

**MINUTES FROM THE SPECIAL TOWN COUNCIL MEETING HELD ON JULY 6, 2000
REGARDING THE RECRUITMENT PROCESS FOR A TOWN MANAGER**

I. CALL TO ORDER AND ROLL CALL

President Jack McDonald called the meeting to order at 9:30 a.m. in the Town Council Chambers. On roll call, the following Elected Officials were found to be in attendance: Mayor Lesly S. Smith; President Jack McDonald; President Pro-Tem Sam McLendon; Councilman William Brooks; Councilman Norman Goldblum; and Councilman Allen Wyett (via telephone connection). Also attending for all or part of the meeting were: Acting Town Manager Thomas Bradford; Town Attorney John Randolph; Human Resources Director William Crouse; Finance Director Jane Skittone; Fire-Rescue Chief Ken Elmore; Assistant Police Chief Michael Reiter; Assistant Human Resources Director Carla Kniepp; Public Works Director Al Dusey; Assistant to the Town Manager David Jakubiak; and Town Clerk Mary Pollitt.

II. INVOCATION AND PLEDGE OF ALLEGIANCE

Town Clerk Pollitt gave the invocation. The pledge of allegiance was led by President McDonald.

III. APPROVAL OF AGENDA

Councilman Brooks made a motion to approve the agenda. The motion was seconded by Mr. Goldblum and carried 5-0.

IV. OVERVIEW OF REQUEST FOR PROPOSALS (RFP) PROCESS USED BY TOWN STAFF TO SOLICIT INTEREST IN TOWN MANAGER RECRUITMENT - William C. Crouse, Director of Human Resources

Mr. Crouse explained he was directed by the Town Council at the Special Town Council meeting on June 16th to invite proposals from executive search firms to assist the Mayor and Town Council in its recruitment and selection of a new Town Manager. Mr. Crouse said information regarding requests for proposals was faxed to twenty-six firms throughout the country that specialized in public sector recruitment and selection with a deadline date for receiving proposals of June 27th. Nine proposals were received as of that date.

At the request of President McDonald, representatives from three search firms who were present identified themselves:

Gerry Plock	-	Gerald Plock Associates, Paramount, Texas
Allen Benziger	-	Rachlin, Cohen & Holtz, West Palm Beach, Florida
Renee Norlach	-	DMG Maximus, Tallahassee, Florida

V. REVIEW OF AND/OR PRESENTATIONS FROM RECRUITMENT FIRMS EXPRESSING INTEREST IN RECRUITMENT OF TOWN MANAGER

- a) Maximum 10 minute presentation
- b) Questions from Mayor and Town Council

Ms. Renee Norlach, DMG Maximus, presented her company's qualifications and background as related to the Town's search for a town manager. Ms. Norlach said the company has approximately 300 offices nationwide. She said her company offers an assortment of public sector consulting services including revenue enhancement studies, personnel studies, operation reviews, and executive recruitment and estimated 50 to 100 searches a year are done by the company.

Ms. Norlach said DMG Maximus is currently conducting a search for a town manager of Jupiter, Florida; has finished a search for the Miami Beach city manager; started a search for the Transportation Authority in Jacksonville, Florida; and worked for Lakeland, Ocala, City of Miami, and Orange County. She said they belong to a nation-wide network to pull candidates from, and they are not limited to Florida candidates.

Ms. Norlach said the company has a guarantee that covers the manager leaving or resigning within the first year where another search would be done at no additional professional fee to the Town. Meetings will be set up, individually, with the Mayor and Town Council to discuss what specifics they are looking for in a town manager candidate. A marketing brochure will be assembled after that information is gathered. Advertising will be in publications that potential town managers read.

After the candidates are recruited, Ms. Norlach said candidates will be called, the resumes will be screened, and the candidates' resumes will then be presented to the Mayor and Town Council with recommendations by DMG Maximus. After screening by the Town, DMG Maximus will visit the candidates, talk to people who have worked for and with them. Further recommendations will be made as to which candidates the Town should interview with the company being involved through negotiation stages.

Ms. Narloch said she thought the three decisive areas affecting the Town's decision to hire a firm are the price, the qualifications, and the time line. She said her company is price competitive; has high qualifications; and is available immediately.

Responding to questions from Councilman Brooks regarding costs related to DMG Maximus' search for a town manager for Jupiter, Ms. Narloch replied the figures presented were cap figures and may not be that high. The Jupiter search has not proceeded very far and that search will be shorter than the Palm Beach search.

Councilman McLendon asked if the company would include any experienced senior employees of the Town with their recommendations or would they be evaluated differently from other candidates?

Ms. Narloch replied her recommendation was to include them with the other candidates to make a level playing field to see if they measure up to other candidates, and they should compete for the position as anyone else has to. She added it is at the discretion of the Mayor and Town Council if that candidate should be considered for an interview later in the process. She suggested internal candidates should apply through DMG Maximus as any other candidate would do.

Responding to Mayor Smith's questions regarding her knowledge of the Town of Palm Beach, Ms. Narloch responded she was a native Floridian, growing up in the Panhandle, and had visited Palm Beach several times.

Mayor Smith said the Town had recently completed a search for an Assistant Town Manager which took about a year, and approximately 127 applications were received for the job. She questioned the fees that DMG Maximus would charge and stated they seemed excessive because the same 127 people may apply for the Town Manager position. Mayor Smith asked if the fee would be reduced if the Town supplied the applications received for the Assistant Town Manager position?

Ms. Narloch responded although some of the names may be the same, her firm would be establishing criteria for the Town Manager's position and that may require a different fit than for the Assistant's position.

Mayor Smith said her thought was that if a candidate did not make the cut for the Assistant Town Manager, she would certainly take them out of the running for the Town Manager's position, and that would be an automatic.

Mayor Smith asked Ms. Narloch why the Town should choose DMG Maximus over the other firms?

Ms. Narloch responded her firm had the better qualifications including experience and depth of recruiting experience.

President McDonald said DMG Maximus was the second highest in price of the firms being considered. He asked Ms. Narloch when her firm had conducted the manager search in Boynton Beach?

Ms. Narloch replied it was done in 1996 or 1997 and offered to have them supply a reference. She said that, in her opinion, the Miami Beach search was probably the closest to the Palm Beach search. She explained that Mike Casey will be in charge of the search and she would be assisting.

This concluded Ms. Narloch's presentation.

Gerald Plock, Gerald Plock Associates, said he was very interested in the assignment and thought the recruitment for a town manager represented one of the most prestigious positions, not only in Florida, but around the country. He said his firm had the experience as a highly skilled recruiter of municipal employees. He said he thought the town manager for Palm Beach should come from the main stream of the city management.

Mr. Plock said he had twenty years experience in executive search, management consulting, and local government service. That included broad experience conducting executive search assignments for local governments on a full-time basis for the last thirteen years. The scope of the experience covered over 300

search assignments around the country with communities of different demographics and income levels. He sighted his work for the National League of Cities who needed an executive director; the search for the executive director of the National Association of Counties and for the executive director of the National Association of Regional Councils. He noted these were not just assignments, but were clients that in turn represent literally thousands of professionals who work in the public sector.

Mr. Plock reported he had Florida experience and was knowledgeable of the Sunshine Law. He said he conducted a search in New Smyrna Beach for a police chief position within the last several months and currently is working with Escambia County in a search for a new county administrator.

Mr. Plock said he knew from reading the newspaper that his bid was the lowest and wanted the Town Council to know that in this particular case, the low bidder does not represent the least qualified but the firm that is most anxious to get this assignment. He said he reduced his normal fee, because he is very interested in working on this assignment. He noted his overhead was low, and he did not have to satisfy a corporate structure to satisfy regarding profit margins, etc. He said he doubted that the typical low bidder would spend \$1,000 to make a ten minute presentation as he had done.

Mr. Plock requested the Town Council look at the search lists very carefully that the different search firms are proposing, because many times those lists represent the work of the firms and that is different from the work of the individual who will be carrying out the assignment. Mr. Plock said he was not currently conducting any searches in South Florida, and that was an advantage since executive search firms make commitments not to recruit from the organizations they have recruited for in the past. He said some of the firms who have made proposals to the Town will not be able to contact many of the prime candidates in South Florida.

Mr. Plock said he would not take any short cuts and if his firm were selected, he would return within a week to conduct an on-site needs assessment. The recruitment process would take approximately sixty days.

Responding to President McDonald's question regarding a guarantee for services, Mr. Plock replied he would insert a guarantee into the proposal stating if a candidate is terminated or leaves within the first year or year and one-half, he would agree to redo the search for expenses only.

Councilman Brooks asked Mr. Plock to describe his organization and asked how many employees he had?

Mr. Plock responded his wife is Kathleen Kerry who is employed by W. W. Grainger in Texas and handles all the finances in his corporation; however, he is a sole proprietor. He said he was originally from Mississippi but moved to Texas a year and one-half ago from the state of Illinois.

Mr. Goldblum asked how background checks are handled?

Mr. Plock replied he personally handled background checks and delegating that responsibility to junior staff level is a big mistake. He said he contacted current and past employers as well as peers, subordinates, etc. Because of the contacts he knows in the field, he is able to contact people who know the candidates and can provide independent viewpoints. Formal background checks would involve verification of college degrees, credit checks, felony court record checks, and reviewing driving history.

Mayor Smith asked how well Mr. Plock knew the Town of Palm Beach?

Mr. Plock responded he did not know a lot about Palm Beach but thought he could represent the Town extremely well after finding out additional information.

Mayor Smith said the Town had over a hundred applications for the Assistant Town Manager's position a year ago, and Mr. Bradford was currently the Assistant Town Manager. She asked Mr. Plock if he would automatically disqualify the candidates for that position who did not make the cut for Assistant Town Manager if they were to apply for Town Manager?

Mr. Plock responded he would like to see the resumes if available, but those individuals would need to reapply. He added internal candidates require extra sensitivity on the part of the recruiter, because candidates will want to know if applying is a waste of time. He said if Mr. Bradford were the choice of the Town Council, he would want to know that up front and not waste time doing a search.

Responding to President McDonald's question, Mr. Plock said he conducted a search for a town manager in Coral Gables, Florida, approximately six or seven years ago.

This concluded Mr. Plock's presentation.

Mr. Colin Baenziger, Manager Rachlin, Cohen & Holtz, West Palm Beach office, said he is responsible for the firm's executive search, performance enhancement, and general municipal consulting practice. He said his company is the largest consulting and accounting firm located solely in the State of Florida, and the

company's mission is to serve the client and the goal is to be the best. He said the company has offices in Ft. Lauderdale, Miami, West Palm, and Stuart.

Mr. Baenziger said the firm was founded in 1955 and undertook its first municipal audit in 1968 and formalized the government consulting practice in 1999 at the same time the West Palm Beach office was established. He said that 40% of the cities in Dade and Broward Counties use his firm as municipal auditors and cited his own involvement in community service organizations.

Mr. Baenziger said what sets his firm apart from other executive recruiters is the speed of the search and results are generally achieved within six to ten weeks. He said he generally does not advertise, but identifies the candidate the Town is looking for and that candidate is sought out. Although, he said he is willing to do a national search and advertise as the Town so directs. He emphasized that the focus for the search would be in southeast Florida, because his firm knows clients well in this area.

Mr. Baenziger said the first step would be to target the type of manager the Town is looking for and pursue those candidates. He added that the search would be thorough including background checks. The warranty or guaranty includes a commitment that a candidate placed with a city would never be approached for recruitment. He said the profile includes understanding the Town of Palm Beach in order to be able to sell the Town to potential candidates. The candidates he would be looking for are successful managers.

Mr. Baenziger said he expected to present eight to ten candidates to the Town after the initial screening with five or six potential candidates to be interviewed in person by the Town Council. He noted that he liked to set the interview date by the Town Council early in the proceedings to avoid last minute problems with people not showing up for the interviews. He also recommended that spouses be included in the interview process and be interviewed in different settings within the community. A writing sample should be part of the interviewing process. He said his firm would take care of all of the details.

Mr. Baenziger said that after the selection is complete, his firm would work with the Town Attorney to negotiate a contract. He said he would be doing 95% of the work, and he had the added experience of having been a town manager in Wellington until 1997.

Mr. Baenziger said the price of \$17,500 included all of the expenses with the exception of any travel costs connected to the candidates' final interviews.

Mr. Baenziger summarized that his was a Florida firm; they were focused on providing the best service to their local clients; over twenty searches were done in the last two years; the program in place works; and the firm would like the opportunity to work with the Town.

Councilman Brooks commented that he did not think speed was of the essence and did not think the search could be conducted within the next sixty days. He said that speed was not as important to him as obtaining the best possible candidate. Councilman Brooks said he thought a true image of the Town could be presented by Rachlin, Cohen & Holtz, because they were located in West Palm Beach.

Mr. Baenziger said the time could be whatever the Town wants; however, it was not hard to identify the best people in the industry and by focusing on them, the search can be shortened.

Councilman McLendon asked how many of the approximately 35 listed governmental clientele were managers?

Mr. Baenziger responded his firm conducted two manager searches.

Councilman Goldblum asked how long the executive search arm of the firm had been in existence?

Mr. Baenziger replied it was approximately two years old.

Responding to Mayor Smith's questions regarding knowledge of the Town of Palm Beach, Mr. Baenziger said he lived in the area approximately seven years, had friends in Palm Beach, knew some of the staff, and kept up with the newspaper articles.

Mayor Smith asked if Mr. Baenziger was involved in any way with the search for the Assistant Town Manager last year and would he eliminate the over 100 candidates that did not make the cut for the Assistant Town Manager if reviewing someone for the Town Manager's position?

Mr. Baenziger said he was not involved and said it would be useful to go through the resumes although he suspected that most of them would not meet the criteria. He said the entire firm employs two hundred people, but the staff in West Palm Beach that works on executive searches consists of three people, and he would be the one conducting the search.

President McDonald said he wanted to clarify the "hands off" policy and asked if the policy was that the firm would not recruit where they do auditing or just not recruit where a search was performed?

Mr. Baenziger replied the "hands off" policy applied to municipalities where searches were done and frankly would not prefer to contact any of the audit accounts. If a manager approached the firm, he would consider an application under those conditions. He said there are twenty-five cities his firm audits and did not think potential candidates would be forthcoming from those cities.

Mayor Smith asked if his firm could be a victim of their success with so many of the cities listed in his presentation that he would not recruit from?

Mr. Baenziger identified many of the cities as having used his firm for purposes other than search projects.

VI. CONSIDERATION OF SELECTION OF RECRUITMENT FIRM FOR TOWN MANAGER SEARCH (This may be delayed until the July 11, 2000, Town Council meeting at the discretion of the Town Council)

President McDonald asked Attorney Randolph if it would be permissible to ask Councilman Wyett's opinion for ranking the search firms via the telephone connection? Attorney Randolph agreed that could be done.

Responding to questions from Councilman Brooks, Mr. Crouse said the Mercer Group had intended to send a representative to the meeting but did not know who that would be, but no one showed up. He added that Robert Slavin from Slavin Management indicated he would attend the meeting and had not responded otherwise. Acting Town Manager Bradford said he received a call during this meeting saying they were unable to send anyone.

President McDonald asked how the Mayor and Town Council wished to proceed? He asked Mr. Crouse if the matter were carried over to the July 11th meeting, would any additional firms would be present?

Mr. Crouse responded he did not think anyone would attend, because they were all given the opportunity to attend this meeting and were told this could be a decision making meeting.

President McDonald said he had reviewed all of the proposals and was prepared to make a decision.

Councilman replied he had reviewed all of the proposals and although he would like to discuss the proposals to be fair, he would like to vote on the proposals at this meeting.

President McDonald asked for further comments and there were none. He said the proposals would be considered alphabetically by company name.

Avery Associates - Los Gatos, California

President McDonald said the principal was a former city manager and they do not have any recent Florida experience, and they were rated number three price-wise.

Mayor Smith said she thought they were too far away. The expenses would be too high and although they are probably highly qualified, she put them on the bottom of the list, because geographically they were out of the loop.

Councilman Goldblum said he agreed that they were not close enough geographically to be competitive.

Councilman McLendon said he agreed with the aforementioned comments.

Councilman Brooks said he did not think they were a player.

Bennett Associates - Norwell, MA

President McDonald said they did have some experience in Palm Beach County, but it was not a city manager position. The firm was number eight in terms of compensation.

Mayor Smith said it was interesting that the firms were applying from all over the country and asked Mr. Crouse if that were the norm and if these were the top firms from all over the country?

Mr. Crouse responded that these 9 companies were representatives of 26 companies that were contacted by the Town. Mr. Crouse said that most of the national firms worked from all different states, because the searches were nation-wide. He said he was aware of Bennett Associates but had not had any experience with them.

Mayor Smith said she thought the comments would be the same as Avery Associates in that they are geographically out of the loop and the expenses would be too high.

Councilman Goldblum noted that they had not done much in Florida.

DMG Maximus - Tallahassee, FL

President McDonald said they conducted searches for city managers in Boynton Beach, Miami Beach, Tallahassee, and currently are doing Jupiter.

Councilman McLendon said he thought they made a good presentation.

Mayor Smith agreed with Councilman McLendon.

Councilman Goldblum replied he scored them very high because of their work in Florida and other places. He noted they were high on expenses, but he thought that could be controlled, and they did have twenty-five years experience.

Councilman Brooks said he considered them among the top three firms.

Councilman McLendon said he ranked in the top three or four.

Gerald Plock Associates - Texas

President McDonald said they placed a manager in Coral Springs, and they are the low bidder.

Councilman Brooks said he thought Mr. Plock's presentation was excellent, but his concern was the lack of bench strength. He thought he was a fine gentlemen.

Councilman McLendon said he was impressed with Mr. Plock, but he was concerned about putting "all the eggs in one basket" and probably would rank him number two or three. He added he thought all three people who made presentations at this meeting should be considered, because they cared enough to show up and make the presentations.

President McDonald said he was impressed that Mr. Plock would spend \$1,000 to travel to Palm Beach and his presentation was impressive. He agreed with Councilman Brooks' comments.

Councilman Goldblum said he would pass on any comments.

Mercer Group (The)

Mayor Smith said she thought the Mercer Group was too big and too diversified. She said she knew they were bidding on two big pension fund projects in New York City one of which is \$300,000,000 and the other one is \$400,000,000. She said she did think the Town would not be at the top of their priority list.

Councilman McLendon said he thought their submittal was too lengthy and contained unnecessary information.

Oldani Group (The)

Councilman Brooks said he was prepared to dismiss the group out of hand. The base cost plus expenses being based in the state of Washington would be huge—at least a double or triple hop into Palm Beach—their Florida experience is extremely limited and that was in the medical community. He said he was sure they were a fine organization but he did not see it as a fit for this job.

Councilman Goldblum said he agreed with Councilman Brooks' comments.

Mayor Smith and President McDonald added their agreements. President McDonald noted they had the highest cost and were the furthest distance from Palm Beach.

PAR Group (The) - Chicago, Illinois

President McDonald said this group had Florida experience – 3 city managers in Coral Springs, St. Petersburg, and Gainesville (Deputy City Manager). They ranked 6th for fee costs and expenses.

Mayor Smith said she thought the resume was very good, psychologically she was prone to consider the firms who came to this meeting and that showed enthusiasm.

Councilman McLendon said the proposal was good and noted that Mr. Plock said he had been with the PAR Group until a few years ago.

Rachlin, Cohen, & Holtz - West Palm Beach

Councilman Goldblum noted that this was a local group, but they only have two years experience, and that bothered him to some degree.

Councilman Brooks said that just because a firm is local should not necessarily carry the day, but there were some advantages to it. He said he remained concerned about the ability to deliver a candidate in 60 days, and that troubled him immeasurably.

Councilman McLendon said he liked their proposal and presentation. He felt that the selection should be made between them and DMG Maximus.

Mayor Smith said she liked the presentation and was not concerned about the 60 days.

Slavin Management - Norcross, Georgia

President McDonald said Slavin Management had experience with city managers in Boca Raton, Boynton Beach, Palm Beach Gardens, West Palm Beach, Miami, and they rank no. 5 in expenses.

Mr. Crouse said he was familiar with the firm but did not have any direct experience with them.

Mayor Smith asked if Mr. Crouse had experience with any of the firms before?

Mr. Crouse responded it was the Mercer Group or an arm of the Mercer Group in the mid 80's who did the Doug Delano placement.

Councilman McLendon said he looked forward to hearing their presentation, because they made a good proposal.

Councilman Goldblum said they had a good proposal and good references.

President McDonald asked if the Town Council was ready to make a decision? He explained there were nine candidates and each Town Council member was to rank each firm, giving the highest number to the top choice.

Attorney Randolph said Mr. Crouse prepared a sheet with nine candidates on it. He said he scratched five groups during the previous discussion by the Mayor and Town Council. He suggested if the five groups were eliminated, it might make the voting easier. He said the Avery Group, the Bennett Group, Mercer Group, and the Oldani Group. He suggested either 9 or 4 groups be considered. Mr. Randolph clarified the 4 firms to be considered were: DMG Maximus, Gerald Plock Associates, Rachlin Cohen & Holtz, and Slavin Management.

Councilman Wyett suggested a final vote should not be done at this meeting since the references for the four finalists were not checked, and the selection could be made at the July 11th Town Council meeting.

President McDonald said he thought any approval would be contingent on passing a reference check. He said he personally did not see any reason to hold the selection over to next Tuesday.

Councilman Brooks said he was ready to vote.

Councilman McLendon said he could go either way but would not mind honoring Councilman Wyett's request.

Councilman Goldblum said he would like to vote today.

The Town Council voted on the four firms and the results were as follows:

1. DMG Maximus (18)
2. Rachlin, Cohen & Holtz (16)

President McDonald said he thought Mr. Crouse would first do a reference check, and if that passes, then Mr. Randolph would negotiate an agreement with a recommendation to the Mayor and Town Council.

Councilman Brooks made a motion to accept the proposal from DMG Maximus; Mr. Crouse will check references; Attorney Randolph will write a letter of acceptance after the July 11th meeting with terms specifying the lead person to conduct the search; and Mr. Crouse will negotiate a reduction of the fee (\$17,500) by \$3,000 or settle for a reduction of \$2,500 (\$14,500 - \$15,000). The motion was seconded by Mr. McLendon and carried 5-0 on roll call.

Attorney Randolph asked what the next step would be if the reduced fee was not acceptable to DMG Maximus?

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Councilman Brooks responded the Council gave some room to negotiate (\$500).

President McDonald agreed that would be addressed at the July 11th Town Council meeting if necessary.

Mr. Bradford said this item will be on the July 11th Agenda.

VII. ANY OTHER MATTERS

There were none.

VIII. ADJOURNMENT

The meeting was adjourned at 11:20 a.m.

Mary A. Pollitt, Town Clerk