

# LOYALIST COLLEGE

## Board of Governors Policy

A2	<b>A. President-Board Relationship</b> <b>A2. COLLEGE PRESIDENT PERFORMANCE MANAGEMENT REVIEW</b>
----	--

**Date Last Approved:** June 2019

**Next Review Date:** 2023

### Background

In this policy, unless otherwise defined herein or the context requires otherwise, words have the same meaning as they do in By-Law 1 of the College.

The role of the president is critical to the success of a community college. The president is both the chief executive officer of the college and its chief education officer. Success in the role requires a demonstrated ability to establish and carry out long term plans and to achieve complementary annual performance goals. Creating a vision and enabling the college's strategic plan, annual business planning, goal setting, and leadership/administration of the college is the focus of the college president's annual performance review.

The President and CEO is the only employee of the Board of Governors, as such providing feedback on performance and input into goal setting is a primary function of the Board. Feedback is encouraged by all members of the Board. The rating, discussion and resolution of performance is a matter reserved for External Governors only as per the conflict of interest by-laws of the Board.

Whether the President is eligible to receive performance pay will be based solely on the financial state of the College at the fiscal year end, as set out in detail in this policy.

The intention of this policy is to separate the goals and objectives process, and assessment of the President's performance relative to the goals and objectives, from the President's eligibility to receive performance pay. The Board and the President intend to establish holistic, visionary and short term goals and objectives, which could be difficult to translate to a quantitative score that could be used to determine eligibility for performance pay. By using the Audited Financial Statements (as defined below) to determine whether the President is eligible to receive performance pay, Governors are following the guiding principle of 'what matters most', and fulfilling their role of overseeing the College's financial viability and sustainability. The Governors will be able to determine whether the College is in financial deficit; has a balanced budget or indeed a financial surplus for the fiscal year. This is a "SMART" objective: it is **S**pecific, **M**easurable, **A**chievable, **R**ealistic, and **T**ime-based.

## Policy / Procedure

It is the policy of the Loyalist College Board of Governors to undertake an annual review of the President's job performance, based on mutually agreed-on objectives and measurements (the "Annual Review"). The purpose of the Annual Review is to evaluate the President's success in achieving the annual strategic and operational performance goals, as established by the President and the Board and consistent with achievement of the College's strategic plan. This Annual Review process will also identify any areas for further development and describe a plan to guide and support such development.

1. The process for the evaluation of goals and objectives will not be used to determine the President's eligibility for performance pay. The performance pay for the President of the College will be based solely on the financial performance of the College as reported at fiscal year-end by an accredited audited report (the "Audited Financial Statements").
  - a. If the College is in a current balanced budget or in a surplus position at year-end, the President will be awarded the full extent of the performance pay as established by contract and as permitted by applicable executive compensation legislation in effect from time to time.
  - b. If the College is in a deficit at year-end, the President is not eligible for the performance pay with the following exception.
    - i. If external forces beyond the control of the President, such as the cessation of grants, unforeseen labour stoppages, government policy changes etc., have resulted in a deficit at year-end, then the Board may elect in its sole discretion to:
      1. Pay the performance pay in the existing year in consultation with the President; or
      2. Defer payment of the performance pay to the next fiscal year in consultation with the President.
2. In every fiscal year, the Executive Committee will:
  - a. convene a meeting to review and discuss the Audited Financial Statements and vote on whether to pay any performance pay to the President under paragraph 1 above; and
  - b. present their recommendation to the Board at an in-camera session and solicit a vote from the External Governors only.
3. The Executive Committee shall endeavour to hold the meeting contemplated in section 2(a) above in May. The Board shall endeavour to hold the meeting contemplated in section 2(b) above in June.

### **Performance Review Process:**

1. At the April In Camera Board meeting (first meeting of the ‘new’ or ‘current fiscal year) or nearest date if no April Board meeting, the President shall present a set of goals and objectives to the Board that are formed from the College’s strategic plan. All Board members shall participate in this discussion.
2. External governors may make revisions or approve the goals and objectives as presented.
  - a. If revisions are required, steps 1 and 2 are repeated until an approved set of goals and objectives are established.
3. The President, using a mutually-agreed reporting template, will update the Board on an on-going basis at each Board meeting on the progress of each goal and objective.
  - a. The Board can ask for clarifications and explanations at any time during such updates or directly in a meeting with the President.

#### **4. Mid-Year Review**

The Executive - Committee, on behalf of the Board, shall initiate a semi-annual discussion with the President to review progress at the November Board meeting (or nearest date if no November Board meeting). The purpose of this semi-annual discussion is to make any necessary adjustments to the goals and objectives of the College and to identify any barriers impeding progress, and to revise goals, if necessary. If the goals and objectives are revised, such revisions will be documented and form the basis for the Annual Review. If adjustments are required, the President will present such adjustments to the Board at the next In Camera Board meeting immediately following the mid-term review.

#### **5. End of Year Review**

The Annual Review process shall be carried out in accordance with the following guiding principles:

- a. fairness and objectivity;
- b. clear, mutually agreed-on methodology for assigning the level of performance to the President's annual goals;
- c. performance level of the annual goals linked to effective development and execution of the College’s strategic plan; and
- d. involvement of the President in the development of goals and objectives and the Colleges’ strategic plan.

6. At the March Board meeting ( the last month of the fiscal year) or nearest date if no March Board meeting, the President will formally present the final update, including a written report on the approved forms, on the status and progress of each goal and objective.
7. Following the Board meeting, Governors will have an opportunity to provide comments and opinions (Either in an online survey or a manual paper survey) about the status and progress of each goal and objective on the approved form, and return the same to the Executive Committee.
  - a. External Governors may provide comments for each goal and objective and will complete an overall rating of the President's performance by selecting one of the following: "Exceeds Expectations", "Meets Expectations", or "Below Expectations".
  - b. Internal Governors may provide comments concerning each goal and objective but will not provide a rating
8. The Executive Committee will compile the results and will discuss the same with the President. Once the President has had an opportunity to review the past year's Annual Review results s/he may provide any comments.
9. Results of the President's Annual Review for the past fiscal year will be shared with External Governors in writing by the Past Chair (or Current Chair if Past Chair is not available) at the In Camera Board meeting in April. The Governors' responses and ratings shall remain confidential but shall not be anonymous vis-à-vis the participants in the in-camera session. The Past Chair (or Current Chair if Past Chair is not available) will present a motion for approval with respect to the overall performance of the President in the past fiscal year. The President has an opportunity to respond verbally and in written form to the comments and overall rating to the Board. Internal Board Members will be excused for the presentation, discussion and vote on performance.
10. A copy signed by both the Board Chair and the President will be retained in the President's personnel file.

## **Monitoring**

The Board of Governors will evaluate the performance of the President. This document will be amended as necessary to facilitate an efficient and effective performance review.