TheRide Monitoring Report

2.9 Emergency CEO Succession

Period: August 1, 2018 – July 1 2018

Date of Report: Wednesday, August 1, 2018

Board Survey due: Monday, August 6, 2018

Service Committee Review: Wednesday, August 8, 2018

Board Review: Thursday, August 16, 2018

TheRide board;

In accordance with the Board's Policy Manual; I present the August Monitoring report on **Executive Limitation Policy 2.9: Emergency CEO Succession**. This report consists of internal report information from staff.

I certify that the information is true and complete.

Matt Carpenter,
CEO
Ann Arbor Area Transportation Authority

Executive Limitations Policy 2.9

In order to protect the Board from sudden loss of CEO services, the CEO may have no fewer than one, and preferably two, other executives who are sufficiently familiar with Board and CEO issues and processes to be able to temporarily assume the duties of CEO.

Compliance: In compliance

Current Interpretation and Rationale (*no change from previous interpretation*):

This policy requires me to ensure that there are one to two staff members, besides me, that could function as the CEO for the AAATA on a temporary or interim basis if the CEO position is suddenly vacant. These individuals must be able to maintain all key AAATA functions without my guidance, especially through:

-leadership of organization's transportation services and administration

-working knowledge of board policies, processes, and staff obligations

I interpret the words "sudden loss" in this case to mean that this policy covers a sudden vacancy of the CEO position, and does not cover times when the sitting CEO is merely temporarily absent, for example on vacation or a pre-arranged medical leave. In those circumstances, the CEO is expected to appoint an "Acting CEO" to ensure a clear chain of command during his/her absence.

If the CEO position was suddenly vacant, or I am otherwise unable to perform my duties, the board's Executive Committee (Policy 3.7.2) will have one or two individuals they could select from to serve as interim CEO. I am obligated to ensure these positions exist and are filled, but the Board is not obligated to use those individuals.

Evidence and data:
In response to this policy, and as a way to effectively manage the organization, I have developed Deputy CEO positions

- Deputy CEO of Operations
- Deputy CEO of Finance and Administration
- Deputy CEO of Planning and Innovation

These positions are filled as of this report, though the Deputy CEO of Planning and Innovation will depart shortly. I have high confidence that either remaining individual could temporarily lead the organization's key functions in my absence. As AAATA's Executive Team, the CEO and deputies meet regularly to discuss the organization's business and ensure that we are collectively well-informed and well prepared. They are familiar with all department managers and their responsibilities. As practice and good management, I also assign one of them to be Acting CEO when I am out of town on business or vacation, and alternate between them. Job descriptions for the Deputy CEO positions are attached.

To ensure working knowledge of board policies, processes, and staff obligations; I also have both deputies regularly attend many, if not all, Board and Committee meetings. They have previous experience working with boards and have familiarized themselves with the principles of Policy Governance.

Policy: 2.8 Asset Protection

Date Submitted: August 2, 2018   **Date of Board Response:** August 16, 2018

The Board has received and reviewed the CEO's Monitoring Report references above. Following the Board's review and discussion with the CEO, the Board makes the following conclusions:

Executive Limitations Report   (select one)

The Board finds that the CEO:

    A.   Is in compliance
    B.   Is in compliance, except for item(s) noted.
    C.   Is making reasonable progress toward compliance.
    D.   Is *not* in compliance <u>or</u> is *not* making reasonable progress toward compliance
    E.   Cannot be determined.

Board notes: