



# CAO Performance Evaluation Toolkit

## Guide for the CAO

**An Ongoing Process: Not Just an Annual Event**

**A FREE RESOURCE BENEFITING CANADIAN MUNICIPALITIES**

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# Message From the Canadian Association of Municipal Administrators

It seems like a given, but regular performance evaluation is not always a forethought for the Chief Administrative Officer (CAO) and the Mayor and Council. Feedback suggests that when it is happening, it is not always used effectively. The Canadian Association of Municipal Administrators (CAMA) recognizes that performance evaluation is **an ongoing process and not just an annual event**. To facilitate the process, CAMA launched a Toolkit in 2017 with the support of our members, the Federation of Canadian Municipalities (FCM), and the elected officials, who completed our surveys at that time.

Over the years, we have heard feedback from our members and their Councils on the Toolkit and are pleased to provide you with a **new updated and improved 2023 edition**, which continues to be a flexible model that provides you with the opportunity to choose the tools that work for you, your Council, and the organization. Your boss' can change every four years and sometimes your entire direction changes, which can be the same for the performance evaluation process. There is no right or wrong process or one that's perfect. What worked last year may not work this year depending on the complexities, so it's up to you to customize the best performance evaluation model that works for everyone.

This new version of the Toolkit empowers CAOs, Town Managers, and City Managers with a process that uses strategies, best practices, and tools to facilitate discussions with their Mayor and Council so that performance management is fair and effective, and the process is very easy for both parties. Using this Toolkit, the CAO and Mayor and Council can hold open conversations to assist in achieving a collective vision and reaching strategic goals for the success of the organization and the community.

For both parties, the Toolkit fosters:

- a foundation for good communication;
- an approach to dialogue and conversation that reduces misunderstandings;
- a process for setting annual work-related goals;
- a shared understanding of performance measures;
- a recognition of the CAO's achievements and assessment of what is being accomplished;
- an identification of performance gaps and proactive measures;
- a focus on aligning the CAO's goals with the strategic plan for the organization.

Governing body members often find the performance evaluation process time-consuming, cumbersome, and not particularly effective. This Toolkit will support Mayors and Councils to work more effectively with their CAO, will shift Canadian practice to a higher level of professionalism, and will assist with the unique working relationships CAMA members must maintain with elected officials.

Please note that the reference to "Mayor and Council" in this document also includes Reeves, Wardens, Chairs, Heads of Council and elected officials.

Contact Jennifer Goodine, CAMA Executive Director (1-866-771-2262) [admin@camacam.ca](mailto:admin@camacam.ca) with your questions and comments.

# Introduction

CAMA produced this Toolkit in recognition of the importance of the relationship between the City Manager, Town Manager, or Chief Administrative Officer (CAO) and Mayor and Council. The CAO is the administrative head of the municipality who ensures policies and programs are implemented; advises and informs Mayor and Council about the operation and affairs of the municipality; and carries out the duties described in legislation.

CAOs stand at the crossroads of municipal management and politics. They are the only employee of Council in most municipal government organizations, and their job is to follow the direction set by the municipality's elected officials; therefore, a high degree of trust between each party is required.

CAOs should look forward to and, when needed, even demand an annual performance review. In many Provinces and Territories, an annual CAO review is a requirement. However, even when it is not mandatory, it is advisable to request a yearly evaluation. Appraisals are your opportunity to officially hear from your Council on how well you are discharging your duties and the overall performance of the organization from their perspective. It is your report card. It is also an excellent opportunity to confirm what your political acuity radar is telling you. It is critical to you as a CAO to ensure you consider the feedback offered and put in your best efforts going forward.

CAMA encourages a broader, more holistic understanding of performance conversations, which form part of **an ongoing process, not just an annual event**. It is important to ensure Council's strategy and expectations are clearly defined, so there is something to measure your performance against. To learn more about the principles of performance evaluation [click here](#).

Most Councils rely on the CAO to:

- be the connecting link between Council and municipal operations;
- implement the municipality's policies;
- assist Council in arriving at decisions and manage the efficient execution of those decisions by municipal staff;
- develop and use an appropriate decision making process;
- regularly review staff performance;
- maintain organizational health; and
- take all reasonable steps to run the organization professionally and within approved Council policies and the limits of government legislation.

**Tip: A thorough performance evaluation provides a degree of focus on the intangibles in the Council-CAO relationship (e.g. trust, respect, openness, transparency, etc.) and on the tangibles (i.e., what you and your administrative team accomplished). While it is essential to have a good relationship, being friendly is not all there is to a healthy ongoing partnership. Every performance period should be highlighted by a thoughtful and fulsome response to the question: "How did you move the yardsticks down the field?" Such a question keeps the heat under the CAO: It is this constructive tension that brings the organization into clear focus. Are we marking time; dancing or moving ahead?**

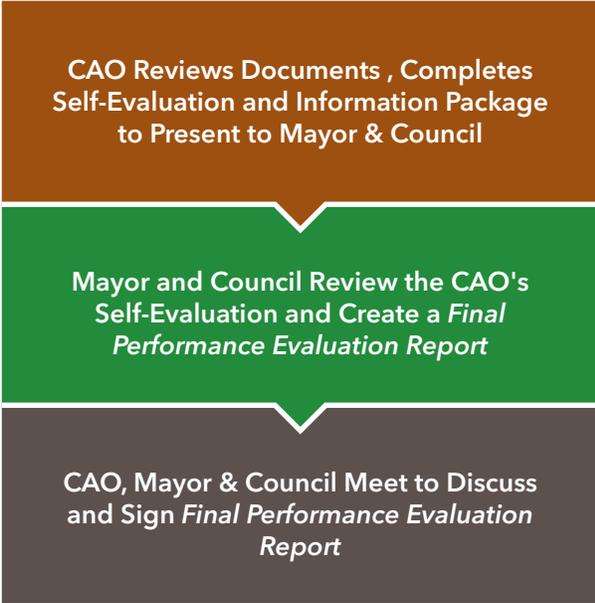
*-Article by George Cuff published in Municipal World, July 2013.*

# How to Use This Toolkit - CAO

This Toolkit is meant to be a guide of best practices and guidelines for you and your Council to follow, however it is **flexible and customizable**. It is recommended that you customize this three-part performance evaluation process for your organization and choose the specific components that work for you. It can be used for

- a CAO and Council that are developing a new process and it is their first time conducting a performance evaluation; or
- a CAO and Council that already has an existing process with specific templates that already work well but would like to add some other components and best practices.

As the first step, the CAO will provide a recommended process to the Mayor for consideration.



## What is Included in this Toolkit?

This Toolkit provides the following information:

- **Important Information on the Value of Performance Discussions.** A performance evaluation should be an **ongoing process - not an annual event**. There are some tips and best practices on the importance of setting up quarterly reviews, developing a compensation framework when you are hired, surveying stakeholders that you interact with on a regular basis, and the possibility of hiring a third-party consultant to conduct a facilitated evaluation.
- **Quick Reference Guides.** A one-page Quick Reference Guide showing each step at-a-glance for each of CAMA's three-part process (for the CAO, Mayor and Council, and the final performance evaluation meeting).
- **Details for the CAO's Self-Evaluation.** A detailed step-by-step guide for the preparation of the *CAO Information Package* for the Mayor and Council, including your own self-evaluation.
- **Sample Best Practices.** The performance evaluation template included in this Toolkit is a best practice document to assist you in having quality discussions around your performance with your Mayor and Council and does not have a rating system. A sample mandate letter has also been provided as an option.
- **CAO Performance Evaluation Process Checklist.** A CAO Process Checklist to ensure you have included all steps before circulating your *CAO Information Package* to the Mayor and Council.
- **Sample Timeline.** A sample timeline to be used as a guide, beginning in mid-August and finishing the first week of December to coincide with the calendar and budget year. This process can move at the pace set by the CAO and the Mayor and Council.

## What About the Mayor and Council's Process?

The Mayor and Council have been provided with their own guide for the process entitled "[CAMA Performance Evaluation Toolkit - A Guide for Mayor & Council](#)".

## Tips on Customizing Your Performance Evaluation Process

**TIP: Providing a simple, easy to use template for the Mayor and Council will contribute to a more successful performance evaluation for the CAO.**

Every CAO and their Councils are different and therefore the way that performance evaluations are conducted are going to be unique. The Toolkit is designed to provide you with foundational steps (the regular performance evaluation process) as well as optional steps (quarterly reviews, developing a compensation framework, and a stakeholder survey) which are outlined in detail in the next section. You may choose elements to start a simple process in your organization or pick additional pieces to add to your existing process. However, at the beginning of the process, you should work with the Mayor and Council to determine the vision.

As a best practice to facilitate a qualitative discussion during performance conversations, you may consider using CAMA's performance evaluation template **without a rating system**, as a guide focusing on the specific annual Council and CAO goals for the evaluation period.

You may also have Council complete a mandate letter that outlines the annual expectations of a CAO of being a role model and good corporate leader, but also the specific expectations for the year based on the goals of Council and the CAO, approved by Council the previous year. These templates can be customized to suit your needs. However, it is important that there is a consensus from both parties on the template and performance metrics used for the evaluation.

The performance evaluation process starts and ends with you - the CAO. It is important for you to provide a thorough and intuitive CAO *Information Package* that is easy for the elected officials to complete and understand. In the Mayor and Council's case, the deliverable is the *Final Performance Evaluation Report*. The end product is a meeting with the CAO, Mayor and Council to discuss the *Final Performance Evaluation Report* and set goals for the following year.

**TIP: A numbered rating system is not always helpful.**

**"Evaluating someone's performance is a complex process and reducing it to a scale of 1 to 5 helps neither the evaluated nor the evaluators. Some people are "hard graders" and others just check the top box. Some will use it to avoid providing specific, meaningful feedback. In our experience, rating systems reduce the amount of feedback provided to the manager, and often produce a muddled and confusing result without clear direction to the manager."**

*Source: ICMA article titled "A Better Way: The Facilitated CAO Performance Review"*

# The Value of Performance Discussions

Effective performance management and performance evaluation should improve communication and the employment relationship between CAOs and their Councils. This is a unique relationship in that there are several people involved in evaluating the performance of the CAO, even though Council as a body sets direction. The relationship is significantly more complex than a traditional one-to-one of supervisor to employee. While there may be similarities to Board of Director/Chief Executive Officer relationships, the municipal context has these differences:

- In many cases, provincial legislation sets the basis for the Council/CAO relationship.
- Elected officials may or may not have prior experience and training in the oversight and performance evaluation of a professional senior executive.
- Municipal compensation systems may provide financial incentives (i.e. an annual bonus) to drive/reward performance.

Both elected officials and municipal CAOs operate under daily scrutiny of the public and the media. Regular performance evaluations promote a high-performance organization that is better able to withstand that scrutiny. They also create a vision for Council for their mandates.

The key value to conducting a written performance evaluation of the CAO provides the following benefits:

- An opportunity to increase communication between the CAO and the Mayor and Council.
- The conversation gives the CAO an opportunity to identify goals that support his or her career objectives.
- Aligning the municipality's strategic goals with the CAO's goals supports the organization's excellence.
- The performance review of the CAO provides the Mayor and Council with a formal record of their performance conversation and appraisals of the CAO's achievement of agreed-upon goals, and of the organization's performance in achieving its goals.



Goal setting occurs at the start of an evaluation cycle and the key results are an important component at the end of the annual evaluation cycle. **CAOs need to be in sync with the expectations of Council and these should be articulated at the outset and generally discussed again every year at the evaluation.**

Performance evaluations show appreciation for and feedback on the work of the CAO. Through performance evaluation the CAO better understands the roles and responsibilities of the position. Evaluations:

- offer a prime opportunity for organizational feedback;
- recognize the challenges the CAO faces;
- allow elected officials to hear about the CAO's managerial style; and
- encourage appreciation for the need for succession planning; and discuss/clarify the future.

## An Ongoing Process – Not Just an Annual Event

The importance of regular conversations or “check-ins” throughout the year cannot be overstated. Building solid, respectful working relationships will advance everyone’s interests and avoid having surprises arise over the course of the year and specifically at year-end. Regular performance conversations make it easier to link compensation to performance at the year-end performance evaluation.

### Setting Up Quarterly Reviews

Although this Toolkit is for **annual** Performance Evaluation Reviews, some municipalities set up **quarterly reviews** for a more formal approach to “checking in,” which gives the opportunity to review/change goals that are no longer achievable due to new circumstances.

## Developing a Compensation Framework

During discussions about job descriptions, hiring, and performance evaluation, a compensation framework can be developed.

### Your Employment Contract and The First Six Months

#### CAMA's CAO Employment Contract Toolkit

provides some tips on negotiating your compensation when hired including adding a clause where salary will be reviewed for an increase after the first six months. This allows a CAO to prove their “worth”, but it also provides the opportunity for the CAO to have a dialogue with Council on how things are going to date. Should this be a clause you are successful in writing into your contract, ensure you immediately work with Council on objectives for your first six months. Regardless of the clause, having clear objectives, mutually agreed upon with Council that serves the Council Strategic Plan, will aid you as the new CAO in measuring the results and success of your first six months.

### Salary Reviews and Bonuses

It is important to understand how your salary increases are measured and how often your salary will be reviewed. Are there any bonuses tied to specific performance measurements and if so, are they measured objectively, or can they be subjective? Ensuring all performance measurements are directly tied to achievable objectives will be very important not only in assessing potential salary increases, but also in performance reviews and contract renewals.

ICMA's Employment Agreement recommends the following options: an increase dependent upon the results of the performance evaluation in the form of salary and/or performance incentive and/or increase in benefits; the Consumer Price Index; compensation by percent each year; or by at least the average across the board increase granted to other employees of the Employer.

## Discussion with Mayor and Council on Compensation

When the Mayor and Council meet to discuss the *Final Performance Evaluation Report*, they may use the time to decide upon compensation. This Report identifies the level of performance satisfaction for the entire performance period. In addition to the ratings (if you are using a rating system) and executive summary of the *Final Performance Evaluation Report*, compensation decisions may be based on:

- the economic climate of the municipality and community;
- the general status of comparable compensation in the private sector of the community;
- compensation decisions for other employees of the local government; and
- a comparative salary review.

## Optional Steps

### Stakeholder Survey

Whether the municipality is small, medium, or large, there are components of performance evaluations that can elevate their effectiveness, such as a survey of stakeholders. Stakeholders include senior staff who report directly to the CAO, and stakeholders identified by the CAO and confirmed by Mayor and Council.

This is an **optional step** in the performance evaluation; however, the review provides valuable information on how results are achieved and how the community perceives both the CAO and the municipality. Some evaluations call for a 30-minute interview with all stakeholders except for those stakeholders who provide feedback online. Conducting performance evaluations holds all those involved to professional standards and builds a community within the organization because all stakeholders involved are asked for input. This includes staff who report to the CAO, stakeholders who work with the CAO, and Mayor and Council. All participants in the Survey of Stakeholders must be assured that their input is confidential and that the results of interviews and surveys will be scrubbed to be non-attributable.

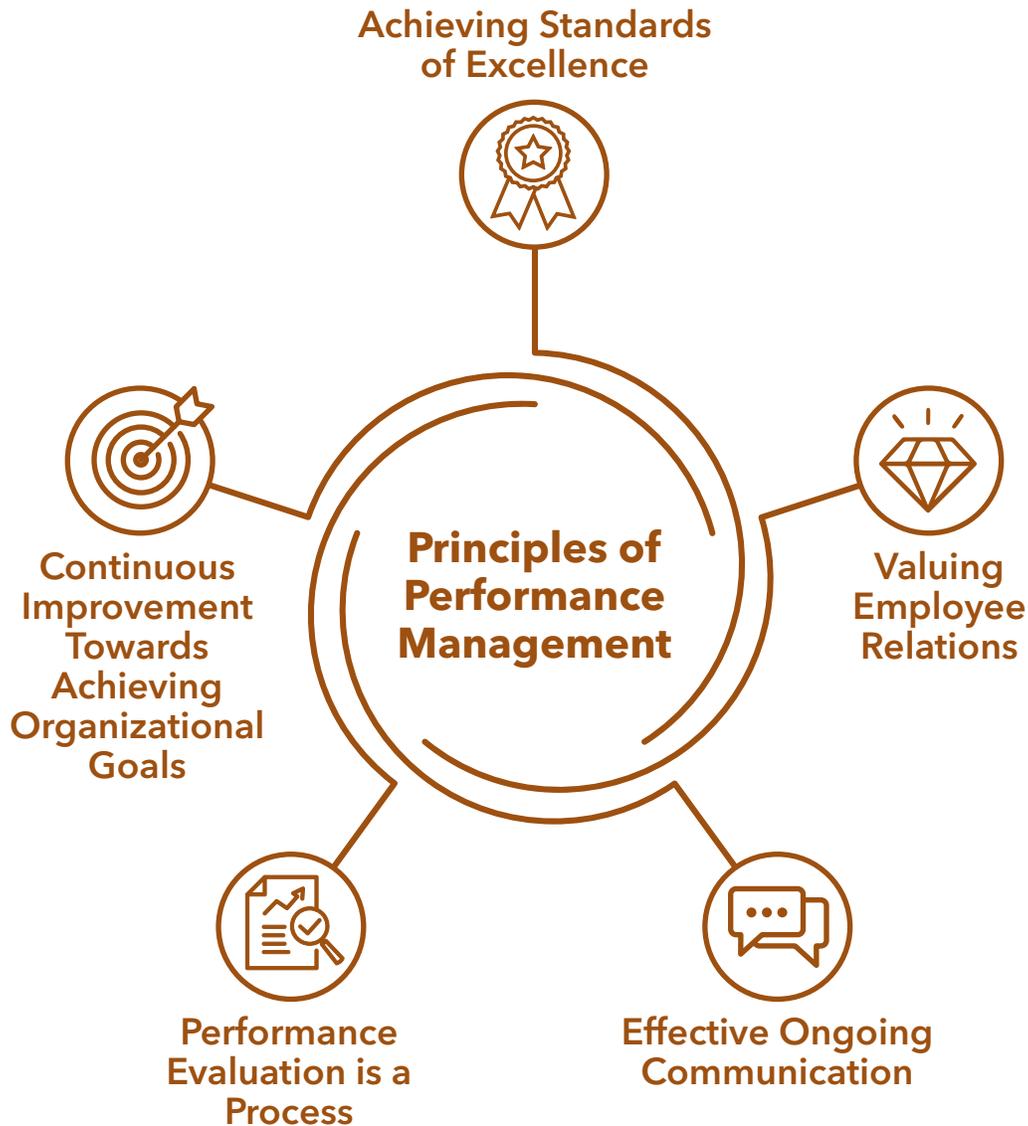
## Hiring a Third Party Consultant for a Facilitated Evaluation

Will a third party, such as a consultant, be hired to work with the Mayor and Council to facilitate the process and ensure it is fair? A third party manages the evaluation process, acts as a neutral party to gather data from elected officials (and other evaluators), analyzes the data, and presents the findings to the CAO in a way that encourages growth. For the CAO, it provides meaningful feedback, it clears the air if there are any issues identified by Council, it separates the message from the messenger, and it focuses on results-oriented opportunities. For the elected officials, it professionalizes the process, values all opinions around the table, makes the process easier with one person responsible for managing the evaluation from start to finish, and it creates clarity.

Some Councils may not want to pay for a facilitator, but the cost is minimal when considered alongside the benefits and should be recognized as the key to a successful CAO-Council relationship.

**TIP: It is not recommended that the Human Resources Department or any other employee be intimately involved in the process as it puts them in an awkward situation as they all report to the CAO. The City Clerk may be involved in the process on behalf of the Mayor and Council. If a consultant is hired a recommendation would be that they meet with the Sub-Committee and/or Council to do an orientation on the purpose of a performance evaluation.**

# Principles of Performance Management



Principle	Explanation
<b>Achieving Standards of Excellence</b>	Professional Chief Administrative Officers are essential for effective local government to operate with standards of excellence.
<b>Valuing Employee Relations</b>	<p><b>CAO performance evaluations are a way for Mayor and Council to recognize, appreciate, and evaluate their relationship with their employee.</b></p> <p>Mayor and Council may change more often than the CAO, so the performance evaluations offer a way to ensure all involved have clearly outlined understandings and expectations for the CAO. The best time to make those expectations known is during the annual evaluation.</p> <p>Performance evaluations, when there is a good relationship between the CAO and the Mayor and Council, allow for a discussion about the performance of the whole organization. The performance evaluations are a tool to better inform and engage Mayor and Council with the CAO's work, and to recognize the challenges the CAO faces. In gaining such an understanding, Mayor and Council can better appreciate the effectiveness of the CAO's work and determine ways to strengthen their support of this work.</p> <p>The relationship between Mayor and Council and the CAO ought to be front and center in any performance evaluation. Positive relationships, marked by respect, trust, and transparency will advance the achievement of organizational goals.</p>
<b>Continuous Improvement Toward Achieving Organizational Goals</b>	<p><b>The foundation of a performance management system aligns goals and expectations for the CAO with overall organizational strategies.</b></p> <p>High performance organizations promote continuous improvement for the CAO and the organization, empowering both to achieve success. As long-term outcomes come within reach, standards of excellence can be redefined.</p> <p>In some Provinces and Territories, the first goal is to meet legislative requirements that Council conduct regular CAO performance evaluations. Many jurisdictions have policies and by-laws in place that describe responsibilities and expectations towards performance evaluation of CAOs. Performance evaluation is a tool for organizational excellence. Legislative context enriches the process and provides additional tools in the toolbox that are specific to provincial and civic jurisdictions.</p>

## Principle

## Explanation

### Effective Ongoing Communication

Positive working relationships are built and maintained with effective, ongoing communications.

Communication is one tool in the working relationship between the manager and elected officials and is NOT a report card that is an end in itself. With ongoing communication between the manager and officials, nothing in the performance evaluation should come as a surprise; it should be a summary of previously held conversations.

The performance evaluation is also an opportunity for the Mayor and Council to better define their vision and their expectations.

### Performance Evaluation is a Process

Performance evaluation is a process that begins with a job description.

CAMA's Toolkit divides the process into three cycles. Part 1 involves seven steps of gathering information and preparing the *CAO Information Package* for Performance Evaluation. Part 2 involves six steps for creating the *Final Performance Evaluation Report*, and Part 3 has three steps for reviewing the *Final Performance Evaluation Report*.

**TIP:** It is imperative that CAOs and Councils are using a process that everyone sees the value of, and has confidence in.

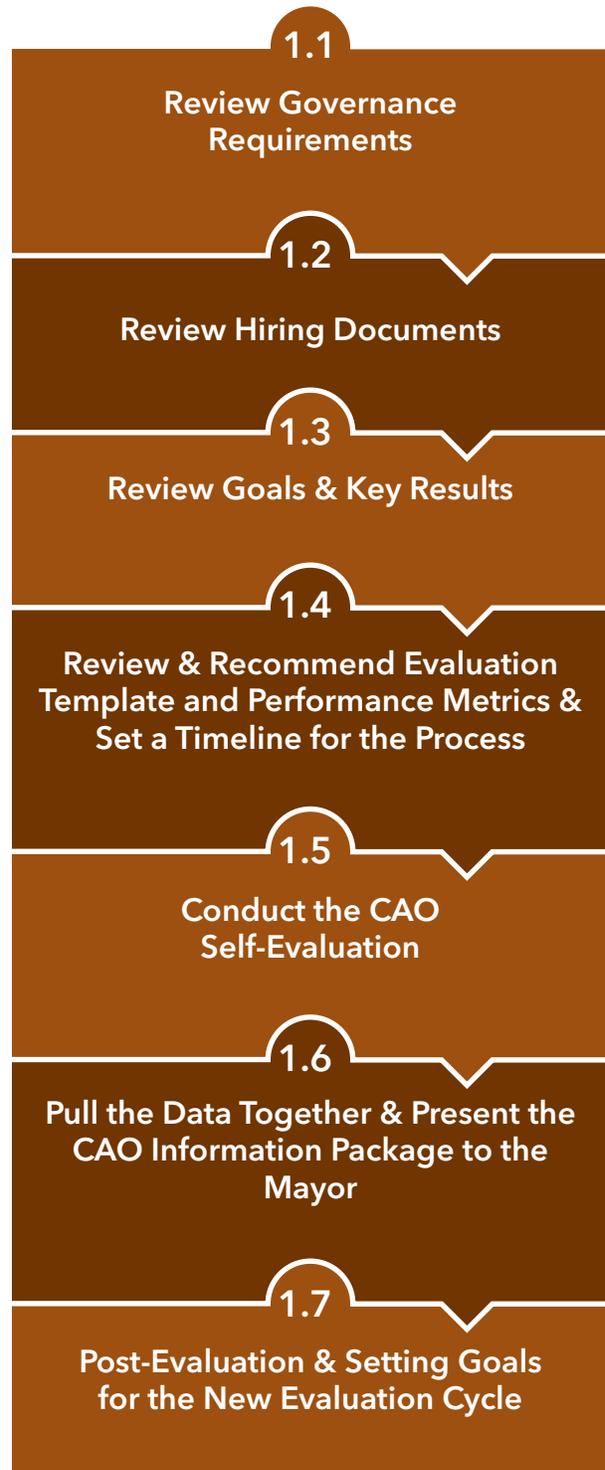


# Quick Reference Guides

## Part 1: The CAO's Process

### Reviewing Documents, Creating Information Package and Completing Self-Evaluation for the Mayor & Council

Note that your municipality may not have all the elements described in the process, but because this Toolkit is a “flexible and customizable” model, that is completely fine. Use the elements that you do have, and consider, as you read through, whether you’d like to investigate additional elements. As you work through Part 1, you will collect information to give to the Mayor and Council for their work in preparing the *Final Performance Evaluation Report* in Part 2.



**1.1 Review Governance Requirements:** The CAO gathers and reviews all policies, by-laws, regulations, and Acts that relate to or clarify the role of the CAO, or that Council must follow regarding performance evaluations of their CAO.

**1.2 Review Hiring Documents:** The CAO gathers and reviews the CAO job description, contract, and covenants (if any).

**1.3 Review Goals & Key Results:** The CAO gathers and reviews previously agreed-upon mandate letters, strategic goals, key result areas, the strategic plan, and/or Council priorities.

**1.4 Review & Recommend Evaluation Template and Performance Metrics & Set a Timeline for the Process:** After review, the CAO meets with the Mayor and recommends a performance evaluation template (included in this Toolkit or their own) to the Mayor and Council and the performance metrics that are used to rate performance. Several other questions are asked during this meeting. In addition, a timeline and a process are also agreed to collectively by both parties.

**1.5 Conduct the CAO Self-Evaluation:** The CAO uses the agreed upon Performance Evaluation template and metrics to conduct his or her self-evaluation prior to the Mayor and Council using the same evaluation template for their evaluation of the CAO. This self-evaluation is included in the *Information Package*.

**1.6 Pull the Data Together & Present the CAO Information Package to the Mayor:** The CAO has completed a review of relevant documents, including any quarterly or periodic reviews, and prepares an *Information Package* to present to the Mayor to circulate to Council.

**1.7 Post-Evaluation & Setting Goals for the New Evaluation Cycle:** Following the joint meeting with the CAO and Mayor and Council to review and sign off the *Final Performance Evaluation Report*, the paperwork is completed for the Human Resources Department. The process then starts again with Council to set new strategic goals and key results for the coming year to be linked to the CAO's goals with the municipality's Strategic Plan and Council's priorities.



## Part 2: Mayor and Council's Process

### Creating the *Final Performance Evaluation Report*

Part 2 of the performance evaluation cycle occurs when Mayor and Council have received the *CAO's Information Package* which includes his or her self-evaluation.



#### **2.1 Mayor and Council Organize their Review:**

Once a performance evaluation template and performance metrics are agreed upon by both parties, the task of gathering and assessing the data involves agreeing on how to get input from all members, whether to designate a committee of Council to lead the exercise and, whether assistance is required from a consultant. Confirming a timeline for the process is also important.

#### **2.2 Mayor & Council Receive & Review the CAO's Information Package:**

The CAO's Evaluation includes all the background/foundational data the CAO gathered as part of the package as well as the CAO's self-evaluation.

#### **2.3 Mayor & Council Complete the Performance Evaluation Using a Template:**

This is the traditional step of the process wherein Mayor and Council rate the CAO's performance using the template that has been agreed upon by both parties.

#### **2.4 The *Final Performance Evaluation Report* is Completed:**

Using the agreed template, the person responsible for compiling the information, gathers all the evaluations and written comments from each Council member and organizes the findings as per the process previously agreed on for capturing the rolled-up feedback in Step 2.1.

#### **2.5 Council Prepares for the Discussion with the CAO:**

Things to be considered include the rules of feedback, the purpose and desired outcome of the performance evaluation discussion, and who is chairing the discussion.

#### **2.6 Council Shares the *Final Performance Evaluation Report*:**

The *Final Performance Evaluation Report* is shared with the CAO, Mayor and Council to allow all parties time to review this document prior to the meeting to discuss it.

## Part 3: CAO, Mayor and Council Meet to Discuss the Performance Evaluation Report

### 3.1

Joint Review of the Final Performance Evaluation Report & Final Sign Off

### 3.2

Meet to Discuss New Goals for the Next Evaluation Cycle

### 3.3

A New Year: Begin the Performance Evaluation Cycle Again

**3.1 Joint Review of the Final Performance Evaluation Report & Final Sign Off:** An In-Camera/Closed meeting is held with the Mayor, Council and CAO to have a conversation between both parties to discuss the final report. The conversation uses constructive feedback to present and discuss the collective comments from the Mayor and Council. The CAO, Mayor and Council sign off on the document.

**3.2 Meet to Discuss New Goals for the Next Evaluation Cycle:** After the CAO's performance evaluation is complete, it's important for Council to set new strategic goals and key results for the coming year, which link to the CAO's goals, the municipality's Strategic Plan, and Council's priorities. This may take a minimum of two meetings with the first meeting being to discuss Council's vision and strategic goals/priorities, and the second meeting being to review and approve the CAO's goals for the coming year based on that vision. If a mandate letter is part of the performance evaluation process it should be completed at this meeting.

**3.3 A New Year: Begin the Performance Evaluation Cycle Again:** Begin the performance evaluation cycle again.

# Part 1: The CAO's Process

## Reviewing Documents, Creating Information Package and Completing Self-Evaluation for the Mayor & Council

Step #	Step and Explanation
1.1	<p data-bbox="380 468 927 504"><b>Review of Governance Requirements</b></p> <p data-bbox="380 527 1382 625">The CAO, Mayor and Council need to become familiar with the existing documents that give the CAO his/her authority and guidance regarding his/her role. These documents include legislation, municipal policies, and by-laws.</p> <p data-bbox="380 648 1425 783">Within the <i>Municipal Government Act</i> in some Provinces and Territories, there are sections variously describing CAO job descriptions, duties, powers, and/or the purpose of performance evaluation and the processes, including timelines, to be used. These are all very important inputs that inform the performance evaluation process.</p> <p data-bbox="380 806 1414 1043">Some municipalities have municipal policies that require evaluation of job performance, set the standards by which it will occur, and outline the procedures for how it should occur. Some have also created by-laws that establish and define the powers and duties of the CAO. These typically provide clarity as to the corporation's view of the CAO's role and responsibilities. Other municipalities have identified, through a by-law, that responsibilities and authorities may be delegated by Council to a Municipal Manager.</p> <p data-bbox="380 1066 1349 1129">You may wish to include a copy of any of the above-noted legislation in the <i>CAO Information Package</i>.</p>
1.2	<p data-bbox="380 1199 802 1234"><b>Review of Hiring Documents</b></p> <p data-bbox="380 1260 1382 1463">Include a copy of your job description in the <i>CAO Information Package</i> you are creating. The job description is a foundational document and will provide topics of conversation between you and Mayor and Council, particularly if it needs to be updated. Another document to add to your <i>CAO Information Package</i> is your CAO Employment Contract or offer letter signed by the CAO, Mayor and Council that outlines any compensation reviews.</p> <p data-bbox="380 1486 1409 1549">A sample of a CAO job description and a CAO Employment Contract can be found in CAMA's CAO Employment Contract available in the <a href="#">Member's Section</a>.</p>

1.3

### Review Goals and Key Results

#### Add the Strategic Plan/Council Priorities to the *CAO Information Package*

The municipality's Strategic Plan is another foundational document the CAO needs to gather and review. If your municipality does not have a Strategic Plan, then gather information about Council's priorities and add these to your *CAO Information Package*.

#### Establish the CAO's Goals and Key Results

At the start of the evaluation cycle, it is important to establish the CAO's Goals in a way that aligns them with the Strategic Plan and goals for Mayor and Council. At the end of the evaluation cycle, the goals are reviewed and revised as necessary. This is true whether a CAO is brand new or has been with the municipality for twenty years. The goals should be achievable within the evaluation cycle. Include a copy of the CAO Goals and key results in the *CAO Information Package*. You should also include a copy of your mandate letter if you have one.

1.4

### Review & Recommend Evaluation Template and Performance Metrics & Set a Timeline for the Process

Now that you have a good start on your *CAO Information Package* (with your review of any CAO governance documents, hiring documents, Council's Strategic Plan and priorities, the CAO Goals and key results, and your mandate letter), you are ready to review and recommend a performance evaluation template and metrics to the Mayor.

#### Performance Evaluation Template

The CAO recommends a performance evaluation template to the Mayor and Council. There is a sample mandate letter and one performance evaluation template available for your review in this Toolkit or you can develop your own. Providing a simple, easy to use template will contribute to a more successful performance evaluation discussion for you.

#### Performance Metrics

It is also important to collectively decide on the performance metrics that will be used to rate the performance. As noted previously, a numbered rating system from 1 to 5 is not always helpful and reduces the amount of feedback provided to the manager, and often produces a muddled and confusing result without clear direction to the manager. The performance evaluation template in this Toolkit does not include a rating system, rather a series of questions to create a positive discussion along with a mandate letter. These best practices can be used together or separately, or you can choose your own template that works best for you.

#### Scheduling a Meeting With the Mayor

The next step is a very important one. You will need to schedule a time to meet with the Mayor to present your recommended performance evaluation template and metrics, and set a timeline for the entire performance evaluation process with the Mayor and Council. **Setting up a calendar from the start will help keep the process on schedule and ensure it is not only started, but that it is also completed.**

The following topics should be discussed during this meeting:

- **Chair of the CAO Performance Evaluation.** Who will be the Chair of the performance evaluation process?
- **Third Party Consultant/Facilitated Evaluation.** Will a third party, such as a consultant, be hired to work with the Mayor and Council to facilitate the process and ensure it is fair? Discuss this possibility with the Mayor if you feel that a consultant/facilitator would be a benefit to the process. As noted above, it is not recommended that the Human Resources Department or any other employee be intimately involved in the process as it puts them in an awkward situation as they all report to the CAO. The City Clerk may be involved in the process on behalf of the Mayor and Council. If a consultant is hired a recommendation would be that they meet with the Sub-Committee and/or Council to do an orientation on the purpose of a performance evaluation.
- **Sub-Committee and Final Performance Evaluation Report.** Will there be a Sub-Committee of Council that will prepare the *Final Performance Evaluation Report* and collect the responses from each member of Council? Or work with the consultant to prepare the *Final Performance Evaluation Report*?
- **Performance Evaluation Template and Metrics.** This is your opportunity to present your recommended performance evaluation template and metrics. The Mayor should decide if he/she will make the decision on the template or if it will be the Sub-Committee. It is not recommended that the entire Council be involved in choosing the template. There must be a consensus on this before the process starts as both parties (CAO and Council) must use the same form.
- **Compensation Framework.** The Mayor and Council should be aware of any compensation clauses noted in your employment contract and how they relate to your performance evaluation. This is a good time to reference this, so they are aware of how the evaluation process impacts your compensation.
- **Optional Step: Surveying Stakeholders.** An optional step that you can present to the Mayor and Council is undertaking a survey which includes your direct report staff and any stakeholders that you identify that you work with in the community.
- **Creating a Timeline/Calendar.** A timeline should be confirmed that includes the following:
  - A deadline for the *CAO's Information Package*, including the self-evaluation to be submitted to Council.
  - A time the CAO can meet with the Mayor and/or consultant to review the *CAO's Information Package*.
  - A date that the *CAO's Information Package* will be sent to all Council members.
  - A deadline when Council's evaluations have to be completed and submitted to the Mayor/consultant.
  - A deadline when the *Final Performance Evaluation Report* must be completed by the Mayor/Sub-Committee and/or consultant.
  - A date for the review of the *Final Performance Evaluation Report* by Council.
  - A final date for an In-Camera/Private Council meeting with the CAO to discuss and sign the *Final Performance Evaluation Report*.
  - Some additional dates should also be set with the City Clerk's Office to start the process of setting goals for the next year.

Prior to leaving this meeting, a follow-up appointment should be scheduled (following the Mayor's meeting with Council) to discuss the final performance evaluation template and metrics, and review the timeline to ensure both parties are agreeable.

#### Helpful Resources

- [CAO Performance Evaluation Template](#)
- [Mandate Letter](#)

1.5

### Conduct the CAO Self-Evaluation

Once you have your second meeting with the Mayor and have agreed on the final performance evaluation template and metrics, a confirmed timeline, and other details about the process, you are ready for the final task of completing the self-evaluation.

All the data you have gathered for the *CAO Information Package* to date will support this task. Again, ensure you review your mandate letter, CAO Goals, Council's Strategic Plan and priorities, to assess goals and key results. Also, review any periodic or quarterly evaluations you have had over the past year.

The performance evaluation template that you and the Mayor and Council agree upon should be used for:

- the CAO self-evaluation;
- the Mayor and Council individual CAO performance evaluations; and
- the *Final Performance Evaluation Report*.

1.6

### Pull the Data Together & Present the *CAO Information Package* to the Mayor

You are now ready to finalize the *CAO Information Package* for the Mayor and Council and can include the following:

- Governance documents - including any legislation, municipal policies, and by-laws describing the CAO job descriptions, duties, powers or performance evaluation process.
- A copy of your job description and CAO Employment Contract/offer letter.
- A copy of your mandate letter.
- A copy of Council's Strategic Plan.
- A copy of the CAO Goals and key results for the year.
- The completed CAO self-evaluation form.
- A blank template for the Mayor and Council members to complete.
- An additional blank template for the *Final Performance Evaluation Report* for the consultant or Sub-Committee that will compile all the evaluations into the final report.

Other documents that you may wish to include in the *CAO Information Package*:

- A copy of the [Principles of CAO Performance Evaluation](#) as a best practice (included in this Toolkit).
- A copy of the [CAMA Performance Evaluation Toolkit: A Guide for the CAO](#).

It is recommended that you meet with the Mayor and/or consultant to review the *CAO Information Package* before it is circulated to all members of Council. Once you have done this, make copies of the *CAO Information Package* for each member of Council for the Mayor/consultant to circulate.

## 1.7

## Post-Evaluation & Setting Goals for the New Evaluation Cycle

### Post-Evaluation

Following the joint meeting with the Mayor and Council to review your *Final Performance Evaluation Report* and sign off, you may wish to compare your personal ratings and comments against those provided.

It is important to place a copy of the report and a copy of your self-evaluation in a sealed envelope marked “confidential” and ask the Human Resources Department to place it in your personnel file.

The CAO is also responsible for completing any paperwork (signed by the Mayor) to be submitted to the Payroll Department for any compensation related to the performance evaluation.

### Setting New Goals for the Next Evaluation Cycle

After the CAO’s performance evaluation is complete, it’s important for Council to set new strategic goals and key results for the coming year, which link to the CAO’s goals, the municipality’s Strategic Plan, and Council’s priorities. These new goals can be part of a mandate letter if you and Council choose to use this tool.

Certain goals set last year may remain unchanged, as they are ongoing strategic goals for the municipality and therefore the CAO. Other goals may be new, so this is the time to discuss all the chosen goals for the coming year considering their:

- Appropriateness for the municipality;
- Advancing the CAO’s professional goals and interests; and
- Potential for enhancing the relationship between the CAO, Mayor and Council, staff, stakeholders, and the community.

Step #	Step and Explanation
	<p>One effective way of setting goals is to use the S.M.A.R.T goal concept. A variety of interpretations of the SMART acronym have been used since the 1960s. George T. Doran's interpretation (1981) is often considered to be the foundational one and is described below.</p>
	<p><b>S</b> Specific: Target a specific area for improvement.</p>
	<p><b>M</b> Measurable: Quantify, or at least suggest, an indicator of progress.</p>
	<p><b>A</b> Assignable: Specify who will do it.</p>
	<p><b>R</b> Realistic: State what results can realistically be achieved given available resources.</p>
	<p><b>T</b> Time-related: Specify when the result can be achieved.</p>
	<p>This may take a minimum of two meetings - with the first meeting being to discuss Council's vision and strategic goals/priorities, and the second meeting being to review and approve the CAO's goals for the coming year based on that vision.</p>

**Best Practice for CAO's Goals:** Regardless of Council's goals, each CAO also needs to have his or her own goals of what he or she is hoping to accomplish administratively, and these should be articulated to the Council. It's also important to brainstorm with your management team on developing the CAO goals to provide focus to the organization and to instill a sense of ownership and motivation as a team for the next year.

# CAO Performance Evaluation Process Checklist

## Start of Performance Evaluation Cycle

- At the start of my evaluation cycle, my CAO goals were set based on Council's Strategic Plan and priorities that were agreed to by the Mayor and Council. A mandate letter may have also been prepared and agreed to by both parties.
- I have scheduled a meeting with the Mayor to review the CAO Performance Evaluation process.

## Review of Governance Requirements

- I have reviewed my municipality's governance documents which include any legislation, municipal policies, and by-laws with respect to my performance evaluation.
- I have included a copy of the governance documents in the *CAO Information Package*.

## Review of Hiring Documents

- I have included a copy of my CAO job description and CAO Employment Contract/offer letter in the *CAO Information Package*.

## Review Goals & Key Results

- I have added the municipality's Strategic Plan and Council's priorities to the *CAO Information Package*.
- I have reviewed my CAO goals that were set at the beginning of the evaluation cycle and included them and the key results in the *CAO Information Package*.
- I have included a copy of my mandate letter if applicable.

## Review & Recommend Evaluation Template and Performance Metrics & Set a Timeline for the Process

- I have reviewed the performance evaluation template in the Toolkit and made any edits and additions (or used another option) and have my recommendation ready to present to the Mayor, along with performance metrics.
- I have met with the Mayor to present my recommended performance evaluation template and metrics, and set a timeline for the entire performance evaluation process with the Mayor and Council. See the questions in Step 1.4 above that should be discussed with the Mayor.
- Prior to leaving the meeting with the Mayor, I set up a follow-up appointment (to be held following the Mayor's meeting with Council) to discuss the final performance evaluation template and metrics and review the timeline to ensure both parties are agreeable.
- I have met with the Mayor for a second meeting and a collective template has been agreed to by the Mayor and Council for the CAO performance evaluation process, and a timeline has also been agreed to by both parties (including the deadline for the *CAO's Information Package*, the self-evaluation to be submitted to Council, a time the CAO can meet with the Mayor and/or consultant to review the *CAO's Information Package*, a date the *CAO's Information Package* will be sent to all Council members, a deadline for Council's evaluations, a deadline for the *Final Performance Evaluation Report*, a review of the *Final Performance Evaluation Report* by Council, and a date for an In-Camera/Private Council meeting to discuss and sign the *Final Performance Evaluation Report*).

## Conduct the Self-Evaluation

- I have reviewed all the data gathered for the *CAO Information Package* to date and any quarterly or periodic reviews that I have had with Council over the past year.
- I have completed my self-evaluation.

## Pull the Data Together & Present the *CAO Information Package* to the Mayor

- I have finalized the *CAO Information Package* for the Mayor and Council including the documents noted above (governance documents, job description, employment contract, strategic plan, CAO goals, mandate letter, and key results) and a blank performance evaluation template.
- Optional:** I have included a copy of the [Principles of CAO Performance Evaluation](#) in the *CAO Information Package*.
- Optional:** I have included a copy of the [CAMA Performance Evaluation Toolkit: A Guide for the CAO in the CAO Information Package](#).
- I have scheduled a meeting with the Mayor and/or consultant to review the *CAO Information Package*.

- ✓ I have made enough copies of the *CAO Information Package* for each member of Council to take to my meeting with the Mayor and/or consultant to circulate along with a blank template for the *Final Performance Evaluation Report* to be completed by the consultant or Sub-Committee that will be compiling all evaluations.

## Post-Evaluation & Setting Goals for the New Evaluation Cycle

- ✓ I have compared my personal ratings against those provided in the *Final Performance Evaluation Report* by the Mayor and Council.
- ✓ I have provided a copy of my *Final Performance Evaluation Report* (and a copy of my self-evaluation) in a sealed envelope marked "confidential" and asked Human Resources to place it in my personnel file.
- ✓ I have completed the paperwork (signed by the Mayor) and submitted it to the Payroll Department for any compensation related to the performance evaluation.
- ✓ Following the *Final Performance Evaluation Report* meeting with the Mayor and Council, a date has been set to start the process of setting goals for the next year.
- ✓ Meetings are held with the Mayor and Council to set new strategic goals and key results for the coming year which link to the CAO's goals with the municipality's Strategic Plan and Council's priorities. A mandate letter outlining the annual expectations and annual goals may also be completed.

# CAO Performance Evaluation Timeline

The CAO Performance Evaluation process can move at the pace set by the CAO and the Mayor and Council and the Council meeting schedule. Below is an example of a process based on the calendar year that begins in mid-August and ends the first week of December.

