

# Chief Administrative Officer Recruitment, Selection and Performance Sub-committee Meeting Agenda



**Monday, September 16, 2019 – 5:00 p.m.**  
**Council Chambers, Guelph City Hall, 1 Carden Street**

Please turn off or place on non-audible all electronic devices during the meeting.

Please note that an electronic version of this agenda is available on [guelph.ca/agendas](http://guelph.ca/agendas).

Guelph City Council and Committee of the Whole meetings are streamed live on [guelph.ca/live](http://guelph.ca/live).

---

## Open Meeting

Disclosure of Pecuniary Interest and General Nature Thereof

---

**CS-2019-86**                      **Chief Administrative Officer Performance Evaluation  
Process and By-law Update**

### Recommendation:

That an initial performance evaluation process meeting of the sub-committee be scheduled in January 2020, and in consultation with the Chief Administrative Officer (CAO).

## Adjournment

# Staff Report



---

To **Chief Administrative Officer Recruitment, Selection and Performance Sub-committee**

Service Area Corporate Services

Date Monday, September 16, 2019

Subject **Chief Administrative Officer Performance Evaluation Process and By-law Update**

Report Number CS-2019-86

---

## Recommendation

That an initial performance evaluation process meeting of the sub-committee be scheduled in January 2020, and in consultation with the Chief Administrative Officer (CAO).

---

## Executive Summary

### Purpose of Report

To provide the Chief Administrative Officer Recruitment, Selection and Performance Sub-committee an update on the CAO Performance Evaluation Process and to provide notice that proposed changes to the CAO By-law, being By-law (2019)-20425, will come forward to the October 7, 2019 Committee Of the Whole (COW) Governance meeting.

### Key Findings

On February 25, 2019, Council approved ([Report # CS-2019-49](#)) the establishment of the CAO Recruitment, Selection and Performance Sub-committee (Sub-committee). As outlined in Attachment-1 to this report, the CAO Performance Evaluation Process Terms of Reference has now been updated to refer to the Sub-committee instead of Committee of the Whole.

The first step in the CAO Performance Evaluation Process is for Council to review the CAO By-law. Council most recently approved By-law (2019)-20425, the [CAO By-law](#), on July 22, 2019.

In May 2018, the Internal Auditor issued the Payroll Process Audit report recommending that the General Duties, Roles and Responsibilities section of the CAO By-law be updated to clearly outline the level of authorization delegated to the CAO in setting non-union payroll-related policies. Staff will present proposed changes to the CAO By-law at the October 7, 2019 COW Governance meeting.

### Financial Implications

There are no financial implications.

---

## Report

The sub-committee recommended the appointment of a new CAO in July 2019. Council subsequently appointed a new CAO on July 22, 2019. The mandate of the sub-committee includes:

- monitoring and annually reviewing the performance of the CAO and making related recommendations to Council;
- ensuring that the City of Guelph undertakes appropriate measures to recruit and recommend the selection of a CAO to Council when the CAO position becomes vacant; and
- directing the Deputy CAO, Corporate Services and/or General Manager, Human Resources (HR) in relation to the recruitment, selection and performance management of CAOs.

Council approved the [CAO Performance Evaluation Process](#) on December 18, 2017. On an annual basis (first quarter), performance objectives will be set for the CAO that are aligned to the approved City and corporate strategies. The setting of performance objectives will vary depending on the hiring of a new CAO.

The current CAO By-law defines the general duties, roles and responsibilities of the CAO. It states under section 2e:

“To administer all salaries and performance review of employees who are subject to the supervision of the CAO, within the limitation of any salary plan or salary contract agreement, in consultation with Council, as required.”

The updated CAO By-law coming forward to the October 7, 2019 COW Governance meeting will provide clarity with respect to CAO’s duties regarding setting, modifying and administering the non-union compensation policy.

Looking ahead to the performance development plan (PDP) process for the CAO, HR staff, in consultation with the Deputy CAO of Corporate Services, recommend that the formal PDP cycle begin at the beginning of the calendar year for the following reasons:

- Better alignment with existing corporate PDP cycles for non-union and union groups which will allow for the cascading of performance objectives to members of the Executive Team, General Managers and the remainder of City staff;
- Allow for the finalization, and adoption through Council, of the City’s Strategic Plan which will add clarity to strategic priorities and bodies of work articulated by Council;
- Adoption of the 2020 budget, which will further clarify priorities from a financial and capital planning perspective.

As a result, HR staff recommend that an initial PDP meeting of the sub-committee be scheduled in January 2020 and in consultation with the CAO.

## Financial Implications

There are no financial implications

## Consultations

Stephen O’Brien, General Manager, Clerk’s Office/City Clerk

## **Corporate Administrative Plan**

### **Overarching Goals**

Service Excellence

Financial Stability

### **Service Area Operational Work Plans**

Our People - Building a great community together

### **Attachments**

Attachment-1 CAO Performance Evaluation Process - Terms of Reference

### **Report Author**

David Godwaldt, General Manager, Human Resources



---

#### **Approved By**

David Godwaldt  
General Manager, Human Resources  
Corporate Services  
519-822-1260 Extension 2848  
[david.godwaldt@guelph.ca](mailto:david.godwaldt@guelph.ca)



---

#### **Recommended By**

Trevor Lee  
Deputy Chief Administrative Officer,  
Corporate Services  
519-822-1260 Extension 2281  
[trevor.lee@guelph.ca](mailto:trevor.lee@guelph.ca)

# CAO Performance Evaluation Process

## Terms of Reference

### Introduction

A primary function of Council is to ensure the effective management of the affairs of the Corporation of the City of Guelph (City) by ensuring the efficient and effective operation of the municipality.

Guelph's model of administration establishes a Chief Administrative Officer (CAO) position as the head of the administrative arm of city government and in accordance with the Municipal Act. The CAO is responsible to Council to administer the business affairs of the City in accordance with the policies and plans established and approved by Council.

The hiring of the CAO is one of the key responsibilities of Council. The CAO is the only position that Council is directly responsible for hiring.

Accomplishment and measurement are two fundamental principles of the Governance Framework adopted by Council. Performance measurement is an important human resources management practice.

Council is responsible for the evaluation of the performance of the CAO. The Chief Administrative Officer Recruitment, Selection and Performance Sub-committee (Sub-committee) is delegated the responsibility of overseeing the process on behalf of Council.

### Guiding Principles

- All Sub-committee work will be carried out in accordance with provisions of the Municipal Act and other governing legislation.
- The Council's Code of Conduct and principles of transparency and accountability will guide Sub-committee efforts promoting the highest ethical standards and professionalism while ensuring that the best interests of the community are met.
- The Council endorsed corporate values of wellness, integrity and excellence will be observed.

### Purpose of the Sub-committee

When the Sub-committee meets to discuss the CAO performance their purpose is to facilitate the decision making of Council and to ensure that appropriate policies, principles, procedures and roles are established for the functional areas that comprise the scope of the Sub-committee's responsibility.

## **Sub-committee's Structure**

The Sub-committee is comprised of the Mayor and the Committee of the Whole chairs for the following functional areas: Infrastructure, Development and Enterprise Services, Public Services, Corporate Services and Audit Services.

## **Scope of the Sub-Committee's Responsibilities:**

The responsibilities for the Sub-committee are:

### **Accomplishment and Measurement**

- Oversee the process for the establishment of annual objectives for the CAO;
- Oversee the process for the annual performance evaluation of the CAO; and
- Recommend to Council any changes to CAO compensation as an outcome of the performance evaluation process.

### **Continuous Learning and Development**

- Ensure there is a learning and development plan for the CAO;
- Ensure members of Council are oriented on their participation in the CAO performance evaluation process; and
- Recommend changes to the CAO Performance Evaluation Process based on feedback from the CAO and members of Council.

### **Resources**

- The General Manager, Human Resources (HR) will be designated as the HR representative to assist the Mayor, the Sub-committee and Council in guiding the CAO Performance Evaluation Process.
- The CAO, the General Manager, HR and other specialists may be called upon to conduct research, communications or any other Sub-committee identified requirements. Given that Council has delegated responsibility to the CAO for the administration of the affairs of the City in accordance with decisions adopted by Council, under the direction of the CAO staff have the responsibility and the authority to provide consultation, advice and direction to Council through the Sub-committee.

## **Operating Procedures**

1. Sub-committee meetings will be in accordance with Council's Procedural By-law (2016)-20087. It is recognized that some items consistent with Section 239 in the Municipal Act may permit a meeting to be closed to the public. The holding of any closed meetings and the general nature of the matter to be considered will be made public to ensure full transparency.
2. CAO Performance Evaluation Process – Guides the Sub-committee's work as it relates to the CAO performance evaluation process (Schedule 1).

## **Roles of Stakeholders With Respect to Sub-committee Meetings/Business**

The following key stakeholders are recognized:

- Sub-committee chair;
- Sub-committee members;
- CAO; and
- General Manager, HR.

### **Sub-committee Chair Role**

The Mayor will be designated as the chair when the Sub-committee deals with matters related to the CAO's performance evaluation. Specific roles and responsibilities for the Sub-committee chair include:

- Consulting the CAO and developing an annual work plan;
- Working with the City Clerk, ensuring the confidentiality of material distributed to the Sub-committee and Council; and
- Working with General Manager, HR to ensure the coordination of the Performance Evaluation Process.

### **Sub-committee Member Role**

Specific roles and responsibilities for the Sub-committee members include:

- Reading all agenda material and seeking clarification from the chair regarding any matters prior to meetings in order to make the most effective use of the Sub-committee's time;
- Attending meetings and participating fully in all Sub-committee work related to the performance evaluation of the CAO.

### **Chief Administrative Officer**

Specific roles and responsibilities for the CAO include:

- Preparing a summary of accomplishments based on the approved performance objectives for the evaluation period;
- Preparing objectives for the approval of Council for the coming evaluation period; and
- Attending meetings at the request of the chair.

### **General Manager, Human Resources**

Specific roles and responsibilities for the General Manager, HR includes:

- To assist the Mayor, Sub-committee and Council in guiding the CAO Performance Evaluation Process;
- Providing advice to the Sub-committee as required;
- Attending Sub-committee meetings at the request of the chair; and
- Serving in the capacity of the City Clerk when the Sub-committee makes recommendations to Council regarding CAO compensation.

## Schedule 1 - CAO Performance Evaluation Process

### Step 1 - Review of CAO By-law

- The review of the CAO By-law will occur once during the term of Council and should be completed by the end for the first quarter of the first year of the Council term unless the recruitment of a new CAO is anticipated early in the term. When required, the CAO By-law is reviewed as the first step in recruiting a new CAO.
- The review would be initiated by the CAO and would include all members of Council. Council would review the Key Results Areas and the major responsibilities set out in the existing CAO By-law.
- The purpose of the review is to ensure there is agreement on the Key Results Areas and Position Responsibilities.

### Step 2 - Development of Performance Objectives

On an annual basis (Q1), performance objectives will be set for the CAO that are aligned to the approved City and Corporate strategies.

#### The CAO's Key Results Areas are:

- Our Services – Municipal services that make lives better;
- Our People – Building a great community together;
- Our Resources – A solid foundation for a growing city; and
- Leadership Charter–lead with a shared community mindset, communicate with clarity, foster innovation, be accountable to stakeholders.

Using the Performance Evaluation Form, specific performance objectives and proposed actions are to be developed for the Key Results Areas.

- The CAO will prepare performance objectives in consultation with the Mayor and members of Sub-committee. Input maybe sought from the Executive Team. Upon final approval by the Sub-committee, the performance objectives will be presented to Council for approval.
- Performance objectives will be established for the calendar year.
- Performance objectives will be approved within the first quarter of each year.
- Partial-year performance objectives will be established by a new CAO appointed before the last quarter.
- The CAO will present their objectives at an open meeting of Council.

### Step 3 - Performance Evaluation

- The measurement of performance will be completed on a formal basis in the first quarter of the second, third and fourth years of the term of Council.
- The evaluation period will commence in January of each year and end no later than March (i.e. a three-month process). Timing may vary with a newly appointed CAO.
- Areas of evaluation will include the performance objectives set in the Key Results Areas.



- The performance review shall be inclusive and evaluative of the Key Results Areas results expected versus the actual results achieved as well as an evaluation of how the CAO has modelled and lived the Leadership Charter (i.e. what and how work has been accomplished).
- The CAO will provide a minimum of two updates per year to Council on progress towards the completion of the objectives and proposed actions. A summary of the results achieved is to be prepared by the CAO and included in the actual performance section of the Performance Evaluation Form.
- The Sub-committee will be provided with an orientation program on how to complete the Performance Evaluation Form.
- The form is to be completed individually by all members of the Sub-committee. The General Manager, HR will circulate the form to members of the Sub-committee. All members of the Sub-committee are expected to complete and submit the form (by the end of December). The General Manager, HR will work to ensure 100 per cent participation.
- The Sub-committee will assess the actual performance for each Key Results Area. First, the actual performance for each objective is assessed as Not Achieved (for acceptable reason), Not Achieved (for unacceptable reasons), Achieved, or Exceeded. Secondly, a numerical rating is then given for each Key Results Area. The numbers used in this rating are intended to identify the level of achievement for each Key Results Area.
- The General Manager, HR will meet with each member of the Sub-committee individually to obtain additional feedback (during the month of January).
- The definitions used for rating the achievement level are as follows:
  - 4 = Exceptional
  - 3 = Fully Successful
  - 2 = Developing
  - 1 = Unsuccessful
- Partial ratings may be given (e.g. 2.5).
- The individual ratings from each Sub-committee member is then averaged to provide one rating.
- Individual ratings and comments provided by members of the Sub-committee will be reviewed and summarized by the General Manager, HR.
- The General Manager, HR will provide the Sub-committee with a summary that includes the overall performance rating, recommendation for salary, common themes from comments, areas identified for professional development and suggestions for development. The summary will advise if any members of the Sub-committee have not completed the form.
- The summary will be presented at a meeting of Council. The General Manager, HR will attend and support the recommendation of the Sub-committee.
- Prior to the term of Council expiring, the Sub-committee will conduct a performance evaluation of the CAO to determine any salary adjustments.

### Overall Performance Rating

- An overall performance rating will be calculated by the General Manager, HR based on the averaged performance ratings provided by individual members of the Sub-committee and included as part of their report to Council.

### Step 4 - Recommendations for Salary Adjustment

- Based on the Overall Performance Rating, the Sub-Committee would establish a recommended salary adjustment, including the second, third and fourth years of the term of Council.
- The guidelines for establishing the salary are as follows:
  - Rating of 3-4 – receive salary adjustment in accordance with CAO contract or the Non-Union Management Employees (NUME) compensation policy, whichever is greater.
  - Rating of 2 -2.99 – Developing , eligible for partial adjustment in accordance with the NUME compensation policy
  - Rating of 0 – 1.99 No salary increase
- **Note** – should NUME compensation practices change over time, recommendations for the CAO salary, subject to satisfactory performance may be aligned to the NUME practice, if provisions exist in the CAO contract for the change, or subject to sufficient notice to the incumbent CAO of the change.
- The salary level corresponding to the levels indicated above would be based on NUME salary grid.
- The overall performance rating and the recommended salary would be presented to Council for approval as part of the performance evaluation report to Council. After Council has approved the rating and salary, the chair (Mayor) would meet with the CAO to provide feedback and a sign-off for that year.
- Economic increases are approved during the budget process for all NUME not through the CAO Performance Evaluation Process.
- A market-based evaluation for the CAO position is completed annually and recommendations brought forward independently and not through the CAO Performance Evaluation Process.

### 360-Degree Assessment

- The 360-degree (360) assessment may be completed in the fall of the first year of Council's four-year term. The 360 feedback would be gathered from the CAO, their direct reports and selected members of Council.
- The information collected in the 360 would be used in developing professional development plans.
- The timing of the 360 may be adjusted when a CAO is appointed mid-term.
- Participants in the 360 will receive appropriate training on the process.
- The 360 process shall be a separate process from the performance review (i.e. to commence after the performance review period). It should be structured in such a way as to provide feedback for personal, professional and leadership development

to augment development that had been identified through the performance review period.

- As a best practice, results of the 360 shall be shared only with the CAO. The CAO shall provide a summary of the feedback to the Mayor. Results may alter the development plan established during the performance appraisal, and will be confirmed by the Sub-committee.
- The 360 will be managed through General Manager, HR with expertise in this area.

### **Ongoing Professional Development**

- The City is committed to learning and development for all employees. It is expected that the CAO will model lifelong learning in their role.
- In the spring of the second and third years of the Council term, the CAO will ensure the Performance Evaluation process including professional development plans are completed. The Sub-Committee will review this plan. The plan may be related to issues identified during the Performance Development Plan Process or the 360-degree assessment.
- The professional development referenced above should include areas for development, including but not limited to – strategic planning, relationship management, team leadership, and communication. The CAO may also choose to discuss ongoing Career Path plans and develop in those areas.