

Management Partners



To: Mr. Brent Buche, General Manager
Ms. Elizabeth Krafft, Deputy General Manager
Ms. Kelly Donlon, Deputy County Counsel

From: Amy Paul, Corporate Vice President
Jan Perkins, Vice President

Subject: Draft General Manager Performance Evaluation Process For Discussion

Date: February 26, 2020

Attached is our draft report on the general manager performance evaluation process. As part of Management Partners' strategic planning engagement, we are to propose a new evaluation process. The process we have outlined is intended to effectively and constructively provide meaningful feedback to the general manager in a way that supports his ability to be successful in leading the Monterey County Water Resources Agency. In developing the proposed process, we have reviewed Mr. Buche's employment agreement, the Agency Act provisions regarding performance evaluation, and the evaluation forms used for the prior general manager's evaluation. We have applied our knowledge of best practices in conducting executive performance evaluations in our draft below.

The next steps in this process are as follow:

- Review by the three of you and feedback to us;
- Refinement of the draft as needed by us;
- Review by the Board of Directors chair and vice chair;
- Review by County Administrative Officer Charles McKee; and,
- Finalize the process based on feedback from Mr. McKee.

We look forward to reviewing this draft with you. Thank you.

DRAFT
Monterey County Water Resources Agency
General Manager Evaluation Process

Background

As part of the strategic planning process, the Monterey County Water Resources Agency (MCWRA) Board of Directors and general manager desire to establish a new performance evaluation process. This stems from their interest in having a constructive and efficient process that will result in a collective view of the general manager's performance by the County Board of Supervisors. It includes meaningful input from the MCWRA Board of Directors, along with goals and clear expectations mutually agreed upon by the Board of Supervisors, Board of Directors and general manager for achievement in the coming year.

Effective organizational leadership requires a shared vision of the future, clear goals, agreement about roles, effective management of the organization, and accountability for achieving expectations. A productive performance evaluation process provides for two-way discussions between Board of Directors, Board of Supervisors and the general manager. It also provides for a self-assessment from the general manager.

The respective roles of the Board of Directors and the Board of Supervisors will need to be delineated in the evaluation process, given their unique responsibilities in relation to the general manager.

Context for the Evaluation Process

The following describes guiding documents, roles of governing bodies, and past practice regarding the general manager evaluation process.

1. **Employment Agreement with General Manager.** The existing employment agreement with Brent Buche, General Manager, effective July 1, 2019 contains the following reference about performance evaluations. Section 7 (A) of the agreement states:

***Evaluations:** The MCWRA Board of Supervisors, with the input of the MCWRA Board of Directors, shall review goals and objectives with Buche and adjust them as necessary to be used as the basis for his performance evaluations. During the term of this Agreement, the MCWRA Board of Supervisors shall evaluate Buche's performance as MCWRA General Manager at intervals of approximately six (6) months commencing December 2019 for his mid-year evaluation, and commencing in June 2020 for his annual evaluation. Evaluations shall be undertaken more frequently at the discretion of Buche or the MCWRA Board of Supervisors. Buche shall be reviewed at least annually by both the MCWRA Board of Supervisors and the MCWRA Board of Directors by no later than June 30th of each subsequent calendar years [sic] after 2019.*

2. **Monterey County Water Resources Agency Act:** Sec. 62 of the Agency Act states the following: *Annual performance evaluation of general manager; yearly objectives. The Directors shall prepare an annual performance evaluation of the general manager. The County administrative office shall prepare a format for the evaluation. At the beginning of each evaluation period, the Directors and the general manager shall develop a set of Agency objectives for the year ahead. The evaluation shall include an assessment of the performance of the general manager in*



*relation to these objectives. A copy of the evaluation shall be sent to the Supervisors.
(MCWRA.ACT - 4/11/95) - 34*

3. **Roles of Governing Bodies.** The general manager is appointed by the Board of Supervisors, who also approves the Agency's budget as part of the County's annual budget process. The Board of Directors establishes goals for the Agency, reviews the Agency's annual budget, works closely with the general manager and Agency staff on various committees, and provides stakeholder perspectives for the Agency's work.
4. **Past Practice for General Manager Evaluations:** In the several years prior to the current general manager's appointment, the general manager was evaluated twice a year by the Board of Supervisors. Of those, one evaluation included input from the Board of Directors. One evaluation was called the semi-annual evaluation and the second was called the annual evaluation.

An outside consultant sent forms to be completed by the general manager seeking the status of goals. Input was sought from the Board of Supervisors and, once a year, from the Board of Directors, using the evaluation forms. A closed session was held by the Board of Supervisors to discuss the feedback provided by Supervisors and Directors.

During the annual evaluation closed session, the Board of Supervisors set goals for the general manager for the coming year. For the annual process, representative(s) of the Board of Directors were invited to participate in the closed session. The general manager was invited to participate in part of the closed session for both the semi-annual and annual evaluation process.

Observations

1. **The two guiding documents require only an annual evaluation after the new general manager's first year of employment.** Typical practice at the executive level in other organizations is to conduct annual evaluations after an employee's first year. It is unusual for an executive to have formal twice-yearly performance evaluations, although opportunities for discussion about goal achievement and performance are always useful.
2. **The Agency Act calls for a larger role by the Board of Directors in the evaluation process than has been past practice, or as outlined in Brent Buche's employment agreement.** The Agency Act states: "At the beginning of each evaluation period, the Directors and the general manager shall develop a set of Agency objectives for the year ahead. The evaluation shall include an assessment of the performance of the general manager in relation to these objectives. A copy of the evaluation shall be sent to the Supervisors." Buche's employment agreement places primary responsibility with the Board of Supervisors for the evaluation process, rather than as outlined in the Agency Act which references sending a copy of the evaluation to the Board of Supervisors.
3. **The evaluation forms provided to the Board of Supervisors and Board of Directors are lengthy and could be streamlined.** The forms that have been used contain 50 questions. Each question is to be answered by checking one of nine numerical options (some of the numbers are fractions).

For an executive, the use of forced-choice ranking on so many dimensions can obscure the most important leadership, managerial, communication and goal achievement factors. Additionally,



allowing the evaluators to choose from 1 to 9 options may not offer useful information to the executive because each evaluator interprets the questions differently. Further, some evaluators are “hard graders” and others are “easy graders” so the result may not provide helpful information to the executive that he or she can do anything with. A more constructive evaluation form has fewer questions and allows evaluators to offer their comments in an open-ended format, rather than a numerical rating. Then, the consolidated comments can be discussed in closed session with a focus on creating consensus about expectations.

- 4. *The performance evaluation should cover the general manager’s various roles, and the evaluation questions should focus on those.*** Additionally, there should be fewer questions and they should be open-ended rather than asking for responses that are ranked choice. Having fewer, but important, questions that are open-ended will provide the general manager with more useful information about how the Board of Supervisors and Board of Directors view his/her performance, and will aid in discussions in closed session. The use of ranked-choice responses makes it difficult to offer constructive feedback to an executive. Examples of open-ended questions are as follows:

- *How well does the general manager implement the agreed-upon goals through staff?*
- *In what ways does the general manager foster professional development and accountability of staff?*
- *How well does the general manager develop and manage a fiscally responsible budget?*
- *In what ways does the general manager maintain effective relationships with stakeholders and community groups?*

General manager roles. The key categories of general manager roles that should be assessed each year are the following:

a. Establishing and accomplishing goals

- Advising the Board of Directors and Board of Supervisors about goals to be achieved, the resources required to meet those goals, and the timing of the work based on priority level and capacity to accomplish the goals.
- Communicating the goals to Agency staff and providing managerial direction and support to staff in support of the established goals.
- Implementing agreed upon goals through staff, reporting on progress of goals, impediments encountered, and course corrections needed.

b. Leading the Agency

- Providing direction and communication to Agency staff to support their success, professional development and accountability.
- Establishing and maintaining a high performing management team and selecting competent staff to carry out the work of the Agency.
- Developing and managing a fiscally responsible budget, including ensuring long-range forecasting is carried out.
- Keeping current on and anticipating changes in the industry that will impact the work of the Agency, and providing leadership for advocacy by the Agency.
- Providing leadership for process improvements to aid the organization in working efficiently and optimizing the use of limited resources.



c. Communicating and collaborating with stakeholders

- Providing timely information to Board of Directors, Board of Supervisors, County of Monterey staff and others to further Agency objectives.
- Obtaining feedback from interested stakeholders outside the Agency and being aware of their concerns.
- Coordinating with outside agencies with legislative or other roles related to MCWRA.

Proposed Evaluation Process

A constructive executive performance evaluation is characterized by the following:

- It strengthens the executive's ability to be successful in his/her role;
- It offers an opportunity for candid, constructive two-way feedback and discussions between the executive and the appointing and supervising authorities;
- It is an opportunity for the general manager, Board of Directors and Board of Supervisors to collaboratively set goals and expectations for the coming year; and
- Is efficient and timely.

Management Partners proposes a process of an annual review with the Board of Supervisors, involving the Board of Directors, and a mid-year informal review with the Board of Directors only. The annual process would also include a 360° component with a confidential staff questionnaire. Both the annual and mid-year reviews involve the use of an outside facilitator. It is understood and clearly stated in Mr. Buche's employment agreement that other performance evaluations can be called at any time by either the Board of Supervisors or by the general manager, as needed.

DESCRIPTION OF ANNUAL EVALUATION PROCESS

Timing of evaluation

- Annual evaluation: The general manager's employment agreement calls for the annual evaluation to be completed by June 30 of each year. The process outlined below will be most productive if it begins by April 1 of each year so each step can be completed without rushing.
- Semi-annual evaluation: This mid-point, informal evaluation would be conducted in November or December.

Facilitation of evaluation

Prior evaluations have been coordinated by an outside facilitator. This is a best practice and is recommended to continue, as it can ensure that all input gathered is included in a consistent manner and that the evaluation process proceeds on schedule. The alternative to an outside facilitator would be for the process to be coordinated by the County Counsel's Office.

Steps in the annual process

- 1. Review, update and finalize evaluation questions.** Each year, the evaluation questions should be reviewed to ensure they are most relevant and useful for a meaningful performance evaluation. There should be a limited number of questions and they should pertain to the roles outlined above. The questions should be reviewed by the general manager, MCWRA Board of Directors Chair (or designee), and the MCWRA Board of Supervisors Chair (or designee). The document containing the questions should also include a list of the goals for the year that the general manager is to focus on (which should be aligned with the Agency's strategic plan and budget priorities).



2. **General manager to prepare self-assessment.** The general manager will prepare a self-assessment to be disseminated to the Board of Directors and Board of Supervisors prior to input being gathered from both boards. Examples of information to be contained in the self-assessment are:
 - Status of goals (including achievement, impediments, and recommendations for modification), along with other key Agency accomplishments;
 - Outlook for the Agency, including challenges and issues the general manager wishes to discuss as part of his/her evaluation process; and
 - What the general manager needs from the Board of Directors and Board of Supervisors to be successful in his/her role.
3. **Obtain input from Board of Supervisors and Board of Directors.** Input would be obtained as follows:
 - *Board of Supervisors.* The facilitator will conduct individual interviews with each member of the Board of Supervisors, asking the agreed upon questions, as noted in Item 1 above. The questions would be provided to Supervisors in advance of their interviews but no pre-work on their part will be required. The responses will be consolidated into a report.
 - *Board of Directors.* The facilitator will send an on-line questionnaire to each director containing the agreed-upon questions. The responses will be consolidated into a report.
4. **Conduct a confidential/anonymous online employee survey.** A third-party will conduct a confidential and anonymous online survey to seek input from staff about the state of the Agency and the general manager's performance. The consolidated results of this survey will be provided to the general manager, Board of Directors and Board of Supervisors.
5. **Prepare summary memorandum.** The facilitator will prepare a summary memorandum highlighting the key evaluation points of the three documents noted above: Board of Supervisors evaluation report, Board of Directors evaluation report, and confidential employee survey.
6. **Review facilitator's report with Board of Supervisors Chair, Board of Directors Chair, and general manager.** The facilitator will provide the summary memorandum and consolidated reports to the chair of the Board of Supervisors, the chair and vice chair of the Board of Directors and general manager and will review the reports with them in advance of the closed session. Since the evaluation process is an opportunity for dialogue it is useful for the general manager to have this information prior to the closed session and be prepared to discuss it.
7. **Conduct closed session.** The Board of Supervisors will meet in closed session with the chair and vice chair of the Board of Directors, along with the general manager. The facilitator will review the summary memorandum and consolidated reports with the Board members and facilitate a discussion about accomplishments, opportunities for improvement, what the general manager needs from both Boards to be most successful, and goals for the coming year.

Having the general manager present in this session is essential to an open dialogue and a full understanding of expectations. The result should be mutually beneficial to the Board of Supervisors, Board of Directors and general manager.



8. **Prepare post-closed session memorandum.** After the closed session, the facilitator will prepare a memorandum that summarizes the agreements and results of the evaluation closed session. This memorandum will be submitted to the general manager, Board of Supervisors, and Board of Directors.

DESCRIPTION OF SEMI-ANNUAL EVALUATION PROCESS

The semi-annual process will be at the Board of Directors level and is intended to be relatively informal with some structure. The timing would be November or December of each year, which is approximately at the mid-way point. An outside facilitator would be used for the process to optimize Board members' and the general manager's time and the effectiveness of the process.

The semi-annual evaluation process would involve the following steps:

1. **Prepare status report.** The general manager would prepare a report highlighting the status of the goals agreed to in the June evaluation, along with the status of other Agency goals and initiatives. This will be provided to the Board of Directors with a copy to the Board of Supervisors by October 30 of each year.
2. **Prepare questions for closed session discussion.** In consultation with the general manager and Board of Directors chair, the facilitator will create a set of questions to be used in the closed session. These will be provided to the Board of Directors in advance of the closed session.
3. **Convene closed session.** The Board of Directors will meet in closed session with the general manager. During this session, the evaluation questions will be used to elicit meaningful feedback to and dialogue with the general manager. The closed session will be an opportunity for the general manager to discuss the goals status report.
4. **Prepare post-closed session memorandum.** The facilitator will prepare a memorandum documenting the results of the closed session and will submit it to the general manager and Board of Directors chair.

Recommendations

This section contains a list of our major recommendations.

Recommendation 1. Establish a new performance evaluation process for the general manager that involves a formal annual evaluation with the Board of Supervisors, along with the MCWRA Board of Directors, and a semi-annual informal evaluation with the Board of Directors.

Recommendation 2. Conduct a confidential online staff survey as part of the annual formal evaluation process.

Recommendation 3. Create new focused, open-ended questions (approximately 12 – 15) for use in the evaluation process.

Recommendation 4. Engage an outside facilitator to facilitate both the annual and semi-annual evaluation process.



Conclusion

The performance evaluation process for an agency chief executive is an important undertaking. It should be used as a way to help the individual be most successful in his/her role on behalf of local government agency. To be most effective, feedback should be timely, specific and relevant. The process of setting goals and expectations should be one that engages the general manager at each step.

The Monterey County Water Resources Agency general manager position is unique in that there are two boards that have an important role in evaluating performance. Management Partners has described a process that efficiently utilizes the time of Board of Supervisors and Board of Directors, and provides guidance and structure for an outcome that will aid the general manager's effectiveness.

