

The Oregonian

Why Portland's top executives don't get annual reviews; 'it's problematic'

By Brad Schmidt
June 07, 2015

In 10 years leading the Portland Water Bureau, David Shaff has received just two formal performance evaluations.

That's the rule for top Portland officials, not the exception.

More than two-thirds of Portland's 23 bureau directors – all earning at least \$130,000 a year – have not received annual written evaluations despite a city policy requiring them, according to a review of city documents by The Oregonian/OregonLive.

That means taxpayers can't review the performance of public administrators who collectively earn about \$3.8 million a year and oversee the equivalent of 5,600 full-time employees. The officials themselves acknowledge a sense of hypocrisy if subordinates receive reviews and they don't.

"I think it's problematic," said Anna Kanwit, Portland's human resources director. "Bureau directors should be evaluated."

It's not clear whether the problem extends beyond bureau directors to other white-collar city employees. Unlike a sampling of other government agencies, Portland doesn't track whether employees receive annual reviews – or even how many should get them.

The directors' evaluations that do exist offer key insights into the inner workings of city government. And though some human resources experts question the value of reviews, Kanwit and others say they're meaningful for employees when combined with ongoing, forward-looking feedback.

"People will perform better and be more engaged in the workplace," Kanwit said, "if they have a sense of how they're performing and there's an agreement about what are the goals for the next year."

Shaff declined an interview request but said in an email that, despite missing written reviews, he gets regular feedback in weekly meetings with Commissioner Nick Fish.

"The proof of that," wrote Shaff, who earns \$199,160 a year and is retiring in August, "is that I am still here."

Why reviews aren't happening

Portland's political system is behind the spotty oversight. Portland is the biggest U.S. city without a lone top administrator, instead dividing oversight among the mayor and four commissioners.

As a result, no one person is tasked with enforcing compliance, and five of the seven offices overseeing bureau directors are elected and answer only to voters.

Of the city's 23 bureau directors, 18 report to the elected mayor or four commissioners, four to the city's chief administrative officer, and one to the Portland Development Commission's appointed board.

The mayor and commissioners do a particularly poor job of keeping up, documents show. The Oregonian/OregonLive requested the past three performance evaluations for each bureau director – no matter the time period needed to produce three reports – to determine the frequency of reviews.

The results?

Of the 18 bureau directors who report to members of the City Council, only one received an annual review on schedule – and that employee, Sam Hutchison, is relatively new. (Two others were hired or promoted in 2014 and weren't yet eligible for reviews).

For the five directors who don't report to politicians? Four out of five received on-time reviews, according to records provided to The Oregonian/OregonLive at a cost of \$407.92.

Commissioner Steve Novick, who took office in 2013, oversees the transportation, emergency management and emergency communications bureaus but has yet to complete a formal evaluation for any director.

"It's something that I knew was important," he said, "but tended to fall by the wayside in favor of things that had more immediate deadlines."

Novick said he's delighted with his directors' performance and acknowledged he should put that in writing. "We're the elected leaders," he said, "and people tend not to give us as much flak as they probably should."

Kanwit, HR director since 2012, agrees, saying she should have done more to enforce the rules. "In hindsight, that would have been a good idea," she said. "Would I take that more active role in the future? Yes."

Are they needed?

A sampling of other governments – the state of Oregon and Multnomah County – found uneven compliance under similar HR policies.

At Multnomah County, 646 managers and supervisors were supposed to have annual reviews in fiscal 2014. County spokesman David Austin reported 100 percent compliance.

"It's not difficult to track," he said, "because we make it a priority."

At the state, 28,966 employees should have received a review in fiscal 2014. Just 4,356 – or 15 percent – did.

"The low rate indicates to us that managers don't find the current check-the-box tool very useful," Matt Shelby, a spokesman for the Department of Administrative Services, said in an email. "Obviously, there's work to do on this front."

In Portland, city officials don't know how many employees receive annual reviews because their \$47 million software system doesn't track it, Kanwit said. The city wanted to charge The Oregonian/OregonLive \$320.76 just to tally the number of professional employees who should get them. A city salary database, however, indicates the city had about 3,000 such employees in fiscal 2014.

Kanwit said compliance is probably higher for those employees because raises must be accompanied by a review. Thirteen bureau directors are already at the top of their pay scale and aren't eligible for raises, meaning they don't have a financial incentive to press their boss for a review.

Regardless, not all HR professionals think evaluations are worth doing. Samuel Culbert – a UCLA professor and author of the 2010 book "Get Rid of the Performance Review!" – said they simply "aren't valid."

"It's one biased, imperfect person's reaction to another biased, imperfect person," he said. "But it's purported to be objective. You change the evaluator, you get a different evaluation."

But Linda Bilmes, a senior lecturer at Harvard University's Kennedy School of Government and author of "The People Factor," said annual reviews are important – if done right. They serve as a roadmap to employee development, she said, and enhance long-term performance.

"We should view every government employee not as a cost but as an investment," she said. "That is our capital."

Patrick Quinton, executive director at the Portland Development Commission since 2011, counts himself in the second camp. He has received a review every year and has pushed to make sure all PDC employees get them. The PDC's software system, separate from the city's, tracks progress.

Reviews are time-consuming for managers, Quinton said, but the consistency improved employee morale. "If they're honest and substantive," he said of reviews, "then I would certainly say it helps you do your job."

What the reviews show

In terms of government transparency, evaluations can shed light on the stars, the laggards, policy challenges and shifting political winds.

At the Office of Equity and Human Rights, created in 2012, director Dante James was praised by mayoral aide Josh Alpert in a December 2014 review as "invaluable" for helping create "a large piece of the Mayor's agenda for the next several years."

But James, in his self-evaluation, noted two big hurdles.

"Obstacles initially were the Mayor's silence on the importance and expectation of equity as well as a lack of personal engagement with me on this issue," he wrote. He also complained about a "seeming lack of willingness" by HR staff "to look at or understand the equity impacts" the bureau could have citywide.

Those obstacles, James reported, eventually were overcome.

The Parks Bureau director, meanwhile, showed a keen but tone-deaf interest in pay, according to a review completed in March 2014.

Mike Abbaté, who joined the city in 2011, was described as a thoughtful and caring manager in the review by Commissioner Amanda Fritz. But he also asked that his salary be increased by \$27,000, contending he was underpaid compared with other directors.

"Mike's repeated requests to move to a higher pay grade does not appear to reflect a political sensitivity within the Bureau," Fritz wrote. "Expecting a salary increase of over \$20,000 at this time in this Bureau is unrealistic."

At least one bureau chief said she would like annual reviews.

Carmen Merlo, director of emergency management, hasn't had a formal evaluation since 2012.

"I pride myself in doing good work and doing the best job I can," Merlo said. "It's important for me to have more than just the 'attagirl' comment, but something in writing that documents that I did a good job."

Last July, Merlo asked Novick for feedback and received an informal 1 ½-page write-up praising her command and candor. Merlo said she plans to push for a formal review this year.

"It isn't lost on me that I'm expected and required to do so for my employees," she said of annual reviews. "I have a similar expectation for my boss."

'Morale is very low' in Portland's Bureau of Development Services

*By Brad Schmidt
June 07, 2015*

Morale is a problem inside Portland's permitting bureau.

Employees and Commissioner Amanda Fritz, who oversees the bureau, offered blunt assessments in city documents obtained by The Oregonian/OregonLive.

Fritz, in an August 2014 performance review of longtime director Paul Scarlett, wrote that she heard "several disturbing things both from staff and community members that needed to be addressed through courageous and meaningful actions."

She noted in a recent interview, however, that the Bureau of Development Services was hammered in the recession, with staffing falling from more than 330 full-time-equivalent employees in fiscal 2008 to about 160 in fiscal 2011.

As the economy recovered, construction work quickly strained the smaller staff. The bureau reviews construction plans, inspects projects and evaluates proposals for land-use compliance.

"No matter how hard they work, they can't catch up," Fritz said. "It's not surprising there are morale issues and calls for things to change."

Separately, 169 of the bureau's 262 full-time-equivalent employees completed an online multiple-choice survey in October 2014, with some writing candid comments anonymously.

Employees said they were generally motivated to do their best, and found their work satisfying. They also generally said supervisors recognize strong performance and extra effort.

But they complained about low morale and a lack of trust between senior managers and employees.

"I like my job but morale is very low in the building right now due to work loads and lack of staff to cover all of that work," one employee wrote. "It is a challenge to have a positive attitude day in and day out when it feels like everyone is so overwhelmed."

"New hiring is encouraging, but the work environment is still oppressive and punishment driven for anyone who speaks the truth," wrote another. "It comes directly from the top, our Director."

Scarlett, who has led the bureau since 2005 and receives a salary of about \$177,000, said officials have done their best to add positions – including 33 approved this spring, taking total staffing to 330 full-time positions for fiscal 2016.

Scarlett chalked up the "disturbing" comment in Fritz's review to morale issues, including management efforts to better monitor employees' work outside the office with vehicle GPS trackers. As for the employee survey, Scarlett said, officials will take the comments "very seriously."

"There were some pretty direct comments around the management team and what should happen with some of us," he said. "You read that, and you see where you do some self-reflection in some cases."

The Portland Tribune

Salary increases set for City Council, Auditor, non-union employees

*By Jim Redden
June 8, 2015*

On Wednesday the City Council will consider giving elected Portland officials and employees not represented by labor unions a 2.1 percent cost living increase on July 1.

According to an accompanying memo from the Bureau of Human Resources, the \$3.037 million needed to pay for the increases is included in the city budget the council approved for the next fiscal year. Of that amount, \$1.372 million is from the discretionary General Fund and \$1,665 million is in the budgets of non-General Fund bureaus.

The ordinance describes the proposed salary increases in hourly terms. The salary rate for the Mayor will increase to \$64.58 an hour in the 2015-2016 fiscal year. The salary rate for the Commissioners and the City Auditor will increase to \$54.39 an hour.

The salary rate for permanent non-represented employees will increase to a minimum of \$17.94 for a Grade 1 worker to a maximum of \$97.76 for a Grade 17 worker.

And the salary rate for seasonal worker will increase to a minimum of \$9.25 for Clerical Trainees and Community Service Aides to \$30.81 for Sports Officials.

The memo says city employees represented by the following unions will receive 2.1 percent salary increases on July 1: District Council of Trade Unions (DCTU); City of Portland Professional Employees Association (COPPEA); Portland Police Association (PPA); Bureau of Emergency Communications (BOEC); Recreation Employees (Municipal Employees Local483); Portland Fire Fighters' Association (PFFA); and Seasonal Maintenance Workers (Laborer's Local 483). The Portland Police Commanding officers Association (PPCOA) and AFSCME Housing are still bargaining over their increases.

The ordinance and accompanying memo can be read [here](#).

City ready to strike deal on waterfront Zidell property

*By Steve Law
June 5, 2015*

City negotiators are ready to strike a deal to subsidize development at the largest and most valuable vacant site left in Portland's central city — the Zidell family's waterfront property north and south of the Ross Island Bridge.

The Portland Development Commission is slated to authorize terms of a development agreement on Wednesday with the family's ZRZ Realty Co.

PDC would supply \$23.7 million in urban renewal funds under the deal, much of it to develop Bond Street and other transportation, as well as a public park near the waterfront.

The Portland Housing Bureau would commit an additional \$19.6 million over the next five years to acquire land and build affordable housing on Zidell property due north of the Ross Island Bridge.

The family owns about 30 acres of prime land south of OHSU's waterfront property. Zidell intends to develop at least 440,000 square feet of mixed-use and employment-oriented projects in an initial phase, then 1 million square feet of commercial and housing space in a second phase.

A third phase, largely taking place on land south of the Ross Island Bridge, is less determined, and wouldn't come for several years.

Some of the city subsidies for the development and the affordable housing component were made possible by the recent expansion and extension of the North Macadam Urban Renewal Area, which includes the Zidell property along with land envisioned for the Knight Cancer Research Center.

Negotiations over the affordable housing and parks components dragged on for months, delaying resolution of the deal.

If approved by the PDC board, the development agreement would get forwarded to the City Council.

The PDC board meets at 3 p.m. Wednesday, at 222 N.W. Fifth Ave.

City Attorney: No propane terminal hearing required

*By Jim Redden
June 5, 2015*

UPDATE: Pembina [sic] still hopes for hearing, PBA called opinion "legal hair-splitting"

Plans for a propane terminal in North Portland may finally be dead after the City Attorney issued an opinion Tuesday saying the City Council is not required to hold a hearing on it.

The Pembina Pipeline Co. needs a land use change to build the terminal at the Port of Portland. The Planning and Sustainability Commission (PSC) has recommended the change be granted with conditions. The proposal has been scheduled for a June 10 council hearing, but Mayor Charlie Hales did not file the necessary paperwork for it to occur.

Hales is in charge of the Bureau of Planning and Sustainability, which is overseen by the PSC.

Commissioner Nick Fish sought the legal opinion because Title 33 of the zoning code says the City Auditor must schedule hearings on land use changes approved by the PSC. The memo from City Attorney Tracy Reeves says there is no legal obligation to hold such hearings after they are scheduled, however.

"In this instance, after the report and recommendation was forwarded by the PSC, a hearing was scheduled but the Commissioner-in-Charge (the Mayor) elected not to place the matter on the Council Agenda. We are not aware of any previous situation where the Commissioner-in-Charge elected not to place a report and recommendation of the PSC on the Council Agenda, nor are we aware of any previous City interpretation of Title 33 on this question," the memo says.

The memo also says the Port of Portland could seek a writ of mandamus in court to compel the hearing, and that it is not possible to predict how the court would rule.

The memo can be read [here](#).

Pembina is still hopeful the council will hear the proposal, however.

"Pembina's investment in Portland was made in good faith with the mayor's support. We were asked to be patient with the city's process and have participated fully with the mayor's Planning and Sustainability Commission in receiving a positive vote to move the proposed text amendment to City Council. We continue to follow the news from City Hall with interest and look forward to a decision making process before City Council," says company spokesman Jason Fydirchuk.

Portland Business Alliance President and CEO Sandra McDonough says her organization is disappointed by the opinion, which she calls, "legal hair-splitting at its best."

McDonough says not holding a hearing on the proposal sends a bad message to other companies interested in doing business in Portland.

"What it says is, you can follow all the rules and still get shut down," says McDonough, who urges the council to hold the hearing.

Pembina proposed investing \$500,000,000 in the terminal to ship propane to Asian countries. It would create hundreds of temporary construction jobs and up to 40 permanent jobs, in addition to generating millions of dollars a year in property taxes.

The project plan calls for propane to be delivered to the site by rail. To complete the project, Pembina needs to build a pipeline to the terminal across an environmental overlay. That requires a land use change that must be approved by the council after being considered by the PSC.

The project was opposed by environmentalists because of the greenhouse gas emissions that would be released by burning the propane and by some area residents for safety reasons. The PSC recommended approval of the change, on the condition Pembina pay a carbon fee of \$6.2 million a year to the city.

Hales originally supported the project but withdrew his support after the PSC vote saying the project does not meet Portland's environmental standards. Port of Portland Executive Director Bill Wyatt has criticized Hales for changing its mind, saying the reasoning sends a bad message to other businesses thinking about locating here.

"It's disappointing news, because the loss of an investment of this magnitude would mean forfeited tax revenue, lost jobs and business opportunity, and negative implications for land use, trade policy and business recruitment efforts," Wyatt says of the opinion.

Willamette Week

Google Fiber Coming? Ultra-Fast Broadband Advertising for Plant Manager Job in Portland

But still hasn't publicly confirmed it's coming here

*By Matthew Korfhage
June 8, 2015*

Google's super-fast internet service, Fiber, has made a job posting saying it needs a plant manager in Portland. For a plant that does not yet exist, in a city that Google Fiber hasn't publicly confirmed it will enter.

But there are some signs the Comcast Killer might be coming, and soon. Google Fiber just won a major tax concession from the State of Oregon—a specific exemption meant only for gigabit Internet providers, while also receiving exemptions from fees that Comcast pays—while it continues its coy will-they-or-won't-they flirtation with the Rose City. Looks like "Comcast Kate" doesn't just love one ISP.

But in any case, the job posting is an indication Google may be getting really seriously serious, for reals—after previous job postings meant mostly for advance and scouting duties.

Portlanders are lobbying aggressively for the service—because it's an awesome service.

Here's what the new job entails, according to the posting:

- Oversee the design of the Outside Plant Fiber Network from beginning with Prelim Design through to a fully constructible job package.
- Program manage the production of efficient designs for new development, network relocations and network upgrades.
- Establish relationship with local third-parties and ensure efficient process are in place.
- Support finance metric development, reporting and dashboard reporting.

Sounds like something's going on, anyway.

Just promise that if you get the job based on this article, please send the hiring referral bonus to this address: 2220 NW Quimby St., Portland, OR, 97214.

Daily Journal of Commerce

Dismantlement preference issued

By Beverly Corbell

June 5, 2015

When Northeast Portland resident Margaret Davis last week saw clouds of dust coming from a nearby house being demolished, she worried about what the dust contained.

“If you lived nearby, your home, any play structure or barbecue in your yard and your vegetable garden would be covered in the dust emanating from this demolition,” she said.

Davis made her statement to the Portland City Council at its June 3 meeting as it considered a resolution to encourage deconstruction over mechanical demolition in instances when both are options. During deconstruction, a house is dismantled piece by piece to recycle as much as possible – as opposed to mechanical demolition that can produce more waste and clouds of possible toxic dust.

The resolution, introduced by Mayor Charlie Hales, promised to “provide incentives, training and technical assistance to promote voluntary deconstruction as a viable alternative to mechanical demolition.”

The resolution, which passed unanimously, will focus on residential demolition beginning with a pilot program this fall. The Deconstruction Advisory Group, which conceived the resolution, will report back to the council with pilot program results in January 2016.

Davis, a member of United Neighbors for Reform, said federal studies have shown that dust from demolitions can travel up to 400 feet.

“The house (being demolished) was under 600 square feet, but the dust kept coming all day long and continued this week,” she said.

Davis told the council she would like to see an even stronger resolution.

“Make deconstruction mandatory and fast-track its implementation,” she said. “And in doing so, you will put a stop to the toxic clouds no one should have to ingest.”

In addition, dismantling a house piece by piece for recycling means less waste in landfills, said Shawn Wood, the city’s construction waste specialist.

Wood said the pilot program would include a two-day training in September, technical assistance on job sites and promotion in the community. Because deconstruction takes longer and costs more than mechanical demolition, short-term financial incentives could come from \$50,000 in the city’s Solid Waste Management Fund Reserve, he said.

The pilot program will be the first phase, Wood said; ensuing phases will be determined after pilot program results are weighed by City Council.

“We will figure out how to measure salvaged materials and issues related to compliance,” he said.

Participation in the deconstruction program will be voluntary, Wood said.

Commissioner Nick Fish said he would like the advisory group to look at prior deconstruction projects to see how they work.

“There are lots of experts,” Wood said. “Seattle uses hybrid deconstruction where they use an excavator to lower walls (to be deconstructed) for more speed and lower costs,” he said.

The value of recycled construction materials is great, said Joe Connell, vice president of retail operations for Habitat for Humanity. Retail operations for the nonprofit last year brought in \$3 million in sales, raised \$1 million to build new homes, produced 10 million to 12 million pounds of recyclable materials and created 33 new jobs, he said.

“This was all made possible by reused (building) materials and has tremendous impact,” he said. “I support this resolution because we know we can do more. This is just the tip of the iceberg.”

Maryhelen Kincaid, chairwoman of the city’s Development Review Advisory Committee, said that although some people want to see deconstruction become mandatory, she “doesn’t want to see anyone demonized” for not using it, because she believes it will eventually catch on.

"We heard a lot of complaints about curbside recycling, but now it's a community event to get the garbage cans out," she said. "This is a good way to teach people how to do good things. It will create jobs and save precious resources."

Alando Simpson of City of Roses Disposal & Recycling told the council that the resolution will create more "green collar" jobs.

"As someone who lives and breathes recycling, this resolution will enable our firm to expand," he said.

When deconstruction is used, according to the resolution, it "allows for the systematic discovery and further abatement of hazardous materials such as asbestos, lead and mercury, which can go undiscovered when using mechanical demolition."

Before the meeting, Dave Nielsen, CEO of the Home Builders Association of Metropolitan Portland, said he was glad the resolution encouraging deconstruction was not made mandatory. The HBA conducts training on both waste and health issues related to residential construction through its sustainability education programs and lead-based paint certification classes.

Nielsen sent a letter to City Council supporting the resolution, but he said concerns over health issues tied to mechanical demolition were overblown.

"It's been a scare tactic, about lead and asbestos in the air," he said. "(The Department of Environmental Quality) already regulates that and our most well-attended class is our lead-based paint certification class."

According to an impact statement from the Deconstruction Advisory Group, deconstruction can help the local economy because it creates six jobs for every one in mechanical demolition. It also creates more work for contractors, retailers, designers and carpenters, the report states.

"Deconstruction also reduces the likelihood of neighboring properties and material recovery facility workers being exposed to hazardous materials such as asbestos, lead and mercury," it states.

Brandon Spencer-Hartle of Restore Oregon, who served on the advisory committee, told City Council that mechanical demolition of a typical 1,200-square-foot house generates 138,000 pounds of waste. He suggested that the city phase in a disincentive landfill tax on mechanical demolition.

Hales responded that options are being explored.

"I've already talked to staff about drafting disincentives to mechanical demolition – a logical next step," he said.

Commissioner Amanda Fritz asked Wood about a regional approach to encouraging deconstruction.

"We are working closely with Metro staff and talked to them about additional funds," he said. "And we have interest from Clackamas and Washington counties and Seattle and Puget Sound."

Hales closed the meeting by reminiscing about reusing building materials personally.

"We have miles and miles of great old streets with great old houses," he said. "Forty years ago this summer I was helping my mom and dad build a house with a floor of 150-year-old heart pine. The beauty of the old material was part of the joy of that house."

Portland Business Journal

Portland set to kick in \$32M for Zidell development as ambitious project takes off

*By Andy Giegerich
June 8, 2015*

One of the city's most-awaited developments could hit a major milestone on Wednesday.

The Portland Development Commission will vote on whether to chip in about \$32 million toward work on property owned by the ZRZ Realty Co. in Portland's South Waterfront district.

The property, owned by the Zidell family, sits on both sides of the Ross Island Bridge and could provide spaces for some of the most compelling new public-private projects in years.

The property sits in the North Macadam Urban Renewal District. The PDC is set to decide on its contribution at its Wednesday meeting.

During the first phase of work, ZRZ would develop some 440,000 square feet of space as it looks to construct mixed-used "employment-oriented projects." During the second phase, it would develop at least 1 million square feet, much of it sitting between the Ross Island and Marquam bridges.

The plans also call for a new park under the Ross Island Bridge.

Jay Zidell had revealed plans to develop the land in 2012.