

# ALAMO REGIONAL MOBILITY AUTHORITY

## Governance Guidelines

The Board of Directors (the Board) believes strong corporate governance is required for the continuing success of the Alamo Regional Mobility Authority. Initial success has been the direct result of the Authority's planning, high business standards and dedicated leadership. To accomplish its strategic goals, during the initial year the Authority developed a program of corporate governance. The practices of this program are memorialized and enhanced in these guidelines. These guidelines assure the Board will have the necessary authority and practices in place to review and evaluate the Authority's progress and the effectiveness of the Board

### **I. The Authority**

The Alamo Regional Mobility Authority is a regional mobility authority authorized and existing pursuant to the provisions of House Bill 3588, enacted by the 78<sup>th</sup> Legislature of Texas, and codified in Texas Transportation Code, Chapter 370, as the same may be amended from time to time (the "Regional Mobility Authority Act"), as well as rules adopted by the Texas Department of Transportation concerning the operation of regional mobility authorities, located at 43 Tex. Admin. Code 26.1, et seq. (the "RMA Rules").

- **Powers of the Authority:** The activities, property, and affairs of the Authority shall be managed by the Board, which may exercise all powers

and do all lawful acts permitted by the Constitution and statutes of the State of Texas, the RMA rules, and the bylaws of the Authority. The Authority shall act through the Board in the performance of its duties and functions.

- **Mission of the Board:** The Board's primary responsibility shall be to provide effective governance to insure the activities, property and affairs of the Authority are managed, controlled and administered properly. The Board shall carry out the mission of the Authority subject only to the limitations imposed by the Constitution, the statutes of the State of Texas, the RMA rules and the bylaws of the Authority. The Board shall exercise all of the powers of the Authority.
- **The Executive Director:** The Executive Director shall be selected by the Board and shall serve at the pleasure of the Board. The Board shall delegate to the Executive Director the administration of the Authority's business and affairs. Among other responsibilities outlined in the bylaws of the Authority, the Executive Director shall be responsible for general management, hiring and termination of employees, and day-to-day operations of the Authority. The Board shall exercise oversight of the Executive Director's activities.
- **Board Structure:** The size of the Board, the method of appointment of the Chairman of the Board and directors, and the statutory qualifications of the directors are outlined in the Regional Mobility Authority Act, the RMA

Rules, and the bylaws of the Authority. In addition, the Board believes it should make a continuing assessment of the unique skills and characteristics required to improve the performance of the Board. These requirements should be shared with the appointing authorities when a vacancy on the Board is expected or occurs. The distinctively characteristic skills the Board believes should be considered by the appointing authorities are: (1) experience in business; (2) educational achievement; (3) diversity; (4) moral and ethical character; (5) integrity; (6) significant financial expertise; (6) high performance standards; (7) availability; and (8) a strong desire for public service.

- **Meetings of the Board of Directors:**
  - Regular meetings of the Board shall be held at sites, dates and times determined by the Chairman.
  - Special meetings of the Board may be called by the Chairman or by any three Directors.
  - Telephone meetings may be conducted consistent with the Regional Mobility Authority Act, the Open Meetings Act, and the Bylaws.
  - The Chairman of the Board, after consultation with the Executive Director, shall set the agenda for all meetings of the Board except those special called meetings requested by three directors, for which the three requesting directors shall set the agenda.

- **Executive Sessions:** The Chairman of the Board has the authority to call an executive session of the Board in conjunction with any regular or special meeting of the Board and provided the posting for the meeting permits the convening of a closed session. If requested by any three Directors, the Chairman of the Board shall also call an executive session of the Board.
  
- **Committees:** The Chairman of the Board shall designate from among the directors one or more ad hoc or standing committees or task forces as required to govern the activities, property and affairs of the Authority. The initial standing committees shall be the Executive Committee (Personnel oversight), the Planning Committee (Strategic Planning and Project oversight) and the Finance Committee (Finance and Audit oversight).
  - **Appointments:** All committees shall consist of three directors. Committee appointments, to include the committee chair, shall be assigned by the Chairman of the Board. The chair of each committee shall establish meeting schedules and set the agenda for all meetings after consulting with the Executive Director.
  - **Charters:** Each committee shall, with leadership from its chair, develop and maintain a charter describing its duties and responsibilities in accordance with the bylaws of the Authority.

## **II. Director Responsibilities**

Directors are expected to be punctual and attend all meetings of the Board and committees upon which they serve. Information and data that is important to the Board's understanding of the Authority's business to be discussed at meetings will be distributed in advance of meetings, to the extent practicable. To prepare for meetings, directors are expected to review the materials that are provided them in advance of those meetings – and be prepared to participate in all discussions.

- **Change in Business Position:** In addition to making all required Ethics Commission filings and other disclosures required under law, Directors are expected to report changes in their business or professional affiliations or responsibilities, including retirement, to the Chairman of the Board. Directors are expected to advise the Chairman of the Board promptly upon accepting any public company directorship. If any change of business position negatively affects the director's ability to discharge responsibilities to the Authority, the Chairman of the Board may recommend to the Bexar County Commissioner's Court the director be removed.
- **Fiduciary Duty; Conflicts of Interest:** Directors shall comply with the "Conflict of Interest" portion of the bylaws as well as Chapter 171 of the Texas Local Government Code. Directors should exercise their business judgment to act in what they reasonably believe to be in the best interest of the Authority in a manner consistent with their fiduciary duties. Directors are expected to avoid any action that conflicts, or gives the

appearance of a conflict, with any interest of the Authority. Subject to any additional requirements which may be imposed by state law, Directors must disclose to the Board any potential conflicts of interest they may have with respect to any matter under discussion and, if appropriate, refrain from voting, commenting or participation in a discussion on a matter in which they may have a conflict.

### **III. Director Compensation**

Directors shall serve without compensation, but shall be reimbursed for their actual expenses of attending each meeting of the Board and for such other expenses as may be reasonably incurred in carrying out their duties and functions as set forth herein.

### **IV. Director Orientation And Continuing Education**

The Authority shall provide an orientation program for new directors which shall include presentations by the Executive Director and staff on the Authority's strategic plans, significant financial and accounting issues, compliance programs, , open government laws, , ethics laws and policies, and management structure.

The orientation program may also include a tour or visits to related organizations and Authority projects.

Additionally, directors and employees of the Authority shall receive annual training on ethics laws and policies and the requirements of the Authority's internal compliance program.

### **V. Management Evaluation and Succession**

- **Board Evaluation of the Executive Director:** The Board shall conduct an annual review of the performance of the Executive Director. The Chairman of the Board shall inform the Executive Director promptly of the results of the review.
- **Succession Plans for the Key Administrators of the Authority:** Based on the recommendations of the Executive Committee, the Board shall establish and review such formal or informal policies and procedures, as it considers appropriate, regarding succession to the Executive Director and other key administrators of the Authority.

## **VI. Annual Performance Evaluation of the Board and Governance**

### **Guidelines**

- **Board and Committee Evaluation:** Based on a process recommended by the Executive Committee, the Board shall conduct a self-evaluation annually to determine whether the Board and its committees are functioning effectively. The directors shall evaluate overall Board performance against certain criteria that the Board has determined are important to its success. These include, among other things, financial oversight, succession planning, administrators compensation, corporate governance, strategic planning and committee structure. The Board will determine what action, if any, could improve Board and Board committee performance.
- **Review of Corporate Governance Guidelines:** The Executive Committee shall review these Authority Governance Guidelines on an annual basis, or more frequently if appropriate, and recommend changes to the Board for their approval.

## **VII. Code of Conduct**

The Board shall comply with the Code of Conduct set forth in Section III of Personnel Policy Manual, which addresses, among other things, compliance with laws, conflicts of interest, confidentiality, fair dealing, protection and proper use of Authority assets and encouraging the reporting of illegal or unethical behavior and violations of the code. The Authority shall conduct annual internal audits and other risk evaluations to monitor compliance with the Code of Conduct and the Authority's internal compliance program generally and assist in the reduction of identified problem areas.

### **VIII. Amendment, Modification and Waiver**

These Guidelines may be amended, modified or waived by a majority vote of the Board.