

**Roaring Fork Transportation Authority**

**BOARD OF DIRECTORS**

**GOVERNING POLICIES MANUAL**

**CEO MANAGEMENT LIMITATIONS POLICY  
INTERPRETATIONS**

**December 2009**

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# CEO INTERPRETATIONS

## MANAGEMENT LIMITATIONS POLICY 2.0

### GENERAL EXECUTIVE CONSTRAINT

#### BROADEST POLICY PROVISION:

***“The CEO shall not cause or allow any practice, activity, decision or organizational circumstance that is unlawful, unethical, imprudent, in violation of the Intergovernmental Agreement or in violation of commonly accepted business practices.”***

**CEO’s INTERPRETATION:** I interpret this to mean that I, or anyone else in the organization that is under my authority, shall not cause, engage in, or allow any practice, activity, decision or organizational circumstance that is unlawful, unethical, imprudent, in violation of the RFTA Intergovernmental Agreement or in violation of commonly accepted business practices.

I interpret “practice, activity, decision or organizational circumstance” to mean and include all operational activities, methods and decisions that occur within the RFTA agency, other than at the Board level or under the purview of the General Counsel. I interpret commonly accepted business practices to mean those that typically pertain to governmental organizations and public transit agencies.

I interpret the “unlawful” provision to mean that the staff and I may not fail to ensure that all operational activity is within legal requirements as imposed by all relevant governing bodies. These legal requirements include Federal, State, and local laws, policies and regulations, as well as the legal obligations of any agreements or contracts to which RFTA is a party.

## MANAGEMENT LIMITATIONS POLICY 2.1

### TREATMENT OF THE PUBLIC

#### BROADEST POLICY PROVISION:

***POLICY # 2.1: “With respect to interactions with the public, the CEO shall not cause or allow conditions or procedures that are unfair, unsafe, untimely, unresponsive, disrespectful or unnecessarily intrusive.”***

#### **CEO’s INTERPRETATION:**

I submit that the Board has comprehensively interpreted this policy in its subsequent provisions.

**POLICY PROVISION # 2.1.1:** *“The CEO shall not elicit information for which there is no clear business necessity.”*

**CEO’s INTERPRETATION:** I interpret this policy to mean that RFTA will not solicit information from passengers and the general public unless the information is needed to gauge the effectiveness of RFTA services and programs, determine the demography of clientele and their reasons for using RFTA services and programs, or to guide decision-making regarding planned services and programs.

**POLICY PROVISION # 2.1.2:** *“The CEO shall not collect, review, transmit, store or destroy information gathered from the public in a manner that fails to protect against improper access to the material elicited.”*

**CEO’s INTERPRETATION:** I interpret this policy to mean that the confidentiality of information gathered from RFTA passengers and the public must be protected.

**POLICY PROVISION # 2.1.3:** *“The CEO shall not fail to clearly communicate to the public what may be expected from the services offered.”*

**CEO’s INTERPRETATION:** I interpret this to mean that RFTA must have adequate information available to the public that clearly communicates what RFTA services and programs are and how they can be accessed.

**POLICY PROVISION # 2.1.4:** *“The CEO shall not fail to have safety policies and procedures in place and utilized by all employees.”*

**CEO’s INTERPRETATION:** I interpret this to mean that RFTA must have established safety policies, covering all aspects of its operations, which protect the health and safety of employees and the public and protect the environment. Additionally, the CEO must ensure that employees understand RFTA’s safety policies and that they are utilizing and complying with them.

**POLICY PROVISION # 2.1.5:** *“The CEO shall not fail to provide an effective complaint and suggestion response process.”*

**CEO’S INTERPRETATION:** RFTA must have adequate, effective, mechanisms in place whereby passengers and the public can register complaints, offer suggestions, and convey commendations regarding services. Complaints must be investigated, recommendations must be thoughtfully considered, and commendations must be forwarded to appropriate personnel. RFTA personnel, to the maximum extent feasible, shall respond to complaints, recommendations, and commendations, either in writing, by e-mail, or phone.

## **MANAGEMENT LIMITATIONS POLICY 2.2**

### **TREATMENT OF STAFF**

**BROADEST POLICY PROVISION:**

***“With respect to the treatment of staff, the CEO shall not cause or allow conditions that are unsafe, undignified or disrespectful.”***

**CEO’S INTERPRETATION:**

I submit that the Board has comprehensively interpreted this policy in its subsequent provisions.

**POLICY PROVISION # 2.2.1:** ***“The CEO shall not operate without a written personnel manual, approved by legal counsel, which clarifies personnel rules for employees, provides for effective handling of grievances, and protects against wrongful conditions.”***

**CEO’s INTERPRETATION:** RFTA must have in place, and all staff must be provided with, comprehensive personnel guidelines that set forth the rules and expectations of employment. In particular, the document must provide a process and assurances that grievances will be addressed productively and in a fair manner. It must also guide actions of RFTA management and personnel in a way that precludes inappropriate or illegal conditions. Further this policy obligates the CEO to ensure that the General Counsel approves all material changes to the personnel guidelines.

**POLICY PROVISION # 2.2.2:** ***“The CEO shall not retaliate against a staff member for non-disruptive, internal expression of dissent.”***

**CEO’s INTERPRETATION:** This policy is interpreted to mean that employees must be able to freely express their disagreement with the organization’s policies without fear of reprisals. I also interpret this to mean, while being free to disagree, staff must do so through established mechanisms, and in a way that does not disrupt RFTA operations.

**POLICY PROVISION # 2.2.3:** ***“The CEO shall not prevent staff from grieving to the Board when (2) internal grievance procedures have been exhausted and (2) the employee alleges that Board policy has been violated.”***

**CEO’s INTERPRETATION:** RFTA’s Personnel Guidelines must have a provision that makes it clear that when the grievance process does not produce a result satisfactory to the grieving employee, she/he may bring her/his concern to the Board of Directors when:

- 1) ***Internal grievance procedures have been exhausted; and***
- 2) ***The grievance includes an allegation that a specific RFTA Board policy has been violated.***

I believe there should only be one exception to the requirement that appeals considered by the Board must include an allegation of a specific RFTA **Board** Policy violation. In order to ensure an impartial hearing, the RFTA Board of Directors **may** agree to preside over grievances or appeals, as defined by Section 9.2 in the RFTA Personnel Guidelines, which are lodged by Department Heads who report **directly** to the CEO.

While Management Limitations Policy 2.2.3 does provide all employees with an opportunity to grieve to a higher authority than the CEO, I interpret this policy to mean

that the Board will affirm the decisions of the CEO, as long as they are consistent with Board policy.

**POLICY PROVISION # 2.2.4:** *“The CEO shall not fail to acquaint staff with this policy, and the CEO’s interpretations of staff protections under this policy.”*

**CEO’s INTERPRETATION:** I am accountable for making sure that all employees are informed, in writing, of the entirety of the Board’s “Treatment of Staff” Management Limitations policy. I also must share with employees my interpretations.

**POLICY PROVISION # 2.2.5:** *“The CEO shall not allow staff to be unprepared to deal with emergency situations.”*

**CEO’s INTERPRETATION:** I interpret this policy to mean that RFTA must have adequate procedures established for employees to follow when they encounter emergency situations. Additionally, employees must be informed of emergency procedures and understand how to follow them if the need arises.

## MANAGEMENT LIMITATIONS POLICY 2.3

### FINANCIAL CONDITION & ACTIVITIES

#### **BROADEST POLICY PROVISION:**

*“With respect to financial condition and activities, the CEO shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies.”*

#### **CEO’s INTERPRETATION:**

The Board has not yet adopted Ends policies. I submit that this policy’s subsequent provisions comprehensively interpret the Board’s concerns about fiscal jeopardy.

**POLICY PROVISION # 2.3.1:** *“The CEO may not expend more funds than have been received in the fiscal year to-date unless the liquidity and long-term reserves requirements (below) are met.”*

**CEO’s INTERPRETATION:** This policy requires that year-to-date expenses be less than corresponding revenues. Any exceptions are subject to the guidelines stated in the subsequent policy provisions 1.A, B, & C.

**POLICY PROVISION # 2.3.1.A.:** *“The CEO may not incur debt (other than regular use of a credit card for incidental purposes) in excess of the Board-approved \$1 million Line of Credit with Pitkin County.”*

**CEO’s INTERPRETATION:** I interpret this to mean that I cannot obligate RFTA to incur debt that has not been contemplated in a Board-adopted budget or that has not otherwise been authorized by the Board. Borrowing from Pitkin County for cash flow purposes will

be limited to a \$1 million Line of Credit. I also interpret regular use of a credit card for office supplies, meals and incidental expenses to be a reasonable exception.

**POLICY PROVISION # 2.3.1. B.:** *“The CEO may not borrow from reserves in an amount greater than can be replenished by certain, otherwise unencumbered revenues within 90 days.”*

**CEO’s INTERPRETATION:** I interpret this to mean that RFTA cannot use reserve funds (defined as accumulated excess revenues) to defray ongoing expenses in an amount greater than can be replenished by anticipated unencumbered receivables within 90 days.

**POLICY PROVISION # 2.3.1.C.:** *“The CEO may not allow cash to drop below that amount necessary to meet operating expenditures over a 30-day period.”*

**CEO’s INTERPRETATION:** I interpret this to mean that RFTA must maintain liquid investments adequate to meet RFTA’s average operating expenses for one month. I interpret liquid investments to include cash-on-hand and revenue available through the Board-established Line of Credit with Pitkin County. I interpret operating expenses to exclude capital purchases, debt service, and depreciation.

**POLICY PROVISION # 2.3.2:** *“The CEO shall not use Board-designated long-term reserves/funds.”*

**CEO’s INTERPRETATION:** The use of the Board’s designated reserve funds is not at my disposal. Accessing those funds is at the discretion of the Board.

**POLICY PROVISION # 2.3.3:** *“The CEO shall not allow inter-fund shifting.”*

**CEO’s INTERPRETATION:** I interpret this to mean that I cannot allow revenue to be shifted from one fund to another without Board authorization

**POLICY PROVISION # 2.3.4:** *“The CEO shall not fail to settle payroll and payables in a timely manner.”*

**CEO’s INTERPRETATION:** Payroll must meet its obligations on a bi-weekly basis. For other payables, I interpret “timely” to mean within 45 days.

**POLICY PROVISION # 2.3.5:** *“The CEO shall not allow tax payments or other government filings to be overdue or inaccurately filed.”*

**CEO’s INTERPRETATION:** All tax and governmentally required payments or filings must be made in a timely and accurate manner.

**POLICY PROVISION # 2.3.6:** *“The CEO shall not execute a check or purchase commitment of greater than \$50,000, unless such expenditure has been explicitly itemized in Board--approved budgetary data.”*

**CEO’s INTERPRETATION:** The Board must approve all expenditures in excess of \$50,000, not explicitly itemized in Board-approved budget data.

**POLICY PROVISION # 2.3.7:** *“The CEO shall not acquire, encumber or dispose of real property.”*

**CEO’s INTERPRETATION:** The Board must authorized the acquisition, encumbrance or disposal of real property.”

**POLICY PROVISION # 2.3.8:** *“The CEO shall not fail to aggressively pursue material receivables after a reasonable grace period.”*

**CEO’s INTERPRETATION:** The organization must do its utmost to ensure that all material receivables are collected in a timely fashion, i.e., within 45 days of invoicing. I interpret “material” to be receivables that, when collected, are of greater value than the cost of collection (including staff time). I interpret aggressive to mean that RFTA will turn over the receivable to a collection agency after two follow-up invoices and one phone call fail to produce results.

**POLICY PROVISION # 2.3.9:** *“The CEO shall not obtain revenues from sources not, in fact or appearance, legal and consistent with the mission and values of the organization.”*

**CEO’s INTERPRETATION:** Staff has authority to identify and generate new revenue streams and sources without requiring explicit Board approval (so long as they meet the “prudence” test). “Prudence” precludes any revenue sources that conflict with RFTA’s missions and values and, thus, could cause embarrassment to the organization and its constituents.

**POLICY PROVISION # 2.3.10:** *“The CEO shall not use restricted funds for purposes other than stated.”*

**CEO’s INTERPRETATION:** This policy requires RFTA to manage finances consistently with generally accepted accounting principles regarding the segregation and use of restricted funds.

**POLICY PROVISION # 2.3.11:** *“The CEO shall not fail to exercise adequate internal controls over disbursements to avoid unauthorized payments or material dissipation of assets.”*

**CEO’s INTERPRETATION:** Controls must be in place that ensure that all disbursements are appropriately authorized. Further, all payments (checks, credit card purchases, petty cash, etc.) must have corresponding documentation sufficient to satisfy the auditor. I interpret fulfillment of this policy to be complete implementation of recommendations brought forth by the auditor in a Management Letter.

**POLICY PROVISION # 2.3.12:** *“The CEO shall not fail to maximize RFTA’s generation of State/Federal grant funds for which it is eligible.”*

**CEO’s INTERPRETATION:** With staff resources available, RFTA will diligently work to identify and apply for State/Federal grant funds for which it is eligible.

## MANAGEMENT LIMITATIONS POLICY 2.4

### ASSET PROTECTION

#### BROADEST POLICY PROVISION:

***“The CEO shall not allow RFTA’s assets to be unprotected, inadequately maintained or unnecessarily risked.”***

**CEO’s INTERPRETATION:** My obligation is to ensure that financial and other assets are protected in a manner that ensures RFTA’s ongoing viability and reputation. I submit that the Board has comprehensively interpreted this policy in its subsequent provisions.

**POLICY PROVISION # 2.4.1:** ***“The CEO may not fail to insure: a) against theft and casualty losses to at least 100% of replacement value; and b) against liability losses to Board members, staff and the organization itself in an amount equal to or greater than the average for comparable organizations; and c) against employee theft, dishonesty, fraud and forgery.”***

**CEO’S INTERPRETATION:** This policy provision requires no additional interpretation.

**POLICY PROVISION # 2.4.2:** ***“The CEO may not subject facilities and equipment to improper wear and tear or insufficient maintenance.”***

**CEO’s INTERPRETATION:** RFTA facilities and equipment must be maintained in a manner that protects their longevity and long-term value, when appropriate. Capitalized equipment is to be maintained, as appropriate, according to manufacturer’s specifications.

**POLICY PROVISION # 2.4.3:** ***“The CEO may not fail to employ risk management practices to minimize exposure of the organization, its Board or staff to claims of liability.”***

**CEO’s INTERPRETATION:** Recognizing that any business is subject to litigation, efforts must be made to minimize RFTA’s vulnerability to liability claims, be they through personnel issues, programs, services, or access to/use of its facilities.

**POLICY PROVISION # 2.4.4:** ***“The CEO may not allow any purchase wherein normally prudent protection has not been given against conflict of interest.”***

**CEO’s INTERPRETATION:** All RFTA staff responsible for purchasing goods and services must be thoroughly knowledgeable regarding RFTA’s Ethics in Public Contracting requirements, as set forth in the RFTA procurement code.

**POLICY PROVISION # 2.4.5:** ***“The CEO may not allow a purchase of \$5,000 or more without having obtained comparative prices and quality. Splitting orders to avoid this requirement is not allowed.”***

**CEO’s INTERPRETATION:** At least three proposals must be solicited for all purchases over \$5,000. This, however, is not interpreted as requiring RFTA to accept the lowest proposal if

there is a significant, documented, quality difference. Additionally, the need to obtain three proposals is not required when it is clearly recognized and documented that there is only one source for the type of products or services needed. Splitting and order so as not to exceed the \$4,999 threshold of this requirement is not allowed.

**POLICY PROVISION # 2.4.6:** *“The CEO may not fail to protect intellectual property, information and files from loss or significant damage.”*

**CEO’s INTERPRETATION:** Steps must be taken to ensure that RFTA’s files and intellectual property are protected against, theft, loss, damage, or disclosure to inappropriate parties.

**POLICY PROVISION # 2.4.7:** *“The CEO may not receive, process or disburse funds under controls insufficient to meet the Board-appointed auditor’s standards (as set forth in a Management Letter and/or other correspondence).”*

**CEO’s INTERPRETATION:** This policy requires that all financial control suggestions made by RFTA’s auditing firm, whether in the Management Letter or in other correspondence, must be implemented to the firm’s satisfaction. If staff disagrees with any of the auditing firm’s suggestions, the decision not implement them is to be made by the Board.

**POLICY PROVISION #2.4. 8:** *“The CEO may not compromise the independence of the Board’s audit or other external monitoring or advice.”*

**CEO’s INTERPRETATION:** This policy requires that the Board have a basis for confidence that its auditors and advisers are fully independent, and are not also benefiting from business dealings with the CEO or staff. If, as CEO, I wish to engage a party already retained by the Board for any operational purpose, I do not have that authority, unless explicitly authorized by the Board for that particular purpose.

**POLICY PROVISION # 2.4.9:** *“The CEO may not invest or hold operating capital in insecure instruments or in non interest-bearing accounts except where necessary to facilitate ease in operational transactions.”*

**CEO’s INTERPRETATION:** Currently, RFTA’s operating capital and investments are managed by Pitkin County. As a consequence, these activities are subject to and must be consistent with the Pitkin County, Colorado Investment Policy.

**POLICY PROVISION # 2.4.10:** *“The CEO may not endanger RFTA’s public image or credibility or its ability to accomplish Ends.”*

**CEO’s INTERPRETATION:** I interpret this provision to address the importance of protecting the organization’s name and reputation as its most vital asset.

## **MANAGEMENT LIMITATIONS POLICY 2.5**

### **FINANCIAL PLANNING & BUDGETING**

## **BROADEST POLICY PROVISION:**

***“Financial planning for any fiscal year or the remaining part of any fiscal year may not deviate materially from the Board’s Ends priorities, risk fiscal jeopardy, or fail to be derived from a multi-year strategic plan.”***

## **CEO’s INTERPRETATION:**

With the exception of the multi-year planning component, I submit that the Board has comprehensively interpreted this policy in its subsequent provisions. As to multi-year planning, the Board has not, as yet, established priorities for the funding of its Ends policies or the percentage allocation of gross cash revenues to reserves, or the threshold that must be reached for operating and capital reserves. Until the matters have been decided a multi-year financial plan cannot be developed. However, I interpret this policy to require that RFTA sufficiently address all capital and depreciation needs, as well as the development of financial resources needed to achieve the Boards Ends policies, once adopted and prioritized, through 2013. I also interpret this policy to indicate that, as CEO, I have the authority to revise the budget throughout the year, but that at all times it must meet all of the criteria in this policy.

**POLICY PROVISION # 2.5.1:** ***“The CEO shall not allow budgeting that risks incurring those situations or conditions described as unacceptable in the “Financial Conditions and Activities” policy.”***

**CEO’s INTERPRETATION:** I interpret this policy to mean that our budget must plan for the consistent compliance with the requirements of the “Financial Conditions and Activities” policy, which assure that money is only expended towards the achievement of Ends, that we operate with a positive cash-flow (with allowance for variations in the business cycle for which we use operating reserves), and to avoid fiscal jeopardy by observing sound, conservative fiscal management practices.

**POLICY PROVISION # 2.5.2:** ***“The CEO shall not allow budgeting that omits credible projection of revenues and expenses, separation of capital (including replacement & depreciation) and operational items, cash flow projections, and disclosure of planning assumptions.”***

**CEO’s INTERPRETATION:** I interpret this policy to mean that the budget prepared, utilized and available for presentation must have adequate data to support the credibility of projections. It must highlight the separation of capital items from operational expenses, include a presentation of cash flow expectations for the year, and convey the key assumptions used in creating the projections.

**POLICY PROVISION # 2.5.3:** ***“The CEO shall not allow budgeting that plans the expenditure in any fiscal year of more funds than are conservatively projected to be received.”***

**CEO’s INTERPRETATION:** This policy requires that a conservative projection of revenues must exceed our most realistic projection of expense for any fiscal year. “Conservatism” is based on (1) timing and (2) certainty. Receipts from established sources are projected at 100% certainty, and amounts from those with which RFTA doesn’t have a track record are counted at 80% certainty. I also interpret revenues to include Board-authorized expenditures of reserves.

**POLICY PROVISION # 2.5.4:** *“The CEO shall not allow budgeting that fails to provide resources to complete the Rio Grande Trail and develop the infrastructure to manage and maintain it.”*

**CEO’s INTERPRETATION:** I interpret this to mean that until the Board establishes another threshold, a minimum of 6.6% of budgeted sales tax revenue for any given year will be allocated to direct and indirect costs associated with trail construction and maintenance. Direct costs include the costs of trail construction, design, mapping, equipment, and maintenance. Indirect costs include administrative and legal support. I also interpret this to mean that RFTA will pursue all available grants for trail design and construction for which it is eligible.

**POLICY PROVISION # 2.5.5:** *“The CEO shall not allow budgeting that fails to allocate at least \$\_\_\_\_\_/\_\_\_\_\_% of gross cash revenues to reserves, until operating reserves reach a threshold of \_\_\_\_\_ and capital reserves reach a threshold of \_\_\_\_\_.”*

**CEO’s INTERPRETATION:** I interpret this to mean that the amounts or percentages established by the Board for allocation to operating and capital reserves must be budgeted and, therefore, deducted *first* from total annual revenues projected to be available to defray other operating and capital expenses budgeted in any given year. I am also interpreting this to policy to become effective with the adoption of the 2004 budget.

**POLICY PROVISION # 2.5.6:** *“The CEO shall not allow budgeting that fails to provide less for Board activities during the year than is set forth in the Governance Investment policy”*

**CEO’s INTERPRETATION:** I interpret this to mean that the 2004 budget will provide funds sufficient to ensure the development and maintenance of Board governance activities as set forth in the “Governance Investment” policy 4.8.

## **MANAGEMENT LIMITATIONS POLICY 2.6**

### **EMERGENCY SUCCESSION**

#### **BROADEST POLICY PROVISION:**

*“In order to protect the Board from sudden loss of CEO services, the CEO shall not fail to ensure that at least two (2) other members of the management team are sufficiently familiar with Board and CEO issues and processes to take over with reasonable proficiency as an interim successor.”*

#### **CEO’s INTERPRETATION:**

I interpret this policy to mean that at least two other members of the RFTA management team must be trained and equipped to serve as CEO on an interim basis, if necessary.

## MANAGEMENT LIMITATIONS POLICY 2.7

### COMPENSATION AND BENEFITS

#### BROADEST POLICY PROVISION:

***“The CEO will not cause or allow jeopardy to RFTA’s fiscal integrity or public image when dealing with employment, compensation and benefits for employees, consultants or contractors.”***

**CEO’S INTERPRETATION:** I interpret this policy to mean that compensation and benefit packages for employees should be in the mid range when compared to other like employers in the market area. Additionally, discrimination or preferential treatment, or the perception of such, for any individual or group in regards to compensation and benefits is inappropriate. RFT procurement procedures should be followed when contracting with others.

**POLICY PROVISION # 2.7.1:** ***“The CEO may not change his or her own compensation and benefits, except as his or her benefits are consistent with a package for all other employees”***

**CEO’s INTERPRETATION:** This policy provision requires no additional interpretation.

**POLICY PROVISION # 2.7.2:** ***“The CEO may not promise or imply anything other than “at-will” employment.”***

**CEO’s INTERPRETATION:** This policy provision requires no additional interpretation.

**POLICY PROVISION # 2.7.3:** ***“The CEO may not establish current compensation and benefits that deviate materially from the geographic or professional market value for the skills employed.”***

**CEO’s INTERPRETATION:** This policy provision requires no additional interpretation.

**POLICY PROVISION # 2.7.4:** ***“The CEO may not create obligations to consultants over a longer term than revenues can be safely projected, in no event longer than one year.”***

**CEO’s INTERPRETATION:** This policy provision requires no additional interpretation.

**POLICY PROVISION # 2.7.5:** ***“The CEO may not establish or change retirement benefits.”***

**CEO’s INTERPRETATION:** This policy provision does not require additional interpretation.

## MANAGEMENT LIMITATIONS POLICY 2.8

### BOARD AWARENESS AND SUPPORT

**BROADEST POLICY PROVISION:**

*“The CEO shall not allow the Board to be uninformed or unsupported in its work.”*

**CEO’s INTERPRETATION:** I submit that the Board has comprehensively interpreted this policy in its subsequent provisions.

**POLICY PROVISION # 2.8.1:** *“The CEO may not fail to report to the Board on at least a monthly basis (or in a more timely manner as appropriate) any actual or anticipated noncompliance with any policy of the Board.”*

**INTERPRETATION:** I interpret this policy to mean that I must report anticipated non-compliance with any Board policies at least on a monthly basis and in a timelier manner if appropriate.

**POLICY PROVISION # 2.8.2:** *“The CEO may not fail to submit monitoring data required by the Board (see policy on Monitoring CEO Performance (3.4) in Board-Management Delegation) in a timely, accurate and understandable fashion, directly addressing provision of Board policies being monitored.”*

**CEO’s INTERPRETATION:** I interpret this policy to mean that monitoring reports must be submitted when due according to the schedule found at Policy 3.4, unless the Board grants a deviation from the schedule. Additionally, I interpret this policy to mean that monitoring reports must be concise and accurate and directed specifically to the policies being monitored.

**POLICY PROVISION # 2.8.3:** *“The CEO may not let the Board be unaware of significant incidental information, such as anticipated adverse media coverage, threatened or pending lawsuits, or material external and internal changes. When possible, notification of major internal changes is to be provided in advance (at least 45 days advance notification of changes in fare structure and of proposed service contracts with and annual service contracts with an annual value in excess of \$1 million.”*

**CEO’s INTERPRETATION:** I interpret this policy to mean that I must alert the Board when I am aware of anticipated adverse media coverage, threatened or pending legal action, and material changes or circumstances affecting the RFTA organization or services. The notification must be timely and, in the case of changes to the fare structure or service contracts with an annual value in excess of \$1 million, 45-days advance notice must be provided.

**POLICY PROVISION # 2.8.4:** *“The CEO may not fail to advise the Board if, in his/her opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board or Board member behavior that is detrimental to the work relationship between the Board and the CEO.”*

**CEO’s INTERPRETATION:** I interpret this policy to mean that I am responsible for letting the Board know when it is not complying with its own Governance Process and Board-Management Delegation policies, especially when Board or Board member behavior is undermining the Board – CEO working relationship.

**POLICY PROVISION # 2.8.5:** *“The CEO may not fail to submit unbiased decision information required periodically by the Board, or let the Board be unaware of relevant trends.”*

**CEO’s INTERPRETATION:** I interpret this policy to mean, while free to use any reasonable interpretation of Board policies, I must provide the Board with unbiased information by which to base its decisions. Additionally, I must provide the Board with information regarding relevant organizational, industry, and other trends that have a bearing upon development of, or compliance with, the Boards Ends and Management Limitations policies.

**POLICY PROVISION # 2.8.6:** *“The CEO may not present information in unnecessarily complex or lengthy form, or in a form that fails to differentiate among information of three types: a) monitoring; b) decision preparation (or “action item”); and c) incidental/“FYI.”*

**INTERPRETATION:** I interpret this policy to mean that I must see to it that the Board is provided with information that is succinct, clearly understandable, and identifiable as either monitoring reports, action items, or FYI.

**POLICY PROVISION # 2.8.7:** *“The CEO may not fail to provide a mechanism/support for official Board, officer or committee communications and functions.”*

**CEO’s INTERPRETATION:** I interpret this to mean that I must ensure that sufficient monetary and staff resources are budgeted to support the work of the Board and its officers and committees.

**POLICY PROVISION # 2.8.8:** *“The CEO may not fail to deal with the Board as a whole except when: a) fulfilling individual requests for information, or b) by responding to officers or committees duly charged by the Board.”*

**CEO’s INTERPRETATION:** Consistent with Board- Management Delegation, Unity of Control, policy 3.1, I interpret this policy to mean that I must take my direction from the Board as a whole, except when individual Board members, officers, or committees have been specifically authorized by the Board to make decisions or provide instructions that are binding upon me. Additionally, I am authorized to respond to requests for assistance and information from Board members, officers, and committees, insofar as complying with such requests, in my opinion, would not require an inordinate amount of staff/financial resources or be disruptive. If obliged to deny any such request, the requestor may choose to bring the request before the Board.

**POLICY PROVISION # 2.8.9:** *“The CEO may not fail to supply for the Board’s consent agenda, along with applicable monitoring information, all decisions delegated to the CEO yet required by law, regulation or contract to be Board-approved.”*

**CEO’s INTERPRETATION:** I interpret this policy to mean that the Board’s consent agenda is reserved for applicable monitoring information, i.e. reports related to finances and organizational performance measures. Additionally, the Board’s consent agenda may be used for decisions normally delegated to me by the Board yet, because of regulatory or contractual reasons, or other requirements, the Board must approve them.