Mayor Filseth called the meeting to order at 4:34 P.M. in the Community Meeting Room, 250 Hamilton Avenue, Palo Alto, California.

Present: DuBois, Filseth (Chair), Kniss

Absent:

Oral Communications

None.

Agenda Items


Deb Figone, Municipal Resources Group (MRG), reported updated documents were provided at places. She encouraged the Council Appointed Officers (CAO) Committee (Committee) to make the evaluations a priority and to calendar meeting dates as soon as possible. She recommended full annual evaluations of the City Attorney and City Clerk and a six-month check-in for the new City Manager.

Council Member Kniss asked if the City Manager check-in would occur in June.

Ms. Figone replied no. The City Manager's check-in would occur along with the City Attorney and City Clerk evaluations. The Committee should determine topics on which the City Manager could comment, goals for the City Manager, and Council comments to the City Manager.

Council Member DuBois requested the rationale for a check-in rather than an evaluation for the City Manager.
Ms. Figone explained that the Council had not set any goals for the new City Manager. Rating his performance would not be fair.

Council Member DuBois suggested the interviews of the City Manager, City Attorney, and City Clerk be conducted in the same manner. The City Manager's check-in should be as similar as possible to the CAO evaluations. Following the evaluation process for the City Manager check-in would be difficult if the Council treated the check-in too casually.

Ms. Figone did not envision the formality of ratings for the City Manager. The Council would provide topics important to it and set goals, and the City Manager would perform a self-assessment.

Council Member Kniss remarked that comments from the Council and City Manager would be appropriate.

Council Member DuBois felt the categories would apply to the City Manager check-in even if ratings were not conducted.

Ms. Figone advised that setting compensation may or may not apply to the individual CAO, but the survey and the Committee's conversation would apply to all three CAOs. Prior to the Council recess, she would send a memo describing the evaluation process to all Council Members and offer opportunities for Council Members to meet with her individually. Under the proposed timeline, the evaluation and compensation process would be complete by October 8. The Council could approve the evaluations and compensation in early December. The Performance Areas and Indicators of Positive Traits listed the core competencies for each CAO. Direct report surveys and interviews would not be used in 2019 because they were conducted biennially. The CAOs would conduct self-assessments. She would receive Council input via one-on-one interviews at the beginning of the process; however, the survey would be formatted as a Word document rather than a survey through SurveyMonkey.

Council Member DuBois asked if the survey would be sent to all Council Members.

Ms. Figone responded yes. She would draft preliminary evaluations that were composites of Council feedback and input. During the first Closed Session, the Committee would reach consensus regarding topics from the preliminary evaluations to share with the CAOs. During the second Closed Session, the preliminary evaluations would be shared with the CAOs.
Performance areas established a framework of Council expectations for CAOs. In the past, Council input and rating had followed the categories closely. The Council would rate CAOs and provide comments in each performance area and give an overall rating for the CAO. For the City Attorney, the performance areas of technical competence and professional development, City Attorney/City Council relationship, and public relationship were straightforward, but department leadership, Staff leadership and management, and management operation/organizational effectiveness could be revised to reduce overlap and increase clarity. The Committee could change the survey so that Council Members rated CAOs overall and provided comments regarding the CAOs' strengths and weaknesses.

Council Member Kniss requested the rationale for not utilizing a numerical rating scale.

Ms. Figone indicated a prior Committee changed the rating scale because of dissatisfaction with a numerical rating scale. The SurveyMonkey survey utilized a numerical rating scale and produced a weighted average. The weighted average was tied to exceptional, highly competent, competent, needs improvement, and poor ratings. Numbers were utilizing in ratings, but numerical ratings were not provided to the CAOs.

Chair Filseth remarked that a consistent performance area rating for a CAO did not engender discussion, but ratings spread across the spectrum of ratings generated a great deal of discussion.

Ms. Figone related that the discussion was the vetting process.

Chair Filseth did not want to lose the discussion of ratings.

Council Member DuBois believed the performance areas should be the same for all CAOs. Much of the confusion over ratings had resulted from the Council not understanding the differences in performance areas, such as the difference between leadership as a department director, and staff leadership and management. Perhaps one performance area could be cross-team management, the ability to work with peers as a department director. Staff leaderships had been people management skills. Operations should be a performance area for all CAOs because it was more administrative skills than people skills.
Chair Filseth noted confusion pertained to the differences between staff leadership and management, and management of operations and organizational effectiveness. He requested an argument for the two continuing to be separate performance areas.

Council Member DuBois proposed staff management pertain to recruiting a team, maintaining morale, and managing people issues while operations and organizational effectiveness pertain to managing a budget, drafting clear work plans, and managing consultants.

Chair Filseth asked if the two should be merged.

Council Member DuBois felt some people could have good people skills, and some people could have good budget skills. However, some people may not have both skills.

Council Member Kniss believed Council Members interpreted the performance areas differently.

Council Member DuBois clarified that he was suggesting the performance areas have more clarity.

Council Member Kniss did not believe clarifying the performance areas would make a great deal of difference. She inquired about the number of evaluations Council Members submitted.

Ms. Figone responded five to seven.

Council Member DuBois explained that the categories were part of the discussion, not the survey.

Council Member Kniss advised that a Council Member would have to raise an issue in the survey in order for it to be part of the discussion.

Council Member Kniss hoped Mayor Filseth could motivate more Council Members to submit surveys. All Council Members needed to participate in order to have satisfactory evaluations. She preferred not to revise the performance areas because it probably would not change the outcome.

Council Member DuBois reiterated that leadership as a department director should be more cross-department and, staff leadership and management
should be managing the CAO's team. The term staff had multiple definitions.

Council Member Kniss was willing to make revisions.

Chair Filseth asked if the Committee could learn anything from the Executive Leadership Team's (ELT) review of executive positions.

Rumi Portillo, Human Resources Director, reported the ELT had compiled a list of significant competencies necessary for an effective executive in the organization. The competencies had not been incorporated into the performance evaluations, but ELT intended to do that.

Council Member DuBois requested details regarding the differences between competencies contained in the evaluations and compiled by the ELT.

Council Member Kniss asked if the ELT's competencies would play into the evaluations.

Ms. Portillo replied yes. Overarching competencies included integrity, honesty, public service motivation, purposeful optimism, communications, and self-awareness. Major categories were leading change, leading people and building coalitions, public service environment, and results-driven performance. Within each category was a number of competencies. The ELT utilized the competencies for discussion of candidates and development of skills.

Council Member Kniss asked if that was a change from the way the Committee was reviewing competencies. The assessment seemed to be more finite.

Ms. Portillo indicated the categories were current and reflected the necessary skills for executives.

Chair Filseth understood leading change as a skill would fall within the category of staff leadership and management, but leading change was not a top priority for every manager every year.

Ms. Figone suggested leading change could be an important element of executive leadership for the City Manager.
Council Member DuBois noted public service pertained to communicating with the public.

Ms. Portillo explained that the definition of public service motivation included; shows a commitment to serve the community, ensures that actions meet public needs, and aligns organizational objectives and practices with public interests.

Council Member Kniss commented that public relationship had been redefined.

Ms. Figone added that the definition raised the bar for public relationship.

Council Member DuBois liked the definition, but it should apply to the CAO level.

Ms. Portillo clarified that the list contained indicators that a person possessed leadership qualities and was developing professionally. Many of the indicators were aspirational. The indicators would not lend themselves to numerical ratings, but they could be used in a discussion of CAOs' strengths and weaknesses.

Chair Filseth asked if the list continued to be a work in progress.

Ms. Portillo indicated the list was a tool for engagement.

Chair Filseth inquired whether Ms. Figone could utilize the ELT's list of competencies to improve the performance evaluations.

Ms. Figone agreed to revise the performance areas so that Council Members better understood them. The performance areas could utilize similar terms, and the language and competencies could be more consistent among the CAO evaluations. The Committee may want a vision and strategy category for the City Manager evaluation.

Council Member DuBois related that a change management category could apply across CAOs, depending on the wording of the category.

Chair Filseth added that change management was different for each CAO.

Council Member Kniss believed vision occurred in many forms.
Council Member DuBois felt it was important to remember that seven people were rating each CAO, which was not the same as a manager rating an employee. Council Members should review CAOs by category so that one Council Member could not influence the overall rating for a CAO.

Chair Filseth advised that some of the categories could count more than others toward the overall rating of a CAO, and the weights could vary among CAOs. For example, the public relationship category was more important for the City Manager than for the City Attorney. He concurred with the need to clarify the differences between director and staff leadership.

Ms. Figone reported the two categories should distinguish between the CAO's ability to run a department and follow a budget, and the ability to lead a department.

Chair Filseth stated accurate category descriptions would reduce the subjectivity of evaluations.

Ms. Figone added that continuing the ratings and revising the categories would provide a good blend of objectivity and subjectivity.

Council Member Kniss noted some Council Members responded to the evaluations thoughtfully while others simply checked the boxes. She emphasized the need for Council Members to provide full responses to all questions.

Council Member DuBois remarked that Ms. Figone would meet with Council Members individually. He assumed Council Members' comments were advisory to the Closed Session discussion.

Council Member Kniss remarked regarding the disparity of one Council Member responding fully and others not responding.

Ms. Figone reported past surveys had been submitted to Council Members in June, at the beginning of the Council recess, and in the fall. Simplifying the survey along with interviews could increase the number of responses received. She would return to the Committee in early May to ensure revisions complied with the Committee's intent.
Council Member Kniss expressed concern that the Council had not provided goals for the City Manager. She suggested the City Manager's check-in occur in June rather than in the fall.

Council Member DuBois inquired about a timeline for a City Manager check-in in June.

Council Member Kniss did not have a timeline in mind, but the City Manager needed goals.

Ms. Figone advised that the City Manager would have time to assess the organization and his work, and to propose goals if the check-in occurred in late August or early September. The Council Member interviews for the City Manager would be simplified. The 2020 evaluation would be an evaluation of the City Manager's 18 months on the job.

Council Member Kniss wanted to set goals for the City Manager rather than conduct an evaluation.

Ms. Figone suggested a second check-in could occur prior to the 2020 evaluation.

Council Member Kniss asked the City Manager about his assessment of goal accomplishments given that the Council had not given him goals.

Ed Shikada, City Manager, reported the Council and he discussed a number of priorities during the selection process. His work had been self-motivated rather than driven by Council goals.

Council Member DuBois proposed the Council develop informal goals for the City Manager in June and formal goals by October. In addition, the City Manager should complete a self-assessment in October.

Council Member Kniss asked if Council Member DuBois' proposal was feasible.

Ms. Figone answered certainly. The question was the amount of refinement that would need to occur between June and October. Also, the Council was extremely busy in June. Perhaps, the City Manager could draft the framework for his work and share it with the Council in June.
Chair Filseth indicated goals for the City Manager were filling key positions within the organization, and developing strategies and work plans for the Council Priorities. Those goals involved quite a bit of work. Six months was a short timeframe for the Council to evaluate the City Manager's performance. Given those factors, he questioned whether a six-month evaluation was worthwhile.

Council Member Kniss would agree to a six-month check-in if the Council would draft goals for the City Manager in August.

Chair Filseth felt the Council had to begin thinking about goals prior to the recess in order to draft goals by August.

Council Member Kniss stated the Council had to think about goals at the current time.

Council Member DuBois concurred with the goals the City Manager stated and struggled with changing any of those goals.

Chair Filseth clarified that the goals would change based upon needs in March 2020 as opposed to August 2019.

Council Member Kniss requested the Committee agree to provide the City Manager with goals by September 21.

Mr. Shikada concurred.

Chair Filseth commented that the CAO had to review proposed goals prior to September 21.

Council Member Kniss clarified that the Council did not have to wait until September 21.

Ms. Figone related that the proposed schedule could accommodate that.

Mr. Shikada clarified that the Closed Session with the full Council would include a discussion of goals.

Ms. Figone added that the City Manager's materials would be due in the summer. The Council would have the materials to prepare for their interviews with her.
Council Member Kniss realized that the timeframe was short. The City Manager did not lack for work.

Ms. Figone understood Council Member Kniss wanted to be fair by providing the City Manager with the Council's expectations.

Council Member Kniss commented that each Council Member likely had a different specific goal for the City Manager to accomplish.

Ms. Figone reiterated that the direct report survey and interviews would not occur in 2019. A schedule of interviews during July would be set prior to the Council recess. To prepare for the interview, Council Members would have a copy of the form for Council input to 2019 evaluations for each CAO. The CAO's goals for 2018/2019 would be embedded in the form.

Council Member Kniss asked if the Council would rate only two CAOs.

Ms. Figone replied yes, the City Attorney and the City Clerk. The Council would have the CAOs' perspectives through their self-assessments. The new component of the process would be revising the categories. By July 12, the Council would receive a packet of the CAOs' self-assessments, the prior year's reviews, and the interview forms to prepare for individual input. Interviews would be scheduled between July 15 and July 26. A preliminary draft of evaluations would be provided to the Council by August 8. During the first Closed Session, the Council would discuss the preliminary evaluations and reach consensus regarding feedback to CAOs. Based on Council feedback, she would modify the evaluations and submit them to the CAOs. The second Closed Session, which would include the CAOs, could be scheduled for August 28 and 29 or September 4 and 5. The dates were selected to create a sense of urgency. The next phase of the evaluation process was setting compensation. The consultant would conduct a compensation survey. In Closed Session, the Committee would review the survey, budgeted compensation, and compensation plans in order to draft salary recommendations for the Council.

Council Member DuBois requested the Committee receive a list of reference cities for the compensation survey prior to the survey being conducted.

Ms. Figone agreed to do so. The Committee could raise questions about the compensation survey process in early May.
Council Member DuBois suggested an additional column for new incentives implemented by cities.

Council Member Kniss noted scheduling the various meetings would be difficult.

Council Member DuBois expressed some concern that the City Auditor was not included in the evaluation process. The Committee should meet before the Council recess to receive an update from the consultant and to share feedback.

Chair Filseth asked if the Committee would meet to discuss the City Auditor.

Ms. Portillo reported Staff would poll for a meeting as soon as possible. Staff was working on a scope of services for an assessment contract. Staff would meet with the Committee to discuss the City Auditor position and the Request for Proposals (RFP).

Council Member DuBois suggested the consultant plan two Closed Sessions in late August for the City Attorney and City Clerk, and for the City Auditor and City Manager because the Council would probably have many questions about the City Auditor position.

Ms. Portillo advised that some components of the discussion may not be allowed in a Closed Session.

Council Member Kniss inquired about the City Charter's provisions for a City Auditor.

Ms. Portillo explained that the City Charter listed the qualifications for a City Auditor. The City Attorney interpreted the City Charter as allowing a contract service or an individual to serve as City Auditor as long as the service or individual met the qualifications stated in the City Charter.

Council Member Kniss believed that would be the Council's main discussion.

Council Member DuBois requested the rationale for CAO performance not being a Closed Session item.

Chair Filseth inquired about the timeframe for the survey contained in the RFP.
Ms. Portillo indicated that would be part of a separate meeting regarding the City Auditor. The Committee would need to decide the evaluation criteria for consultants and the final work product.

Ms. Figone reported she would review the performance areas for the City Auditor when revising the areas for the other CAOs.

Ms. Portillo added that the intention was to review all appointed positions as part of reviewing the rating elements.

Council Member Kniss requested Staff provide the history of the City Auditor position within the City.

Council Member DuBois asked if a public vote approved the establishment of the City Auditor position.

**Future Meetings and Agendas**

None.

**ADJOURNMENT:** The meeting was adjourned at 5:50 P.M.