



Fall 2021 Supplemental Budget Adjustment

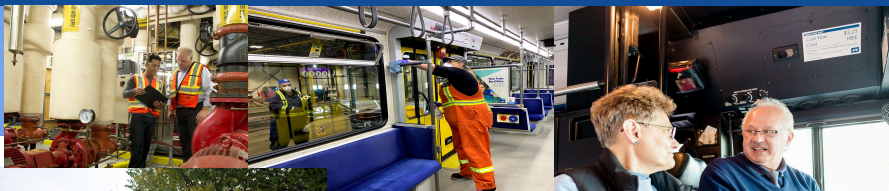
Edmonton

Budget Deliberations: Additional Information

*City Council
December 1, 2021*

The City's Workforce

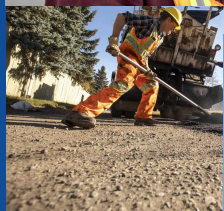
11,999
employees



950
Types of Jobs



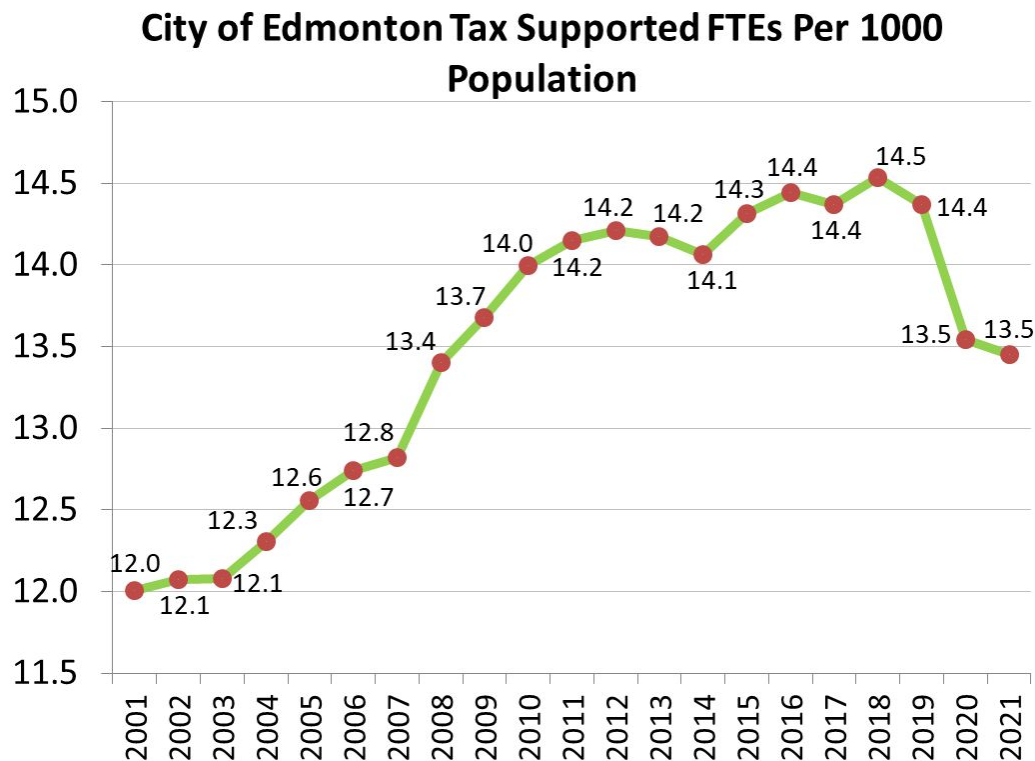
Accountant to
Zoo Attendant



73
Distinct Lines
of Services

Edmonton

A Complex Organization and a Growing City



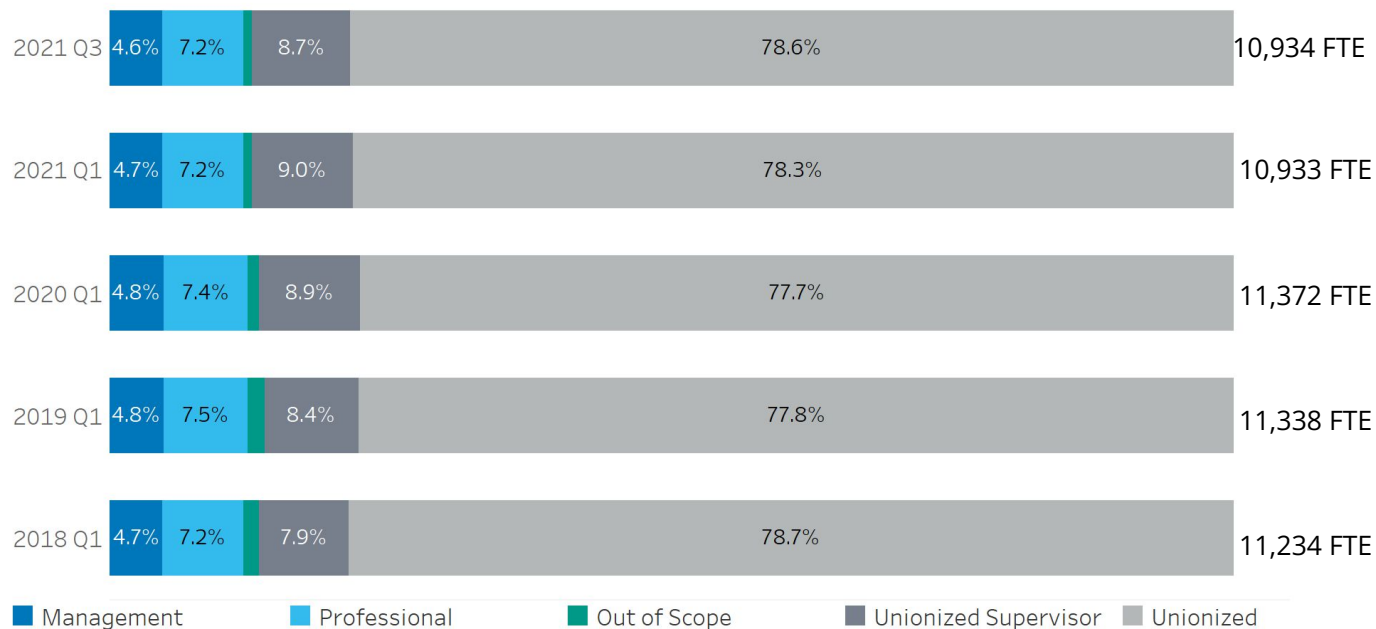
73 distinct services

180 sub-services

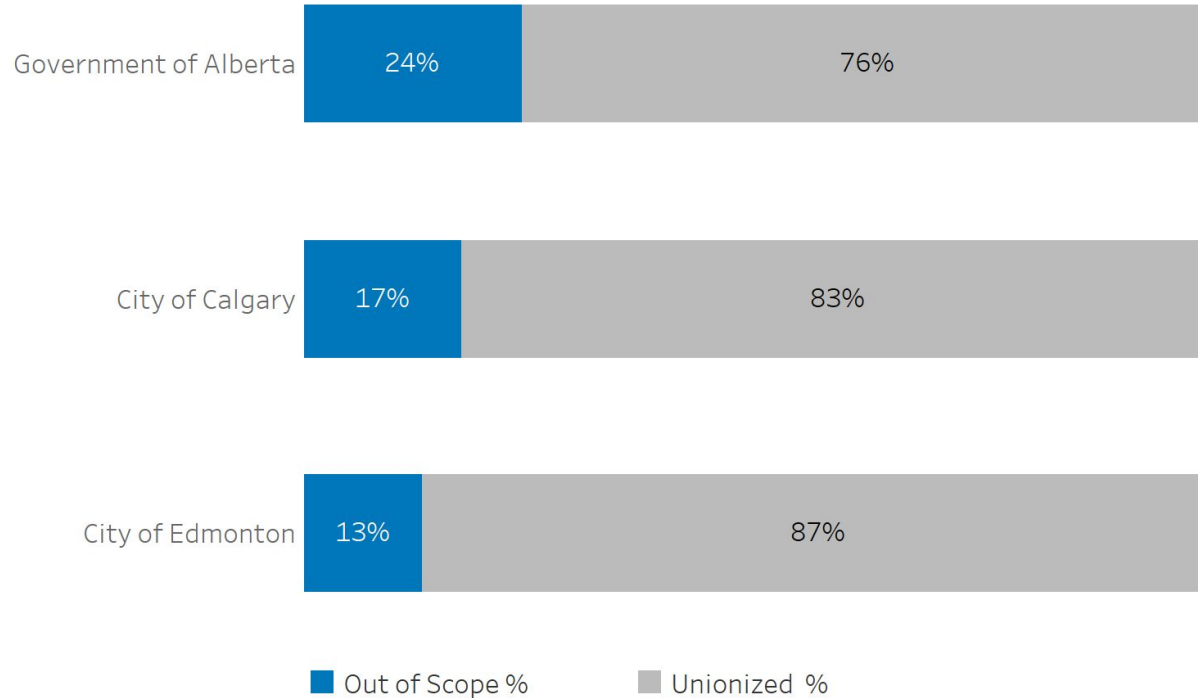
Workforce Composition: Headcount

Type	Sep 2021	+/- Sep 2018	%	Trend
Permanent	9,277	(89)	-0.95%	▬
Provisional	1,086	(200)	-11.0%	↓
Temporary	1,636	(658)	-9.4%	↓
Total	11,999	(947)	-7.3%	↓

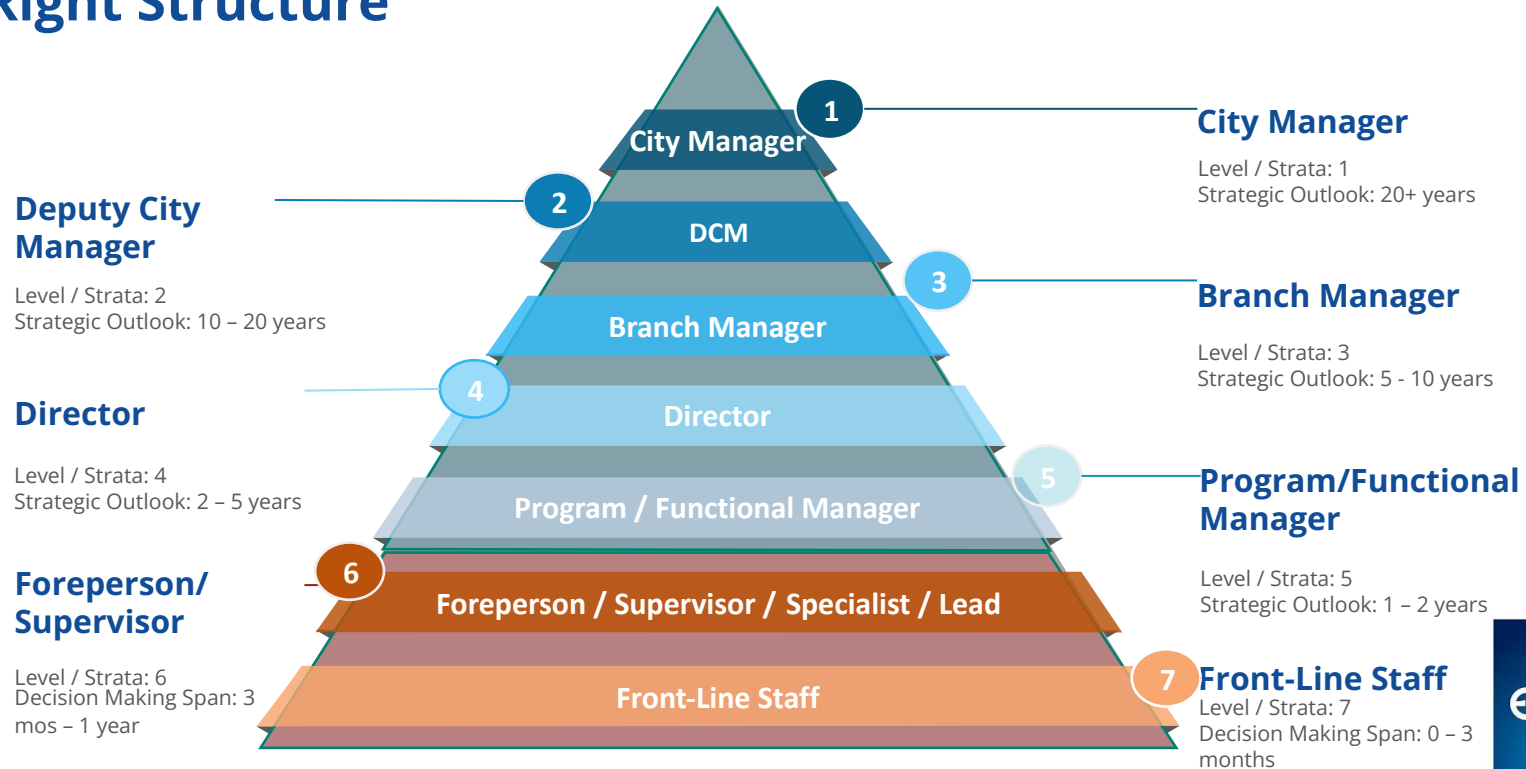
Unionized and Out-of-Scope FTE Breakdown



Workforce Composition Comparators



Organizational Design: Aligning the Right Work and the Right Structure



Our Focus on Leadership Competencies

		Unionized	Out of Scope	Total
9,166	Leaders of Service Employees	8,614	552	9,166
1,610	Leaders of People Supervisors	933	677	1,610
118	Leaders of Leaders Directors	0	118	118
32	Leaders of Ideas and Strategy Branch Managers	0	32	32
8	Leaders of Strategic Priorities Executive Leadership Team	0	8	8

The role of *Leaders of Leaders* and *Leaders of People*

Leaders of Leaders	<p>Functional:</p> <ul style="list-style-type: none">• Lead employees who supervise staff• Align day-to-day operations to strategy and Council direction• Be the conduit of information between the corporation and operations• Support development of supervisors' leadership skills• Create conditions for a safe and respectful work environment	<p>Transformative:</p> <p>Positive culture</p> <p>Psychological safety</p> <p>Equity, diversity and inclusion</p> <p>Teamwork</p> <p>Clear expectations</p>
Leaders of People	<ul style="list-style-type: none">• Lead day-to-day operations and supervise employees• Oversee customer relations• Align resources and assign work• Resolve issues• Monitor performance• Ensure employees have the tools and training needed to work safely and effectively	<p>Coaching, mentoring and development</p> <p>Empowerment</p> <p>Timely feedback</p> <p>Results</p>

Council Motion - Background

“That Administration return to the Fall 2020 Supplemental Operating and Capital Budget Adjustment deliberations as appropriate with two scenarios to reduce supervisor FTEs by 5% (up to 92 FTEs/ \$13.2M) and 10% (up to 184 FTEs/ \$26.4M), aligning with page 18 of the September 18, 2020 OCA report.”

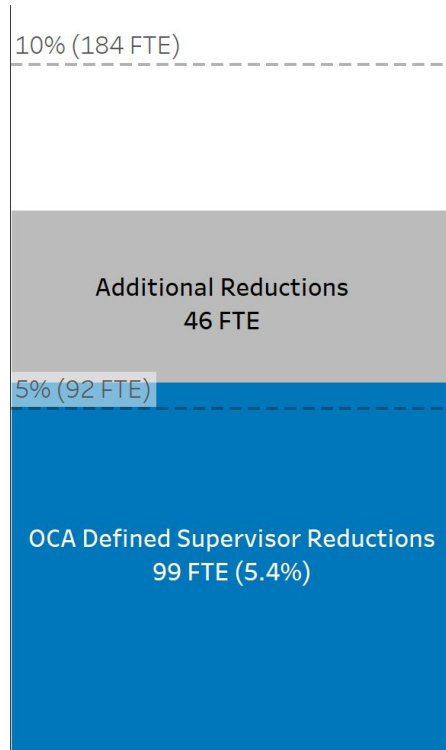
Actions Taken:

- Applying a permanent position and vacancy management strategy
- Ensuring supervisor FTE were reduced as part of the Council approved 2019 - 2022 budget reductions
- Centralizing some of our corporate shared services functions
- Conducting a review of department organizational structures
- Implementing a voluntary Workforce Transition Program to minimize permanent layoffs

Defining Supervisors

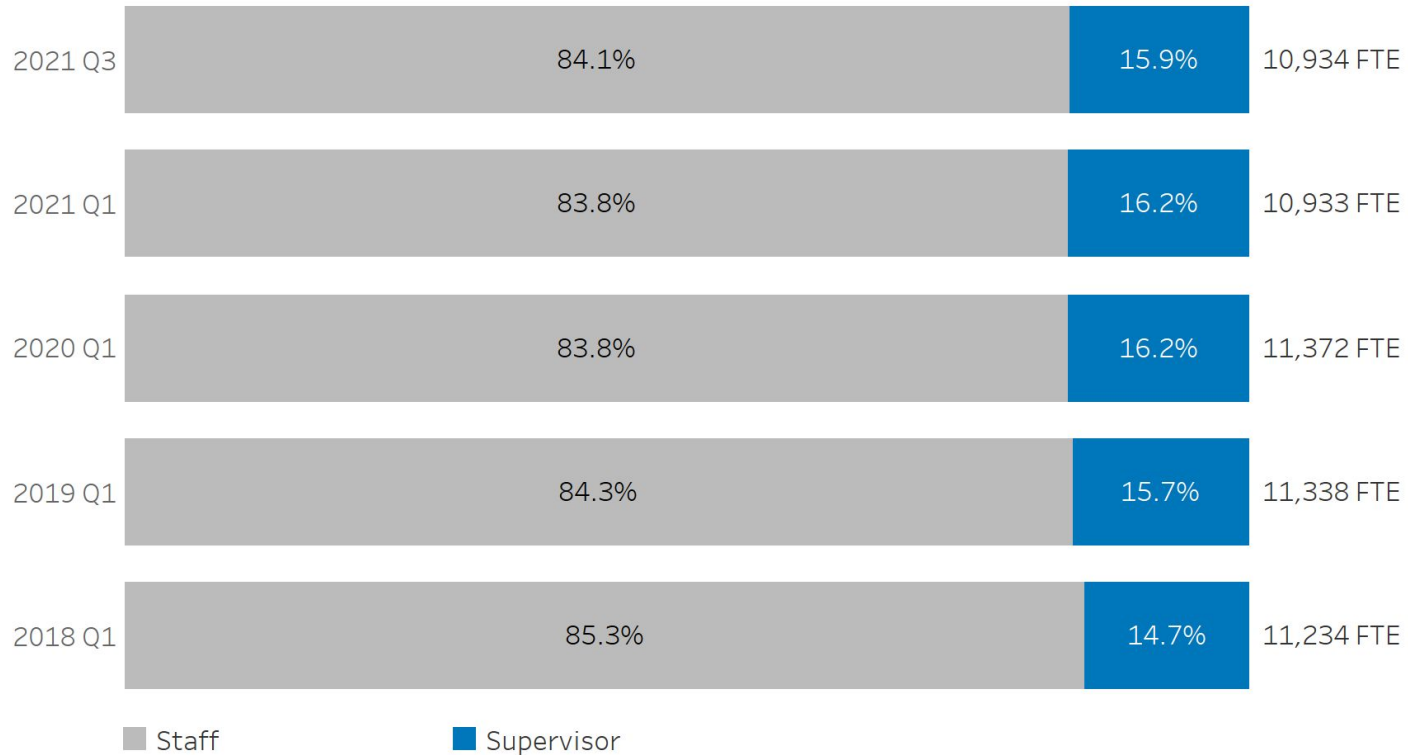
Term	Office of the City Auditor	City of Edmonton
Front-line Supervisor	<p>Employees who only supervise front-line employees.</p> <p>This group includes out-of-scope and unionized employees.</p>	<p>Employees who spend more than half of their time leading and supervising employees who report directly to them.</p> <p>This group includes out-of-scope and unionized employees.</p>
Middle Management	<p>All employees in the organization who supervise another supervisor, except for the City Manager, Deputy City Manager and Branch Managers.</p> <p>This group includes: out-of-scope and unionized employees, positions classified as ML that do not supervise, and positions that supervise other supervisors in addition to front-line staff.</p>	<p>This term is not used.</p> <p>It does not align with the current classification structure nor the leadership framework.</p>

Council Motion - Supervisor Reduction Exercise



- Identified **145 FTEs for reduction**
 - ◆ A net reduction of 99 supervisor FTE as per application of OCA methodology
 - ◆ An additional 46 FTE not reflected in the OCA data
- Jurisdictional impact:
 - ◆ Out-of-scope, 81 FTE (55 + 26)
 - ◆ Union, 64 FTE (44 + 20)
- The net reduction of 99 FTE represents an overall supervisor reduction of:
 - ◆ 13% in senior management FTE
 - ◆ 8.5% in middle management FTE
 - ◆ 3.7% in front-line supervisor FTE

Supervisor and Staff FTE Breakdown



Note: FTE breakdown was created by applying Office of the City Auditor methodology and definitions.

Supervisor Breakdown by Department

As of January 30, 2020, the OCA identified 1,841 supervisor FTE. We have applied the OCA formula to the September 30, 2021 data, and have identified **1,742 supervisor FTE**.

	Senior Mgmt	Middle Mgmt	Front Line	Staff	Total
Citizen Services	5	128	431	2208	2772
City Operations	5	182	321	4695	5203
Communications and Engagement	4	29	46	315	394
Employee Services	5	15	46	176	242
Financial and Corporate Services	7	64	142	811	1024
Integrated Infrastructure Services	6	55	95	341	497
Office of the City Manager	4	10	21	167	202
Urban Planning and Economy	4	49	94	453	600
Total	40	532	1196	9166	10934


$$40 + 532 + 1,196 - 26 \text{ anomalies} = \mathbf{1,742 \text{ supervisor FTE}}$$

Enhancing our Organizational Capacity

Enhancing the employee
experience

Evolving the
Organizational Design
Framework

Implementing a new
modernized Job
Architecture System

Launching Enterprise
Commons

Listening and Learning from Employees



**INNOVATION
INITIATIVES**



**SERVICE
IMPROVEMENT**



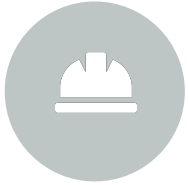
**ONGOING
ENGAGEMENT**

Listening and Learning from Employees



External Services

External Services



Contract Work



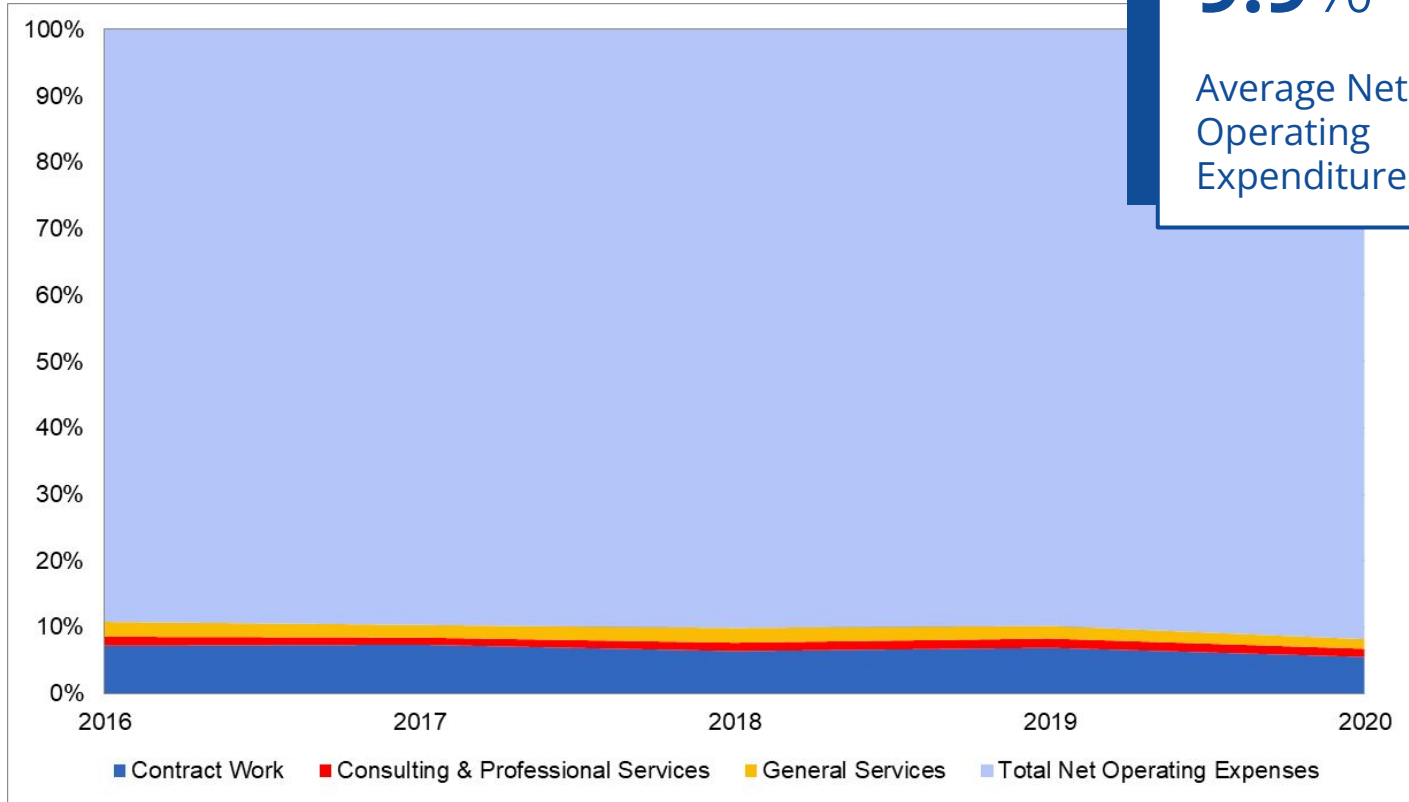
Consulting and Professional Services



General Professional Services

External Services by Category

Percentage of Operating Spend



9.9%

Average Net
Operating
Expenditures

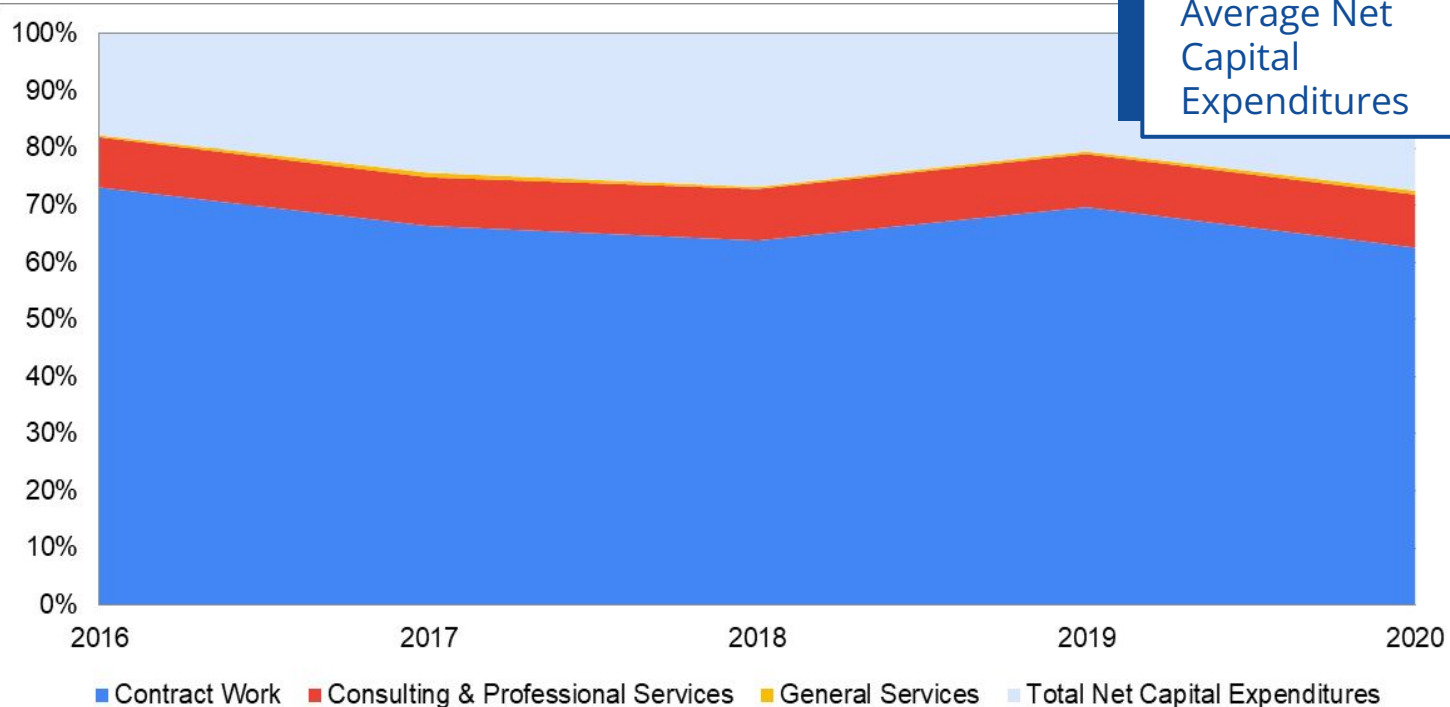
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External Services by Category

Percentage of Capital Spend

76.6%

Average Net
Capital
Expenditures



Consultant Services Audit

RECOMMENDATION 1

Training and Quality Assurance

Develop and implement a training program for staff engaged in classifying transactions and that regular quality assurance reviews are conducted.

RECOMMENDATION 2

Reducing Unplanned Change Orders

Work with business areas to improve scope of work preparation and estimation relating to consulting services in order to reduce volume and value of unplanned change orders.

Additional Improvements

01	Enterprise Commons	<ul style="list-style-type: none">• Standardization / Automation• Redesign the Chart of Accounts
02	Comprehensive Project Planning	<ul style="list-style-type: none">• Improve project estimation• Regular PSA contracts updates
03	Vendor Management Strategy	<ul style="list-style-type: none">• Reduce external services expenses
04	Supplier Performance Management Program	<ul style="list-style-type: none">• Ongoing Supplier performance evaluation• Ongoing contract monitoring
05	Budget Reduction	<ul style="list-style-type: none">• City-wide professional services budget reduction

Vendor Management Strategy

- Motioned by City Council:
 - Savings commitment of \$22.0 million over 2019-2022
- Initiatives:
 - Targets / Dashboard
 - Toolkit
 - Quarterly Reporting
- Estimated Results:
 - Cost savings of \$16.2 million
 - Cost avoidance of \$48.8 million
 - Total savings / avoidance of \$66.0 million

EPCOR Dividend

- On November 30, 2021 EPCOR announced that its annual dividend to the City of Edmonton will increase by \$6.0 million starting in 2022.
- Annual dividend will increase from \$171 million to \$177 million (ongoing)
- Council should make a motion and approve the increased revenue at start of the operating budget deliberations:
 - *That the 2022 operating revenue budget in Corporate Revenues, Corporate Programs, be increased by \$6.0 million on an ongoing basis, to reflect an increase to the EPCOR Dividend, with a reduction to the tax-levy.*
- This will reduce the 2022 proposed tax increase to 1.45% (reduction of 0.35% from current proposal of 1.80%).
- REVISED 2022 proposed tax increase = 1.45%



Questions?



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