

SPECIAL MEETING MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY
OF THE FORMER REDEVELOPMENT AGENCY

Special Meeting – January 22, 2019

1:00 PM

CITY COUNCIL CHAMBERS

Sand City Hall, 1 Pendergrass Way, Sand City, CA 93955

Mayor Carbone opened the meeting at 1:02 PM

The Pledge of Allegiance was led by Council Member Blackwelder.

Present: Mayor Mary Ann Carbone
Vice Mayor Blackwelder
Council Member Hawthorne
Council Member Sofer
Council Member Cruz

Staff: Fred Meurer, Interim City Administrator
Vibeke Norgaard, City Attorney
Leon Gomez, City Engineer
Brian Ferrante, Police Chief
Linda Scholink, Administrative Services Director/City Clerk

AGENDA ITEM 3 COMMUNICATIONS

1:03 PM Floor opened for Public Comment.

There was no Public Comment.

1:03 PM Floor closed to Public Comment.

AGENDA ITEM 4 NEW BUSINESS

A. Discussion, Interviews, and Possible Council Action regarding Selection of an Executive Search and Consulting Firm for the Recruitment of the City Administrator

Interim City Administrator, **Fred Meurer**, spoke on his professional relationship with the firms that will be interviewed, Avery Associates and Bill Murray and Associates, and promoted them as two of the most highly respected executive recruiters in the state. He reassured the Council that either choice of proposal would be a good choice for the City. Mr. Meurer commented on the four month time period specified in the proposal as finding the appropriate person, not the speed of the search, is the priority.

Paul Kimura of Avery Associates began his presentation by discussing his over twenty years' experience in the executive search industry. Mr. Kimura gave the background of the company, having started in 1983. He described Avery Associates as a "generalist" recruitment firm in that they do not solely recruit for government agencies. He has found that to be advantageous as it does not limit his capabilities to select clients.

He described a major challenge his firm will face to be a lack of public recognition of Sand City. He described Sand City as a fairly unknown city but one with great potential to be marketed. He described the ideal City Administrator as one who can work as a leader to develop staff capabilities.

The recruitment process would consist of individual meetings with Council Members to better understand the qualities they are looking for and potentially one or two meetings with City staff at the recommendation of the Council. From there, a job description to advertise the position would be created.

The second big step for the firm would be to seek out candidates. They will utilize their own candidates, seek out new candidates, and solicit referrals from those already in the industry. They would also advertise in ICMA. Without such a proactive search, the city would not achieve their desired results.

Following outreach, the firm will go through several levels of vetting, to create a list of candidates to be presented to Council. A process called "behavioral interviewing" will be utilized to understand the way in which the candidates react to situations that they would be confronted with as a City Administrator. The last step of the interview process would be to provide the Council with a variety of candidates, schedule interviews, and provide a list of questions to assist with the final round of interviews. Mr. Kimura would also be present to facilitate these interviews. A second round of interviews would also be possible if necessary.

On behalf of the City, the firm would negotiate terms and conditions with the chosen candidate to draft a formal contract. The time frame for this process would take anywhere from four to six months.

Council Member Hawthorne asked about the number of candidates the Council could expect to be presented to them.

Mr. Kimura responded that they are typically able to get the number between five and seven candidates to ensure the interview process can be completed in one day. An overview of candidates vetted but not recommended could also be provided to the Council on request. Council would also be able to bring their own candidates into the process.

Mr. Muerer requested that Mr. Kimura speak on the process taken if no

candidates are preferred by the Council.

Mr. Kimura expects a positive end result. In the rare occasion that would happen, the firm would continue pursuit.

Mr. Muerer reiterated that Mr. Kimura would bring an array of candidates to attempt to appeal to the varied interest of the individual Council Members.

Mr. Kimura expanded on the comment, saying that the variety of backgrounds of the candidates would require the Council's individual assessment as different values would be weighted differently among members of the Council.

Mr. Muerer explained the techniques utilized by executive hiring firms including citizen panels and employee panels at the request of the City. He assured that Mr. Kimura would oblige the wishes of the Council if they would like certain methods to be used. Mr. Muerer said that the most important thing is confidentiality for candidates and executive hiring firms would consider confidentiality a top priority.

Mr. Kimura added that there is concern that if a candidate is exposed for looking into another city, he may be released from his current position.

Council Member Hawthorne suggested that with this in mind, a panel of citizens during the interview process would be problematic.

Mr. Muerer explained that the selection of citizens for these types of panels would have to be done with careful consideration and would not recommend a citizen panel. He summarized the process Mr. Kimura would employ to include background checks of candidates.

Mr. Kimura said that since the Council works with the Administrator, the firm would ensure that the Council would find the candidates to be easy to work with. A potential way to involve Mr. Muerer more heavily in the selection process would be to have him sit in on the interviews and then to have Mr. Muerer meet with the top two candidates for individual interviews. This would allow for more informal questions as well. These would take place in Closed Session.

Council Member Hawthorne agreed that going about the interviews in this way would make sense since Mr. Muerer, in his experience as a City Manager, would know better what to ask of a candidate.

Mr. Kimura added that while candidates may possess the technical knowledge, their overall fit as a City staff member must be taken into consideration to predict their success as City Administrator.

City Attorney, Vibeke Norgaard suggested that Mr. Muerer's interaction with

City staff would be useful.

Mr. Muerer asked for clarification on Mr. Kimura's process for finding enthusiastic candidates who are not currently looking through the available resources for a new placement.

Mr. Kimura responded that the search process starts by looking at candidates they have already been in contact with and discuss within their team who they would want to approach. They also utilize the social platform, LinkedIn, as the site has an extensive database of potential candidates. In addition, his firm feels that several candidates should be within commuting distance. Mr. Kimura will look at other contract cities, similar to Sand City, to see how candidates from those cities have managed their contracts and if they have been successful in doing so.

Council Member Cruz asked if the search would have primary aim toward local candidates.

Mr. Kimura answered that although the search would be aimed locally, published advertisements have a national reach. It would be important to find a candidate that has knowledge of local issues and concerns. He suggested that candidates without a connection to California will be less appropriate for the position. The desalination wells are an example of an asset that an ideal candidate would have knowledge working with. However, Mr. Kimura does not believe that the ideal candidate must be someone with coastal experience, but someone who is strong with administration, knows the regulatory environment, and can develop a relationship with the Coastal Commission.; somebody who does not necessarily have hands on development experience or capital project experience could potentially be the better fit for the city.

Mayor Carbone spoke on the reality of the search process, saying that the perfect candidate does not exist and that the Council will have to pick and choose which combination of experience and potential will be right. The experience a headhunter would have with the balance would make a contract with a headhunting firm desirable. She also agreed that having Mr. Meurer sit in on interviews would be advantageous.

Mr. Muerer discussed his past experience working with a headhunter who did not heed his advice when it came to the compensation of the open position. This resulted in a failed attempt at filling the position. He then hired Avery Associates to find suitable candidates and Mr. Kimura made the compensation changes that Mr. Meurer suggested. Several candidates came forward, however after watching City Council meetings two of the three candidates withdrew their interest. The third had no municipal experience and could not achieve in quorum in the Council and so also withdrew. The Council ended up choosing a candidate that Avery Associates had not provided them with. Mr. Meurer summarized the

story by describing the selection process as a team effort between the City Council and the chosen executive search team. He then asked Mr. Kimura to explain to the Council what realities they need to be aware of in regard to bringing personnel to the Monterey Bay Area.

Mr. Kimura spoke on the condition of the marketplace and how it often dictates salaries expectations. He recommends a salary of around \$200,000 to attract the right candidates. The high cost of living of the Monterey Bay Area would discourage applicants if the salary were to be lowered. Compensation for relocation would also be expected. Other forms of compensation, such as mortgage assistance should be discussed in the future.

Council Member Hawthorne asked Mr. Kimura to elaborate on the fee structure provided by Avery Associates.

Mr. Kimura explained the breakdown of fees. Avery Associates charges a standard professional services fee in addition to general recruitment expenses which include the development of the brochure for the position, advertising in ICMA, and other direct costs that would incur with recruitment.

Mr. Muerer directed Mr. Kimura to talk about the procedure for travel expenses for candidates.

Mr. Kimura explained that once the candidates are brought to the Council for consideration, the City will either pay all interview costs to include airfare, accommodation, and other transportation or the candidates will pay for the first round of interview expenses and then the City will pay for the second round of expenses. If interview expenses were not to be covered, the Council would have to offer the option of a teleconferenced interview.

Council Member Hawthorne said that the City should avoid teleconferenced interviews.

Council Member Blackwelder spoke on the salary for the position, saying that the current salaries for City employees are comparable with those of nearby cities. As a result, the salary is not a cause for concern- finding someone who can be successful in the position is.

Mr. Muerer added that he mentioned the salary as he would like the headhunters to evaluate the entire salary schedule of City staff as some employees are paid more than their supervisors. It will need to be addressed that some staff are compensated at a higher rate than their counterparts at other cities as a result of the uniqueness of Sand City.

Council Member Blackwelder discussed the Council's experience with the former City Administrator. The Council expected him to be able to grow into the

position as he did not possess the entirety of the skill set necessary for the job. As a result, the Council insists on finding applicants who are well qualified. Council Member Blackwelder would like to find someone with the skills of problem-solving, research, and tenacity.

Mr. Muerer described the reputation of the Monterey Peninsula Unified School District as a potential deterrent for applicants who would relocate. Mr. Muerer said that he is speaking with a representative from the School District to put together a list of the improvements that have been made in recent years.

Council Member Blackwelder reiterated that it would be beneficial for Mr. Meurer to be present for the interview as he would know the behavior to look for in a candidate.

City Attorney, Vibeke Norgaard asked if Mr. Kimura himself will be elected to lead negotiations with the candidates.

Mr. Kimura explained that usually with executive candidates his firm will negotiate the terms of employment but not the contract itself. The issues of salary, benefits, relocation, and severance provisions will be discussed and then turned over to the City to be negotiated by either the City Attorney or an appointed interim. As a representative of the City, Avery Associates will work within the parameters the Council provides.

City Attorney, Vibeke Norgaard stated that the Council will need to appoint the negotiator soon at a City Council meeting.

Mr. Muerer spoke on what Mr. Kimura had said previously in that Mr. Kimura will be honest with the Council if he disagrees with their decisions.

Council Member Blackwelder said that he would like for the Budget/Personnel Committee to discuss salary and desired qualifications prior to the discussion by the City Council. He asked for clarification on the role of negotiator.

City Attorney, Vibeke Norgaard described the negotiator as mediator to be present during closed session interviews. The position was compared to that of current contracted labor negotiator with the Sand City Police Officer's Association, Michael McCarthy.

Council Member Blackwelder suggested that person could be Mr. Meurer.

Mr. Muerer said that the person selected to be negotiator would be announced in the agenda as part of the Brown Act policy to be allowed in Closed Session.

The Council thanked Paul Kimura for his presentation. Mr. Kimura thanked the Council for the opportunity to present and is optimistic that the outcome of the

executive search will be successful.

2:05 PM

Break

2:10 PM

Mr. Muerer introduced Bob Murray of Bob Murray and Associates as they have worked together in the past. The firm holds a strong reputation in California. Mr. Meurer asked Mr. Murray to explain how he would approach the task of finding Sand City a City Administrator.

Mr. Murray began by describing his background with his firm. He founded the firm in 2000 with a focus on the Western United States and specifically California. They work almost exclusively with the public sector to include cities, counties, and special districts. Mr. Murray has been in this profession for over thirty years. He has performed a number of City Manager searches in the area- most recently for the City of Marina. He has also performed searches for Cities of Seaside and Carmel. He spoke about the extensive network he has been able to develop as a result of these searches. He remains active and involved in the community of City Managers and will be attending the League of California Cities' City Managers Conference next month.

As an organization, Murray and Associates stick to several principals; one is client-driven searches. To do this he would require meetings with Council to understand Sand City and its needs. He suggests the Council hold a public forum to assess the needs of the public.

The next step would be to run advertisements on behalf of the City in several publications, develop a full color brochure, and use social media to recruit. In addition, the firm will call those they know would be good candidates and send out letters. From there, Mr. Murray will screen candidates and interview the top ten or twelve using the criteria presented to him by the Council. He will then recommend the top candidates. The firm will perform salary negotiations, reference checks, and background checks on behalf of the City. The main priority of the firm is to find the person that best fits the criteria provided by the Council.

Council Member Hawthorne asked which member of Bob Murray and Associates would be handling the search.

Mr. Murray insisted that he would personally be working on the search. Other members of his staff would assist him, but he would personally conduct the interviews and oversee the process.

Council Member Blackwelder asked how long ago Mr. Murray worked with the

City of Marina as it was not listed on his proposal.

Mr. Murray said he worked with Marina about three and a half years ago. He did not write his proposal himself and would not have omitted the information if he had.

Mr. Muerer informed the Council that the Administrator Mr. Murray helped the City of Marina has actually been there seven years.

Council Member Sofer spoke to clarify that Mr. Murray had found placements for cities in coastal zones.

Mr. Murray affirmed that he has placed City Managers in coastal cities.

Council Member Blackwelder mentioned that the position title is “City Administrator” not “City Manager”. He said that the position is one for someone who can work in collaboration with others successfully.

Council Member Hawthorne asked Mr. Murray what the most challenging issue would be for hiring a City Administrator, like housing, water, and others as the job encompasses a variety of topics.

Mr. Murray responded that in general the most challenging thing for a recently recruited City Administrator’s is managing the political environment in which the individual would come to work. Beyond that, the complexity of the assignment in Sand City needs a manager capable of managing a city of thirty to forty thousand people, given the projects that are currently underway. In part, another challenge is making the candidates aware of the opportunities available in Sand City. Mr. Murray suggested the Council consider whether or not they would want the new City Administrator to reside in Sand City.

Council Member Sofer said if it would be possible to have them move to Sand City it would be very important to her. She expressed that there was a major blind spot in previous City Managers who did not get out and experience what Sand City is about.

Mr. Murray responded saying a City Administrator should be subject to the recommendations of the Council.

Mr. Murray responded saying that living in Sand City would be advantageous for a City Administrator as the individual would be close to city events and the community.

Council Member Sofer said that she would prefer a candidate who would want to live in the City.

Mr. Murray spoke in agreement.

Mayor Carbone asked Mr. Murray what sort of guarantee he would be able to provide for finding a successful candidate.

Mr. Murray answered that his firm will stick with the City until someone is hired that the Council is pleased with. In the case that the Council does not chose any candidate presented, Mr. Murray will continue to search and bring forward applicants. The firm will also guarantee that if during the City Administrators first year of employment, they choose to or are asked to leave, a search will be performed again. In this instance, the only additional fees would be for what is incurred by additional advertising. In over thirty years, Mr. Murray has only had the situation happen once.

Mr. Muerer asked Mr. Murray to extrapolate on current market conditions for a City Administrator.

Mr. Murray expressed difficulty answering the question. He said that it is popular to bash government and so government positions are hard to fill. He said that the biggest challenge for this recruitment is the size of the community and finding someone with City Administrator experience in a coastal community with such a small population. He continued to speak on the opportunity available for the City Administrator with the projects currently in progress.

A goal of the firm is to find out how each candidate is able to motivate others. A City Administrator needs to build the confidence of those he will work with to encourage them to follow him not because they have to but because they want to.

Mr. Muerer asked Mr. Murray to describe what kind of compensation package the market dictates for the position.

Mr. Murray said that in the Monterey Bay Area, a salary of \$200,000 plus benefits would be appropriate. That would a challenge for a city the size of Sand City; however the tax base of the City would make a salary at that rate possible.

Mr. Meurer thanked Mr. Murray for attending. **Mr. Murray** thanked the Council and wished them the best with their search.

Mr. Meurer said that the City had actually received five proposals. However, one was poorly done, another had never done a City Manager search, and the third was exceptionally more expensive for no more work than was presented to the Council by Avery Associates and Murray and Associates.

Council Member Hawthorne said that while he was pleased with both candidates, one is located considerable far away from Sand City.

Council Member Blackwelder agreed and said that the firms' methods, particularly their use of behavioral-focused questions during interviews, were appropriate for finding a suitable candidate.

Council Member Sofer also agreed and said that advertising via social media can be a useful tool even though it may not attract the kind of candidate she would hope to see.

Mr. Meurer responded that even though Avery Associates may not have spoken much on their use of social media, they will use it.

B. Consideration of City RESOLUTION Authorizing the Interim City Administrator to Enter into a Contract with Executive Search and Consulting Firm for the Recruitment of City Administrator not to exceed \$30,000

The Council discussed the title of City Administrator as opposed to City Manager.

The Council selected Avery Associates to lead the executive search and directed City Staff and Legal Counsel to research the change in title from City Administrator to City Manager.

Motion to approve the City **Resolution** Authorizing the Interim City Administrator to Enter into a Contract with Executive Search and Consulting Firm for the Recruitment of City Administrator not to exceed \$30,000 was made by Council Member Sofer, seconded by Council Member Hawthorne. AYES: Council Members Blackwelder, Carbone, Cruz, Hawthorne, Sofer. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 5 ADJOURNMENT

Motion to adjourn the Special City Council meeting was made by Council Member Hawthorne, seconded by Council Member Blackwelder. There was consensus of the Council to adjourn the meeting at 3:05 PM to the next regularly scheduled Council meeting on Tuesday, February 5, 2019 at 5:30 PM.