

NOTES  
GENERAL MANAGER SEARCH COMMITTEE  
Leslie McRoberts, Mike Ashby, Gail Chiarello  
Meeting: Creekside Café  
6:00-700PM September 15, 2016

Present: McRoberts, Ashby, Chiarello. Community observer(s): Eric Trower.

The first meeting of the General Manager Search Committee was held Thursday evening in the “Creekside Café” space. Managing Director/General Manager Mitch Waterman has tendered his resignation with his last day of work being November 5, 2016, the day of Sudden Valley’s Annual General Meeting. A parallel group headed up by David Narsico and Carol Houlton is reviewing responses from three management companies.

Discussion: Clark Champion prepared 3 documents at the request of Chair McRoberts. One was a proposed “Charter” for the General Manager Search Committee, for possible vote by the Board, and outlining the duties and responsibilities, “scope of effort,” of the search team. Another was a draft Request for Proposals from various headhunter agencies which would serve as an indirect “Job Description” for a General Manager. The third was a “List of Management Characteristics.

Thorough Search: GC suggested that a key part of the search was to “learn from the mistakes of the past.” She felt Mitch Waterman had operated under a cloud from the very beginning because the community did not see a public search for the position. She proposed a Display Ad in the Views, the Bellingham Herald, and the Seattle Times, seeking qualified candidates. LMR felt that this type of wide-casting didn’t draw in well-qualified candidates and recalled a similar effort from a 2002 search in which 40-50 resumes were received and barely 1-2 even reasonably qualified. Leslie felt the group should concentrate on a “target-rich environment.”

GC argued that such an open search might or might not yield a well-qualified candidate but it would signal to the community that this was an open process. Mike Ashby recalled that David Narsico had a sheaf of applications from the past, and it was agreed GC would check with David Narsico to review his collection of CVs and resumes gathered as part of the 2012 search.

Qualifications of Candidates: LMR commented that former managers had not had CAI certifications (PCAM, LMS, etc.) . GC pointed to a list of skill areas developed by ECHO (Educational Community for Homeowners) an non-profit organization of homeowners associations in California (<http://www.echo-ca.org>) as a useful checklist:

- Budget preparation, bankruptcy laws, financial statements, assessments and delinquencies
- Contract negotiation
- Employee supervision
- Maintenance

Facilities management/Knowledge of construction principles  
Rule enforcement  
Recreational programs and facilities, esp. golf course, marina, fitness center, pool  
Owner communications  
Strategic planning for board members and resident activities  
Ethics codes  
Conflict resolution  
Emergency preparedness

LMR added, Knowledge of Emergency Management; this was also important in Sudden Valley because of our location and limited road access in and out. In discussion, the group agreed that there was strong preference for a candidate who was not a Sudden Valley resident because of perceptions of conflict of interest.

Involvement of the Community in the Process: Once 2-3 qualified candidates were identified, the Board would interview the candidates. The first meeting might be a closed session to allow an opportunity for very frank back-and-forth about the problems in the community. Then the candidates would be introduced to the community in a Town Hall or open meeting format, for their input and feedback.

Use of a Headhunter: MA commented he had talked to Amanda Sell-Sande, a managing partner of Management Recruiters of Lynden. She specializes in upper bank management recruitment and is associated with the Korthuis family of Lynden. Mike is concerned that the recruiters will want an exclusivity clause and a very substantial fee. Some might bill simply for bringing candidates forward, whether or not one was requested. LMR stated most firms would want 30% or more of the successful candidate's annual salary as their fee but she did not believe any firm would expect to be paid who did not produce a candidate that was hired.

Clark Champion has recommended Julie Adamen of Adamen, Inc. in Poulsbo, WA, and Jeff Evans of Management Matters in Mountain Home, PA, a national search firm. GC and LMR agreed that searching nationally made sense, both because of the increased pool of possible candidates, and because of the "Rainier effect" (here, maybe the "Kulshan effect") in which people from all over the country are drawn to the beauty and outdoor recreation possibilities of the Pacific Northwest, and will sometimes take a lower salary for that reason.

Timeline: GC argued that our timeline should extend beyond the AGM and that the current GM should be asked to stay on for 2-3 months to assist in a transition. She expressed concern about stability. She proposed an October 31 date for the receipt of resumes, with a start date for a new Manager of January 1, 2017, with the thought that either the current GM would stay on, or that Interim Managers would be found among the existing staff. LMR said she would neither condense nor unnecessarily prolong the process, but that "We will take the time necessary to do this right."

Salary Range: LMR stated that to attract qualified candidates, SV may be looking at a salary range of \$175-200K annually. GC and MA thought perhaps a less senior individual—someone like Jacob Close, i.e. a younger individual still defining his career trajectory—might be very capable of doing the job but available to work in the \$115K range we currently pay. LMR noted that Steve Greiser (2002-2006) had been paid \$60K, Dave Wareing (2007-2013) \$80-90K; and both Jeff Schlack and Mitch Waterman had taken the job for \$115K.

LMR proposed to speak to both firms to see what sort of timeline they would envision to line up qualified candidates and also their “price point”—what SV might expect to have to pay to get a qualified candidate.

CAI Conference: LMR suggested use of funds from BOD Expenses line item to cover the costs of MA and one other BOD member to attend the September 24th conference in Seattle. She believed SVCA already had a CAI membership.

Future Meetings: Next meeting will be Tuesday 6PM Creekside Café, open to the public as observers, with Property Owner comments at the end.

Action Items:

- LMR to prepare a GM job description using elements from the management company RFP and from Clark Champion’s notes.
- GC to review dossier of resumes from 2012 in David Narsico’s possession.
- GC to write an article for the Views and push it forward to all the platforms—FBs, SV website, etc. as well.
- MA to attend CAI conference in Seattle on Sept. 24th. Slot available for one other BOD member.
- LMR to talk to Julie Adamen and Jeff Evans (Clark Champion’s two recommended recruiters) to solicit information about timeframe, salary requirements, and the fee structures of these firms.
- GC to serve as “secretary” of the group.

Property Owner Comments: Eric Trower joined the group; he had 3 comments.

(1) David Narsico’s management company presentation would be held Sept. 26th, Sept. 28th, and Oct. 3rd.

(2) Would the group consider recruiting from Assistant City Managers etc. as part of the process? LMR commented that although SV was the size of a small city, the structure of an HOA was different from that of a municipal corporation. A city had actual laws and a police department to enforce them; a HOA had rules, regulations, By-laws, etc. but had only a security force without police powers.

(3) ET asked about coordination between this group and David Narsico’s group which has had a head start. Response: Our process will of necessity be later.

Respectfully submitted,

Gail Chiarello