

Date: April 12, 2016

To: Mayor Brocanier, Council Coordinator for Economic Development Services

Mr. Mayor,

Thank you for your response to our questions on the proposed hiring of a "Manufacturing Attraction Specialist".

We do have some follow up questions and points which are highlighted in yellow.

ONE

Mr. Mayor, we are asking you, in your role as Council Coordinator for Economic Development Services, to respond to questions the CTA has on the proposed hiring of a "Manufacturing Attraction Specialist".

First of all this is not a new position. This was a full time position in 2015 until our employee left near the end of the year to take a similar position in Port Hope. In fact we are replacing a full time position with a part time position that will be approximately 30% lower cost with flexibility built in to meet the requirements of such a position.

· Since the person being hired now is part time and is being hired midway through 2016, why have salary levels increased instead of decreasing? The 2016 draft budget shows the department wages going up by \$30,000 or 17.2%.

· What is causing this large increase?

TWO

First we want to understand the rationale on how this hire fits into the Draft Economic Development Strategic Plan recently presented by Wendy Gibson at the March 14th Council of the Whole. The Strategic Plan calls for focus on developing the Food Sector and Agri-business to attract and develop economic activity. This directional thrust is reiterated in the more detailed Action Plan.

The Strategic Plan calls for focus on the Food Sector and the Agri-business is mentioned only once in the 6 Strategic Actions so the Agri-business is not a focus but one opportunity in the Food Sector.

Nowhere in that Strategic Plan or the Action Plan does it state the need for (or call for) the hiring of a Manufacturing Attraction Specialist.

Since we had a Manufacturing Attraction Specialist in 2015 and as I said previously, lost this person late in the year, we decided to update our Ec Dev Strategic Plan before advertising for a replacement. This way we will hire a person that will fit the Strategic Plan. Read the attached Job Description and Strategic Plan attached.

The "Required Skills and Qualifications" in the job description for this position, make no reference to having a background or experience in Agri-business or the food processing sector. If the Town's focus is to be Agri-business, this person should have the experience, contacts and network in this focus area. Agri-business is NOT our focus but there are opportunities coming out of the Ontario Agriculture Food Venture Centre in Cramahe that we can take advantage of. An individual does need experience in the Agri-business to take product from the OAFVC to the next level of production. Furthermore we are looking for a Manufacturing Specialist who ideally will have a food manufacturing background but if not it is the other skills that are most important. We must have someone with a manufacturing background that understands the complete supply chain of the manufacturing process from suppliers to shipping finished product. We must have someone who can talk to manufacturing on their key focuses, raw material yields, operating efficiencies, changeovers, training, energy costs and skill requirements to name a few. Manufacturing food or widgets requires the same manufacturing process knowledge. i.e. the current Plant Manager at Belden, which makes specialty wiring comes from a food manufacturing background.

· If you have someone who can speak the manufacturers' own language to them, then someone with Agri-business manufacturing experience could also speak to other manufacturers about common concerns/questions? Why not put the emphasis on Agri?

In this era of shrinking manufacturing in Ontario (and North America) there is a need to specialize and focus, as per the Strategic Plan. From looking at this job description, a shotgun approach is being taken. In Cobourg we have greater success in manufacturing than the provincial average.

· Can you share the statistics that support this comparison to the rest of Ontario?

We have 2 recognized areas of strength and that would be food manufacturing and the plastics industry. We will always focus on building on these strengths to create a manufacturing cluster. However, there are also other opportunities that we will pursue with our Manufacturing Attraction Specialist.

These discrepancies indicate a disconnect between the Strategic and Action Plans going forward and this proposed new hire.

How do you reconcile this gap?

I have attached the job description which was posted on line and the Strategic Plan, if you read them you will see the job description aligns perfectly with the Strategic Plan Objective 3: Manufacturing attraction with focused target markets.

· In Objective 3 of the Strategic Plan, 4 out of 6 of the strategic actions speak to Agri-business. That would indicate when looking at candidates, Agri-business should be an important qualification.

THREE

How will this position be measured for success on an ongoing basis? This job description is open ended and will require specific targets to understand its effectiveness. Best practices always advise that when creating a position there should be measurable targets to judge performance. Additionally, when implementing a new position, it is often desirable to make it a contract position to allow for more options down the road.

What then is the specific deliverable you expect from this position and what are the performance measures that will determine success?

Again, this is not a new position but a replacement position. Our targets will be the number of opportunities produced, the contacts made and the follow ups both in numbers and response times. In landing a new food manufacturing business for Northam Industrial Park recently our former Manufacturing Attraction Specialist was key in making the contact and constantly following up with the proponent. Unless you are in the business you cannot appreciate the number of meetings, questions, phone calls and emails that were exchanged between the proponent myself and our employee. Without his constant and instant responses to questions and concerns we would not have been successful in signing this new business to a lease.

Regardless of whether it is new or replacement position, measurements for success should be in place. Things like "Number of opportunities produced, the contacts made and the follow ups both in numbers and response times" measure activities. They do not measure results. Professional salespeople in our association have advised that at the beginning of the new fiscal year, they were required to state how much new business they would acquire in their territories; i.e. how many new machines, pounds of product, etc. they would sell.

We would suggest that a better measurement might be to ask:

1. How many manufacturers did Cobourg have at the beginning of the year?
2. How many manufacturers did Cobourg have at the end of the year?
3. How many existing clients did we keep?
4. How many new manufacturers did we get?

Upon researching our reply, we have additional questions.

- Why is Cobourg expecting taxpayers to pay someone to, “promote new industrial development opportunities including sales and marketing of industrial land development; sales and marketing of Industrial Investment (ICI) buildings; the marketing of land in the business parks; as well as adaptive re-use buildings” when local business (Commercial Real Estate Brokers) is available to perform this function at no cost to the town?
- Why is the existing property manager at Northam not fulfilling this function when it is part of their mandate?
- Most importantly, why is Cobourg competing with these business people – instead of possibly hiring someone to support them and their activities? Presumably, one person helping 5 commercial brokers could leverage a lot more potential business than one person trying to do it on their own?

Thank you in advance to your attention to our enquiries.

Dennis Nabieszko
Secretary, CTA

Bill Stuckey
Advisory, CTA