

San Francisco Bay Area Rapid Transit District

2150 Webster Street, P. O. Box 12688,
Oakland, CA 94604-2688



COMMITTEE MEETING AGENDA

Thursday, May 11, 2023

1:00 PM

The Financial Structure Ad Hoc Committee Meeting will be held in person with an option for public participation via teleconference.

BART Board Room, 2150 Webster Street, 1st Floor, Oakland, CA 94612. Zoom Link: <https://us06web.zoom.us/j/85211998663>

Financial Structure Ad Hoc Committee

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
2150 Webster Street, P.O. Box 12688, Oakland, CA 94604-2688

NOTICE OF MEETING AND AGENDA
FINANCIAL STRUCTURE AD HOC COMMITTEE
May 11, 2023
1:00 p.m.

COMMITTEE MEMBERS: Directors Simon (Chairperson), Saltzman, Allen, and Dufty

Chairperson Simon has called a Meeting of the Financial Structure Ad Hoc Committee on Thursday, May 11, 2023, at 1:00 p.m., in the BART Board Room, 2150 Webster Street, 1st Floor, Oakland, California 94612.

Please note that this meeting will be held in person in the BART Board Room, 2150 Webster Street, 1st Floor, Oakland, California 94612 with an option for public participation via teleconference. Face masks are strongly recommended on BART property, including the BART Board Room.

Presentation materials will be available via Legistar at <https://bart.legistar.com>

You may join the Financial Structure Ad Hoc Committee Meeting via Zoom by calling 833-548-0282 and entering access code 852 1199 8663; logging in to Zoom.com and entering access code 852 1199 8663; or typing the following Zoom link into your web browser:
<https://us06web.zoom.us/j/85211998663>

If you wish to make a public comment:

- 1) Submit written comments via email to board.meeting@bart.gov, using “public comment” as the subject line. Your comment will be provided to the Financial Structure Ad Hoc Committee and will become a permanent part of the file. Please submit your comments as far in advance as possible. Emailed comments must be received before 4:00 p.m. on May 10, 2023, in order to be included in the record.
- 2) Complete a “Request to Address the Financial Structure Ad Hoc Committee” form (available at the entrance to the Board Room) and give it to the District Secretary before the Item is considered by the Financial Structure Ad Hoc Committee.
- 3) Call 833-548-0282, enter access code 852 1199 8663, dial *9 to raise your hand when you wish to speak, and dial *6 to unmute when you are requested to speak; log in to Zoom.com, enter access code 852 1199 8663, and use the raise hand feature; or join the Financial Structure Ad Hoc Committee Meeting via the Zoom link (<https://us06web.zoom.us/j/85211998663>) and use the raise hand feature.

Public comment is limited to three (3) minutes per person.

AGENDA

1. Call to Order.

2. Framework for Financial Structure Request for Qualifications (RFQ).
For Information and Discussion.

Attachments: [Framework for Financial Structure RFQ - Memo](#)
[Framework for Financial Structure RFQ - Framework](#)

3. Next Meeting: Date and Future Agenda Items. For Discussion.

4. Committee Member Announcements/Comments. For Discussion.
(An opportunity for Committee members to provide brief comments on matters relevant to the
Financial Structure Ad Hoc Committee.)

5. Public Comment.
(An opportunity for members of the public to address the Financial Structure Ad Hoc
Committee on matters under their jurisdiction and not on the agenda. Public comment is limited
to three (3) minutes per person.)

Please refrain from wearing scented products (perfume, cologne, after-shave, etc.) to this
meeting, as there may be people in attendance susceptible to environmental illnesses.

BART provides services/accommodations upon request to persons with disabilities and
individuals who are limited English proficient who wish to address BART Board/Committee
matters. A request must be made within one and five days in advance of a Board or Committee
meeting, depending on the service requested. Please contact the District Secretary's Office at
(510) 464-6083 for information.

April B. A. Quintanilla
District Secretary

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Financial Structure Ad hoc Committee **DATE:** May 5, 2023
FROM: Robert M. Powers, General Manager
SUBJECT: Framework for Financial Structure Request for Qualifications (RFQ)

At the May 11, 2023 Financial Structure Ad hoc Committee meeting, staff will outline a Framework for a Financial Structure Request for Qualifications (RFQ) for your discussion and comments.

If you have any questions about this presentation, please contact Dennis Markham, Director of Performance and Audit at dmarkha@bart.gov, or (510) 464-6275.

DocuSigned by:

Michael Jones

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Robert M. Powers

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

Framework for Financial Structure RFQ

May 11, 2023

Goals and Objectives:

Goal: Conduct an assessment and make recommendations for implementing the BART Board-approved option for BART's financial structure.

Objective: Suggest and evaluate potential financial structure changes that might enhance efficiency, transparency and communication within BART while reducing the long-term business risk of the District.

Scope:

Use the recommended financial structure approved by the Board, which includes establishing a Chief Financial Officer position under the span of control of the General Manager, as a starting point for evaluating the best financial structure organization for BART.

1. Identify organizational needs among executive managers and internal stakeholders that should be considered to increase transparency and efficiency and to help prepare the organization for changes to the financial structure.
2. Define and assess functions and practices of current financial-related departments.
 - 2.1. Assess relationship of all financial departments, including those reporting to the current Board-appointed Controller-Treasurer position and those currently reporting to Assistant General Managers (AGMs) under the General Manager.
 - 2.2. Determine if departmental and job functions should change (addition, deletion, or combining departments or defining new or updating job descriptions).
 - 2.3. Present pros and cons of changing departmental functions, if applicable, and placement of financial-related departments (e.g., under a CFO or under other executives (e.g., AGMs)).
 - 2.4. Recommend the best organizational structure for BART, including identifying the departments that should report to the CFO and that should report elsewhere (e.g., AGMs).
 - 2.5. Identify the advantages, disadvantages, and potential risks of implementing the recommended financial structure.
3. Develop scenarios (structure, priorities, phasing) for implementing changes to BART's financial structure based on the assessment of financial functions and practices. Scenarios will be reviewed by the Financial Structure Ad hoc Committee, executive management, and internal stakeholders.

- 3.1. Present advantages and disadvantages of each scenario and recommend one scenario that will be presented to the BART Board of Directors for approval.
- 3.2. Based on Financial Structure Ad hoc Committee input and full BART Board approval, work with executive management and internal stakeholders to finalize the most viable structure.
4. Work with executive management to identify overall priorities for implementing the approved scenario, including those with organization-wide implications, to develop an actionable plan and gain agreement from internal stakeholders.
 - 4.1. Categorize identified priorities:
 - i) Identify short-term priorities over the next 60 days to ensure BART meets its internal implementation timeline.
 - ii) Identify intermediate priorities that will need attention over the balance of FY23 and FY24 to prepare the organization of changes to the financial structure.
 - iii) Longer-term priorities beginning in FY25 and beyond and their corresponding considerations for the CFO moving forward.
5. Provide a detailed road map for implementing the Board-approved financial structure scenario, including onboarding a new CFO, with implementation of short and intermediate priorities prior to the start of the FY26 budget year (July 1, 2025).
 - 5.1. Prepared detailed timeline reflecting the priorities, including phasing-in changes to BART's financial structure. Include a relative risk scale (high, medium, low) applied to each roadmap item to help guide priorities that may be most pressing or in need of immediate attention.
6. Develop criteria for a Change Management Plan applicable to the above.
 - 6.1. Identify opportunities and best/leading practices for internal communication related to organizational restructuring.
7. Suggest CFO job description based on this assessment, industry best and leading practices, and similar descriptions from other transit agencies.
 - 7.1. Provide draft CFO job description.
 - 7.2. Provide job descriptions for other financial related positions that might enhance efficiency, transparency, and communication within BART.

Deliverables:

- Detailed Roadmap and Timeline for recommended financial restructuring option overlaid with potential risks.
- Proposed Organizational Chart.
- List of short, intermediate, and long-term priorities.