

BOARD GOVERNANCE ASSESSMENT

Santa Clara Valley Transportation Authority (VTA)



Project Overview and Status

Board of Directors Meeting

November 7, 2019

Introduction and Purpose



Project Leadership Team

Pat Hagan, Project Director

- Former National Government Industry Leader (Deloitte LLP and RSM LLP)
- Former VTA Auditor General
- Transit subject matter specialist

Steve Mermelstein, Project Leader

- RSM National State & Local Government Consulting Leader
- Governance structure project leader
- Operational and process improvement focus

Background and Objectives

Background:

- VTA Board Chair identified Governance as a 2019 priority
- Ad Hoc Board Enhancement Committee (BEC) established
- RSM engaged to perform independent and unbiased study
- Project kick-off in August; expected deliverable in December
- Three BEC public meetings and presentations to date

Objectives:

- Seek input from Board, Member Agencies, community stakeholders and the public
- Benchmark to national transportation organizations
- Identify leading practices (public and private sector)
- Provide performance and effectiveness options and recommendations

Project Scope

Overall Scope

- VTA Board and Committee decision-making processes
 - Not individual VTA Board decisions, or individual city projects or grants
 - Not a review of operations or management
- Relevant studies and information:
 - Organizational Reports by consultant(s)
 - California State Auditor Report
 - Grand Jury reports, Cities and VTA responses
 - National Transit Database (by FTA)

Scope Areas

- Board Selection Methods
- Average Board Size
- Term Length: Board members, Chair and Vice Chair
- New Member Orientation
- Meeting Frequency
- Committee Structure
- Transit Board Responsibilities
- Board Effectiveness Self Ratings Areas
- Improving Effectiveness
- Measures to Assess Board Effectiveness
- Test VTA Compliance with Admin Code / Governance Documents:
 - Meeting Attendance, Quorums, Public Notice, Ethics/Conflicts

Communications and Best Practices

Communications

- Confidential and non-attributed input
- Multiple methods for public and community input:
 - Community meeting (11/21)
 - Webcast – live (11/22); to be posted and remain online
 - VTA website page and survey (<https://www.vta.org/projects/vta-governance-study>)
 - Dedicated phone line (408-952-4200)
 - City Councils, social media and community outreach
- Met Policy Advisory Committee (9/12) and Citizens Advisory Committee (9/11)
- Interviewed Board members (8 of 19), Management (10), and other parties (3); more scheduled
- Survey questionnaire to Board Members (8 of 19 received)
- Met Cities Managers (10/09) and Cities Association (10/10)

National Best Practices and Benchmarking

- **National Associations and Industry Groups**
 - American Public Transportation Association (APTA)
 - Transportation Research Board (TRB)
 - Mineta Transportation Institute (MTI)
 - National Association of Corporate Directors (NACD)
- **Benchmark Agencies**
 - Varying operating budgets, modes, populations served
 - Different governing models: not only operational peers
 - Geographic distribution: CA, CO, IL, UT, TX and WA
 - Multi-jurisdictional: up to 87 jurisdictions / districts

Benchmark Agencies

Transit Agency	Agency Information (From 2017 NTD reports)			Board Structure
	Operating Costs (\$ millions)	Service Area Population (million)	Modes	Member Representation
Los Angeles County Metropolitan Transportation Authority (LA Metro)	\$1,742.0	8.4	Bus, heavy rail, light rail, bikes, planning, CMA	14 members: LA County Supervisors (5); LA Mayor and appointees (4), elected officials from the 87 cities in LA County, through a Selection Committee (4), and Caltrans non-voting appointee (1).
Chicago Transit Authority (CTA)	\$1,415.0	3.2	Bus, rail	7 members: Business, community and labor representatives. Appointed by Chicago Mayor (4) and Illinois Governor (3).
Portland Tri-County Metropolitan Transportation District (TriMet)	\$688.5	1.6	Bus, light rail, heavy rail	7 members: Business and community representatives who live in geographical districts they represent. Appointed by Governor.
Denver Regional Transportation District (RTD)	\$534.8	2.9	Bus, light rail, heavy rail	15 members: Representing separate geographical districts. Directly elected.
Dallas Area Rapid Transit (DART)	\$503.3	2.4	Bus, light rail, heavy rail, HOV	15 members: Appointed by local governments, proportionate to sales tax revenue received. Dallas (7) and other jurisdictions (8).
Utah Transit Authority (UTA)	\$257.7	1.9	Bus, light rail, heavy rail	3 full-time members (changed from 16 part-time members in 2018). Nominations from county districts; approved by Governor.
Santa Clara Valley Transportation Authority (VTA)	\$381.8	1.9	Bus, rail, highway, bike, CMA	12 members. Elected officials from San Jose (5), Santa Clara County (2) and 14 cities (5, on a rotating basis).

Project Challenges and Key Dates

Project Challenges

- Limited studies on transportation governance
- “There is no universal formula for what transit Boards should look like or how they should function” from “*Public Transit System Boards: Organization and Characteristics*” study by Transportation Research Board.
- Local agency connecting services and overlapping riders
- Limited “peers” from an operational size, modes of service, breath of responsibility, and governance perspective
- VTA Board and Member Agencies achieving consensus
- Some changes may be required to State enabling legislation

Upcoming Milestone Dates

- 11/11 – Benchmark agency interviews begin
- 11/18 - Board Enhancement Committee meeting
- 11/20 and 11/21 – Community meeting, and webinar
- 11/18 to 12/13 – finalize interviews, assess survey responses, draft recommendations
- 12/17 – Board Enhancement Committee meeting; present deliverable
- 2020 TBD – report to VTA Board of Directors and/or Governance and Audit Committee, as requested

Questions and Discussion

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