



Performance Recognition & Compensation Model

(Step Matrix + Merit Recognition Program)

The Village maintains a pay matrix with step progression to ensure fairness, transparency, and consistency in employee compensation. Step increases are intended to reward employees who meet performance expectations and demonstrate continued competency in their roles.

To recognize employees who significantly exceed expectations while preserving the integrity of the step matrix, the Village utilizes a tiered performance recognition system that combines step movement with merit-based bonuses.

Performance Tiers

Performance Rating	Description	Compensation Action
Tier 1 – Needs Improvement	Performance below expectations; improvement plan required	No step increase
Tier 2 – Meets Expectations	Consistently performs duties effectively and reliably	One step increase
Tier 3 – Exceeds Expectations	Demonstrates strong initiative, leadership, and measurable contributions beyond normal duties	One step increase + Merit Bonus (Grades H-J \$500; Grades D-G \$1,000; Grades B-C \$2,000)
Tier 4 – Exceptional Performance	Performance significantly impacts departmental or organizational outcomes	One step increase + Merit Bonus (Grades H-J \$750; Grades D-G \$1,500; Grades B-C \$3,000)

This structure ensures no employee receives more than one step increase per evaluation cycle, preserving the integrity of the pay matrix. The Village Manager’s performance evaluation and merit determination will be made by the Village Board.

Merit Bonus Structure

Merit bonuses are one-time payments and do not permanently increase base salary. This prevents long-term pay compression while still rewarding high performance.

Merit bonuses are calculated as a flat dollar amount, ensuring fairness across pay grades. This ensures bonuses scale appropriately with position responsibility and pay grades.



Employee Self-Evaluation Form

Employee Name: _____

Position Title: _____

Supervisor: _____

Review Year: _____

Self-Evaluation Rating Scale

Rating	Description
1	Needs Improvement
2	Developing/Inconsistent
3	Meets Expectations
4	Exceeds Expectations
5	Exceptional

Self-Assessment Categories

Employees should rate themselves honestly and provide examples where appropriate.

1. Job Knowledge and Quality of Work

Demonstrates knowledge of job duties and produces accurate, high-quality work.

Self Rating (1-5): _____

Examples or accomplishments:

2. Productivity and Reliability

Completes work efficiently, meets deadlines, and demonstrates dependable attendance.

Self Rating (1-5): _____

Examples:

3. Communication and Teamwork

Works effectively with coworkers, supervisors, and the public.

Self Rating (1-5): _____

Examples:

4. Initiative and Problem Solving

Demonstrates initiative and ability to resolve challenges or improve processes.

Self Rating (1-5): _____

Examples:

5. Professionalism and Accountability

Maintains ethical standards, responsibility, and professionalism.

Self Rating (1-5): _____

Examples:

6. Organizational Impact

Contributions that improved departmental operations, services, or efficiency.

Self Rating (1-5): _____

Examples:

Employee Reflection

Key accomplishments during this year:

Areas where I would like to improve:

Professional development or training requested:

Attainable goals for the next review period:

Employee Signature: _____

Date: _____



Supervisor Evaluation and Tier Determination Form

Employee Name: _____

Position Title: _____

Supervisor: _____

Review Year: _____

Pay Grade: _____

Supervisor Rating Scale

Score	Rating	Description
1	Needs Improvement	Performance is frequently below expectations
2	Developing	Inconsistent performance
3	Meets Expectations	Consistently performs duties effectively
4	Exceeds Expectations	Frequently exceeds normal job expectations
5	Exceptional	Consistently delivers outstanding results

Performance Evaluation

1. Job Knowledge and Quality of Work

Demonstrates knowledge of job duties, technical work, and produces accurate, high-quality work.

Supervisor Rating (1-5): _____

Examples or accomplishments:

2. Productivity and Reliability

Completes work efficiently, meets deadlines, and demonstrates dependable attendance.

Supervisor Rating (1-5): _____

Examples:

3. Communication and Teamwork

Works effectively with coworkers, supervisors, and the public.

Supervisor Rating (1-5): _____

Examples:

4. Initiative and Problem Solving

Demonstrates initiative and ability to resolve challenges or improve processes.

Supervisor Rating (1-5): _____

Examples:

5. Professionalism and Accountability

Maintains ethical standards, integrity, responsibility, and professionalism.

Supervisor Rating (1-5): _____

Examples:

6. Organizational Impact

Contributions that improved departmental operations, services, or efficiency.

Supervisor Rating (1-5): _____

Examples:

Total Score: _____ / 30

Tier Determination

Total Score	Performance Tier
6 – 14	Tier 1 – Needs Improvement
15 – 20	Tier 2 – Meets Expectations
21 – 26	Tier 3 – Exceeds Expectations
27 – 30	Tier 4 – Exceptional Performance

Final Tier Rating: _____

Compensation Action:

Supervisor Summary Comments:

Final Goals for Next Review Period:
