SAN FRANCISCO AIRPORT COMMISSION



MINUTES

December 17, 2015 Special Meeting 9:00 A.M.

Room 288 - City Hall #1 Dr. Carlton B. Goodlett Place (400 Van Ness Avenue) City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS LARRY MAZZOLA President LINDA S. CRAYTON Vice President ELEANOR JOHNS RICHARD J. GUGGENHIME PETER A. STERN

> JOHN L. MARTIN Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Special Meeting of December 17, 2015

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AIRPORT COMMISSION SPECIAL MEETING MINUTES December 17, 2015

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:05 AM in Room 288, City Hall, San Francisco, CA.

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B. ROLL CALL:

Present:

Hon. Larry Mazzola, President Hon. Linda S. Crayton, Vice President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern

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- C. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.
 - 1. <u>Discussion and Possible Action to Engage the Services of an Executive Search</u> Firm to Assist the Airport Commission in the Airport Director Selection Process

No. 15-0262

If the Commission decides to proceed with the engagement of an executive search firm, it may use an existing contract [Contract No. 9129R, Ralph Andersen & Associates]; direct the issuance of a Request For Proposals or other appropriate contracting process; or delegate to the Airport Director the decision as to how to implement the Commission's decision to engage the services of an executive search firm for this purpose.

Commissioner Mazzola asked the attendees to introduce themselves.

Ms. Monique Zmuda, former Deputy Controller for the City and County of San Francisco for the last 12-14 years.

Mr. Evan Futterman, Futterman Consulting, Inc. I've been an airport consultant for the past 37 years working with major airports on development and organizationally.

Ms. Angela Gittens, Director General of Airport's Council International, a trade association of airports around the world. I'm an SFO alumnae, having been the Deputy Director for Business & Finance many years ago. I left SFO to become General Manager of Atlanta's Hartsfield International Airport, and later Director of Miami International Airport. In between I worked for an airport management company, an airport consultant company. I was in Geneva and now in Toronto.

Ms. Sue Dyer, I'm President of OrgMetrics. I've been working at SFO developing a

partnering program over the last 20 years. I've worked on many airports as well as many other different entities.

Commissioner Crayton asked what is partnering?

Ms. Dyer ... it's a process that we have developed over the years for the construction process and we've also used it in developing the strategy so that people work together in a collaborative culture that allows for innovation.

Mr. John Martin, Airport Director said this has helped us to avoid claims and lawsuits over the last seven years. We have an extraordinary record in the public sector in avoiding claims and lawsuits.

Ms. Theresa Lee, former Deputy Airport Director for Administration and Technology. I'm retired but I've been called back by John and I am currently a temporary employee assisting with the transition.

Ms. Heather Renschler ... I'm with Ralph Anderson & Associates, based in the Sacramento area. We are an executive search and consulting firm. I've been with the company since 1985 and I've been President for 19 years. I am

Commissioner Johns asked if there are any other City departments that you have recruited for in the last ten years.

Ms. Renschler ... I have worked with various Mayors and a number of departments over the years including Juvenile Probation, the Port on their position that involves real estate. I have also worked directly with the Mayor's Office Hotel developers, cyber security firms.

Commissioner Johns ... have you worked with major departments in the last 20 years, not lower levels.

Ms. Renschler replied that I have a list that I can provide. I just don't know off the top of my head.

Commissioner Johns .. My recommendation is that the Commission engage a recruitment firm for the process. We have very good internal candidates and within the City family, but it is good due diligence to engage a recruitment firm.

Heather's firm is under contract, but that does not preclude the Commission from going out with an RFP. My intention today was to ask your approval to proceed in this direction and engage a recruitment firm, have you meet Heather, and later this morning if you would let me know if you would like us to have Heather's firm do this work or whether you'd like us to do an RFP process. Obviously, it would slow us down six to eight weeks to do an RFP process.

Commissioner Crayton ... do the rules require us to do an RFP to use another recruitment firm?

Mr. Martin ... yes.

Commissioner Crayton ... I would assume that the City and County of San Francisco has several recruitment firms on board. I think we need more than one recruitment firm.

Mr. Marrtin ... in recruitments there's always only one firm. There are two other firms that do a fair amount of Airport Director level recruitment. They also do private sector recruitment. Heather does strictly public sector work, so that's a distinction.

Commissioner Guggenhime ... it seems to me that we need a firm that has high level experience in major airports ... Chicago, Los Angeles, Seattle, etc. I think, with no disrespect to anyone, that we need a firm and a person who has had significant experience with hiring Airport Directors, otherwise I don't care how good a recruitment firm is. I, personally, don't have the ability to chose a Director. I want to know which firm has the best experience at major airports.

Mr. Martin ... Heather will tell you her experience. Angela knows Airport Directors around the world and I know Airport Directors around the world and we will all be engaging to identify candidates. That's the important part of the process, too. I wouldn't ask you to rely on a recruitment firm, whoever it is, to tell you these are the three people you should chose. That would be a mistake. I'm particularly concerned that at least one of these firms has a huge portion of their profits coming from the airlines ... their primary business is recruitment for the airlines. That recruiter told me that when he talks to candidates he begins by asking airline CEOs and senior executives what they think of Airport Directors. I find that problematic. I don't think that's in the airport's best interest to chose who the airlines want.

Commissioner Mazzola ... being the old guy on the Commission, the last Airport Director was hired just by the Commission and I think that Commission did a pretty good job.

Mr. Martin ... thank you for saying that.

Commissioner Mazzola ... we interviewed candidates who applied. We know where we are at. We know what you do. Do you want to say more about what you do

Ms. Renschler said that the most recent airport search they had was for Sky Harbor International last October. I previously worked, although not the most recent search for Gina Marie Lindsay in for Los Angeles. Now retired, Gina Marie previously worked at SeaTac and then moved to private industry where we located her and got her back into the airport world.

I have a listing of airport-related searches that I have done. I found Harlan Kelly, Ed Riskin with MTA, the 311 system.

For Los Angeles World Airports, over the years, going back to 1999, I did probably 12 searches.

Commissioner Crayton asked Ms. Gittens if she has had interaction with Ms. Renschler.

Ms. Gittens responded that when I was in San Francisco we worked with Ralph Anderson on a number of searches, I think for the Health Department. I don't remember any for the Airport. I could be wrong. There are other several other search firms in aviation. I think John Martin referred to Spencer Stewart that is very active in aviation. John is right, they do a lot with airlines, but they also do a lot with airports. In fact, they were the ones that hired Lou Turpen in Toronto. I would think they probably do the most aviation and even airport searches. There's about three other firms. I'm blanking on names at the moment. There's a lot of searches going on right now. You are in big competition. There are a lot of Airport Director's who are retiring, who've been retiring the last couple of years, and will be retiring in the next couple of years. So, there are a lot of top jobs open and the cream of the crop is leaving. You're losing this cream very early and I don't know why you're allowing it, but that's going on. There are a lot of search firms and a lot of search activity going on.

Mr. Martin said just on the West Coast, there's a new person at LAX, the San Diego Airport Director is retiring in the next year, the Seattle Director is retiring, Oakland is open, the Chicago Executive Director, Minneapolis is retiring.

Commissioner Johns said that one problem I think we're going to have, and you folks who have more experience may have honed in on this, I think that because we are at the height of the market, depending upon the person and whether they have young children, no children, or whatever the situation is, I think that it's going to be an issue for us. The price of housing, even though the job pays very well, I'm just saying that if we are in competition with, say Minneapolis, it is something that we're giong to have to consider.

Mr. Martin ... this job will be the prize. There will be no shortage of applicants. We hardly need a recruiter except to gather the applications. It is viewed as one of the very best Airport Director jobs in the country. That is partly due to all of you. This Airport Commission is greatly respected. I think this Commission is viewed at the best Commission by Airport Directors around the country. You do your due diligence, you stick with the policy issues, ...

Ms. Gittens ... you block the lobbyists and you block the politics.

Commissioner Mazzola ... the question is, should the Airport Director have a contract? I believe that John should have had a contract. PUC has a contract.

Commissioner Crayton ... this is a top notch position. I want to be clear that in this day and age I know there are other firms that have minority participation. I don't want to be uncomfortable or worry about it, but that is my concern. In light of that concern, I would like to know how the firm that you engage will work toward making sure that a goal is realized. As a Commissioner, I have the responsibility not only to the Mayor but to the people of San Francisco. People ask me this question and I don't like being on the defensive. If you can help me with that, I would appreciate it.

Mr. Martin ... Theresa, can you respond?

Ms. Lee ... if the Commission moves forward with a search firm, we can add

language to the contract.

Mr. Martin ... I'll be asking for Angela's help. She has mentored folks around the country. But we could also, through the effort, report to you so that you know how these efforts are doing.

Commissioner Crayton ... I want to make sure that we can tell our story.

Mr. Martin ... part of what you may be hearing from the four individuals here today is feedback from the overall leadership team of the Airport. If someone is promoted from within it provides an opportunity for others to promote.

Commissioner Mazzola ... okay, let's get to that.

Commissioner Stern ... will the search firm inferface with external candidates?

Commissioner Guggenhime ... you're saying that your firm is under with the City?

Ms. Renschler ... it is.

Commissioner Guggenhime ... so, if we hired Anderson we would not have to do an RFP, and if we hired Stewart or another firm we would have to do an RFP,

Mr. Martin ... correct. You can't just pick a recruiting firm without a process. This resolution just authorizes the engagement of a recruitment firm and you can tell me later today what you would like to do ... Heather and her firm, or if you would like to do an RFP. But the resolution, the resolution just authorizes the engagement.

Ms. Lee ... it shouldn't be a factor but it is a consideration that conducting an RFP would require at a minimum three months to get through the process.

Commissioner Johns ... are there other search firms that are already pre-qualified?

Ms. Lee ... there are search firms that the Department of Human Resources have in their pool, which we've used. We would need sometime to tap into that pool.

Mr. Martin ... it does not include the two other firms that I know of.

Commissioner Guggenhime ... this is sort of a sought-after position. Whether or not we have a consulting firm, those same applicants will apply. We don't have to go out ...

Mr. Martin ... they will. This is not like a difficult recruitment where, for example, in Kansas the recruiter will have to market the position and do a sale job. We're not going to have trouble.

Commissioner Mazzola ... if we have more questions about this we'll bring them to you later. We will vote on the item after the closed session.

* * *

D. CLOSED SESSION:

The Airport Commission voted unanimously to go into closed session. The closed session began at 9:36 AM and concluded at 10:58 AM.

(a) Public comment on all matters pertaining to this agenda item.

(b) Discussion and vote in open session pursuant to the Brown Act (California Government Code §54956.9) and the Sunshine Ordinance (San Francisco Administrative Code §67.10(d)) on whether to invoke the attorney-client privilege and conduct a closed session to confer with legal counsel. ACTION ITEM.

(c) [PROSPECTIVE CLOSED SESSION]

PUBLIC EMPLOYEE PERFORMANCE EVALUATION/ PUBLIC EMPLOYEE APPOINTMENT – California Government Code § 54957(b)(1); San Francisco Administrative Code § 67.10(b) – [DISCUSSION ONLY]

Title of Position: Airport Director

The Commission will invite one or more individuals familiar with the work performance of the current Airport Director, including industry experts, to provide information about his work performance; specifically, his personal attributes and personal management skills that have supported his successful tenure as Airport Director. Understanding these attributes and skills that are personal to Mr. Martin will aid the Commission in its selection of a new Airport Director.

There are no other planned agenda items for the closed session. In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in closed session, the Airport Commission may discuss and vote whether to conduct a closed session under the Brown Act (Government Code §54954.2(b)(2) and §54954.5) and the Sunshine Ordinance (Administrative Code §67.11).)

- (d) [RECONVENE IN OPEN SESSION]
 - (i) [IF APPLICABLE] Report on action taken in closed session required by the Brown Act (Government Code §54957.1(a)) and the Sunshine Ordinance (San Francisco Administrative Code §67.12(b)).
 - (ii) Discussion and vote whether to disclose any or all discussions held in closed session (San Francisco Administrative Code §67.12(a)). ACTION ITEM.

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E. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:00 AM.

(Original signed by: Jean Caramatti)

Jean Caramatti

Commission Secretary

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