

 <b>COBOURG</b>	<b>THE CORPORATION OF THE TOWN OF COBOURG</b>	
	<b>STAFF REPORT</b>	
TO:	Mayor and Council Members	
FROM: TITLE:	Melissa Henke Human Resources Manager	
DATE OF MEETING:	Monday January 6, 2020	
TITLE / SUBJECT:	Recruitment for the Town of Cobourg Chief Administrative Officer	
REPORT DATE:	December 17, 2019	File #:

1.0 STRATEGIC PLAN

Not Applicable

2.0 PUBLIC ENGAGEMENT

Not Applicable

3.0 RECOMMENDATION

THAT Council receive the report for information purposes; and

FURTHER THAT Council provide direction to the Human Resources Manager regarding the recruitment of a Chief Administrative Officer (CAO).

4.0 ORIGIN

On August 12, 2019 in a closed session, Council provided direction to the Human Resources Officer to prepare a report outlining the recruitment options available to them to fill the CAO position on an extended interim basis.

5.0 BACKGROUND

In July 2019 the Town of Cobourg's permanent full time CAO provided information that he would be taking an approved medical leave.

Due the unique circumstances related to the CAO vacancy Council appointed Ian Davey, through By-law # 056-2019, as the interim CAO for a period of 6 months until Council is able determine and execute a recruitment strategy for an Interim CAO for an additional 24 months.

On September 3, 2019 Committee of the Whole meeting the Human Resources Manager provided the attached report outlining the recruitment options available to them to fill the vacant CAO position on an extended interim basis. At this time no direction has been provided to the Human Resources Manager on which option Council would like to proceed with.

On December 16, 2019 information was provided to Council by the Human Resources Manager that confirmed Council's ability to proceed with filling the Chief Administrative Officer position on a permanent basis. Council requested the Human Resources Manager provide a revised report with their options related to the recruit of the permanent full time Chief Administrative Officer.

## 6.0 ANALYSIS

Staff present the following options for hiring a permanent full time Chief Administrative Officer.

### **Option #1 – Hiring of an External Search Firm/Consultant**

Benefits of using an external search firm include:

- Specialized experience and knowledge in hiring senior executives in the public sector.
- Recruitment of candidates through strategies beyond job postings and advertising, such as referrals, direct contact, company database of past recruitments.
- Expert experience in leading the recruitment and hiring process including, providing specialized interview questions, thorough employment screening and contract negotiations.
- Providing a recruitment guarantee that the successful candidate will remain in the position for a period of at least 1 year, depending on the firm awarded.

Drawbacks to consider:

- Significant cost for their service. Potentially \$25,000 - \$30,000 plus additional costs.
- Additional time taken to select an executive search firm. As per the Town of Cobourg Purchasing Policy three (3) quotes are required to be obtained for service purchases between \$5,000 and \$50,000.

It is recommended that a CAO Hiring Committee comprised of the Mayor, Deputy Mayor and a Councillor be established to assist in the recruitment process including working with the external search firm to develop a job posting, determine interview questions and short list candidates for interviews.

If this option is chosen, the following recommendation should be considered by Council:

AND THAT Council select Option #1, directing staff to administer the selection of a recruitment firm for the recruitment of the CAO;

AND THAT Council appoint a CAO Hiring Committee comprised of the Mayor, Deputy Mayor and a Councillor, being;

To assist with the CAO recruitment process, including working with the recruitment firm to develop a job posting, determine interview questions and short-list candidates for interviewing by Council.

### **Option #2 – Conducting the Recruitment Process Internally**

The process for conducting the recruitment process internally would be;

1. A job posting based on the job description and required education and skills would be developed for the position.
2. The job posing would be advertised in several different media outlets and professional associations to attract quality candidates.

Benefits of conducting the CAO recruitment internally through the Human Resources Department include:

- The cost would be less than the cost to engage an external search firm.
- Human Resources staff, in conjunction with Town Council, have knowledge and understanding of the corporate culture and the specific knowledge, skills and experience required for the CAO position that will be used in reviewing applications and developing a short list of candidates to interview.
- It would save some time since selecting a recruitment firm would not be required.

Drawbacks to consider:

- This may limit the number of applications as some top-level executive may prefer a recruitment process through an external search firm or they may not see the job posting.

- There are costs associated with posting positions on media outlets and professional associations.
- Limited internal resources for conducting the process internally in conjunction with other human resources department responsibilities which include other labour relations and employee relations matters, health and safety and other recruitment files.

With Option # 2, staff recommend appointing a CAO Hiring Committee comprised of the Mayor, Duty Mayor and a Councillor to assist with the recruitment process including working with the Human Resources Manager to develop a job posting, determine interview questions and short list candidates for interviewing by Council.

If Option #2 is chosen, the following recommendation should be considered by Council:

AND THAT Council selection Option #2, directing the Town of Cobourg Human Resources Department to assist Council in recruiting a CAO;

AND THAT Council appoint a CAO Hiring Committee comprised of the Mayor. Deputy Mayor and a Councillor, being;

To assist with the CAO recruitment process, including working with the Human Resources Department to develop a job posting, determine interview questions and short-list candidates for interviewing by Council.

### **Option # 3 – Hiring a Consultant (Expert or HR) to assist Council in Hiring the Chief Administrative Officer**

The hiring of the CAO would be conducted through the Town of Cobourg Human Resources Department as noted in Option # 2 but rather than dealing directly with the Human Resources Manager a consultant would be hired to assist Council directly. The consultant could be a HR Consultant or a subject matter expert consultant, such as a former CAO. As per the Town of Cobourg Purchasing Policy three (3) quotes would be sought from consultant by the Human Resources Department.

#### **Benefits of Option # 3**

- Cost would be slightly less than the cost to engage an external search firm since most of the recruitment process would be administered by the internal Human Resources Department.
- Having a dedicated consultant may reduce the time Council will spend on the recruitment and recruitment related work.

#### **Drawbacks of Option #3**

- Uncertainty of the cost of a consultant. At this point no quotes have been obtained.

With Option #3, staff recommend appoint a CAO Hiring Committee comprised of the Mayor, Deputy Mayor and a Councillor to assist with the CAO recruitment process including work with the Consultant to develop a job posting, determine interview questions and short-list candidates for interviewing by Council.

If Option #3 is chosen, the following recommendation should be considered by Council:

AND THAT Council select Option #3, direction that a consultant shall be hired to assist the Human Resources Department and Council to recruit a CAO.

AND THAT Council appoint a “CAO Hiring Committee” comprised of the Mayor, Deputy Mayor and a Councillor, being;

To assist with the CAO recruitment process including working with the Consultant and the Human Resources Department to develop a job posting, determine interview questions and short-list candidates for interviewing by Council.

**Option #4 – Maintain Status Quo – Extend the Current Interim CAO role for a defined period and postpone hiring until a later date.**

Council may decide the current organizational structure is functioning well and may elect to maintain the current Interim CAO contract for a longer defined period of time.

Benefits of Option #4:

- Money would be saved from the recruitment process.
- Staff and Council resources would be saved from a time perspective.

Drawbacks of Option #4

- Delaying the hiring of a Permanent full time CAO may interrupt future strategic plans of Council.

**Option #5 – Appoint the Interim CAO to a Permanent Full Time CAO**

Council may decide the current organizational structure is functioning well and may elect to appoint the current Interim CAO to the permanent full time position.

Benefits of Option #5:

- Money would be saved from the recruitment process.
- Staff and Council resources would be saved from a time perspective.
- Continuity of operations would be maintained by retaining the current interim CAO. There would not be any immediate changes to the organization and no additional resources would be required related to an organizational change.

Drawbacks of Option #5:

- This process does not allow external applicants to participate in an open recruitment process.

### **Option #6 – Do Not Hire a CAO**

The Municipal Act requires two mandatory positions within its organization structure, a Clerk and a Treasurer. There is no requirement under the Municipal Act to Hire a CAO. Council could consider the merits of a non-traditional municipal structure without a CAO.

Benefits of option #6

- The cost of recruitment and the cost of the CAO's salary would be saved.

Drawback of option #6

- Additional work required by Council as they may be drawn into operation issues overtime and lose time and work capacity that may be dedicated to setting priorities and setting strategic direction.
- Staff may become disengaged without a CAO to provide day to day direction and overall guidance to implement Council's vision and strategic direction.
- May require restructuring reporting relationships for departments that currently report to the CAO position and place additional responsibilities on Directors that may have limited resources to handle additional responsibilities.

If options #4, #5 or #6 are selected by Council, staff recommend Council consider the following recommendation:

AND THAT Council direct staff to schedule a closed session at the next available opportunity to allow Council to provide direction to staff regarding the recruitment of a Interim CAO as the discussion would include personal matters about an identifiable individual, including municipal or local board employees and labour relations or employee negotiations.

## 7.0 FINANCIAL IMPLICATIONS/BUDGET IMPACT

The estimated costs associated with each options are outlined in the table below:

Option # 1 – Executive Search Firm	The costs to engage an external search firm to conduct the recruitment for a CAO would be approximately \$25,000 - \$30,000 plus any out of pocket expenses the firm incurs during the recruitment process. A portion of this cost may be required in the current 2019 budget year and an outstanding amount would be required in the 2020 budget.
Option #2 – Use Internal HR Department	The costs associated with advertising the position are estimated to be \$2,500 - \$3,000 to cover the costs associated with posting the position with various websites and professional association. The cost of the advertising would come from the established HR Budget, but would be outside the approved 2019 budget amount.
Option # 3 – Use Internal HR Department with the assistance of an external consultant or external HR consultant.	This costs associated with this option would be the cost of advertising as noted above and an estimated cost of \$20,000 - \$25,000 for the consultant. (no quotes were obtained for this option). A portion of this cost may be required in the current 2019 budget year and an outstanding amount would be required in the 2020 budget.
Option # 4 – Maintain Status Quo	Limited costs would be associated with option. Discussion would need to take place with the interim CAO related to the potential costs for compensation support

	staff with additional responsibilities due the advancement of the Interim CAO.
Option # 5 – Appoint Interim CAO to the Permanente Full Time CAO	Limited costs would be associated with option. Discussion would need to take place with the interim CAO related to the potential costs for compensation support staff with additional responsibilities due the permanent advancement of the Interim CAO.
Option # 6 – Do not hire a CAO	\$0, however Council may want to consider engaging in hiring a consultant with subject matter expertise to advise on operating a municipality without and CAO and the organizational structure needed to support this change.
The current budget for 2019 includes \$10,000 for CAO Recruitment. It is recommended that this amount be transferred to 2020 and increased based on the recruitment option selected.	

8.0 CONCLUSION

This report was requested to provide Council information related to the future vacant Chief Administrative Officer position. It is recommended that Council provide direction to the Human Resources Manager on how they wish to proceed.

9.0 POLICIES AFFECTING THE PROPOSAL

N/A

10.0 COMMUNICATION RESULTS

N/A

12.0 AUTHORIZATION/SIGNATURES



Melissa Henke, BA CHRL  
Human Resources Manager