

**Structural Re-Alignment of the Deputy City Manager
and Chief Financial Officer Position**

Date: September 27, 2017

To: City Council

From: City Manager

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

This report deals with personal matters about an identifiable person.

SUMMARY

This report proposes amendments to Toronto Municipal Code, Chapter 169, Officials, that reflects a revised organizational structure with two distinct positions: the position of Chief Financial Officer (CFO), responsible for financial management; and the position of Deputy City Manager (DCM), Internal Corporate Services. This structural realignment results in a streamlined organization and reporting structure for internal services with a reduced management layer as a result of the elimination of the Chief Corporate Officer position.

This report also recommends the appointment of an interim Chief Financial Officer as a result of a retirement and the permanent appointment of the Deputy City Manager, Internal Corporate Services.

RECOMMENDATIONS

The City Manager recommends that:

1. City Council approve amendments to Toronto Municipal Code Chapter 169, Officials, City to:

- (a) introduce the position of Chief Financial Officer, reporting directly to the City Manager, with responsibility for functions related to financial management, specifically including Financial Planning, Corporate Finance, Treasurer's Office, and Finance and Administration, and who is appointed the Treasurer under the *City of Toronto Act, 2006*.

(b) introduce the position of Deputy City Manager, Internal Corporate Services, reporting directly to the City Manager, with responsibility for the balance of the internal services divisions that previously reported to the Deputy City Manager and Chief Financial Officer position (DCM & CFO).

(c) delete the positions of Deputy City Manager and Chief Financial Officer (DCM & CFO) and Chief Corporate Officer.

2. City Council approve the appointment of the candidate identified in Confidential Attachment 1 to the interim position of Chief Financial Officer, effective October 6, 2017 until such time as the recruitment process has been completed and City Council has approved the appointment of a permanent candidate, and City Council enact a by-law appointing the candidate identified in Confidential Attachment 1 as interim Chief Financial Officer, and as Treasurer under the *City of Toronto Act, 2006*.

3. City Council approve the appointment of the candidate identified in Confidential Attachment 2 to the permanent position of Deputy City Manager, Internal Corporate Services, effective October 6, 2017, and City Council enact a by-law appointing the candidate identified in Confidential Attachment 2 as Deputy City Manager, Internal Corporate Services.

4. City Council authorize the public release of the name and curriculum vitae summary of the candidates named in Confidential Attachments 1 and 2 upon City Council's approval of the appointments.

5. City Council direct that where City Council has previously authorized the DCM & CFO to take any action on behalf of the City, either the Chief Financial Officer or the Deputy City Manager, Internal Corporate Services is the successor to the DCM & CFO and is authorized to act in place of the DCM & CFO based on the responsibilities assigned to each of them as set out in this report.

6. City Council direct that where City Council has authorized the Chief Corporate Officer to take any action on behalf of the City, the Deputy City Manager, Internal Corporate Services is the successor to the Chief Corporate Officer and is authorized to act in place of the Chief Corporate Officer.

7. City Council authorize the City Solicitor, in consultation with the City Clerk, to review the Toronto Municipal Code and identify either the Chief Financial Officer or the Deputy City Manager, Internal Corporate Services as the appropriate successor to the DCM & CFO throughout the Code based on responsibilities assigned to them as set out in this report, and to introduce a bill to Council to recommend the necessary amendments to the Code.

8. City Council authorize the City Solicitor to introduce all bills to Council to give effect to these Recommendations.

FINANCIAL IMPACT

The revised organizational structure results in no change in complement. The model deletes the DCM & CFO and Chief Corporate Officer positions and creates the positions of Deputy City Manager, Internal Corporate Services, and Chief Financial Officer. The annual operating budget impact of this change is \$64,257 (salary and benefits costs). The required operating budget adjustment related to this change will be reported to City Council through the third quarter operating budget variance report and the 2018 operating budget.

DECISION HISTORY

In 2004, following the Mayor's review of the City's administrative structure, City Council approved a revised operating structure with a new senior management model. The restructuring resulted in the elimination of the department model and the Commissioner positions, and created a new model with three clusters each led by a Deputy City Manager (DCM). The finance functions combined with the majority of the corporate services functions and were aligned under a DCM & CFO position.

The revised operating structure was implemented in 2005 and has been in place since that time.

<http://www.toronto.ca/legdocs/2004/minutes/council/cc041129.pdf>

COMMENTS

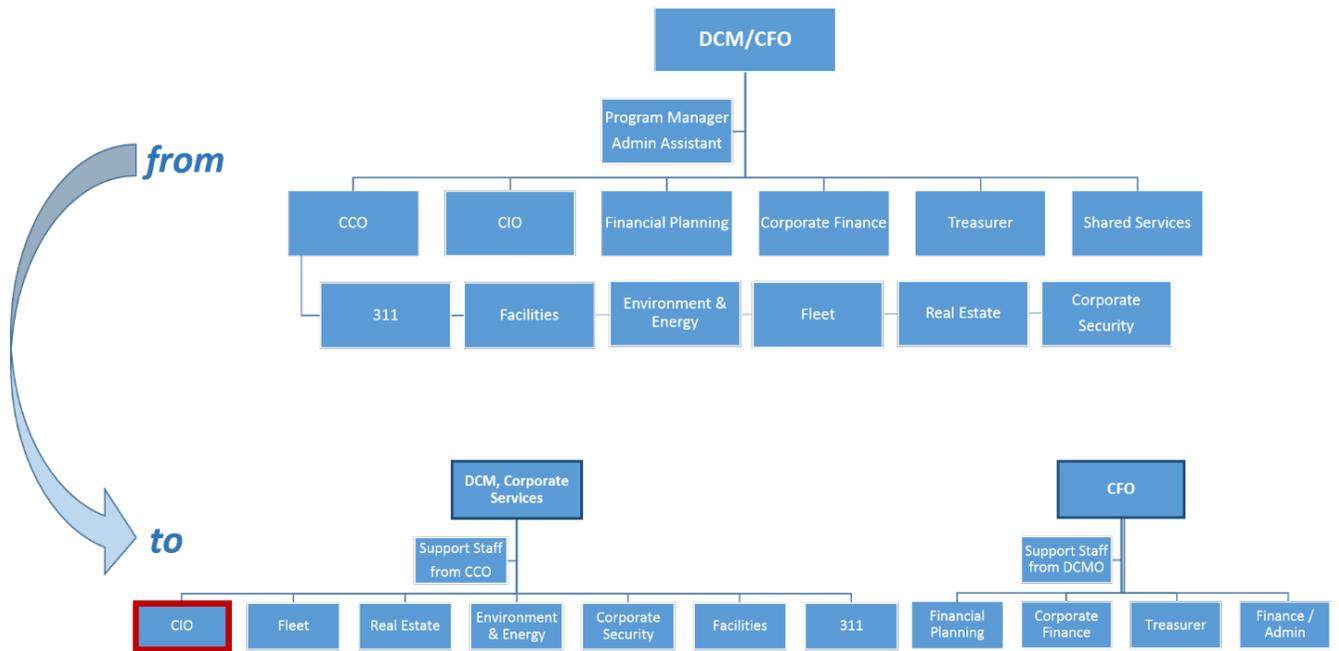
The City's current DCM & CFO, Roberto Rossini, announced his retirement, effective October 6, 2017. As a result of this announcement, the City has the opportunity to implement a structural re-alignment that creates a CFO position and a reporting structure that provides focus and emphasis on financial management. At the same time, the re-alignment provides a streamlined reporting and flattened organization structure for the balance of divisions previously reporting to the DCM & CFO.

The structural change separates the DCM & CFO role into 2 distinct positions – a CFO and a DCM, Internal Corporate Services. The stand-alone CFO position, reporting directly to the City Manager, will be responsible for the following functions: Financial Planning, Corporate Finance, Treasurer (Accounting Services, Revenue, Purchasing, Pension, Payroll & Employee Benefits) and Finance & Administration.

The DCM, Internal Corporate Services will be responsible for the balance of the corporate services functions that previously reported to the DCM & CFO. This includes Information and Technology division, as well as all the functions that currently report to the Chief Corporate Officer – including Real Estate, Facilities, Corporate Security, Fleet Services, 3-1-1, and Environment & Energy. The structural change eliminates the Chief

Corporate Officer (CCO) position; all divisions previously reporting into the CCO will report directly to the DCM, Internal Corporate Services position.

Figure 1 Proposed Structural Changes



This revised structure elevates the importance of the financial management portfolio and allows for the CFO to specifically focus on the complex financial management of the City. The revised structure also creates a more streamlined and flattened organization structure, with the elimination of the Chief Corporate Officer position.

Upon Council approval, the new model will be effective immediately. The details related to the staff appointments that would give effect to this new model are contained in the Confidential Attachment.

CONTACT

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SIGNATURE

Peter Wallace
City Manager

ATTACHMENTS

Confidential Attachment 1 -
Confidential Attachment 2