

CITY/COUNTY MANAGERS TECHNICAL ADVISORY COMMITTEE

THURSDAY, November 5, 2015

******10:00-11:00 A.M.******

LOCATION:

SANBAG
First Floor Lobby
1170 W. 3rd Street, 2nd Floor, San Bernardino, CA 92410

Introductions

City/County Manager Issues

- Report of the City and County Manager Survival Skills Project (attached) – Kevin Duggan, ICMA
- ICMA Range Rider Update – A.J. Wilson, ICMA

Council of Governments

- Community Choice Aggregation Power Purchasing Model – Duane Baker, SANBAG
- San Bernardino Regional Energy Partnership Update – Duane Baker, SANBAG
- Council of Government Staffing and Funding – Duane Baker, SANBAG
- City/County Conference Update – Doug Robertson, Victorville

Transportation

- Maintenance of Effort Requirements for Measure I Update– Andrea Zureick, SANBAG

Legislative Matters

- League of California Cities Update – Laura Morales, League of California Cities

Public Comments

Comments from the general public

Adjournment

Our next scheduled meeting date is Thursday, December 3, 2015

Ray Casey,
Chair, City/County Managers TAC



Challenges and Strategies: Maximizing Success for City and County Managers in California

**The Report of the City and County Manager Survival Skills Project
July 2015**

By Kevin Duggan, Frank Benest, Jan Perkins, and Kevin O'Rourke

This report summarizes an effort during 2014 and 2015 to identify major challenges facing city and county managers in California, as well as to begin the identification and development of strategies and resources to help address the challenges. While we, as authors, believe this is a necessary and important first step, our report will need to be followed by a number of actions by ICMA, Cal-ICMA, and other organizations that support the profession if the full potential from this effort is to be realized.

Background

Cal-ICMA, the California affiliate of ICMA, was approached by Bob Murray of Bob Murray and Associates, Roseville, California, regarding the potential for Cal-ICMA to undertake an assessment of factors impacting a manager's job success in California. As one of the principle executive search professionals in the state, Murray had witnessed too many examples of a manager facing a significant job challenge, sometimes resulting in involuntary termination of employment.

As a result of his observations, he offered Cal-ICMA a grant of \$10,000 to undertake a review of the major challenges faced by local government managers and to identify strategies and best practices to address these concerns.

In response to this outreach, the Cal-ICMA Executive Board authorized the preparation of a proposal to undertake this effort, which Murray subsequently accepted. These were the project's goals:

- Identify the key issues and challenges impacting city and county manager job satisfaction, success, and tenure.
- Identify successful strategies and best practices to address the identified issues and challenges.
- Determine how to make existing resources more readily available to managers while identifying resource gaps and recommending how to fill those gaps.

A project team was formed that included Cal-ICMA staff and volunteers. The first task undertaken was the formation of a 25-member advisory committee composed of city and county managers from throughout California. The advisory committee convened through conference calls and e-mails to serve as a sounding board for the project team on a number of critical aspects of the project.

The project consisted of two major components: a survey of all California managers and a series of eight focus groups throughout the state.

A Two-Part Methodology

1. Survey. With input from the advisory committee and using Survey Monkey, an online survey was developed to obtain manager input. While relatively brief in order to encourage a strong response rate, the survey solicited information regarding major job challenges and techniques used to address the challenges. A variety of demographic information was also collected.

The survey was distributed with the assistance of ICMA, Cal-ICMA, the City Manager's Department of the League of California Cities (LCC), and the Chief Administrative Officer's Association of California (CAOAC).

It garnered an approximate 50 percent response rate, with slightly more than 250 responses based on a potential response pool of approximately 500 city and county managers in the state. The survey questions covered these topics:

- To what extent did 14 types of issues and factors pose challenges for managers?
- How frequently did eight identified factors present challenges to managers in regard to their relationship with their governing boards?
- Did technical or relationship issues cause the greatest challenges?
- How frequently were five identified techniques used to strengthen the relationship between the manager and the governing board?
- What issue and factor creates the greatest challenge to managers in regard to their relationship with the governing board (narrative response)?

The survey also collected information regarding:

- Gender.
- Age.
- Length of tenure in current position.
- Total length of tenure as a local government manager.
- Jurisdiction population.
- Number of employees in the organization.
- Race and ethnicity.

Survey results were then reviewed with the advisory committee and trends and key factors identified.

The next phase of the project was to convene a series of eight focus groups throughout the state. A total of 75 managers participated in them. The purpose of these focus groups was to review survey results, identify trends, and discuss how to leverage both existing resources and potential new resources to help managers deal with the primary challenges.

Findings and recommendations outlined in this report are derived from both the survey and the focus groups.

Major Findings

Here is a summary of the survey findings.

Most Significant Professional Challenges Faced by City and County Managers:

- Consequences of state actions and outside factors.
- Budget and financial issues.
- Relationships with individual council and board members.
- Conflicts regarding planning and development issues.
- Relationships with unions and employee groups.

Most Frequent Challenges Faced by City and County Managers in Regard to Their Relationships with Their Governing Boards:

- Councilmember and councilmember conflict.
- Financial issues.
- Personality and interpersonal relationships.
- Defining and respecting roles.
- Policy issues.

Types of Issues That Pose the Greatest Challenges to City and County Managers:

- Relationship issues: 69%.

- Technical issues: 31%.

Techniques Used to Strengthen Relationships With the Governing Board:

- Goal setting: 87%.
- Study sessions: 74%.
- Outside facilitator: 44%.
- Team building: 44%.
- Code of conduct: 36%.

Major Issues Summarized From the Narrative Question (Greatest Challenges to the Manager and Governing Board Relationship):

- Lack of respect for the council-manager form of government; role differentiation; micromanagement.
- Difficult financial conditions and budget reductions.
- Organizational impact of controversial issues.
- Conflict between councilmembers and “outlier” councilmember(s).
- Need for elected boards to set priorities and understand workload impacts and limited resources.
- Demands of individual council and board members (versus receiving direction from the council majority); bullying conduct by elected officials.

2. Focus Groups. The next phase of the project involved convening eight focus groups around the state composed of 75 city and county managers. The goal of focus groups was to review and comment upon the survey findings and to gather additional information regarding primary areas of concern and potential resources to help managers deal with these challenges.

Focus Group Summary Comments: Observations and Challenges

Primary Areas of Concern:

- Councils and councilmembers who don’t understand and value the council-manager form of government.
- Uncertainty regarding how to respond to false or inflammatory social media posts and to what degree to be involved in the social media arena.
- Councilmembers who attempt to interfere administratively and micro-manage.
- Impacts of councilmember and councilmember conflict on manager and staff.
- Lack of respect for the professional judgement of the manager and staff.
- New councilmembers not being prepared to govern effectively.
- Dealing with bullies—councilmembers and public.
- Strategies for effectively dealing with challenging issues (e.g., financial stress; land use).

Other Areas of Concern:

- Impact on relationships from the need to address such difficult technical issues as budget balancing, land use, labor relations, and more.
- Return of the “spoils system” in some communities.
- Impact on the manager of difficult financial conditions.
- Impact on the manager’s job of state actions.
- Conflicts related to land-use issues.
- Impact of managing controversial issues and minimizing the damage to the manager and council relationship.
- Personal demands on the manager and the manager’s family.
- Irresponsible media coverage and anti-government bias.
- Lack of decorum and civility.
- Impact of organized labor on local decision making.
- Managers isolated by the nature of the job.
- Refusal of some individual councilmembers to support the majority decisions of the council.
- Treatment of women managers.
- Perennially split councils and antagonistic behavior.
- Unethical conduct by councilmembers.
- High-profile issues that split the council.
- High-priority need for the manager to have strong interpersonal skills.
- Increased “party politics” and partisanship.
- Avoidance of difficult—but important—policy issues.

Focus Groups: Ideas and Recommendations to Address Challenges

- Enhance state league training for elected officials, emphasizing best practices and using respected elected officials to communicate the information.
- Encourage LCC to communicate some of the content from annual elected official training programs at regional division meetings.
- Develop a 1:1 peer-coaching program for managers using senior advisers to facilitate matches. Additionally, encourage ICMA to consider adding the activity of receiving coaching to the list of activities eligible for credentialing credit.
- Experiment with regional peer support groups (examples are Minneapolis and Chicago).
- Promote facilitated performance evaluations for managers to improve these processes and to facilitate conversations regarding good government practices for governing board members.
- Use ICMA’s “*Life, Well Run*” videos and materials to educate elected officials and community members about good governance and how the council-manager form of government works.

- Encourage better use of senior advisers to reach out to local government managers to promote dialogue and peer support. Senior advisers, for example, could host “small circle” informal lunches.
- Start area manager group meetings—possibly before the business agenda—with manager-only “Joys and Challenges” conversations, thus promoting peer support and informal coaching. Train senior advisers to help promote and support such practices.
- Encourage the use of community leadership academies to promote good governance and develop a pipeline for new commissioners and elected officials; create a model curriculum.
- Enhance the use of senior advisers to support managers-in-transition (MITs)
 - Provide resume review and interviewing skills support.
 - Help MITs create a short “sound bite” about why they are in transition and how to manage their social media profiles.
 - Provide access to information on severance issues, non-disparagement clauses, financial planning, PERS issues, and more.
- Develop model protocols for councilmember interactions with fellow councilmembers, local government staff, and the community.
- Create standard curriculum and materials for council and board retreats regarding form of government and roles and responsibilities, including how to appropriately represent the community.
- Improve training of managers and staff on how to better tell their “local government stories.”
- Create lists of retreat and performance evaluation facilitators as well as legal resources.
- Develop materials for executive recruiters to provide to councils and boards on how to evaluate manager candidates, attract and retain them, communicate and interact with them, and leverage their skills.
- Train managers on how best to deal with “outlier” council and board members or those with difficult personalities and how to address controversial issues that split the council and board.
- Develop and promote such standard tools as model employment agreements for managers, including provisions for annual evaluations and facilitated evaluations, “cooling off” periods, and notice and severance).
- Develop a toolkit of resources to orient first-time managers. Use senior advisers to distribute and discuss these tools with them.
- Develop a self-assessment tool—similar to the tool used in the ICMA Credentialing Program—to help managers reflect on what they know, what they don’t know, and what new learning and tools are needed at various points in their careers.
- Develop resources to enhance the communication skills of managers to better address inaccurate or abusive communications within the community, including through social media.

- Train managers in better addressing issues related to rapidly changing communities, including demographic changes, changed political alliances and dynamics, and changed expectations and standards of behavior.

Short-Term Recommended Actions:

- Widely disseminate this report and its findings through multiple venues including:
 - Professional journal article(s).
 - Conference presentation(s).
 - Webinar(s).
 - ICMA, Cal-ICMA, and other local government management professional associations.
- Review the findings and short-term recommendations and obtain input from other organizations, including the League of California Cities (LCC) and its City Managers Department; the California City Management Foundation (CCMF); the County Administrative Officers Association of California (CAOAC); and the Institute for Local Government (ILG).
- Develop, in conjunction with fellow professional associations, strategies to implement priority recommendations.
- Discuss with league leadership the alternatives for reaching out to elected officials regarding the findings and follow-up actions.
- Develop a priority list for new and enhanced resources needed to support California managers.
- Create a depository on the Cal-ICMA website of new and existing resources to assist managers with the challenges identified in this report.
- Consider a variety of media to communicate this information, including written documents, webinars, copies of presentations, and videos
- Include information on best practices regarding the priority issues at professional meetings and conferences.
- Create a dialogue at the area manager group level regarding ways to enhance peer support.
- Work with the LCC and CAOAC to develop a strategy to distribute ICMA's *Recruitment Guidelines for Selecting a Local Government Administrator* to councils and boards of supervisors.

Potential Longer Term Actions and Initiatives:

- Develop a "Toolkit for First-Time Local Government Managers."
- Develop an article on the facilitated performance evaluation process, and develop a list of experienced facilitators.
- Develop a resource for executive recruiters to share with elected officials to promote conversations on how to promote good governance and effective working relationships among elected officials and with the local government manager.

- Work with ILG to develop sample materials for council and board retreats. These materials would focus on form of government issues, good governance practices, communication and interaction protocols, and how to best leverage the talents and skills of the manager and staff members.
- Create a self-assessment tool focused on effective council-manager relations and encourage modifications to ICMA's existing tool.
- Explore “small circle” executive conference calls similar to the Women Leading Government executive support calls and consider a pilot project.
- Develop tools to help train managers and staff in effectively “telling their stories” in regard to the work of their organizations and positive community impact.
- Draft an article and create resources regarding how to effectively work in the context of rapidly changing demographics within a community.

Conclusion

After acceptance of the project report by the Cal-ICMA Board, the project team will develop an implementation action plan including both short- and long-term recommendations.

It is hoped that this process—identifying key challenges facing city and county managers as well as potential strategies and resources to help managers deal with these challenges—will lead to not only a better understanding of the issues, but also to additional and more accessible resources that will help managers better cope with management and workplace challenges.

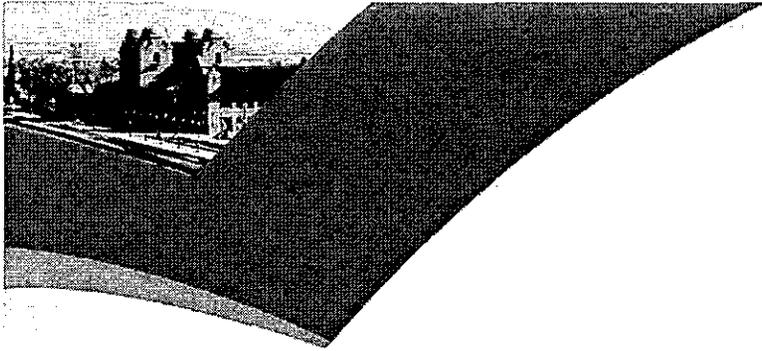
Cal-ICMA wishes to thank Bob Murray of Bob Murray and Associates for his financial support of this project. We would also like to thank all the city and county managers who assisted with the project by participating on the project advisory committee, completing the online survey, and participating in one of the focus groups.

Kevin Duggan, ICMA West Coast Regional Director, Mountain View, California

Frank Benest, ICMA Liaison for Next Generation Initiatives, Palo Alto, California

Jan Perkins, ICMA California State Liaison, Laguna Beach, California

Kevin O'Rourke, Cal-ICMA Board Member, Fairfield, California



Community Choice Aggregation

City/County Managers Technical Advisory Committee

November 5, 2015

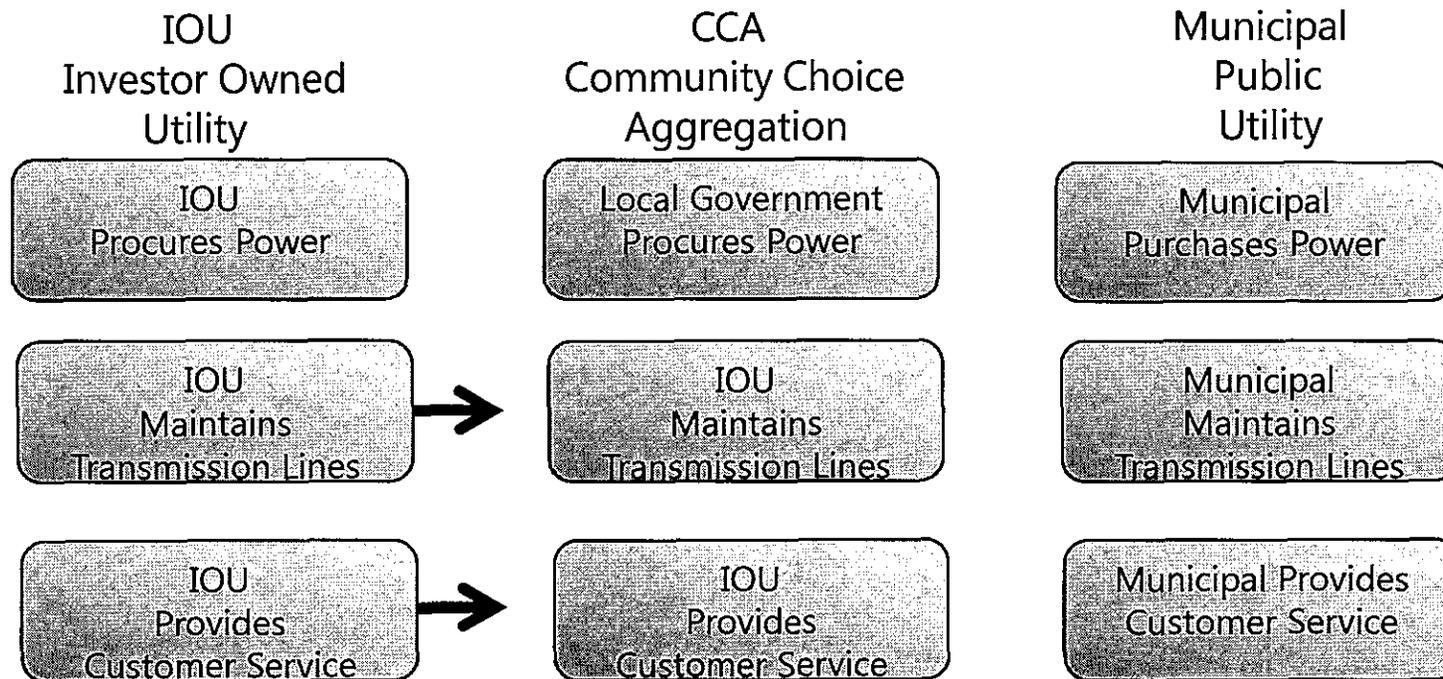
Overview

1. What is Community Choice Aggregation?
2. Potential benefits of a CCA
3. Where have CCAs been implemented?
4. What about SCE?
5. Types of CCA formations
6. An idea for a CCA in this subregion
 - Development process
 - Feasibility study
 - What could SANBAG's role be?

What is Community Choice Aggregation ?

- A program that enables local governments to come together to purchase electricity for constituents
- A blend between a Investor Owned Utility (IOU) and Municipal Owned Utility
- Allows for provision of greener electricity, usually at a lower rate than what customers currently pay for
- A CCA maintains its existing electricity provider (in this case Southern California Edison) for customer billing, transmission and distribution services

CCA is a hybrid energy procurement model



- Private investor owned utilities (IOU) provide about 70% of the U.S. electricity.
- Municipal Owned Utilities provide most of the remaining U.S. electricity.
- CCAs offer a hybrid model: energy procurement by local governments, and the IOU provides the services.

Potential benefits of a CCA

- Promote the use of renewables and development of local projects
- Local control on rates and energy efficiency programs
- Higher renewable content to meet the Governor's Executive Orders and AB 32 requirements
- Economic development – provide jobs in subregion

Where have CCAs been implemented?

- Marin County's "Marin Clean Energy"
 - Started with 14,000 customers three years ago; now serves 100,000 customers.
- Sonoma County's "Sonoma Clean Power" in 2014.
- City of Lancaster's "Lancaster Choice Energy" in May 2015.
 - Phase 1 was for City owned accounts
 - Phase 2 opened for the residents and businesses to participate
- Counties of Alameda, Los Angeles, San Mateo, and the Monterey Bay Area jurisdictions and the City of Fontana are moving forward with feasibility studies.

What about SCE?

- SCE will be a key partner in the CCA if it moves forward.
- The CCA is responsible for buying and/or developing electricity required to meet the resource demands of its customers.
 - Even with a CCA in place, customers can choose to stay with SCE if they desire.
- SCE would retain ownership and management of the pole and wire infrastructure and continue to handle all line maintenance and power outage issues.
 - If a customer selects to participate in the CCA, that customer would need to pay an exit fee, called the "Power Charge Indifference Adjustment" (PCIA), for the departing load.
 - The exit fee would be examined in the feasibility study and used to calculate the cost effectiveness of implementing a program.



The CCA Handbook

A Guide to Conducting Business with
Southern California Edison
under Community Choice Aggregation

Version 2.0
May 1, 2015

Types of CCA formations

There are three (3) ways to form a CCA

1. Single city/enterprise fund
2. Multi-jurisdictional joint powers authority (JPA)
3. Commercial managed services

Types of CCA formations

1. Single city/enterprise fund

- Each jurisdiction develops its own CCA
- Provides a localized presence when dealing with customers and issues
- Does not offer a large economy of scale
- The City of Lancaster has used this model

Types of CCA formations

2. Multi-jurisdictional joint powers authority (JPA)

- Jurisdictions join together to create a new JPA
- Provides greater economy of scale
- Provides local control
- Counties of Marin and Sonoma County use this model
- Counties of Alameda and San Mateo, and Monterey Bay area jurisdictions are in the process of completing feasibility studies to use this model

Types of CCA formations

3. Commercial managed services

- A jurisdiction or a JPA would contract with a third party provider to provide the upfront costs of formation and to administer the CCA
- This model has not been used in California, but is an area that could be explored as part of a feasibility study
- Uncertainty of the actual costs to implement

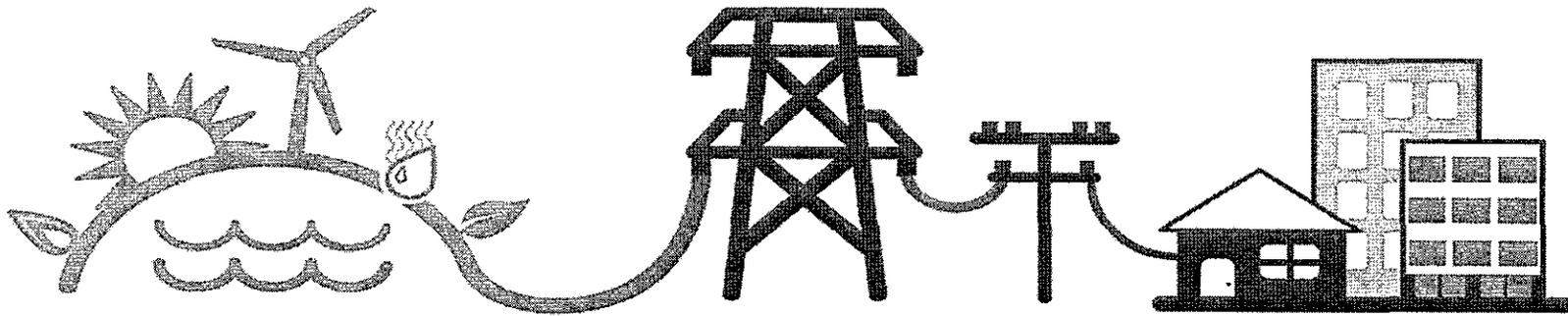
Development process

1. Pre-planning and due diligence
 - Conduct feasibility study
 - Determine market size
 - Determine costs and return on investment
 - Prepare analysis of current and future utility rates
 - Prepare market analysis on energy procurement, etc.
2. Community outreach; JPA/CCA Planning and development
 - Determine agency configuration
 - Meet regulatory requirements
 - Develop implementation plan for CPUC, etc.
3. Preparing for launch
 - Receive CPUC approval
 - Develop energy purchasing agreements
 - Outreach with customers, etc.

Feasibility study

- The study would:
 - Examine current and projected future utility rate structures
 - Potential customers
 - Costs associated with implementation
 - Infrastructure needs
 - Analyze electricity markets
 - Provide recommendations on whether moving forward is favorable
- Estimated cost: \$250,000 - \$400,000, depending on the study size.
 - The County of Los Angeles has \$300,000 to conduct its feasibility study
 - The Counties of Sonoma and San Mateo spent approximately \$200,000 for their feasibility studies
 - Probable cost savings if SANBAG partners with WRCOG on study
 - Costs would be recouped when the Program launches.

What would SANBAG's role be?



RENEWABLE ENERGY
Electric Generation

SANBAG

SAME SERVICE AS ALWAYS
Electric Deliver

SCE

YOUR COMMUNITY CHOICE
A Greener Electric Option

Customer

- SANBAG procures energy & replaces SCE's generation charges on customer bills
- SCE maintains transmission & distribution and billing
- Customers receive one bill from SCE