



June 24, 2022

To: The METRO Strategic Governing Team

- Board Members
- Executive Director
- Executive Team

From: Governance Review Steering Committee

- Greg Rosine, 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/Facilitator

Subject: **July 11 Governance Fine-Tuning Work Session Description**

Overview

Our daylong Governance Fine-Tuning Work Session on July 11, 2022 will be a critical milestone in METRO's ongoing Governance Fine-Tuning Initiative. This detailed description of the July 11 Work Session is based on Governance Counsel/Facilitator Doug Eadie's one-on-one interviews with members of the Governance Review Steering Committee, his review of pertinent METRO governance documentation, and on a Governance Review Steering Committee work session on June 23, at which this detailed description was finalized.

Our deliberations at the July 11 Governance Fine-Tuning Work Session and the subsequent steps we take to strengthen METRO governance will build on a solid foundation.

- METRO is a high-performing public corporation that is operationally and financially sound and free of major crises that might detract from our Governance Fine-Tuning Work Session deliberations.

- The CCTA and KCTA Boards consist of highly qualified members who are strongly committed to playing the kind of high-impact governing role that will make a significant difference in the affairs of the very important public corporation that the Boards are accountable for governing.
- The METRO Executive Director and his Executive Managers are committed to providing the Boards with the support that will enable them to fully realize their tremendous governing potential.
- And the METRO Strategic Governing Team (Board members, the Executive Director, and the Executive Team) can draw on significant advances in the rapidly evolving field of public transit governance in fine-tuning the Boards' role, functions, structure, and engagement processes.

Governance Fine-Tuning Work Session Objectives

Our Governance Fine-Tuning Work Session on July 11 is intended to achieve the following four major objectives:

1. To familiarize members of the METRO Strategic Governing Team with major developments in the rapidly changing field of public transit governance, including the emergence of the High-Impact Governing Model that is now being widely applied by transit authorities around the country.
2. To update METRO's Strategic Governing Framework, which will guide future growth and development – in terms of Core Governing Values, the Governing Impact Vision, and the Growth Rules that should guide and constrain the Board's growth strategies.
3. To clarify the METRO Boards' governing role and functions.
4. To explore practical ways to strengthen the METRO Boards' governing capacity, transforming already quite effective Boards into even higher-impact governing bodies, and also how to ensure that the METRO Boards continuously strengthen their governing capacity, drawing on developments in the field of transit governance.

Work Session Structure

- The METRO Strategic Governing Team is well beyond “governance 101” training, and so our July 11 Governance Fine-Tuning Work Session will not be a formal training session. Rather, participants will be actively engaged – with assistance from our Governance Counsel/Facilitator – in exploring critical governance issues and brainstorming practical solutions. Active engagement of participants will generate ownership, which will fuel the commitment that will drive positive change.

- Over the course of our day together on July 11 we will employ six breakout groups led by Board members – three groups meeting concurrently in each of two breakout group rounds – in order to generate rich content and to ensure active and satisfying engagement throughout the day. The six breakout groups will serve as the principal vehicles for fostering participants’ ownership and commitment. The Breakout Group Leader Guidelines are attached to this memorandum (Exhibit A).
- The six breakout groups will generate fresh content in their respective functional areas rather than merely reacting to – and/or fine tuning – existing documents. Therefore, existing values and vision statements, for example, will not be provided to participants as part of the breakout group process.
- We will not prematurely attempt to reach formal consensus or to make final decisions in only a day together. Decision-making relative to the Boards’ governing role, structure, and processes will take place subsequent to our Governance Fine-Tuning Work Session, in Phase Two of the Governance Fine-Tuning Initiative, drawing on the deep reservoir of information that the breakout groups will generate. Our Governance Counsel/Facilitator will develop a detailed follow-through Action Report, working closely with the Governance Review Steering Committee, which will – with Governance Counsel as back-up – present the Action Report to the full Board and Executive Team.
- The role of Governance Counsel/Facilitator in our daylong Work Session on July 11 is to share what he has learned from thirty-five years of work with a wide variety of transit authorities, and, as a facilitator, to ensure that participants are engaged actively from beginning to end of the Work Session and that the Work Session objectives are achieved in a full and timely fashion.
- The atmosphere of the session will be informal, and so Board and Executive Team members will participate as equals, we will be on a first-name basis, and the dress code will be business casual.

Work Session Agenda

1. Preliminaries

7:30 – 8:00	Continental breakfast
8:00 – 8:15	Welcome: Board Chair; Executive Director
8:15 – 8:30	Review of the day’s objectives and agenda: orientation on the breakout group process: Governance Counsel/Facilitator

- 8:30 – 9:30 Presentation/discussion: “Significant Developments in the Rapidly Changing Field of Public Transit Governance” – Governance Counsel/Facilitator
- 9:30 – 9:45 Break

2. The Strategic Governing Framework

- 9:45 – 11:00 Breakout Groups Round I:

A. Core Governing Values, Governing Vision, Growth Rules

1. Fashion a set of Core Governing Values (cherished beliefs and principles) that should guide the METRO Strategic Governing Team in achieving its Governing Vision and carrying out its governing responsibilities – by completing the sentence, “We believe in/that.....”
2. Fashion a detailed METRO Governing Impact Vision, consisting of major long-term outcomes/impacts that the METRO Strategic Governing Team intends for its governing decisions and judgments to produce in the Metro Region in the following areas – by completing the sentence, “As a result of our governing decisions and judgments . . .:”
 - METRO service growth and diversification
 - METRO revenue growth and diversification
 - METRO customers’ quality of life
 - The regional economy
3. Identify significant opportunities to grow METRO in terms of services and revenues.
4. Fashion a set of Growth Rules that are intended to guide and constrain the Strategic Governing Team in fashioning METRO growth initiatives, including growing both services and revenues. Growth rules consist of both “thou shalt” and “thou shalt nots.”

B. Image/External Relations

1. Fashion a METRO Desired Image Statement, consisting of the key messages that we want to send to the wider Metro community, by

completing the sentence, “We need/want to be perceived by the general public and our key stakeholders as”

2. Make a list of major external stakeholders in the METRO region and at the state and national levels (defined as formal external organizations/ groups with which it makes sense for METRO to build and maintain a working relationship because of the stakes involved).
3. Choose what appear to be the 10 highest-priority stakeholders, and for each one assess the relationship in terms of notable strengths and weaknesses.

C. Governing Self-Assessment

- Assess the Boards generally as METRO’s governing bodies, in terms of what they do best and what they do least well as governing bodies.
- Identify METRO Board strengths and weaknesses in terms of:
 1. Developing/systematically strengthening Board composition
 2. Continuous development of Board members’ governing knowledge and skills
 3. The current Board standing committee structure
 4. Systematic leadership development (e.g., systematically rotating Board officers and committee chairs)
 5. Engagement in strategic and operational planning/budget development
 6. Engagement in external/stakeholder relations
 7. Engagement in managing Board governing performance (setting performance targets and monitoring/evaluating performance)
 8. Management of the Board-Executive Director working relationship
- Assess regular monthly Board business meetings in terms of:
 1. The Board meeting agenda
 2. Engagement of Board members in the meeting
 3. The effectiveness of reports in Board meetings

11:00 – 11:15 Break

11:15 – 12:30 Breakout Groups Round I Reports/Discussion

12:30 – 1:00 Lunch

3. Strengthening Board Leadership

1:00 – 1:45 Breakout Groups Round II:

D. Strengthening Board Engagement in Governing Work

Identify practical ways that the METRO Boards might be more actively/proactively and meaningfully engaged in the following key governing areas:

1. METRO image building and maintenance of relationships with key stakeholders
2. METRO innovation and strategic planning (including fashioning innovation initiatives, updating values, vision, strategic goals, etc.)
3. METRO operational planning/budget development
4. METRO operational and financial performance assessment (including updating the content and format of reports and presenting performance reports at Board meetings)

E. Strengthening Board Self-Management

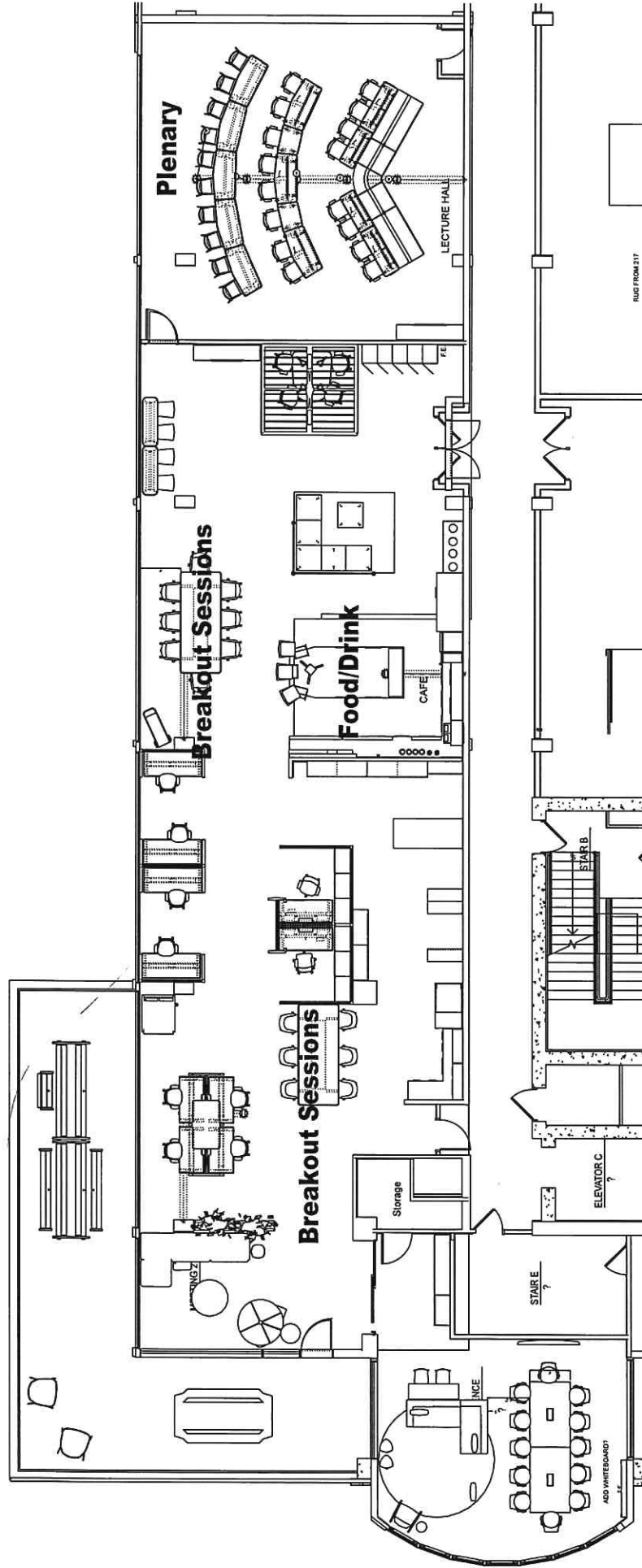
1. Fashion a profile of desirable Board member attributes and qualifications that might be shared with the Appointing Authority, key external stakeholders, and the general public.
2. Identify governing performance targets/standards that Board members might hold themselves accountable for.
3. Identify Board member communication and interaction guidelines that will foster a positive Board culture and Board member teamwork.
4. Identify steps that might be taken to beef up Board members' governing knowledge and skills on an ongoing basis.

F. Ensuring a Solid Board-Executive Director Partnership over the Long Run

1. Fashion a detailed set of guidelines for Board-Executive Director communication and interaction that will foster a close, positive, and productive Board-Executive Director working relationship.
2. Identify factors that could – if not addressed – damage the Board-Executive Director working relationship over the long run.
3. Make a list of potential Executive Director “CEO-centric” executive leadership targets for the coming 12 months or so, involving a significant CEO commitment of time and attention beyond overseeing/directing normal METRO operations in the following areas:
 - Board development and support
 - External/stakeholder relations
 - METRO growth and diversification – in terms of services and financial resources
 - Internal management/organizational development

1:45 – 2:30 Breakout Groups Round II Reports/Discussion

2:30 – 3:00 Re-cap and discussion of next steps



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