

**MINUTES OF THE REGULAR MEETING
TOWN COUNCIL AD HOC TOWN MANAGER
RECRUITMENT SUBCOMMITTEE
TOWN OF CHINO VALLEY**

**THURSDAY, MAY 14, 2020
10:30 A.M.**

The Town Council Ad Hoc Town Manager Recruitment Subcommittee of the Town of Chino Valley convened for a regular meeting in Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona.

Present: Mayor Darryl Croft (Chair); Vice-Mayor Jack Miller; Councilmember Annie Perkins

Staff Present: Laura Kyriakakis, Human Resource Director

1) CALL TO ORDER

Chair Croft called the meeting to order at 10:32 a.m.

2) ROLL CALL

3) APPROVAL OF MINUTES

4) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Subcommittee concerning a subject that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 15 minutes per meeting. Committee action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism.

5) OLD BUSINESS

6) NEW BUSINESS

- a) Review and possible action regarding Town Manager position recruitment timeline.

Laura Kyriakakis and Council discussed the following:

- The proposed recruitment process that had been laid out was a good layout of the schedule.
- The job description had been reviewed and updated with the Council recommended changes.
- Develop a candidate profile once an executive search firm had been selected.
- The Town was currently interviewing executive search firms.
- Identify search firm to recruit candidates externally.
- The Committee would narrow the search to ten candidates and the Council would then narrow it to one to five candidates, who would then be interviewed.

- The goal was to have the offer finalized by mid-November 2020 and no later than end of December.
- The negotiation process should be approximately one month.
- It was widely requested that the successful candidate be an effective communicator with staff and Council. Staff explained this could be accomplished through the interview process by using a series of scenario-based questions, how they dealt with communication issues in the past, and how they made a bad situation better.
- The search firms would have 20-minutes to provide a presentation with ten minutes of question and answers. The firm should address timeline and cost.
- The Town does provide their own background checks. A detailed background check is more expensive but necessary for this type of position. A good background check could cost up to \$1,200. Staff said they would like the search firm to perform the background checks so that it was separate from the Town and done as a third party. The firm could also do a soft background on the top ten. Education and employment history would be part of the background check.

b) Presentations by executive search firms:

1) [10:45 AM] HR Exec Pro

Laura Ingegneri presented the following:

- An overview of the small Arizona based company was provided to the Committee.
- Ms. Ingegneri would be leading the search along with some staff assistance.
- An overview of 15-years of experience was provided and included the city attorney for City of Peoria, and recruitment and selections for several types of positions including police chief, chief, economic development director, water services director, public works director, and an internal search for city manager.
- They would provide a hands-on service for the Town, with services tailored specifically for Town.
- The recommended executive search services could be modified or added for a cost including the selection process development and administration, but basic services included:
 - Building the ideal candidate profile by working with Council and executive staff
 - Develop interview questions, meet and greets, written and oral exercises to evaluate skills, and if interested provide a full assessment center that consisted of a full day of exercises and assessments.
 - The recruitment brochure would focus on the community and the Town, and the selection process which would include pertinent dates and the position benefits.
 - Once the Town is clear on what they want in a manager, the firm will look for the right candidates on professional service sites. The candidates would then be screened by verifying education and experience, references and anything else the Town wanted completed during the screening process.
 - The candidates would be presented to the Town through a packet of written information. The Town would narrow it down to candidates they wished to go through the selection process.
 - The selection process could include the firm, who could assist with the interview process, administer onsite written exams, oral presentations, or other options the Town chose.
 - Identify the best candidate. The firm could assist with the offer and contract negotiation process.
 - The process would begin immediately. During June through August the firm would be searching for the candidates. The candidate presentations would be provided to the Town in September. An offer would be made in November, with screening and

background investigations by the Town and the firm if the Town wanted to have them involved, and contract negotiations.

- The new manager would begin by February 2021.
- They charged a flat fee plus expenses for the executive search services. Expenses included travel, hotels, etc. The flat fee was \$14,450 with expenses not to exceed \$2,500. A quote could be provided for additional fees for services the Town wanted to include. The selection process cost would not exceed \$4,000.

Question and Answers with Council:

- Community events included whatever the Town wanted. Events provided a good opportunity for community members to meet the candidate.
- Ms. Ingegneri would put the cost together for providing all the additional services excluding the full assessment center.
- The firm had not yet placed any Town Manager as the business was only started in the previous year. She had been in the public sector in Arizona for forty years and had been involved in the internal placement process in Peoria and for the State. Her background was as an HR Director that was involved in the entire recruitment process.
- She had not worked with smaller communities yet, but had worked for larger communities.
- Recruitment for candidates would start in Arizona and if necessary, throughout the Southwest.
- The differences between recruiting for small town versus a large city were minimal but with a smaller community it could be more personalized towards the community.
- She had been to Chino Valley.

2) [11:15 AM] Novak Consulting

Catherine Tuck presented the following:

- She was located outside of Washington DC and the firm's headquarters were located in Cincinnati, OH.
- An overview of the company and their history was provided. The company became 100% woman owned over ten years ago.
- In that time period, the company built an executive search practice, organizational assessment services and strategic planning services.
- They had partnered occasionally with the larger firm Raftelis Financial Consultants, who worked with the Public Utility sector. In January 2020, Novak Consulting became a part of that firm. They now had offices in 18 different cities across the country.
- Their focus was still helping local governments provide stronger organizations for the people that they served and the people within the organizations.
- There were three main phases and understanding the unique individual roles and ideas were important to the process.
- The first step would be to work with Town to develop a candidate profile. They would have a conversation with each individual council member over the phone. It helps them be informed about the similarities and differences that may require further discussion by the body. They would also talk with Town management staff so that they could understand the organization culture and core values.
- They developed three main documents:
 - Recruitment Plan: It would describe where the outreach targets were, the timeline, interview selection process, etc.
 - Recruitment Brochure: It would identify the ideal characteristics of the candidate, clarify the minimum qualifications, and present the community through pictures, and what the

Town had to offer the community.

- First year goals for the Town listing the priorities help the incoming manger be familiar with the Town's top priorities.
- All the applications would go directly to the company, they would be posting the job ads, and doing outreach for the position. Their outreach included their own database of potential applicants, recent recruitment for areas within Arizona and other towns throughout the country that could be good candidates for Town, and an outreach to people who were not actively looking.
- The applicant base would be narrowed down based on minimum qualifications and interviews with the top most qualified candidates.
- The Town would get the benefit of the information through video interviews so that the Council could see how questions were answered.
- During the candidate review meeting, the applicant information and a summary of the conversations that they had with the candidates would be provided to Council. Information found online would also be provided.
- They would help the Town through the interview process. There could be a variety of different elements with multiple interactions with candidates. They would help develop any written or presentation exercises.
- They would help the Town with the negotiation process until there was a candidate that accepted the position and there was an approved contract.
- They had conducted over 170 searches across the country and staff all had backgrounds in local government. They had conducted 16 searches in Arizona for City Manager or Administrator. They had done almost 60-searches in Towns with a population under 25,000. They had also done searches for towns as small as 900 and to as large as over \$1 million.
- An overview of the staff that would be helping with the executive search for the Town was provided.
- Over viewed their search services and outreach program that resulted in more qualified candidates selected and hired by the local government of which 36% were females and 20% were people of color.
- 39% of their clients were returning customers for various services.

Question and Answers with Council:

- The people heading the search would either be Ms. Tuck or Jenn Reichelt who was located in Cincinnati. They were also adding to their recruiting staff with one new potential staff member located on the west coast.
- The timeline was typically started after the completion of a signed contract, and the initial phone conversations would begin within two weeks. Within 12 to 15 weeks, the Town would be at the point of making an offer. A four-month timeline was a safe estimate.
- The fee schedule of \$22,500 was a flat fee that included three trips and travel expenses. The variable cost on the recruitment plan could change depending on type of advertisements and background checks, but the Town could have a not to exceed cost and the services the Town wanted would be discussed with the company.
- If the Town needed to add additional trips, the cost would include airfare, lodging and food. It would be approximately \$1000 per trip, barring any major changes in airfare.
- The company would recommend advertising for the recruitment search in certain places such as the International City Managers Association (ICMA) and with a focus on a targeted outreach that the Town identified, which could be in the Southwest if the Town wanted. It was recommended that it be a nationwide search because there could be a candidate that wanted to live in Arizona or had lived there previously and wanted to come back.
- The company headed up the City Manager recruitment search, led by Jenn, for the City of

Cottonwood and Clarkdale. Each had their own individual challenges and all three resulted in successful searches. Jenn was from Yuma, AZ.

- The biggest challenge for the Town and the organization would be the change to the Council in the upcoming year. The other challenge would be the acceptance of the Town Manager and a Manager that did not come in and want big changes. Losing a manager that had an understanding of the history and culture of the Town and someone that worked with everyone as well as the current manager would be challenging. The new manager would have to learn the Town.

Committee members overviewed the presentation by Novak Consulting.

3) [11:45 AM] Peckham and McKenney

Andrew Gorgey presented the following:

- He was located in Colorado Springs, Colorado. The company was based near Sacramento, California and was a two-person firm with Bobbi Peckham and Phil McKenny, with 30 and 15 years of experience respectively. As a team, they had 16-years' experience. Mr. Gorgey was in his fourth year with the company. He still represented the General Counsel for the Garfield County FML District, a part-time executive position he has held since June 2011.
- The firm had their first manager recruitment in Sedona in 2008, and he had done several in nearby communities in Arizona, including in Flagstaff. They had trouble keeping a manager and wanted help to get a permanent manager, and he believes he had accomplished that goal. An overview of other placements in nearby communities was provided.
- He was a local government employee with 21-years' experience. He was a deputy district attorney in law enforcement in Colorado, was in private practice for 2-years, ten years in the Colorado attorney system, worked simultaneously as county attorney and county manager for 5-months and then moved into various City Management positions for towns similar to Chino Valley.
- The search methodology with the pandemic was different for each Town. The company response was that because of shrinking town budgets and to keep all people involved safe, they would do as much as they could virtually. It had been a smooth transition in moving and converting the processes virtually. They had adapted quickly and had been able to deliver their services.
- The basic structure of the recruitment consisted of three visits and if it was possible to do in person visits, it was preferable, but not at the cost of safety and public health. The first visit would be gathering information from the Town and having one on one visits with every member of the Town Council and then meet with every employee that reported to the position, and any key stakeholders. The information would be gathered, and then he would meet with the Council as a group so that he could reflect back the information he had gathered. This would allow the search to begin with clear expectations.
- The information would be put into a candidate profile. The profile would shine light to the most challenging part of the position as well as the incredible advantages a candidate had to moving to Town.
- The company still printed position brochures and direct mailed them to approximately 400 targets, which was in addition to the technical up to date methods. There would be a national media campaign, and a national distribution of the candidate profile. They also did direct outreach by phone.
- All the company's clients were exclusively local government in the western U.S. and as a result they had developed a substantial proprietary database of candidates and impressive client list.

- They would build a pool and identify the candidates that were carefully aligned to the Town's definition of the ideal candidate. There would also be a filing deadline. Each candidate would be treated and reviewed equally and the list would be trimmed down. He discussed how the candidate cuts would be accomplished. A screening interview over zoom would become part of the process to condense the list further. Six to then candidates would be recommended to the Town with a bound book of details about each candidate. The book would also include a list of each person that applied for the position. It was important to do this so that the Council knew this was their search, not the companies search. This would give the Town the opportunity to review the list of candidates and ask questions.
- The second meeting will be a recommendation of candidates. By the end of the meeting, the Town will be directing him to how many people would be advancing to the final interview process.
- The third meeting would be to help manage the final process. He would be as involved in the process as the Town wanted.
- As candidates moved forward in the process, the level of scrutiny and background checks increased.
- The proposal included a complete background check on the final preferred candidate and if the Town wanted deeper information on more than one candidate, the company would work the specifics out with the Town.
- He liked the direction the Town had taken, the vision and future goals and the mission statement of the Town. He had researched the role of the city manager's position and felt he had good sense of the Town's cultural and historical background. He studied the ability of the Town to grow in the future, including infrastructure and economic development.

Question and Answers with Council:

- The process would take approximately 14 weeks but it could be closer to 12. The measurement of time was from contract to contract. If the Town chose him as their recruiter, and they executed a contract that said go, from that moment until the day there was a contract for the next Town Manager, it was generally close to 12 weeks but could be up to 14 weeks.
- The base fee was \$21,000 was all-inclusive if he visited in person three times, but if everything was virtual that fee would change. The base fee was \$18,000 with \$1000 allotted per visit. The term of \$5,000 if someone was placed should be stricken because the term was never used by the company. The fee was meant to cover a candidate from the pool that was hired another position within the Town, but they had never charged the fee when that happened, which was only one time.
- The focus area of the recruitment would be nationally so that everyone would have eyes on the recruitment, but the firm had a focus in the American west and it was more likely than not the candidate would come from that area, but he could not say that the next manager would come Arizona. He has found that when a non-traditional candidate was against an experienced traditional candidate, they were rarely hired by the elected officials. He would find the best fit for the position regardless of where they came from.
- Members wanted to focus on culture of the Town and core values and preferred in person meetings.
- It was questioned if the process could be slowed down if the Town didn't want the recruitment to happen as quickly. It was explained that most places wanted a quick process so that hiring could take place before a local council election so that the public had the benefit of the most experienced council making the decision, not a new council with new members and little experience. He would tailor the timeline to the Town's exact needs.
- He was very interested in the job and his values were aligned with the Town's.

- c) Discussion and possible action regarding search firms and recruitment process.

Committee Members discussed the Executive Search Companies:

- All members agreed that they would eliminate Novak Consulting because of the location of the firm and because of lack of research about the Town.
- The Committee discussed the other top two firms. It was preferred that HR Exec Pro (HRP) was nearby but the aggressive approach of Peckham and McKenney (P&M) was also favored.
- P&M's presentation was well-structured. Important points were discussed including the changing of Council. Mr. Gorgey had a good understanding of the process and had good placements in nearby towns. The Committee was impressed by his experience.
- The competitive salary range for the Town was \$140,000 to \$160,000.
- Although it was impressive that Ms. Ingegneri had started her own company, but she lacked the experience.
- Committee members wanted to have some person to person meetings.
- Members did like that the Novak firm had a 37% return client base.
- Staff stated that Drew of P&M was very responsive to emails and phone calls, and he had rave reviews from Yavapai County. He had his business down.
- For professional purposes, the committee liked P&M. HRP was very personable, which the Committee liked.

MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Annie Perkins to select the firm Peckham and McKenney.

AYE: Mayor Darryl Croft (Chair), Vice-Mayor Jack Miller, Councilmember Annie Perkins

3 - 0 PASSED - Unanimously

- d) Review, discussion and possible action to update the subcommittee's draft charter. (Town Clerk's Office)

Committee Members discussed the following:

- Staff shared the draft subcommittee charter paperwork. Staff needed to address and update certain items.
- Committee members thought that leaving the language in question as TBD.
- Meeting dates should be Meet as required by the consultant as TBD.
- Committee discussed the upcoming search process.
- The contract would go to Council with a recommendation by the Committee and it would be signed by the Mayor. All the information could be provided beforehand and the contract could possibly go to the Consent Agenda. The total fee presented could be up to \$25,000.
- Staff will notify P&M that they were selected and send the agreement for his review, negotiate any terms to be reviewed by the Town Attorney, to then be reviewed by the Council. The other firms will be notified. Staff would get negotiations going as quick as possible.

7) **ADJOURNMENT**

MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Annie Perkins to adjourn the meeting at 12:46 p.m.

AYE: Mayor Darryl Croft (Chair), Vice-Mayor Jack Miller, Councilmember Annie Perkins

3 - 0 PASSED - Unanimously

Submitted: May 28, 2020.

By: *Erin Deskins, Deputy Town Clerk*

Approved: October 20, 2020.