

Evaluation of Manager/CEO/CAO *

Board oversight of the organization starts by setting the performance expectations of the Manager/CEO/CAO who most often works “at the pleasure” of the governing body. Some argue that oversight of the organization can largely be reduced to the evaluation of the person responsible for running the organization.** We do not recommend putting all of your organizational oversight eggs in this one basket. Corporate and nonprofit boards have an easier time doing this. Unlike mission-driven nonprofit organizations and for-profit organizations who share a common over-riding “bottom line”, local governments often have competing expectations of the citizens they serve. Boards learn about these expectations and participate in balancing them when they work with management to co-create and co-own what counts for organizational performance.

* For a fuller discussion, see Morgan and Gleason. (2020). *Local Elected Officials: Guardians of Good Governance*, Chapter 5, “The Organizational Oversight Role of the Board”, pp. 102-104.

** See John Carver, [\(https://webcache.googleusercontent.com/search?q=cache:uZfZUZop3FgJ:https://www.carvergovernance.com/pg-np.htm+&cd=5&hl=en&ct=clnk&gl=us,_\(accessed May 2020\)](https://webcache.googleusercontent.com/search?q=cache:uZfZUZop3FgJ:https://www.carvergovernance.com/pg-np.htm+&cd=5&hl=en&ct=clnk&gl=us,_(accessed May 2020))

Eleven Core Dimensions of Manager/CAO/CEO Evaluation

Based on our experience in working with boards, being on boards and serving in CEO roles, we offer the following eleven (11) performance expectations that should minimally be the focus of the manager's evaluation. We underscore the documents used as evidence in performing the annual evaluation.

1. Support of board priorities as evidenced by the development of a proposed budget that supports adopted council goals and such other documents and activities that are specifically enumerated twelve months before the beginning of the manager's evaluation period.
2. Monitor and report on the status of the council's adopted long range operational plans, financial and service forecasts.
3. Establish and sustain a community supported service system, which is designed to improve and enhance the health, welfare and safety of the citizenry, as evidenced by community satisfaction and customer service surveys.
4. Develop and maintain a capital improvement program that adequately maintains and enhances the publicly owned assets over their useful life.
5. Provide cost effective service that is both measured and tested to assure maximum reasonable efficiency and effectiveness, as evidenced by periodic discussions and summary reports to the board.
6. Maintain financial systems which will ensure internal financial control, report revenue and expenditures at the line item detail and reconcile all accounts on a monthly basis, as evidenced by the annual audit report and periodic summary reports to the board on trends and issues of potential concern.
7. Follow prudent and professional financial practices to insure a well-managed and financially sound organization, as evidenced by the annual audit report.
8. Make explicit the roles between governance, policy, and operational practices, as evidenced by a document prepared by the management team on behalf of the board and approved by council.
9. Ensure that the organization has the capacity to perform in perpetuity, and maintains a focus on serving the citizens as its overarching priority, as evidenced by employee, customer and citizen surveys.
10. Operating and capital budgets will be prepared separately and incorporated into the annual budget process, as evidenced by the existence of separate operating and capital budgets.
11. Meet state and federal requirements supported by adequately funded and staffed training programs, as evidenced by an annual compliance and training plan report to the board.

