

M E M O R A N D U M

TO: Town Commission
From: Tom Harmer, Town Manager
Report Date: September 7, 2022
Meeting Date: September 12, 2022
Subject: Consideration of the Appointment of the Next Town Manager and Town Manager Contract

Recommended Action

Approve the appointment of the next Town Manager and approve a Town Manager Contract with Howard N. Tipton.

Background

On June 24, 2022, I announced my intention to retire at the end of my contract term on December 10, 2022. At your July 1, 2022 Regular Meeting, the Commission discussed the various ways to fill the vacancy and directed that we first proceed with a targeted approach to find the next Town Manager. The Commission also discussed desired characteristics of the next Manager. They included a preference for an experienced public administrator with Florida experience, a coastal background, and someone that could continue to advance the relationships with both counties.

As your Town Manager, I appreciate the Commission's level of confidence and trust to ask me to initiate this process. I take my responsibility and reputation very seriously and realize how important this process and your decision is. As a result, I have focused on managers that meet the desired background and I would be very comfortable bringing to the Commission's attention. As we discussed, this is an important decision and one that is made by the Commission.

Since the July 1, 2022 Regular Meeting I have reached out to a targeted group of local government public administrators in Florida to make them aware of the upcoming opportunity, to seek names, and to gauge interest in the position. In addition, our third-party labor attorney was contacted for any referrals. The Town Attorney has also reached out to her peers to seek names of managers that the Town may want to follow up with.

The targeted approach has been based on identifying a single individual that can be introduced to the Commissioners one on one, and then brought to the Commission for approval. It naturally takes some time to work through a list of potential managers to gauge their interest and availability. As part of my outreach, I have talked with a number of individuals over the past two months and also conducted several tours of the island and Town facilities.

In discussing the opportunity with various managers and potential interested parties, there were several factors that can impact the availability of a specific individual. They include the phase of their career, their current pension status,

and the cost of living in the Sarasota/Longboat Key area for someone that may have to move to the region.

Based on my efforts since July 1, I identified a manager that I think meets the Commission's criteria. His name is Howard N. Tipton and was one of the original managers targeted. He is a very seasoned, well-respected Florida manager that has coastal experience, and strong county experience and relations. He is the current County Administrator for St. Lucie County, Florida. I have attached his one-page bio for your reference. In advance of this meeting he has meet with each of you individually and with the Town Attorney.

The Town Attorney has prepared a contract with Mr. Tipton based on negotiated terms that he has indicated were acceptable to him. These terms have also been discussed with each of the individual Commissioners. The proposed contract is basically the same format and provisions as my current contract with an updated salary, the addition of a housing allowance, relocation expenses, and the removal of the Long-Term Care supplement.

Mr. Tipton has signed the proposed contract and if approved by the Commission at your September 12, 2022 Regular Meeting is prepared to serve as your next Town Manager. Due to his obligations and notice requirements with his current position, he would not be available to start until January 30, 2022.

The Town Attorney will provide an overview of the Contract and we will both be available to answer questions about the terms and transition if the contract is approved. Mr. Tipton plans to attend the meeting as well.

Staff Recommendation

Approve the appointment of the next Town Manager and approve a Town Manager Contract with Howard N. Tipton.

Attachment

Bio of Howard N. Tipton

Bio
Howard N. Tipton

Education: James Madison University, Bachelor of Science. University of Central Florida, Master of Public Administration. Harvard University Program for Senior Executives in State and Local Government.

Early Years: Started in 1982 with Volusia County in Human Resources. Recruited to Orange County Human Resources in various positions (Class & Pay, Employee/Union Relations, Employee Benefits) and supervised all areas. Promoted to Assistant to the County Administrator in 1990 and Deputy County Administrator in 1992 serving a community of 800,000. Oversaw \$1.4 billion budget and 4,500 employees. Projects included Phase III & IV of the Orange County Convention Center and the 1.2 million sq. ft. downtown Orlando courthouse complex.

Mid-Career: Left Orange County in 1997 to be the President/COO of a golf course development company. In 1998, recruited to be the Chief Administrative Officer for the Orange County Clerk of Courts and while there led the agency to the Governor's Sterling Award for Performance Excellence. In 2009 was selected to be the Brevard County Manager (population 550,000) and was faced with the great recession as well as NASA's Space Shuttle program ending in 2011 (a loss of 9,000 jobs). In the first year, reduced county positions from 2,800 to 2,300 and reduced the budget by \$300 million. Working with NASA, the Air Force, and the County's EDC, created a place for aerospace and commercial space to thrive and by 2014 all lost NASA jobs had been replaced.

Current Assignment: Started in St. Lucie County (350,000 population) in November of 2014 after retiring from Brevard earlier in the year. St. Lucie has the largest general aviation airport by acreage in Florida and one of 15 deep water ports. Successful in creating public/private partnerships with Derecktor Yacht & Ship that has seen \$17 million of private investment at the Port and readying the Treasure Coast International Airport for commercial service while expanding economic activity to 3,000 jobs and more than a \$500 million annual economic impact. Worked to approve a half-cent infrastructure sales tax in 2018 and received voter support for a reauthorization of the ad valorem tax exemption in 2022. Successful beach renourishment of south county with ACOE and State participation as well as continuing to work with ACOE on erosion south of Ft. Pierce Inlet. Expanding transit options, parks, boat ramps, libraries, and roads to meet the needs of a high growth area. Pandemic response well-coordinated and held more than 40 press conferences with efforts to keep the public safe and informed.

Awards & Recognition: From the Florida City/County Managers Association (FCCMA) – Michael Roberto Award for staff career development, Lifesaver Award for working with managers in transition, Richard Simmons Lifetime Achievement Award for dedicated service to the public management profession. International City/County Management Association (ICMA) – Credential Manager for nine years. From University of Central Florida – Alumni of the Year from the College of Health & Public Affairs twice, Outstanding Alumni Award (1st recipient) from School of Public Administration. From Mental Health Association of Central Florida – Golden Bell Award and Gail Morgan Service Award. From the Central Florida Chapter of the American Society of Public Administration – Public Administrator of the Year.

Volunteer/Professional Interests: United Way Campaign Chair and Board Chair in Brevard and St. Lucie Counties, Goodwill Industries of Central Florida, Mental Health Association of Central Florida, National Council for the American Society for Public Administration, Florida Association of Counties County Manager Board of Directors, St. Lucie Economic Development Committee's Board of Directors.



PERSSON, COHEN, MOONEY, FERNANDEZ & JACKSON, P.A.
ATTORNEYS AND COUNSELORS AT LAW

M E M O R A N D U M

TO: Mayor Schneier and the Town Commission
CC: Tom Harmer
FROM: Maggie Mooney, Town Attorney
REPORT DATE: September 7, 2022
MEETING DATE: September 12, 2022
SUBJECT: **Town Manager Position and Employment Agreement(s)**

At the July 1, 2022, Town Commission Regular Meeting the Town Commission authorized the Town Manager and Town Attorney to perform a targeted search over the summer to find a qualified candidate to fill the Town Manager position following Tom Harmer's announcement of his retirement on December 10, 2022. As a result of that search, Howard N. Tipton, who currently serves as the County Administrator of St. Lucie County was contacted and has been approached about his interest in the Town Manager position. The Town Manager (Tom Harmer) and I believe that Howard N. Tipton has the qualifications, experience and background to meet all of the Town Commission's requested qualifications as well as the community's needs. Mr. Tipton has met individually with each of the Town Commissioners to discuss his qualifications and interest in the position. Based upon individual input that Tom Harmer and I have received from individual Town Commissioners, we have taken the liberty of preparing and presenting Mr. Tipton with an Employment Agreement ("Agreement") to fill the Town Manager vacancy following Tom Harmer's retirement. The proposed Agreement is being presented to the Town Commission with the understanding that the selection of Mr. Tipton as the next Town Manager and an Agreement memorializing the terms and conditions of such employment, is subject to the entire Town Commission's consideration, discussion and vote at a publicly noticed meeting.

Tom Harmer and I negotiated the enclosed Agreement with Mr. Tipton using Tom Harmer's existing Employment Agreement as a framework for such negotiations. A copy of Tom Harmer's existing Employment Agreement is included in your agenda materials.

The most notable differences between Mr. Harmer's Employment Agreement and Mr. Tipton's Agreement have to do with the following subject matters: compensation, term, long term care insurance, and housing and relocation allowances. Mr. Tipton is requesting a starting salary of \$211,500 for FY 2023 that is approximately \$7,500 greater than Mr. Harmer's current FY 2022 salary (\$203,216). Mr. Tipton has agreed to an initial 4-year term, as compared to Mr. Harmer's initial 5-year term. Mr. Tipton has indicated he is not seeking the long term care insurance benefit payment that the Town currently pays on behalf of Mr. Harmer. This benefit has been removed from the Mr. Tipton's Agreement and the removal is estimated to save the Town approximately \$7,000, annually. Mr. Tipton has requested the inclusion of both a housing (\$24,000/yr) and relocation allowance (<\$10,000) since Mr. Tipton will be relocating to this coast to take the Town Manager position. The ongoing housing allowance recognizes the current housing cost(s) and supply and demand issues in southwest Florida and particularly in the Longboat Key/Sarasota housing market.

A general summary of the terms of Employment Agreement with Howard N. Tipton ("Employee") is provided below:

- This Agreement includes a 4-year term commencing on January 30, 2023¹ and expiring on January 29, 2027. There is an optional 2-year renewal, and a year to year extension thereafter.
- The Agreement includes a starting salary of \$211,500/year. Town Commission may increase the Employee's salary based on performance following annual review or as deemed appropriate.
- Unless otherwise noted, all of the provisions in the Agreement apply during the initial term and any extensions of the contract.
- Decisions to decline extensions of the Agreement similarly require a vote of at least 5 of the 7 Town Commissioners.²

¹ January 30, 2023 is the earliest date Mr. Tipton indicated he could begin working for the Town due to the required notice and contractual commitment he has to his current employer.

² Removal of the Town Manager requires a vote of at least 5 of the 7 Town Commissioners pursuant to Art. III, Sec. 2 of the Town Charter.

- During the term of the Agreement, the Employee can resign, or be terminated by the Town Commission with or without cause.
- Severance is available only if the Employee is terminated without cause. In such instance, the Employee may be eligible for up to 20 weeks of severance (this is the maximum allowable for government employees under applicable Florida law).
- Town will pay reasonable professional dues and subscriptions, Town business travel related expenses, and provide Employee with all customary equipment and supplies including a Town “take home” vehicle. “Take home” vehicle may be used for commuting, and Town related business and travel.³
- The Town shall provide or pay for the following other benefits: (a) term life insurance three times Employee’s annual salary, (b) all health and dental insurance on the same basis as other Town at will employees, (c) disability insurance of the on the same basis as other Town at will employees, (d) reimburse Employee for the costs of an annual physical exam, (e) sick leave on the same basis as other Town at will employees employed for 15 years or more, (f) a retirement contribution in an amount equal to 17.8% of the Employee’s salary to be deposited into a deferred compensation or other tax deferred account, and (g) vacation leave in the same amount as at will employees employed for 15 years or more.⁴
- The Town shall pay Employee a housing allowance of \$2,000/month (\$24,000 annually) for the duration of the Agreement. The housing allowance is contingent on the Employee residing within the Town’s boundaries or within 10 vehicles miles of the Town’s boundaries.
- The Town shall reimburse Employee a relocation allowance in an amount not to exceed \$10,000, to pay for Employee’s actual relocation. If Employee resigns within the initial two (2) years of the Agreement, the Employee shall return the relocation allowance to the Town within 45 days of the resignation.
- The Town Commission may conduct a review of the Employee’s performance on or before September 29, annually.

³ The Town currently provides this benefit to the Town Manager Tom Harmer. The “take home” vehicle provision has been incorporated into this Agreement but it is not a new benefit.

⁴ All of these benefits are identical to the benefits currently provided to Tom Harmer in his Town Manager Employment Agreement.

- The Employee shall refrain from outside employment or other contractual relationships while employed by the Town. Professional teaching opportunities are excluded from this prohibition.

Mr. Tipton is expected to be present at the September 12, 2022 Town Commission meeting where this contract will be presented. Mr. Tipton has already executed the Employment Agreement. The Town Manager and I believe that the terms of the Employment Agreement before the Town Commission for consideration are fair to all parties. We also believe it is in the best interest of the Town to select Howard N. Tipton as the next Town Manager and approve the Employment Agreement. Accordingly, we are requesting that the Town Commission approve the appointment of Howard N. Tipton as the Town Manager following Tom Harmer's retirement, and authorize the execution of the enclosed Employment Agreement with Mr. Tipton.

Lastly, Mr. Harmer provided notice of his retirement effective December 10, 2022 and Mr. Tipton's starting date with the Town is proposed to begin January 30, 2023. Due to the 1 ½ month gap between these timeframes, I have asked Mr. Harmer if he would be willing to extend his retirement date until Mr. Tipton is available to fill the Town Manager position. Mr. Harmer indicated that he would be willing to extend his employment with the Town and enter into an amendment to his existing Employment Agreement. Mr. Harmer requested that an amendment include provision(s) for: a 3% salary merit increase effective October 1, 2022, a housing allowance or housing assistance provision (for the period from December 10, 2022 through the extended employment), and flexibility to allow him to engage in outside employment (with his son) during non-business hours from December 10, 2022 through the extended employment. Subject to the Town Commission's direction and input on these requests, my office can prepare an appropriate amendment to Mr. Harmer's Employment Agreement for consideration by the Town Commission at the October 3, 2022 Regular Town Commission meeting.

Please do not hesitate to contact me if there are any questions or concerns about this Memorandum, the Town Manager candidate Howard N. Tipton, the enclosed Employment Agreement with Mr. Tipton, or a potential amendment to Mr. Harmer's Employment Agreement.

Attachments (Available in Town Clerk's Office):

- A. Employment Agreement - Tipton
- B. Signature Page
- C. Employment Agreement - Harmer

End of Agenda Item