

A photograph of a white and teal Sound Transit train at a station platform. The train is viewed from a low angle, looking up at the side of the car. The platform has a glass and metal roof structure. The train's windows and doors are visible. The Sound Transit logo and name are printed on the side of the train in white on a blue background.

Board Process Review: Board Committee Structure and Responsibilities

Board Meeting
September 27, 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



- 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

Rider Experience and Operations Committee Responsibilities

- Rename Operations and Administration Committee the Rider Experience and Operations Committee
- Add review of:
 - Activities and communications affecting riders
 - 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



System Expansion Committee Responsibilities

- Rename Capital Committee the System Expansion Committee
- Add review of:
 - Contract reports related to system expansion



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

Board Process Review: Timeline

- May Board Workshop
- 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



