



The Corporation of the Town of Milton

Report To: Council

From: Janine Gallagher, Director, Human Resources

Date: May 9, 2022

Report No: CORS-033-22

Subject: CAO Performance Review

Recommendation: THAT Council approves the updated CAO Performance Review Policy attached to this report as Appendix A;

AND THAT Council approves the changes to the Rating Scale Guide used to evaluate the CAO's Performance attached to this report as Appendix B.

EXECUTIVE SUMMARY

A key responsibility of Council is ensuring the effective management of the municipality through the position of the Chief Administrative Officer (CAO), and as such, Council is responsible for reviewing the CAO's performance.

As per [by-law no. 124-2019](#), the CAO's performance is to be assessed by Council on an annual basis. In order to ensure that the CAO's performance is measured in a consistent and equitable manner in addition to promoting accountability and results in-line with Council priorities, a structured process was developed and approved by Council through [Report No. CORS-007-21](#). This included the development of a CAO Performance Review Policy, Performance Evaluation Form, Rating Scale Guide and Goal Setting Form.

The CAO Performance Review Policy and Rating Scale Guide have since been updated to reflect changes identified by Council through the 2021 performance review process with the most significant change being around the performance review meeting. These changes are intended to further support the effectiveness of the performance review process.

Both the revised CAO Performance Review Policy and Rating Scale Guide are appended to this report.

REPORT

Background

A review of the CAO's performance has historically been conducted on an annual basis. Prior to 2021, no formal process or procedure existed to define this process. A CAO Performance Review Policy was subsequently developed and approved by Council through [Report No. CORS-007-21](#) to support accountability, consistency and transparency in the performance review process.

The development of the CAO Performance Review Policy and supporting documentation included the review and utilization of the Canadian Association of Municipal Administrators (CAMA) CAO Performance Review Toolkit, other municipal processes, and the Town's non-union Performance Management Policy.

In 2021 the newly developed CAO Performance Review Policy was used to guide the performance review process through the full performance cycle. Through this process Council identified areas that required further refinements to both the policy and rating scale to further support the effectiveness of the performance review process.

Discussion

As per the Municipal Act, the CAO is responsible for exercising general control and management of the affairs of the municipality for the purpose of ensuring the efficient and effective operation of the municipality. Council is directly responsible for setting expectations of the CAO role, measuring performance and providing performance related feedback. As per [by-law no. 124-2019](#), the CAO's performance is to be assessed by Council on an annual basis.

A structured performance review process was approved by Council through [Report No. CORS-007-21](#) and put in place for the purpose of providing a tool to measure the effect of the CAO's leadership and decision-making, and the achievement of mutually agreed upon goals aligned with Council's priorities. This promotes effective governance, accountability to Council and the public and highlights opportunities for continuous improvement and success.

Through the 2021 performance review process, Council identified areas that required further refinements to the policy and rating scale to further support the effectiveness of the process. The Performance Review Policy has been amended to reflect these changes with the most significant revision being around the performance review meeting. The rating scale used to evaluate the CAO's performance has also been updated from a 4-point scale to a 5-point scale, reflecting Council's feedback and best practice.

The requested changes remain consistent with guidance through the CAMA CAO Performance Review Toolkit and other municipal processes. Both the revised policy and rating scale are appended to this report.



Financial Impact

CAO Compensation adjustments will continue to be applied in a manner that is consistent with the non-union Salary Administration Policy.

Respectfully submitted,

Janine Gallagher
Director, Human Resources

For questions, please contact: Janine Gallagher Phone: Ext. 2146

Attachments

Appendix A - CAO Performance Review Policy
Appendix B - CAO Performance Review Rating Scale Guide

CAO Approval
Andrew M. Siltala
Chief Administrative Officer

Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.

POLICY: CAO Performance Review	POLICY NO.: E-5
SECTION: Professional Development	NO. OF PAGES: 4
EFFECTIVE DATE: February 8, 2021	REVISED: May 9, 2022

Purpose

To provide a structured process to set clear objectives of the CAO, enable on-going feedback on the CAO’s performance, support open communication between Members of Council and the CAO and serve as a basis for compensation adjustments. Performance review should a year-round process rather than an annual exercise.

The performance review process should:

- Ensure clarity of CAO position expectations and competencies;
- Provide a two-way communication forum for the CAO and Council to formally discuss corporate performance and the relationship between administration and the municipality;
- Set objectives and criteria for the CAO based on the strategic plan/municipal priorities;
- Set out a timeline for regular and on-going feedback of CAO performance and goal progress;
- Provide a tool to evaluate performance against the established criteria and results;
- Clearly outline how the performance review is to be conducted; and
- Define the alignment between compensation adjustments and performance results.

Scope

This policy applies to the position of Chief Administrative Officer (CAO) and is administered by Members of Council.

5.1 CAO Position Expectations and Setting Expectations

The performance review is an ongoing process based on evaluating the CAO’s performance using measurable criteria in alignment with the Town’s strategic

plan/municipal priorities, position expectations and competencies. The following documents should be used to guide the development of the performance tool, the establishment of goals and evaluation of performance:

- CAO By-law
- Strategic Plan and/or Annual Work Plans

5.2 Performance Review Process

Step 1: Development of Performance Objectives/Goals

At the beginning of the performance cycle, performance objectives will be established that align with the Town's Strategic Plan and/or annual work plans. This will be a joint process between the CAO and Council and will include the identification and development of professional development goals as applicable, and take place in a closed session meeting. The performance cycle is defined as the calendar year.

The performance objectives will be presented to Council for approval prior to the end of the first quarter of the calendar year. In the event that the appointment of a new CAO occurs mid-year, the performance objectives will be established and approved by Council before the last quarter. Should the appointment of a new CAO occur in the last half of the calendar year, no formal performance review will take place that year.

The performance objectives should be established using the S.M.A.R.T. goal methodology (Specific, Measurable, Assignable, Realistic, Time-related).

Step 2: Progress update

The CAO will provide regular updates informing Council on the progress of the established performance objectives. These updates will take place on an informal basis and will include dialogue around successes, barriers to success or a recommendation to change a performance objective as a result of a shift in strategic priorities. These updates provide an opportunity for Council to provide feedback to the CAO in regards to performance objectives to further support successful achievement and avoid any surprises during the year-end performance review. Any formal changes to the established performance objectives require a closed session Council meeting and must be approved by Council.

Step 3: The Year-end performance review

Council's involvement in the formal performance review process will commence in November of each year, except when it is the last year of a Council term, at which time the review will be completed prior to the end of the Council term.

Human Resources will provide Council with a CAO performance review orientation during the first year of the Council term and as requested by Council thereafter.

CAO's Role

Human Resources will initiate the performance review in early November by providing the CAO with a performance review package including:

- CAO By-law
- Strategic Plan and/or annual work plans
- Performance Review Policy
- Performance Evaluation Form and Tools
- Any other relevant materials

The CAO will prepare a self-assessment using the Performance Evaluation Form. Before doing this, the CAO should review the guiding documents noted herein, in addition to any other relevant documents created throughout the year applicable to the assessment, including progress updates.

The CAO, or designate will forward the completed self-assessment to Council, including any relevant documents the CAO deems appropriate for the purpose of the review.

Council's Role

The Performance Evaluation Form and tool will be circulated to each member of Council no later than the first week of December of a non-election year, along with any other relevant documents, to be completed individually. During an election year, these documents will be circulated at least one month before the performance review meeting.

Each Council member is responsible for filling out the form; full participation of each Member of Council is required. Council will use the definitions outlined in the performance review tool to measure performance in each area by assigning a numerical rating. The numerical ratings are defined within the accompanying performance rating tool. Members of Council may elect to add a brief comment to support each rating.

The completed Performance Evaluation Forms are to be forwarded to the Director, Human Resources by each Member of Council. The numerical rating assigned by each Member of Council will be averaged in each category, resulting in an averaged overall performance review rating. The Director, Human Resources will combine and summarize Council's comments relevant to the performance objectives, focusing on common themes and areas requiring improvement prior to sending to the Mayor and Budget Chair.

The Director, Human Resources will facilitate a meeting between the Mayor and Budget Chair in the assessment of the averaged performance rating in conjunction with the CAO's self-assessment. The Mayor and Budget Chair will determine if an adjustment should be made to the rating if they are in agreement that the average

result does not properly reflect overall performance. The Mayor and Budget Chair will decide on how Council's feedback will be discussed with the CAO, how any one of a kind comments will be handled and may advise Council of such for information.

The final Performance Evaluation Form will be circulated to Council in advance of the performance review meeting. The CAO is provided with the final performance review in advance of this meeting.

Performance Review Meeting

The confidential performance review meeting will take place between the Mayor, Budget Chair and the CAO. The Director, Human Resources will facilitate the meeting.

The meeting itself should be a conversation discussing the final performance review, with a constructive focus on successes, opportunities for improvement and professional development opportunities.

New proposed performance objectives should be discussed in this meeting for the following performance cycle. It is recommended that all parties come prepared with strategic goals that continue to link the CAO's performance objectives with the strategic plan and municipal priorities.

The Mayor and CAO will sign off on the final performance review, with a copy to Human Resources to process any related compensation adjustments and to file in the CAO employee file.

5.3 Compensation Adjustments

The performance review provides a mechanism to align CAO compensation adjustments to performance. In order to maintain internal equity, consistency, transparency and fiscal accountability, CAO compensation will be administered in accordance with the applicable sections of the Corporation's non-union Salary Administration Policy, which is subject to change from time-to-time.

5.4 Assessment Tools

Review of Performance Evaluation Form and Tools

The performance review process, including the form and related tools are to be reviewed as deemed necessary by Council.

If it is determined by Council that changes to the performance review process, form or tool are required, Council will inform the CAO and Human Resources of such. Human Resources will recommend changes based on Council direction and bring a revised process/form/tool to Council for approval.

CAO Performance Review Rating Scale Guide

Core Review Elements	
Rating	Rating Description
1	Unsatisfactory. Rarely meets the performance standard. Immediate and substantial improvement is necessary.
2	Needs Development. Demonstrates basic competency in most areas, however, there are areas that require improvement or further development. This rating may also apply for a CAO new to the role that is still learning.
3	Fully Meets Expectations. Consistently and clearly demonstrates sound performance that meets the expectations of this review element. Occasionally exceeds expectations.
4	Exceeds Expectations. Exceeds performance expectations associated with this review element with high frequency.
5	Exceptional. Consistently exceeds all performance expectations associated with this review element and the overall quality of work is exceptional.

**Partial point ratings may be awarded, up to a maximum of 5.0.*

Goals	
Rating	Rating Description
1	Not Achieved. Most or all expectations around key deliverables not met.
2	Partial Success. Some key deliverables met, but did not fully meet expectations.
3	Fully Successful. Key deliverables of goal met.
4	Highly Successful. Key deliverables met and surpassed expectations in some areas.
5	Exceptional. Exceeded expectations in all goal key deliverables.

**Partial point ratings may be awarded, up to a maximum of 5.0.*

Rating Scale Weighting Distribution	
Core Review Elements	Goals
40%	60%