



# BOARD OF RETIREMENT

## Staff Report

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**File #:** 19-413.1

**Agenda Date:** 1/9/2020

**Agenda #:** 24.

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**FROM:** Stacey Barnier, Director of HR and Risk Management

**SUBJECT:** Performance Evaluation Process for Chief Executive Officer and Chief Counsel

**RECOMMENDATION:**

Approve the 2020 performance evaluation process and timing for the Chief Executive Officer and Chief Counsel.

**BACKGROUND:**

At its January 10, 2019 meeting, the Board requested a review of the performance evaluation process for the Chief Executive Officer (CEO) and Chief Counsel. Both positions have contractual provisions for a six-month performance review by the Board followed by a performance review every 12 months thereafter. In the past, written evaluations were prepared for these positions using an electronic performance evaluation system. The forms were extremely complex with individual scores (from "1" to "7") provided over 27 differently weighted items. Those then rolled up into four broad areas for performance evaluation. By example, for the CEO position, those included: (1) SBCERA Purpose Participation; (2) Team Goals Participation; (3) Essential Position Duties; and (4) Performance Competencies.

In consultation with the Board Chair and Vice-Chair, staff proposed a streamlined performance evaluation framework and timeline for the CEO and Chief Counsel at the February 7, 2019 Board Meeting. Vice Chair Waner was selected to serve as chair of the ad-hoc committee. At the Board meeting on March 22, 2019, the CEO and Chief Counsel both provided self-evaluations and a discussion of goals, as well as discussed the proposed evaluation questions and framework, which are attached as Exhibits "A" and "B" for the CEO and Chief Counsel, respectively. The electronic performance evaluation system was then made available for the Board to provide their individual feedback, which was subsequently synthesized by Vice-Chair Waner. At its meeting on April 4, 2019, the Board held a closed session discussion on the performance evaluations. Subsequently, Board Chair Rutherford and Vice-Chair Waner issued the performance evaluations to the CEO and Chief Counsel individually. Compensation adjustments were recommended and approved at the May 2, 2019 Board Meeting.

In accordance with Administration Policy No. 018 (SBCERA Staff Performance Evaluation and Planning (PEP) Policy), the format and framework for completion of the CEO's or Chief Counsel's performance evaluation shall be reviewed with the Board annually.

At the request of Trustee Williams, this item was brought forward at the July 18, 2019 Administrative Committee meeting to discuss the process for future evaluations. After a lengthy discussion, Board Chair Rutherford directed staff to meet with Trustee Williams. Feedback regarding the process included:

- Including staff feedback in the evaluation process;
- The potential to include more questions and ratings as in the prior performance evaluation framework; and
- Having a larger rating scale (up to 20 points each).

Staff recommends that all staff be invited to optionally provide performance feedback to the CEO and Chief Counsel in a similar electronic manner in which the Board provides feedback. Staff does not recommend changes to the form of the performance evaluation or rating scale.

The next performance review for the CEO and Chief Counsel is due to begin in February 2020. Staff recommends the following timeline:

February 6, 2020	Board Chair appoints Performance Evaluation Committee members.
March 13, 2020	Chief Executive Officer and Chief Counsel will provide briefings to the Board on their accomplishments and goals.
March 13, 2020	An online survey tool will be released to the Trustees and staff to gather their feedback, which will request a specific evaluation of no more than ten key areas, with room for narrative discussion on each area, as well as overall. The survey will close on March 20, 2020 to allow for compilation of the results by one or more Board-designated representatives (to be determined).
April 2, 2020	Board Meeting - Closed Session discussion (Board only) to discuss the self-evaluations and compiled survey results. Desired outcome: Board will reach a consensus on key points to be covered in the performance evaluation with the CEO and Chief Counsel and designate representative(s) to deliver the performance evaluation and compensation adjustments, if any.
April 6-22, 2020	Identified range of time for Board designee(s) to meet with CEO and Chief Counsel separately to provide performance evaluation and compensation adjustments, if any. Should additional time be required, or additional full Board discussion needed, this time would be adjusted into May.

**BUDGET IMPACT:**

None.

**STRATEGIC PLANNING GOAL/OBJECTIVE:**

Quality Employer and Workplace

**STAFF CONTACT:**

Stacey Barnier

**ATTACHMENTS:**

Exhibit A: Chief Executive Officer Performance Evaluation Framework

Exhibit B: Chief Counsel Performance Evaluation Framework

Exhibit C: SBCERA Staff Performance Evaluation and Planning (PEP) Policy