

A low-angle shot of a white and teal Sound Transit train at a station platform. The train is the central focus, with its windows and doors visible. The platform has a glass and metal structure on the left. The overall scene is brightly lit, suggesting daytime.

Board Process Review: Board Committee Structure and Responsibilities

Executive Committee
September 6, 2018

 **SOUNDTRANSIT**

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 workload 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

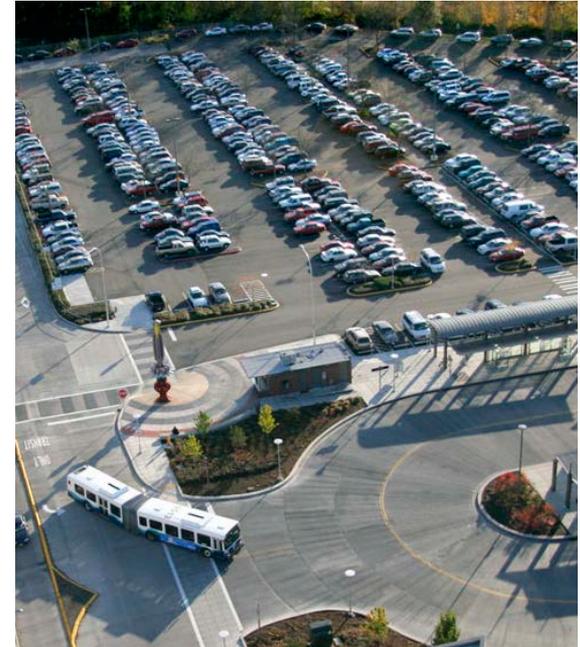
New Name for Operations and Administration Committee

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

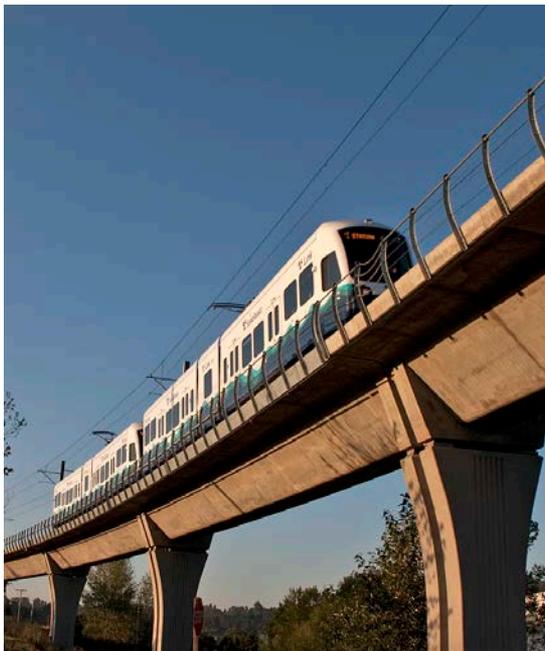
Responsibilities being transferred to the Finance and Audit Committee

- 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

Board Process Review: Timeline

- September actions (Executive Committee and Board)
 - Procurement, Agreements and Delegated Authority Policy (Resolution No. 2018-40)
 - Board Committee Responsibilities (Resolution No. 2018-41)
- October-November Board discussion and actions
 - Board Rules
- All actions to take effect on January 1, 2019

