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A Compass for Public Works to 2017



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The Public Works XDMT consisted of the following Public Works staff members.

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Executive Summary

The Purpose of our Strategic Plan

When improvement becomes the ultimate and perpetual goal, we all win. By making improvement our goal, we embrace a journey of constant reevaluation and self assessment, where the destination of perfection is always just outside our reach.

As with any journey, a compass can become very helpful. So with our goal of constant improvement in hand, Public Works realized that before taking our first steps in this new direction, we had best find our compass.

This document is designed to be that compass. A tool to help Public Works staff, at all levels, stay on course by providing strategies to mark the way. Within, you will find information on Public Works' Vision for 2017, the method used to define the Vision and develop this Strategic Plan, along with a description of the results, and some strategies on how to use this information to face your daily challenges. The strategies are not exhaustive. The Strategic Plan is intended only to guide staff toward the ultimate goal of constant improvement. There may be more than one path to take. To light the way, we have our Vision.

Vision 2017

*To be recognized as the centre of
environmental and innovative excellence
in Canada.*

Discovering a Future Focus

We took to heart that the journey is as important as the destination.

Our new strategic plan for Hamilton Public Works evolved over a seven month period. We did not want the process to be top down. For that reason, we engaged both our stakeholders and a new "XDMT" group (Extended Departmental Management Team) from all divisions and levels in formulating the way forward. In turn, XDMT periodically engaged a broader group of staff from other departments in informal discussions as the planning evolved.

The Context: Forces of the 21st Century

There are realities of the twenty-first century that press upon Hamilton Public Works and shape its reality. At the initial stages of this planning process, we asked ourselves hard questions about the changing nature of the Hamilton Public Works external environment: politically, demographically, and economically, and discussed how these effect us today and

in the future. In turn, these external forces to Hamilton Public Works are influenced by even greater forces in a global reality. All of these forces provide challenges and opportunities. To prosper locally, within our context, we must face the changing forces of globalization head on.

A few accepted realities are:

- that cities with a clear sense of place along with amenities and services to match the expectations of the talented 'creative class', will be the winners in the global competition for talent;
- that an increase in urban mega-centres and 'hub' cities such as Hamilton will put extra pressure on our infrastructure and planning requirements; and
- environmental sustainability will increasingly matter.

An aging population and an influx of people into the Greater Golden Horseshoe, will change our infrastructure and planning requirements in many ways, including: transportation, housing, quantity and types of public spaces, building design, social supports, and health services. With this continuous growth is an increase in concern for our effect on the environment. As concern for the environment moves up the priority list of Canadians of all ages, cities that respond will prosper.

Challenges at the Local Level

At the local level and internally, we're making progress but there is much work to do on infrastructure and the environment.

Various hard and soft issues are at odds that require us to take action. Consider the following:

- Canadians, particularly those in urban centres, increasingly cite the environment as a concern. In a recent IPSOS Reid-Dominion Institute survey (February 2006), one in four urban residents named the crumbling condition of cities in general as the most important local issue facing communities and one in ten named the environment.
- The lack of sustainable funding makes it difficult for cash-strapped municipalities, such as Hamilton, to deal with environmental legacies and aging infrastructure.
- With 73% of public works employees between the ages of 40 and 59, we must take succession planning more seriously.
- Provincial downloading and legislative changes that require municipalities to do more or change the way services are delivered are adding significantly to our tax burden and workload.
- Communication and decision sharing between departments and within divisions, municipal offices spread across the city and changing technologies need to be addressed so as not to bog down work flow and limit economies of scale.

- A reactive, lengthy budget cycle creates planning uncertainty and dampens opportunities for innovation.

Building on Our Core Capabilities

Moving forward means both re-using and re-positioning what we're good at, developing new capabilities to meet new needs and unlearning practices that don't add value.

We identified three core capabilities we want to keep and strengthen:

1. Environmental knowledge and advocacy
2. Adaptability
3. Integrated community sustainability planning

We added five new capabilities to develop to support and enhance our services:

1. Students of the community
2. Employee-centred
3. Cross-enterprise efficiencies
4. Risk tolerance
5. Culture of innovation

Strategic Triad

We built a new platform for these capabilities, a launching pad for action planning that included:

- A 10 point guiding philosophy
- A Fundamental Purpose: Provide safe, strategic and environmentally conscious services that bring our communities to life
- A Vision for 2017: Be recognized as the centre of environmental and innovative excellence in Canada.

Strategy

Our strategy for achieving this goal involves each division of Public Works, and combines their skills in a unified effort. Working with our community, we will improve the environment of Hamilton.

Accelerating the City's Prosperity

We identified four interconnected and interdependent Vision drivers to ignite creativity and innovation in its many forms in Public Works:

1. Services our communities connect with and trust

2. Skilled teams ready for any situation
3. Smart processes to match our needs
4. Sound financial management for the long haul

Top Priorities

Within each of our four Vision drivers, we determined, in total, seventeen priorities that are critical to accelerate achieving our Vision over the next ten years. Of the seventeen, we selected four for the first phase of implementation:

1. "Greening" and stewardship
2. Engaging the workforce
3. Defined and aligned business planning processes
4. Approved service levels with budgets to match

Sustaining the Momentum

To keep this plan on course, the Departmental Management Team will help champion, develop, and steer its implementation using four primary strategies.

1. Identify departmental goals that are tied to the four top priorities, with measures at key intervals (90-days, 1-year, 3-years).
2. Provide tools to help managers collaborate and set sectional goals.
3. Implement and integrate communication campaigns into the process.
4. Recognize progress and achievements.

The journey to achieving our Vision promises to be both challenging and rewarding. With our compass firmly in hand and pointing the way, we are confident in our direction. Public Works is committed to pushing forward on this journey and to working side-by-side with members of Hamilton City Council, our internal and external colleagues, and members of the greater community whom we serve. Together we can bring greater prosperity to Hamilton. That means we will nurture the environment, engage smart financial management and processes, and ultimately be an energized workforce that will continue to attract and retain top talent.

Discovering a Future Focus

[Effective] strategy formation lies in the process itself: judgmental designing, intuitive visioning, and emergent learning.

– H. Mintzberg, et al. **Strategy Safari: A Guided Tour through the Wilds of Strategic Management.**

We took to heart the saying, “the journey is as important as the destination”, as we set out to determine a shared ten-year direction for all divisions within Public Works. We knew we needed to ask better questions, to be more open to the concerns in our external environment and to be less driven by our own set of ideas. We understood that strategy is a moving target and, thus, must be built to adapt with the times as they unfold.

Taking a page out of our own book, we started with a new, stronger infrastructure to discover what we must do better and differently. It was time to travel, to model “the way” and here’s how we did it.

We asked our colleagues from all departments to come to “think tank” sessions to share their views both at the beginning and end of our journey. Up to seventy staff, including the Corporate Management Team (CMT), told us where we are --- the good news with the bad --- and where we should head to add more value for them and the community.

Then over six months, we held monthly half-day “XDMT” workshops, comprised of up to forty representatives from all divisions within Public Works, as well as our Department Management Team (DMT). It is at these meetings that we rolled up our sleeves and tackled the whole of strategy-making, one part at a time.

In-between workshops, we continued to push our thinking. DMT kept the steering of the project on its agenda regularly. XDMT members talked to more staff through normal operations meetings, informally floating ideas. After every workshop, we used the results from the prior one to think more deeply. Before each upcoming session, members tracked their ideas in workbooks which were a resource for debate and discussion at the next workshop.

Eventually a picture of our priorities emerged, our best shot at estimating where we must put our energy. With a renewed purpose, vision and values as our basic map, we agreed that seven interconnected priorities, with four of the seven being major drivers, would be the hubs or centers for filling in the “how to” details.

We realize that this new strategy infrastructure is only partially built. It has the promise of sustainability because it is not top down. But, that’s just phase one. The most important is before us: to have all employees in Public Works engaged and on the same page.

The Context: The Forces of the 21st Century

In the 21st century's knowledge-based economy, cities and city-regions are the drivers of national prosperity.

– Conference Board of Canada, **Building Successful Cities**

Background

Our city along with many others in developed countries has been through golden times and, more recently, tough times. But, no matter the situation and the unpredictability of external events and their consequences, public works carries on as the glue of community life. From ancient times until today, public works' engineering, planning and "on the ground" service expertise have shaped the order, organization and standard of community life.

Over the centuries, public works practitioners have depended on the support of visionary policy-makers. We are fortunate in this early era of the 21st century to be engaged in the renaissance of public works. In large part, this is due to the forces of change which government leaders at all levels know they cannot ignore.

Loss of Stability

Globalization leaves little room for cities to hold on to traditional methods. In our increasingly open world, the signposts around a sense of job, community or work place continually change creating less stability and security. Over the last twenty years, established cities and provinces have been hit hard economically. The November 2006, *Fifth Annual Report* by the Task Force on Prosperity and Economic Progress notes that the gap between the prosperous and the poor is widening across Ontario and peer North American states.

The rapid flow of goods, services and people have shifted demographics, life styles and where wealth is created, adding to the unease and feeling of relentless change. North American cities, such as Hamilton, have suffered significant manufacturing sector job losses along with the related corporate taxes. This has placed an unsustainable burden on the residential tax payer to fund services and infrastructure improvements.

Thinking Globally

In the quest for renewal and revitalization, cities, including Hamilton, are embracing a "think global" attitude. To compete with emerging economies like China and India, we are up-scaling and diversifying our industrial base in concert with many community partners. With a better future yet to unfold, Hamilton's long-term GRIDS project (Growth Related Integrated Development Strategy) is set to boost our city's economic opportunities.

In American and European jurisdictions, where infrastructure funding has been less restrictive than in Canada, the successful cities are noted for having created

amenities, services and a clear sense of place. All of which are of particular interest to the talented, educated under thirty five group age.

Hamilton, due to its natural amenities and as part of its planned renaissance, is well-positioned to duplicate such success. It currently stands, however, in seventeenth place out of twenty five cities across Canada on the "talent index", the per cent of the adult population with university degrees. Ottawa, Toronto and Kitchener out rank Hamilton in Ontario. (Gertler et al, *Competing on creativity: placing Ontario's cities in a North American context*, Ontario Ministry of Enterprise, Opportunity and Innovation and the Institute for Competitiveness and Prosperity, November 2002).

Increased Demands on Our Infrastructure

The rise of urban megacentres and "hub" cities intensifies the pressure on infrastructure and planning. Diverse populations are increasingly gathering in urban centres, as is evident in Hamilton. Along with Toronto and Vancouver, we have a notable proportion of our population that is foreign born and we are a desirable destination for new immigrants. While this builds our city's resilience and character, it also places stress on public services.

Amalgamation highlighted another side to diversity within a city context: the unique interests and needs of rural versus urban communities. While one size no longer fits all, limited funds make customization difficult.

Over the next 25 years, the provincial government, in its *Places to Grow* plan, estimates there will be an influx of 4M people and 2M jobs in the Greater Golden Horseshoe. Hamilton will be the home of 660,000 residents, providing 300,000 jobs. This represents a 30 per cent increase in population and employment growth.

In acknowledgement of population growth and the negative impact of urban sprawl on the environment, the province wants cities to adhere to "New Urbanism" requirements which include greater space intensification (40 per cent of new development must occur in already built up areas by 2015). Hamilton is well-positioned to respond to this provincial planning initiative through GRIDs. It clearly defines where the city wishes to intensify and how/where it plans to service that development.

Changing Demographics

The effects of an aging population will accelerate in 2011 and continue until 2031, re-shaping the demands for service. More accessible, flexible transportation options, more social support and health services and more walkable cities will be necessary. Hamilton already faces significant challenges in its social programs brought on by provincial downloading.

The crisis of demographics is acute for workforce renewal. Numerous sources estimate that by 2012, the workforce will lose more than two workers for every one it gains. According to Stats Canada, the median age of Canadians will be 43-46 by 2031 compared to 39 in 2005. Public works will join the crowd in vying for talent.

Environmental sustainability will increasingly matter.

Canada is one of the least environmentally friendly countries standing 17th out of 21 developed countries (Center for Global Development, Washington) indicating that we speak more than act. Nonetheless, city residents and businesses will expect government at all levels to demonstrate environmental leadership in the way of policies, incentives and programs.

According to the World Wildlife Fund's 2006 *Living Planet Report*, people generally are turning resources into waste at a pace 25 per cent faster than the earth can turn waste back to resources. Canada's ecological footprint (per capita) ranks 4th overall.

Taking the long view, as more young people grow up and are educated in an environmentally-sensitive world, they will look for cities in which to live, work and play that mirror their environmental values — how Hamilton adapts to these requirements will influence our city's future prosperity.

Given the urgency of averting irreversible damage to the environment and, by association, to the quality of human life, the issues of congestion, pollution, water usage, production and treatment of waste, depletion of forests, degradation of the soil and wasteful energy consumption will continue to be priorities for Hamilton Public Works. We recognize that "modeling the way" consistently and in everything we do will be essential for creating a city, an urban habitat in balance with nature.

The Challenges at the Local Level

Based on Gross Domestic Product (GDP) per capita, Ontario trails the median economic performance of a set of North American peer jurisdictions, placing fifteenth out of sixteen. Only Quebec underperformed Ontario. Twenty years ago, Ontario placed in the middle.

– Task Force on Competitiveness, Productivity and Economic Progress, (November 2006), *Agenda for Prosperity, Fifth Annual Report.*

The wealth of Hamilton is influenced by both its own actions and the health of the province in which it is situated. For approximately 20 years, Ontario has struggled with declining productivity. The 1990-92 recession started Ontario's relative decline among peer economies. By 2005, Ontario's productivity disadvantage had more than doubled.

Contributing factors include an increase in involuntary part-time employment, less opportunity for work hours by the less skilled, a low minimum wage, reduced social assistance and disability supports, lower educational attainment and underinvestment in information and communications technology.

The fortunes of Hamilton have been impacted by Ontario's. While our city is Canada's tenth largest and one of the oldest urban economies, Hamilton has changed from a major industrial centre that financially supported growth to a declining employment centre. We are now, more than ever in our history, heavily reliant on the residential tax base, placing a strain on funding for city maintenance, services and improvements.

Since 1998, we have shifted in assessment base from commercial/industrial to residential/multi-residential. Multiple market factors have contributed to this situation including current value assessment (CVA) and the change in the regional economic base, as described by Ontario's decline in GDP. Without significant improvement in local job creation, this trend will continue over the short to medium term. This is combined with impacts from Provincial downloading and changes in Provincial Policy (e.g., transit, roads).

Indicators of Hamilton's health and potential to renew its wealth, according to 2006 reports by the Public Health and Community Services Departments, speak to the enormity of the changes required. Three of these indicators show that:

- Hamilton has the highest poverty rate in Ontario—almost one in five residents live in low income households (18.8%). The Ontario average is 13.6%.
- The number of people accessing our city's emergency shelters has more than doubled since 1995.
- Population projections by age group for the year 2031 indicate there will be a comparatively smaller proportion of children and youth aged 0 to 14 years and a comparatively larger proportion of the older population age 65 years and older.

External Forces Create Internal Challenges

Shifting demographics, a weakened provincial economy, a city in transition from the old industrial economy and a political policy environment that until recently did not have cities as a priority has created a challenging hill to climb for our Department.

Canadians, particularly those in urban centres, increasingly cite infrastructure and the environment as a concern. In a February 2006 IPSOS Reid-Dominion Institute survey, one in four urban residents named the crumbling condition of cities in general as the most important local issue facing communities and one in ten named the environment.

Bridges, highways, roads, corporate facilities, landfills, plants for treating water and sewage and storm water systems are in various stages of repair/deterioration — the lack of sustainable funding to deal with environmental legacies for cash-strapped municipalities, such as Hamilton, is the major issue. Specific challenges to Hamilton Public Works include the facts that:

- waste diversion in Hamilton at 28% (2005) is better than the provincial average of 25% but still far from the provincial target of 60% or our own goal of 65% by 2008.
- public open space, despite being a quality of life indicator and a critical factor for attracting talent to cities, takes a back seat to the hard services for funding and priority.
- while the new Greater Toronto Transportation Authority (GTTA) foresees 100,000 more cars by 2031, transportation planning and funding remains mired in great ideas that are slow to action.
- service level standards and customer expectations are not clear — our department has not made adequate inroads in engaging the public imagination.
- energy costs are continuing to rise without assurance that funding and cost recovery will reflect true costs. To offset this pressure, Public Works created an energy office to find efficiencies and related savings.

A Changing Workforce

Succession planning and updated human resource policies have become an urgent requirement. With seventy three percent of Public Works employees between the ages of forty and fifty nine, creative strategies to attract and retain skilled people, including those with trade expertise, have become a priority. Also, an increasingly diverse cultural base within the Greater Golden Horseshoe has added the need for flexibility in the way we ask our employees to work. Currently:

- our transit division and traffic section already cannot find enough staff to fill positions;
- downsizing and restructuring have resulted in high non-management to management ratios (Hamilton Public Works ratio is currently thirty to one), heavy managerial workloads, and a subsequent lack of time for mentoring and planning;

- the non-supervisor to supervisor ratio is also high, creating great challenges in meeting demands of the public (Hamilton Public Works ratio is currently twelve to one);
- due to insufficient time and funding for growth training, training is primarily focused on mandated subjects, such as health and safety; and
- although cultural diversity has strengthened the creativity and skills of our workforce, that same diversity has increased the demand for flexible human resource policies that address differing work values and expectations.

These current realities make expertise a premium and we, therefore, must implement a corporate culture that affords a desirable workforce the work styles and life styles they require.

Cross-Enterprise Collaboration

During the course of the XDMT workshops we also found that staff are regularly faced with hurdles that frustrate the processes they are engaged in, and hinder productivity. For instance, efforts to deal with the workforce challenges noted above require an ease in work flow and the benefits found in economies of scale, but these efforts are hindered by antiquated process structures, and dated methods. Some of the statements made by members of the XDMT were that:

- the difficulties found in cross-divisional collaboration, whether due to reluctance or geographical separation, discourage teamwork and create disconnected employees;
- costly duplication in workloads, and tools have been caused by not integrating databases and technologies wherever possible; and
- increasingly complex legislative and internal policies demand too much time and energy to ensure compliance.

Reactive and Lengthy Budget Cycles

Staff also noted that they are faced with a reactive and lengthy budget cycle that leaves little time to work strategically. Those involved with budgeting felt that:

- sections that run on the tax levy must deal with uncertain budgets from year to year, which eliminates the opportunity for long-term planning;
- persistent budget pressures, and subsequent cuts at the Council level, negatively impact our ability to meet service demands;
- historic budget data and financial systems are not accurate or user-friendly, which makes analysis and accountability reporting difficult;
- staff often have little control over expense management with our service providers, causing cost allocations that are complicated and inconsistent;

- service levels are defined in only a few sectors, which causes challenges where expectations exceed the allocated budget;
- the annual roads maintenance budget does not meet minimum standards and has not increased to match growth; and
- provincial policies limit our ability to implement user fees and other tax instruments that could mitigate the financial burden placed on residential taxpayer, and possibly offset our city's slow industrial growth.

Building on Our Core Capabilities

(the combination of skills and technologies we offer our citizens)

Renewal is about the future. But it is firmly rooted in the past.

– D. Hurst, **Crisis and Renewal.**

We understand that to control our own destiny, of necessity, we must contribute to re-shaping our “industry”--- public works. To do so will require unlearning certain practices and finding creative and better ways to leverage resources.

We started with confirming the core capabilities at which we are very good that we want to carry forward into the future. Then, we identified the competencies to grow to lead the transformation of public works in Hamilton and beyond.

What We’re Really Good At Now

- Environmental knowledge and advocacy
- Adaptability
- Integrated community sustainability planning

What We’re Going to Work on Mastering

- Students of the community
- Employee-centered
- Cross-enterprise efficiencies
- Risk tolerance
- Culture of innovation

What We’re Really Good At Now

1. Environmental knowledge and advocacy

Some of the successes we can celebrate in the area of environmental knowledge and advocacy are listed on the next page.

