



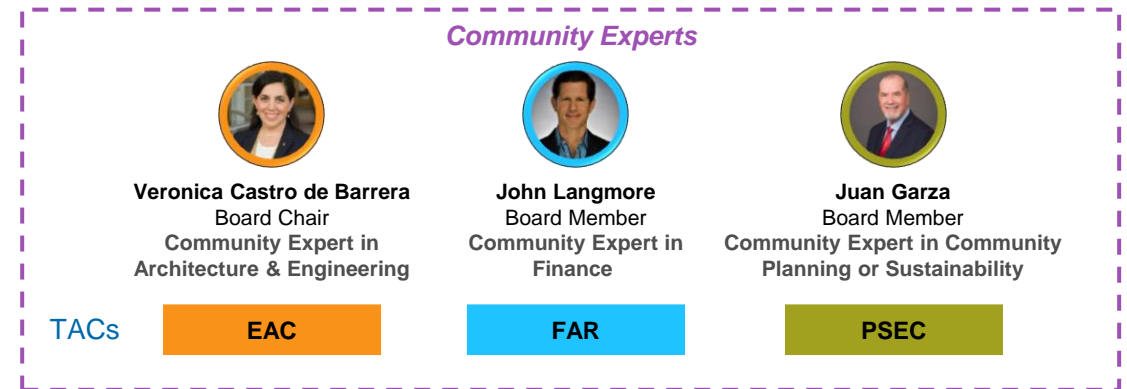
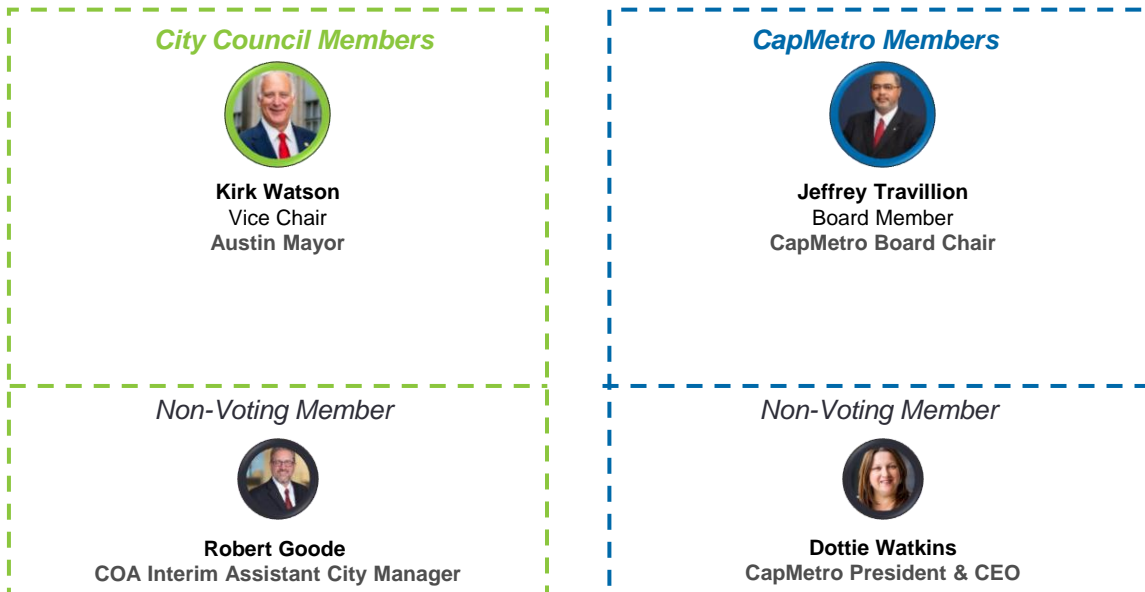
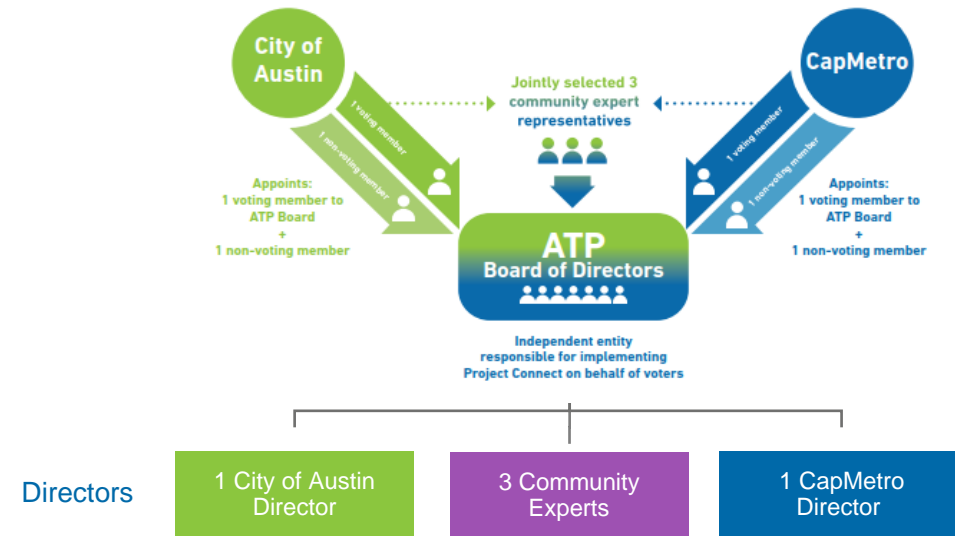
Board Governance Assessment

January 2024

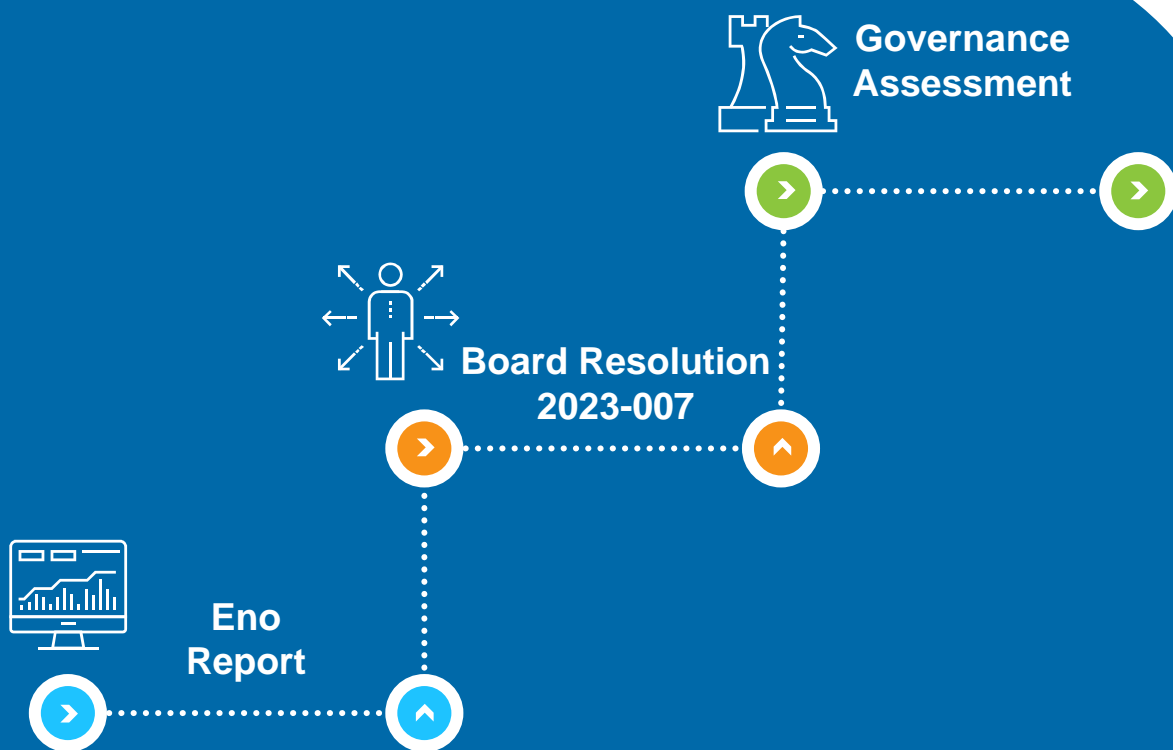
AUSTIN
TRANSIT
PARTNERSHIP

ATP board, technical advisory committees, and governing documents current state

ATP Governing Doc	Description
Articles of Incorporation	▶ Formally establishes ATP, its purpose, composition of the board of directors, and basic operating parameters
ATP Bylaws	▶ A set of rules for governing the board, officers, public meetings, and contracting
Joint Powers Agreement	▶ The JPA is an interlocal agreement that delineates the roles and responsibilities between the three partners: ATP, The City of Austin, and CapMetro
ATP Board Operating Procedures Policy	▶ Resolution to govern the administration and operation of ATP's board of directors, including board meetings, public comment procedures, and board travel policies
TAC Charters	▶ Formally establishes individual TAC's, member composition, and policies



This governance assessment addresses ATP Board Resolution 2023-007 and offers actionable intelligence to aid ATP and its board in effectively delivering Austin Light Rail

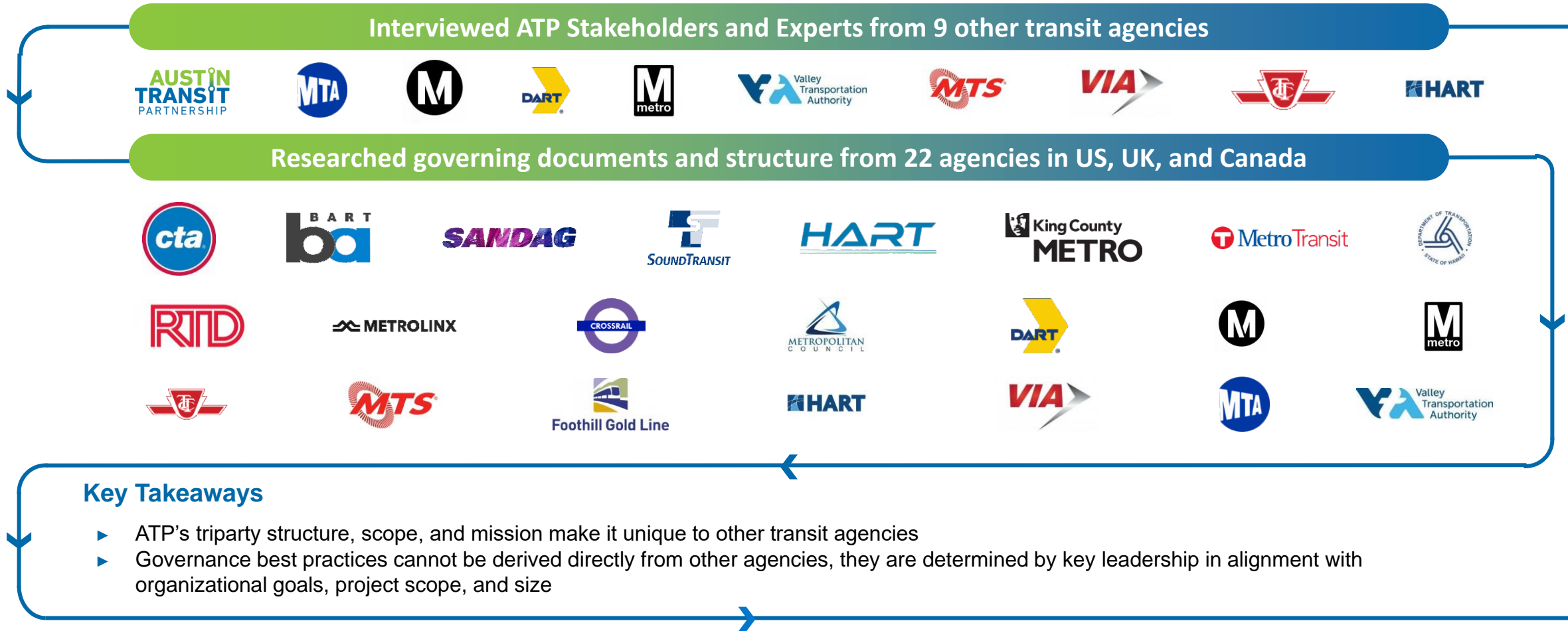


This governance assessment report carries out the Board resolution for ATP to review and evaluate the effectiveness of ATP's current operations at the Board level, including the ATP Board's decision-making authority and the checks and balances in place to deliver Austin Light Rail

On March 22, 2023, the ATP Board approved Resolution 2023-007, which directed the ATP Executive Director to conduct a review related to ATP's governance as recommended by the Community Advisory Committee

The 2022 Eno Report set up foundational recommendations for ATP as an organization to gain operational autonomy from CapMetro and The City of Austin and set up its own governance and leadership models

The assessment sourced best practices from primary and secondary research of 22 transit agencies across North America and Europe



The identified opportunities in this deck are aligned to four overarching board governance goals

Opportunity	
1 Clarify expectations for board members and staff on roles, responsibilities, policy, and procedures	 <ul style="list-style-type: none">#1a Consolidate all board operational policies and clauses in the ATP Bylaws and Board Procedures Policy, and implement bylaw amendments, including term limits, renewal criteria, staggered term dates, experience requirements, and resignation protocols#1b Clarify roles and responsibilities for the executive director, board members, board chair, and ex-officio members in ATP bylaws or other governing documents#1c Establish process for evaluating the minimum financial threshold for board approval as ATP budget expands
2 Ensure the board has the right composition, competencies and skills to make decisions	 <ul style="list-style-type: none">#2a Create an onboarding and training program for new board members#2b Establish board evaluation timeline at discrete project milestones to assess whether board needs to address gaps in competencies, size, and committee input
3 Provide the board with information and resources needed to make informed decisions	 <ul style="list-style-type: none">#3a Formalize administrative policies to reflect cadence of board briefing sessions and other communication processes with ATP staff#3b Establish cyclical performance evaluation of the board and consider performance metrics tied to progress against strategic goals
4 Enhance the function and structure of Technical Advisory Committees	 <ul style="list-style-type: none">#4a Consider consolidating the three existing TACs into a single TAC driven by board priorities with ATP staff input

Goal 1

Clarify expectations for board members and staff on roles, responsibilities, policy, and procedures

OPPORTUNITY

#1a

Consolidate board governing operational policies and clauses in the ATP Bylaws and Board Procedures Policy, and implement bylaws amendments, including term limits, renewal criteria, staggered term dates, experience requirements, and resignation protocols

#1b

Clarify roles and responsibilities for the executive director, board members, board chair, and ex-officios in ATP bylaws or other governing documents

#1c

Establish process for evaluating the minimum financial threshold for board approval as ATP budget expands

ATP lacks comprehensive processes to amend Bylaws, establish board member terms, appointments, resignations, and removals

OPPORTUNITY 1a.

Consolidate all board operational policies and clauses in the ATP Bylaws and Board Procedures Policy, and implement bylaws amendments, including term limits, renewal criteria, staggered term dates, experience requirements, and resignation protocols

TACTICAL OPTIONS



Edit Amendment 5.2 in ATP Bylaws to allow proposed amendments or changes to be approved by a vote of the ATP board without need for external party approval

Refine experience requirements for the three community expert board members

Create process to initiate director resignation and removal



Transfer language on board scope and composition into bylaws for maximum flexibility



Implement staggered terms with opportunities for reappointment

BENEFITS



- ▶ Provides flexibility and board ownership of bylaws and board operations
- ▶ Mitigates risk of simultaneous board member turnover
- ▶ Clarifies process for new appointments
- ▶ Provides option for board members who need to step down
- ▶ Ensures board members possess relevant experience

Establishing formal roles, policies, and procedures for the board and staff enhances clarity regarding individual responsibilities

OPPORTUNITY 1b.

Clarify roles and responsibilities for the executive director, board members, board chair, and ex-officios in ATP bylaws or other governing documents



TACTICAL OPTIONS



Add language for roles, responsibilities, for board, chair and executive director into bylaws or other governing docs



Add language for the appointment and removal process of directors, amendments to bylaws, and fiduciary commitment of directors



Determine scope of responsibilities for board members and executive director



Formalize board meeting agenda setting process and board requests



BENEFITS

- ▶ Delineates scope, responsibilities, and authority for all parties
- ▶ Sets clear expectations for board and staff
- ▶ Empowers collaborative agenda setting process

Establishing financial oversight thresholds at 0.1-0.2% of the annual budget fosters enhanced agency flexibility

OPPORTUNITY 1c.

Establish process for evaluating the minimum financial threshold for Board approval as ATP budget expands



TACTICAL OPTIONS



At the end of each fiscal year, evaluate board approval threshold for procurement and change orders



Benchmark thresholds to other public agencies with similar budgets, scopes, and missions



Set board agenda item to discuss efficacy of current financial approval thresholds



BENEFITS

- ▶ Lessens demands on board members and meeting agendas
- ▶ Maintains ATP flexibility and agility
- ▶ Mitigates risks associated with delaying low-cost, time-sensitive contracting requirements

Goal 2

Ensure the board has the right composition, competencies and skills to make decisions

OPPORTUNITY

#2a

Create an onboarding and training program for new board members

#2b

Establish board evaluation timeline at discrete project milestones to assess whether board needs to address gaps in competencies, size, and committee input

Training programs set clear role expectations and quickly educate the board on project-specific technical elements

OPPORTUNITY 2a.

Create formal onboarding and training programs for ATP board members



TACTICAL OPTIONS



Develop in-depth orientation packets that summarize roles, responsibilities and highlight key governing policies for government corporations



Schedule onboarding sessions for new members to clarify roles and responsibilities for new members, provide Q&A, and emphasize ATP ways of working



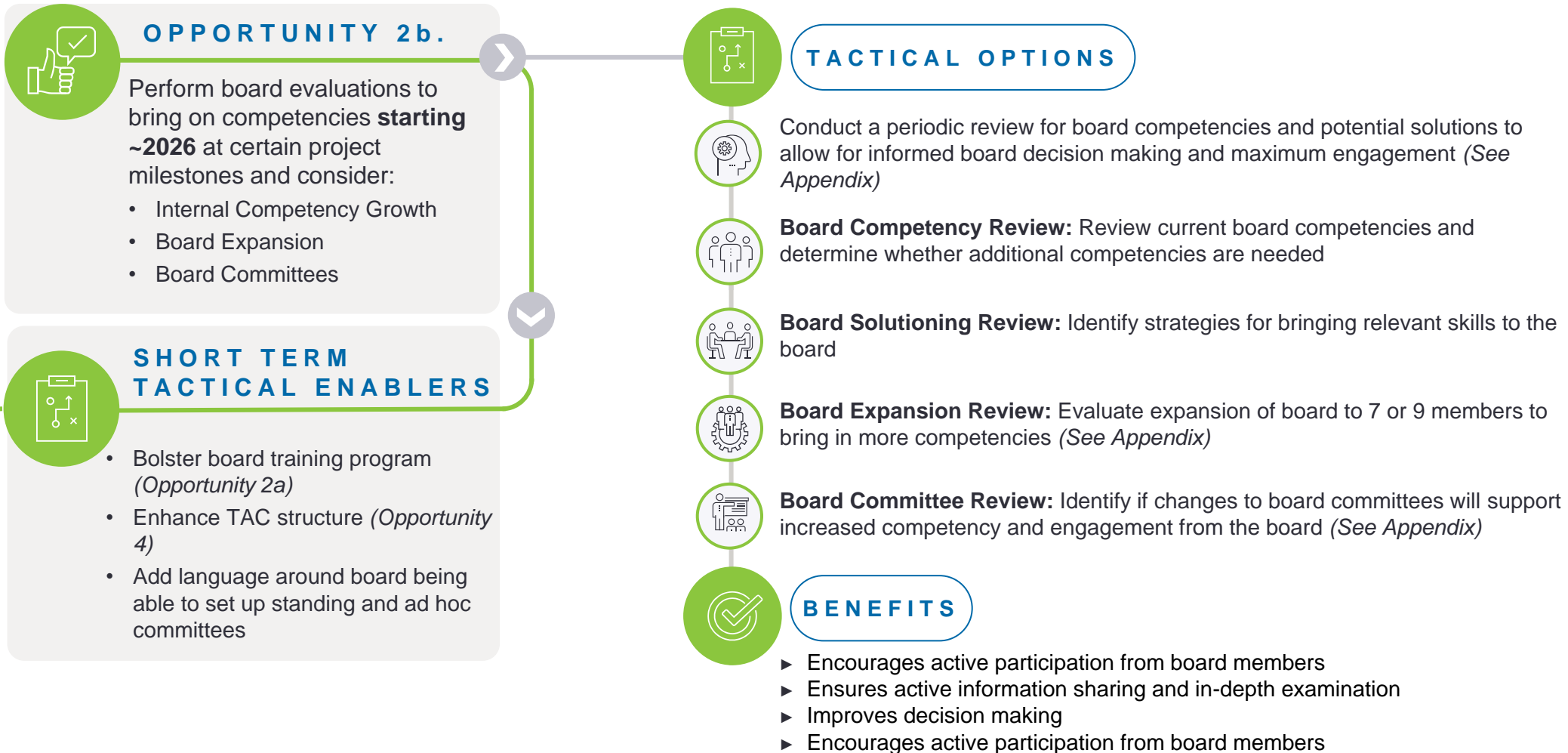
Conduct annual training sessions on specific project competencies, e.g., procurement, finance, engineering, construction, etc.



BENEFITS

- ▶ Speeds up time for board members to make meaningful contributions
- ▶ Increases board competencies and skills faster than composition changes
- ▶ Reduces board member questions and onboarding for ATP staff

Assessing board competency levels and potential solutions such as expansion and committee formation will ensure diverse skills during future project phases



Goal 3

Provide the board with information and resources needed to make informed decisions

OPPORTUNITY

#3a

Formalize administrative policies to reflect cadence of board briefing sessions and other communication processes with ATP staff

#3b

Establish an annual performance evaluation for board members and consider performance metrics tied to progress against strategic goals

Documenting communications cadence and information process flows in administrative policy improves board effectiveness

OPPORTUNITY 3a.

Formalize administrative policies to reflect cadence of board briefing sessions and other communication processes with ATP staff



TACTICAL OPTIONS



Formalize Q&A procedures outside of board meetings in admin policy



Document cadence of board briefing sessions leading up to meetings



Deliver board packets or memos at established timeframes leading up to meetings



Implement formal information channels and requests between staff and board outside of governing documents



BENEFITS

- ▶ Encourages timely reports back to board
- ▶ Improves board ability to process information ahead of key decisions
- ▶ Establishes clear communications expectations for board and staff

Performance monitoring and evaluation metrics reinforce accountability and improve progress against project goals

OPPORTUNITY 3b.

Implement performance monitoring, metrics, and criteria to track strategic goals



TACTICAL OPTIONS



Implement executive director performance evaluation process



Initiate board self-evaluation exercise for lessons learned in first years of the project



Create list of project performance goals through each phase of program, including e.g., DBE and housing displacement funds



BENEFITS

- ▶ Provides greater visibility and oversight for the board
- ▶ Allows for evaluation of program and goals
- ▶ Enhances goal alignment
- ▶ Increases transparency and community confidence
- ▶ Enables data-driven decision-making

Goal 4

Enhance the function and structure of Technical Advisory Committees

#4

OPPORTUNITY

Consider consolidating the three existing TACs into a single TAC driven by board priorities with ATP staff input

A consolidated technical advisory committee retains value and expertise while reducing redundancy

OPPORTUNITY 4a.

Consider consolidating the three existing TACs into a single TAC driven by board priorities with ATP staff input



TACTICAL OPTIONS



Draft new charter for a consolidated TAC, including member numbers, appointments, rules, and procedures



Assign 2 rotating community board member liaisons to the TAC to serve as Chair and Vice Chair with ability to drive agendas and discussion topics



Determine a meeting frequency that best meets the needs of the board



After 1 year, evaluate effectiveness of consolidated TAC and consider expanding size, access and/or scope



BENEFITS

- ▶ Encourages valuable contribution to board questions
- ▶ Streamlines meetings and reduces topic overlap
- ▶ Simplifies structure and aligns with best practices from CAC

Next Steps

Possible Short- and Long-Term Implementation Steps

Short Term Implementation Steps		Opportunity
1	With legal counsel, draft language to be included in the amendments to the ATP articles, bylaws and board procedures documents for changes suggested in Opportunities 1a and 1b.	Opportunity 1a, 1b
2	Work with ATP Chief of Staff to update and augment training material. Solicit feedback and recommendations from board members on current onboarding materials and training topics.	Opportunity 2a
3	Document communications procedures in the ATP Board Procedures Policy for adoption by Board.	Opportunity 3a
4	Develop board member self-evaluation form, including areas of evaluation and timeline for first collection	Opportunity 3b
5	Develop programmatic performance goals for ATP	Opportunity 3b
6	Determine legal process for dissolving existing TACs. Draft a new TAC charter and determine method for retaining and appointing new members.	Opportunity 4a

Long Term Implementation Steps		Opportunity
1	Set agenda item to discuss financial approval threshold at end of FY25. Solicit feedback from ED and board members on whether the existing approval threshold has caused a burden on board agendas or implementation activities.	Opportunity 1c
2	Develop a board self-assessment form to capture members' self-reported competencies and suggestions on additional competencies to be considered	Opportunity 2b