

RTD BOARD OF DIRECTORS GOVERNANCE MANUAL



1.0 Introduction and Overview

This manual documents the RTD Board of Directors role of governance as the policy-makers for the RTD District. The Colorado Legislative General Assembly created the RTD district in 1969 as an act. Section 32-9-109.5 of the RTD Act, a full copy of which is contained in this manual, declared effective January 1, 1993, the governing body of the district shall be a board of directors consisting of fifteen persons, each of whom is an eligible elector residing within the director district. Members of the Board of directors are elected to represent the people in the district based on population size as determined by the US Census. Following the federal census, the board of directors shall apportion the composition of the board into compact and contiguous director districts so that to the extent practical, each district size will represent equal population.

The RTD Board is subject to several major laws and policies that defines and affects its power and authority to act:

1) The Regional Transportation District Act (RTD Act)—provides the statutory enabling legislation by which the RTD Board of Directors and the agency must comply. Key components of this act include:

- RTD is authorized to operate a mass transit system (C.R.S. 32-9-102)
- RTD can act through 8 votes of its Board of Directors (C.R.S.32-9-116 (3))
- RTD is a political subdivision of the state (C.R.S. 32-9-119). It is created by the legislature and changes in the RTD Act require vote of the legislature
- RTD has the power of a corporation—contracting, buying and selling property, and hiring of employees
- RTD collects a 1% sales and use tax (C.R.S. 32-9-119 (2))
- RTD tax is administered by the Department of Revenue
- RTD may privatize up to 58%of its non-rail service (C.R.S. 32-9-119.5)

2) The RTD Board of Directors Bylaws—the authority to adopt Bylaws is expressly conferred by Section 114, Paragraph 1 (b) of the RTD Act. Some rules governing the internal affairs of the Board of Directors are contained in the Act, while others by delegation, are established by the Board. The RTD Bylaws combines those rules contained in the Act with those adopted by the Board. Should any conflict or contradictory language exist, the RTD Act prevails.

3) Colorado Public Official Disclosure Law—as elected officials, RTD board of directors must provide a disclosure to the Secretary of State within 30 days after election or re-election. Such information includes business and real estate interests, statement of gifts and honoraria and names and sources of income.

4) Colorado Open Meetings and Open Records Act (C.R.S. 24-6-401 & 24-72-201)—some of the provisions related to these laws include:

- RTD is a local body (C.R.S. 24-6-402 (1) (a))

- Meetings of a quorum or three or more members of a local public body are open meetings.
- If two or more members form a quorum and are present, the committee meeting is an open meeting
- Public meetings must be noticed to the public at least 24 hours in advance
- Notices should include a specific agenda
- Minutes must be taken, recorded and made available to the public.
- E-mail discussions (chat room) are subject to Open Meetings requirements
- Executive sessions can be held at meetings, on notice of the specific purpose with vote of 2/3 of the quorum present but not less than 8 votes for
 - property acquisition, lease or disposal
 - conferences with an attorney regarding specific legal questions
 - matters required to be kept confidential under state or federal law
 - security arrangements and/or investigations including ongoing or possible persecutions
 - contract negotiations/strategy discussions
 - personnel matters
 - consideration of documents protected by mandatory non-disclosure under law
 - no formal action is permitted in executive session
- Colorado Open Records Law provide public records are open for inspection
- Public records include correspondence of elected officials except work product
- Public records may be made available as authorized by CRS 24-72-205 (6)). RTD defines the fee schedule of all staff time for research and retrieval of requested materials and the cost of associated reproduction both paper and electronic.
- Public records should be acknowledged within 3 days. RTD will provide records subject to and within time periods set forth by CORA and RTD's CORA procedures.

5) **Standards of Conduct**—RTD Board members as elected officials are subject to standards of conduct as defined under section C.R.S. 24-18-103 and the RTD Code of Ethics as adopted by the Board of Directors in 2003.

1.1 Mission Statement

To meet our constituents' present and future public transit needs by offering safe, clean, reliable, courteous, accessible and cost-effective service throughout the District.

1.2 Board Operating Principles

- The Board is a policy-making governance Board and sets the strategic direction for the agency.
- Through the responsibilities and authority delegated by the Board of Directors, the General Manager and the Senior Leadership Team implements and manages the agency in accordance with the direction that has been set by the Board.

- All action via resolution and board orders that are voted on by the Board in a full Board meeting becomes the official record of the District.
- The Board has committed to transparency in its overall governance of the District.
- The Board is an elected Board that represents the interest of its constituency while focusing on its collective mission to offer safe, clean, reliable, courteous, accessible and cost –effective service throughout the District.
- Resolution number 5 of series 2008 provides the RTD Board Operating Guidelines to govern its communications with each other and staff and to create more effective communication and decision-making.
- The Board will participate in an annual Board Advance Planning session with staff to perform goal setting and establish other strategic priorities for the District.
- The Governance Manual is a working document that will be reviewed periodically for appropriate and necessary changes in accordance with the RTD Act, Bylaws, and Board policies and procedures.

1.3 Organization and Composition of RTD Board

Elected Official Board

The RTD Board of Directors is an elected Board with each district representing a constituency base of approximately 180,000 based on the 2010 census. The second year following each census, a redistricting process occurs to apportion the composition of the Board into compact and contiguous Director districts so that the fifteen directors will represent to the extent practical the people of the district on the basis of population. If the apportionment is not complete before March 15 of the second year following the census, the legislative council shall apportion the composition of the Board district.

Board Member Composition

The Board is comprised of 15 non-partisan, publicly elected Board members representing the 15 districts of the RTD district. While it is desirable that Board members are diverse, knowledgeable and supportive of public transit, anyone can run for office as long as he/she is a qualified elector of the Director District from which he/she intends to run; is at least 18 years of age and a citizen of the United States, and a resident of the Director District in which he/she is running for at least 32 days prior to filing a petition to run with the Secretary of State. Board members are elected in the general election and any candidate who qualifies through the petition process will be on the general election ballot.

Board Term

Board members are elected for a term of four years and can serve for a maximum of 2 terms. Terms are generally staggered so that not all Board members are up for election/re-election at the same time. If a Board member terminates before his term is over, section 32-9-112 of the RTD Act defines the process for filling or appointing someone else to complete the term of that Board member. Board members who have been appointed to fill a vacancy will serve until the next regular election at which time the vacancy shall be filled by election for any remaining unexpired portion of the term.

1.4 Structure and Practice of RTD Board

Difference between Governance and Management Board

The question of whether the RTD Board is a governance Board or a management Board often comes up in the discussion of duties and functions of the Board. While it is clear that as part of the legislative enabling act, the RTD Board was created as a policy making Board (i.e. governance) to represent the public interest, boundaries for the execution of the functions and powers afforded to the Board in the RTD Act are complex and affect management as well. Generally, the creation of policy and establishing strategic direction is a Board function whereas the implementation of policy is a staff responsibility. However, areas where the Board may cross into management include financial approval of contracts, fare structure, CEO/General Manager oversight and management. As an elected Board, often times political implications of a decision must be considered as well. The distinction between policy and management is often distorted when board governance is characterized by a merging of management, political and policy-making functions. Board members must avoid the proclivity of getting too detailed in day to day operations and try to stay focused at the policy making level.

Committee Structure and Focus

Newly elected Directors or re-elected Directors are sworn into office at the first regular or special board meeting of the year. Each member of the board, before assuming the responsibilities of his or her office, shall take and subscribe an oath of office administered by such person or persons designated by the Board. Following the swearing in of new Board members, the full Board will vote on officers for the year who comprise the Executive Committee. Officers are: Chair of the Board, Vice-Chair or Chair Pro Tem, 2nd Vice-Chair, Secretary and Treasurer. The Chair then appoints the chair and vice-chair of the standing and ad hoc committees.

The Board Bylaws currently provide the description of these standing committees for 2012:

- Executive Committee
- General Manager Oversight and Performance Management Committee
- FasTracks Monitoring Committee
- Planning and Development Committee
- Finance and Administration and Audit Committee
- Operations/Customer Service Committee
- Government Relations Committee
- Civil Rights Committee

With the exception of the Executive Committee and the General Manager Oversight and Performance Management Committee, all standing committees are committees of the whole with a quorum of five members. The Committee of the whole structure was approved by the Board in an attempt to provide a time and opportunity for the full Board members to participate in committee discussions, acquire knowledge at the same time, and to have a voice to represent their particular constituency base. This

has had the net effect of moving the voting items for unanimous consent and recommended action on the Board agenda more expeditiously and effectively.

Ad Hoc Committee

Ad hoc committees are committees that can be assigned by the Chair based upon a particular need or issue. These committees are generally short term and expire upon the termination of the Chair of the Board.

For information on committee charters, please refer to Part V, Committee Charter section of this manual.

1.5 Responsibilities of Board of Directors

Sections 32-9-109.5, 32-9-114 and 32-9-119 of the RTD Act define the power and authority of the RTD Board of Directors. Without prejudice to the general powers conferred by law and by Article II of these bylaws, it is hereby expressly declared that the Directors shall have the following powers and duties:

- a) From time to time to make and change rules and regulations, not inconsistent with law or these bylaws, for the management of the business and affairs of the District and the conduct of Board, Committee, and Task Force meetings.
- b) To determine and designate, except as otherwise provided by law or these bylaws, who shall be authorized to make purchases, negotiate leases and contracts, sign receipts, endorsements, checks, releases, and other documents.
- c) To create standing or special committees and delegate such power and authority thereto as the Board deems necessary and proper to the performance of its functions and obligations.
- d) To create advisory committees made up of both Directors and non-members of the Board of Directors, and specifically to create an advisory committee made up of former Directors who shall meet not less than once a year.
- e) To prepare a certified annual financial report covering each year's activities. Said report shall be submitted to the Board and made available to the public on or before July 31 of the ensuing year.

In addition to these broad powers, the Board of Directors performs a number of primary responsibilities for the RTD District:

1. Governance—creating and approving policies related to RTD agency business
2. System Innovation and Strategic Guidance—setting vision, mission and strategic direction for agency
3. Oversight of system performance and legal and fiduciary responsibilities
4. Customer and Constituent representation for all in the Transit District
5. Selecting, Supervising and Evaluating the performance of the General Manager. Please refer to the Board of Directors' documentation on the process for hiring or transitioning to a new General Manager.

1.6 Board Orientation and Development

New Member Orientation

Election for Board members is staggered over two years with seven Board members elected in one period and eight Board members elected during the next period. Following the election in November, a series of orientation sessions are facilitated with new Board members that centers in these main areas:

- Review of the Board Governance Manual (formerly Board Resource Manual) which provides information on:
 - Board policies and procedures (RTD Act, Bylaws, Legislative Acts, Major Laws affecting RTD)
 - code of ethics (Amendment 41-now article 29 of the state constitution, Board operating Guidelines, RTD Code of Ethics/Board ethics, and attendance at political party functions)
 - committee structures (Board meetings and study session calendars, standing committees, and ad hoc committees and chairs, and outside committees)
 - Committee Charters
 - Local and travel policies (includes management directives for General Manager)
 - Board office functions (highlights of being a Board member and roles & responsibilities of support staff)
 - General Manager Oversight (i.e. compensation philosophy, Hiring and Search process, Process for Handling of General Manager expenses, Process for Goal Setting and Performance Evaluation and Succession Planning)
 - RTD Directory information (Internal phone list, organization chart, phone book. performance measures, RTD District maps and RTD fact Sheets)
- Legal Briefing on items of concern including parliamentary procedures
- Meeting with senior leadership team to understand organizational structure, top challenges and opportunities and focus for the year
- Meeting with Chief Financial Officer (CFO) to understand financial and annual budget
- Briefing on top agency projects
- Tour of FasTracks corridors, Denver Union Station, Divisions of the agency, security command centers and other points of interest
- Setup of bios and Board member information on website
- One-on-one briefings on key projects and service planning
- Board members benefits
- Review of upcoming APTA conferences

Board Member Development

Educating and bringing Board members up to speed on items of consideration that they need to perform effectively in their role is one of the responsibilities of the General Manager and his staff. In addition to committee meetings, board documents and one-on ones with respective Board members, Board members are highly encouraged to read the material and familiarize themselves with the current program status. Study sessions are held monthly to introduce new items and provide information to the Board members.

Board members are also encouraged to become active in the American Public Transportation Association (APTA) which is the premier association of over 1500-member organizations-bus, paratransit, rail systems-providing public transportation options. One of the central functions that APTA offers are a number of workshops, seminars, conferences and resources throughout the year that contributes to public transportation knowledge, development and growth. APTA also serves as a national advocate for public transportation. Board Members are provided two free registrations annually to any of these conferences identified and are encouraged to participate.

An Annual Board Advance held during the first quarter of the year is a powerful development tool for the Board to use with the senior leadership team to set vision, develop strategy and goals that are integrated into the annual operations/ budget planning cycle.