

COUNCIL IN COMMITTEE REPORT

REQUEST FOR COUNCIL DECISION

DATE: November 28, 2017
FROM: Director of Corporate Services
SUBJECT: CAO 2017/2018 Goals and Objectives

FILE: 01-0640-20/17

RECOMMENDATION: The Committee recommends THAT Council:

- A. Approve the CAO performance goals and objectives for 2017/2018 as mutually developed and agreed to by the CAO and Council in Committee; OR
- B. Other.

CHIEF ADMINISTRATIVE OFFICER COMMENT/RECOMMENDATION:



BACKGROUND

On September 12, 2017 at a regular meeting of Council, Council approved policy C075 (attachment A) and process (attachment B) to guide the annual performance review of the CAO. Within this framework, Mayor and Council, and the CAO, with the support of an Independent Consultant, are required to develop mutually agreed upon goals and objectives for the coming year which would normally occur during of the annual evaluation period of March through June. However, as the City transitions into the formality of new performance evaluation process, it is not unusual that a component of the framework is still in development. Once a full cycle is established, the approach will be more concise and methodical.

KEY ISSUE:

To implement this policy and framework accordingly in 2018, all components must be in place including the CAO goals and objectives which is currently outstanding. Bill Sutherland, an Independent Consultant, will work with Council in Committee and the CAO to identify goals and objectives that align to current strategic and business plans and other Council priorities. This collaborative, two-way process permits candid, supportive discussion and a shared understanding of expectations.

Key considerations when setting goals:

- Goals can apply to anything but should be focused on making the community or the organization better.
- Goals must be achievable.

- The CAO should have the resources (time, money, people) to achieve the goals as set out.
- The goals need to be balanced against other competing demands on resources to ensure that they are realistic and achievable.
- The goals should be reviewed for achievability in their aggregate as well as individually. It might be realistic to accomplish some of the goals but not all of them within the timeframe.
- Goals can be changed, re-prioritized or modified during the reporting period in response to changing external or internal circumstances. Doing so should not be arbitrary or done without full understanding and agreement of the implications of making the proposed change(s).
- Goals can be suggested by any member of Council or the CAO but must have the consensus of the group to be included in Part 4 of the CAO Performance Review tool.

RELEVANT POLICY: Council Policy C075: Annual Performance Review – Chief Administrative Officer.

STRATEGIC ALIGNMENT: Corporate Excellence

DESIRED OUTCOME:

To have clear, achievable and mutually agreed upon goals and objectives that will form part of the 2017/2018 performance evaluation process of the CAO, per policy C075.

IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: Identification of goals and objectives sets the course of action for the organization.

FINANCIAL: The development of mutually agreed upon goals for coming years will be continue to facilitated by a neutral third party, and be part of the annual evaluation process.

IMPLEMENTATION/COMMUNICATION: The CAO goals and objectives is an integral part of the performance review process. Once established, a copy of all documents will be provided to the Chief Administrative Officer and be maintained in the incumbent's employee file.

KATZIE FIRST NATION CONSIDERATIONS: N/A

OTHER: N/A

Submitted by: Stephanie St. Jean, Director of Corporate Services

Approved by: Mark Roberts, CAO

ATTACHMENT(S):

- A. Policy C075, Annual Performance Review – Chief Administrative Officer
- B. CAO Performance Review Process



Annual Performance Review – Chief Administrative Officer

Effective Date: September 15, 2015

Revised Date: September 12, 2017

I. Context

The Chief Administrative Officer (CAO) is the only direct employee of Council, and is the connecting link between Council and municipal operations. This position derives its powers under Section 147 of the Community Charter. The CAO

- Is the administrative head of the municipality;
- Ensures policies, programs and other directions of the Council are implemented;
- Advises and informs Council of the municipality's operations and affairs, and
- Carries out responsibilities as assigned by Council.

2. Policy Statement

The City of Pitt Meadows will conduct an annual review of the performance of the Chief Administrative Officer (CAO). The review process is to be a collaborative exercise the aim of which is to provide the CAO with feedback that contributes to his/her professional and personal development. This is an important element of the City's goal of providing its citizens with a continuously improving, high functioning public service.

The annual review of the CAOs performance is to be based on the following:

- Implementation of Council's Strategic Objectives and priorities;
- Accomplishment of mutually agreed goals for the year;
- CAO's role as Council's principle adviser; and
- The leadership that the CAO provides.

City Council is responsible for implementing this policy supported by the CAO and Administration.



This policy is to be reviewed every four years in the third year of a Council's term.

The appraisal system for the CAO is to be a separate process from that applied to the rest of the staff.

3. Purpose

Regular performance reviews ensure that the CAO is provided with accurate and appropriate feedback with the goals of enabling the achievement of corporate objectives, improving municipal performance and allowing for the personal and professional development of the CAO.

The CAO performance review is a valuable instrument which can serve any or all of the following purposes:

- To formally discuss the relationship between Council and the CAO;
- To ensure that there is clarity with regard to the position expectations of the CAO;
- To provide an assessment of the performance of the role, responsibilities and authority as set out in legislation, City policy and the job description;
- To set objectives and criteria for future evaluation; and
- To serve as the basis for salary adjustments.

The annual performance review is part of an ongoing continuous improvement and performance management process by which Council and the CAO work together to plan, monitor and review the work objectives and overall organizational achievement. This is part of a continuous process of setting objectives, assessing progress and providing on-going feedback. The annual review of the CAO's performance should include the development of criteria that:

- Align with the organization's strategic direction and culture;
- Are practical and easy to understand and use;
- Provide an accurate picture of expectation and performance;
- Include a collaborative process for setting goals and reviewing performance based on two-way communication between the Council and CAO;
- Monitor and measure results (what) and behaviors (how) as appropriate;
- Provide training and development opportunities for improving performance;



- Ensure that administrative work plans support the strategic direction of the organization;
- Identified and recognize accomplishments; and
- Support administrative decision-making.

4. Scope

This policy applies to the Chief Administrative Officer as the only employee of City Council.

5. Process

The following elements and timelines will guide the review process:

SERIAL	WHAT	WHO	WHEN	REMARKS
1	Annual CAO performance review process initiated.	Mayor & Council	By 31 March	
2	Neutral 3 rd Party / Independent Consultant appointed.	Mayor & Council	By 31 March	
3	Council member interviews.	Independent Consultant & Members of Council	April	Anonymous
4	CAO interview & self-evaluation.	Independent Consultant & CAO	April	Anonymous
5	Corporate Leadership Team interviews.	Independent Consultant & Corporate Leadership Team	April	Anonymous
6	Initial report	Independent Consultant	May	To Mayor & CAO in camera



7	Comprehensive report on review results	Independent Consultant	May / June	To Council in camera
8	Debrief CAO	Mayor & Independent Consultant	May / June	
9	Develop mutually agreed goals for coming year.	All Members of Council, CAO & Independent Consultant	May / June	Can be combined with CAO debrief.
10	Completion of CAO Performance Review; AND Process lessons learned report.	Independent Consultant	By 30 June	To Mayor & Council and CAO
11	Salary review	Mayor & Council	By 30 June	

6. Responsibilities

1. The review shall be coordinated by the Mayor and involve all of Council.
2. Scheduling the date and time of the review shall be the responsibility of the Mayor, in consultation with Council and the CAO.

City of Pitt Meadows

ATTACHMENT

B

CAO Performance Review Process***Discussion Paper***

INTRODUCTION**Background**

Providing routine feedback on an employee's performance is widely recognized as a characteristic of well-functioning organizations whether they be in the private or public sector. Most organizations have policies in place to ensure that this happens. Where gaps occur in the private sector, it is often at the executive level and more likely, in the relationship between a Board and the Chief Executive Officer. For its part, the public sector is not immune from this reality although Federal and Provincial public service regulations make such performance reviews routine and mandatory. In British Columbia, the municipal order of government is the exception to this rule. Unlike in provinces such as Alberta that make it a legislative requirement in its Municipal Government Act (MGA) for municipal Councils to do an annual performance review of their Chief Administrative Officer (CAO), British Columbia has no such requirement.

To its credit, the City of Pitt Meadows has recognized that after a number of years of having neither a policy nor a routine practice in place for providing formal performance feedback to its CAO, that it is time to rectify this problem. To that end, it has initiated a process to develop a policy framework and implementation plan to ensure that it has in place the necessary elements to provide useful, appropriate and routine CAO performance reviews into the future.

AIM

The aim of this paper is to provide the City of Pitt Meadows Council with recommendations for a CAO performance review policy and process.

METHODOLOGY

The findings and recommendations outlined below are the result of confidential, without prejudice interviews with the Mayor and individual members of Council, the CAO and the Corporate Leadership Team (CLT) coupled with accepted best practices for municipal governments. None of the findings or recommendations can be attributed to any individual.

Rather, they either represent a consensus of a number of inputs or opinions or are a best practice that in the opinion of the author would benefit the City of Pitt Meadows.

GOVERNANCE CONTEXT

In what can be described as high functioning municipalities, good governance as it relates to the issue of reviewing the performance of the CAO is characterized by the following:

- Both the policy framework and the process reinforce the appropriate roles, responsibilities and relationships between the Council and the CAO.
- The Council provides the CAO with formal and informal feedback on a routine basis. This is particularly important given that the CAO is the Council's sole employee. For both, doing so fosters:
 - Good communication and reduced misunderstanding;
 - The establishment of agreed upon annual goals and performance measures;
 - Recognition of CAO achievements and of what has been and is being accomplished;
 - The identification of performance gaps and shared expectations for how they are to be addressed; and
 - Alignment of the CAO's goals and through him/her, the alignment of organizational goals with those of the Council.
- The CAO's performance review is linked to the implementation of the municipality's strategic plan and the annual actions that are required to accomplish Council's long-term strategic objectives.
- The policy and the review process itself are focused on continuous improvement while ensuring accountability.

FINDINGS

Made in Pitt Meadows Model. While it was recognized that there was value in learning from the experience of others, there was a strong desire to create a "made in Pitt Meadows" model.

Political Environment. Virtually every interview involved a significant discussion of the political environment within which the performance review process would take place. This ranged from the City's recent political history through the internal dynamic of Council to the relationship between Council and individual Councillors with the Administration and in some cases, individual members of the Administration. In all cases, there was a recognition that while the CAO is expected to operate in an environment of shifting political dynamics, the process used to review his/her performance must be insulated from the impact of such uncertainty to the extent possible.

Role of Individual Councillors. Individual members of Council will have different perspectives that need to be accommodated through the review process. All members of Council should have the opportunity to provide input and all members of Council should be expected to provide input. At the same time, no individual perspective should be allowed to predominate unless that perspective ultimately becomes the consensus perspective of Council as a whole.

Role of Council. The role of Council as a whole is key. It is Council as a whole that must “own” the policy and ensure that it is implemented as intended. Council as a whole is also responsible for creating the conditions that allow the CAO and Administration to succeed. This includes among other things, providing a long-term strategic focus for the City and organization, providing clear direction as to what is expected of the Administration in achieving the short-term goals and longer-term strategic objectives that support that focus and providing the necessary resources to achieve what is expected. Part of Council’s role should therefore be to invite feedback from the CAO on how the relationship between Council and the Administration can be improved as part of the process. Some interviewees felt that there was also opportunity in the process for Council self-reflection particularly if assisted by a neutral third party. Ultimately, the performance related feedback that is provided to the CAO should be from Council as a whole.

Role of the CAO. At its core, the role of the CAO is to help Council to succeed. The CAO is the principal adviser to Council, at times its conscience and its sole employee. At the same time, he/she must provide the leadership to a professional public service necessary to allow it to implement Council’s direction efficiently, economically and above all, effectively. All of these at times competing aspects of the CAO’s role should be reflected and appropriately balanced in the review process. The CAO should also be part of an annual goal setting exercise with Council that in turn becomes part of the CAO’s accountability and is reflected in his/her annual performance review. In addition, the CAO should be afforded the opportunity to do a self-evaluation that is shared with Council as part of the review process.

Collaboration. There was agreement that to be truly effective and to take full advantage of the opportunity afforded by the performance review process, it should be a collaborative, two-way process that permits candid, supportive discussion and a shared understanding of expectations.

Process Neutrality and Credibility. All interviewees stressed the importance of ensuring that both the review policy and the process to implement it are credible in the eyes of Council, the CAO, Administration and ultimately the public. The consensus method for achieving this was to use a combination of anonymous interviews and a consistent written tool, also anonymous, both of which would be administered and aggregated by a neutral third party or Independent Consultant on behalf of Council. The people involved will change over time so an important part of the credibility equation is to have a consistent format that mitigates against the vagaries of personality or knee-jerk reactions and more importantly, allows trends or patterns to be identified

Linkage to Strategic Plan and Strategic Planning Process. It is a widely-accepted hallmark of good governance that a municipal government think and act strategically and that it has in place, a strategic plan against which the Council and Administration account for the actions that they undertake, the allocation of resources to achieve their goals and the nature and quality of their decision-making. Typically, a strategic plan identifies the long-term, usually 10 – 15 years, aims and interests of the municipality and the means of achieving them. One of the values of taking a disciplined approach to thinking and acting strategically that many Councils highlight is that it ensures that the limited resources available to municipalities are focused on, and allocated to, those activities, programs and services that deliver the best long-term public good and value to the community. While most interviewees spoke highly of the Strategic Priorities Chart currently being used by the City, many noted that the City does not really have a strategic plan or strategic planning process. It is also worth noting that there are a number of references to a strategic plan and strategic planning in the CAO's Job Description. One could reasonably conclude therefore, that there is a gap or disconnect either in fact or perception in the minds of a number of interviewees on whether or not the City has a Strategic Plan or strategic planning process.

Timing. There was consensus that the CAO performance review process should be initiated by Council by 31 March and be complete by 30 June annually.

Frequency. Most of those interviewed felt that the CAO's performance should be reviewed on an annual basis to not only fulfill Council's responsibility for providing timely feedback to the CAO but also to take advantage of the opportunity that the process would provide to ensure the alignment of the Administration with Council's focus and priorities and to engage in an open two-way, collaborative dialogue with the CAO and by extension, the Administration. A small minority felt that once every two years would be sufficient to accomplish this.

Corporate Leadership Team (CLT) Involvement. There was consensus that there would be value in having the Administration senior leadership involved in the review process particularly given that so much of the CAO's time, effort and focus is on providing leadership to the Administration. Their involvement would also provide valuable insight for Council into how well the Administration team is functioning and how well the relationship between Council and the Administration is working.

Personal and Professional Development. There is an expectation that the CAO stays abreast of best practices in municipal public service leadership and management. Indeed, the Job Description for the City's CAO specifically includes the following expectation: "14.0 Staying Current with Trends in Municipal Management". There should therefore be a component of the performance review process that addresses his/her personal and professional development.

Policy and Process Review. There was consensus that as with any policy, to ensure relevance, both the policy and the performance review process should be themselves reviewed on a routine basis. Such a review should be timed to ensure that the Council conducting it has

sufficient knowledge of and experience with both to subject them to informed scrutiny and improvement. The review should therefore take place in the third year of a four-year Council term and be conducted in conjunction with the CAO's performance review itself.

Qualitative and Quantitative Assessment. Most interviewees felt that it was important that the evaluation tool be a combination of quantitative ratings, either numerical or descriptive, and an opportunity to provide qualitative feedback, opinion or examples either in support of the quantitative ratings or as stand-alone comments.

Convenience. There was widespread agreement that to be effective, the review process needed to be simple, convenient and useful. A corollary to this is that the process must avoid being onerous and bureaucratic.

COMPETENCIES

Any employee in an organization is expected to demonstrate a range of competencies. The CAO is no exception.

For the purposes of this paper and ultimately for the purpose of effectively reviewing performance, a competency can be defined as follows:

- *The combination of observable and measurable knowledge, skills, abilities and personal attributes that contribute to enhanced employee performance and ultimately result in organizational success.*

The competencies expected of the CAO and against which the CAO's performance is reviewed should reflect those expressed in his/her job description. An implication of this is that the CAO's job description should be routinely reviewed by Council to ensure that it remains relevant and aligned with Council's strategic focus and expectations and that all members of Council are familiar with it. The competencies found in the CAOs current job description are:

- Providing advice and support to Council;
- Supporting Council's strategic planning processes;
- Ensuring effective financial and administrative management;
- Leading business planning for the organization;
- Establishing performance objectives in conjunction with Council;
- Supporting Council's objectives through effective management of the City;
- Managing City resources;
- Providing leadership to Staff;
- Promoting excellence in service to the public;
- Overseeing City operations;
- Recommending policies and programs;
- Developing and maintaining key external relationships;

- Ensuring effective internal communication with Staff, management and Council; and
- Staying current with trends in municipal management.

RECOMMENDATION - PERFORMANCE REVIEW MODEL

It is recommended that the performance review model include the elements listed below.

To be effective, the City's CAO Performance Review model needs to be enshrined as a Council approved policy.

Policy Statement

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This policy is to be reviewed every four years in the third year of a Council's term.

Process

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10	Completion of CAO Performance Review; AND Process lessons learned report.	Independent Consultant	By 30 June	To Mayor & Council and CAO

Review Tool

The performance review tool should have the following elements:

- Part 1 – Introduction
- Part 2 – Core Competencies

- Part 3 – Corporate Leadership Team Input
- Part 4 – Mutually Agreed Goal Accomplishment
- Part 5 - Personal & Professional Development
- Part 6 – Issues & Opportunities in Coming Year

Part 1 – Introduction

The City of Pitt Meadows will conduct an annual review of the performance of the Chief Administrative Officer (CAO). The review process is to be a collaborative exercise the aim of which is to provide the CAO with feedback that contributes to his/her professional and personal development. This is an important element of the City's goal of providing its citizens with a continuously improving, high functioning public service.

This review instrument combines both quantitative and qualitative elements and is meant to be used by the Mayor and members of Council (Parts 1, 2, 4, 5 and 6), the CAO (all Parts by way of self-evaluation) and the Corporate Leadership Team (Part 3).

Part 2 – Core Competencies

The scale to be used in rating core competencies is:

- 5 = Excellent (almost always exceeds the performance standard)
- 4 = Above Average (generally exceeds the performance standard)
- 3 = Average (generally meets the performance standard)
- 2 = Below Average (generally does not meet the performance standard)
- 1 = Poor (rarely meets the performance standard)

When no numerical rating is selected, it will be interpreted that the rating for that competency is "3 – Average".

SUPPORT TO COUNCIL

Competency	Rating (Circle One)
1. Respects the role of Council and of individual Councillors.	1 2 3 4 5
2. Provides timely, relevant advice to Council.	1 2 3 4 5
3. Ensures that Council has the information necessary to make informed decisions.	1 2 3 4 5

4. Ensures that Council's goals and those of the Administration are aligned.	1	2	3	4	5
5. Fosters effective and appropriate two-way communications between Council and the CAO.	1	2	3	4	5
6. With the Mayor, ensures that the City has an effective Strategic Plan and strategic planning process.	1	2	3	4	5

Comments:

MANAGEMENT

Competency	Rating (Circle One)				
1. Ensures that the City has an effective Business Plan and business planning process.	1	2	3	4	5
2. Ensures that effective financial and risk management systems are in place.	1	2	3	4	5
3. Ensures that appropriate Human Resources and Occupational Health and Safety policies and processes are in place.	1	2	3	4	5
4. Ensures the effective implementation of Council policies.	1	2	3	4	5
5. Demonstrates and encourages continuous learning.	1	2	3	4	5

Comments:

LEADERSHIP

Competency	Rating (Circle One)
1. Demonstrates integrity.	1 2 3 4 5
2. Provides an effective, professional organization capable of implementing Council's goals and strategic objectives.	1 2 3 4 5
3. Encourages innovation.	1 2 3 4 5
4. Stimulates, motivates, guides and supports the staff.	1 2 3 4 5
5. Creates the conditions that allow the Corporate Leadership Team and the staff to succeed.	1 2 3 4 5
6. Provides opportunities for personal and professional development for the Corporate Leadership Team and the staff.	1 2 3 4 5
7. Demonstrates an ability to think strategically.	1 2 3 4 5

Comments:

RELATIONSHIP BUILDING

Competency	Rating (Circle One)

1. Develops and maintains effective relationships with Federal and Provincial orders of government and Crown Agencies.	1	2	3	4	5
2. Develops and maintains effective relationships with other municipalities and Metro Vancouver.	1	2	3	4	5
3. Develops and maintains effective and appropriate relationships with the public and community groups.	1	2	3	4	5

Comments:

Part 3 – Corporate Leadership Team Input

The following competencies are to be assessed by the Corporate Leadership Team using the same scale as used in Part 2. Where no numerical rating has been provided, a rating of “3 – Average” will be applied to that competency.

Competency	Rating (Circle One)				
1. Effectively communicates and interprets Council’s goals, priorities and decisions to the staff.	1	2	3	4	5
2. Involves the Corporate Leadership Team in the decision-making process.	1	2	3	4	5
3. Delegates appropriate responsibilities and authorities to the staff. Provides assistance, guidance and support as appropriate.	1	2	3	4	5
4. Provides a safe, healthy work environment for the staff.	1	2	3	4	5
5. Empowers the staff.	1	2	3	4	5
6. Models ethical behaviour, integrity, public service	1	2	3	4	5

accountability and professionalism, work-life balance and reliability.	

Comments:

Part 4 – Mutually Agreed Goal Accomplishment

The following CAO goals for the coming year have been mutually developed and agreed to by Council and the CAO:

CAO Goal	Expectation	Result
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

Part 5 – Personal & Professional Development

Council and the CAO agree to the following personal and professional development opportunities for the CAO for the coming year:

Opportunity	Expectation
1.	
2.	
3.	
4.	

Part 6 – Issues & Opportunities in Coming Year

The following issues and/or opportunities are likely to be important for the City in the coming year:
