ROARING FORK TRANSPORTATION AUTHORITY

GOVERNING POLICIES MANUAL

***Current Revisions 2019**

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ENDS

POLICY 1.0 *OUTCOMES*

RFTA's Mission

Connecting our Region with Transit and Trails

1. **Safe Customers, Workforce and General Public**
   RFTA will ensure the safety of its workforce, customers and general public through its safety first culture, systematic procedures, and practices, and policies for managing risks and hazards.

2. **Accessibility and Mobility**
   RFTA will provide accessible, effective and easy to use mobility options that connect our region, for all user types.

3. **Sustainable Workforce**
   RFTA will ensure organizational sustainability by enhancing its ability to continue to recruit and retain an engaged, well-trained, resilient professional workforce.

4. **Financial Sustainability**
   RFTA will ensure cost-effective and responsible use of funding, maintain and monitor its short-term and long-term financial forecasts, seek funding partnerships and diversification of revenues.

5. **Satisfied Customers**
   RFTA will strive to exceed customer expectations by providing modern, courteous, safe, convenient, highly reliable, dependable, comfortable, sustainable, cost efficient, and affordable transportation choices to our residents and visitors.

6. **Environmental Sustainability**
   RFTA will research and implement innovative, environmentally sustainable practices in all areas of transit and trails management.

7. **High Performing Organization**
   With integrity, RFTA will deliver efficient, innovative, transparent, accountable, effective, and collaborative regional transportation services that reflect community values.

MANAGEMENT LIMITATIONS

POLICY 2.0 *GENERAL EXECUTIVE CONSTRAINT*

The CEO shall not knowingly cause or allow any practice, activity, decision or organizational circumstance that is unlawful, unethical, imprudent, in violation of the Intergovernmental Agreement, or in violation of commonly accepted business practices.

POLICY 2.1 *TREATMENT OF THE PUBLIC*

With respect to interactions with the public, the CEO shall not knowingly cause or allow conditions or procedures that are unfair, unsafe, untimely, unresponsive, disrespectful or unnecessarily intrusive.

Accordingly, he/she shall not:

1. Collect, review, transmit, store or destroy credit card information gathered from the public in a manner that fails to comply with the Purchase Card Industry Data Security Standards.

2. Fail to clearly communicate to the public what may be expected from the services offered. The public shall be provided an opportunity to comment on proposed "major" service reductions and to any changes in fares at least 30 days prior to implementation of them. Major Service changes are defined as:

   A. Reductions in service hours for an upcoming season that are greater than 10% when compared to the same season in the previous year;

   B. Elimination of a route or a portion of a route (except for seasonal services such as the Bike Express);

   C. Reduction in regular headways of 20% or greater; and

   D. Other changes that RFTA staff may deem significant.

   The requirement for an opportunity for public comment on proposed "major" service reductions and to any changes in fares at least 30 days prior to their implementation may be waived by the RFTA Board in the event of an emergency. In the event the emergency waiver is exercised, an opportunity for public comment will be scheduled as quickly as possible after the waiver is exercised or the "major" service reduction or fare change is implemented.

3. Fail to have safety policies and procedures in place and utilized by all employees.

   A. And shall not fail to obtain a Safety and Security accreditation from Community Transportation Association of America, or a similarly qualified organization, at least every three (3) years beginning in 2014.

4. Fail to provide an effective complaint and suggestion response process.

POLICY 2.2 *TREATMENT OF STAFF*

With respect to the treatment of staff, the CEO shall not cause or allow conditions that are unsafe, undignified or disrespectful.

Accordingly, he/she shall not:

1. Operate without a written personnel guidelines and Departmental Handbooks, approved by legal counsel, which clarifies personnel rules for employees, provides for effective handling of disputes, and protect against wrongful conditions.

2. Retaliate against a staff member for non-disruptive, internal expression of dissent. Any formal allegations of retaliation shall be referred to the RFTA General Counsel and he/she shall report them to the Board.

3. Allow staff to be unprepared to deal with emergency situations or:

    A. Fail to obtain the CTAA Safety and Security Accreditation at least every three (3) years.

POLICY 2.3 *FINANCIAL CONDITION AND ACTIVITIES*

With respect to financial condition and activities, the CEO shall not cause or allow the development of fiscal jeopardy, or a material deviation of actual expenditures from the Board's Ends priorities.

Accordingly, the CEO shall not:

1. Expend more funds than have been received in the fiscal year to date unless the liquidity and long-term reserve requirements below are met:

    A. The CEO may not incur debt (other than regular use of a credit card for incidental purposes) in excess of the Board-approved $1,000,000 Line of Credit with a bank or lending institution.

    B. The CEO may not borrow from reserves in an amount greater than can be replenished by certain, otherwise unencumbered revenues within 90 days.

    C. The CEO may not allow cash to drop below that amount necessary to meet operating expenditures over a 30 day period.

2. Use Board-designated long-term reserves/funds.

3. Allow inter-fund shifting.

4. Fail to settle payroll and payables in a timely manner.

5. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.

6. Execute a check or purchase commitment of greater than $50,000, unless such expenditure has been explicitly itemized in Board-approved budgetary data. Splitting orders to avoid this limit is not acceptable.

7. Acquire, encumber or dispose of real property.

8. Fail to aggressively pursue material receivables after a reasonable grace period.

9. Obtain revenues from sources not, in fact and appearance, legal and consistent with the mission and values of the organization.

10. Use restricted funds for purposes other than stated.

11. Fail to exercise adequate internal controls over disbursements to avoid unauthorized payments or material dissipation of assets.

12. Fail to maximize RFTA's generation of State/Federal grant funds for which it is eligible.

POLICY 2.4 *ASSET PROTECTION*

The CEO shall not allow RFTA's assets to be unprotected, inadequately maintained or unnecessarily risked.

Accordingly, the CEO may not:

1. Fail to insure:

   A. Against theft and casualty losses to at least 100% of replacement value;

   B. Against liability losses to Board members, staff and the organization itself in an amount equal to or greater than the average for comparable organizations; and

   C. Against employee theft, dishonesty, fraud and forgery.

2. Subject facilities and equipment to improper wear and tear or insufficient maintenance.

3. Fail to employ risk management practices to minimize exposure of the organization, its Board or staff to claims of liability.

4. Allow any purchase wherein normally prudent protection has not been given against conflict of interest.

5. Allow a purchase of $10,000 or more without having obtained comparative prices and quality. Splitting orders to avoid this requirement is not allowed.

6. Fail to protect intellectual property, information and files from loss or significant damage.

7. Receive, process or disburse funds under controls insufficient to meet the Board-appointed auditor's standards (as set forth in Management Letter and/or other correspondence).

8. Compromise the independence of the Board's audit or other external monitoring or advice.

9. Invest or hold operating capital in insecure instruments or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.

10. Endanger RFTA's public image or credibility or its ability to accomplish Ends.

11. Create obligations to consultants, vendors, or contractors that are not subject to annual appropriations and which fail to comply with State and Federal laws.

POLICY 2.5 *FINANCIAL PLANNING/BUDGETING*

Financial planning for any fiscal year or the remaining part of any fiscal year may not deviate materially from the Board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a multi-year strategic plan.

Accordingly, the CEO shall not allow budgeting that:

1. Risks incurring those situations or conditions described as unacceptable in the "Financial Conditions and Activities" policy.

2. Omits credible projection of revenues and expenses, separation of capital (including replacement and depreciation) and operational items, cash flow projections, and disclosure of planning assumptions.

3. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received.

4. Fails to provide resources to complete the Rio Grande Trail and develop the infrastructure to manage and maintain it.

5. Fails to allocate at least an average of two (2) months of budgeted General Fund Revenues to Operating Reserves or an average of two (2) months of budgeted General Fund Expenditures, whichever is larger. Revenues include property tax, sales and use tax, service contracts, fares, operating grants and contributions. Expenditures include, operating expenditures, operating expenditures allocated to service contracts, and debt service. Such Operating Reserves may be drawn upon on recommendation of the CEO with Board approval to compensate for expected shortfall. At year-end, any available surplus in General Fund will be allocated in the following manner: 75% to Committed Capital Reserves and 25% to Unassigned Fund Balance. The portion allocated to Committed Capital Reserves will be further allocated in the following manner: 75% Transit Capital Reserves, 20% Facilities Capital Reserves and 5% Trails Capital Reserves. Such Capital Reserves may be drawn upon on recommendation of CEO with Board approval to fund capital needs and replenish, using year-end surpluses.

6. Provides less for Board activities during the year than is set forth in the Governance Investment policy.

POLICY 2.6 *EMERGENCY EXECUTIVE SUCCESSION*

In order to protect the Board from sudden loss of CEO services, the CEO shall not fail to ensure that at least two (2) other members of the management team are sufficiently familiar with Board and CEO issues and processes to take over with reasonable proficiency as an interim successor.

POLICY 2.7 *COMPENSATION AND BENEFITS*

The CEO will not cause or allow jeopardy to RFTA's fiscal integrity or public image when dealing with employment, compensation and benefits for employees, consultants or contractors.

Accordingly, the CEO may not:

1. Change his or her own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.

2. Promise or imply anything other than "at-will" employment.

3. Fail to have the RFTA compensation plan reviewed regularly, but at least every two (2) years, by an independent third party compensation consultant.

4. Establish or change retirement benefits.

POLICY 2.8 *RIO GRANDE CORRIDOR*

With respect to the management of the Rio Grande Corridor, the CEO shall:

1. Preserve the Rio Grande Railroad Corridor's railbanked status under 16 U.S.C. 1247(d), under the jurisdiction of the STB for future freight rail activation.

2. Review and update the Rio Grande Corridor Comprehensive Plan as often as necessary; however, normally every five (5) years, unless authorized by the Board to extend this time frame.

3. Review and update the Rio Grande Corridor Access Control Plan and Design Guidelines as often as necessary; however, normally every five (5) years, unless authorized by the Board to extend this time frame.

4. Maintain the recreational trail in the Rio Grande Railroad Corridor in a State of Good Repair.

5. Make an annual report to the Covenant Enforcement Commission and the RFTA Board regarding compliance with Great Outdoors Colorado covenants.

POLICY 2.9 *FIVE-YEAR STRATEGIC PLAN*

With respect to Long-Range Strategic Plan, the CEO shall not:

1. Fail to update the Five-Year Strategic Plan annually.

2. Fail to align the subsequent year's Strategic Planning Initiatives with the annual budget process.

3. Fail to solicit RFTA Board and staff input on the Five-Year Strategic Plan on an annual basis.

4. Fail to monitor progress towards implementation of the current year's Strategic Initiatives and report to the RFTA Board of Directors on a quarterly basis regarding any significant variances from the plan.

BOARD-MANAGEMENT DELEGATION

POLICY 3.0 *GOVERNANCE - MANAGEMENT CONNECTION*

The Board's sole connection to the operational organization, its achievements and conduct will be through a Chief Executive Officer (CEO).

POLICY 3.1 *UNITY OF CONTROL*

Only officially passed actions of the Board are binding on the CEO.

Accordingly:

1. Decisions or instructions of individual Board members, officers, or committees are not binding on the CEO except when the Board has specifically delegated this authority.

2. If Board members or committees request information or assistance without Board authorization, the CEO shall refuse such requests that require, in his/her opinion, an inappropriate amount of staff time or funds or is disruptive. In such a case, the requestor may choose to bring the request to the Board.

POLICY 3.2 *ACCOUNTABILITY OF THE CEO*

The CEO is the only staff person accountable to the Board of Directors for operational achievement and conduct.

Accordingly:

1. The Board will not give instructions to persons who report directly or indirectly to the CEO.

2. The Board will not evaluate, either formally or informally, any staff other than the CEO and General Counsel.

3. The Board will view CEO performance as identical to organizational performance, so that organizational accomplishment of Board stated Ends and compliance with Management Limitations would be deemed successful performance by the CEO.

POLICY 3.3 *DELEGATION TO THE CEO*

The Board will instruct the CEO through written policies that prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accordingly:

1. The Board will develop and maintain *Ends* policies instructing the CEO to achieve certain results, for certain recipients at a specified worth or priority. These policies will be developed systematically from the broadest, most general level to more defined levels. All issues that are not Ends issues as defined above are Means issues.

2. The Board will develop and maintain *Management Limitations* policies that limit the latitude the CEO may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels. The Board will not prescribe organizational means.

3. As long as the CEO uses *any reasonable interpretation* of the Board's Ends and Management Limitations policies, he/she is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.

4. The Board may change its Ends and Management Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. However, as long as any particular delegation is in place, the Board will respect and support the CEO's choices.

POLICY 3.4 *MONITORING CEO PERFORMANCE*

The Board will systematically and rigorously monitor CEO Job performance to determine the extent to which Ends are being achieved and whether operational activities are within boundaries established in Management Limitations policies.

Accordingly:

1. Monitoring is simply to determine the degree to which Board policies are being met. Information that does not address Ends and Management Limitations policy compliance will not be considered in the evaluation of CEO performance.

2. The Board will acquire monitoring data by one or more of three methods:

   A. By internal report, in which the CEO discloses policy interpretations and compliance information to the Board;

   B. By external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies; and

   C. By direct Board inspection, in which a designated member or members of the Board, or the General Counsel, assess compliance with the appropriate policy criteria.

3. The Board will act on all monitoring reports received. Acceptance of a monitoring report will reflect the Board's judgment as to whether (a) the CEO's interpretation is reasonable, and (b) whether the data demonstrate accomplishment of or compliance with the CEO's interpretation. If the Board does not accept the report for either of the reasons above, the Board will articulate its expectations for remediation.

4. In every case, the standard for compliance shall be *any reasonable CEO interpretation* of the Board policy being monitored. While the Board is the final judge of reasonableness, it will always judge with a "reasonable person" test.

5. All policies instructing the CEO will be monitored at a frequency and by a method chosen by the Board. The Board may monitor any policy at any time by any method, but will ordinarily depend on the following routine schedule:

INITIAL MONITORING SCHEDULE THROUGH DECEMBER, 2003:

Policy		**Method**	**Frequency**	**Schedule**
2.0	General Executive Constraint	Internal	Annually	_____
		Direct by Gen. Counsel	Quarterly	_____
2.1	Treatment of Members/Consumers	Internal	Annually	_____
2.2	Treatment of Staff	Internal	Annually	_____
2.3	Financial Condition & Activities	Internal	6 per Yr.	Even # Month's pkt.
		External	Annually	Close of F.Y.
2.4	Asset Protection	Internal	Annually	_____
2.5	Financial Planning/Budgeting	Internal	Quarterly	Aug/Nov

2.6	Emergency CEO Succession	Internal	Annually	_____
2.7	Compensation and Benefits	Internal	Annually	_____
2.8	Board Awareness & Support	Internal	Annually	_____

MONITORING SCHEDULE EFFECTIVE JANUARY, 2004:

Policy		**Method**	**Frequency**	**Schedule**
2.0	General Executive Constraint	Internal	Annually	Aug. Packet
		Direct by Gen. Counsel	Quarterly	(Jan/Apr/Jul/Oct)
2.1	Treatment of Members/Consumers	Internal	Annually	May
2.2	Treatment of Staff	Internal	Annually	May
2.3	Financial Condition & Activities	Internal	6 per Yr.	
		External	Annually	Close of F.Y.
2.4	Asset Protection	Internal	Annually	June
2.5	Financial Planning/Budgeting	Internal	Quarterly	Feb/May/Aug/Nov
2.6	Emergency CEO Succession	Internal	Annually	June
2.7	Compensation and Benefits	Internal	Annually	June
2.8	Board Awareness & Support	Internal	Annually	July

MONITORING SCHEDULE EFFECTIVE JULY – DECEMBER, 2003

Policy		Method	Frequency	Schedule
2.0	General Executive Constraint	Internal	Annually	Aug. Packet
		Direct by Gen. Counsel	Quarterly	Oct Packet
2.1	Treatment of Members/Consumers	Internal	Annually	May
2.2	Treatment of Staff	Internal	Annually	May
2.3	Financial Condition & Activities	Internal	6 per Yr.	Even # Month's pkt.
		External	Annually	Close of F.Y.
2.4	Asset Protection	Internal	Annually	June
2.5	Financial Planning/Budgeting	Internal	Quarterly	Aug/Nov
2.6	Emergency CEO Succession	Internal	Annually	June
2.7	Compensation and Benefits	Internal	Annually	June
2.8	Board Awareness & Support	Internal	Annually	July

POLICY 3.5 *BOARD/GENERAL COUNSEL RELATIONSHIP*

The purpose of the General Counsel is to ensure that RFTA's actions take place with competent legal counsel and representation.

1. Accountability of the General Counsel

A. The General Counsel is accountable to the Board acting as a body, never to any individual Board member or group of members, nor to the CEO.

B. If Board members or committees request information or assistance without Board authorization, the General Counsel shall refuse such requests that require, in his/her opinion, an inappropriate amount of staff time or funds or is disruptive. In such a case, the requestor may choose to bring the request to the Board.

C. General Counsel Accountability is for all resources, including personnel, under his or her control. Therefore, any accomplishments or violations due to actions of a subordinate of the General Counsel are considered to be accomplishments or violations by the General Counsel.

D. The General Counsel may accomplish the "Job Products" of the position in any manner not imprudent, unethical, or in violation of the prohibitions listed below under "limitations on General Counsel Authority."

E. The General Counsel may use any reasonable interpretation of Board language. The General Counsel is authorized to establish all further policies, make all decisions, take all actions and develop all activities as long as they are consistent with any reasonable interpretation of the Board's policies.

2. Job Products of the General Counsel

A. Timely opinion on documents and contemplated actions of the Board and the CEO.

1) Any action or document the CEO submitted for preparation or opinion.

2) Legal ramifications of pending litigation.

3) Legal process of the Board.

4) Any action or document of the Board or of duly appointed Board Committees submitted for opinion.

5) When requested or appropriate, alternate language or action to achieve Board or CEO intentions in a lawful manner.

B. Advice regarding avoidance of litigation or settlement of potential litigation.

1) Timely provision of information regarding potential litigation.

2) Settlement of otherwise unavoidable litigation without undue loss of future options.

3) Negotiations for settlement.

C. Diligent and competent representation of RFTA in litigation.

3. Limitations on General Counsel Authority

A. No exercise of authority over CEO or other staff.

B. No violation of applicable codes of professional ethics and conduct.

C. No treatment of the public or staff in a disrespectful or unfair manner.

D. All employees under the General Counsel purview must comply with the same personnel policies, compensation plans and other policies, which have been adopted by the CEO for all of RFTA's employees, the only exception being that the first step in the grievance process will be the General Counsel.

E. No contracting-out of legal services except as justified by excess workload or insufficient expertise of legal staff, and within Board allocated budget for General Counsel's office.

F. No expenditures or fiscal encumbrances beyond those authorized under Board policy.

G. Information shall not unreasonably be withheld from the CEO, nor shall General Counsel fail to cooperate with the CEO in the performance of his/her official functions.

4. Evaluation of General Counsel Performance

A. General Counsel Accountability is only for job expectations explicitly stated by the Board in this document. Consequently, the provisions herein are the sole basis of any subsequent evaluation of General Counsel Performance, though he or she may use any reasonable interpretation of the Board's words.

B. The Board may monitor General Counsel Performance with respect to these expectations at any time, but the Board intends to monitor Counsel's performance on an annually in May.

GOVERNANCE PROCESS

POLICY 4.0 *GOVERNANCE COMMITMENT*

The purpose of the Board of Directors (the "Board"), on behalf of the residents and the business community of the RFTA member jurisdictions (the "ownership"), is to ensure that RFTA (1) achieves appropriate results at an appropriate cost (as specified in Board Ends policies), and (2) avoids unacceptable actions and situations.

POLICY 4.1 *GOVERNING STYLE & VALUES*

The Board will govern lawfully and in accordance with the Roaring Fork Transportation Authority Intergovernmental Agreement, observing the principles of "Policy Governance," with an emphasis on (a) outward vision rather than internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership rather than administrative detail, (d) clear distinction of Board and chief executive roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) proactivity rather than reactivity.

Accordingly:

1. The Board will cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will be the primary initiator of governing policy. The expertise of individual members will not be used to substitute for the judgment of the Board, although such expertise may be used to enhance Board understanding.

2. The Board will direct, control and lead the organization through the careful establishment of written policies reflecting the Board's values and perspectives. The Board's major focus will be on RFTA's intended long-term impacts, with appropriate regard to the administrative or programmatic means of attaining those effects.

3. The Board will utilize the jurisdictional knowledge and perspective of its members in forging decisions with a regional emphasis.

4. The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continual enhancement of governance capability. Although the Board can change its governing policies at any time, it will diligently observe those currently in effect.

5. All governing policies of the Board are contained in this document, and they remain in effect, unless amended or deleted by Board action.

6. The Board will ensure orientation of new Board members in the Board's governance process and with these policies.

7. The Board's commitment will allow no officer, individual or committee of the Board to hinder or be an excuse for not fulfilling the Board's commitments.

8. The Board will monitor and discuss its process and performance at each meeting. Self-monitoring will include comparison of Board activity and discipline to Governance Process and Board-Management Delegation policies.

POLICY 4.2 *BOARD JOB PRODUCTS*

The Board will ensure appropriate organizational performance by assuming direct responsibility for the following:

1. The Board is the link between the "ownership" and the operational organization.

   A. Needs Assessment: The Board will assess the needs of the ownership as they relate to RFTA's activities and scope of influence, and will develop Ends policies identifying the results RFTA is to produce to meet those needs.

   B. Advocacy: The Board will inform the ownership of the organization's expected future results, and its present accomplishments and challenges.

2. The Board will develop and maintain written governing policies that realistically address the broadest levels of all organizational decisions and situations:

   A. **ENDS:** Organizational products, effects, benefits, outcomes, recipients, and their relative worth (what good, for which recipients, at what cost).

   B. **MANAGEMENT LIMITATIONS:** Constraints on CEO authority that establish the prudence and ethics boundaries within which all management and operational activity and decisions must take place.

   C. **GOVERNANCE PROCESS:** Specification of how the Board conceives, carries out and monitors its own task.

   D. **BOARD/MANAGEMENT DELEGATION:** How authority is delegated and its proper use monitored: the CEO's role, authority and accountability and that of the General Council.

3. The Board will assure successful organizational performance on Ends and on Management Limitations.

4. The Board may take positions on transportation matters, including local, state, or federal issues that affect the organization's regional goals and the organization's ability to achieve its Ends.

5. The Board will approve RFTA's annual operating budget (subject to its meeting the criteria set forth in the Financial Planning/Budget policy).

   A. Requirements for RFTA contributions to quasi-governmental or non-profit organizations, to be known as "Partnership Grants", shall be as follows:

      1) Total contributions will not be greater than $50,000 individually or in the aggregate during any calendar year unless additional funding is approved by the Board.

2) Requests for RFTA funding from such organizations will be considered during RFTA's annual budget process.

3) Request for RFTA funding shall be submitted by deadlines to be established by RFTA each year.

4) Organizations requesting RFTA funding shall demonstrate that the use of RFTA funding will have a nexus to RFTA's mission of providing convenient, cost effective, and environmentally-friendly multi-modal public transit and trails services and programs.

5) Providing a report regarding the accomplishments/benefits achieved/derived from using RFTA and other funding during the previous budget cycle to be submitted by deadlines to be established by RFTA shall be a condition to any such funding.

6. The Board will make determinations regarding all RFTA sales tax/bonding initiatives for transit or trails.

POLICY 4.3 *AGENDA PLANNING*

The Board will prepare and follow an agenda plan that includes (1) a complete re-exploration of Ends policies annually and (2) continuous improvement in Board performance through Board education, enriched input and deliberation.

Accordingly:

1. The Board's annual planning cycle will conclude each year on the last day of July so that administrative planning and budgeting can be based on accomplishing a one-year segment of long-term Ends.

2. The annual cycle will start with the Board's development of its agenda plan for the next year.

   A. The Board will identify its priorities for Ends and other issues to be resolved in the coming year, and will identify information gathering necessary to fulfill its role. This may include methods of gaining ownership input, governance education, and other education related to Ends issues, (e.g. presentations by futurists, advocacy groups, demographers, other providers, staff, etc.).

   B. At the commencement of the Board's annual planning cycle, the Chair will prepare, for the Board's approval, a tentative agenda plan for the following year's meetings.

3. The Chair will determine the agenda for each meeting, although Board members may request or recommend any appropriate matters for Board consideration.

   A. A Board member recommending or requesting a matter for Board discussion will advise the Chair of such matter at least ten (10) days prior to the scheduled Board meeting.

   B. The meeting agenda and packet are to be received by Board members at least six (6) days prior to the scheduled Board meeting.

   C. By an affirmative vote of a majority of the members of the Board, or of those present at a meeting, additional matters may be added to the agenda of any Board meeting.

4. The Board will attend to consent agenda items (those items delegated to the CEO yet required by law or contract to be Board-approved) as expeditiously as possible.

   A. Requests for clarification or information regarding Consent Agenda items are to be made prior to the Board meeting.

   B. If there is concern about such an item, it may be removed from the Consent Agenda at the request of any Board member.

5. Other than Board review/approval of monitoring reports, monitoring and evaluation of CEO activities and performance will be included on the agenda only if monitoring reports or other data indicate policy violations, or if discussion of policy criteria is put forth on the agenda.

6. CEO remuneration will be decided during the month of September, to be effective January 1st, after a review of monitoring reports received during the last year.

POLICY 4.4 *CHAIR'S ROLE*

The Chair, serving as the Chief Governance Officer (CGO), assures the integrity of the Board's process and, secondarily, represents the Board to outside parties.

Accordingly:

1. The Chair will ensure that:

    A. The Board behaves consistently with its policies and those legitimately imposed upon it from outside the organization.

    B. Meeting discussion content includes only those issues that, according to Board policy, clearly belong to the Board to decide or to monitor.

    C. Deliberation is fair, open, thorough, timely, orderly, and kept to the point.

2. The Chair is authorized to make decisions consistent with the Board's Governance Process and Board/Management Delegation policies, with the exception of (a) employment/termination of the CEO or the General Counsel, or (b) instances where the Board specifically delegates portions of this authority to others. The Chair is authorized to use any reasonable interpretation of these policies.

    A. The Chair is empowered to preside at and manage Board meetings with all of the commonly accepted power of that position (e.g. ruling, recognizing).

    B. The Chair has no authority to make decisions within Ends and Management Limitations policy areas. Therefore, the Chair has no authority to supervise or direct the CEO or the General Counsel.

    C. The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating decisions and interpretations within the area delegated to her or him.

    D. The Chair may delegate his/her authority but remains accountable for its use.

    E. The Chair may appoint Board members to serve on Board Committees, unless specified otherwise in Bylaws or Board policies.

POLICY 4.5 *BOARD MEMBERS' CODE OF CONDUCT*

The Board commits itself and its members to ethical, professional, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members. Accordingly:

1. Board members must demonstrate loyalty to the interests of the ownership.

2. Board members must avoid conflict of interest with respect to their fiduciary responsibility.

   A. There must be no self-dealing or any conduct of private business or personal services between any Board member and the RFTA organization.

   B. Board members will annually disclose their involvements with other organizations, with vendors, or any associations that might be or might reasonably be seen as being a conflict.

   C. When the Board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall disclose the conflict to the Board. With the exception of jurisdictional conflict, that Board member shall absent herself or himself without comment from not only the vote but also from the deliberation.

   D. Board members must not use their Board positions to obtain staff employment for themselves, family members or close associates. Should a Board member apply for staff employment, he or she must first resign from the Board.

3. Board members must not attempt to exercise individual authority over the organization.

   A. Board members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly Board authorized.

   B. Board members' interaction with public, media or other entities must recognize this limitation and that Board members are not to speak for the CEO, or to speak for the Board except to repeat explicitly stated Board decisions.

   C. Except for participation in Board deliberation about whether the CEO has achieved a reasonable interpretation of Board policies, Board members must not express individual judgments of performance of employees or the CEO. Board members must not express any such judgments with any third party.

4. Board members must respect the confidentiality appropriate to issues of a sensitive nature.

5. Each member of the Board must support the legitimacy and authority of the final determination of the Board concerning any particular matter, irrespective of the member's personal position concerning such matter.

6. Board members and/or alternates are expected to attend Board meetings. If a jurisdiction has no representation (regular or alternate) from more than two (2) of the Board's regularly scheduled meetings in any fiscal year, this will constitute notification to the appointing authority of RFTA's request for more active participation.

7. Board members will prepare for Board and board committee meetings and will participate productively in discussions.

8. The CEO is accountable only to the Board as an organization, and not to individual Board members. Therefore, the relationship between the CEO and individual members of the Board, including the Chair, is collegial, not hierarchical.

POLICY 4.6 *BOARD COMMITTEE PRINCIPLES*

Board committees, when used, have one essential role, "to strengthen and support the work of the Board as a whole." Board committees are not to interfere with delegation from Board to the CEO, or from the CEO to other staff.

Accordingly:

1. Board committees are to help the Board do its job, not to help, advise, or exercise authority over the CEO or staff.

2. Board committees will be used only when needed. They will most commonly assist the Board by undertaking activities not delegated to the CEO, by preparing policy alternatives and implications for Board deliberation, or by performing specifically assigned monitoring functions.

3. Board committees may not speak or act for the Board except when formally given such authority, typically for specific and/or time-limited purposes. The Board will carefully state its expectations and committee authority in order not to conflict with authority delegated to the CEO.

4. Board committees must not exercise authority over staff. Because the CEO works for the full Board, he or she will not be expected to obtain approval of a Board committee before an executive action.

5. This policy applies to any group formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members. It does not apply to committees formed under the authority of the CEO.

POLICY 4.7 *BOARD COMMITTEE STRUCTURE*

A committee is a Board Committee only if its existence and charge come from the Board. The only Board Committees are those set forth in this policy. Unless otherwise stated, a Board Committee will cease to exist when its task is complete. Unless otherwise specified, the CEO, or his/her staff designee, will serve as a non-voting member of each committee.

1. Board Development Committee

A. Product #1: Upon appointment of new Board members, arrangement of orientation/training of Board members in the Board's governing process and strategic issues of the Board's choosing.

B. Product #2: Recommendations brought forth for Board consideration regarding additional Board training opportunities to enhance the Board's governance capabilities.

C. Authority: To incur costs of no more than $___ in direct charges and no more than ___ hours of management time.

2. Audit Committee

A. Product #1: Annual specification of scope of audit, prior to outside audit, consistent with Board monitoring policy.

B. Product #2: Assessment and confirmation of auditor's independence, and recommendation to Board for engagement of auditor, by no later than _____.

C. Authority: To direct work of outside auditors, to use management time as needed for administrative support, and to incur costs of no more than $_____ for all matters related to the audit.

3. CEO Compensation Committee

A. Product: CEO compensation/benefit adjustment alternatives for Board consideration. To be presented to the Board in a timely manner to allow final action to be taken by both parties by September of each year.

B. Authority: To incur costs of no more than $___ in direct charges, to include compensation surveys, and no more than ___ hours of management time.

4. External Relations Committee

A. Product: Assists the Board with development and implementation of plans for Board approval for effective linkage with other agencies and the ownership.

B. Authority: To incur costs of no more than $___ in direct charges of management time.

5. Community Advisory Committee

A. Product: Assists the Board as a resource for needs assessment and public input for policy considerations and recommendations. Identifies critical conditions, trends and strategic issues deserving Board attention.

B. Authority: To incur costs of no more than $___ in direct charges and no more than ___ hours of management time.

C. Composition: To be broadly representative of the region, including passengers, the business community, CMC, public school system, social service agencies and civic associations.

POLICY 4.8 *GOVERNANCE INVESTMENT*

The Board will consciously invest in its ability to govern competently and wisely.

Accordingly:

1. Board skills, methods, and supports will be sufficient to assure governing with excellence.

    A. Training and retraining will be used appropriately to orient new Board members, and to maintain and increase existing Board member skills and knowledge.

    B. Outside monitoring assistance, including fiscal audit, will be arranged as needed so that the Board can exercise confident control over organizational performance.

    C. Outreach mechanisms will be used as needed to ensure the Board understands owner viewpoints and values.

2. Costs will be prudently incurred, but sufficient to ensure the development and maintenance of superior governance.

    A. Up to $_____ in fiscal year _____ for Board training, including publications.

    B. Up to $_____ in fiscal year _____ for Board member travel/reimbursements (attendance at conferences, workshops, etc.).

    C. Up to $_____ in fiscal year _____ for audit and other third-party monitoring of organizational performance.

    D. Up to $_____ in fiscal year _____ for surveys, focus groups and opinion analyses.

    E. Up to $_____ in fiscal year _____ for Board-hosted ownership linkage/outreach events.

    F. Up to $_____ in fiscal year _____ for Board meeting and retreat costs.

    G. Up to $_____ in fiscal year _____ for Board committee functions.

    H. Up to $_____ in fiscal year _____ for Board General Counsel

3. The Board will establish its governance budget for the next fiscal year each year during the month of August.