



## The Corporation of the Town of Tecumseh

Chief Administrative Officer

**To:** Personnel Committee

**From:** Margaret Misek-Evans, Chief Administrative Officer

**Date to Council:** October 27, 2020

**Report Number:** CAO-2020-08

**Subject:** Human Resources Service Delivery Review

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### Recommendations

It is recommended:

**That** Chief Administrative Officer Report CAO-2020-08, Human Resources Service Delivery Review, **be received**.

**And that** Administration **be authorized** to phase-in implementation of the future state recommendations contained in the report, Town of Tecumseh Human Resources Service Delivery Review Future State Analysis and Recommendations, October 5, 2020 by Pesce & Associates, subject to deliberations on the 2021 Budget.

**And further that** the financial considerations associated with implementation of the future state recommendations outlined herein **be referred** to the 2021 Budget process.

### Executive Summary

As a precursor to a full organizational review, Administration undertook a review of the Human Resources (HR) service. Funding was secured from the Municipal Modernization Program (MMP) for the review. The project has now concluded, with recommendations to re-organize the HR function within Administration and make enhancements in staffing capacity, service modernization, process and technology updates. The review was undertaken with full staff participation and the resulting recommendations are supported by the Senior Management Team (SMT) and CUPE leadership. Administration is recommending a phased approach to implementing the recommendations, allowing time for completion and reporting of the planned organizational review. Initiation of the organizational review is planned for end of year, with completion and reporting in the second quarter of 2021.

## **Background**

As a measure to improve service delivery efficiency, Administration determined a need to review the HR service delivery in the Town, as a precursor to undertaking the full organizational review anticipated for 2020. Funding for such an endeavour was available through the first intake of the MMP of the Ministry of Municipal Affairs and Housing. In December of 2019, Council gave direction to Administration to pursue funding in the amount of \$20,000 to cover the costs of an independent third-party review for the HR service. The review would focus on optimizing efficiency, effectiveness and appropriateness of HR service delivery. The Town's contributions were in-kind by Administration contributing time to compile documents, participate in interviews and meetings, provide meeting platforms and review draft final reports.

Administration was successful with the application for funding early in 2020.

A call for proposals was issued in January 2020. Due to the onset of the COVID-19 pandemic in March, awarding of the project was delayed and included a condition that the project be undertaken virtually as in-person meetings and travel were out of the question. Meanwhile, the Province extended the timelines for deliverables under the MMP; final reports to the Province are now due in December 2020.

Once we had adapted sufficiently to virtual meetings, the Senior Management Team (SMT) felt confident that we could proceed with the project remotely whereby all interactions with the consulting team would be done on-line. Pesce & Associates were the successful consultants. They were able to accommodate a virtual/on-line working space, not only with the current HR team and SMT, but also with the Town's middle management group, Union leadership and the full staff complement. We are very pleased with project delivery and feel there was no compromise in quality of deliverables or communications due to the remote arrangements.

## **Comments**

As indicated in the consultant's final report found in Attachment 1, the HR Service Review involved extensive consultations with the current HR team, SMT, middle managers, Union leadership and the full staff complement. We believe that fair opportunities were provided for involvement and are pleased with the levels of interest and participation.

As per the original terms for the project, the third-party review would provide the Town with recommendations on how to modernize HR service delivery and address considerations such as, cost containment of external HR services, streamline benefits and pension administration, increase employee productivity, reduce absenteeism, succession planning and employee development.

The current state assessment indicates the strengths of the current HR service and also areas for improvement. Under current staffing allocations to the HR service, we are able to cover basic requirements, but cannot get to more strategic functions like succession planning and employee development (outside of health and safety), for example. The team functions tactically, with significant manual work in some processes. There is insufficient resource for continuous improvement and alignment to the strategic priorities of the Town.

Based on the elements of an effective HR service outlined in their report, the consultants made recommendations going forward along the lines of five themes:

- Strategic priorities alignment with the Town's Strategic Plan and the development of measurable objectives for the HR service to achieve value-added initiatives.
- Structure & staffing, with a proposed re-organization that would add a new Corporate Manager of HR and an HR coordinator reporting directly to the Chief Administrative Officer, along with the existing HR Officer. The coordinator position is expected to be filled by students or contract staff, at least initially, to achieve cost savings and provide flexibility. The addition of these positions would bring HR staffing levels closer to those of comparable municipalities and provide capacity to remedy the reactionary nature of the current service. A proposed HR service organizational chart is included in the consultant's report.
- Services modernization in the areas of recruitment, onboarding, labour relations, succession planning, performance management, with special regard to assessing equity, diversity and inclusion in all HR programs.
- Process updates in the areas of policy and procedures as well as consolidation of benefits and pension administration and reduction of manual processes and work duplication.
- Technology needs analysis with a plan for payroll and HR systems integration to increase efficiency, minimize manual work and train line department managers in software used for recruitment purposes.

The report contains significant detail for each of the recommended theme improvements that, once implemented, should advance HR service delivery in many ways including efficiency, timeliness of response, productivity and better use of external expertise and technology. As outlined in the consultant's report, efficiencies are predicted in labour relations, recruitment and onboarding, benefits and pension administration and reduction in manual processes.

Currently, the Director of Corporate Services & Clerk oversees HR service delivery in the Town and largely functions as the corporate HR manager in addition to her other duties. Accordingly, as indicated in the consultant's report, approximately a third of her time is allocated to the HR function. This is insufficient for an organization the size of Tecumseh. Moreover, the remaining duties of the Director (legislative services, elections, risk management and insurance, lottery licensing and litigation, accessibility requirements, information requests under MFIPPA and records management) are squeezed into her remaining time which can result in delays and constantly shifting priorities to address workload. It is common for municipalities the size of Tecumseh to have a dedicated HR service with a full-time manager, as indicated in the jurisdictional scan provided by the consultant. Accordingly, the re-organization of this function to the CAO's office, with a full-time manager is an appropriate fit. The relief associated with this re-organization to Corporate Services & Clerks is intended to result in greater efficiencies within that department, ensuring more timely service and deliverables to the corporation.

The future state recommendations have been thoroughly vetted by the SMT and reviewed with CUPE Union leadership. All are supportive of making the changes identified in the report.

Implementation is planned gradually, with consideration for the forthcoming organizational review. A call for proposals is in process for the organizational review, with a planned start-up toward the end of this year. While it is not expected that the organizational review will alter the direction of the HR review recommendations, there may be additional considerations from that process that will influence the phasing of recommendations.

Subject to Council's favourable consideration of the HR Service Review recommendations, Administration plans to phase-in the staffing and structure recommendations over the course of 2021, with the new Corporate Manager position commencing approximately mid-year and the coordinator position filled thereafter. The organizational review is expected to be complete by then and brought before Council. At that time, a phasing plan will be developed for the outcome of the organizational review, inclusive of the HR service recommendations.

## **Consultations**

All Departments  
Union Leadership  
Pesce and Associates Human Resources Consultants

## **Financial Implications**

Subject to Council's favourable consideration of the HR Service Review recommendations, the additional costs associated with implementation will be referred to the 2021 budget deliberations, accompanied by RNSE forms. For budgeting purposes, projected costs associated with the planned phase-in for 2021 are estimated below. Actual costs will be subject to development and rating of the job descriptions for the Manager and Coordinator positions. It is proposed that, otherwise, the 2021 budget for HR services will largely follow past practice.

The annualized Wages and Benefits for a Corporate Manager of HR, pending rating review of the job, is estimated to be at Level 7, Step 2 of the Town's Non-Union Salary Grid of \$134,000. The HR Coordinator position is anticipated to be filled initially by a student or contract staff on a part-time basis with compensation to be equivalent to that of a single-term student rate of \$10,000.

A phased-in implementation of the recommended additions will require an increase to the 2021 Budget of \$77,000, with an additional \$67,000 added in 2022.

## Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input type="checkbox"/>	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
<input type="checkbox"/>	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

## Communications

Not applicable ☒

Website ☐

Social Media ☐

News Release ☐

Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Reviewed by:

Tom Kitsos, CPA, CMA, BComm  
Director Financial Services & Chief Financial Officer

Reviewed by:

Laura Moy, Dipl. M.M., CMMIII HR Professional  
Director Corporate Services & Clerk

Recommended by:

Margaret Misek-Evans, MCIP, RPP  
Chief Administrative Officer

**Attachment  
Number**

**Attachment  
Name**

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Town of Tecumseh Human Resources Service Delivery Review  
Future State Analysis and Recommendations, October 5, 2020