



Legislation Details (With Text)

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Attachments: 1. GLWA_CEO Contract Amendment 1 Aug 18 2017 w RJD Comments

Date	Ver.	Action By	Action	Result
9/13/2017	1	Board of Directors Workshop Meeting	Approved	Pass

Change Order No.1 to CEO Employment Agreement

Agenda of: September 13, 2017

Item No.: **2017-358**

Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: August 23, 2017

RE: **Change Order No.1 to CEO Employment Agreement**

MOTION

Upon recommendation of William M. Wolfson, Chief Administrative and Compliance Officer/ General Counsel, The Board of Directors (Board) of the Great Lakes Water Authority (GLWA): **Approves the attached Change Order No. 1 to the CEO Employment Agreement;** and authorizes the Board's Chairman and GLWA General Counsel to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

On December 17, 2015 the Board entered into an Employment Agreement (Agreement) with Sue McCormick to serve as the GLWA's Chief Executive Officer (CEO). That Agreement provided for an annual salary (Section 4.1) as well as a performance based bonus. (Section 5.1 and Attachment C). In addition, Section 5.3 of the Agreement provided the initial term for CEO McCormick's performance would end on June 30, 2017.

On June 28th the Board reviewed McCormick's performance during the relevant period with her and unanimously determined that her performance "Exceeds expectations."

Section 4.1 of the Employment Agreement with McCormick also called for a benchmarking of her compensation. Based upon this data and McCormick's performance, the Board is considering a salary adjustment reflected in the attached Proposed Change Order No. 1.

The "Performance metrics" for CEO McCormick during the evaluation period were reflected in Attachment C of that Agreement. In the course of reviewing those metrics it became clear that some were no longer relevant due to having been achieved or the occurrence of subsequent events. The Board created an advisory *ad hoc* Contract Committee to meet with CEO McCormick and discuss these metrics. Recommended revisions to Attachment C are included in this Change Order No. 1

JUSTIFICATION

The Board employs the GLWA CEO who is responsible for the day-to-day operations of the utility. The Board has determined that McCormick's performance during the initial evaluation period pursuant to the Agreement exceeds expectations and wishes to continue her service as the GLWA's CEO and compensate her at a level commensurate with her qualifications and performance.

BUDGET IMPACT

The projected costs associated with Change Order No. 1 to the CEO's Employment Agreement can be accommodated within the budget for FY18 adopted by the Board.

COMMITTEE REVIEW

This item is being presented directly to the full Board of Directors.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.