

	<b>Chief Administrative Officer's Performance Evaluation Process and Compensation</b>	
	<b>Policy Type:</b>	Governance Process
	<b>Number:</b>	GP-B-2.5
	<b>To be Reviewed:</b>	once per term
	<b>Approval Date:</b>	February 28, 2022
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	<b>Revised Date(s):</b>	

**Policy Statement:**

The Chief Administrative Officer (CAO) is the sole employee that reports directly to Council and the channel through which Council policies and decisions are implemented by the Town. Monitoring CAO performance is synonymous with monitoring Town performance against Council policies and performance criteria.

1. The purpose of monitoring is to determine the degree to which Council expectations and performance criteria, as defined in its policies, are being met.
2. Performance criteria are determined in consultation with the CAO and approved by Council annually in December, in advance of the coming year. The exception is during an election year when the performance criteria is set prior to October for consideration and adjustment by the new Council in December.
3. The annual performance evaluation of the CAO is carried out in accordance with the *Municipal Government Act* and will use the process set out in the attached schedule. The process will ensure an in-depth discussion of performance and allows dialogue regarding issues and concerns with both the CAO and Council performance and to provide a foundation for adjustment of compensation before year-end. In an election year, the annual performance evaluation is completed by October.
4. Results of the annual performance evaluation are determined by Council and reported to the CAO in confidence with due respect for privacy, fairness, and dignity. The strengths of the organization and any concerns requiring the attention of Council are addressed.
5. Compensation will be provided to the CAO:
  - 5.1. In the form of an annual base salary, benefits, allowances, performance bonus and any applicable general market increases that may be provided to staff;
  - 5.2. Sufficient to attract and retain the most senior leader for the organization;
  - 5.3. Appropriate to the demands of the role and value to the community;
  - 5.4. Reflective of the size of the Town when compared to other Alberta communities; and
  - 5.5. Unless Council directs otherwise, compensation will be reviewed at a minimum of every three (3) years through a CAO compensation survey conducted by the Director responsible for Human Resources with recommendations to Council for adjustments, if required.

## **SCHEDULE A - Annual CAO Performance Appraisal Process**

### **Principles**

- Focus on feedback to bring clarity to the goals, expectations and to drive performance;
- Multi-source feedback;
- Linked to objectives; and
- Focus on Town values and on-the-job performance.

### **Design**

- Performance appraisal design approved and administered by Council (led by the Mayor) or a consultant, if desired;
- Online (Survey Monkey) or paper survey to get direct feedback on the CAO;
- Use available data sources to supplement surveys; and
- Combination of ratings and open questions.

### **Process**

1. In January of each year, Council sets objectives, priorities, and expectations for the CAO. This formally initiates the start of the performance cycle.
  - a. The Mayor engages Council to determine the objectives, priorities and expectations:
    - i. Council may consider the Corporate Business Plan, Corporate Strategy, Council Strategic Priorities, overall citizen engagement and feedback and the CAO job description in developing objectives, priorities and expectations.
  - b. A written draft outlining objectives, priorities and expectations is reviewed and understood and agreed to by the Mayor, Council, and CAO.
  - c. The Mayor formally, in writing, delivers the objectives, priorities, and expectations in a 1-1 meeting with the CAO, including timelines and metrics for achievement.
  - d. The Mayor can use the Community Safety & Organizational Excellence Director or an external consultant as support and to facilitate the process.
2. At the 6-month mark, the Mayor, on behalf of Council will provide interim feedback on CAO progress to the CAO, provide updated direction on objectives, priorities, and expectations.
  - a. This is communicated formally, in writing, in a 1-1 meeting with the CAO.
3. At the end of the performance year, Council will conduct an evaluation of the CAO's performance based on the achievements of the CAO:
  - a. This review will be based on objective data from multiple sources:
    - i. CAO self assessment;
    - ii. Council feedback;
    - iii. Strategic Leadership Team;
    - iv. CAO's direct report;
    - v. Results from Town satisfaction surveys;
    - vi. Results from employee satisfaction surveys;
    - vii. Objective achievements; and
    - viii. Job description.

4. The Mayor, or consultant, compiles the information on the CAO Performance Appraisal Form. At this stage, the form is in draft as it excludes the CAO's direct feedback.
5. The Mayor shares the results with Council and obtains support to deliver the draft Appraisal to the CAO.
6. The Mayor meets with the CAO to deliver the draft results of the Performance Appraisal and to obtain CAO feedback on:
  - a. The CAO's feedback on the achievements in the performance year;
  - b. The results of the Multi Source Feedback/Surveys; and
  - c. The results of other key indicators.
7. The Mayor incorporates the CAO's comments into the CAO Performance Appraisal Form.
8. The Mayor shares the updated CAO Performance Appraisal Form with Council and obtains approval to finalize the appraisal, including determination of bonus amount.
9. The Mayor delivers the CAO Performance Appraisal Form, including bonus achievement to the CAO in writing (with a final copy to the CAO's HR file and for Pay Processing, if applicable).

### **Multi Source Feedback Tools**

- Council will use the Multi Source Feedback Form (or Survey Monkey online version) to gather feedback on CAO performance from key stakeholders;
  - Each option is identical, one paper, one online.
- Council determines Stakeholders for CAO feedback, considering the following groups:
  - Council;
  - Strategic Leadership Team;
  - CAO direct reports; or
  - CAO Self-Assessment.

### **Process for Gathering Feedback**

- The Mayor and/or consultant sends an introductory email to all survey participants asking them to complete either the online survey or the Multi Source Feedback Tool.
- Participants will be provided two weeks to complete the survey and provide feedback.
- Mayor obtains other pertinent information, as required (such as progress on deliverables, satisfaction surveys, priority projects, notable events, etc.) from either the CAO or Community Safety & Organizational Excellence Director.
- The Mayor (or a consultant) compiles, synthesizes, analyzes, and reports major themes all of the responses and information into the draft CAO Performance Appraisal Form in a generalized unidentifiable format:
  - The focus of the information should be presented in a concise, direct, and clear way, with the purpose of providing consultative feedback on CAO performance and direction on expectations moving forward.

### **External 360 Feedback**

- Every 4-year term, an external consultant will be engaged to conduct a thorough 360-degree evaluation of the CAO.

### **Competency Categories**

- Leadership
- Service Delivery
- Integrity and Ethics
  - Commitment to Diversity, Equity and Inclusion
- Development of Others
- Budgeting/Financial Management
- Strategic Planning
- Council Support
- Communication/Relationship
- Town Advocacy
- Policy Development/Political Acumen
- Continuous Improvement
- Professional Development
- Objective/expectation achievements
- Priority Projects
- Key Results
- General Comments

### **Formal Rating**

- The only formal rating will be an "Overall" rating:
  - Does not meet expectations;
  - Meets expectations; or
  - Exceeds expectations.

The purpose for only one rating is to focus the discussion on objectives, achievements and expectations to bring clarity and drive performance, rather than on numerical assessments in each category.