

Subject: Recruitment and Employment Policies**APPROVALS:**

Elsie Hutton, Executive Director
Marcel Ulliac, Chief Administrative Officer

Administrative Recommendations:

1. THAT the Transitional and Temporary Housing Policy, HRM-570, dated December 1, 2015 be approved.
2. THAT Temporary Commuting Policy, HRM-510 dated December 1, 2015 be approved.
3. THAT Exempt Severance Policy, HRM-620, dated December 1, 2015 be approved.

Summary:

In the Accountability, Integrity and Transparency audit (“KPMG Audit”), it was recommended by KPMG that the Municipality should consider the adoption of the above-noted policies to ensure that clear and strict terms were in place to manage transitional and temporary housing, temporary commuting and exempt severance.

Background:

The first policy, Transitional and Temporary Housing, recognizes the importance of having employees reside within the Municipality, and also the challenge and cost associated with securing permanent residency, the Municipality has made temporary subsidized housing options available for newly-hired permanent full-time employees to assist with the transition. This practice has become an important recruitment tool in securing talent when qualified local candidates are not available.

Since 2006, the Regional Municipality of Wood Buffalo (“the Municipality”) has provided access to transitional subsidized rentals through Wood Buffalo Housing & Development Corporation (“WBHDC”). Employees approved for residency enter into a lease agreement directly with WBHDC and pay 100% of the lease amount and utilities.

In addition to the WBHDC units, as identified in the KPMG Audit, temporary furnished condominium units have been made available for newly hired management. In 2014, strict measures were put in place to manage and monitor the assignment of subsidized, temporary housing for this employee group.

The second policy proposed, Temporary Commuting, provides for a funded temporary commuting arrangement that will only be considered in extenuating or emergency situations (ie: to ensure legislated or legal requirements are met, or to ensure that core and essential services remain uninterrupted) after all other options have been exhausted and a temporary employee must be secured prior to filling the position permanently.

The Temporary Commuting Policy does not apply to permanent employees (as per the HRM-350 Relocation Assistance Administrative Procedure) or contractors/consultants who may perform work for the Municipality (as per the PUR-100 Procurement Policy).

The third policy proposed, Exempt Severance, establishes criteria for when a severance clause is negotiated into an employment contract for the Director level and higher and establishes the process for termination without cause.

Budget/Financial Implications:

Approval of Temporary Commuting arrangements would be rare and used as a last resort option. The budget implications would be addressed in conjunction with each occurrence. The arrangement would be limited to a maximum of four consecutive months with travel reimbursement limited to two (2) return trips per month to the individual's principle address. All available cost reduction measures would be enforced to ensure the lowest possible financial impact to the Municipality.

For Transitional and Temporary Housing the employee assumes 100% of the lease cost of a WBHDC unit. The Municipality continually assesses the need to retain housing units for employee housing needs. In cases where there is a requirement to retain housing, the Municipality assumes the rental cost for an interim vacancy period until an employee assumes the rental.

In contrast to the WBHDC units, costs associated with temporary housing for management is covered in the recruitment budget and represents 40% of the monthly lease amount. The 40% is subject to a taxable benefit. The remaining 60% of the cost is borne by the employee.

The Exempt Severance policy establishes reasonable limits on severance payments in lieu of notice for inclusion in employment contracts. Exempt severance clauses will not exceed twelve (12) months in the case of a Director or eighteen (18) months in the case of an Executive Director, Deputy CAO or CAO. A placeholder amount is budgeted annually in the event it is required.

Rationale for Recommendations:

The recommended policies satisfy the findings of the KPMG Audit, while ensuring the Municipality maintains the ability to attract and retain qualified employees to meet operational needs.

Strategic Plan Linkages:

Pillar 1 - Building a Responsible Government

Pillar 2 - Building a Vibrant Economy Together

Attachments:

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