

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	August 14, 2017
	Agenda Item No.	61
	Roll Call No.	<u>17-1410</u>
	Communication No.	<u>17-581</u>
	Submitted by:	Scott E. Sanders, City Manager

AGENDA HEADING:

Resolution authorizing the approval and execution of and delivery of the Substituted and Restated 28E Agreement of the Des Moines Regional Transit Authority (DART).

SYNOPSIS:

Recommend approval of the Substituted and Restated 28E Agreement with DART. The City Manager is cautiously optimistic that the new Governance structure will advance transit service for the region and the populations that rely on public transportation.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

- DART was created in 2006 through an act of the Iowa Legislature, with the ability to exercise all powers noted in Chapters 28E and 28M of the Iowa Code. Now entering the 11th year of operation, DART is taking the opportunity to evaluate its current governance structure.
- The DART Commission formed a Governance Task Force earlier this year to review, design and recommend a new governance model for DART. The Executive Summary and Recommendations from that exercise are attached to this Council Communication.
- The proposed composition of the new DART Commission would change to one (1) representative from each member community. Each DART Commission Seat would be appointed by the community’s respective Mayor. Additional recommendations explained in the attachment include voting processes, committee structures, officer assignments and transitional matters.
- According to DART communication from August 8, 2017, “To date, 15 member communities and Polk County have approved the revised agreement.”
- The current governance of DART has left cities with populations over 50,000 without any local elected representation at times. Council asked about the value of changing the governance to the structure being proposed.
- If the new DART Commissioners approach their role with the intent to advance the needs of regional transit over the parochial interests of their respective community, DART has a real chance to stabilize fiscally. If the focus of DART becomes how to add services to cover all

participating communities, or how to extract more tax funds from the poorer communities, the cost will become burdensome and political pressure would likely collapse the partnership. The approach of the commissioners will absolutely determine the ultimate success of DART. Communities will need to allow their appointees to guide DART from a regional and service need-based perspective.

- Agreeing to the new governance model will demonstrate the City of Des Moines' willingness to compromise with neighboring cities. This type of cooperation should create good will in the discussion about how DART funding will change and possibly future discussions about regionalism involving other services. The new governance model can be an effective approach to maintain the largest base of support for funding public transit in Central Iowa.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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DART GOVERNANCE TASK FORCE

INTRODUCTION

The Des Moines Area Regional Transit Authority (DART) was created in 2006 through an act of the Iowa Legislature, with the ability to exercise all powers noted in Chapters 28E and 28M of the Iowa Code. Now entering its 11th year of operation DART is taking the opportunity to evaluate its current governance structure in light of the recently released update to the 2035 Forward Plan as well as the changing demographics and service needs of the Des Metro area.

EXECUTIVE SUMMARY

The DART Commission appointed a Task Force of Local Elected Officials and Community Leaders to undertake the effort of reviewing the current DART governance structure. Their responsibility is to provide advisory recommendations to the Commission on any changes to the overall structure. The Community Foundation of Greater Des Moines provided funding assistance to engage The Robert D. and Billie Ray Center- Drake University, led by J. Scott Raecker to facilitate the discussion and Cassandra Halls of the 2 THE TOP to assist with research and project management.

The Task Force must comply with a Charter designed and issued by the DART Commission. Key points included in the Charter are:

Task Force Operating Functions

The Task Force meetings will be conducted in an open and transparent environment. The Task Force will be committed to the following operating principles:

1. An open and inclusive process of gathering input and recommendations from key stakeholders.
2. To be good listeners, be respectful of all points of view, and have robust discussions on the key governance issues.
3. If consensus is not reached, the minority viewpoint will be fairly presented to the DART Commission.
4. Public notification of meeting dates, meeting minutes and key documents will be posted on the DART Website. This will enable and enhance open communications.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Task Force, with assistance from the facilitation team and DART staff support, will:

1. Review the overall governance structure of DART as currently set forth in the DART 28E Agreement and Bylaws;
2. Review other Central Iowa regional governance models;
3. Review governance models of other regional transit authorities nationally;
4. Develop advisory recommendations to be presented to the DART Commission on what governance structure would best govern DART into the future;
5. In addition, develop advisory recommendations to be presented to the DART Commission which would address:
 - a. What the role and responsibilities of a DART Commissioner are;
 - b. Identify appropriate term limits, if any; and
 - c. Address DART Commission make-up considerations, if any.
6. Perform any other activities consistent with this charter which pertain to the governance structure of DART and that the DART Commission or Task Force determines are necessary or appropriate.

RESEARCH PROCESS

The Task Force conducted a thorough research process which included one-on-one interviews with 37 participants. The participants represented: current DART Member communities, communities who have provided their notice to opt-out, community partners and potential municipal/county partners not currently members of DART service. A separate, detailed report (*DART Governance Task Force – Research and Interview Findings Report*) has been prepared to document the research participants, comments and themes, however the primary findings are summarized below.

FINDINGS

The findings noted here represent the primary themes from the one-on-one interviews. All comments represented in aggregate and identify the most common, critical feedback.

The interview participants were widely supportive of the work of the DART administrative team and are seeking improvements to increase effectiveness, collaboration and streamline governance processes. The statements included with this report should not be confused with performance of staff.

PRIMARY THEMES (GOVERNANCE)

Need for Transit:

All interview participants agree there is a need and a purpose for regional transit. There was a shared view the service is necessary for those in need (who lack their own transportation,) local workforce and as a valuable economic development tool.

Representation:

89% of those interviewed agree modifications must be made to the current DART governance structure. 11% felt their current representation was adequate.

Municipal representation needs to increase. Options proposed:

1. One representative per city (most common response)
2. Realign representation by aligning cities with common needs, size and service levels
3. One representative per city above a threshold population/tax base/ridership, the communities not meeting the threshold, still represented by regional appointee
4. Consider a fully elected board (DMACC or Broadlawns Models)
5. Concern was equally expressed about keeping the board size manageable
6. Representation should be by an elected official – due to tax levying authority to ensure accountability to tax payers
7. Committees could be utilized to offer broader perspectives: technical expertise, user feedback and business/employer input
8. Current rotation process ineffective and not managed well by the community partners. Many partners, in this particular instance, are not comfortable leveraging their weighted vote for a position on the Commission.

Leadership:

Advocacy must be a balance between DART priorities and for the communities participating in the service.

1. Taxpayer interests will always be top priority, understand and are open to opportunity cost, but require greater focus on ROI
2. When conflicting interests arise, local elected official obligation will always place the interest of their community first and then will address DART interests second
3. DART needs to operate more as a business
4. Concern was shared as to how all regional collaborations overlap and expression of opposing viewpoints on one board, impacting other boards

DART GOVERNANCE TASK FORCE MEETINGS

The DART Governance Task Force met on the following dates to review the research and determine recommendations for consideration by the DART Commission:

February 3, 2017:	Launch Meeting
March 24, 2017:	Presentation of Research/Findings
March 31, 2017:	Ongoing Discussion of Research/Findings and Recommendation Concepts
April 21, 2017:	DRAFT Recommendations for DART Commission
April 28, 2017:	Finalize Recommendations for DART Commission

Key Points of Discussion:

Once the research and findings were presented, the Task Force identified key points during their initial review and discussion:

- Governance model should reflect who is participating:
 - Consider a hybrid approach: elected official votes, but allow an alternate to participate too (EMS model)
 - Attention must be given to keeping the board size manageable
 - Weighted voting has not been widely utilized in the other models
 - Must get governance right because of taxing authority – we must have accountability to the tax payers
 - Staff understanding/education of governance to help support new elected officials
 - Board member engagement
- Regional partnerships are critical – we must work together:
 - Cost benefits of a regional approach
 - Group ‘like’ communities
 - More reporting for communities
- Every community has people in need of transit:
 - Dual focus of those who are served (those in need, choice riders)
 - Transit is rising to the top in many other community conversations: tourism, recruitment, etc.
 - Influence of ridership
 - Be cautious of special interests
- What is the goal of DART?
 - Align synergies – value proposition – communication strategy to announce the changes
 - Based on today, based on future
 - Broad scope

Considerations Ruled Out:

The points noted below reflect issues that were discussed and determined no further consideration was needed by consensus:

DMACC/Broadlawns Model:

- Set aside due to legislative/timing implications, but could re-visit in the future
- *Addresses Research Finding #4:* Consider a fully elected board (DMACC or Broadlawns Models)

Use of Committees:

- Other partners invited to subcommittees as needed, but will not serve as a member of the sub-committee

What if we just re-refresh the current model – remind everyone of their obligations/responsibilities?

- This approach does not address the research finding regarding representation.
- *Addresses Research Finding #8:* Current rotation process ineffective and not managed well by the community partners. Many partners, in this particular instance, are not comfortable leveraging their weighted vote for a position on the Commission.

DART GOVERNANCE TASK FORCE RECOMMENDATIONS

The section below summarizes the recommendations, intent and next steps related to the DART Governance Task Force recommendations. Please refer to Appendix E for the full synopsis including the draft language changes to be made to the by-laws and/or 28E agreements to move forward with considering adopting the recommendations.

DART GOVERNANCE TASK FORCE RECOMMENDATION: COMPOSITION OF THE COMMISSION

- Change to possible 19-member Commission, but leave open for the addition of additional DART member communities.
- Each participating member community would have a DART Commission Seat.
- Each seat would be selected/appointed by the Mayor of each respective community (could be an elected person for Commission seat, and either an elected or non-elected person as the alternate, but Mayor (or elected official) would have ultimate authority to vote on the budget and other decisions.
- Annual selection/appointment by the Mayor, but it could be the same person.
- All meetings of the DART Commission would be open meetings.

Addresses Research Finding:

1. One representative per city (most common response)
5. Concern was equally expressed about keeping the board size manageable
6. Representation should be by an elected official – due to tax levying authority to ensure accountability to tax payers

The Task Force proposes for DART Commission Consideration:

- Adopt the language proposed in Appendix D to update by-laws and 28E agreements.

- Consider the draft of the position description for Commission Members proposed in Appendix D.
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DART GOVERNANCE TASK FORCE RECOMMENDATION: VOTING

- Quorum Requirement
- Key voting thresholds

The Task Force proposes for DART Commission Consideration:

- Adopt the language proposed in Appendix D to update by-laws and 28E agreements.
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DART GOVERNANCE TASK FORCE RECOMMENDATION: OFFICERS

- Establishment of Officers (currently set forth Article III of the Bylaws of the Des Moines Regional Transit Authority and in Article III, Section 4 of the Amended and Restated Agreement of the Des Moines Regional Transit Authority.)

The Task Force proposes for DART Commission Consideration:

- Adopt the language proposed in Appendix D to update by-laws and 28E agreements.
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DART GOVERNANCE TASK FORCE RECOMMENDATION: COMMITTEES

- To provide most of the Committee detail in the DART Bylaws.
- To provide flexibility in 28E Agreement for current and future use of Committees and evolution of such use.

Addresses Research Finding:

7. Committees could be utilized to offer broader perspectives: technical expertise, user feedback and business/employer input

The Task Force proposes for DART Commission Consideration:

- Adopt the language proposed in Appendix D to update by-laws and 28E agreements.
- Further exploration will be needed by the Commission to determine the most efficient, necessary committee structure moving forward.
 - An official Executive Committee is established by the proposed 28E language being made up of the officers of the Commission.
 - The proposed language also provides the opportunity to create standing committees. Two potential options were developed that could be considered by the reconstituted Commission. See APPENDIX D.

- Membership of standing committee would equal with each Commission serving on one of the standing committees (excluding the Officers.)
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DART GOVERNANCE TASK FORCE RECOMMENDATION: TRANSITION MATTERS

- Members elected to the Commission whose terms are ending shall stay in place until the new restructured Commission is constituted. Once the new Commission is in place, then these newly elected members of the Commission shall remain in place until December 31, 2018 unless otherwise provided for in the agreement.
- The Chair, Vice-Chair and Secretary/Treasurer elected by the Commission in June of 2016 shall serve as the Chair, Vice-Chair and Secretary/Treasurer of the Commission under this Substituted and Restated 28E Agreement until their successors are elected under the restructured new Commission. Initial officers elected by the newly constituted Commission shall remain in position through December 31, 2018.

The Task Force proposes for DART Commission Consideration:

- Adopt the language proposed in Appendix D to update by-laws and 28E agreements.
 - Consider the proposed transition timeline.
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APPENDICES

APPENDIX A: GOVERNANCE TASK FORCE MEMBERSHIP

APPENDIX B: GOVERNANCE TASK FORCE CHARTER

APPENDIX C: GOVERNANCE TASK FORCE MEETING MINUTES

APPENDIX D: FULL DART GOVERNANCE TASK FORCE RECOMMENDATIONS INCLUDING PROPOSED LANGUAGE UPDATES FOR BY-LAWS AND 28E AGREEMENTS