



Date: November 22, 2019
To: Water Utility Board
From: Tom Heikkinen, General Manager
Subject: Workforce Planning EL-2J

The subject policy is problematic from a policy governance standpoint, and is not consistent with the Board's own policies including Board Process Policy BP-2A – Governing Style, and Procedural Guideline GUIDE 1 – Expectations for Board members. I am directed in the Communication and Support to the Board Policy (EL-2H) to “advise the board if, in the General Manager's opinion, the board is not in compliance with its own policies on Board Process and Board-Executive Delegation.” For these reasons, I respectfully request that the Board consider deleting EL-2J.

The essence of policy governance is that the Board determines outcomes or benefits for the “ownership” of the organization (in our case, the residents of Madison) while ensuring that no ethical or prudential boundaries are crossed while obtaining these benefits. The boundaries are known as “Executive Limitations”. Policy EL-2J does not describe ethical boundaries. It does address some prudential matters (outsourcing and employee development), but I would argue that the cost of tracking and reporting required by the policy is not justified. In addition, without a clear boundary or defined outcome it is unclear how the board would determine compliance with the policy after receiving the prescribed report. In my view, the policy as written is more about management than governance, and is not consistent with the following board policies:

Point 3 from BP-2A – Governing Style:

“The board will lead the Madison Water Utility through policies that focus on long-term outcomes, not on administrative or programmatic means of attaining its goals.”

The first paragraph from GUIDE 1 – Expectations for Board Members:

***Think upward and outward more than downward and inward.** You are not a board member to listen to routine reports or tackle short-term, concrete matters. You are a board member to make governance decisions. There will be great temptation to focus on what goes on with management and staff instead of what benefit the utility should make in the city and in the lives of its residents. The latter is a daunting task for which no one feels really qualified, yet it is the board member's job to tackle these more complex issues. In many cases, these big decisions are made by default through board inaction.*