

## TEN LESSONS LEARNED FROM THE MUNICIPAL AMALGAMATION EXPERIENCE

Claire Tucker-Reid – Tucker-Reid & Associates

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### The “Big IF”

The Ontario government is currently studying efficiencies in regional and local government systems within eight regions and one county in the province. There are many possibilities that **may** result out of the current consultation and study process – from reduction of the number of councillors to merging some local services into regional levels of government to full amalgamation of two levels of government and surrounding municipalities; these are all possibilities and there are many more. The goal of the exercise is to find efficiencies in the current governance structures and within service provision. The hope is that all changes can be deemed “citizen-centred” in that these changes will prove to lower the cost of and increase the effectiveness of the delivery of service through increasing resident satisfaction. This is a very tall order. I have been asked to provide some insight on is the potential of the amalgamation of 2 levels of government and all local municipalities within a region/county.

I can offer a perspective from both a departmental amalgamation and a city-wide perspective on the full municipal amalgamation of the City of Toronto. Initially, I lead the process of amalgamation for the Parks and Recreation discipline; subsequently I was hired to be the Executive Director reporting to the provincially appointed Toronto Transition Team to amalgamate 2 levels of government – the former Metro Toronto and 6 local municipalities (Toronto, Etobicoke, Scarborough, North York, York and East York). I will say that the thoughtful design of the amalgamation process is as important as the process and subsequent outcomes.

Let no one deceive you; amalgamation is an arduous process that requires real leadership and continued dedication. The Parks and Recreation Commissioners from the 7 governments met twice annually prior to amalgamation. Once the announcement was made, we got together to discuss the process and choose a leader – an actual vote took place amongst the group.

While we do not have any idea of the outcome of the current review and steps that the provincial government may take, PRO asked me to put together some of my lessons learned and the processes used to help start a discussion amongst the municipalities currently affected by the review.

## **The Process of Amalgamation – Lessons Learned from the City of Toronto**

### **1. First Things First – Develop a Charter of Engagement**

There will likely be a timeline given to initiate the amalgamated governance structure that will be challenging and require focussed energies of staff and as well the efforts of some consulting expertise. It is much more effective in the short and long term if you can share the workload and work as a collective. Ensuring that there are diverse opinions is healthy and produces more meaningful services and policies. You may notice some strange behaviours in staff trying to position and protect the way things are done within their current jurisdiction and possibly positioning themselves for lead roles in the new organization. This can be mitigated by having an open and honest conversation about the values (integrity, transparency, citizen centred approaches, communication etc.) and the respective behaviours that will be required by all staff as you go about amalgamating and harmonizing functions and structures. A resultant “Parks and Recreation Amalgamation Charter” would likely be signed by all staff engaged in the amalgamation process. This is a very important first step. Take the time to complete it.

### **2. Embrace a Strategic Process**

Start from Scratch. Include many staff levels to discuss and to determine the vision, mission and key functions of a new high performing organization – this should be informed by results of any polling completed to date. This is an opportunity to do things the way you have dreamt about for years. In Toronto, once a vision, mission and key functions were developed, staff teams were appointed to support the various functions. For example staff teams were set to harmonize the policies and operations in aquatics, camps and programs, parks operations, parks planning, capital budget development, departmental policies, communications, registration and brochure development, internal communications, inventories and data collection, etc. The Amalgamation process and timelines were created for each team for them to report out to the Commissioner’s team in a timely manner. A small team was assigned to project manage the processes and ensure the work was well researched/defensible, met major milestones and moved the department toward its vision and mission. The Commissioner’s Team served as the coordinating body for Parks and Recreation. Much time was spent away from regular duties to accomplish the targets that were set.

I must share that the front-line staff saved the day throughout the amalgamation process. While many staff were involved in harmonization exercises, the frontline staff continued to deliver exemplary levels of service with high levels of public satisfaction.

The provincially appointed Toronto Transition Team (TTT) served as the coordinating body to bring a corporate administrative and governance structure forward, populate legislated positions such as Fire Chief, a Clerk etc. and develop key policies, by-laws and a balanced overall capital and operating budget. The requirement as well was to achieve a 10% budgetary reduction due to efficiencies and other reductions. The key principle was that there would be no reduction in service. Each of the key departments developed teams and presented a

proposed amalgamation plan to the TTT for approval. In all there were 24 staff teams and 30 consulting teams contributing to the exercise. Every 2 weeks the TTT completed a poll of the citizenry to determine their priorities. A continued theme was that residents wanted a new City that was “Safe, Smart and Strong.”

### **3. An Amalgamation is not a Merger**

In business, a merger generally, but not always, occurs when a larger firm assumes a smaller one. The assumed company takes on the culture, norms, policies and standard operating procedures of the firm that has bought them out. In a municipal amalgamation many premature solutions will come forward from regional/county and larger municipal governments to just subsume all operations into the larger structure. While this might be simpler – it is not the best way to address a new and more efficient approach. There must be a fair and thoughtful way to understand the make-up of the larger community, engage the best minds, crystalize priorities, understand needed services and functions and to create a structure that is fair-minded that attracts the best talent. Start from the beginning and develop a brand-new organization – you won’t regret it.

### **4. Communication is Key**

A dedicated Communications Team within the P&R discipline should serve to keep all staff and volunteers fully informed and able to be engaged. The purpose of the communications work must be to both put current information in the hands of staff and stakeholders and to gain input. It should consist of a fulsome methodology of varying opportunities to discuss strengths and challenges of the current delivery system and inject innovative thinking into a new approach – a clean slate if you will.

### **5. Everything Stays the Same Until it Changes**

The key principle that was communicated to staff in the Toronto Amalgamation was that their work would continue as normal until certain elements were harmonized such as length and duration of lesson sets, policies, standard operating procedures, training and development programs, wages and salaries, benefits etc. The whole transition timeline was mapped out in terms of priority actions and the needed sequential harmonization of policies and standard operating procedures. Some harmonization matters were easier and had simpler solutions; others took years to standardize such as part-time wage rates and user fees. The point is that harmonization will take time.

In this case, user fees were contentious because the former City of Toronto offered all recreation services at no cost to the user. Cost recovery rates for recreation programs and services in the legacy municipalities ranged from 0 to 85% of the direct costs. There was real ownership with respect to the existing user fee philosophies and advocacy groups formed. It took 12 months to develop an innovative approach called the “Welcome Policy” where recreation was deemed free at community centres in priority neighbourhood (over 35% of the

population lived at Lower Income Measure (LIM) or the Lower Income Cut-Off (LICO) with lower levels of education and higher incidents of lone parent families. This was complimented for residents with low income backgrounds to gain subsidized access to recreation opportunities City-wide. 20 years later this general model is still in place.

## **6. Safety and Legislative Compliance – Job One**

As the first General Manager of Parks, Forestry and Recreation in the newly formed City, my main concern was that we were providing quality services in a safe manner. With 1500 parks, 870 facilities including 125 indoor pools (including school-based pool operations); the issue of legislative compliance weighed heavily. The Royal Lifesaving Society – Ontario Branch developed the Aquatic Safety Management program to audit and address the compliance of all indoor, outdoor and wading pools throughout the City. Parks and Recreation Ontario developed the Legislative Compliance Initiative which listed in plain language all legislative requirements for the operation of parks and recreation facilities and amenities in Ontario. This audit tool assisted the City in ensuring that all requirements were being met. This is job one from a risk mitigation perspective. It would be very helpful to all municipalities to update this audit tool and especially those who may undergo amalgamation.

## **7. Determine the Proposed Service Levels - Accurate Information is Critical**

The development of standardized service levels will take considerable effort and time and must be based on community preferences and input. This requires the articulation of the services that are to be provided, how often and for what duration, the ideal conditions that surround them and the steps and activities that are taken to achieve the levels of service. This will allow staff to defend the resourcing requirements in a larger structure and to defend new resources as service provision increases. Accurate data will most likely be a challenge to develop with varying methods of capturing inventory of assets, staffing in full-time equivalents, hectares of parkland, kms of trails etc.

## **8. Form Follows Function – Develop Standardized Organizational Design Principles**

The Corporate development of standardized organizational design guidelines will ensure that the organizational structure is based on fair and equitable principles. Some examples that were utilized in the TO Amalgamation included:

- Organizational structures will reflect the input of the public and stakeholders;
- a service vision, mission and guiding principles will ground the proposed organizational structure;
- Structures and units will be built around like functions and/or like customers;
- Each supervisor will have between 7-10 direct reports;
- There will be no more than 7 layers of staff between the CAO and the public;

These are a few examples of organizational design guideline that assisted in ensuring that there was consistency throughout the organization and that the organization was as flat as possible.

## **9. The Human Toll is Measurable**

In the existing municipal climate increased service expectations with fewer resources poses a challenge to staff in normal times. This is exacerbated in a climate of significant change at every level. Amalgamations bring with them expectations to maintain services while reducing funding requirements. Staffing is generally 75%+ of a municipal parks and recreation budget – there may be expectations that staff will be reduced while service levels maintained. As a result, there is a climate of uncertainty and time wasted on staff speculating what will happen next. All efforts to develop a strong departmental culture and to communicate with staff must be undertaken. An amalgamation will bring with it increased anxiety until the staff structure and staffing levels, recruitment and selection achieved. One measurable indicator was that the prescriptions of anti-anxiety medication increased significantly in the first year following amalgamation in the City of Toronto. The leadership team should be prepared with an approach and resources to ensure that staff have the supports for their physical and mental wellbeing during times of change.

## **10. Great Things Can Result**

The leaders in developing an amalgamated department must be visionary and see the good in the outcomes for the community. How you anticipate and address both public and staff concerns will be the true measure. While restructuring, harmonization and standardization efforts are underway; community building and neighbourhood strengthening efforts must continue. There will be greater opportunities by virtue of the increased size and population.

In Toronto; we were able to develop a small unit to seek out alternate revenues for special projects to put Toronto on the map as a world class city. The unit received their wages and supplies only and no other budget. The unit sought out sponsorships, initiated the Toronto Parks and Trees Foundation, obtained alternate funding for the Toronto Music Garden designed by Julie Morrissey and Yo Yo Ma, and the development of Franklin Children’s Garden on the Toronto Island as examples. Don’t miss the opportunity to inject some real innovative thinking.

## **What Can Be Done to Prepare for the “Big If”?**

I would suggest that there are many things that municipalities and PRO could do to both support the field, strengthen service delivery throughout Ontario and work better together. These initiatives would not prove to be time wasted if “Big If” doesn’t come to reality.

### **Potential Initiatives for PRO to lead:**

- a) Work with the communities that have already amalgamated to develop a thoughtful amalgamation process to be considered should the “Big If” become a reality;
- b) Develop a Webinar on an amalgamation process and Positioning Parks and Recreation in a Municipal setting;
- c) Recommend innovative ways to ensure that a potential amalgamation is citizen-centred;
- d) Update the Legislative Audit Tool for Parks and Recreation to maintain a focus on legislative compliance and risk mitigation;
- e) Develop a list of overall departmental policies and SOPs that should be in place in a high performing parks and recreation organization;
- f) Develop a Shared Drive that keeps members sharing information on current research, best practises, amalgamation processes/approaches, potential efficiencies and subsequent Provincial directions; and
- g) Develop an evaluation and performance matrix to test the effectiveness and efficiencies found in parks and recreation amalgamations.

**I would recommend that municipalities meet regionally to discuss an approach including but not limited to:**

- a) Research into amalgamation best practises and where joint learning opportunities will best inform the potential work ahead;
- b) Development of a thoughtful high-level amalgamation process (could be an August 2019 start);
- c) The development of a Staff Engagement Charter to support an amalgamation and the preferred culture of a new organization;
- d) Standardized data collection formats and an agreement of what data is important to collect - demographics, capacity/utilization, facility/asset inventory, combined operating and capital budgets and plans, staff numbers in full-time equivalents (FTEs);
- e) A comparison and or the development of service levels in all disciplines;
- f) How a Parks and Recreation Amalgamation Lead might be chosen;
- g) A community and staff engagement process to inform the development of service delivery in a new organization;
- h) Synergies that exist and where harmonization efforts need to occur;
- i) Where potential efficiencies might be found;
- j) Discussion about a vision, mission and guiding principles for an amalgamated organization.

In closing, I would be pleased to assist you in discussing how best your municipalities can be prepared and how you might work better together should amalgamations become a reality. [clairetucker@tuckerreid.ca](mailto:clairetucker@tuckerreid.ca) – (289) 688-1230.