

Governance and Audit Committee

Thursday, March 5, 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	Present
Cindy Chavez	Chairperson	Present
Glenn Hendricks	Vice Chairperson	Present
Chappie Jones	Member	Present
Rob Rennie	Member	Present

2. PUBLIC COMMENT

There was no Public Comment.

3. ORDERS OF THE DAY

There were no Orders of the Day.

CONSENT AGENDA

4. Regular Meeting Minutes of February 6, 2020

M/S/C (Hendricks/Jones) to approve the Regular Meeting Minutes of February 6, 2020.

5. Ratification of Appointment to the Bicycle & Pedestrian Advisory Committee

M/S/C (Hendricks/Jones) to ratify the City of Santa Clara's appointment to the VTA Bicycle & Pedestrian Advisory Committee for the two-year term ending June 30, 2022.

6. **Ratification of Appointment to the Citizens Advisory Committee**

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

RESULT:	APPROVED – Consent Agenda Items #4-6
MOVER:	Glenn Hendricks, Vice Chairperson
SECONDER:	Chappie Jones, Member
AYES:	Carr, Chavez, Hendricks, Jones, Rennie
NOES:	None
ABSENT:	None

REGULAR AGENDA

7. **General Liability and Workers’ Compensation Claim Payments and Settlements for Second Quarter Fiscal Year 2020**

Raj Srinath, Deputy General Manager/Chief Financial Officer, and Judith Harteau, Enterprise Risk Manager, provided an overview of the staff report.

Members of the Committee and staff discussed the following: 1) the reasons and causes for the claim settlements; 2) if claims related to property damage could have been prevented; 3) injuries related to wheelchairs; 4) bus operator claims; and 5) provided suggestions to improve the report.

The Committee requested that staff return next quarter with more context within the report to better understand trends, claims, and settlements.

On order of Chairperson Chavez and there being no objection, the Committee received the Second Quarter Fiscal Year 2020 general liability and workers’ compensation report for settled claims and payments made.

8. **Policy for General Manager and General Counsel Evaluation**

Evelynn Tran, General Counsel, relinquished her seat to Carlos Orellana, Deputy Counsel, at 4:14 p.m.

Jim Lawson, Chief External Affairs Officer, provided an overview of the staff report.

Members of the Committee and staff discussed the following: 1) benchmarks and Key Performance Indicators (KPIs); 2) concerns that there is never follow-up to the evaluations provided; 3) Board Member self-evaluations aligning with the evaluations of the General Manager and General Counsel; 4) the benefits of hiring a consultant to help institute best practices as it relates to setting KPI’s for the General Manager and General Counsel.

The Committee suggested VTA hire a third party consultant for three years to achieve the following: 1) create the framework for goals and benchmarks as it relates to the General Manager and General Counsel; 2) provide follow-up to determine if the goals set forth by the Board were met; and 3) help provide ideas on how to better align the Board self-evaluations with the General Manager and General Counsel.

Public Comment

Jeannie Bruins, VTA Ex-Officio Board Member, requested clarification that the third-party consultant assessment of the General Manager and General Counsel would be provided to the full Board.

Mr. Orellana relinquished his seat to Ms. Tran at 4:21 p.m.

M/S/C (Jones/Rennie) to approve a policy to address the performance evaluation of the General Manager and the General Counsel.

Agenda Items #9, #10, and #11 were heard together.

Agenda Items #9 to #11

9. **Revised Work Plan for Standing Committee Evaluation of VTA Board Governance Enhancement Process Recommendations**
10. **Review, Evaluate, and Provide Direction on Specific Board Governance Enhancement Recommendations**
11. **Board Member Conference Attendance Guidelines**

Mr. Lawson provided an overview of the staff reports and noted that Elaine Baltao, Board Secretary, and Stephen Flynn, Senior Policy Analyst, were available to answer questions.

Public Comment

John McAlister, VTA Board Member, commented about the following: 1) VTA Ad Hoc Board Enhancement Committee (BEC) recommendations; 2) criteria for assigning the Strategic Plan to the Congestion Management Program and Planning (CMPP) Committee; 3) the need to start the Strategic Plan sooner rather than later; 4) agreed with the format related to the Board Governance Enhancement recommendations; 5) noted the importance of attending a conference and opposed having limitations.

Ms. Bruins commented about the following: 1) expressed concerns regarding the workplan; 2) recommended that the workplan be color coded to show which items are priorities; 3) suggested commissioning a new committee to work on the Strategic Plan due to the level of work needed; 4) expressed concern that only one Committee would be assigned the Strategic Plan; 4) first tier priorities versus third tier priorities; 5) suggested a subcommittee of volunteers to vet Board candidates, 6) encouraged implementing protocols through the chair so he/she may have the authority to change public comment process.

Blair Beekman, Interested Citizen, commented about the following: 1) super-majority voting; and 2) 2016 Measure B funding.

Members of the Committee and staff discussed the following: 1) the reasons for the Governance & Audit (G&A) Committee to meet monthly in order to spend more time on governance; 2) keeping track of the recommendations made by the BEC through a work plan; 3) G&A's feedback as it relates to the BEC's recommendations; and 4) the importance of strengthening the Committees within the organization.

Members of the Committee and staff discussed the following related to the Strategic Plan: 1) the reasons for placing the Strategic Plan with the CMPP Committee; 2) the advantage of having the CMPP Committee and Strategic Plan done simultaneously, noting the CMPP Committee works with projects, planning, budget and policy; 3) noted program and planning and the Strategic Plan utilize the same resources; and 4) Board Member availability to take on another committee if commissioned to work on the Strategic Plan.

Mr. Lawson noted its staff's intentions to work through many of the recommendations and bring it back to the Committee.

Members of the Committee and staff discussed the following related to Board Appointment Process: 1) providing guidelines to the appointing authority to help determine the best candidate; 2) expressed the importance of appointing the right people; 3) suggested a VTA staff or a Board Member share with various/city councils the Board Member expectations; 4) concerns about Board Members vetting candidates; 5) choosing candidates who has the time to read the necessary material prior to a meeting; 6) the importance for a Member to think regionally as oppose to their own jurisdiction; and 7) suggested sending any VTA Board/Committee attendance and Board self-evaluations to the appointing authority.

Members of the Committee and staff discussed the following related to public comment: 1) the Chair having the ability to make changes to the public comment process; 2) reducing the time each citizen has to speak in order to allow for more speakers; 3) placing a time cap based on how many public speaker cards there are; 4) set a time cap on when speaker cards will be received; 5) announcing when public comment opens and closes; 6) suggested if there are less than ten speaker cards, the set time will be two minutes and if there are more than ten speaker cards, the time would be limited to one minute, with a cap for 45 to 60 minutes; and 7) the need to communicate to the public that there is more than one way to communicate concerns to the Board.

Members of the Committee and staff discussed the following related to Board Member Conference guidelines: 1) noted all Board Members should be allowed to attend if requested; 2) Board Members abusing the system in the past; 3) budget issues; 4) protocols to ensure that travel is not abused; and 5) the benefits for newly appointed Board Members to attend conferences.

The Committee requested the following from staff: 1) return to the Committee with an increased budget that allows a little flexibility; 2) research travel policies from the various cities in the county; and 3) select and list conferences Board Members could choose from that would be educational and are fiscally responsible.

9. **M/S/C (Rennie/Jones)** to review and approve the revised Work Plan for Standing Committee evaluation of VTA Board Governance Enhancement Process recommendations. Furthermore, requested the following: 1) that staff revise the work plan to see what priorities and any critical paths that need to be taken; and report back to G&A with a recommendation on how to handle them.

RESULT: APPROVED – Agenda Item #9, as amended
MOVER: Glenn Hendricks, Vice Chairperson
SECONDER: Chappie Jones, Member
AYES: Chavez, Hendricks, Jones
NOES: None
ABSENT: Carr, Rennie

10. **On order of Chairperson Chavez** and there being no objection, the Committee reviewed, evaluated, and provided direction to staff on specific Board Governance Enhancement recommendations.
11. **On order of Chairperson Chavez** and there being no objection, the Committee reviewed the Board Member Conference Attendance Guidelines.

OTHER ITEMS

12. **Items of Concern and Referral to Administration**

There were no Items of Concern and Referral to Administration.

13. **Committee Work Plan**

On order of Chairperson Chavez and there being no objection, the Committee reviewed the Committee Work Plan.

14. **Committee Staff Report**

Chairperson Chavez noted that VTA is in the process of selecting a new Auditor General and is projected to issue an RFP on March 12, 2020, with, hopefully, a contract award for consideration by the G&A in May 2020.

15. **Chairperson's Report**

There was no Chairperson's Report.

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

CONSENT:

Agenda Item #7. Receive the Second Quarter Fiscal Year 2020 general liability and workers' compensation report for settled claims and payments made.

REGULAR:

None

17. ANNOUNCEMENTS

There were no Announcements.

18. ADJOURNMENT

On order of Chairperson Chavez and there being no objection, the Committee was adjourned at 5:28 p.m.

Respectfully submitted,

Theadora Abraham, Board Assistant
VTA Office of the Board Secretary