



Board Policy No. 160

Board Officers: Performance Evaluations & Compensation, Employment Agreements, Leave Notification

ADOPTED: 05/1990

RECENT AMENDMENT: 11/9/2022

SEE ALSO: N/A

SUBJECT CATEGORY: SECTION 100, GOVERNANCE & ADMINISTRATION

SUBSECTION: BOARD OFFICERS

CONTROL DEPARTMENT: DISTRICT SECRETARY, GENERAL COUNSEL

I. PURPOSE

Recognizing the sound management practice of regular communication and feedback to Board Officers regarding their work performance, the purpose of this Policy is to establish guidelines for formal performance evaluations and compensation adjustments for Board Officers by the Board of Directors. This policy also addresses requirements for employment agreements and leave notifications.

II. PERSONS AFFECTED

Board Officers, as defined below.

III. DEFINITIONS

“Board Officers” means the three positions of General Manager/Chief Executive Officer, General Counsel/Chief Legal Officer, and Board Administrative Officer/District Secretary. Individuals who serve in these positions are directly appointed by the Board of Directors, report directly to the Board, and serve at the pleasure of the Board.

“Compensation” means negotiated salary, health and welfare benefits, retirement, and general leave, and includes, but is not limited to, merit, cost of living, or other financial bonuses offered by the Board as payment for serving as Board Officers.

“Anniversary Date” means the annual month and day of the Board Officer’s appointment to their respective position. This date may differ from the Board Officer’s District anniversary date if the Board Officer was an employee of the District prior to becoming a Board Officer.

“Leave” means vacations, trips out of town, or illness of one full workday or more.

IV. POLICY

A. Performance Evaluations and Compensation

It is the general policy of the AC Transit Board of Directors that it will complete a performance and compensation evaluation of the Board Officers, at least once annually. Such evaluations may be more frequent than once annually during an Officer's first year of service and otherwise as requested by the Board or by a Board Officer and approved by the Board. The evaluation process outlined in Subsection 2. shall serve as a general guideline for conducting performance evaluations and is not intended to be prescriptive or limit the Board's discretion to abbreviate or expand the process when deemed appropriate. To effectively plan for the evaluation process, the District Secretary shall notify the Board of Directors three (3) months prior to each Officer's anniversary date.

1. Purpose of Evaluations

- a. To develop a mutual understanding of responsibilities and operational objectives for each position that helps to clarify what the Board of Directors requires from each Board Officer and communicate the Board's expectations to each Board Officer.
- b. To recognize positive performance and delineate areas that need focus and/or strengthening.
- c. To establish a basis for adjusting compensation.

2. Evaluation Process

- a. The Board of Directors may act as a committee of the whole or a special Board committee will be appointed by the Board President with the responsibility to prepare guidance and/or questions to Board Officers for preparation of a self-assessment of performance for the evaluation period. Additionally, the committee shall develop a schedule/timeline for the completion of the evaluation process. Responsibilities defined in the respective classification for each of the Board Officers will serve as the framework for performance indicators. The guidance shall also request the Officer to describe how they have contributed to the goals and objectives of the District's Strategic Plan, if applicable, or as specified in the previous year's evaluation. The development of the guidance and questions shall begin prior to the Officer's anniversary date and shall be provided to the Board Officer no later than 30 days prior to their anniversary date.
- b. The Board Officer will be given a minimum of 15 days, but no more than 30 days, to submit a written self-assessment in response to the guidance and questions. Upon receipt of the completed self-assessment from the Officer, the Special Committee, or the full Board, if no Special Committee is designated, will meet, in a timely manner, to review the Officer's submittal. Committee and/or Board members will utilize a worksheet to assign performance ratings for key elements of the Officer's responsibilities and progress on key strategic goals and objectives of the agency, if applicable. The performance ratings are shown in Appendix 1.

- c. If applicable, the recommendations of the Special Committee will be forwarded to the full Board along with copies of the performance rating worksheet for the Board members to use in their own rating of the Officer's performance.
- d. The Board of Directors shall meet with the Board Officer in Closed Session to discuss the recommended performance self-assessment, performance ratings summary and narrative. Immediately after this meeting, the Board shall reach a consensus on the overall performance of the Officer. The Board of Directors shall also in this meeting agree on performance priorities for the next evaluation cycle.
- e. Following this meeting, the Board President, or his/her designee, shall be responsible for preparing the final evaluation document and, if applicable, compensation adjustment, and submitting a copy to Board Members and the Board Officer. The rights of privacy of the Board Officers with respect to personnel matters as well as the confidentiality of closed session shall be respected, except when the need to disclose information might outweigh the privacy interest as determined by a majority of the Board in consultation with outside legal counsel, if needed.
- f. The Board Officer may, within 15 days of meeting with the committee, submit a written response to the performance evaluation. A copy of such written response shall be submitted to each Board member and the original maintained with the original performance evaluation.
- g. The final evaluation document, signed by both the Board President and Officer, along with any written responses, shall be kept in the official personnel file maintained in the District Secretary's Office. The evaluation file shall be confidential within legal limits. Once the final evaluation is completed, the Board President and Directors shall discard all working draft copies used to prepare the final evaluation form.
- h. A Director who has served on the Board for less than six months may not participate in a performance evaluation unless the affected Board Officer waives this limitation.

3. Compensation Adjustment Process

- a. The Board shall establish a schedule for consideration of compensation adjustments based on the attainment of specific levels of performance as outlined in the final Officer evaluations.
- b. An **independent** compensation review will be conducted by the Board, as needed.
- c. The Board may request the assistance of a compensation consultant who will provide survey data on comparative compensation within the San Francisco Bay Area.

- d. The Board shall meet in closed session to discuss the recommendation for adjustments to compensation, including salary, benefits, or bonus awards.
- e. The President of the Board shall be responsible for negotiating with Officers on any change in compensation.
- f. The overall performance evaluation should be judged by the Board as Outstanding or Exceeds Expectations to qualify for consideration of bonus awards to Officers.
- g. The Board President shall keep the Board apprised of contract negotiations with Board Officers and seek additional authority from the Board as needed, in closed session.
- h. Prior to taking final action, the Board President shall orally report a summary of the recommendation for a final action on the salary or other compensation paid in the form of fringe benefits or bonus awards, during the open meeting in which final action is to be taken (Ref: GC 54953(4)(c)(3)).

B. Employment Agreements

An employment agreement detailing the duties, responsibilities, authority, compensation, and evaluation process for each of the three appointed officers of the District, namely, the General Manager, the General Counsel and the District Secretary, shall be required. In the event of a conflict between the employment agreement and this Policy, the employment agreement shall take precedence. The duration of the General Manager's contract is expressly governed by Transit District Law, which is silent on the duration of the General Counsel's contract and the District Secretary's contract. The duration of the employment agreement of each of the three appointed officers of the District shall be "at will". Except for duration, the conditions of each of the three appointed officer's contracts will be negotiated at the time of hire. Said conditions may be changed by mutual agreement. This policy does not affect the appointive or the removal authority provided to the Board in Transit District Law. All final employment agreements and subsequent amendments shall be presented to the Board of Directors in open session. Prior to taking final action, the Board President shall orally report a summary of the recommendation for a final action on the salary or compensation paid in the form of fringe benefits during the open meeting in which final action is to be taken. (Ref: GC 54953(4)(c)(3))

C. Leave Notification

Board appointed officers shall provide written notice to the Board of Directors and other Board Officers of all leaves of one full day or more up to three days. Notice shall include the individual who is authorized to act on the officer's behalf during said leave. For partial day leaves, notice need only be given to the other Board Officers.

For leaves of more than three days that are planned, in advance, such notice shall be given two weeks in advance. Notice of all other leaves shall be provided within a reasonable period of time depending on the circumstances.

If a Board Officer is unable to provide written notice due to a medical emergency (self or family member) or technological reasons, written notice may be given by another Board Officer who shall promptly notify the Board.

The Board of Directors retains the authority to appoint an acting officer, upon consideration of the absent officer's recommendation, where the appointment of an acting officer will be in effect for more than three weeks or where the best interests of the District dictate the Board's selection of the acting officer.

APPENDIX 1
Performance Ratings

<u>Category</u>	<u>Description</u>	<u>Rank</u>
Outstanding	Performance significantly exceeds expectations	5
Exceeds Expectations	Performance consistently exceeds expectations	4
Meets Expectation	Regularly meets expectations	3
Needs Improvement	Meets some expectations, corrective action is needed	2
Unsatisfactory	Does not meet the minimum expectations for effectiveness. Corrective action is needed	1