

	<b>TOWN OF PARADISE VALLEY</b> Administrative Policy	
	<b>Title:</b> <b>PERFORMANCE REVIEWS</b>	<b>Policy No.</b> AP-05.3
<b>Policy Owner:</b> Gina Monger, Human Resources Director		
<b>Approved By:</b> Andrew Ching, Town Manager		
<b>Authorized By:</b> <i>Chapter 5: Conditions of Employment and Chapter 7: Compensation, Town Employee Handbook</i>	<b>Revision History:</b> None	<b>Effective Date:</b> 06/23/2024

## 1. PURPOSE

- 1.1. This policy will provide further guidance for the administration of the provisions as authorized by *Chapter 5: Conditions of Employment* and *Chapter 7: Compensation* of the *Town of Paradise Valley* (hereinafter referred to as the "Town") *Employee Handbook and the compensation administrative policy*.
- 1.2. Supervisors are expected to provide timely and ongoing communication regarding employee performance. The performance evaluation provides supervisors with a formal means of communication job performance to employees, as well as establishing future goals.
- 1.3. This policy will establish a consistent standard to award merit pay based on performance and exceptional service.

## 2. POLICY

- 2.1. This policy applies to all classified employees, and unclassified employees as defined in *Section 500: Unclassified Service B.2. of the Employee Handbook*.
- 2.2. Employee performance evaluations will be completed at least annually, or more often as needed. The designated review period is April 1<sup>st</sup> through March 31<sup>st</sup> of the following year. Evaluations for probationary employees will be administered by the provisions of *Subsection 3.5 Probationary Employees*.
- 2.3. Annual performance recognition may be in the form of merit pay and exemplary service bonuses, and are paid through payroll in the pay period that includes July 1<sup>st</sup>, immediately following the end of the review period.
  - 2.3.1. Merit pay is based upon a percentage of each eligible employee's base pay, exclusive of any other premium pay or compensation. All employees who are eligible to receive merit pay will receive the same percentage increase in their base rate of pay.
  - 2.3.2. Exemplary service bonuses are one-time lump sum payments that do not increase base pay.
  - 2.3.3. All current, eligible employees as of July 1<sup>st</sup> will be awarded annual performance recognition, following the conclusion of the most recent performance review period, subject to the provisions of this policy. No further compensation will be made to an employee who separates from Town service prior to receiving any applicable annual award recognition.
- 2.4. Supervisors will provide timely and ongoing communication to their employees. Supervisors will conduct timely performance evaluations and encourage open dialogue with their employees.

- 2.5. Employees will be given one rating based on their overall performance for the entire review period as follows:
- 2.5.1. **Met Expectations:** Consistently performed as expected and met performance standards. Performance and results met position requirements and expectations. Planned goals were achieved within acceptable standards.
  - 2.5.2. **Needs Improvement:** Consistently failed to meet one or more job requirements. Demonstrated limited ability in one or more performance areas such as work production, personal responsibility, and accountability. Required guidance and assistance beyond what was expected or reasonable.
  - 2.5.3. An overall rating of *Needs Improvement* should be vetted with Human Resources and will require a performance improvement plan.
- 2.6. Employees who receive a rating of “*Met Expectations*” will receive a merit increase as provided for *Subsection 2.3.* above.
- 2.7. Evaluations are to be completed by May 31<sup>st</sup> of each year by the assigned supervisor as of April 1<sup>st</sup>. Assigned supervisors who were not the employees’ supervisor for the entire pay period are expected to solicit feedback from the previous supervisor and incorporate in the performance evaluation as appropriate.
- 2.8. Each supervisor will be responsible for the timely and equitable assessment of their employees’ performance. Supervisors will use the designated performance review form/online software to conduct their reviews and provide thoughtful feedback to their employees. Supervisors will be evaluated regarding the quality of their efforts to accurately document employee performance.

### 3. ADMINISTRATION

#### 3.1. Beginning of Review Period

- 3.1.1. Together, the supervisor and employee will review the Town’s mission, vision, and strategic goals.
- 3.1.2. The supervisor and employee will review the job description, being mindful of the position’s contributions to the Town’s mission, vision, and strategic goals because it requires every position in the Town working together, to deliver the level of services expected by residents.
- 3.1.3. The job description will also be reviewed the job description for accuracy of duties, physical demands, working conditions, and other elements. If needed, the supervisor will update the job description and review with the department director, then forward it to Human Resources for final revisions and signatures.
- 3.1.4. The supervisor and employee will collaborate to identify relevant goals for the employee to achieve to meet standards. Goal considerations may include process improvements, form revisions, customer service enhancements, or other goals that are not measured by numbers. Depending upon the position, SMART goals (Specific, Measurable, Attainable, Relevant, Timely) may be difficult to establish, so the supervisor may choose to rely on the job description, without identifying any specific goals, subject to department director review.
- 3.1.5. The supervisor makes final decision regarding the goals to be included in the performance review form, subject to department director review.

- 3.1.6. The supervisor and employee will review the *Town Employee Values* and affirm expected employee behaviors during the performance of duties.
- 3.1.7. The supervisor and employee will collaborate to identify any training or resources the employee may need to be successful during this review period. The supervisor makes the final determination as to what, if any, resources are needed, subject to department director review.

### **3.2. Throughout the Review Period**

- 3.2.1. Regular communication between the employee and supervisor regarding the employee's performance is critical to confirm expected performance and guide as needed. The supervisor should provide meaningful and timely feedback to the employee throughout the review period.
- 3.2.2. Goals and expectations may be added, changed, or removed as appropriate throughout the review period, provided they are clearly communicated with employee. The supervisors may elect to document discussions and changes to the performance review in their (electronic) working files, as appropriate.

### **3.3. End of Review Period**

- 3.3.1. Following the end of the review period, supervisors will draft an evaluation of the employee's performance that reflects performance for the entire review period. Performance evaluations should detail the achievement of performance objectives, commendations, or recognitions received, as well as areas identified for improvement to be addressed during the next review period.
- 3.3.2. Employee behavior or performance resulting in formal discipline should be noted in the performance evaluation. The level and/or type of discipline itself should not be identified. As a best practice, all areas of performance improvement (corrective and disciplinary) should have been discussed with the employee during the review period and prior to their inclusion in the final evaluation.
- 3.3.3. The evaluation may also recommend future educational and experience opportunities for the employee to consider for growth and development within the Town.
- 3.3.4. Supervisors may wish to solicit feedback from the employee's stakeholders as appropriate. The draft review may also include any goals for the upcoming review period.
- 3.3.5. Supervisors are strongly encouraged to have draft performance reviews that include references to performance deficiencies, be reviewed by their own supervisor and/or Human Resources to ensure the performance is appropriately documented.
- 3.3.6. Employees are strongly encouraged to draft their own performance review and/or provide written feedback for consideration by their supervisor, prior to their performance review meeting.

### **3.4. Performance Review Meeting**

- 3.4.1. The supervisor will schedule a meeting with the employee to discuss the draft performance review. During this meeting, the supervisor will provide the employee with the draft performance review and discuss the employee's performance.
- 3.4.2. The employee will actively engage in the discussion and share feedback or documentation they would like considered by their supervisor.

- 3.4.3. At the conclusion of the meeting, the supervisor will provide a timeline of when the final evaluation will be completed and provided to the employee for review and signatures.

### **3.5. Final Evaluation**

- 3.5.1. The supervisor will consider any information provided by the employee during the review process and incorporate into the final evaluation as appropriate, subject to the department director's review. A final rating as defined in *Subsection 2.5* above will be cited for the employee's overall performance.
- 3.5.2. If there are significant changes to the evaluation following the performance review meeting, supervisors are strongly encouraged to meet with the employee again to ensure their understanding of the changes.
- 3.5.3. Once the supervisor has finalized the performance evaluation, it will be provided to the employee for signature acknowledgement and include the deadline when the evaluation is to be returned to the supervisor. The employee may provide additional comments on the evaluation or under separate cover. The employee's signature is to acknowledge receipt of the final evaluation and does not necessarily constitute agreement with all of the contents and/or the final rating.
- 3.5.4. The supervisor will sign the evaluation and ensure the employee receives/has access (online) to the final signed evaluation. If the review is completed by hardcopy, the evaluation will be maintained in the employee's personnel file.

### **3.6. Probationary Employees**

- 3.6.1. Full-time and part-time probationary employees will receive an initial performance review, following the conclusion of their original probationary period. The assigned supervisor may elect to provide a summary of the employee's performance in lieu of the formal annual performance evaluation form. The performance review should sufficiently outline the probationary employee's performance and be completed within 15 calendar days following the end of the initial probationary period.
- 3.6.2. If warranted, the supervisor will recommend to the department director for their approval, a merit increase for the probationary employee. Any merit increase that is awarded to a probationary employee will be effective the first day of the employee's status as a regular employee. The amount of the merit increase will be equivalent to the increase awarded to regular employees on July 1<sup>st</sup> in the current fiscal year that includes the effective date of the merit increase.

### **3.7. Contested Evaluation**

- 3.7.1. Employees who disagree with their final evaluation may submit a statement that will be attached to the final evaluation. Evaluations are not subject to grievance or appeal procedures, except as provided for in this policy.
- 3.7.2. Within seven calendar days from the date the final evaluation is/should have been returned to the reviewing supervisor, the employee may submit a written request to meet with their department director to discuss the contents of their evaluation.
- 3.7.3. The department director will meet with the employee and review the information. The department director may solicit additional information as needed. The department director may direct the supervisor to modify any portion of the evaluation to be changed as appropriate to the circumstances.

- 3.7.4. Within seven calendar days following the meeting, the department director will provide written notice to the employee that their review is completed and include if any changes are to be made to the review or if the review stands as presented.
- 3.7.5. The department director's written response is final and no further administrative action may be taken by the employee.

### 3.8. Exemplary Performance

- 3.8.1. There may be instances where an employee who "*Met Expectations*," has in fact far exceeded expectations during the review period. This exemplary performance may be recognized and rewarded separately from the standard merit pay increase.
- 3.8.2. Employees who demonstrate exemplary performance perform all core job duties at an extraordinary level and demonstrate consistent mastery in all aspects of duties and responsibilities, may be eligible for an exemplary service award.
- 3.8.2.1. Exemplary performance for this section is defined as a standard of demonstrated employee excellence across all aspects of the employee's job; achieving exceptional results and producing the highest quality of work, and delivering on their goals collaboratively and collegially.
- 3.8.2.2. Exemplary employees accept a high level of responsibility for their own performance and routinely demonstrates an exceptional commitment to service. Results and outputs of exemplary employees are exceptionally high in quality, quantity, and timeliness. Exemplary employees consistently demonstrate the *Town Employee Values* at the highest level.
- 3.8.3. The expectation is a small number of employees will receive this award. The award criterion is based on the exceptional results that are displayed throughout the performance review period. All employees, other than the Town Manager and Town Attorney, are eligible for exemplary performance bonus awards.
- 3.8.4. Supervisors who wish to recognize exemplary performance will prepare a written nomination that details the employee's performance over the course of the review period. This nomination will provide details of performance that supports exemplary service as defined above. The nomination must be reviewed and approved by the employee's department director. All nominations for exemplary service will be received by Human Resources by June 15<sup>th</sup> and presented to the Town's Executive Leadership Team (ELT) for consideration.
- 3.8.5. The ELT will review and recommend bonus awards in accordance with this policy and based upon the available budget for the next fiscal year. The Town Manager will approve all exemplary service recipients and award amounts on an annual basis.
- 3.8.6. Exemplary performance bonuses will be paid to eligible employees through payroll in the pay period that includes July 1<sup>st</sup> of the current calendar year. Employees to be awarded an exemplary service bonus who separate from the Town for any reason prior to July 1<sup>st</sup> of the current calendar year will not receive any exemplary service compensation upon their separation from employment with the Town.
- 3.8.7. Employees receiving such awards may be recognized at the Town all-staff meetings in conjunction with service and other awards.

**3.8.8.** The amount of the annual performance bonuses to be allocated will be set during the annual budget process for the upcoming fiscal year and will be awarded concurrently with the merit increase process each fiscal year.