

Governance and Audit Committee

Thursday, February 6, 2020

MINUTES

CALL TO ORDER

The Regular Meeting of the Governance and Audit Committee (“Committee”) was called to order at 4:00 p.m. by Chairperson Chavez in Conference Room 157, County Government Center, 70 West Hedding, San José, California.

1. ROLL CALL

Attendee Name	Title	Status
Larry Carr	Member	Absent
Cindy Chavez	Chairperson	Present
Glenn Hendricks	Vice Chairperson	Present
Chappie Jones	Member	Present
Rob Rennie	Member	Present

A quorum was present.

2. PUBLIC COMMENT:

There were no Public Comments.

3. ORDERS OF THE DAY

There were no Orders of the Day.

CONSENT AGENDA

Chairperson Chavez noted the Governance and Audit (G&A) Committee will meet monthly except July.

4. Regular Meeting Minutes of December 5, 2019

M/S/C (Hendricks/Jones) to approve the Regular Meeting Minutes of December 5, 2019.

5. 2020 Governance & Audit Meeting Schedule

M/S/C (Hendricks/Jones) to approve the 2020 Governance & Audit Meeting Schedule.

6. Ratification of Appointment to the Citizens Advisory Committee

M/S/C (Hendricks/Jones) to ratify the appointment to the VTA Citizens Advisory Committee.

NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.

7. **Ratification of Appointment to the Bicycle & Pedestrian Advisory Committee**

M/S/C (Hendricks/Jones) to ratify the City of Los Altos' appointment to the VTA Bicycle & Pedestrian Advisory Committee for the two-year term ending June 30, 2020.

8. **Ratification of Appointments to the VTA Policy Advisory Boards**

M/S/C (Hendricks/Jones) to ratify appointments to the VTA Policy Advisory Boards.

9. **VTA Ethics Hotline Program Quarterly Report**

M/S/C (Hendricks/Jones) to review and receive the VTA Ethics Hotline Program Quarterly Report.

10. **Review Status of Internal Audit Work Plan**

M/S/C (Hendricks/Jones) to review and receive the Auditor General's Status of Internal Audit Work Plan.

RESULT:	APPROVED – Consent Agenda Item #4-10
MOVER:	Glenn Hendricks, Vice Chairperson
SECONDER:	Chappie Jones, Member
AYES:	Chavez, Hendricks, Jones
NOES:	None
ABSENT:	Carr, Rennie

REGULAR AGENDA

11. **G&A Direction on BEC Governance Assessment Recommendations**

Stephen Flynn, Senior Policy Analyst, and Elaine Baltao, Board Secretary, provided an overview of the staff report.

Board Member Rennie arrived at the meeting and took his seat at 4:03 p.m.

Chairperson Chavez stated staff will coordinate to prioritize the recommendations and return with a work plan. She requested the status updates as recommendations are implemented.

Board Member McAlister offered the following comments: 1) he would like to see the staff report earlier; 2) expressed concern about deliverables; and 3) indicated he would like to provide input and be involved in the recommendation discussions.

Members of the Committee and staff discussed the following: 1) suggested keeping like items together as a single action for implementation; 2) a detailed work plan and timeline is critical; 3) ensuring that a recommendation goes to the right committee; and 4) noted the importance of process.

Chairperson Chavez requested the following: 1) a detailed work plan before the recommendations are referred to various committees for discussion; and 2) requested staff to collaborate with the Board Enhancement Committee (BEC) Chair and G&A Chairperson on recommendations prior to their return to G&A as actionable items.

M/S/C (Hendricks/Jones) to approve process and timeline for Committee to review and evaluate recommendations: (A) forwarded by the Ad Hoc Board Enhancement Committee; and (B) submitted by Board. Further: 1) request staff provide a detailed work plan; and 2) staff collaborate with the BEC Chair and G&A Chairperson on recommendations prior to their return to G&A as actionable items.

APPROVED - Agenda Item #11

MOVER: Glenn Hendricks, Vice Chairperson

SECONDER: Chappie Jones, Member

AYES: Chavez, Hendricks, Jones, Rennie

NOES: None

ABSENT: Carr

12. Resolution to Declare a Climate Emergency

Ann Calnan, Transportation Planning Manager – Environmental Resource Planning. and Lani Lee Ho, Environmental Planner III, provided the staff report.

Members of the Committee and staff discussed the following: 1) budgetary impact; 2) region-wide transit emissions; 3) importance of metrics, objectives and targets; 4) region wide transit emissions is not included in the scope of the resolution; and 5) the role of congestion management.

Public Comment

Jeannie Bruins, Board Ex-Officio Member, commented on determining a baseline based on historical data. Staff noted VTA’s baseline is 2008.

Chairperson Chavez recommended staff determine the appropriate committee to discuss climate change as it relates to Vehicle Miles Traveled (VMT), the reduction of transit emissions and VTA’s goal of increased ridership.

M/S/C (Jones/Rennie) to recommend that the VTA Board of Directors adopt a resolution declaring a climate emergency.

APPROVED –Agenda Item #12

MOVER: Chappie Jones, Member

SECONDER: Rob Rennie, Member

AYES: Chavez, Hendricks, Jones, Rennie

NOES: None

ABSENT: Carr

13. BART Silicon Valley Project – Phase 1 Invoicing Audit

Bill Eggert, RSM US LLP, provided the report, highlighting the following: 1) timeliness of invoice submission and payment; 2) invoice packet documentation; and 3) implementation letter changes.

Members of the Committee and staff discussed the following: 1) accounts payable verification process; 2) BART and VTA teamwork; 3) areas of improvement; and 4) importance of developing a plan with clear expectations for BART Phase 2 invoicing process.

Chairperson Chavez announced RSM recently underwent staffing changes and has asked to be released from its contract. She thanked Mr. Eggert for his service.

Chairperson Chavez requested staff begin the Request for Proposal (RFP) process for a new outside auditing firm.

Nuria I. Fernandez, General Manager/CEO and Committee Staff Liaison, stated General Counsel will be receiving ethics hotline calls, and VTA's internal audit team will be available to address any individual specific audit items that are not part of a work plan.

M/S/C (Jones/Hendricks) to review and receive the Auditor General's Report on the BART Invoicing Audit.

APPROVED –Agenda Item #13

MOVER: Chappie Jones, Member

SECONDER: Glenn Hendricks, Vice Chairperson

AYES: Chavez, Hendricks, Jones, Rennie

NOES: None

ABSENT: Carr

OTHER ITEMS

14. Items of Concern and Referral to Administration

There were no Items of Concern and Referral to Administration.

15. Committee Work Plan

Ms. Fernandez noted that the G&A Committee would now be meeting monthly, and that the next meeting is scheduled for Thursday, March 5, 2020.

16. Committee Staff Report

There was no Committee Staff Report.

17. Chairperson's Report

There was no Chairperson's Report.

18. Determine Items for the Consent Agenda for Future VTA Board of Directors' Meetings

CONSENT:

Agenda Item #12. Adopt a resolution declaring a climate emergency.

Agenda Item #13. Review and receive the Auditor General's Report on the BART Invoicing Audit.

19. ANNOUNCEMENTS

There were no Announcements.

20. ADJOURNMENT

On order of Chairperson Chavez and there being no objection, the Committee was adjourned at 4:54 p.m.

Respectfully submitted,

Anita McGraw, Board Assistant
VTA Office of the Board Secretary