

---

## A Culture of Continuous Improvement

### Recommendation

That the report of the General Manager, Corporate Performance Department, dated January 31, 2017, be forwarded to City Council for information.

### Topic and Purpose

The purpose of this report is to provide a summary of the initiatives that the City of Saskatoon (City) has implemented over the past several years to instill a culture of continuous improvement within the organization.

### Report Highlights

1. The City of Saskatoon has been focusing on creating a culture of continuous improvement since 2009.
2. The Strategic Plan was approved by City Council in 2012, and it solidifies the City's commitment by including A Culture of Continuous Improvement as one of its seven Strategic Goals.
3. A formal approach to continuous improvement was adopted in late 2013, and has resulted in approximately \$3M in potential staff time and hard dollar savings.
4. City Council approved a total of \$200,000 to support this initiative of which \$150,000 has been spent to date. That means that, on an annual basis for this three year cycle, we spent approximately \$50,000 in order to save taxpayers \$1,000,000.
5. There are a number of new initiatives planned for 2017 and beyond to continue to build and improve upon our culture of continuous improvement.

### Strategic Goal

This report supports the Strategic Goal of a Culture of Continuous Improvement.

### Background

At its meeting held on January 16, 2017, the Governance and Priorities Committee resolved the following:

“That the Governance and Priorities Committee recommend to City Council that the Administration provide an update on the City of Saskatoon's operational efficiency reviews to City Council, SUMA and those Ministers leading the transformational change with the Province.”

### Report

#### Continuous Improvement Starts in 2009

In 2009, the City identified that modern cities need to be increasingly creative, innovative and proactive in planning, problem solving and decision-making if they are to

## A Culture of Continuous Improvement

---

be successful in the new world economy. The pace of change was accelerating and the diversity of issues that our city was facing was becoming more complex. Consensus thinking was clear in that cities, including the City of Saskatoon, had to change to remain competitive and ultimately successful in addressing existing and emerging issues. This remains true today.

This environment of accelerated and complex change created an “expectation gap”. A gap was emerging because the expectations of the public were changing in such a way that the skills and abilities of our municipal government and our employees were insufficient to meet the new demands. As the order of government that is closest to the people it serves, we knew that we had to retrain ourselves to fill this gap and meet the future expectations of our citizens.

This meant that we needed to become more goal-oriented, responsive, and adaptive in our approach to municipal governance. We looked for new and innovative ways to provide the existing and emerging programs and services to our citizens.

The Administration started to take a fresh look at how it operated and how the corporation could become more adaptive and responsive in order to:

- improve our service
- increase our savings
- grow our city in a sustainable way.

One of the key deliverables was to create a culture of innovation and creativity within the corporation where staff are well prepared and willing to take on new challenges with new approaches and new strategies. We needed the City to prepare as an organization to “act faster” and become a world class innovator.

A key driver of strengthening any organization is training. In order for us to achieve our goals, all employees needed to be part of the solution. As a result, we provided training to all permanent employees, at every level, to help us think differently about our work, solve problems for citizens, and take ownership for results. This intensive training program had a 30-year track record in various private sector companies and public sector organizations around the world, and it was designed to encourage employees to perform their work in new and innovative ways. This training was foundational in setting the stage to setting a goal for a culture of continuous improvement.

### Strategic Goal – A Culture of Continuous Improvement

City Council approved the Strategic Plan in 2012, and one of the seven strategic goals is A Culture of Continuous Improvement.

#### A) Deferred Expenses and Increased Revenue

Since 2009, the City has been taking measures to find creative and innovative ways to reduce or defer spending of tax dollars and find new sources of revenue. From 2009 to 2015, the City has identified \$467M in deferred costs, reduced expenditures, savings, and additional revenues. The following provides a breakdown:

## A Culture of Continuous Improvement

---

A review of the SSS reports from 2009 to 2015 has identified the following for total deferred spending and savings:

### Deferred Spending – Over \$310M

Examples include:

- Capital project savings through improved procurement and tendering of contracts (Circle Drive South, Wastewater Treatment Clarifier).
- P3 Procurement Process for the Civic Operations Centre and North Commuter Parkway/Traffic Bridge Projects expected to result in Value for Money Savings of \$161M.
- Improved GIS mapping used to optimize current and future fire hall locations deferred costs of \$15M.
- Rainfall flooding collector tanks reduced residential flooding and deferred cost of \$70M.
- Recapturing of 15% of landfill air space each year as a result of additional eight years of life added to the landfill resulting from the residential recycling program - \$93.6M deferred costs.

### Identified Savings – Over \$145M

Examples Include:

- Reduction in workplace injuries reduced premiums paid to WCB for five consecutive years.
- Process optimization at the Water Treatment Plant.
- Diversion of construction waste from landfill.
- Reduction in office leases with purchase of CSE.
- Automation of several manual processes have resulted in savings in every division and improved service for citizens.
- Negotiation of longer-term contracts with vendors (Microsoft, roadways contractors, etc.).

### \$12M in additional revenue

Examples Include:

- Landfill gas is drawn out of the landfill and sent to a power generation station.
- New parking meters are more reliable.
- Installation of Smart Meters has led to improved billing services.
- New Storm water utility rate structure provided more equitable distribution of charges between residential and commercial property owners and increased the utility's revenue.
- Golf cart rentals are managed by the City rather than a third party.

## B) A Formal Approach to Continuous Improvement

A formal approach to continuous improvement was adopted in late 2013, and has resulted in approximately \$3M in potential staff time and hard dollar savings.

## A Culture of Continuous Improvement

---

The Continuous Improvement Strategy includes the following three components:

- Annual Civic Service Reviews (CSR) are an operational review process to find ways to control expenditures and to seek efficiencies in the delivery of municipal programs and services. It is a way to identify redundancies and inefficiencies in the City's operations and improve on them.
- Internal Process Reviews (IPR) focus on identifying and removing redundancies and waste within existing processes to increase efficiencies in civic operations.
- Building capacity in the corporation through innovation coaches and engaging and empowering employees.

Within the potential \$3M in staff time and hard dollar savings, examples of innovation ideas teams have successfully implemented include the following:

- The Waste Handling CSR team has initiated a new Collections and Landfill operator training program and implemented an upgraded payment system at the Landfill. These actions create a safer work environment for staff, save future equipment repair cost/time, and reduce customer wait times at the Landfill.
  - Saving approximately \$135,000 in hard dollars.
- The Roadways CSR team has initiated contractor prequalification to reduce the amount of time Inspectors spend following up on contractors issues.
  - Saving approximately \$225,000 in staff time.
- The Fleet Services Business Model Review team has worked with vendors to ensure leasing options are provided on all future procurement bids in order to identify potential hard dollar savings.
  - Saving approximately \$1,500 in hard dollars.
- The Waste Stream Management Customer Service phone line was recently integrated into the Customer Service and Operations Support section's responsibility reducing service overlap and further moving customer service towards a one-stop-shop for citizens.
  - Saving approximately \$8,500 in staff time.
- The Special Events IPR team has successfully redeveloped the special event application form and created service user workshops – where those using the special event process can come get questions answered, hear about process changes, and give feedback. These actions save staff time and customer time as well as improve customer service.
  - Saving approximately \$5,000 in staff time.

A summary of all of the initiatives that have taken place over the past three years is included in Attachment 1.

### **Public and/or Stakeholder Involvement**

The Chamber of Commerce has been a strong supporter of the Administration's efforts in continuous improvement. For the past two years, the Administration has been invited

## **A Culture of Continuous Improvement**

---

to speak at a session sponsored by the Chamber to share our experiences and best practices with the business community.

The Administration has been invited to attend the 2017 Canadian Association of City Managers (CAMA) Conference and present on our continuous improvement initiatives. Saskatoon is seen as a leader in our efforts and is considered to be conducting best practices in this regard.

### **Communication Plan**

The City website features regular updates to the savings and efficiencies we are realizing under Our Performance, Making Strides.

We also feature process improvement initiatives conducted by our staff on the website under Our Performance, City Spotlight. There is a description of the process that was improved as well as the efficiencies that were achieved, and a picture posted of the staff that worked on the initiative. See Attachment 1 for more details and examples.

The annual Service Savings and Sustainability report will continue to be produced, tabled with City Council and posted on our website. This report highlights all of the savings that have been captured over the past year, both in staff savings and in hard dollars.

### **Financial Implications**

A formal approach to continuous improvement was adopted in late 2013, and has resulted in approximately \$3M in potential staff time and hard dollar savings. City Council approved a total of \$200,000 to support this initiative of which \$150,000 has been spent to date. That means that, on an annual basis for this three year cycle, we spent approximately \$50,000 in order to save taxpayers \$1,000,000. Details of the savings achieved are listed in Attachment 1. The implications of these savings are that resources can be redeployed to priority areas based on citizen input and direction provided by City Council. These savings result in a lower increase to the annual property tax.

To date, the savings captured have been on staff time and internal operational efficiencies. The Administration is starting to capture the cost savings for our citizens and will begin to report on these savings. For example, a recent review of our process to manage special events identified time savings for our citizens that translated into approximately \$25,000 in their time annually.

### **Other Considerations/Implications**

There are no policy, financial, environmental, privacy or CPTED implications or considerations.

### **Due Date for Follow-up and/or Project Completion**

A similar report will be forwarded to SUMA and those Ministers leading the transformational change with the Province.

## **A Culture of Continuous Improvement**

---

The annual Service Savings and Sustainability Report for 2016 will be submitted to City Council in April, 2017.

### **Public Notice**

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

### **Attachment**

1. Update and Plans for 2017

### **Report Approval**

Written by: Catherine Gryba, General Manager, Corporate Performance  
Department

Approved by: Catherine Gryba, General Manager, Corporate Performance  
Department

A Culture of Continuous Improvement.docx

## A Culture of Continuous Improvement Update and Plans for 2017

### **Strategic Plan**

One of seven Strategic Goals for the City is “A Culture of Continuous Improvement”. Four-Year Priorities related to Continuous Improvement and Innovation include:

- Implement Service Saskatoon – a coordinated approach to responding to citizen calls and inquiries on programs and services
- Identify targeted opportunities to implement specific continuous improvement tools within departments
- Pursue opportunities to ‘modernize’ civic government to reflect best practices, changing demands, etc.
- Develop a new website for the City that is more customer and citizen friendly.

### **Service Savings Sustainability Report**

- A productivity report has been created annually since 2010 that highlights Service, Savings and Sustainability (SSS) efforts within the City. CI initiatives completed in the report year are included along with the associated dollar savings which may be short-term immediate savings or realized in future years. Initiatives highlighted in the report include anything from manual to automation of processes, to streamlining services provided by Civic departments.
- The Chamber of Commerce has commended the City for the past several years on the production and publication of the SSS report as well as the City’s overall Continuous Improvement strategy. The Chamber claims that the City of Saskatoon is the only municipality in Canada that produces such a report.

### **Civic Service Reviews (CSR)**

- Began in 2014. Identify opportunities to improve efficiency and increase the effectiveness of a service and/or program.
- Initial focus was on five key services:
  - Design, construction and maintenance of roadways
  - Design, construction and maintenance of civic parks
  - Saskatoon Fire Department
  - Waste Handling
  - Fleet Services
- CSRs completed to date include:
  - Waste Handling – Collections and Landfill Operations
  - Urban Forestry – Tree Inventory and Maintenance
  - Building Standards and Development – Commercial Permit Process
- CSRs in progress include:
  - Police Fleet – Business Model and Resourcing
  - Engagement
  - Payroll

- Roadways Phase 2
- Private Development
- Right of Way
- Back Lanes, tree trimming

CSRs are coordinated with Service Saskatoon and in partnership with Information Technology (IT) to ensure that focus is on services that matter most to citizens and will have the greatest impact to improving efficiencies in service delivery and reduce complaints and inquiries.

- Employees and managers from all levels and often from several divisions form a team to focus on how the service is currently being delivered, current challenges in processes (internal and citizen perspective), defining what success looks like from the citizens perspective and identifying changes that will enhance efficiency, increase customer satisfaction, and provide savings to the organization.
- Once the ideal future model of the service has been designed, the team develops recommendations and an action plan for implementation.
- CSRs have increased employee engagement across the organization and improved collaboration and communication across civic divisions; improving service delivery for citizens.

### **Internal Process Reviews (IPR)**

- Similar process to the CSRs, however the focus is on a single process or program and the timeline for the review is usually shorter. IPRs are less complex and only involve one or two divisions as opposed to the multi-divisional, more complex focus of the CSRs.
- IPRs completed to date include:
  - Special Events – Application, Review and Approval Process
  - Fire Prevention – Fire Inspections, Fire Investigations, Property Maintenance
  - Fleet Services Phase 2 – Business Model
  - Utility Accounts – Creating a new account
  - Recycling Services – Adding a new service or discontinuing a service
  - Tuition Reimbursement – Policy and Process Review
  - Claims Process – Filing a Claim Against the City of Saskatoon
- Over 200 employees have participated in a CSR or IPR
- Over \$3M in potential savings (staff time and money) has been identified as a result of the CSRs and IPRs

### **Training**

- Introduced a Continuous Process Improvement course in 2015 – approximately 75 staff have taken the course.
- The course is offered throughout the year in the corporate learning and development calendar, as well as through customized training sessions. The 2017 focus is on increasing the number of employees who have received training in CI tools and methods in order to continue to build capacity across the

organization for innovation and creativity. Ongoing, regular innovations implemented at all levels of the organization from front line staff to the leadership team will continue to ensure the City has a sustainable *Culture of Continuous Improvement*.

## Innovation

### **Innovation League**

- In April 2014, the City partnered with Juice Inc. to train approximately 40 employees in Innovation in a Box training, a systematic approach to following an opportunity/issue from the generation of the idea through to implementation of an action plan. Employees were trained in Juice's i5 process and the tools that accompany it. Participants focussed on working through the question "how might we improve service to citizens?." Strategic Game Plans developed as part of the discussions were then presented to the Senior Management Team (SMT) and the Leadership Team (LT) in a Dragons Den format to showcase what they had learned in the training and potentially move some of the ideas forward. The SMT and LT were given a certain amount of "play money", which they could choose to invest in any or all of the ideas. They were given a criteria on which to judge the idea which included "Nailed It, In the Cards, or Missed the Boat." Presentations were fun, innovative, and well received by SMT and LT.
- The six ideas brought forward by the participants have been in varying stages of development and implementation over the past few years (i.e. apps to improve customer service, networking teams and committees) for customer service staff to enhance information sharing and improve customer service training. For example, communities of practice, Service Saskatoon/311, traveling customer service kiosks, and new methods to engage and educate citizens continue to be implemented. Following Juice's i5 Training, participants formed the Innovation League (IL). The main focus of the IL is to spread innovation and build capacity across the organization. One way of doing this is through Innovation Events, the first planned for March 2017. It will be an Innovation Fair where employees across the organization can showcase their innovation ideas.
- Members of the IL have also facilitated problem solving discussions with their workgroups and various others.

### **Training**

- Building a Game Plan: From Idea to Implementation – a Lunch and Learn based on the i5 process was offered to City staff in 2015. Fourteen employees were in attendance. This session continues to be offered by Innovation League members upon request across the organization.
- Creative Thinking and Innovation – a course offered through the Corporate Learning and Development opportunities program. To date 20 people have completed this course.
- Continuous Improvement 101 and future course development on CI Tools and Methods

### **Leadership Commitment Sessions**

- Since 2012, the City has been bringing General Managers, Directors and Section Managers together several times per year with a focus on the four leadership commitments – Responsive and Reliable Service, Strong Management and Fiscal Responsibility, Effective Communication, Openness and Accountability, and Innovation and Creativity. Sessions have four areas of focus: education on a specific topic related to the leadership commitments, group discussion on the topic(s), networking, and tools for participants to take back and share with their teams.
- Peter de Jager is a regular contributor to Municipal World magazine and he presented at a Leadership Commitment session on change management and effective leadership.
- Two sessions have specifically focussed on the Innovation and Creativity Leadership Commitment.
- In 2013, the session included the introduction to CSRs and IPRs along with tips and tools on how to get started. There was also a focus on Celebrating Success throughout the organization and awards were presented to employees who were nominated by their Managers/Supervisors. Specifically, the Innovation and Creativity award was called “The Golden Light Bulb Award” and was presented to individuals or teams that had undertaken a unique initiative or program within their division that had inspired an exceptional level of innovation and creativity.
- The next session was held in April 2014 with the focus on the Juice Inc. Innovation in a Box i5 process (which then kicked off the training and Innovation League).

### **City Manager Leadership Forums:**

- Hosted by City Manager twice per year
- Participants include: City Manager, General Managers, Directors, Section Managers, Supervisors and Union Executives
- Focus on a variety of topics including: economic outlook, departmental updates, continuous improvement success stories, leadership development, aboriginal awareness, etc.

### **Division Trade Show:**

- Showcase of civic operations for new City Council and participants attending the City Manager’s Leadership Forum provided an innovative and creative opportunity for divisions to showcase what they do.
- Interactive booth displays included: a jenga game to help balance the budget, bubble-wrapped risk table, street signs for Mayor and Council, cloud and bus-shaped sugar cookies, a “make it rain display” highlighting impact of various substances on our agriculture and water systems, just to name a few.

### **Other:**

- Ideas Unlimited program where employees were encouraged to bring forward ideas on how we can improve services, safety or cost savings.

- Pacific Institute training – Excellence Within Us, four-day training focusing on personal and professional development offered to all City staff. “If it’s meant to be it’s up to me” encouraged employees to look at opportunities within their control that they could improve; jumpstarted innovation and creativity across the organization.
- Municipal Innovators Community – The City is a member of the Community, Delegates attended the 2016 conference and the City is an active participant in developing an innovation information sharing network with Municipalities across the country. Other participants include the Cities of Mississauga, Barrie, Toronto, Burlington (need to ask Heather who else is involved)
- Awarded the Willis Award for Innovation in 2001 for the Community Centre Project.
- Innovation Week – City participated in 2012 and 2013 - celebration of made-in-Saskatchewan ideas and encouraged creation and development of innovation networks in our province.
- Corporate Innovation Award in 2004 from the Canadian Urban Transit Association to Transit Services for its involvement in the “Getting Around: A Driving Force for Change” Education Program.

## Performance

### **#YXEStrides**

- Feed of improvements in the works, posted on the Our Performance page at [www.saskatoon.ca](http://www.saskatoon.ca).
- 50/50 strides have been posted in 2016

### **Spotlight Stories**

- Newly introduced in 2015, where stories are posted on the Our Performance page that highlight progress and achievements on how the City is increasing efficiency, improving service, and making progress toward Strategic Goals.
- Ten stories have been posted to date, they include:
  - There’s An Idea for That – Innovation League
  - Thinking Outside the Box Results in Savings – SFD
  - Clarity Brings Efficiency and Savings – Russ, Water Treatment Plant
  - Bridging Creativity and Collaboration – University Bridge
  - Widening the Circle – Aboriginal Inclusion
  - Bright Ideas in the Bridge City – Saskatoon Light & Power
  - Setting up Success for Service Saskatoon – Service Saskatoon/PW
  - Building a Green Culture with Choice – Environmental Education and Engagement
  - Saskatoon: A Great Place for Special Events
  - Thinking Pink, Even in the most Unexpected Places – Pink Fire Truck

## Performance Dashboard

- Also located on the Our Performance page where the goals of the Saskatoon government for our city and how we are measuring against the targeted goals can be viewed. All targets/indicators fall under one of our seven Strategic Goals.
- All 19 targets and six indicators with updated numbers based on July 2016 performance
- Includes the Civic 2015 Performance Scorecard

## Plans for 2017

### Partnership with Peak Academy in Denver

- The City and County of Denver, CO is approximately two years ahead of the City of Saskatoon on their CI Journey. The City of Saskatoon has been working with and learning from Peak Academy at Denver and is embarking on the following in 2017:
  - Enhanced training for staff – goal of 80% of staff across the organization trained on introduction to CI and basic CI tools within three years
  - Standardized templates:
    - Service Levels
    - Division KPIs
    - CSR and IPR Reports
    - Tools for training and facilitation
  - Peak Partnerships – Process Improvement Specialist from Peak Team partners with an agency for a six month period.
    - City of Saskatoon's PIC Partnerships - six month partnerships with divisions across the organization where the PIC is part of the division, creating an opportunity to learn and understand the day to day operations and challenges. Focus is on defining service levels for key services within the division, setting up division KPIs, building capacity through training on CI tools and methods with staff within the division to ensure sustainability. Then the PIC moves to the next partnership and incorporates a CI action plan into the business planning and budgeting process to ensure that short, medium and long-term action plans have an increased opportunity for successful implementation.

### Communities of Practice

- We will be introducing Communities of Practice (CoP) for staff at the City of Saskatoon this year, beginning with a Project Management CoP launching in early February 2017. The CoP brings together a group of individuals with a common areas of interest and provides an opportunity to learn, network, and share ideas (including ideas for improvement and innovation). The Project Management CoP will also work toward standardizing the City's approach to project management where it makes sense to do so (i.e. tools, templates, etc.)