

White Paper

Addition of Goals Element to City Manager's Annual Evaluation

Submitted by Councilor Greg Folley

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At the request of the Chairman and other members of the Council, I have reviewed the Current performance evaluation set forth as Exhibit B to the employment agreement between the City and City Manager Mike McNees. While the evaluation is thorough, detailed, and assesses many key aspects of performance directly related to the City Manager's job responsibilities, I believe we are in need of specific performance goals against which the City Manager's performance can be assessed on an annual basis. Thus, while I propose keeping the existing job-related characteristics in place upon which Mr. McNees was evaluated for this past year, I propose that he also be judged upon performance against specific agreed upon goals — SMART Goals, which are Specific, Measurable, Attainable (with a suitable degree of stretch), Relevant, and Time bound.

The current employment agreement specifies in Para. A.1. that the "purpose of the performance evaluations is to allow Council members to (i) improve communication between the Council and City Manager; (ii) evaluate whether prior yearly goals set by Council and City Manager have been met and to set new goals and directives for the succeeding year; (iii) provide important feedback to the City Manager; (iv) acknowledge strengths and point out areas for improvement for the City Manager; (v) bring problems into focus and reduce future misunderstanding and conflict; (vi) be fully transparent with the public about overall city performance; and (viii)(sic) help clarify roles and responsibilities of both the City Council and The City Manager. The current evaluation does an effective job of achieving most of the enumerated purposes set forth above, but item (ii) is not effectively addressed by the current instrument. Setting forth specific annual goals against which the Council will assess the City Manager's performance will address this gap and strengthen the overall process by assuring that the City Manager is focusing on delivering on objectives deemed by he and the Council to be most important for the coming year.

During my time as Chief Human Resource Officer at Caterpillar Inc. our Company used the SMART goal process referenced above to maximize individual and organizational performance. The term "SMART" goals or objectives was coined initially by George T. Doran in the November 1981 issue of MANAGEMENT REVIEW. The principal advantage of SMART performance goals is that they are easy to understand, help to align individual and organizational performance, and provide a clear framework to determine whether and how well performance objectives have been achieved. SMART goals are also commonly associated with Peter Drucker's MBO (management by objectives) concept.

Performance goals, particularly for a key executive such as the City Manager, should align with the City's Comprehensive and Strategic plans and should also be agreed to in advance by the Council and the City Manager. They should reflect the most important objectives the city needs to achieve in the coming year, and once agreed to they should be shared by the City Manager with his team to assure alignment and to maintain their focus on achieving the goals for which he is being held accountable. Indeed, it is

best if he assesses his team's performance based on goals created by his team members to specifically support achievements of his goals each year. Each letter in SMART refers to a different criterion for judging performance against objectives. While the criteria have varied over time and between organizations, the most typically accepted criteria are as follows:

S-SPECIFIC-target a specific area for improvement

M-MEASURABLE—quantify measures of success

A-ATTAINABLE-goal should be achievable with a proper degree of "stretch"

R-RELEVANT-aligned with the Strategic objectives of the organization, and

T-TIME BOUND-ordinarily based on an annual review cycle, including partial performance if the objective cannot be achieved in only a single year.

In the event the City and City Manager agree to proceed with the addition of SMART goals to the evaluation, I would recommend that we assess performance based on the same five point scale that is used to assess performance based on the current criteria, and weigh SMART goal performance equally with the job related characteristics currently in the evaluation. Each SMART goal could be given a percentage weight based on its relative significance, with the five or six goals totaling 100 percent of the SMART goal weighting. For example, goals one and two might be the most important goals, and be weighted at 30 percent each, while goals 3-6 might be less important, and receive weightings of 10 percent each, the total coming out to 100 percent. We should also allow for the possibility that something will come up during the course of a year, such as COVID this year or perhaps a hurricane in a hopefully distant year, which might require an agreed addition or modification to the SMART goals agreed to at the beginning of the evaluation process.

I have reviewed the process summarized herein with the City Manager and with the City Attorney, and both find them advisable and workable. At my request, Mr. McNees has prepared some goals for the Council to consider, should we choose to augment the process as recommended herein. Mr. McNees's draft goals are set forth below. (This process does not require that every single goal and criteria have a specific rating on the five-point scale. An overall rating can be given instead using these concepts).

Draft Goals:

- **Fiscal Management** Weight (25%)
 - ✓ Work with Council to enact balanced FY 2020/2021 budget following adopted Council Budget Policy
 - ✓ Scheduled progress of major capital projects on-time and on-budget, including specifically Fire Station 50 and Veterans Community Park
 - ✓ Oversee Fire and Police collective bargaining negotiations to assure that city needs are met without creating unfounded liabilities and in a manner which fully respects our public safety professionals

- **Water Quality** Weight (20%)
 - ✓ Complete water quality testing program and bring proposals to directly improve water quality in our canals and bring them into compliance with State law.
- **Leadership/HR** Weight (20%)
 - ✓ Complete organization-wide employee engagement survey and ensure leaders communicate results to employees and create action plans based on employee feedback
 - ✓ Develop training and set expectations for supervisors/leaders in city government to create positive work environments for the teams they lead
- **Vacation Rentals** Weight (15%)
 - ✓ Propose solutions to deal with disturbances to residents caused by unruly renters while respecting the rights of property owners to rent their homes to responsible renters.
- **Immediate and Long-Term Planning** Weight (10%)
 - ✓ Recommend and obtain Council approval for updated Comprehensive Plan as required by State law
 - ✓ Complete and execute a plan for overall facilities/space allocation, including utilities building expansion if needed.
- **Community Satisfaction** Weight (10%)
 - ✓ Develop effective mechanisms to measure community satisfaction with key city services that identify opportunities for improvement.