



## ARTICLE XIII

### PAY FOR PERFORMANCE AND PERFORMANCE APPRAISAL PROGRAM POLICY

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#### I. POLICY:

This policy establishes a process for employee and supervisor to define individual work plan expectations, and to discuss demonstrated performance by providing constructive feedback in a timely manner, for a defined period of time. All full-time and permanent part-time classified positions of the Town are governed by this program except Elected Officials, Executive employees appointed by the Town Council, employees of independent boards and commissions and temporary part-time employees.

#### II. PURPOSE:

This policy establishes a formal process for employee development and evaluating job performance that meets or exceeds established standards and benefits the citizens of the Town of Selma by encouraging a high level of performance.

#### III. PROVISIONS:

The Town Manager is responsible for implementation of a pay for performance and employee appraisal system.

#### IV. DEFINITIONS:

A. The following words or phrases, for the purpose of this procedure, are defined as follows:

Work plan – Document completed by both employee and supervisor that outlines the performance factors and work plan objectives.

Annual Review Period - The annual period of performance of an employee covered by these procedures beginning with the employee's date of hire, or appointment to his or her current position and ending December 31<sup>st</sup>.

Performance Increase - an annual increase in salary based on meeting or exceeding performance standards.

Performance Factor - a key job responsibility - linked to the Town department's goals and or mission statement.

Performance Goal - a projected result - measured in terms of quality, quantity, and timeliness.

Rater - an employee having direct authority over the employee rated, herein referred to as "Rater" or "Supervisor." The rater is designated as a Department Director, Departmental Supervisor, or the Town Manager.

Regular Employee – a full-time employee who has successfully completed the probationary period in a permanent position.

## **V. PROCEDURE:**

The supervisor and employee must meet to develop a work plan. This meeting must occur within 30 calendar days of placement in a position, or upon completion of the previous appraisal/review. All work plan objectives are written to outline the key responsibilities of the position. In addition, all employees are required to have a "Career and Professional Development" and "Strategic Plan" objective on their work plan and performance appraisal.

The current work plan is maintained by both the employee and supervisor for performance monitoring throughout the review period. Any changes to the work plan must be discussed and reviewed by both employee and supervisor. Changes made without appropriate review may be considered invalid, in which case the original work plan remains active.

The employee and supervisor should agree on the work plan objectives. If the employee disagrees with any work plan objective(s), s/he must submit the basis of the disagreement to the supervisor in writing within 5 working days of the initial discussion. The supervisor must consider the employee's input prior to making the decision to either revise or retain the work plan.

If the disagreement continues, the work plan and employee comments are forwarded to the higher-level supervisor for further review. Upon review, if the higher-level supervisor agrees with the outlined expectations, but the employee still does not agree, the employee can appeal the decision to the Town Manager. The Town Manager shall submit his decision to the employee and supervisor in writing within 5 working days. The Town Manager's decision shall be final.

1. Employees' performance is formally evaluated annually January 1<sup>st</sup> - December 31<sup>st</sup> for their current position.
2. Eligible employees who have been promoted/transferred may receive a performance increase. Note that if an employees' pay falls below the minimum of their assigned pay grade, their salary will be adjusted to the minimum of the grade.
3. Employees who receive an overall rating of Needs Improvement will be provided an opportunity to improve their performance but may be placed on probationary status in accordance with Town policy.

## Description of Performance Appraisal Systems

All employees covered by this policy are evaluated by comparing performance with established performance factors and defined performance levels.

### 1. Performance Factors

Employees in exempt and non-exempt positions are evaluated on the basis of standardized performance factors designed to measure significant dimensions of their positions as outlined in the Town's adopted Performance and Management Evaluation System.

### 2. Establishing Performance Goals

It is required that goals be established for employees in exempt and non-exempt positions. Employees and Supervisors work together to develop their performance goals to ensure conformity with department or division objectives and the Town's goals for that particular office. For probationary employees, supervisors will use the goals that were established by the supervisor within the first 30 days of employment.

### 3. Rating Employee's Performance

An employee's performance is rated on the degree to which employee demonstrates behaviors described within each pre-established performance factor and, where applicable, on the basis of attainment of performance goals. For each performance factor, the rater selects the level, which most closely describes the employee's performance. The three (3) levels of performance used in ratings are:

**Exceeds Standards:** Employee usually performs above the established performance standard for the element. Employee performs effectively and makes contributions to the work unit that is above the established standards. Employee takes a leadership role in developing new ideas on how to improve the level of service and possesses the job, knowledge, skills, and abilities required to successfully complete all assigned tasks.

**Meets Standards:** Employee maintains performance level in accordance with the established standard for the element and performs job duties at or near full proficiency. Employee's work is completed accurately and on time, and employee works well with associates and the public.

**Needs Improvement:** Employee is not meeting some of the performance standards for some of the elements. Counseling may be necessary. Employee may need further training. Employee may be lacking some of the required knowledge, skills, and abilities required to perform some tasks to established standards.

If a supervisor determines the employee's performance needs improvement during the review period, then the supervisor must counsel the employee in a timely manner, indicating the performance deficiency and confirm expectations. Depending on the nature of the deficiency, either a counseling or performance improvement

plan must be given and documented. The discussion to improve performance must include appropriate measures such as additional training or frequent monitoring.

If an employee determines deficiency in his/her own performance, s/he must discuss it with the supervisor in a timely manner. The employee should also request measures to improve performance.

#### 4. Establishing Overall Ratings

The total percentage for each employee's evaluation is calculated and converted to the recommended pay for performance increase between 0 and 3 percent.

### **V. Frequency of Ratings**

An employee's performance is formally evaluated at the end of the Annual Review Period with the following exceptions:

- a. Probationary Ratings - A probationary employee's performance is evaluated prior to the completion of the approved probationary period to be completed as close to the end of the probationary period as possible.  
  
Should an employee's performance improve or significantly deteriorate any time prior to the close of a probationary period, the preliminary performance evaluation may be amended.
- b. Extended Probationary Ratings - Should a probationary employee's overall performance be less than Meets Standards and the employee is not terminated, the reviewer may request to the Town Manager, in writing, that the employee's probationary period be extended not to exceed ninety (90) additional days. The employee's performance should be evaluated and submitted to the Town Manager 1 week prior to the completion of this extended probationary period.
- c. Transfer/Promotion/Termination of Rater - A performance evaluation is submitted on an employee at the time of transfer, promotion, or termination of the rater for reasons other than termination for cause, provided an employee performance evaluation has not been completed within ninety (90) days. This process facilitates the new supervisor's ability to rate the employee's entire evaluation period.
- d. Diminished Performance - If at any time during the review period an employee's performance diminishes and falls below Meets Standards, the employee should be counseled to determine the cause and a specific corrective action plan should be developed. If improvement is not achieved within 30 days, the employee's performance should be evaluated and the employee placed on probation, not to exceed 90 days. Documentation to support this action must be attached by the evaluator. The employee may be terminated at any time during the probationary period.

Reviewers are responsible for ensuring all documents are forwarded to the Human Resources Director's Office according to the time requirements outlined in this policy.

## **VI. Administration of Performance Appraisal**

### **1. Annual Fund Allocation Process**

Annual reviews will take place January 1<sup>st</sup>- January 31<sup>st</sup> each year for the prior January 1<sup>st</sup>-December 31<sup>st</sup> period. The Town Manager, working with the Human Resources Director, shall annually review the Pay for Performance Program and the following process shall be utilized in developing budget estimates for a central pool of funds to be allocated to the various offices and departments of the Town.

- a. The percentage of funds dedicated to pay for performance increases shall be estimated and recommended for approval as part of the annual budget process by the Town Manager working with the Finance Director and the Human Resources Director.
- b. Department Directors and Supervisors are responsible for reviewing all employees' performance and employee eligibility for performance-based increases.
- c. Each Department Director working with Supervisors will determine how funds will be allocated within their respective department, which recommendations justify recognition and will ensure consistent and equitable consideration of all recommendations and awards.
- d. Each Department Director or Supervisor will submit the employee's annual evaluation form with recommended salary increase to the Human Resource Director's Office with final approval by the Town Manager.
- e. The Town Manager or his/her designee will track each evaluation increase and develop a proposal amount for Town Council consideration as part of the budget process for the next fiscal year.
- f. Recognition of employees for their performance will take place during the first pay period in March or as determined by the Town Manager.
- g. The process relies upon the professionalism and management ability of the Department Directors and Supervisors to allow the allocation of resources at their disposal.

## **2. Employee Evaluation Administrative Process**

The Human Resources Director under the direction of the Town Manager will distribute performance appraisal forms to the Department Directors. Evaluations will be reviewed prior to being presented to the employee.

### a. Establishing Standards, Goals and Objectives

Employees will review the standardized performance factors established for their positions. Department Heads and Supervisors (raters) meet with employees to review the performance appraisal system, discuss job requirements and standards that are applicable to the position, and jointly establish goals and objectives for the coming year.

Employees and reviewers sign the performance appraisal form to signify this process was accomplished.

### b. Monitoring Performance

**To measure progress toward the accomplishment of established performance goals and the performance of job requirements, Department Heads and Supervisors should maintain accurate and specific documentation of employee performance.**

Department Heads and Supervisors should provide feedback to their employees on a regular basis regarding performance.

### c. Processing Pay for Performance Program Increases

Before the end of the Annual Review Period, the Human Resource's Office will send reminders and will distribute evaluation forms and any other information and documents to facilitate the processing of pay for performance increases.

This program will be used to reward performance that consistently meets or exceeds standards in accordance with the Town's Performance and Evaluation System. Department Heads and Supervisors will have the ability to award an increase in pay – that is applied to an employee's base salary.

Salary increases for performance that meets or exceeds standards can be awarded at completion of the employee's evaluation period. However, the maximum percent increase allowed through this program is three percent (3%).

Department Directors and Supervisors are responsible for monitoring the level of performance increases of their offices or departments and employee eligibility.

Each Department Director or Supervisor will determine how performance increases will be allocated within their respective department/office, which recommendations justify recognition and will ensure consistent and equitable consideration of all recommendations and awards.

A Personnel Action Form must be completed for each increase. Forms must be signed by the Department Director or Supervisor and forwarded to the Human Resources Director for their review and to the Town Manager for final approval.

Departments duplicate and provide a copy of the Performance Appraisal Form to the employee/recipient, maintain a copy for their files and send the originals to the Human Resources Director on or before January 31<sup>st</sup>.

The Human Resources Director under the direction of the Town Manager reviews all documents for compliance with policy and forwards the forms to the Town's Payroll staff which processes the appropriate increase. Performance increases will be processed effective the first pay period of March.

Policy adopted by Selma Town Council

Effective Date: May 11, 2021

*As of May 11, 2021, this policy replaces and supersedes any previous policies, or unwritten policies or practices covering the same subject.*