



Legislation Details (With Text)

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Title: Change Order No. 4 to CEO Employment Agreement

Sponsors: William Wolfson

Indexes: Board of Directors

Code sections:

Attachments: 1. CEO Contract Amendment 4

Date	Ver.	Action By	Action	Result
9/23/2020	1	Board of Directors	Approved as Amended	Pass

Change Order No. 4 to CEO Employment Agreement

Agenda of: September 23, 2020

Item No.: **2020-321**

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 24, 2020

RE: **Change Order No. 4 to CEO Employment Agreement**

MOTION

Upon recommendation of William M. Wolfson, Chief Administrative and Compliance Officer, and Randal M. Brown, General Counsel, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA):

1. Approves the attached Change Order No. 4 to the CEO Employment Agreement; and
2. Requests that within 30 days of the approval of this Change Order, staff present to the Board, through its Audit Committee, material outlining potential changes to the Procurement Policy intended to promote opportunities for small businesses and disadvantaged businesses, located within GLWA's service area to participate in GLWA procurements and contract awards; and

3. Requests that as a part of its submission of the proposed biennial budget for Fiscal Years 2021-22 and 2022-23 and the proposed charges for Fiscal Year 2021-22 the CEO submit data to the Board indicating how those charges compare to other utilities and/or the consumer price index (CPI); and

4. 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. Based upon its review of CEO McCormick's performance, on September 13, 2017, the Board authorized Change Order No. 1 to the Agreement; on November 28, 2018, the Board authorized Change Order No. 2 to the Agreement; and on June 26, 2019, the Board authorized Change Order No. 3 to the Agreement. The attached Change Order No. 4 to the Agreement is presented to memorialize the Board's expectations and to establish the CEO's compensation for the period ending June 30, 2021.

JUSTIFICATION

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

BUDGET IMPACT

The projected costs associated with Change Order No. 4 to the CEO's Employment Agreement can be accommodated within the budget for Fiscal Year 2020-21 adopted by the Board.

COMMITTEE REVIEW

This item was reviewed by The Board's *Ad Hoc* Committee of CEO's Contract and Compensation at its August 28, 2020 meeting. The *Ad Hoc* Committee unanimously recommended approval of this item..

SHARED SERVICES IMPACT

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