



October 20, 2022

To: METRO Board and Executive Management Team Members

From: METRO Governance Review Steering Committee

- Greg Rosine, Board Chair
- Curtis Aardema, Board Member
- Jeff Breneman, Board Member
- Tafari Brown, Board Member
- Dusty Farmer, Board Member
- Aditya Rama, Board Member
- Sean McBride, Executive Director
- Doug Eadie, Governance Counsel

Subject: **Governance Fine-Tuning Initiative Action Report: Transforming an Already Effective Board into an Even Higher-Impact Governing Body**

1. Overview

A Critical Milestone

The METRO Strategic Governing Team – Board of Directors, Executive Director, and Executive Managers – face an enviable challenge: to maintain top-quality transportation services for the residents of the Kalamazoo Region while also capitalizing on opportunities for system improvement and growth – in the form of enhanced and diversified services, greater public understanding and support, more effective working relationships with key stakeholders, and the diversification of revenue sources. Recognizing that the opportunities and challenges ahead

demand extraordinary Board leadership, the Board of Directors and its Executive Director launched the METRO Governance Fine-Tuning Initiative. A critical milestone of the Initiative was the daylong Governance Fine-Tuning Work Session held on July 11, 2022. This highly productive and satisfying governing event resulted in:

- A clearer understanding of major developments in the rapidly evolving field of public transit governance.
- The exploration of practical ways to strengthen an already-excellent Board of Directors: clarifying the Board's governing role; updating the Board's governing structure; strengthening the Board's self-management capacity; and beefing up the Board's engagement in such key governing functions as strategic and operational planning, performance monitoring, and external/stakeholder relations.
- And the identification of practical steps that might be taken to ensure that the Board's working relationship with its Executive Director remains close, positive and productive over the long run.

This Action Report

This Action Report is intended to ensure that METRO realizes a powerful return on the investment of time and money in the July 11 Governance Fine-Tuning Work Session. The Action Recommendations in this Action Report focus on the development of the METRO Board's capacity to govern an immensely important public regional asset – METRO – ensuring that METRO maintains its high quality of service while capitalizing on opportunities to more fully meet the evolving transportation needs of the Kalamazoo Region. The Action Recommendations in this Action Report – which are relatively conservative, representing mainstream thinking in the field of public transit governance – involve a number of very practical steps that can be implemented without an extraordinary commitment of time or money. Successful implementation will depend, above all else, on the unwavering commitment of the Boards, the strong leadership of the Board Chair and Executive Director, hands-on support of the

Executive Management Team, and close oversight and meticulous management of the implementation process.

The breakout group reports from our July 11 Governance Fine-Tuning Work Session can be found in the Appendix to this Action Report. They will serve as a deep and rich reservoir of good ideas that the Board's standing committees can draw on in carrying out their detailed governing responsibilities.

Five Primary Action Report Objectives

This Action Report is intended to achieve five primary objectives:

1. To lay the foundation for METRO to play a more visible and influential role, in partnership with Kalamazoo County and other key regional stakeholders, in regional transportation policy setting, strategic planning, and system expansion.
2. To transform two already-high performing METRO Boards working closely together into an even higher-impact, unified METRO governing body.
3. To more fully capitalize on Board members' experience, expertise, knowledge and community affiliations in the governing process.
4. To provide Board members with a more satisfying governing experience.
5. To ensure the strong Board leadership required to develop and grow METRO as a preeminent regional resource

2. Action Recommendations

Executive Summary

This Action Report consists of five broad Action Recommendations consisting of a number of specific Action Steps:

- I. Affirm the METRO Strategic Governing Team (Board, Executive Director, and Executive Managers) commitment to high impact governing that makes a significant difference in METRO affairs.**
 - I-A Clarify and update the governing role and primary governing functions of the two METRO Boards functioning as a unified METRO Board by adopting a detailed Board Governing Role and Responsibilities Description.**
 - I-B Make full use of the Board Governing Role and Responsibilities Description as a framework and guide for continuously developing the Board’s governing capacity under the aegis of the Board Operations Committee.**
 - I-C Employ the Board Governing Role and Responsibilities Description as a tool to explain the role and functions of the METRO Board to key stakeholders and in community forums.**

- II. Update the METRO Board’s standing committee structure.**
 - II-A Put in place a structure of four Board standing committees to assist the Board in carrying out its complex and high-stakes governing responsibilities in a full and timely fashion: Board Operations; Planning and Development; Performance Monitoring; and External/Stakeholder Relations.**
 - II-B Adopt a set of Board standing committee operating guidelines.**
 - II-C Employ the Board standing committees as vehicles for preparing for regular Board business meetings and for mapping out processes for engaging Board members actively and meaningfully in governing processes in their respective functional areas.**
 - II-D Provide each standing committee with the support of a Chief Staff Liaison from the Executive Management Team designated by the Executive Director.**

- III. Continuously and systematically develop the METRO Board’s self-management capacity and accountability as METRO’s governing body.**
 - III-A Assign the Board Operations Committee (see Recommendation II above) accountability for overseeing the Board self-management function.**
 - III-B Clarify the leadership roles of the Board Chair and Standing Committee Chairs.**

- III-C The Board Operations Committee should annually develop a detailed plan for Board member governing skills development.
- III-D The Board Operations Committee should oversee Board performance management.
- III-E The Board Operations Committee should pay close attention to development of the Board's composition.

- IV. Ensure that the Board-Executive Director partnership remains positive and productive.
- IV-A Make Board- Executive Director relationship maintenance a high priority of the Board Operations Committee.
- IV-B The Board Operations Committee should reach explicit agreement with the Executive Director on a formal set of guidelines governing the Board's communication with the Executive Director and with the Executive Director's Executive Management Team.
- IV-C The Board Operations Committee should strengthen the process for formal, well-designed, annual Board evaluation of the Executive Director's performance.

- V. Create a short-term Governance Fine-Tuning Initiative Implementation Program to oversee implementation of Recommendations I and II.
- V-A The Governance Fine-Tuning Initiative Steering Committee that oversaw design of the July 11 Governance Fine-Tuning Work Session and development of the Action Report should be retained to oversee implementation of Recommendations I and II.
- V-B The Steering Committee should adopt a detailed implementation plan and closely guide and monitor its execution.
- V-C The Steering Committee should be phased out once the Board's new standing committees are firmly established and fully functional.

Recommendations

- I Affirm the METRO Strategic Governing Team (Board, Executive Director, and Executive Managers) commitment to high impact governing that makes a significant difference in METRO affairs.

METRO is one of the preeminent public assets in the Kalamazoo Region, making a major contribution to residents' quality of life while fostering long-term regional economic development. Fully capitalizing on METRO as a preeminent regional asset will heavily depend on the strong leadership of a METRO Board that is actively engaged in making high-impact governing decisions and judgments.

I-A Clarify and update the governing role and primary governing functions of the two METRO Boards functioning as a unified METRO Board by adopting a detailed Board Governing Role and Responsibilities Description (Exhibit A).

- The Board Governing Role and Responsibilities Description flows naturally from our exploration of the Board's governing role and functions at our July 11 Governance Fine-Tuning Work Session.
- The Board Governing Role and Responsibilities Description will serve as a formal, high-level description of the Board's primary governing responsibilities and functions.

I-B Make full use of the Board Governing Role and Responsibilities Description as a framework and guide for continuously developing the Board's governing capacity under the aegis of the Board Operations Committee.

- The Board Role and Responsibilities Description can serve three major purposes: (1) as a framework for developing and updating Board governing performance targets on an ongoing basis; (2) as a vehicle for explaining to the public-at-large and key stakeholders what the METRO Board is all about; and (3) as a critical element of the orientation program for incoming Board members.
- The Board Operations Committee (see Recommendation II) should periodically update the Board Governing Role and Responsibilities Description and recommend full Board adoption.

I-C Employ the Board Governing Role and Responsibilities Description as a tool to explain the role and functions of the METRO Board to key stakeholders and in community forums.

- Although the METRO Board is responsible for governing one of the Kalamazoo Region's preeminent assets that is key to the region's quality of life and its

economic development, it is highly likely the great majority of residents and key stakeholders such as elected officials and business owners and CEOs are not familiar with the METRO Board's significant governing responsibilities.

- Familiarizing residents and key stakeholders with the role and functions of the METRO Board can serve two major purposes: burnishing the image of METRO and attracting interest in serving on the METRO Board.
- The METRO Board Governing Role and Responsibilities Description should be made an integral part of presentations aimed at familiarizing residents and stakeholder organizations with METRO as a major regional resource.

II Update the METRO Board's standing committee structure.

- As we discussed at the July 11 Governance Fine-Tuning Work Session, a governing board's effectiveness is heavily dependent on a well-designed structure of board standing committees that assist the board in carrying out its detailed governing responsibilities and is meticulously coordinated and managed.
- Such well-designed and meticulously managed standing committees can help to:
 - Ensure that complex, high-stakes governing decisions and judgments receive the in-depth attention they deserve.
 - Make regular full Board meetings more productive as a result of thorough standing committee preparation.
 - Provide Board members with a satisfying governing experience and enhance their governing knowledge and skills.
 - Serve as forums where the Executive Director and his Executive Managers can work with Board members in mapping out in detail how Board members should be involved in key governing processes such as strategic and operational planning and budget development.
- Board standing committees recommend actions to the Board, but are not empowered to make governing decisions on behalf of the Board. Committees are encouraged to reach consensus on action recommendations being taken to the full Board, but in the event a committee formally votes to recommend an action to the

Board, the committee's vote does not bind the Board in any way. Only the full Board can make final, binding decisions.

- The preeminent structural design criterion is that every standing committee of the METRO Board should correspond to one of the major streams of governing decisions and judgments, transcending narrow operational and administrative “silos” and cutting across the whole METRO organization.
- The current METRO Board standing committee structure needs to be updated and fine-tuned to ensure both high-impact Board governing performance and a deeply satisfying and high-growth governing experience for Board members.
- The structure of four standing committees that is recommended in this Action Report will ensure that the Board's standing committees are more powerful “governing engines” by more clearly defining their charges and combining closely related functions in each standing committee. It will also ensure that the Board of Directors more fully capitalizes on the experience, expertise, talents, and diverse perspectives that individual Board members bring to the Board while providing them with a more satisfying governing experience.
- The recommended governing structure of four standing committees will ensure that all of the functions being handled by the current Board standing committees are carried out in a full and timely fashion.

II-A Put in place a structure of four Board standing committees to assist the Board in carrying out its complex and high-stakes governing responsibilities in a full and timely fashion: Board Operations; Planning and Development; Performance Monitoring; and External/Stakeholder Relations. The standing committees' general functional responsibilities are described below; detailed descriptions can be found in Exhibit B.

- **The Board Operations Committee, which is headed by the Board Chair and consists of the Board Vice Chairs and the chairs of the other three standing committees and the Executive Director (ex officio, non-voting), is responsible for:**
 - The overall coordination, management, development and evaluation of the Board of Directors.

- Coordination of other standing committee operations
- Preparation of the Board meeting agenda.
- Management of the Board – Executive Director working relationship, including annual evaluation of Executive Director performance.
- **The Planning and Development Committee is responsible for:**
 - The design (working with the Executive Director and Executive Managers) of the strategic and operational planning/budget development processes and coordination of Board members' participation in these processes.
 - Oversight of implementation of METRO strategic planning, operational planning, and budget preparation processes, ensuring that Board members are actively engaged at the appropriate points.
 - Recommendation to the full Board of updated METRO strategic goals and strategies, the operating plan, and the budget.
- **The Performance Monitoring Committee is responsible for:**
 - The design (working with the Executive Director and Executive Managers) of the operational and financial monitoring process in terms both of content and reporting formats.
 - Regular monitoring of operational and financial performance reports and presentation of such reports at the regular full Board meeting.
 - Review and recommendation to the full Board of updated policies deserving Board attention that are proposed by the Executive Director.
 - Oversight of the external and internal audit functions, including review of audit reports and recommendation of actions to the full Board.
- **The External/Stakeholder Relations Committee is responsible for:**
 - The identification of important METRO stakeholders and determination of priorities for managing relationships with stakeholders.
 - Recommendation to the Board of an updated METRO Image Statement to guide METRO image building and public relations strategies.
 - Recommendation of updated image building, public relations, stakeholder relations, and legislative relations strategies to the full Board.

- Identification of opportunities for Board members' involvement in speaking and advocacy on behalf of METRO.

Exhibit C illustrates how selected 2022 Board meeting agenda items might have been handled by the recommended new standing committees.

II-B Adopt a set of Board Standing Committee Operating Guidelines (Exhibit D).

- One of the most important functions of the Board Operations Committee is to monitor standing committee operations, making sure all committees are adhering to the Standing Committee Operating Guidelines.
- The Board Operations Committee should also periodically update and fine-tune the Operating Guidelines, based on actual experience, to ensure continued standing committee effectiveness, and to recommend full Board adoption of the updated Operating Guidelines.
- The Standing Committee Operating Guidelines in Exhibit D specify that standing committee chairs and members take the lead in presenting reports and introducing action recommendations developed through the committee process at full Board business meetings. If appropriate, a committee chair or member may have the Executive Director or a member of his Executive Team assist in explaining the content of a report or action recommendation in a Board meeting. There may be times when it is appropriate for the Executive Director or a member of his Executive Team to take the lead in presenting a particular agenda item.

II-C Employ the Board standing committees as vehicles for preparing for regular Board business meetings and for mapping out processes for engaging Board members actively and meaningfully in governing processes in their respective functional areas.

- Actively engaging Board members in shaping their governing decisions at appropriate points in such governing processes as strategic and operational planning is the surest way to capitalize on board members' expertise, knowledge, and experience and to turn Board members into strong, deeply satisfied owners of their governing decisions.

- The standing committees are ideal vehicles for the Executive Director and his Executive Managers to work closely with Board members in mapping out processes for actively engaging Board members.

II-D Provide each standing committee with the support of a Chief Staff Liaison from the Executive Management Team assigned by the Executive Director.

- The Chief Staff Liaison is accountable to the Executive Director, the standing committee chair, and to the Executive Management Team collectively for ensuring that his or her standing committee receives the support necessary to function effectively.
- The detailed Chief Staff Liaison responsibilities are described in Exhibit E.

III Continuously and systematically develop the METRO Board of Directors' self-management capacity and accountability as METRO's governing body.

- Public and nonprofit boards that explicitly and systematically manage themselves as governing bodies – developing their governing role; building their members' governing skills; setting detailed governing performance targets; and methodically assessing board performance – tend to out-perform boards that take a casual approach to their own management. They also tend to command a higher degree of respect and support from the public at large and key stakeholders.
- The internal culture of such self-managing boards tends to be characterized by a high-level of collective self-esteem and esprit de corps, and these boards tend to function as more cohesive governing teams.
- And public and nonprofit boards that are known as well-managed tend to be magnets, attracting qualified candidates for board seats. This is not surprising, when one considers that the kind of successful, high achieving, and extremely busy people who are desirable candidates for board positions got where they are professionally by setting and achieving ambitious goals.

III-A Assign the Board Operations Committee (see Recommendation II above) accountability for overseeing the Board self-management function.

- One of the major reasons why many boards fail to realize their tremendous governing promise in practice is under-management of the operations of the board

itself. Boards are highly complex organizations, and experience has taught that they do not function at a high level unless they are methodically and systematically managed.

- The Board Operations Committee, because it is headed by the Board Chair and includes the Board Vice Chairs and the chairs of the other standing committees of the Board, is the ideal body to oversee and coordinate the work of the Board and its other standing committees.

III-B Clarify the leadership roles of the Board Chair and Standing Committee Chairs.

- The Board Chair:
 - Provides overall leadership for the METRO governance function – working closely with the Board Operations Committee and with the support of the Executive Director and Executive Management Team – ensuring that the Board functions as an effective governing body and that the Board’s governing capacity is continuously strengthened.
 - Chairs Board meetings, ensuring that information and action items are fully and expeditiously addressed, that Board members are actively engaged, and that decorum is maintained.
 - Leads deliberations of the Board Operations Committee, paying special attention to development of the Board meeting agenda and to ongoing Board capacity building efforts.
 - Appoints the Chairs and members of the Board’s standing committees, with the advice and consent of the Board Operations Committee, ensuring that the systematic rotation of committee chairs and members required by the Board Standing Committee Operating Guidelines is maintained.
 - Represents METRO in public forums and in meetings with stakeholders and serves as a media spokesperson (a role shared with the Executive Director).
 - Meets regularly with the Executive Director to discuss major issues facing METRO and to decide how to divide their respective external relations responsibilities on an ongoing basis. Note that the Board Chair does not

provide direction to the Executive Director, who takes direction only from the Board as a whole.

- Standing Committee Chairs:
 - Play an active role in development of standing committee agendas, with the assistance of the Chief Staff Liaisons assigned to their respective committees by the Executive Director.
 - Serve on the Board Operations Committee, in this capacity taking the lead in discussing their respective committees' agenda items for upcoming Board meetings.
 - Lead committee deliberations, ensuring that agenda items are fully and expeditiously addressed.
 - Review and approve the standing committee report to the Board prepared by the Chief Staff Liaison.
 - Deliver the standing committee report – covering both information and action items – at the regular Board business meeting.

III-C The Board Operations Committee should annually develop a detailed plan for Board member governing skills development.

- A key ingredient of the METRO Board's governing skills development program should be a well-designed incoming Board member orientation process that pays considerable attention to the role, functions, and structure of the Board, employing the Board Governing Role and Responsibilities Description and the detailed functional descriptions of the Board's standing committees.
- The skills development program might also include:
 - Education and training programs aimed at building governing skills
 - A library of books and periodicals on governance
 - A mentoring program that assigns each new Board member to a senior member, who will during the new Board member's first six months provide advice and counsel aimed at making the new Board member a fully productive participant in the Board leadership process

III-D The Board Operations Committee should oversee Board performance management.

- In exchange for an exciting, satisfying experience on the METRO Board of Directors, its members should be encouraged to adhere to a detailed set of performance standards/targets that are developed by the Board Operations Committee and adopted by the full Board, drawing on the breakout group brainstorming at the July 11 Governance Fine-Tuning Work Session.
- The Board members' performance standards/targets might relate to such factors as: attendance; preparation for meetings; service on standing committees; speaking on behalf of METRO in appropriate forums; representation of METRO in meetings with stakeholder organizations; participation in METRO special events; and the like.
- The Board Operations Committee should monitor the governing performance of the Board as a whole and of individual Board members as a critical means to maintain both Board productivity and credibility. Regarding individual Board members, the focus should not be punitive, but rather developmental. Thus, the point is not to identify and punish shortfalls, but to counsel and support Board members in meeting the performance standards.
- Toward the close of every fiscal year, the Board Operations Committee should hold a work session for the purpose of assessing the Board's performance as METRO's governing body, identifying weaknesses and shortfalls, setting Board development targets for the upcoming fiscal year, and fashioning a plan and budget for accomplishing these targets.

III-E The Board Operations Committee should pay close attention to development of the Board's composition.

- Unlike the great majority of boards of nonprofit corporations such as hospitals and private colleges, transit authority boards have little direct involvement in the selection of Board members, the great majority of whom are selected by appointing authorities such as mayors and county commissions. Consequently, many, if not most, transit authority boards are totally uninvolved in filling their vacancies.

- However, the METRO Board should join a growing number of transit governing bodies that are indirectly strengthening their composition by providing appointing authorities with a description of board governing responsibilities and a profile of board member attributes and qualifications that are likely to strengthen governing performance, for example: demonstrating an interest in public transportation issues; being willing and able to devote time to serious governing work; successful service on a variety of other boards; and the like.

IV Ensure that the Board-Executive Director partnership remains positive and productive.

- A rock-solid Board – Executive Director partnership that is able to withstand the inevitable stresses and strains at the top in our rapidly changing and challenging world will be critical to METRO’s thriving and growing over the long run.
- Tension is common at the top of many if not most public and nonprofit organizations where boards and their chief executive officers interact, primarily because of the strong-willed cast of characters and the complex, often negative issues that come to the boardroom. The current working relationship between the METRO Board and its Executive Director is generally healthy and characterized by a normal level of tension, and the Board has taken significant steps in recent years to strengthen the Board-Executive Director partnership. Such tension as does exist is not the result of particular issues that are eroding this very precious working relationship; rather, undermanagement of the relationship is the likely culprit. The obvious solution? Making meticulous management of the Board – Executive Director partnership an even higher priority.

IV-A Make Board-Executive Director relationship maintenance a high priority of the Board Operations Committee.

- In light of the critical importance of maintaining a close, positive, and productive Board-Executive Director partnership that is capable of maintaining service quality and leading new service development it makes the best of sense to charge the Board Operations Committee with the explicit responsibility to oversee this most precious of public/nonprofit working relationships.

- In carrying out this role, the Board Operations Committee should pay especially close attention to Board-Executive Director communication and to annual evaluation of Executive Director performance.

IV-B The Board Operations Committee should reach explicit agreement with the Executive Director on a formal set of guidelines governing the Board’s communication with the Executive Director and with the Executive Director’s Executive Management Team.

- In fashioning this set of guidelines, the Board Operations Committee should draw on the breakout group brainstorming at the July 11 Governance Fine-Tuning Work Session.
- The Board Operations Committee should address both formal (e.g., the Executive Director’s report at Board meetings) and informal communication (e.g., the Executive Director’s interaction with individual Board members).
- The guidelines should also address Board members’ formal and informal communication with Executive Management Team members who report to the Executive Director. In this regard, it is widely recognized that: (1) it makes sense for Executive Management Team members to be present at Board and standing committee meetings and also at Board retreats such as the one on July 11; (2) Board members should be able to contact Executive Management Team members directly when requesting information that is readily available; and (3) individual Board members should never give direction to either the Executive Director or any member of his Executive Management Team or request information that requires extraordinary effort on the part of the Executive Director or an Executive Management Team member. A cardinal rule of public/nonprofit governance is that only the Board as a whole can give direction to the Executive Director.

IV-C The Board Operations Committee should strengthen the process for formal, well-designed, annual Board evaluation of the Executive Director’s performance.

- Of all the tools available for keeping the partnership between a board and its chief executive close, positive, and productive, a well-designed evaluation process is the most powerful. Despite the tremendous importance of the process for evaluating chief executive performance, many public and nonprofit boards handle

the job poorly. Notoriously ineffective approaches include, for example, a board chair merely sitting down informally with the CEO to provide him or her feedback, or – equally ineffective – board members individually filling out evaluation questionnaires, which are then compiled and reviewed with the CEO.

- In updating the METRO Board’s process for evaluation of its Executive Director’s performance, the Board Operations Committee should consider the following features of effective processes:
 - A board standing committee should be explicitly accountable. In METRO’s case, this will be the Board Operations Committee.
 - The evaluation should be conducted at least annually.
 - The evaluation should deal with two sets of Executive Director targets:
 1. Organizational targets set through METRO’s operational planning/budget preparation process
 2. The Executive Director’s CEO-specific targets involving his allocation of significant time to particular leadership goals. Annually negotiated with the Board Operations Committee, these targets might relate to: Executive Director support for the Board; Executive Director leadership in external/stakeholder relations; Executive Director leadership of METRO strategic innovation and growth; and Executive Director leadership of internal management improvements. A preliminary set of Executive Director CEO-centric leadership targets was discussed at our July 11 Work Session.
 - The Board Operations Committee should conduct the evaluation and, in a meeting with the Executive Director, review the evaluation results. It might make sense for the Board Operations Committee to invite the whole Board to participate in a second feedback session.
 - It is imperative that the Board Operations Committee as a whole meet with the Executive Director to review the evaluation, and the Executive Director should also be present when the evaluation is discussed with the whole Board.

V Create a short-term Governance Fine-Tuning Initiative Implementation Program to oversee implementation of Recommendations I and II.

- Experience has taught that Action Reports such as this are not self-implementing. Indeed, the inexorable pressures of day-to-day operations, combined with the normal human resistance to significant change, are why the great majority of reports recommending major change end up on shelves, collecting dust.
- The best way to ensure that this Action Report ultimately makes a positive difference in METRO affairs is to employ a dedicated, temporary structure to oversee and manage implementation until such time as the Board's new standing committee structure is established and fully functional.
- METRO Board members can expect to invest a few hours more than normal – experience has taught around an additional 5 hours in total – during the month when the new committees are being launched. Once the new committees are fully functioning, however, the net additional time required for Board governing business should be minimal, if any. And it is important to keep in mind that the Board itself – under the leadership of the Board Operations Committee – is in full control of the time allocated to standing committee operations. For example, if the Board Operations Committee determines that committee meetings should require no more than one hour of Board members' time, then the committee chairs can make sure their committee agendas are covered within an hour.

V-A The Governance Fine-Tuning Initiative Steering Committee that oversaw design of the July 11 Governance Fine-Tuning Work Session and development of the Action Report should be retained to oversee implementation of Recommendations I and II.

- The Steering Committee should be headed by the Board Chair.
- The Executive Director should be an ex officio member of the Steering Committee.
- The Executive Director should designate a member of his Executive Management Team to serve as Chief Staff Liaison to the Steering Committee, responsible for providing staff support to the Committee during the implementation process.

V-B The Steering Committee should adopt a detailed implementation plan and closely guide and monitor its execution.

- The implementation plan should focus on Recommendations I and II (relating to the Board Governing Role and Responsibilities Description and the recommended updated Board standing committee structure).
- The implementation plan should deal with any policy revisions that might be required to implement the new standing committee structure (for example, a Bylaws change), the appointment of the first committee chairs, the assignment of Board members to the new committees, the orientation of committee chairs and members on the committees' responsibilities and functions, and the like.
- And the implementation plan should set a reasonable pace for putting the updated Board standing committees firmly in place and fully functioning that will not cause undue stress at either the Board or staff level. Phasing in new Board committees over a three-month period is a common public transit practice, and in some cases even six months have been allocated to making the transition to a new standing committee structure.

V-C The Steering Committee should be phased out once the Board's new standing committees are firmly established and fully functional.

Exhibit A

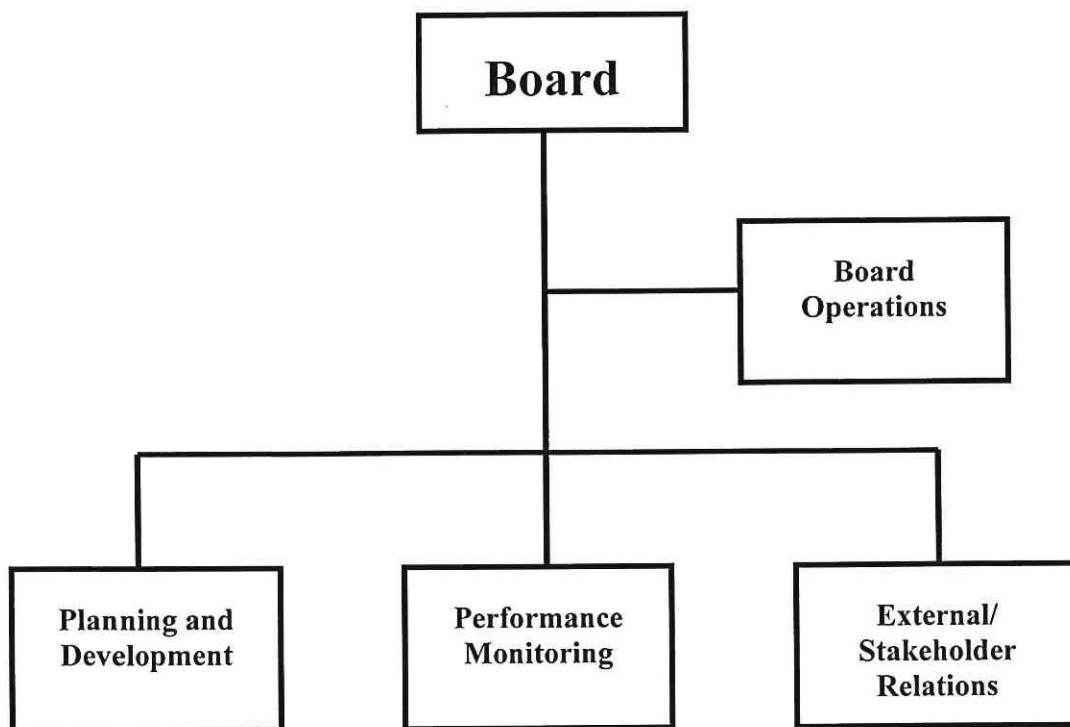
METRO Board Governing Role and Responsibilities Description

The two METRO Boards work closely together as a unified METRO Governing Board that is firmly committed to transparent deliberations. As METRO's governing body, the Board:

- Periodically updates METRO's core values, vision for the future, and mission.
- Plays a leading, proactive role in METRO strategic decision-making, setting clear strategic directions and priorities for all METRO operating units.
- Ensures that the METRO operating plan includes measurable performance targets and that the budget document reflects those targets and addresses the most important operational issues.
- Carefully reviews and adopts the METRO operating plan and budget.
- Approves the Annual CCTA and KCTA Millage Levy and the Transportation Millage request language to voters.
- Strives to ensure that METRO's public image is positive and that its relationships with key stakeholders are productive.
- Strives to ensure that METRO possesses the financial and other resources necessary to fully carry out its mission.
- Monitors METRO's operational and financial performance, identifying significant issues, and seeing that they are resolved in a full and timely fashion.
- Ensures that the METRO Board's governing capacity is systematically developed on an ongoing basis and that Board members' governing knowledge and skills are systematically developed.
- Makes sure that Board members are meaningfully and actively engaged in key governing processes, such as strategic and operational planning.
- Takes accountability for itself as METRO's governing body, setting detailed governing performance targets, and annually assessing Board governing performance.
- At least annually evaluates the METRO Executive Director's performance.
- Determines Executive Director compensation.

Exhibit B

Recommended Standing Committee Structure and Detailed Functions



Board Operations Committee

The Board Operations Committee is accountable for:

1. Coordinating the functioning of the METRO Board and the Board's standing committees, keeping the Board Governing Role and Responsibilities Description updated, setting Board member performance targets and standards, and monitoring the performance of the Board as a whole and of individual Board members.
2. Advising the Board Chair on the appointments of standing committee chairs and members.
3. Approving the regular Board meeting agenda as recommended by the standing committee chairs and Executive Director.
4. Recommending revisions in METRO Bylaws to the full Board in the interest of stronger governance and management of the affairs of METRO.
5. Developing and keeping updated a profile of desirable Board member attributes and qualifications and fashioning and executing strategies to promote the appointment of qualified Board members by the Appointing Authority.
6. Developing and overseeing execution of a formal Board member capacity building program, including such elements as orientation of new members, continuing education and training, and a mentoring program pairing new with senior Board members.
7. Ensuring that the Executive Director employment contract and position description are updated as necessary to reflect the changing leadership needs, priorities, and circumstances of METRO.
8. Annually negotiating Executive Director performance targets, annually or semi-annually evaluating Executive Director progress in achieving these targets, and determining the Executive Director's compensation.

Planning and Development Committee

The Planning and Development Committee is accountable for designing and coordinating the Board's participation in METRO's strategic and operational planning, including annual budget preparation, in this capacity:

1. Reaching agreement with the Executive Director on the detailed design of the planning and budget development cycle - with special attention to the Board's role in planning - and to the annual planning calendar, and ensuring that the Board participates fully and proactively in the planning process.
2. Overseeing preparation for, and hosting, any Board-Executive Management Team strategic work sessions that are held as part of the planning cycle.
3. Recommending to the Board of Directors the strategic issues that METRO strategic planning should focus on, and reviewing and recommending to the Board such critical planning products as updated values, vision, and mission statements, operational planning priorities, the operating budget, and other strategic and policy-level products that merit Board attention. Note that the budget is a major operational planning product and, therefore, falls under the Planning and Development Committee.
4. Ensuring – as part of the operational planning/budget preparation process – that all program plans include both financial and programmatic performance targets that the Performance Monitoring Committee can use in monitoring the operational and financial performance of all operating units of METRO.

Performance Monitoring Committee

The Performance Monitoring Committee is accountable for monitoring the operational and financial performance of METRO and updating operational policies and systems, in this capacity:

1. Reaching agreement with the Executive Director on the key elements of the METRO operational and financial reporting process, including the content, format, and frequency of performance reports to the Board, and overseeing implementation of the process.
2. Reviewing performance reports in committee meetings and reporting operational and financial performance to the Board at its regular business meetings.
3. Reviewing operational policies meriting the Board's attention (dealing with, for example, procurement guidelines), identifying the need for revision, and recommending policy revisions to the full Board.

4. Presenting an overall assessment of the past fiscal year's financial and operational performance at annual strategic planning work sessions involving the full Board of Directors.
5. Providing counsel to the Executive Director on major internal administrative system upgrades (e.g., a major MIS upgrade) involving significant costs.

External/Stakeholder Relations Committee

The External Relations/Stakeholder Relations Committee is responsible for:

1. Ensuring that the desired image of METRO is regularly updated.
2. Overseeing the development and implementation of strategies for METRO image building, marketing and public relations efforts and for maintaining close, positive relationships with key external stakeholders.
3. Building relationships with local, state, and federal elected officials.
4. Identifying opportunities for Board members to speak in appropriate forums on behalf of METRO.
5. Fashioning strategies and plans intended to enhance internal and external communication.
6. Fashioning strategies and plans to promote non-Board volunteer involvement in METRO advisory bodies.
7. Monitoring non-Board volunteer involvement, identifying opportunities for improvement, and ensuring that such opportunities are taken into consideration in the METRO planning process.

Exhibit C

2022 CCTA/KCTA Agenda Items – Example of Committee Responsibilities

Board Operations	Planning and Development	Performance Monitoring	External/Stakeholder Relations
2023 Calendar Board Meetings	Application for MDOT Grant Funding	Metro Connect/Metro Share Updates (3)	Bus Advertising Policy
Appoint Nominating Committee	Vehicle Wash Rack Upgrade	Insulation of Metro Admin. Building	
Annual Meeting Report	Security Plus Contract	Audit Presentation	
Election of KCTA/CCTA Officers	WMU Contracts	Apple Bus Service Review	
Committee Appointments	Purchase Vans and Medium Duty Buses	Youth Mobility Program Review	
Review Executive Director Performance	CCTA Annual Budget Development	Renew METRO Insurances	
Proposed Agenda Item Schedule	Disadvantaged Business Enterprises Goals		
	Hybrid Bus Battery Replacements		
	Comprehensive Operational Analysis		

(Had Proposed Committees Been in Place)

Exhibit D

METRO Board Standing Committee Operating Guidelines

- The Board Operations Committee, headed by the Board Chair and consisting of the Board Vice Chairs, and standing committee chairs, should actively coordinate standing committee operations, ensuring that committees are effectively carrying out their governing responsibilities and dealing with committee operating issues as appropriate. All Board standing committees report directly to the full Board. While the Board Operations Committee is responsible for approving the Board meeting agenda, it is expected to respect the work of the other three standing committees and not to revise the content of a standing committee's reports and recommendations without the consent of the standing committee chair.
- The Board Chair, with the advice and consent of the other members of the Board Operations Committee, appoints the chairs and members of the Planning and Development, Performance Monitoring, and External/Stakeholder Relations Committees.
- Each Board member shall be assigned to only one of the standing committees (with the exception of the Board Vice Chairs and committee chairs, who also serve on the Board Operations Committee). This will ensure that each standing committee has a "critical mass" of members and will guard against Board members' overextension and the dilution of governing performance.
- To qualify as a standing committee chair, a Board member should have served at least a year as an active member of that standing committee.
- The Board Chair, Vice Chairs, and standing committee chairs should serve for a term of two years, and none of these officers should serve two consecutive terms.
- Standing committee members should be regularly rotated among the three-standing committee (with the exception of Board Operations) so that most Board members have exposure to all of the major governing functions and responsibilities.

- The great majority of matters coming to the full Board should go through the appropriate standing committee and be introduced by standing committee chairs and members. However, there will be occasions when it will make sense for items to come directly from the Executive Director to the Board for consideration. In these instances, the Executive Director will notify the Board Chair. An example is when severe time constraints make standing committee consideration of an item impractical.
- Standing committee chairs and members are to take the lead in presenting reports and introducing action recommendations at full Board business meetings. A committee chair or member may have the Executive Director or a member of his Executive Team assist in explaining the content of a report or action recommendation in a Board meeting. Also, there may be circumstances when it is appropriate for the Executive Director or a member of his Executive Team to take the lead in presenting a particular agenda item.
- Standing committees should meet far enough in advance of the regular Board meeting so that standing committee recommendations can be prepared in a full and timely fashion for transmittal to the full Board. Committee meetings should never be held in conjunction with the regular Board meeting since this would lead to ritualistic, rather than substantive, committee sessions.
- The METRO Executive Director and Executive Management Team should work closely together to ensure that the Board's standing committees are well staffed. The Executive Director should assign a member of the Executive Management Team to serve as Chief Staff Liaison to each standing committee, responsible for ensuring that the committee is provided with strong support.
- The Executive Director should serve as an ex officio member of every standing committee and regularly attend committee meetings.

Exhibit E

Chief Staff Liaison Responsibilities

The Chief Staff Liaison to each standing committee is responsible to the Executive Director, the standing committee chair, and the Executive Management Team for ensuring that his/her standing committee receives the support necessary to function effectively. This critical role includes:

- Developing future committee agendas
- Reviewing future committee agendas with the Executive Management Team sitting as the “Governance Coordinating Committee” and his or her standing committee chair
- Ensuring that his or her committee chair is well-prepared to lead committee deliberations
- Preparing for a regularly scheduled session of the Executive Management Team sitting as the “Governance Coordinating Committee” dedicated to supporting the Board and its standing committees. The Chief Staff Liaison is responsible for leading discussion of upcoming committee agendas at these meetings and for facilitating agreement on Executive Management Team responsibilities for preparing material for upcoming standing committee meetings.
- Overseeing the preparation of written material and oral briefings for committee meetings, in this capacity exercising rigorous quality control and making sure that written materials are transmitted well in advance of committee meetings (Note: This does NOT mean preparing all of the material, but it does mean making sure that material of high quality is transmitted to the committee).
- Following up on standing committee meetings by preparing the standing committee report to the full Board, including for-information and action items (Note: This responsibility cannot be delegated to administrative support staff.).