



The Corporation of the Town of Milton

Report To: Council

From: Troy McHarg, Commissioner Corporate Services

Date: February 8, 2021

Report No: CORS-007-21

Subject: CAO Performance Review

Recommendation: THAT Council approves the CAO Performance Review Policy, attached to this report;

AND THAT Council approves the CAO Performance Evaluation Form, Rating Tool and Goal Setting Form, attached to this report.

EXECUTIVE SUMMARY

A key responsibility of Council is ensuring the effective management of the affairs of the municipality through the position of the Chief Administrative Officer (CAO). The CAO role acts as the link between Council and municipal operations and is expected to facilitate the development, implementation and delivery of municipal programs and services in accordance with Council's direction. Being the sole position that Council is directly responsible for hiring, Council is also responsible for measuring the performance of the incumbent in the role.

As per [by-law no. 124-2019](#), the CAO's performance is to be assessed by Council on an annual basis. A policy or procedure does not currently exist that defines the CAO performance review process. In order to ensure that the CAO's performance is measured in a consistent and equitable manner and promotes accountability and results in-line with Council priorities, staff developed the attached CAO Performance Review Policy, Performance Evaluation Form, Rating Tool and Goal Setting Form.

Developing 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 addition to consultation with the CAO and members of Council.

REPORT

Background

A review of the CAO's performance has historically been conducted on an annual basis, although a policy or procedure does not currently exist that formerly defines this process. In prior years, the CAO's performance was evaluated by members of Council through an informal survey coordinated by the Executive Assistant to the Mayor and CAO and reported in memo format.

The by-law outlining the CAO's duties and responsibilities was updated in December 2019 through [by-law no. 124-2019](#). This updated by-law incorporates key responsibilities listed within the CAO Profile and Competencies document defined through the 2019 CAO recruitment process, and was used to develop the attached Performance Evaluation Form.

In addition to defining the duties and responsibilities of the CAO, [by-law no. 124-2019](#) also outlines the requirement to evaluate CAO performance. The by-law states that the CAO will "meet annually with Council to review and assess performance of the CAO during the past year as well as priorities to be pursued during the following year."

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 and for performing other duties as assigned by the municipality.

As the CAO position is the only position that Council is directly responsible for hiring, Council is subsequently responsible for setting expectations of the role, measuring performance and providing performance related feedback.

As described in the attached Performance Review Policy, a structured process provides a mechanism to set clear objectives of the CAO, enables on-going feedback on the CAO's performance, supports open communication between members of Council and the CAO and serves as a basis for compensation adjustments.

Additionally, a formal, structured performance review process provides 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.

The duties and responsibilities outlined in the updated CAO by-law and CAO Profile and Competencies document provided the foundation to build a formal and structured CAO Performance Evaluation Form that uses measurable criteria to assess the performance of the CAO.

The Canadian Association of Municipal Administrators (CAMA) developed a CAO Performance Evaluation Toolkit, based on best practice research, which provides guidelines for municipalities in the establishment of a fair and effective CAO performance management system. This CAMA CAO Performance Evaluation Toolkit was used as a resource in the development of the attached policy, Performance Evaluation Form and Goal Setting Form.

Other resources used to inform the structure and content of the CAO Performance Evaluation Form, rating tool and Goal Setting Form include the CAO [by-law no. 124-2019](#), the Council endorsed CAO Profile and Competencies in addition to the Town's current non-union employee performance management documents.

The Performance Review Policy outlines the purpose of the review, the setting of annual performance objectives, the CAO and Council's role throughout the process, the performance review meeting, compensation adjustments and assessment tools.

The CAO by-law and Profile and Competencies document were specifically used to establish the 5 core review elements on the evaluation form. The form also includes a separate section for the purpose of rating the CAO's annual goals that are expected to be established at the beginning of the calendar year using the Goal Setting Form (Appendix C).

Previously, the Executive Assistant to the Mayor and CAO facilitated the CAO performance review process. Staff recommend that the Director, Human Resources be designated to facilitate the CAO performance review and assist the CAO and members of Council throughout the process.

The CAO and members of Council were consulted in the development of the policy, form and rating tools.

Financial Impact

There are no additional costs associated with the CAO performance review process. The compensation adjustments are in-line with the applicable sections of the Town's non-union Salary Administration Policy which has been used to administer CAO compensation adjustments in previous years.

Defining the process and providing structure to the CAO performance review encourages fiscal accountability by aligning CAO performance and related compensation adjustments with Council expectations and the achievement of organizational objectives.



The Corporation of the Town of Milton

Report #:
CORS-007-21
Page 4 of 4

Respectfully submitted,

Troy McHarg
Commissioner, Corporate Services

For questions, please contact: Janine Gallagher, Human Resources Business Partner ext. 2146

Attachments
Appendix A – CAO Performance Review Policy Appendix B – CAO Performance Evaluation Form & Rating Tool Appendix C – Goal Setting Form

CAO Approval
Andrew M. Siltala
Chief Administrative Officer

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

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/Council 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;
- 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 Council 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
- Employee Code of Conduct

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. 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 December 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
- Employee Code of Conduct
- 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 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 by 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 add a brief comment to support each rating.

The completed Performance Evaluation Forms are to be forwarded to the Director, Human Resources before the end of December 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, focusing on common themes and areas requiring improvement. The Mayor and Budget Chair will assess the averaged performance rating and make an adjustment if they are in agreement that the average result does not properly reflect overall performance. The summary and final performance rating will be included in a final performance review report which will be circulated to Council in advance of a closed session meeting of

Council. The CAO is provided with the final performance review report in advance of this meeting.

Performance Review Meeting

The performance review meeting is to be held in confidential session and should include the CAO, all members of Council, Director, Human Resources and/or designated Clerk.

The meeting itself should be a conversation between the CAO and Council discussing the final performance review, with a constructive focus on successes, opportunities for improvement and professional development opportunities. The CAO and Council should be approaching these meetings as a further opportunity to enhance the relationship between the parties.

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 priorities of Council.

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 Core Review Elements

Leadership and Staff Effectiveness	
Summary of Required Performance/Behaviour	Comments (optional)
<ul style="list-style-type: none"> - Demonstrates positive leadership through communication, accessibility and a shared vision. - Leads the establishment of business plans and priorities to ensure Council's vision and direction is implemented. - Supports a workplace that is ethical, safe, inclusive and respectful. - Demonstrates successful leadership through the achievement of results and performance of the Strategic Management Team. - Demonstrates a personal orientation towards action, resists status-quo and removes barriers that delay progress towards goals. - Strategically plans and initiates long term goals and changes to ensure organization is responsive to diversity and change. 	
Rating (0 -4)	

Fiscal Accountability and Financial Management	
Summary of Required Performance/Behaviour	Comments (optional)
<ul style="list-style-type: none"> - Effectively manages and optimizes human, financial and physical resources. - Promotes fiscal discipline and accountability. - Ensures the establishment of fiscal policies and their management. - Leads the preparation and presentation of operating and capital budgets and long term financial plans. - Ensures effective processes are in place for capital budget priority setting, maintenance and funding of critical infrastructure and identification of funding gaps. - Ensures the organization is well positioned to access funding opportunities from other levels of government. 	
Rating (0 -4)	

Positive Relationship Building & Communication	
Summary of Required Performance/Behaviour	Comments (optional)
<ul style="list-style-type: none"> - Demonstrates a high degree of interpersonal skills, tact and diplomacy. - Maintains ongoing contact and dialogue with members of Council and various stakeholders regarding key issues. - Provides comprehensive advice to Council, Council committees and community stakeholders/partners. - Promotes an organizational environment that is open to alliances and attracting partnerships. - Establishes, builds and maintains strong and reciprocal relationships and a network of contacts. - Demonstrates the ability to adapt and tailor communication methods appropriate to a variety of audiences. 	
Rating (0 -4)	

Innovation and Change Management	
Summary of Required Performance/Behaviour	Comments (optional)
<ul style="list-style-type: none"> - Enhances corporate performance by being creative, promoting new ideas and introducing new solutions or processes. - Demonstrates and encourages behaviour throughout the organization that supports innovation, continuous improvement and creative problem solving. - Demonstrates the ability to initiate, facilitate and implement change. - Fosters a work culture that encourages innovation. - Leverages technology and ensures incorporated appropriately and facilitates continuous improvement. 	
Rating (0 -4)	

Service Delivery & Accountability	
Summary of Required Performance/Behaviour	Comments (optional)
<ul style="list-style-type: none"> - Leads continuous improvement throughout the organization. - Supports Council in developing plans and initiatives to promote and serve community interests. - Ensures actions taken and results achieved are consistent with the values and environment desired by residents. - Provides clear direction, appropriate tools, resources and authority to support success. - Creates a work environment that encourages responsibility and decision making at all levels by sharing authority and removing barriers to creativity. - Conducts regular reviews of and assessments of the programs, services and organizational structure to evaluate effectiveness and ensure adequate measurement systems are in place. 	
Rating (0 -4)	

Additional Comments

Sign off	
Member of Council Signature	Date

Please confidentially email or hand deliver a signed copy of this form to Director, Human Resources.

Note: (Final overall rating form will have Mayor and CAO signature and another form will be labeled Self-Assessment for the CAO to complete as well).



CAO Performance Review Rating Scale Guide

Core Review Elements	
Rating	Rating Description
0	Unsuccessful. Does not meet any of the expectations associated with this review element. Immediate and substantial improvement is necessary.
1	Poor. Rarely meets the performance standards. Immediate improvement is required.
2	Developing. Demonstrates basic competency in most areas, however, there are areas that require improvement or further training. This rating may apply for a CAO new to the role that is still learning.
3	Fully Successful. Demonstrates sound performance that meets the expectations of this review element. Occasionally exceeds expectations.
4	Exceptional. Exceeds all performance expectations associated with this review element with high frequency.

**Half point ratings may be awarded, up to a maximum of 4.0.*

Goals	
Rating	Rating Description
0 - 1	Poor. Most or all expectations around key deliverables not met.
2	Below Average. Some key deliverables met, but did not fully meet expectations.
3	Fully Successful. Key deliverables of goal met.
4	Exceptional. Exceeded expectations in all goal key deliverables.

**Half point ratings may be awarded, up to a maximum of 4.0.*

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



CAO GOAL SETTING FORM

CAO Name:		
Date:		
Revised Date(s):		

Council Priority	CAO Goal (SMART)	Key Expected Outcomes	Timelines & Target Dates

PROFESSIONAL DEVELOPMENT GOALS

Skill / Competency Development	Conference / Training Program Recommended	Purpose / Desired Outcome

Sign off			
CAO Signature	Date	Mayor Signature	Date

A copy of this form is to be submitted to Human Resources at the beginning of the performance review period