



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Barofsky, McRae and Schlossberg
FROM: Frank Lawson, CEO & General Manager
DATE: April 5, 2022
SUBJECT: 2021 Annual Performance Review
OBJECTIVE: Information

Issue

According to Board Policy BL5 “Evaluating the General Manager’s Performance” and the General Manager’s Employment Agreement, the Board shall conduct an annual performance review in April of each year to coincide with the reporting of the utility’s results for the previous calendar year.

On March 31, 2022, the Board will meet with the General Manager in executive session, as permitted under ORS 192.660(2)(i), to discuss performance. During the April 5, 2022, public session, the Board will provide a summary of the General Manager’s performance as discussed during executive session and deliberate on whether a voluntary monetary award or adjustment shall be granted to the General Manager.

Background/Discussion

According to Board Policy BL1, “Consistent with the Board Bylaws, the General Manager shall report to the Board as a whole and is responsible for implementing policies and direction established by the Board.” According to Board Policy BL5 “Evaluating the General Manager’s Performance”:

- *The Board has responsibility for establishing its priorities for the coming year and providing that direction to the General Manager. The General Manager shall draft new goals that contain relative success measures. Draft goals are for each year and represent the General Manager’s reasonable interpretation of achieving the priorities defined by the Board.*
- *The Board will use performance metrics adopted each year to determine the degree to which Board policies, direction and goals are being met.*
- *The Board shall evaluate the General Manager’s performance on an annual basis.*
- *The General Manager’s interim performance shall be monitored at a frequency and by a method chosen by the Board. Unless otherwise established by Board direction, the General Manager shall report quarterly results and annual results within a reasonable time after the close of each calendar quarter and year.*

In late 2019 the General Manager’s Contract was amended to ensure that the GM’s compensation remained competitive by adding provisions that account for both market position within the public utility industry and personal performance. Additionally, the contract aligned Leave accruals and procedures with those for all employees, developed a methodology for ongoing market-based compensation adjustments throughout the contract period, provided for regular performance-based compensation awards and/or adjustments as determined by the Board, which are distinct from market adjustments, and modified termination and severance clauses for without-cause termination intended to foster continuity, while aligning with regional comparators.

An updated market survey, as researched by EWEB's Workforce Services department, is planned for later this year to assess market positions of jobs across the organization, including the General Manager. If the General Manager is fulfilling the fundamental obligations of the contract, performance-related discussions between the Board and General Manager are intended to provide guidance and counsel, exchange ideas, and share information that will mutually help the General Manager and Board fulfill our obligations to our customer-owners.

Board Action

The Board will provide a summary of the General Manager's performance as discussed during executive session and deliberate on whether a voluntary monetary award (bonus or salary adjustment) shall be granted to the General Manager.