an attempt to stay nimble and responsive to customer demands.

The Town of Yarmouth has an organizational chart that can be, relatively speaking, defined as flat. This is well suited to the Town's operations and compares appropriately to other regional Municipal units reviewed. There is no overwhelming force to make material changes to the Town's organizational structure.

While a flat organizational structure presents some challenges, particularly in the context of limiting vertical career movements for promotion-ready employees, there are equally many benefits:

Benefits of flatter organization charts

- *Cost Efficient*

In a flat organizational structure, by definition the Town has fewer middle-manager layers between the executive and the staff. This means that there are less cost attributed to overhead and administration associated with excess middle managers. The flat organization typically runs more ‘fluidly’, thus reducing the Town’s costs associated with redundancy and unnecessary hierarchy.

- *Adaptable*

Employees and work groups in flat organizations tend to be more adaptable in changing or unique circumstances, due to their smaller hierarchies and lack of bureaucracy. When front-line employees are empowered to handle customer/citizen complaints with lesser management intervention, complaint resolution can progress more efficiently, boosting both client and employee satisfaction.

- *Enhanced Flow of Communication*

When communication is passed across many management layers, there is a high chance of miscommunication. Flat organizational structure helps avoid this by allowing the upper management to take direct input from employees, and vice versa. Communication flow is often faster in flatter organizational structures as well. Employees are thusly more responsive to customer and organizational needs.

- *Decision Making*

Flatter structures are more flexible and adaptable than taller structures. That level of flexibility means decisions are made on an “as needed” basis, which makes it easier to serve the citizens. In a tall organization, a staff member needs approval from a supervisor who needs approval from a manager, and so on, before a decision is made. In a flat organization, staff members have more power and can make some decisions immediately. Organizational structures with fewer layers of reporting often contain less bureaucracy. Decisions are therefore quicker, giving the company greater agility and mobility.

Team Sizing Assessment

The Town’s FTE resource base is generally aligned when compared to similarly sized municipal organizations. The organization must make annual decisions on adding/subtracting staff on the basis of regular, ongoing, and fluctuating business demands but would not likely engage in *material* addition or subtraction of multiple FTEs as a measure of increasing operational efficiency. A glimpse of the Town’s performance against benchmark is provided below, using two measures (FTE per 1000 citizen served, and FTE per \$1M budget). For your confidence, the industry comparator data is Canadian municipal governments of similar size & scale to the Town.

Team Size - Data		
	FTE per 1000 Citizens	FTE per \$1M Operating Budget
Town of Yarmouth	8.7	3.4
Industry Comparator (Avg)	8.4	3.6

Human Resources Challenges and Opportunities

Human Resources (HR) is important for managing and ensuring employee intelligence within an organization. It helps to determine who should get hired and how to keep a continuously engaged workforce operating in line with corporate goals and objectives. The implications of hiring the wrong individuals can influence a whole organization creating a negative atmosphere which promotes a disengaged workforce, reduced morale and performance troubles. An unhappy workforce will lead to difficulties in retention of employees, struggles to recruit new employees and ultimately influence succession of management positions.

Below is a brief overview of the three areas surrounding obtaining and maintaining an operational workforce. That is; the recruitment of employees, retaining employees; and planned succession for possible vacant employee positions.

Recruitment

Recruitment involves attracting and selecting candidates for employee positions. Ideal recruitment processes involve attracting multiple appropriately skilled candidates for selection. The larger the candidate pool, the more opportunity the organization has to select a candidate that aligns well with the goals and current culture within the organization. This, in turn, increases the retention potential of the individual. The Town has the following challenges and opportunities to overcome and utilize when trying to attract candidates for employment:

Challenges:

- Rural location
- Provincial migration of young population
- Reduced ability to use monetary enticement
- Perception of public service jobs

Opportunities:

- Job security
- Ability to plan career path
- Availability of entry-level positions
- Broad experience opportunities

Retention:

Once candidates are successfully selected and hired, organizations concentrate on retaining their employees. Retention of employees is beneficial in both cost saving and knowledge growth. The cost of replacing an employee is considered to be in the range of 30-40% of their annual salary. If this occurs on a high frequency, costs become exhaustive and extremely costly to the organization. These costs are not just related to the direct hiring costs but also paid days spent onboarding and teaching new hires in their roles.

The positive influence of retention is that individuals gain increased continued experience in the industry and job they are hired for. Senior employees are able to train and provide direction to those below them as well as gain knowledge on the expectations of those above them. The more comfortable an employee becomes in their role, the more effective they can complete their duties.

The retention challenges and opportunities experienced by the Town are similar to those all businesses face. Management and the HR department must familiarize themselves with the expectations of their workforce and attempt to meet reasonable expectations to retain their staff.

Challenges:

- Mobile workforce
- Non-committal attitude of younger generations
- Monetary dissatisfaction
- Little opportunity for advancement

Opportunities:

- Self Development
- Availability of entry-level positions
- Reward top talent
- Compensation packages
- Work/life balance means

Succession

Succession is the process to outline a future leadership plan. No position can be held by the same individual forever. Succession planning therefore identifies the current and future knowledge gaps and allows management to plan for appropriate replacement of individuals when necessary. Appropriate planning ensures the successful transition of personal development and knowledge sharing to prepare an individual for a role with different responsibilities.

Organizations should continuously monitor their succession plans and ensure that objectives are in line with industry trends and any strategic decisions. The Town is likely to experience challenges and opportunities in the following areas. Mitigating factors should be identified to reduce the challenges that may be experienced.

Challenges:

- Limited choice for successive candidates
- Limited time to train successors
- Lack of adequate mentoring

Opportunities:

- Increased one-on-one personal transfer of knowledge
- Buy-in and personal development by candidate

Leading Practice in Human Resource and Talent Management

The Town is provided with the following top practices in human resource management:

HR Strategy

- A defined, documented, and actionable human resources strategy is developed for the organization
- Reviewed annually to ensure alignment with business strategy and the priorities of the organization;
- Rooted in the philosophy that HR is a results-oriented value centre. Strategic and operational KPIs documented in the plan to manage value for cost;
- Human Resources service delivery mechanisms reflects the strategic priorities; processes, practices, and programs built to deliver on HR commitments;
- Empirically based behavioural competency frameworks built to align with future organizational requirements.

Total Rewards:

- Compensation philosophy takes a 'total rewards' approach incorporating base pay, benefits, retirement savings, recognition, flex-time, and other non-financial rewards.
- Compensation frameworks are fully aligned to organizational needs and benchmarked regularly.

Workforce Planning:

- Workforce plans are driven by future priorities and/or strategic planning process;
- Business unit plans are developed jointly with organizational leaders to assess future workforce requirements – volume of exiting/incoming employees, skills matrix, succession planning depth, etc;
- Workforce plans are monitored during execution (adjustment to plan as necessary).

Leadership Development

- Executive coaching programs enabled to assist leaders succeed in the role;
- New leader programs are formally put in place to ensure individuals new to their role;
- Team based leadership development occurs through a formal program designed to enable success through the unique traits of each leader on a team;
- High potential 'next generation' leaders and 2ICs are put through formal leadership development programs;
- Analytics are used via psychometric assessments to make empirical decisions to optimize investments

Employee Recognition

- Organizations recognize and celebrate the fact that recognition for performance is a top employee motivators;
- Recognition programs are aligned to coaching-based performance management systems;
- Recognition celebrates both regular and on-off successes;
- Based on behaviour observed by both supervisor and work colleagues.

Wellness:

- Employee wellness is integrated into the cultural DNA of the organization;
- Often balanced with parallel programs including flex-time or healthy living incentives;
- Return on investment managed through improved retention rates, increased productivity, reduced absenteeism and improved employee engagement.

Organizational Design

- Design principles are established to ensure the structure of the organization meets the needs of the business;

- Deliberate intention is placed into how the entity will organize to meet future business demands (geography, product, function, matrix), height and depth of the organization, spans of control, and role clarity.

Identifying and Sourcing Talent:

- Linked from workforce planning, a strategic recruitment plan is established;
- Critical information include key hires, key timelines, and natural business cycles are identified proactively;
- Rich data analytics are used to profiling candidate behavioural attributes and benchmark suitable to roles;
- Expert support is used for hard-to-fill positions and/or executive roles requiring additional independence from the organization.

Integration:

- Onboarding to key individuals in the organization provided over the first 3-6 months of a new employees arrival to the organization;
- Orientation (1-3 days) complements the integration schedule to address urgent needs such as payroll, benefits, pension enrolment, and technology requirements;
- Employee is (re)introduced to performance and behavioural expectations and completes their personal scorecard;
- Coaching/mentoring meetings established formally in employee/supervisor calendars for the entire year.

Managing Performance:

- Coaching based performance management used rather than annualized 'once per year' appraisals;
- Specific goals are established that linked individual contribution to organizational success.

Developing Talent/Succession Planning:

- The succession planning and management processes is integrated with workforce planning and employee development/performance planning.
- Succession is completed at the top level of the organization and expanded to include critical roles or those hard-to-fill roles in the organization

Part C – Governance & Trends Review

Openness in Local Government

Public sector governance captures both the systems used to describe the authority and decision-making powers & obligations a municipal entity, as well as the ongoing involvement of municipal citizens in the accountability of council. By nature of local government, strong transparent governance places inherent value on the stewardship of the social, economical, political, and environmental necessities of the community.

One of the cornerstones of open and transparent government is to conduct government business in a manner that is open and accessible to the public. Meaningful participation in the democratic process requires citizens have access to their elected officials. One of the critical ways elected officials, and the general public alike, increase education and make informed decisions is through the use of open meetings. Except under special circumstances, council and committee meetings ought be open to the public.

This report explores two entity structures in scope: Council and Inter-municipal Corporations.

Council

Structure & Composition

In Yarmouth, there are seven elected officials chosen through good democratic process to represent the community. Together they form the Town Council, presided by the Mayor. As a unit, Council is tasked with exercising the powers of the Town acting in full harmony with a principle for accessible local government to citizens.

The Chief Administrative Officer is the head of the administrative branch of the Town and is responsible to the council for the proper administration of the affairs of the municipality in accordance with the by-laws of the municipality and the policies adopted by the council.

When appropriate governance processes are set by Council and adhered to, the benefits influence all of those involved from decision-making, to those who implement the changes, and the public who receive the resulting services.

Governance Tools

Governing bodies follow many practices which guide the actions of their members and promote informed decision-making. The following is a brief list of governance practices and tools used by governing bodies to ensure the effective and honest actions of their members:

- Document retention policies
- Financial transparency policies, and
- Public disclosure policies

Decision Making

Council shall make decisions in the exercise of its powers and duties by resolution, by policy or by by-law. With specific regard to when each is used, per the Nova Scotia MGA:

- The council may exercise any of its powers and duties by resolution unless a policy or a by-law is required by an enactment.
- The council may exercise by by-law any of the duties and powers that it may exercise by resolution or policy.
- The council may exercise by policy any of the duties and powers that it may exercise by resolution.

In order for policies to be made, Council must follow the process as set out in the Municipal Government Act:

- Before a policy is passed, amended or repealed the council shall give at least seven days notice to all council members.
- Council members shall be notified at least three days in advance of meetings and the clerk shall give at least two days public notice of the meeting.
- A quorum of Council members must be present at each meeting of the council. A majority of the maximum number of persons that may be elected to the council is a quorum
- Unless otherwise prescribed by statute, a question arising at a council meeting shall be decided by a majority of votes.
 - Subject to the *Municipal Conflict of Interest Act*, all council members present, including the person presiding, shall vote on a question.
 - If no vote is made by a council member, the vote is deemed to have been made in the negative, and
 - In the event of a tie in a vote on a question, the question is determined in the negative.

Use of Committees

Quoting the NS-MGA, Council may establish standing, special and advisory committees. Each committee performs the duties conferred on it by the MGA, any other Act of the Legislature, or the by-laws or policies of the municipality. A committee shall operate in accordance with the procedures provided in the MGA. The procedural policy for Council applies to committees unless Council, by policy, decides otherwise.

Committee of the Whole

The use of Committee of the Whole is an increasingly common method to enable Town participation in municipal affair, contributing to greater openness, agility, and dialogue between the Town and citizens. A Committee of the Whole allows all of Council sits as a single committee, engaging in dialogue of Town business with themselves and the public in a less formal setting than Council meetings. The procedural rules for Committee of the Whole allow collegiate discussion with questions and answers, rather than as a sequence of speeches each with minimal interruption from other members which are typically moderated by the official presiding over Council. The Committee of the Whole may differ from other committees, such as standing committees and special committees, in that rather than limited membership, the Committee of the Whole is comprised of full Council.

Committee of the Whole meetings provide the Town an excellent opportunity for Mayor and Council to gather information and discuss complex issues in greater detail than would be normal in a regular Council meeting. It allows Council to fully vet and consider issues and potential Council agenda items thus increasing Council's preparedness. Committee of the Whole members, as well as the public, therefore have the opportunity to workshop ideas in a manner that is not constrained by the same procedural rules found in Town Council

meetings. With benefit of that dialogue, any outputs moving forward to Council will do so with the benefit of robust dialogue and increased vetting which in turn increases the effectiveness of Council meetings.

Committee of the Whole meetings are inclusive environments. This ensures that the entire Council and public alike is able to hear presentations, depositions, and participate in discussions on all civic issues. This is in full agreement with the Town's commitment to openness and accountability. Improved use of Committee of the Whole format may also reduce the number of overall committee meetings which could have downstream benefit in reducing the amount of effort required to produce agendas and minutes.

Public attendance and participation should be encouraged at Committee of the Whole meetings as members of the public will benefit from having the opportunity to address all members of Council at once, in freer dialogue, rather than smaller groups of Standing Committee members or through Council.

Inter-Municipal Corporations

Inter-municipal corporations can help municipalities increase effectiveness and efficiency in the delivery of services, particularly those services that are common between neighbouring municipal units. As municipal responsibilities become increasingly complex and demanding, municipalities should continually seek out the best way to provide the services needed by their communities. One tool to assist in addressing this challenge is intergovernmental corporations. In Nova Scotia, local government may choose to engage in cooperative initiatives with neighbouring municipalities through mechanisms such as inter-municipal agreements or development plans, mutual aid agreements, and/or regional services commissions.

By comparison, the Province of Alberta has made MGA amendments (2017) focused on further collaboration and partnering. The objective of the amendments is to improve municipal relationships, planning/processes, and local decision making. Amongst the modifications they've made, the Province of Alberta points to improvements to reserve land, joint use & planning agreements, off-site levies, and conservation reserves. Broadly and specifically, these improvements can be a benchmark for Town of Yarmouth.

Inter-municipal corporations form an important part of the fabric of the Town of Yarmouth – and help ensure a broad range of service and support provision to residents and the business community. The Town has entered into numerous agreements with neighbouring municipalities including the Municipality of the District of Yarmouth, the Municipality of the District of Argyle, the Municipality of the District of Clare, and the Municipality of the District of Digby.

One critical piece of effective inter-municipal relationships is to minimize the likelihood and impact of overburdened the CAO. It was generally felt that a modified structure could improve the level of administration and improve the effectiveness of the relationship between the Town and inter-municipal units. This may be done in conjunction with a review of mandate of those inter-municipal corporations. Those we met with spoke positively of the advancements the Town has made in strategic hires, and increasing the profile of the Town – which ultimately has a trickle down benefit to neighbouring municipalities.

With respect to the business planning and budgeting process, Municipal corporations need to budget early in order to inform the Town of their financial needs and requests. The Town needs that information as an early input to its budget process.

Municipal corporations should receive communication from the Town, annually, outlining budget timelines, process requirements and approval timeline expectations. Clear expectations and processes for information flow for financial reporting needs to be documented between the Town and its inter-municipal corporations.

Recommendations

26. Communication – Town Council & Committee of the Whole Meeting Notices

Town Council and Committee of the Whole meeting notices and agendas should be sent to managers and chairpersons of inter-municipal corporations in order to facilitate greater awareness of the council activities.

27. Communication – Inter-municipal Corporation Meeting Notices

Meeting notices and agendas from inter-municipal corporations should be provided to the CAO's office for distribution to Council in order to facilitate full council awareness of the matters being dealt with by the boards.

28. Communication – Municipal Corporations Reporting

Council should consider having at least one in-person report from Managers of Municipal Corporations, annually.

29. Governance – Formalize Inter-municipal Board Member Roles

The Town needs to ensure there is role clarity for the appointed board members serving on inter-municipal corporations. This can be facilitated by joint orientation and training sessions.

30. Governance – Review Mandate of Inter-municipal Corporations

The Town and its partners should review the form and mandate of its inter-municipal agreements/corporations regularly (every 3-5 years).

Trends Review

The municipal environment within Nova Scotia, and Canada, is changing with the needs of the community. Changes experienced in municipal government over the years are great – including but not limited to the evolving role of City Manager/CAO, disaster preparation, fiscal & economic preparedness, changes in public transportation, and evolution of the way services are delivered to the public.

Four common trends have emerged in research of Canadian local government trends:

- Asset Management Planning
- Internet Access for Rural Communities
- Considering New Sources of Revenue
- Shared Services

Through course of the organizational review, it has been determined that the Town is aware of these trends and, in some cases, implemented recent changes to designed to capitalize on the benefits of each – notable in “asset management planning” and “shared services”.

Asset Management Planning

What is an Asset Management Plan

It has been determined by the Canadian government that the infrastructure built in cities and towns throughout the country are nearing the end of their useful lives and major upgrades or rebuilding is going to be required in the coming decade. As such, all city and town governing bodies are being urged to implement an Asset Management Planning strategy. The strategy will encourage beginning the process of identifying and recording all infrastructure owned by the government organization and assess the remaining useful life for each item.

The importance of this planning is primarily to support informed and strategic decision-making in relation to capital asset spending. The municipal governing bodies need to continue providing services mandated and expected by the community, while reducing the risk of infrastructure break-down and incurring large unexpected costs for disaster recovery related to these risks. Investigating the expected timing of infrastructure break-down will help in planning preventative actions to reduce the risks.

The remaining useful life of infrastructure indicates the condition the capital asset is in and the amount of time estimated for the item to continue functioning in its expected manner without needing to be rebuilt or have major upgrades completed.

Once all asset items have been accounted for and appropriate ‘remaining useful lives’ estimated and assigned, strategic planning for replacement can be discussed. Improvement of the infrastructure may include replacement pieces, general upgrading, or reconstruction; all with varying degrees of cost. Municipalities will need to consider the urgency of repairing different infrastructure items and the availability of funds to support this. Due to the high cost of capital improvements, the sooner planning can begin, the greater longer-range forecast government organizations and their oversight councils can budget for and reserve available cash for use.

Integrated Involvement

Preparing an Asset Management Plan will require the expertise from many departments. It is an integrated process that needs consideration and input from the engineering, accounting, and finance departments at a minimum. Council and managers should be made aware of the initiative and be well informed of the importance and benefits to ensure all departments are supportive to the process.

The Association of Municipal Administrators of Nova Scotia (AMANS) has reviewed other municipal Asset Management Plans and recommends that the project needs to be integrated across all departments, but that one staff member should be designated to lead the process.

The benefit of designating a lead member for the initiative will likely result in:

- Continued progress on the plan as someone is accountable for the initiative, and
- Reduced bias in identification and assessment of infrastructure as the process followed by the lead member will be used throughout the plan.

Engineering, accounting and finance must work together to identify and record all infrastructure items); determine the current useful state of the infrastructure in delivering the necessary services; identify all expected costs for the continued running and improvement of each item; and therefore determine/assign the most appropriate method and time for each infrastructure improvement initiative. The overall Management Plan will then be used when considering future budgeting and providing continued service delivery to community members.

Approach Methods

Currently there are three methods, which have been identified as being used in Nova Scotia, to implement an Asset Management Plan. Two separate methods or a hybrid of the two as determined best depending on each municipality's resources and needs. Municipalities may decide to assign their own staff to design and perform the process, whereas on the other hand, municipalities may release a request for proposal (RFP) for an experienced firm to determine the condition of infrastructure and expected costs for replacement.

The following can be taken into consideration when determining which method a municipality may want to rely more on between self-delivery and third party-completion of the initiative:

	Self-Delivery	Third Party-Completion
Pros	<ul style="list-style-type: none"> • Previous knowledge of assets and land owned by the municipality. • Costs are likely cheaper than a consulting firm as staff members are already paid. 	<ul style="list-style-type: none"> • Project may be completed quicker as project completion dates may be assigned in the RFP. • Assurance of relevant expertise.
Cons	<ul style="list-style-type: none"> • Reduced incentive to complete the project quickly. • No guarantee of expertise; as staff may not have performed duties like this before. 	<ul style="list-style-type: none"> • Cost for a consulting firm is high. • Municipality may not be told how the assets were assessed therefore cannot allocate new infrastructure on a similar process.

The two largest consideration factors for a municipality is the current necessity for a completed Asset Management Plan and the available funds willing to be spent on the initiative.

Internet Access for Rural Communities

Broadband Access

Nationally there has been a push to recognize and act on the importance of providing all urban and rural communities with access to high speed internet. This has huge economic benefits to the communities as well as increases the retention of population in rural communities. Over the past few years there has been a multitude of request for proposals sent out nationally, as well as within Nova Scotia regions, with discomfoting results as either internet providers are not applying for the government funding or have provided services that are not meeting the required minimum standard in rural communities.

It is known that having timely, accessible and reliable access to internet has improved the economic growth within towns and counties. The federal government has been requested to support this cause further and in 2014 created a five-year funding opportunity called Connecting Canadians. This initiative will provide over \$300 million to better and extend broadband services to all communities.

At a minimum all communities should be able to have access to a 5 megabit-per-second (Mbps) broadband service. As technology improves and the reliance on internet grows, so this minimum is being questioned for its appropriateness. A study done by the Federation of Canadian Municipalities (FCM) has stated that depending on the use of the internet, so the requirement for speed access increases. For example, those using the internet for commercial operations may need a speed closer to 13Mbps and those in healthcare and first response duties could need a connection up to 16Mbps for appropriate and timely access to do their jobs efficiently.

What can be done

The federal government is being pressured by many municipal associations (including the FCM and provincial associations) to provide the funds necessary for service providers to construct or upgrade the internet services currently provided.

Municipalities who do not have sufficient service can implement the following initiatives to help improve the potential for increased services for community members:

- Apply for any funds that are available, including any Connecting Canadians funds made available to municipalities.
- Initiate projects to investigate the current speed and availability of internet connections within the community. Highlighting where areas are underserved and those areas that should be connected with increased speeds.
- Request feedback from the community on the availability and reliability of internet being used.
- Once data is collected and mapped on the current and future needs of the Town, this may be presented to regional associations or internet service providers to improve the quality of service.

Considering New Sources of Revenue

Importance of Municipal Revenue

Over the last decade Canada has experienced an economic downturn which has resulted in federal and provincial entities distributing more of their responsibilities onto municipalities while providing less direct funding. Funding is increasingly being contributed in grant form which requires administrative applications from municipalities and reduces the guarantee of long-term monetary commitment. Due to these stressors, municipalities need to plan for continued operations and financial support; municipalities are therefore considering additional and alternative revenue streams. These administrative and future planning struggles are particularly difficult for rural communities who already have strained administrative resources and service a smaller population spread over a larger area.

Revenue generation for municipalities is somewhat similar to that of a profit-orientated company as the public needs to feel a sense of worth for the levies and taxes paid in their region. Currently the main source of funding received by municipalities is through approved property taxes. Different revenue streams are needed that will not put undue burden the region's population.

Four options used within Canada for revenue sources are:

- Use of Levy Sources of Revenue
- Inter-municipal Revenue Sharing
- Industrial Revenue Pooling
- Investment Income

Municipalities need to consider these additional and alternative revenue sources for the applicability to their community and what the implications would be. Certain alternatives rely on municipalities reaching collaborative agreements and implementing change strategies together. These would require policy and agreement bylaws/contracts. Ultimately, the best long-term and reliable options should be discussed between elected officials.

Use of Levy Sources of Revenue

Many municipal leaders throughout Canada have been advocating for access to additional revenue sources to support the services provided by municipalities. Due to growing population and increased travel, municipalities are providing services to its community members as well as those who access the region but may not pay local taxes. In an effort to get revenue from these individuals who are benefiting from local services, municipalities are enacting policies and legislations in the following areas:

- Requiring provincial legislature to dedicate a percentage of sales tax collected to shared municipal revenue.
- Apply "poll charges" on those individuals and businesses that do not pay property tax but engage in work or rental of property in the municipal region.
- Charging road pricing levies against those who are adding to road damage and parking congestion.
- Charging stipends such as 'hotel levies' and 'local tourism charges'.

Inter-municipal Revenue Sharing

Similar to the above mentioned revenue sources, inter-municipal revenue sharing is a form of distributing revenue funding to a municipality that may contribute more to or is a centre for providing specialty services to a broad area of residents (both within and outside of its regional boundaries). These specialty services are usually in the form of recreation/sports facilities, libraries or entertainment areas.

Instead of taxing the individuals from outside the municipal boundary, neighbouring municipalities enter into a voluntary cost-sharing agreement to help financially support the burdened municipality. This revenue can be provided by either pre-determining a set amount of annual funds contributed to the burdened municipality or determine a percentage of subsidizing the costs to run the related facility between municipalities.

Industrial Revenue Pooling

Industrial revenue pooling is used as a means of providing municipalities with funds from industrial property taxes. The taxes are usually collected by the municipality the business property lies in and used to help fund any unique servicing requirements the related business operations requires for a community to live near by to.

Certain municipalities are not comfortable with the process of not distributing the taxes to all municipalities as they are not compensated for providing preliminary services such as waste management and maintenance of nearby roadways. Agreements between municipalities within each province can be used to determine how the industrial taxing will be measured and distributed.

Investment Income

Lastly, additional revenue can be secured by municipalities through investment means. Surplus revenue at the end of a fiscal year can be invested into secure bonds and securities to gain interest revenue for the municipality. This type of revenue may help to strategically plan and save for large capital investment funds. There are legislative restrictions, on a provincial basis, that do not allow certain municipalities to invest revenue funds. These restrictions would need to be assessed before any investment could be made.

Alternatively, municipalities can invest in projects that have favourable return on investments. This strategy will require full understanding of the project and an attempt to precisely estimate when the return will occur and how much the return value will be. Investing in projects is more risky than bond investment as there is less guarantee of return of interest. Also, once the capital has been provided it is likely to be spent on the project cost and unable for a municipality to request return of cash by foregoing any interest. The favourable factors of investing in projects is that the investment could return greater interest and may provide an ongoing source of income (either through saved cost spending in the long run or annual revenue possibilities). This can be used as an additional revenue source to support municipal operations.

Overall, elected officials are encouraged to consider all possible additional and alternative funding options to assist municipalities in their annual operating budgets. The more revenue sources utilized by a municipality, the less reliant the operations are on one source stability.

Shared Services

The Need

There is increasing pressure for municipalities to look into ways of collaborating services provided to community members with other municipalities or to subcontract services to private or separately run operations. Federal and provincial governments are downloading more responsibilities onto municipalities while funding, from sources such as the Atlantic Canadian Opportunities Agency (ACOA), is shrinking. Recommendations from the report on the State of Rural Canada 2015 and other leading oversight bodies suggest that municipalities look into methods of sharing or saving costs to provide mandated services.

Rural municipalities are feeling the pressure of decreasing populations due to outmigration while continuing to supply quality services. With less revenue generation, municipalities can consider the following two methods to most appropriately ensure the best use of funds. The first method is to engage services from private organizations that are operating at an economy of scale level. This allows the municipality to save on administrative and maintenance costs if run internally. Private organizations supply other customers with similar services and therefore can spread the cost of administration, capital replacement and maintenance fees among multiple customers.

The second method to utilize economy of scale savings is to collaboratively engage with neighbouring municipalities in providing services to a larger regional area. Subcontracting services to a neighbouring municipality or creating a joint venture operation to provide the service will combine funding sources and enable greater use of capital.

Benefits

The benefits of shared and subcontracted services should be weighed against the risk of losing direct control over operations to ensuring services are provided in a manner specified by the municipality. Researched and discussed benefits can include:

- Time saved in related administration duties for operations,
- No planning needed for large capital and maintenance costs,
- Organization's historical experience operating in the industry,
- Relatively stable and set cost for service that can be effectively budgeted, and
- Larger capital investment for operations if multiple municipalities fund the organization.

Service Examples

For the past decade municipalities have considered the above benefits and moved towards sourcing private agreements for services and collaborating with other municipalities for others. Examples of services that are utilized throughout the Nova Scotia province (some already implemented by the Town) include waste and snow removal services and facilities; fire and first aid services; economic development resourcing; and tourism/recreation efforts.

Elected officials should gather sufficient data on the current benefits of providing the services to their community. In certain cases, there may not be an alternative organization for service delivery and municipalities can best offer a source of funding for the region's needs.

Part D – Implementation Plan

The report outlines 30 recommendations that are grouped into three categories to inform implementation planning efforts. Opportunities were assessed on ease of implementation and potential benefit. This assessment informed a proposed timeline for implementation of the opportunities. The proposed implementation timeline assumes project and change management principles in place, no competing priorities that would slow it, and the resource available to dedicate to implementation.

Higher potential Benefit, Higher Ease of Implementation			
#	Recommendation	Start	End
1	Briefing Memo from Council Meetings	Month 1	Month 3
4	Directors Meetings	Month 1	Month 3
5	Expand and Promote the Website as an Information Portal	Month 3	Month 6
7	Optimize Employee Handbook	Month 6	Month 8
8	Fully Enable Human Resources Business Unit	Month 1	Month 3
14	Training-Coaching Based Performance Management	Month 1	Month 6
15	Conduct Appropriate Coach-based Performance Appraisals	Month 6	Month 8
17	Plan for Employee Absence and Leave	Month 2	Month 4
18	Optimize Leader Team Dynamic	Month 5	Month 8
19	Director and Departmental Meetings	Month 1	Month 3
23	Proactively Build Culture - Consider Additional Staff Events	Month 2	Month 3
25	Budget Process	Month 4	Month 7
26	Town Council and Committee of the Whole Meeting Notices and Agendas	Month 4	Month 12
27	Intermunicipal Corporations Meeting Notices and Agendas	Month 4	Month 12
28	Municipal Corporations Report	Month 9	Month 12

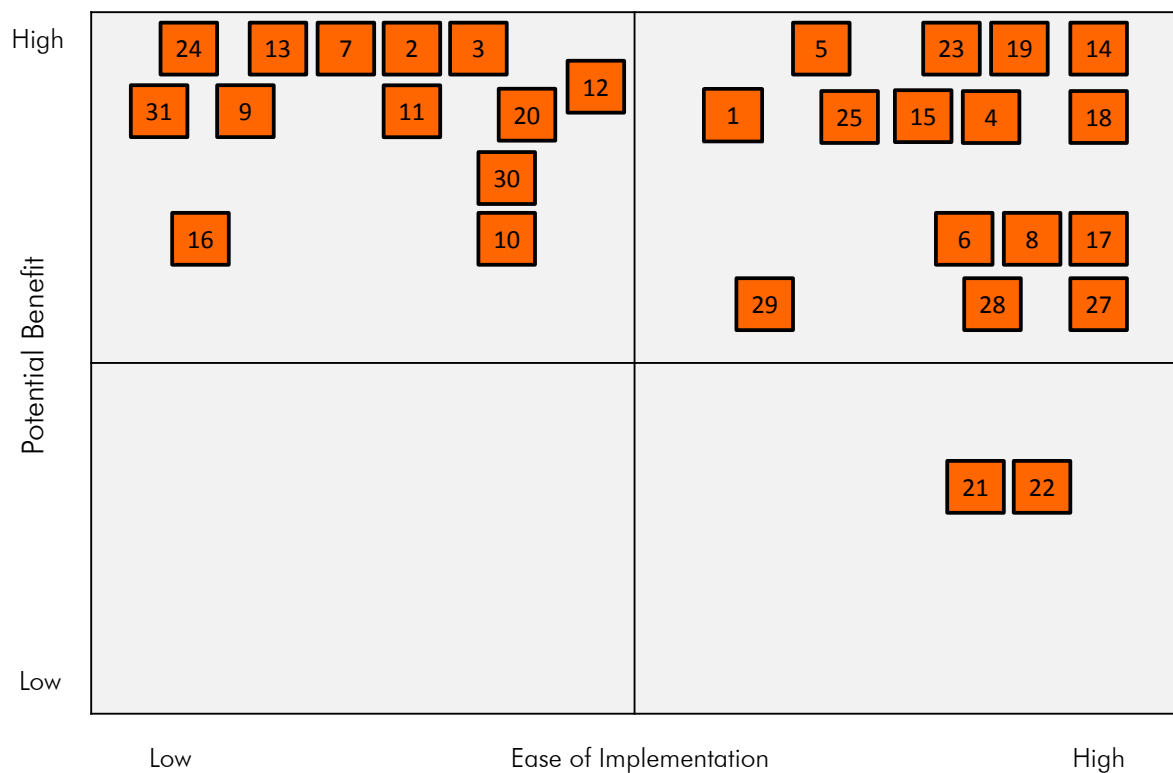
Higher potential Benefit, Lower Ease of Implementation			
#	Recommendation	Start	End
2	Internal Communication Strategy	Month 5	Month 7
3	External Communication Strategy	Month 5	Month 7
6	Formalize Routine Review of Key HR Documents and Job Descriptions	Month 4	Month 8
9	Cross-training	Month 8	Month 12
10	Formalize On-boarding Program	Month 3	Month 5
11	Create a Strategic Plan	Month 4	Month 7
12	Ensure Strategic Plan is Communicated and Accessible	Month 8	Month 10
13	Ensure Management Buy-In to Strategic Priorities	Month 7	Month 10
16	Skills Inventory and Training Plan for Each Position	Month 4	Month 10
20	Priorities and Objectives of Council	Month 9	Month 12
24	Soft Skills Training	Month 2	Month 6
29	Formalize Intermunicipal Board Member Roles	Month 10	Month 12
30	Review Mandate of Intermunicipal Corporations	Month 8	Month 10

Lower potential Benefit, Higher Ease of Implementation			
#	Recommendation	Start	End
21	Governance – Orientation for Council	Month 10	Month 12
22	Governance – Assess Organizational Impacts	Month 8	Month 12

SPECTRUM CHART - IMPLEMENTATION PRIORITIZATION

The following chart plots all the recommendations in relation to the relative 'ease of implementation' and the relative 'potential benefit' it poses to the Town.

- The lower the 'ease of implementation' the more difficult the recommendation will be to implement. This is likely due to factors such as
 - Difficulty finding staff resources to complete the task (on top of their current work load); and/or
 - Likely to take an extended amount of time to research, discuss and/or determine the processes needed to complete the recommendation therefore reducing staff buy-in to the process changes.
- The higher the 'potential benefit' of the recommendation the more likely the recommendation will
 - Affect more staff members or stakeholders of the Town, and/or
 - The extent of the impact is expected to have a greater positive impact (benefit) on those affected by the outcome.
- The Spectrum Chart should be primarily used to visually identify those recommendations that are easy to implement and will have a high potential benefit on staff and stakeholders, as well as, those recommendations that are difficult to implement but have high potential benefit to operations. These can be used to identify "quick win" recommendations to act on immediately and those that should be planned for implementation and may need staff buy-in to remain encouraged while completing the process.



Conclusion and Next Steps

The recommendations made in this report represent implementable opportunities for continuous improvement to enable the Town to meet its current and near future mandate. Town Council is encouraged to consider implementation of the recommendations, via the CAO and broader Town leadership. Such implementation will have a positive effect on the efficiency of operations, human resource operations, and employee morale. Communicating the implementation plan of council and the CAO will help in addressing and managing those expectations.

The recommendations made are considered to be fair and within the capability of the Town to implement. All recommendations, save two, carry high anticipated benefit to the organization. The two recommendations that have moderate benefit are considered by their nature, slightly easier to implement. All recommendations carry a proposed schedule of implementation occurring over a one year period. This is suggested so as not to overuse resources and enable a culture of change support, key to an implementation schedule of this scale.

Lastly, it is understood and logical that the Town may have, in certain cases, commenced implementation of similar initiatives in the normal course of business. This occurs naturally between the time when information was collected to inform the recommendations and ultimate delivery of the organizational review report. Where those efforts are directly aligned with the recommendations made herein, it is suggested the Town continue with implementation of those efforts and the implementation plan be adjusted accordingly to reflect work already completed.