



MEMORANDUM

**DATE:** March 19, 2013  
**TO:** Alderman & Mayor  
**FROM:** Shawn Hamilton, Acting City Manager  
**RE:** **Non-union Merit Proposal FY14 Budget**

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There are several different methods available to award employees based on merit, including individual development plans, percentage increases, flat dollar increases, additional benefits, and additional compensated time off, just to name a few. My proposal for awarding employees based on merit is to award employees additional salary based upon the results of their annual evaluation.

**Evaluation Process**

The HR Manager and I have instituted a rigorous discipline and evaluation process, and the discussion with department heads and employee are beginning. For the evaluation instrument itself, we are going to use the tool that was in place last year. Mike and I both agree that the current tools the City has need review and potential modifications. However, due to the other projects we are currently managing in the City, we have not had the opportunity to have an objective review and, subsequently, modify the instrument for this year. One of the HR Manager's goal for this coming year will be to analyze and potentially revise or modify the current evaluation instrument currently in place in the City. We are, however, adding a self-evaluation component that all employees will complete, and that will become part of their final evaluation.

The timeline for annual evaluations is as follows:

- End of March Mgr, Supervisor, Dept Head begins the evaluation process
- By April 10 Employee submits self evaluation to mgr, supervisor, dept head
- By April 15 Mgr, Supervisor, Dept Head completes evaluation
- By April 30 Evaluation delivered to employee, signed, original to HR for permanent files

For confirmation, I will evaluate all department heads using the same process and timeline.

For your information, I am including a copy of the employee evaluation instrument.

## **Merit Pool**

I am requesting an amount of additional compensation to award employees with potential salary increases based upon merit.

For reference, if a 2% across the board increase was implemented for all non-union non-library employees, the additional cost to the City would be \$78,418. This amount was put as a placeholder in the proposed FY14 budget.

I am not recommending an across the board increase for non-union employees, so I am not requesting this amount.

I am requesting \$57,800 to fund merit increases for FY14. This pool will fund modest salary increases, based upon merit, for the non-union employees. This amount would not be distributed until the evaluations for employees are completed, based upon the timeline above. This amount (1.48%) was derived from looking at the evaluation results from last year, for those employees who had them completed, and the subsequent bell curve distribution of these results.

The amounts of the merit increase will vary for each employee, but would not exceed 2% for employees, except for those merit increases documented in another memo. Any employee who receives a "needs improvement" would receive 0%.

The difference between the \$78,418 placeholder and the \$57,800 requested would be a scorecard adjustment reducing the salary line items (\$20,618 expense reduction / general fund increase).

## **Other Information**

A request has been made by council to complete a comprehensive compensation analysis for the City. This process is anticipated to be completed during calendar 2013 in anticipation for union contract negotiations in 2014. There has not been time to complete this project before the new fiscal year.

As Acting City Manager, I have, whenever possible, taken the opportunity to make salary adjustments down for positions when they become open due to attrition, using comparison data and current economic factors. I have documented examples of those (Finance Director, Building Administrator, Zoning Coordinator) on another memo.

## ***Definitions for the Performance Appraisal Form***

***1. Knowledge of the job***

Understanding of job requirements, job skills, technical know-how, level of authority and related responsibilities. Demonstrates understanding of technical, conceptual and/or interpersonal requirements of job by performing assigned work to technical standards.

***2. Quality of Work:***

Accuracy, neatness and correctness of work and/or degree to which meets standards established for the work. Produces work that is neat, precise, accurate, and factual and meets the standard established for the work.

***3. Dependability and Responsibility:***

Reliability to do assigned work and meet deadlines and schedules. Initiates work and performs independently, meeting established deadlines and work schedules.

***4. Initiative:***

Self-reliance and self-motivating behavior. Performs with a high level of energy, aptitude and ingenuity in carrying out work assignments.

***5. Decision Making and Judgment:***

Problem solving and decision making effectiveness. Exercises good judgment in making, implementing and anticipating the consequences of decisions.

***6. Cooperation:***

Demonstrates effectiveness in following direction and working with other employees, and shows respect for fellow human beings.

***7. Creativity:***

Finds new and more effective ways to accomplish work. Initiates new ideas and or acts as a catalyst for change.

***8. Safety and Orderliness:***

Follows safety rules and regulations and keeps work area in order.

***9. Policy Implementation:***

Adheres to policy, rules and regulations. Carries out responsibilities with proper authority.

***10. Planning:***

Designs and formulates the ways, means, and timing to achieve goals and objectives.

***11. Organizing:***

Demonstrates effectiveness in arranging and allocating the workforce and other resources to achieve goals and objectives. Shares the workload and places the decision-making authority and responsibility at the lowest level of the organization possible.

***12. Working Relationships & Cooperation with other Departments & Staff:***

Demonstrates effectiveness in working in a team relationship with individuals and groups. Cooperates and communicates well with others. Teamwork produces positive results and productivity is enhanced.

***13. Supervising and Evaluating Subordinates:***

Demonstrates effectiveness in selecting and/or developing workforce resources to accomplish goals and objectives. Performs effectively in coordinating, auditing, and controlling workforce and other resources.

***14. Communication:***

Demonstrates effectiveness in communicating both orally and in writing. Reports are accurate, complete, clear, and concise. Communication holds the attention of those listening.



## **CITY OF PARK RIDGE**

# **PERFORMANCE APPRAISAL FORM INSTRUCTIONS**

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### ***Introduction***

It is the policy of the City of Park Ridge to provide each employee with a performance appraisal twice per year. The purpose of the performance appraisal is to receive feedback on performance from the employee to help that employee capitalize on performance strengths and improve various skills through a training and development plan. This helps the employee improve performance on the present job, prepares him/her for promotional advancement, and serves to increase individual contribution to the growth of the organization.

The primary emphasis when evaluating employees should be on measuring results against objectives, which the supervisor and employee state jointly. In this regard, we have established this policy for appraising performance.

The use of objectives has the following advantages:

- The supervisor and employee have mutually established what work must be accomplished and the standards by which that work will be evaluated.
- The employee clearly understands which part of the job has greatest priority.
- They provide a factual job-related basis for evaluating results, which encourages job and career interest.
- They establish a basis for on-going discussion between the supervisor and the employee concerning performance, while insuring fair treatment and objectivity in the evaluation of the performance process.

### ***Establishing and Evaluating Objectives***

This performance appraisal process is designed as a series of discussions between the supervisor and employee. The first discussion (April of each year) is the time for the supervisor and employee to identify major areas of responsibilities in which the employee will set objectives to be measured for the upcoming twelve-month period. The second discussion will take place in November of each year to review the objectives set and make modifications or address performance issues as necessary. The third discussion is again in April; this time to review and rate the employee's performance, based on the objectives set the prior April. At the same time, the third discussion will include setting objectives for the new rating period.

***Instructions for completing the appraisal form:*** This form is divided into five (5) sections.

### ***Section I***

- Enter appropriate identifying information about the employee.
- The Summary Performance Factor Table is to be completed by entering the weight of each factor being rated (column headed Factor Weight) as it relates to the total position being evaluated. The total of the factor weights must equal 100%. The employee being evaluated and the supervisor should come to a consensus on the factors to be evaluated and the importance weights of each factor prior to the beginning of the performance appraisal period.
- During the performance appraisal process, the supervisor will enter the factor rating score in the appropriate column. The Weighted Factor Rating Score is determined by multiplying the Weight by the Factor Rating Score.
- To determine the final total score, divide the total of the Weighted Factor Rating Score column by 100 to determine the final rating and use the Merit Award Guide to determine the performance award.

### ***Section II***

- This section lists specific performance factors and defines the corresponding performance levels for each factor.
- Blank spaces at the end of the defined performance factors may be used to insert tasks from the job description, objectives, special projects or performance factors specific to the position being evaluated.
- During the appraisal process the supervisor will enter the factor rating score 1, 2, or 3 and provide any examples in the space provided. Add additional pages, if needed, to accommodate all the comments. If a particular factor does not apply to the position being evaluated, mark that factor as "Not Applicable".
- If the employee's total score at the end of the rating process is below Fully Competent or is 'Extraordinary' additional documentation must support the rating.
- All performance appraisals must include a minimum of six (6) performance factors.

Definitions for terms used in the performance standards include:

<b>Unacceptable</b>	Performance clearly fails to meet minimum requirements.
<b>Needs Improvement</b>	Needs improvement to meet major requirements; work is fairly acceptable in some respects but does not meet quality standards. An overall evaluation of Needs Improvement automatically triggers a re-evaluation in six (6) months. <b>Two sequential OVERALL evaluations of Needs Improvement</b> will cause the employee to be subject to having his/her employment with the City terminated.
<b>Fully Competent</b>	Meets major requirements; is consistently effective and competent; achieves results expected and meets quality standards.
<b>Exceeds Standards</b>	Performance consistently exceeds stated job requirements and standards.
<b>Extraordinary</b>	Superior performance; work is consistently performed at a level above that expected. An overall rating of Extraordinary is rare, and awarded only to employees whose performance is exceptionally and/or consistently <b>well above</b> quality standards.

- **Rarely or inconsistently (1)** means that the employee infrequently meets the performance standards for this factor, or on a rare occasion it occurs.
- **Consistently (2)** means that the employee's meets the performance standards on a regular basis and achieves expected results.
- **Always (3)** means that the employee consistently exceeds the performance.

### Section III

- ❑ This is the section to evaluate attendance and punctuality. This is an important rating, although it does not figure into the total rating score.

### Section IV

- ❑ This space is designed for the supervisor and employee together to determine any specific action plans for the upcoming performance appraisal period.
- ❑ Any areas of performance described as unacceptable or needing improvement in Section II or III must be addressed in this section.

### Section V

- ❑ This section is for comments from the reviewing supervisor, as well as the employee whose performance is being evaluated. It also provides for the employee to acknowledge receipt of the performance appraisal form and acceptance of any action plan for the future performance appraisal period.
- ❑ At the conclusion of the performance appraisal, the form should be forwarded to the Human Resources Department for filing in the employee's personnel file and action, if a merit increase is recommended.



# Performance Appraisal Form

Employee Name:  Department:  Date:

Position Title:  Time in Position:

Supervisor's Name:  Supervisor's Title:

Start Date Evaluation Period:  End Date of Evaluation Period:

Length of Time Supervising Employee:  Probationary Employee?: (click Y if Yes)  Y

Type of Review: (click on one)  Annual  Semi-annual  Probationary  Other

Performance Factor	Weight %	Factor Rating score	Weighted Factor Rating Score
1 Knowledge of Job	0%	0.00	0.00
2 Quality of Work	0%	0.00	0.00
3 Dependability	0%	0.00	0.00
4 Initiative	0%	0.00	0.00
5 Decision Making and Judgment	0%	0.00	0.00
6 Cooperation	0%	0.00	0.00
7 Creativity	0%	0.00	0.00
8 Safety and Orderliness	0%	0.00	0.00
9 Policy Implementation	0%	0.00	0.00
10 Planning	0%	0.00	0.00
11 Organizing	0%	0.00	0.00
12 Working Relationships and Cooperation with Other Departments & Staff	0%	0.00	0.00
13 Supervising and Evaluating Subordinates	0%	0.00	0.00
14 Communication	0%	0.00	0.00
<b>Total Number of Performance Factors (should be at least 4)</b>	<b>0</b>		
<b>Totals</b>	<b>0%</b>	<b>Final Rating</b>	<b>0.00</b>
	<i>Requires Improvement</i>	<i>Meets/Exceeds more than 1/2 Goals</i>	<i>Significantly &amp; Consistently Exceeds Standards</i>
<b>Score</b>	<b>1.00 - 1.99</b>	<b>2.00 - 2.69</b>	<b>2.70 - 3.00</b>

Employee 0

Performance Factor 1 Knowledge of Job

Performance Score Criteria	Score
Never (Rarely)	1
Usually (Inconsistently)	2
Always (Consistently)	3

Performance Indicator 1

Supervisor's Comments/Examples of Performance/Rating 0

Performance Indicator 2

Supervisor's Comments/Examples of Performance/Rating

Performance Indicator 3

Supervisor's Comments/Examples of Performance/Rating

Performance Indicator 4

Supervisor's Comments/Examples of Performance/Rating

Cumulative score for Knowledge of Job	0.00
Linked to Summary Page	0.00

<b>Employee</b>	0
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<b>Performance Factor</b>	2	<b>Quality of Work</b>
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<b>Performance Score Criteria</b>	<b>Score</b>
<i>Never (Rarely)</i>	1
<i>Usually (Inconsistently)</i>	2
<i>Always (Consistently)</i>	3

<b>Performance Indicator 1</b>
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<b>Supervisor's Comments/Examples of Performance/Rating</b>	0
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<b>Performance Indicator 2</b>
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<b>Supervisor's Comments/Examples of Performance/Rating</b>	
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<b>Performance Indicator 3</b>
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<b>Supervisor's Comments/Examples of Performance/Rating</b>	
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<b>Performance Indicator 4</b>
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<b>Supervisor's Comments/Examples of Performance/Rating</b>	
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<b>Cumulative score for</b>	<b>Quality of Work</b>	0.00
	<i>Linked to Summary Page</i>	0.00

<b>Employee</b>	0
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<b>Performance Factor</b>	3	<b>Dependability</b>
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<b>Performance Score Criteria</b>	<b>Score</b>
<i>Never (Rarely)</i>	1
<i>Usually (Inconsistently)</i>	2
<i>Always (Consistently)</i>	3

<b>Performance Indicator 1</b>
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<b>Supervisor's Comments/Examples of Performance/Rating</b>	0
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<b>Performance Indicator 2</b>
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<b>Supervisor's Comments/Examples of Performance/Rating</b>	
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<b>Performance Indicator 3</b>
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<b>Supervisor's Comments/Examples of Performance/Rating</b>	
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<b>Performance Indicator 4</b>
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<b>Supervisor's Comments/Examples of Performance/Rating</b>	
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<b>Cumulative score for</b>	<b>Dependability</b>	0.00
	<i>Linked to Summary Page</i>	<b>0.00</b>

<b>Employee</b>	0
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<b>Performance Factor</b>	4	<b>Initiative</b>
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Performance Score Criteria	Score
Never (Rarely)	1
Usually (Inconsistently)	2
Always (Consistently)	3

Performance Indicator 1

Supervisor's Comments/Examples of Performance/Rating	0
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Performance Indicator 2

Supervisor's Comments/Examples of Performance/Rating	
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Performance Indicator 3

Supervisor's Comments/Examples of Performance/Rating	
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Performance Indicator 4

Supervisor's Comments/Examples of Performance/Rating	
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<b>Cumulative score for Initiative</b>	0.00
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<a href="#">Linked to Summary Page</a>	<b>0.00</b>
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<b>Employee</b>	0
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<b>Performance Factor</b>	<b>5</b>	<b>Decision Making and Judgment</b>
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<b>Performance Score Criteria</b>	<b>Score</b>
<i>Never (Rarely)</i>	1
<i>Usually (Inconsistently)</i>	2
<i>Always (Consistently)</i>	3

**Performance Indicator 1**

<b>Supervisor's Comments/Examples of Performance/Rating</b>	0
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**Performance Indicator 2**

<b>Supervisor's Comments/Examples of Performance/Rating</b>	
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**Performance Indicator 3**

<b>Supervisor's Comments/Examples of Performance/Rating</b>	
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**Performance Indicator 4**

<b>Supervisor's Comments/Examples of Performance/Rating</b>	
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<b>Cumulative score for</b>	<b>Decision Making and Judgment</b>	<b>0.00</b>
	<i>Linked to Summary Page</i>	<b>0.00</b>

<b>Employee</b>	0
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<b>Performance Factor</b>	6	<b>Cooperation</b>
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<b>Performance Score Criteria</b>	<b>Score</b>
<i>Never (Rarely)</i>	1
<i>Usually (Inconsistently)</i>	2
<i>Always (Consistently)</i>	3

**Performance Indicator 1**

<b>Supervisor's Comments/Examples of Performance/Rating</b>	0
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**Performance Indicator 2**

<b>Supervisor's Comments/Examples of Performance/Rating</b>	
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**Performance Indicator 3**

<b>Supervisor's Comments/Examples of Performance/Rating</b>	
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**Performance Indicator 4**

<b>Supervisor's Comments/Examples of Performance/Rating</b>	
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<b>Cumulative score for</b>	<b>Cooperation</b>	<b>0.00</b>
	<i>Linked to Summary Page</i>	<b>0.00</b>

Employee	0
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Performance Factor	7	Creativity
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Performance Score Criteria	Score
Never (Rarely)	1
Usually (Inconsistently)	2
Always (Consistently)	3

Performance Indicator 1

Supervisor's Comments/Examples of Performance/Rating	0
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Performance Indicator 2

Supervisor's Comments/Examples of Performance/Rating	
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Performance Indicator 3

Supervisor's Comments/Examples of Performance/Rating	
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Performance Indicator 4

Supervisor's Comments/Examples of Performance/Rating	
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Cumulative score for Creativity	0.00
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<a href="#">Linked to Summary Page</a>	0.00
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<b>Employee</b>	0
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<b>Performance Factor</b>	8	<b>Safety and Orderliness</b>
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<b>Performance Score Criteria</b>	<b>Score</b>
<i>Never (Rarely)</i>	1
<i>Usually (Inconsistently)</i>	2
<i>Always (Consistently)</i>	3

**Performance Indicator 1**

<b>Supervisor's Comments/Examples of Performance/Rating</b>	0
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**Performance Indicator 2**

<b>Supervisor's Comments/Examples of Performance/Rating</b>	
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**Performance Indicator 3**

<b>Supervisor's Comments/Examples of Performance/Rating</b>	
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**Performance Indicator 4**

<b>Supervisor's Comments/Examples of Performance/Rating</b>	
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<b>Cumulative score for</b>	<b>Safety and Orderliness</b>	<b>0.00</b>
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	<i>Linked to Summary Page</i>	<b>0.00</b>
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Employee	0
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Performance Factor	9	Policy Implementation
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Performance Score Criteria	Score
Never (Rarely)	1
Usually (Inconsistently)	2
Always (Consistently)	3

Performance Indicator 1

Supervisor's Comments/Examples of Performance/Rating	0
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Performance Indicator 2

Supervisor's Comments/Examples of Performance/Rating	
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Performance Indicator 3

Supervisor's Comments/Examples of Performance/Rating	
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Performance Indicator 4

Supervisor's Comments/Examples of Performance/Rating	
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Cumulative score for	Policy Implementation	0.00
	<a href="#">Linked to Summary Page</a>	0.00

Employee	0
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Performance Factor	10	Planning
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Performance Score Criteria	Score
Never (Rarely)	1
Usually (Inconsistently)	2
Always (Consistently)	3

Performance Indicator 1

Supervisor's Comments/Examples of Performance/Rating	0
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Performance Indicator 2

Supervisor's Comments/Examples of Performance/Rating	
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Performance Indicator 3

Supervisor's Comments/Examples of Performance/Rating	
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Performance Indicator 4

Supervisor's Comments/Examples of Performance/Rating	
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Cumulative score for Planning	0.00
<a href="#">Linked to Summary Page</a>	0.00

<b>Employee</b>	0
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<b>Performance Factor</b>	11	<b>Organizing</b>
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<b>Performance Score Criteria</b>	<b>Score</b>
<i>Never (Rarely)</i>	1
<i>Usually (Inconsistently)</i>	2
<i>Always (Consistently)</i>	3

Performance Indicator 1

Supervisor's Comments/Examples of Performance/Rating	0
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Performance Indicator 2

Supervisor's Comments/Examples of Performance/Rating	
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Performance Indicator 3

Supervisor's Comments/Examples of Performance/Rating	
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Performance Indicator 4

Supervisor's Comments/Examples of Performance/Rating	
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<b>Cumulative score for</b>	<b>Organizing</b>	<b>0.00</b>
	<i>Linked to Summary Page</i>	<b>0.00</b>

Employee	0
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Performance Factor	12	Working Relationships and Cooperation with Other Departments & Sta
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Performance Score Criteria	Score
Never (Rarely)	1
Usually (Inconsistently)	2
Always (Consistently)	3

Performance Indicator 1
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Supervisor's Comments/Examples of Performance/Rating	0
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Performance Indicator 2
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Supervisor's Comments/Examples of Performance/Rating	
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Performance Indicator 3
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Supervisor's Comments/Examples of Performance/Rating	
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Performance Indicator 4
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Supervisor's Comments/Examples of Performance/Rating	
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Cumulative score for	Working Relationships and Cooperation with Other Departments & Sta	0.00
	<a href="#">Linked to Summary Page</a>	0.00

Employee	0
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Performance Factor	13	Supervising and Evaluating Subordinates
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Performance Score Criteria	Score
Never (Rarely)	1
Usually (Inconsistently)	2
Always (Consistently)	3

Performance Indicator 1

Supervisor's Comments/Examples of Performance/Rating	0
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Performance Indicator 2

Supervisor's Comments/Examples of Performance/Rating	
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Performance Indicator 3

Supervisor's Comments/Examples of Performance/Rating	
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Performance Indicator 4

Supervisor's Comments/Examples of Performance/Rating	
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Cumulative score for	Supervising and Evaluating Subordinates	0.00
	<i>Linked to Summary Page</i>	0.00

Employee	0
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Performance Factor	14	Communication
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Performance Score Criteria	Score
Never (Rarely)	1
Usually (Inconsistently)	2
Always (Consistently)	3

Performance Indicator 1

Supervisor's Comments/Examples of Performance/Rating	0
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Performance Indicator 2

Supervisor's Comments/Examples of Performance/Rating	
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Performance Indicator 3

Supervisor's Comments/Examples of Performance/Rating	
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Performance Indicator 4

Supervisor's Comments/Examples of Performance/Rating	
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Cumulative score for	Communication	0.00
	<a href="#">Linked to Summary Page</a>	0.00

## **Performance Appraisal - Section III**

<b>Certification</b>
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*Our signatures below indicate that we have discussed the information contained in this form and agree on the plans for this employee's performance. The employee's signature on this form does not interfere with his/her right to appeal the Performance Appraisal in accordance with City Policy.*

<b>Supervisor's Comments:</b>
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<b>Employee's Comments:</b>
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<b>Employee's Signature</b>		<b>Date:</b>	
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<b>Supervisor's Signature</b>		<b>Date:</b>	
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<b>Dept. Head Signature</b>		<b>Date:</b>	
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**Summary of Awards/Commendations/Recognition:**

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**Summary of Corrective Action (if any):**

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