

A low-angle shot of a white and blue Sound Transit train. The train is moving from left to right. The windows are dark, and the train has a teal and blue decorative stripe. The background shows a glass and steel structure, likely a station platform.

Discussion on Proposed Committee Structure Changes

Board Meeting
June 28, 2018

 **SOUNDTRANSIT**

Workshop outcomes

- The May Board Workshop covered three areas:
 - Board committee structure adjustments.
 - Changes to the approval authority for committees and the CEO.
 - Communications with the board and staff.
- Board process changes are scheduled to be completed by the end of 2018.
- Today's discussion is focused on changes to the board committee structure, and next steps to improve board communications.
- Board action on the committee structure changes will be scheduled for later this year.

Current committee structure

Structure adopted by the board in 2010:

Executive
Committee

(No \$\$ authority)

Operations and
Administration
Committee

(\$\$ authority)

Capital
Committee

(\$\$ authority)

Audit and
Reporting
Committee

(No \$\$ authority)

Structure Change Proposed at Workshop

Structure proposed by Chair Somers at the May board workshop:

Executive
Committee
(\$\$ authority)

Rider Experience
and Operations
Committee
(\$\$ authority)

System
Expansion
Committee
(\$\$ authority)

~~Audit and
Reporting
Committee
(No \$\$ authority)~~

Finance and
Audit
Committee
(No \$\$ authority)

Goals for committee structure changes



Changes to the board's current committee structure are designed to optimize Board time to focus on strategic issues by:

- Balancing the work load between committees.
- Building expertise among board members.
- Shifting board time away from transactions and more to strategic direction and oversight of agency business.

Additions to Executive Committee responsibilities

Executive Committee (\$\$ authority)

- Grant new approval authority for contract approvals.
- Add review of:
 - Strategies, transactions and budgets for systemwide programs, including TOD and disposition of surplus property.
 - Contract reports related to systemwide programs.
- Consolidate policy review within the Executive Committee.

Executive Committee responsibilities being transferred



- Move review of:
 - Communications affecting the rider experience to the Rider Experience and Operations Committee.
 - External engagement to the System Expansion Committee.
 - The agency's financial plan, bond issuances and overall review of the agency budget to the Finance and Audit Committee.

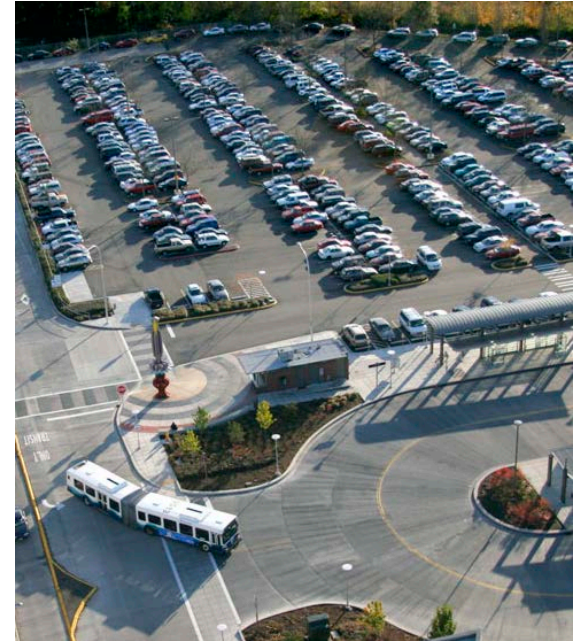
New name for Operations and Administration Committee

Rider Experience
and Operations
Committee
(\$\$ authority)

- Rename as the Rider Experience and Operations Committee

Additions to Rider Experience and Operations Committee responsibilities

- Add review of:
 - Activities and communications affecting the rider experience.
 - System enhancement and state of good repair projects.
 - Proposed annual budgets for system enhancement projects, state of good repair projects, and agency operations.
 - Contract reports related to agency operations and administration.



New name for Capital Committee

System
Expansion
Committee
(\$\$ authority)

- Rename as the System Expansion Committee

Additions to System Expansion Committee responsibilities

- Add review of:
 - Contract reports related to system expansion.



System Expansion Committee Responsibilities being transferred

- Move review of:
 - System enhancement and state of good repair projects (including review of annual budgets and related contract actions) to the Rider Experience and Operations Committee.
 - Surplus property disposition to the Executive Committee.

New Committee with greater focus on finances

Finance and
Audit
Committee
(No \$\$ authority)

- Create a new Finance and Audit Committee and sunset the Audit and Reporting Committee
- The new committee is designed to:
 - Provide an overall review of the agency budget and finance plan
 - Better address financial risks and issues
 - Build expertise on the agency's audit activities

Responsibilities being transferred to the Finance and Audit Committee

- Transfer current Audit and Reporting Committee responsibilities for review of:
 - Financial statements.
 - Performance against capital and operating budgets.
 - Investment and debt performance and risks.
 - Scopes, approaches and results of external and internal audits.
 - Internal audit plans and annual performance audits.
- Transfer Internal Audit Director's direct access and communication with the Finance and Audit Committee Chair.

New Responsibilities for the Finance and Audit Committee

- Add review of:
 - The agency's financial plan and policies.
 - Strategy to manage investment and debt performance.
 - Agency risk management efforts.
 - The approach for developing the annual budget.
 - The proposed annual budget upon recommendations from other committees.
- Establish new committee membership.

Responsibilities not transferred to the Finance and Audit Committee



- Review of contract reports transferred to the other committees.

Workshop direction on Communications

- The May Board Workshop included a discussion on means to optimize communications between the board and staff.
- Based on discussion at the workshop, three work products are being developed for the July Board meeting:
 - Annual board calendar of strategic topics.
 - Proposal for changes to current reports and publications sent to the Board to make reporting more streamlined, meaningful, and easy to access and digest.
 - Proposal for streamlining staff communications with the Board.

Next Steps

July

- Discussion on committee and CEO approval authority and other updates to the Procurement and Delegation of Authority Policy (Resolution No. 78-2).
- Proposal for improved Board communications

September

- Briefing on the agency procurement process and internal controls.
- Board action on an updated Procurement and Delegation of Authority Policy.
- Board action on revised committee responsibilities.

October/November

- Discussion and action on updates to the board rules.

Questions?

