




**CITY OF HAMILTON**  
**CITY MANAGER'S OFFICE**  
**Human Resources Division**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	May 31, 2023
<b>SUBJECT/REPORT NO:</b>	City Manager Performance Review Process (HUR23010) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Danielle Routhier (905) 546-2424 Ext.6667
<b>SIGNATURE:</b>	Lora Fontana Executive Director Human Resources 

**RECOMMENDATIONS**

- (a) That the Executive Director of Human Resources continues to assist with the performance review process and collecting performance review feedback from Council.
- (b) That a four-year mandate letter for the City Manager be included at the beginning of the performance review process during the first year of a new term of Council.
- (c) That the Mayor continues to participate in the final performance review meeting between the City Manager and the Executive Director of Human Resources, so that the Mayor can share performance feedback with the City Manager on behalf of Council.
- (d) That a new City Manager Performance Review Form be used (attached as Appendix "B" to Report HUR23010), as it more closely matches the City's existing Performance Accountability and Development (PAD) process used for all other employees, and also reflects the unique differences of the City Manager's role.

## **EXECUTIVE SUMMARY**

The City of Hamilton has a responsibility to ensure that all employees, including the City Manager, have an opportunity to set goals annually, and to receive feedback on their performance in meeting these goals. To allow for a thorough review of the City Manager's performance, a review process was developed by Human Resources and approved by Council in 2009 (report HUR09024). This process was reviewed again in 2018 and was found to be "sound, reflective of best practices, and in alignment with the City's Performance Accountability and Development Process for all employees" (HUR18003).

The Canadian Association of Municipal Administrators (CAMA) updated their recommended performance review process for Chief Administrative Officer (CAO), or City Manager, in early 2023 (Appendix "A" to Report HUR23010). Human Resources has reviewed the Association's recommendations and compared them to the City of Hamilton's performance review process for the City Manager.

Based on this review, Human Resources recommends that the City Manager performance review process includes the following:

- Maintain the Executive Director of Human Resources' role in assisting with the performance review process and collecting performance review feedback from Council.
- Include a four-year mandate letter for the City Manager at the beginning of the performance review process during the first year of a new term of Council.
- That the Mayor lead the final performance review meeting between the City Manager and the Executive Director of Human Resources, so that the Mayor can share performance feedback with the City Manager on behalf of Council. Participation from the Executive Director of Human Resources will ensure information and context regarding the City Manager's performance can be shared from one Mayor to another when there is a change in this elected role.
- Creation of a new City Manager Performance Review Form (attached as Appendix "B" to Report HUR23010) that more closely matches the City's existing Performance Accountability and Development (PAD) process used for all other employees, and also reflects the unique differences of the City Manager's role.

## **Alternatives for Consideration – See Page 5**

## **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: Should Council approve the alternative recommendation (engaging a third-party consultant to facilitate the process instead of continuing to engage the Executive Director, Human Resources) there will be consulting fees incurred, at an approximate cost of \$25,000 annually. Engaging a third-party consultant will also delay the City Manager's presentation of their accomplishments against the Annual Work Plan, which is expected to be presented to Council in June.

Staffing: N/A

Legal: N/A

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

N/A

## **RELEVANT CONSULTATION**

The Canadian Association of Municipal Administrators (CAMA) updated their recommended performance review process for Chief Administrative Officer (CAO), or City Manager, in early 2023 (Appendix "A" to Report HUR23010). Human Resources has reviewed the Association's recommendations and compared them to the City of Hamilton's performance review process for the City Manager.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Through analysing Canadian Association of Municipal Administrators recommended process, Human Resources determined that the existing City Manager Performance Review Process meets or exceeds the recommendations from the Association for CAO performance evaluation.

The City of Hamilton's process has several strengths, including:

- The City Manager creates an Annual Work Plan to document annual objectives. This allows for flexibility to make changes from year-to-year during the term of Council. The Canadian Association of Municipal Administrators provides a mandate letter template (Appendix "C" to Report HUR23010), but when used alone, it is not as comprehensive as the Annual Work Plan.

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- The City has a different performance review process for all employees, called the Performance Accountability and Development (PAD) Process. The resources for this process are based on best practices and are more robust than what is offered by the Association. The proposed City Manager Performance Review Form (Appendix “A” to Report HUR23010) incorporates the details which are relevant to the City Manager.
- The performance review process is driven by the City Manager and happens on a consistent timeline, which is aligned with the Association’s recommendation. The City Manager initiates the Annual Work Plan and conducts a self-assessment of their performance. The City Manager presents their accomplishments against the Annual Work Plan in Council annually in June, following the approval of the budget.
- The City Manager is not given a formal Overall Performance Rating, which is consistent with the Association’s recommendation.
- The involvement of the Executive Director of Human Resources in the performance review process is a valuable support and aid for the City Manager, the Mayor and Council. Although the Association does not recommend the involvement of Human Resources in the performance review process and suggests using a third-party facilitator, the City’s practice of using Human Resources to support Council is a cost saving measure for the City and provides for greater consistency over the years.

The City’s process does have room for improvement in the following areas:

- The City Manager currently completes both a four-year mandate letter and annual objectives for the General Managers and the Directors in the City Manager’s Office. The City Manager performance review process with Council does not currently use a mandate letter. There is an opportunity to create consistency among the City’s Senior Leadership Team and ensure Council’s expectations of the City Manager are clear by using a mandate letter (Appendix “C” to Report HUR23010) for the City Manager as well.
- A foundational principle of both Canadian Association of Municipal Administrators’ process and the City’s Performance and Accountability process for all employees, is that performance feedback should be delivered by the leader on an ongoing basis. The Mayor, as the head of Council, acts as the leader for the City Manager in this process. The City Manager meets weekly with the Mayor, providing opportunities to receive feedback throughout the year. The final performance review meeting is conducted by Council in-camera, with support from the Executive Director of Human Resources. Feedback from the

final performance review meeting is then shared with the City Manager by the Executive Director of Human Resources, and the Mayor. There is an opportunity to better match the Association's recommendations and the City's existing performance process by involving the Mayor in delivering final performance review feedback.

- The City Manager Performance Review Form (Appendix "B" to Report HUR23010) would provide more structure for documenting and delivering final performance feedback. It provides the Mayor, Council and the City Manager with a formal record of the performance review and would better align to both the Association's recommendation and the City's existing performance review process for all staff.

## **ALTERNATIVES FOR CONSIDERATION**

Council may consider adopting the recommendation from the Canadian Association of Municipal Administrators, specifically engaging a third-party consultant to work with the Mayor and Council to facilitate the process, instead of engaging the Executive Director, Human Resources. This will result in an additional cost of approximately \$25,000 annually and will delay the performance review process for this year.

## **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

### **Our People and Performance**

Hamiltonians have a high level of trust and confidence in their City government.

## **APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" to Report HUR23010 - Canadian Association of Municipal Administrators  
CAO Performance Evaluation Guide for Mayor and Council  
Appendix "B" to Report HUR23010 - City Manager Performance Review Form  
Appendix "C" to Report HUR23010 - Canadian Association of Municipal Administrators  
Mandate Letter