

CITY OF EDEN, N.C.

A special meeting of the City Council was held on Tuesday, October 8, 2019 at 6 p.m. in the Conference Room of Eden City Hall. Those present for the meeting were as follows:

Mayor:	Neville Hall
Council Members:	Bernie Moore
	Jim Burnette
	Angela Hampton
	Darryl Carter
	Jerry Ellis
	Jerry Epps
	Sylvia Grogan
Interim City Manager:	Terry Shelton
City Clerk:	Deanna Hunt
City Attorney:	Erin Gilley

Council Member Epps joined the meeting at 6:06 p.m.

MEETING CONVENED:

Mayor Hall called the special meeting of the Eden City Council to order and welcomed those in attendance. He introduced Human Resources Specialist Hartwell Wright from the North Carolina League of Municipalities (NCLM) there to discuss the recruitment and selection process for a new city manager.

PRESENTATION:

Mr. Wright said his goals were to provide a process Council could understand and one they found useful after he left.

Mayor Hall agreed and said it was the attendees' chance to provide input and get expert advice. He encouraged those in attendance to make the meeting interactive.

Mr. Wright said in North Carolina, there were a little more than 300 cities, towns and villages, as well as 100 counties, with professional managers. Currently, there were more than 40 recruitments going on in the state. It was important to remember that. He had provided a packet to the Council and would focus on the first six pages. *A copy of this packet is available to view in the City Clerk's Office.* At the top of page 2, it discussed the roles to be done in the process. The NCLM's role in recruitment was simply his presentation. Everything else was the Council's responsibility. The hiring would be a three-step process. The first step was recruitment, and he advised that they should aim to get as many applicants as possible. The second step was assessment, to determine the skills and abilities of the candidates. The third step was to hire the manager.

He suggested there were three decisions Council needed to make quickly. The first was who and how the process would be conducted. Council needed to decide whether to keep the process in-house or whether to hire a consulting firm to do any or all of the portions. The second was the confidentiality of the process. Council may or may not choose to receive citizen input about the process but should be aware that every application and resume received for the position was protected as confidential under the personnel statutes of the state. If at any time the Council wanted to disclose a candidate's name, it was the Council's responsibility to notify the candidate and give that person an opportunity to decide they did not want that to happen.

He did believe the decision Council made would be the most important one they would make as a collective body. It would affect everyone. The manager worked for Council, so it would affect them. Every City employee worked for the manager, so it would affect them. The manager was the ambassador put in front of the City, so the choice affected each citizen. He wanted to emphasize the importance of the decision because he wanted Council to concentrate and dedicate the time to make the best choice possible. He asked Mayor Hall if Council had given any thought in what they were looking for in the next manager and if they had come together collectively to discuss it and set priorities.

Mayor Hall replied they had not. A meeting had to be called for the group to meet so this was the first time they had done that.

Council Member Grogan asked how long it may take to hire a manager since there were 40 vacancies in the state.

Mr. Wright said on average it took about six months from the start of the process to hiring.

Mayor Hall asked if the NCLM had a suggestion for what worked best regarding hiring a recruiting firm versus conducting the process in-house.

Mr. Wright replied no. What worked best was up to the individual municipalities. Some of Eden's size would not dream of hiring a firm. Others of similar size had Councils who worked full time and did not have the time to dedicate to the process so they hired someone. The majority did the process themselves. Eden was right on the threshold population-wise when municipalities did hire a firm. Another point was that if the city decided to conduct the process in-house, someone internally would need to be responsible for some administrative duties and the Council would need to identify that person. He would present the rest of the meeting under the assumption the process would be done in-house. If a consultant was hired, they most likely would go over the same things he would say in the meeting.

He said Council needed to develop a profile for the manager they wanted. It usually worked well for them to come up with a list of things individually they wanted the new manager to have, such as level of experience, background in finance, education, etc. Once they had their lists, they should meet and collectively decide which were the ones they wanted to look for. Their new collective list should be on one piece of paper and it would be the profile. They needed to consider the future and what projects may be on the horizon that required special skills, what the City had done well in the past they may want to emulate, and the mistakes that had been made that they wanted to avoid. As they built the profile, they should avoid using many absolute words

like must and required. Those words eliminated large groups of people. If they said the candidate must have a master's degree and 10 years of experience, that eliminated someone who had 15 years of experience but a bachelor's degree. Preferred was an OK word.

Mr. Wright said the top of page 3 listed some things to get Council thinking about the profile. He encouraged Council to take as long as needed to find the right person. It was great to have a plan and a timeframe, but if they went through the process and did not find the right person, they should start over. The worst mistake they could make in the process would be to hire someone just to fill the void and to meet a schedule they had created. It would be more difficult to correct a bad decision once made. The NCLM did salary surveys annually broken down by population groupings only, with positions from manager down. The average salary the previous year for cities similar in population size to Eden was \$129,700. Council had access to the data if they chose to look at cities by name to see what was paid.

Mayor Hall asked if there was a way to cross reference by budget size and population.

Mr. Wright answered yes, they were two different surveys and one of those was done by the state with the Local Government Commission. They maintained that type of information when budgets were submitted.

Council Member Grogan asked the average length of time managers stayed in positions.

Mr. Wright replied when he began working in the business, the average was 10 to 15 years. Having a manager stay five to six years was excellent. The ICMA required managers to stay a minimum of two years, unless they were fired, to remain in good standing with the organization. Leaving earlier than two years was a violation of the ICMA Code of Ethics and would make it difficult for a manager going forward.

Mayor Hall asked if the six-month timeframe to hire a manager was the average or if that was what a city would have to expect after a situation like what Eden had experienced.

Mr. Wright said the manager job was a profession. The way people advanced was starting in a city with a small population then moving up to larger populations. In the last 20 years, he had noticed a trend of vacancies within two months after elections. Often the manager had done nothing wrong. There were two kinds of managers, those who had been fired and those who would be fired. He encouraged Council to focus on the positives in Eden. Keeping a manager for 18 years, as the previous manager had served, in a city the size of Eden's was unprecedented. Candidates would see that as an absolute positive that the manager had endured through 18 years of elections and was not driven away by politics. He thought Eden would draw some candidates; however, they should keep in mind they were competing with a lot of other municipalities so he could not make any promises. Currently, he had one interim manager available and he expected three calls the following week to place him.

Council Member Grogan asked how many of the 40 municipalities seeking managers were around Eden's size.

Mr. Wright could not answer that, he had just looked at the list of vacancies before he came. There were two things that would factor into candidates for Eden - the market and the requirements they determined for the next manager. Eden would be a big stepping stone from the next tier below. There were not many vacancies between Eden's size and the next tier above.

He said assuming the Council was conducting the process in-house and assuming they identified the interim manager as the gatekeeper, after they developed the profile, they needed to place the ad. The top of page 4 listed places they would want to advertise. Once they were through the top four, that was where they could stop. The last listed item was a statewide newspaper, and he could say for sure that managers did not go to the wanted ads of the News & Observer to look for a job. They looked in professional periodicals. Once ads were placed in the four, those places posted the ads online and the ads went international. He encouraged Council to run an ad in the local newspaper. Twenty years prior he would have said that was a waste but with the current transient society, it was conceivable that a retiree from another state had moved to the area, would see the ad and decide to work again. He encouraged Council to work with the local media as they went through the process and keep the media apprised of what they were doing. It would not break confidentiality to tell how many applications they received. If the community was kept aware of what Council was or was not doing, that would keep rumors down. In his experience, it was better to keep the citizens informed through the local media so they knew what Council was doing.

Council Member Burnette asked if Council should use anything other than local media.

Mr. Wright replied he would not, unless Council was contacted by them. Council could tell anyone about the process as long as they did not identify the individuals. Individual names could not be shared without written permission to do so. As resumes came in, every member of Council should get the same information at the same time. Doing that would avoid a lot of hard feelings. The interim manager would distribute the resumes at the same time, either hard copies or electronically. Individually, Council should then compare the resumes to their agreed upon profile, and divide the resumes up based on it meeting the profile or not. After that, Council should meet and compare how they had sorted the resumes. If they had followed the profile, they should be close.

He encouraged Council to conduct themselves as professionally as they could throughout the process. Some of the candidates Eden was interviewing could be doing the same at other municipalities. He had managers tell him the reason they chose one location over another was the level of professional exhibited during the process. That was important. Professionalism started day one. When a resume was received, the sender should receive a letter from the City acknowledging receipt, no matter where the resume came from. People who sent resumes that were discarded should be sent a letter letting them know they were not being pursued for the job so that they could get on with their lives. The group of candidates the Council had interest in should be sent a City application, along with three or four supplemental questions and their salary history. The salary history should line up with what was on the application. The application would also provide more information when the reference checks began. The application would require a signature that everything written on it was true – if some of the information turned out to be false, Council would know to no longer consider that person. The application would also note the person's current work situation and if they should not contact

that employer. The supplemental questions should have a limited amount of space for answers and the applicant should be given a limited amount of time to return them. If the applicant could not perform those two tasks well, it would speak volumes about how they would be if hired. If a person had subject knowledge of the questions, they should be able to succinctly answer them so that the Council could read and understand what they were talking about. They could learn more from the questions that they could from an interview. It would be a preview of their writing skills and ability to articulate accurately. Each member of Council should get the responses and make their own assessments. When they met again, their thoughts should be close although they may have to discuss some parameters. The questions should help them narrow the applicants down to a manageable number. From their agreed upon applicants, the interim manager should do employment reference checks.

Council Member Moore asked if there was any point in time the applicant needed to send in a resume.

Mr. Wright said the resume was the first thing they should get. When the ad was placed, the City would begin accepting resumes.

He said the interim manager would report back to Council what he had learned from the references. Once they received those recommendations, Council could choose what to do with the candidates. They would be at a manageable number, and may even be disappointed by the number they had but should remember, it only took one if it was the right one. They would be at the point of meeting the candidates, which could be done electronically through something like Skype. That would not be an in-depth interview but just an introduction. From that, Council would learn their speaking and articulation abilities and get to see what the person looked like. Based on that meeting, they could decide if they wanted to bring the candidate to Eden for an interview. He advised taking advantage of that introduction meeting because bringing candidates to the city could get expensive and the introduction may let them know if that would be a waste of time. Anytime candidates were eliminated, they should receive a letter along the lines of 'you are no longer being considered for the position.' Once the candidates they wanted to interview were identified, they should be sent a letter signed by the mayor along with a schedule of what to expect when they were in Eden. If the candidate would be meeting anyone other than the Council when they were in the city, they needed to be made aware of that. Council could not prevent people from sitting in the parking lot watching, but they should do everything they could to keep the visit confidential. The managers network was close. In most cases, he thought managers would let their mayor know if they were considering another job but the Council should not assume that.

City Attorney Erin Gilley asked if the interviews would be done with proper notice and in closed session meetings.

Mr. Wright said anytime Council met to consider a candidate or review resumes, it should be done in closed session. Council could decide to extend a meeting and say they were meeting again the next day to review candidates.

Mayor Hall understood about extending the meeting but wanted to verify notices would have to be done if Council was meeting otherwise.

Ms. Gilley said that was correct, even if it was just a meeting going into closed session.

Mayor Hall asked if resumes shared with Council electronically became public record.

Mr. Wright replied no. They were still protected by the personnel laws. He encouraged Council to maintain that confidentiality with due diligence. No one wanted to be singled out for leaking information.

He said with the interview letter and schedule for their time in Eden, candidates should be sent a copy of the City's charter, organizational chart, budget summary, etc. They should provide information to the candidate so when they were interviewed, they could be asked specific questions about the information sent to them. If the candidate was unable to answer, that would speak volumes. If the information was important enough for Council to send, it should be important enough for the candidate to study. The interview should be held somewhere private. It could be held at City Hall but needed to be somewhere so that the candidate did not have to parade through the building. Many people interviewed off site. He suggested that if the candidate was coming, someone should call them to find out if a spouse was coming with them. If a spouse was coming, a trusted staff member should be selected to take the spouse on a tour of the city showing things like the schools and hospital. A candidate's decision to move was a family decision.

Mr. Wright said he had included a lot of information in the packet he brought. Council should focus on the information provided that stated what they should not do, particularly in reference checks. A minimum of two hours should be allowed per interview and no more than two should be done in a day. The interview should be comfortable, confidential and conducive to a professional. The City should provide overnight accommodations if needed for the candidate and a spouse. He had provided 200 interview questions in the packet but they were irrelevant. Council should ask the questions that were important to the City. He encouraged that the questionnaire be prepared in advance and that the same person asked the same question of each candidate. The interviews should be uniform so there was a fair comparison between the candidates. After the candidate left, it was very important that immediately evaluations should be filled out by each person in the interview and they should keep that record themselves for reference.

He had been doing human resources work for 40 years and he knew the most difficult part of any job was managing people. He encouraged Council to come up scenarios of personnel issues, give the scenario to the candidate and let them explain how they would handle it and why. It would tell Council the candidate's style. That style may not be something that was conducive to the Council. The candidate fitting the Council was more important than the candidate's skillset. The candidate could be the smartest person in the state, but if their style and personality did not fit with the Council, it would not work in the long run. Council should present the candidate with enough scenarios to learn what made them tick. He advised spending more time on scenarios than questions. A candidate may have had someone else complete their resume, application and supplemental questions. Council could set up a separate room with a computer for the candidate to have limited time to type up a mock press release or what the candidate would do in the event of a catastrophe. Council would be able to learn a lot from those types of situations.

Mr. Wright said when Council had a candidate they wanted to hire, they needed a thorough and complete background investigation, including financial, driving, federal, everywhere they had lived and worked. He recommended hiring a professional firm to do the background investigation. There were many out there including one not far away that would give a discount for belonging to the NCLM. Those investigations were fast, thorough and inexpensive. The firm would get all the required releases signed and if something went wrong in terms of the investigation, it would fall back on the firm. If the background investigation went well, Council should agree that they wanted to offer the job and a certain salary. The mayor should call and offer the job at the agreed salary, and if needed make minor negotiations. At that point, the city attorney should draft the offer letter signed by the mayor.

Mayor Hall asked if the minor negotiations were something he did over the phone or brought back to Council.

Mr. Wright advised either. The Council would give him guidance. He reminded them the manager worked for the Council as a whole, not any individual members.

Mayor Hall cited an example of the candidate wanting mileage instead of a vehicle to drive. He asked if he could then do a phone poll of the Council.

Mr. Wright said yes. He said there would be minor things and it should be a collective agreement by the Council.

Mayor Hall noted that Council Member Grogan had told him ahead of time that she had somewhere else to be at 7 p.m.

Council Member Grogan left the meeting at 7:00 p.m.

Mr. Wright said the only thing that had to be done in open session in the entire process was a vote to hire the manager. Once the candidate had signed the letter of intent to come and salary had been determined, Council had to go into open session to hire the candidate. No manager would go to work without a contract. In North Carolina, a municipal manager's job was only secure until the next meeting of the board. The main provision in the contract was something called severance. If the manager was terminated for something he had no control over, they would have to be paid severance at a term of whatever was agreed on in the contract. The city attorney should draft the contract and it may serve the City better than it would the manager. He could provide samples of contracts that were beneficial to a town. Severance would be a one-way street if the individual was terminated for something that was beyond their control.

He noted if they got to the point of hiring someone and the candidate declined, the city could start all over again or go to their second choice who would not have been sent a letter yet.

Council Member Ellis asked what size severances were usually in the contract.

Mr. Wright said the average for a city the size of Eden was usually six months. He had seen towns give nine months or a year. He thought six months was reasonable.

Council Member Burnette asked if after a personal interview, there were times when candidates were called back for a second interview.

Mr. Wright said yes. It happened many times often when the process had been narrowed down to two candidates. If there was a second interview, he would be pushing more toward what the candidate's real skills were.

Shane Hensley asked if severance was still paid if the next manager caused himself to be fired for some reason and not because a change of the Council.

Mr. Wright replied it depended on the language in the contract.

Mr. Hensley said he was on the board for a group searching for an executive director and they had about 200 applicants. They got down to the last one and missed a crucial point in the interview and had to start all over again and it worked out. He told the Council not to be discouraged if that happened.

Mr. Wright agreed and said they would be a lot better to start over than to hire the wrong person.

Council Member Moore asked the average cost to hire a consulting firm to conduct the process.

Mr. Wright replied it depended on the firm. The cost was more the higher the population. It ranged from \$25,000 to \$60,000.

Council Member Epps asked if the NCLM did that type of work.

Mr. Wright said no, the NCLM consciously chose not to be in that type of business.

Tom Fulton noted there were four seats coming open in the election. He asked when the City should begin advertising.

Mr. Wright said as soon as they could come together and build a profile. He would encourage that they not put a deadline on the applications. If it was advertised as open until filled, the City could accept applications as long as they wanted.

Phil Hunnicutt asked what the typical term of a contract was or if Mr. Wright had a suggestion for a term.

Mr. Wright suggested an open contract with no timeframe, to be reviewed annually with an evaluation of the manager and a salary determined by that evaluation. It was best for the City to leave off the timeframe.

Mr. Hensley asked Mr. Wright if he thought it would best for a city the size of Eden to do the process in-house or hire a firm.

Mr. Wright said if a firm was hired, they would come in and meet with the Council similar to what they were currently doing, and they would build the profile. The firm would do the

advertising and screening. If that was what the Council asked them to do, they would narrow the candidates to a manageable number, at which time the Council would get feedback on who the candidates were. In his opinion, that could be detrimental in a smaller city. He would require the firm to let them know who all the candidates were, even the ones who were eliminated. A firm would provide the level of service agreed on at the beginning. Typically, the firm would bring the Council the finalists and coordinate the interviews, all in their fashion. Each firm had their own niche, some relied heavily on academia while others relied more on experience.

Mr. Hensley said doing it in-house put the City more in the driver's seat.

Mr. Wright said he was not trying to persuade the Council one way or the other. It was completely up to the Council to decide.

Council Member Moore said it was good to know Council's options.

Mr. Wright agreed. He would not recommend a firm but he had a list he could provide.

Mayor Hall said someone had asked him about housing allowance and he assumed it was negotiated in the contract.

Mr. Wright agreed. He asked if managers were required to live inside the city limits.

Council Member Burnette said yes.

Mr. Wright noted that some people were really good at negotiating on things that were not tax deductible which gave them higher income. He would encourage that they focus on salary, a cell phone, that sort of thing. It was the norm for the manager to be provided a moving allowance but he thought they should stay clear of a housing allowance.

Michael Hutchinson thought Council would do the right thing. As a citizen, he wanted to make sure the next manager was not given free reign to take advantage as had happened in the past.

Mr. Wright said based on the conversations he had, he did not think that would be a problem.

Bret Hart appreciated the clarity. Everything Mr. Wright said was comprehensible and detailed. He felt very informed. He was glad Mr. Wright came to speak.

Mayor Hall noted there were limited copies of the packet Mr. Wright brought but if anyone wanted a copy they should let him know.

Mr. Wright asked if the Council felt the presentation was helpful.

Several members confirmed it was.

Council Member Moore noted no one on the Council had been through the process before.

Mr. Wright was confident Council could do the process with the guidance of the interim manager. They could also do it with a consulting firm. He believed Eden would have candidates they would be interested in. The place he had to visit next had probably had five managers in seven years. The only candidates they could get at that point were from distant states. Everything would be alright, Eden would land on its feet. They should focus on the future, put their hands on the plow and not look back.

ADJOURNMENT:

As there was no further business to discuss, a motion was made by unanimous consent to adjourn.

Respectfully submitted,

Deanna Hunt
City Clerk

ATTEST:

Neville Hall
Mayor