

SAN JOSÉ RETIREMENT BOARDS

DRAFT PROCEDURES FOR EVALUATING THE PERFORMANCE OF THE CEO

DRAFT AT JANUARY 7 FEBRUARY 4, 2022

Background

- 1) The Board has approved the CEO Performance Evaluation Policy (“Policy”) which sets out broad criteria (Outcomes and Methods) for evaluating the performance of the CEO and the general process to be followed. The Policy further provides that the JPC shall be authorized to approve Procedures necessary to implement the Policy and that such Procedures may include detailed timelines, survey instruments, formulas, calculation methods, and methods to ensure appropriate, independent data collection.
- 2) Accordingly, the JPC has approved these Procedures, which address the following:
 - a) The Metrics and weights associated with the broad evaluation criteria;
 - b) Guidelines for measuring and evaluating each Metric;
 - c) Guidelines for arriving at an overall evaluation of the CEO; and
 - d) Survey templates for use in the evaluation process.
- 3) The Board will begin implementing these Procedures for the Evaluation Period commencing July 1, 2021. To prepare for such implementation, Staff will continue to develop and refine the necessary data collection tools ~~in advance of the above date~~ and shall update the JPC on its progress. To further prepare, the Board conducted a mock evaluation in the fall of 2021.

Metrics and Weights

- 4) Tables 1 and 2 list the Metrics and associated weights for evaluating the CEO, all of which shall be approved by the Board on the recommendation of the JPC, in order to take effect.

TABLE 1 - ORGANIZATIONAL OUTCOMES (TOTAL WEIGHT IN OVERALL EVALUATION: 60%)			
ORGANIZATIONAL OUTCOMES	METRICS (Weights)	SUB-WEIGHTS %	SCORING SCALE
1. Investment Performance	<ul style="list-style-type: none"> Net Fund Performance vs. Investable Benchmark Portfolio Performance of private market portfolio vs. appropriate private market benchmark (TBD) Total Fund Sharpe Ratio vs. comparable peer Ratio 	10%	<p>Max. 60% weight is applied using <u>the</u> following scale:</p> <ul style="list-style-type: none"> Outstanding Commendable Satisfactory Needs improvement
2. Benefit Admin. Administration Cost-effectiveness	<ul style="list-style-type: none"> Administration Cost-per-Member (ACPM) (3-year rolling basis) 	5%	
3. Member Service	<i>Benefit Delivery:</i>	<u>22.5%</u>	
	<ul style="list-style-type: none"> Timeliness of monthly pension payment Timeliness of pension notifications of payment 	22.5%	
	<ul style="list-style-type: none"> Timeliness of pension inception (normal, deferred vested, survivors and non-member DROs) 		
	<i>Member Satisfaction:</i>	<u>22.5%</u>	
	<ul style="list-style-type: none"> Group counselling session survey results ORS Website visitor survey results ORS Member Portal visitor survey results 	22.5%	
TOTAL SUB-WEIGHT		60%	

TABLE 2 - MANAGEMENT METHODS (TOTAL WEIGHT IN OVERALL EVALUATION: 40%)		
MANAGEMENT METHODS	METRICS	WEIGHTS & SCORING SCALE
Enterprise Risk Management	1. Financial audit results 2. Quality of internal audit Plan 3. Internal audit results 4. Compliance report findings 5. Quality of management's responses to above	No sub-weights shall be established for each Metric
Human Resources Management	1. Employee turnover rates 2. Code of conduct violations 3. Climate survey results/City engagement survey results	Max. 40% weight is applied using the following scale: <ul style="list-style-type: none"> • Outstanding • Commendable • Satisfactory • Needs improvement
Stakeholder Relations	1. Stakeholder interview findings	
Operations Management	1. Quality of annual workplan 2. Progress on annual workplan 3. Appropriateness of any mid-year adjustments	
Leadership/Management	1. Leadership/Management survey results 2. Other	

Determining a Final Evaluation Score and Adjustments to Compensation

- 5) As per the framework in Table 3 below, the Boards shall rate the CEO on Organizational Outcomes and Management Methods. Using the ratings and the corresponding baseline award parameters, also set out in Table 3, the Boards shall exercise their discretion to determine:
- ~~An~~ Individual Performance-based Compensation Adjustments ("IPCA"~~"),~~ and
 - Any Additional Executive Leave to be awarded to the CIO.¹
- 6) The baseline award parameters set out in Table 3 are not intended to restrict the Boards' ability to exercise their discretion to award higher or lower IPCA and Executive Leave reflecting relevant factors and circumstances such as the magnitude of the year's out-performance or under-performance, the amounts awarded in prior years, peer practices, etc.

TABLE 3			
ORGANIZATIONAL OUTCOMES RATING (60% WEIGHT)	MANAGEMENT METHODS RATING (40% WEIGHT)	BASLINE IPCA AWARD (%)* (%)	BASLINE ADDITIONAL EXECUTIVE LEAVE (DAYS)
Outstanding	Outstanding	→ ≥ 3%	5
Commendable	Commendable	2% - % - 3%	4
Satisfactory	Satisfactory	1%	2
Needs Improvement	Needs Improvement	0%	0

The balance of these Procedures describe how the various Metrics are to be calculated, assessed, and/or measured each year.

¹ IPCA and Additional Executive Leave are terms used in the City's Management Performance Program.

Organizational Outcomes

Investment Performance Metrics

~~5)7)~~ Investment Performance will be evaluated by assessing the investment performance of the Fund relative to the following Metrics and corresponding benchmarks:

- a) Total Fund Performance versus the return on the Investable Benchmark Portfolio;
- b) Performance of the ~~Fund's~~ private market asset classes versus an appropriate Private Markets Benchmark; ~~and~~
- c) The Total Fund Sharpe Ratio versus the Total Fund Sharpe Ratio of an appropriate public fund peer group.

~~6)8)~~ The above Investment Metrics together shall have a weight of 10% in the overall evaluation (See Table 1); ~~i.e.,~~ the above Investment Metrics shall be evaluated as a group for a total weight of 10% and no weights assigned to individual Investment Metrics.

~~7)9)~~ The Investment Metrics shall be determined using rolling 3-year data once such data is available. Until that time, the Investment Metrics shall be based on available data (i.e., 1- or 2-year data).

~~8)10)~~ The Investment Metrics shall be evaluated net of external manager fees.

~~9)11)~~ Investment performance and benchmark returns shall be supplied by the General Investment Consultant and shall correspond to the data provided in the Consultant's quarterly performance report. See benchmark definitions in the table below.

TABLE 4 – BENCHMARKS	
INVESTMENT BENCHMARKS	DEFINITION/COMPOSITION
Investable Benchmark Portfolio	The Investable Benchmark Portfolio includes the same underlying benchmarks as the Strategic Asset Allocation Portfolio (SAAP), but would use an actual invested weight for each asset class. This will account for weighting differences to the SAAP in asset classes that take more than one year to invest (private markets asset classes).
Private Markets Benchmark	TBD

~~10)12)~~ Each Board shall evaluate investment performance separately considering only the performance of their respective funds. As provided for in the CEO Performance Evaluation Policy, if the two boards arrive at different ratings or awards, the Designees may reconcile the differences to arrive at a single evaluation when developing final recommendations for the Boards.

Benefit Administration Cost-Effectiveness Metrics

~~11)~~13) Benefit administration cost-effectiveness shall be evaluated annually by comparing Administration Cost-per-Member (“ACPM”) of ORS to benchmarks approved by the JPC in consultation with the CEO. No benchmark, however, will be established for FY 2021/22. Instead, the JPC will work with the CEO throughout FY 2021/22 to develop an appropriate benchmark. In developing the benchmark, the JPC will consider member service quality data collected during FY 2020/21 (see next section) and, if available, peer cost data.

~~12)~~14) ACPM shall be calculated annually as follows:

$$ACPM = \frac{\text{Administrative Costs}}{\text{Number of Members}}$$

~~13)~~15) Administrative costs shall include the administration costs incurred to administer the P&F and the Federated health and pension plans in aggregate and shall **exclude** any costs associated with managing and administering the investment programs of each plan including investment personnel. Administrative costs shall be defined and categorized consistently each year to facilitate comparisons over time. The source document shall be the prior fiscal year CAFR.

~~14)~~16) Members shall be defined to include the aggregate number of individuals in the following groups in both the P&F and Federated plans as at June 30 each year (the source document shall be the actuarial extract based on the last pay period in June of the prior fiscal year):

- a) All active members~~;~~
- b) All retired members~~;~~
- c) All deferred members~~;~~
- d) All non-member spouse domestic relations orders (DRO)~~;~~ and
- e) All survivor and continuance payees.

Member Service Quality Metrics

~~15)~~17) Metrics for assessing member service quality will fall into two categories:

- a) Achievement of service-level standards including:
 - i) Timeliness of regular monthly pension payments and notifications; ~~and~~
 - ii) Timeliness of pension inception (i.e., a beneficiary's first pension payment after retirement); ~~and~~
- b) Member satisfaction with:
 - i) Group retirement counselling sessions;
 - ii) The ORS website (www.sjretirement.com); and
 - iii) The Plan Member Portal.

~~16)~~18) The JPC shall work with the CEO to develop additional member service quality metrics over time.

Service-level Standards

Pension Payments/Notifications

~~17)~~19) ORS staff shall track and record the percentage of regular monthly pensions and paper payment notifications that are issued on time:

- a) In the case of direct deposit, a pension shall be considered issued on time if it is paid on or before the last business day of the month.
- b) In the case of paper cheques, a pension shall be considered issued on time if it is delivered to the mailing office on or before the close of business on the last business day of the month.
- c) For members who request to pick up their cheques in person, a pension shall be considered issued on time if it is available for pick up in the ORS Offices by end of business on the last day of the month OR the first business day after the last day of the month should the last day of the month fall on a weekend or holiday.
- d) Payment notifications in *paper form* shall be considered issued on time if they are delivered to the mailing office on or before the last business day of the month. (Electronic payment notifications are automated to occur immediately when a direct deposit payment is made and therefore shall not be considered.)
- e) For notifications that are not issued on time, staff will record the number of calendar days they were late.

Pension Inceptions

~~18)~~20) ORS staff shall track and record the percentage of pension inceptions that are issued without cash flow interruption to beneficiaries for normal, deferred vested, non-member DRO, and survivor retirements.

~~19)~~21) In the case of normal retirement, inceptions shall be deemed to have occurred without cash flow interruption when:

- a) The member submits an initial retirement application **before** the end of the first pay period of the month of retirement **and** the member receives the first pension payment in the following month (all subject to Board approval);² or
- b) The member submits an initial retirement application **after** the end of the first pay period of the month of retirement **and** the member receives the first pension payment no later than the second month following the month of retirement.

~~20)~~22) In the case of deferred vested and non-member DRO retirements, inception shall be deemed to have occurred without cash flow interruption when:

- a) The member submits an initial application in the month the member becomes eligible for retirement, **and** the first pension payment is issued the following month; or
- b) The member submits an initial application prior to the month in which the member is eligible for retirement, **and** the first pension payment is issued [in the month/the month after] the member becomes eligible for retirement.

~~21)~~23) In the case of survivor retirements, inceptions shall be deemed to have occurred without cash flow interruption if the first pension payment is issued the month after an initial application is submitted.

² Staff considered measuring from the time a **complete** application is submitted, but decided that would be too low a standard. In many cases, however, staff will be unable to complete an inception without interruption due to reasons beyond staff's control (e.g., there is a delay in obtaining a death certificate). Staff will report the number of exceptions that were due to **valid** reasons, to be defined over the first several years of data collection

~~22~~24) Service levels shall be scored according to the methodology summarized in Table 5 below:

TABLE 5 – SERVICE STANDARDS – SCORING METHODOLOGY			
SERVICE ACTIVITY	METRICS	WEIGHT	SCORING METHODOLOGY
A. Pension Payments			
1) Pension Payments Timeliness	• % of pensions issued on time-	5%	If number of late payrolls is 0: Score = 100 points x weight
	• % of payment notifications issued on time-		If number of late payrolls is > 0: Score = 0
			Score = 100 points – (% of late notifications x average # of days late) x weight
			If above calculation is negative-; Score = 0
B. Pension Inceptions			
2) Normal retirement	• % of inceptions without cash flow interruption	17.5%	Score = % of inceptions without cash flow interruption x weight
3) Deferred Vested	• % of inceptions without cash flow interruption		
4) Survivors	• % of inceptions without cash flow interruption		
5) Non-member DROs	• % of inceptions without cash flow interruption		

Member Satisfaction

~~23~~25) Member satisfaction will be evaluated using surveys as follows:

- Group Retirement Counselling Sessions.* A survey shall be administered to all attendees at all group retirement counselling sessions (immediately following the session).
- The ORS Website.* Visitors to the ORS website (www.sjretirement.com) shall be invited to complete a short survey on the site before they leave the site.
- The Plan Member Portal.* All visitors to the ORS Member Portal will be invited to complete a short survey directly on the Portal.

~~24~~26) The CEO shall coordinate the administration of the above surveys throughout the year, taking all reasonable and cost-effective steps to ensure independence and accuracy in the survey process. Where feasible:

- Group retirement counselling session surveys shall be administered and tabulated by parties not involved in the design and delivery of the group ~~retirement~~ counselling sessions;
- On-line surveys shall be administered by independent parties; and

c) Original survey data shall be maintained by independent parties.

~~25)~~27) Member satisfaction shall be scored according to the methodology summarized in Table 6.

~~26)~~28) Appendix A contains copies of the member satisfaction surveys to be used in the CEO evaluation process. All such surveys shall be approved by the JPC.

TABLE 6 – MEMBER SATISFACTION SCORING METHODOLOGY			
SURVEY	SURVEY SCALE	SCORING METHODOLOGY	WEIGHT
Group Counselling Session Questionnaire			22.5
Satisfaction with Session	1) Very satisfied 2) Satisfied 3) Neutral 4) Unsatisfied 5) Very Unsatisfied	Score = (Total 1-2 responses) / (Total responses) x 100	
ORS Website Questionnaire			
Able to Find Information	YES/NO	Score = (Total Yes responses) / (Total responses) x 100	
Website User-Friendliness	1) Very satisfied 2) Satisfied 3) Neutral 4) Unsatisfied 5) Very Unsatisfied	Score = (Total 1-2 responses) / (Total responses) x 100 (Above two scores to be averaged to arrive at total score for ORS Website.)	
ORS Member Portal Questionnaire			
Able to Find Information	YES/NO	Score = (Total Yes responses) / (Total responses) x 100	
Member Portal User-Friendliness	1) Very satisfied 2) Satisfied 3) Neutral 4) Unsatisfied 5) Very Unsatisfied	Score = (Total 1-2 responses) / (Total responses) x 100 (Above two scores to be averaged to arrive at total score for ORS Member Portal.)	

Management Methods

~~27)~~29) This section provides further detail and guidance regarding the Metrics to be used to evaluate the Management Methods used by the CEO.

- a) The subjective Metrics encompass considerable data, information, and reports; and it is not the intention of the Board to calculate scores for each Metric. Instead, ~~all~~ the Metrics pertaining to Management Methods shall be considered together with an aggregated weight of 40% in the overall evaluation.

Enterprise Risk Management

~~28)~~30) Enterprise risk management will be evaluated based on the following Metrics:

- a) Satisfactory results of the external financial audit; ~~-(i.e. no material findings)~~;
- b) Results of all internal audit reports completed pursuant to the annual internal audit plan; ~~;~~
- c) Results of compliance reports (e.g. ~~investment risk~~); ~~); and~~
- d) Quality of Management's response to the above external and internal audit findings.

Human Resources Management

~~29)~~31) The ability of the CEO to effectively manage the human resources of the ORS shall be evaluated using the following Metrics:

- a) Employee turnover/attrition rates; ~~;~~
- b) Reported violations of the code of conduct; ~~and~~
- c) Climate survey results. The survey is to be administered to all ORS staff at least annually.

~~30)~~32) The above climate survey shall:

- a) Allow employees to participate on an anonymous basis; ~~;~~ ~~and~~
- b) Be administered by the Internal Auditor. The Internal Auditor shall provide a copy of the survey results to the CEO and the Designees.

~~31)~~33) In years where ORS participates in the City-mandated employee engagement survey, the results of such survey shall also be considered in the evaluation.

Stakeholder Relations

~~32~~34) Obtaining feedback from stakeholders regarding their satisfaction with the performance of the CEO using surveys is likely to be challenging, as stakeholders may not complete surveys and/or provide enough detail. Accordingly, every 2-3 years, members of each retirement board, as designated by the JPC Designees, shall conduct personal interviews with key interested stakeholders regarding the performance of the CEO. Stakeholders to be invited to participate may include:

- a) The Mayor's Office;
- b) Retiree Association;
- c) City Council and City Council Liaison;
- d) Active member associations;
- e) City Administration; and
- f) Consultants.

~~33~~35) Interview guides shall be approved by the JPC and provided to interviewees in advance of the interviews. Board members conducting the interviews shall provide summaries of the interviews to the Designees. Summaries shall include all relevant issues and themes for consideration in the evaluation. The Designees shall prepare a combined summary or may designate another party to do so.

~~34~~36) The JPC Designees may request that the CEO assist in scheduling/coordinating stakeholder interviews.

~~35~~37) The first stakeholder outreach effort is not expected to occur before the FY 2021/22 Evaluation Period.

Operations Management

~~36~~38) The operational management skills of the CEO shall be assessed by reviewing the CEO's annual workplan and associated status reports and considering the following:

- a) Quality of the annual workplan; i.e., did the CEO identify critical initiatives that need to be carried out during the year to have the greatest impact on the operational metrics and the future success of the System?
- b) Does the workplan include unique contributions that the CEO will personally strive to make to the organization over the coming year?
- c) Did the CEO make sufficient progress during the year in completing the workplan?
- d) Did the CEO exercise good judgment in responding to unexpected events during the year and adjusting the workplan accordingly?

Leadership/Management Abilities

~~37~~39) An assessment of the CEO's leadership/management skills shall be carried out using a survey of all board members. (See Appendix B for the survey instrument.)

~~38~~40) The Designees shall administer the survey or may direct an independent third-party to do so.

Year-end Evaluation

~~39)~~41) As per the Policy, in July/August of each year, ~~the~~ ~~{an independent third-party}~~ shall prepare a draft Background Report summarizing all the necessary data and reports pertaining to the performance Metric~~-.).~~

- The ~~{independent third-party}~~ shall submit the Background Report to the Designees, who shall finalize it for distribution to the Board. The Designees shall also coordinate a confidential survey (“Final Survey”) designed to allow Board members to provide their overall ratings of the CEO’s performance relative to the Performance Outcomes and Management Methods (See Appendix C for a template). When completing the Final Survey, Board members are expected to refer to the Background Report.

The CEO shall also assess his or her own performance by completing and submitting the Final Survey to the Designees.

~~40)~~42) Within three months of the end of the Evaluation Period (i.e., by September 30), the Designees shall submit to the Boards the results of the Final Survey (Board and CEO’s results), and shall, separately or jointly, meet with each Board in closed session to review the Report and gather any additional input. The Designees may task a third-party to help facilitate the closed session discussions. The Final Survey Results shall be provided to the Boards at least seven days prior to the closed session meetings.

~~41)~~43) In their respective closed session(s), each Board shall review the results of the Final Survey. ~~Each~~ Board shall also discuss and arrive at preliminary determinations regarding ~~Individual Personal Compensation Adjustments (“IPCA”)~~ and Additional Executive Leave Days to be awarded to the CEO, provided this takes place in open session. The Board that holds its closed session first is encouraged to establish an acceptable range for IPCA and Executive Leave in order to facilitate the other Board arriving at its determinations.

~~42)~~44) Within 30 days of the above closed sessions, the Designees shall meet to review any additional input received during the closed sessions, review the results with the CEO, and subsequently prepare a Final Evaluation and Final Individual Personal Compensation Adjustment Report for recommendation to the Boards.

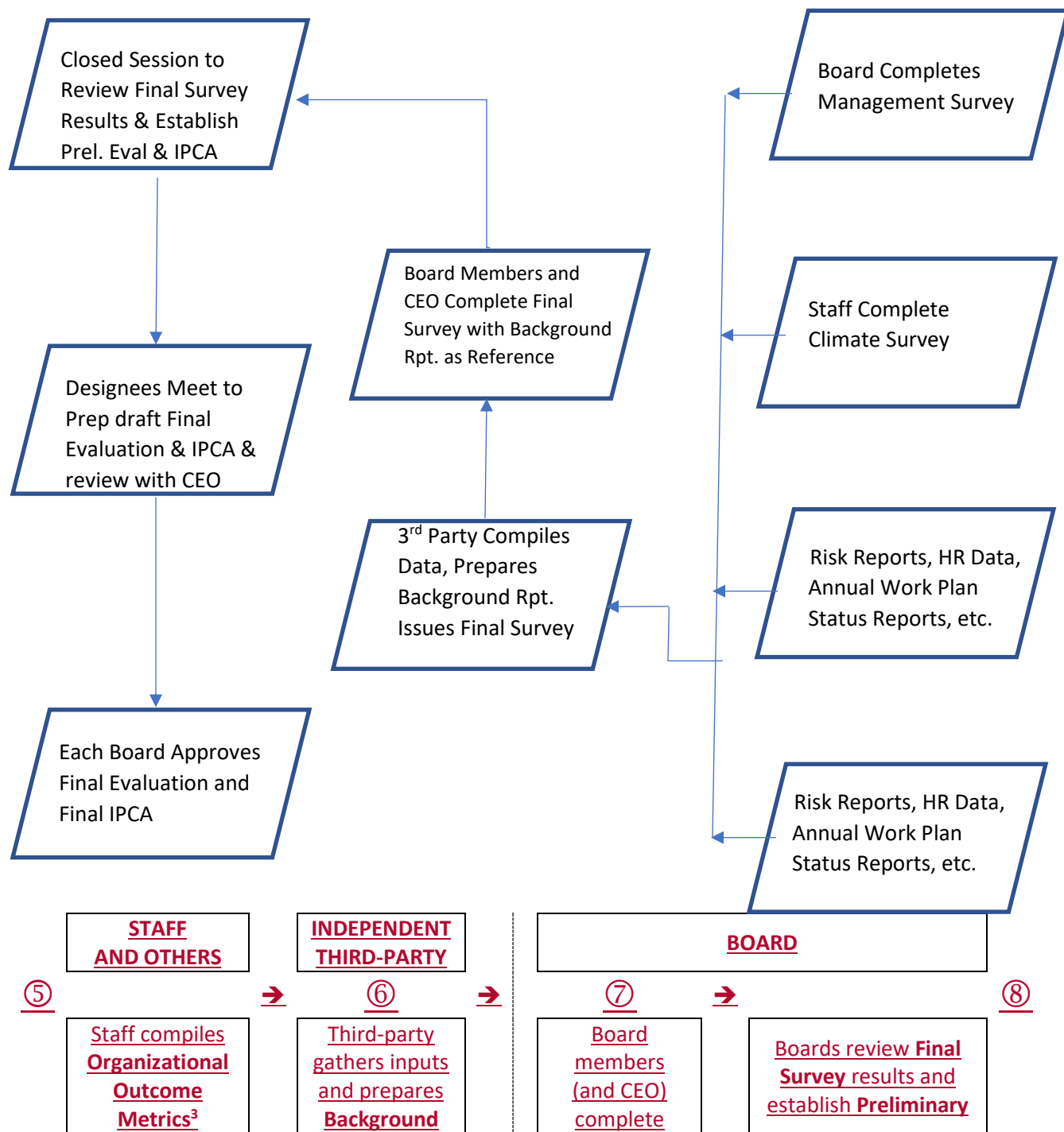
~~43)~~45) Within 60 days of the Boards’ closed sessions (i.e., ~~by~~ by November 30), the Designees shall present the Final Evaluation and Final Individual Personal Compensation Adjustment ~~Reports~~Report to each Board for approval. The CEO shall receive a copy of the above Reports once approved and shall have the option to address the JPC and/or the Boards in connection with the evaluation. ~~(See Appendix D for ~~of a~~ Final Evaluation Template and Final Compensation Adjustment Template-.)~~

Procedure Review & History

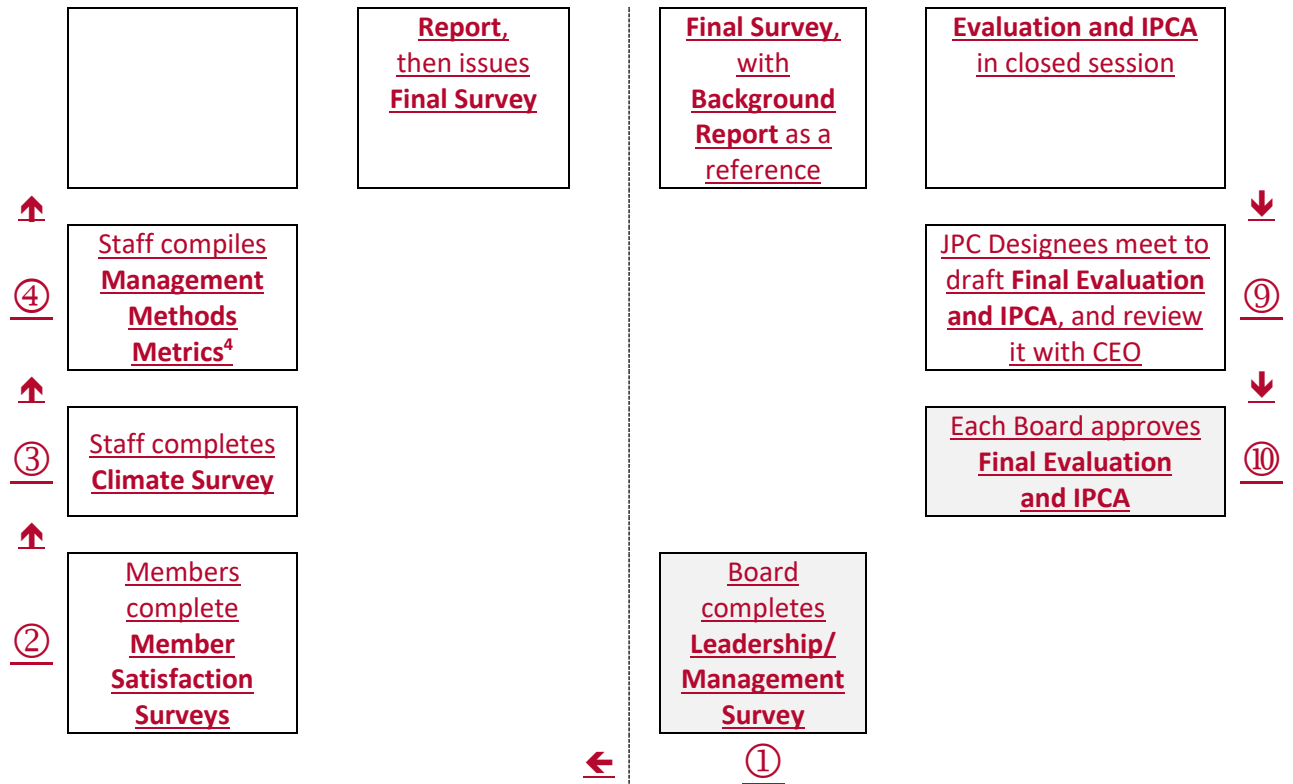
~~44)~~46) These procedures shall be reviewed annually by the JPC.

~~45)~~47) The JPC approved these procedures on April 30, 2021. Revised [month, day, year]

Diagram A: CEO Evaluation Process – Summary



³ Organizational Outcome Metrics: Investment Performance, Benefit Administration, Cost-effectiveness, and Member Service



⁴ Management Methods Metrics: Enterprise Risk Management, Human Resources Management, Stakeholder Relations, Operations Management, and Leadership/Management

Appendix A

Member Satisfaction Surveys

Group Counselling Session Questionnaire

- 1) How satisfied were you with today's group counselling session?
 - a) Very satisfied
 - b) Satisfied
 - c) Neutral
 - d) Unsatisfied
 - e) Very unsatisfied
 - 2) If you were less than satisfied, please provide details so that we may improve future sessions.
-

~~3)~~ ~~{Insert space for comments.}~~

ORS Website Questionnaire

- ~~4)~~3) Were you able to find the information you were looking for today on the ORS website?
 - a) Yes
 - b) No
 - ~~5)~~4) If you answered "No" above, we would appreciate if you could indicate what information you were looking for so that we may improve our website. You are also welcome to contact the Office of Retirement Services at [number] for further assistance in obtaining the information you are seeking.
-

~~6)~~ ~~{Insert space for comments.}~~

- ~~7)~~5) How satisfied were you with the user-friendliness of the ORS website?
 - a) Very satisfied
 - b) Satisfied
 - c) Neutral
 - d) Unsatisfied
 - e) Very unsatisfied
- ~~8)~~6) If you were less than satisfied, please provide details so we may improve the website: ~~{Insert space for comments.}~~

ORS Member Portal

~~1)~~7) Were you able to find the information you were looking for today on the ORS Member Portal?

- a) Yes b) No

~~2)~~8) If you answered “No”, we would appreciate if you could indicate what information you were looking for so that we may improve the Member Portal. You are also welcomed to contact the Office of Retirement Services at [number] for further assistance in obtaining the information you are seeking.

~~{Insert space for comments.}~~

~~3)~~9) How satisfied were you with the user-friendliness of the Member Portal?

- a) Very satisfied
b) Satisfied
c) Neutral
d) Unsatisfied
e) Very unsatisfied

~~4)~~10) If you were less than satisfied, please provide details so we may improve the Member Portal:

~~{Insert space for comments.}~~

Appendix B

Leadership/Management/Leadership Survey

~~Chief Executive Officer~~CEO Leadership/Management Survey

Old #	The CEO:	Needs Improvement	Meets Expectations	Exceeds Expectations	Unable to Assess
	A. Stakeholder Relations				
<u>2, 3</u>	1. Effectively represents and promotes the interests of the retirement system to stakeholders <u>(e.g., City Council), maintaining their trust and confidence.</u>				
<u>33, 34</u>	2. Promotes and maintains trust and confidence vis-a-vis key stakeholders (e.g. the City Council). Works effectively with the Mayor's Office, City Council, and City Administration, as well as the media and general public.				
<u>19</u>	3. Demonstrates a high degree of personal integrity, ethics, and decorum strong service orientation towards the membership.				
	B. Board Relations				
<u>12, 32, 36</u>	4. Demonstrates an appreciation of both the "big picture" (e.g. strategy and policy) and the day-to-day tasks of management and administration. Keeps the Board properly informed of all relevant matters, and supports the Board to ensure Board meetings are efficient and effective.				
<u>10, 29</u>	5. Provides sound recommendations or guidance to the Board/committees regarding board policy matters and decisions (e.g., identifying and analyzing issues with well-supported recommendations).				
<u>17, 18</u>	6. Is responsive to questions/concerns of board members and welcomes their feedback (e.g., suggestions, new ideas, and constructive criticism).				
	C. Enterprise Risk Management, Operations Management, and Human Resources				
<u>9</u>	5.7. Effectively monitors trends in the environment (e.g., the City, pension industry, etc.) that may have a significant impact on the Systems.				

<u>Old #</u>	The CEO:	Needs Improvement	Meets Expectations	Exceeds Expectations	Unable to Assess
<u>21, 22, 23, 27, 28</u>	<u>8. Provides sound recommendations or guidance to the Board/committees regarding board policy matters and decisions. Demonstrates technical and professional knowledge of:</u> <u>a. all facets of public plan administration to effectively lead and oversee benefit administration, the actuarial function, etc.; and</u> <u>6-b. public plan investments to effectively lead and oversee the investment program and the work of the CIO.</u>				
<u>31, 35</u>	<u>9. Develops and recommends an appropriate operating budget, including the effective and efficient use of consultants and other service providers.</u>				
<u>24, 25</u>	<u>10. Works effectively with senior management, and promotes staff satisfaction, development, and recognition of all staff.</u>				
	<u>D. Leadership/Management</u>				
<u>4</u>	<u>11. Demonstrates a high degree of personal integrity, ethics, and decorum.</u>				
<u>11</u>	<u>7-12. Demonstrates good judgment in his/her actions, decisions, and communications.</u>				
<u>15</u>	<u>8-13. Keeps the Board properly informed of all relevant matters. Articulates a clear and appropriate strategy and direction for the organization.</u>				
<u>14</u>	<u>14. Communicates effectively in oral reports, presentations, and other communications.</u>				

Please elaborate on any of the scores ~~you provided above~~:

The CEO:	Needs Improvement	Meets Expectations	Exceeds Expectations	Unable to Assess
9. Communicates effectively in oral and written reports, presentations, and other communications.				
10. Articulates a clear and appropriate strategy and direction for the organization.				
11. Is responsive to questions and concerns of board members.				
12. Welcomes feedback, suggestions, new ideas, and constructive criticism.				
13. Demonstrates a strong service orientation towards the membership.				
14. Demonstrates appropriate leadership and oversight of the investment function.				
15. Demonstrates appropriate leadership and oversight of the benefit administration function.				
16. Demonstrates appropriate leadership and oversight of the actuarial function.				
17. Demonstrates an ability to work effectively with the senior management team.				
18. Promotes staff satisfaction, development, and recognition.				

Please elaborate on any of the scores you provided above:

The CEO:	Needs Improvement	Meets Expectations	Exceeds Expectations	Unable to Assess
19. Demonstrates technical and professional knowledge of all facets of public plan administration.				
20. Demonstrates sufficient technical and professional knowledge of public plan investments to effectively oversee the investment program and the work of the CIO.				
21. Provides effective support to the Board and its committees in their policy and decision-making functions, including identifying and analyzing issues requiring Board policy and providing clear, well-supported recommendations.				
22. Develops and recommends an appropriate operating budget.				
23. Provides all necessary assistance and support to ensure Board meetings are efficient and effective.				
24. Interacts effectively with the media and the general public.				
25. Demonstrates an ability to work effectively with the Mayor's Office, City Council, and City Administration.				
26. Utilizes consultants and other service providers in an effective and efficient manner.				
27. Works to ensure the Board is provided all the information and reports it needs to be effective and efficient.				

Please elaborate on any of the scores youryou provided above:

Please elaborate on any areas where you believe the CEO is particularly strong:

Please elaborate on any areas where you believe the CEO could improve:

Appendix C

Final Survey Template

CEO PERFORMANCE EVALUATION – FY20XX

FINAL SURVEY

This Survey is organized according to the following Performance Outcomes and Management Methods:

PERFORMANCE OUTCOMES

1. Investment Performance
2. Benefit Administration Cost-effectiveness
3. Member Service

MANAGEMENT METHODS

1. Enterprise Risk Management
2. Human Resources Management
3. Stakeholder Relations
4. Operations Management
5. Leadership/~~General~~ Management
6. Other

Board members are asked to complete and submit the Survey by [date]. The results will be reviewed at the closed session.

PERFORMANCE OUTCOMES

A) INVESTMENT PERFORMANCE

The CEO Performance Report contains information to help the Board evaluate the CEO's performance in the area of Investments. Such information includes:

- Net Fund Performance vs. Investable Benchmark Portfolio
- Performance of private market portfolio vs. appropriate private market benchmark (TBD)
- Total Fund Sharpe Ratio vs. comparable peer Ratio

Based on my review of the information provided, my general assessment of the CEO's performance with respect to Investments is (select one):

- a) Outstanding
- b) Commendable
- c) Satisfactory
- d) Needs improvement

Comments and suggestions I would like to share with the CEO include:

B) ADMINISTRATION COST-EFFECTIVENESS

The CEO Performance Report contains information to help the Board evaluate the CEO's performance in the area of administration cost-effectiveness. Such information includes:

- Administration Cost-per-Member (ACPM) (3-year rolling basis)

Based on my review of the information provided, my general assessment of the CEO's performance with respect to Administration Cost-effectiveness is (select one):

- ~~e~~a) Outstanding
- ~~f~~b) Commendable
- ~~g~~c) Satisfactory
- ~~h~~d) Needs improvement

Comments and suggestions I would like to share with the CEO include:

C) MEMBER SERVICE

The CEO Performance Report contains information to help the Board evaluate the CEO's performance in the area of Member Service. Such information includes:

- Timeliness of monthly pension payments
- Timeliness of pension notifications of payment
- Timeliness of pension inception
- Group counselling session survey results
- ORS Website visitor survey results
- ORS member portal visitor survey results

Based on my review of the information provided, my general assessment of the CEO's performance with respect to Member Service is (select one):

☒ **a) Outstanding**

☐ **b) Commendable**

☐ **c) Satisfactory**

☐ **d) Needs improvement**

Comments and suggestions I would like to share with the CEO include:

MANAGEMENT METHODS

ENTERPRISE RISK MANAGEMENT (ERM)

The CEO Performance Report contains information to help the Board evaluate the CEO's performance in the area of Enterprise Risk Management. Such information includes:

- The recent financial audit results
- The current internal Audit Plan and summaries of the internal audits completed in the past year
- A summary of key compliance reports prepared during the past year
- Management's responses to the above audits and reports

Based on my review of the information provided, my general assessment of the CEO's performance with respect to Enterprise Risk Management is (select one):

☒ **a) Outstanding**

☐ **b) Commendable**

☐ **c) Satisfactory**

☐ **d) Needs improvement**

Comments and suggestions I would like to share with the CEO include:

A) HUMAN RESOURCES MANAGEMENT

The CEO Performance Report contains information to help the Board evaluate the CEO's performance in the area of Human Resources Management. Such information includes:

- Employee turnover/attrition rates
- Vacancies and hires
- Reported violations of the code of conduct
- Employee climate survey results

Based on my review of the information provided, my general assessment of the CEO's performance regarding Human Resources Management is (select one):

- a) **Outstanding**
- b) **Commendable**
- c) **Satisfactory**
- d) **Needs improvement**

Comments and suggestions I would like to share with the CEO include:

B) STAKEHOLDER RELATIONS

The CEO Performance Report includes information to help the Board evaluate the CEO's effectiveness in the area of Stakeholder relations. Such information includes:

- a Stakeholder Interview Summary Report⁵

Based on my review of the above, my general assessment of the CEO's performance regarding Stakeholder Relations is (circle one):

- a) **Outstanding**
- b) **Commendable**
- c) **Satisfactory**
- d) **Needs improvement**

Comments and suggestions I would like to share with the CEO include:

⁵ Stakeholder interviews were conducted by Board members and summarized jointly by the Board Chairs.

C) OPERATIONS MANAGEMENT

The CEO Performance Report contains information to help the Board evaluate the CEO's Operational Management efforts. Such information includes:

- The CEO's Annual Workplan for 2023;
- Progress reports prepared by the CEO in connection with the above Workplan; and
- Other accomplishments and issues identified by the CEO that were not contemplated at the beginning of the evaluation period, but which the CEO wishes to bring to the Board's attention.

Based on my review of the above information, my general assessment of the CEO's performance regarding operations management is (circle one):

- a) Outstanding
- b) Commendable
- c) Satisfactory
- d) Needs improvement

Comments and suggestions I would like to share with the CEO include:

D) LEADERSHIP/MANAGEMENT ABILITIES

The CEO Performance Report contains information to help the Board evaluate the CEO's general leadership and management abilities. Such information includes:

- The results of the CEO Management Survey that is completed annually by all Board members

Based on my review of the above, my general assessment of the CEO's general Leadership and Management Abilities is (circle one):

- a) Outstanding
- b) Commendable
- c) Satisfactory
- d) Needs improvement

Comments and suggestions I would like to share with the CEO include:

E) OTHER METRICS AND FACTORS

Were there any other accomplishments, challenges, or issues that occurred during the past year that you believe should also be factored into the evaluation and communicated to the CEO (positive or negative)?

OTHER NOTES

Appendix D: Final Evaluation Template

Executive Name: _____ Evaluation Period: [mm, dd, yy to mm, dd, yy]

Framework	
Organizational Outcomes Numerical Score (60% Weight)	Management Methods Rating (40% Weight)
Outstanding	Outstanding
Commendable	Commendable
Satisfactory	Satisfactory
Needs Improvement	Needs Improvement

Organizational Outcome Rating Earned: _____

Management Methods Rating Earned: _____

Key Gaps Identified in the Evaluation:

Agreed-Upon Personal Improvement Goals for Next Year (These should be separate and distinct from any goals or initiatives included in the CEO's Annual Workplan):

Signed: _____ Signed: _____

JPC Designee, Federated

Chief Executive Officer

Signed: _____

JPC Designee, Police & Fire

Appendix D (cont'd): Final Compensation Adjustment Template

Executive Name: _____ Evaluation Period: [mm, dd, yy to mm, dd, yy]

Framework			
Organizational Outcomes Numerical Score (60% Weight)	Management Methods Rating (40% Weight)	Baseline IPCA Award (%)	Baseline Additional Executive Leave (Days)
Outstanding	Outstanding	→ ≥ 3%	5
Commendable	Commendable	2- % - 3%	4
Satisfactory	Satisfactory	1%	2
Needs Improvement	Needs Improvement	0%	0

Organizational Outcome Rating Earned: _____

Management Methods Rating Earned: _____

IPCA Award: _____ %

Additional Executive Leave awarded: _____ Days

Key Gaps Identified in the Evaluation:

Signed: _____ Signed: _____

JPC Designee, Federated

Chief Executive Officer

Signed: _____

JPC Designee, Police & Fire

Appendix E

City Management Performance Program (MPP) Award Guidelines

Attached is memorandum issued by David Sykes, City Manager, which describes the Management Performance Program (MPP) Award Guidelines. Key elements the Boards should be particularly aware of are summarized below:

1. **Salary Range:** The CEO's base salary must fall within the salary range.
2. **Non-Pensionable Pay:** All City employees, including the CEO, currently receive an annual 5% increase in salary, which is non-pensionable. Non-Pensionable Pay is independent of the Salary Range; i.e., an employee shall receive Non-Pensionable Pay of 5% even if the employee is already at the top of their Salary Range.
3. **Annual Automobile Allowance:** All department heads, including the CEO, receive an Annual Automobile Allowance of \$4,200.
4. **Executive Days:** Management employees, including the CEO, receive a minimum of 5 Executive Days off with pay, over and above any applicable vacation days. Furthermore, they may earn up to an additional 5 Executive Days each year based on their performance at the discretion of their supervisor (i.e., the Boards in the case of the CEO). Executive Days awarded in one year may not be carried forward to future years.
5. **Individual Performance-Based Compensation Adjustments (IPCA):** City employees may earn one-time or ongoing IPCA of a maximum of 2.5% each year. If employees are below the top of the salary range, IPCA is an ongoing annual increase. Any IPCA (or portion thereof) that places an employee above the salary range shall be a one-time increase. In the case of the CEO, the Boards may grant reasonable IPCA in excess of 2.5% provided it is the best interests of the retirement systems and they do so in a prudent manner. (Note, this option is also available for other City employees at the option of the City.)