



# City of Port Colborne Draft Findings and Recommendations Report

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## **Project Objective:**

Review and analyze the City's current HR business processes and recommend areas of automation and the software functionality required for successful transformation to a cloud based HRIS system that will meet the current and future needs of the City.

## **Project Teams**

### **HRSC Project Members**

- Peter Santini – Client Engagement Manager
- Eric Verbonac – Project Manager
- Lesley Dalzell – Senior HR Consultant
- Alin Dabu – HRIT Consultant

### **City of Port Colborne Project Team Members**

- Mary Murray           Manager Human Resources (Project Lead)
- Adam Pigeau           Manager of Finance/Deputy Treasurer
- Wes Adair             Manager of IT
- Annie Beck            Senior HR Generalist
- Lindsie Portthast     H&S Coordinator
- Dale Dunkeloh        Comp & Benefits Specialist
- Anthony Carnovale    Comp & Benefits Specialist

## Project Activity Summary

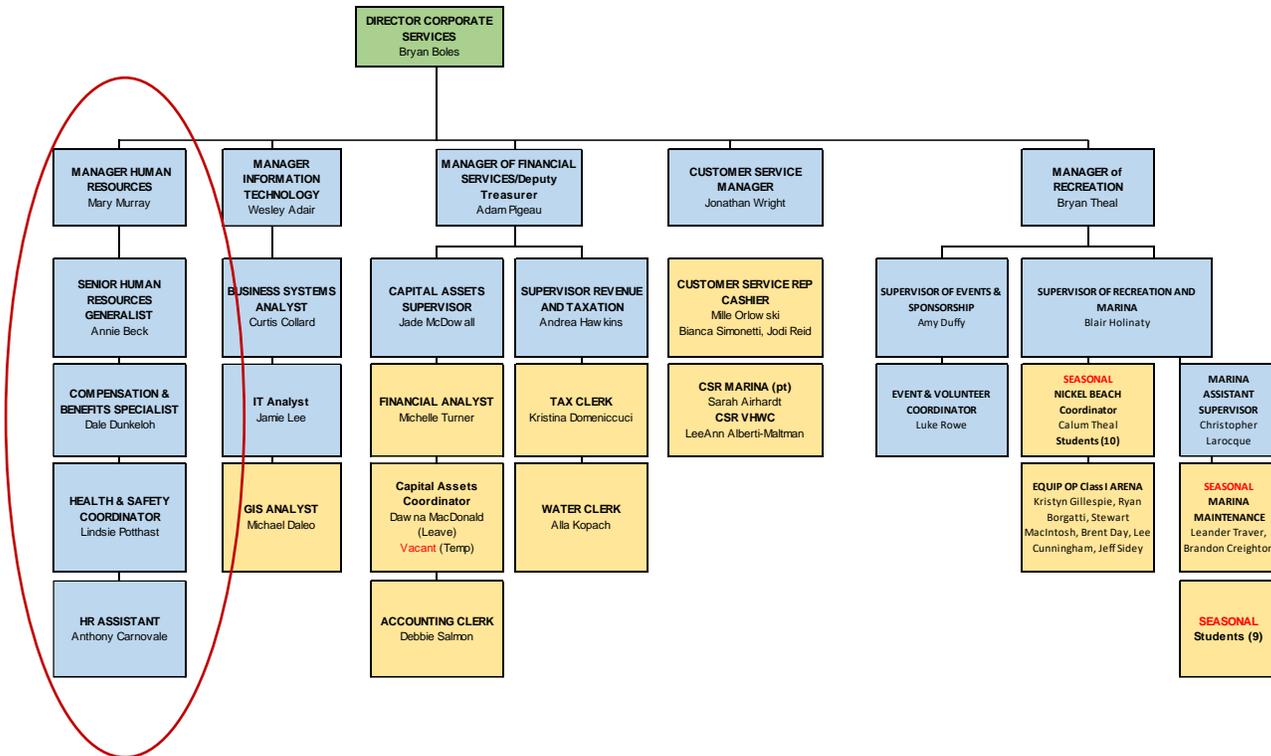
PHASE	MAJOR ACTIVITIES
<b>Phase 1: Planning</b>	<ul style="list-style-type: none"> <li>• Project objectives, intentions, and goals definition/clarification</li> <li>• Scope clarification and confirmation</li> <li>• Roles and responsibilities definition</li> <li>• Preliminary project schedule definition</li> <li>• Project governance and issue management process definition</li> </ul>
<b>Phase 2A: Review of current HR Business Policies, Practices, and Process</b>	<ul style="list-style-type: none"> <li>• Review of all relevant documentation of policies and procedures</li> <li>• Discovery sessions and/or interviews with key resources</li> </ul>
<b>Phase 2B: Review of current HRIS Technology</b>	<ul style="list-style-type: none"> <li>• Review of current HRIS technology tools</li> <li>• Review of all relevant documentation of policies and procedures</li> <li>• Discovery sessions and/or interviews with key resources</li> <li>• Interim Report</li> </ul>
<b>Phase 3: Defining Future State</b>	<ul style="list-style-type: none"> <li>• Definition and assessment of AS-IS state (people, processes, service delivery, technical infrastructure and systems, data elements)</li> <li>• Definition of TO-BE model (people, processes, service delivery, technical infrastructure and systems, data elements)</li> <li>• Assessment of how best practices fit into client's environment, infrastructure, and processes</li> </ul>
<b>Phase 4: Final Report, Recommendations, and RFP Functional Requirements Descriptions</b>	<ul style="list-style-type: none"> <li>• Development of final report of findings and recommendations.</li> <li>• Executive presentation</li> </ul>

## Review of HR Practices/Processes

To help understand the current Human Resources functional environment, we reviewed the City's current HR practices, policies, systems, and processes which included, payroll, recruitment, health & safety, performance management, onboarding, and collective agreements.

After a thorough review of the City's HR documentation, policies, practices, supplemented with information gathered through one-on-one interviews of staff, HRSC found that the HR practices/policies are well documented, the SOP's are well documented and cover all the necessary HR requirements.

The City's HR function consists of a team of five that support all aspects of human resources for 150-175 permanent employees plus 50-75 temporary summer employees.



### Finding:

Based on the City's size, complexity and operational needs, the current HR structure is appropriate.

## Review of HR Technology

Through our documentation review and staff interviews, HRSC has identified the following tools/technologies currently being utilized to gather, analyse, and report Human Resources related data:

Technology Solution	Applicable HR Function
MyWay: Time and Attendance:	Core HR
Diamond Financial	Finance/Payroll
Lotus Notes	Compliance
HR Download	LMS
Microsoft Dynamics	Reporting
Microsoft Word/Excel	Performance Management, Compensation, Recruitment, Employee Relations etc.
Indeed	Recruitment
City Website	Recruitment

### **Finding:**

The current technology tools/solutions are not meeting the needs of the HR function and the needs of the City overall.

## Pain Points

Below is a summary chart of key areas of concern or “Pain Points” that were shared with HRSC through our one-on-one interviews with the City project team members:

Functional Area	Pain Points High Level Summary	Current Supporting Technology
<b>Payroll</b>	<ul style="list-style-type: none"> <li>• <b>Everything is very manual</b></li> <li>• <b>Diamond &amp; City Square</b> has limited users, synchronizing issues</li> <li>• <b>Timesheets (MyWay):</b> No punch in or punch out               <ul style="list-style-type: none"> <li>○ Cannot see what employees are pending</li> <li>○ Not enough “rules” around timesheets”</li> <li>○ Currently everyone submits</li> <li>○ Some do not need to submit</li> </ul> </li> <li>• <b>Banked Time:</b> One of the biggest issues and lots of administration time dedicates               <ul style="list-style-type: none"> <li>○ Union banks OT at a historical rate (if there is a change in rate even for a few hours Bank Time takes the higher amount)</li> </ul> </li> <li>• <b>Tax Remittances:</b> Manual for 5 different payroll groups</li> <li>• <b>ROE:</b> Manually sent to Service Canada               <ul style="list-style-type: none"> <li>○ Hard to make adjustments</li> </ul> </li> <li>• <b>Reporting:</b> Not enough custom reporting               <ul style="list-style-type: none"> <li>○ Has to request reports and can take a long time</li> <li>○ Pay registrar=3 separate ones</li> </ul> </li> <li>• <b>T4’s:</b> Manual to employees and CRA</li> <li>• <b>Payment Process:</b> Manual from CIBC</li> <li>• <b>Stat Holidays:</b> Manual Set up each year</li> </ul>	 <p><b>My Way Diamond/ Central Square</b></p>
<b>Recruitment</b>	<ul style="list-style-type: none"> <li>• <b>Very Manual</b></li> <li>• <b>Job Postings:</b> Currently posted on Website and Indeed separately</li> <li>• <b>Application Process:</b> Candidates apply to an email which has is manually reviewed (downloads each resume)               <ul style="list-style-type: none"> <li>○ Separate Internal process (union)</li> <li>○ Separate Student/Summer Recruitment Process (40 roles=200 applicants)</li> </ul> </li> <li>• <b>Reporting &amp; Metrics:</b> No recruitment accurate metrics or reporting</li> <li>• <b>Onboarding:</b> All manual except for H&amp;S and compliance documents from HR Downloads               <ul style="list-style-type: none"> <li>○ <b>IT Notification:</b> Manual</li> </ul> </li> <li>• <b>Average Stats:</b> Over 100 competitions per year (60 internal-40 internal)</li> </ul>	 <p><b>HR Downloads I Create Indeed</b></p>
<b>Health &amp; Safety</b>	<ul style="list-style-type: none"> <li>• <b>HR Downloads:</b> Currently using this program and can assign training               <ul style="list-style-type: none"> <li>○ Works well but would like a connection for new hires</li> <li>○ Does not communicate well with Diamond</li> <li>○ No centralized place for certifications</li> <li>○ No ability to search via profile or certificate</li> <li>○ Only accessible to HR (Managers cannot see employee certifications)</li> <li>○ No way to know when certification expire</li> </ul> </li> </ul>	 <p><b>HR Downloads</b></p>
<b>Finance</b>	<ul style="list-style-type: none"> <li>• <b>Reporting:</b> Not easy to get information               <ul style="list-style-type: none"> <li>○ Need basic reports such as budget to actual for roles, reports on specific roles, allocated cost per project</li> <li>○ Ways to adjust pay that does not affect month end reporting</li> </ul> </li> </ul>	 <p><b>Microsoft Dynamics</b></p>

## Summary Finding

The common themes that emerged about the HR function's current processes.

- 1) Extremely manual/heavy administration focused
- 2) Staff time focused on transactional/repetitive activities
- 3) Multiple Data Input Sources – increase probability of errors
- 4) Multiple Technology Solutions that are not integrated
- 5) Inconsistent/Inaccurate Reporting

Overall, the processes/SOP's for the HR functions are defined, documented and appropriate. However, the lack of effective and integrated technology is limiting the City's HR, Finance and Operations teams to deliver information and services needed to support not only the day to day but any strategic vision for the City of Port Colborne.

## Future "State" Direction

HRSC believes the City has initiated the appropriate actions to move the organization and the HR function toward a more data and value driven outcome by initiating the process to select and implement HR Technology

The HR Maturity and Capability Model below illustrates a progression towards creating and sustaining a highly "strategic" HR function. Currently, the City's position on the HR Maturity model is at the "**Reactive Pillar**" or first stage of the model. For the City to progress through the stages of the model, the adoption of HR technology is imperative. With the right supportive technologies, the City will evolve and progress through the "**Developing and Foundational Pillars**" and then over time would be in a great position to move into the "**Strategic and Highly Strategic**" stages of the model. The ultimate goal to becoming a value and data driven strategic partner to the City they support.



## Next Steps

HRSC recommends that the City move's forward with issuing an RFP to solicit potential HRIS Technology solutions. HRSC recommends that focus of the Technology RFP would be to find a cloud-based HR Technology Solution that is modular in nature. By this we mean, that you can start with 1 or 2 modules and expand to other modules over time. We recommend that you consider focusing on these key modules to start: CoreHR solution, a Payroll Solution and a Recruitment Solution. In addition, HRSC also recommends that the HR Technology Solution selected can also provide solutions for Learning, Performance Management, Scheduling/Time Management, Compensation, and Employee Benefits.

## Appendix 1

### HR Technology/Solution Cost Considerations

HR Technology pricing is not one size fits all. It depends on what your company's needs are, along with other factors. Some typical things to consider are:

- How you are tracking employee time and schedules?
- How you are managing legislative compliance and reporting?
- What your current recruiting and onboarding processes entail?
- How many employees you have?
- How often you process payroll?
- Are you using other systems like General Ledger or accounting packages that need to integrate with your HR solution?

There are also deeper level questions to ask yourself, such as:

- How much time is spent on HR related process issues by employees, managers, leaders?
- Are you able to play a more strategic role or are you inundated with transactional tasks?
- Are you able to delegate tasks while still maintaining accountability and compliance?
- Is your company currently experiencing growth? Do you have a plan for future growth?

Believe it or not, all these things impact the cost of an HR solution.

### Price Points

- HR solutions are offered at several different price points. Price points are determined by the features used and additional services, such as integrations. Features and services that can impact pricing are:
  - Additional features like recruiting, onboarding, time and attendance, scheduling, learning, etc.
  - Integration with existing business solutions within and outside of HR (Payroll, Finance, Operations).
  - Add-on services such as continued support, training, and customer success.
  - One-time fees for setup and implementation.

### Pricing Structures

HR solution vendors also have various pricing structures, depending on how their platforms are designed. The most common pricing models are:

- Pay Per Employee Per Month: You pay a monthly fee for each employee in your organization.
- Pay Per User Per Month: You pay a monthly fee for administrative users of the software, not all employees. Just make sure when a solution vendor says "users" they really don't mean "all employees."

- One-Time Payment: You pay a large lump sum up front based on the features you need or sometimes based on company size.

The size of your company and system features may determine which pricing structure you end up using.

### Example of Potentially Estimated Cost for a Core HR HRIS Solution

Based on our preliminary discussions, we are providing estimated expenses related to the implementation and operation for the following:

#### Core HR HRIS Solution

Solution Category	Annual Licensing Fee Range (Per employee per month)		One-time Implementation/Set-Up Fees		One-time Additional Fees (Integrations/Additional Training/Unique Configurations)	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
<b>Top Tier</b>	\$ 4.00	\$ 6.00	\$ 40,000.00	\$ 50,000.00	\$ 10,000.00	\$ 15,000.00
<b>Mid Tier</b>	\$ 5.00	\$ 7.00	\$ 30,000.00	\$ 40,000.00	\$ 10,000.00	\$ 15,000.00
<b>Entry Tier</b>	\$ 5.00	\$ 7.00	\$ 20,000.00	\$ 30,000.00	\$ 10,000.00	\$ 15,000.00

This estimate is based on the following assumptions:

1. Solution selected will be cloud based.
2. A minimum of 100 employee licenses.
3. Basic implementation and training

#### Key Points to consider:

1. There are many solution providers that provide their solutions at a higher per month employee licensing fee and a minimal set-up/implementation fee. This approach reduces up-front costs but will increase ongoing annual costs.
2. There are many more additional modules that can be added on once you implement a Core HR solution. Each module will require additional licensing fees. Generally speaking, you can estimate that the licensing fees will be between \$5 – \$8 per employee per month. Therefore, if an organization were to implement a full suite of modules over a period of time, let us say, that the solution provides 7 separate modules, typically the cost of a full solution could be between \$50 and \$60 per employee per month.