



# Council Appointed Officers Committee TRANSCRIPT

Special Meeting  
November 16, 2016

Vice Mayor Scharff called the meeting to order at 2:10 P.M. in the Community Meeting Room, 250 Hamilton Avenue, Palo Alto, California.

Present: Holman, Kniss arrived at 2:11 P.M. (Chair), Scharff

Absent:

## Closed Session

1. CONFERENCE WITH LABOR NEGOTIATORS  
City Designated Representatives: Pat Burt, Liz Kniss  
Unrepresented Employees: City Manager, City Attorney, City Auditor and City Clerk  
Authority: Government Code Section 54957.6(a)

**MOTION:** Council Member Holman moved, seconded by Vice Mayor Scharff to go into Closed Session.

**MOTION PASSED:** 2-0 Kniss absent

The Council Appointed Officers Committee went into Closed Session at 2:11 P.M.

Chair Kniss left the meeting at 3:15 P.M.

The Council Appointed Officers Committee returned from Closed Session at 3:17 P.M.

## Agenda Items

2. Discussion and Direction Regarding Council Appointed Officers (CAO) Performance Evaluation Process

Debra Figone, MRG: Thank you for the opportunity to present to you the debrief of the 2016 CAO performance evaluation process. You have a very brief memo with some of the highlights of what I felt was important to cover in this debrief as well as a few attachments of (inaudible) I have referred to. Essentially this is the end of the second year that MRG has facilitated the CAO performance evaluation process for the City of Palo Alto. We've really appreciated working with you and getting you to this point where, I believe

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as the one who's facilitated for you over the last 2 years, a process seems to have found its rhythm. That said, it's really up to you to make that call. The purpose of the debrief is to take a look at this now second year and receive any comments that you might have from us, from your CAOs, if there are any in this meeting, and even from MRG, because we are a partner with you in this process. With that in mind, what I would suggest is that, if you have any comments on what worked well about the 2016 process, we hear about it, what changes would be desirable and why, and then any considerations for 2017. If I could just maybe highlight a few things for you, and then you can open it up, Mr. Chair, for your discussion and comments.

Council Member Holman: Are you Chair?

Vice Mayor Scharff: I am.

Ms. Figone: Chair instead of Chair Kniss. The first thing is that similar to last year we sent out an online survey to all Council Members and to the CAOs to receive your feedback about this year's process. The results of that confidential survey are shown as Attachment 1. I won't read it to you. Essentially out of the 13 individuals who received the survey, we did receive 4 responses, 2 Council Members and 2 CAOs. I would say overall there's high satisfaction with the process. People involved felt it was meaningful and useful. They felt that they understood what was expected of them, because this is a long process with a lot of iterations. They felt prepared to participate; that their voice was heard; that the methods of input which led to draft performance evaluations were useful for that purpose; and that the discussions were really meaningful between the Council Members in your initial deliberations and then with the CAOs. Just as an aside, as a former City Manager, I think that's really what's most important in this process, to prepare you to have a meaningful conversation with each of the CAOs. We had an open-ended question for all respondents, if there was anything else MRG should know. There was an opportunity to comment for each of the questions. With that in mind, I'd say generally all the feedback is very positive and constructive. The one area, which we highlighted in the report, that I do think is important for you to comment on is the area of input that was used in 2015 where the Council sought input from the direct report about the performance of the CAOs. I go through that in some length in the Staff Report, but let me just give you the thumbnail essence of what was happening and where we ended up last year and then our thoughts about moving forward for your concurrence or direction. In 2015 when MRG became the new consultant after the City using a consultant for many years, there had recently been introduced—I don't know how recently—with the former consultant a practice of seeking input from the workforce. Actually, it wasn't the entire workforce but what was called the direct reports of the

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CAO.

Vice Mayor Scharff: Not a full 360.

Ms. Figone: Right, not a full 360 and not everybody in the organization. My recollection—please don't take this to the bank—is that that survey looked very similar to the survey that the Council received, the online survey that MRG uses. In 2015, the feedback we got was that that survey—we got it mostly from the administration—which asks about leadership and technical strengths and those kinds of characteristics didn't seem meaningful to the administration because employees generally don't have that perspective about their boss. The suggestion was that we use an open-ended survey that really sought to get input about the issues of (inaudible) and areas of concern, just to kind of use a broad label. Although the scope that we had in mind was to issue the online survey similar to what the Council used, we changed direction. We developed with the administration's input this open-ended survey that sought to get input on areas of concern, and that's what we did. The open-ended survey was designed to solicit concerns, and that's what it did. That's kind of in the category of watch what you wish for, because that's the kind of feedback that was received. When that feedback was received, it's not that it wasn't embraced, but some of the comments were "where's all the positive stuff?" Unless somebody chose to make a positive comment, it really didn't ask for the pluses and the minuses. The idea that we brought forward was there's a lot in this feedback, let's let the CAOs have a year to work on these things, because our experience—I will tell you mine as a former administrator—is when you go back out in a second year and ask some of the same questions and things haven't been resolved, a survey process can lose credibility. That was the whole point behind going every other year. Every other year for this type or any type of tool of this nature is more of a best practice. Rumi can comment on that from her HR perspective. The second thing that I had in mind in making the recommendation is I'm not so sure that that open-ended survey is the best form. I would say one reason for that is because there was no follow-up. It's one-way input without then going out and seeking "what did you mean by X?" That wasn't part of the scope of the contract quite frankly. I still think that if there was going to be an open-ended survey, it should be more balanced in terms of the questions that it asks. It is far more labor intensive, though, to process from a consulting perspective. I would just say as a representative of MRG whatever you want to do in terms of a direct report or employee input, I would want us to make sure it is scoped appropriately so you get the kind of product that is meaningful to you. Our recommendation really is still to go every other year, because it is a best practice. One of the points of feedback, however, from a respondent to the online survey doesn't agree with that. I'm not here to advocate for

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anything. I just wanted to give you the basis for our recommendation. One of the points of feedback was it really should be every year, and it should be peer as well as direct report. That is a much broader scope. It's not that it couldn't happen. I think it would be somewhat cumbersome, again just from my former City Manager perspective, to have a colleague comment on another colleague, but you might want to invite that. I just don't know (crosstalk).

Council Member Holman: You mean CAO and CAO?

Vice Mayor Scharff: This would be a CAO commenting on the other CAO.

Ms. Figone: CAO to CAO. That's what I would consider a peer ... I think that's awkward, but ...

Council Member Holman: It's what we've done in the past.

Ms. Figone: I'm not familiar with that. I know it isn't what we did in 2015. That would just be one question, is it annual or not. Is there a peer-to-peer dimension? I would recommend that we be given the opportunity, whether it's every other year or every other [sic] year, to work with your HR Department to fashion, I think, an improvement over the 2015 survey. Maybe that's something that's less cumbersome to process. That would be online. If you did want MRG to follow up with people or give them the opportunity to say, "Please call me about this," I think we'd have to take a look at what that means in terms of scope. The other thought I would just throw out there—maybe this could be too much to take on for 2017—is I've thought for you as well as for the cities I've worked for that an employee satisfaction survey that is a standardized survey, that can happen every 2 years or if you wanted it every year—let's just say every 2 years, because that is a best practice—might be the better approach because it's not focused on the CAO. It's focused on what's happening in the culture and the organization. The interpretation could be what falls in the City Manager's lap, what falls in whoever's lap. That depends on what your purpose is in having a survey. If you want a survey that is focused specifically on the CAOs, where people can air their grievances or how they feel, that is a different survey than a general employee satisfaction survey. One of the recommendations in the report is for you to discuss this, get (inaudible) feedback and your thoughts. Maybe what we do is walk away with an assignment to bring you back some options, even if we're stepping into them. Just in the interest of time, bring it back to the Committee in time to at least implement something that's a step in the right direction for 2017, with the idea that we can—you as a City can refine it over time depending on your goal. I know I've thrown a lot at you. I guess the last thing I would

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say is you have a chart. It is the process again, overview of the yellow matrix as we've called it. It gives you the overview of the full process. If there was anything about the process that you wanted to comment on by exception, that I didn't address in the report, it's here for that purpose. I would just say as the one who's now administered this for you 2 years in a row, I was actually very pleased with how Year 2 went. I think we got our rhythm. Year 1 was a little bumpy because it was a transition year. I would say, though, that I do think we could keep working on the timeline and compressing it. It is a very long process, and that's in great measure because you're a very busy City. With nine members and four CAOs, it's very complex. I would say that it can be compressed is if you agree that—I do know that this is a priority for you, because you all take it very seriously. I would say that one way I would like to work with the Clerk is just to designate some of your standing Closed Sessions for the purpose of the CAO review ...

Vice Mayor Scharff: I think that's a good idea.

Ms. Figone: ... as opposed to what we have to do now is poll you on your very busy (inaudible).

Vice Mayor Scharff: No, I think you could actually get those scheduled now for next year.

Ms. Figone: You could get them scheduled.

Vice Mayor Scharff: There's no reason ...

Ms. Figone: They could be reasonable in terms of everything else going on. We can clip through this.

Council Member Holman: That's a great idea.

Vice Mayor Scharff: That is a great idea.

Ms. Figone: I think that concludes my presentation. Thank you again for the opportunity to serve you. There is one more year on the contract. We're looking forward to making this next year even better, receiving your feedback. You're very fortunate to have a very experienced HR Director, Chief People Officer as you call her here. She can certainly provide any of her insights on best practices if you have questions. That said, I turn it to you. You do have two CAOs in the room.

Council Member Holman: When do you want ...

Vice Mayor Scharff: There's no public comment. There's no public sitting

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here.

Council Member Holman: (inaudible). You're here to make comment or listen or both or ...

Ms. Figone: (inaudible) last year, you invited the CAOs to be participants. I think it's important because this is about your relationship. If they have any ...

Council Member Holman: I wasn't on the Committee last year. How do you want to manage that or do you want to hear comments first?

Vice Mayor Scharff: Why don't you and I make some preliminary comments, and then we'll let them make some comments, and then we'll come back to us? Why don't you come to our table?

Council Member Holman: First of all, I think MRG does—you, Deb—a professional job of this. I really appreciate that there isn't a bias that enters into the process. I really appreciate that a lot. I agree with your comments too about making it more a compressed schedule. I think the idea of holding some of our Closed Session times for this kind of work is important. I think there are a couple of things that need to be—a few things actually—addressed from my perspective. We can talk about those, of course. One is I think it needs to be clearer, because I don't think it has been, that the CAO Committee cannot make or isn't authorized to make procedure decisions, can make procedure recommendations but not decisions. That's how some of us were surprised that the modified 360 didn't happen this last year. I think that's ...

Vice Mayor Scharff: What are you talking about? The modified 360 didn't happen because of what?

Council Member Holman: Because the CAO Committee said that it wouldn't happen.

Vice Mayor Scharff: The CAO Committee did? We were on this Committee. We didn't say it wouldn't happen.

Council Member Holman: I wasn't on it.

Vice Mayor Scharff: No, this ...

Beth Minor, City Clerk: Last year.

Vice Mayor Scharff: You're talking about last year.

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Council Member Holman: Last year. This year the modified 360 wouldn't happen, and it was (crosstalk).

Vice Mayor Scharff: I wasn't on that Committee either last year.

Council Member Holman: I'm not blaming anybody. I'm just (crosstalk).

Vice Mayor Scharff: No, no. I'm just trying to understand what you're talking about.

Council Member Holman: I think we need to clarify the authority. The Council needs to clarify the authority for the charge.

Ms. Figone: If I could just interject. I don't want to interfere with you. My full expectation, because of my experience with my former city, was that when our recommendation was accepted by the Committee, it would have been reported out to the full Council. Apparently something was missing.

Vice Mayor Scharff: That's obviously—I don't want to blame Staff. It was actually a Staff failure. What's supposed to happen—neither of us were on the Committee, so we don't really know. What's supposed to happen is that we vote on something as a CAO Committee. If it's unanimous, it goes on Consent. If it's not unanimous, it comes to Council as an Action Item. Hopefully, it's unanimous so that moves smoothly. That is the procedure. Don't you agree?

Council Member Holman: Yes, but I don't—yes, generally speaking. I don't know that it's ever been clarified for CAO Committee specifically. Maybe that didn't happen.

Vice Mayor Scharff: That's the way it always was when I was on CAO.

Council Member Holman: There's some gap somewhere. Just to get that clarified.

Vice Mayor Scharff: Previous to 2014, I was on the CAO Committee every year. That's how it happened. We would take votes, and then they would go on Consent if there was a (inaudible). A lot of this had to do with—there's consultant contracts we would agree to. There's the scope within the consultant contracts. There's all sorts of things that you take. It's just like any other Committee.

Council Member Holman: My memory's a little bit different—I can't swear that either one of us is right 100 percent or wrong 100 percent of the time on this—that most of these decisions came to the full Council. To do the modified 360, that was a full Council decision and discussion.

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Vice Mayor Scharff: You're talking about 2014.

Council Member Holman: No, it was before that. We did this when Sid and Yaiway were on the Council. I don't want to argue that. It's not productive. I'm just saying I think we had a little bit different process. I think the recommendations didn't necessarily all come from the Committee. I think there were full Council discussions. As Greg said, the CAO Committee discussions and recommendations should have gone. I just think there's been some kind of a gray area here about who does what, what gets discussed and determined by the full Council as opposed to what is done by the Committee. That's my point. Not to say somebody screwed up or somebody overlooked this or that, that's not my point at all. We did need to have a clarified process and system of authority. I support the modified 360 if you think it's really best to do it every other year. There are reasons to do that, but I think it's critical to finding out what's really going on in the organization, especially given as Council Members we can't and should not and do not hopefully get involved in day-to-day operations. It's really the only way we have as "Board Members," I guess you could say, to know what's going on with Staff and how the leadership is managing. I agree with you, Deb, that I actually don't think that the Council survey is actually—I think it could stand some improvement too. I think some of the questions almost seem duplicative. It's like what does this mean compared to that. We don't talk about some of the major, critical things. One of the most important things that any of the CAOs do is manage Staff Reports that come to—the Staff manages Staff Reports that come to Council. We don't in any way, shape or form grade Staff Reports or give comments back to CAOs on Staff Reports and the quality of the work that their departments are producing for the Council. Those are the public documents and the documents that the public uses to make decisions. There are other things that go along with that, but that kind of thing. I think there's some improvements that could be made to the survey that goes to the Council about the CAOs. Agree with you also that open-ended does tend to—for the employees—for the modified 360, open-ended does tend to—I don't know why this is. Having been involved in both sides of this for a number of years, it does tend to generate the negative. I think the questionnaires, the surveys should be not trying to elicit positive and negative but can focus on things that you want to be strengths or expect to be strengths and maybe tease out also what the lackings are. I think it can be more fair and not just such an open-ended kind of questionnaire or a leading in positive or negative questionnaire. Do you want all these at once?

Ms. Figone: That's fine.

Council Member Holman: Is it okay?



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Ms. Figone: However you guys want to manage it.

Council Member Holman: The one thing that I—this has always been a problem. It's not just MRG. Four out of 13 responding about how did this go is very poor response. That's not MRG's responsibility or fault. Sometimes what I've found is I get something like this—this is not an excuse. It's (inaudible) responsibility. I get some of these from somebody besides you, so I don't recognize a name. It's like I don't even remember seeing this quite frankly.

Vice Mayor Scharff: I responded.

Council Member Holman: Good for you and thank you. Four out of 13 is pretty poor. Maybe you could get with the City Clerk and say you have a deadline here, are you aware of this, here it is, make sure you get this.

Ms. Figone: Flag it for you.

Council Member Holman: Absolutely. Especially when it comes from a name ...

Vice Mayor Scharff: I think that's a good point by the way.

Council Member Holman: Thank you. Especially when it comes from a name that is just not recognizable to me.

Ms. Figone: Exactly.

Council Member Holman: And the subject line is not—it's descriptive, but it doesn't flag it. You know what I mean?

Vice Mayor Scharff: I'd say that that's not just on the survey from MRG, and it took me a while to figure that out. I was looking for your names. There's a bunch of people there, and I don't recognize them. I get so many emails.

Council Member Holman: Don't we.

Ms. Figone: That's a very, very good (crosstalk).

Vice Mayor Scharff: I thought you were just complaining about airplane noise.

Ms. Figone: (crosstalk) on flagging.

Council Member Holman: Hang on a second here. I think I'm almost done. Peer review. This has always been done kind of in an odd way, from my

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perspective. I think it is important to get peer review, CAOs to CAOs. We used to always get it, but we never got it in writing. We only got it verbally reported, which I think is kind of bizarre. I think it's really critical because the CAOs have to work with each other. It's the top-level interface between and among our top-level management. I think it is a little bizarre, to be frank, that we don't have that built in on a permanent basis. Again, not looking for positives and negatives by rote, but looking for what's working, what isn't working. If you look at—I'm not pointing at you. I'm pointing at the auditor function of other departments. It's really important that the other departments work well with you. If there are issues, we don't want a City Auditor out there alone, having to be in the wings trying to work them out on an auditor's own behalf. The Council should be taking responsibility to help work through that, intercede in that. It's not falling on you as HR Director, not you as a person but as the position. It's really management up here above the CAOs that's supposed to be helping work through that if there are issues. I think having CAO-to-CAO peer reviews is critical. The other thing about the modified 360—I think this may be my only one until Greg says something that spurs 15 more comments from me. I know this was a comment from last year when the modified 360 was done. Because it was just online and there was no ability—it was like the follow-up that you mentioned here—to say, "What did you mean by that?" Without some aspect of that, an online survey is only good for so much.

Ms. Figone: Offering the opportunity for follow-up?

Council Member Holman: Yeah. It's sort of like email. Email is wonderful to the extent that it's wonderful, but it has so many shortcomings because you can't read tone, you can't read intonation. Somebody might have written something a little bit more quickly than even they intended. There has to be some allowance for some kind of follow-up feedback. Those were my—is that enough?

Vice Mayor Scharff: Yeah.

Council Member Holman: Just say yes, and we'll go.

Ms. Figone: She covered all of you, and you have nothing.

Vice Mayor Scharff: Nothing left to say. Actually I do. I think you guys did a great job. I (inaudible) well. I'm happy with the process. I do, however, think that the process before you came had some positives as well. One of those positives was that the previous person—that's why we did a modified 360, not a full 360, because they interviewed the department heads. (inaudible) they would then understand ...

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Council Member Holman: That's true.

Vice Mayor Scharff: ... the feedback, and they could then put it into context. Face to face you got a lot less just trolling-type complaints, negatives. You'd get more, and then you could push, "what do you mean by that," "what's your concern with that." I think that was invaluable. I very much agree with Karen when she says there's no way to judge a CAO's performance because we don't know what their Staff think. There's been several times in the past, which has now turned out to be really useful frankly with the Auditor's Office—we have a base history of several years of understanding how the Auditor's employees feel about different things which has proven to be very helpful in understanding that department. Actually in the City Clerk's Office, there were lots of issues that had come up, that we were not aware of prior to Beth becoming, with the Staff, that we would never have known if we hadn't done the 360. There have also been issues in the City Manager's Office, which came to light, which also we would never have any interest. I personally would like to see an interview process of which—how many department heads, other CAOs for the City Managers, CAOs amongst yourselves and then in each of your departments you have smaller departments. I think you could interview the people in those departments. I think that's useful, and I think it's also good to have the person who does it—it's not really just writing down what they say. It's parsing what they say and putting together themes of what those themes are so that Council has a sense of what's going on in those departments.

Ms. Figone: Because confidentiality would be important.

Vice Mayor Scharff: Right.

Council Member Holman: Absolutely.

Vice Mayor Scharff: That's correct.

Ms. Figone: That's why I keep these (crosstalk).

Council Member Holman: I will ditto everything he just said.

Vice Mayor Scharff: I'd like to see that for next year. I don't know if that takes a contract amendment or what that takes.

Mr. Figone: It probably would.

Vice Mayor Scharff: I'd like you guys to put that together when we have the CAO meeting and come up with that kind of stuff.

Council Member Holman: Can I ask a question related to that?

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Vice Mayor Scharff: Yeah.

Council Member Holman: It may require a contract amendment, but at the same time if you're going through surveys, trying to make sense of what the people are trying to say in the survey response may not be any more efficient than doing the—I don't know.

Vice Mayor Scharff: Maybe that's true. I'm leaving it up to you to come up with the process that you recommend.

Ms. Figone: If I could just comment on something. One thing is that when MRG proposed, they were specifically told not to propose interviews. I just ...

Council Member Holman: By whom?

Ms. Figone: By whoever solicited the proposal at the time.

Ms. Minor: Kathy.

Vice Mayor Scharff: That could be Kathy Shen. Jim doesn't like the interviews as much. I think that's—I don't think he does.

Council Member Holman: (crosstalk)

Ms. Figone: I'm not pushing back. I just want you to know it's not like we left it out on purpose. It's just that it was not part of the request.

Vice Mayor Scharff: That's right.

Council Member Holman: You're hearing from us we'd like it back.

Ms. Figone: Yeah, I'm hearing that.

Vice Mayor Scharff: I thought it was very useful, and I thought it gave much better quality information. I do like the idea of us getting on the calendar and having a more organized calendar, so we go through that process. I'm a little confused; you might be able to help me out, Karen, a little bit on this as well. Where are we on the—I like doing the midyear check-in. The midyear check-in is really important to me. The midyear check-in is more for the CAO to come in. We did a midyear check-in this year. Did MRG have any role in that?

Ms. Figone: Last year the process was quite late because of the start. You all commented you like a midyear, you like it informal, MRG doesn't have a role. I left it to the administration to trigger it. What I put in this Staff

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Report—I think it's in there—is that now that you're really done in a more reasonable amount of time—the conversation isn't done, but the process finished September 19th. You really now have a reasonable period to do a midyear check-in. What I heard in Closed Session is that you want that to happen, and you want it to be informal. I think from a process perspective, since we're out of it, is the Clerk and the HR Director should actually trigger that and prepare everybody for what that looks like.

Vice Mayor Scharff: I think it'd be great if we got that on the calendar, scheduled for next year unless you disagree.

Council Member Holman: I don't disagree.

Vice Mayor Scharff: I think Council direction is pretty clear, let's do that.

Ms. Figone: I'd say by February ...

Council Member Holman: At the latest.

Ms. Figone: ... you should be doing some sort of a midyear.

Vice Mayor Scharff: I think we should go ahead and schedule that on the Council thing for the midyear. You agree, right? I didn't think of any process that MRG should be involved in, but I wanted to throw it out there in case you thought there was or in case you thought the midyear didn't ...

Council Member Holman: There's a pro and a con. In a way, no, it's a discussion with the CAO. The CAOs that have participated in this in the past have found it very helpful. It's a check-in; it's a course correction; it's a where are we; it's a status report. It's all kinds of that sort of thing. It is informal. My only question maybe is for you, Deb. If you're not there just to listen and take some notes, not direct it, don't have to create any reports or anything, when you come back to do the performance work the next year, are you at a little bit of a loss because you've missed the whole step?

Ms. Figone: I would say no, not at a loss unless your expectation is that MRG is monitoring performance. Right now we're not. What we're doing is facilitating and listening for what's working well, what isn't for purposes of shaping your conversation. There's no judgment or assessment on how things are going unless we hear something that needs to be elevated.

Council Member Holman: I didn't mean like that. I meant if there's a change or there's—I'll just make something up because it's been going on this year, very recently. A CAO's directive in their performance evaluation is you will bring two donkeys back to Palo Alto. At the midyear check-in we

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find out not much has been done with that. You come back the next year, at a year interval, and find out we thought that was going to happen and everything was okey dokey. You find out what happened, I didn't know about that. Does that leave you at a loss to try to pick that up? That's what I'm trying to get to.

Ms. Figone: I don't think it would leave me at a loss. What I would ask you all from a process perspective is what would you have as a framework to ensure that that CAO modified their work plan or captured it in their self-assessment. Somebody like an Auditor is very good at saying, "This was my work plan, and now it's this." They might be more inclined to do that sort of thing. I would say the other CAOs would have to be mindful that that's important to you, capture and document it themselves, and then be able to talk about that in their self-assessment. You know what I'm saying? Right now, I didn't see anything that looked like a structured work plan that ends up as an attachment to that self-assessment. Does that make sense?

Council Member Holman: I think so.

Vice Mayor Scharff: It does. Beth, why don't you give us some input on how you see the process? Do you see anything to be improved?

Ms. Minor: This being my first year to be actual part of the process. The year before was just setting goals. I think it went really smoothly. I like the way the process went. Getting my input, giving it, and then being able to talk to Council altogether and kind of go through stuff. I do like the idea, especially this year, of doing a midyear check-in. One, because we're going to have new Council Members, and they should know what the CAOs are doing and get that information. I think a midyear check-in is good, but I think it's more important this year to be able to do it, especially if we do it in February.

Vice Mayor Scharff: That's a really good point. February midyear check-in for the new Council Members would be huge.

Ms. Minor: I think it would be huge for them to be able to understand just what we do and what our work plans are.

Council Member Holman: You know when that happens, we kick the new Council Members to the curb. You know that.

Ms. Minor: I think the every other year of doing the CAOs and doing more of a 360 is a good idea. For an every other year, you get input from the employees. Yes, your employees may change every year, but it does give the CAO time to think about and work on some of the maybe information

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that was brought forward to be able to get a better sense, if they don't already know, how their employees feel. I think doing that every other year is ...

Vice Mayor Scharff: Beth makes a good point. (inaudible) interrupt for a second. I actually want to see the 360 but doing it, as I've said, in terms of interviewing people. In a small department such as Beth's or the Auditor's, every other year may or may not be appropriate. I'm not sure yet. I have to think about that. In the City Manager's, it's big enough and there's enough department heads that you may split the departments and say we're going to alternate. This year do these ten departments, and we're going to alternate. I just knew I'd forget (crosstalk).

Council Member Holman: That's a really good idea. Along those lines, I still think the peer to peer is very important every year though. I agree with what you're saying about this division that you just talked about. The peer to peer, I think, should be every year.

Ms. Minor: Yeah. I think the peer to peer is good, because you get a sense on how the four of us are working together. I think that's really important, because we do have to work together as a cohesive group and support each other and be able to learn, and then the subordinates or your managers every other year or however you want to do it. All in all, working with Deb and her group was really easy to do. Having her have the schedule laid out, you were able to go, "Let's do this, this and this." From my perspective and working with her, it was really smooth.

Harriet Richardson, City Auditor: I agree with pretty much everything that has been said. Regarding the 360, when it comes to employees giving their input, I know you know where I'm coming from with this. I would want some way for MRG to be able to sort through what's just a disgruntled employee trying to vent versus really getting something that's valuable and useful for us to take forward for the future. I'm not sure how you go about doing that. I think you know what kind of input you'll get. We've already seen it. I think the 360 from the peers will balance that, because we have a much different perspective of what goes on. We can see some of those things that go on in a department where we could maybe provide some balance to the comments that employees might make that aren't necessarily productive. I'd really want to think about how we can make that process useful when we get their input.

Ms. Figone: If I might jump in, just thinking out loud. It could be that, depending on the feedback and the sorting through, recommendations if you were open to them could be made from MRG about how to best support the

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CAO or to fix a problem. That may or may not fall within our scope. If I were the one, I'd feel a responsibility to do more than parse and sort out. If I saw that there was a coaching opportunity or a training opportunity that we could conceivably just make that known. However that's used, it's used.

Council Member Holman: That was recommended for a former CAO. Some coaching was recommended. That's appropriate. I want to make sure, though, that we're really clear. No one in current management am I referring to here. I do want to make really sure that—how do I say this—CAOs don't necessarily reign. Understanding situations that we currently face or have in the past, I don't want any employee to feel like their input is going to be challenged or they are just a—I have a little bit of a background issue with the term "disgruntled employee." It also makes you think of that. That's why we have the whistleblower hotline. I just want to make sure that everybody's input is valued. Yes, recommendations can be made either about the CAO or about an employee. That kind of falls in your hands a little bit in making these evaluations and the input. That's why I said I think you're very even-handed with this and don't have a bias. It's something I think is central to a successfully run organization. It also falls to HR a lot, because HR is often looked at in any organization as they're paid by the organization so the employee—it's a little background on—we're not going to solve that here. It is what it is. It's a sensitivity that I have and I know a lot of people do have in organizations. Again, I'm not talking about individuals that are here now. I'm not talking about any of you guys.

Ms. Figone: If I could just share a few thoughts. Again, that's all it is. I would say one reason why I made the recommendation to engage the administration in the shaping of the tool is to ensure that you have their buy-in. This tool is hopefully going to be useful not only to you to assess what's going on but to them to ensure that they're good leaders and good managers. Hopefully it's embraced from that perspective and not a got you or a grievance mechanism or micromanaging mechanism. I think that's really important, because you have four CAOs who are your executives. I would want them, if I were in your shoes, to understand the purpose for this and to buy into its value. I guess that's just my comment. I would hope that if we went on and shaped this, you would embrace the idea of us having participation.

Vice Mayor Scharff: Was there anything else we didn't address that you would like us to address?

Ms. Figone: I guess not. What I'm hearing, if I could just recap, is hurray for a compressed schedule and let's make that work. The Clerk would have the latitude to work in that manner. You're leaving it to us right now to



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shape a tool that is responsive to your interests with peer to peer, has an interview component, will look at a large organization like a City Manager's operation in maybe alternating years to make it a more manageable way to gather input, especially if there's an interview component.

Council Member Holman: Alternating years meaning part of the Staff one year and part ...

Ms. Figone: Right, right. That would speak to—if we're going to do this every other year, let's not miss somebody. Maybe the way to ...

Vice Mayor Scharff: We do the City Manager every year.

Ms. Figone: Every year but a chunk of them (crosstalk). That's one director really inputting every other year. To keep it manageable, it's probably going to be an every year pattern.

Vice Mayor Scharff: Right, correct.

Ms. Figone: Your jury's still open on whether or not for the small operations it's every other year. We'll just take that back and think about it. Best practices, I think I'd want to bring in. We would need to amend the contract probably even for this development time. I'll leave that to Rumi and Mary Eagan, the owner of MRG, and also I'll provide my input. I would want Rumi's expertise in terms of the best practices. I know you're using 360. I know what you mean.

Vice Mayor Scharff: You can use whatever term (crosstalk).

Ms. Figone: Whatever term ...

Council Member Holman: We've always referred to it as a modified 360, accurate or not.

Ms. Figone: Whatever term. What I think is important is that we finally get you to a place where you like the tool, it's meaningful, it's easy to administer and all of that, but also can collect data over time. That's why I like that idea of an employee satisfaction survey. Once you've got them dialed in, you can collect data over time about what's happening in the culture. Rumi and I talked about this a bit, so it's really her idea. You do have a citizens satisfaction survey. Where does that get brought in?

Vice Mayor Scharff: If we do an employee satisfaction survey, I'd actually like to break it up. I'd like to break it up into management and professionals. There may even be a management and professionals in terms of different job categories as opposed to administrative versus—not

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department heads, but you know what I mean—people that are not administrative. If we're going to go further and do unionized employees in the satisfaction survey, again I think we should break that up if we're going to do it through Utilities and all of that. I just think we need to parse the data differently for the different unions in some ways, management and professionals, and then some of the different job categories so we get a better sense of it all. You could have a situation with one employee bargaining group at the time things aren't going well, and you may get a very different employee—that may be a snapshot in time that distorts the views.

Ms. Figone: What we might do, just thinking about getting started, is approach this as a pilot. We can shape something that we know is better than what you did in 2015, makes progress on the elements that are important to you, and then get it back to you for your approval in time to have the data so it doesn't slow the process down. When you start thinking about backing into it, we've got to get going. In that regard, it might be a smaller effort that we build upon over time.

Vice Mayor Scharff: That's what I was going to say. Maybe what we have for 2017 is let's not spend too much money; let's develop something quickly that works. In 2018, we approve it.

Ms. Figone: You approve it.

Vice Mayor Scharff: In 2019 we approve it.

Ms. Figone: Let's get started.

Vice Mayor Scharff: Let's not make the enemy—the perfect the enemy of the good.

Ms. Figone: If you don't mind, Rumi, do you have anything to add?

Rumi Portillo, Human Resources Director: I've been doing a lot of research in looking at measures and metrics for employee engagement. I've come across some really great types of questions to try to look at different elements of that. I think (inaudible).

Ms. Figone: That'd be good not to reinvent the wheel. There's a lot out there.

Vice Mayor Scharff: I'd also use best practices then, if you don't reinvent the wheel.

Council Member Holman: There was something else too to be addressed.

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It's not yours. Since it's on this agenda, the Council needs to confirm the authority of the CAO Committee and the reporting out mechanism.

Ms. Figone: I was a little concerned when I found out in May that there were surprises. We talked at our kick-off about there's some gaps that need to be closed in this process. I think Rumi and I both understand that that needs to happen.

Vice Mayor Scharff: The best thing to do would be to identify those gaps, if they exist, and figure out the process. We'll have a CAO Committee that'll then recommend to Council how that process should work.

Ms. Figone: I don't think we have anything else from our ...

Council Member Holman: You'll take the recording and compile your comments, because you went through them verbally.

Ms. Figone: Actually I've taken some notes here. Do you take this as Minutes?

Ms. Minor: Yes. It'll be transcribed. We can get you a copy of it.

Ms. Figone: Why don't you do that? We'll start working on what that process looks like for next year. I would say that if this recording results in a report out of some fashion to the Council so that they know that these are your recommendations, I think that's what I'll work with you on. How does that Staff Report look?

Council Member Holman: There was one other thing too in your summary that didn't get addressed, that Greg and I both mentioned. When MRG is seeking feedback, you need to go through the City Clerk or it needs to come in some fashion that it really gets our attention as opposed to some name that we don't recognize.

Ms. Figone: Try to get to that 100 percent participation.

Vice Mayor Scharff: I do think (inaudible) Karen's point of view. When you see a really poor participation like that, I think we need to call the City Clerk and say—Beth is great at getting our attention. Haven't heard from you on such-and-such issue, Council Member Scharff. Please respond. Then, I come home, and she's standing on my front porch.

Ms. Minor: You're not going in.

Vice Mayor Scharff: That's right.

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Ms. Figone: In all fairness to all of you, the survey hit—I'm even more concerned about the one that gets your input, that starts our process. This one hit at a really bad time for you because of the election and there was just a lot going on. I think it's a ...

Council Member Holman: It's important.

Ms. Figone: It's very important.

Council Member Holman: If Beth's made aware, we'll either pay attention or it's our fault that we really didn't. I'm not saying it's your fault that we didn't. You know what I'm saying. Just make it more visible.

Ms. Figone: Let's help you be successful is what I'm hearing.

Vice Mayor Scharff: If not, we're going to need to get the process audited.

Ms. Figone: I guess just the last thing is now this is the second year that we've had a debrief with the Committee. Do you think it's valuable to have the debrief conversation?

Vice Mayor Scharff: I do.

Council Member Holman: Absolutely.

Ms. Figone: We'll schedule that next year again. Thank you. Thanks for the opportunity to serve you.

Council Member Holman: Thank you.

Vice Mayor Scharff: Thank you for your good work. You've done excellent. I can't emphasize that enough, how much we've—at least I've enjoyed working with you. You've done a great job.

Council Member Holman: I so much appreciate you're very professional. Like I said, you're not biased towards one outcome or another. That's much appreciated. All the support work that you do for this process is also really critical. Thank you for that and the confidence you've built toward that.

Ms. Figone: I guess we're done.

Vice Mayor Scharff: Meeting adjourned.

## **NO ACTION TAKEN**

ADJOURNMENT: Meeting adjourned at 4:09 P.M.