



# SCAPPOOSE *Oregon*

**MONDAY, MARCH 3, 2025  
CITY COUNCIL WORK SESSION  
DISCUSSION ON CITY MANAGER REVIEW PROCESS, 6PM**

**COUNCIL CHAMBERS  
33568 EAST COLUMBIA AVENUE  
SCAPPOOSE, OREGON 97056**

Disclaimer: These minutes are intended to summarize the conversations that took place in this meeting rather than provide a full transcript. Anyone wishing to view the full conversation can find a recording of this meeting on YouTube at [www.youtube.com/watch?v=89tfBQtyq0w](http://www.youtube.com/watch?v=89tfBQtyq0w).

Mayor Backus called the work session to order at 6:00pm.

**Present:** Mayor Joseph A. Backus; Council President Tyler Miller; Councilor Jeannet Santiago; Councilor Kim Holmes; Councilor Marisa Jacobs; Councilor Joel Haugen; City Manager Benjamin Burgener; and City Recorder Susan M. Reeves.

**Excused:** Councilor Andrew Lafrenz

City Manager Burgener went over his staff report and the documents he included in the packet.

The Scappoose City Council has a review process that has been utilized for several years. Last year, the council relooked at the review process and considered some alternatives based on the management at the time. The prior city manager has since resigned and the city has a new city manager with a 6-month review set for March. On February 17<sup>th</sup>, the city council directed the city manager to provide a recommendation for this process.

This work session will focus on the review process of both the city manager and the city council. The goal is to utilize feedback from the city council about what has worked well in the past, provide suggestions for improvements and/or changes, as well as receive feedback from the city manager in effort to set the city, city council, and city manager up for success in a sustainable, forward-thinking manner.

**ANALYSIS:**

Included in your packets are 3 articles that provide a summary of in-depth research done in both

the private and public sectors. The first, *The Future of Performance Reviews*, gives a thorough history of different processes used with the why behind the companies rational as well as what companies are doing these days. The second, *The Feedback Fallacy*, focuses more on the limitations and concerns around traditional feedback and addresses what research shows to be more impactful. The Third, *Are you still doing City Manager Reviews*, was included in a League of Oregon Cities Focus Magazine in 2020, written by a former Oregon City Manager and Master in Public Administration (MPA) professor at PSU. This article provides additional support to what is addressed in the first two articles, but is focused on City Manager reviews.

The annual review process has been a topic of interest for decades with varying degrees of numbering systems, development opportunities, feedback, and more. These systems are purported to have been created for the development of staff, promotional opportunities, motivation, raises, etc. Unfortunately, the outcome of most performance review processes don't achieve the intended outcomes and, in most cases, ends up doing more harm than good.

Feedback from both employees and managers alike provide great insight into a process that most want to avoid or, for those that do them, report that the costs and time far outweigh the benefits, if any.

When I have asked my teams about why the process is done, the responses are typically, "because that's what 'successful' businesses do", "because we always have", "because I was told to", or in the HR world, "because it provides documentation in situations where we need to terminate someone".

I have yet to receive a response from any employee or manager of any of the private or public organizations I have worked for across six states that stated something similar to, "because our performance reviews help provide good feedback that properly develops and motivates us to strive for our own unique ability to innovate and be the best version of ourselves."

I have experienced and witnessed traditional processes that were touted by "model companies" as being the best process to inspire performance; eventually fall into disarray, encourage fraud, and destroy a company's culture.

I have also experienced a few processes that closely mirror what is addressed in the articles provided and can attest to the substantial difference it makes for the company, its management and the employees. If done right, management and their subordinates are more likely to strive to work together and develop in a way that accomplishes what traditional reviews have always sought to accomplish. However, there are still issues with the processes I have encountered and there is still much to be desired in the pursuit of a process that works best for the unique circumstances in each organization. I'm not positive there is a "one size fits all" approach, but it

is important to challenge the traditional narrative and move towards a process that accomplishes what is intended.

Due to the major impact annual reviews have on employee perception and relationship with an organization, and in our effort to become the "model city", it is worth reconsidering the following questions:

Why are we doing this process?

What are the intended outcomes?

Does our process properly achieve those outcomes?

What are the downsides of the process?

Is the process sustainable for all parties involved?

What other options are there?

Should this process be done at all?

### **FISCAL IMPACT:**

Exact fiscal numbers would be difficult to determine without an in-depth cost/benefit analysis, however, this process impacts the organization through:

- Staff Time
- Retention costs
- Recruiting costs
- Employee efficiency/moral improvements (better product and service)
- Staffing levels
- Innovations

### **RECOMENDATION:**

Staff recommends the council fully read the three attached articles to best prepare for an in-depth discussion about how we can best understand the context and climate around performance reviews and utilize that to formulate a process that will positively impact the City for decades to come.

It is further recommended that the process should:

- Be simple, agile, and sustainable for all parties
- Separate the performance improvement process from City Manager/City Council annual review conversations.
  - Major roadblocks should be addressed immediately, not through a delayed review process
- Stay out of the weeds
- Focused on the future
- Be a conversation, not a dissertation

- Include reviews of both the City Manager and City Council
- Reference the goals created at the retreat as part of the process
- Not be a point-in-time process
- Be a living process, if something isn't working, change it

For the benefit of the City Council, I have provided the core competencies that are typically covered in a more traditional City Manager Review and reflect what is found in the job description.

## **City Manager Core Competencies**

### **1. City Council Relationships**

- Effectively implements policies and programs approved by City Council
- Reporting to City Council is timely, clear, concise, and thorough
- Accepts direction or instructions in a positive manner and listens objectively to input from all Councilors without favoritism
- Effectively aids the City Council in establishing long range goals
- Supports Council goals, mission, and vision
- Makes thoughtful contributions to City Council
- Keeps Council informed of current plans and activities of administration and new developments in technology, legislation, government practices and regulations, etc.
- Anticipates, communicates, and provides documentation of potential issues that may come before Council
- Participates in Council discussions and makes recommendations where appropriate without exerting undue pressure in Council policy decisions

### **2. Leadership**

- Utilizes a strategic, forward-thinking approach
- Seeks to develop knowledge, skills, and abilities of employees

### **3. Community/Public Relations**

- Presents a positive public image and exhibits courtesy to the public
- Seeks to use criticism of self or City in positive ways
- Maintains effective relations with media representatives
- Open to suggestions from the public concerning improvements in service
- Seeks resolution to citizen complaints in a timely manner and according to Council policy
- Open, honest, and transparent with Council and citizens
- Seeks opportunities to effectively inform and involve the public
- Seeks to understand and respond to community needs

### **4. Behavioral Competencies**

- Controls emotions effectively in difficult situations

- Anticipates and creatively develops practical solutions to problems encountered in the course of work
- Exhibits flexibility in accepting and adapting to change
- Demonstrates personal honesty and frankness in daily relationships
- Engages in self-development of knowledge, skills, and abilities
- Completes work in acceptable time periods
- Performs work accurately

#### **5. Fiscal Management**

- Prepares and proposes a balanced, understandable, and realistic budget in a timely manner
- Budget is well documented and organized to aid Council with policy decisions
- Seeks efficiency, economy, and effectiveness in all programs
- Controls expenditures in accordance with approved budget
- Keeps Council informed about revenues and expenditures, actual and projected
- Seeks creative solutions to reducing expenses

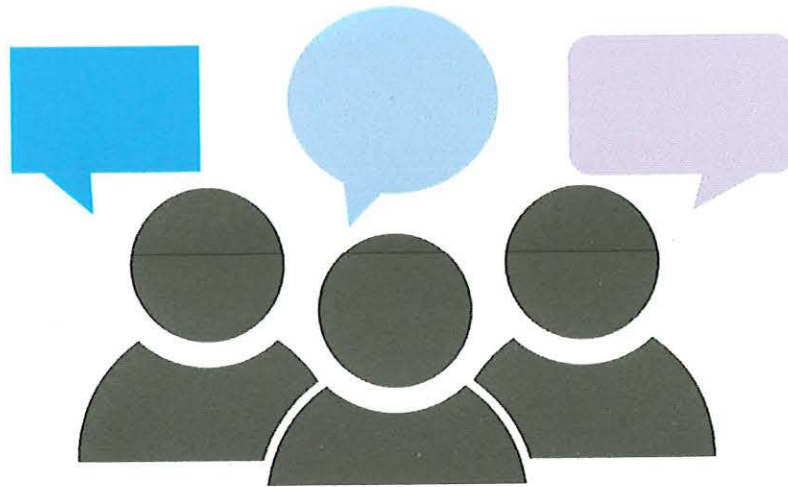
#### **6. Intergovernmental Relationships**

- Represents City to intergovernmental bodies
- Effective communication with local, regional, state, and federal government agencies
- Pursues financial resources from other organizations (ex: cost sharing, grants, etc.)
- Participates in local, regional, and state committees and organizations
- Effectively lobbies with legislators and state agencies regarding City programs and projects
- Effectively responds to local politics, customs, and interests

#### **7. Decision Making**

- Conducts research to attempt gathering of all available facts prior to making decisions
- Is objective in decision making
- Considers possible alternatives and their consequences before making decisions
- Reaches timely decisions and initiates action
- Notifies all stakeholders prior to implementing decisions

City Manager Burgener also went on the LOC handout in the packet that covers ~ Are You Still Doing City Manager Performance Evaluations? And What to Do Instead.



# Are You Still Doing City Manager Performance Evaluations?

## And What to Do Instead

By Scott Lazenby, Ph.D., Adjunct Associate Professor, Portland State University

Ken Miller, author of *Extreme Government Makeover*, says to audiences he speaks to: "Raise your hand if you are the person you are today because of your annual performance review." Most of the time, there are no hands raised. But in one session, a woman did raise her hand. Surprised, he asked her, "You really are the person you are today because of your annual performance evaluation?" She said, "Yes. Of course, I'm cynical and jaded."

In his book, Miller makes the point that annual performance reviews do far more harm than good, and if you do nothing else, simply quit doing them.

Ken Miller isn't alone in this opinion. Samuel Culbert has a PhD in clinical psychology and is a professor at UCLA's Anderson School of Management. In his *Wall Street Journal* article titled "Get Rid of the Performance Review," Culbert outlines the damage caused by the traditional annual performance review.

In his book by the same name, the first line states, "It's time to finally put the performance review out of its misery," and he spends the next 150 pages in a thoughtful argument backing up his assertion. He drives home the point that if the intent is to improve the performance of the individual and the organization, the annual review process in fact does the exact opposite.

Other management scholars and writers have come to the same conclusion. Tom Coens and Mary Jenkins, a labor attorney and personnel professional, wrote a book titled, "Abolishing Performance Appraisals." Many companies are following their advice, either intentionally or through benign neglect.

Both sets of experts suggest positive alternatives to the annual review, and I'll return to that in a moment. But first let's step back and talk about why performance reviews seem to find their way into many city manager employment agreements.

### The Role of the City Council

The city council's role is to set the overall policy direction for the city. But the council is also ultimately accountable to the voters for the effective operation of the city organization. In turn, the council hires a city manager to handle the day-to-day running of the city, and it is entirely appropriate for the council to hold her or him accountable for the performance of the organization. The first tenet of the ICMA Code of Ethics states, "Be dedicated to the concepts of effective and democratic local government by responsible elected officials and believe that professional general management is essential to the achievement of this objective."

But what exactly does a council do to ensure that the city is running well?



First, the council decides who to hire as city manager. This is probably the most important step in the whole process. Continual self-improvement is important and something to strive for. But in reality, a person's ability to manage and lead is basically set on the day they are hired, and it's unreasonable to expect much change there. The skills, abilities and personality of the city manager will always be pretty much what they are when you hire them.

Second, the council does have control over when it's time for the city manager to leave the organization. It's not a decision to be taken lightly, and councils need to face the fact that city managers are just human beings, with strength and weaknesses, so switching out city managers means trading one set of weaknesses for another. But as a profession, we do acknowledge that we serve at the will of the council.

This kind of irreconcilable difference is relatively rare. The default decision should be the same one a city manager has with their department heads, who are also at-will employees: the assumption is that it's a long term relationship, and we'll work together to keep it a healthy one. There is absolutely no need to revisit the issue on an annual basis. It doesn't make sense to treat the CEO as a temporary employee.

### The Motivational Power of Council Goals

So how do you take a positive approach, and act as a city council to ensure the city manager's performance meets your expectations? Let's stipulate that the annual performance review isn't the way to do it. What do you do instead?

Samuel Culbert advocates what he calls a "performance preview." It's designed for a one-to-one conversation between an employee and supervisor, but the key elements apply just as well to a larger dialog between the members of the city council and the city manager and staff.

First, the discussion is forward looking, not backward looking. What are actions we will take going forward? What can we do in the future, not what have we done in the past.

Second, it's a two-way dialog, not a top down power play. The question is not only what can the city manager and staff do in the future to make the city operate more effectively, but also what can the city council do to improve the effectiveness of the organization?

**"Simply giving [a city manager] goals that are achievable but stretch the organization is the single most effective thing a city council can do to maximize the performance of their manager and staff."**

And this dialog has two components. The first focuses on specific actionable goals for the coming year. They should be grounded first in the council's overall vision for the community, such as "Help build a thriving downtown," or "Take care of our infrastructure." But to be useful in a performance management context, the focus should be on the tactical steps for moving toward these higher goals. Things like, "Create a downtown urban renewal district by September," or "Refer a park bond measure to the voters in November."

You may be thinking, "Wait—this is what we do already in our annual council retreat. There must be more to it than this."

My answer is, "no, there isn't." Because here's a secret I learned in 40 years of working with a lot of other city managers: all of us—well, at least most of us—are very powerfully motivated to please the city councils we work for, and to lead our staff in accomplishing the goals that are set before us. Some of us don't like to be told how to achieve the goals, and good governing boards focus on the ends rather than the means. But simply giving us goals that are achievable but stretch the organization is the *single most effective thing* a city council can do to maximize the performance of their manager and staff.

We're not alone in this. Daniel Pink, in his book *Drive*, summarizes decades of research on human motivation. He identifies the three most powerful motivators for all people: autonomy, mastery and purpose. As a city council, you can push every one of these buttons by saying, "Our common vision is to make our community a better place (purpose), and we can do this if you can help us achieve these goals (mastery), and we leave it up to you and your staff on how to get there (autonomy)."

In my experience, city councils can be pretty good at this. People often run for a city council position to make a difference in the community, and to get things done. It does involve some give and take to reach a consensus when there are competing goals, but it's much more fun to talk about concrete goals than to have endless conversations about nice but operationally useless generalities like transparency, sustainability and equity.

So bottom line, unless the city manager is a total screw-up, the city council can simply skip the performance review, and instead focus on setting clear, achievable and meaningful goals for the city manager and staff.

*(continued on page 28)*

## PERFORMANCE EVALUATIONS

### Critical Conversations

Samuel Culbert's "performance preview" does have a second component. This one is hard enough to implement in a one-to-one relationship between a supervisor and employee, and even more difficult in the context of the many-to-one relationship between the council and manager.

In a nutshell, it focuses on practical things that both parties can do to make the council-staff team work better. Would the council like more reporting on projects or programs? Or is the council getting buried in details? For its part, is the council providing clear direction, and deciding on key policy issues rather than ignoring them? Is the council focusing on the policy and staying out of administration?

This is the most difficult part of the conversation, because it requires the council to not only come to a consensus on what it wants (not always easy), but then to also articulate this consensus as clearly and unambiguously as possible. The book, *Crucial Conversations*, can help here, because as humans, we all tend to be pretty bad at this kind of conversation. Generalities

**“For the past six decades, researches have demonstrated over and over that pay is not a motivator.”**

like, “The city manager needs to be more assertive,” or “The council needs to be more transparent,” are useless and a waste of time. It’s better to focus on specific actions to be taken. As an example, during my time with the city of Lake Oswego we experimented with a different method of notifying the council when staff members are contacted by the press.

This conversation can occur whenever and as often as needed, and

treated as simply a fairly routine aspect of communicating and working together. Things should not be allowed to fester until some arbitrary calendar date rolls around. Here, Patrick Lencioni’s work on effective teams can be useful, and in rare cases, a facilitator trained in these concepts (building an environment of trust that leads to a healthy discussion of conflicting ideas) can help.

But returning to the issue of performance, I believe focusing on goals produces much greater results than a discussion on teambuilding, and I see no problem in skipping it altogether if there isn’t a pressing need for it.

# Mobilizing your community



Connected communities are strong communities. By advancing our technologies and services, we’re helping to create the opportunities that make Oregon a better place to live and work.

When everything works together, your community moves forward.

MOBILIZING  
YOUR  
WORLD™





## The Compensation Question

This article would end here, except for one problem. I know that at least one reader might be thinking, "If we don't do an annual performance review, what do we base the city manager's compensation on?" I'll address that here, but it disturbs me that this far into the 21st century we even need to have this conversation.

For the past *six decades*, researches have demonstrated over and over that pay is not a motivator. Let me repeat that. Pay is not a motivator. Let's be more specific. There is no relationship between pay and performance. It's on the bottom of Maslow's triangle, and you won't get staff to come to work for you, or stay with the organization, if compensation is significantly below the market. But once that basic need is met, it just isn't a motivator.

Daniel Pink, in the Ted Talk that is listed in the references below, notes that since this seems counter-intuitive to many people, it is the most researched area in all of management theory. Back in 1968, Frederick Herzberg published an article titled, "One More Time: How Do You Motivate Employees?" and it remains to this day the most reprinted article from the *Harvard Business Review*. (The magazine published the article again recently, and the editor wryly noted, "Herzberg's conclusions don't seem to have fully penetrated the American workplace, if the extraordinary attention still paid to compensation and incentive packages is any indication.") By the way, the answer to Herzberg's question is the same intrinsic motivators that Daniel Pink identifies. Doing a good job is rewarding in and of itself.

So here's how a city council should handle the compensation for the city manager. Do it exactly the same way you do for all your staff: establish a pay range and steps based on where you want your city to be in the larger market. Adjust the range from time to time for changes in the cost of living, like you do for other staff. Occasionally survey the market to make sure you're still in the range you want to be. That's it. There may be some other details in a compensation package, like covering some of the cost of using a private cell phone and car for city business, or matching contributions to a deferred comp account. But these too should be based on the market, and not some kind of performance incentive, like dangling cheese in front of a rat.

Remember, doing a good job and achieving objectives is a very powerful motivator in and of itself. In other research cited below, interfering with this motivator by tying a pay bonus to performance was found to *actually decrease performance*.

## Conclusion

First, *stop going through the motions of an annual city manager performance evaluation*. I suspect that many city councils may not be doing them anyway out of benign neglect. If that's the case, they should congratulate themselves for being a well-managed city. A consequence of not doing annual reviews is that the city manager's compensation would, and should, be based on market factors and the requirements of the job.

Second, do establish clear, achievable but stretching goals for the city manager and staff. Will all the goals be met? Of course not: as John Lennon said, "Life is what happens while we're making other plans." But this is the single most important thing a city council can do to make the organization as effective as it can be.

Third, when necessary, have an open two-way discussion on how the city council and staff can improve the team's effectiveness. This conversation should be forward-looking. And it should be a public discussion, since there will be no criticism if it instead focuses on positive steps people can take to work more effectively.

## References:

### Performance Reviews

*Get Rid of the Performance Review! How Companies Can Stop Intimidating, Start Managing—and Focus on What Really Matters.* Samuel Culbert, Hachette Book Group 2000.

"Get Rid of the Performance Review! It destroys morale, kills teamwork and hurts the bottom line; And that's just for starters." Samuel Culbert, *Wall Street Journal* Oct. 20, 2008.

*Abolishing Performance Appraisals: Why They Backfire and What to do Instead.* Tom Coens and Mary Jenkins, Berrett-Koehler Publishers, 2000.

### The Importance of Intrinsic vs. Extrinsic Motivation

*Drive: The Surprising Truth about What Motivates Us.* Daniel Pink, Penguin Books, 2009.

"The Problem of Pay" in *12: The Elements of Great Managing*, Rodd Wagner and James Harter, Gallup Press, 2006.

Ted Talk: *The Puzzle of Motivation.* Daniel Pink.  
[www.ted.com/talks/dan\\_pink\\_on\\_motivation](http://www.ted.com/talks/dan_pink_on_motivation) ■



*Dr. Lazenby is the former city manager of Lake Oswego and Sandy. He has a PhD in public administration and policy from Portland State University (PSU) and is currently an adjunct associate professor in PSU's public administration program.*

City Manager Burgener explained how on the spot coaching is much more helpful to him to continue to do those things compared to a long-drawn-out list of things that we may forget.

Mayor Backus asked City Manager Burgener how does the City currently do reviews?

City Manager Burgener explained he is going to be working on updating the current review process. He has already talked to our staff in general and received very similar feedback on our process that we do. He explained one thing he will say is that our staff is doing reviews, which is great. They have a really good process that they follow, which is phenomenal, and he does appreciate that they do take priority to helping have those conversations with their staff. He explained the initial response he got from them is they would appreciate a different way of doing it because they're not finding them to be really super helpful in the process and if there is a different way we can have those conversations with staff to help have that more coaching, good documentation obviously, but to help them actually move forward as opposed to just a once a year having a review. He is looking at changing this process with our staff. He explained we might have to hybrid a little bit depending on the type of department or the type of role, but something similar to where we want to really work on focusing on development and making the best of our employees compared to the other traditional.

Mayor Backus talked about the city manager job description, which Council President Miller put those duties into a spread sheet. He would like to see how Council feels about going through those and have a review based on that. He also talked about reviewing the wage separately.

Councilor Holmes explained she feels we have two things here: the six-month review and then also we should figure out what this process is going to look like long term.

Councilor Santiago asked when the next review would be?

Mayor Backus replied he feels it reads the next review would be one year from today.

Councilor Haugen explained he is an advocate for keeping things simple. He thinks Scott Lazenby offers some sage advice for us and other communities. He stated the quarterly approach is nice.

Councilor Jacobs explained she is of the same mindset of simple and keep it relevant and keep the feedback in the moment. She likes the quarterly conversation. She stated it is a dialog, and we focus on what went well, what needs improvement or what does the manager need from us to help them do their job more efficiently. She does agree we should be forward thinking, but she also thinks it's very beneficial though to just look back at the last quarter and see what went well and what needs improvement. She would like to have some level of documentation. She explained if we really want to do like an annual essentially, you're looking at the last three quarters, do a review of quarter four and then it includes the whole year holistically and, in the conversation, you just do a whole wrap up.

Council President Miller feels we have two things that we need to look at a little bit separately, even though they are related. He would like Council to consider that we do have a standard practice and agreement that if we do have an issue or feedback that we do that immediately, just like we have been hearing. He stated speaking from experience on Council, when you have this many people that have different opinions about things, the issue becomes if you don't have a criterion what we're evaluating, you get so many comments all over the place. He does agree that we do need to make it simplified, but we also have to have a standard on what we're evaluating, otherwise, you're going to get so much feedback all over the place that it's going to be inconsistent and what we experienced last time is it creates a lot of confusion and a lot of mixed messages because we speak as one, even though we're collectively, we have to speak as one message to the city manager so it is understandable. He stated when he looks back at how much time they put into establishing the job duties and the core functions of the city manager, and the Council had a lot of input on that, it just seems to him that of the fifteen essential job functions that this Council agreed on and spent a lot of time on that it is as simple of is the city manager meeting expectations or is there room for improvement. He stated he hopes that this Council can agree that if they ever have a concern with the manager, they will be addressing that immediately other wise it is lost time.

Councilor Santiago explained she agrees what has been said up here and of course keep it simple. She sees it as two different things; a check off list of some of the things that we are looking for and is he meeting everything we are looking for as a city manager. She also agrees on the quarterly check in. She would like to see more of an update on how the city manager is using the team/staff in order to execute the Council goals.

Councilor Holmes explained she thinks the purposes of this evaluation becomes more goal focused, or project focused and the Lazenby article does say that if you are going to have more of a goal focused review that you do need to focus more on looking at the tactical steps for moving toward those higher goals. She explained the process they take at her place of employment.

There was a continued discussion on the evaluation criteria for the city manager.

Councilor Santiago would like to add #8 ~ Strategic Planning to the list provided by City Manager Burgener.

Council President Miller explained he sent his draft concept to Mayor Backus to get his feedback before he planned on sending it out to the rest of the Council. He would like to send out the draft and get feedback. He asked since there is a financial piece to this can we at least get a consensus that if there is a pay component to this are we going to retro it to a certain back date?

Councilor Jacobs explained when she read through the contract, she didn't see that at six months there would be a compensation component to it.

City Manager Burgener explained he doesn't think it was spelled out in the contract directly, but there was discussion about the fact that we are doing salary studies and that was including his position as well.

### **Adjournment**

Mayor Backus adjourned the work session at 7:01 pm.



Mayor Joseph A. Backus

Attest:

  
City Recorder Susan M. Reeves, MMC