



Legislation Details (With Text)

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| 9/23/2020 | 1 | Board of Directors | Approved | Pass |

Evaluation of Chief Executive Officer's Performance for Fiscal Year 19-20

Agenda of: September 23, 2020

Item No.: **2020-322**

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: September 16, 2020

RE: Evaluation of Chief Executive Officer's Performance for Fiscal Year 19-20

MOTION

The Board of Directors (Board) of the Great Lakes Water Authority (GLWA); **determines that for the Fiscal Year 2019-20, ending June 30, 2020, the performance of the GLWA's Chief Executive Officer exceeds expectations;** and authorizes the Board's Chairperson, GLWA General Counsel and Chief Administrative and Compliance Officer 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.

Change Order No. 3 to the agreement requires that on or before June 30, 2020, the Board will evaluate the CEO's performance for Fiscal Year 2019-20 and determine whether that performance has either; failed to meet expectations, meets expectations, or exceeds expectations. On June 24, 2020, the Board adopted Resolution 2020-227 in which the Board deferred: "its review of the chief executive officer's performance for the prior fiscal year and defers its vote to approve or disapprove a Change Order to the CEO Employment Agreement until: (1) the Compensation Committee meets to set the criteria for evaluating the CEO's performance for the next year; and (2) the CEO recommends resolutions of the pending arbitrations between GLWA and the City of Detroit."

JUSTIFICATION

The Board has reviewed McCormick's performance during the evaluation period, wishes to continue her service as the GLWA's CEO, and, is evaluating her performance.

BUDGET IMPACT

Any costs associated with the Board's evaluation of the CEO's performance for Fiscal Year 2019-20 can be accommodated within the budget adopted by the Board.

COMMITTEE REVIEW

This was presented to the Board's *Ad Hoc* Committee on the CEO's Contract and Compensation on August 28, 2020. By a 2-1 vote the members of the Committee recommended an evaluation of "Exceeds Expectations."

SHARED SERVICES IMPACT

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