

2018 Board Workshop Direction to Staff

Sound Transit's Board of Directors held a workshop on May 4, 2018, to discuss changes to the board committees and the overall conduct of business. The following is a discussion summary and a compiling of directions to staff.

Board committee updates

Rider Experience and Operations Committee

Adjustments should be made to the Operations Committee to refocus it on customer experience and system enhancement (state of good repair) projects. The REO, or ORE committee would also review the contracts reporting for all transactions that they approved.

System Expansion Committee

Adjustments should be made to the Capital Committee to focus it solely on the capital expansion program.

Executive Committee

Monetary authority should be given to the Executive Committee so it matches the REO/ORE and SE Committees, in addition, system-wide program oversight and execution and TOD transactions and program oversight should be added to the Executive Committee. Financial oversight would move to the Finance and Audit Committee.

Finance and Audit Committee

The Audit and Reporting Committee should be disbanded and a Finance and Audit Committee should be established and tasked with more stringent oversight of the budget and financial plan. This committee would still oversee the internal and external auditing process. The committee should meet more frequently than quarterly.

Questions that need further discussion:

- Should agreements and partnering work with jurisdictions and other public agencies be codified in one of the committees' responsibilities or does it fall naturally in Executive's responsibilities?
- Will the review of the annual budget still be divided amongst the committees and then be forwarded in sections as is current practice?

Changes to the delegation of Board, Committee, and Chief Executive Officer authority

Committee and Chief Executive Officer contracting authority

The Committees' and CEO's level of authorities for approving contracts should be increased to free the board up for strategic oversight and deeper level discussions of future challenges.

There was an emerging consensus for example D, to increase the delegation to the committees to \$50 million and CEO to \$5 million.

Exemptions to the quantitative authority level

Certain contracting actions should be exempt from the quantitative cut-off to ensure the board sees all critical actions:

- Lobbying contracts
- Sole source contracts
- Any contract the CEO determines should be elevated to the board level
- Contracts outside of the approved annual budget
- Any contract the CEO views as a possible conflict of interest
- Any contract with embedded policy implications

Agency staff will also complete additional work to look at other exemptions to the quantitative authority level for board review.

Contract reports

The regular reporting of contracts approved by the CEO will need to be increased in frequency for board review, and internal controls of the contracting process must be adjusted to ensure the highest level of equity and transparency in contracting practices.

Communications with the Board and staff

Board and committee work plans

A published work plan of the strategic topics that will be covered at each meeting would be helpful for board members planning their attendance, and also helpful for staff to ensure accountability on the required schedule. The work plan could be adjusted as needed. Staff will be drafting these work plans for committee and board review.

Reports

Current reports should be evaluated by staff to see if there are opportunities for improving the reports, or merging or reducing the number of reports. The board will decide on any changes to the current reports based on a recommendation from staff.

Emails

A plan for better consolidating communications will be drafted for committee and board review

Other requests

Staff will report to the board on the procurement process and the ability for the board members to have alternates.

Next steps

Staff will present a schedule to complete the updates to the board's committee structure and approval levels that were discussed at the workshop by year-end.