

**Performance Evaluation Practices**  
Conservancy Executive Director and CEO

→Underline represents proposed added text; ~~strikethrough~~ represents proposed deleted text.

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**Statement of Purpose.** This paper describes the process the Conservancy’s Board of Directors typically uses for Executive Director performance evaluations and related adjustments, if any, to compensation.

**Introduction.** As a matter of good governance practices, the Board of Directors of the Conservancy conducts annual performance evaluations of the Conservancy’s CEO/Executive Director (“Executive Director”). The evaluation process provides Board members with an opportunity to voice any issues with the Executive Director’s performance and for the Executive Director to learn more about the Board’s expectations.

~~**Past practice; performance evaluation.**~~ Typically, the chair of the Board’s Compensation and Governance Committee (CGC) gathers information regarding the Executive Director’s performance for the prior year. This starts with obtaining from the Executive Director a self-evaluation of the Executive Director’s employment performance for the prior year. The Executive Director submits the self-evaluation to the CGC chair by December 15 of each year.

The CGC chair then sends the submitted Executive Director self-evaluation to Board members along with a request that Board members fill out a performance evaluation form (copy attached) for the Executive Director. The CGC chair includes communications with any requests Board members complete the likely to have relevant input into the process of the Executive Director’s performance evaluation form and Email return it directly to the CGC chair no later than January 1 of each year, including any additional comments regarding:

- 1.) compliance with the Job Description (see below),
- 2.) adherence to the Employment Agreement with the Conservancy, and
- 3.) general performance.

~~Following this, the chair of the CGC may will call a meeting of the CGC for the following purposes:~~

- ~~1.) to bring to the attention of the CGC any issues of concern or focus regarding the Executive Director’s performance,<sup>+</sup>~~
- ~~2.) in closed session, the chair shares any such issues with the CGC members,~~

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<sup>+</sup>~~In some years, no meeting of the CGC is held, as the CGC Chair’s contacts with CGC members have yielded all the needed information required for a report to the Board.~~

~~3.) the CGC formulates a report and recommendation to the full Board.~~

Following receipt of Board members' evaluations, no later than February 1 of each year, the CGC will synopsize Board members' evaluation forms into one document.

At the next Board of Directors meeting, in closed session,

- 1.) the CGC chair shares with the Board the results of the CGC ~~his or her~~ research and evaluation compilation of Board member evaluations, ~~as well as the results of any CGC meeting,~~
- 2.) the CGC chair shares with the Board any recommendations of the CGC (this report is normally verbal, and is used to initiate discussion among Board members),
- 3.) the Board then discusses and finalizes the evaluation ~~and makes findings on of~~ the Executive Director's performance,
- 4.) after the meeting is completed, the Board President Chair and the CGC Chair ~~are usually asked to~~ meet with the Executive Director to convey the results of the Board's evaluation (~~in some cases, this is verbal, and in some cases it is written~~), and
- 5.) the CGC Chair and the Board President Chair ~~typically~~ follows up with a written performance review, and along with the Executive Director's self-evaluation and Executive Director's response (optional) to the Board's performance evaluation, that is are included in the Executive Director's personnel file by March 15 of each year.
- 6.) individual Board members' forms are to be held by CGC chair until such time the process is complete; when complete, the forms are destroyed.

**Past practice; compensation adjustments.** In ~~the any~~ CGC meeting (or in non-meeting communications with CGC members) where the Executive Director's performance ~~appraisal~~ evaluation is conducted, the CGC also considers the Executive Director's compensation. At this time, the CGC evaluates whether there should be any adjustment to the Executive Director's compensation for the coming 12 months.<sup>2</sup> ~~Absent a CGC meeting, the CGC Chair will confer with Board members in this regard.~~

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<sup>2</sup> The Board is required to determine that any changes to a chief executive officer's compensation are "just and reasonable." See excerpt from California Government Code, Section 12586(g):

*The board of directors of a charitable corporation or unincorporated association, or an authorized committee of the board, and the trustee or trustees of a charitable trust shall review and approve the compensation, including benefits, of the president or chief executive officer and the treasurer or chief financial officer to assure that it is just and reasonable. This review and approval shall occur initially upon the hiring of the officer, whenever the term of employment, if any, of the officer is renewed or extended, and whenever the officer's compensation is modified. Separate review and approval shall not be required if a modification of compensation extends to substantially all employees.*

The CGC and the Board should have available to them a report to use in making the "just and reasonable determination."

At the Board of Director's meeting where the Executive Director's performance is evaluated,<sup>3</sup> the Board discusses any proposed changes to the Executive Director's compensation.<sup>4</sup> If there are changes, then these are generally referred to legal counsel, who provides for an amendment to the Employment Agreement between the Executive Director and the Conservancy. This is then scheduled for action at the next regular Board of Directors meeting if it was not acted on at the above-noted Board meeting.

**Conclusion.** The performance review of the Conservancy's Executive Director is intended as a communications tool. By going through an evaluation process and by communicating the results of this process with the Executive Director, it is more likely the Board and Executive Director are clear on expectations. It also helps insure that at least annually, the Board of Directors engages itself in a discussion as to the adequacy of the services of the Executive Director for the benefit of the Conservancy.

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<sup>3</sup> The Board ~~generally~~ convenes in Executive Session for the Executive Director's performance evaluation.

<sup>4</sup> Action taken to change the Employment Agreement between the Conservancy and its Executive Director, including adjustments to the Executive Director's compensation, if any, are conducted in open session.

**JOB DESCRIPTION**  
Executive Director  
The Natomas Basin Conservancy

February 1999

General: Serves as the chief executive officer. Recommends and participates in the formulation of new policies and makes decisions within existing policies as they have been approved by the Board of Directors. Plans, organizes, directs and coordinates the staff, programs and activities of the organization to assure that objectives are attained and plans fulfilled. Maintains effective internal and external relationships on behalf of the organization. Through management and leadership, achieves economical, productive performance, forward-looking programs and constructive management of the organization.

Specific: Within the limits of the bylaws and policies of the organization, the executive director is responsible for and has commensurate authority to accomplish the duties set forth below:

- Sees that the Board of Directors are kept informed on the conditions and operations of the organization.
- Attends all meetings of the Board of Directors.
- Plans, formulates and recommends for the approval of the Board of Directors, basic policies and programs which further the objectives of the organization.
- Executes the decisions of the Board of Directors.
- Develops, for purposes of day-to-day administration, specific policies, procedures and programs to implement the general policies established by the Board of Directors.
- Establishes a sound organization structure for the headquarters office and recruits, hires, trains and motivates organization staff. Responsible for all hiring and employment terminations. Directs and coordinates all approved programs, projects and major activities of the headquarters staff.
- Maintains effective relationships with other organizations, both public and private.
- In cooperation with the Board of Directors develops and recommends, and upon approval, operates within, an annual budget. Insures that all funds, assets and property of the organization are safeguarded and appropriately administered. Assists with audits that the Board of Directors orders.
- Oversees the collection of fees and other income, properly accounts for their receipt, and reports on this activity to the Board of Directors on a timely basis.

- Performs a secretarial function for the Board of Directors, maintains official minutes and keeps them and all other important organizational papers and documents in an appropriate and safe place.
- Works with legal counsel, accountants and the Board of Directors to make sure the organization is in compliance with all laws, and that financial and accounting rules, standards and regulations are adhered to.
- Is responsible for the planning, promotion and administration of all official meetings of the organization.
- Carries out such other general responsibilities as may be delegated by the Board of Directors.

Relationships: Is responsible to the Chairman/President for the administration of the headquarters office and for the proper interpretation and fulfillment of all of the Executive Director functions, responsibilities and authority. Also, serves as ex-officio to the Board of Directors, without right to vote.