



POLICY # 7
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TITLE: Annual CEO Performance Evaluation

MANUAL: Petaluma Health Care District Board Governance Policies

Board Approval Date: May 21, 2013 Written by: R. Faith/J. Thornton
Committee Approval Date: May 8, 2013
Review Dates: September 19, 2017 Board meeting

I. POLICY

It is the policy of the PHCD Board of Directors to conduct an annual performance evaluation of the Chief Executive Officer. The following are guidelines to be considered in conducting the annual performance evaluation of the CEO.

A. Performance Criteria

The criteria to be considered by the Board of Directors in evaluating the annual performance of the CEO shall include the following:

1. The quality and effectiveness of the leadership of the CEO as reflected in board and strategic responsibilities; administration, personnel and asset management; Petaluma Valley Hospital; and community relationships and public relations.
2. The attainment of any annual goals or objectives of the CEO established by the Board of Directors and the CEO;
3. The progress of the District towards the achievement of its strategic objectives;
4. The management, recruitment and retention of District employees and volunteers;
5. The quality and the effectiveness of the communications between the CEO and the Board of Directors.

B. Performance Evaluation Process

1. As part of developing the performance evaluation of the CEO, the President of the Board of Directors may designate a board member to solicit the commentary and the performance ratings of the individual members of the Board. The Board shall present a written and oral report to the CEO that represents a consensus of

the commentary and ratings of the individual members of the Board in a closed session and individual ratings to the CEO.

2. If the overall performance of the CEO is deemed satisfactory to excellent by the Board, the CEO shall receive a salary increase appropriate to the position's salary range. The Board may extend other benefits as legally allowed. The Board may extend the contract of the CEO to reflect the Board's intention to retain the CEO.
3. If the overall performance of the CEO is deemed unsatisfactory by the Board, the CEO shall be required to submit a written plan for improvement of performance to the President and Board for its approval.
4. The conduct of the annual performance evaluation of the CEO is a matter of material importance to the CEO, the Board of Directors and the District. Every member of the Board of Directors, the CEO and anyone who participates in the evaluation shall maintain the strict confidentiality of the evaluation process and the materials developed during the evaluation process.

C. Performance Evaluation Procedure

Refer to the attached addendum: Annual CEO Performance Procedure

**ADDENDUM TO:
ANNUAL CEO PERFORMANCE EVALUATION**

The following board procedure is intended to assist in the completion of an effective CEO annual evaluation cycle. Every member of the Board of Directors, the Chief Executive Officer, and anyone who participates in the evaluation shall maintain the strict confidentiality of the evaluation process and the materials developed during the evaluation process.

Prior to the Evaluation:

1. The Board President will designate himself/herself or a fellow board member to facilitate the CEO evaluation process. In this procedure, the designee will be known as the “Board Evaluator.” The Board Evaluator will facilitate a process of communication between the Board of Directors and the CEO. In preparation for this process, a Board Evaluation Packet will be maintained by Board Clerk for use by the Board Evaluator and will be available through the District office. The Board Evaluator shall not contact any other staff member for assistance. The Board members shall not contact any other person other than the Board Evaluator for additional information.

The Board Evaluation Packet will contain:

- Board policies and procedures related to the CEO’s performance and evaluation
 - Copy of the CEO’s contract with any amendments and Job Description
 - Latest compensation study that was completed that covers the CEO’s position. CEO will request compensation comparison study from ACHD.
 - Sample forms and instructions for the Board Evaluator to distribute to board members for their completion
2. The CEO annual performance evaluation will occur annually at the July meeting of the Board of Directors. At the May meeting of the Board of Directors, the Board Evaluator will notify the board members in Public Session of his/her intent to distribute a CEO evaluation packet for completion by the board. The Board Evaluator will act as the point of contact for the board for forms, documents, and requests for information.
 3. The CEO will provide the Board Evaluator by June meeting of the Board of Directors with a self evaluation, an update on the CEO’s work plan/accomplishments of the last year and a suggested CEO work plan for the following year.
 4. The Board Evaluator will compile from the Board Evaluation Packet information that is to be sent to each board member 3 weeks prior to the July meeting of the Board of Directors.

5. The Board Evaluator may request, on behalf of other board members, additional information related to the evaluation. In addition, the CEO and Board Clerk will provide the Board Evaluator any additional information in the format requested.
6. The Board Evaluator will e-mail an evaluation packet to each board member. The packet will include the blank evaluation form, the past work plan/accomplishments, the suggested new CEO work plan, and instructions. The Board Evaluator will assemble and send the materials in one electronic packet at least three weeks prior to the board meeting.
7. Board members are required to keep the process confidential. This confidentially includes contact with staff members and members of the public, unless indicated by this procedure. Board members should only communicate with the Board Evaluator. Any additional information needed by board members shall be obtained by contacting the Board Evaluator who will route the request to the CEO or Board Clerk. The CEO or Board Clerk will respond with the needed information to the Board Evaluator.
8. The board members will respond in writing regarding feedback about the CEO performance by filling out the evaluation. Each board member will submit to Board Evaluator at the District Office their completed form at least (5) business days prior to the board meeting.
9. The Board Evaluator will assemble all the written evaluations in a summary for the board's review and submit the individual board member responses directly to the CEO.
10. The review will be presented to the board in Closed Session at the Board of Directors meeting.

The Evaluation Board Meeting

1. The board will meet in Closed Session, in accordance with the Brown Act, which allows for the evaluation of personnel in closed session. The Board Evaluator will present the personnel summary of the CEO to the board. The Board Evaluator will facilitate with the Board President a discussion regarding the CEO's performance. As a result, the board will give the CEO, in Closed Session, performance feedback. The Board President will then adjourn the Closed Session.
2. The Board President will start the Open Session. Items related to compensation, the CEO contract, or benefit package that are to be adjusted or changed will be addressed by the Board President as a regular agenda item. The Board President and Board Evaluator will complete and sign the status change form for any changes regarding the CEO compensation package.

Follow Up to the Board Meeting

1. Within thirty (30) days of the board meeting:
 - The Board Evaluator will give the CEO a written summary of the performance feedback of the board and a copy of the CEO work plan for the next year.
 - The CEO and Board Clerk will ensure a copy of the new work plan is placed in the Board Evaluation Packet.
 - If not completed fully and signed in Open Session, the Board President and Board Evaluator will complete and sign the status change form for any changes regarding the CEO compensation package.
 - The CEO will facilitate any documents regarding potential amendments or changes to the CEO's Employment Contract.
 - The CEO will act only to facilitate documents related to board actions that have already been approved.
 - The documents will be completed with board signatures at the next regularly-scheduled board meeting.

11. The CEO will review the Board Evaluation Packet and assure that it is updated and ready for the next annual CEO review cycle.