



Council Agenda Report

From: Thomas Frutchey, City Manager
Subject: Executive Search for Assistant City Manager
Date: December 5, 2017

Facts

1. Meg Williamson, the City's Assistant City Manager for the last twelve and one-half years, will be retiring on December 29, 2017.
2. There are several different types of Assistant City Manager positions. To best meet the City's overall needs, and to further the City's succession planning efforts, the City will be seeking an Assistant City Manager that will serve as the equivalent of a private sector COO (Chief of Operations).
3. In order to ensure we can obtain the best candidate, it is preferable to run this as an open recruitment, encouraging both inside and external candidates to apply.
4. A state-wide/nation-wide search will need to be conducted, as there are a limited number of qualified candidates in/on the central coast.
5. A professional search firm that has already developed a broad relationship with many potential qualified candidates will have the best approach to conducting the recruitment and ensuring we are able to select the best candidate for the City.
6. There are a number of executive search firms that specialize in assisting local governments in the recruitment and selection of public executives.
7. The City received proposals from three qualified executive search firms.

Options

1. Take no action;
2. Retain an executive recruiter to assist the City in its search;
3. Provide alternative direction to staff.

Analysis and Conclusions

Generally, professionals with the requisite sophistication of knowledge, leadership, and executive management skills and abilities are currently employed with other public agencies. Soliciting their interest is challenging and highly competitive.

Executive search firms have established access to current public executives, as well as an accepted means for soliciting their involvement. They create and widely distribute a brochure, place ads in appropriate hard copy periodicals and on-line services, as well as reaching out to the people they already know and believe would be a good fit. It is this last ability—an extensive network of contacts about whom they have in-depth knowledge—that adds so much value to having assistance from an outside executive search firm. Additionally, these firms can assist in certain labor intensive and time-consuming elements of the search and selection process.

Proposals were sought and three were received, from Avery & Associates, Peckham & McKinney, and Ralph Andersen & Associates. All three firms are well known and accomplished; all three have conducted recent recruitments for city managers and assistant city managers. Proposed fees (including expenses) range from an estimated \$23,000 to \$25,000, such that price is not the key factor in making a selection.

Avery & Associates has submitted a well-suited proposal. The principal, Bill Avery, is well acquainted with Paso Robles' unique character and challenges as a result of a long professional affiliation. He assisted the City in the successful placement of the city manager as well as several of the City's department heads. He is also conducting the current recruitment for Fire Chief. Avery & Associates has conducted eight assistant city manager recruitments in the last two and one-half years, including Emeryville, Lodi, Vallejo, Sunnyvale, Ventura, and San Ramon. Bill's proposal is for a 13-week process, and would cost \$16,900 in professional fees and up to \$6,500 in expenses, for a total not to exceed \$23,400. The primary advantage of retaining Avery & Associates would be Bill Avery's extensive knowledge of the City.

Ralph Anderson & Associates' proposal emphasizes the number of recent, similar recruitments in respected cities. The largest of the three firms, they have completed more than 10 ACM recruitments in the last two and one-half years, including Carmel, Goleta, Healdsburg, Huntington Beach, Irvine, Sacramento, Santa Barbara, and Santa Rosa. The recruitment would be conducted by Dave Morgan, the recently retired City Manager from Anaheim. Ralph Andersen's proposal would take 14 weeks and is for a fixed fee of \$24,600. One of the primary advantages of retaining Ralph Andersen & Associates would be Dave Morgan's extensive list of ACM candidates for other, similar cities.

Peckham and McKinney's proposal notes that Bobbi Peckham is currently conducting six city manager recruitments (including Moraga, Sunnyvale, Ventura, Fort Bragg, and American Canyon) and two assistant city manager recruitments. The recruitment would be conducted by Bobbi Peckham. Because of her desire to finish some of her current recruitments, Bobbi's recruitment would take a few more weeks than the other two, and would cost an estimated \$24,000. One of the primary advantages of retaining Peckham and McKinney would be the extensive amount of time they spend in getting to know the client and each candidate. As a result, their placement record is particularly strong: over 80% of the candidates they have placed since 2010 continue in those positions today.

All three guarantee their results, such that if the selected candidate does not work out any time in the first year, they will conduct a replacement recruitment. However, all things being generally equal, the number of recent ACM recruitments for similar cities gives Ralph Andersen & Associates a slight edge, because they will already have great familiarity with a number of quality candidates.

Fiscal Impact

Approximately \$25,000. We will return to the City Council with the needed budget adjustment.

Recommendation

Authorize the City Manager to execute a professional services agreement with Ralph Andersen & Associates for the recruitment of the City's next Assistant City Manager.