



City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Human Resources

Meeting Date: February 26, 2024

Report #:2402-2647

TITLE

Approval of the Appointment of Lauren Lai as the Administrative Services Director/ Chief Financial Officer

RECOMMENDATION

The City Manager recommends that the City Council approve the appointment of Lauren Lai as the Administrative Services Director/ Chief Financial Officer in alignment with Palo Alto Municipal Code (PAMC) 2.08.202.

BACKGROUND

The Palo Alto Charter and Municipal Code establish the City Manager as the appointing authority for all officers, department directors, and employees under the City Manager's control. The Charter and Municipal Code additionally specify that appointments of department heads are subject to the approval of the Council per PAMC section 2.08.020.

The Administrative Services Director/ Chief Financial Officer oversees the financial administrative services for the City of Palo Alto whose duties are enumerated in PAMC section 2.08.150. The Administrative Services Department includes the divisions of Finance (accounting, treasury and debt management, purchasing and warehousing, and printing and mailing services); Real Estate (acquisition, disposition, lease management, and easements); and Budget and Financial Planning (budgeting, capital planning, long-range planning, management analysis, and strategic planning). The FY 2024 Administrative Services budget is \$11.9 million with 57.98 FTE.

The City of Palo Alto selected Teri Black and Company ("TBC") an experienced executive talent search firm to conduct an extensive recruitment for the next Administrative Services Director/ Chief Financial Officer. TBC notably has done several Finance Director recruitments in the state of California and specifically in the bay area. On August 15, 2023, Teri Black and City staff met with the Finance Committee to seek their input for the key characteristics of candidates for this

executive position¹. Focus groups were completed for Administrative Services Department staff to provide feedback in the process as well. As discussed with the Finance Committee, in response to the challenging recruitment environment, the City engaged in a 5-week advertising, marketing, and direct outreach campaign (contacting over 80 potential candidates) to generate a qualified and competitive candidate pool.

DISCUSSION

After conducting a thorough selection process which included multiple panel interviews with internal and external experts, and screening based on Finance Committee feedback, the City Manager selected Lauren Lai to be the next Administrative Services Director/Chief Financial Officer.

Lai holds a bachelor's degree in accounting, a master's degree in public administration, a Certificate in public accountancy (CPA), and has over 25 years of financial experience in local government and private sector financial roles. Lai has previously served as the Finance Director in four (4) cities in California, including Milpitas, Monterey, Marina, and Capitola.

Lai's annual salary will be \$275,000, which is within the Council-approved salary range for this position.

FISCAL/RESOURCE IMPACT

Sufficient funding is available in the FY2024 Adopted Operating Budget for this appointment and no additional appropriation is required. The ongoing costs will be incorporated into the development of the FY2025 Operating Budget.

APPROVED BY:

Sandra Blanch

¹ Finance Committee, August 15, 2023, Item #1,
<https://cityofpaloalto.primegov.com/Portal/Meeting?meetingTemplateId=12741>