



Memo

To: Hot Springs Village Board of Directors
From: Tucker Omohundro, Vice Chair
Date: January 26, 2022
Re: Motion – Approve Revisions to Chapter 8, Article 6 GM Performance Evaluation Policy

Motion

I move to approve revisions to Chapter 8, Article 6 GM Performance Evaluation Policy to adopt revised criteria and procedures used for the general manager performance evaluation process.

Background

Chapter 8, Article 6 GM Performance Evaluation Policy was originally adopted on December 19, 2018 as the CEO Performance Evaluation Policy. On June 17, 2020, the Board amended the Bylaws to strike and revise the title of Chief Executive Officer to General Manager. As such, all governing documents were revised to comply with the Bylaws.

Revisions are recommended to reflect and adopt revised criteria and procedures used for the general manager performance evaluation process. A red-lined copy of the policy is attached.

Highlights of the revisions are as follows:

Section I Purpose – Deletes the requirement of a five-step process required by the employment contract between the POA and the GM, as such contract does not exist.

Section II GM Performance Evaluation Process

- 2.a. Revises performance standards to include revenue, expense, and enhancing property owner value
- 2 b. Replaces the word “contract” with Offer of Employment
- 3.Preparing the evaluation
 - a) Adds revenue and expense information to documents that may be helpful in preparing the evaluation
 - b) Removes the Comprehensive Master Plan and Enterprise Goals
 - c) The GM is required to complete a self-assessment and provide such to each Board member annually in lieu of providing to the Board chair to distribute to the Board
4. Tabulating and preparing the overall evaluation – The Board will tabulate the evaluations in lieu of a third-party.
5. The final performance evaluation will be discussed with the GM, by the Board Chair and Vice Chair

ARTICLE 6
General Manager Performance Evaluation Policy

Section I Purpose

The General Manager (GM) Performance Evaluation policy serves as a mechanism to insure consistent and predictable practices between the Board of Directors and the GM in the setting of expectations, evaluating performance and enhancing professional development.

Section II GM Performance Evaluation Process

1. **Performance period.** The performance year is January 1-December 31, annually.
2. **Developing the performance standards.** The purpose of this stage of the process is to determine for the GM what is important to accomplish over the next performance period and to define what the GM will be evaluated on. Development of the performance standards should be a collaborative process between the GM and the full Board, with 2/3 of the Board needed for approval.
 - a. The performance standards, which include revenue, expense, and enhancing property owner value, should be completed and approved prior to the start of the performance period.
 - b. The Board will evaluate the GM compensation as outlined in the GM's Offer of Employment.
3. **Preparing the evaluation.** This step involves gathering performance information. Documents that may be helpful include monthly GM reports to the Board, revenue and expense information, audit findings, any relevant discussion and/or meeting outcomes between the Board and the GM, and the GM job description. If needed, the Board Chair with assistance by a human resource professional, will update as needed the GM job description during this process. At this point, each Board Member will rate the GM's performance on predefined performance standards.

The GM is required to complete a self-assessment which shall encompass and include all accomplishments and shortfalls during the year, and provide such to each Board member annually.

4. **Tabulating and preparing the overall evaluation.** The Board will tabulate the individual Board evaluations and the GM self-assessment and summarize them as a unified evaluation of the GM's performance. A composite matrix will be developed that displays the Board's rating, per performance standard, as compared to the GM's self-assessment.
5. **Conducting the Evaluation.** The final performance evaluation will be discussed with the GM, one-on-one, by the Board Chair and the Board Vice Chair in February.

The GM will be provided the opportunity to draft written comments for attachment to the final evaluation. They must be submitted to the Board Chair within 15 days of the final evaluation. The Board Chair is responsible for forwarding the final evaluation to the POA's Human Resource Director for inclusion in the GM's personnel file and administration of the GM performance increase and shall remain confidential in accordance with Article XV of the Bylaws and Chapter 1, Article 12 in the Association's Administrative Policies.

ARTICLE 6
General Manager Performance Evaluation Policy

Section I Purpose

The General Manager (GM) Performance Evaluation policy serves as a mechanism to insure consistent and predictable practices between the Board of Directors and the GM in the setting of expectations, evaluating performance and enhancing professional development. ~~This policy requires an annual five-step process that is required by the employment contract between the POA and the GM.~~

Section II GM Performance Evaluation Process

1. **Performance period.** The performance year is January 1-December 31, annually.
2. **Developing the performance standards.** The purpose of this stage of the process is to determine for the GM what is important to accomplish over the next performance period and to define what the GM will be evaluated on. Development of the performance standards should be a collaborative process between the GM and the full Board, with 2/3 of the Board needed for approval.
 - a. The performance standards, which include ~~revenue, expense, and enhancing property owner value strategy, operating metrics, leadership, people management, board relations and stakeholder relations~~, should be completed and approved prior to the start of the performance period.
 - b. The Board will evaluate the GM compensation as outlined in the GM's ~~Offer of Employment~~ contract.
3. **Preparing the evaluation.** This step involves gathering performance information. Documents that may be helpful include monthly GM reports to the Board, ~~revenue and expense information~~, audit findings, any relevant discussion and/or meeting outcomes between the Board and the GM, ~~the Comprehensive Master Plan, the Enterprise Goals~~ and the GM job description. If needed, the Board Chair with assistance by a human resource professional, will update as needed the GM job description during this process. At this point, each Board Member will rate the GM's performance on predefined performance standards.

The GM is required to complete a self-assessment ~~which shall. The evaluation will~~ encompass and include all accomplishments and shortfalls during the year, ~~and provide such to each Board member annually.~~

- a. ~~The GM is required to provide a performance self assessment to the Board Chair annually. A copy will be provided to each Board member.~~
 - b. ~~Each Board Member will individually evaluate the GM's performance and separately the GM will complete the self-assessment, and both provide the documents to the independent third party.~~
 - c. ~~A separate step will include interviews with all direct reports conducted by an independent third party, who is qualified and experienced in leading governing boards through GM evaluations, using predetermined questions for staff. The independent third party will prepare a written summary of the interview and the assessments completed by the direct reports.~~
4. **Tabulating and preparing the overall evaluation.** The ~~Board independent third party~~ will tabulate the individual Board evaluations and the GM self-assessment and summarize them as a unified evaluation of the GM's performance. A composite matrix will be developed that displays the Board's rating, per performance standard, as compared to the GM's self-assessment.

5. **Conducting the evaluation.** ~~The independent third party will forward the tabulated results, the composite matrix and the final evaluation to the entire Board.~~ The final performance evaluation will be discussed with the GM, one-on-one, by the Board Chair and the Board Vice Chair ~~independent third party~~ in February.

The GM will be provided the opportunity to draft written comments for attachment to the final evaluation. They must be submitted to the Board Chair within 15 days of the final evaluation. The Board Chair is responsible for forwarding the final evaluation to the POA's Human Resource Director for inclusion in the GM's personnel file and administration of the GM performance increase and shall remain confidential in accordance with Article XV of the Bylaws and Chapter 1, Article 12 in the Association's Administrative Policies.

Approved: 12-19-18, 06-17-20