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Memorandum 11-12-08

FROM: Chris May, Executive Director CFCOG 
TO: Kure Beach Governing Body
SUBJ: Public version of confidential Climate Survey

Attached you will find my recommended "public" version of the confidential Climate Survey. I have removed the specific findings that, in my opinion, would have compromised personnel related information that could have resulted in damage to individuals if taken out of context. The determination of that is subjective and based upon my tenure as a local government manager since 1979. While that determination is subject to final approval by the you, the Governing Body, I strongly encourage you to protect individuals and the process as intended, and consider the value of full disclosure of personal evaluations to the public in any subsequent decision made regarding this document.

I am satisfied that the report served the purpose of moving from rumor to fact and from fact to action. The meeting last week was extremely productive and showed me there is now a demonstrated desire of the team to move ahead in the interest of the common good of the Town of Kure Beach. The process could have gotten side tracked had it not been for the leadership demonstrated by each of you who, by restraining from responding in a manner that could have set back the whole process, acted in favor of the end goal of team building. You are to be commended.

I firmly believe that you have weathered a storm and now are making weigh for a more cohesive team who has accepted changes and are committed to work together. Two way communications, clearly articulated policy, and demonstrated support and respect for your management team will continue to pay dividends if maintained by you, the leadership.

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**PROGRESS
THROUGH
COOPERATION**

Town of Kure Beach Workplace Climate Study

Chris May, Executive Director
Cape Fear Council of Governments
Summer 2008

Background:

Kure Beach is in a transition stage with a new Mayor and Commissioners, elected as change agents 18 months ago, and a new Town Administrator, hired in January of this year. They operate under the Mayor/Commissioner form of government with a weak mayor/strong commissioner organization. The Mayor and each Commissioner are assigned oversight of a Town Department Head. Each Department Head supervises their staff and manages their Department's operations. The Mayor and Commissioners administer the personnel policy, conduct annual evaluations, and make the final decision on hiring and termination of employees.

Prior to the Administrator, the town functioned with a strong and very tenured Town Clerk who served as the de facto administrator before retiring two years ago. The Clerk position generally served as a conduit for implementation of Board policy, a sounding board for the department heads, and the Town's good will ambassador to all who visited the office. Department Heads maintained their autonomy with general oversight by the elected Commissioner assigned to their Department. The successor Clerk assumed substantially the same role. This organization was inherited by the "new" Board.

Shortly after the new Board took office they agreed to investigate the feasibility of hiring an administrator who could move the town towards full time professional management. A citizens committee was established who met over a 9-10 month period. During that time careful research was conducted with comparative analysis and input from external municipal experts. Their findings led to their recommendation that the Town first hire an Administrator, retaining the current Mayor/Commissioner form of government, and after evaluating that position, determine any future changes, including amending the Town Charter to adopt the Council /Manager form of government. The success of the initial transition would determine the next steps. The Mayor and Commissioners, in keeping with the committee's recommendation, and following an extensive search and vetting process, hired an Administrator in January of this year. The Town's senior Department Heads, while not fully supportive, accepted the sovereignty of the Board and adopted a wait and see attitude towards the new position.

When a new Administrator was hired, there were varying expectations for the position, either expressed by the different members of the Board, or implied by the “rumor mill”. That inconsistency in communication set the stage for what has become general dissatisfaction with the concept. Office personnel thought they were getting additional clerical help while other Departments hoped for a hands-off type of administrator like the previous Clerk. The Administrator took a firm grip of the helm of Administration and sought to provide management oversight to the operations of the Town, recommending efficiencies and policy changes at the bequest of the Governing Board. The ensuing backlash culminated when a revised Personnel Policy was presented to the Department Heads that rescinded promised long term accrued benefits. The resulting rumble got the attention of the Governing Board who determined an outside unbiased professional assessment of the organization was needed.

In June of this year the Mayor and Commissioners asked the Cape Fear Council of Governments to evaluate the “climate” of the workplace thru confidential interviews of the staff and Governing Board, and report those findings in the form of recommendation for action.

Process:

To best determine the climate, a survey was sent to every employee and Governing Board member to complete. A follow up personal interview was then conducted with each Department Head and governing Board member, as well as with randomly selected line employees. Chris May, CFCOG Executive Director, conducted the survey and the interviews, keeping both in strictest of confidence to ensure employees had the freedom to give accurate information, regardless of the tenor, without fear of repercussion. The questions asked ranged from “do you know your chain of command” to “what would you change if you could to make the workplace even better than it is.” Interviews were conducted in private and lasted an average of one hour each.

The results of the surveys and interviews were carefully analyzed by the consultant and summarized in this report.

Findings:

Only seven (7) written surveys were received out of over forty (40) handed out. Of those, the responses generally indicated that they did not wish to participate, and they loved their job! The others were much more pointed, often indicating strong opinions about the process used to establish an Administrator position and a general feeling of abandonment or being ignored by Commissioners. The interviews confirmed that sentiment was widespread.

I have categorized the responses into General and Specific Issues. The specific issues, being more pointed and personal in nature have been excluded from this public version of the report in keeping with sound personnel management guidelines. The specifics were discussed in detail during a closed session of the Governing Body in the nature of a multiple personnel matters.

- **General Summary of Findings:**

- **Most Employees say the workplace climate is poor**

- The Administrator position was not intended to be the focus of the study but very quickly emerged as the primary issue, followed closely by the Governing Board. Of all the interviews of employees, only two stated they thought things were better now than it was before. A majority of the Commissioners were more positive, although they all agreed there was a problem with morale.

- **Miscommunication over role of Administrator:**

- Depending on who was interviewed, there were very differing perceptions of why an Administrator was hired, and much division regarding the duties of the Administrator. It was evident that there was not a clear and consistent understanding passed down from the Governing Board to the Departments as opposed to from the Board to the Administrator, and from the Departments to the staff. As a result, a majority of the town staff started out with a negative opinion of the process, some even feeling they had been deceived.

- **Breakdown in trust and respect:**

- Further, there is general feeling by staff of distrust or disrespect from top down. This resulted from significant unilateral policy changes, feelings of being ignored, and concern that a majority of the Commissioners do not feel the employees deserve the benefits and pay they currently receive. That was compounded with the injection of a “new boss” who many feel has over-stepped her perceived authority by “meddling” in their day to day business.

- **Potential turnover in key staff possible:**

- Several key staff have expressed they have considered looking for another job if the trend continues. As of this report, the Finance Director and the Town Clerk have put in notice of resignation, both noting reasons other than the organizational issues as their reason for leaving. One other Department Head is seriously considering looking elsewhere, while the others have expressed they are not happy with the current state of the town. One line employee stated that their job satisfaction, on a scale of one to ten with ten being best, is currently at one!

Conclusions and Recommendations:

Conclusions:

It is my opinion that the existing workplace climate is poor. Morale and poor workplace climate is mostly due to misinformation and lack of clear direction from the top down. Key employees are likely to quit if things do not improve, leaving the Town with loss of substantial experience. They all need to be assured of their value and given the respect and compensation packages they have earned.

Recommendations:

Senior Staff and Department Heads should be a part of the management Team and not be excluded from decision making, especially in their areas of proved expertise. The Administrator should be supported as a facilitator who supports the operations of the Town serving as a leader for the staff, not a boss. The trust between the Board, Administrator, and the employees must be established by positive corrective actions.

At the same time, it must be fully understood by all levels of staff that the citizens elect five people to govern their Town. It is the Governing Body's responsibility to be stewards of the public trust and establish governance that reflects their perceived will of the people. In doing so, the Governing Board must set rules and standards, establish policy, and appoint management to carry out those policies. While input from the staff is valued and should be considered as professional advice, it is ultimately the Board's duty to do what they feel is best for the Town.

Kure Beach has vested the current Board with these duties, and in response to their perceived public mandate, the Board has established an Administrator position. Whether or not the current Administrator and the Town are a "good fit" for each other is subject to debate, but the need for the position has been demonstrated and is supported by the citizens.

In light of this study, the Board must determine the question of fit, and then must proceed with a clear and consistent direction on the role that is to be filled by the position as it relates to all levels of Town governance.

Specific Recommendations for next steps:

- 1. Review and discuss the recommendations with the consultant**
After reading and digesting the report, it is expected that there should be questions. This should be a private matter due to the sensitivity and personnel matters being discussed, although this entire report shall become

public information upon acceptance. During this discussion, the role of the Administrator as the position relates to the Town must be solidified. This includes matters of oversight, the organizational chart, and the powers and duties conferred on the position.

2. **Review and discuss recommendations with the Administrator**
Given that much of this is an assessment of the Administrator's performance, an executive session is warranted. During this discussion the issue of whether the current Administrator and the Town are a good "fit" for each other should be addressed frankly in the best interest of both.
3. **A retreat with the Department Heads to set the way forward**
This meeting should include facilitated two way open discussion between the Department Heads and the Board, subject to agreed upon ground rules enforced by the facilitator. The way forward should be developed from the discussions but shall be decided upon only by the Board.
4. **Two way review of job descriptions/missions**
There needs to be a facilitated review of Town mission and vision, followed by an internal by-department review of critical functions, processes, and duties for each position. During the job description review it will be important to evaluate the processes from the bottom up, not just top down. I recommend employees draft their own job description, review that with their supervisor, then the supervisor with the Department Head. A consultant should guide and facilitate the process.

Final Assessment:

While the morale is low and confidence in the leadership wavering, all is not lost. Positive leadership will turn the situation around. The retreat is a necessity to get everyone back on track. Clear and concise roles and goals will trump rumors or misinformation, and will set the course for the way forward. Keep the political contests out of the day to day operations, and go the extra mile to pull together as a Board, leading with decorum commensurate with your trusted office.

**Chris May, Executive Director
Cape Fear Council of Governments
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