



Policy

POL.COR.25.XX CAO Annual Performance Review

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| By-Law No.: | N/A |

Policy Statement

Regular assessment of the Chief Administrative Officer (CAO)'s performance is important to maintain an effective Council and CAO relationship. As an Employer, Council has an obligation to relay to the CAO their desire for the CAO to focus on particular community needs, projects and priorities. These needs, projects and priorities are not an individual Council member's direction, but the agreed direction of Council. Additionally, the Employer has the responsibility to clearly communicate to the CAO that their contributions are recognized and acknowledged.

Purpose

The purpose of this policy is to guide the annual performance evaluation of the CAO by Council. It ensures alignment with strategic priorities, facilitates constructive feedback, and identifies development needs. Additionally, it provides a structured process for addressing any conflicts or grievances that may arise, ensuring fairness and transparency.

Application

This Policy applies to the annual performance evaluation of the Town's Chief Administrative Officer (CAO).

Definitions

SMART Goals: Goals that are:

- **Specific** – Goal objectives should address the five Ws.....who, what, when, where and why. Goals need to be specific about what needs to be done within a set timeframe for completion.

- **Measurable** – Goal objectives should contain clear criteria for determining if the employee achieved the goal. Goal objectives should include numeric or descriptive measures that identify quantity, quality, cost, etc. Ideally, this measuring system should allow the employee to be able to monitor his/her progress along the way.
- **Achievable** – Since goals can and should serve as motivational tools, they should state a target that is within reach, yet not too easy to accomplish.
- **Relevant** – Goals should be instrumental to the mission of the organizational agenda. Why is the goal important? How will the goal help the organization achieve its objectives?
- **Timebound** – Goal objectives should identify a target date for completion and/or frequencies for specific action steps that are important for achieving the goal.

Procedures

Outlined below are the procedures for evaluating the CAO's performance:

1. Annual Review

Council will conduct a formal review of the CAO's performance on an annual basis. This review allows Council to assess the CAO's prior-year performance and set goals and expectations for the upcoming year. Annual goals will align with Council's corporate priorities and include the CAO's personal and development objectives. Performance measures will be defined through Council's goal-setting process.

2. External Consultant Leadership

Council will engage an external consultant, experienced in performance evaluations and organizational assessments, to lead and facilitate the CAO's annual performance review process on behalf of Council. The consultant will be selected by Council in accordance with the Town's Purchasing Policy, and the associated budget will be approved by Council.

3. Review Components

The performance review process will include Council's assessment of the CAO in meeting the annual performance goals, as well as an assessment of competencies and values deemed critical to the CAO's success. Such competencies may include, but are not limited to:

- Strategic Leadership and Vision
- Planning and Operational Management

- Innovation and Change Management
- Results-Focused Achievement
- People Excellence and Development
- Communication and Relationship Building
- Community Engagement and Public Representation

4. Feedback and Recognition

Council will provide feedback on areas for improvement where necessary (which may form part of the CAO's development goals for the following year) and recognize satisfactory or outstanding performance. If performance expectations are met, the CAO may be eligible for a salary adjustment under the Town's Compensation Administration Program.

5. 360 Review

A CAO 360 review, facilitated by a third-party provider, will be conducted in the second year of Council's term as part of the annual process. Council will approve the budget for this review.

6. HR Support

The Manager of Human Resources will assist the consultant and Council with administrative support and document guidance; however, they will not participate in the evaluation process.

7. Review Timeline

The review period is January to December.

By December of each year:

- a) The CAO will complete a self-evaluation and submit it to the external consultant using the CAO Performance Evaluation Form (Attachment "A").
- b) After Council confirms/identifies corporate goals and objectives for the next year, the CAO will submit at least three SMART goals using the CAO Goals Submission Form (Attachment "B"). The CAO's annual goals will be based on the corporate goals approved by Council, personal goals and development goals. A minimum of three (3) SMART goals and corresponding deliverables must be submitted by the CAO.

Between January and February:

- a) The external consultant will lead Council in assessing the CAO's performance for the previous year.
- b) Each Councillor will submit their individual evaluation to the consultant, who will compile a summary of all comments into the CAO Performance Evaluation Form.
- c) **By February 15**, a closed session meeting will be held with Council and the CAO to:
 - i) **Finalize the year-end performance review.** Both Council and the CAO may add comments to the evaluation document as a result of the meeting, and the signed evaluation will be retained by HR, with copies to the CAO and Mayor.
 - ii) **Approve the CAO's new annual goals**, based on corporate priorities, personal objectives, and development goals. A minimum of three SMART goals with corresponding deliverables shall be approved by Council using the CAO Goals Submission Form.

8. Quarterly Updates

At the end of each quarter, the CAO will provide Council with a closed-session update on goal progress and any presenting challenges which may affect the outcome of any of the CAO's goals. Council may adjust goals as needed to ensure attainability (or substitute with an alternate goal).

9. CAO Performance Rating Scale

| Rating | Definition & Implications |
|------------------------------------|---|
| 5 – Exceptional Performance | Delivers consistently outstanding results across all key areas. Exhibits exceptional leadership, innovation, and strategic impact. Eligible for salary increment (if not at top of salary range). |
| 4 – Exceeds Expectations | Frequently exceeds performance requirements. Delivers high-quality results and shows initiative beyond the role's core expectations. Eligible for salary increment (if not at top of salary range). |
| 3 – Meets Expectations | Consistently meets performance requirements. Reliable and effective in fulfilling responsibilities and achieving goals. Eligible for salary increment (if not at top of salary range). |

| Rating | Definition & Implications |
|---|--|
| 2 – Partially Meets Expectations | Performance meets some but not all expectations. May show inconsistency or require development in specific areas. (this rating may be reasonable at a probationary review). Plans should be outlined to help the individual improve consistency or sharpen specific skills. Not eligible for salary increment. Council will outline improvement expectations and timelines in the CAO Performance Evaluation Form. A follow-up review will determine if the salary increment can be reconsidered. |
| 1 – Does Not Meet Expectations | Performance falls significantly below expectations. Immediate and sustained improvement is necessary. Not eligible for salary increment. Council will initiate a Performance Improvement Plan within 2 weeks of the review meeting. |

10. Documentation and Record-Keeping

All documentation related to the CAO evaluation process, including reports, action plans, and completed performance reviews, including meeting notes, action plans, and correspondence, will be securely maintained in sealed envelopes and initialled by the Mayor on behalf of Council and filed by the Manager of Human Resources in the CAO's personnel file.

11. Addressing Concerns or Conflicts

Council utilizes formal and informal processes for addressing both concerns related to the CAO's performance and conflicts between the CAO and Council members, ensuring fairness and transparency. These processes are outlined in "Attachment C" to this Policy, "Formal Process for Addressing Grievances or Concerns by a Council Member or the CAO."

Exclusions

This policy applies solely to the Chief Administrative Officer.

References and Related Policies

- POL.COR.13.24 Progressive Discipline
- POL.COR.19.02 Council Staff Relations

CAO Annual Performance Review Policy

- POL.COR.21.06 Code of Conduct for Members of Council, Local Boards and Advisory Committees
- POL.COR.23.01 Compensation Administration Program
- POL.COR.25.02 Employee Code of Conduct
- Canadian Association of Municipal Administrators (CAMA), CAO Performance Evaluation Toolkit <http://www.camacam.ca/about/resources/cao-performance>

Consequences of Non-Compliance

Failure to comply with this policy could lead to a lack of alignment of Council goals and the CAO goals, and a failure to complete strategic actions in a timely manner.

Review Cycle

This policy and all processes detailed within will be reviewed at least two times per term of Council to ensure effectiveness and relevance. Feedback from the CAO, Council members, and other parties relevant to the process will be considered in the review and evaluation of the policy.