

**SAN JOSÉ RETIREMENT BOARDS**  
**PROCEDURES FOR EVALUATING THE PERFORMANCE OF THE CEO**

**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, and 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, 2020. The Board expects however that the Procedures and data collection methods will be refined and/or developed over the course of the first several evaluations.

**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. Consistent with the Policy, weights shall only be assigned to Outcomes.

Table 1 Organizational Outcomes		
Organizational Outcomes	Metrics (Weights)	Weight %
1. Investment Performance	<ul style="list-style-type: none"> <li>Net value-added (rolling 3-year periods)</li> </ul>	20%
2. Benefit Admin. Cost-effectiveness	<ul style="list-style-type: none"> <li>Administration Cost-per-Member (ACPM)</li> </ul>	10%
3. Member Service	<i>Benefit Delivery:</i>	
	<ul style="list-style-type: none"> <li>Timeliness of monthly pension payments (4% weight)</li> <li>Timeliness of pension notifications of payment (1% weight)</li> <li>Timeliness of pension inceptions (normal, deferred vested, survivors and non-member DROs) (30% equal weighted)</li> </ul>	35%
	<i>Member Satisfaction:</i>	
	<ul style="list-style-type: none"> <li>Group counselling session survey results (14%)</li> <li>ORS Website visitor survey results (7%)</li> <li>ORS Member Portal visitor survey results (14%)</li> </ul>	35%
<b>TOTAL</b>		<b>100%</b>

Table 2 Management Methods		
Management Methods	Metrics	Weights
Enterprise Risk Mgmt.	<ol style="list-style-type: none"> <li>Financial audit results</li> <li>Quality of internal audit Plan</li> <li>Internal audit results</li> <li>Compliance report findings</li> <li>Quality of management's responses to above</li> </ol>	N/A
Human Resources Mgmt.	<ol style="list-style-type: none"> <li>Employee turnover rates</li> <li>Code of conduct violations</li> <li>Climate survey results/City engagement survey results</li> </ol>	
Stakeholder Relations	<ol style="list-style-type: none"> <li>Stakeholder interview findings</li> </ol>	
Operations Mgmt.	<ol style="list-style-type: none"> <li>Quality of annual workplan</li> <li>Progress on annual workplan</li> <li>Appropriateness of any mid-year adjustments</li> </ol>	
Leadership/Management	<ol style="list-style-type: none"> <li>Leadership/Management survey results</li> <li>Other</li> </ol>	

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

# Organizational Outcomes

## Investment Performance

- 5) Investment Performance will be evaluated by comparing the **Net Value-Added** for each of the pension trusts (“Fund”) to a **Net Value-Added Objective** for each pension trust on a 3-year rolling basis. Until 3-year rolling data becomes available, the Board and JPC will consider 1- and 2-year performance figures.
- 6) For each Fund, the Net Value-added Objective represents the added-value that the Boards, ICs and CIO/CEO believe can be achieved relative to the Investable Benchmark Portfolio (excluding private markets)<sup>1</sup>, and is calculated as follows:

$$\begin{array}{ccccccc} \text{Current} & & \text{Assumed} & & \text{Gross} & & \text{Expected} & & \text{Net} \\ \text{Risk} & \times & \text{Information} & = & \text{Value-added} & - & \text{Investment} & = & \text{Value-added} \\ \text{Target} & & \text{Ratio} & & \text{Objective} & & \text{Costs} & & \text{Objective} \end{array}$$

- a) The Current Risk Target refers to the target level of active risk in the Fund, excluding private markets. Such target level of risk must be within the risk operating zones approved by each Board and defined in Appendix C of the respective IPS.
- b) The Assumed Information Ratio refers to the assumed level of active management skill on the part of ORS investment staff. Such skill is defined relative to other active investors. For example, if ORS investment staff are assumed to have a skill level consistent with the top-third of active investors (before fees/costs), this corresponds to an Assumed Information Ratio of 0.43; i.e. every 100 basis point of risk that is taken is assumed to generate 43 bps of added value before underlying manager fees are considered. (A median manager, by definition, has no skill in adding value and therefore has an information ratio of zero.)
- c) Expected Investment Costs are the expected costs associated with each Fund, excluding private markets. See Appendix A for details on how investment costs are to be calculated.
- 7) If the actual Net Value-Added by each Fund relative to the associated Investable Benchmark (excluding private markets) during the Evaluation Period meets or exceeds the Net Value-Added Objective, the CEO will be awarded a score equal to 100% of the weight assigned to this Metric. If the actual Net Value-Added is less than the Net Value-Added Objective, the CEO will be awarded a proportionate amount of the weight associated with this Metric; e.g. achieving 50% of the Net Value-Added Objective will be awarded 50% of the weight associated with the Metric. The lowest score that may be awarded is zero.<sup>2</sup> Note, the Net Value-Added for each Fund shall be averaged (simple average) to arrive at an overall score.

<sup>1</sup> For purposes of this calculation, fixed rather than floating weights will be used for public market asset classes.

<sup>2</sup> If actual Investment Costs are higher or lower than expected, the CEO may still meet the performance target provided the Net Value-added Objective is nevertheless achieved.

- 8) The following is an illustration of how the Net Value-Added Objective would be calculated for each Fund and how the CEO's performance would be evaluated against it. All figures are hypothetical and expressed in basis points (bps) unless otherwise noted.

<b>Calculation of Net Value-Added Objective for Fund A – An Illustration</b> (Calculated in Advance)		
Target level of active risk (Source: IPS or Risk Policy)	250	A
Assumed level of active skill by ORS staff	Top third of investors <sup>3 4</sup>	B
Corresponding information ratio for a top third active investor	0.43	C
Annualized Gross Value-added Objective	108	$D = A \times C$
Expected annual Investment Costs	90	E
<b>Net Value-Added Objective</b>	<b>18</b>	<b><math>F = D - E</math></b>
<b>Evaluating Performance for Fund A – An Illustration</b>		
Annualized <u>Gross</u> Return	7.30%	G
Annualized Investable Benchmark Return (exc. Private markets)	6.30%	H
Gross Value-added	120	$I = G - H$
Actual Investment Costs	105	J
<b>Net Value-added</b>	<b>15</b>	<b><math>K = I - J</math></b>
<b>% Net Value-added relative to Objective</b>	<b>83%</b>	<b><math>L = K/F</math></b>
Weight assigned to Performance Evaluation	20%	M
<b>Score out of 20<sup>5</sup></b>	<b>17</b>	<b><math>N = L \times M</math></b>
An identical calculation would be performed for Fund B and a simple average of the two scores would be determined.		

- 9) In consultation with the Investment Committee Chairs, the JPC shall annually review and approve the Net Value-added Objective prior to the start of the Evaluation Period.

<sup>3</sup> The skill is measured on an ex-ante (expected) basis, not ex-post (realized).

<sup>4</sup> Metrics are applied to investable assets only (i.e. excluding private market investments).

<sup>5</sup> When the % Net Value-added relative to Objective Minimum score:

< 0%, Score = 0; and

> 100%, Score = 20.

## Benefit Administration Cost-Effectiveness

10) 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 2020/21. Instead, the JPC will work with the CEO throughout FY 2020/21 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.

11) ACPM shall be calculated annually as follows:

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

12) 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.

13) 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

14) 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
  - ii) Timeliness of pension inceptions (i.e. a beneficiary's first pension payment after retirement)
- b) Member satisfaction with:
  - i) Group retirement counselling sessions;
  - ii) The ORS website ([www.sjretirement.com](http://www.sjretirement.com)); and
  - iii) The Plan Member Portal.

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

### ***Service-level Standards***

#### *Pension Payments/Notifications*

16) 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*

17) 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.

- 18) In the case of normal retirement, inceptions shall be deemed to have occurred without cash flow interruption when:
- 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); <sup>6</sup> or
  - 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. **[Question: Do members ever submit application after the month of retirement?]**
- 19) In the case of deferred vested and non-member DRO retirements, inception shall be deemed to have occurred without cash flow interruption when:
- 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
  - 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.
- 20) 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.
- 21) Service levels shall be scored according to the methodology summarized in Table 3 below:

TABLE 3 SERVICE STANDARDS – SCORING METHODOLOGY			
SERVICE ACTIVITY	METRICS	WEIGHT	SCORING METHODOLOGY
<b>A. Pension Payments</b>			
1) Pension payments timeliness	• % of pensions issued on time.	4%	If number of late payrolls is 0: Score = 100 points x weight  If number of late payrolls is > 0: Score = 0
	• % of payment notifications issued on time.	1%	Score = 100 points – (% of late notifications x average # of days late) x weight If above calculation is negative, Score = 0
<b>B. Pension Inceptions</b>			
2) Normal retirement	• % of inceptions without cash flow interruption	7.5%	Score = % of inceptions without cash flow interruption x weight

<sup>6</sup> 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

TABLE 3 SERVICE STANDARDS – SCORING METHODOLOGY			
SERVICE ACTIVITY	METRICS	WEIGHT	SCORING METHODOLOGY
3) Deferred Vested	• % of inceptions without cash flow interruption	7.5%	
4) Survivors	• % of inceptions without cash flow interruption	7.5%	
5) Non-member DROs	• % of inceptions without cash flow interruption	7.5%	

### ***Member Satisfaction***

22) Member satisfaction will be evaluated using surveys as follows:

- a) *Group retirement counselling sessions.* A survey shall be administered to all attendees at all group retirement counselling sessions (immediately following the session).
- b) *The ORS website.* Visitors to the ORS website ([www.Sjretirement.com](http://www.Sjretirement.com)) shall be invited to complete a short survey on the site before they leave the site
- c) *The Plan Member Portal.* All visitors to the ORS Member Portal will be invited to complete a short survey directly on the Portal.

23) 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:

- a) Group retirement counselling session surveys shall be administered and tabulated by parties not involved in the design and delivery of the group counselling sessions.
- b) On-line surveys shall be administered by independent parties.
- c) Original survey data shall be maintained by independent parties.

24) Member satisfaction shall be scored according to the methodology summarized in Table 4.

25) Appendix B 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 4 – MEMBER SATISFACTION SCORING METHODOLOGY			
SURVEY	SURVEY SCALE	WEIGHT	SCORING METHODOLOGY
Group Counselling Session Questionnaire			
Satisfaction with Session	1) Very satisfied 2) Satisfied 3) Neutral 4) Unsatisfied 5) Very Unsatisfied	13%	Score = (Total 1-2 responses) / (Total responses) x 100
ORS Website Questionnaire			
Able to Find Information	YES/NO	9%	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	13%	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

- 26) This section provides further detail and guidance regarding the Metrics to be used to evaluate the Management Methods used by the CEO.
- 27) 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, the Board and JPC are expected to use all the information to facilitate in-depth discussions with the CEO to:
- a) Clarify the Board's expectations of the CEO;
  - b) Build on the strengths of the CEO;
  - c) Identify areas where the CEO may make unique contributions to the long-term success of ORS; and
  - d) Identify areas for further personal growth and development.

## Enterprise Risk Management

- 28) 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)
  - d) Quality of Management's response to the above external and internal audit findings.

## Human Resources Management

- 29) 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
  - c) Climate survey results. Commencing in FY 2020/21, this survey will be administered to all ORS staff semi-annually in the September/October and March/April.

See Appendix C for Climate Survey.

- 30) The above climate survey shall:
- a) Allow employees to participate on an anonymous basis.
  - b) Be administered by a the [Internal Auditor] or a third-party. The third-party or Internal Auditor shall provide a copy of the survey results to the CEO and the Designees.
- 31) 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) 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
  - d) Active member associations
  - e) City Administration
  - f) Consultants
- 33) 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) The JPC Designees may request that the CEO assist in scheduling/coordinating stakeholder interviews.
- 35) The first stakeholder outreach effort is not expected to occur before the FY 2021/22 Evaluation Period.

## Operations Management

- 36) 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 judgement in responding to unexpected events during the year and adjusting workplan accordingly?

## Leadership/Management Abilities

- 37) An assessment of the CEO's leadership/management skills shall be carried out using a survey of all board members. See Appendix D for the survey instrument.
- 38) The Designees shall administer the survey or may direct an independent party to do so.

## Year-end Evaluation

- 39) As per the Policy, in July/August of each year, the CEO shall prepare a draft Preliminary Report summarizing all the necessary data and reports pertaining to the performance Metrics including the CEO's self-assessment.
- 40) The CEO shall submit the draft Preliminary Report to the Designees, who shall finalize it for distribution to the Board along with a Worksheet (See Appendix E for Worksheet template). The Worksheet shall allow Board members to rate the CEO's performance on each of the Methods using the following scale and the CEO shall use the same scale in his self-assessment:
- Exceeds expectations
  - Meets expectations
  - Needs improvement
- 41) The CEO Performance Evaluation Policy (paragraphs 13-15) describes the remaining steps in the evaluation process.

## Procedure Review & History

- 42) These procedures shall be reviewed annually by the JPC.
- 43) The JPC approved these procedures on [mm, dd, yy].

## Appendix A

### Investment Costs

For the purposes of calculating Net Value-Added, **Investment Costs** shall consist of the investment-related costs associated with managing the investment portfolios of both the Police and Fire Department Retirement Plan and the Federated Employees' Retirement System, excluding the private market assets.

Investment Costs shall be calculated using the same approach and methodology used in preparing the Annual Fee Report ("Fee Report") that is submitted to the City. The following adjustments shall be made to the costs included in the Fee Report in order to arrive at Investment Costs:

- 1) Where possible, all fees and costs attributable to the private market assets of the portfolios shall be excluded from Investment Costs including:
  - a) Investment Manager Fees
  - b) Investment Manager Incentive Fees
  - c) Operating Expenses
  - d) Custodian fees
  - e) Consultant fees/costs
  - f) Travel costs
  - g) Staff compensation costs
- 2) Consulting costs associated with asset allocation studies shall be excluded from Investment Costs, given that such studies do not support the active management program but instead support the Board in determining the strategic asset allocation policy.

## Appendix B

### 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. [Insert space for comments.]

#### **ORS Website Questionnaire**

- 3) *Were you able to find the information you were looking for today on the ORS website?*
  - a) *Yes*
  - b) *No*
- 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. [Insert space for comments.]
- 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*
- 6) If you were less than satisfied, please provide details so we may improve the website: [Insert space for comments.]

#### **ORS Member Portal**

- 1) *Were you able to find the information you were looking for today on the ORS Member Portal?*
  - a) *Yes*
  - b) *No*
- 2) 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) *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) If you were less than satisfied, please provide details so we may improve the Member Portal: [Insert space for comments.]

## Appendix C

### Employee Climate Survey

*Rate the extent to which you agree with the following statements over the past year.*

**1 - Strongly Disagree**      **3 – Neutral**

**5 – Strongly Agree**

**2 - Disagree**

**4 - Agree**

**NA - Not Applicable (e.g. I just joined ORS)**

	1	2	3	4	5	NA
1. The <b>strategic direction</b> (e.g. goals and objectives) of ORS is <b>sufficiently clear</b> .	( )	( )	( )	( )	( )	( )
2. The <b>goals and objectives</b> of my <b>department</b> are <b>sufficiently clear</b> .	( )	( )	( )	( )	( )	( )
3. My supervisor provides me with sufficiently <b>clear and consistent direction</b> to allow me to perform my duties well.	( )	( )	( )	( )	( )	( )
4. I feel <b>comfortable</b> giving <b>upward feedback</b> to my supervisor.	( )	( )	( )	( )	( )	( )
5. The ORS <b>office premises and facilities</b> are adequate to allow me to carry out my duties effectively.	( )	( )	( )	( )	( )	( )
6. I have the <b>authority to make the decisions</b> necessary for me to complete my work	( )	( )	( )	( )	( )	( )
7. ORS employees are treated <b>fairly, respectfully, and ethically</b> .	( )	( )	( )	( )	( )	( )
8. I find the <b>social and work environment</b> within ORS <b>satisfying</b> .	( )	( )	( )	( )	( )	( )
9. I feel that my co-workers <b>respect one another</b> .	( )	( )	( )	( )	( )	( )
10. I feel <b>valued</b> at work.	( )	( )	( )	( )	( )	( )
11. I am sufficiently <b>motivated</b> and energized by the <b>mission and work</b> of ORS.	( )	( )	( )	( )	( )	( )
12. My <b>ideas and contributions are recognized</b> by my superiors.	( )	( )	( )	( )	( )	( )
13. My daily job activities are sufficiently <b>interesting/challenging</b> .	( )	( )	( )	( )	( )	( )
14. I feel I am often under <b>excessive pressure</b> at work.	( )	( )	( )	( )	( )	( )
15. I have sufficient opportunities to <b>develop my knowledge and skills</b> through training or work assignments.	( )	( )	( )	( )	( )	( )
16. I find my job <b>rewarding</b> .	( )	( )	( )	( )	( )	( )
17. I typically <b>look forward</b> to going to work.	( )	( )	( )	( )	( )	( )
18. I would recommend ORS as a place of employment to a friend.	( )	( )	( )	( )	( )	( )

## Appendix C (cont'd)

2) *Hypothetically, if you were to quit tomorrow, what would your reason be?*

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3) *Please use the space below to provide any **additional comments or suggestions** related to your experience working at ORS.*

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## Appendix D

### Management/Leadership Survey

#### Chief Executive Officer Survey

The CEO:	Needs Improvement	Meets Expectations	Exceeds Expectations	Unable to Assess
1. Projects a positive image for himself and the retirements systems to all stakeholders.				
2. Effectively represents and promotes the interests of the retirement system to stakeholders.				
3. Promotes and maintains trust and confidence vis-a-vis key stakeholders (e.g. the City Council).				
4. Demonstrates a high degree of personal integrity, ethics, and decorum.				
5. Promotes high levels of integrity, professionalism, and decorum throughout the organization.				
6. Generates energy and enthusiasm.				
7. Demonstrates a commitment to innovation and creativity and encourages the same from those around him.				
8. Demonstrates an appreciation of both the "big picture" (e.g. strategy and policy) and the day-to-day tasks of management and administration.				
9. Effectively monitors trends in the environment (e.g. the City, pension industry, etc.) that may have a significant impact on the Systems.				
10. Provides sound recommendations or guidance to the Board/committees regarding board policy matters and decisions.				
11. Demonstrates good judgment in his actions, decisions, and communications.				
12. Keeps the Board properly informed of all relevant matters.				

Please elaborate on any of the scores your provided above:

<b>The CEO:</b>	<b>Needs Improvement</b>	<b>Meets Expectations</b>	<b>Exceeds Expectations</b>	<b>Unable to Assess</b>
13. Provides clear, accurate and informative written reports and memoranda.				
14. Communicates effectively in oral reports, presentations, and other communications.				
15. Articulates a clear and appropriate strategy and direction for the organization.				
16. Responds appropriately to unexpected events and changes in the environment, making reasonable changes and trade-offs.				
17. Is responsive to questions and concerns of board members.				
18. Welcomes feedback, suggestions, new ideas, and constructive criticism.				
19. Demonstrates a strong service orientation towards the membership.				
20. Demonstrates a strong service orientation towards key stakeholders.				
21. Demonstrates appropriate leadership and oversight of the investment function.				
22. Demonstrates appropriate leadership and oversight of the benefit administration function.				
23. Demonstrates appropriate leadership and oversight of the actuarial function.				
24. Demonstrates an ability to work effectively with the senior management team.				
25. Promotes staff satisfaction, development, and recognition.				
26. Promotes appropriate leadership development opportunities for staff such as leadership training, team assignments, and special projects.				

Please elaborate on any of the scores your provided above:

<b>The CEO:</b>	<b>Needs Improvement</b>	<b>Meets Expectations</b>	<b>Exceeds Expectations</b>	<b>Unable to Assess</b>
27. Demonstrates technical and professional knowledge of all facets of public plan administration.				
28. Demonstrates sufficient technical and professional knowledge of public plan investments to effectively oversee the investment program and the work of the CIO.				
29. 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.				
30. Effectively supports the Board's orientation and training needs.				
31. Develops and recommends an appropriate operating budget.				
32. Provides all necessary assistance and support to ensure Board meetings are efficient and effective.				
33. Interacts effectively with the media and the general public.				
34. Demonstrates an ability to work effectively with the Mayor's Office, City Council, and City Administration.				
35. Utilizes consultants and other service providers in an effective and efficient manner.				
36. 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 your 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 E

### Worksheet Template

#### **CEO PERFORMANCE EVALUATION – FY2023**

#### **WORKSHEET**

This Worksheet serves as a tool Board members may use to organize their thoughts and impressions concerning the methods the CEO used to achieve the agreed-upon performance Outcomes in 2023. The Worksheet contains five sections corresponding to the Methods the Board identified for evaluation purposes. It also contains one additional open-ended section to allow Board members to write notes on any “Other” metrics, criteria, and factors they believe should also be considered in the evaluation, but that were not contemplated by the Board at the time the Metrics were approved.

The six sections include:

1. Enterprise risk management
2. Human resources management
3. Stakeholder relations
4. Operations Management
5. Leadership/General Management
6. Other

Board members are encouraged to complete the Worksheet and bring it with them to the closed session meeting scheduled for [DATE] to discuss the CEO’s performance.

A) ENTERPRISE RISK MANAGEMENT (ERM)

The 2023 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
- The CEO's self-assessment of this area

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

- a) **Exceeds expectations**
- b) **Meets expectations**
- c) **Needs improvement**

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

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What other factors and information, if any, influenced my rating?

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Additional information or metrics related to Enterprise Risk Management for possible inclusion in next year's evaluation include:

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B) HUMAN RESOURCES MANAGEMENT

The 2023 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
- The CEO's self-assessment of this area

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

- a) **Exceeds expectations**
- b) **Meets expectations**
- c) **Needs improvement**

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

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What other factors and information, if any, influenced my rating?

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Additional information or metrics related to Human Resources Management for possible inclusion in next year's evaluation include:

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### C) STAKEHOLDER RELATIONS

The 2023 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 Report<sup>7</sup>
- The CEO's self-assessment of this area

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

- a) **Exceeds expectations**
- b) **Meets expectations**
- c) **Needs improvement**

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

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What other factors and information, if any, influenced my rating?

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Other suggested information or metrics related to Stakeholder Relations Management for inclusion in next year's evaluation include:

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<sup>7</sup> Stakeholder interviews were conducted by Board members and summarized jointly by the Board Chairs.

D) OPERATIONS MANAGEMENT

The 2023 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
- 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.
- The CEO's self-assessment on this Metric

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

- a) **Exceeds expectations**
- b) **Meets expectations**
- c) **Needs improvement**

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

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What other factors and information, if any, influenced my rating?

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Other suggested information or metrics related to Operations Management for inclusion in next year's evaluation include:

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E) LEADERSHIP/MANAGEMENT ABILITIES

The 2023 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
- The CEO's self-assessment on this Metric based on the same survey instrument

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

- a) **Exceeds expectations**
- b) **Meets expectations**
- c) **Needs improvement**

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

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What other factors and information, if any, influenced my rating?

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Other suggested information or metrics related to Leadership/Management for inclusion in next year's evaluation include:

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**F) 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):

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**OTHER NOTES**

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