Board Governance and Structure Report

Overview

Since the 2014 Legislative Audit, the UTA Board of Trustees have been committed to defining goals and objectives designed to regain the trust of the public. Over the past eight months, amidst some turmoil, the board has continued to seek opportunities to increase public trust and accountability. In a letter to the public dated April 27, 2016 the Board of Trustees expanded its efforts to increase public trust and moved delegation of authority once held by the committee structure back to the full board. An unfortunate result from that letter was the public's response to the closing of the committee meetings. However, the board reversed its decisions and declared "all meetings are open". As indicated in the letter, additional changes to the board meeting structure will be made to ensure that every effort is being made to allow the process to be accessible to the public.

The purpose of this report is to a) provide the Board of Trustees a brief synopsis of the current board structure and contextual environment in which the board operates, b) provide a broad overview of the comments and feedback provided by board members based on common questions and identify common themes that arose throughout the discussion, and c) provide a recommendation for a proposed meeting structure based on those themes and the following goals:

- Increase Transparency
- Improve Board and Public engagement, trustee involvement and communication
- Increase Trust and Accountability
- Simplify the Public Input Process

Current Structure

Currently the UTA Board of Trustees is a sixteen member board representing over approximately 80 municipalities, counties, state and other jurisdictions along the Wasatch Front. The board currently has five Standing Committees. Three of those committees - *Planning and Development*, *Finance and Operations* and *Stakeholder and Relations* – meet quarterly on the second Wednesday of the month. The *Executive Committee* meets each month on the Monday following the committee meetings. The duties of each committee are as follows:

- Executive Committee: Headed by the Board Chair, membership consists of the Vice Chairs and the chairs of the Planning and Development, Finance and Operations and Stakeholder Relations Committees. The Executive Committee is responsible for the effective functioning of the Board of Trustees, including Board human resource development, and the development and maintenance of the Board-General Manager working relationship.
- Planning and Development Committee: Responsible for designing and coordinating the board's participation in UTA's strategic and operational planning, including annual budget preparation.
- Finance and Operations Committee: Responsible for overseeing UTA's operational and financial performance, updating UTA policies meriting Board attention, and for the audit program.
- Stakeholder and Relations Committee: Responsible for building a positive UTA public image, overseeing legislative relations and marketing strategies, and maintaining effective communication and working relationships internally, with the public at large and with key external stakeholders..

- Audit Committee: The Audit committee approves the annual audit plan, as well as reviews the implementation results of the corrective action findings, ensuring the agencies overall effectiveness of risk, control and governance.

In addition to the Standing Committees described above, board members regularly serve on several external boards and committees in the community including Metropolitan Planning Organizations (WFRC and MAG), Chambers of Commerce, and Special Districts. Board members also serve on other internal UTA administrative committees, including:

- Pension Committee: The Pension Committee is a unique function that has both board and administrative representation. The committee is required by law to oversee the fiduciary handles of UTA's pension accounts.
- Committee on Accessibility Transportation (CAT): The purpose of the CAT is to provide an ongoing opportunity to advise UTA on accessibility issues related to facilities, service, equipment, plans and programs to assure non-discrimination for qualified people with disabilities. The CAT is established through a charter by the UTA Board of Trustees.
- Community Transit Advisory Committee (CTAC): Similar to the Committee on Accessibility Transportation, the purpose of Community Transit Advisory Committee is to advise UTA on issues concerning riders and the public as they relate to transit. Topics discussed by CTAC include agency goals, transparency and public trust, service planning, customer service, and other issues that relate to effectiveness of the system and the rider experience.

Process

Over the past two months, one-on-one meetings were held with each serving board member. The following questions were asked in some form or another:

1. What are your thoughts on the goals: transparency, engagement and communication, board involvement, public trust and accountability, and simplifying and increasing public participation?
2. What are your thoughts regarding external committees, if the Standing Committees were dissolved?
3. Are you interested in having a consultant work with the board on governance?
4. Would you be interested in leaving the Standing Committees as currently structured, or slightly restructuring to a committee of the whole structure?
5. How is communication to the board; between the board members; from the executives to the board?
6. What else would you like to add?

Results

Despite recent setbacks, the board unanimously felt that the organization is moving in the right direction under the current Board Chair David Burton and Interim President/CEO Jerry Benson, and commended both on their efforts to address reforms.

From the interview questions listed above, the following themes emerged. Commonalities are listed below with contextual explanation where necessary.

Themes

External Communications

The trustees all reiterated their dedication to reforms and corrective action associated with the 2014 Legislative Audit. Specifically, identifying "communicating with the public" as essential in regaining public trust. An external communication strategy was the number one theme consistently heard throughout the interviews. Due to the overwhelming negative press in the past, board members felt that PR and Communications should be a major priority for the organization.

Last December, the Communications staff developed a comprehensive *Strategic Communication and Community Outreach Plan* designed to address these issues and improve communication with the public and stakeholders. However, due to scheduling conflicts and the current committee structure, the plan was viewed only by the Executive Committee. The full board has yet be briefed on the plan or provided a status report on implementation efforts and activities to date.

Involvement

Trustees mentioned wanting opportunities to participate with staff on government relations issues and activities. Board members would like to attend high level appointments with the President/CEO and/or executives in the jurisdictions they represent, as well as meet with lawmakers on high priority issues for the agency.

Executive Committee

Many trustees , particularly those not on the Executive Committee, expressed a strong feeling that, due to the current committee structure, the majority of decisions or pertinent discussions were happening in Executive Committee meetings. While the Executive Committee meetings are open the public and all board of trustees are welcome to attend, there is a perceived exclusion or disconnect from the full board among the other trustees.

Information

Board members requested additional opportunities to be better informed about how UTA and its various departments function relative to the high-level policy decisions the board is responsible to make. These opportunities could be provided through staff briefings or additional informational updates Topics mentioned ranged from board governance and organizational structure to individual department budget overviews. Note: Several members have attended external trainings on board governance.

Committee Structure

The current board structure is based on a hybrid model taken from John Carver's nonprofit and public organizations board model, and Doug Eadie's, a consultant hired by the board to facilitate restructuring the committees. The current Standing Committee structure was designed to bring structure to the board governance model and to reduce the number of adhoc committees, which was too onerous to manage at the time.

Carver specifically warns organizations about committees stating, "Have no more committees as absolutely needed." He explains how it's imperative to maintain the board wholeness as much as possible and that there is not a right number or a simple decision of the "ideal structure." The board has been operating this model since 2010.

Under the Doug Eadie model, the Standing Committee meetings were not public meetings, due to the fact they were not a quorum of the board and not required under the Open Meetings Act. However, in 2011, UTA Board of Trustees opened the Standing Committee meetings to the public.

<u>Standing Committee Structure vs. Committee of the Whole</u>

A slight majority of trustees were in favor or open to a "Committee of the Whole" structure, while a few trustees were passionate about keeping the current Standing Committee structure. The trustees in favor of the Committee of the Whole appreciated the openness and inclusiveness, the ability to hear all agenda items, and felt it was the **only** way to address all five goals:

- o Increase Transparency;
- o Board and Public engagement;
- o Trustee Involvement and Communication;
- o Increase Trust and Accountability;
- o Simplify the Public Input Process

Trustees that supported keeping the current Standing Committee structure preferred the intimacy of the smaller group setting. They expressed that these committees allow for more discussion, dialogue and interaction between the board and staff. Other trustees were concerned the Committee of the Whole structure would produce longer meetings and require more time commitment from the board.

Recommendations

In consideration of the Board of Trustees to reinforce its commitment to greater transparency and public access, it is recommended the board consider restructuring the board policy and decision making process by dissolving the current Standing Committees and implementing a Committee of the Whole/Work Study and Board Meeting session that would be held one day each month. The Standing Committee structure is a barrier to the goal of improving board involvement, engagement and communications. This is evident as the majority of trustees felt decisions were being made at the Executive Committee level and not communicated to the full board.

External and internal communication barriers will be reduced if the board considers a Committee of the Whole and Full Board Session. Eliminating the current Standing Committees allows for consistent messaging among all board members and with the public. The full board and the public should receive information and be allowed ample time for evaluation, public input and questions. Again, in the Carver model the board can only "create unified policies as a whole."

In considering what structure the board should adopt, it is important to evaluate the political environment in which the board operates. A critical part of this evaluation is understanding the public's expectations about how public input and engagement happens in other agencies. While the Standing Committee structures may be similar to other transit agencies around the country, it's not a common practice here in Utah among public and/or nonprofit entities.

For reference below illustrates how other agencies are set up:
- UDOT – (no committees)
- Cache Valley Transit District – (no committees)
- Provo City (Study Session, Work Sessions and Formal City Council Meetings)
- Ogden City (Study Session, Work Sessions, and Formal City Council Meetings)

- Salt Lake City (Work Session and Formal City Council Meeting)
- Salt Lake County (Committee of the Whole and County Council Meeting)
- TriMet, Portland– (Finance and Audit Committee only)
- Capital Metro Transportation Authority, Austin (Finance, Audit and Administrative and Operations Planning and Safety Committee)
- RTD, Denver (Finance and Administration and Audit, Committee, Government Relations, Operations & Customer Services Committee, FastTrack's Committee, GM Oversite & Performance Management Civil Rights Committee, Executive Committee)

Addressing Committee of the Whole Concerns

Due to the size of the board, the Committee of the Whole structure does present some challenges, and it could be necessary to break up the work of the board. As reflected in the Carver model, this could be achieved with the board officers (the Chair and Vice Chairs) could assign trustees to take on issues at his/her discretion, such as:

1. Nomination assignments
2. Board Goals
3. Reviewing the Audit Plan for the year

Trustees given a specific assignment would then work directly with staff on information and proposals that would ultimately be presented to the Committee of the Whole in a public meeting. This approach would address concerns expressed by a couple trustees that dissolving the Standing Committees would eliminate the intimacy of in-depth discussion. If a trustee is interested in a particular topic, such as board goals, the trustee could work with staff members, receive briefings and do pre-board work prior to the item coming to the Committee of Whole. It also addresses the desire expressed by trustees to have greater interaction with staff about agency and department functions.

Other issues about meetings running long. Concern was also expressed that the special assignments would become permanent or there would be too many to manage. All of which could be managed by the Board Chair and agenda management.

In order to address the Trustees concerns regarding access to information from the Executives, the following strategies could be implemented over the course of the year:

1. Board briefing report
2. Media report
3. Customer Service report

Providing the board with additional opportunities of involvement is ideal. As the Government Relations Office strategy is developed the board will play a critical role. Board members participating at Chamber of Commerce events, and meeting with key stakeholders representing UTA in their perspective jurisdictions will be a primary component to the overall success of the strategy.

In Closing

The recommended Committee of the Whole structure responds to trustee and public feedback and reinforces the board's commitment to increasing transparency, public input, trust and accountability, and to improving board involvement, engagement, and communication.

In summary the board is presented the following recommendation:

1. Consider restructuring the Board Structure to realign with the traditional John Carver model
2. Eliminate the current Standing Committees: Executive, Planning and Development, Stakeholder Relations, Audit and Finance & Operations (this would not include external appointments, administrative or advisory boards such as the Pension Committee)
3. Consider Chair-appointed assignments to trustees on a limited and specialized basis to conduct work in preparation for full board review and/or action.
4. Implement the Committee of the Whole and Board meeting structure, consolidating the meetings to one day a month.

Appendix

A – Strategic Communication and Community Outreach Plan

B – Committee of the Whole and Formal Meeting Sample Agenda

Works Cited

Carver, J. (1997). *Boards That Make A Difference - A New Design for Leadership in Nonprofit and Public Organizations.* California: Jossey-Bass.