

Commencing CAO Recruitment and Selection Process

Presented To:	CAO Recruitment Committee
Meeting Date:	November 7, 2024
Type:	Managers' Reports
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Report Summary

This report provides options to the Recruitment Committee regarding the recruitment of a new Chief Administrative Officer (CAO).

Resolutions

Resolution 1:

THAT the City of Greater Sudbury approves the job description for the position of Chief Administrative Officer outlined in Appendix 2 of the report entitled “Commencing CAO Recruitment and Selection Process” presented at the CAO Recruitment Committee on November 7, 2024.

Resolution 2:

THAT the City of Greater Sudbury approves Option 1: Recruitment Search Firm to assist with the recruitment of the Chief Administrative Officer (CAO) and that the Interim CAO be authorized to contract with Odgers Berndston as outlined in the report entitled “Commencing CAO Recruitment and Selection Process” presented at the CAO Recruitment Committee on November 7, 2024.

Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans

This report refers to operational matters.

Financial Implications

The cost for the executive search firm is estimated to be \$75,000 will form part of the year-end position. Salary and benefits for the successful candidate are included in the salary and benefits budget of the Office of the CAO.

Background

The position of CAO for the City of Greater Sudbury is currently vacant. The Municipal Act, 2001 provides that the CAO is responsible for exercising general control and management of the affairs of the municipality for the purpose of ensuring the efficient and effective operation of the municipality as well as any other duties assigned by the municipality.

The Mayor for the City of Greater Sudbury has been granted Strong Mayor powers under the Municipal Act, 2001, and among such powers, is the ability to hire or dismiss the CAO. The CAO Recruitment Committee has been created by the Mayor to assist him with all aspects of the hiring process.

The outcomes of the Committee's work will ultimately be a public matter however, the majority of the recruitment process will be conducted as closed meetings as permitted by the Municipal Act, 2001, given the confidentiality required for the individual applicants throughout the process. While the meetings of the Committee will not be livestreamed, members of the public will be permitted to attend the open portion of the Committee's meetings in person.

Analysis

To commence the recruitment process, staff require direction from the Committee regarding the content of the description for the position and the methodology for the search.

1. Job Description

Attached as Appendix 1 is the current job description for the CAO as well as the leadership competencies for this role. Leadership competencies have been developed organization-wide and are focused on the leadership behaviours critical for each leadership level. A review of comparator municipality CAO and City Manager job descriptions informed edits made since the last CAO posting in 2015. A few changes are recommended to align the position with more current priorities and demands for the position – see Appendix 2 for the recommended job description for the Committee's consideration. The job description will comprise a large part of the advertisement for the position.

This report recommends that the job description be updated and approved as per the revisions in Appendix 2.

2. Recruitment Plan and Use of Executive Search Firm

CGS Policy dictates that recruitment search firms may only be used for the filling of permanent vacancies for General Manager and CAO.

There are two (2) options for the Committee to consider. If Committee defeats Option 1 then Option 2 would be automatically pursued by staff as the status quo option. A third option exists and could be selected later if an internal driven recruitment is unsuccessful.

Option 1: Recruitment Search Firm

Recruitment search firms can be deployed in a variety of ways. Two (2) broad types of contracts are retention and contingency. If we place a firm on retainer, they are paid for their activity throughout the life of the recruitment or a percentage of a starting salary until they source a successful candidate. If the contract is structured on a contingency basis, the fees are paid only if the firm is successful sourcing a candidate that is hired. For professional/managerial positions fees are typically between twenty-five (25%) and thirty (30%) percent of the starting salary.

These firms perform all scheduling, pre-screening, and testing on all applicants to the recruitment process. The larger firms boast about their large databases of candidates who are currently employed but may be passively interested in moving jobs for the right opportunity. They frequently have ongoing

relationships with highly talented leaders and can assist in persuading passive candidates to make a move. The use of an executive search firm would reduce the internal resources required to put together the advertisements, undertake outreach recruitment activities, shortlist, source assessment tools, and conduct preliminary screening of candidates.

To date, CGS's experience with recruitment search firms has been mixed. There have been strong candidates put forward by search firms for some recruitments when good internal or local candidates were already available to the Recruitment Committee. In these arrangements, CGS ends up paying for candidates it could have sourced on its own. One of the key benefits of using a search firm is the Recruitment Committee comes away from the recruitment knowing everything has been done to source the highest quality of candidates. In other words, the Recruitment Committee is not left wondering if there are other candidates that are better than those sourced through an internally driven recruitment.

Option 2: Internal Driven Recruitment (with no recruit search firm)

Internally driven recruitment would involve posting the job internally and in local media, and advertising in either provincial and/or national media. There are several traditional print media options (e.g. Globe and Mail, The Toronto Star) that cost approximately \$6,000 to \$9,000 but more often CGS utilizes on-line recruitment sites like Indeed, LinkedIn and other less costly social media sites such as X (formerly Twitter), Facebook and Instagram. Many CAO and City Manager vacancies will also be advertised on the websites of the larger and more significant municipal associations such as the Association of Municipalities of Ontario and the Federation of Canadian Municipalities.

It is likely not necessary to utilize the traditional print media as access to candidates is easier with the use of social network and internet sites. Human Resources and Organizational Development staff would manage the entire recruitment from posting and advertising, and would assist with shortlisting, developing interviewing tools and any further assessment/testing appropriate to the level and competencies required for the role.

Option 3: Recruitment Search Firm after Unsuccessful Internal Driven Recruitment

There is a third option open to the Committee to “two-step” the process (i.e. start with Option 2, then move to Option 3 if no quality, competent candidate is found). This will add approximately three (3) to four (4) months to the recruitment cycle unless the Committee is convinced it has sourced the very best candidate possible prior to moving to a recruitment search firm.

3. Review of Terms and Conditions of Employment

A. Base Salary

The current base salary for the CAO is \$312,654 and the following market analysis was completed using 2023 job rates for CAO roles within CGS's comparator group. The comparator group is made up of the Council approved comparator group for all non-union staff roles (12 municipalities that are either single tier or of a comparable size to CGS), plus the Regions of Niagara and Waterloo to take into account compensation practices in municipalities at the upper tier level. CGS's compensation philosophy is to pay at the 65th percentile for CAO and General Manager roles.

CGS Job Title	# of Municipalities	2023 CGS Job Rate	CGS Job Rate with Car Allowance	CGS Comparator Group Job Rate Mean	CGS Comparator Job Rate Median (50%)	CGS Comparator Job Rate (65%)	CGS Wage vs. (65%)	CGS Job Rate with Car Allowance vs. 65 th
CHIEF ADMINISTRATIVE OFFICER	8	\$ 302,369.00	\$ 312,449.00	\$ 300,123.00	\$ 290,933.00	\$ 315,779.00	-4.2%	-1.1%

Notes:

1. CAO annual salary for 2024 is \$312,654.51.
2. Car allowance for 2023 is \$10080/year for the CAO and \$8640/year for General Managers.
3. Based on CGS Council Approved Comparators for ELT (Burlington, Kingston, Kitchener, Oshawa, Thunder Bay, Windsor, Chatham-Kent, Hamilton, Region of Niagara, Region of Waterloo).
4. Windsor did not participate in the MERCER survey.

The analysis demonstrates that the maximum job rate for the CAO is lagging slightly below the 65th

percentile for the market described above (-4.2%). Our salary administration approach allows for a variance of ten (10%) percent either above or below the 65th percentile as an acceptable variance. This approach means that we can monitor and note our market differences over time without having to make year by year adjustments when roles lead or lag in the short term.

No changes to the salary range for the CAO role are recommended at this time.

B. Employment Relationship (Fixed Term versus Indefinite Term)

Appendix 3 shows that there is some variation among comparator municipalities in terms of the type of employment relationships with their CAOs. The two types of employment contracts are for a fixed term or indefinite term. A fixed term is a legal agreement that has a specified end date or concludes when a specific task is completed. Indefinite employment contracts continue until one party chooses to end it.

Among the regional single tier municipalities there are just under half with fixed term and five (5) of nine (9) with an indefinite term employment relationship. Fixed terms range from three to five years with an example of a three (3) year with an option to renew for another three (3) years. Among other organizations within Sudbury, the standard and normative contract for the majority of public/parapublic CAO/CEO's is to have indefinite contracts with their chief executive with express termination provisions.

There are some benefits and risks associated with fixed term contracts of employment. The main drawback is that a fixed term may make it more challenging to recruit a candidate as it may not be seen as attractive to prospective/preferred candidates who are seeking a longer-term commitment. The main advantage of a fixed term agreement for employers is that it expires after a definite term (unless an extension is agreed).

It is recommended that the CAO role be posted without an employment relationship detail to leave the Chair of the Recruitment Committee the maximum latitude possible to negotiate with a preferred candidate, in accordance with CGS's Hiring Policies.

As summarized in Appendix 3, termination provisions range from twelve (12) months to twenty-four (24) months and/or a sliding scale that increases with service length. Twenty-four (24) months is normative and some fixed term contracts had similar termination provisions if ended prior to the end of the contract. From the municipalities who responded, one (1) contract had the option to pay the lesser of twenty-four (24) months or the balance of the term of the contract.

C. Other Terms and Conditions – Vacation, Benefits and Allowances

Vacation:

At CGS vacation entitlements are consistent between non-union staff and members of the Executive Leadership Team (and some of our Collective Bargaining Agreements as well). There have been limited instances however, where additional vacation was offered to candidates for senior roles or roles that posed recruitment challenges with prior CAO approval. The previous CAO had six (6) weeks of vacation as per the contract of employment negotiated at the time of hire.

It is recommended that the Chair of the Hiring Committee be given latitude within the current Non-Union Vacation Policy in structuring an offer for a preferred candidate.

Benefits:

Appendix 5 to this report outlines the summary of the insured benefits for the members of the Executive Leadership Team members.

A full review of non-union benefits was completed in 2018 with changes and modernization of the benefit levels to be more competitive with the comparator market taking effect in June 2019.

There are no changes to the current benefit entitlements recommended by this report.

Vehicle Allowance:

In terms of allowances, Appendix 4 shows that nine (9) comparator municipalities offer a vehicle allowance for the CAO with an average amount of \$822 per month (excluding CGS). The current vehicle allowance for the CAO at CGS is \$865 per month. A vehicle allowance is basically additional taxable cash compensation with tax advantageous features for the employees who receive it.

No change is recommended to the vehicle allowance currently offered for the CAO position.

Conclusion

While no changes are recommended by staff regarding the above employment terms and conditions the Committee may provide direction if it wishes to make modifications. Upon receiving direction on the recommendations contained in this report as well as any further direction the Committee may wish to provide staff will commence the process to identify interested applicants for the role. Further, Committee meetings will be scheduled as required to direct recruitment and selection activities which are expected to take four (4) to six (6) months. Several of the selection activities (interviews and testing for example), will be conducted in closed meetings of the committee and may be held at locations other than Tom Davies Square.

Resources Cited