

MEMORANDUM

Date: November 19, 2019
To: Board of Directors
From: Mark Martin, General Manager
Subject: Draft General Performance Evaluation Policy and Form

RECOMMENDED ACTION

Approve General Manager Performance Evaluation Policy and Evaluation Form.

BACKGROUND

During the 2018 General Manager performance evaluation, it became clear there was not a standard process in place by which to review the General Manager's performance on an annual basis. During a Special Board Meeting on the topic, President Clark was tasked to prepare a draft policy. The draft policy is included with this packet. The Board also agreed they liked the format of a GM evaluation form used by another agency. This form has been modified with recommended edits of Board members and is attached. Both of these documents incorporate comments and feedback from the Board.

The Personnel Committee reviewed the draft policy and form at the November 5, 2019 Personnel Committee meeting and recommended the policy and form move forward to the full board.

The Board has asked for the General Manager's evaluation and changes in compensation be adjusted from the first anniversary date to the next January so that the compensation awarded would be accounted for and effective as of the next fiscal year's budget. President Clark has prepared a methodology to allow for this adjustment in the form of a spreadsheet. The spreadsheet tool with a salary scenario is provided as an attachment.

To avoid new complexity, one alternative to adjusting the review period is to simply maintain the current practice of conducting reviews on the General Manager's employment anniversary date. As already happens for the General Manager and unrepresented staff, an estimate of expected salary adjustments is made as part of the regular budget process. In the Case of the General Manager's salary, a 1% variation from the projected salary adjustment is \$1,700. Since my focus has been to simplify processes for future staff, the question must be raised whether the benefit of adjusting the review period outweighs the additional complexity to understand and calculate that adjustment.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Category:	Personnel	Policy # 2019-05
Title:	General Manager Performance Evaluation and Compensation Adjustment Policy	

PURPOSE

The purpose of the General Manager (GM) Evaluation Policy is to provide a documented process that the Board shall follow when assessing the GM's performance, providing him/her with feedback, and determining his/her compensation on an annual basis.

OBJECTIVES

Evaluating the performance of the GM is one of the most important duties of the RMCS D Board of Directors. Accordingly, the process should be designed to include the active participation of all Directors.

Establish an orderly, effective and efficient process occurring on a set annual schedule, that will facilitate Board and GM common understanding of performance over the prior year. The evaluation should be consistent with the GM job description, contract and Board-desired criteria.

Provide information to facilitate GM compensation level in time for the subsequent Fiscal Year.

Establish a one-time compensation adjustment process to align the GM contract dates and District Fiscal Year schedule.

Provide information to facilitate alignment of Board Goals and objectives for the subsequent year.

Staff members reporting to the GM should generally not play a role in the evaluation process unless requested by the Board, except to the extent that they have an official, requested role in assisting the Board.

Policy Guidelines

Annual Evaluation Form

The GM Performance Evaluation Form sets out the criteria to be used by the Directors in evaluating the GM's performance each year. As a guideline, a copy of the example GM Performance Evaluation Form is attached as Exhibit A. The Board may approve modifications of this form as deemed appropriate.

Evaluation Criteria

In determining the performance criteria to be incorporated in the GM Performance Evaluation Form, the following guidelines shall be observed:

- To the extent possible, the criteria should be objective in nature.
- The criteria should address the GM's performance in meeting annual business objectives/goals.
- The criteria should address the GM's leadership competencies, including the following: vision and strategy; maximizing talent; leading change; technical expertise; fiscal strategy and management; and judgment and decision making.
- The criteria should address the GM's performance in carrying out ongoing responsibilities. These responsibilities include overseeing day-to-day operations, implementing new strategies, resource development, fiscal management, and external/community relations.
- The criteria should include consideration of independent, positive initiatives identified and implemented.
- The criteria should also provide an overall evaluation rating as well as an opportunity for each Director to suggest specific ways in which the GM may improve performance in the future.

Evaluation Timetable

The General Manager annual evaluation process shall proceed in parallel with the annual budget process and be finalized prior to publication of the draft annual budget in April of each year.

In January of each year, the Board, in conjunction with the General Manager, will begin discussion of, and develop a draft of Goals in preparation for the upcoming Fiscal year.

In February of each year, the GM will provide a self-evaluation to the Board for its consideration in the annual evaluation process. Each year, the Board will appoint an ad hoc evaluation management committee consisting of two Board Directors. At the same meeting, all Board Directors will be given GM Performance Evaluation forms to be completed and returned to the Committee.

Once the Evaluation Committee receives the evaluation forms, the Committee shall review the forms and create a summary of the evaluations, giving full consideration of the General Manager's self-evaluation ("Summary") to be given to the Board for review.

A Board executive session shall be convened to discuss the Summary with the General Manager. Before or after the discussion with the GM, the GM may be excused from the meeting to allow the Board to discuss the evaluation.

The Board may address the process or compensation negotiation as discussed in further detail in Compensation Section below.

Compensation Package

Upon completion of the annual performance evaluation, the Board shall establish the compensation of the GM for the following year and, if changes are proposed, direct District legal counsel to amend the GM contract to incorporate the Board approved changes. In doing so, the Board should consider to the following guidelines or principles:

The President should be the Board's designated negotiator. The Compensation package should be arrived at initially through a negotiation process involving the President, or designee, and the GM.

The final decision, however, rests with the Board.

The President has discretion to create an ad hoc committee with one other director to gather and evaluate data to assist in the compensation process. The President would be the de facto Chair of any such committee.

The compensation package established each year should be progressive in that it is not necessarily constrained or dictated by the previous years' practices or general industry practices.

Should compensation include a bonus or incentive-based element, the Board will establish with the GM specific and objective criteria that will serve as the basis for awarding the bonus or incentive element.

Per the Ralph M. Brown Act, the Board may discuss in closed session whether to authorize the GM to receive an increase in compensation or benefits, but any discussion on the amount and scope of change to the compensation package will occur in open session, unless the Board consults with its designated negotiator in closed session consistent with Government Code section 54957.6.

Any action on the GM's compensation and/or benefits must occur in open session at a regular meeting of the Board.

In determining the structure of the compensation package, the Board may incorporate the following elements as it deems appropriate: Salary; Bonus; Performance incentives; Perquisites; Benefits.

The Board shall adjust the GM compensation and adjustment dates at the time of hire in order to synchronize them with the annual budget process.

Approved Rancho Murieta Community Services District Board of Directors	Adopted
---	----------------

General Manager Performance Evaluation

Employee:		Hire Date:	
Classification: General Manager			
Rating Period:			
Type of Review: <input type="checkbox"/> Annual <input type="checkbox"/> Other			

OVERALL PERFORMANCE RATING		
Exceeds Standards Individual gives valuable service to the District; such performance consistently exceeds what is reasonably expected of the General Manager.	Meets Standard Individual consistently demonstrates that essential job responsibilities are fully performed as expected from the General Manager.	Does Not Meet Standards Individual does not consistently meet job responsibilities.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

President, Board of Directors

Date

I hereby certify that I have received this performance evaluation. I understand that my signature does not necessarily mean that I agree with all the ratings or comments.

General Manager

Date

PERFORMANCE FACTORS

SECTION A. JOB KNOWLEDGE

Extent to which General Manager demonstrates job knowledge and is aware of current developments in his/her field.

1. Understands and Communicates Key Issues Affecting the District – Extent to which the General Manager understands and communicates current social, legal, political and economic trends and operating problems of Rancho Murieta Community Services District (District) with the Board (i.e., with respect to Federal, State, and Regional, and District level issues).

Exceeds Standards	Meets Standards	Does Not Meet Standards
Effectively anticipates, understands, and identifies issues of which the Board needs to be advised. Has the ability to effectively translate complex information into user-friendly terms. Expertly navigates difficult and sensitive situations.	Ability to understand and communicate issues related to the District as expected of a General Manager.	Does not demonstrate ability to understand and/or communicate issues to the Board at the level expected of a General Manager.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Political Awareness – Extent to which the General Manager is not political, but is politically aware and understands the political issues involved in identifying and setting goals to meet the District’s goals and objectives.

Exceeds Standards	Meets Standards	Does Not Meet Standards
Demonstrates outstanding ability to comprehend the “whole picture” of an issue and identify solutions and goals to proactively navigate and address.	Ability to understand issues and identify solutions and goals to resolve as expected of a General Manager.	Does not demonstrate the required level or ability to identify potential and/or current political issues to proactively address.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Industry Knowledge – Extent to which the General Manager has an overall working knowledge of Service Districts and related industry standards and governing law.

Exceeds Standards	Meets Standards	Does Not Meet Standards
Demonstrates significant knowledge of District Services, and the industry standards. Using that knowledge, provides guidance to staff to ensure the District serves the public.	Has knowledge of the District and an understanding of industry standards. Ensures the work done by the District adequately serves the public.	Lacks the level of knowledge regarding the District and industry standards to effectively ensure District business is adequately performed.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION A. JOB KNOWLEDGE RATING SUMMARY

Extent to which General Manager demonstrates job knowledge and is aware of current developments, trends and legislation in his/her field impacting the District.

Exceeds Standards	Meets Standards	Does Not Meet Standards
Has well-rounded knowledge in all phases of the job, and possesses willingness to seek subject matter experts as needed. Has exceptional ability in some areas while demonstrating strong expertise within all key areas of responsibilities.	Has knowledge of duties and essential functions to do the job and is competent in performance responsibilities.	Demonstrates significant gaps in knowledge of duties and essential functions or does not demonstrate sustainable performance.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job Knowledge Comments:		

SECTION B. CONSTRUCTIVE RELATIONSHIPS

Extent to which the General Manager builds internal and external relationships that ensures collaboration.

1. Working Relationships - Extent to which the General Manager builds effective working relations with the Board.

Exceeds Standards	Meets Standards	Does Not Meet Standards
Creates a partnership with Board members and Board Committees that promotes and maintains the growth of positive collaborative working relationships. Equally responsive and accessible to all Board members. Treats Board members with respect and fairness.	Deals positively with the Board. Establishes and maintains working relations with the Board and Board committees.	Has difficulties working with the Board or does not consistently develop or maintain effective working relationships.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Communication – Ability to effectively articulate in written and verbal communications with the Board.		
Exceeds Standards	Meets Standards	Does Not Meet Standards
Communication is proactive, effective and appropriately communicates with all stakeholders. Demonstrates the ability to communicate assertively without causing negative reactions.	Communicates in a clear and concise manner, both orally and in writing. Demonstrates good judgment in selecting the proper mode of communications.	Struggles to effectively communicate either orally or in writing. Does not actively listen. May have oral or written skills below the expected standard for the General Manager. Communicates in a manner that does not convey a favorable image of the District.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Support in Policy Making – Extent to which the General Manager adequately supports the Board in its policy making role.		
Exceeds Standards	Meets Standards	Does Not Meet Standards
Proactively identifies and brings to the Board’s attention needed policy projects. Works effectively with the Board to identify options and develop policies.	Provides support to Board to identify and resolve policy decisions.	Does not provide needed support to the Board to facilitate policy making.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Public Communication – Extent to which the General Manager manages channels of communication with the public and partner agencies and community stakeholders.		
Exceeds Standards	Meets Standards	Does Not Meet Standards
Proactively identifies effective channels of communication regarding District programs and services such as social media, neighborhood meetings, and District web site.	Ensure District programs and services are communicated to the public and partner agencies.	District programs and services are not adequately communicated to the public and partner agencies.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Intergovernmental Collaboration - Extent to which the General Manager promotes the District's collaboration and cooperative relations with other public agencies.		
Exceeds Standards	Meets Standards	Does Not Meet Standards
Demonstrates ability to ensure the District's collaboration with other public agencies that is beyond the performance expected. Ensures staff involvement, as appropriate. Values partner agencies' participation. Promptly and effectively addresses conflicting interests.	Has established-collaborative and cooperative relationships with other public agencies.	Employee fails to create and/or promote a collaborative approach with other public agencies.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION B. CONSTRUCTIVE RELATIONSHIPS RATING SUMMARY		
Extent to which the General Manager builds internal and external relationships that ensures collaboration.		
Exceeds Standards	Meets Standards	Does Not Meet Standards
Proactively demonstrates the abilities in initiating, building and consistently maintaining internal and external constructive relationships that promote collaboration that benefits the District.	Ensures ongoing collaborative internal and external relationships are established and maintained.	Is not effective in establishing and/or maintaining constructive internal and/or external relationships.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Constructive Relationships Comments:		

SECTION C. LEADERSHIP AND MANAGEMENT		
Extent to which the General Manager exhibits effective leadership and management skills to accomplish the District's mission.		
1. Leadership - The ability of the General Manager to lead the way to an inspiring future with a shared vision based upon the Board's directed organizational goals, policies, and priorities.		
Exceeds Standards	Meets Standards	Does Not Meet Standards
Positively influences outcomes by setting appropriate short and long term goals and strategies for staff that supports the Board's vision for District. Catalyzes the transition from "good to great" results.	Understands the Board's vision for the growth of the District and works with District staff to take supportive actions to support that vision.	Does not demonstrate ability to carry out the Board's vision or is inconsistent in supporting the Board's vision.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Financial Stewardship – Extent to which the General Manager manages the preparation of a budget, manages the established budget and utilizes financial resources efficiently.		
Exceeds Standards	Meets Standards	Does Not Meet Standards
Oversight and management of the budget process and throughout the fiscal year, consistently monitors and anticipates overages in the budget and reacts proactively. Manages financial and material resources; utilizes cost saving measures appropriately.	Leads the budget process and exercises effective cost control. Strives to ensure the District stays within budget. Minimizes the necessity of overtime whenever possible. Management of purchasing regulations and process.	Does not demonstrate appropriate knowledge and management of the budget. budget process, and/or budget management. Consistently is not able to exercise effective cost control.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Human Resources Management – Supports District goals and objectives through human resource management.		
Exceeds Standards	Meets Standards	Does Not Meet Standards
Successfully supports the District’s goals and objectives by providing leadership and management to recruit, develop, and retain highly competent staff. Provides staff opportunities and recognition of their value to the team.	Demonstrates consistent employee management. Personnel issues are handled appropriately and professionally. Recognizes employees and gives them a sense of achievement for a job well done.	Inconsistent in ability to address personnel issues in either a timely or appropriate manner. Employees and/or the team are stagnant in their development.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Strategic Ability – Demonstrates the ability to plan, implement, and manage strategic change through long term planning while allowing for flexibility in changing conditions.		
Exceeds Standards	Meets Standards	Does Not Meet Standards
Successfully aligns District resources and actions to support and carry out the Board’s direction/vision. Consistently exhibits flexibility to quickly and effectively meet changing conditions and capitalize on new opportunities as they arise while still adhering to the vision of the Board.	Directs District resources to support the Board’s direction/vision. Demonstrates the ability to plan and implement strategic change and displays optimism and enthusiasm in meeting challenges.	Inability to effectively manage strategic change to support the Board’s direction/vision or discounts the Board’s direction.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION C. LEADERSHIP AND MANAGEMENT RATING SUMMARY

Extent to which the General Manager exhibits effective leadership and management skills to accomplish the District's mission.

Exceeds Standards	Meets Standards	Does Not Meet Standards
Exhibits the ability to be an inspired leader with the ability to inspire and motivate others, while effectively using management skills to administer and ensure District work successfully contributes to the District's mission and vision.	Demonstrates ability to make decisions, provide direction with confidence and to gain commitment from the organization to carry out the District's mission and vision.	Does not demonstrate ability to project confidence and authority in area of expertise. Inability to manage a team. Inconsistent in making timely decisions or appropriate decisions.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Constructive Relationships Comments:		

GOALS

Rating Period Goals

Please note if goals are met.

Next Rating Period Goals

Please consider adding professional growth goals, which may include training or education.

OVERALL PERFORMANCE COMMENTS

