

Spokane Transit Authority  
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## **BOARD OF DIRECTORS**

Minutes of the September 21, 2011, Board Work Session  
City Council Chambers Lounge  
808 West Spokane Falls Blvd, Spokane, Washington

### **MEMBERS PRESENT**

Amber Waldref, City of Spokane, Chair  
Nancy McLaughlin, City of Spokane  
Chuck Hafner, City of Spokane Valley  
Al French, Spokane County  
Brenda Redell, Small Cities (City of Medical Lake)  
Rhonda Bowers, Labor Representative

### **MEMBERS ABSENT**

Gary Schimmels, City of Spokane Valley  
Mark Richard, Spokane County  
Josh Beckett, Small Cities (City of Liberty Lake)  
Richard Rush, City of Spokane

### **STAFF PRESENT**

E. Susan Meyer, Chief Executive Officer  
Steve Blaska, Director of Operations  
Jim Plaster, Director of Finance  
Lynda Warren, Director of Finance  
Karl Otterstrom, Director of Planning  
Jan Watson, Executive Asst. to CEO/Clerk of Authority  
Susan Millbank, Ombudsman/Accessibility Officer  
Steve Doolittle, Human Resources Manager  
Molly Myers, Communications Manager

### **GUESTS PRESENT**

Doug Eadie, Doug Eadie & Co., Presenter

### **PROVIDING LEGAL COUNSEL**

Brian Werst, K & L Gates LLP

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#### **1. CALL TO ORDER AND ROLL CALL**

Chair Amber Waldref called the meeting to order at 3:40 p.m.

#### **2. High-Impact Governing Board**

Ms. Waldref referred to the July 15, 2011 Board Work Session presented by Doug Eadie on the subject of High-Impact Board Governance. She said it was a progression from the work done in 2003 with the Task Force set up by the Board and led by Commissioner Al French. The purpose of that Task Force was to increase the visibility and positive perception of Spokane Transit and its financial accountability. She added that the concept of High-Impact Board Governing takes that up a notch. Following the work session, an Action Report was written by the High-Impact Governing Steering Committee consisting of Amber Waldref, Al French, Nancy McLaughlin, E. Susan Meyer, and Doug Eadie

Ms. Meyer said Mr. Eadie is well-known on a national level for his work with Boards and has authored more than 13 books. He has presented at conferences of the American Public Transportation Association (APTA) for many years. The goal of the High-Impact Governing process is to take a successful Board to a higher level of governing effectiveness.

Ms. McLaughlin reported that at the July 15 session, Board, Committee members, and staff explored the Board role in key governing areas such as strategic and operational planning, and performance monitoring and external relations. They discussed ways to strengthen Board human resource development and self-management. They developed a preliminary set of CEO-specific targets and identified possible steps to ensure the Board-CEO partnership continues to be positive and productive.

Mr. Eadie said CEO-specific leadership targets will be developed along with a set of performance measures.

Ms. McLaughlin noted that commitment from Board members will be key to making this Board successful.

Ms. Redell said she was excited about the process and although she was unable to attend the July work session, she was interviewed in advance by Mr. Eadie.

Ms. Waldref introduced four resolutions for recommendation to the Board at the September 21, 2011 Board meeting:

**Resolution 1**

The STA Board of Directors affirms its commitment to High-Impact Board leadership and to the creative and productive involvement of Board members, fully utilizing the Board as a precious STA resource; and, the STA Board of Directors declares its intention to make full use of the Action Report as a detailed guide in strengthening the Board's governing role, structure, and processes during 2011 and beyond.

Mr. Eadie said this commitment serves to create a valuable document for the future and creates history for new Board members. The Action Report is attached to these minutes.

Mr. French left at 4:00 pm.

**Resolution 2**

The STA Board of Directors adopts the Board of Directors Governing Mission as follows, and directs that this Governing Mission be periodically updated and that it serves as a framework for further developing the Board's governing work, structure, and processes over time in the interests of High-Impact governing.

**Governing Mission**

The Board of Directors, as the governing body of the Spokane Transit Authority (STA):

- Serves as the steward and guardian of STA's values, vision, mission, and resources.
- Plays a leading, proactive role in STA strategic decision making, and in setting strong, clear strategic directions and priorities for all of STA's operational and administrative programs and operating units, ensuring that effective and efficient service is STA's ultimate "bottom line."
- Monitors STA's operational, financial, and administrative performance against clearly defined performance targets.
- Ensures that STA's image and relationships with key stakeholders are positive and that they contribute to STA's carrying out its operational mission.
- Advocates for the cause of public transportation in the legislative arena and other appropriate forums.
- Strives to ensure that STA possesses the financial and other resources necessary to realize its vision and carry out its mission fully.
- Ensures that Board members are fully engaged in the governing process, that the resources they bring to the Board are fully utilized in governing, and that their governing skills are systematically developed.
- Takes accountability for its own performance as a governing body, setting detailed governing performance targets and regularly monitoring the Board's performance against these targets.
- Hires a Chief Executive Officer responsible for providing Executive direction to STA, works in close partnership with the Chief Executive Officer, ensures that clear, detailed Chief Executive Officer performance targets are set, and at least annually evaluates Chief Executive Officer performance against these targets.

Mr. Hafner suggested this mission be communicated to the public.

Mr. Eadie said Board members can take this to the community when they speak to different groups.

### **Resolution 3**

Adopt three Board governing committees: Board Operations; Planning & Development; and, Performance Monitoring & External Relations, as the governing structure of the STA Board of Directors. The functions of these three governing committees should adhere to the committee descriptions that are set forth in the Action Report following up on the July 15, 2011 High-Impact Governing Work Session.

Ms. Bowers asked how a non-voting Board member fits into this scenario.

Ms. Meyer said that Board member would serve on a committee exactly as a voting member would serve, and recommendations of the committee could be made by consensus without a formal vote.

#### **Board Operations Committee**

This committee consists of the STA Board Chair, Chair of the Planning & Development Committee, and Chair of the Performance Monitoring & External Relations Committee, with the CEO as ex-officio. The committee is responsible for:

- Management and coordination of Board operations
- Preparation of Board meeting agendas
- Continuous Board capacity building
- Coordination of other two committees' work
- Recommendation of revisions in policies governing Board operations
- Development of Board member governing knowledge and skills
- Maintenance of the Board-CEO working relationship

#### **Board Planning & Development Committee**

This committee consists of a Chair, four Board members, and the CEO as ex-officio.

The committee is responsible for:

- Updating the planning process and calendar specifying how the Board will be involved in operational planning/budget development process
- Coordinating the Board's participation in planning process
- Developing planning and budget recommendations to the full Board
- Ensure STA possesses the financial resources required to carry out its operational mission

#### **Performance Monitoring & External Relations Committee**

This committee consists of a Chair, four Board members, and the CEO as ex-officio.

The committee is responsible for:

- 1) **Performance Monitoring**
  - a. Updating the design of the format and content of operational, financial and administrative performance reports, as well as design for other approaches to gathering information
  - b. Monitoring and evaluating operational and financial performance of STA
  - c. Reviewing and recommending Board action on operational (non-governing) policies requiring Board review and approval
- 2) **External Relations**
  - a. Developing and keeping updated STA's desired public image, recommending strategies to involve Board members in promoting the image and in maintaining effective communication with key STA stakeholders
  - b. Recommending policy positions on legislative issues

- c. Overseeing the formulation and execution of strategies to ensure active and appropriate community involvement in STA affairs

Mr. Eadie said the committees will make recommendations to the Board and Committee Chairs will make presentations, rather than staff; the exception being the CEO report. STA Executive staff will be more involved at the committee level rather than the Board level. The public will see the Board taking the lead on decision-making.

Mr. Hafner suggested that staff participate more in complex issues such as the budget.

Ms. Meyer said staff will bring all the information needed for the committee to review, analyze and recommend approval to the Board.

Mr. Eadie said Executive staff met with him for four hours. They are ready and prepared to work with the committees by bringing the same level of excellence as before. The Chief Staff Liaisons will be as follows: E. Susan Meyer, CEO, to the Board Operations Committee; Karl Otterstrom, Planning Director to the Planning & Development Committee; and, Steve Blaska, Director of Operations to the Performance Monitoring & External Relations Committee. Lynda Warren, Director of Finance, will provide assistance to both committees.

#### **Resolution 4**

The STA Board of Directors adopts the Governing Committee guidelines and directs the Board Operations Committee to periodically update the guidelines to ensure that the Board of Directors' Governing Committees function smoothly and productively, carrying out their responsibilities in a full and timely fashion.

##### **Governing Committee Guidelines**

- The Board of Directors Chair will appoint the chairs and members of the Planning & Development and Performance Monitoring & External Relations Committees.
- Each Board member should be assigned to one (but only one) of the Governing Committees (Note an exception: that Governing Committee chairs also serve on the Board Operations Committee). This will ensure that each Governing Committee has a "critical mass" of members and will guard against Board members' overextension and the dilution of governance.
- The Chief Executive Officer is an ex officio, non-voting member of all Board Governing Committees and should whenever feasible attend Committee meetings.
- Only Directors serve as members of the Board's three Governing Committees.
- The Board Governing Committees may create advisory sub-committees consisting of non-Directors to assist them in carrying out their responsibilities.
- It is recommended that, to qualify as a Governing Committee chair, a Board member should have served at least a year as an active member of that committee (after the committee structure has been in existence for two years).
- Board members should make a commitment to attend Committee meetings regularly, be prompt and be prepared.
- All matters coming to the full Board should go through the appropriate Governing Committee and be introduced by Committee members. No action items should be introduced directly to the full Board, without having come through the appropriate Board Governing Committee, and all reports to the Board should be made by Governing Committee members (with the sole exceptions of the regular Chief Executive Officer report to the Board and when non-Board advisory sub-committee members or staff members present special briefings under the aegis of the Governing Committees).
- Committees should meet far enough in advance of the regular Board meeting that 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.

- Whenever a Governing Committee believes that the full Board should be involved in-depth in dealing with an issue, the committee should take the initiative in recommending to the Board Operations Committee that a special full Board work session be held as part of the regular Board meeting.
- Governing Committee chairs and members should be rotated among Committees regularly to ensure that their governing experience is richer and more diverse. It is recommended that committee chairs and members be rotated annually when feasible, and that no committee chair or member serve a term of more than two consecutive years.
- The Committees should receive strong staff support, including the preparation of agendas and reports to the Board. The Chief Executive Officer and her Executive Team should work closely together to ensure that the Board's Governing Committees are well staffed. A member of the Chief Executive Officer's Executive Team should be assigned to serve as Chief Staff Liaison to each of the Governing Committees.
- While the Board Operations Committee should be involved in developing the Board agenda, it should not pre-review or revise the content of Governing Committee reports and recommendations to the full Board. All Board Governing Committees report directly to the full Board.

Ms. McLaughlin said it will be necessary for Board members to take ownership of their commitment to the committees, attend the meetings and be fully active. Sub-committees of citizens could be created as necessary to assist with a particular project as recently took place with the Central City Transit Alternatives Analysis (CCTAA).

Mr. Eadie said if a committee cannot reach consensus, a work session of the full Board may be held. Mr. Hafner said members from smaller cities often have full-time jobs which preclude them from attending meetings. More STA meetings would be a challenge for them.

Ms. Redell agreed and added that smaller cities do not have support staff and often council members participate in meetings by conference call.

Ms. Waldref said at the Public Transportation Improvement Conference (PTIC) last year, small city representatives requested more representation and participation on the STA Board.

Ms. Redell said it would be useful to have a conference call feature and also an opportunity for alternates to participate.

Ms. Meyer said once the Board has adopted the resolutions, implementation of the new committee structure will be done via the Board Operations Committee. It is proposed to have the current Operations and Customer Service Committee and Citizen Advisory Committee continue until the end of the year.

Ms. Waldref said as the current STA Board Chair, she will chair the new Board Operations Committee and will appoint Chairs to the other two committees. In January, 2012, the STA Board Chair has the opportunity to appoint different chairs.

Mr. Otterstrom and Mr. Blaska said they are looking forward to this opportunity, and Ms. Warren said she is learning a lot from this well-run organization.

Mr. Blaska added that the new committee structure provides for decision-making in smaller groups. The interaction is better and, in the past, Board workshops have provided a similar format with great success. A formalized process of engaging the Board will produce commitment, feedback and ownership. He did not think a lot more time would be involved for Board members who are already

participating on STA committees since there would be just one more meeting between the committee chair and the STA Chief Staff Liaison.

Ms. Meyer said the budget process will continue in the usual way this fall so that it can be completed by December.

Mr. Hafner remarked that a committee process where Board members review and discuss the budget several times at that level will be a good thing.

Ms. McLaughlin said she has participated for several years on the Operations and Customer Service Committee as a member and Chair and also has attended Board Workshops. She said these meetings have been very helpful to her in understanding issues and make decision at the Board meeting.

Ms. Waldref agreed and said she doubted that Board meetings would have to be so long since the discussion will have taken place at the committee level.

3. **ADJOURN**

With no further business to come before the Board at this work session, Chair Waldref adjourned the meeting at 4:52 p.m.

Respectfully submitted,

Jan Watson  
Executive Assistant to the CEO  
& Clerk of the Authority