



**MEMORANDUM**  
EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Carlson, Barofsky, McRae, Schlossberg, and Brown  
FROM: Kira Hutchens, HR Manager  
DATE: April 26, 2023  
SUBJECT: Performance Evaluation Process for General Manager, Frank Lawson  
OBJECTIVE: Direction

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**Issue**

During April's Board Meeting, the Board conducted GM Lawson's performance review. Board Officers expressed interest in reviewing the evaluation process to determine if changes are desired for next year. The Board also added a brief correspondence item to the January 2024 Board Agenda documenting any adjustment to the MAPT compensation salary structure, upon which GM Lawson's annual salary escalator is based.

**Background**

To enable the Board's review of the process, the following is provided for the Board's information.

The meeting and evaluation process has been generally the same since at least 2009 and likely before then, with an evaluation process in March followed by a merit discussion in April. Until 2021, the process included an evaluation form completed by individual Commissioners, which they used to rate specific performance dimensions, and goal/directive outcomes. When GM Lawson was hired in 2016, he asked that criteria for his ratings be similar to that of MAPT. In accommodation of his request, the evaluation form included ratings in business, personal, and interpersonal effectiveness categories. The category of executive leadership was added as a fourth performance dimension. GM Lawson also added a self-evaluation to the process.

Commissioners have always wished to keep their ratings and associated comments anonymous, but also wanted to ensure they were somewhat calibrated. This required an initial submission of forms, the consolidation of the ratings and comments into a single document, followed by Commissioner review and an opportunity for Commissioners to amend their ratings and comments before being finalized.

In 2022 (for 2021 performance year), GM Lawson suggested to Board Officers the process could be less cumbersome but still effective without the use of the evaluation form. Following direction from the Board President, Chief Workforce Officer, Lena Kostopulos, outlined the process in an email directed to Commissioners as in previous years, but including a brief explanation pertaining to the omission of the evaluation forms. Commissioners followed the same process for GM Lawson's performance evaluation held during last month's meeting on April 4<sup>th</sup>. (A copy of the March 2, 2022, email to Commissioners describing the process is attached for the record and the Board's reference.)

**Requested Board Action**

To the extent staff support will be required to facilitate the Board's 2024 annual performance evaluation of the General Manager for year 2023, staff request direction pertaining to any process changes or Commissioner preferences.

## Kira Hutchens

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**From:** Lena Kostopulos  
**Sent:** Wednesday, March 2, 2022 3:43 PM  
**To:** EWEB Commissioners  
**Cc:** Frank Lawson; Anne Kah; Holly Shugart; Kira Hutchens  
**Subject:** General Manager's Annual Performance Review

Good afternoon Commissioners,

Following up last evening's Board Meeting, specifically related to President Brown's remarks re: the annual GM performance evaluation process.

The information below is a list of annual Board actions required by the General Manager's Employment agreement. Also, to close an action item from 2021's Board Officers, the performance evaluation process has been revised based on discussions between GM Lawson and Commissioners in 1:1 meetings. The biggest change is that there are no performance evaluation forms to complete or ratings to calibrate. A description of the new process and how it should unfold during the April Board Meeting also appears below.

### Employment Agreement Requirements:

- GM Performance Evaluation
- An automatic annual base salary adjustment, mirroring any adjustment made to the MAPT salary structure
  - GM Lawson's base salary was increased 3% in January.
- Board *consideration* of an award in recognition of the General Manager's performance.  
*Note: The recognition award is not intended as the mechanism to ensure EWEB's GM base salary is keeping pace with that of other regional utilities. A comprehensive study of the MAPT salary structure classifications is conducted every three years, and includes EWEB's GM base salary. That study is scheduled for Q3/4 of this year. The results regarding EWEB's GM salary will be provided in correspondence to the Board.*

### Performance Evaluation/Recognition Award Process:

March GM presents the Utility's 2021 results

By 3/25, GM provides his written performance self-assessment to Commissioners to support the performance discussion

April Executive Session – Performance discussion only; there should be no deliberation regarding a potential recognition award

- Performance discussion with the GM; No other EWEB staff will be present
- To be an "open" discussion; No rating forms or written evaluation
- Discussion should be based on the Utility results presented to the Board in March, along with any other conclusions Commissioners may have drawn from general observations, direct experiences, etc.

Public Session – Performance Evaluation Results

- President Brown states for the record that the Board has conducted the performance evaluation discussion, and offers his conclusion regarding GM Lawson's 2021 job performance
- President Brown invites other Commissioners to comment for the record if they wish to do so

#### Public Session – Recognition Award

- President Brown opens the discussion re: the Board's consideration of an award in recognition of the GM's overall performance and 2021 results
  - A recognition award is entirely discretionary
  - There are no specific parameters governing the amount of any recognition award. *Note: MAPT salary treatment is not a directly relevant reference to guide the Board's decision. Apart from the automatic GM salary adjustment each January, GM compensation practices do not parallel those applied to the MAPT.*
  - If the Board chooses to make an award, it may be in the form of an adjustment to the GM's base salary, a one-time payment, or some combination of each.
    - Last year, the Board gave a recognition award in the form of a 3% increase to the GM's base salary
- A Commissioner offers a motion for/against;
  - If the motion is to make an award, it must include the proposed terms – percentage or flat amount; adjustment to base salary or as one-time payment, or some combination of the two
  - President Brown calls for the vote; result adopted for the record. Any award will be effective in May.

I'm happy to answer any questions or to provide any assistance the Board may require.

Regards,

LK



Lena Kostopulos  
Chief Workforce Officer | Eugene Water & Electric Board  
4200 Roosevelt Boulevard | Eugene, Oregon 97402  
Phone/Fax: 541.685.7466 | Cell: 541.915.2610



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