

## Information

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## Evaluations show Hales lost support

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### Evaluations show Hales lost support

Former City Manager David Hales' fall from grace at Bend City Hall was swift, dramatic and largely unforeseen, newly released records show.

In January 2003, city councilors said Hales exceeded expectations and characterized him as effective, hard working and responsive. By November, councilors had a very different opinion, remarking in his final evaluation that Hales did not make difficult decisions or communicate well with the staff or council.

It's not clear how Hales' performance changed between January 2003 and November 2003. There are no specific examples in the most recent evaluation of how he failed as an administrator. What is clear though is that Hales lost the support of a majority of city department heads and city councilors.

The November 2003 evaluation was sealed as part of a city agreement with Hales. He resigned from the city the same month, citing differences with the council after less than two years on the job.

Both Hales and the city of Bend provided The Bulletin with copies of the evaluation this week after a judge ruled in the newspaper's favor in a public records lawsuit.

The evaluation, which includes comments and observations by 29 community members, offers a look at some of the issues that led to Hales' departure last year.

But the final evaluation stands in contrast to the two previous evaluations of Hales. One evaluation was informal in May 2002 and one was formal in January 2003.

In both previous evaluations, the council said Hales exceeded expectations, rating him an average of 3.9 out of 5 in eight areas of job performance.

In the January 2003 evaluation, which the council has agreed to provide as his most recent performance review to prospective future employers, councilors laud Hales for his integrity and hard work.

'He has successfully concluded some long-standing issues through negotiation and has uncovered several problems related to contracts negotiated by prior management,' the evaluation stated.

'He did exactly what we requested of him when we hired him,' said one councilor.

The January 2003 review also states that Hales got staff and council to think 'outside the box' and 'long term' about city issues.

When asked, two councilors said they had no concerns about Hales' performance during his first year on the job.

In the November 2003 review, city staff and councilors gave Hales failing grades for his work in the areas of leadership, communication and organization.

A sample of their comments was included in the evaluation.

One manager called Hales 'the worst leader I have been around, bar none,' in a 30-year career.

The manager said Hales often went around department heads when making a decision. In one case, the observer said Hales stopped a major project in his department without discussing it first.

Several offered specific observations about Hales' perceived inability to take a strong role at city hall.

'(David Hales) has not elicited from department heads a sense of teamwork in approaching city issues. Discussions often take place, but we seldom, if ever, leave the discussions with a concrete sense of specific policy questions and recommended actions to be considered by the city council...This is the analysis-paralysis syndrome,' wrote one manager.

The November evaluation technique used by the city did not attach names to the comments whether from the council, staff or the public at large.

It was the first time the city had used such an evaluation, sometimes referred to as a 360-degree review. Councilors said last year at the outset of the process that the move to the new method didn't reflect on Hales.

'David has a hard time taking a position on controversial issues,' wrote one councilor in the evaluation. 'It is difficult to know where David is coming from. He appears adverse to taking the initiative on matters that are well within his authority to do so.'

Another councilor observed that David was a 'nice person' but seemed too focused on minor issues.

'He has not followed through on several key promises for action and doesn't keep the council informed of progress on major tasks,' the councilor wrote.

Several respondents also provided criticism of the city council.

'I don't think the council as a whole has clearly set its priorities,' said one respondent. Said another, 'Council also has some responsibility for setting priorities, that hasn't happened.'

Councilors who spoke with The Bulletin this week have declined to detail specific tasks or areas of responsibility in which Hales failed to live up to city expectations. Instead they referred questions to the city attorney's office.

Under the terms of Hales' resignation, the city paid Hales \$105,000 and allowed him to cash out more than a month of paid sick leave. Council, staff and Hales also agreed not to make public remarks that are 'derogatory' or 'disparaging' about the other party.

City Councilor Dave Malkin, on advice from the city attorney, agreed to address the comments about the council failing to provide direction to Hales.

Malkin said the council set clear goals and priorities for Hales. They also set personal goals for the manager and encouraged him to be more task oriented.

'David was given clear direction a number of times about getting more results oriented in his approach to his job,' Malkin said.

Councilor Bill Friedman said the city council developed a list of tasks itself and the city staff to work on in the next 100 days in January 2003.

The list included numerous items some of which were completed under Hales, others after he left, and some that city staff has yet to finish.

Items include:

- \* developing a five-year staffing plan for police and fire
- \* creating a list of project to meet disability access requirements
- \* review parking construction fees
- \* developing a legislative agenda
- \* completing the design of the 27th Street widening project

'Those hung on the wall of the city council for six months,' Friedman said.

Friedman declined to say whether Hales completed those tasks to the council's satisfaction.

Interviewed Tuesday, Hales said he thought the process leading to the November 2003 review 'had some faults to it.'

'I looked at some of those questions and anyone could have answered those questions any way they want,' he said.

He questioned whether it was appropriate to change the review process at the time of evaluation, rather than 12 months earlier.

For his part, Hales said that he disagreed with the notion that he failed to provide strong leadership and shied away from controversial decisions a common thread in comments from councilors and department managers.

To the contrary, many of the changes and new policies that Hales introduced actually met with resistance from managers. One example, Hales said, was the creation of a customer service feedback program that allowed people to comment on their experience dealing with staff.

Some of the department heads had difficulty adjusting to his management style, Hales said.

'Anytime you have a new supervisor you deal with a lot of change,' he said. 'But the whole process of change is sometimes a little traumatic for people.'

Not everyone gave Hales low marks.

One manager said that Hales had 'improved' the city.

Another praised Hales for his approach to management and his depth of knowledge.

'He is extremely professional and juggles the traits of both a manager and a leader very well,' the staff member wrote.

The majority of comments from staff and council, however, centered around what reviewers said was Hales' inability to work with department heads, take strong positions and move past details to policy level decisions.

Hales said his achievements speak for themselves.

During his tenure, Hales said he made significant progress on the expansion of the city's industrial land holdings to bolster economic development. In fact, Deschutes County is currently considering the city of Bend's request to expand its growth boundary by 513 acres to take in the Juniper Ridge industrial site in northeast Bend.

Hales said he also spent considerable time working behind the scenes on Bend's water issues with the state and other water users in the Deschutes Basin. He also oversaw work on a grading and clearing ordinance, the community development code update and the waterway overlay zone adoption. The zone adds another layer of review and environmental protection along the Deschutes River in Bend.

'I'm proud of what we accomplished in those two years time. I think we made tremendous progress,' Hales said.

Hales is currently working as the interim public works director at the city of Redmond.

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