

MINUTES OF THE SPECIAL TOWN COUNCIL MEETING HELD ON APRIL 16, 1999

I. CALL TO ORDER AND ROLL CALL

President Lesly Smith called the Special Town Council meeting to order at 9:35 a.m. in the Town Council chambers on April 16, 1999. On roll call, the following Elected Officials were found to be in attendance: Mayor Paul Ilyinsky, President Lesly Smith, President Pro-Tem Allen Wyett, and Councilmen Jack McDonald and Samuel McLendon. Councilman Leslie Shaw was absent. The following individuals were present for all or part of the meeting: Town Manager Robert Doney, Personnel Manager William Crouse, Assistant Town Manager Peter Elwell, Public Works Director Al Dusey, Town Engineer James Bowser, Fire-Rescue Chief Vincent K. Elmore, Planning, Zoning & Building Director Robert Moore, Assistant Fire-Rescue Chief Kent Koelz, and Town Clerk Mary Pollitt.

II. INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was given by Town Clerk Pollitt. The Pledge of Allegiance was led by President Smith.

III. APPROVAL OF AGENDA

President Pro-Tem Wyett made a motion to approve the agenda. The motion was seconded by Councilman McLendon and carried 4-0 as Councilman Shaw did not attend the meeting.

IV. CONSIDERATION OF ESTABLISHMENT OF A PERFORMANCE EVALUATION SYSTEM FOR THE TOWN MANAGER

A. DR. LARRY GROSS, DIRECTOR OF ORGANIZATIONAL DEVELOPMENT, FLORIDA STATE UNIVERSITY

(The following is a verbatim transcript from the meeting.)

GROSS: First of all, I would like to thank the Town Council and management in this community for having me down. It is always a pleasure to come to this area, particularly when the legislative session is in Tallahassee—to get down and truly understand that the sun does rise and fall in other parts of Florida than Tallahassee; although there are many who think otherwise, it appears.

Thank you very much.

I've come here today to talk a little bit about performance appraisal with respect to the Town Manager. In getting into that, I would like to start in a little bit different place and talk a little bit with regard to some main points I would like to make and provide the context in which my remarks will be made. First of all, my issue is clarity and understanding on the front end with regard to what's expected and open communication about that. For example: within the documents of the Town, placed in there is really the mission of the government; also the values of this government and many of your planning documents, the vision for this government and this community. However, they are not explicit. They are implicit, and for the Council and for the management and for also the citizens to really understand about the future of the community, we need to make that explicit. That doesn't mean a long laundry list of things. I am very big on brevity and clarity, as I mentioned earlier today.

In the way of a definition, the mission of this government is "why does the Town of Palm Beach exist? What business are you in? Why are you here?" So often in the course of our work, we kind of lose sight of that, and it is easy to do. I like to have that explicit. Also, the values: What do you believe in—in terms of quality of life, in terms of respect, in terms of sincerity of what we do each day with each other—also the people of our community and our visitors? These are just examples.

Your vision statement. What is the vision for the future of the community? Yes, it is, in many cases, embedded in the plans that you have, many of which are required, but we need to extract that and make it clear to everyone. That gets in to the linkage with regard to the reason you brought me here today and that is to talk about performance appraisal of the manager. Because it is within that context of what this

government and the future of this community is about, is where the real appraisal resides, and looking at the expectations that the Council and the community have of that person. Now, within that context, there are four types of appraisals that you will find, and I'll just go through them briefly with you. You also have many types of them that have been provided to you both by the ICMA materials as well as from other jurisdictions, you know, around the country and also in Florida.

The first type is what is called a trait system. This is more what the manager is like. This is where you will find such things as sensitivity, dependability. Those are traits that you will find in people and then that individual would be rated on those traits.

The second type is called activities--basically what that particular manager does, and you saw several of those in there in terms of working with regards to lakes or parks or recreation. There are a number of ones that you see. Those first two that I mentioned in terms of traits and activities are among the weakest, because they do not focus on results.

The third is results--in terms of what you want accomplished, and how do you know that? Most of the systems that you will see are not results oriented. They are activity oriented, or they are trait oriented. I'm not saying that is a weakness, but that is not to say I won't be in there. But you really want to focus on accomplishments, and what is accomplished here in regard to the manager's performance.

The fourth type, that is almost non-existent, and since I work primarily in public management and leadership for over 20 years--I also do a lot on the private side - is what we call productivity appraisals. This is a combination of the results that also determine 'how much did it cost?'. You can do a lot with 'how much did it cost' in terms of results that you get, and that cost can be looked at in a number of ways. Now, productivity, and I'm just going to spend a few minutes on this and not to belabor it, whether we're talking about individual productivity or we're talking about Town productivity, is almost always looked at with three factors. Those factors are: quantity - how much is being done?; quality - how well it is being done; and third is cost - how much does it cost to be done? Pretty simple.

Then, those are often placed into a ratio of quantity x quality all over cost which gives what is called a productivity index. Now, you might want to consider that. It is a little bit more of the technical side and what I want to say here is that you cannot take the subjectivity out of any type of appraisal. What you try and do though is to have a nice balance between objectivity and subjectivity. We're not computers. We're not robots, but there are technology and science out there to help us and guide us. I gave you a little example, you know, of one. Within that context, there are five ways to increase productivity, and essentially only five, and I can go through those for you, but I would like to do that at another time if you wish. I really want to outline for you that the fourth type of appraisal is that productivity appraisal looking at the results accomplished as well as how much it would cost to do it and how well.

Now, I want to move along with regard to some suggestions to you to consider when you make your final determination with regard to performance appraisal. I want to talk a little bit about the Council's responsibility with regard to this and to the citizens, and it is really the leadership role here that I am referring to.

The first part is, in terms of setting goals and objectives for this community that are clear. That is usually about a day in doing that--in talking about the future. Because in my view, your primary responsibility is to the future of this community and maintaining the quality of life that you have.

The manager, at that time, is involved in those discussions, however, the Council being the elected body makes that final determination. Next, is that the manager, now armed with that information, spends a day with the department heads and other folks as a team with regard to the information from the Council and how do we put that into the crucible of management that we already have here to make sure that it gets implemented.

Third, what I like to see at that juncture, is coming together for about a half day with the Council, the manager, and the department heads. We are not talking about any charter problems here. What we are talking about, is a clear understanding of the direction of this community--both in terms of the elected officials as well as the top appointed officials and being clear about that. Within that context, the manager puts together as well as both the individual elected officials with regard to having that information and common base of understanding how they perceive the manager fitting into that and what the performance expectations are. So, we get that common ground first and then I like to have the manager come together, individually, with the elected officials and talk about that. Then what happens is that the manager takes that, puts that together, and presents back to the Council as a body with regard to all of that information and how, in this case, he perceives the expectations for the future regarding his performance. There is a discussion about that and a common understanding and then a determination that this is what we are looking at with regard to our expectations or the Town Manager. From that point on, again, what I like to see is some status reports. I personally like quarterly but that is up to you--that things are on track, and I'm not talking now just about the manager. I am talking about with your goals and objectives that you set during that period of time. Yes, where the manager fits into that, but overall, are we going in the way that we need to be going? Do we need to make some mid-course corrections? How does that fit within our budget? All of that is highly inter-related in terms of the overall performance to the Town, in general, and in specific with the Town manager.

Now that is the kind of the broad brush strokes with regard to my comments to you today. What I would like to do, is go into any area that you prefer with regard to performance appraisal, individually, any one of the types, how long, how often, any preference at all with regard to the Council and their wishes would be fine.

Those would be my opening comments.

SMITH: Thank you, Dr. Gross. Members of the Council, Mr. McLendon, question?

MCLENDON: Could everyone hear Dr. Gross? Should he pull the mike closer to himself?

SMITH: Any questions? Mr. Wyett.

WYETT: Thank you, for your presentation. It was very good—very helpful.

This town has not had an evaluation of the Town Manager for quite a while. Search me for the answer 'why?', but that is not important. How do we go about, in your estimation, getting proper goals and evaluations into a written document which can be a guideline to have another meeting to actually evaluate the Town Manager?

GROSS: Okay, I would suggest, again, to broaden the scope of the Council in terms of the goals and objectives for the community. Once you are comfortable that this is the direction that you want to take as a Council for the future, that really is the foundation—the platform then by which, in my view, we would answer your questions. Trying to put that together—in my experiences—once that is done, the role and the expectations of the town manger become much more apparent—in terms of that.

WYETT: Who actually sits down and physically puts this together? We can only meet here, as you know, in the Florida sunshine, in public. It is very difficult for five people to put a document together

GROSS: First of all, I'll just walk you through the normals. If you take the strategy that I suggested to you, usually the manager with an outside facilitator, and that is in your ICMA materials—there is nothing new or different about that—actually physically puts together the information. Then you review that, go over it and discuss it and make a determination with regard to the future of this community. As I said, I kind of like three jumps there, I like the Council and the Manager, the Manager and the Department Heads, and then finally - together, with regard again to a clear understanding of what the future is about and where this is headed with regard to implementation.

At the end of that time, as I mentioned a little earlier, it is pretty clear with regard to the performance expectation that you want to roll out for the manager. Also, what I like to do at that juncture is to have the manager and each one of the elected officials put together from their point of view what the expectations will be for the manager, and then they come together individually and discuss it. What happens here at the dais whether it is a formal meeting like today when you can make decisions or even a work shop session is there tends to be, we'll say, an homogenization of issues that kind of gets put together and homogenized. That is the reason that I like on the front end to talk individually before that happens, so that people get that good individual, because we can always put it together later, but you don't want to get short shrifted at the beginning because people have different points of view on how they see things, and we want to make sure, particularly with each elected official, that their individual point of view is taken into account as soon as possible and put into the crucible for work.

ILYINSKY: Mr. Gross, thank you for being here. I've heard a lot about you, in fact, I've probably heard more about you than you have heard about me.

Dr. Gross, this isn't the kind of question that I'm asking you under oath, if you stopped beating your wife, but it may sound a little bit like it. We are, unnecessarily I think sometimes, violently proud of this town. We share something which a lot of other towns, I've not been to the councils of other towns, but I have known council people—let's say Cincinnati—very well. My family is from Cincinnati.

Where there always seems to be an opposite point of view between—and they have a strong Mayor form of government by the way in Cincinnati and the Mayor is elected as the person who gets the most votes—already a different system than I have ever lived under. Here we have a tendency to be enormously personal, and the question I would like to ask you is, if what you have said, and you haven't said anything I disagree with, by the way, I'm just not talking about what—I'm talking about 'how' now—is there a perfect solution, let's say, for a Town A which might be New York City, might be a town smaller than Palm Beach, might be, I don't know, might be Kansas City, might be anything—if there is a perfect solution for that, that does not necessarily mean that same perfect solution moved over to us would work just as well, does it?

GROSS: No.

ILYINSKY: Thank you. Because the problem we have here is that we have a tendency, as I said, to become enormously personal. I count the elected officials in this Town among my best friends, which I probably shouldn't do that.

I consider the Town Attorney, who is going to marry my youngest son, by the way, next month as a great friend of mine and also is a very capable town attorney. I spend time almost every week, and I'm talking about me now, because this is a weak mayor form of government, at least speaking to the Director of Public Works sitting over there. I've bothered him at least 3 times a week. You know what I mean? The Chief of Police who is not here today, the Personnel Chief, the Fire Chief, who else is here? I spend a lot of time with them, because I feel that one of the prerogatives or duties of the mayor in this town, under our form of government, is to be as knowledgeable as anyone can possibly be of all these subjects. I am not suggesting that other members of the Council do not do the same thing.

I have worked under three managers. I voted to fire one and I voted to keep the other two. We had a manager here, and it is part of the public record, I might as well use his name, Mr. Delano, who was charming. Biggest mistake he ever made was to change the Town's logo. It ended up not looking exactly like we thought it should look. That was the beginning of the end. Doug got himself very much involved. He was very much liked by the members of the administration.

My point in saying all of this is by almost every measuring device that you can name, this town is extremely well run. It's financially very stable. It has been represented in courts, under various conditions by this attorney and whomever he wanted to have as an aide in an extraordinary fashion. Our batting record—I don't know why I am talking like this about you, John—this gentleman's batting record, compared to other cities, including the one across the river from us—is really quite extraordinary.

We've always stood our guard and our guns, and we have been taken to court a thousand times on issues that other towns never thought we had a chance of winning. I think Mr. Moore, Building & Zoning Department, who may not be here, is probably as responsible for that as anyone. We have never, never, never really lost a major zoning suit. I think that is right. Isn't it, John?

RANDOLPH: Yes.

ILYINSKY: Yes. Correct. This is a record already which is extraordinary. Now we come to how we have always judged town managers. Well, I can't say we. I can only say me. George Frost, who was the town manager before the last town manager, was a very strong, very opinionated, very bright, very successful, and very effective town manager and operated more on the basis of what you could in those days, "If I don't hear from you by Thursday at noon, we will have a new fire truck by Monday at 5:00 p.m." You know, that type of memo. That is, I think, probably a little bit over done, but there weren't as many things for any one of us to be concerned about in those days.

Then came Mr. Delano who operated on a somewhat different basis, and the present town manager who has been very successful and who operates on somewhat of a different basis.

What I am saying is why should I sit here and fill out a form like a fitness report in the Marine Corps. I spent a lot of time in the Marine Corps. Remember when we had to fill out fitness reports on other officers. You know what I mean? Why should I do that when I know this gentleman as well as anyone and probably better than he does. All I have to do if I have a criticism, is not necessarily share it with my compatriots, but go in and sit down with him which I have done for years and years and years with all of the managers in this town. And you are so absolutely correct. This body sets the policies and these gentlemen carry them out. So if we make a stupid policy and they are all carried out, they are somewhat to blame, if you know what I mean. Fortunately, we have not had too many stupid policies. I keep a very, very close relationship with our managers as well as the members of the administration, and I'm wondering if, in fact, to have a huge paper to fill out, like a fitness report, is really what this town needs to have. That's really my question, although I agree with everything you said but I want you to address us as the elected officials of a little old southern town called Palm Beach. Believe it or not. You know what I mean? Not greater Philadelphia.

GROSS: I understand. Let me put it this way. First of all, I don't want you to fill out any forms, and I don't want you to do any ratings. That is an aura of precision that isn't there. Okay?

ILYINSKY: God bless you.

GROSS: Okay. But I do think that it is important that people clearly understand what is expected of them. Okay?

You may remember the old rumor studies—if I leaned over here and whispered, by the time it got over to the Town Manager it would be something different.

ILYINSKY: Got a classic example of that yesterday of 18 people drowning in a pool....

GROSS: Okay. That's the reason for simply no more than one page and not a form where people write down what they expect so there is a clear understanding of what they expect. That's all I'm talking about.

ILYINSKY: So these can be discussion questions as we called them in college.

GROSS: They are discussion, but they are also setting expectations because this gentleman has to respond to this body—not a particular individual—because, as you say, you know him very well and many of the others

maybe well or in a different context. But I am well aware of the errors in communication under the best of intent, and that's what I am trying to eliminate on the front end.

I also want to make one other comment and it concerns me. I will be as candid as you have been.

I have seen elected officials and appointed officials know each other too well—to a point where a lot of things we might say are overlooked or too close 'I don't really want to do that', or it's missed. Just simply put, my experience-- most people who work together, elected and appointed, there are three types, ins, outs, and its. Let me define what I mean by that. Ins are people who generally like. Our values overlap. We like to spend time with (them) and what you have to remember is their mistakes are under evaluated. Their accomplishments are often over evaluated, because we already have a perception with regard to liking them or feeling that they perform in a particular way.

'Outs' are people whose mistakes are often over evaluated. Accomplishments under evaluated, and we often make that determination very quickly, you know, about people. 'Its' are people who are seen but not perceived, often heard but not listened to. I was in a meeting last week at another community that happened to be a management meeting, and I'm looking around and I do not see the Public Works Director. Finally, I said where is --I gave the gentleman's name-- oh, oh he isn't here is he? They did not realize he wasn't there half an hour into the meeting until I brought it up. I knew we were dealing with an 'it' here. What you have to do in groups in good management and being elected officials are constantly creating opportunities for people to succeed and not going on, we will say past, that's not to not learn from it or be stupid about it, but we have to find ways to help people succeed. Therefore, if they do not succeed, our conscience is clear when it comes to an appraisal or a termination or the other way. If you look at bonus incentive systems or merit issues or things along that line--is that you want to make sure that that's objective as you can make it without being personalized no matter how well you know the person or maybe in some cases how much you dislike the person. Just bad chemistry. So I would like to make that comment in there that we always have to take into consideration. The way I try to control for that is when I like somebody, I'm harder on them. Some of my staff comes into me, Larry, you're so damn hard on me. I see you giving so and so all kinds of slack. I say that's because they need it--you don't. That's the way I try to control for that.

I will just make one other comment along this line. In a major department in State government, I heard similar things about the finance officer who had been there 12 years and to a point where this particular body was not even looking at the finance because the trust for this individual was so high. When I brought up this issue that we are now talking about, I almost had to pick splinters out of my tail as they were throwing me out the door. However, in another year of so, they found out that they were in deficit. That a lot of the issues that had been brought before them were inaccurate, but their trust level was so high, that they did not look at the performance. So it can get to that extreme. You really have to look at that as well.

ILYINSKY: Let me just ask you one other question. If in fact there is a written group of answers and questions, discussion questions as you suggested, I personally happen to like that idea because even though people may express themselves a little differently, the bottom line is probably going to come out about the same, one way or the other. How many times a year do you do this? Once a year?

GROSS: I like to have it done once a year, but as I said earlier, I like the status updates. I like those status reports that, you know, how things are going. Do we need to make some corrections? Because this community, my guess is --has changes like other communities. When you plan just for one year, it is hard if you just do it annually to take into account those issues. That's the reason I like to have those status reports, and I like to have discussion with the elected officials and see if there are any amendments to those questions or those expectations.

ILYINSKY: Mr. Randolph, is it a violation of the Sunshine for Mr. McLendon and myself to say that we don't like the color of the manager's socks and we ought to mention this to him? I'm being facetious now.

RANDOLPH: For the two of you to get together outside of a meeting and say that?

ILYINSKY: Not being in a public forum.

RANDOLPH: Yes.

ILYINSKY: It makes it damn difficult, doesn't it to analyze someone? Even the Marine Corps was more liberal than that. You did share your information with other officers.

RANDOLPH: No. You can analyze him, individually, as you discussed, on a one on one basis. You know, there are many ways of doing it without you having to get together outside a public meeting and discuss it with each other. But it would certainly be a violation of the sunshine for two of you to get together and say, "You know, we've got a little problem with the town manager. We ought to do something about it."

ILYINSKY: That's damned difficult. Why don't you work on that, Dr. Gross?

GROSS: That's a tough one, both the Sunshine and the Public Records Law are here. I would defer to your

attorney on this. The question that I would bring up which kind of goes with yours is individually - okay and also as a body - okay. Correct so far; however, two or more members that do not sit as a body - no okay. Would you say that is correct?

RANDOLPH: Yes.

ILYINSKY: How about an outside group? How about a member of the Civic Association, for example, can I call one of them up? There's a lawyer over there that is a member who says 'no'. Think that's a violation of the Sunshine Law?

RANDOLPH: Do what now? You call up...

ILYINSKY: Call Bill Guttman up and say I don't like the color of the manager's socks. What do you think I ought to do about it?

RANDOLPH: Yeah. You can do that, as an individual you can do that.

(inaudible voice from the audience)

RANDOLPH: No, but you as an individual, if you want the advice of a Town resident or a professional or anybody else, you can consult with them. You just can't consult with another member of your council.

ILYINSKY: Which I would have thought would be the one person in the world that you could. See what I mean? I understand. I have been living in the Sunshine for a long time. Thank you, Madam President. I have taken up too much time.

SMITH: Are there any other questions? Mr. Wyett. Dr. Gross.

WYETT: If anyone else has a question, I have already had one turn and I defer.

SMITH: Go ahead. Go ahead, Mr. Wyett.

WYETT: When this Council was down in Miami last year in August, we heard several town managers discuss review. It was part of the conversation (inaudible)...when public forum of this nature or a combination of one on one and how do you get the five opinions together?

GROSS: I read the transcript of that meeting.

ILYINSKY: It was interesting.

GROSS: Yes. What I like is to take the "and" out where you put the "or" in and translate that, as I said earlier, I like the individuals first for that and I like the sharing of information that comes out of that and that then you sit as a body. That's how you get what your colleagues think. But now you are getting that, more or less, in final copy. If you don't like the socks of the manager, you had an opportunity to talk to him about that. You probably would not make a determination and write that down in writing that we are going to hinge your performance on socks. Although, I did have one gentleman a long time ago where they did it on shoes. But, anyway, ...

ILYINSKY: What's wrong with that?

GROSS: Well, he always wore tennis shoes with his suit. That upset the.....

(VOICE:) The Mayor does that all of the time.

SMITH: We're going to do it on ties.

GROSS: Okay. My hope was that could have been worked out before it got public. Unfortunately, it did not, and he was fired. There are many issues that get attached to appearance, you know, in terms of traits and in terms of what you meet with. I tried to deal with the manager in terms of there's something wrong with your feet and can we do something with them. It didn't work.

Anyway, those things do happen. I like to get those out of the way on the individual, one on one. When it comes right down to it in terms of the performance and the context that I said about where the government is headed and how the manager fits in, I liked it in an open body at the end so the community is clear, management is clear, and the elected officials are clear. Hope that answers your question.

ILYINSKY: It does, believe me.

SMITH: Mr. McDonald?

MCDONALD: Dr. Gross, I have a few comments. I agree with some of what you said. I strongly feel that the manager should be evaluated at least annually and it should be in a written document. I do not know that I could do it in one page,

and I don't know that I have ever seen a one page performance evaluation so I would probably need more, I think. I think it is very important to the manager or to any person who is being appraised to have a formal appraisal. I would not want to see it be discussed at a Town Council meeting. I have seen that happen here before, and I don't think it is fruitful to the Council or the employee. Perhaps, what I am saying is that it must be that there is a formal appraisal. I would not like to see it discussed at a Town Council meeting. It should be discussed between the person writing the appraisal and the person being appraised.

GROSS: Many communities opt for that. I push for one page. My best efforts so far for an elected official is two and one-half. It doesn't succeed more often than that. What I would like to say though is I like to put the public discussion in the form I mentioned earlier about the future of the community and where that is headed so it doesn't come down in terms of issues so specifically so that there are problems on the Council regarding the manager's performance. I like to see it within the context so the performance being discussed is pretty easy to see how that is rolling out and how that fits.

As I also mentioned earlier, I am not that big on rating. You saw some of the systems that give that real precision in terms of numbers. One of them even had a ten point scale. The methodology errors in that alone are pretty major.

MCDONALD: I would agree with that. I don't think a number system is the best way to do it. I haven't seen a good form that doesn't use in some form the number system. Maybe there is one that exists. I would certainly be interested in seeing it, because I would agree with you on that.

GROSS: That's fine.

I can tell you that in the manager's systems that we have done is that we do the ratings, because it's just like if you remember when we were all much younger and we brought home a report card and it was all A's and a C and how our parents spent most of the time talking about the C and not about the A's.

ILYINSKY: They were all B's and maybe an A every now and that's what they used to see.

GROSS: Now if you worked it that way, they would talk about the B's and not the A's. So what you don't want to get into, in my view, is a discussion about the system or the rating so much as it is about what you are expecting and the accomplishments. This is one of the problems that I have right now at the State level when we are very much into report cards and grading people.

If I might have a moment to indulge with a story.

I was once called into a factory that had three assembly lines, and the third line was not meeting its results. I went in and did the assessment that I always want to look at the other two lines that were meeting their quotas. I went to the plant supervisor and asked how this was done, and he talked to me about it. I went out and interviewed people on the line, and they said that's not how it is done. I said, "What do you mean?" They said the supervisor looks at the shoes of the line foreman and that's how he tells how well we are doing. I said, "What do you mean by that?"

He said, "If the shoe leather on the heel was worn down, he knows that line foreman is walking the line; therefore, that line is in good shape." I went back to the plant supervisor and said, "Well, how do you appraise your line supervisors?"

He said, "Well, they really need to walk that line, and when they are walking that line I know it, because I am looking at their shoes." So, they had the system down in terms of appraisal. Then I went to the line supervisor and said, "How are you appraised?" They said, "Oh, that's easy. He does on my heels on my shoes."

I said, "What do you do then when you need a new pair of shoes?" They said, "Not a problem. We go to the shoemaker, buy a new pair of shoes and put the old heels on."

The point that I am making here is that when you take and only make a decision on a particular grade or one or two indicators of performance, no matter how good or bad you are, it's a problem. That is what you get into in terms of grading. There are a whole bunch of factors here that you really want to look at over time in terms of appraisal.

MCDONALD: Dr. Gross, I again, to repeat...I think an essay or it could be a narrative description in appraising is preferable, but I think from a practical standpoint there aren't many elected officials that would take the time to sit down and write out an essay kind of response regarding performance. So, although I think in theory and I agree with you that it is a wonderful way to do it, I think from a practical standpoint, it would be difficult to have the whole appraisal form to be that way. I think you would have to have it encompass both.

GROSS: We usually don't but we have done it. The other thing is that I want to go back a little bit - I don't-I am not into essays. I am very big on one and two liners-almost in terms of an outline form-kind of one, two, threes-as we go through it. The human mind can only process seven plus or minus two bits of information at one time. That's the reason in written information, you want to block it in threes and fives for clearer understanding. That is the reason I like outline form. I like clarity. I like it almost bulleted

as I said a little earlier in outline form.

Now, some of the folks here in terms of the President and the Town Clerk, by being women, their brain chemistry and the corpus cholosum has richer nerve fibers and can process the information faster.

ILYINSKY: Nonsense. Absolute nonsense.

GROSS: Now let me finish here from the audience point of view.

SMITH: I have a feeling this is not going to end on this note.

GROSS: Just as a side, if I can indulge for a moment. I didn't say better. I didn't say more effective. I said faster and moving between the two hemispheres of the brain in terms of processing information. Now, the reason you might say I bring a little strangeness in is that through the whole field that I happen to be interested in which is the Nero-science field, in looking at this as to how we can best process this information for understanding when we are bombarded constantly by everything that we have to deal with. What can we do in talking with people or things that are in writing to try to get that as clear as we can, giving and working with our brain chemistry, as an example, as opposed to just overloading it. I wanted to add that part in there.

MCDONALD: Dr. Gross, there are a lot of companies that use different management and appraisal systems. Management by Objectives incorporates one sort where you perhaps would review performance and accomplishment or working toward objectives quarterly during the year and then have one big performance appraisal each year. I think earlier you said that you do advocate having periods during the year where you review those.

GROSS: Yes. Let me talk just a little bit if I could about that, because it is a good point. Where I had the most difficulty with the information from ICMA and other locales is that we throw a lot of terms around, and we don't know exactly what they mean. For examples: goals and objectives; consensus, etc. To be clear for the record, a goal is a directional statement of intent about the future. That's what a goal is. An objective, particularly in a Management by Objective system, has to meet four criteria. It can be more than four, but it has to be at least four.

1. It must be a specific result;
2. That result must be identifiable, measurable, or observable;
3. A deadline or a timetable is attached;
4. Person or persons are accountable.

Very simple. That's what it is in terms of doing that. That's the reason that I purposely when I talked about performance expectations, because I don't want to get into that jargon. I want to be clear that what you expect from the town manager is clear in terms of understanding what you expect as opposed to it has to fit this. I have no problem fitting it as long as we define what we mean and we fit it in there for that. By the way, since I did mention consensus and since you are elected officials, you are all consensus builders or you wouldn't be sitting in those chairs.

Consensus means three things, and it is very important that we understand that, particularly if we use it in our appraisal context.

1. All parties involved in the appraisal or issue understand the issues. You cannot get a consensus when a party or members of the group do not understand what they are doing or talking about.
2. There has to be an acceptance of the issues as their issues. Often I run into, and this is not a problem here, because if I understand your charter correctly, you are all elected at large. I see this problem much more in districts where people are elected in a district is that they represent the district and not at large. What is outside their district, they do not feel a sense of ownership then, and in many cases, to be fought against. They see it as zero sum in regard to their district. There needs to be understanding and acceptance of the issues.
3. Third and most important, is that consensus does not mean agreement. Consensus means that you will support the majority opinion. You may disagree with that, but you will support it. Without those three conditions present, you do not have consensus.

MCDONALD: Dr. Gross, I will make this my last question, because I don't want to monopolize this conversation. Two things. Your comments about at large is very timely because the County Commission is in the process of perhaps changing the way they are elected.

But regarding the Management by Objectives which I have some familiarity with and I like very much. Have you ever seen that applied using the four criteria that you stated had to be part of a Management by Objectives evaluation system? Have you seen that utilized in a governmental unit?

GROSS: Yes. But not in local government.

MCDONALD: Not in local government. Is there some reason? Could you elaborate on that?

GROSS: I think it has a lot to do with what we already have talked about. I think that most elected officials and their managers have an affinity for each other, and that is positive. You know, and that's good. I think also that most elected officials and managers—managers, not so much any more because of the budget requirements and the planning requirements—get a little skittish about the numbers and what they mean and how they are exactly evaluated within that. Particularly, when you get the cost factors involved in terms of the per unit cost particularly.

I will give just one example at this level. I had the opportunity to do the strategic plan and budget for the entire Department of Corrections. For that, you have to get to the per unit cost with regard—I'll just pick food per day for inmate—and can you decrease the cost? If you do that with 68,000 inmates you save a lot of money that can be re-allocated and type of thing without reducing the level of service. This is crucial. I find people all of the time talking about let's downsize. Well, a lot of times when you do that, you are really talking about capsize with that because you are reducing your level of service. What I mean is that you have to keep an eye both on the quantity and quality level of service with cost. Unfortunately, many objective systems particularly Management by Objectives focuses a lot on the results but not as much on cost, and that is where the productivity system comes into being. I am beginning to tie per unit costs to the output, in this case, corrections and food.

If you go to which is more the "in vogue" thing in regard to quality management, there's a lot of good things that are in there. You will see a lot of things that we are talking about here today fall away. Under Dr. Demming and others, they really didn't like Management by Objectives. They thought that was constraining and their issues were process improvements and measuring those improvements that took place. In my view, you need to have both. You need to improve the process, but you gotta make sure you keep your eye on the ball in terms of that result that comes out as well and what it costs.

MCDONALD: Thank you.

SMITH: Any other questions for Dr. Gross? Mr. McLendon?

MCLENDON: I hesitate to ask this, but how does one who is trained most of his life in engineering things, really get proficient in this sort of activity?

GROSS: I would like to make some assumptions if I may, since one of my specialties over time is dealing with engineers. Because one of our biggest issues that we face in Florida and across the country as well is what we call the technically oriented manager who has been trained and educated in a particular technical field and then all of a sudden the coin gets turned over and he or she is now in a management role that really calls for a different set of skills, in many cases. So, what we try to do is not utilize the engineering expertise so much but going with the strengths in terms of, and I don't want to go back with this and make it too technical, how you actually utilize as an engineer your core brain functions, particularly the left side of your brain. I'm trying not to make this too technical.

SMITH: Well, not too hard. Remember I'm a woman.

MCLENDON: Well only Mrs. Smith would understand it, I understand that.

SMITH: I'm going from the left side to the right side. Is that right? Okay. I'll try to remember.

GROSS: That's right. To utilize that technical capability that you have developed and turn that over in terms of utilizing that in management.

Example:

I have a person now who is an engineer who is the second in a very important organization. His skills along with some training is without a doubt the best person I've seen in re-engineering work systems to make them more effective and more efficient in the work place. When we work with him in one area, at the end of that time, a group of six people—how he redesigned the system—found that they didn't need to be there the entire year. They only could come in and work four months and do that system without reducing the result. Then the other eight months, people were reallocated to work in other areas. So, we utilized in working with him his technical capability—his was civil engineering—but not too much in civil but utilized that capability in terms of how to re-engineer work systems, and he really took what he already had and moved it into another area and was proficient.

MCLENDON: There's hope then?

GROSS: Oh, yes.

SMITH: Dr. Gross, all of the engineers in the world were beaming. They understand that. Are you going to speak, Mr. Guttman? Any questions? Anything? We have to move this along as everybody knows, we have

another subject on the agenda and we start in at 11:00 a.m. on Mar-a-Lago again.

GUTTMAN: My name is Bill Guttman. I live in Palm Beach. How are you, Dr. Gross?

GROSS: It's good meeting you--here.

GUTTMAN: I just wanted to ask a couple of clarifying questions. How does Management by Expectations differ from Management by Objectives? What sort of common elements do they share?

GROSS: The common element that I'm after is clarity and understanding. What I avoid by not using objectives or, we will say, an invoked term whether it is quality management or Management by Objectives, is people bring a whole list of things in their minds about what that means. What I am trying to do is break that off and be very clear. Also, be real candid with you, if you put in a Management by Objectives system, some sharpie is going to be around, like me, and say that really doesn't fit. So, I am trying to eliminate that for you, and get to what I call expectations without saying it has to meet four criteria for that.

GUTTMAN: As I understood your presentation as to how the expectations for a manager might be developed, you started with the premise that you have to begin on sort of a community wide mission/vision type of process, and then you would work your way derivatively toward annual expectations of the manager within those overall constraints.

I wondered how this all would work in the sunshine. I know a lot of members of the community are concerned about that. I thought I understood you to say that initially the expectations would be either initiated by the manager or initiated by the individual members of the Town Council, outside the constraints of the sunshine, and then at some juncture, you would all sort of come together and agree collectively on some sort of common theme, for want of a better word. Then when you go beyond that step, once you have gotten the expectations for the year, how do you envision the actual process working--whether it be your outline or bullet points or whatever it is--is that done outside of the sunshine in the sense that each individual Town Council member now working off the list of agreed upon expectations writes their own little individual outline and then delivers it to the Town Council so that you don't have the kinds of embarrassments that we're all concerned about? Could you flesh that out a little bit?

GROSS: Yes. I'm glad you brought that up.

What I'm saying is this--is at the beginning, clarity and understanding, big picture with regard to the community. All right? That's in the sunshine. That's discussion. That's where this community is going. I like external people involved in it. I'm saying that through that process what you will find is the expectations for the manager to become much more clear. The manager--he's taking notes--obviously elected officials are taking notes. Once that is complete, and I like it complete. I don't like to mix and match those. I like to be very clear where this community is headed. Okay? But through that process, with regard to the manager's expectations, you know notes are being taken. Next step, individual discussions between the manager and the elected officials. What they are doing is matching up notes. What the manager is doing is basically ----I got that down--I got that--We don't put the socks down, but I understand you don't like the socks--that's kind of the way it goes.

Once that is complete and the individual discussions on performance expectations are done, then a copy of that is furnished to the elected body and also is a public record. Then, we come together, as a group, as I said also how those expectations fit into the broader framework--Are we on target?--Do we have to make any adjustments here or not? The manager, being a smart fellow, will obviously see them put those expectations in line with the overall direction of the community and come back and discuss those with it.

Now, I have seen some corrections at that point but usually they are not major because we already know what they are. We have already talked about them. At that time, the overall direction for the community plus the performance expectations for the manager are now hand in glove, going forward together. Then, as I said, I like quarterly progress updates and reviews and possible changes for that. But again, it is in the context of the overall direction of the community, and if that kind of rolls down and changes the expectations of the manager, that certainly can be done at that time as well.

GUTTMAN: I just have one last question.

If the Town Council embraced some iteration of Management by Expectations, what would be the next steps involved in order to get from here to there, either in terms of a facilitator or whatever?

SMITH: Before you answer the question, Dr. Gross, could I ask Mr. Guttman what the question means? I don't know what your question means.

GUTTMAN: I think what it means, is I thought....

SMITH: No. I don't understand. I really don't understand what it means.

WYETT: Having trouble from right to left.

SMITH: Yeah. I go from left to right, not from right to left.

GUTTMAN: I apologize. You do understand my code book—for Management by Expectations, do you not?

SMITH: Well, I've been hearing that today. I mean, I could actually write a mission statement and goals for the Town of Palm Beach for all the years I've lived here. You're talking about where we are going. We know where we're going—the same place we've been going for the last fifty years. It's the quality of life in a residential community, lower taxes, less intrusion to the residential thing, better service and expectations being met by the members of the Town Council—it we're not "ins" we're "outs". I mean that's the elected process—you vote us out. Occasionally, we're "is's" because we don't know what various groups are asking of us, but we're not a developing community. We are built out. We are trying to curb the building, lower the development, not intrude on the private lives of our residents, be compatible with the business community, and that's sort of it.

GUTTMAN: And I accept that...

SMITH: So I am saying we are not a burgeoning new community trying to find a mission or defining a place in the State of Florida.

GUTTMAN: And I didn't mean to suggest that. Let's take that as the mission statement, because I think it is a very good mission statement.

SMITH: I could probably write it a little bit better.

GUTTMAN: Well, I think that is a very good mission statement. How do you take something like that and derive annual, usable results and expectations for the manager?

GROSS: Let me back up, because that was a fascinating little discussion that just happened. I like what you said. I would just like to have that written so everyone clearly understands that is it.

In my way of thinking, and it is not unusual in this community, what you are talking about is essentially a no growth, quality of life scenario.

SMITH: Right. Is that sort of what you were saying? Was that your question, Mr. Guttman?

GUTTMAN: No. My question was, "How do you take that and derive annual results?"

SMITH: Yeah. I would like to know that. How do you get to that?

GROSS: What I was doing there was reaffirming my understanding of what you said, and that being an affluent community that I have been involved in more than several of these communities that basically like things very much the way they are and are looking for ways to make sure that quality of life is insured into the future.

SMITH: Right. So, how do we assure that?

GROSS: Now, you assure it basically by using the process, and this gets back to your question, see, I believe that we all need to understand that clearly whether it's visitors, developers, whoever, me—coming in here for that. Now, then what happens is that same thing gets reaffirmed in terms of what—this really gets to your question—we need to do in our day to day operations of management to assure that standard and that quality as we move into the future.

Now, I want to give an example of another affluent community and what they did. Is that reasonable?

SMITH: Yes. Please.

GROSS: What this particular community did was when we had the retreat with them, their two primary concerns were cut through traffic and, we might say, sometimes noise from a particular large airport that was close to their community.

ILYINSKY: You've been here before.

GROSS: No. This is in central Florida.

They also were about 98% built out at that time and were having problems with DCA on the housing element that you run into at that time. When it came down to looking at management and then eventually the appraisal of management, what they essentially did was two things. One, is that they redid the transportation system, outside of their core, to make it very inconvenient for people outside to cut through their community, and that was a very focused, systematic direction that they were taking. That particular manager's appraisal was very much looking at how, in this case, he along with the department heads and

public works folks and the Department of Transportation at this level did things like curb cuts, one way traffic-- all of that stuff. Very specific to go after maintaining that quality of life.

The other thing that they did was they put together a coalition both within the city and on the fringes and approached the Orlando Airport Authority with regard to the feasibility of looking at the traffic corridors and what could be done with fly overs and noise. They had some marginal success in one area. This is what came out of just one of those, in terms of the direction to try and maintain what they had and really curb the external influences they saw as negative for that.

So it really wasn't a big deal, but it was to them.

SMITH: Well, everything we do is to us to. I heard Mr. McLendon say it is Utopia. Well, there is no such thing as Utopia. We do try to maintain a quality of life here for our residents which is the reason people are pouring into Palm Beach, because they like it the way it is. They are not moving here to change it.

Thank you for answering my question.

Thank you, Mr. Guttman, for giving me the opportunity to ask what was meant. Thank you.

I think what Dr. Gross said, it goes from left to right, but it goes out twice as fast if you are a woman

GUTTMAN: I don't believe that for one moment.

SMITH: Is there anything else for Dr. Gross?

ILYINSKY: Other than to thank him again for being here.

SMITH: Thank you very much, Dr. Gross. Appreciate that.

Mr. Doney?

DONEY: Just a brief comment, and I did have a very nice opportunity to speak to Dr. Gross this morning, but also transferred and exchanged a lot of information so he had a quality of understanding of what this Town consists of, and I think I do have a fairly good understanding too as far as what you expressed before as far as a mission statement. One thing that I would like to offer as Town Manager, currently, or whoever is Town Manager, is the best thing the Town Manager can do is to be politically neutral, and I hope I do that well, and I hope I do it until the day that I am no longer manager.

The other thing that I would like to offer is that when we exist and function in a democratic process, and you vote 3-2 and as long as it is legal and ethical, we will implement it. Staff is here. We will implement it, and we will do it very faithfully and diligently and with good quality. I think we have a lot of planning processes in place that we can use--as you know, Mrs. Smith--we have our upcoming Year 2000 budget process that's in effect. Sorry to remind everyone, but we are doing all of that now and we are in the planning process now to make sure that every department head and myself are identifying what we think needs to be identified -- projects and plans--and we will plan, budget and execute. I think we can do that well. We have good plans in effect, but whatever the Town Council's wishes are as far as a clear, understandable performance evaluation system is fine with me.

SMITH: What I would like to suggest, Mr. Doney, or suggest to the Council is that we put this item on the May agenda to set a time that we can digest everything that we have heard today and all of the background information and how we would go about doing an evaluation if that is agreeable to the Council?

MCDONALD: It is to me.

ILYINSKY: Madam President, might I suggest then -- this question is really addressed towards Jack, would you be against all of us bringing in a very quick synopsis of how we think this thing ought to go rather than sit here and discuss the different issues? I have very firm ideas of how I think this ought to be done, and I am sure you do to and I was just wondering if it wouldn't save us a lot of time if we were just to jot this down quickly on a piece of white paper ...

SMITH: You want to bring it in for the May meeting?

ILYINSKY: Doesn't that work all right? We are in the public forum. We've expressed an opinion.

SMITH: You have to submit it to the Town Manager. Right? Submit ideas.

DONEY: I think Mr. Randolph will tell you that we will have to make sure that every piece of paper is sunshine available.

SMITH: All right. Please. Mr. Randolph, how would we go ahead about doing that? We'd write down our ideas and hand them in to the Town Manager who would distribute them? Then that is no sunshine violation. Right?

RANDOLPH: If you have a specific idea that you want to have discussed that will be discussed in the public, you can submit it to the Town Manager. You can do that.

SMITH: We won't be discussing it at the May meeting. Is that your idea, Mr. Mayor? We have a huge May meeting.

ILYINSKY: To save a little bit of time, I think, we can express our opinions so we all know where we stand on the issue and then you can do your usual outstanding job of guiding us through that. Then we can come out with either a conclusion.

??? I would suggest receiving it in May and discussing it in June.

SMITH: All right. Why don't we receive it in May and discuss it in June? We'll put it on. Is that all right?

WYETT: If I understood some of the conversation, it was suggested that we each meet individually with Mr. Doney, and that is what I will do rather than give him in writing all my concerns.

SMITH: Why don't we put it on the May agenda.

ILYINSKY: This is not to address our concerns. This is to address how we would address our concerns.

DONEY: ..as a group and make a policy decision as a Town Council and not individually meet with me. That is my request.

SMITH: Why don't we start out by putting it on the May agenda and then discuss where we are going from there? That's what Mr. McDonald said. We'll put it on the May agenda. Mr. Doney, we will not put our little memos in before then. Then we'll figure out how we will go from there.

(End of verbatim transcript)

B. INFORMATION FROM INTERNATIONAL CITY COUNTY MANAGEMENT ASSOCIATION

(No further discussion of this item.)

C. INFORMATION FROM OTHER SOURCES

(No further discussion of this item.)

V. ALTERNATIVES FOR TOWN USE OF THE "OLD BOYNTON LANDSCAPE PROPERTY" AND RELATED ISSUES REGARDING TOWN FACILITIES IN THE MIDTOWN AREA *(Deferred from February 9, 1999, Town Council Meeting)*

After a brief discussion, Mr. McDonald made a motion to place this item on the May 11, 1999, Town Council agenda. The motion was seconded by Mr. McLendon and carried 4-0 as Mr. Shaw was absent from the meeting.

VI. ANY OTHER MATTERS

There were none.

VII. ADJOURNMENT

The meeting was adjourned at 10:50 a.m.

Mary A. Pollitt, Town Clerk