BI-STATE DEVELOPMENT

OPERATING & CAPITAL BUDGET

FISCAL YEAR 2017

Table of Contents

Table of Contents

Metro Transit Capital Budget

Gateway Arch

Riverfront Attractions

St. Louis Downtown Airport

Art In Transit, Inc

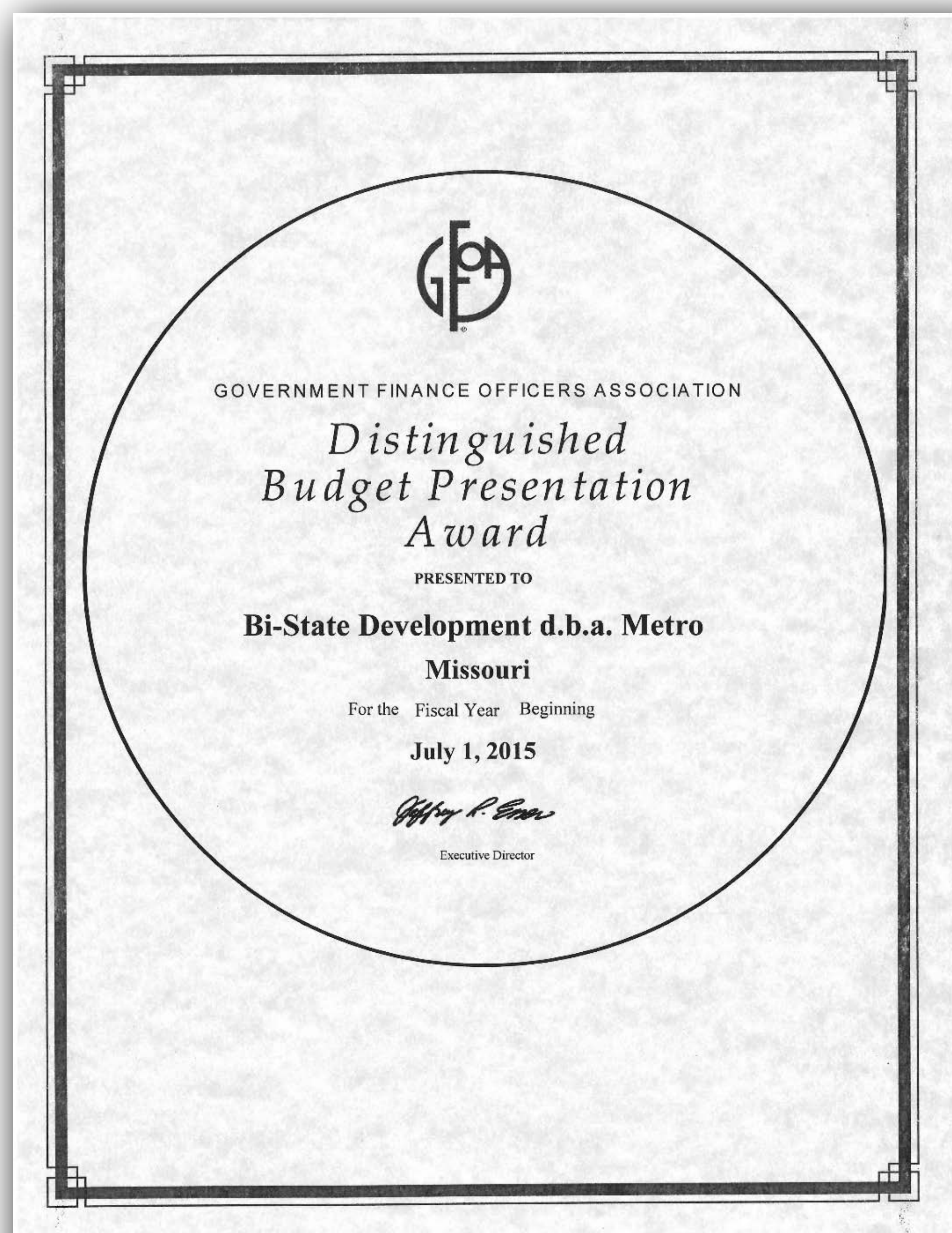
BSD Research Institute

St. Louis Regional Freightway

Internal Service Funds

Executive Services

Glossary



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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July 1, 2015

Executive Director

To be awarded the Distinguished Budget Presentation Award a government entity must publish a document that is of the very highest quality, reflects the guidelines established by the National Advisory Council on State and Local Budgeting and meets the Government Finance Officers Association (GFOA) best practices on budgeting.

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Authority and Government

Bi-State Development was established on September 20, 1949, by an interstate compact passed by the state legislatures of Illinois and Missouri and approved by both governors. The compact was approved by the U. S. Congress and signed by President Harry S. Truman on August 31, 1950. A 10-member Board of Commissioners sets policy and direction for the organization. The governor of Missouri appoints five commissioners and the County Boards of St. Clair and Madison Counties in Illinois appoint five commissioners. All commissioners must be resident voters of their respective state and must reside within the Bi-State Metropolitan District. Each term is for five years and each serves without compensation.

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March 9, 2016

Message from the President

The Bi-State Development Agency of the Missouri-Illinois Metropolitan District (Bi-State Development) presents to the Board of Commissioners for approval the Fiscal Year (FY) 2017-2019 Operating and Capital Budget. Included in this document is the federally required three-year Transportation Improvement Plan (TIP), which identifies operating and capital resources necessary to serve our regional stakeholders and meet the St. Louis metropolitan area's transportation requirements. Bi-State Development's (BSD) TIP will be incorporated in the region's list of priorities and projects eligible for federal financial assistance that will be developed by the East-West Gateway Council of Governments (EWGCOG), the region's Metropolitan Planning Organization (MPO).

Bi-State Development was created by a Compact between the States of Illinois and Missouri and ratified by Congress in 1949. The purpose of this compact was to create an organization with broad powers across state and other geopolitical boundaries. BSD is strongly focused on its mission to support economic development within the region. It is through BSD's enterprises working with key civic leaders and organizations that we are able to help create a strong economic outlook for the St. Louis Metropolitan area.

BSD is an example of leadership, collaboration and innovation that makes a great impact on the region. To highlight our mission and remind the community of our unique role as an economic development engine Bi-State Development entered into a strong rebranding effort that changed the name and the visual representations of the organization. We also hosted a highly successful inaugural annual meeting to reintroduce ourselves to civic and business leaders of the region, setting the stage for the new direction of the organization. After more than 30 years, BSD relocated its headquarters from Laclede's Landing to the downtown corridor in the City of St. Louis. The new location offers a more efficient and cost effective use of space.

During the past six years, this administration has placed great emphasis on using BSD's broad powers to help revitalize the economy and advance development in the St. Louis region. The goal has been to move beyond our trademark Transit Oriented Development niche. BSD's newest enterprise, the St. Louis Regional Freightway, was created as a public-private partnership to optimize the region's freight transportation network. BSD was chosen by regional leaders to launch and run the Freightway which will work to increase freight related jobs and expand freight related businesses.

The Bi-State Development Research Institute brings expertise to the table when determining the feasibility of a proposed regional idea or project. This coming fiscal year, the Research Institute will place particular emphasis on expanding BSD's role in St. Louis by developing public policy around specific issues critical to the well-being of the region.

The Gateway Arch celebrated its 50^{th} Anniversary in FY 2016. BSD is also an active partner with CityArchRiver, a public-private partnership created to revitalize the monument and its grounds. The Tourism Innovation business unit of Bi-State Development, formerly known as Business Enterprises, has worked tirelessly to support tourism and tourists while the Arch grounds are under construction.

The St. Louis Downtown Airport is the second busiest airport in the St. Louis metropolitan region, the third busiest airport in Illinois and the most used airport in Illinois outside the Chicago area. A single month of activity at the airport can see over 8,000 takeoffs and landings. Professional sports teams, political and business leaders, entertainers, and hundreds of general aviation pilots fly in and out of the airport, which generates more than 3,700 jobs for the region and provides an economic impact of $584 million. In FY 2016, the airport hosted the National Intercollegiate Flying Association's Region VI SAFECON flying competition and welcomed more than 80 student pilots from Nebraska, Kansas, Oklahoma and Missouri.

In 2010, through an overwhelming show of support, the region passed additional sales taxes to operate and enhance our Transit system. Since that time, BSD has worked diligently to meet the objectives of the region's 30-year strategic plan Moving Transit Forward. These objectives include the restoration of previously reduced service levels prior to 2010, the study of future system expansion opportunities and system enhancements to improve the customer experience. The North County Transit Center is scheduled to open this spring in Ferguson, MO and will be a major enhancement to the system for our customers. Improvements to the Civic Center Metro Transit Center in downtown St. Louis scheduled to begin later this spring. The Automated Fare Collection project (the Gateway Card) moved into the next phase of testing on both MetroLink and MetroBus. MetroBus continues to stay on the cutting edge, testing new electric buses, and Metro Call-A-Ride invested in 34 new vans that provide easier access for passengers.

Metro is at the forefront of the Federal Transit Administration mandate to keep all assets in a state of good repair. BSD's nationally recognized vehicle maintenance program places Metro in a position as a key industry leader among peer transit systems. Major infrastructure programs near completion include the Eads Bridge and Phase 1 of a long-term initiative to replace all wood rail ties along a 17-mile stretch of track on the Metrolink System. Metro Arts in Transit was awarded a $56,000 two-year grant from the Regional Arts Commission for art enhancement projects along the transit system.

The employees of BSD work hard every day to contribute to the overall success of the organization and thereby improve the quality of life for those who call this region home. The following FY 2016 overview highlights BSD's accomplishments. BSD is an award-winning organization and has been recognized for many of its achievements in the past year. The awards are included in the Executive Summary.

The FY 2017-2019 Operating and Capital Budget, as prepared, outlines a financial plan to advance the community economically and socially, focusing on improving the customer experience. The operating and capital budgets are presented by major business segment. The operating budget is also presented in a consolidated format which mirrors financial statement requirements presented in the Comprehensive Annual Financial Reports (CAFR). Upon approval by the Board of Commissioners, the FY 2017-2019 capital and operating budgets continue through a review process that includes the St. Louis County Public Transportation Commission for recommendation before advancing to the County Executive in St. Louis County and the Ways and Means Committee of the Board of Aldermen in the City of St. Louis.

A summary of the FY 2017-2019 Operating and Capital Budget for Bi-State Development are as follows:

- Proprietary funds and non-profit operating revenue budget FY 2017- FY 2019 (in millions):

	FY 2017	FY 2018	FY 2019
Executive Services	$ 4.3	$ 4.6	$ 4.8
Gateway Arch	7.7	9.2	9.2
Metro Transit System	309.4	317.1	323.5
St. Louis Downtown Airport	1.5	1.6	1.7
Riverfront Attractions	2.7	2.8	2.9
Regional Freight Partnership	0.2	0.2	0.2
Bi-State Development Research Institute	0.0	0.0	0.0
Arts In Transit, Inc.	0.0	0.0	0.0
Health Self-Insurance: ISF	34.9	35.9	37.0
Casualty Self-Insurance: ISF	4.3	4.4	4.6
Workers' Comp Self-Insurance: ISF	4.8	5.0	5.1
Intercompany Eliminations	-46.4	-47.9	-49.4
Total	$ 323.4	$ 332.9	$ 339.6

Proprietary funds and non-profit capital budget FY 2017 - FY 2019 (in millions):

	FY 2017	FY 2018	FY 2019
Gateway Arch	$ 6.2	$ 7.0	$ 2.0
Metro Transit System	469.4	82.3	82.2
St. Louis Downtown Airport	5.1	4.6	6.2
Riverfront Attractions	0.1	0.0	0.0
Total	$ 480.8	$ 93.9	$ 90.4

Bi-State Development is continuing to look for new business opportunities and stay cost effective. Bi-State Development employees continue to perform at the highest level to improve the region. BSD is committed to its mission of bringing economic and industrial growth to St. Louis and of providing a more accessible and enjoyable experience for the visitors and residents of metropolitan area.

John M. Nations
President and CEO

Executive Summary

2016 Overview

Fiscal year 2016 was a year filled with important ‘firsts’ and other milestones. The organization rebranded, reclaiming its name – Bi-State Development (BSD), and reasserting its role as an economic development engine with broad powers to cross local, county and state boundaries to drive regional economic vitality.

St. Louis County Executive Steve Stenger, St. Louis Mayor Francis Slay, and St. Clair County Board Chairman Mark Kern joined Bi-State Development President and CEO John Nations at a luncheon to celebrate the 65th Anniversary of President Harry Truman signing the Compact that created Bi-State Development. A sold-out crowd of nearly 600 regional political and business leaders joined with key BSD staff to celebrate the 65-year milestone, recall the positive impact the organization has had on the region and focus on future opportunities to promote a strong and growing bi-state region.

A new enterprise of BSD discussed at that luncheon was the creation of a regional freight district now branded the St. Louis Regional Freightway. The East-West Gateway Council of Governments selected Bi-State Development to lead this public-private partnership. The goal is to capitalize on regional assets and strengths to increase freight volume and attract related businesses and jobs to the region.

The Bi-State Development Research Institute researches and develops data about the return on investment of local programs, public infrastructure and public/private real estate improvements. The Research Institute is an information resource for economic development leaders as they make informed decisions that advance the region.

Significant improvements to the Civic Center Metro Transit Center in downtown St. Louis will begin shortly after opening the new facility in North County. This facility will also feature an indoor waiting area and other customer conveniences. In mid-town St. Louis, a public-private partnership will result in a new MetroLink Station near the Cortex biotech campus.

Metro’s renovation of the historic Eads Bridge, which is used by MetroLink customers to travel between Missouri and Illinois, is scheduled to be completed in the summer of 2016. In addition, the Automated Fare Collection project (the Gateway Card) moved into the next phase of testing, accepting cards on both MetroLink and MetroBus. Several other Metro initiatives are in various stages of planning, design and implementation. Each of these transit projects is part of the fulfillment of a promise Metro has made to the region to build a better transit experience for transit customers and the entire community.

While enjoying significant success in FY 2016, it is important to note that regional and national economic pressures and events have adversely impacted several BSD enterprises. Metro Transit has experienced a ridership decrease persisting over a 15 month period. Competitive fuel prices are making commuting by automobile a more attractive option for riders with access to vehicles. Fuel costs are expected to remain low into 2017 that may continue to stall the growing ridership trends Metro had been experiencing since the fall of 2014. Given these factors, Metro is projecting only modest ridership growth in FY 2017 and plans no fare increase in the coming fiscal year.

Construction on the Gateway Arch grounds has had an adverse impact on Gateway Arch and Riverboat operations and revenue. Replacement of the trams' motor generator sets, renovation of the underground museum and the complete redesign of the Gateway Arch campus comprise the largest undertaking at the Gateway Arch since its completion in the 1960's. The completion of the project in 2017 is expected to have a positive economic impact on tourism for the Arch, the riverboats, other riverfront attractions, downtown businesses and the entire St. Louis region.

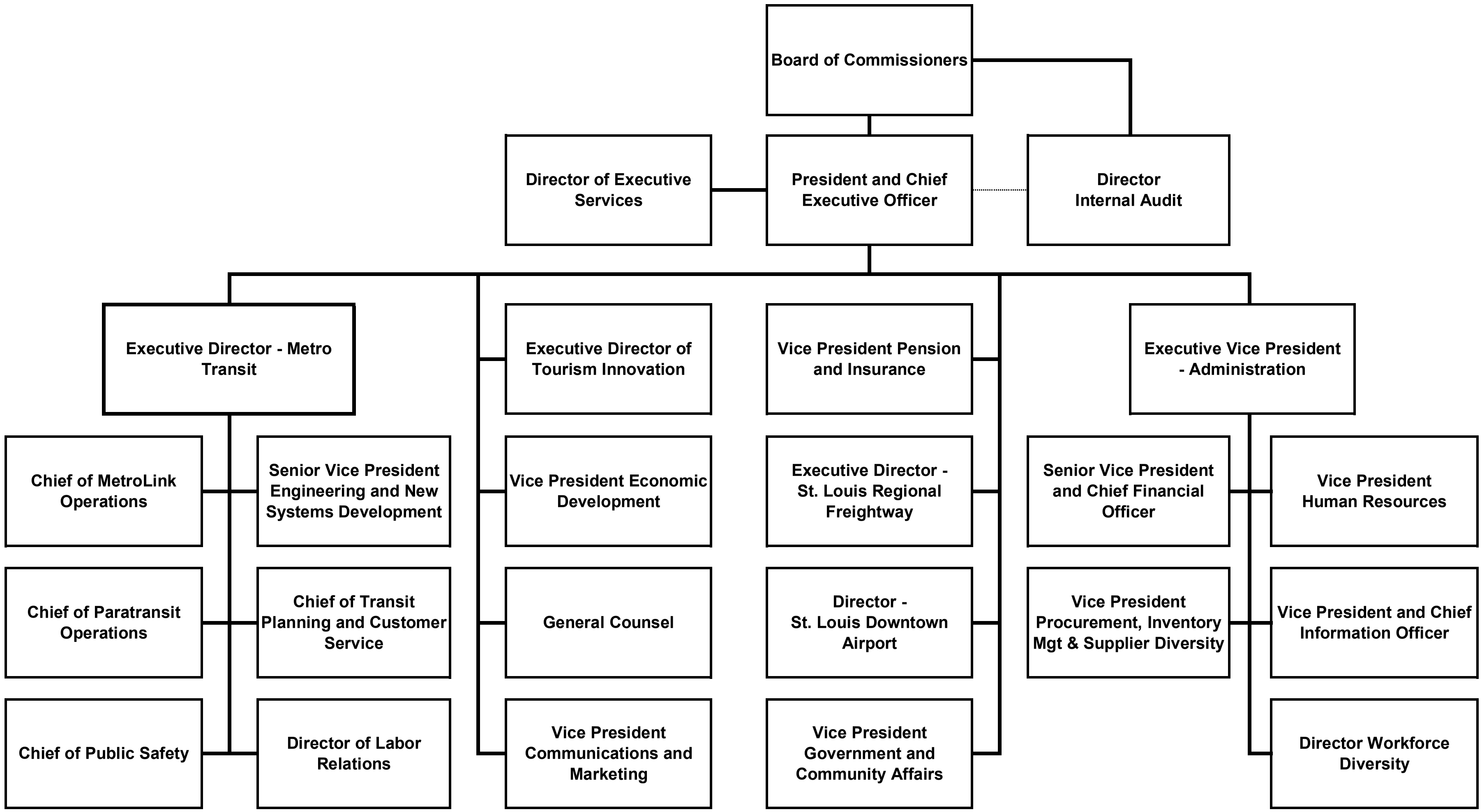
In addition to business disruption due to construction, the Riverboats operation was hampered by flood waters in FY 2016. In July 2015, they experienced 29 flood days that resulted in the cancellation of nearly all cruises that month. July is a peak month for tourism and the business interruption due to flooding had a significant impact on operating revenue. Reopening the riverboats' access road in June 2016 will also have an effect on riverboat operations, revenue and the number of cruise passengers.

The St. Louis Downtown Airport conservatively projects revenues of $1.5 million in FY 2017. The Airport will be evaluating the pricing and provisions of its current leases and looking for practical opportunities to increase rental revenue, as the market allows. Capital projects which will make the airport more competitive and attractive to potential lease holders are contingent upon successful competition for federal and state funding and available matching local funds.

In addition to the accomplishments discussed above, please note the awards and recognition received by BSD, its enterprises and its people in the past year.

- Received the 2015 Annual Achievement of Excellence in Procurement (AEP) Award from the National Procurement Institute (NPI). This is the third year in a row Bi-State has received the AEP Award.
- AVA Digital Awards in the following categories:
  - Platinum and Gold awards for Corporate Video and Corporate Image for *"We Are Bi-State Development"*
  - Gold awards for Best Blog and Best Brand Conversation for "Metro Love Story" blog about couples who met while riding MetroLink received two Gold awards:
  - Platinum Award for Best Microsite for *"Don't Be That Guy"*
- Honorable mention for Best Microsite, for "Grand needs More Bus"
- St. Louis Spirit Award from the St. Louis Attractions Association to BSD and Forest Park Forever, Inc. for the Forest Park Trolley
- Named among 100 Healthiest Workplaces in America by the Health & Wellness Association
- Recognized as a Platinum-Level Fit-Friendly Worksite by the American Heart Association
- 2015 Good Scout Award to BSD John Nations for his many contributions to the region
- Received a Champions Award of Achievement for sustainability efforts by the St. Louis Regional Chamber's St. Louis Green Business Challenge
- Lean and Green team honored by the 2015 St. Louis Green Business Challenge awards with a Leader Level Award of Achievement
- Received the Grand Prize and First Prize AdWheel Awards for Social Media, presented by the American Public Transportation Association
- Received the *Government Finance Officers Association (GFOA) of the United States and Canada Awards for FY 2015* for excellence in reporting in three categories for the first time in a single year
  - Certificate of Achievement for Excellence in Financial Reporting for the 19th consecutive year for its comprehensive annual financial report (CAFR).
  - 9th Distinguished Budget Presentation Award for the FY 2016 operating and capital budget
  - Community Annual Financial Report

Bi-State Development Organizational Chart
Board of Commissioners,
President and Chief Executive Officer and Executive Personnel



Bi-State Development Personnel

Bi-State Development remains committed to maintaining a responsible position count. The total organization for the FY 2017 budget includes 2,314 positions which is an increase of 58 compared to the FY 2016 budget. There are 2,315 positions budgeted in FY 2018 and FY 2019.

Metro Transit

A total of 2,239 positions are budgeted for the Transit system enterprise in FY 2017.

Metro Transit Operations

The increase of 47 positions brings resources to support the system service restructuring related to the North County Transfer Center opening, special services for St. Clair County cardinal games, and additional security resources to support fare collection system implementation and provide higher visibility. An enhanced customer experience is anticipated.

- Bus Transportation: Per the terms and conditions of the labor contract, Metro may utilize part-time operators to improve efficiency of operations. A budget of 83 part-time operators remains nearly consistent with prior years. 816 full-time operators incorporates additional resources for the North County service package and increased support to St. Clair County Transit District (SCCTD) cardinal game service. The net change for operators is an addition of twenty-four (24). Five (5) additional employees are budgeted at the NCTC to support operations and maintain the facility. These increases are partially offset by reducing three (3) positions between Engineering and Planning.
- Rail Transportation: MetroLink operator counts remain consistent with prior year.
- Paratransit Transportation: Operator and support positions remain consistent with prior year.
- Vehicle Maintenance, Maintenance of Way and Facility Maintenance staffing levels are increasing by one for the addition of utility worker - one (1)
- Security is adding twenty (20) public safety officers to patrol MetroLink stations and trains.

Metro Transit Administration

A recent reorganization of BSD moves the Finance, Information Technology, Procurement, Human Resources and EEO functions under a newly created Executive Vice President of Administration position. The FY 2017 plan also is budgeting administrative support for the new position. The reorganization also moves health benefits, welfare and part of the Risk Management organization that manages casualty and workers compensation insurance under the Vice President of Pension and Insurance through the implementation of Internal Service Funds (ISF). The FY 2017 budget reflects transfers between administrative functions and the ISF. Additional employee resources are described below.

- Executive Vice President of Administration and administrative support - two (2)
- Information technology resources required to the new fare collection system – net two (2)
- Procurement increases to support operations by providing better parts availability - one (1)
- Human Resources increases to support organizational development/training – two (2)

Internal Service Funds

The Health Self-Insurance Internal Service Fund is budgeting three staff (3) positions whose duties were being performed by contract employees in FY 2016. The other fifteen positions are transfers from the Human Resource or Finance Divisions where they were budgeted in 2016.

Executive Services

The Director of EEO was transferred from Executive Services to Executive Vice President of Administration reducing the position count by one (1).

Gateway Arch

The Gateway Arch has added a Sales and Marketing Assistant and Guest Experience Trainer since the FY 2016 budget was prepared. - two (2)

St. Louis Downtown Airport

A Safety Management System Specialist was added for the Airport - one (1)

Riverfront Attractions

Staffing levels remain consistent with FY 2016 budget.

St. Louis Regional Freightway

St. Louis Regional Freightway plans to delay adding two positions planned in FY 2016 until FY 2018 and FY 2019. Therefore, the position count for this enterprise is temporarily being reduced by two (2).

Bi-State Development Employees by Division and Function

The following page contains tables of budgeted staff count for FY 2017 - FY 2019. The tables compare total BSD personnel to the prior FY 2016 budget.

Note:
In the Organizational Units section of this document, there are detailed organization charts for each division within Transit. The organization charts for the Gateway Arch, Riverfront Attractions, St. Louis Downtown Airport, Internal Service Funds and Executive Services are found in the respective sections of this document.

Bi-State Development Personnel
by Division & Function

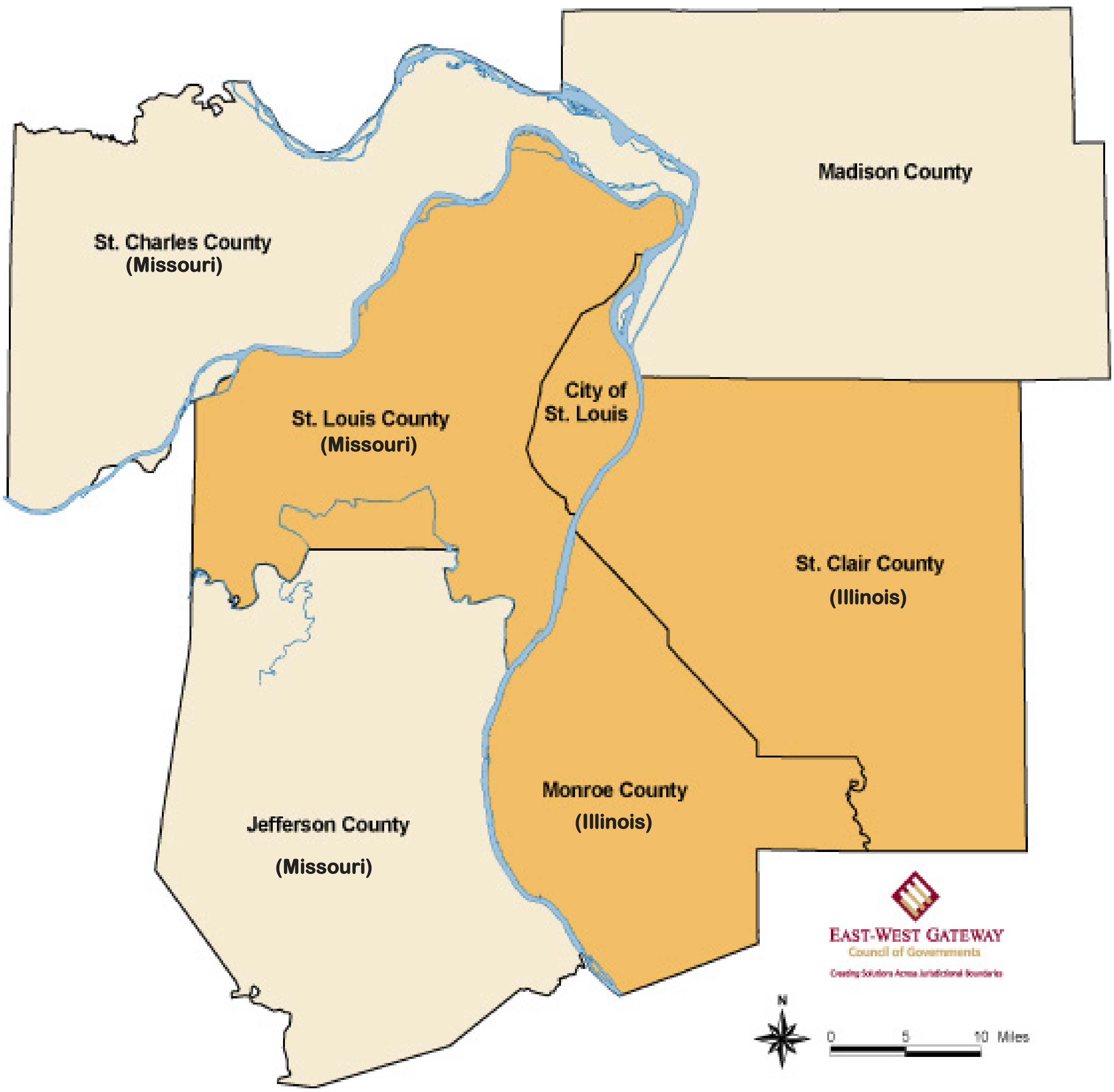
	FY 2015 Budget	FY 2016 Budget	FY 2017 Budget	FY17-FY16 Change	FY 2018 Budget	FY 2019 Budget
Metro Transit						
Metro Transit Operations						
Bus Transportation	945	948	977	29	977	977
Rail Transportation	141	141	141	-	141	141
Paratransit Transportation	249	247	247	-	247	247
Vehicle Maintenance	342	343	343	-	343	343
Maintenance of Way	149	149	150	1	150	150
Facility Maintenance	32	32	32	-	32	32
Security	39	41	61	20	61	61
ADA Services	7	7	7	-	7	7
Service Planning	39	39	38	(1)	38	38
Engineering and New Systems	17	17	15	(2)	15	15
Labor Relations	2	4	4	-	4	4
Operations Administration	2	2	2	-	2	2
Total Operations	**1,964**	**1,970**	**2,017**	**47**	**2,017**	**2,017**
Metro Administration						
Executive VP Administration & EEO	-	-	4	4	4	4
Finance						
Passenger Revenue	33	33	33	-	33	33
Risk Management and Safety	21	20	11	(9)	11	11
Controller	23	23	23	-	23	23
Capital Budgeting and Grants	5	5	5	-	5	5
Treasury	2	2	3	1	3	3
Finance Administration	3	3	3	-	3	3
Total Finance	**87**	**86**	**78**	**(8)**	**78**	**78**
Procurement	57	59	60	1	60	60
Information Technology	44	46	48	2	47	47
Human Resources	17	17	11	(6)	11	11
Marketing	16	19	19	-	19	19
Meridian and Real Estate	2	2	2	-	2	2
Total Transit System	**2,187**	**2,199**	**2,239**	**40**	**2,238**	**2,238**
Executive Services	21	18	17	(1)	17	17
Gateway Arch	12	12	14	2	14	14
St. Louis Downtown Airport	11	11	12	1	12	12
Gateway Arch Parking Facility	5	-	-	-	-	-
Riverfront Attractions	12	12	12	-	12	12
St. Louis Regional Freightway	-	4	2	(2)	4	4
Health Self-Insurance - ISF	-	-	10	10	10	10
Workers Comp Self-Insurance - ISF	-	-	2	2	2	2
Casualty Self-Insurance - ISF	-	-	6	6	6	6
Total Bi-State Development	**2,248**	**2,256**	**2,314**	**58**	**2,315**	**2,315**

BSD Personnel by Paygroup

	FY 2015 Budget	FY 2016 Budget	FY 2017 Budget	FY17-FY16 Change	FY 2018 Budget	FY 2019 Budget
Total Bi-State Development				-		
Bus Operators (FT)	787	791	816	25	816	816
Bus Operators (PT)	83	84	83	(1)	83	83
Light Rail Operators	102	102	102	-	102	102
Van Operators	200	200	200	-	200	200
Total Operators	**1,172**	**1,177**	**1,201**	**(24)**	**1,201**	**1,201**
Maintenance	314	317	316	(1)	316	316
Service	87	86	87	1	87	87
Clerical	52	52	52	-	52	52
IBEW	66	66	66	-	66	66
Salaried	556	557	591	34	592	592
Capital Salaried	1	1	1	-	1	1
Total Operating and Capital	**2,248**	**2,256**	**2,314**	**58**	**2,315**	**2,315**

Organization &
Community Profile

BI•STATE
DEVELOPMENT
Gateway to growth. On both sides of the river.™



Current Transit Service Area

Bi-State Development Profile

Organizational History and Significant Events

Bi-State Development was established on September 20, 1949, by an interstate compact passed by the state Legislatures of Illinois and Missouri, and then approved by the Governors of the two states. The compact was approved by the United States Congress and signed by President Harry S. Truman on August 31, 1950. The compact created an organization that has broad powers with the ability to plan, construct, maintain, own and operate bridges, tunnels, airports and terminal facilities, plan and establish policies for sewage and drainage facilities and other public projects, and issue bonds and exercise such additional powers as conferred upon it by the legislatures of both states. Bi-State Development does not have the power to tax. Funding is received from local, state and federal sources through grant, contract and sales tax revenue. However, it is authorized to collect fees from the operation of its facilities.

Today, Bi-State Development is organized into various Business Entities. They include Metro Transit, Gateway Arch Tram System, St. Louis Downtown Airport, Riverfront Attractions, St. Louis Regional Freightway, Bi-State Research Institute and Arts In Transit, Inc. BSD also has three self-insurance internal service funds which support operations.

In its early years, BSD participated in and conducted several studies. The organization had an active role as a member of the Interstate Air Pollution Study conducted in the early 1960's. BSD also participated in a survey of chemical and biological pollution of

History	
1949	Bi-State Development Agency created and approved by states of Illinois and Missouri.
1950	Interstate compact approved by US Congress.
1953	Granite City Dock bonds issued.
1962	Gateway Arch Transportation System bonds issued.
1963	Purchased 15 local transit systems.
1964	Purchased Parks Airport (St. Louis Downtown Airport).
1967	Gateway Arch Transportation System opened (Arch opened in 1965).
1986	Gateway Arch Parking Facility opened
1988	Call-A-Ride begins demand response service
1993	MetroLink opened. St. Clair County in Illinois approved sales tax to fund future MetroLink corridor.
1994	City of St. Louis and St. Louis County approved ¼ cent sales tax for regional transit improvements.
1997	City of St. Louis passed ¼ cent sales tax contingent on St. Louis County passage.
1999	Received Outstanding Achievement for Light Rail award from APTA.
2001	St. Clair County Illinois MetroLink extension opened. Purchased Tom Sawyer and Becky Thatcher riverboats.
2002	First of nine MetroBus transfer centers and garages opened.
2003	MetroLink opened Illinois Shiloh-Scott extension.
2006	Cross County MetroLink branch opened.
2010	St. Louis County approved Prop A ½ cent sales tax.
2012	Restoration of the historic Eads bridge began.
2013	Missouri voters passed Proposition P which is a 3/16 cent sales tax to fund improvements for trails and parks in the region and to provide additional funding to the Gateway Arch park grounds.
2014	Gateway Arch Parking Facility discontinued operations
2014	Bi-State Research Institute was formed
2016	St. Louis Regional Freightway was formed

the Mississippi River, an exhaustive study of the St. Louis County sewer problem that contributed to creation of the Metropolitan St. Louis Sewer District, the Columbia Bottoms Development Survey and the Illinois Highway and Expressway survey.

One of the organization's first projects was the 1953 construction of a 600-foot wharf in Granite City, Illinois. Bi-State Development issued $1.5 million in revenue bonds for the cost of construction. The wharf and its facilities were used for mooring, loading and unloading barges, the handling of commodities to be transported by barges and transit storage. Granite City Steel leased the north end of the wharf from the organization to conduct business. Bi-State Development contracted with Granite City Terminals Company to run the southern end of the wharf. This venture began Bi-State Development's relationship in the development of the St. Louis riverfront, identified as an important landmark for an inland river city. The port was sold to America's Central Port (formerly Tri-City Regional Port) on April 15, 1975 for $730,000 ending Bi-State Development's river/marine business in Illinois.

In the 1960's, Bi-State Development was asked to fund and operate the Gateway Arch tram system that would carry visitors to the top of the Gateway Arch Monument. A $3.3 million revenue bond issue was completed in July 1962, and the relationship with the Gateway Arch and National Park Service began.

By 1961, Lambert International Airport was becoming so crowded that a secondary St. Louis airport was essential. Realizing an additional airfield was crucial to the continuing economic growth in St. Louis, the region looked to Bi-State Development for a solution. An agreement was reached that BSD would assist in reopening Parks Metropolitan Airport in Cahokia, Illinois. BSD acquired the airport property for $3.4 million in 1965, reopened it as the Bi-State Parks Airport and invested in airport improvements. In July 1999, the Board of Commissioners renamed it the St. Louis Downtown Airport.

Bi-State Development extended its presence on the St. Louis riverfront in July 2001. Bi-State Development purchased the Becky Thatcher and Tom Sawyer Riverboats preserving the long history of riverboat cruising in St. Louis. The riverboat business is a continuation of the Streckfus Steamers Company, which was founded in 1891. This acquisition by Bi-State Development ensures the Streckfus tradition of the longest running excursion boat company on the Mississippi River will continue for the next generation of St. Louis residents and visitors to the region.

Bi-State Development riverfront attractions also include the operation of a barge heliport. Gateway Helicopter Tours operates from a barge on the riverfront and has daytime flight tours of several scenic locations in the region including specific tours featuring views of the Missouri Botanical Gardens, the Gateway Arch and the downtown skyline.

The Metro Transit Division began in 1963 when Bi-State Development purchased and consolidated 15 privately owned transit operations using a $26.5 million bond issue. BSD is best known for providing three modes of mass transportation services in the Greater St. Louis Region: MetroBus, bus operations; MetroLink, light rail operations; and Call-A-Ride, demand response operations.

In 1987, BSDA's Call-A-Ride began demand response service to fill a need for alternative transportation service to customers with disabilities and those who were unable to use regular fixed route bus or light rail service. Since then, Bi-State Development has created programs to educate and certify all paratransit users. BSD also spearheaded the regional Transportation Management Association (TMA), which consists of private for-profit and non-profit transportation providers working together to provide regional paratransit services.

Bi-State Development expanded into light rail transportation in July 1993. The original 17-mile corridor was constructed between Lambert International Airport in Missouri and Fifth and Missouri Streets in East St. Louis, Illinois. MetroLink doubled in length with the 2001 expansion to Southwestern Illinois College in Illinois and the 2003 expansion to Shiloh, Illinois, home of Scott Air Force Base. The most recent light rail expansion occurred in August 2006 when the Cross County extension was completed. This expansion added another eight miles through Clayton south to Shrewsbury, Missouri. Today, MetroLink operates 46 miles of alignment with 37 stations and 20 Park and Ride lots.

In 2014, the Bi-State Development Research Institute, a 501(c)(3) non-profit corporation, was formed. The Bi-State Development Research Institute was developed to focus on Transit-Oriented Development ("TOD"), regional economic development, regional land use and public policy.

In 2014, BSD was selected to lead a new regional freight partnership aimed at optimizing the region's freight transportation infrastructure. The actions to be undertaken by the St. Louis Regional Freightway will boost St. Louis’ competitive position among its peers in becoming not only a premier multimodal freight center in the Midwest region through job and economic growth, but also a freight center with global reach ready to compete in international markets.

Community Profile

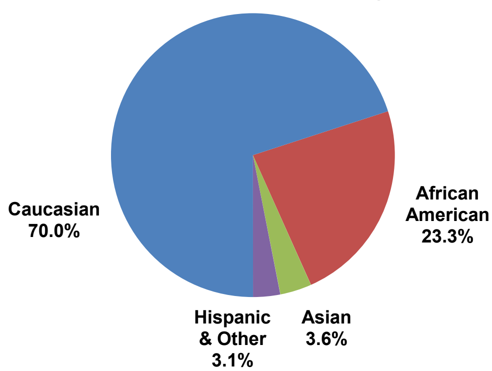
Population and Culture

The most recent census data estimates approximately 2.5 million people live in the Greater St. Louis region served by Bi-State Development. Overall, the Greater St. Louis region is experiencing minimal growth with a continuing shift in population from the City of St. Louis to St. Louis County to the suburban Missouri communities. This is creating a growing need for public transportation outside the City of St. Louis.

Estimated Population Comparison			
Region	**2010**	**2014**	**% Change**
St. Louis City	319,294	317,419	-0.6%
St. Louis County	998,954	1,001,876	0.3%
St. Charles County	360,485	379,493	5.3%
Jefferson County	218,728	222,716	1.8%
St. Clair County	270,056	265,729	-1.6%
Madison County	269,282	266,560	-1.0%
Monroe County	32,957	33,722	2.3%
Total	**2,469,756**	**2,487,515**	**0.7%**
United States	**308,745,538**	**317,857,056**	**3.0%**

Today, the transit system service area includes the City of St. Louis, St. Louis County, and portions of St. Clair and Monroe Counties in Illinois. Residents from Madison County in Illinois enjoy the benefits of the transit system through coordinated services with the local services in that area. Other communities such as St. Charles and Jefferson Counties in Missouri may access Metro Transit Centers and park-and-ride lots near the borders of these communities.

Cultural Diversity



Source: US Census Bureau

The Greater St. Louis region is a community with much to offer. In the region, you will find the cosmopolitan atmosphere of a large city commingling with an energetic urban lifestyle. TripAdvisor named St. Louis as one of its top U.S. destinations for 2015. St. Louis was listed, in the top 25, because of its influence by Westward Expansion and Blues music.

Two professional sports teams – Cardinals baseball and Blues hockey – play in downtown St. Louis. The Mississippi riverfront district includes Laclede's Landing which features restaurants, entertainment and a casino, the Gateway Arch and National Park complex. Union Station is a national historic landmark housing a hotel, restaurants and special shops. The Delmar Loop is a vibrant, diverse six-block entertainment and shopping district. Historic Soulard features an open-air farmers' market and beautifully restored homes around the In-Bev Anheuser-Busch brewery. The Hill is home to Italian neighborhoods, shops and restaurants. The Central West End is famous for its eateries, antique shops and grand old homes.

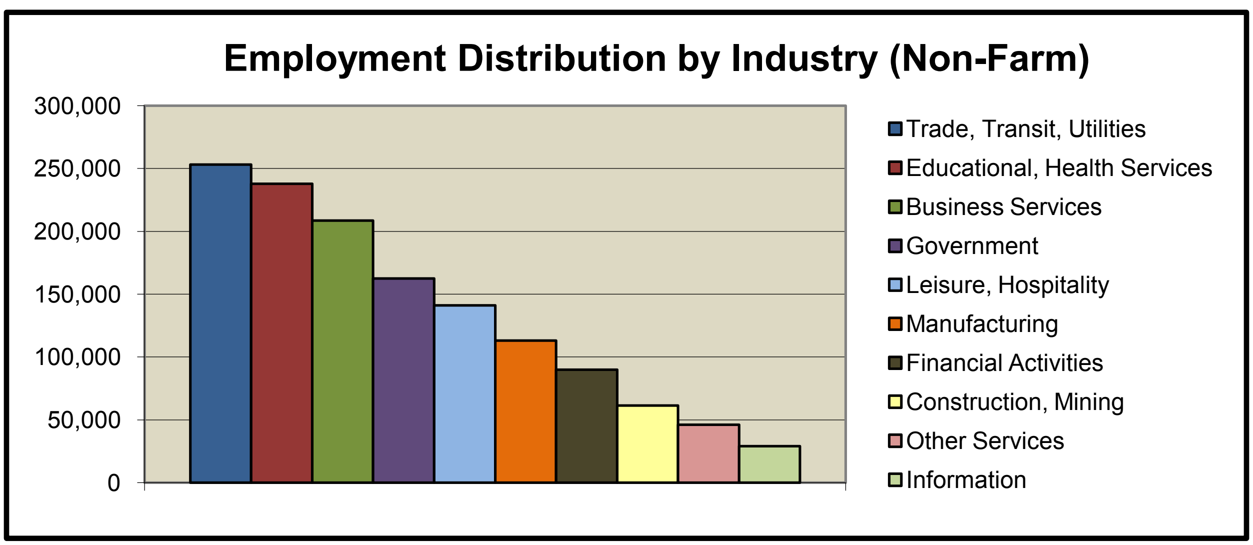
St. Louis' famous Forest Park was site of the 1904 World's Fair. It is frequented by runners, bicyclists, and picnickers and hosts some of the region's favorite cultural and educational institutions including the St. Louis Art Museum, St. Louis Zoo, St. Louis Science Center and Missouri History Museum. Additionally, the 12,000-seat outdoor Municipal Opera amphitheatre, known as "the Muny", offers summer theater productions in Forest Park. The bi-state region boasts five state parks and hundreds of neighborhood parks making it a beautiful place to visit.

Long known for its educational excellence, St. Louis is home to some of the top educational institutions in the world. More than twelve universities and four-year colleges, including Washington University, Saint Louis University and the University of Missouri-St. Louis are located in the greater St. Louis region. Additionally, eighteen two-year and community colleges enhance the quality and skills of the region's work force and enrich its intellectual creativity and strength.

Centrally located, St. Louis is a convenient destination from anywhere in the country. Transportation access includes four major interstates, Lambert St. Louis International Airport, several regional airports, Greyhound Bus and Amtrak. Once in St. Louis, a major part of the region is served by BSD's MetroBus, MetroLink and Call-A-Ride Operations. The same attractions, cultural institutions and negotiability that make the St. Louis region a great place to visit also make it a great place to live.

Employment by Industry

The Greater St. Louis region is home to a very diverse industrial base. Total non-farm employment increased 1.3% year over year to 1.3 million. The trades, transit and utilities group still remains the top employment producer with educational and health services close behind. The five largest employers in the region include BJC HealthCare, Boeing Defense Space & Security, Washington University, Scott Air Force Base and SSM Healthcare.



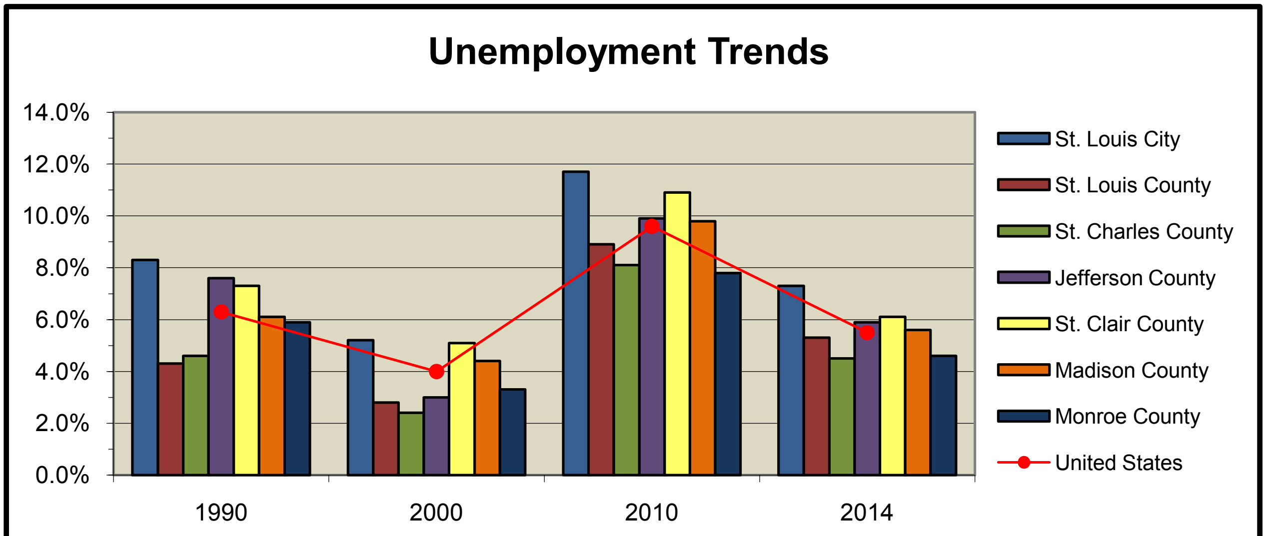
Source US Bureau of Labor Statistics - Dec 2014

Economic Trends

In 2015, the economy in the Greater St. Louis region closely followed improving national trends.

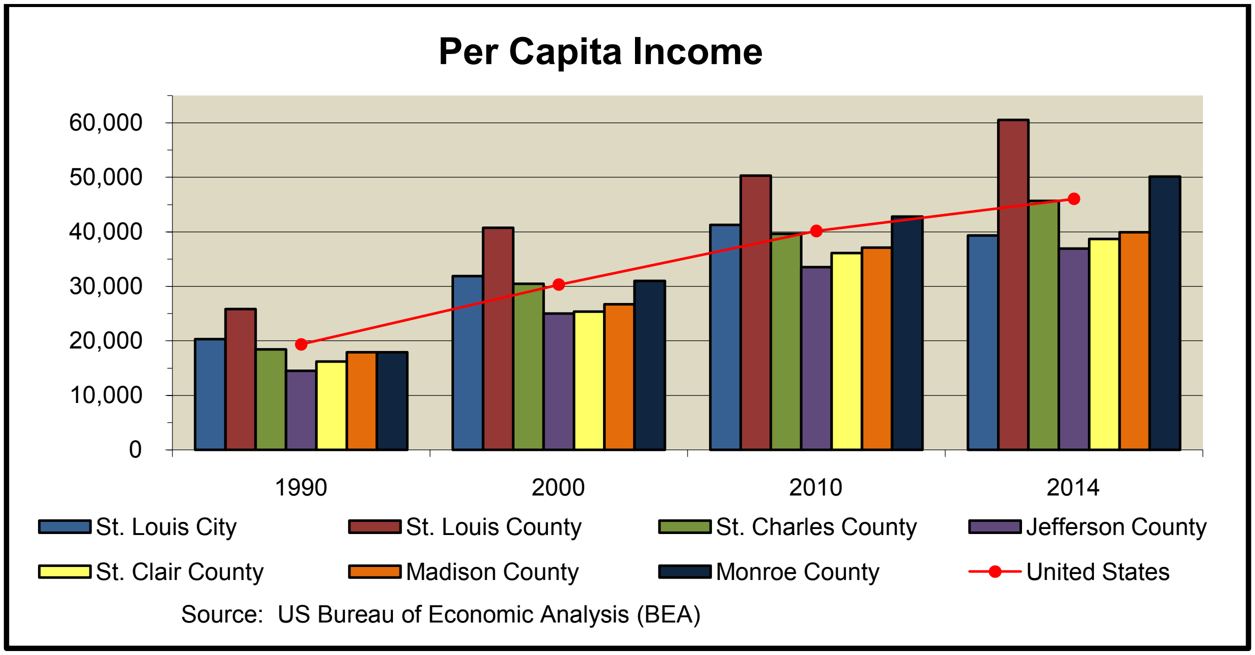
In December 2015, The Missouri Economic Research and Information Center reported the national average unemployment rate was 4.8%. Within the bi-state area, the average unemployment rate was 4.3%. The City of St. Louis and St. Clair County in Illinois generally track worse than the national unemployment statistics. In December 2015, the City of St. Louis reported 4.8% unemployment.

The graph below displays the unemployment rates in the bi-state area by county.

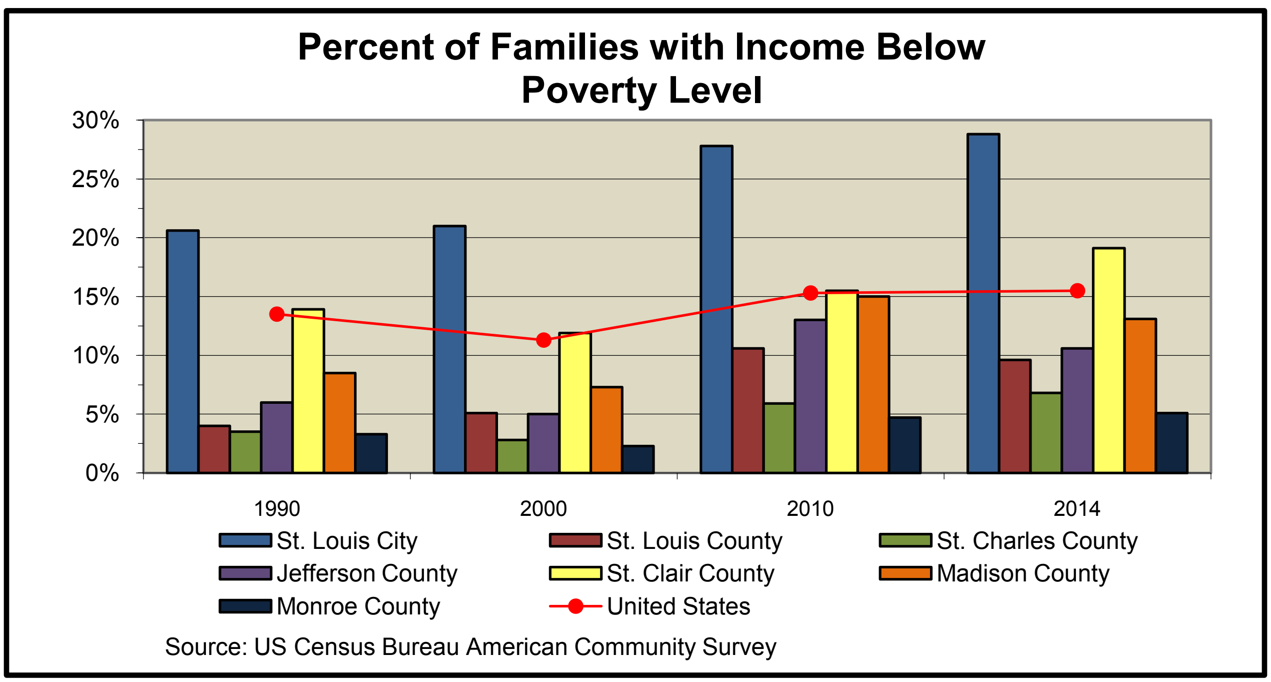


Sources: Missouri Economic Research & Information Center
Illinois Department of Employment Security

Other statistics which have a direct correlation to Bi-State Development operations are per capita income and poverty levels. Per Capita Income is defined as the income computed for every man and woman in a geographic area age 16 and over. This statistic is derived by dividing the total income of all people age 16 and over in a geographic area by the total population in that area. According to the chart on the next page, St. Louis County has exceeded national trends for per capita income over the last 20 plus years, with Monroe County in Illinois touching on the national average. The remaining areas are currently below the defined per capita income level.



The poverty thresholds are the same for all parts of the country. They are not adjusted for region, state or local variations in the cost of living. According to the 2013 US Census Bureau, the national average of families living below the poverty level was 14.5%. Shown on the chart below the Bi-State region includes poverty level trends that are both better and worse than the national average. The City of St. Louis has nearly double the national average. These trends may be influenced by socio-economic factors relating to environment and education and the lasting effects of long-term high unemployment.



Strategic Plan

Strategic Plan Overview - Transit Operations

Purpose of Strategic Plan

The purpose of the strategic plan is to provide the Board of Commissioners and stakeholders with a comprehensive summary of the Bi-State Development plan and vision to improve the region's quality of life by providing excellent public transportation and promoting economic development across the bi-state region. BSD public transit meets the region's needs through safe, reliable, accessible, customer-focused service in a fiscally responsible manner.

Long-term Strategic Plan

The 30 year strategic plan was last updated in 2010. Bi-State Development's management team and community leaders recognized the need to develop a comprehensive long term strategic plan for public transportation in the Greater St. Louis Region. A cooperative planning process involving BSD management, East West Gateway Council of Governments, community leaders and users of public transportation moved this process forward. Following numerous meetings with all stakeholders and diligent transportation research, a comprehensive strategic long range plan named "Moving Transit Forward" was developed and approved by EWGCOG and BSDA's Board of Commissioners on February 24, 2010.

"Moving Transit Forward" offers options EWGCOG, the region's planning agency, can use when deciding next steps for public transit in the Greater St. Louis Region. As EWGCOG makes those decisions on public transit service, Bi-State Development will implement and operate those services.

The "Moving Transit Forward" plan was developed to document a fiscally responsible, community-driven vision for restoring, enhancing, and expanding the Metro Transit System designed to:

- Promote regional economic development
- Strengthen the Metro Transit System as a vital regional asset
- Provide quality public transit access to more people
- Improve service to low-income, elderly, and disabled residents
- Include projects that are cost-effective

The plan serves as a framework to the region when making decisions concerning transit development that help shape this community now and in the years to come.

Strategic Alignment

Vision

Bi-State Development is a dynamic and multi-faceted resource for economic development in the St. Louis region. With deep expertise in planning and implementation, Bi-State Development is uniquely empowered to provide regional solutions to regional challenges within a model of efficiency and accountability. Through proven leadership, Bi-State Development fulfills the promise of its Charter to improve the economy and improve lives.

Mission

To improve the quality of life throughout the St. Louis Bi-State region through excellence in planning, implementation and operation of enterprises that foster economic development for the benefit of its citizens and the nation.

Core Values

Bi-State Development's core values below impact every aspect of our organization and guide the work behaviors, decision making, and interpersonal interactions of all employees.

***Safety & Security* –** Prioritize the safety and security of our customers, general public, and employees as most important.

***Customer Focus* –** Strive not only to meet but exceed our customers' needs and expectations.

***Character* –** Value and practice honesty, integrity, respect, courtesy, teamwork, trust, directness and accountability. We are receptive to other viewpoints and committed to the success of others.

***Leadership* –** Commit to forward motivation; to having the courage and vision to operate in new and transformative ways.

***Ethical Practices* –** Adhere to our Code of Ethics and other Bi-State Development standards of conduct and behavior. We practice and enforce these standards throughout the company and in all our dealings with the public.

***Collaboration* –** Believe in bringing the best public and private interests together to share institutional knowledge, insights, experience and resources to shape truly impactful regional solutions.

***Communication* –** Commit to providing clear and accurate information and being transparent at all times.

***Recognition of Employee Contributions* –** Recognize our employees who create, innovate, consistently support the day-to-day business requirements, and contribute to the success of the Bi-State Development.

***Innovation* –** Leverage our legacy of expertise in planning and implementation to close the gap between regional needs and solutions.

Goals and Objectives

To achieve the coordinated strategic plan, Bi-State Development has identified four primary organization level goals. These goals will guide the strategic initiatives of the organization through FY 2017. With each new year, these goals will be evaluated for change. Each goal is broken down into key objectives that contribute to the accomplishment of the goal.

	Goal		Objective
1	Build an effective and efficient publically-supported organization that is viewed as a transparent and accountable steward of public funds	A	Establish and manage communications plan that improves public perception of Bi-State Development programs and credibility of management
		B	Establish a planning, policy, financial, and operational framework for developing and delivering Metro Transit service, projects, and programs over the next 10 years, and introduce potential service concepts that could be implemented over the next 10-30 years
2	Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources	A	Implement internal process improvements
		B	Implement cost reduction strategies
		C	Implement revenue enhancement strategies
		D	Identify and implement shared services programs with other entities where beneficial
		E	Deliver quality capital projects on time and within budget
3	Value all members of our staff and endeavor to help all of our employees develop to their fullest potential	A	Continue to develop a safety conscious culture throughout Bi-State Development, its customers, and business partners
		B	Invest in employee development
		C	Strengthen the labor – management working relationship
		D	Provide timely, honest feedback on performance through EADS program
4	Deliver a high quality transit experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence	A	Efficiently and effectively operate service sectors
		B	Improve service quality and capacity for Metro van, bus, and rail systems
		C	Implement innovative technologies
		D	Improve transit security of Metro van, bus, and rail systems

Linking Strategic Plan to Budgets - The strategic plan is the primary driver for annual operating and capital budgets. The annual operating and capital budgets reflect updated short-term goals and objectives identified in the strategic plan by quantifying expected revenues and expense needed to meet the short-term goals. The Company's organizational units play a vital role in achieving these goals. The strategies, steps and performance measures of the organizational units are documented under the functions and activities of the "Organizational Units" section of this document.

Transit Key Performance Metrics

Our success in meeting our strategic goals and objectives is measured by key performance indicators. These metrics relate to elements of the transit system that directly influence our customers or the financial and operational measures that impact our bottom line. Management's goal is to develop business and information systems that provide critical management information regarding leading indicators to key personnel so preventive or corrective action can be taken as soon as possible. Lagging indicators are also monitored in order to measure historical results for further analysis and comparison. Key system performance indicators comparing the FY 2017 targets to previous years are as follows:

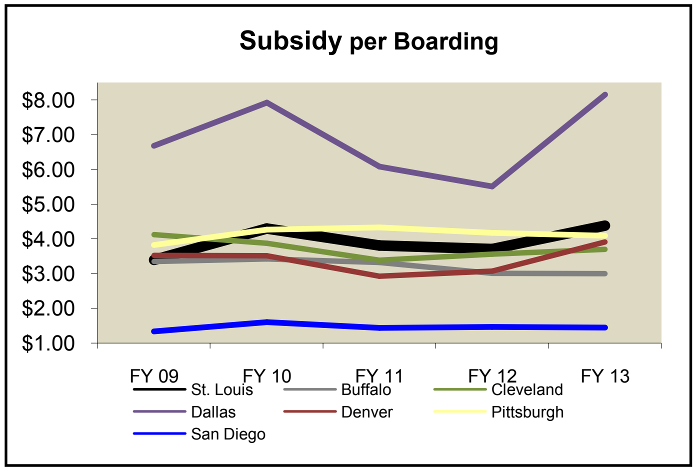
Key Performance Indicators	FY 2017 Target	FY 2016 Projection	FY 2016 Target	FY 2015 Actual
Customer Measures				
Passenger Boardings (millions)	45.3	44.2	48.7	46.7
Average Weekday Ridership (thousands)	144.3	140.8	151.5	148.8
Passenger Injuries per 100,000 Boardings	1.0	1.5	1.0	1.4
Customer Complaints per 100,000 Boardings	10.3	11.5	10.3	11.0
Business Measures				
Farebox Recovery	17.5%	18.8%	19.1%	20.7%
Operating Expense per Revenue Hour	$155.41	$146.00	$155.27	$137.68
Operating Expense per Passenger Boarding	$6.27	$5.75	$5.84	$5.32
Subsidy per Passenger Boarding	$4.92	$4.45	$4.50	$4.00
Operating Measures				
Passenger Boardings per Revenue Mile	1.7	1.7	1.8	1.7
Passenger Boardings per Revenue Hour	24.8	26.4	26.6	25.9
Vehicle Accidents per 100,000 Vehicle Miles	1.9	1.8	1.9	1.6
Unscheduled Absenteeism	3.6%	3.5%	3.6%	3.1%
On-Time Performance	94.7%	94.6%	94.7%	94.5%

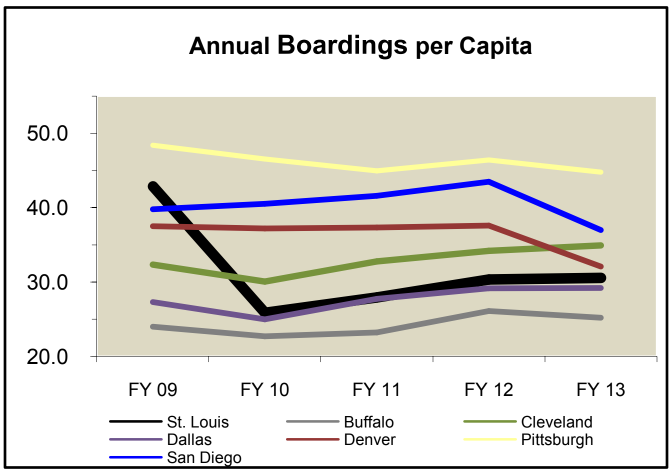
The above key performance indicators represent the entire Metro Transit. Indicators by mode of transportation can be found in the "Metro Transit" section and organizational group indicators are detailed within the "Organizational Units" section.

Peer Performance

The following graphs depict performance metrics of Bi-State Development's Transit System compared to peer transit agencies in the United States from FY 2009 through FY 2013. The source of this data is the Federal Transit Administration National Transit Database. Due to the migration of the NTD database to a new system this past year; data for FY 2014 is not available at this time.

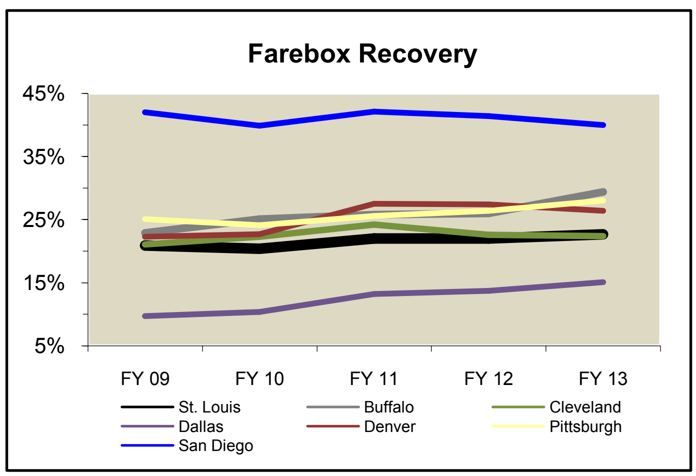
Subsidy per boarding measures how much outside funding assistance is required per passenger trip. Bi-State Development has minimized this growth through increasing ridership, cost containment and modest fare increases. BSD has also seen an increase in other operating revenue, which helps offset the subsidy per boarding.





St. Louis experienced system downsizing in FY 2010 that was reversed a year later. The Annual Boardings per Capita chart trends the downturn in passenger ridership and its continued rebound. The return of services is reflected in the upswing in boardings mainly through the return of core ridership. Continued service improvements throughout the system are contributing to ridership numbers.

Metro's farebox recovery has remained average compared to its peer transit agencies. Farebox recovery has remained stable with limited growth for the year shown. Farebox recovery ratio is passenger revenue as a percent of total operating expenses. As in subsidy per passenger, we are maintaining steady rates as a result of increased passengers and containing operating costs.



Budget Process

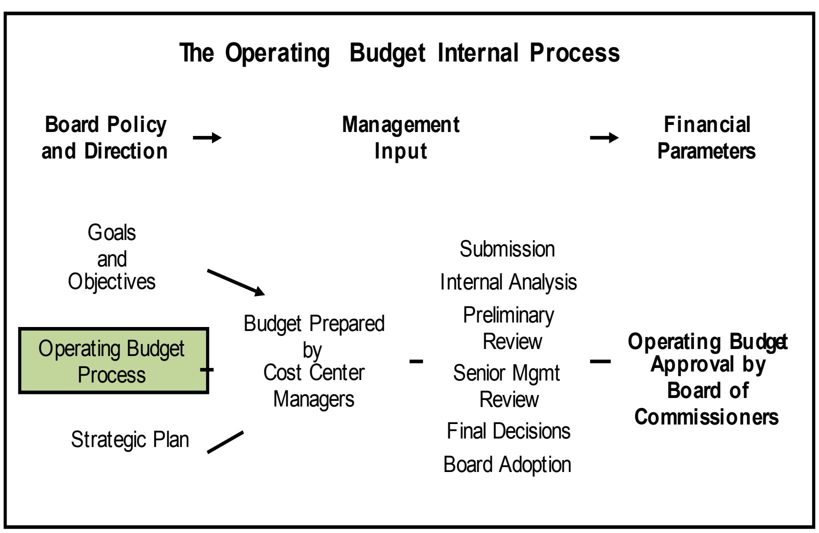
The Budget Process and Stakeholder Interface

The Compact between the States of Missouri and Illinois adopted in 1949 requires Bi-State Development Agency of the Missouri-Illinois Metropolitan District to prepare and adopt an annual budget. Such a budget must set forth proposed expenditures to be undertaken during the budget year for administration, operations, maintenance, debt service and capital projects. In addition, the budget identifies the anticipated income funding options for financing the proposed expenditures. The transit system is required to present a balanced budget where revenues equal expenses. Other Post Employment Benefit expense and depreciation and amortization of capital assets are not required to be covered by annual revenues to be considered a balanced budget. The budget is a financial and strategic plan for the upcoming year developed in accordance with Bi-State Development policies. It seeks to optimize resources and maintain consistency with defined organizational objectives and Bi-State Development's Strategic Plan.

The preparation and eventual approval of the tri-annual operating and the tri-annual capital budgets are both an internal and external process.

Operating Budget Internal Preparation

Each year the budget begins with a budget message to Bi-State Development's cost center managers imparting objectives for the upcoming budget year, including indications of Bi-State Development's expected financial condition for the coming year and details of procedures to be followed in preparation of the budget.

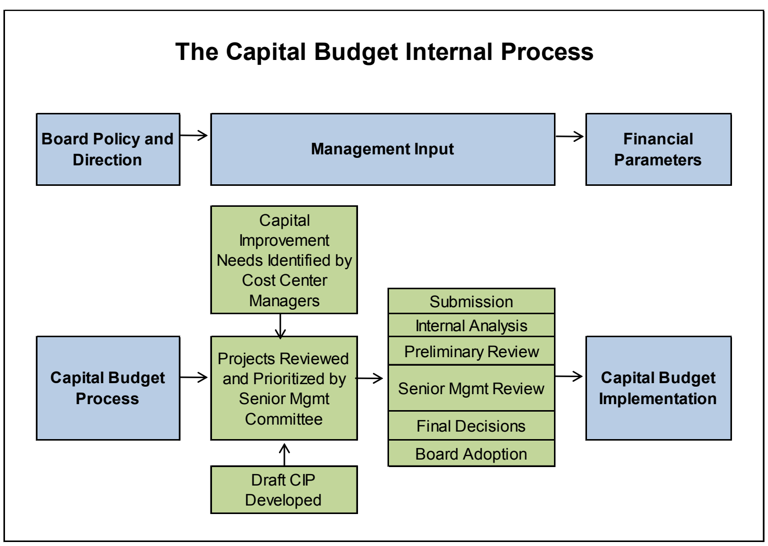


The cost center managers submit operating requests to the budget department using an online application. Bi-State Development's senior management reviews the preliminary operating budgets and sets parameters for the coming year. Through a series of meetings, cost center managers refine their preliminary operating budget requests per management's parameters, goals and objectives. Final decisions are then made by Bi-State Development's President and CEO and Senior Management which allow the operating budget document to be prepared and presented to the Board. The Board of Commissioners' approval completes the internal process.

Operating Budget External Review and Approval Process

Each of the Transit System's funding jurisdictions has a separate operating budget approval process. In St. Louis County, Bi-State Development's operating budget is reviewed and recommended by the Public Transportation Commission and advanced to the County Executive. The County Executive submits a funding bill to the County Council, which debates and acts upon the bill. In the City of St. Louis, the Ways and Means Committee of the Board of Aldermen reviews the bill prior to adoption of funding ordinances by the Board. Subsequently, the Board of Estimates and Apportionment authorizes payments. In Illinois, Bi-State Development contracts with the St. Clair County Transit District for funds for operations.

Capital Budget Internal Preparation



The preparation and eventual approval of the tri-annual capital budget is both an internal and external process. Each year the capital budget process begins with a meeting of Bi-State Development Senior Managers who serve as the Capital Improvement Program Prioritization Committee. Projected federal, state and local revenue sources covering three fiscal years are discussed and the budget message to Bi-State Development's cost center managers is communicated regarding the capital improvement objectives for the upcoming capital budget cycle. Projects are solicited from the cost center managers. Projects from the region's long-range plan formulated by the East-West Gateway Council of Governments, the federally recognized St. Louis Metropolitan Planning

Organization, are incorporated as appropriate. Internally, operating plans are formulated, as is a Transportation Improvement Program, which documents all federal transit grants for which Bi-State Development plans to apply.

Cost center managers submit capital requests to the budget department. Senior management reviews these preliminary budgets and parameters are set for the coming year. Through a series of meetings with cost center managers, capital budget requests are refined and prioritized. Final decisions are then made by Bi-State Development's President and CEO to allow the budget document to be prepared and presented to the Board. The Board of Commissioners approval completes the internal process.

Capital Budget External Review and Approval Process

The capital budget is then considered under an external review and approval process. Each of the Transit System's funding jurisdictions has a separate approval process. In St. Louis County, Bi-State Development's capital budget is reviewed and recommended by the Public Transportation Commission and advanced to the County Executive. The County Executive submits a bill to the County Council, which debates and acts upon the bill. In the City of St. Louis, the Ways and Means Committee of the Board of Aldermen reviews the bill prior to adoption of funding ordinances by the Board. Subsequently, the Board of Estimates and Apportionment authorizes payments. In Illinois, Bi-State Development contracts with the St. Clair County Transit District (District) for funds for operations and capital acquisition. Bi-State Development, with approval of the District, applies for grants from the Illinois Department of Transportation.

East-West Gateway has a rigorous review process for the TIP, an important part of Bi-State Development's overall budget. That process includes public hearings and committee review prior to consideration for approval by its Board of Commissioners. After Council approval, the TIP is forwarded to the Illinois Department of Transportation and the Missouri Highway and Transportation Commission for review and inclusion in each state's Transportation Improvement Program. Final review by the Federal Transit Administration is required for grant application and receipt of federal funds.

Operating and Capital Budget Amendment Process

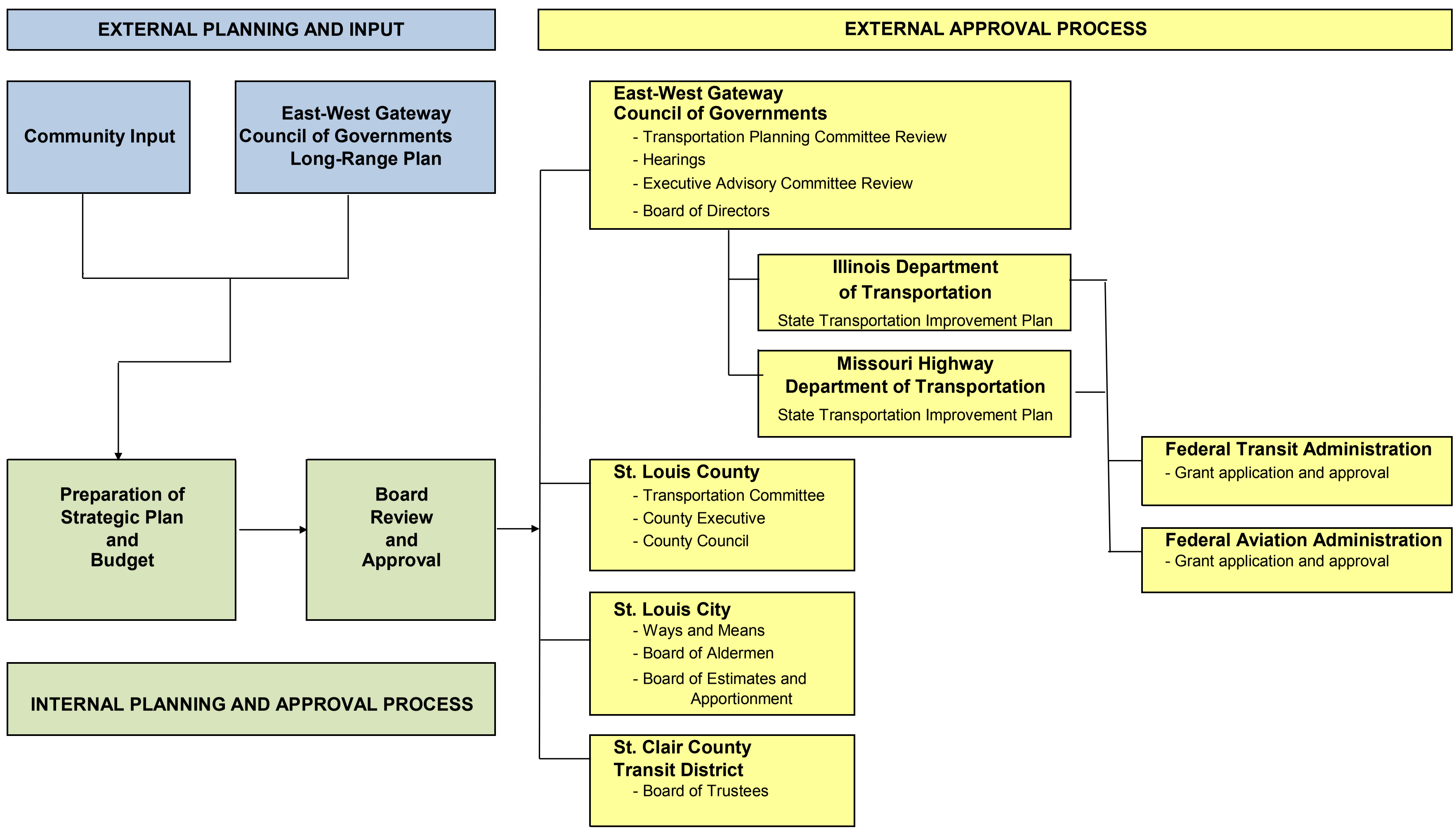
Organizational hierarchy changes can occur after the budget has been approved by the Board Commissioners. These reporting changes can involve a single employee or multiple departments being reassigned to a different managerial structure. Managerial reassignments can be within the same company or a change in the company to which an employee or department is reporting.

If managerial and reporting changes do occur, the Finance Division in cooperation with the affected divisions/departments will transfer only the appropriate budget dollars, related labor and expenses. The budget transfers under these circumstances will be a dollar for dollar transfer from the old reporting structure to the new reporting structure. There will be no changes, deletions or additions to total revenue, expense or net income (loss) for BSD overall. Any budget transfers affected by hierarchy changes will be presented to the Board in an informational briefing paper.

A budget amendment for either the operating or capital budget is deemed necessary when a shortfall requiring the identification of additional funds is created by a significant event that could not have been reasonably foreseen at the time of budget adoption. Additionally, an amendment may be necessary due to local, state or federal government action. Presentation of the amendment to the Board of Commissioners is necessary, identifying proposed changes along with the justification and funding mechanism. Adoption by a majority of the Board formally amends the budget.

The budget and grant approval process is illustrated on the next page.

Operating and Capital Budget and Grant Approval External Process



FY 2017 Operating Budget Calendar

Sep 2015
- 09.01-30 - Budget team to update system and request various projections
- 09.21 - Operating baseline budget assumptions approved

Oct 2015
- 10.05 - Baseline budget completed and presented to Senior Staff
- 10.14 - "Budget kick-off" begins with communication to managers
- 10.29 - Budget key performance indicators reviewed and updated
- 10.30 - Miles, hours, passengers, passenger revenue and operator manpower schedules completed.
- 10.30 - Medical, dental and pension projections submitted.

Nov 2015
- 11.04 - Vice Presidents' new position forms submitted to budget
- 11.05- Sales tax revenue, interest revenue & interest expense projections received
- 11.09 - Managers submit/lock all budget requests in budget system
- 11.16 - Vice Presidents approve submitted budget requests

Dec 2015
- 12.10 - Budget summary reports and assumptions sent to President for reveiw
- 12.11 - Vice Presidents submit division goals & objectives for FY 2017
- 12.14 - Organizational leaders submit updated strategies, action steps and performance measures
- 12.21 - Organizational leaders submit FY 2017 Target Performance indicator measures
- 12.21-1.06 - Budgets reviewed with cost center managers and appropriate changes made

Jan 2016
- 01.11 - Internal analysis reports prepared and sent to President & Vice Presidents
- 01.12-19 - Budgets reviewed with President and Vice Presidents
- 01.19-27 - Changes incorporated into budget system & reports prepared

Feb 2016
- 02.08- Transit Improvement Plan reviewed
- 02.09-29 - Annual budget documents finalized

Mar 2016
- 03.07-11 - PowerPoint presentation created
- 03.11 - Budget documents mailed to Board of Commissioners
- 03.18 - Operating & Capital Budget presented at the Finance & Administration Committee meeting

Apr 2016
- 04.22 - Operating & Capital Budget document to the Board of Commissioners for approval

Financial Policies

Financial Policies, Fund Balances, Debt Obligations

All fiscal policies apply to all operations of Bi-State Development.

Planning and Budgeting Policies

Balanced Budget

Each year the President and Chief Executive Officer prepare an annual budget for the forthcoming fiscal year that will be presented to the Board of Commissioners. The President and CEO will work with the Board in setting strategic objectives, update BSD long range planning document, and prepare both operating and capital budgets. The operating budget shall include proposed expenditures for current operations during the ensuing fiscal year and the method of financing such expenditures. The capital budget shall include capital expenditures during the ensuing fiscal year and the proposed method of financing such expenditures.

Basis of Budgeting

Bi-State Development budgets expenses on the ***accrual basis of accounting*** that is consistent with accounting policy whereby revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

Balanced Budget Guideline

For purposes of the Metro transit operating budget, a balanced budget shall be where revenues equal expenditures except for depreciation, amortization and unfunded other post-employment benefit expenses.

Bi-State Development is required to adopt a balanced operating budget; however, it is not required to adopt legally enforceable budgets and does not adopt such budgets.

Audit Policies

Internal Audit

It is BSD policy to employ an Internal Auditor who shall report directly to the Board of Commissioners. The Internal Auditor shall supervise and direct the staff of the Internal Audit Department. The Internal Audit Department shall provide independent, objective analysis and recommendations to assist the President and CEO and management in effectively discharging their administrative responsibilities. The Internal Audit Department shall perform routine audits of compliance of BSD divisions with internal BSD rules and regulations. The Internal Audit Department shall, at all reasonable times, have access to the accounts, books, and records of

Bi-State Development. The Internal Audit Department may interview the President and CEO and other employees of BSD as necessary.

External Audit

It is the policy of Bi-State Development to submit its books and records to an annual audit by a qualified recognized CPA firm. The firm shall have broad experience in auditing large local government and/or agencies in compliance with relevant federal rules and regulations such as the Single Audit Act.

Accounting Policies

Financial Reporting Entity

The basic financial statements encompass all proprietary functions for which Bi-State Development is responsible. These functions include: Executive Services, Gateway Arch Tram System, Gateway Arch Riverfront Attractions, St. Louis Downtown Airport, Bi-State Development Research Institute, St. Louis Regional Freightway, Arts In Transit, Inc. and Metro Transit System.

Additionally, Bi-State Development evaluated whether there were any potential component units that should be included in these financial statements based on the following criteria: financial accountability, access to resources, responsibility for debts and deficits, and fiscal independence.

Basis of Accounting

Bi-State Development follows the accrual basis of accounting and uses the economic resources measurement focus for all of its enterprise funds, internal service and fiduciary funds. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred regardless of the timing of related cash flows.

Estimates and Assumptions

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fund Accounting

Bi-State Development maintains its internal accounting records on the basis of funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts. Cash and other financial resources, together with all related liabilities and residual fund balances and changes therein are segregated for the purpose of carrying on the specific activities or attaining certain objectives in accordance with Board or external special regulations, restrictions or limitations.

All funds used in accounting for the financial operations of Bi-State Development are enterprise funds or fiduciary funds. For financial reporting purposes, Bi-State Development is considered a single enterprise fund in which all subsidiary enterprise funds are combined and inter-fund transactions are eliminated. Bi-State Development is required to adopt an overall balanced operating budget; however, it is not required to adopt legally enforceable budgets and does not adopt such budgets.

Fiduciary funds are used to account for assets held in trust by the government for the benefit of individuals or other entities.

Proprietary Funds

Enterprise Funds

Bi-State Development enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Enterprise funds operate by creating a cash flow to pay for the services by issuing fees and charges.

The business purposes of the various enterprise funds of Bi-State Development are as follows:

- **Executive Services Fund** - performs certain developmental activities and acts as the administrative head of Bi-State Development;
- **Gateway Arch Tram System Fund** - operates and maintains the transportation system within the Gateway Arch in accordance with a cooperative agreement with the National Park Service and the United States Government;
- **Riverfront Attractions Fund** – owns, operates and maintains both the Tom Sawyer and Becky Thatcher Riverboats docked along the Mississippi River just below the Gateway Arch;
- **St. Louis Downtown Airport Fund** – owns, operates and maintains the St. Louis Downtown Airport and an adjacent business park located in Cahokia, Illinois;
- **Bi-State Development Research Institute Fund** – generates economic opportunities for Bi-State Development in the region;
- **Arts In Transit, Inc. Fund** – plans, funds and acquires artwork for the transit alignment to enhance the ridership experience;
- **Metro Transit Fund** – owns, operates and maintains the St. Louis metropolitan area mass transportation system which includes MetroBus, MetroLink and Metro Call-A-Ride services;
- **St. Louis Regional Freightway Fund** - establish and manage a marketing and business development plan that creates a cohesive brand identity for the St. Louis Region and build partnerships with the freight industry.

Internal Service Fund

The Internal Service Fund is used to report activities and accumulate and allocate costs of services that are provided to Bi-State Development's various enterprises. This fund accounts for payroll and risk management, which includes self-insurance general liability and worker's compensation. Bi-State Development's internal service funds are used for operations serving other funds or departments within BSD.

The three components of Bi-State's internal service fund are as follows:

- Health Self-Insurance Internal Service Fund
- Workers' Compensation Self-Insurance Internal Service Fund
- Casualty Self-Insurance Internal Service Fund

Fiduciary Fund

Fiduciary funds are used to account for assets held by Bi-State Development as a trustee or as an agent for others and which the assets cannot be used to support its own programs. The key fiduciary fund is the trust fund for the Bi-State Development Other Post Employment Benefit Trust.

Cash and Cash Equivalents

When beneficial, Bi-State Development pools all cash for investment purposes. Each fund has equity in the pooled amount. Investment earnings are allocated to each individual fund on the basis of their investment or equity in the pooled amount. All highly liquid investments readily convertible into cash with original maturities of 90 days or less are treated as cash equivalents. Cash equivalents are recorded at cost, which approximates fair value.

Bi-State Development Operating Revenues and Expenses

Operating revenues and expenses generally result from providing services in connection with Bi-State Development's ongoing operations. Revenues are recorded as income in a manner consistent with the timing of the provided service. The principal operating revenues of the various funds of BSD are as follows:

- **Executive Services Fund** – inter-fund charges for management services;
- **Gateway Arch Tram System Fund** – charges to tourists for admissions to attractions at the Jefferson National Expansion Memorial and rentals
- **Riverfront Attractions Fund** – charges to tourists for riverboat excursions along the Mississippi, memorabilia sales and heliport and bicycle rentals;
- **St. Louis Downtown Airport Fund** – charges to customers for aviation and runway services provided, including hangar rentals and fuel;
- **Arts In Transit, Inc. Fund** – contributions for bus paintings, art services and donations;
- **Bi-State Development Research Institute Fund** – contributions for services and donations;

- **Metro Transit Fund** – fares charged to passengers for public transportation, advertising, and rentals;
- **St. Louis Regional Freightway Fund -** public and private contribution fees.

Operating expenses include the cost of personnel wages and benefits, services, materials, utilities and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Expenditure Controls

Bi-State Development utilizes several different methods for controlling expenditures. A tiered approval system is utilized to secure management approval on various levels of expenditures. The approval tiers are applied as follows once the budget is adopted:

Supervisors	$ 5,000 and under
Managers	$ 10,000 and under
Directors	$ 25,000 and under
Vice Presidents	$ 100,000 and under
Chief Executive Officer	$ 500,000 and under

Additional expenditure control tools utilized include purchase orders, procurement cards, and work orders for project related expenditures, service contracts and labor contracts. Monitoring tools utilized include budget variance reports by cost center, and quarterly performance indicator reports.

Materials and Supplies

Metro inventories of materials and supplies are recorded at cost, using the weighted-average method and are expensed when inventories are consumed in operations. The Riverboats gift shop and food inventory counts are completed midyear to accommodate seasonality and maritime regulations. Purchases made between the midyear inventory count and fiscal year end are expensed as incurred. The St. Louis Downtown Airport inventory of firefighting chemicals is recorded at cost, using the first-in-first-out method to expense as the chemicals are used.

Depreciation and Amortization

Depreciation of capital assets is calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives by categories are as follows:

	Years
Airport runways, airframe and related facilities	15-25
Buildings and improvements	15-40
Gateway Arch tram facilities	15-25
Riverboats and barges	15-20
Light rail structures and improvements	12-30
Autos and trucks	5-10
Buses, vans, light rail and other revenue vehicles	3-25
Furniture, fixtures, computers and other equipment	3-10

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are recorded at cost, when acquired or constructed. Capital assets are defined under Bi-State Development policy as assets with an initial, individual cost of more than $5,000 and an estimated useful life of one year or more. Improvements to existing plant and equipment, which extend the useful lives of the related assets, are also capitalized. Donated capital assets are recorded at their fair value at the time of donation.

Expenditures for maintenance and repairs are charged to expense as incurred. When capital assets are retired or otherwise disposed of, the cost of the assets and the related accumulated depreciation are removed from the accounts, and gains or losses on disposals are recorded. Prorated shares of the proceeds from the sale of property and equipment, which were acquired with federal or state funds, are returned to the United States Department of Transportation – Federal Transit Administration or the related state Department of Transportation.

Investments Policies

Bi-State Development investments are made in accordance with investment policies specific to their restriction. Unrestricted investments are made in accordance with Bi-State Development general investment policy.

When beneficial, Bi-State Development pools unresticted funds for investment purposes. For pooled investments, investment earnings are allocated proportionately according to each fund's equity in the investment. Bi-State Development's investments consist of collateralized repurchase agreements; Triple A rated money market funds, collateralized certificates of deposit, investment contracts, municipal bonds, and U.S. Treasury and U.S. Government BSD securities. Investments maturing in less than one year are carried at amortized cost, which approximates fair value. Investments maturing in over one year are bought with the intention to hold to maturity and are also carried at amortized cost. Bi-State Development determines fair value to be the amount at which financial instruments could be exchanged in a current transaction between willing parties, at quoted market prices.

Interest Rate Risk

Interest rate risk is the risk that the fair value of an investment will decline as interest rates increase, and if it is sold before its maturity a loss will result. Bi-State Development's investment policy specifies that all funds may be invested in maturities that match anticipated obligations to a maximum of five years. The policy is not applicable to restricted investments or collateral securities related to lease finance obligations or bond indentures, for which investment maturities are generally matched to specific debt amortization requirements. Due to the short duration of the majority of Bi-State Development's non-lease or bond related investments at June 30, 2015, interest rate risk is not deemed significant to Bi-State Development.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counter-party, Bi-State Development will not be able to recover its investments or collateral securities that are in possession of an outside party. Bi-State Development's investment policy specifies that all investments be delivered to Bi-State Development's securities safekeeping agent and held in the name of Bi-State Development. The policy is not applicable to restricted investments or collateral securities related to lease finance obligations or bond indentures, which generally are held in trust according to specific provisions of the lease agreement or bond indenture.

Credit Risk

Credit risk is the risk that the financial counterparty will fail to meet its defined obligations. Bi-State Development's investment policy authorizes the unlimited purchase of direct obligations of the U.S. Government or its agencies repurchase and reverse repurchase agreements, commercial paper, banker's acceptances, and money market funds. Repurchase and reverse repurchase agreements are entered into only with pre-approved credit-worthy banks or dealers, and a written repurchase agreement is completed for each bank or dealer. Repurchase agreements are collateralized with direct obligations of the U.S. Government or its agencies and sponsored enterprises. Securities are held in segregated customer accounts, or at the Federal Reserve. Bi-State Development's investment policy limits investments in commercial paper, negotiable (uncollateralized) certificates of deposit, and banker's acceptances to the top two ratings issued by nationally recognized credit rating organizations, and further limit these instruments to five million per issuer. The policy also stipulates that money market funds have over $500 million in assets and carry the highest rating issued by a nationally recognized credit rating organization. The policy is not applicable to restricted investments, or collateral securities related to lease finance obligations or bond indentures. Provisions of the lease agreements or bond indentures stipulate that financial counterparties must maintain the highest rating issued by a nationally recognized credit rating organization. If the counterparty does not maintain the required credit rating, it must collateralize the investment with securities carrying the highest rating issued by a nationally recognized credit rating organization. (In the case of the investment contracts listed above, the rating requirement is applicable to the senior debt rating of the issuer of the contract; the contracts themselves are not rated separately.)

Self-Insurance Liability

Self-insurance liabilities for workers' compensation, employee medical and dental insurance claims, and public liability and property damage claims are recognized on an estimated cost when incurred.

Workers' compensation benefits are awarded as determined by the appropriate governmental authority in each state in which Bi-State Development operates. Estimated liabilities for injury and damage claims and medical and dental insurance claims are charged to the appropriate operations expenses in the year the claim events occur; estimated liabilities for outstanding claims are made by management, as needed.

Self-insured liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These liabilities include an amount for claims that have incurred, but not reported.

Since self-insured claims depend on complex factors such as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are evaluated on a case-by-case basis and are re-evaluated periodically to take into consideration historical experience of recently settled claims, the frequency of claims, and other economic and social factors.

Pension Plans

Bi-State Development historically sponsored four defined-benefit pension plans; one Salaried plan and three Union plans as of June 30, 2015. Since the end of the prior fiscal year, the 788 O&M and 788 Clerical plan participants have voted to merge their plans. The legal process to merge the plans has been completed and the assets have been combined. The information provided reflects information prior to the finalization of the plans' merger.

It is the policy of Bi-State Development's Board of Commissioners to see that each pension plan is funded to the fullest extent feasible through a combination of investments and funding the actuarially determined contribution each year. Each plan is administered by an Administrative Pension Committee comprised of Trustees who are selected, at least in part, by the Board. Under Sections 70.050 A and B of its Collected Board Policies, the Board maintains authority over the appointment of the Trustees on the Salaried Employees Administrative Pension Committee, and one-half of the Trustees on the Pension Committees that administer the plans for the employees who are represented by the Amalgamated Transit Union (ATU) and the International Brotherhood of Electrical Workers (IBEW). The ATU and the IBEW select the remaining Trustees on those Committees.

Required contributions and benefit provisions are established and amended by the Pension Committees. The Pension Committees are authorized to administer their respective plans' assets, determine eligibility for benefits under the plan and to construe the plans' terms.

There are separate audited financial statements for each of the pension plans. The independent audit firm who performs the work is hired by each respective Pension Committee. Like many other governments and public entities in Missouri, Bi-State Development's pension plans are monitored by the Joint Committee on Public Employee Retirement (JCPER) – a permanent oversight body created by the Missouri General Assembly in 1983.

Salaried Plan

The Salaried Plan was closed to new entrants effective July 1, 2013 and all subsequently hired salaried employees are put in a 401(k) plan. All salaried employees irrespective of hire date are eligible to make additional 401(k) contributions to the plan that is partially matched by BSD. As of January 1, 2014, the Salaried Plan became a 3% contributory single employer defined benefit pension plan for salaried employees who remain in the plan.

Employees who retire after attaining the normal service retirement age and years of services as defined in the plan are entitled to normal retirement benefits, payable monthly for life, based upon final average monthly earnings and years of credited service. Final employee average monthly earnings are the employee's average monthly earnings for the three consecutive Plan years preceding cessation of employment producing the highest average. Participants who have attained age 55 and completed ten years of credited service may retire and receive reduced benefits. The Salaried Plan also provides death and disability benefits.

Union Plans

All Bi-State Development full-time employees who are included in one of the collective bargaining units recognized by Bi-State are required to participate in an applicable Union Plan. There are two Union Plans that are contributory single employer defined benefit pension plans. Participants must satisfy minimum age and service requirements for retirement and are eligible for a deferred vested pension if they leave the service of Bi-State Development with at least 10 years credited service. The Union Plans are as follows:

- Bi- State Development Agency Missouri-Illinois Metropolitan District and Division 788 Amalgamated Transit Union, Employees' Pension Plan and Agreement (788 ATU Plan)
- Bi- State Development Agency Missouri-Illinois Metropolitan District and Locals No. 2 and No. 309 of the International Brotherhood of Electrical Workers Employees' Pension Plan and Agreement (IBEW Plan)

The 788 ATU Plan members hired on or after April 1, 2015 are eligible for full retirement benefits at (a) age 65, (b) the completion of 25 years of credited service or (c) age 55 with 20 or more years of credited service. Participants who have attained age 55 with 15 years of credited service may retire with reduced benefits.

Under the 788 Clerical Plan, members hired prior to April 1, 2015 are eligible for full retirement benefits at (a) age 65 or (b) the completion of 25 years of credited service. Participants in the

788 Clerical Plan are eligible for reduced retirement benefits at (a) age 62 with 10 or more years credited service or (b) age 54 to 62 with 15 years or more of service.

For the 788 ATU and Clerical plan the retirement benefit is $40 times the years of credited service up to 25 years. A participant with more than twenty five years of service receives a retirement benefit of $55 times years of credited service. The pension plans provide payments for retirement and provides medical insurance.

IBEW defined benefit Plan members who retire after December 31, 2013 are eligible for full retirement benefits at (a) age 65 with 10 or more years of credited service or (b) the completion of 25 years of credited service. For the IBEW plan, the retirement benefit is $60 times the years of credited service. The pension plan provides payment and no medical services. IBEW employees closed their defined benefit pension plan to new employees effective January 1, 2014. Newly hired employees are directed to a defined contribution plan and/or the National Electric Benefit Funds pension plan.

All Union employees are required to make plan contributions by payroll deduction each week. If a union employee leaves the employment of Bi-State Development prior to being eligible to receive a monthly benefit, he or she is eligible for a refund of contributions. Upon retirement, employees are entitled to a monthly pension benefit, payable for life. The Union Plans also provide survivor and disability benefits.

None of the pension plans include cost of living adjustments for pension plan benefit payments.

The Union pension plans benefit terms can only be changed through the negotiation of a labor contract and the approval of the Board of Commissioners. The Salaried Plan benefits can be changed with the approval of the Board only.

Funding Policy, Annual Pension Cost and Actuarial Assumptions

For the Salaried Plan, Bi-State Development contributes the actuarial calculated pension requirement less the 3% contributed by the employees. For the Union Plans, Bi-State Development has agreed within each collective bargaining agreement to fund a portion of the actuarial determined contribution (ADC) to the plans. Pension expense is determined by an actuarial report prepared by an independent third party actuary. The ADC is annually calculated by the actuary and approved by the respective pension committees and the Board of Commissioners.

For the Combined 788 Amalgamated Plan and the IBEW Plan employees contribute 30% and Bi-State Development contributes 70% of the ADC. For the Clerical Plan employees hired prior to April 1, 2015, before the approved merger, they pay 32% and Bi-State Development funds 68% of the ADC.

The Union Plans' measurement date and fiscal year end is March 31, 2015 and the Salaried Plan's is May 31, 2015

Other Post-Employment Benefits

In addition to the pension benefits described above, Bi-State Development provides other post-employment health care benefits to all employees who meet retirement requirements and provide an employee share of premiums for health coverage. The benefits for union retirees are determined by contractual agreement and the benefits for salaried retirees represent a voluntary payment. As of June 30, 2015, 1,859 union and salaried retirees met those requirements. There is not a separate GAAP based audited set of financial statements for OPEB.

For budgeting purposes, Bi-State Development budgets OPEB costs in two categories. The annual normal OPEB costs are budgeted as retiree medical expense. This portion is funded on a pay-as-you-go basis. The current year portion of the OPEB unfunded liability is accrued and shown as OPEB expense in the financial statements.

OPEB benefits include medical and pharmaceutical coverage along with basic life coverage for an employee retiring from active service with ten years of credited service. Contributions from retirees are required and are dictated by Board policy or union contract for the medical/pharmacy benefit. Basic life insurance is non-contributory for the retiree.

Hedging Policy

Bi-State Development will engage only in financial hedge transactions that are consistent with prudent risk management practices related to Bi-State Development's principal business. The hedge is a financial tool used to reduce the risk associated with buying diesel fuel, electricity and natural gas as well as financial lending or borrowing activities.

Bi-State Development has adopted GASB 53 to account for their investment in oil future contracts to hedge against the volatility in diesel fuel prices. Because the fuel hedge is an effective hedge as defined by GASB 53, the accumulated unrealized gain (loss) on the fuel hedge is reported on the Statements of Net Position as an investment and a deferred inflow/outflow. The hedging instruments affected are weekly fuel hedge contracts with a speculative amount of 42,000 gallons each with an index of New York Harbor Heating Oil #2 as listed on the NYMEX.

Basis risk

Bi-State Development is exposed to basis risk on its fuel hedge contracts because the future fuel purchases are based on a pricing point different from the pricing point at which the future contracts are expected to settle (New York Harbor Heating Oil #2). There is no termination or interest rate risk.

Debt Policies

Legal Debt Limits

Currently, Bi-State Development is not subject to legal debt limits. Bi-State Development is not required to obtain voter approval to issue debt or refinance bonds.

Bi-State Development Debt

Debt may be incurred only by the specific authority of the Board of Commissioners. Notwithstanding funds specifically identified by Board Policy to be exempt, all funds under such debt resolutions or indentures of trust shall be controlled by the investment policies set forth in such documents.

Bi-State Development may not enter into a debt or financing arrangement unless the transaction is in full compliance with all state and federal laws.

Reserve Funds

Reserve funds may be required by the financial markets. These reserves may be funded by cash and securities, insurance, or surety bonds, but shall not be accessed unless there are insufficient funds to make the principal and interest payments as due. For financial planning purposes, reserve projections shall be based on the maximum annual debt service or 10% of principal outstanding on projected debt.

Legal Security Structure

Bi-State Development shall establish a legal security structure of liens, agreements, pledged revenues, and other covenants which will be sufficient to secure credit enhancement from a financial institution with a rating of "AA" or better from Standards and Poor's and a rating of "Aa" or better from Moody's.

Debt Coverage Ratios

Certain debt service coverage ratios are required to access the financial markets. For financial planning purposes, long-term and short-term debt, sales tax revenues, operating revenues, interest income, less operating expenses (excluding debt service and depreciation), for the prior twelve months, must be sufficient to cover maximum annual debt service and financing lease payments. The same calculation for future years must be sufficient to cover maximum annual debt service and lease payments, including payments on any debt to be issued, varying with each financing.

Revenue Policies

Revenue Diversification

As is the case with other large U.S. mass transit systems, the fares paid by Bi-State Development passengers cover only a portion of the cost to operate the Metro transit system. Consequently, BSD seeks to broaden and diversify its sources of revenue when possible. Bi-State Development operates a number of enterprises, each a separate business entity with its own assets and liabilities, including separate and distinct cash reserves. Various subsidies and grants received for transit operations, including monies from federal, state and local sources, are not comingled with those of other operating units. Revenues, subsidies, or grants received for other operating units are not used for transit operations.

Operating Revenues

Operating revenues are recorded in the accounting period in which they become earned and measurable.

- **Transit System-** Passenger fares, bus and shelter advertising, real property rental income, and miscellaneous non-capital project billings.
- **Executive Services** - Management fees from each operating unit.
- **Gateway Arch Tram System** - Passenger ticket sales and site rental for special receptions.
- **Riverfront Attractions** - Riverboat cruise fee revenues, food, beverage and gift shop sales associated with riverboat cruises, bicycle rentals, helicopter tours and concession revenues.
- **St. Louis Downtown Airport -** Aircraft parking, leased acreage, hangar rentals, aviation fuel sales, concession revenues, and other revenues for security, utilities and trash removal.
- **Arts In Transit Inc. Enterprise Fund** – contributions and donations to establish and develop artwork projects.
- **Bi-State Research Institute Enterprise Fund** – fees for services provided and contributions.
- **Freight District Enterprise Fund** – fees for services provided.
- **Internal service Funds** – charges for services provided internally to BSD units.

Establishing Fares and Fees

- **Transit System -** Passenger fares require approval by the Board of Commissioners and 30-day public notice prior to implementation.

- **Non-Transit Business Enterprises –** Service fares require approval by the Board of Commissioners.

Transit Passenger Fares

Farebox revenues are recognized at the time services are purchased and revenue passes through the bus farebox and MetroLink ticket vending machines. Sales of monthly passes, ten two-hour passes, 30-day passes and other tickets types are also recorded as revenue at the time of purchase.

Sales of University passes, Universal passes and Student Tickets, which are valid for a specific academic term, are recorded initially as unearned revenue. These unearned revenues are recognized as operating revenue monthly. The amount recognized in each month is determined by calculating a daily weighted average proration factor. The weighted average proration factor is calculated by considering total number of students, employees, and days specified in the contract

Non-Operating Revenues

Non-operating revenues are recorded in the accounting period in which they become earned and measurable. There are primarily three sources of non-operating income; grants, assistance (local, state, federal), and sales tax appropriations.

Sales Taxes

Missouri state and local sales taxes are imposed on the purchase price of tangible personal property and taxable services sold. These taxes are forwarded to the State of Missouri Department of Revenue either monthly or quarterly depending on the sales volume of the vendor. The Missouri Department of Revenue distributes the local sales tax collected back to the applicable city and county. The Missouri sales tax subsidies to Bi-State Development are generated from a portion of the local City of St. Louis and St. Louis County sales taxes collected. These funding jurisdictions distribute the sales tax subsidies via an appropriation process to Bi-State Development or the Bond Trustee, as applicable.

Grants and Assistance

All capital grants and assistance are recorded in the accounting period in which they become earned and measurable. Unrestricted, irrevocable operating assistance grants are recorded as non-operating income. Capital grants and assistance, which are restricted to use for payments of debt service or acquisitions of capital assets, are credited directly to fund equity (capital grants and assistance).

Capital projects are defined as expenditures or projects with an estimated useful life of one year or more and a total cost of at least $5,000. Types of capital projects include construction of new transit facilities, purchase of rolling stock or support equipment and enhancements to the transit system for passenger comfort and safety. More information on grants and capital projects may be found in the Transit Capital Budget section of this document.

Federal Aviation Administration Capital Improvement Grants

Capital improvement projects for airport engineering and construction costs at the St. Louis Downtown Airport are funded by capital improvement grants from the Federal Aviation Administration and the Illinois Department of Aeronautics and the Illinois Department of Transportation (IDOT). The St. Louis Downtown Airport provides additional funds from operating revenues. The terms and conditions of capital grants require that a portion of the project costs be funded locally.

Capital and Operating Assistance Grants

Bi-State Development receives federal and state capital assistance grants for undertaking of urban mass transportation capital improvement projects. Additionally, beginning in fiscal year 1999, a portion of the capital assistance grants may be used for fleet maintenance. The terms of the capital assistance grants require that a portion of the project costs be funded locally. The local share of the capital assistance grants has been funded by grants from the State of Illinois and by application of local Missouri sales tax appropriations. Bi-State Development receives the following type of assistance grants:

- **Federal Transit Administration -** Bi-State Development is the recipient of several Federal Transit Administration Assistance Grants awarded by the United States Department of Transportation under the Federal Transit Act of 1964, as amended.
- **State of Missouri** - In 1996, the Governor of the State of Missouri approved temporary transit operating assistance grant funding through the Missouri Department of Transportation. Bi-State Development began receiving this assistance in July 1996. The grant was renewed January 2015.
- **Illinois Department of Transportation Grants** - IDOT is authorized under provisions of Illinois Revised Statutes, Chapter 127, Section 49 through 51 and Illinois Revised Statues, Chapter 127, Section 701 (Illinois Acts) to provide capital assistance to Bi-State Development. Bi-State Development uses a portion of the Illinois capital assistance grants to meet local share requirements on certain federal transit administration capital improvement projects.

Sales Tax Appropriations

Six local Missouri sales taxes fund Bi-State Development. This includes three from St. Louis City and three from St. Louis County.

Missouri Legislature has authorized certain cities and counties to levy a ½ cent sales tax to be used for transportation purposes. Missouri law does not require that revenues from the ½ cent sales tax be paid directly to Bi-State Development, but authorizes the collecting agencies to appropriate such revenues for transportation purposes. A minimum of 2% of any appropriation for public mass transportation must be passed through to the St. Louis Office of the

Developmentally Disabled Resources Board (City Board) and the Productive Living Board for the Developmentally Disabled (County Board). Sales tax receipts that are passed through to the City and County Boards are recorded as operating assistance, and the corresponding expense is recorded as a contribution to outside entities in the Statements of Revenues, Expenses and Changes in Net Position of Bi-State Development.

A ¼ cent sales tax Prop M was established and is restricted to mass transit use. The tax is forwarded to Bi-State Development based upon annual appropriations from the City of St. Louis and St. Louis County.

Lastly, there is an additional ½ cent sales tax known as Prop A levied in St. Louis County and a corresponding additional ¼ sales tax cent levied in St. Louis City.

Illinois Service

Bi-State Development contracts with the St. Clair County Transit District to provide public mass transportation services for the Illinois Counties of St. Clair and Monroe. The contract specifies the amount of services to be provided and the method of reimbursement for operating costs associated with the services provided in these counties.

Financial Reserve Policies

Restricted Funds Policies

During the annual capital budget process, the total capital funding amount needed for projects during the upcoming year is determined. After the needs are determined, a sufficient percentage of incoming funding is then required to be restricted to meet these capital funding needs. The percent restricted is stated in the annual budget document and dictates how the funds are handled. For FY 2017, 3.0% of St. Louis County and City of St. Louis Prop M funds, 30.0% of City of St. Louis Prop M2 funding and for St. Louis County Prop A 7.0% are restricted for capital. If additional capital projects are required and immediate, additional operating funds may be restricted by order of the CEO and/or CFO.

The portion of the sales tax receipts which is restricted for capital expenditures, for improvements to properties used in providing public mass transportation, for parts inventory, or for debt related payments is recorded as a restricted asset in the sales tax capital accounts, with a corresponding credit to capital grants and assistance. The restricted asset balance is reduced as funds are expended for the authorized purposes.

Bi-State Development has restricted funds, which are recorded in the Sales Tax Capital Account, for the purchase or construction of new transportation equipment or facilities. Temporary advances for operating purposes are allowed from the fund, to be repaid when federal, state or local operating assistance is received.

Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments of Bi-State Development are presented on the combined statements of net position as restricted cash and cash equivalents and restricted investments.

Operating Agreement

Gateway Arch Cooperative Agreement

According to a cooperative agreement (Agreement) dated May 14, 1962, as amended, with the United States Government acting through the National Park Service, Bi-State Development agreed to construct and operate a transportation system (Tram) in the Gateway Arch. The agreement was renewed on January 31, 2014. Bi-State Development is to receive a monthly management fee based upon the current month's operating results. The United States Government retains legal title to the Tram. Upon the future termination of the Agreement, Bi-State Development is required to transfer to the United States Government all remaining assets.

On December 1, 2014 the Gateway Arch Parking Facility ceased operations. The parking structure was closed and subsequently demolished as part of the CityArchRiver project to renovate the Gateway Arch campus.

Commitments and Contingencies

Expenditures financed by state and federal grants are subject to audit by the granting agencies to verify compliance with conditions of the grants. Management believes that Bi-State Development is in compliance with the terms of such grants and that no significant liability will arise from audits previously performed or to be performed.

In the ordinary course of business, a number of claims and lawsuits arise from individuals seeking compensation for personal injury, death, and/or property damage resulting from accidents occurring in the operation of the system. In addition, Bi-State Development has been named as a defendant in a number of lawsuits relating to personnel and contractual matters. Management does not believe that the outcome of these claims will have a material adverse effect on Bi-State Development’s financial position. However, in the event of an unfavorable outcome in one or more of these matters, the impact could be material to Bi-State Development’s financial position or results of operations.

Conduit Debt Obligations

From time to time, Bi-State Development has been associated with the issuance of Industrial Development Bonds and Special Facility Revenue Bonds to provide financial assistance for the acquisition and construction of facilities deemed to be in the public interest.

Special Facility Revenue Bonds

For the construction of the second phase of the MetroLink system, Bi-State Development utilized funds provided by the proceeds from two special revenue bond issuances. These bonds are not general obligations of Bi-State as they are to be repaid by a party other than Bi-State. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The following is a description of the two special facility revenue bond issuances:

St. Clair County MetroLink Extension Project Refunding Revenue Bonds, Series 2006 – The $39,155,000 Series 2006 Bonds, issued December 20, 2006 are special, limited obligations of Bi-State Development, payable solely from revenue and other sources provided in the indenture, and are not general obligations of Bi-State Development. These bonds mature serially in varying amounts through 2028. The Series 2006 bonds provided funds to refund a portion of the Series 1998 A bonds on July 1, 2009 through July 1, 2028. As of June 30, 2015, $34,405,000 remains outstanding.

St. Clair County Metrolink Extension Project Refunding Revenue Bonds, Series 2014 – The $4,160,000 Series 2014 Bonds, issued on December 4, 2014 are special, limited obligations of Bi-State Development, payable solely from revenue and other sources provided in the indenture, and are not general obligations of Bi-State Development. These bonds mature serially in varying amounts through 2027. The Series 2014 bonds provide funds to refund the Series 2004 Bonds that refunded the Series 1998 A bonds on July 1, 2004 through July 1, 2008. As of June 30, 2015, $4,160,000 remains outstanding.

Financing Instruments, Obligations and Debt

Finance Obligations Under Lease

In 2001, Bi-State Development entered into transactions to lease thirty-four of its Series 2000 and Series 3000 LRVs. The Series 2001 Lease/Leaseback consisted of three tranches: F1 and C1 dated August 30, 2001 and C2 dated November 30, 2001. The F1, C1 and C2 tranches involved transactions for seven (7), twenty-three (23) and four (4) LRVs, respectively.

On June 10, 2009, Bi-State Development terminated the agreement with AIG F1 payment obligation and deposited securities sufficient to meet its obligations under the sublease. Upon early termination of the F1 Tranche in December 2009, the securities were sold and the proceeds used as part of the required termination payment. The St. Clair County Transit District (SCCTD, one of Bi-State Development's funding partners), which participated in the lease, contributed approximately 70% of the termination payment of the F1 Tranche. The collateral is marked to market annually in January.

The required collateral has been approximately $8.5 million for the past two years and is invested in U.S. Treasuries. The collateral under the various lease transactions still outstanding, Bi-State Development maintains the right to continued use and control of the assets through the end of the leases and is required to insure and maintain the assets.

Therefore, all of the leases discussed above have been recorded as capital leases for accounting purposes.

The following table highlights pertinent information on the subleases for 2015:

	Capital Lease Obligation
Sublease balances, June 30, 2014	$ 86,018,071
Interest accrued in 2015	5,619,853
Lease payments and reductions	-
Total sublease balances, June 30, 2015	$ 91,637,924
Purchase option dates	January 2025
Sublease termination dates	January 2025

The following is a schedule by fiscal year of future lease payments and purchase option payments, to the extent they are exercised, and interest expense for the above transactions as of June 30, 2015:

	Payments
2016	$ -
2017	-
2018	-
2019	-
2020	-
2021-2025	217,541,618
Total future lease payments	217,541,618
Less amount representing future interest	(125,903,694)
Net obligation at June 30, 2015	$ 91,637,924

Long-Term Debt

Debt and lease capital obligations at June 30, 2015, consisted of the following:

	2014 Beginning Balance	Additions	Reductions	2015 Ending Balance	Due Within One Year
Capital Lease Obligations	$ 86,018,071	$ 5,619,853	$ -	$ 91,637,924	$ -
Mass Transit Sales Tax Appropriation					
Bonds, Series 2009	97,220,000	-	-	97,220,000	-
Less: Unamortized debt discount	(180,182)	-	7,136	(173,046)	-
Mass Transit Sales Tax Appropriation					
Bonds, Series 2013A	381,225,000	-	(37,015,000)	344,210,000	37,220,000
Plus: Unamortized debt premium	20,736,079	-	(2,817,753)	17,918,326	-
Less: Unamortized debt discount	(932,347)	-	28,452	(903,895)	-
St. Louis County Missouri					
Series 2013B	75,000,000	30,000,000	-	105,000,000	-
Gateway Arch Revenue Bonds 2014	-	7,656,000	-	7,656,000	
Other Post-Employment Benefits	57,619,000	9,307,019	(13,754,384)	53,171,635	-
Long Term Self-Insurance Liability	15,327,696	41,400,948	(39,484,990)	17,243,654	11,661,218
Net Pension Liability	-	92,238,800	(3,078,163)	89,160,637	-
Other Liabilities	33,661,894	130,580,849	(127,256,131)	36,986,612	7,738,141
Total	$ 765,695,211	$ 316,803,469	$ (223,370,833)	$ 859,127,847	$ 56,619,359

Mass Transit Sales Tax Appropriation Bonds

Series 2013

On August 1, 2013, Bi-State Development issued $381.2 million in the Series 2013A bonds. Bonds were issued with a premium of approximately $23.2 million and some were offered and sold at a discount of approximately $1.0 million. The bond proceeds were used to:

- refund all of Bi-State Development's Cross County Bonds, with the exception of the Series 2009 Bonds;
- establish a Debt Service Reserve Fund (DSRF) in the amount of $26.5 million;
- pay cost of issuance of approximately $1.7 million.

The bonds were issued at fixed rate coupons ranging from 3.0 percent to 5.0 percent, and mature from 2014 through Fiscal Year 2054. The effective true interest cost for the bonds is 4.44 percent. The average annual debt service will be approximately $25.0 million, with a maximum annual debt service of $33.0 million.

A unique feature of the deal was the participation of St. Louis County, which at closing loaned Bi-State Development Prop A ½ cent sales tax funds (Series 2013B Subordinate Bonds), which had been retained by the County for future transit capital projects. The County has also agreed to provide future Prop A funds to Bi-State Development to allow for optional retirement of the Series 2013 Bonds. The County's participation in the project brought the effective yield to approximately 3.7 percent. As of October 1, 2015, the County has loaned Bi-State Development $135.0 million of Prop A.

Series 2009

In October 2009, Bi-State Development issued $97.2 million in Mass Transit Sales Tax Appropriation Bonds. The transaction closed on November 9, 2009. A total of $97.2 million in fixed rate serial and term bonds were issued at an average rate of 4.97%. The bonds were issued at a discount and mature in fiscal year 2040. The discount amount of $213,454 is being recognized over the 30 year term of the bonds. The bond proceeds were used as follows:

- Approximately $75.0 million was used to refund the remaining $75.0 million of the $100.0 million par Series 2002A Variable Rate Bonds.
- Approximately $9.9 million was used to terminate (net) two interest rate swaps Bi-State Development had in connection with the Series 2002A Variable Rate Bonds.
- Approximately $9.1 million was used to create a Debt Service Reserve Fund for the bonds.
- The balance of approximately $2.5 million was used to purchase a bond insurance policy ($1.6 million), for the underwriters discount ($.45 million), and for other costs of issuance ($.55 million). The total cost of the bond issuance policy is being amortized over the 30 year term of the bonds.

- The deferred amount of refunding was approximately $0.8 million. This amount was being amortized over the original remaining life of the Series 2002A Bonds, but the remaining balance was eliminated with the bond remarketing on August 1, 2014.

Series 2014

On December 3, 2014, Metro closed on the Series 2014 Taxable Gateway Arch Revenue Bonds. These bonds have a par value of $7,656,000 and a 30-year term. The initial fixed rate term is 10 years with a fixed interest rate of 4.016%. The annual debt service requirement is approximately $454,000 and the cost of issuance was $156,000. The bond proceeds were used as follows:

- Replace the tram motors of the visitor transportation system located within the Gateway Arch, consisting of trains, stairs, elevators and associated exhibits, generators, loading areas, and electrical, communication and other accessory equipment or devices;
- Improve to a portion of the visitors' center roof located at the Jefferson National Expansion Memorial;
- Pay costs of issuance with respect to the Arch tram Revenue Bonds.

Bi-State Development Financial Summary

Bi-State Development
Combined Revenue Summary
FY 2015 - FY 2017

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projection	FY 2017 Budget	2017 Budget vs. 2016 Proj $ Change	% Change
Operating revenue:						
Metro Transit System						
Passenger revenue	$ 51,261,024	$ 54,249,049	$ 50,017,958	$ 49,716,412	$ (301,546)	-0.6%
TMA revenue	1,394,802	1,452,546	1,397,812	1,430,591	32,779	2.3%
Paratransit contracts	2,891,057	3,234,919	2,973,038	2,903,825	(69,213)	-2.3%
Other operating revenue	5,383,420	5,243,593	4,897,600	5,668,194	770,593	15.7%
Total operating revenue	60,930,303	64,180,107	59,286,408	59,719,022	432,613	0.7%
Executive Services						
Management fees	3,863,396	4,145,121	3,759,065	4,176,524	417,459	11.1%
Other operating revenue	-	-	172,800	90,579	(82,221)	-47.6%
Total operating revenue	3,863,396	4,145,121	3,931,865	4,267,103	335,238	8.5%
Gateway Arch						
Ticket sales/discounts	5,221,356	5,954,816	5,968,002	7,604,358	1,636,356	27.4%
Site rental/other	32,048	28,799	28,989	29,399	410	1.4%
Total operating revenue	5,253,404	5,983,615	5,996,991	7,633,757	1,636,766	27.3%
St. Louis Downtown Airport						
Aircraft parking	142,092	139,410	139,180	139,410	230	0.2%
Leased acreage	390,922	172,677	265,960	172,677	(93,283)	-35.1%
Hangar rental	559,856	810,212	728,060	810,212	82,152	11.3%
Aviation sale flowage fee	170,355	177,365	175,901	177,365	1,464	0.8%
Airport concessions	97,814	115,159	119,014	115,159	(3,855)	-3.2%
Other operating revenue	105,150	90,254	94,311	90,254	(4,056)	-4.3%
Total operating revenue	1,466,188	1,505,078	1,522,427	1,505,078	(17,348)	-1.1%
Gateway Arch Parking Facility						
Total operating revenue	533,252	-	-	-	-	-
Riverfront Attractions						
Cruise revenue	947,231	1,524,794	1,072,086	1,642,874	570,788	53.2%
Food and beverage revenue	549,212	759,828	480,308	812,152	331,844	69.1%
Retail revenue	58,231	76,930	52,587	87,850	35,263	67.1%
Other operating revenue	115,273	116,181	111,014	109,030	(1,984)	-1.8%
Total operating revenue	1,669,947	2,477,733	1,715,996	2,651,906	935,910	54.5%
St. Louis Regional Freightway						
Regional freight fees	-	450,000	267,469	175,000	(92,469)	-34.6%
Other operating revenue	-	-	-	40,000	40,000	-
Total operating revenue	-	450,000	267,469	215,000	(52,469)	-19.6%
Arts In Transit						
Not-for-profit (NFP) revenue	12,925	-	46,800	47,500	700	1.5%
BSD Research Institute						
Not-for-profit (NFP) revenue	900	5,000	42,305	62,500	20,195	47.7%
Internal Service Funds						
Health self-insurance funds	-	31,326,187	31,821,620	34,858,809	3,037,189	9.5%
Casualty & workers comp self-insurance funds	-	-	-	9,152,631	9,152,631	-
Total operating revenue	-	31,326,187	31,821,620	44,011,440	12,189,820	38.3%
Total operating revenue:	**73,730,316**	**110,072,842**	**104,631,880**	**120,113,306**	**15,481,426**	**14.8%**
State and local assistance	203,159,624	214,095,901	215,524,548	222,515,641	6,991,093	3.2%
Federal assistance	16,273,167	20,742,875	20,358,448	19,979,395	(379,053)	-1.9%
Total grants & assistance	219,432,792	234,838,776	235,882,996	242,495,036	6,612,040	2.8%
Interest revenue	6,698,556	6,688,435	6,900,572	7,206,093	305,521	4.4%
Contributions from outside entities	27,385	42,500	16,250	42,500	26,250	161.5%
Other non-operating revenue	51,029	(426,079)	177,173	-	(177,173)	-100.0%
Total non-operating revenue	**226,209,762**	**241,143,632**	**242,976,991**	**249,743,629**	**6,766,638**	**2.8%**
Total revenues:	**299,940,077**	**351,216,473**	**347,608,871**	**369,856,935**	**22,248,064**	**6.4%**
Intercompany eliminations	(3,480,391)	(33,820,197)	(33,669,271)	(46,397,138)	(12,727,867)	-37.8%
Total revenues less eliminations:	**$ 296,459,686**	**$ 317,396,276**	**$ 313,939,600**	**$ 323,459,797**	**9,520,197**	**3.0%**

Bi-State Development
Combined Expense & Net Income (Loss) Summary
FY 2015 - FY 2017

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projection	FY 2017 Budget	2017 Budget vs. 2016 Proj $ Change	% Change
Operating expense:						
Wages and benefits	165,152,537	197,097,749	187,688,997	195,358,145	7,669,148	4.1%
Services	31,148,473	35,176,333	34,792,619	38,690,696	3,898,077	11.2%
Fuel and lubrications	17,364,432	18,577,865	17,383,342	14,050,257	(3,333,085)	-19.2%
Parts & supplies	22,221,773	24,387,760	23,353,576	27,422,499	4,068,924	17.4%
Casualty and liability costs	8,993,231	5,716,909	6,272,706	5,676,498	(596,208)	-9.5%
Interfund administrative charges	3,480,391	3,751,560	3,397,517	3,892,740	495,223	14.6%
Utilities	7,960,461	8,977,212	8,575,052	8,980,354	405,302	4.7%
Leases and other expenses	3,560,359	5,118,007	5,193,083	5,395,725	202,642	3.9%
Health self-insurance fees	-	30,068,637	30,271,754	33,351,767	3,080,013	10.2%
Casualty & work comp self-insurance fees	-	-	-	9,152,631	9,152,631	-
Total operating expense	**259,881,657**	**328,872,032**	**316,928,646**	**341,971,312**	**25,042,667**	**7.9%**
Intercompany eliminations	(3,480,391)	(33,820,197)	(33,669,271)	(46,397,138)	(12,727,867)	-37.8%
Operating expense less elimin.	**256,401,266**	**295,051,835**	**283,259,375**	**295,574,174**	**12,314,799**	**4.3%**
Interest expense	26,230,383	26,516,362	26,094,333	26,335,229	240,896	0.9%
Contributions to outside entities	8,475,222	1,207,516	1,234,464	1,254,432	19,968	1.6%
Other non-operating expense	89,668	-	92,183	-	(92,183)	-100.0%
Total non-operating expense	**34,795,274**	**27,723,878**	**27,420,980**	**27,589,661**	**168,681**	**0.6%**
Income (loss) before depreciation	**5,263,147**	**(5,379,437)**	**3,259,245**	**295,961**	**(2,963,284)**	**-90.9%**
Depreciation and amortization	71,670,666	78,065,817	73,083,802	75,428,056	2,344,254	3.2%
Net Income (loss) before transfers	(66,407,519)	(83,445,254)	(69,824,557)	(75,132,095)	(5,307,538)	-7.6%
Net transfers	-	-	-	-	-	-
Net income (loss)	**$ (66,407,519)**	**$ (83,445,254)**	**$ (69,824,557)**	**$ (75,132,095)**	**$ (5,307,538)**	**-7.6%**
Operating expense by division						
Metro Transit System	$ 247,997,199	$ 284,311,819	$ 273,239,644	$ 283,530,301	10,290,657	3.8%
Executive Services	2,789,908	4,130,543	3,568,260	4,018,882	450,623	12.6%
Gateway Arch	3,790,356	4,547,852	4,202,018	5,212,443	1,010,424	24.0%
St. Louis Downtown Airport	1,321,844	1,539,866	1,506,556	1,627,627	121,070	8.0%
Gateway Arch Parking Facility	536,530	-	-	-	-	-
Riverfront Attractions	2,056,383	2,467,221	2,162,622	2,556,300	393,678	18.2%
BSD Research Institute	1,182	5,000	54,398	115,829	61,431	112.9%
Arts in Transit	10,664	-	45,462	46,650	1,188	2.6%
St. Louis Regional Freightway	-	295,727	356,882	851,840	494,958	138.7%
ISF Health & Welfare	1,377,591	31,574,005	31,792,803	34,858,809	3,066,006	9.6%
ISF Workers Compensation	-	-	-	4,845,832	4,845,832	-
ISF Casualty	-	-	-	4,306,799	4,306,799	-
Total Bi-State Development	**259,881,657**	**328,872,032**	**316,928,646**	**341,971,312**	**25,042,667**	**7.9%**
Intercompany eliminations	(3,480,391)	(33,820,197)	(33,669,271)	(46,397,138)	(12,727,867)	-37.8%
BSD operating expense less eliminations	**$ 256,401,266**	**$ 295,051,835**	**$ 283,259,375**	**$ 295,574,174**	**$ 12,314,799**	**4.3%**

Intercompany eliminations include inter-fund administrative charges and health, casualty and workers compensation self-insurance fees.

The combined Revenue, Expense and Net Income (Loss) Bi-State Development operating budget summary compares the FY 2015 actual, FY 2016 budget, FY 2016 projection and FY 2017 budget. By applying Bi-State Development's planning and budgeting financial policies, this report consolidates the business entities of BSD's major revenues, expenditures and other non-operating funds to show Bi-State Development's net income/(loss).

Bi-State Development Funds, Sources and Uses

The FY 2017 budget sources and uses of cash reports are detailed by entity and contain the beginning funds and the sources and uses of those funds to arrive at the ending balances. The reports include the dollar and percent change in balances from the beginning to the end of the period. On the following pages are two reports; one for Operating and another for Capital. Below is a discussion on those changes in balances by entity.

Metro Transit

Metro Transit System operating funds are expected to decrease by approximately $6.6 million. This decrease is primarily related to debt service interest and principal payments. The capital projects planned for Transit are extensive and are detailed in the capital section of the annual budget book. The funding for these projects will come from local sales tax money, which has been restricted for capital expenditures, and federal funding.

Executive Services

Sources of funds from operating revenue are greater than expenses that will create an increase of $313 thousand. Any available funds in Executive Services are used at the direction of the CEO and the Board. There is no capital activity planned for the Executive Services in FY 2017.

Gateway Arch

The Gateway Arch tram system is expected to operate at a positive cash flow of $1.7 million. The Arch Trams have several capital projects totaling $6.2 million. These projects include the ATS Motor Generator Set Replacement for $5.0 million, the design and audio visual programming for the Tucker Theatre experience project for $1.0 million and Jefferson National Expansion Memorial park identifying signage for $200 thousand. The funding for these projects will come from the 2014 Series Arch Tram Revenue Bonds and the Jefferson National Expansion Memorial capital improvement fund.

Riverfront Attractions

The Riverfront Attractions is planned to have operating income and a positive operating cash flow in FY 2017. The riverfront and arch grounds construction hindered riverboat operations last year and will still affect passenger numbers in FY 2017. Despite construction issues, Riverfront Attractions is planning to produce $103 thousand in operating cash flow. The capital project planned for FY 2017 is to rebuild the engines on the riverboat Becky Thatcher. The source of funds is the Riverboat Renewal and Replacement Fund.

St. Louis Downtown Airport

The St. Louis Downtown Airport is expected to operate at a loss in FY 2017. Capital spending planned in FY 2017 results in a negative operating and capital funds flow. Capital projects are expected to total $5.1 million dollars. The construction of a run-up taxiway, pad and enclosure accounts for $5.0 million of the capital projects. The projects will be primarily funded through federal, state and local grants.

St. Louis Regional Freightway

The newest entity of Bi-State Development will have start-up costs in the FY 2017 budget and report a negative cash flow of $620 thousand. This was discussed in length during the budget process. The CEO of Bi-State Development and the Executive Director of the Freightway will pursue regional support to fund the deficit through private sector partners. There is no capital spending in the FY 2017 budget.

Other Bi-State Development Entities

The remaining Bi-State Development Entities have little impact on BSD's cash flow. The combined total of the remaining entities results in a negative cash operating flow of $52 thousand. None of the entities have plans for capital expenditures.

Bi-State Development
Operating Budget
Projected Sources and Uses of Funds
Fiscal Year 2017
(in thousands)

	Transit System	Executive Services	Gateway Arch Tram	Riverfront Attractions	St. Louis Downtown Airport	St. Louis Regional Freightway	Research Institute	Arts-In-Transit, Inc.	Internal Service Fund	Total
Beginning available funds*	**$ 31,161**	**$ 3,453**	**$ 1,400**	**$ 65**	**$ 133**	**$ 17**	**$ 40**	**$ 27**	**$ 2,417**	**$ 38,686**
Sources of funds:										
State and local assistance	222,516	-	-	-	-	-	-	-	-	222,516
Passenger and service fees	59,719	4,267	7,134	2,572	1,505	-	-	-	-	75,777
Federal assistance	19,979	-	-	-	-	-	-	-	-	19,979
Other (adm. fees, interest & misc.)	874	3	14	-	-	215	63	48	44,011	44,902
Total Sources	**303,088**	**4,270**	**7,148**	**2,572**	**1,505**	**215**	**63**	**48**	**44,011**	**363,174**
Uses of funds:										
Wages and benefits	184,596	2,431	2,029	1,339	980	232	-	-	2,018	193,393
Services	34,928	1,132	1,023	245	116	545	111	40	545	37,989
Materials and supplies	26,471	28	254	486	128	2	1	2	52	27,419
Utilities and fuel	22,548	9	115	145	209	1	-	1	3	23,029
Casualty and liability costs	4,740	-	56	176	72	-	-	-	634	5,678
Other	6,371	357	1,707	143	98	72	4	3	40,759	49,435
Contributions to Others	3,531	-	-	-	-	-	-	-	-	3,531
Debt service	26,528	-	306	-	-	-	-	-	-	26,834
Total Uses	**309,713**	**3,957**	**5,490**	**2,534**	**1,603**	**852**	**116**	**46**	**44,011**	**367,308**
Ending available funds	**$ 24,536**	**$ 3,766**	**$ 3,058**	**$ 103**	**$ 35**	**$ (620)**	**$ (14)**	**$ 29**	**$ 2,417**	**$ 34,552**
Change in Balance	**$ (6,625)**	**$ 313**	**$ 1,658**	**$ 38**	**$ (98)**	**$ (637)**	**$ (54)**	**$ 2**	**$ -**	**$ (4,714)**
Percent Change	**-21.3%**	**9.1%**	**118.4%**	**58.5%**	**-73.7%**	**-3747.1%**	**-133.8%**	**5.6%**	**0.0%**	**-12.2%**

* Beginning balances are from the January 31, 2016 balance sheet for each enterprise.
(Totals may not sum due to rounding.)

Bi-State Development
Capital Budget
Projected Sources and Uses of Funds
Fiscal Year 2017

(in thousands)

	Transit System	Executive Services	Gateway Arch Tram	Riverfront Attractions	St. Louis Downtown Airport	St. Louis Regional Freightway	Research Institute	Arts-In-Transit, Inc.	Internal Service Fund	Total
Beginning available funds*	**$ 149,950**	**$ -**	**$ 17,721**	**$ -**	**$ 351**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 168,022**
Sources of funds:										
State and local assistance	117,355	-	1,200	-	252	-	-	-	-	118,807
Federal assistance	352,066	-	-	-	4,500	-	-	-	-	356,566
Operating revenue	-	-	5,000	80	-	-	-	-	-	5,080
Other	(100)	-	-	-	100	-	-	-	-	-
Total Sources	**469,321**	**-**	**6,200**	**80**	**4,852**	**-**	**-**	**-**	**-**	**480,453**
Uses of funds:										
Capital Projects - Metrolink	68,300	-	-	-	-	-	-	-	-	68,300
New revenue & support vehicle:	98,756	-	-	-	-	-	-	-	-	98,756
Facilities new and rehab	112,922	-	-	-	-	-	-	-	-	112,922
Capital projects, equipment,										-
and other capital	189,443	-	6,200	80	5,125	-	-	-	-	200,848
Debt service	-	-	-	-	-	-	-	-	-	-
Total Uses	**469,421**	**-**	**6,200**	**80**	**5,125**	**-**	**-**	**-**	**-**	**480,826**
Ending available funds	**$ 149,850**	**$ -**	**$ 17,721**	**$ -**	**$ 78**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 167,649**
Change in Balance	**$ (100)**	**$ -**	**$ -**	**$ -**	**$ (273)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (373)**
Percent Change	**-0.1%**	**-**	**-**	**-**	**-77.8%**	**-**	**-**	**-**	**-**	**-0.2%**

* Beginning balances are from the January 31, 2016 balance sheet for each enterprise.
(Totals may not sum due to rounding.)

Metro
Transit System

Metro Transit

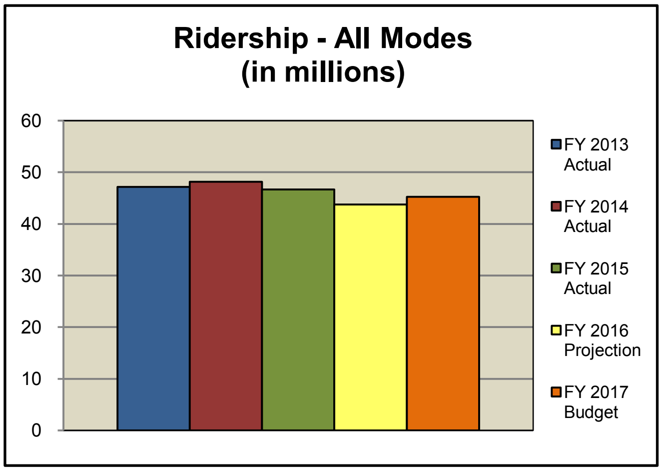
Total System

Overview:

Metro Transit provides services in three modes - bus, light rail, and demand response using service names of MetroBus, MetroLink and Call-A-Ride, respectively.

Service levels (FY 2015 Actuals):

46.7 million passenger boardings
146,753 average weekday ridership
26.9 million revenue miles
1.8 million revenue hours
5,673,205 diesel gallons consumed



Service area (558 square miles):

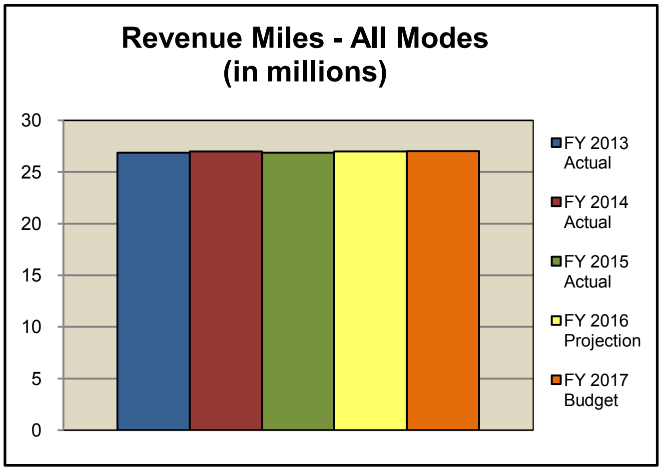
Missouri:
- City of St. Louis
- St. Louis County

Illinois:
- St. Clair County
- Madison County
- Monroe County

Union contracts:

Amalgamated Transit Union, Division 788:
- Bus/Rail Operations and Maintenance
- Clerical Unit
- Demand Response

The International Brotherhood of Electrical Workers:
- Local No. 2 (Missouri)
- Local No. 309 (Illinois)



Websites:

www.bistatedev.org
www.tripfinder.metrostlouis.org
www.twitter.com/STLMetro
www.bi-state.org
www.artsintransit.org
www.metrostlouis.org
www.MovingTransitForward.org
www.nextstopstl.org
www.facebook.com/STLMetro

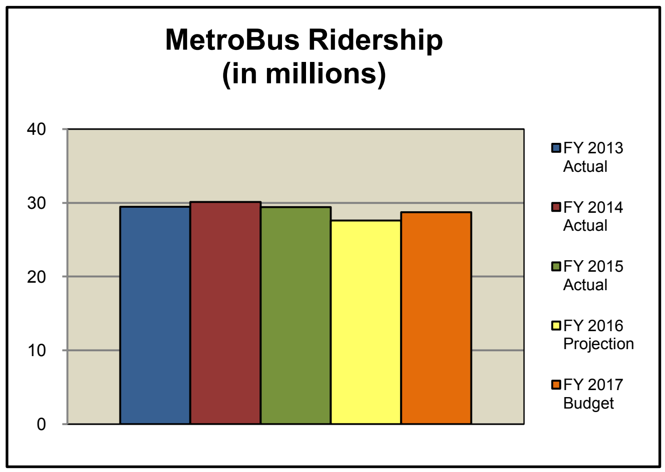
MetroBus

Overview:

Since 1963, Bi-State Development has continuously provided bus service in the Greater St. Louis Region. BSD currently operates 61 fixed bus routes in Missouri and 17 fixed bus routes in Illinois. Additional special bus service is offered in Illinois for all St. Louis Cardinals home baseball games and the Muny Opera.

Service levels (FY 2015 Actuals):

29.4 million passenger boardings
93,354 average weekday ridership
18.4 million revenue miles
1.4 million revenue hours
390 buses (317 used at peak)
4,903,062 diesel gallons consumed
76 bus routes at the end of FY 2015



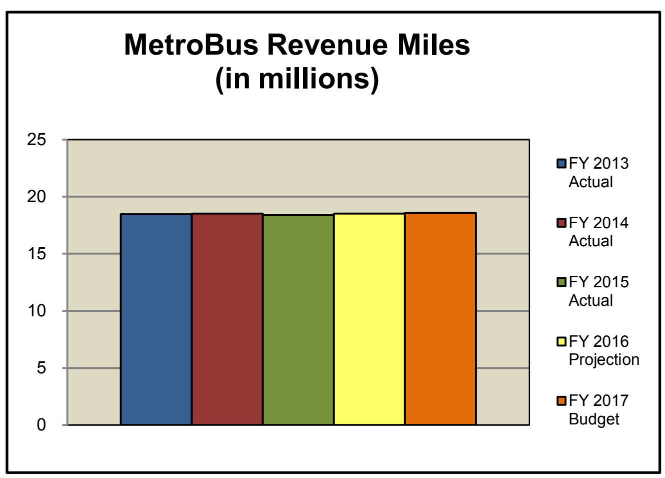
Facilities:

3 garages and 1 maintenance facility
13 free park – ride lots

Development:

Completed:
- Brentwood Meridian (2007)
- Catalan Bus Loop Improvements
- Maplewood Bus Loop (2009)
- Delmar Transit Plaza (2009)
- North Hanley Parking Lots & Bus Loops
- St. Charles Rock Road Park n Ride (2010)
- Scott Avenue Transit Plaza (2012)
- North County Transit Center (2016)

Construction In Progress:
- Civic Center Transit Center Expansion



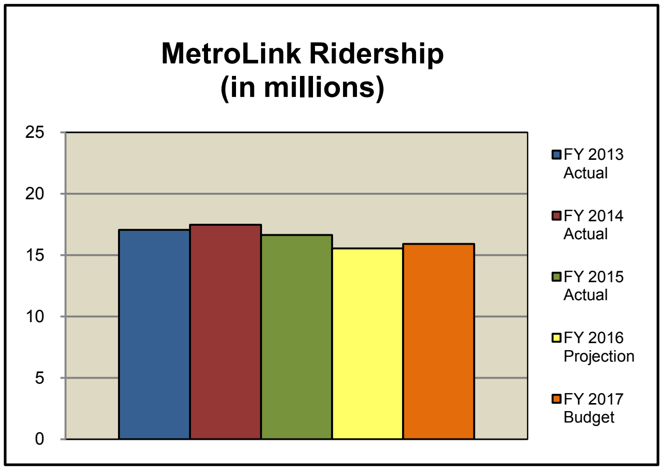
MetroLink

Overview:

Since 1993, Bi-State Development has provided light rail service in the Greater St. Louis Region. The MetroLink system covers 38 miles from Lambert International Airport in Missouri to Scott Air Force Base in Illinois. In addition the Cross County extension, which opened in 2006, covers 8 miles from Forest Park south to Shrewsbury, Missouri. The overall alignment serves St. Louis County, the City of St. Louis in Missouri and St. Clair County in Illinois.

Service levels (FY 2015 Actuals):

16.6 million passenger boardings
53,441 average weekday ridership
3.1 million revenue miles
132,595 revenue hours
87 rail cars (50 used at peak)

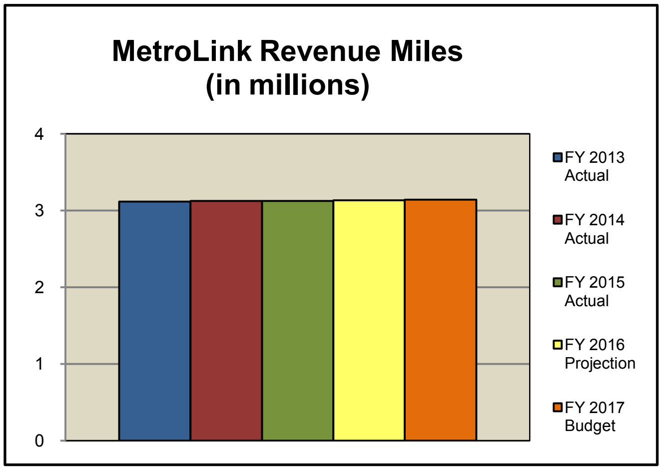


Facilities:

2 rail yards
2 maintenance facilities
37 stations
19 free park – ride lots

Development:

Shiloh-Scott Station, June 2003 (3.5 miles)
Cross County, August 2006 (8.0 miles)
Illinois Bike Trail Extension dedicated, Fall 2011
Renovation of the Grand Station, August 2012
MetroLink station located in Cortex District funded by a private-public partnership is in the design phase.



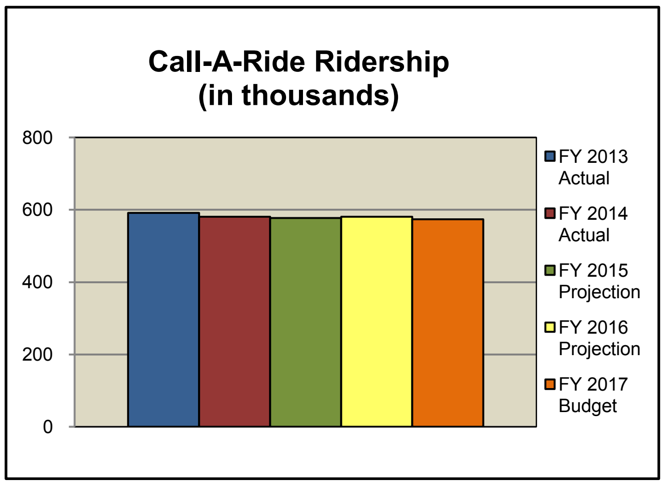
Call-A-Ride

Overview:

Since FY 1987, Call-A-Ride has provided alternative transportation to residents who have limited access to MetroBus or MetroLink service and/or disabled residents who are unable to use these services. Another important function of the Call-A-Ride organization is scheduling and dispatching paratransit vehicles operated by other members of the Transportation Management Association which coordinates paratransit operations in eastern Missouri. These programs are designed to ensure Bi-State Development meets the federal mandate of full ADA compliance.

Service levels (FY 2015 Actuals):

580,562 passenger boardings
94.6% ADA passenger boardings
1,976 average weekday ridership
5.3 million revenue miles
305,467 revenue hours
571,470 reservation/assistance calls
770,143 gallons of diesel consumed
118 vans (98 used at peak)

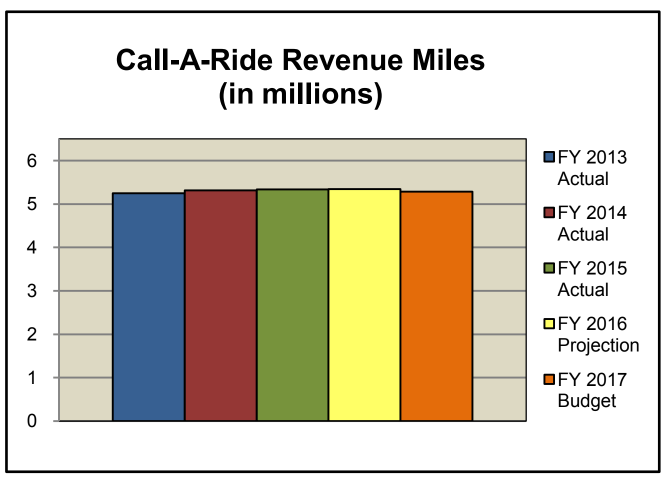


Facilities:

Paratransit maintenance facility at Main Shop

Development:

ADA Training Center, February 2004



Performance Indicators: Metro Transit

		FY 2017 Budget	FY 2016 Budget	FY 2015 Actual
Passenger boardings:	**System**	**45,254,840**	**48,679,022**	**46,653,939**
	MetroBus	28,762,545	30,751,987	29,439,358
	MetroLink	15,918,047	17,340,669	16,637,447
	Call-A-Ride	574,248	586,366	577,134
Revenue miles:	**System**	**27,013,380**	**27,370,402**	**26,855,576**
	MetroBus	18,588,866	18,861,573	18,396,462
	MetroLink	3,141,471	3,195,254	3,123,958
	Call-A-Ride	5,283,043	5,313,575	5,335,156
Revenue hours:	**System**	**1,824,401**	**1,831,090**	**1,801,321**
	MetroBus	1,387,418	1,386,686	1,363,259
	MetroLink	133,281	135,165	132,595
	Call-A-Ride	303,702	309,239	305,467
Passenger revenue (excluding TMA and contractual)	**System**	**$ 49,716,412**	**$ 54,249,049**	**$ 51,261,024**
	MetroBus	31,301,766	34,010,186	32,050,067
	MetroLink	17,191,492	19,083,718	17,989,720
	Call-A-Ride	1,223,154	1,155,145	1,221,237
TMA (regional van services) & contractual Medicaid services		**$ 4,334,416**	**$ 4,687,465**	**$ 4,285,859**
Operating expense by mode:	**System**	**$ 283,530,301**	**$ 284,311,819**	**$ 247,997,199**
	MetroBus	171,145,406	176,112,441	149,880,264
	MetroLink	85,980,233	81,007,364	73,882,040
	Call-A-Ride	26,404,662	27,192,014	24,234,895
Passenger boardings per revenue mile:	**System**	**1.7**	**1.8**	**1.7**
	MetroBus	1.5	1.6	1.6
	MetroLink	5.1	5.4	5.3
	Call-A-Ride	0.1	0.1	0.1
Operating expense:				
Per revenue mile:	**System**	**$ 10.50**	**$ 10.39**	**$ 9.23**
	MetroBus	9.21	9.34	8.15
	MetroLink	27.37	25.35	23.65
	Call-A-Ride	5.00	5.12	4.54
Per revenue hour:	**System**	**$ 155.41**	**$ 155.27**	**$ 137.68**
	MetroBus	123.36	127.00	109.94
	MetroLink	645.10	599.32	557.20
	Call-A-Ride	86.94	87.93	79.34
Per passenger boarding	**System**	**$ 6.27**	**$ 5.84**	**$ 5.32**
	MetroBus	5.95	5.73	5.09
	MetroLink	5.40	4.67	4.44
	Call-A-Ride	45.98	46.37	41.99
Farebox recovery:	**System**	**17.5%**	**19.1%**	**20.7%**
	MetroBus	18.3%	19.3%	21.4%
	MetroLink	20.0%	23.6%	24.3%
	Call-A-Ride	4.6%	4.2%	5.0%
Subsidy per passenger boarding:	**System**	**$ 4.92**	**$ 4.50**	**$ 4.00**
	MetroBus	4.71	4.50	3.88
	MetroLink	4.17	3.45	3.23
	Call-A-Ride	36.16	36.28	32.33

Metro Transit
Statement of Revenue and Expense
FY 2015 - FY 2019

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projection	FY 2017 Budget	FY17 Bgt vs. FY16 Proj $ Change	FY17 Bgt vs. FY16 Proj % Change	FY 2018 Budget	FY 2019 Budget
Operating Revenue:								
Passenger Revenue								
Bus/Rail Revenue	$ 50,039,787	$ 53,093,904	$ 48,800,885	$ 48,493,258	$ (307,627)	-0.6%	$ 49,327,587	$ 51,038,250
C-A-R Revenue	1,221,237	1,155,145	1,217,074	1,223,154	6,080	0.5%	1,222,745	1,222,316
Total Passenger Revenue	**51,261,024**	**54,249,049**	**50,017,958**	**49,716,412**	(301,546)	-0.6%	**50,550,332**	**52,260,566**
TMA Revenue	1,394,802	1,452,546	1,397,812	1,430,591	32,779	2.3%	1,459,202	1,488,387
Other Operating Revenue	5,383,420	5,243,593	4,897,600	5,668,194	770,593	15.7%	5,805,544	5,957,812
Paratransit Contracts	2,891,057	3,234,919	2,973,038	2,903,825	(69,213)	-2.3%	2,918,384	2,947,567
Total Operating Revenue	**60,930,303**	**64,180,107**	**59,286,408**	**59,719,022**	432,613	0.7%	**60,733,462**	**62,654,332**
Non-Operating Revenue:								
Grants & Assistance	219,432,792	234,838,776	235,882,996	242,495,036	6,612,040	2.8%	248,699,767	252,748,322
Investment Income	1,071,953	680,500	895,220	831,385	(63,835)	-7.1%	833,020	836,301
Capital Lease Revenue	5,619,853	5,990,757	5,990,757	6,357,380	366,623	6.1%	6,808,011	7,257,758
Contributions from Outside Entities	27,385	42,500	16,250	42,500	26,250	161.5%	42,500	42,500
Other Misc Non-Operating Rev	548,911	-	604,158	-	(604,158)	-100.0%	-	-
Total Non-operating revenue	226,700,893	241,552,533	243,389,380	249,726,301	6,336,921	2.6%	256,383,298	260,884,881
Total Revenues	**287,631,197**	**305,732,640**	**302,675,789**	**309,445,323**	**6,769,534**	**2.2%**	**317,116,760**	**323,539,213**
Operating Expenses:								
Compensation	99,868,260	107,328,326	105,534,488	111,247,256	5,712,768	5.4%	114,377,738	118,071,227
Benefits	60,892,320	74,458,720	72,878,235	73,348,637	470,402	0.6%	76,661,277	80,185,401
Other Post-Employment Benefits	(1,757,494)	7,675,062	1,885,922	1,597,657	(288,265)	-15.3%	1,712,450	1,844,053
Services	28,813,588	31,944,429	31,997,018	34,928,328	2,931,311	9.2%	34,812,512	34,565,843
Fuel and Lubrications	17,298,208	18,466,981	17,299,783	13,962,941	(3,336,842)	-19.3%	14,839,142	15,061,651
Parts & Supplies	21,382,130	23,428,862	22,647,283	26,470,672	3,823,389	16.9%	27,129,120	26,267,533
Casualty and Liability Costs	8,710,342	5,424,602	5,991,023	4,739,710	(1,251,313)	-20.9%	4,908,062	5,081,419
Utilities	7,504,506	8,554,015	8,183,060	8,585,719	402,659	4.9%	8,691,603	8,646,218
Other Operating Expenses	2,485,338	3,932,915	4,146,917	3,357,319	(789,598)	-19.0%	3,580,375	4,316,820
Agency Fees	2,800,000	3,097,907	2,675,916	3,014,162	338,246	12.6%	3,103,463	3,221,761
Internal Service Fund Mgt Fee	-	-	-	2,277,901	2,277,901	-	2,316,840	2,371,873
Total Operating Expenses	**247,997,199**	**284,311,819**	**273,239,644**	**283,530,301**	**10,290,657**	**3.8%**	**292,132,582**	**299,633,799**
Non-Operating Expense:								
Capital Lease Expense	5,619,853	5,990,757	5,990,757	6,357,380	366,623	6.1%	6,808,011	7,257,758
Interest Expense	20,267,103	20,218,140	19,796,111	19,671,850	(124,261)	-0.6%	18,425,209	17,153,038
Sheltered Workshop	1,236,105	1,207,516	1,234,464	1,254,432	19,968	1.6%	1,279,967	1,306,083
Contributions To Outside Entities	97,200	-	-	-	-	-	-	-
Other Misc Non-Oper. Expense	522,909	426,079	520,624	-	(520,624)	-100.0%	-	-
Total Non-Operating Expenses	**27,743,170**	**27,842,492**	**27,541,956**	**27,283,662**	**(258,293)**	**-0.9%**	**26,513,187**	**25,716,879**
Total Expenses	**275,740,369**	**312,154,311**	**300,781,599**	**310,813,963**	**10,032,364**	**3.3%**	**318,645,769**	**325,350,678**
Net Income (Deficit) Before Depreciation & Amortization	**11,890,828**	**(6,421,671)**	**1,894,189**	**(1,368,641)**	**(3,262,830)**	**-172.3%**	**(1,529,009)**	**(1,811,465)**
Depreciation and Amortization	69,485,447	76,034,218	71,091,334	73,396,453	2,305,119	3.2%	73,498,220	74,944,199
Net Transfers	(13,329)	-	(627)	-	627	100.0%	-	-
Net Income (Deficit)	**$ (57,581,290)**	**$ (82,455,889)**	**$ (69,196,518)**	**$ (74,765,094)**	**$ (5,568,576)**	**-8.0%**	**$ (75,027,229)**	**$ (76,755,664)**

Metro Transit
Detail of Grant, Sales Tax and Contractual Revenue
FY 2015 - FY 2019

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projection	FY 2017 Budget	FY17 Bgt vs. FY16 Proj $ Change	FY17 Bgt vs. FY16 Proj % Change	FY 2018 Budget	FY 2019 Budget
Missouri:								
City of St. Louis 1/2 Cent Sales Tax	$ 17,336,211	$ 18,756,937	$ 18,560,035	$ 18,934,817	$ 374,782	2.0%	$ 19,124,165	$ 19,315,406
City of St. Louis 1/4 Cent Sales Tax	8,292,850	8,818,212	8,804,219	8,822,025	17,806	0.2%	8,916,096	8,920,050
City of St. Louis Prop M2 Sales Tax	6,384,239	7,020,678	7,010,579	7,083,490	72,910	1.0%	7,154,323	7,225,868
Total City of St. Louis	**32,013,300**	**34,595,827**	**34,374,834**	**34,840,332**	465,498	1.4%	**35,194,584**	**35,461,324**
St. Louis County 1/2 Cent Sales Tax	39,228,873	39,586,633	40,689,323	41,706,559	1,017,236	2.5%	42,749,223	43,817,954
St. Louis County 1/4 Cent Sales Tax	34,143,614	34,932,767	36,151,294	36,650,427	499,133	1.4%	37,592,376	38,067,239
St. Louis County Prop A Sales Tax	46,127,669	49,991,893	49,991,893	54,522,139	4,530,246	9.1%	56,133,239	57,493,625
Total St. Louis County	**119,500,156**	**124,511,293**	**126,832,510**	**132,879,125**	6,046,615	4.8%	**136,474,838**	**139,378,818**
Other Local Match - MO	865,474	600,000	954,432	650,000	(304,432)	-31.9%	650,000	650,000
Planning and Demo Reimbursement	160,000	160,000	160,000	160,000	0	0.0%	160,000	160,000
Total Other Local MO	**1,025,474**	**760,000**	**1,114,432**	**810,000**	(304,432)	-27.3%	**810,000**	**810,000**
Gen. Operating & Special Asst. MODOT	668,968	270,150	410,587	468,912	58,325	14.2%	468,987	468,987
Total State of Missouri	**668,968**	**270,150**	**410,587**	**468,912**	58,325	14.2%	**468,987**	**468,987**
Total Missouri local & state revenue:	**153,207,897**	**160,137,270**	**162,732,363**	**168,998,369**	6,266,006	3.9%	**172,948,409**	**176,119,129**
Illinois:								
St. Clair County	48,110,848	52,018,796	51,377,412	51,884,630	507,218	1.0%	53,090,085	54,682,348
Other Local Match - IL	1,840,879	1,939,835	1,414,773	1,632,642	217,869	15.4%	1,632,642	1,000,000
Total Illinois local & state revenue:	**49,951,727**	**53,958,631**	**52,792,184**	**53,517,272**	725,088	1.4%	**54,722,727**	**55,682,348**
Total local & state revenue:	**203,159,624**	**214,095,901**	**215,524,548**	**222,515,641**	6,991,093	3.2%	**227,671,136**	**231,801,477**
Federal assistance:								
Vehicle Maintenance	13,000,000	16,000,000	16,000,000	16,000,000	-	0.0%	16,000,000	16,000,000
CMAQ Grant	-	-	-	-	-	-	-	-
Non-Capitalized Project revenue	3,271,447	4,742,875	4,394,859	3,979,395	(415,464)	-9.5%	5,028,631	4,946,845
Other Federal	1,720	-	(36,411)	-	36,411	100.0%	-	-
Total Federal:	**16,273,167**	**20,742,875**	**20,358,448**	**19,979,395**	(379,053)	-1.9%	**21,028,631**	**20,946,845**
Total grant, sales tax and contractual revenue	**$ 219,432,792**	**$ 234,838,776**	**$ 235,882,996**	**$ 242,495,036**	$ 6,612,040	**2.8%**	**$ 248,699,767**	**$ 252,748,322**

Totals may not sum due to rounding

Transit Operating - FY 2017-2019 Budget

Priorities

The priorities for the Transit operating budget are to maintain and build ridership, effectively manage resources of the system and provide future stability and growth.

Assumptions

The FY 2017 budget projects a $1.4 million deficit before depreciation, which is within the unfunded other post employment benefit obligation. Government Accounting Standards Board (GASB) ruling Number 45 requires the accruing of other post-employment benefits. GASB 45 dictates recording the OPEB liability and expenses, but leaves the method of funding to the discretion of the entity. Bi-State Development currently funds the annual normal cost portion of this obligation using “pay as you go” methodology. The FY 2018 and FY 2019 deficits before depreciation are also within the balanced budget guidelines.

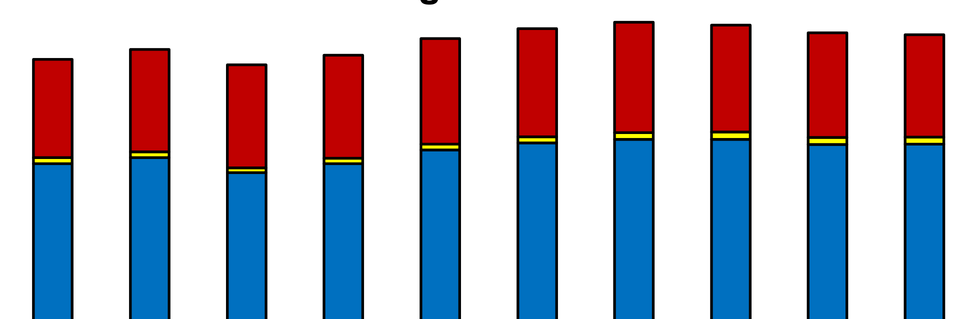
Service miles and hours for all three modes are planned with minimal increased levels for route adjustments and efficiencies and to accommodate passenger requirements. MetroBus miles and hours are adjusted to accommodate for the March 2016 opening of the North County Transit Center.

Passenger boardings on MetroBus, MetroLink and Call-A-Ride for FY 2017 show a combined system decrease of 7.0% compared to FY 2016 budget. The decline in ridership is believed to be primarily tied to both lower fuel costs, making personal transportation more economically feasible as compared to public transit, and cyclic factors. For the budget years of FY 2018 and FY 2019 we are projecting minimal increases of 1.5%.

Operating Revenue

Passenger revenue is budgeted at $49.7 million for FY 2017 which is a $4.6 million or 8.3% decrease from the 2016 budget and a $0.3 million or 0.6% decline from the FY 2016 Projection.

Passenger Revenue

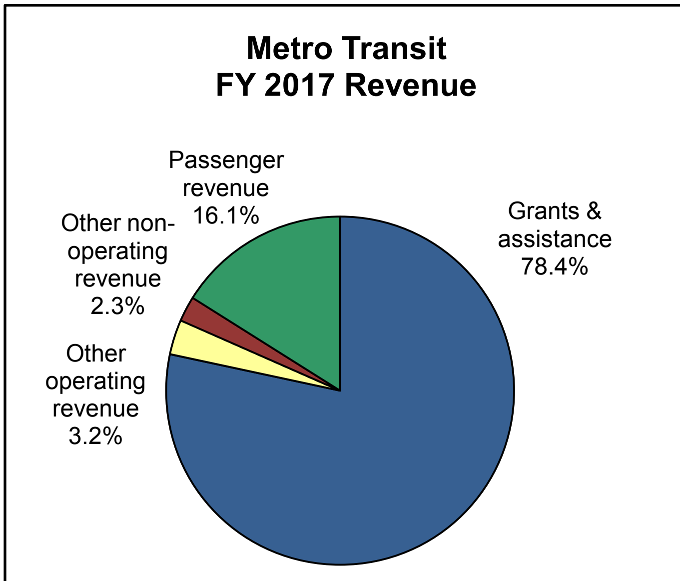


(in millions)	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Projection	2017 Budget
Rail	16.5	17.2	17.3	17.3	17.7	18.2	18.5	18.0	17.6	17.2
Paratransit	1.0	1.0	0.8	0.9	1.0	1.0	1.1	1.2	1.2	1.2
Bus	28.0	29.0	26.5	28.0	30.3	31.5	32.1	32.1	31.2	31.3

The decrease in passenger revenue is due to the expected decline in ridership in FY 2017. We anticipate moderate ridership return in FY 2018 and FY 2019 as people utilize service efficiencies in routes and scheduling and take advantage of the reliable transit service and Smart Card technology. We are also including a minimal fare increase in FY 2019.

TMA revenue is received from Transit Management Association participants. The TMA is a network of social service agencies, funding agencies, and transportation service providers who coordinate services and share costs to achieve efficiencies in operations. FY 2017 will mark the 18th year of the TMA. The FY 2017 budget of $1.4 million is a 2.3% increase compared to the FY 2016 projection and remains flat to the FY 2016 budget. A 2.0% growth is anticipated for FY 2018 and FY 2019.

Paratransit contracts include Medicaid and dialysis revenue, and other contractual receipts related to trips provided by Paratransit Operations. The $2.9 million budgeted in FY 2017 is lower than the FY 2016 budget and projection as a result of healthcare related factors. Medicaid has created applications that are more complicated due to the requirements of the Affordable Care Act. For this reason, more customers are opting instead to forego the paperwork and pay the minimum fare. FY 2018 and FY 2019 will remain flat.



Other Operating includes TMA revenue and Paratransit contracts
Other non-operating includes Investment income, Capital Lease revenue and Contributions

Other operating revenue includes advertising on revenue vehicles, bus shelters, and MetroLink stations; provided maintenance service and vending machine concessions; rental income and miscellaneous other revenue. Other operating revenues are expected to increase 8.1% to $5.7 million compared to the FY 2016 budget. This increase is a result of greater advertising effectiveness, as a result of new contracts, and sales of maintenance services.

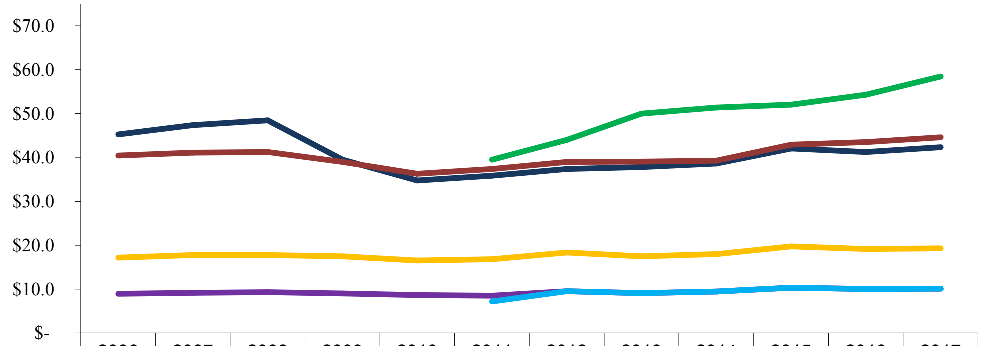
Grants and Assistance

City of St. Louis and St. Louis County sales taxes include ½ cent for transportation and ¼ cent for light rail development, operation and maintenance. Only the ½ cent tax (1973) is subject to deductions for Tax Increment Financing (TIF). St. Louis City forwards to BSD all taxes collected net of TIF's. St. Louis County appropriates a portion of the ½ cent tax and all of the ¼ cent tax to Bi-State Development.

St. Louis County voters passed Prop A, a ½ cent sales tax (2010) and the City of St. Louis activated Prop M2, a ¼ cent sales tax to fund service restoration, enhancements and future expansion. St. Louis County appropriates a portion of the Prop A ½ cent tax for annual operating, capital and debt service while St. Louis City appropriates all of the Prop M2 ¼ cent sales tax to Bi-State Development.

Sales tax receipts (after TIF reductions) appropriated to BSD:

Sales Tax Receipts



(in millions)	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Proj	2017 Budget
County 1/2 cent	45.30	47.40	48.48	39.50	34.78	35.82	37.37	37.86	38.66	42.09	41.24	42.38
County 1/4 cent	40.42	41.11	41.26	38.97	36.28	37.41	38.97	39.07	39.30	42.91	43.55	44.64
County Prop A						39.50	44.00	50.02	51.42	52.08	54.34	58.50
City 1/2 cent	17.20	17.77	17.74	17.45	16.52	16.78	18.32	17.47	18.00	19.72	19.13	19.32
City 1/4 cent	8.90	9.18	9.27	9.01	8.61	8.51	9.51	9.11	9.46	10.32	10.03	10.12
City Prop M2						7.21	9.51	9.11	9.46	10.32	10.03	10.12

Slow growth in the local economy translates to relatively minimal growth in sales tax receipts for FY 2017 in the St. Louis City and a moderate growth for the St. Louis County sales taxes. Budgeted sales tax receipts are allocated between operating needs and capital programs. If additional sales taxes are generated above budget, the excess may be allocated to capital programs at the discretion of the President and CEO or the Chief Financial Officer.

State of Missouri revenue is expected to increase for FY 2017 with the annual contracted appropriation of $469 thousand. This amount is expected through FY 2019.

St. Clair County, Illinois revenue is based on a service agreement between St. Clair County Transit District and BSD. The District administers St. Clair County tax collections and Illinois Department of Transportation subsidies and contracts with BSD for services.

Federal vehicle maintenance represents federal capital formula funds that BSD chooses to program for vehicle maintenance per the Federal Transit Administration's guidelines. BSD is planning to use $16 million of their 5307 Federal Formula Funds in the FY 2017 - FY 2019 operating budgets for preventive maintenance.

Non-Capital Federal grant revenue anticipated funding is expected to be $4.0 million for FY 2017 and $5.0 million in FY 2018 and FY 2019 to be used for right-of-way MetroLink structural repairs, rail tie replacement and various Missouri projects.

Non-Operating Revenue

Investment income consists of interest earned on invested funds. As yields have improved in recent months, the projected budget for FY 2017 has also improved. FY 2018 and FY 2019 are conservatively projected to be flat due to fluctuating economic concerns.

Capital lease revenue recognizes the revenue associated with capital leases. The revenue and expense offset exactly. For FY 2017, these amounts are $6.3 million in both revenue and expense. The amounts for FY 2018 and FY 2019 are $6.8 and $7.3 million, respectively

Expenses

Wages & benefits budgeted for FY 2017 is expected to be 1.6% higher than FY 2016 budget, with increases of 3.5% in FY 2018 and 3.8% in FY 2019 budgets. Bi-State Development is containing costs with savings in OPEB and active medical costs through positive changes in the medical plan changes.

Other post-employment benefits arose from the implementation of GASB Statement No. 45, Accounting and Financial Reporting for Employers for Post-employment Benefit Plans Other Than Pension. Total OPEB consists of pay-as-you-go retiree medical payments, contributions to the OPEB trust and the unfunded portion. As the pay-as-you-go expenses increase, the unfunded portion decreases. For FY 2017, the unfunded, OPEB cost is expected to be lower than the FY 2016 budget level due to plan design change in retiree medical benefits.

Services increased 9.3% from the FY 2016 budget and 9.2% from the FY 2016 projection. These increases are primarily due to contract security and maintenance services. Service cost remains flat for the FY 2018 and FY 2019 budget years.

Fuel hedging (realized) helps neutralize the outcome of price spikes or drops in the budget. The fuel hedging program involves purchasing heating oil contracts up to 36 months into the future. In times of rising prices, hedging contracts rise in value at time of sale and generate a savings that slows the effect of the market increase on the financial statements. In this period of declining fuel prices, there is a projected loss on the hedging program is $885 thousand in FY 2016.

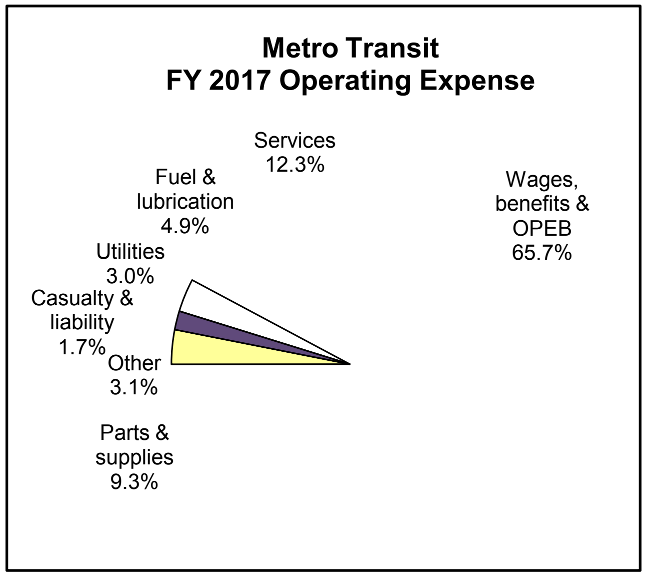
Fuel & lubrications net expense for the FY 2017 budget is anticipated to decrease 24.4% compared to the FY 2016 budget. Decreases from current diesel prices are driving these changes. Fuel prices are expected to hit a “bottom” in FY 2017; therefore slight increases are budgeted in FY 2018 and 2019. Even with price elevation in the out years, prices are still below FY 2015 price levels. Fuel usage throughout the system remains constant.

Parts & supplies expense is expected to increase 13.0% from FY 2016 budget. Revenue and non-revenue vehicle parts are the main factors for the change. Life cycle fleet maintenance is the basis in determining revenue equipment parts needs each year. BSD plans to continue its award-winning predictive vehicle maintenance program.

Casualty and liability expense is dependent on a variety of factors including the insurance market, passenger boardings, the number of miles driven, population density of the service area and the number of accidents, injuries and claims. The FY 2018 and FY 2019 budgets reflect annual increases of 3.5% indicating a period of time with only normal inflationary pressures driving pricing.

Utilities, including electric propulsion, are budgeted flat when compared to the FY 2016 budget, while there is a 4.9% increase over the FY 2016 projection. This increase is primarily due to expected cost increases of electric and telephone expense. In FY 2018 and FY 2019, utilities are projected to remain nearly flat with only a 1.2% increase each year.

Other expenses consist of taxes, leases, advertising, travel, staff development and other. Other expenses for FY 2017 reflect a decrease when compared to the FY 2016 budget, but an increase over FY 2015 actual. An increase of 6.6% is reflected in the FY 2018 budget due to inflationary factors. The FY 2019 budget has an increase of 20.6% due to the full effect of a new building lease.



Management fees are payments to Executive Services for providing services to the Metro Transit. Transit's fee is calculated at 75% of the Executive Services operating expenses.

Internal service fund administration fees in FY 2017 through FY 2019 are charged to Metro Transit by the Workers' Compensation and Casualty self-insurance funds. These fees represent ISF costs that are in excess of claim amounts paid for which they are entitled to reimbursement. The amount of the Internal Service Fund administration fee for FY 2017 is $2.3 million.

Non-Operating Expense

Capital lease expense recognizes the cost associated with capital leases. The expense is offset by a revenue amount. For FY 2017, these amounts are $6.3 million in both revenue and expense. The amounts for FY 2018 and FY 2019 are $6.8 million and $7.3 million, respectively

Interest on debt results primarily from interest paid on bonds issued to finance the Cross County expansion. Refinancing of debt in FY 2015 has led to lower interest costs. Interest expense is budgeted at $19.7 million in FY 2017.

Sheltered workshop expense is 2% of the 1974 Missouri ½ cent sales tax and is budgeted at $1.2 million in FY 2017and $1.3 million in FY 2018 and FY 2019.

Depreciation and Amortization

Depreciation and amortization in public transit systems is generally not funded by operating income, which is different than private industry that must generate profits for purchase/replacement of property and equipment. Depreciation is presented as required by generally accepted accounting principles. Depreciation is not funded to provide equity for capital replacements because such capital assets are predominately funded by federal grants. For FY 2017, depreciation is expected to increase 3.2% when compared to the FY 2016 projection as a result of the purchase of revenue equipment such as buses and capital improvements to bridges and tunnels.

Metro
Organizational Units

Metro Transit - Operating Expense

	Actual FY 2015	Budget FY 2016	Projection FY 2016	Budget FY 2017	FY17 Bdgt/FY16 Proj $ Change	FY17 Bdgt/FY16 Proj % Change	Budget FY 2018	Budget FY 2019
By type of expense:								
Wages & benefits without OPEB	$ 160,760,580	$ 181,787,047	$ 178,412,722	$ 184,595,892	$ 6,183,170	3.5%	$ 191,039,015	$ 198,256,628
Other post-employment benefits	(1,757,494)	$ 7,675,062	1,885,922	1,597,657	(288,265)	-15.3%	1,712,450	1,844,053
Services	28,813,588	$ 31,944,429	31,997,018	34,928,328	2,931,311	9.2%	34,812,512	34,565,843
Fuel & lubrications	17,298,208	$ 18,466,981	17,299,783	13,962,941	(3,336,842)	-19.3%	14,839,142	15,061,651
Parts & supplies	21,382,130	$ 23,428,862	22,647,283	26,470,672	3,823,389	16.9%	27,129,120	26,267,533
Casualty & liability	8,710,342	$ 5,424,602	5,991,023	7,017,611	1,026,588	17.1%	7,224,902	7,453,292
Utilities	7,504,506	$ 8,554,015	8,183,060	8,585,719	402,659	4.9%	8,691,603	8,646,218
Leases and other expense	2,485,338	$ 3,932,915	4,146,917	3,357,319	(789,598)	-19.0%	3,580,375	4,316,820
Agency fees	2,800,000	$ 3,097,907	2,675,916	3,014,162	338,246	12.6%	3,103,463	3,221,761
Total operating expense	**$ 247,997,199**	**$ 284,311,819**	**$ 273,239,644**	**$ 283,530,301**	**$ 10,290,658**	**3.8%**	**$ 292,132,582**	**$ 299,633,799**

	Actual FY 2015	Budget FY 2016	Projection FY 2016	Budget FY 2017	FY17 Bdgt/FY16 Proj $ Change	FY17 Bdgt/FY16 Proj % Change	Budget FY 2018	Budget FY 2019
By function:								
Transit Operations	$ 197,690,980	$ 225,272,887	$ 216,038,688	$ 227,036,146	$ 10,997,458	5.1%	$ 234,012,454	$ 239,508,807
Engineering and New Systems	3,563,255	$ 5,083,914	5,110,734	4,182,118	(928,617)	-18.2%	4,311,554	4,447,399
Labor Relations	464,697	$ 762,287	721,652	807,749	86,097	11.9%	837,572	872,260
Executive Vice-President - Administration	77	238,675	119,091	622,383	503,292	422.6%	641,093	663,646
Human Resources *	9,642,986	$ 10,403,770	10,434,453	9,360,432	(1,074,021)	-10.3%	9,762,326	10,250,827
Procurement, Inventory Management	4,318,925	$ 5,552,029	5,095,503	5,403,730	308,227	6.0%	5,590,969	5,825,048
Finance **	22,028,879	$ 23,332,827	23,285,310	22,370,218	(915,092)	-3.9%	22,958,355	23,652,464
Information Technology	7,227,328	$ 9,184,373	8,401,338	9,266,104	864,767	10.3%	9,560,739	9,882,199
Marketing & Communications	2,401,832	$ 3,614,453	3,258,663	3,603,274	344,611	10.6%	3,700,034	3,801,348
Real Estate & Meridian	658,239	$ 866,603	774,211	878,148	103,937	13.4%	757,486	729,800
Total Transit System	**$ 247,997,199**	**$ 284,311,819**	**$ 273,239,644**	**$ 283,530,301**	**$ 10,290,658**	**3.8%**	**$ 292,132,582**	**$ 299,633,799**

* Human Resources includes retiree benefits of $8.2, $8.1, $5.2, $5.6 and $5.9 million in FY 2015, FY 2016, FY 2017, FY 2018 and FY 2019, respectively

** Includes Passenger Revenue and Safety in addition to traditional finance functions

(Sums may not equal Total due to rounding)

Transit Operations

Operational overview:

Transit Operations manages three modes of public transportation in the St. Louis metropolitan area and associated support functions including the following:

Bus Transportation includes MetroBus activities related to bus operations management, bus operators and operator training.

Rail Transportation includes MetroLink activities related to light rail operations management, light rail operators and operator training.

Paratransit includes all Call-A-Ride activities related to paratransit operations management, van operators, operator training, passenger scheduling, and paratransit programs. Paratransit also operates the Green Line van service in the Washington University campus area.

Vehicle Maintenance is responsible for maintaining and cleaning all revenue and non-revenue vehicles. Vehicles maintained include buses, light rail cars, vans, and support vehicles. In addition to development and management of predictive, preventative, and condition-based maintenance programs, this function also operates a heavy repair facility, which includes a body and paint shop, engine overhaul shop, radiator shop, transmission overhaul shop, and radio communications maintenance shop. Also included are the vehicle maintenance management, vehicle maintenance training, maintenance analysis, and product development groups.

Facilities Maintenance is responsible for maintaining and cleaning the DeBaliviere, Brentwood, and Illinois bus operations facilities, and the paratransit facility.

Maintenance of Way is responsible for the inspection, maintenance, and repair of assets along the MetroBus and MetroLink routes.

MetroBus responsibilities include transfer centers, shelters, loops, and bus stops.

MetroLink responsibilities cover all rail systems including communications, signals, and traction power right-of-way including light rail stations, light rail maintenance facilities, tunnels, structures, track, and rail right-of-way.

Security is responsible for the safeguarding of Bi-State Development's customers, personnel, and property as well as fare enforcement. Bi-State Development utilizes certain employees, jurisdictional police officers, outside security service guards, and undercover police officers.

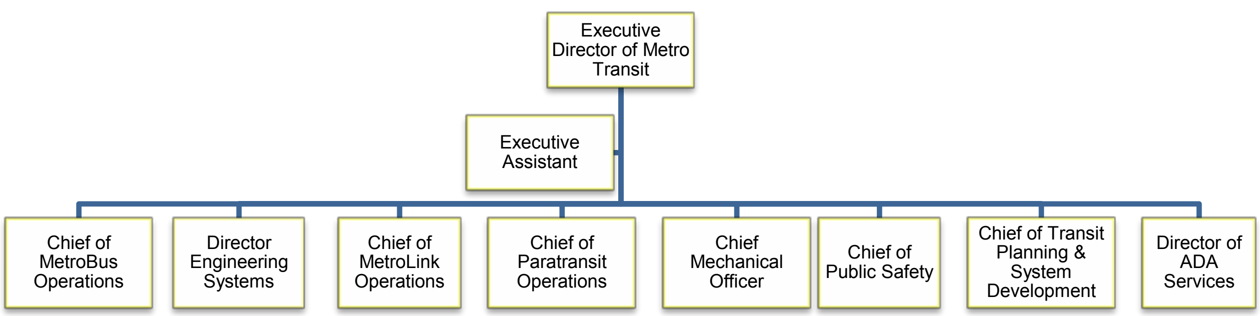
Planning & Systems Development plans for efficient and effective routes and operating schedules for bus and light rail service, reports on passenger boardings and service miles and hours, operates the transit call center, and researches service opportunities and trends.

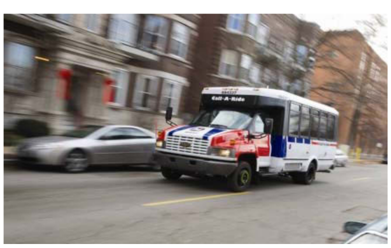
ADA Services administers and oversees compliance with transportation provisions of the Americans with Disabilities Act. The group administers and coordinates the ADA activities related to Bi-State Development's Call-A-Ride paratransit service. This includes certification of customers as eligible for ADA complementary paratransit service, monitoring of service to the disability community, and active participation in community outreach. A Travel Training Program designed to train disabled customers in the use of transit's fixed route bus and light rail service is managed by the department.

Operations Administration provides overall management of the Transit Operations functions.

Engineering and New Systems design, engineer, and construct projects for the Transit Operations. See their separate section for further detail.

Organization:





Goals and Objectives Action Plan: Transit Operations

The following strategies and action steps help Bi-State Development define its goals and objectives as outlined in the Strategic Plan section of this document.

Goal: Deliver a high quality transit experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence		
Objective: Improve service quality and capacity for van, bus, and rail systems		
Strategy	**Action Steps**	**Performance Measurements**
Continue a program of enhancing bus stops in compliance with ADA standards and optimizing bus stop spacing	• Create an amenity component of bus stop improvement program • Optimize bus stop spacing, locate new bus stops more accessible / proximal to ridership generators • Encourage customers to submit requests for improvements and new bus stop locations	• Created / released communications plan for accessibility programs • Reduce customer complaints regarding bus stop issues
Objective: Implement innovative technologies		
Strategy	**Action Steps**	**Performance Measurements**
Implement automated fare collection system using smart card technology	• Convert existing infrastructure to smart card technology. • Train staff on technology • Perform pilot program testing • Roll out new system	• Enhance ridership information • Reduce fare evasion • Eliminate paper transfers • App which would allow riders to anticipate the next vehicle arrival
Objective: Improve transit security of van, bus, and rail		
Strategy	**Action Steps**	**Performance Measurements**
Engage independent security specialist to evaluate existing combination of internal personnel, local police, and security contractors and analyze security deployment options	• Recommendations to senior management & Board Operations Committee in review process	• Development of FY 2017 Legislative Agenda

Performance Indicators – Transit Operations

Progress in meeting the goals and objectives are measured through performance indicators. Following is a list of the performance indicators for the Transit Operations:

	FY 2017	FY 2016		FY 2015
	Target	Projection	Target	Actual
Bus Transportation:				
On-time performance	91.0%	91.5%	91.0%	92.0%
Accidents per 100,000 vehicle miles	2.3	2.2	2.3	2.2
Passenger injuries per 100,000 boardings	1.3	2.0	1.2	1.9
Customer complaints per 100,000 boardings	15.0	12.5	15.0	12.1
Rail Transportation:				
On-time performance	98.0%	97.0%	98.0%	97.3%
Accidents per 100,000 vehicle miles	0.1	0.1	0.1	0.1
Passenger injuries per 100,000 boardings	0.6	0.6	0.7	0.5
Customer complaints per 100,000 boardings	1.8	2.0	1.8	1.4
Paratransit Transportation:				
On-time performance	95.0%	93.5%	95.0%	93.3%
Accidents per 100,000 vehicle miles	1.5	1.5	1.8	0.8
Passenger injuries per 100,000 boardings	5.0	6.0	4.5	6.7
Customer complaints per 100,000 boardings	15.0	17.5	15.0	18.1
Vehicle Maintenance:				
Average revenue miles between incidents:				
MetroBus roadcalls	20,000	18,589	22,000	18,214
MetroLink failures	25,000	17,707	30,000	18,269
Call-A-Ride roadcalls	45,000	42,264	50,000	31,383
Maintenance of Way (MOW):				
MOW system reliability (on-time performance)	98.5%	98.0%	98.6%	97.5%
Elevator and escalator availability	98.0%	98.5%	98.0%	99.2%
On-time performance of equipment inspections	97.5%	94.0%	98.0%	96.5%
ADA Services:				
Percent of incoming calls answered	95.0%	95.0%	95.0%	94.9%

Transit Operations - Operating Expense

		Actual FY 2015	Budget FY 2016	Projection FY 2016	Budget FY 2017	FY17 Bdgt/FY16 Proj $ Change	FY17 Bdgt/FY16 Proj % Change	Budget FY 2018	Budget FY 2019
Transit Operations	Wages & benefits without OPEB	$ 134,764,825	$ 150,020,829	$ 147,251,715	$ 155,114,641	$ 7,862,926	5.3%	$ 160,391,170	$ 166,255,861
	Other post-employment benefits	(1,325,537)	6,659,833	1,636,570	1,384,648	(251,922)	-15.4%	1,484,343	1,598,637
	Services	19,344,979	20,761,285	21,067,954	24,329,709	3,261,755	15.5%	24,063,698	23,533,604
	Fuel & lubrications	17,298,208	18,466,981	17,299,783	13,962,941	(3,336,842)	-19.3%	14,839,142	15,061,651
	Parts & supplies	19,856,936	19,820,433	20,101,734	22,747,931	2,646,197	13.2%	23,417,388	22,555,882
	Utilities	6,930,856	7,837,900	7,277,988	7,859,334	581,346	8.0%	8,009,744	8,011,242
	Leases and other expense	820,713	1,705,627	1,402,945	1,636,942	233,997	16.7%	1,806,968	2,491,931
	Operating expense	**$ 197,690,980**	**$ 225,272,887**	**$ 216,038,688**	**$ 227,036,146**	**$ 10,997,458**	**5.1%**	**$ 234,012,454**	**$ 239,508,807**
Bus Transportation	Wages & benefits without OPEB	65,513,502	72,960,151	71,124,814	75,271,950	4,147,137	5.8%	77,961,384	80,632,292
	Other post-employment benefits	(734,905)	3,534,367	856,679	734,807	(121,872)	-14.2%	787,713	848,367
	Services	165,410	227,681	203,023	235,731	32,708	16.1%	182,731	182,731
	Parts & supplies	140,609	286,600	197,786	284,542	86,757	43.9%	300,204	306,343
	Utilities	22,052	35,844	29,007	29,880	873	3.0%	36,204	36,204
	Leases and other expense	67,161	210,047	152,897	214,536	61,639	40.3%	212,084	212,197
	Operating expense	**$ 65,173,854**	**$ 77,254,691**	**$ 72,564,204**	**$ 76,771,447**	**$ 4,207,242**	**5.8%**	**$ 79,480,320**	**$ 82,218,134**
Rail Transportation	Wages & benefits without OPEB	10,669,299	11,944,875	11,807,355	12,361,088	553,733	4.7%	12,773,518	13,239,658
	Other post-employment benefits	(75,505)	570,424	143,709	118,593	(25,116)	-17.5%	127,132	136,921
	Services	467	4,750	2,375	250	(2,125)	-89.5%	4,750	4,750
	Parts & supplies	18,449	23,520	24,954	23,942	(1,013)	-4.1%	24,374	24,817
	Utilities	14,192	29,340	21,337	30,060	8,723	40.9%	29,340	29,340
	Leases and other expense	48,118	111,300	81,038	111,300	30,262	37.3%	111,300	111,300
	Operating expense	**$ 10,675,020**	**$ 12,684,209**	**$ 12,080,769**	**$ 12,645,233**	**$ 564,464**	**4.7%**	**$ 13,070,414**	**$ 13,546,787**
Paratransit Transportation	Wages & benefits without OPEB	11,999,672	13,621,150	13,143,214	13,633,339	490,125	3.7%	14,052,565	14,573,388
	Other post-employment benefits	(117,594)	138,036	35,784	28,698	(7,086)	-19.8%	30,765	33,133
	Services	140,214	167,400	197,413	171,548	(25,866)	-13.1%	175,799	180,156
	Parts & supplies	25,209	34,422	30,381	41,740	11,359	37.4%	35,405	35,915
	Utilities	13,571	22,800	20,518	22,800	2,282	11.1%	22,800	22,800
	Leases and other expense	29,587	47,800	42,077	47,900	5,823	13.8%	47,800	47,800
	Operating expense	**$ 12,090,659**	**$ 14,031,608**	**$ 13,469,388**	**$ 13,946,025**	**$ 476,637**	**3.5%**	**$ 14,365,134**	**$ 14,893,193**
Vehicle Maintenance	Wages & benefits without OPEB	25,667,449	29,047,037	28,568,292	29,855,802	1,287,510	4.5%	31,032,374	32,399,980
	Other post-employment benefits	(332,816)	1,431,044	351,562	297,519	(54,043)	-15.4%	318,940	343,499
	Services	2,635,187	2,774,504	3,001,821	2,940,796	(61,024)	-2.0%	3,036,446	3,124,541
	Fuel & lubrications	17,297,567	18,464,599	17,297,435	13,960,640	(3,336,795)	-19.3%	14,836,754	15,059,174
	Parts & supplies	16,581,820	16,164,192	16,650,328	18,818,329	2,168,000	13.0%	19,405,901	18,434,759
	Utilities	20,807	23,220	23,369	127,261	103,892	444.6%	127,261	127,261
	Leases and other expense	167,189	261,603	250,172	164,291	(85,882)	-34.3%	159,317	161,385
	Operating expense	**$ 62,037,203**	**$ 68,166,199**	**$ 66,142,979**	**$ 66,164,638**	**$ 21,659**	**0.0%**	**$ 68,916,992**	**$ 69,650,598**
Facility Maintenance	Wages & benefits without OPEB	2,538,936	2,625,726	2,537,925	2,673,577	135,652	5.3%	2,760,070	2,866,558
	Other post-employment benefits	(5,345)	130,336	30,661	27,097	(3,563)	-11.6%	29,048	31,285
	Services	1,833,982	2,527,632	2,352,506	1,957,379	(395,127)	-16.8%	1,992,895	2,024,544
	Fuel & lubrications	617	2,382	2,348	2,301	(47)	-2.0%	2,388	2,477
	Parts & supplies	963,365	925,951	1,074,674	1,112,620	37,946	3.5%	1,127,210	1,166,707
	Utilities	2,221,367	2,740,629	2,307,953	2,564,131	256,178	11.1%	2,601,895	2,666,227
	Leases and other expense	142,333	583,821	483,301	545,562	62,261	12.9%	720,993	1,409,106
	Operating expense	**$ 7,695,255**	**$ 9,536,477**	**$ 8,789,368**	**$ 8,882,667**	**$ 93,300**	**1.1%**	**$ 9,234,498**	**$ 10,166,903**
Maintenance of Way	Wages & benefits without OPEB	12,188,104	11,849,291	12,411,906	12,111,610	(300,296)	-2.4%	12,394,565	12,806,838
	Other post-employment benefits	86,051	537,630	135,459	111,775	(23,684)	-17.5%	119,823	129,049
	Services	7,408,230	7,417,361	7,519,546	8,670,328	1,150,782	15.3%	8,382,113	7,466,477
	Parts & supplies	1,927,841	2,113,574	1,927,853	2,165,970	238,116	12.4%	2,219,675	2,274,723
	Utilities	4,588,903	4,915,117	4,814,745	5,027,151	212,406	4.4%	5,133,787	5,070,538
	Leases and other expense	94,921	129,250	86,783	129,750	42,967	49.5%	129,250	129,250
	Operating expense	**$ 26,294,050**	**$ 26,962,222**	**$ 26,896,292**	**$ 28,216,583**	**$ 1,320,292**	**4.9%**	**$ 28,379,213**	**$ 27,876,876**
Security	Wages & benefits without OPEB	2,969,802	3,797,548	4,048,302	5,034,708	986,406	24.4%	5,173,932	5,382,842
	Other post-employment benefits	(98,664)	115,782	32,759	24,071	(8,688)	-26.5%	25,805	27,791
	Services	6,740,953	7,185,450	7,349,990	9,538,602	2,188,612	29.8%	9,731,872	9,961,711
	Parts & supplies	84,905	38,249	28,085	38,994	10,908	38.8%	39,839	40,704
	Utilities	27,934	33,600	30,314	33,600	3,286	10.8%	33,600	33,600
	Leases and other expense	115,150	62,366	66,025	109,866	43,841	66.4%	107,366	107,366
	Operating expense	**$ 9,840,081**	**$ 11,232,994**	**$ 11,555,476**	**$ 14,779,841**	**$ 3,224,365**	**27.9%**	**$ 15,112,414**	**$ 15,554,016**
Planning & System Development	Wages & benefits without OPEB	2,520,504	3,110,963	2,742,406	3,026,987	284,581	10.4%	3,111,809	3,221,391
	Other post-employment benefits	(32,487)	178,701	43,154	37,152	(6,001)	-13.9%	39,827	42,894
	Services	205,576	222,100	192,267	553,170	360,903	187.7%	319,441	350,274
	Parts & supplies	93,650	167,535	129,668	190,383	60,715	46.8%	196,320	202,377
	Utilities	5,407	19,200	12,435	6,000	(6,435)	-51.7%	6,100	6,200
	Leases and other expense	5,578	46,241	32,242	51,237	18,994	58.9%	61,614	54,192
	Operating expense	**$ 2,798,227**	**$ 3,744,740**	**$ 3,152,172**	**$ 3,864,929**	**$ 712,757**	**22.6%**	**$ 3,735,110**	**$ 3,877,328**
ADA Services	Wages & benefits without OPEB	401,650	748,371	565,867	791,930	226,064	39.9%	767,325	756,147
	Other post-employment benefits	(21,587)	8,161	2,884	1,697	(1,187)	-41.2%	1,819	1,959
	Services	56,489	23,480	41,811	48,892	7,081	16.9%	24,314	24,747
	Parts & supplies	18,280	26,605	17,916	30,695	12,779	71.3%	26,788	26,882
	Utilities	15,230	16,626	16,897	16,926	29	0.2%	17,234	17,549
	Leases and other expense	141,974	222,428	191,800	231,487	39,687	20.7%	225,997	227,849
	Operating expense	**$ 612,037**	**$ 1,045,671**	**$ 837,175**	**$ 1,121,627**	**$ 284,452**	**34.0%**	**$ 1,063,477**	**$ 1,055,133**
Operations Administration	Wages & benefits without OPEB	295,907	315,718	301,635	353,650	52,015	17.2%	363,628	376,766
	Other post-employment benefits	7,314	15,354	3,919	3,238	(681)	-17.4%	3,471	3,738
	Services	158,470	210,927	207,201	213,013	5,812	2.8%	213,338	213,672
	Parts & supplies	2,807	39,784	20,087	40,717	20,629	102.7%	41,673	42,653
	Utilities	1,392	1,524	1,413	1,524	111	7.9%	1,524	1,524
	Leases and other expense	8,703	30,770	16,610	31,014	14,404	86.7%	31,247	31,487
	Operating expense	**$ 474,594**	**$ 614,076**	**$ 550,866**	**$ 643,155**	**$ 92,290**	**16.8%**	**$ 654,881**	**$ 669,839**

Engineering & New Systems Development

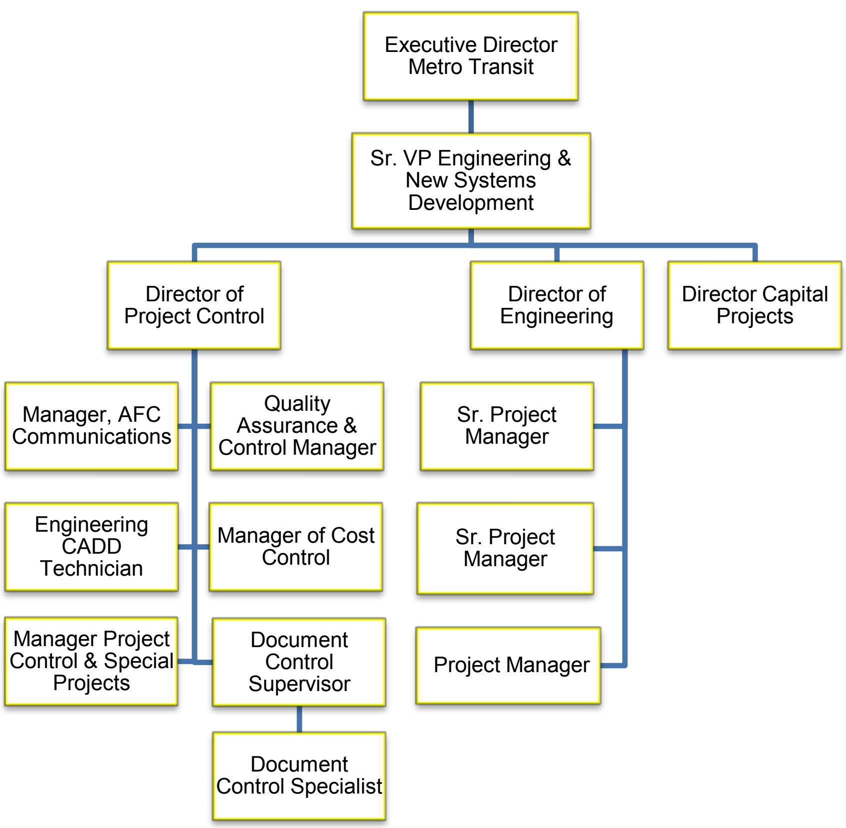
Operational overview:
Engineering and New Systems design, engineer, and construct capital projects of the rail and bus systems. Capital projects are typically funded from capital grants. Engineering & New Systems include:

New Systems Development is responsible for the design and engineering of emerging transit technologies including:

Capital Projects manage the design and construction of projects that repair, upgrade or expand the MetroLink and MetroBus facilities.

Project Controls track and monitor project schedules and budgets and provides quality assurance. All project documents are maintained within this department.

Organization:
The Engineering Division reports to the Executive Director - Metro Transit. (The position of Senior Vice-President Engineering & New Systems Development is currently vacant.) The distinctive operations of the Engineering department justify separate coverage from transit operations for budgeting purposes.



Goals and Objectives Action Plan: Engineering and New Systems Development

The organizational unit develops its strategic plan based on the company's goals and Objectives. This Strategic Plan is detailed into strategies and action steps that help Bi-State Development achieve its goals and objectives as outlined in the Strategic Plan section of this document.

Goal: **Deliver a high quality transit experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence**		
Objective**: Improve service quality and capacity for van, bus, and rail systems; Deliver quality capital projects on time and within budget**		
Strategy	**Action Steps**	**Performance Measurements**
Implement the new Fare Collection System	• Final software installed in production environment • Perform final acceptance Testing • Implement customer information program	• Deploy Trapeze software to integrate with farebox with the AVL system, begin Single driver Logon (July 2016) • System wide testing of Farebox system. Initial testing complete (August 2016) • System-wide testing of Smart card system. Initial testing complete (October 2017) • Begin conversion of Monthly passes (November 2016) • Eliminate paper transfers on bus (June 2017)
Completion of the Eads Bridge Rehabilitation Project	• Abide by the requirements and restrictions of the ARRA Program	• Project will complete June 2016 (FY16)
Downtown Transfer Center	• Schematic design & design development • Procure construction services • Construct project	• Award Construction Contract 2nd Quarter 2016 • Complete Construction - construction anticipated completing approximately 15 – 18 months following award; 3rd or 4th Quarter 2017
North County Transfer Center	• Construction project, Phase I	• Complete construction – March 2016 • Operate facility March 2016

Strategy	Action Steps	Performance Measurements
Spruce Street Bridge Replacement	• Schematic design & design development • Procure construction services • Construct project	• Design complete August 2015 • Construction awarded October 2015 • Project to complete April 2016
Ewing Wall Rehabilitation	• Issue Part 2, design build RFP • Complete design build competition • Negotiate design build contract and issue NTP • Implement	• Complete design build negotiations by July 2015 • Complete project 2016
Downtown Tunnel Repairs	• Develop design RFP • Issue and award design contract • Complete preliminary design and obtain NEPA approval • Complete final design • Implementation	• Issue design RFP May 2016 • Award design contract September 2016 • Complete preliminary design and obtain NEPA approvals by January 2017 • Complete final design by September 2017
Boyle Street Station and Interlocking	• Obtain NEPA approval • Complete grant contract execution • Develop design RFP • Issue and award design contract • Complete design • Implementation	• Obtained NEPA approval March 2015 • Grant contract executed October 2015 • Issue design RFP March 2016 • Complete design December 2016 • Complete construction October 2018

Performance Indicators - Engineering & New Systems Development

Progress in meeting the goals and objectives are measured through performance indicators. Following is a list of the performance indicators.

	FY 2017 Target	FY 2016 Projection	FY 2016 Target	FY 2015 Actual
New Systems Operating:				
Project Measurement:				
Permits and agreements secured as required	100%	100%	100%	100%
Managed according to policy and procedure	100%	100%	100%	100%
Managed using standardized engineering process	100%	100%	100%	100%
Monitor compliance to policy	100%	100%	100%	100%
Projects completed within budget	100%	100%	100%	100%
Projects completed on-time	90%	80%	90%	80%

Engineering and New Systems - Operating Expense

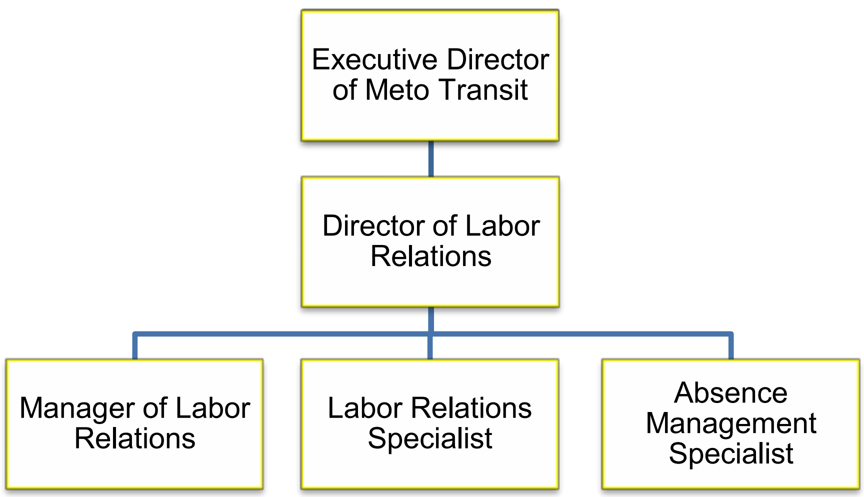
		Actual FY 2015	Budget FY 2016	Projection FY 2016	Budget FY 2017	FY17 Bdgt/FY16 Proj $ Change	FY17 Bdgt/FY16 Proj % Change	Budget FY 2018	Budget FY 2019
Engineering & New Systems	Wages & benefits without OPEB	$ 818,334	$ 1,405,491	$ 1,020,527	$ 1,284,089	$ 263,562	18.8%	$ 1,318,324	$ 1,366,060
	Other post-employment benefits	(36,696)	58,773	12,848	12,219	(629)	-1.1%	13,099	14,107
	Services	2,763,929	3,530,578	3,338,092	2,808,336	(529,756)	-15.0%	2,889,733	2,976,146
	Parts & supplies	11,337	31,440	22,035	29,926	7,892	25.1%	32,425	32,935
	Utilities	7,853	12,400	10,333	10,146	(187)	-1.5%	12,400	12,400
	Leases and other expense	(1,502)	45,233	706,899	37,401	(669,498)	-1480.1%	45,574	45,751
	Operating expense	**$ 3,563,255**	**$ 5,083,914**	**$ 5,110,734**	**$ 4,182,118**	**$ (928,617)**	**-18.3%**	**$ 4,311,554**	**$ 4,447,399**

Labor Relations

Operational overview:
The Labor Department endeavors to help provide positive management-workforce relationships.

Labor Relations is responsible for maintaining relationships with bargaining units, negotiating labor contracts, managing grievance processes, and maintaining data unique to union personnel.

Organization:



Goals and Objectives Action Plan: Labor Relations

The Labor Relations organizational unit develops its strategic plan based on the company's goals and objectives. This strategic plan is arranged into strategies and action steps that help Bi-State Development achieve its goals and objectives as outlined in the strategic plan overview.

Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources		
Objective: Implement cost reduction strategies		
Strategy	**Action Steps**	**Performance Measurements**
Reduce costs and impact on productivity associated with absenteeism	• Implement a structured absence management program • Add an absence management specialist	• Established attendance program review committee including Labor Relations and facilities management for bus, rail and van in 2016 • Maintain Absence Management program (FMLA, STD and other leaves of absence)

Goal: Value all members of our staff and endeavor to help all of our employees develop to their fullest potential		
Objective: Strengthen the labor – management working relationship		
Strategy	**Action Steps**	**Performance Measurements**
Maintain a positive working relationship with union management to ensure an open communication process for resolving work related issues.	• Develop a joint complaint and grievance review committee with Local 788 to address issues for operations and maintenance • Develop and implement grievance/arbitration training for first line supervisors in operations and maintenance	• Joint committee formed by Sep 2016 • Training completed by Dec 2016 • Reduction in number of work related issues

Performance Indicators – Labor Relations

Progress in meeting the goals and objectives are measured through performance indicators. Following is a list of the performance indicators for Labor Relations.

	FY 2017	FY 2016		FY 2015
	Target	Projection	Target	Actual
Labor Relations				
Employee/Retiree Outreach				
Education events	30	32	30	32
Communications	6	6	6	6
Reduce labor grievances by 15%	175	205	144	205

Labor Relations - Operating Expense

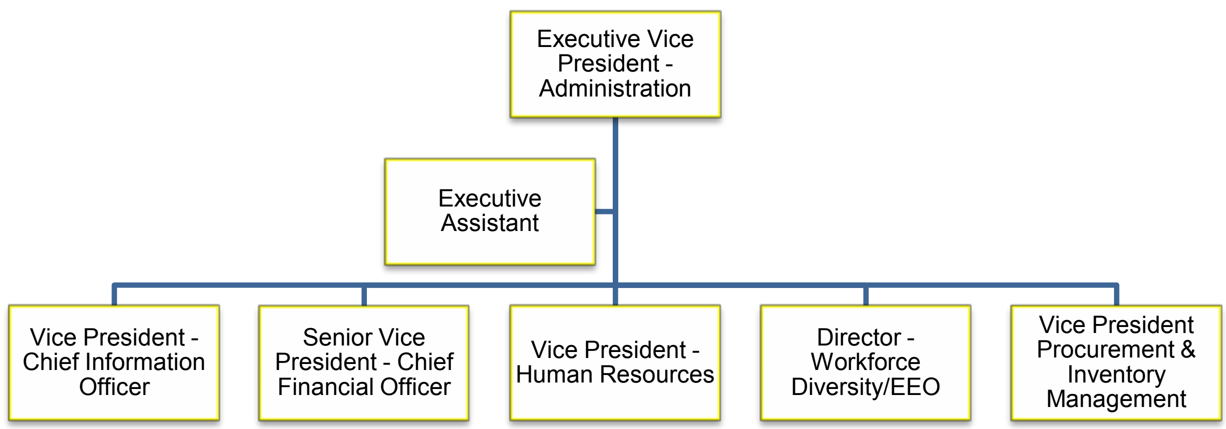
		Actual FY 2015	Budget FY 2016	Projection FY 2016	Budget FY 2017	FY17 Bdgt/FY16 Proj $ Change	FY17 Bdgt/FY16 Proj % Change	Budget FY 2018	Budget FY 2019
Labor Relations	Wages & benefits without OPEB	$ 309,580	$ 398,240	$ 374,103	$ 404,876	$ 30,773	8.2%	$ 416,935	$ 433,941
	Other post-employment benefits	(4,039)	8,613	2,874	1,791	(1,083)	-37.7%	1,920	2,067
	Services	156,093	350,748	340,839	395,000	54,161	15.9%	412,500	430,000
	Parts & supplies	128	586	390	582	193	49.4%	617	652
	Utilities	1,262	-	609	1,400	791	129.8%	1,500	1,500
	Leases and other expense	1,673	4,100	2,837	4,100	1,263	44.5%	4,100	4,100
	Operating expense	**$ 464,697**	**$ 762,287**	**$ 721,652**	**$ 807,749**	**$ 86,097**	**11.9%**	**$ 837,572**	**$ 872,260**

Executive Vice President - Administration

Operational overview:

The Executive Vice President - Administration manages the following administrative functional areas: information technology, finance, human resources, workforce diversity and EEO and procurement.

Organization:



Executive Vice-President - Administration

		Actual FY 2015	Budget FY 2016	Projection FY 2016	Budget FY 2017	FY17 Bdgt/FY16 Proj $ Change	% Change	Budget FY 2018	Budget FY 2019
Executive Vice President - Administration	Wages & benefits without OPEB	$ -	$ 203,244	$ 101,413	$ 501,613	$ 400,201	394.6%	$ 516,308	$ 536,614
	Other post-employment benefits	-	6,604	3,264	4,877	1,613	49.4%	4,990	5,119
	Services	-	4,743	2,372	57,714	55,343	2333.6%	59,794	60,678
	Parts & supplies	-	3,985	1,992	11,211	9,219	462.7%	11,709	12,134
	Utilities	-	600	300	1,885	1,585	528.3%	1,960	1,990
	Leases and other expense	77	19,500	9,750	45,081	35,331	362.4%	46,332	47,111
	Operating expense	**$ 77**	**$ 238,675**	**$ 119,091**	**$ 622,383**	**$ 503,292**	**422.6%**	**$ 641,093**	**$ 663,646**
EEO & Workforce Diversity	Wages & benefits without OPEB	-	203,244	101,413	215,229	113,816	112.2%	221,593	230,487
	Other post-employment benefits	-	6,604	3,264	3,312	48	1.5%	3,312	3,312
	Services	-	4,743	2,372	37,456	35,084	1479.4%	39,407	40,159
	Parts & supplies	-	3,985	1,992	5,715	3,723	186.9%	5,915	6,041
	Utilities	-	600	300	1,500	1,200	400.0%	1,575	1,605
	Leases and other expense	77	19,500	9,750	30,126	20,376	209.0%	31,369	32,139
	Operating expense	**$ 77**	**$ 238,675**	**$ 119,091**	**$ 293,338**	**$ 174,247**	**146.3%**	**$ 303,171**	**$ 313,744**
Executive Administration	Wages & benefits without OPEB	-	-	-	286,385	286,385	-	294,715	306,127
	Other post-employment benefits	-	-	-	1,565	1,565	-	1,678	1,807
	Services	-	-	-	20,259	20,259	-	20,387	20,519
	Parts & supplies	-	-	-	5,496	5,496	-	5,794	6,093
	Utilities	-	-	-	385	385	-	385	385
	Leases and other expense	-	-	-	14,955	14,955	-	14,963	14,972
	Operating expense	**$ -**	**$ -**	**$ -**	**$ 329,045**	**$ 329,045**	**-**	**$ 337,922**	**$ 349,903**

Human Resources

Operational overview:

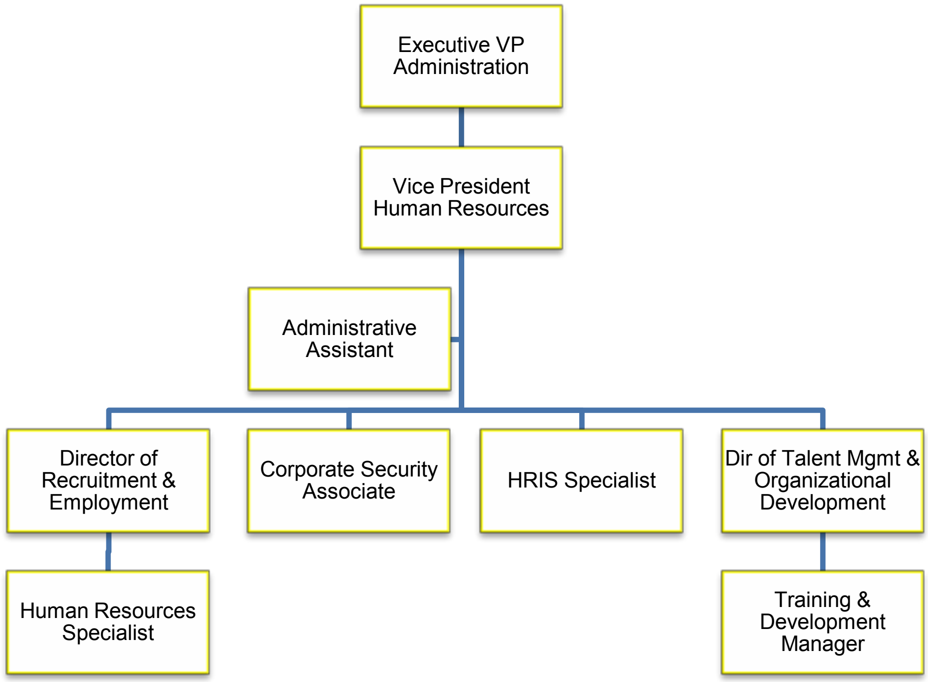
The Human Resources Division provides services in the areas of talent acquisition and management, compensation, staff training and development. The Human Resources Division also provides coaching and consulting in the areas of organizational effectiveness and workforce diversity. The division endeavors to provide these services and the pursuit of excellence in all employee-oriented programs, while influencing positive management-workforce relationships.

Human Resources Management includes the staff of the Vice President of Human Resources, employee relations and performance management, compensation, human resources data maintenance, and the three specialty areas that follow:

Talent Acquisition and Management is responsible for finding, acquiring, assessing, and hiring long-term and temporary candidates to fill positions that are required to meet Bi-State Development's workforce staffing requirements.

Training and Organizational Development provides staff development programs that include leadership development, supervisory training, succession planning and employee relations coaching.

Organization:



Goals and Objectives Action Plan: Human Resources

The Human Resources organizational unit develops its strategic plan based on the company's goals and objectives. This strategic plan is arranged into strategies and action steps that help Bi-State Development achieve its goals and objectives as outlined in the strategic plan overview.

Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources		
Objective: Implement cost reduction strategies		
Strategy	**Action Steps**	**Performance Measurements**
Reduce costs and impact on productivity associated with absenteeism	• Implementation of a structured absence management program	• Implemented Absence Management program (FMLA, STD and other leaves of absence) in partnership with case management vendor

Goal: Value all members of our staff and endeavor to help all of our employees develop to their fullest potential		
Objective: Implement A Performance Management System that provides valuable feedback and drives performance that supports the Agency's Goal and Objectives		
Strategy	**Action Steps**	**Performance Measurements**
Evaluate current BSD employee measurement and feedback systems and develop approach to improve performance management	• Develop or re-design the performance management system	• New performance management system implemented by June 2016.
Reintroduce program organizational development	• Hire manager and staff • Design and develop the program • Implement program	• To complete in FY 2017: Hire the Director of Talent Management and Organizational Development and the Talent Organizational Development Manager. Organize and develop program

Performance Indicators – Human Resources

Progress in meeting the goals and objectives are measured through performance indicators. Following is a list of the performance indicators for the Human Resources unit:

	FY 2017	FY 2016		FY 2015
	Target	Projection	Target	Actual
Human Resources Management				
Implement programs that re-balance the employer / employee cost ratio	100%	On Target	100%	Met
Executive dashboard provided quarterly 45 days following close of prior period	100%	On Target	100%	Met

Human Resources - Operating Expense

		Actual FY 2015	Budget FY 2016	Projection FY 2016	Budget FY 2017	FY17 Bdgt/FY16 Proj $ Change	FY17 Bdgt/FY16 Proj % Change	Budget FY 2018	Budget FY 2019
Human Resources	Wages & benefits without OPEB	$ 9,377,456	$ 9,928,673	$ 9,833,511	$ 8,470,248	$ (1,363,263)	-13.9%	$ 8,910,409	$ 9,386,915
	Other post-employment benefits	(31,471)	49,838	11,682	10,361	(1,320)	-11.3%	11,108	11,963
	Services	259,580	263,815	462,754	711,625	248,871	53.8%	671,500	681,500
	Parts & supplies	11,063	34,589	23,205	34,693	11,487	49.5%	34,954	35,219
	Utilities	1,788	3,600	3,159	3,000	(159)	-5.0%	3,000	3,075
	Leases and other expense	24,569	123,255	100,142	130,505	30,363	30.3%	131,355	132,155
	Operating expense	**$ 9,642,986**	**$ 10,403,770**	**$ 10,434,453**	**$ 9,360,432**	**$ (1,074,021)**	**-10.3%**	**$ 9,762,326**	**$ 10,250,827**
Benefits*	Retiree Benefits	8,579,584	8,908,379	8,938,902	7,435,938	$ (1,502,964)	-16.8%	7,845,001	8,277,168
	Other post-employment benefits	-	-	621	-	(621)	-100.0%	-	-
	Services	-	30,000	255,603	425,000	169,397	66.3%	432,500	440,000
	Leases and other expense	-	-	1,569	5,000	3,431	218.8%	5,000	5,000
	Operating expense	**$ 8,579,584**	**$ 8,938,379**	**$ 9,196,695**	**$ 7,865,938**	**$ (1,330,756)**	**-14.5%**	**$ 8,282,501**	**$ 8,722,168**
Training & Development	Wages & benefits without OPEB	-	-	-	181,707	181,707	-	187,195	195,062
	Services	-	55,000	27,500	55,000	27,500	100.0%	55,000	55,000
	Parts & supplies	-	17,759	8,880	17,893	9,013	101.5%	18,029	18,169
	Utilities	-	1,200	600	1,200	600	100.0%	1,200	1,200
	Leases and other expense	-	71,305	35,653	71,305	35,653	100.0%	71,305	71,305
	Operating expense	**$ -**	**$ 145,264**	**$ 72,632**	**$ 327,104**	**$ 254,472**	**350.4%**	**$ 332,730**	**$ 340,737**
Human Resources Management	Wages & benefits without OPEB	797,871	1,020,294	894,609	852,603	(42,006)	-4.7%	878,213	914,685
	Other post-employment benefits	(31,471)	49,838	11,061	10,361	(699)	-6.3%	11,108	11,963
	Services	259,580	178,815	179,650	231,625	51,975	28.9%	184,000	186,500
	Parts & supplies	11,063	16,830	14,326	16,800	2,474	17.3%	16,925	17,050
	Utilities	1,788	2,400	2,559	1,800	(759)	-29.7%	1,800	1,875
	Leases and other expense	24,569	51,950	62,921	54,200	(8,721)	-13.9%	55,050	55,850
	Operating expense	**$ 1,063,401**	**$ 1,320,127**	**$ 1,165,126**	**$ 1,167,389**	**$ 2,263**	**0.2%**	**$ 1,147,095**	**$ 1,187,923**

*The Benefits function includes all current period retiree expense while future other post-employment benefits are allocated to each BSD cost center

Procurement & Inventory Management

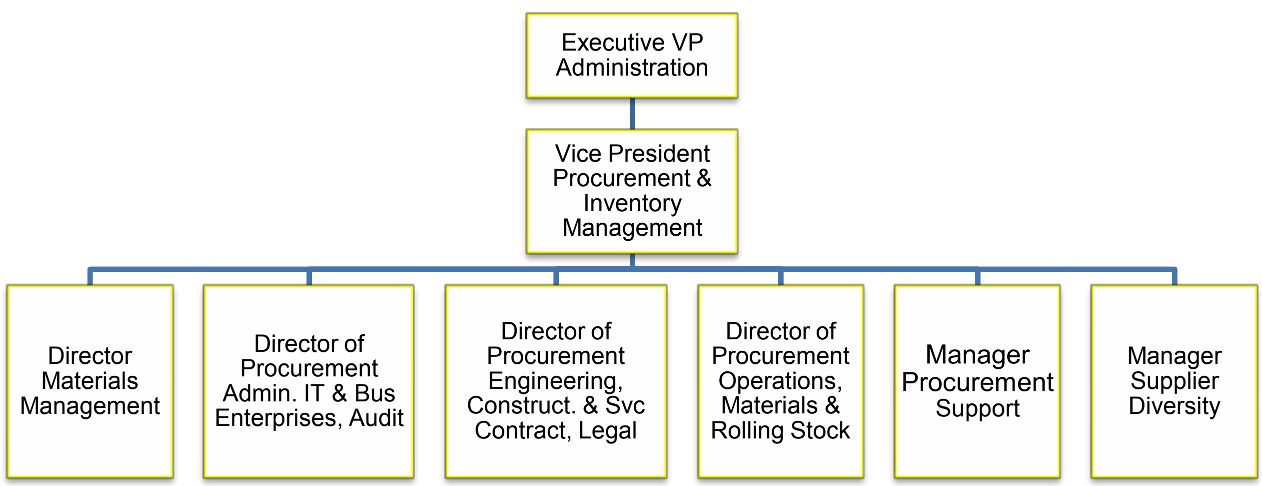
Descriptions of organization:
The Procurement and Inventory Management Division consists of the following units that are responsible for delivering on a timely basis the best value product or service, while maintaining the public's trust and fulfilling public policy goals.

Inventory Management is responsible for managing and safeguarding the transit inventory of repair parts and supplies required for efficient day-to-day operations. The department also interprets maintenance and operations plans and forecasts materials requirements to support the needs of the organization.

Procurement is responsible for purchasing and/or contracting all equipment, goods, and services that Bi-State Development requires for operations and expansion. The department is also responsible for ensuring compliance with all federal, state, and local laws and regulations and BSD Board policy requirements relating to procurement.

Procurement Administration provides overall management of the procurement and inventory management functions.

Organization:



Goals and Objectives Action Plan: Procurement and Inventory Management

The organizational unit develops a strategic plan based on the company's goals and objectives. This strategic plan is set into strategies and action steps that help Bi-State Development achieve its goals and objectives as outlined in the strategic plan section of this document.

Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources		
Objective: Implement cost reduction strategies		
Strategy	**Action Steps**	**Performance Measurements**
Improve MetroLink warehouse and materials management processes	• Identify and categorize parts and supplies • Identify ML critical spares • Evaluate inventory item attributes • Implement recommendations	• Parts identification completed for all operating systems • Process recommendations and implementation schedule completed
Objective: Implement internal process improvements		
Strategy	**Action Steps**	**Performance Measurements**
Improve equipment and parts availability and supplier performance	• Develop and implement supplier performance measurement program	• Performance measurement program in place and scorecards are created and reviewed with key suppliers
Implement planned maintenance process in partnership with maintenance for all Agency divisions as mirrored with bus maintenance	• Establish project teams • Evaluate current maintenance and material requirement plans • Develop process improvement recommendations • Implement recommendations	• Project teams established and operating • Process improvement recommendations and implementation schedule for ML rail operations completed • Process improvement recommendations and implementation schedule for MOW completed

Performance Indicators – Procurement and Inventory Management

Progress in meeting the goals and objectives are measured through performance indicators. Following is the list of the performance indicators for the organization:

	FY 2017	FY 2016		FY 2015
	Target	Projection	Target	Actual
Inventory Management:				
Accuracy of bus parts inventory	98.0%	97.8%	98.0%	96.8%
Accuracy of rail parts inventory	98.0%	97.9%	98.0%	97.8%
Bus parts inventory turnover	3.00	2.50	3.00	2.09
Rail parts inventory turnover	2.00	1.25	2.00	1.05
Procurement:				
Percent of purchases competitively sourced	90.0%	90.0%	90.0%	85.5%

Procurement, Inventory Management - Operating Expense

		Actual FY 2015	Budget FY 2016	Projection FY 2016	Budget FY 2017	FY17 Bdgt/FY16 Proj $ Change	% Change	Budget FY 2018	Budget FY 2019
Procurement, Inventory Management	Wages & benefits without OPEB	$ 4,138,637	$ 4,872,948	$ 4,621,725	$ 4,904,254	$ 282,528	6.1%	$ 5,079,425	$ 5,300,745
	Other post-employment benefits	(162,122)	224,963	56,201	45,205	(10,996)	-19.6%	48,460	52,192
	Services	28,646	45,371	47,930	43,809	(4,121)	-8.6%	44,395	44,995
	Parts & supplies	240,033	324,357	281,113	327,850	46,737	16.6%	335,990	344,328
	Utilities	2,947	4,980	3,567	3,515	(52)	-1.5%	3,515	3,515
	Leases and other expense	70,784	79,409	84,966	79,097	(5,869)	-6.9%	79,184	79,273
	Operating expense	**$ 4,318,925**	**$ 5,552,029**	**$ 5,095,503**	**$ 5,403,730**	**$ 308,227**	**6.0%**	**$ 5,590,969**	**$ 5,825,048**
Inventory Management	Wages & benefits without OPEB	2,687,942	3,159,755	2,968,832	3,153,887	$ 185,055	6.2%	3,276,023	3,421,053
	Other post-employment benefits	(35,407)	148,033	36,327	30,777	(5,550)	-15.3%	32,993	35,533
	Services	263	2,500	1,250	2,500	1,250	100.0%	2,500	2,500
	Parts & supplies	234,703	309,367	267,716	317,166	49,450	18.5%	324,909	332,848
	Utilities	1,171	1,500	1,170	1,500	330	28.2%	1,500	1,500
	Leases and other expense	15,675	25,598	18,935	25,598	6,664	35.2%	25,598	25,598
	Operating expense	**$ 2,904,346**	**$ 3,646,754**	**$ 3,294,230**	**$ 3,531,427**	**$ 237,197**	**7.2%**	**$ 3,663,523**	**$ 3,819,032**
Procurement	Wages & benefits without OPEB	933,152	1,133,353	1,063,890	1,108,942	45,051	4.2%	1,142,733	1,191,656
	Other post-employment benefits	(158,925)	47,887	12,312	9,956	(2,356)	-19.1%	10,673	11,494
	Services	11,554	15,914	14,219	16,311	2,092	14.7%	16,719	17,137
	Parts & supplies	1,103	-	-	-	-	-	-	-
	Leases and other expense	9,200	-	5,455	-	(5,455)	-100.0%	-	-
	Operating expense	**$ 796,083**	**$ 1,197,154**	**$ 1,095,876**	**$ 1,135,209**	**$ 39,332**	**3.6%**	**$ 1,170,125**	**$ 1,220,288**
Supplier Diversity	Wages & benefits without OPEB	169,406	220,822	231,745	302,973	71,228	30.7%	312,372	326,253
	Other post-employment benefits	10,139	12,617	3,077	2,623	(454)	-14.8%	2,812	3,028
	Services	15,514	1,030	18,137	1,056	(17,082)	-94.2%	1,082	1,109
	Parts & supplies	113	4,145	2,073	4,189	2,116	102.1%	4,233	4,279
	Utilities	1,084	2,640	1,672	1,560	(112)	-6.7%	1,560	1,560
	Leases and other expense	13,301	33,200	24,718	35,825	11,107	44.9%	35,902	35,981
	Operating expense	**$ 209,558**	**$ 274,454**	**$ 281,423**	**$ 348,226**	**$ 66,803**	**23.7%**	**$ 357,962**	**$ 372,210**
Procurement Administration	Wages & benefits without OPEB	348,138	359,017	357,258	338,452	(18,806)	-5.3%	348,297	361,783
	Other post-employment benefits	22,072	16,426	4,485	1,850	(2,635)	-58.8%	1,983	2,136
	Services	1,315	25,927	14,324	23,942	9,618	67.1%	24,093	24,249
	Parts & supplies	4,114	10,845	11,325	6,495	(4,829)	-42.6%	6,847	7,201
	Utilities	693	840	725	455	(270)	-37.2%	455	455
	Leases and other expense	32,608	20,611	35,857	17,674	(18,183)	-50.7%	17,684	17,694
	Operating expense	**$ 408,938**	**$ 433,668**	**$ 423,974**	**$ 388,868**	**$ (35,106)**	**-8.3%**	**$ 399,359**	**$ 413,518**

Finance

Operational overview:

The Finance Division, under the direction of the CFO, is a diverse operation. Finance is responsible for customary functions such as Treasury, Program Development and Grants, Accounting, Payroll, Accounts Receivable and Accounts Payables. However, it is also responsible for passenger revenue collection, passenger ticket sales and safety.

Safety is responsible for administering federal drug and alcohol programs including random testing, coordinates emergency response planning with federal, state and local authorities, provides training for local emergency first responders, reviews contracts and agreements and oversees contractor safety programs.

Treasury is responsible for cash management including cash receipts, disbursements, banking relations, investments and commodities hedging programs. The department is also responsible for debt and structured lease administration and financial disclosures. The department works closely with the Chief Financial Officer structuring short-term and long-term financing.

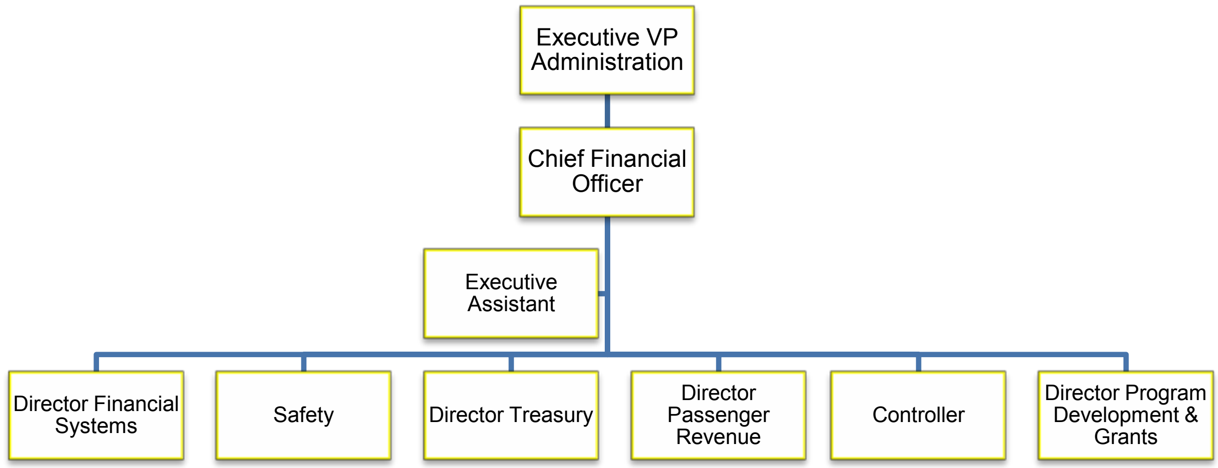
Passenger Revenue is responsible for the overall management and maintenance of fare collection and bus head sign equipment in addition to Ticket Vending Machines and Validation equipment employed on the MetroLink alignment. The department is in charge of the collection and processing of Bi-State Development revenues and ensures that adequate controls surrounding the accounting and handling of bus and light rail transit passenger fares are in place and consistently practiced. The department manages pass distribution, lock box program, special-event ticketing programs and is responsible for timely and accurate revenue reporting.

Controller's Group is responsible for coordinating, planning, and reporting on the financial activities of Bi-State Development. The department sets financial policies, and oversees the activities of the Accounting, Budgeting, Payroll and Accounts Payable sections. The department coordinates the activities of the external auditor, and is responsible for all external financial reporting. The department provides analytical support to management and prepares detailed indicators reports measuring the performance of Bi-State Development.

Program Development and Grants Department is responsible for the development and administration of all federal, state and local grants. The department is responsible for the coordination of all sub-recipient grant relations, coordinating the development and ranking of internal grant requests and grant applications with federal, state and local authorities, as well as the municipal planning organization.

Finance Administration provides overall management of all financial functions.

Organization



Goals and Objectives Action Plan: Finance

Strategies and action steps help Bi-State Development achieve its goals and objectives as outlined in the strategic plan overview.

Goal: Build an effective and efficient publically-supported organization that is viewed as a transparent and accountable steward of public funds		
Objective: Establish and manage communications plan that improves public perception of Bi-State Development programs and credibility of management		
Strategy	**Action Steps**	**Performance Measurements**
Expand public outreach efforts regarding safety	• Campaign the “See something. Say something” program in the public	• Distribute “See something. Say something” cards to public • Post “See something. Say something” bus cards, train decals and posters
Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources		
Objective: Implement internal process improvements		
Strategy	**Action Steps**	**Performance Measurements**
Increase income from investments	• Finish the implementation of the Treasury module to include all cash and investments for reporting purposes • From the new reporting, develop more sophisticated cash flow analysis to enable funds to be invested longer term	• Reporting that forecasts maturities to help better manage a laddered portfolio • From the improved cash flow analysis, put non-operating funds to work in investment vehicles that provide a better return

<table>
<tr><th colspan="3">Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources</th></tr>
<tr><th colspan="3">Objective: Implement internal process improvements</th></tr>
<tr><th>Strategy</th><th>Action Steps</th><th>Performance Measurements</th></tr>
<tr><td>Identify opportunities to reimburse cost of staff training and administrative time through grant resources</td><td>• Identify grant funds to support front-line employee training for emergency preparedness and security awareness - e.g., Homeland Security, FTA, Public Education and Enforcement Research Study
• Identify grant funds to support administrative effort to procure and manage grant funded projects</td><td>• Identify sources of revenue to support Bi-State Development's capital and eligible operating needs
• Maintain line of communication with funding sources to identify agency needs and identify available resources to support capital needs</td></tr>
<tr><td>Provide project management and coordination for the FTA funded state of good repair program</td><td>• Develop Transit Asset Management Plan and design and implement Transit Asset Software to support Bi-State Development oversight of all assets, asset condition and capital and operating costs</td><td>• Transit Asset Management Software design by Q1 FY 2017; implementation in early FY 2018</td></tr>
<tr><th colspan="3">Objective: Implement cost reduction strategies</th></tr>
<tr><th>Strategy</th><th>Action Steps</th><th>Performance Measurements</th></tr>
<tr><td>Improve bank fee analysis process</td><td>• Continue to improve on reporting and analysis in preparation for the upcoming Bank RFP</td><td>• Cost savings on bank fees and improved contract pricing on RFP</td></tr>
<tr><th>Strategy</th><th>Action Steps</th><th>Performance Measurements</th></tr>
<tr><td>Implement internal service funds</td><td>• Coordinate effort with Internal Audit Department and the Vice President of Pension and Insurance to create the ability in the Oracle system to report on financial information</td><td>• Internal service funds fully functional July 1, 2016</td></tr>
<tr><td>Improve and update technology related processes to improve efficiencies.</td><td>• AP process improvements include US Bank Payment Plus and automatic invoice scanning
• Operating and capital budget system replacement
• Claims management system</td><td>• Implement 2017
• Implement 2018
• Implement 2017</td></tr>
</table>

Goal: Deliver a high quality transit experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence		
Objective: Efficiently and effectively operate service sectors		
Strategy	**Action Steps**	**Performance Measurements**
Continue to promote a culture of safety at Metro.	To ensure the health and safety of Metro employees and passengers, Safety will: • Conduct routine fleet & vehicle inspections • Conduct engineering design reviews to ensure Safety is incorporated into all BSD projects • Provide training on Safety SOP's and track access, tier training	• Post vehicle inspection reports • Post facility inspection reports • Tier training/safety meeting attendance metrics • BSD accident and incident metrics

Performance Indicators - Finance

Progress in meeting the goals and objectives are measured through performance indicators. Following is a list of the performance indicators for the Finance Division areas:

	FY 2017	FY 2016		FY 2015
	Target	Projection	Target	Actual
Safety:				
MetroBus preventable accidents per 100,000 miles	1.00	1.36	0.75	1.01
Call-A-Ride preventable accidents per 100,000 miles	0.80	0.66	0.8	0.82
Treasury:				
Percent of months in which:				
Yield on working capital funds equal 90-day T-Bill	100%	75%	100%	75%
Yield on long term investments exceed one year T-Bill by ten basis points	100%	92%	100%	100%
Treasury Module closed within three working days after month end	100%	100%	100%	92%
All EFTs timely made with no errors	100%	100%	100%	100%
Positive pay issue files transmitted in a timely manner	100%	99%	100%	99%
Monthly Treasurer's Report completed before Board deadline	100%	100%	100%	100%

	FY 2017	FY 2016		FY 2015
	Target	Projection	Target	Actual
Passenger Revenue:				
Percent of TVM refund claims processed within three days of receipt	100%	98%	100%	97%
Percent of special events staffed with ticket sales where TVMs are unable to handle demand	100%	100%	100%	100%
Percent of pass/ticket distributions to third party vendors meeting deadline	100%	100%	100%	100%
Percent of month-end journal entries meeting closing schedule	100%	100%	100%	100%
Percent of working fund balances reconciled with general ledger	100%	100%	100%	100%
Number of farebox revenue audits performed	12	12	12	12
Program Development and Grants:				
Percent of annual formula, & discretionary funded grant applications submitted on time	100%	100%	100%	100%
Percent of FTA/FEMA-DHS/IDOT milestone progress reports submitted on time (within 30 days after the end of the quarter or as required)	100%	100%	100%	100%
Percent of federal grants closed within 90 days of all grant activity and expenditure of all federal funds	100%	100%	100%	100%
Controller's Group:				
GFOA Certificates of Achievement:				
1.) Comprehensive Financial Report	Yes	Yes	Yes	Yes
2.) Budget Presentation	Yes	Yes	Yes	Yes
Percent of months in which the general ledger was closed within 7 days or less	100%	100%	100%	100%
Percent of invoices paid within supplier payment terms	95.0%	92.0%	95.0%	90.0%
Percent of supplier records to be maintained in supplier master file	100.0%	99.0%	99.0%	100.0%
Payroll errors as a percent of paychecks	0%	0%	0%	0%
Percent of employees using direct deposit	99.99%	99.98%	100%	99.98%

Finance - Operating Expense

		Actual FY 2015	Budget FY 2016	Projection FY 2016	Budget FY 2017	FY17 Bdgt/FY16 Proj $ Change	FY17 Bdgt/FY16 Proj % Change	Budget FY 2018	Budget FY 2019
Finance	Wages & benefits without OPEB	$ 6,907,071	$ 7,769,084	$ 9,269,530	$ 6,668,066	$ (2,601,464)	-28.1%	$ 6,940,771	$ 7,217,557
	Other post-employment benefits	(105,931)	371,135	92,607	77,160	(15,447)	-16.7%	82,716	89,085
	Services	2,477,246	3,022,275	2,681,626	2,406,612	(275,014)	-10.3%	2,441,791	2,503,308
	Parts & supplies	501,720	2,444,392	1,384,621	2,532,953	1,148,332	82.9%	2,489,503	2,461,509
	Casualty & liability	8,690,527	5,406,024	5,970,416	6,996,611	1,026,195	17.2%	7,203,272	7,431,012
	Utilities	(168,152)	74,015	197,375	70,265	(127,110)	-64.4%	70,340	70,415
	Leases and other expense	926,398	1,147,996	1,013,220	604,390	(408,830)	-40.3%	626,500	657,817
	Agency fees	2,800,000	3,097,907	2,675,916	3,014,162	338,246	12.6%	3,103,463	3,221,761
	Operating expense	**$ 22,028,879**	**$ 23,332,827**	**$ 23,285,310**	**$ 22,370,218**	**$ (915,092)**	**-3.9%**	**$ 22,958,355**	**$ 23,652,464**
Safety	Wages & benefits without OPEB	1,781,696	2,214,271	2,079,875	1,041,772	(1,038,103)	-49.9%	1,148,541	1,193,050
	Other post-employment benefits	(20,817)	90,590	22,259	18,834	(3,424)	-15.4%	20,190	21,745
	Services	846,473	1,028,400	848,396	526,000	(322,396)	-38.0%	536,000	546,000
	Parts & supplies	186,399	311,302	173,023	354,032	181,010	104.6%	355,008	356,008
	Casualty & liability	8,635,802	5,346,024	5,912,904	6,935,111	1,022,207	17.3%	7,140,272	7,366,512
	Utilities	126,774	68,050	61,677	64,300	2,623	4.3%	64,300	64,300
	Leases and other expense	603,899	665,007	622,610	116,775	(505,835)	-81.2%	116,775	116,775
	Operating expense	**$ 12,160,225**	**$ 9,723,645**	**$ 9,720,743**	**$ 9,056,824**	**$ (663,919)**	**-6.8%**	**$ 9,381,086**	**$ 9,664,390**
Treasury	Wages & benefits without OPEB	514,379	287,866	2,116,053	275,008	(1,841,045)	-87.0%	283,305	295,180
	Other post-employment benefits	4,141	12,179	3,135	2,532	(603)	-19.2%	2,714	2,923
	Services	325,763	730,250	492,326	608,000	115,674	23.5%	617,100	626,700
	Parts & supplies	182	1,600	1,048	1,600	552	52.7%	1,600	1,600
	Casualty & liability	54,725	60,000	57,512	61,500	3,988	6.9%	63,000	64,500
	Utilities	(300,076)	-	130,000	-	(130,000)	-100.0%	-	-
	Leases and other expense	19,103	29,900	20,715	30,050	9,335	45.1%	30,200	30,350
	Agency fees	2,800,000	3,097,907	2,675,916	3,014,162	338,246	12.6%	3,103,463	3,221,761
	Operating expense	**$ 3,418,218**	**$ 4,219,702**	**$ 5,496,705**	**$ 3,992,852**	**$ (1,503,853)**	**-27.4%**	**$ 4,101,382**	**$ 4,243,015**
Passenger Revenue	Wages & benefits without OPEB	2,171,411	2,552,099	2,431,714	2,593,094	161,381	6.6%	2,684,200	2,795,994
	Other post-employment benefits	(63,633)	131,238	32,084	27,285	(4,800)	-15.0%	29,249	31,501
	Services	1,023,768	1,034,615	1,099,254	1,016,800	(82,454)	-7.5%	1,009,410	1,031,341
	Parts & supplies	273,922	2,070,195	1,163,520	2,118,984	955,464	82.1%	2,072,342	2,042,028
	Utilities	4,721	5,215	5,097	5,215	118	2.3%	5,215	5,215
	Leases and other expense	272,432	306,584	281,106	314,645	33,539	11.9%	339,972	365,451
	Operating expense	**$ 3,682,620**	**$ 6,099,945**	**$ 5,012,775**	**$ 6,076,023**	**$ 1,063,248**	**21.2%**	**$ 6,140,388**	**$ 6,271,530**
Controller's Group	Wages & benefits without OPEB	1,650,546	1,990,006	1,857,835	1,995,225	137,390	7.4%	2,039,326	2,116,792
	Other post-employment benefits	(25,459)	99,175	24,788	20,619	(4,169)	-16.8%	22,103	23,805
	Services	167,227	26,250	87,994	52,350	(35,644)	-40.5%	55,850	60,850
	Parts & supplies	27,656	32,518	22,735	29,303	6,568	28.9%	29,556	29,806
	Leases and other expense	14,052	36,225	27,209	36,025	8,816	32.4%	32,035	36,700
	Operating expense	**$ 1,834,022**	**$ 2,184,174**	**$ 2,020,562**	**$ 2,133,522**	**$ 112,960**	**5.6%**	**$ 2,178,870**	**$ 2,267,953**
Program Development & Grants	Wages & benefits without OPEB	394,736	322,617	384,437	349,073	(35,363)	-9.2%	359,583	374,590
	Other post-employment benefits	(6,145)	19,075	5,342	3,966	(1,376)	-25.8%	4,251	4,579
	Services	62,659	2,260	46,128	2,312	(43,816)	-95.0%	2,364	2,418
	Parts & supplies	4,214	8,477	7,180	8,639	1,459	20.3%	8,805	8,975
	Leases and other expense	50,386	83,980	44,791	84,107	39,316	87.8%	84,237	84,371
	Operating expense	**$ 505,850**	**$ 436,409**	**$ 487,877**	**$ 448,097**	**$ (39,780)**	**-8.2%**	**$ 459,241**	**$ 474,933**
Finance Administration	Wages & benefits without OPEB	394,304	402,225	399,618	413,893	14,275	3.6%	425,816	441,950
	Other post-employment benefits	5,981	18,878	5,000	3,925	(1,075)	-21.5%	4,207	4,531
	Services	51,356	200,500	107,527	201,150	93,623	87.1%	221,066	235,999
	Parts & supplies	9,348	20,300	17,115	20,395	3,280	19.2%	22,192	23,092
	Utilities	429	750	600	750	150	25.0%	825	900
	Leases and other expense	(33,473)	26,300	16,789	22,788	5,999	35.7%	23,281	24,170
	Operating expense	**$ 427,945**	**$ 668,952**	**$ 546,648**	**$ 662,900**	**$ 116,252**	**21.3%**	**$ 697,388**	**$ 730,643**

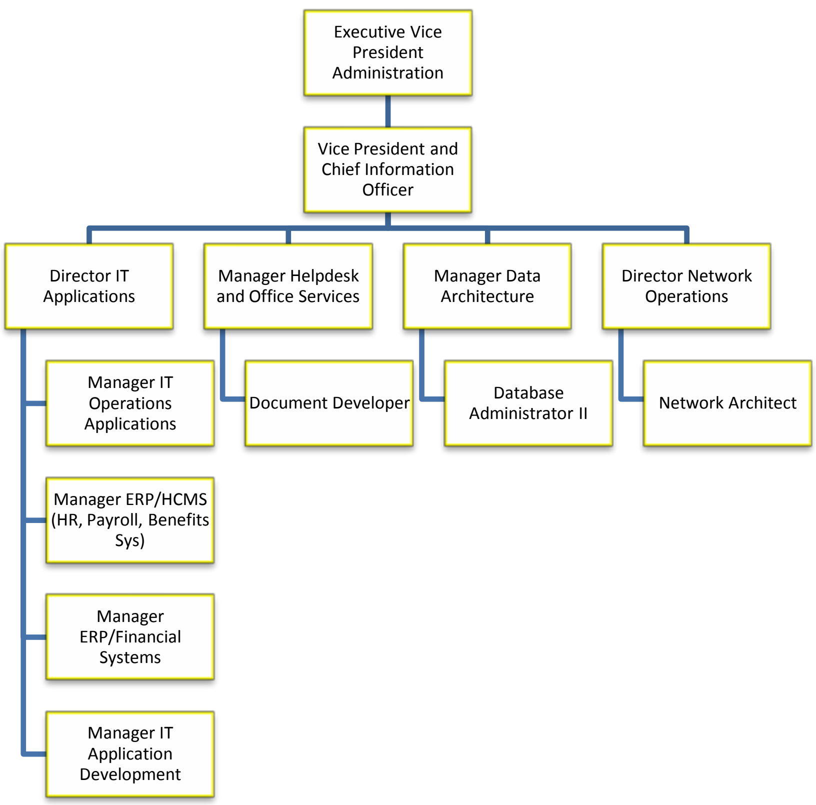
Information Technology

Organizational overview:
The Information Technology Division is responsible for providing efficient, reliable, cost-effective and responsive technology services and dedicated support to all technology users throughout Bi-State Development.

Information Technology is responsible for developing, operating, and maintaining information and telecommunications systems; designing, programming, and purchasing software that supports all business processes within the company; providing help-desk support for computer-dependent employees; designing and maintaining both internet and intranet websites; supporting customers, employees, and the general public.

Office Services is responsible for in-house publishing, mail delivery services, and copying services.

Organization:



Goals and Objectives Action Plan: Information Technology

The following strategies and action steps help Bi-State Development achieve its goals and objectives as outlined in the strategic plan section of this document.

Goal: Deliver a high quality transit experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence.		
Objective: Efficiently and effectively operate service sectors		
Strategy	**Action Steps**	**Performance Measurements**
Support technology improvements in revenue collection, reporting, and the transit rider experience	Support implementation of the Gateway Fare Collection Project: • Test and control release of all technical Gateway system components • Work with project team to identify implementation plan and tasks • Execute assigned IT Gateway Fare Collection project tasks	• Project timeline supported • Project informed on IT progress and issues • Gateway Implementation progressed
Improve transit system management and customer experience	Lead and manage the Transit Operations Improvements (TOI) project • Publish and manage project tasks & schedule • Monitor vendor activities • Coordinate key business resources & milestones • Manage issues and work with project to determine resolutions • Monitor and control spending to budget	• Project schedule and status is communicated and known to stakeholders • Project progresses and major negotiated vendor milestones are met • Project budget met

Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources		
Objective: Implement cost reduction strategies and internal process improvements		
Strategy	**Action Steps**	**Performance Measurements**
Right size software licensing and maintenance costs	• Periodically assess licensing, vendor maintenance, and support for accuracy and value • Assess alternatives to support if warranted • Evaluate long term support as part of each new software purchase	• Adjustments to support that reflect changing licensing and needs • RFP evaluations that include long term support considerations
Evaluate new technologies for value and usability	• Research new technology trends • Understand value, issues, and potential impacts • Discuss latest changes with peer organizations • Recommend and implement when appropriate	• Evaluations, white papers, and recommendations from Information Technology to business teams • New technologies and approaches in evidence within Bi-State Development

Goal: Maintain a high quality experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence during a period of major reconstruction in and around the Gateway Arch.		
Objective: Efficiently and effectively operate service sectors		
Strategy	**Action Steps**	**Performance Measurements**
Support technology improvements in the Gateway Arch customer experience	Support Implementation of a new ticket management and selling system for the Gateway Arch • Work with project team and vendor to identify implementation plan and tasks • Execute assigned IT Arch Ticketing Project tasks	• Project timeline supported • Project informed on IT progress and issues
Support technology changes and improvements in the National Park	Support reconfiguration and renewal of the Museum of Westward Expansion and Park • Work with project team to plan and identify technology changes and tasks • Execute assigned IT project tasks	• Project timeline supported • Project informed on IT progress and issues

Performance Indicators – Information Technology

Progress in meeting the goals and objectives are measured through performance indicators. Following is a list of the performance indicators:

	FY 2017	FY 2016		FY 2015
	Target	Projection	Target	Actual
Information Technology:				
System uptime	98.8%	99.0%	98.8%	99.4%
Information Technology % personnel turnover	<10%	6.5%	<10%	6.9%
Information Technology request turnaround (days per request)	< 4	4	< 5	4.4
Office Services:				
In-house professional print jobs	>60	60	>58	58

Information Technology - Operating Expense

		Actual FY 2015	Budget FY 2016	Projection FY 2016	Budget FY 2017	FY17 Bdgt/FY16 Proj $ Change	FY17 Bdgt/FY16 Proj % Change	Budget FY 2018	Budget FY 2019
Information	Wages & benefits without OPEB	$ 2,885,746	$ 5,145,948	$ 4,068,469	$ 5,211,500	$ 1,143,031	28.1%	$ 5,370,578	$ 5,580,390
Technology	Other post-employment benefits	(85,363)	221,541	49,894	46,059	(3,835)	-7.7%	49,375	53,177
	Services	3,221,937	2,632,571	3,146,604	2,817,405	(329,199)	-10.5%	2,979,059	3,121,886
	Parts & supplies	443,955	494,262	360,120	502,538	142,418	39.5%	516,917	528,458
	Utilities	631,070	528,820	586,498	531,274	(55,224)	-9.4%	481,454	431,514
	Leases and other expense	129,984	161,232	189,753	157,328	(32,425)	-17.1%	163,356	166,774
	Operating expense	**$ 7,227,328**	**$ 9,184,374**	**$ 8,401,338**	**$ 9,266,104**	**$ 864,767**	**10.3%**	**$ 9,560,739**	**$ 9,882,199**

Marketing and Communications

Organizational overview:

Marketing and Communications is responsible for developing and executing strategic and tactical marketing, sales, community outreach and public relations plans for Bi-State Development and its divisions.

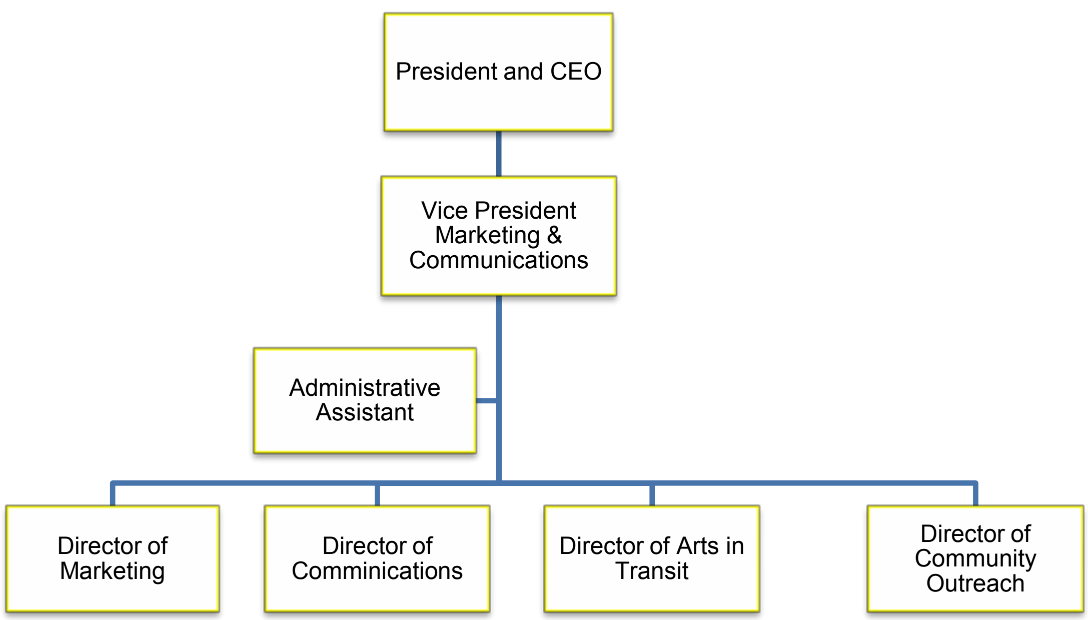
Marketing develops and implements marketing, sales and graphic communication strategies and programs to support BSD and all its business units. Marketing is responsible for the Gateway Card customer education function that supports transit's new fare collection system, and for MetroStore, the Bi-State Development's "owned and operated" consignment location positioned to generate tourism and corporate sales for transit.

Communications is responsible for the development and implementation of messages, programs, activities, materials, presentations and media relations designed to enhance employee and public awareness, understanding and support for Bi-State Development's policies, plans, services and initiatives.

Community Outreach executes proactive strategic programs to build relationships with civic, business and community groups in order to advance understanding of the Bi-State Development's role in driving economic activity in the region.

Arts in Transit (AIT) develops and implements art and design projects that enhance the aesthetic and ambient environment of the Metro transit system and the region. In addition AIT supports collaborative public art projects including bus painting, displays of poetry and art competitions.

Organization:



Goals and Objectives Action Plan: Marketing and Communications

The following strategies and action steps are designed to further the achievement of the Bi-State Development goals and objectives as outlined in the Strategic Plan section of this document.

Goal: Build an effective and efficient publically supported organization that is viewed as a transparent and accountable steward of public funds		
Objective: Establish and execute communications, marketing and outreach plans that build public perception of Bi-State Development programs, enterprises and leadership		
Strategy	**Action Steps**	**Performance Measurements**
Execute strategic external public relations strategies and tactics to raise awareness and support for Bi-State Development goals, achievements and contributions to the region Continue to build awareness of BSD enterprises, recognized for effective economic development through world-class transit services, regional freight development, research, tourism and operation of St. Louis Downtown Airport Create opportunities to engage constituents in conversations about BDS's role in regional vitality; its programs, enterprises and leadership	• Continue to develop and execute brand strategy for Bi-State Development, promoting all operating entities • Execute strategic media plan based on key initiatives • Promote awareness of BSD's contributions to the economic vitality of the region • Launch and promote identity of St. Louis Regional Freightway, BSD Research Institute and support BSD Tourism Innovations launch • Support testing and implementation of Gateway Card rollout • Create and execute opportunities to engage strategic community partners throughout the region • Produce Second Annual Meeting to promote collaboration around regional economic development • Circulate Annual Report to the Region to wider audience	• Increase the number of positive media reports about BSD and its enterprises • Increase website assets to reflect all BSD enterprises • Share Annual Report with a greater number of constituents through print and electronic media • Increase attendance at Annual Meeting • Host additional BSD Economic Development events, including a public launch of St. Louis Regional Freightway • Increase public awareness of BSD Research Institute • Increase external website users and social media presence

Goal: Pursue revenue through ridership, advertising revenue & other funding partnerships		
Objective: Execute revenue enhancement strategies		
Strategy	**Action Steps**	**Performance Measurements**
Drive revenue through Commuter Advantage Program sales.	• Develop, execute and adjust as needed specific and trackable sales plan including client categories, product strategies, program baseline and growth goals • Create CRM system • Create new collateral materials to support programs	• Improved revenue over FY16 actual • Improved sales against FY16 total ridership & revenue • Reach FY17 Corporate participation goal
Drive revenue through Tourism, Convention and Recreation markets.	• Develop and execute plan to target tourism & convention markets • Engage conference planners to create partnerships for opportunities such as packaging event with Metro tickets, creation of specialty passes, and co-marketing & social media programs • Work with Revenue to provide increased ease of access to the transit system	• Increased Pass Sales • Increased event ridership • Increased awareness through "Take Metro to the..." campaigns.
Drive revenue through Special Event Passes	• Target special events easily accessed by transit system • Engage event planners to create partnerships for opportunities such as packaging event & Metro tickets, creation of specialty passes, and co-marketing & social media programs	• Increased Pass Sales • Increased event ridership • Increased awareness through "Take Metro to the..." campaigns.
Drive revenue through advertising opportunities	• Maximize revenue from advertising contracts • Expand sales opportunities to sell unused inventory • Work with advertising partner to develop sales strategy targeting corporate clients with multi-year advertising and naming right programs	• Increased sales from advertising sales

Goal: Deliver a high quality transit experience that is recognized by its customers, industry peers and regional stakeholders for its excellence		
Objective: Improve the value of regional transit infrastructure and the quality of the transit experience through aesthetic enhancement		
Strategy	**Action Steps**	**Performance Measurements**
Support the regional transit system and the community aesthetic through an effective Arts In Transit program.	• Secure and maintain grants and sponsorships, and other earned income that support Arts in Transit programs • Review organizational structure and bylaws of Arts In Transit, Inc. to become more competitive for securing grant funds • Host annual Art Bus, MetroLines poetry competition, and MetroScapes bus shelter poster competition, and other relevant community-based arts programs • Operate *Gallery North* at the North County Transit Center (Opens March 2016) • Explore Arts In Transit potential contribution in future projects like Civic Center and Boyle Street MetroLink Stations • Develop marketing strategy and supporting materials for AIT • Collaborate with Operations in the development of new Wayfinding and Signage strategies.	• Increased number and amount of grants • Increased revenue from Art Bus sponsorships • Increased sales of MetroScapes posters • Increased participation in Art Bus, MetroLines, and MetroScapes events and competitions; and enhanced reputation within the general community due to Arts in Transit programs • Increased public awareness of Metro Arts In Transit program • Plan in place for improved wayfinding throughout the Metro transit system

Goal: Value all members of our staff and endeavor to help all of our employees develop their fullest potential		
Objective: Build employee awareness of and support for BSD enterprises, goals and achievements		
Strategy	**Action Steps**	**Performance Measurements**
Develop and execute internal communications plans that improves employee knowledge and employee engagement	• Create an internal communications plan that incorporates survey feedback from employees • Use employee feedback to address internal communications needs and better inform and engage BSD employees • Remain consistent with internal and external messaging • When possible, provide employees advance notice about news or changes that will be released publically • Continue to develop new features and functionality to the internal website • Manage electronic message boards at BSD facilities	• Increase in employee awareness of BSD enterprises, initiatives and accomplishments

Performance Indicators – Marketing and Communications

Progress in meeting the goals and objectives are measured through performance indicators. The following is a list of the performance indicators for marketing, communications, and community outreach:

	FY 2017	FY 2016		FY 2015
	Target	**Projection**	**Target**	**Actual**
Increase public awareness and support for company policies, plans, services and initiatives through growing effective social media.				
• Facebook likes	11,257	7,484	8,438	4,232
• Twitter followers	17,710	14,440	14,600	12,137
• Instagram followers	3,340	2,170	2,260	1,276

	FY 2017 Target	FY 2016 Projection	FY 2016 Target	FY 2015 Actual
Increase public awareness and support for company policies, plans, services and initiatives through effective media relations.				
• Positive media reports* accomplishing that goal:	13,000	12,000	2,400	11,883
• Estimated positive media exposures*	15.5B	15B	0.5B	15B
• $ value of comparable paid advertising*	$19M	$18.7M	$4.3M	$18.7M

*New media monitoring resource, acquired in FY15, has a more extensive database that provides greater access to print circulation, broadcast audiences and unique visitors to websites directly from the media sources. The result is, we now have access to thousands more BSD news items that have appeared locally and nationally in the media.

	FY 2017 Target	FY 2016 Projection	FY 2016 Target	FY 2015 Actual
Develop and execute strategic and tactical marketing and sales plans that meet business targets for transit				
• Advertising Revenue	$1.6M	$1.4M	$1.4M	$1.3M
• MetroStore Sales	$2.8M	$2.7M	$2.6M	$2.6M
• Transit Benefit Program corporate participants	110	100	100	92
• Transit Benefit Program passes purchased: (monthly average)	$4.4M	$4.2M	$4.2M	$4.1M
Arts in Transit grants and other revenue:	$75,000	$50.000	$75,000	$40,600
Community events participation:	105	95	90	85

Marketing & Communications - Operating Expense

		Actual FY 2015	Budget FY 2016	Projection FY 2016	Budget FY 2017	FY17 Bdgt/FY16 Proj $ Change	FY17 Bdgt/FY16 Proj % Change	Budget FY 2018	Budget FY 2019
Marketing & Communications	Wages & benefits without OPEB	1,363,464	1,814,703	1,644,892	$ 1,810,106	$ 165,214	10.0%	$ 1,861,937	$ 1,936,147
	Other post-employment benefits	(28,030)	63,044	17,209	13,107	(4,102)	-23.8%	14,051	15,133
	Services	288,269	886,784	545,862	908,744	362,882	66.5%	933,772	940,363
	Parts & supplies	316,959	261,242	465,196	269,085	(196,111)	-42.2%	275,380	281,834
	Casualty & liability	-	-	1,000	-	(1,000)	-100.0%	-	-
	Utilities	8,036	9,200	8,419	10,400	1,981	23.5%	10,400	10,400
	Leases and other expense	453,134	579,480	576,086	591,833	15,747	2.7%	604,494	617,472
	Operating expense	**$ 2,401,832**	**$ 3,614,453**	**$ 3,258,663**	**$ 3,603,274**	**$ 344,611**	**10.6%**	**$ 3,700,034**	**$ 3,801,348**
Arts In Transit	Wages & benefits without OPEB	123,009	100,687	109,212	97,426	(11,785)	-10.8%	100,268	104,173
	Other postemployment benefits	2,340	2,500	954	520	(435)	-45.5%	557	600
	Services	22,611	46,000	26,909	46,150	19,241	71.5%	46,304	46,461
	Parts & supplies	685	20,587	10,345	21,094	10,749	103.9%	21,614	22,146
	Utilities	632	800	705	800	95	13.5%	800	800
	Taxes, leases & other	2,726	2,400	5,689	2,400	(3,289)	-57.8%	2,400	2,400
	Operating expense	**$ 152,002**	**$ 172,974**	**$ 153,813**	**$ 168,390**	**$ 14,577**	**9.5%**	**$ 171,942**	**$ 176,581**
Gateway Card Center	Wages & benefits without OPEB	52,720	70,272	74,340	78,841	4,501	6.1%	81,287	84,853
	Other postemployment benefits	(3,347)	-	338	0	(338)	-100.0%	-	0
	Services	30,028	209,500	108,763	214,738	105,975	97.4%	226,576	219,615
	Parts & supplies	696	750	375	750	375	100.0%	750	750
	Utilities	-	-	-	600	600	-	600	600
	Taxes, leases & other	5	3,200	1,637	3,200	1,563	95.5%	3,200	3,200
	Operating expense	**$ 80,102**	**$ 283,722**	**$ 185,453**	**$ 298,128**	**$ 112,676**	**60.8%**	**$ 312,413**	**$ 309,019**
Marketing Management Management	Wages & benefits without OPEB	1,187,736	1,643,743	1,461,340	1,633,839	172,499	11.8%	1,680,382	1,747,120
	Other postemployment benefits	(27,022)	60,543	15,917	12,587	(3,330)	-20.9%	13,493	14,532
	Services	235,630	631,284	410,191	647,856	237,666	57.9%	660,892	674,286
	Parts & supplies	315,578	239,906	454,476	247,241	(207,235)	-45.6%	253,017	258,937
	Casualty & liability	-	-	1,000	0	(1,000)	-100.0%	-	0
	Utilities	7,404	8,400	7,714	9,000	1,286	16.7%	9,000	9,000
	Taxes, leases & other	450,403	573,880	568,760	586,233	17,473	3.1%	598,894	611,872
	Operating expense	**$ 2,169,729**	**$ 3,157,756**	**$ 2,919,398**	**$ 3,136,755**	**$ 217,358**	**7.4%**	**$ 3,215,679**	**$ 3,315,748**

Transit Improvement Plan Assumptions

The three-year Transit Improvement Plan reflects known factors currently in existence to estimate the financial position for BSD through 2020. Deficits projected for FY 2018 through FY 2020 represent the unfunded portion of OPEB obligations.

Operating Revenue

Passenger revenue for FY 2018 - FY 2020 reflects consistent service levels as planned in the FY 2017 budget. Passenger revenue projections include a 1.7% increase in 2018 as a result of returning ridership and smart card technology. A fare increase and an expected boost in ridership in FY 2019 yields a 3.4% increase. Planned regional development supports a 3.0% growth in passenger ridership and revenue in FY 2020.

TMA revenue to be received from Transit Management Association participants is expected to grow moderately at 2.0% annually for FY 2018 - FY 2020.

Paratransit contract revenues are associated with Call-A-Ride operations primarily due to Missouri Medicaid customers. Revenue is expected to increase 0.5% for FY 2018 and then 1.0% for FY 2019 and FY 2020. The modest increase is due to fewer customers expected to use Medicaid services.

Other operating revenue consists of advertising on revenue vehicles, shelters and MetroLink stations; property rental; contracted maintenance for St. Clair ATS service; concessions; and other revenue. For FY 2018 - FY 2020, other operating revenues are expected to increase in the 2.4% to 2.6% range annually.

Operating Expense

Operating expenses are projected to increase at the rate of 3.0% for FY 2018, 2.6% for FY 2019 and 3.0% for FY 2020. Moderate inflation demands will increase wages, materials and parts, services and utilities costs.

Grants, Sales and Contractual Revenue

City of St. Louis ½ cent sales tax assumes a modest growth of 1.0% in FY 2018 through FY 2020.

St. Louis County ½ cent sales tax assumes that the county will continue to appropriate to Bi-State Development 50.0% of collections for FY 2018 through FY 2020. Tax receipts from St. Louis County are projected to increase 2.5% in FY 2018, FY 2019 and FY 2020 from regional development and a strengthened economy.

City of St. Louis and St. Louis County 1/4 cent sales tax (Prop M) incorporates the regional plan for funding MetroLink. This sales tax is pledged for bond debt (principal and interest) requirement. Prop M sales tax receipts from the City of St. Louis are projected to increase 1.0% for FY 2018 - FY 2020. St. Louis County Prop M sales tax receipts are projected to increase 2.5% each year over the TIP period. The amounts to the operating budget vary due to change in reserves for principal payments.

St. Louis County ½ cent sales tax (Prop A) assumes that St. Louis County will appropriate 64.2% of projected Proposition A sales tax receipts to fund Metro operations, capital and debt requirements between FY 2018 and FY 2020. Receipts from this sales tax are projected to increase 2.5% for FY 2018 - FY 2020. In FY 2018, the percent allocated to the operating budget increased by 0.4% adding to the overall change. Per an agreement with St. Louis County, remaining tax receipts can be borrowed at mutually advantageous rates to accelerate debt repayment of the 2013 bonds.

City of St. Louis ¼ cent sales tax (Prop M2) tax receipts from the City of St. Louis are projected to increase 1.0% from FY 2018 - FY 2020.

All sales taxes must support operation and capital requirements of the system. Prop M, Prop M2 and Prop A sales tax receipts must also support principal and interest expense (debt service) on bonds in addition to the operating and capital requirements. Approximately $8.2 million annually is required to be reserved for local match to attract federal funding for capital projects.

State of Missouri revenue and the EWGCOG reimbursement for FY 2018 - FY 2020 are expected to remain at the FY 2017 budget level.

St. Clair County revenue assumes continuation of St. Clair County, Illinois MetroBus and MetroLink service at the same levels as used in the FY 2017 budget. The FY 2018 projected increase is at the 2.3%, followed by a 3.0% increase in FY 2019 and FY 2020. The rate increases are following the increases in operating expense.

State of Illinois revenue for the non-capital soil erosion and other non-capital projects are flat in FY 2018, reduced in FY 2019 due to project completion and flat in FY 2020.

Federal vehicle maintenance (Federal Formula Funds) is budgeted at $16 million for FY 2018 - FY 2020. Using these funds for operations may result in transit deferring capital spending in future years. If deferring capital replacement and rehabilitation spending is required, it could be detrimental to our investment in assets which the FTA expects Bi-State Development to keep in good condition. Examples of projects that should be funded with 5307 money include technology and infrastructure. Most of transit's facilities are 20-plus years of age.

Other non-capital projects Federal assistance is projected at approximately $3.3 million in FY 2017 and increasing to $4.3 million in FY 2018.

Federal non-capital Grants administration is $254 thousand in FY 2017 and remains at or near that level through FY 2020.

Non-Operating Revenue (Expense)

Investment income is projected that investment funds will see some growth in upcoming years. As a result, interest income will also increase.

Interest on debt decreases as debt is annually retired per the amortization schedule. The debt reserve requirement also decreases and funds are used to pay down current debt service payments

Deficit before Depreciation

Net deficits projected for FY 2018 - FY 2020 represent annual unfunded OPEB obligations. Actual deficits may differ from these projections due to adverse economic conditions or unexpected expenditures.

Transit Improvement Plan Financial Summary

The following pages include a three year Statement of Revenue and Expenses and a three year Statement of Grants, Sales Tax and Contractual Revenue detail.

Metro Transit
Transit Improvement Plan
Three Year Financial Summary

(Dollars in thousands)

	FY 2017	FY 2018		FY 2019		FY 2020	
	Budget	Projection	Change	Projection	Change	Projection	Change
Operating revenue:							
Passenger revenue	$ 49,716	$ 50,550	1.7%	$ 52,261	3.4%	$ 53,851	3.0%
TMA revenue	1,431	1,459	2.0%	1,488	2.0%	1,519	2.0%
Paratransit contracts	2,904	2,918	0.5%	2,948	1.0%	2,978	1.0%
Other	5,668	5,806	2.4%	5,958	2.6%	6,109	2.5%
	59,719	**60,733**	**1.7%**	**62,654**	**3.2%**	**64,458**	**2.9%**
Operating expense	**283,530**	**292,133**	**3.0%**	**299,634**	**2.6%**	**308,475**	**3.0%**
Operating income (loss)	**(223,811)**	**(231,399)**	**(3.4)%**	**(236,979)**	**(2.4)%**	**(244,017)**	**(3.0)%**
Non-operating revenue (expense):							
Grants, sales tax and contractual revenue	242,495	248,700	2.6%	252,748	1.6%	258,412	2.2%
Investment income	7,189	7,641	6.3%	8,094	5.9%	8,337	3.0%
Interest on debt	(26,029)	(25,233)	(3.1)%	(24,411)	(3.3)%	(23,605)	(3.3)%
Sheltered workshop	(1,254)	(1,280)	2.0%	(1,306)	2.0%	(1,332)	2.0%
Other non-operating revenue/(expense)	42	43	0.0%	43	0.0%	43	0.0%
	222,443	**229,870**	**3.3%**	**235,168**	**2.3%**	**241,854**	**2.8%**
Net income (deficit) before depreciation	**(1,369)**	**(1,529)**	**(11.7)%**	**(1,811)**	**(18.5)%**	**(2,163)**	**(19.4)%**
Depreciation & Amortization	73,396	73,498	0.1%	74,944	2.0%	76,818	2.5%
Net income (deficit)	**$ (74,765)**	**$ (75,027)**	**(0.4)%**	**$ (76,756)**	**(2.3)%**	**$ (78,981)**	**(2.9)%**

Totals may not sum due to rounding.

Metro Transit
Transit Improvement Plan
Three Year Grants, Sales Tax and Contractual Revenue Detail

(Dollars in thousands)

	FY 2017	FY 2018		FY 2019		FY 2020	
	Budget	Projection	Change	Projection	Change	Projection	Change
Local & state:							
Missouri:							
City of St. Louis 1/2 cent sales tax	$ 18,935	$ 19,124	1.0%	$ 19,315	1.0%	$ 19,516	1.0%
City of St. Louis 1/4 cent sales tax	8,822	8,916	1.1%	8,920	0.0%	9,013	1.0%
City of St. Louis Prop M2 sales tax	7,083	7,154	1.0%	7,226	1.0%	7,301	1.0%
Total City of St. Louis	34,840	35,195	1.0%	35,461	0.8%	35,830	1.0%
St. Louis County 1/2 cent sales tax	41,707	42,749	2.5%	43,818	2.5%	44,927	2.5%
St. Louis County Prop M 1/4 cent sales tax	36,650	37,592	2.6%	38,067	1.3%	39,030	2.5%
St. Louis County Prop A 1/2 cent sales tax	54,522	56,133	3.0%	57,494	2.4%	58,948	2.5%
Total St. Louis County	132,879	136,475	2.7%	139,379	2.1%	142,905	2.5%
Other local match - MO	650	650	0.0%	650	0.0%	650	0.0%
State of Missouri	469	469	0.0%	469	0.0%	483	3.0%
Planning & demonstration reimbursement - EWGCOG	160	160	0.0%	160	0.0%	160	0.0%
Total Missouri local & state:	**168,998**	**172,948**	**2.3%**	**176,119**	**1.8%**	**180,028**	**2.2%**
Illinois:							
St. Clair County	51,885	53,090	2.3%	54,682	3.0%	56,347	3.0%
State of Illinois	1,633	1,633	0.0%	1,000	(38.7)%	1,000	0.0%
Total Illinois local & state:	**53,517**	**54,723**	**2.3%**	**55,682**	**1.8%**	**57,347**	**3.0%**
Total local & state	**222,516**	**227,671**	**2.3%**	**231,801**	**1.8%**	**237,375**	**2.4%**
Federal assistance:							
Vehicle maintenance	16,000	16,000	0.0%	16,000	0.0%	16,000	0.0%
JARC West County reverse commute express	393	393	0.0%	393	0.0%	393	(0.0)%
Non-capital projects- other	3,251	4,300	32.3%	4,218	(1.9)%	4,345	3.0%
Non-capital grants administration	254	254	0.0%	254	0.0%	217	(14.5)%
Total federal	**19,979**	**21,029**	**5.3%**	**20,947**	**(0.4)%**	**21,037**	**0.4%**
Total grants, sales tax and contractual revenue	**$ 242,495**	**$ 248,700**	**2.6%**	**$ 252,748**	**1.6%**	**$ 258,412**	**2.2%**

Metro Transit
Capital Budget

Capital Revenue Assumptions
FY 2017 – FY 2019

Federal Funding

"Fixing America's Surface Transportation Act" (FAST Act)

The FAST Act is a five-year bill signed into law by President Obama on December 4, 2015. The FAST Act became effective on October 1, 2015. The new transportation law authorizes transit programs for FY 2016 – FY 2020, through September 30, 2020. The FAST Act provides steady and predictable funding over the next five years with an increase of $1billion dollars per year to transit. The FAST Act also targets funding increases towards improving state of good repair and the bus program.

There are several changes anticipated under the new FAST ACT law. Anticipated annual authorizations through the Section 5307 Urbanized Area Formula program is expected to increase by approximately 2% each year over FY15 authorized amounts. Additionally, recipients are no longer required to expend 1% of the 5307 funding on associated transit improvements. Anticipated annual authorizations through the Section 5337 State of Good Repair program is expected to increase by approximately 1.7% each year over FY2015 authorized amounts. The Section 5339 Bus and Bus Facility formula program is maintained under the new transportation law and annual authorizations are anticipated to increase by approximately 2% each year over FY 2015 authorized amounts. Additionally, the FAST Act re-introduces a discretionary bus program that was eliminated under the previous transportation law.

Annual capital revenue assumptions over the FY 2017 – FY 2019 capital budget period for Bi-State Development will be based on several factors. For urbanized areas (UZAs) with populations of 200,000 or more, the formula is based on a combination of bus revenue vehicle miles, bus passenger miles, bus operating costs, fixed guideway vehicle revenue miles, and fixed guideway route miles, as well as population and population density. The formula allocation also includes a percent of the Section 5307 funds that will be allocated based on low-income persons residing in urbanized areas. Also, annual revenue from these formula based programs will be based on Bi-State Development's annual reporting of data to the National Transit Database.

Additional capital revenue assumptions included in the FY 2017 – FY 2019 capital plan include several discretionary funding programs. Under MAP-21, the Bus and Bus Facility discretionary program was repealed and in its place, a new Bus and Bus Facility Formula program was created. Under the FAST Act, the Bus and Bus Facility

Discretionary program has been re-introduced, and includes a sub-program for technological changes or innovations to modify low or no emission vehicles and facilities. The FAST Act also continues federal highway funding for the Congestion Mitigation and Air Quality program and the Surface Transportation program. Funding under each of these programs is eligible for various public transportation purposes.

The FAST Act also continues the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities program that is a formula program to improve mobility for seniors and individuals with disabilities by removing barriers to transportation service and expanding transportation mobility options.

The FAST Act will support many of Bi-State Development's capital program goals, including safety, state of good repair, performance, and program efficiency.

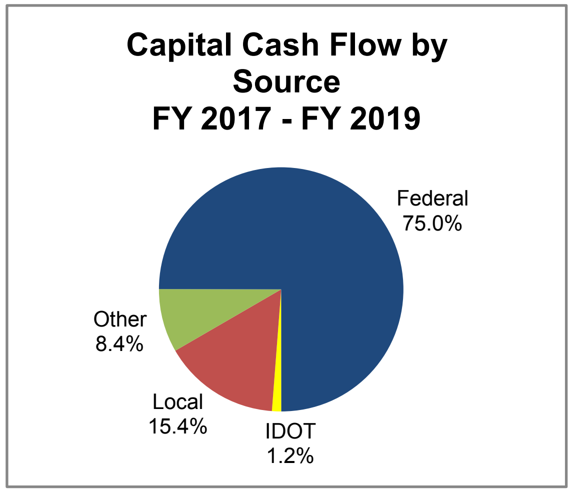
Through funding apportioned under the FAST Act, Bi-State Development's capital program is planned primarily through the Section 5307 Urbanized Area Formula program; Section 5337 State of Good Repair Formula Program, and the Section 5339 Bus and Bus Facility Formula program.

Bi-State Development's FY 2017 – FY 2019 capital budget totals $633.9 million. Funding is planned through the FAST Act programs including Section 5307 Formula, Section 5337 State of Good Repair and Section 5339 Bus and Bus Discretionary Formula as well as previously authorized and apportioned programs under MAP-21 and SAFETEA-LU. Federal discretionary programs such as Congestion Mitigation & Air Quality (CMAQ) funds and Surface Transportation Program (STP) funds are continued under the FAST Act law and are planned in this capital program. In addition, the Bus and Bus Facility discretionary grant program is being re-introduced under the FAST Act law and funding is planned for revenue rolling stock and facility rehabilitation and replacement.

Under the FAST Act transportation law, capital projects are planned with an 80% federal investment and 20% local match. In the case of revenue vehicles and facilities, which seek to meet Clean Air regulations and ADA, compliance, under the FAST Act federal funding is eligible for up to 80% of the net project costs. For vehicles and facilities programmed and awarded with funding under the prior transportation law MAP-21, the authorized federal investment was 85% with a 15% local match.

"Moving Ahead for Progress in the 21st Century" (MAP-21)

MAP-21 was a two-year bill signed into law by President Obama on July 6, 2012. MAP-21 became effective Oct. 1, 2012 and authorized transportation programs through the federal fiscal year ending September 30, 2014. MAP-21 was under a continuing resolution until December 4, 2015. Funding and programs authorized under MAP-21 will continue to be administered through their programmatic life.



Beginning with the FY 2013 apportionment, the Urbanized Area Formula funds have been apportioned based on UZA designations and population counts from the 2010 Census. For UZAs with populations of 200,000 or more, the formula is based on a combination of bus revenue vehicle miles, bus passenger miles, fixed guideway revenue vehicle miles, fixed guideway passenger miles and fixed guideway route miles, as well as population and population density. In addition, under MAP-21 a new factor in computing the Formula allocation includes a percent of the section 5307 funds that will be allocated on the basis of low-income persons residing in urbanized areas. This allocation will continue under the FAST Act.

MAP-21 repealed the New Freedom Program (Section 5317) established under SAFETEA-LU and the New Freedom Program activities were merged into an existing Section 5310 Elderly and Disabled program creating the new Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities program. The original Section 5310 program was established in 1975 as a discretionary capital assistance program awarding grants to private nonprofit organizations to serve the transportation needs of seniors and persons with disabilities. Under SAFETEA-LU, the Section 5317 New Freedom program was a formula grant program that provided funding for capital and operating expenses that support new public transportation services beyond those required by the Americans with Disabilities Act of 1990.Under the new Section 5310 program, funding supports "Traditional" capital projects and incorporates the New Freedom activities into the program. The FAST Act continues the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities program over the five-year authorization.

Safe, Accountable, Flexible and Efficient Transportation Equity Act - A Legacy for Users (SAFETEA–LU)

SAFETEA-LU was signed into law on August 10, 2005 and authorized a total of $52.6 billion in guaranteed funding for Federal transit programs for FY 2005 through FY 2009. SAFETEA-LU was structured to increase investments in public transit through common sense transit solutions. The law expired September 30, 2009 and remained in effect under a series of continuing resolutions until its final expiration on September 30, 2012. Funding and programs authorized under SAFETEA-LU will continue to be administered through their programmatic life.

Department of Homeland Security Transit Security Grant Program (TSGP)

The Transit Security Grant Program continues to be an important funding source for Bi-State Development. These funds provide for the critical hardening of Bi-State Development's assets by enhancing various security measures as well as providing funding to support front-line employee training and bus and rail response and recovery drills to address potential terrorist threats. The capital budget includes projects and planned applications throughout the FY 2017 – FY 2019 period.

State Funding

Illinois Department of Transportation (IDOT)

IDOT funds are used to support various capital projects located in Illinois. Bi-State Development also uses Illinois funds for a share of the cost of capital projects that benefit Illinois but are located in Missouri.

Missouri Department of Transportation (MoDOT)

Funding to support capital projects will be sought through MoDOT as available.

Local and Other Funding

Missouri Local Sales Tax Funds

Bi-State Development uses a combination of ½ cent and ¼ cent local sales tax capital funds generated by St. Louis City and County as the local match to Federal funding for bus and non-bus capital projects located in the City and County. Currently, 98% of the ½-cent sales tax receipts will be used for operating purposes for FY 2017 - FY 2019.

Funds generated by the ¼-cent sales tax approved as "Proposition M" in August 1994 are applied first to cover debt service requirements of the Cross County bond issuance. After covering debt service requirements, a portion of the remaining funds may be used as the local match to fund specified capital projects located in Missouri as approved by St. Louis City and County.

Proposition A was authorized through a referendum passed in St. Louis County on April 6, 2010. Proposition A provides an additional ½ cent sales tax to fund public transit capital and operating needs for the St. Louis region. Prop A's passage in the County also triggered a ¼ cent sales tax in the City of St. Louis that voters there approved in 1997.

St. Clair County (Illinois) Transit District

The St. Clair County Transit District will provide funds for specific projects related to their Transit District.

Other Financing

Other financing is made up of operating dollars used to match capital projects such as preventive maintenance of vehicles and facilities. From time to time, funding is also identified from sources other than local sales taxes.

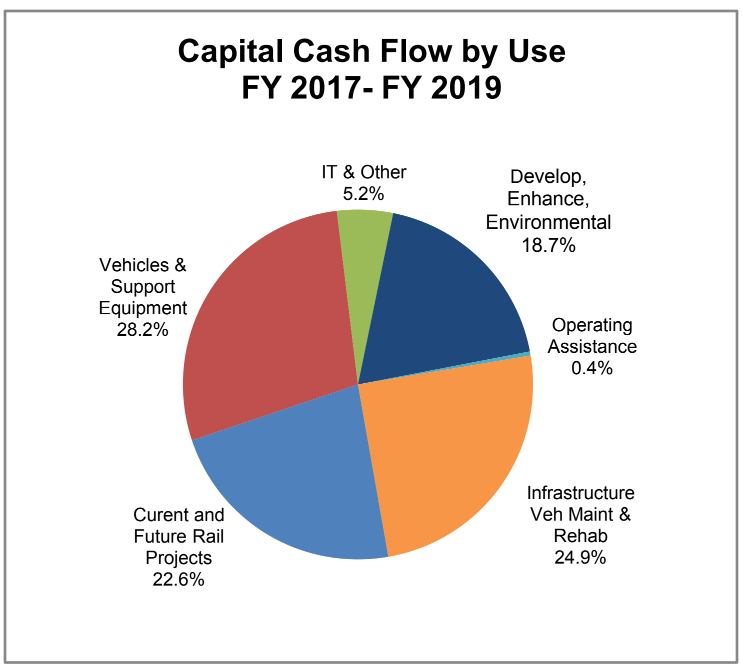
Metro Transit

Capital Expenditure Assumptions FY 2017 – FY 2019

Capital Expenditures

The capital expenditure program for FY 2017 – FY 2019 encompasses a wide range of initiatives over the next three years meeting Bi-State Development's major capital projects and priorities and incorporates the federal program changes reflected in the new transportation law Fixing America's Surface Transportation Act.

A capital project is defined as costing more than $5,000 and having a useful life of more than one year. Total capital expenditures planned for FY 2017 is $469.4 million. Total capital expenditures planned for the three-year capital program is $633.9 million. The FY 2017 – FY 2019 capital expenditure program includes both recurring and non-recurring capital expenditures. The recurring capital expenditures are those that are included in almost every budget and will have no significant impact on the operating budget. These recurring investments include bus and paratransit revenue rolling stock replacements; various security upgrades; hardware and software upgrades to support advances in technology; and preventive maintenance along the MetroLink Right-of-Way and at MetroBus stations. Federal Formula funds will be allocated to the vehicle maintenance program throughout this capital budget period.



Under the FAST Act the requirement to set aside one percent of Section 5307 Formula funds for associated transit improvements to enhance MetroBus and MetroLink facilities as a part of Bi-State Development's recurring capital activities has been repealed. However, carryover funding approved from prior transportation laws under SAFETEA-LU and MAP-21, are included in the FY 2017 – FY 2019 budget to support transit improvements throughout the transit system.

To support future transit enhancements, other capital funds will be designated for the Arts in Transit Program as directed by Board policy.

The three-year capital budget assumes approximately $143.2 million for MetroLink infrastructure projects, $2.3 million for JARC operating assistance, $13.7 million for safety and security enhancements, and $18.3 million for information technology improvements. Vehicles and supporting equipment needs assume $179.1 million; infrastructure and vehicle maintenance needs assume $157.7 million.

Peripheral equipment is planned to improve operating efficiencies, customer enhancements and support "smart bus" technology that includes automatic passenger counters, an automated vehicle locator system, closed circuit TV systems, additional ticket vending machines, and a farebox upgrade for "smart card" capability. These improvements will meet regional Intelligent Transportation System architecture requirements.

Various security upgrades will be met through this capital program period including additional cameras and digital recording devices on light rail vehicles, buses and paratransit vehicles and in various MetroLink tunnels and bridges. In addition, various security enhancements will be implemented at bus and light rail facilities including installation of upgraded public address systems.

Upgrades at various MetroLink stations and bus stops throughout the transit service area will serve to address the Americans with Disabilities Act (ADA) requirements. ADA improvements include the upgrade of tactile warning strips at various MetroLink stations as well as continuing to improve access to bus stops and the installation of passenger benches at various bus stop locations throughout the system.

Various technological advancements are planned over the next three years to support Bi-State Development's premiere transit operations. Hardware and software upgrades will be implemented throughout the system.

Major facility improvements planned over the next three years include the replacement of 15-20 year-old major components such as heating, ventilation and air conditioning systems, elevators, escalators, electrical systems and doors. In addition, MetroLink infrastructure projects over the next three years include bridge and tunnel repairs, surface and alignment of the mainline track, substations and catenary insulators.

Non-Routine Capital Expenditures

There are a number of non-recurring capital expenditures planned in the FY 2017 - FY 2019 capital budget. These non-recurring expenditures are intended to address an immediate capital need within the Bi-State Development's Metro Transit system and may impact the operating budget after initial capitalization. The non-recurring capital expenditures include major enhancements of the system infrastructure including the construction of a new MetroLink station in the central corridor of the St. Louis service area as well as the expansion of the existing Central West End MetroLink station. It also includes construction of a new bus transfer center in Downtown St. Louis and a new bus transfer center and maintenance facility in the North County portions of the service area. These planned improvements total $55.7 million.

Additionally, Bi-State Development continues to upgrade its interoperable communications system to be compliant with FCC regulations and to enable communications with first responders within the region. These improvements total $34 million. During this FY 2017 - FY 2019 capital program period, funds totaling $22.0 million are planned for expenditure to complete this project. A total of $7.2 million in expenditures is planned for the FY 2017 – FY 2019 capital program year to support the continued upgrade of the fare collection system and smart card program. Total investment in this project is $29.5 million.

During the FY 2017 – FY 2019 capital program period, $48 million will be allocated to the vehicle maintenance program through Federal Formula funds. A total of $16 million in Federal Formula funds annually will be allocated to the program for FY 2017 - FY 2019.

Under the FAST Act, funding for the State of Good Repair program which supports maintenance, replacement and rehabilitation of light rail infrastructure, facilities and equipment continues to be authorized. During the FY 2017 - FY 2019 capital investment program, projects will be administered and funds expended under the State of Good Repair program as well as the previously authorized Fixed Guideway Modernization program. In addition, funds totaling $18 million dollars have been returned to the capital budget from Bi-State Development's debt service reserve fund and applied to fixed guideway eligible projects. A total of $94 million in federal State of Good Repair funds are planned over FY 2017 - FY 2019 to support light rail facility and right-of-way improvements throughout the system, as well as rehabilitation and replacement of aged revenue and non-revenue equipment. As a part of Bi-State Development's overall state of good repair efforts, Bi-State Development continues to develop its' transit asset management program which will further establish standards for the state of good repair of Bi-State Development's transportation infrastructure and vehicles and to develop a transit asset management database to more efficiently manage all assets.

As a part of Bi-State Development's adopted Long Range Transit Plan, bus rapid transit (BRT) is planned to support several transit corridors. Through an alternatives analysis study funded in a previous capital year, the study is expected to lead to future design and construction of the selected corridors. These transportation efforts are being planned and coordinated with the region's metropolitan planning organization.

The three-year capital budget of $633.9 million addresses all major elements of Bi-State Development's Metro Transit system improvements. Included within this plan are eight significant non-routine capital expenditures. They include:

	(in millions)
Integrated Fare System Upgrade	$ 7.2
Radio Replacement	22.0
Union Station Tunnel Rehabilitation	34.9
Downtown Transfer Center	9.7
North County Bus Transfer Center\Maintenance Facility	30.6
Light Rail Vehicle Upgrades	74.0
Information Technology Upgrades	18.3
Boyle Avenue MetroLink Station & CWE Platform Extension	15.4
Total non-routine projects	$ 212.1

Funding for all programs will be derived from Federal Formula, Fixed Guideway, State of Good Repair, Bus and Bus Facility Formula, Bus and Bus Facility Discretionary, Surface Transportation Program, Job Access and Reverse Commute, Homeland Security, Congestion Mitigation & Air Quality, New Freedom, Enhanced Mobility of Seniors and Individuals with Disabilities and other sources of discretionary funding appropriately matched by local sources of funding. This plan is progressive and when effectively implemented will ensure that Bi-State Development is on target to meet the needs of the community.

Non-Routine Capital Grant Administration Agreements

In FY 2005, Bi-State Development assumed the grant administration responsibilities of the region's JARC and New Freedom funding. The JARC funding was previously administered as a competitive grant program awarded directly to Bi-State Development. As a part of the SAFETEA-LU authorization, the JARC funding was changed to a formula program. Under MAP-21, the JARC program was eliminated and the JARC related activities were incorporated as a part of eligible activities under the Federal Urbanized Area Formula funding. The FAST Act maintains this program element under the formula funding. Previously authorized and approved JARC funding will be expended over the FY 2017-FY 2019 capital program period.

The New Freedom program was introduced in SAFETEA-LU as a formula program. Under MAP-21, the program was eliminated and the activities are now incorporated as eligible activities in a new formula program known as the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities. The FAST Act continues the funding authorization for the Enhanced Mobility of Seniors and Individuals with Disabilities over the five-year authorization and is planned during the FY 2017 – FY 2019 program period.

The East-West Gateway Council of Governments (EWGCOG) was identified as the designated recipient for JARC and New Freedom funds through SAFETEA-LU. Through a memorandum of understanding, Bi-State Development administers sub-recipient awards and agreements for any projects that were selected through a competitive application process for these programs. Under MAP-21, the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities responsibilities were assigned to co-designated recipients including Bi-State Development, East-West Gateway Council of Governments, Missouri Department of Transportation (MoDOT) and Illinois Department of Transportation (IDOT). Bi-State Development will manage subrecipient awards and agreements for the "New Freedom" type projects; the State DOT's will manage the "traditional" 5310 program activities; and, EWGCOG will administer the application process and the development of the Coordinated Human Services Transportation Plan.

The FAST Act continues the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities funding program. It is expected that the co-designated recipients and their assigned responsibilities previously established under the prior authorization will be maintained and that funding will be administered as identified under the current MOU.

Bi-State Development will continue to administer funds remaining under the SAFETEA-LU and MAP-21 authorizations through the FY 2017 – FY 2019 program period. New funding appropriated under the FAST Act will also be administered through this program period.

While Bi-State Development is responsible for the administration of the grants and the reimbursement of expenditures generated by these partner agencies, Bi-State Development is not a direct recipient of these funds. Therefore, these projects and funds are not included in Bi-State Development's capital improvement program. Bi-State Development serves as administrator for the following subrecipients:

SAFETEA-LU Funded Projects
Job Access and Reverse Commute and New Freedom

	(in millions)
Jefferson County Developmental Disabilities Resource Board	$ 0.09
OATS	0.19
Jefferson County Community Partnership	0.04
Independence Center	0.18
Sub-total JARC/New Freedom agreements	$ 0.50

MAP-21 Funded Projects
Enhanced Mobility of Seniors and Individuals with Disabilities

	(in millions)
Paraquad	$ 0.19
ITN St. Charles	0.04
Disability Resource Association	0.14
Touchette Regional Hospital	0.02
Challenge Unlimited	0.21
Jefferson County Community Partnership	0.16
Sub-total Enhanced Mobility of Seniors & Individuals with Disabilities agreements	$ 0.76
Total non-routine capital grant administration agreements	$ 1.26

Impact of Capital Improvements on Operating Budget

Included in the capital budget is a three-year program designed to build, maintain or replace Bi-State Development's core infrastructure critical to the operation of the system. The effect of these projects on the operating budget is as varied as the projects. The capital budget provides the funding to implement necessary improvements and upgrades to the system infrastructure as well as various expenditures for asset replacements that occur on an infrequent basis and have an expected long-term useful life. The operating budget provides the funding to support everyday maintenance and resources necessary to support those maintenance efforts. This section addresses the expected operating budget impact of significant, current active capital projects or those planned to begin during the FY 2017 – FY 2019 capital program period and that directly affect the FY 2017 operating budget period.

Current and Future Rail Projects

Track, catenary, alignment, bridge, tunnel and maintenance projects generally have the effect of stabilizing maintenance activity in the operating budget by avoiding expense peaks and valleys. One very important project is the Eads Bridge rehabilitation project, along the original MetroLink alignment. This project is currently funded and rehabilitation efforts are on-going through early FY 2017. The Eads Bridge rehabilitation project will return the bridge to a state of good repair and reduce operating related maintenance expenses. In addition, the capital budget plans for a significant upgrade of the Union Station MetroLink Tunnel. This project is projected to cost $35 million. Full funding is planned through the FY 2017 – FY 2019 capital plan. This tunnel has experienced significant repairs over the past few years. The $35 million capital investment in this infrastructure is expected to reduce operating expenditures related to the tunnel by 15%. Additional light rail bridge and tunnel upgrades are planned through the FY 2017 - FY 2019 capital period to bring a number of infrastructures and facilities back to a state of good repair.

Vehicles and Supporting Equipment

Timely replacement of vehicles that have met their useful life will ensure that operating expenses remain stable. Revenue vehicles currently on order include 26 buses and 17 paratransit vehicles.

Capital expenditures are planned for upgrades to peripheral equipment including the fare collection system replacement, which is currently underway. This project is expected to improve efficiency of operations by improving equipment reliability and labor related repairs. Initially, parts will be under warranty as well. Smartcard technology will likely increase the cost of supplies, as materials related to card production are higher than paper related to tickets. Customer services during the transition will also increase. Estimated first year operating cost increases may be over $1 million.

A multi-year radio system replacement project is underway with design and planning of optimal sites for location of new radio towers being planned. This $34 million project is the result of FCC regulations requiring changes in technology and operating frequency. The radio system upgrade will incorporate Automated Vehicle Locator (AVL) technology. The addition of AVL should result in operating savings of more than $500,000 annually. If the radio project were not undertaken, the operational issues that would result from losing operating radio frequency would be unacceptable.

Transit Development - Facility, Centers, Stations, Parking Lots, Loops, Other

Construction of a new MetroLink station in the central corridor of the St. Louis service area and the expansion of the current Central West End MetroLink station will have a modest impact on operating costs beginning in FY 2019. Design is complete and construction for the expansion of a downtown bus transfer center will begin in late FY 2016 and will be complete in late FY 2017. Additionally a transfer center in the North County portion of our service area will open in March 2016 with a modest impact to operating costs beginning in FY 2017. With the construction and expansion of these three facilities there are expected operating costs to add additional positions as well as maintenance contracts and utilities. These projects continue the hub and spoke system Bi-State Development created ten years ago to support better transfer options for customers connecting via bus-to-bus or bus-to-rail. Seven other centers have been built since 2002. They include Ballas, North Broadway, Clayton, Civic Center at 14th and Spruce, Shrewsbury, Riverview and Meridian MetroBus Center. These centers provide improved transfers between bus routes in a safe and secure location. The maintenance contracts, utilities, additional positions, and landscaping have added $160,000 annually for these facilities.

Parking lot upgrades and ADA improvements at our MetroLink stations will decrease current maintenance efforts. A new maintenance facility is planned to support state of good repair needs for revenue vehicles operating from the planned North County Transfer Center. Additional manpower and utility costs will impact the operating budget.

Information Technology Improvements

Investments to improve Customer Service Information and Operations Management are planned over the three-year period. Additional technology upgrades will include a number of enhancements to the systems that will improve our customer relations and system management efforts without increasing manpower costs.

Long Range Capital and Operating Budget Impacts

An alternative analysis to consider possible Bus Rapid Transit (BRT) corridors was funded in a previous capital year. The preferred corridor(s) is expected to be identified through this analysis. As a part of long-range capital planning, funding will be sought to support the system improvements and equipment needs to build and operate the selected BRT corridor(s). Capital and operating costs will be determined based on outcomes of the alternatives analysis and design of the BRT corridors.

Significant Capital Improvement Projects and Operating Impacts Planned in FY 2017 – FY 2019

Description	Capital Investment (in millions)	Annual Impact FY	Operating $
North County Transfer Center	$5.4	2017	$ 0.3
Downtown Transfer Center Expansion	$10.5	2018	-
North County Maintenance Facility	$29.0	2019	$ 0.3
Radio/CAD/AVL Upgrades	$34.0	2017	($ 0.5)
Replacement Rolling Stock	$138.2	2017-2019	($ 3.0)
Boyle Avenue MetroLink Station and Expansion of Existing Central West End MetroLink Station	$15.4	2019	tbd

Transit System

Federal Programming Needs
FY 2017 – FY 2019

To meet the goals identified in the capital budget, appropriate federal funding must be secured to support capital programs for the planned three-year fiscal period. This section describes the planned projects and identifies the anticipated sources of funding and the fiscal year in which grant funds must be obligated. Any delay or reduction in federal, state or local funding will necessitate modifications to the capital improvements contained in this capital program.

The FAST Act is a five-year bill signed into law by President Obama on December 4, 2015. The FAST Act became effective on October 1, 2015. The new transportation law authorizes transit programs for FY 2016 – FY 2020, through September 30, 2020. The FAST Act provides steady and predictable funding over the next five years with an increase of $1billion dollars per year to transit. The FAST Act re-introduces a discretionary bus program, which was eliminated under the previous transportation law. The FAST Act also targets funding increases towards improving state of good repair and the bus program.

Programs authorized under the FAST ACT will continue to addresses several important goals facing the transportation system today including improving safety, ensuring the state of good repair of the system and focusing on performance and program efficiency. It also emphasizes rehabilitation and replacement of aged infrastructure by furthering the asset management requirements and performance-based planning requirements established under the previous transportation law MAP-21.

Projects identified in Bi-State Development's FY 2017 – FY 2019 capital plan seek to meet the requirements detailed in the FAST Act authorization and guidance. Planned replacement of rolling stock, including buses and paratransit vehicles that meet EPA clean air standards and are equipped with ADA complaint lifts and equipment will ensure the safety and security of our traveling customers throughout the region. Bi-State Development's planned projects to rehabilitate rail right-of-way, tunnels and bridges will ensure the state of good repair of our light rail system. Federal funding to support these significant capital upgrades are planned from Urbanized Area Formula, State of Good Repair and Bus & Bus Facility formula funds as well as discretionary sources including Bus and Bus Facility (new discretionary program under the FAST Act), Congestion Mitigation & Air Quality and Surface Transportation Program funds.

Bi-State Development is continuing its efforts to meet the goals of the Long Range Transit plan by completing a corridor study which will lead to the identification and selection of preferred corridors for the development of bus rapid transit. Under the FAST Act, Bi-State Development will seek funding under the Fixed Guideway Capital Investments Grant program which includes streamlined guidance for the New Starts and Small Starts programs as well as the Core Capacity program. These funding sources will support new or expanded fixed guideway systems as well as bus rapid transit efforts.

Transit System Transportation Improvement Plan
FY 2017 - FY 2019
Capital Cash Flow Summary

Sources of Funds	FY 2017	FY 2018	FY 2019	TOTAL
Federal Formula Funds - New	$ 32,262,865	$ 32,262,865	$ 32,262,865	$ 96,788,595
Federal Formula Funds - Carryover	91,279,868	-	-	91,279,868
Fixed Guideway Funds - Carryover	28,060,046	-	-	28,060,046
State of Good Repair - New	14,010,461	14,010,461	14,010,461	42,031,383
State of Good Repair - Carryover	51,962,708	-	-	51,962,708
Bus and Bus Facility - New	3,073,365	3,073,365	3,073,365	9,220,095
Bus and Bus Facility - Carryover	6,392,849	-	-	6,392,849
Approved Federal Discretionary Funds	55,174,461	392,589	392,590	60,959,640
Planned Federal Discretionary Funds	61,133,368	16,000,000	16,000,000	88,133,368
IDOT Funding	6,418,774	770,421	506,160	7,695,355
Missouri Local Match	68,387,815	11,300,027	11,580,513	91,268,355
St. Clair County Transit District Funds	6,522,070	16,227	-	6,538,297
Other Financing	44,742,186	4,451,917	4,392,590	53,586,693
Grand Total	**$ 469,420,836**	**$ 82,277,872**	**$ 82,218,544**	**$ 633,917,252**

FY 2017 Capital Programs and Projects

Current and Future Rail Projects		
Track, Catenary, Alignment, Bridge, Tunnel, and Maintenance Projects	$ 121,064,835	
		$ 121,064,835
Operating Assistance		
Job Access/Reverse Commute Service	808,141	
		808,141
Vehicles and Supporting Equipment		
Peripheral Equipment	11,269,921	
Peripheral Support	21,980,769	
Revenue Vehicles	91,201,455	
Support Vehicles	7,554,672	
		132,006,817
New Development, Enhancement, Environmental Projects		
Bike Trail	813,082	
Community Development Projects	8,347,463	
Enhancement Projects	4,782,034	
Transit Development-Facility, Centers, Stations, Parking Lots, Loops, Other	94,313,879	
		108,256,458
Information Technology Improvements		
Hardware and Software Data Systems	15,963,549	
Office Equipment	349,094	
		16,312,643

FY 2017 Capital Programs and Projects

Infrastructure, Vehicle Maintenance and Rehab Programs		
Existing Facilities - Maintenance and Rehab	18,607,896	
Maintenance Equipment - Fleet, Warehouse, Facilities, Storeroom	4,931,487	
Preventative Maintenance	20,000,000	
Vehicle Maintenance, Rehab, Overhaul Programs	35,049,139	
		78,588,522
Health, Safety, and Security		
Health, Safety and Security Projects	11,681,135	
		11,681,135
Program Administration		
Program Administration	702,285	
		702,285
	Grand Total	**$ 469,420,836**

FY 2017 - FY 2019 Capital Programs and Project

Current and Future Rail Projects		
Track, Catenary, Alignment, Bridge, Tunnel, and Maintenance Projects	$ 143,221,677	
		$ 143,221,677
Operating Assistance		
Job Access/Reverse Commute Service	2,378,499	
		2,378,499
Vehicles and Supporting Equipment		
Peripheral Equipment	11,269,921	
Peripheral Support	21,980,769	
Revenue Vehicles	138,259,867	
Support Vehicles	7,554,672	
		179,065,229
New Development, Enhancement, Environmental Projects		
Bike Trail	813,082	
Community Development Projects	8,347,463	
Enhancement Projects	4,841,362	
Transit Development-Facility, Centers, Stations, Parking Lots, Loops, Other	104,727,352	
		118,729,259
Information Technology Improvements		
Hardware and Software Data Systems	17,963,549	
Office Equipment	349,094	
		18,312,643

FY 2017 - FY 2019 Capital Programs and Project

Infrastructure, Vehicle Maintenance and Rehab Programs		
Existing Facilities - Maintenance and Rehab	18,607,896	
Maintenance Equipment - Fleet, Warehouse, Facilities, Storeroom	4,931,487	
Preventative Maintenance	60,000,000	
Vehicle Maintenance, Rehab, Overhaul Programs	74,137,142	
		157,676,525
Health, Safety, and Security		
Health, Safety and Security Projects	13,681,135	
		13,681,135
Program Administration		
Program Administration	852,285	
		852,285
	Grand Total	**$ 633,917,252**

Transit System Transportation Improvement Plan
FY 2017 - FY 2019
Capital Cash Flow Summary

Uses of Funds	FY 2017	FY 2018	FY 2019	TOTAL
Track, Catenary, Alignment, Bridge, Tunnel, and Maintenance Projects	$ 121,064,835	$ 13,162,008	$ 8,994,834	$ 143,221,677
Job Access/Reverse Commute Service	808,141	785,178	785,180	2,378,499
Peripheral Equipment	11,269,921	-	-	11,269,921
Peripheral Support	21,980,769	-	-	21,980,769
Revenue Vehicles	91,201,455	23,529,206	23,529,206	138,259,867
Support Vehicles	7,554,672	-	-	7,554,672
Bike Trail	813,082	-	-	813,082
Community Development Projects	8,347,463	-	-	8,347,463
Enhancement Projects	4,782,034	59,328	-	4,841,362
Transit Development - Facility, Centers, Stations, Parking, Lots, Loops, Other	94,313,879	10,413,473	-	104,727,352
Hardware and Software Data Systems	15,963,549	1,000,000	1,000,000	17,963,549
Office Equipment	349,094	-	-	349,094
Existing Facilities - Maintenance and Rehab	18,607,896	-	-	18,607,896
Preventative Maintenance	20,000,000	20,000,000	20,000,000	60,000,000
Maintenance Equipment - Fleet, Warehouse, Facilities, Storeroom	4,931,487	-	-	4,931,487
Vehicle Maintenance, Rehab, Overhaul Programs	35,049,139	12,253,679	26,834,324	74,137,142
Health, Safety and Security Projects	11,681,135	1,000,000	1,000,000	13,681,135
Program Administration	702,285	75,000	75,000	852,285
Grand Total	**$ 469,420,836**	**$ 82,277,872**	**$ 82,218,544**	**$ 633,917,252**

Tourism Innovation

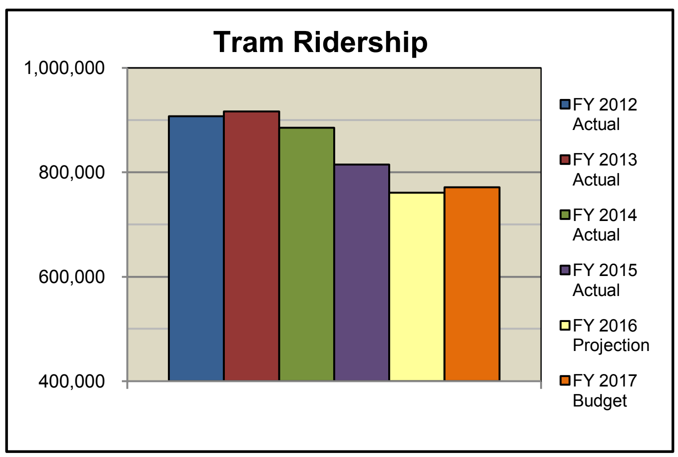
Gateway Arch

Overview:

In 1962, as the construction of the Gateway Arch was beginning, National Park Service officials recognized that existing funds were insufficient to construct a tram system to carry visitors to the top of the monument. Bi-State Development proposed its first major public transaction which was for the sale of revenue bonds to finance the Gateway Arch Tram Transportation System. Since its opening in 1967, Bi-State has overseen the tram system operation. Today, BSD employees also handle all aspects of ticketing and reservations and provide marketing support for the monument in partnership with the National Park Service. With the December 2014 bond issuance to fund additional capital projects at the Arch, BSD and NPS have extended the agreement for another 30 years.

Strategic focus:

The Gateway Arch is a premier tourist destination in the Midwest and one of the most visited monuments in the United States. Our focus is to create a sustainable increase in visitation to the Gateway Arch, Jefferson National Expansion Memorial and surrounding area through targeted marketing and capital improvements to meet the demands of our visitors. Bi-State Development is partnering with the National Park Service and other organizations to leverage and enhance the unique entertainment and educational products at the Gateway Arch, with the goal of creating a higher perceived value to our visitors. The Gateway Arch hosts more than 2.3 million visitors each year and generates more than $100 million of direct and peripheral economic benefit for the St. Louis Region.



Attractions:

Journey to the Top
New exhibits will be implemented for both the North and South Trams in FY 2017.

Westward Expansion Museum
The Westward Expansion Museum is closed and is being renovated and reopened in 2017.

Odyssey Theatre
This theatre was permanently closed in 2015 and will reopen as a retail store in 2016.

Tucker Theater
Features the film "Monument to the Dream" recapping construction of the Arch.

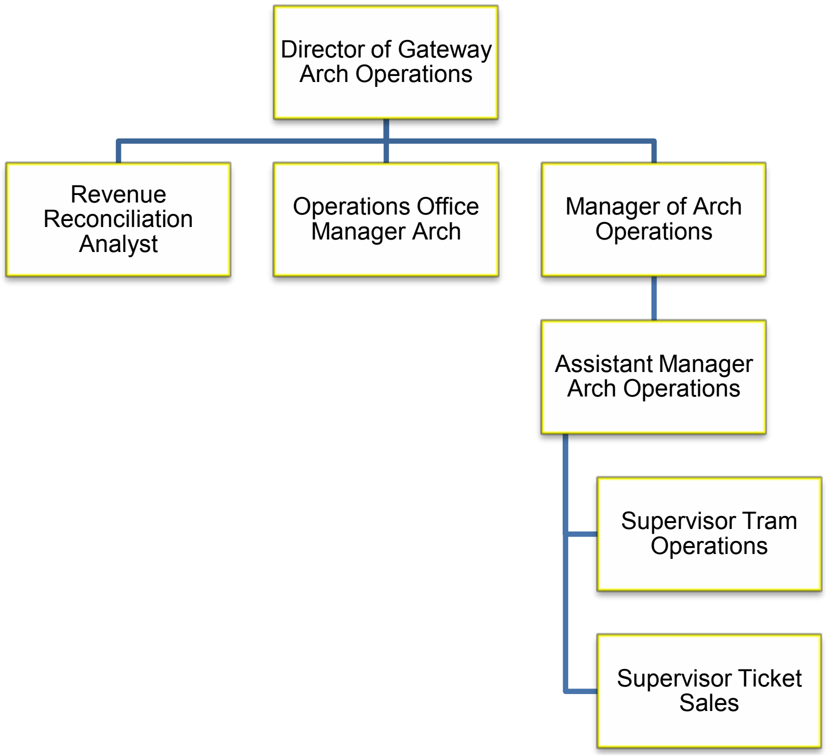
Museum Stores
Closed in 2015 and is being repurposed to house a portion of BSD's new offices.

Also on the St. Louis Riverfront:
Old Courthouse, Gateway Arch Riverboats, helicopter tours, Laclede's Landing MetroLink station

Website: www.gatewayarch.com

Gateway Arch

Organization:



Total Personnel:

Full-Time - 14
Part-Time - Seasonal employee count varies throughout the year

Gateway Arch
Statement of Revenue and Expense
FY 2015 - FY 2019

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projection	FY 2017 Budget	FY 17 Bgt vs. FY 16 Proj $ Change	% Change	FY 2018 Budget	FY 2019 Budget
Operating Revenue:								
Arch ticket sales	$ 5,285,976	$ 6,042,614	$ 6,066,861	$ 7,713,850	$ 1,646,989	27.1%	$ 9,219,530	$ 9,219,530
Sales discounts and allowances	(64,620)	(87,798)	(98,859)	(109,492)	(10,633)	-10.8%	(129,074)	(129,074)
Site rental and other revenues	32,048	28,799	28,989	29,399	410	1.4%	52,199	52,883
Total Operating Revenue	**5,253,404**	**5,983,615**	**5,996,991**	**7,633,757**	**1,636,766**	**27.3%**	**9,142,655**	**9,143,339**
Non-Operating Revenue:								
Investment income	4,335	14,293	9,595	14,293	4,698	49.0%	14,293	14,293
Total Non-Operating Revenue	**4,335**	**14,293**	**9,595**	**14,293**	**4,698**	**49.0%**	**14,293**	**14,293**
Total All Revenue	**5,257,739**	**5,997,908**	**6,006,586**	**7,648,050**	**1,641,464**	**27.3%**	**9,156,948**	**9,157,632**
Operating Expenses:								
Compensation	1,179,929	1,391,344	1,357,167	1,460,860	103,693	7.6%	1,648,751	1,669,680
Benefits excluding OPEB	208,575	502,189	436,951	568,292	131,341	30.1%	603,762	630,586
OPEB	46,311	52,000	29,608	27,000	(2,608)	-8.8%	27,000	27,000
Services	566,801	979,257	836,267	1,023,209	186,942	22.4%	1,116,855	1,144,908
Parts & supplies	405,980	241,133	180,944	254,119	73,175	40.4%	250,344	252,192
Casualty & liability	48,284	53,566	56,176	56,143	(33)	-0.1%	43,141	44,419
Utilities	111,926	127,613	127,714	114,585	(13,129)	-10.3%	117,920	121,356
Other expense	1,222,549	1,200,751	1,177,194	1,708,236	531,042	45.1%	2,052,304	1,850,772
Total Operating Expense	**3,790,356**	**4,547,852**	**4,202,019**	**5,212,443**	**1,010,424**	**24.0%**	**5,860,077**	**5,740,912**
Non-Operating Expense:								
Interest expense	343,427	307,465	307,465	305,999	(1,466)	-0.5%	300,016	293,791
Contributions to outside entities	7,141,917	-	(1,233,194)	-	1,233,194	100.0%	825,749	1,121,367
Total Non-Operating Expense	**7,485,344**	**307,465**	**(925,729)**	**305,999**	**1,231,728**	**133.1%**	**1,125,765**	**1,415,158**
Total All Expense	**11,275,700**	**4,855,317**	**3,276,289**	**5,518,442**	**2,242,152**	**68.4%**	**6,985,842**	**7,156,070**
Net Income (Deficit) Before Depreciation & Amortization	**(6,017,961)**	**1,142,591**	**2,730,296**	**2,129,609**	**(600,688)**	**-22.0%**	**2,171,107**	**2,001,563**
Depreciation & amortization	322,970	151,874	102,514	151,874	49,359	48.1%	151,874	151,874
Net transfers (in) out	(476,134)	-	627	-	(627)	-100.0%	-	-
Net Surplus (Deficit)	**$ (5,864,797)**	**$ 990,717**	**$ 2,627,155**	**$ 1,977,735**	**$ (649,420)**	**-24.7%**	**$ 2,019,233**	**$ 1,849,689**

Tourism Innovation

Gateway Arch - FY 2017 Budget

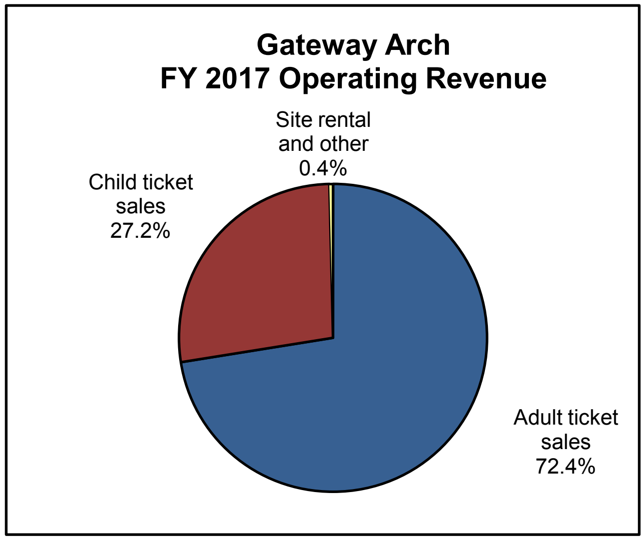
Starting in summer 2016, portions of the Jefferson National Expansion Memorial (JNEM) are expected to reopen to the public. In the fall of 2016, the grounds and landscaping projects are scheduled to be completed and those areas reopened. In 2017, the new visitor center and renovated museum will be completed. The Gateway Arch staff will continue to be heavily involved both by managing portions of the construction and providing visitor service solutions to accommodate visitors during this challenging time.

At the beginning of FY 2017, the visitor center will continue to be under construction with limited capacity in the facility and limited amenities available to visitors. To address the capacity issue and reduce time spent in queues for security / building entry, the Gateway Arch Visitor Center will require a timed-ticket for entry. By securing an entry time with a timed-ticket, visitors can spend more time enjoying attractions in downtown St. Louis instead of standing in line to enter the Arch. In the fall, BSD's permanent tram operations offices are expected to be available in what was formally the Museum Store.

During the winter of 2016/2017, the Arch Transportation System (ATS) will close for a period of 3 months for two projects. The motor generator sets located at the top of the Arch will be replaced with a variable frequency drive system that will greatly upgrade the technology used to power the ATS. This project (along with the Arch Visitors Center roof replacement) will be funded with $7,656,000 of Arch Tram Revenue Bonds issued in December 2014. Concurrent construction will occur in the ATS exhibit areas, reinvigorating the *Journey to the Top* experience with new audio visuals and a guest-oriented tour process.

The Gateway Arch will continue operating two additional ticketing locations with five points-of-sale at the Old Courthouse and three points-of-sale in a ticket booth near the entrance to the Arch. Operating multiple locations and ensuring that all visitors to the facility have an entry ticket will increase expenses and require additional staff.

Revenue



Arch ticket sales in FY 2017 result from a budgeted 771,385 tram passengers which is 1.3% higher than the 761,117 passengers projected for FY 2016. FY 2017 will experience the closing of the Arch trams between December 2016 and February 2017 for the motor generator sets replacement project. The tram fares in FY 2017 have increased from $7.00 for adults and $5.00 for children to $10.00 for both adults and children.

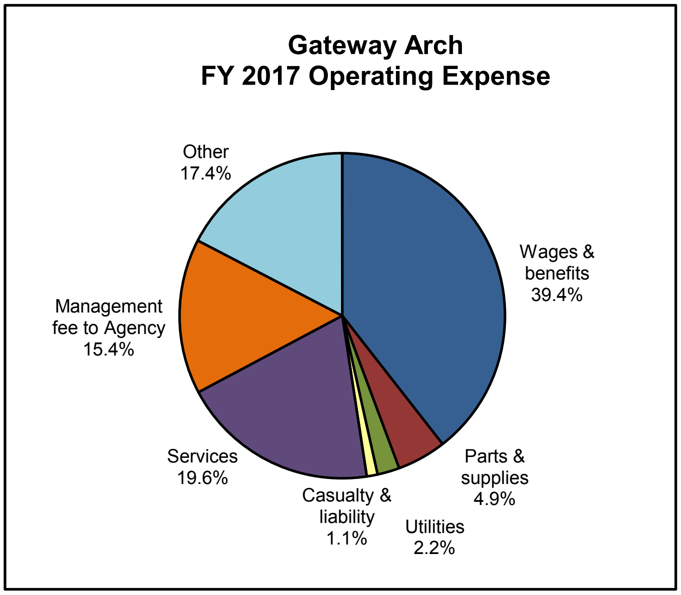
Site rental and other revenues represent convenience fees charged on the online and individual phone ticket purchases. There is no site rental revenues budgeted in FY 2017.

Expense

Wages and benefits including OPEB are budgeted in FY 2017 at 12.7% higher than the FY 2016 projection due to higher salaried wages and benefits. Changes to the Arch campus will require additional staffing for visitor orientation and guidance.

Services increased 22.4% over the FY 2016 projection and 4.5% over the FY 2015 budget primarily due to National Park Service maintenance mechanics services, website development and maintenance and other maintenance services. Services include the following (in thousands):

Mechanics employed by the National Park Service to service and repair the Gateway Arch transportation system	$ 714
Credit card fees, banking service charges	183
Legal	30
Internet web site maintenance and development	30
Maintenance Services	52
Other	14
	$1,023



Parts and supplies are budgeted at $254,119, which is $40.4% greater than the FY 2016 projection. The increase is in ticket stock, computer equipment, furniture and fixtures, and tram repair parts.

Utilities are primarily electricity costs that are $111,185 of the overall $114,585 utility budget in FY 2017.

Casualty and liability cost is budgeted in FY 2017 at the same level as the FY 2016 projection.

Other expense includes the following (in thousands):

Management fee to the Agency	$ 803
Advertising and promotion	834
Travel, training, lease expense and other	71
	$ 1,708

Other expense is budgeted in FY 2017 to be 45.1% higher than the FY 2016 projection due to higher advertising and marketing expenses related to efforts preparing for opening of the new Arch Visitor Center; and because of higher management fees which are based on higher tram ticket revenues.

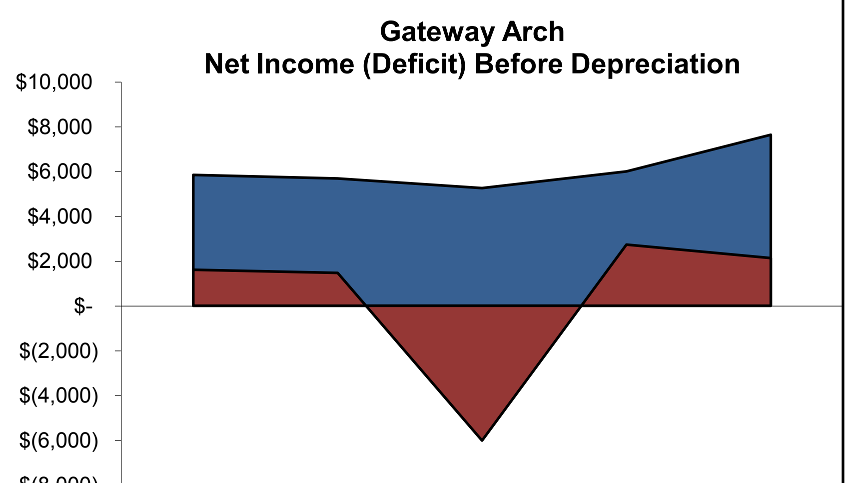
Interest expense is the interest for the $7,656,000 Arch Tram Revenue Bond Issue from December 2014. The bond issue will fund the motor generator set replacement and the Arch visitor center roof replacement projects.

Contributions to outside entities in the FY 2016 projection are for the temporary return of funds from the National Park Service for the Arch Roof project. The FY 2018 and FY 2019 amounts budgeted are for the allocation by the NPS to Bi-State Development for Operations and Maintenance costs related to the expanded Arch grounds.

For FY 2017 there are no contributions to outside entities budgeted.

Income

Net income (deficit) before depreciation for FY 2017 is budgeted at 22.0% less than the FY 2016 projection due to the projection including a temporary return of $1.2 million from the National Parks Service for the Arch roof project. Those funds will be subsequently reallocated to the motor generator set project. The FY 2015 net deficit is a result of $7.1 million of contributions to the NPS for several projects. All income the Gateway Arch generates is held in the Jefferson National Expansion Memorial Beneficial Fund to fund capital improvements. The capital budget for FY 2017 is $1.7 million.



($ In thousands)	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Projection	FY 2017 Budget
Operating revenue	5,841	5,682	5,253	5,997	7,634
Net income (deficit) before depreciation	1,607	1,467	(6,018)	2,730	2,129

Gateway Arch Goals and Objectives Action Plan

The following goals and objectives are consistent with the four primary organization level goals used to achieve Bi-State Development's strategic plan. Progress in attaining these goals and objectives are measured through performance indicators. A list of performance indicators follows the goals and objectives action plan.

Goal: Mitigate effects of construction on the visitor experience.		
Objective: Make the visitor experience as pleasant as possible during construction.		
Strategy	**Action Steps**	**Performance Measurements**
Operations: Modify "Journey To The Top" process to be a more interactive, engaging, and personable experience	• Redefine the Tour Guide position to be the primary position responsible for a guided, interactive, and personable experience. • Provide staff with training that will provide skills to deliver a more interactive and engaging experience. • Redesign "Journey to the Top" load zones to focus on park themes and improved pre-boarding processes	• Reorganize time spent in queues for "Journey To The Top" experience • Increase efficiency of the "Journey to the Top" experience and improve customer satisfaction with the overall experience
Public/Media Relations: Communicate construction related impacts on visitor experience	• Communicate through all channels (media, social media, etc) the closure of the tram experience from Dec 2016 through February 2017 • Communicate completion of park grounds scheduled for the Summer and Fall of 2016 • Publicize NPS 100th anniversary • Publicize completion of museum and new entrance in 2017	• Limited visitor complaints about closure. • Increased attendance and ticket sales at and around the various completion dates • Increased number of media stories as well as social media impressions about completion milestones • Local and regional media coverage of NPS 100th anniversary
Marketing/Advertising: Build the new brand for the new Gateway Arch experience	• Research and Discovery • Brand Position and Development • Logo/Tagline Development and Brand Guidelines • Marketing Planning • Implementation	• Gather critical information in order to identify marketable strengths • Define what we stand for and determine our unique position • Create a logo and tagline that connects to our markets • Develop budgets and key

		performance indicators • Launch new brand on website, collateral, digital marketing, direct marketing, and social media

Goal: Mitigate revenue loss due to construction.

Objective: Implement revenue enhancement strategies

Strategy	Action Steps	Performance Measurements
Maximize ticket sales opportunities in-person, over the phone, and on the internet	• Maintain additional ticketing locations with five points-of-sale at the Old Courthouse and three points-of-sale in a ticket booth near the Arch entrance • Maintain advanced ticket sales for individuals and groups by expanding existing partnerships and establishing new relationships • Launch and optimize new e-ticketing website in conjunction with implementation of new ticketing system	• Minimize visitor complaints related to limited capacity and new ticketing locations. • Continue partnerships with the St. Louis Convention and Visitors Commission and area hotels to sell packages, which increase exposure and pre-visit sales opportunities • Increase percentage of sales from e-ticketing website

Gateway Arch: Performance Indicators

	FY 2017 Target	FY 2016 Projection	FY 2016 Target	FY 2015 Actual
Net income (deficit) before depreciation ($ in thousands)	$2,130	$2,730	$1,143	($6,018)
Tram ridership	771,385	761,117	757,685	814,737

Gateway Arch
FY 2017 - 2019 Capital Projects Summary
(in thousands)

Sources of Funds:	FY 2017	FY 2018	FY 2019	Total
Jefferson National Expansion Memorial Beneficial Fund	$1,200	$7,000	$2,000	$10,200
2014 Series Arch Tram Revenue Bonds - PNC	5,000	-	-	5,000
Total Sources of Funds	**$6,200**	**$7,000**	**$2,000**	**$15,200**

Uses of Funds:	FY 2017	FY 2018	FY 2019	Total
JNEM Park Identifying Signage				
Directional signage fabrication and signage throughout the Memorial	$200	-	-	$200
Old Courthouse Fire Suppression				
As a part of the renovation of the existing Old Courthouse structure and the development and installation of new exhibits, the fire suppression system needs to be upgraded and modernized	-	-	2,000	2,000
Tucker Theatre Experience Project				
Design and audio visual programming	1,000	-	-	1,000
Construction of the Tucker Theatre space into an alternative type of experience that matches or surpasses tram ridership in interest, excitement, and revenue generation	-	7,000	-	7,000
Arch Transportation System (ATS) Motor Generator (MG) Set Replacement				
All parts, labor, and construction services for the replacement of the MG sets for the ATS with Variable Frequency Drives. Budgeted amount includes all options for related safety and structural improvements in the Gateway Arch legs and mechanical areas.	5,000	-	-	5,000
Total Uses of Funds	**$6,200**	**$7,000**	**$2,000**	**$15,200**

Riverfront Attractions

Tourism Innovation

Riverfront Attractions

Overview:

The Gateway Arch Riverboats is the oldest excursion boat company to continuously operate on the Mississippi River. In July 2001, Bi-State Development purchased the Becky Thatcher and Tom Sawyer riverboat operation to preserve the riverboats as a part of the overall St. Louis Riverfront experience. Through on board narrations by National Park Service rangers, the Gateway Arch Riverboats are a natural extension of the educational programs currently offered at the Jefferson National Expansion Memorial.

The Gateway Arch Riverboats offer two primary public cruises. The one-hour sightseeing cruise departs five times a day seasonally, with additional times added as needed to accommodate demand. The evening dinner cruise features dinner, live riverboat style-jazz music, and magnificent views of the St. Louis skyline. In addition, they offer popular Blues cruises, Brunch cruises, Kimmswick cruises, Lock & Dam cruises and Ocktoberfest cruises. The Gateway Arch Riverboats are also utilized for corporate/convention functions, weddings, reunions, fundraisers, and special events.

The Gateway Arch Riverboats also operate the Arch View Café, gift shop, and a public use heliport barge offering helicopter tours.

Strategic focus:

The goal of the Gateway Arch Riverboats is to complement the unique entertainment and educational opportunities at the Gateway Arch while generating additional revenue. This requires the combined efforts of Bi-State Development and the National Park Service through creative and aggressive marketing strategies. The Riverboats and the National Park Service will continue their National Award winning Riverboat Educational Programs. In FY 2017, our goal is to retain passenger revenue during major riverfront construction.

Number of passengers yearly (FY 2015 Actual):

Sightseeing	59,421
Dinner cruise	6,350
Charter cruise	7,320

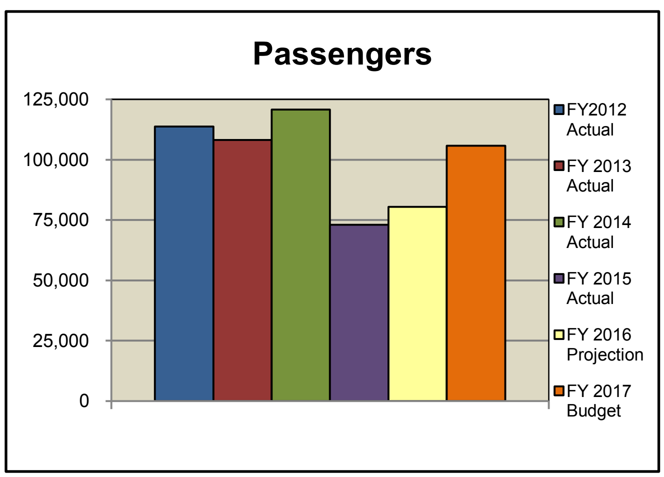
Tom Sawyer Riverboat:

Passenger capacity	350
Year built	1966

Becky Thatcher Riverboat:

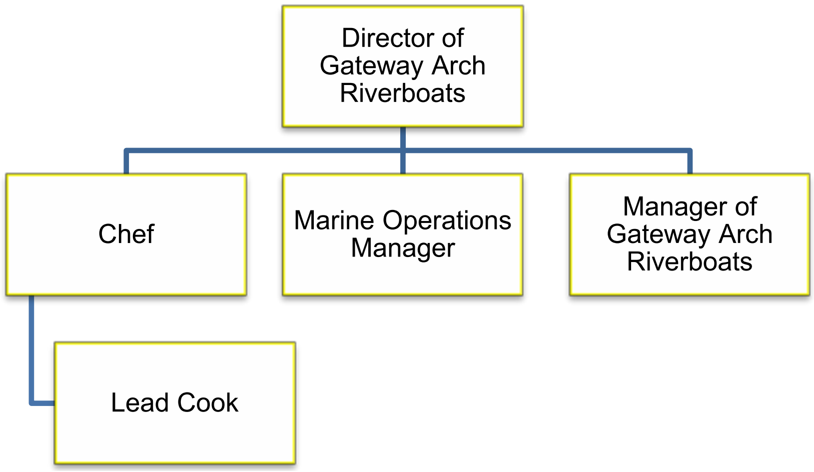
Passenger capacity	300
Year built	1963

Website: www.gatewayarchriverboats.com



Riverfront Attractions

Organization:



Total Personnel:

Full-Time - 12

Part-Time - Seasonal employee count varies throughout the year

Riverfront Attractions
Statement of Revenue and Expense
FY 2015 - FY 2019

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projection	FY 2017 Budget	FY17 Bgt vs. 16 Proj $ Change	FY17 Bgt vs. 16 Proj % Change	FY 2018 Budget	FY 2019 Budget
Operating Revenue:								
Cruise	$ 974,579	$ 1,557,615	$ 1,103,701	$ 1,675,695	$ 571,994	51.8%	$ 1,757,580	$ 1,829,910
Food	409,297	544,662	367,502	565,955	198,453	54.0%	599,020	611,320
Beverage	139,915	215,166	112,806	246,197	133,391	118.2%	253,750	271,613
Retail	58,231	76,930	52,587	87,850	35,263	67.1%	87,850	87,850
Other	87,926	83,360	79,400	76,209	(3,191)	-4.0%	78,022	79,527
Total Operating Revenue	**1,669,947**	**2,477,733**	**1,715,996**	**2,651,906**	**935,910**	**54.5%**	**2,776,222**	**2,880,220**
Operating Expense:								
Compensation	693,460	798,423	750,945	905,778	154,834	20.6%	927,997	947,291
Benefits excluding OPEB	329,343	401,897	388,869	433,197	44,328	11.4%	448,470	472,027
OPEB	44,303	44,000	25,489	22,000	(3,489)	-13.7%	22,000	22,000
Services	250,537	222,080	220,936	245,320	24,384	11.0%	248,224	251,656
Parts & supplies	300,834	520,461	360,646	486,454	125,808	34.9%	501,272	516,131
Fuel and lubrications	48,011	83,000	60,067	60,000	(67)	-0.1%	61,800	63,600
Casualty & liability	149,226	173,715	160,717	175,542	14,825	9.2%	182,509	187,072
Utilities	77,363	92,845	79,335	84,661	5,327	6.7%	87,510	90,202
Other expense	163,306	130,800	115,620	143,348	27,728	24.0%	147,446	152,096
Total Operating Expense	**2,056,383**	**2,467,221**	**2,162,622**	**2,556,300**	**393,678**	**18.2%**	**2,627,230**	**2,702,075**
Net Income (Loss) Before Depreciation & Amortization	**(386,436)**	**10,512**	**(446,627)**	**95,606**	**542,233**	**121.4%**	**148,992**	**178,145**
Depreciation & amortization	290,050	315,412	326,165	315,412	(10,752)	-3.3%	315,412	315,412
Net Surplus (Deficit)	**$ (676,486)**	**$ (304,900)**	**$ (772,791)**	**$ (219,806)**	**$ 552,985**	**71.6%**	**$ (166,420)**	**$ (137,268)**

Tourism Innovation

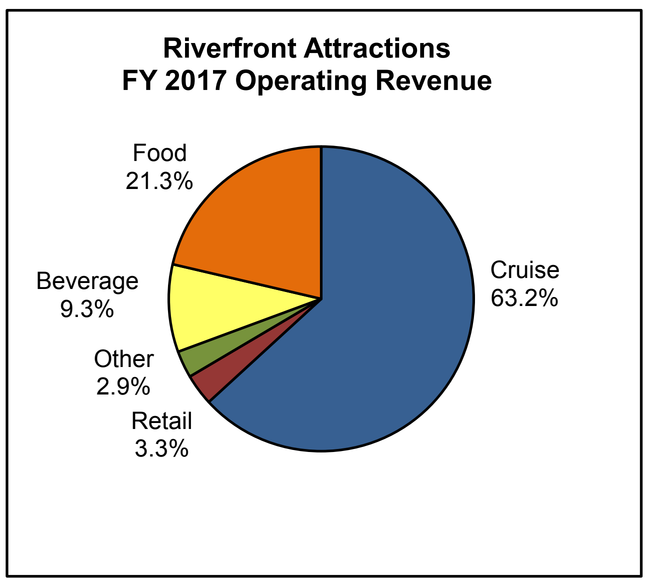
Riverfront Attractions – FY 2017 Budget

The Riverfront Attractions, which include the Gateway Arch Riverboats, Arch View Café, gift shop, and the heliport, create a complete family and tourist destination. The ability to provide these additional offerings to guests has created cross-promotional marketing opportunities, which leverage the success of the Gateway Arch Journey to the Top and increase per capita revenues. In FY 2017, the Gateway Arch Riverboats will be continuing the pricing strategy of “combo pricing” by reducing cruise fares in combination with the ticket purchases of other Arch attractions. This “combo pricing” will increase passenger volume and thus greater exposure to other revenue generators such as the Gift Shop, Arch View Café and photography. With these partnerships and promotions, it is the goal of the Riverfront Attractions to increase awareness and revenues of Bi-State Development operations on the riverfront.

In FY 2017, the Gateway Arch Riverboats, with the combined efforts and aggressive marketing strategies of Bi-State Development and the National Park Service, will continue their efforts to maximize revenues and passenger counts during this major construction period at the Arch and along the riverfront. We will also continue the award winning Riverboat Educational Program.

Revenue

The following summarizes revenue by category. Revenues are increasing as a result of a pricing restructure and more operating days, due to weather, than previous year.



Cruise revenue is based on the FY 2017 budget of 105,795 passengers. Cruise revenue for FY 2017 is budgeted at $1,675,695, which is 7.6% higher than the FY 2016 budget. The FY 2017 Riverboats passenger counts and revenues are budgeted with 18 cruising days lost to high water on the Mississippi River. In FY 2016, the CityArchRiver construction of the Arch grounds and surrounding streets impacted the convenience of our customers. In FY 2017, an adult sightseeing ticket will increase from $18 to $20; a child ticket increases from $8 to $10. A base dinner cruise ticket will increase from $46 to $48.

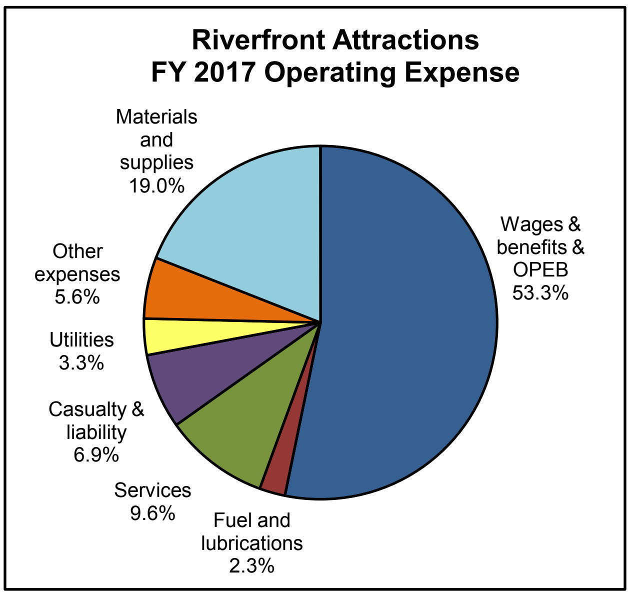
Food revenue includes food sold on dinner dance cruises and at the concession stands on the dock and boats. Food revenue is budgeted in FY 2017 to increase by 3.9% from the FY 2016 budget and is 54.0% higher than the FY 2016 projection.

Beverage revenue for FY 2017 is generated from beverage sales on the various types of cruises and from the Arch View Café. Beverage revenue is budgeted at 14.4% higher than the FY 2016 budget.

Retail revenue is generated from gift shop sales. These revenues are budgeted 14.2% higher than the FY 2016 budget and 67.1% higher than the FY 2016 projection.

Other miscellaneous revenue in FY 2017 includes revenues from helicopter tours and concessions and a contracted passenger cruise photography service.

Expense



Wages and benefits including OPEB are budgeted in FY 2017 at 16.8% higher than the FY 2016 projection as a result of higher seasonal and part-time wages due to more passengers and more cruising days.

Services in FY 2017 are budgeted to increase 11.0% from the FY 2016 projection and 10.5% from the FY 2016 budget primarily due to higher maintenance and outside services.

Parts and supplies are budgeted 34.9% higher than the FY 2016 projection and 6.5% lower than the FY 2016 budget. The FY 2017 budget materials and supplies include the following (in thousands):

Cost of food	$ 271
Cost of beverages	76
Cost of retail shop items	43
Other marine operations supplies	36
Food and beverage service supplies	33
Office supplies, other	27
	$ 486

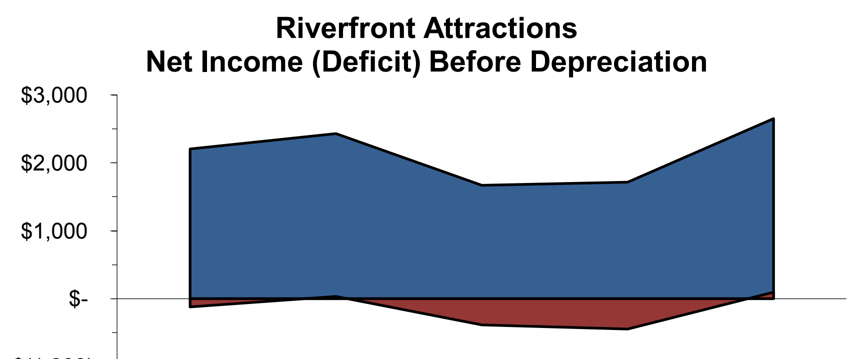
Fuel and lubrications expense is budgeted to be at the same level in FY 2017 as the FY 2015 projection and 27.7% lower than the FY 2016 budget due to lower fuel prices.

Utilities are comprised of $53,711 for electricity, $7,600 for telephone, $8,500 for natural gas, $5,500 for waste removal, and $9,350 for water and sewer.

Casualty and liability costs are budgeted at 1.1% higher than the FY 2016 budget, but 9.2% greater than the FY 2016 projection that has lower casualty expense.

Other expense is 24.0% higher than the FY 2016 projection and 9.6% higher than the FY 2016 budget and includes $110,000 in advertising fees. Following the practice since FY 2008, a 5% management fee to Bi-State Development is being waived in the FY 2017 budget.

Net income (loss) before depreciation is budgeted with an income of $95,606 due to increased revenue from cruise ticket price increases. An increase in passengers and cruises are budgeted in FY 2017 over expectations in FY 2016. FY 2017 will benefit from the completion of Leonor K. Sullivan Blvd allowing easier access to the Riverboats. If the river, weather, and economic conditions are more favorable, then any income generated in FY 2017 will assist in funding future Riverfront Attractions capital improvements.



(In thousands)	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Proj	FY 2017 Budget
Operating revenue	2,205	2,431	1670	1,716	2,652
Net income (deficit) before depreciation ($ in thousands)	(121)	33	(386)	(447)	96

Riverfront Attractions Goals and Objectives Action Plan

The following goals and objectives are consistent with the four primary organization level goals used to achieve Bi-State Development Agency's Strategic Plan. Progress in attaining these goals and objectives are measured through performance indicators. A list of performance indicators follows the Goals and Objectives Action Plan.

Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources		
Objective: Implement revenue enhancement strategies		
Strategy	**Action Steps**	**Performance Measurements**
Seek increasing revenue from all available sources	• Increase revenue opportunities by offering variety of cruise, food, beverage, retail options to meet entertainment need of Riverfront visitors • Continue availability of vessels for revenue service through on-going compliance with United States Coast Guard (USCG) regulations • Increase community awareness of operation through continued involvement in regional Homeland Security drills • Develop and implement programmable-based and seasonal event offerings • Develop a working relationship with the various partners involved with the reconstruction of the St. Louis Riverfront to insure that our guests are provided a pleasant and safe experience	• Increased attendance on cruises offered • Increased sales of food items • Increased sales of beverage items • Increased sales of retail items • Increased cross sales of other riverfront partners (i.e. increased carriage rides) • USCG Certification: Vessels meet all requirements; crew is properly trained; vessels comply with USCG regulations related to Americans with Disabilities Act • Press release to local media about Homeland Security preparedness • Participation in U.S. Coast Guard harbor safety drills • Participate in Transportation Safety Administration drills • Lower cost of supplies • Lower equipment replacement costs • Improved maintenance support • Improved rental equipment quality • Better product mix to meet guest demands • Work with heliport concessionaire to develop and implement seasonal trip offerings • Provide easy access for our guests to riverboat venues during riverfront reconstruction

Goal: Deliver a high quality experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence		
Objective: Improve service quality and make the guest experience as pleasant as possible during construction of surrounding area		
Strategy	**Action Steps**	**Performance Measurements**
Understand and take steps to meet or exceed our customers' expectations despite the challenges presented by the reconstruction of the St. Louis Riverfront	• Continue to insure safety and quality of food and service by exceeding Federal, State and local safety and health guidelines • Given changes due to riverfront reconstruction, assess the degree to which product offerings match client needs	• High scores from Food and Drug Administration with regard to training of employees and safety/health inspections • High scores from City of St. Louis Health Department with regard to training of employees and safety/health inspections • Reduced number of guest food and service complaints • Conduct email-based product assessment with previous and current clients • Maintain the ability to make scheduling and operational changes to adapt to the challenges presented during reconstruction to meet quality and financial goals

Gateway Arch Riverfront Attractions: Performance Indicators

	FY 2017	FY 2016		FY 2015
	Target	Projection	Target	Actual
Passengers	105,795	80,464	103,910	73,091
Cruises	914	708	917	667
Days of operation	252	222	252	202
Passengers per Cruise	116	114	113	110
Revenue per Passenger	$25.07	$21.33	$23.84	$22.85
City health inspection score				
Becky Thatcher boat	100	100	100	100
Tom Sawyer boat	100	100	100	100
Main Galley	100	100	100	99

Business Enterprises

Gateway Arch Riverfront Attractions
FY 2017 - 19 Capital Project Summary

(in thousands)

		FY 2017
Sources of Funds:		
Riverboat Renewal and Replacement Fund	$	80
Total Sources of Funds	**$**	**80**
Uses of Funds:		
Becky Thatcher Engines Overhaul		
FY 2017 - due to years of operation, the two engines on the Becky Thatcher require that they be rebuilt.	$	80
Total Uses of Funds	**$**	**80**

St. Louis Downtown Airport

St. Louis Downtown Airport

Overview:

Purchased in 1964 for $3.4 million, today the St. Louis Downtown Airport is a full-service aviation center offering an extensive line of general aviation services just eight minutes from downtown St. Louis in Cahokia/Sauget, Illinois. As the primary general aviation reliever airport for Lambert International Airport, St. Louis Downtown Airport is the busiest Illinois airport outside the Chicago area and provides a $584 million economic impact to the St. Louis region.

Strategic focus:

St. Louis Downtown Airport supports the National Aviation System Plan and the St. Louis region through its mission, which is to provide world-class airport facilities and services to the public. St. Louis Downtown Airport does this by providing the best possible infrastructure with the highest-quality benchmark services provided through our employee team and airport tenant businesses.

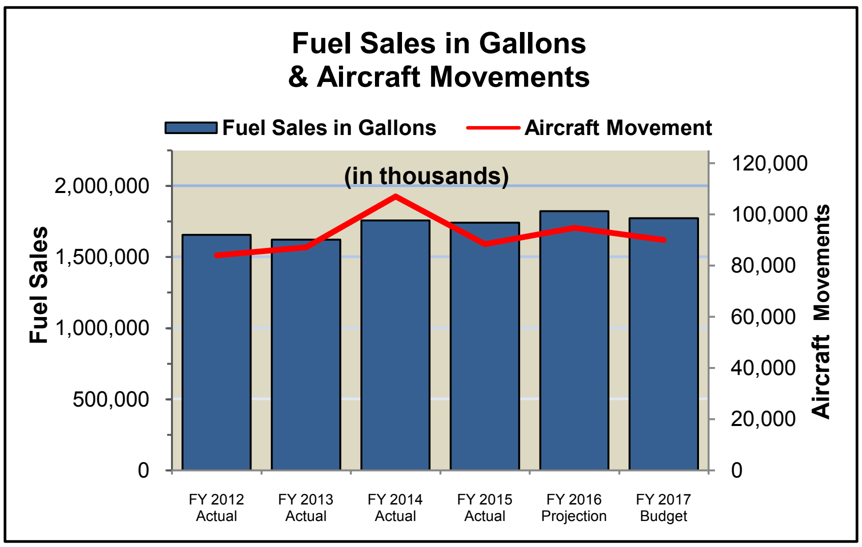
Our vision is to set the standard for reliever airports and continue to be the general aviation "airport of choice" for people traveling to and from downtown St. Louis and the Bi-State region. This vision is reflected in our motto, "A World Class Reliever Airport Serving Downtown St. Louis and the People of the Bi-State Region."

Our primary goals are safety and security, infrastructure preservation and enhancement, and organizational excellence. Our goals support the "National Plan of Integrated Airport Systems" by providing the general aviation flying public with a safe, secure, convenient, and well-equipped facility and by providing the local community with over 3,731 high-paying jobs and acting as a catalyst for economic growth and development in the region. Our short-term goals include improving economic performance by increasing land lease revenue, fuel flowage revenue, transient aircraft operations and enhancing airport services and capabilities.

Operations (FY 2015):
1.7 million gallons of fuel sold
88,345 aircraft movements
325 based aircraft
Location of Flight Training Dept.,St. Louis University

Facilities:
95 small, 42 mid and
21 large hangers
1,013 acres

Airport recognition:
Busiest general aviation airport in St. Louis region
Busiest airport in Illinois outside Chicago
Two hangars named to National Register of Historic Places
Illinois 2009 Reliever Airport of Year



Website:
www.stlouisdowntownairport.com

St. Louis Downtown Airport

Organization:

Total Personnel:

Full-Time - 12
Part-Time - 2

St. Louis Downtown Airport
Statement of Revenue and Expense
FY 2015 - FY 2019

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projection	FY 2017 Budget	FY17 Bgt vs. 16 Proj $ Change	FY17 Bgt vs. 16 Proj % Change	FY 2018 Budget	FY 2019 Budget
Operating Revenue:								
Aircraft parking	$ 142,092	$ 139,410	$ 139,180	$ 139,410	$ 230	0.2%	$ 138,276	$ 139,704
Leased acreage	390,922	172,677	265,960	172,677	(93,283)	-35.1%	206,931	212,539
Hangar rentals	559,856	810,212	728,060	810,212	82,152	11.3%	871,453	970,607
Aviation fuel sale-flowage fee	170,355	177,365	175,901	177,365	1,464	0.8%	177,365	177,365
Concession fees	97,814	115,159	119,014	115,159	(3,855)	-3.2%	115,159	115,159
Other revenues	105,148	90,254	94,311	90,254	(4,056)	-4.3%	90,254	90,254
Total Operating Revenue	**1,466,186**	**1,505,078**	**1,522,427**	**1,505,078**	**(17,348)**	**-1.1%**	**1,599,439**	**1,705,629**
Non-Operating Revenue:								
Investment income	181	334	2,273	334	(1,939)	-85.3%	334	334
Total Non-Operating Revenue	**181**	**334**	**2,273**	**334**	**(1,939)**	**-85.3%**	**334**	**334**
Total All Revenue	**1,466,368**	**1,505,413**	**1,524,700**	**1,505,413**	**(19,287)**	**-1.3%**	**1,599,773**	**1,705,963**
Operating Expenses:								
Compensation	471,585	490,317	511,163	580,186	69,023	13.5%	591,736	608,668
Benefits excluding OPEB	193,665	362,943	347,532	399,951	52,419	15.1%	414,305	438,465
OPEB	43,966	48,000	27,323	24,000	(3,323)	-12.2%	24,000	24,000
Services	98,600	115,301	137,626	115,779	(21,847)	-15.9%	115,572	115,699
Parts & supplies	129,919	156,500	136,917	154,402	17,485	12.8%	160,315	166,458
Casualty & liability	56,687	65,026	64,791	71,602	6,811	10.5%	68,318	70,026
Utilities	214,007	190,660	175,456	183,160	7,704	4.4%	178,285	185,741
Other expenses	113,415	111,119	105,749	98,547	(7,203)	-6.8%	106,913	112,261
Total Operating Expense	**1,321,844**	**1,539,866**	**1,506,556**	**1,627,627**	**121,070**	**8.0%**	**1,659,444**	**1,721,318**
Non-Operating Expense:								
Other expense	-	-	2,565	-	(2,565)	-100.0%	-	-
Total Non-Operating Expense	**-**	**-**	**2,565**	**-**	**(2,565)**	**-100.0%**	**-**	**-**
Total All Expense	**1,321,844**	**1,539,866**	**1,509,122**	**1,627,627**	**118,505**	**7.9%**	**1,659,444**	**1,721,318**
Net Income (Deficit) Before Depreciation & Amortization	**144,524**	**(34,453)**	**15,578**	**(122,214)**	**(137,792)**	**-884.5%**	**(59,670)**	**(15,355)**
Depreciation & amortization	1,564,856	1,562,377	1,561,853	1,562,377	524	0.0%	1,562,377	1,562,377
Net Surplus (Deficit)	**$ (1,420,333)**	**$ (1,596,830)**	**$ (1,546,274)**	**$ (1,684,591)**	**$ (138,316)**	**-8.9%**	**$ (1,622,047)**	**$ (1,577,731)**

St. Louis Downtown Airport – FY 2017 Budget

In FY 2017, the Airport is proposing continued airport master planning efforts in preparation for future expansion and pavement rehabilitation projects.

Aircraft movements, or takeoffs and landings, are projected to be 94,722 in FY 2016 and 90,000 in FY 2017. Aircraft movements have been adversely impacted nationwide because of contraction in industry activity due to economic conditions.

Revenue

Aircraft parking revenue for FY 2017 is budgeted the same as the FY 2016 budget and 0.2% above the FY 2016 projection.

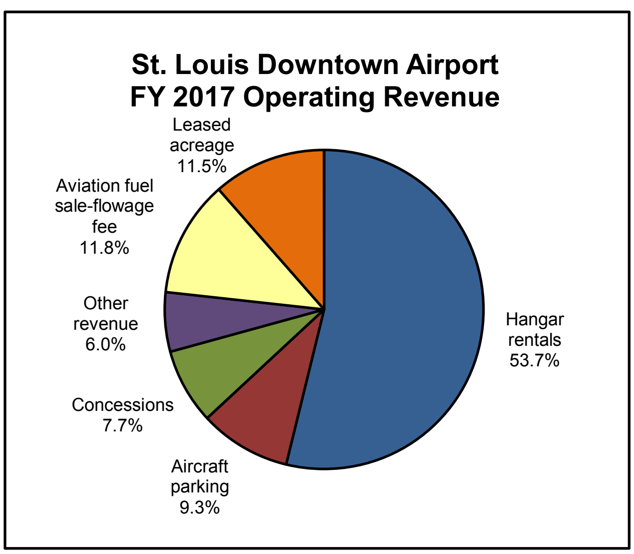
Leased acreage revenue is airport land leased for private investment or farm income and is budgeted in FY 2017 to be at the same level as the FY 2016 budget. There is a reclassifying of revenue from the acreage for hangar rentals from leased acreage to hangar rental revenue.

Hangar rentals in FY 2017 are budgeted at the same level as the FY 2016 budget.

Aviation fuel sale-flowage fee revenues are budgeted to increase by 0.8% from the FY 2016 projection and the same levels as the FY 2016 budget.

Concession fees include crop income, rentals for the concourse from Jet Aviation and the restaurant, and rental space in the administrative building. The FY 2017 budget is 3.2% lower than the FY 2016 projection but at the same level as the FY 2016 budget. The FY 2017 budget is lower because of less administrative building rental income and farm income.

Other revenues include reimbursements from tenants for contract security, utilities and trash removal services. The FY 2017 budget is at the same level as the FY 2016 budget and 3.2% lower than the FY 2016 projection as a result of lower revenue from After Hours ARFF Services billing.



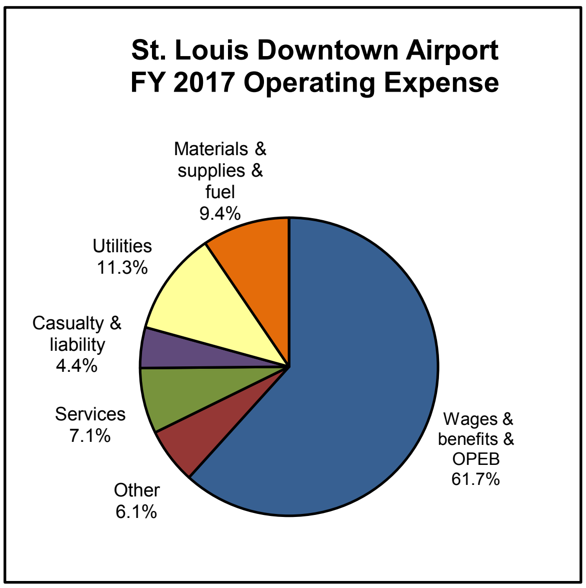
Expense

Wages and benefits including OPEB are budgeted 13.3% higher than the FY 2016 projection and 11.4% higher than the FY 2016 budget due to an additional position.

Services include the following (in thousands):

Legal and consultants fees	$ 77
Contract maintenance	27
Other	12
	$ 116

Services are budgeted in FY 2017 to be 15.9% lower than the FY 2016 projection. The FY 2016 projection includes higher consulting fees for hangar rates surveys. Services also include legal fees for lease review and consultation, consultant fees for general services, firehouse elevator and extinguisher maintenance, fire alarm maintenance, emergency phone system, and firefighting truck inspection and maintenance and HVAC controls system support.



Parts and supplies are budgeted in FY 2017 to be higher than the FY 2016 projection by 12.8% due to Aircraft Rescue and Firefighting (ARFF) supplies and vehicle and grounds repair parts.

Utilities include electricity, gas, telephone, waste removal and water and are budgeted in FY 2017 to be 4.4% higher than the FY 2016 projection and 3.9% lower than the FY 2016 budget as electricity cost increases have not materialized.

Casualty and liability costs are budgeted at 10.5% above the FY 2016 projection due to the increase in property and casualty insurance costs.

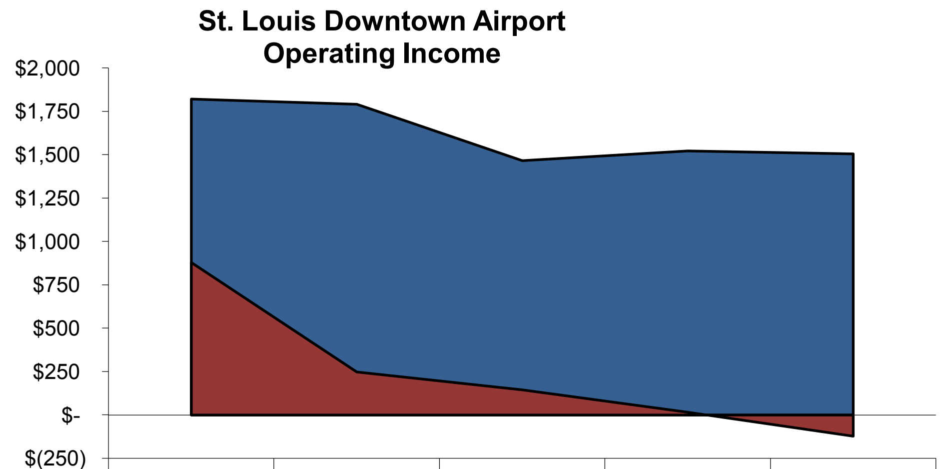
Other expense includes the following (in thousands):

Management fees to the Agency	$ 75
Travel, training, meetings, dues	21
Other	3
	$ 99

The FY 2017 budget is 6.8% lower than the FY 2016 projection. The FY 2017 budget reflects lower training and dues and subscription expenses.

Income

Net income (deficit) before depreciation normally provides cash flow to assist in funding capital improvements. The net deficit before depreciation of $122,214 budgeted in FY 2017 is $137,792 lower than the FY 2016 projection.



(in thousands)	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Projection	FY 2017 Budget
Operating revenue	1,821	1,791	1,466	1,522	1,505
Net income (deficit) before depreciation	879	248	145	16	(122)

St. Louis Downtown Airport Goals and Objectives Action Plan

The following goals and objectives are consistent with the four primary organization level goals used to achieve Bi-State Development's Strategic Plan. Progress in attaining these goals and objectives are measured through performance indicators. A list of performance indicators follows the Goals and Objectives Action Plan.

Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources		
Objective: Implement revenue enhancement strategies		
Strategy	**Action Steps**	**Performance Measurements**
Ensure cost-effective and efficient use of resources for revenue enhancement	• Promote the Airport's Commercial Airport Operating Certificate and Aircraft Rescue and Firefighting (ARFF) capabilities to attract new customers and increase revenues • Continue to increase revenue through airport tenant business growth and expansion • Increase transient aircraft operations by promoting aviation group activities and local events	• Increased operations by large aircraft charter operators such as those carrying professional sports teams resulting in increased fuel sales • Personnel training, customer education, and safety inspections which result in a positive safety-awareness environment • Continued construction of new facilities on existing leased parcels that are not fully developed • Conversion of existing option-to-lease agreements to lease agreements • Local aviation organizations conduct more flying events at the airport (e.g., Experimental Aircraft Association conducts more Young Eagle rallies, Parks College hosts flying competitions, the Greater St. Louis Air & Space Museum conducts additional special events) • Transient aviation organizations select the airport and the St. Louis region for their annual conventions

Objective: Deliver quality capital projects on time and within budget		
Strategy	**Action Steps**	**Performance Measurements**
Aggressively pursue funding, and deliver quality capital projects	• Maintain and enhance Airport infrastructure and services through continued capital investments in infrastructure and equipment	• Improve runway safety areas and reduce wildlife strike hazards through improved storm water drainage • Conduct environmental assessments and other planning efforts necessary to rehabilitate aging pavements and improve the airport's ability to efficiently handle large charter aircraft • Enhance airport security through improved perimeter fencing • Maintain and improve the airport vehicle and equipment inventory through timely replacement and additions • Continued construction of public infrastructure (parking lots, ramps, taxi lanes, and roadways) on public airport property • Expand airport property available for expansion and growth of new tenant facilities

St. Louis Downtown Airport: Performance Indicators				
	FY 2017	**FY 2016**		**FY 2015**
	Target	**Projection**	**Target**	**Actual**
Operating income ($ in thousands)	$(122)	$16	$(34)	$145
Fuel sales in gallons (thousands)	1,774	1,822	1,774	1,742
Aircraft movement	90,000	94,722	90,000	88,345
Based aircraft	320	324	320	325

St. Louis Downtown Airport
FY 2017 - 2019 Capital Projects Summary
(in thousands)

Sources of Funds:	FY 2017	FY 2018	FY 2019	Total
Federal Grants	$4,534	$4,050	$5,275	$13,859
Airport Fund	339	310	607	1,256
Illinois State and Local Grants	252	250	356	858
Total Sources of Funds	**$5,125**	**$4,610**	**$6,238**	**$15,973**

Uses of Funds:				
Construction:				
Runup taxiway, pad, enclosure	$5,037	$ -	$ -	$5,037
Reconstruct taxiway Bravo, phase 1	-	4,500	-	4,500
Reconstruct taxiway Bravo, phase 2	-	-	4,770	4,770
Airport signage and location panels	36	-	-	36
Equipment and Facilities Replacements:				
A/C units on terminal	52	-	-	52
Zero turn mower	-	18	-	18
Front wheel assist tractor 100 hp	-	42	-	42
Zero turn mower	-	-	19	19
Operations vehicle / ARFF	-	-	38	38
Tandem dump truck with 12' snow blade	-	-	196	196
Land and Land Improvements:				
Wildlife hazard assessment	-	50	-	50
Twy B Northside environmental assessment	-	-	125	125
Twy B Northside drainage improvements	-	-	1,090	1,090
Total Uses of Funds	**$5,125**	**$4,610**	**$6,238**	**$15,973**

Arts in Transit

Arts In Transit, Inc

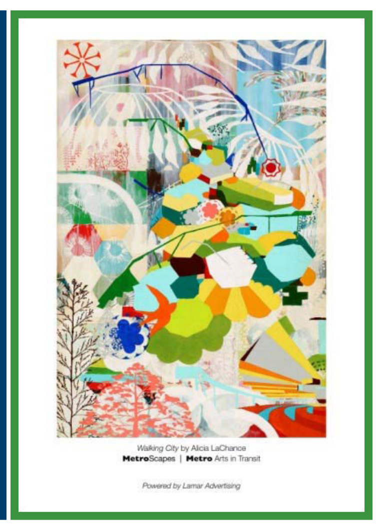
Overview

In 1986, the Arts In Transit initiative took shape as an innovative effort to develop the look and feel of the light rail system in the region. In April 1999, Bi-State Development's Board of Commissioners adopted a policy that emphasized the importance of design excellence and established a one-percent-for-art funding mechanism.

The original initiative is now Arts In Transit, Inc., a non-profit 501(c)(3). Although the non-profit has a Board, it is a component of Bi-State Development.

Strategic focus

AIT's primary role is to establish and coordinate a collaboration of artists, engineers and architects on the design of the transit system. The result is a system where the art is integrated into the structure of the system. AIT sponsors an annual Poetry in Motion contest. The winners have their poetry displayed throughout the transit system for a year and also have a public reading of their work.



MetroScapes Posters

Keepings
by Alex Cunningham

Walking City
by Alicia LaChance

Arts In Transit, Inc
Statement of Revenue and Expense
FY 2015 - FY 2019

	FY 2015 Actual	FY 2016 Projection	FY 2017 Budget	FY 17 Bgt vs. FY 16 Proj $ Change	FY 17 Bgt vs. FY 16 Proj % Change	FY 2018 Budget	FY 2019 Budget
Operating Revenue:							
Art Council Awards	$ -	$ 46,500	$ 47,500	$ 1,000	2.2%	$ 50,000	$ 50,000
Contributions - Not for Profit	12,925	300	-	(300)	-100.0%	-	-
Total Operating Revenue	**12,925**	**46,800**	**47,500**	**700**	**1.5%**	**50,000**	**50,000**
Total Revenue	**12,925**	**46,800**	**47,500**	**700**	**1.5%**	**50,000**	**50,000**
Operating Expense:							
Services	10,646	44,062	45,000	938	2.1%	47,000	47,000
Parts & supplies	18	1,250	1,400	150	12.0%	1,550	1,500
Utilities	-	-	-	-	-	-	-
Other expense	-	150	250	100	66.7%	350	500
Total Operating Expense	**10,664**	**45,462**	**46,650**	**1,188**	**2.6%**	**48,900**	**49,000**
Net Income (Loss) Before Depreciation & Amortization	**2,261**	**1,338**	**850**	**(488)**	**-36.5%**	**1,100**	**1,000**
Depreciation & amortization	-	-	-	-	-	-	-
Net Surplus (Deficit)	**$ 2,261**	**$ 1,338**	**$ 850**	**$ (488)**	**-36.5%**	**$ 1,100**	**$ 1,000**

Revenue

Revenue for Arts in Transit is received from the Missouri Arts Council and the Regional Arts Council. Revenue is also generated from the sale of MetroScapes posters and other artwork.

Expense

Arts in Transit incurs expense from art material and supplies and the use of outside services to assist in the various art projects.

"Adinkra Tower"
Riverview Transit Center
8976 Riverview Drive at Hall Street
St. Louis, Missouri

Arts in Transit Goals and Objectives Action Plan

The following goals and objectives are consistent with the four primary organization level goals used to achieve Bi-State Development's Strategic Plan. Progress in attaining these goals and objectives are measured through performance indicators. A list of performance indicators follows the Goals and Objectives Action Plan.

Goal: Deliver a high quality transit experience that is recognized by its customers, industry peers and regional stakeholders for its excellence		
Objective: Improve the value of regional transit infrastructure and the quality of the transit experience through aesthetic enhancement		
Strategy	**Action Steps**	**Performance Measurements**
Support the regional transit system and the community aesthetic through an effective Arts In Transit program	• Secure and maintain grants and sponsorships, and other earned income that support Arts In Transit programs • Review organizational structure and bylaws of Arts In Transit, Inc. to become more competitive for securing grant funds • Host annual Art Bus, MetroLines poetry competition, and MetroScapes bus shelter poster competition, and other relevant community-based arts programs • Operate *Gallery North* at the North County Transit Center (Opens March 2016) • Explore Arts In Transit potential contribution in future projects like Civic Center and Boyle Street MetroLink Stations	• Increased number and amount of grants • Increased revenue from Art Bus sponsorships • Increased sales of MetroScapes posters • Increased participation in Art Bus, MetroLines, and MetroScapes events and competitions; and enhanced reputation within the general community due to Arts in Transit programs • Increased public awareness of Metro Arts In Transit program • Plan in place for improved way finding throughout the Metro transit system

Research Institute

BSD Research Institute

Overview

The Bi-State Development Research Institute is a 501(c)(3) non-profit corporation under the organizational umbrella of Bi-State Development. The Board of Commissioners granted approval to establish the Institute on March 28, 2014. The Board subsequently approved the organization's Bylaws on May 23, 2014.

The Research Institute is a non-profit organization dedicated to the study, planning and evaluation of regional public policy, land use, economic development and infrastructure investment - all within the Compact powers of Bi-State Development.

The Research Institute seeks grants to support research that develops data about the return on investment for local infrastructure improvements. The Institute is also charged with taking a real estate position on projects that improve the community and economic development of the region.

Strategic Focus

The primary goals of the 501(c)(3) Institute are to:

- Focus on real estate acquisition and conveyance in support of Transit-Oriented Development ("TOD") and regional economic development; and
- Plan, study and evaluate regional land use, public policy, economic and community development and infrastructure investment, including, but not limited to transit activities; and
- Insure that the Institute is self-sustaining and able to fiscally support itself; that is serve as a conduit for charitable donations supporting Institute goals and specific community support, such as providing transit tickets for deserving youth and as a fund raising conduit for events.

BI-STATE DEVELOPMENT
RESEARCH
INSTITUTE

Bi-State Development Research Institute
Statement of Revenue and Expense
FY 2015 - FY 2019

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projection	FY 2017 Budget	FY17 Bgt vs. FY16 Proj $ Change	FY17 Bgt vs. FY16 Proj % Change	FY 2018 Budget	FY 2019 Budget
Operating Revenue:								
Not-for-profit (NFP) revenue	$ 900	$ 5,000	$ 42,305	$ 62,500	$ 20,195	47.7%	$ 64,000	$ 84,000
Total Operating Revenue	**900**	**5,000**	**42,305**	**62,500**	20,195	47.7%	**64,000**	**84,000**
Total Revenue	**900**	**5,000**	**42,305**	**62,500**	**20,195**	47.7%	**64,000**	**84,000**
Operating Expense:								
Services	260	5,000	53,148	110,829	57,681	108.5%	113,656	121,570
Parts & supplies	72	-	-	1,000	1,000	-	1,000	1,000
Other operating expenses	850	-	1,250	4,000	2,750	220.0%	4,000	4,000
Total Operating Expense	**1,182**	**5,000**	**54,398**	**115,829**	**61,431**	**112.9%**	**118,656**	**126,570**
Total Expense	**1,182**	**5,000**	**54,398**	**115,829**	**61,431**	**112.9%**	**118,656**	**126,570**
Net Surplus (Deficit)	**$ (282)**	**$ -**	**$ (12,093)**	**$ (53,329)**	**$ (41,236)**	**-341.0%**	**$ (54,656)**	**$ (42,570)**

Revenue

In FY 2017, contributions and consulting fees are expected to generate $62,500 in operating revenue.

Expense

Total operating expense is budgeted at $115,829, resulting in net deficit of $53,329. The operating expense includes legal fees, outside consulting services, office supplies and travel and meeting expenses.

St. Louis Regional Freightway

Overview

The St. Louis Regional Freightway was created as a public-private partnership to optimize the region's freight transportation network. It is the newest business enterprise of Bi-State Development, and established in response to recommendations made in the 2013 Saint Louis Regional Freight Study commissioned by East-West Gateway. The study identified existing capabilities, gaps and growth potential in the freight segment of the region's economy.

That plan called for the establishment of a Freight District to capitalize on an anticipated 60 percent increase in national freight volume by the year 2040. Because Bi-State Development is uniquely positioned as both an economic development leader and an implementation arm for regional projects, it was selected by the East-West Gateway Board in September 2014 to lead this freight initiative.

The St. Louis Regional Freightway has established a working group consisting of partners from East-West Gateway Council of Governments, Mid-America Airport, Leadership Council of Southwestern Illinois, St. Charles County, St. Louis County, Monroe County Illinois, the City of St. Louis and the Terminal Railroad Association. The public-private partnership is working to identify funding sources for capital investments in freight-related infrastructure and to promote the St. Louis region.

Strategic Focus

In FY 2016, the St. Louis Regional Freightway selected an Executive Director that will evaluate the freight needs and identify opportunities to create a freight district environment in the bi-state region. The strategy is to develop public-private partnerships and create the foundation for planning, marketing and advocacy of the bi-state region as a national freight hub. The goal is to produce results that strengthen the St. Louis region by increasing job growth and improving the local economy. The cooperative effort will determine how the region manages the movement of freight, how to coordinate the work of a variety of jurisdictions and how to market the Greater St. Louis region's freight capacity to the nation.

ST LOUIS REGIONAL
FREIGHTWAY

St. Louis Regional Freightway
Statement of Revenue and Expense
FY 2016 - FY 2019 Fiscal Years

	FY 2016 Budget	FY 2016 Projection	FY 2017 Budget	FY17 Bgt vs. FY16 Proj $ Change	FY17 Bgt vs. FY16 Proj % Change	FY 2018 Budget	FY 2019 Budget
Operating Revenue:							
Regional Freight Fees	$ 450,000	$ 267,469	$ 175,000	$ (92,469)	-34.6%	$ 175,000	$ 175,000
Other Operating Revenue	-	40,000	40,000	-	0.0%	40,000	40,000
Total Operating Revenue	**450,000**	**307,469**	**215,000**	**(92,469)**	-30.1%	**215,000**	**215,000**
Operating Expenses:							
Compensation	167,878	169,209	162,572	(6,636)	-3.9%	288,677	297,810
Benefits	81,648	69,496	69,668	171	0.2%	152,645	161,246
Other post-employment benefits	-	1,068	-	(1,068)	-100.0%	-	-
Services	40,000	92,503	545,000	452,497	489.2%	545,000	545,000
Parts & Supplies	1,500	763	1,500	737	96.6%	1,500	1,500
Utilities	1,200	600	600	-	0.0%	1,200	1,200
Other Operating Expenses	3,500	23,243	72,500	49,257	211.9%	72,500	68,000
Agency Fees	-	-	-	-	-	-	-
Total Operating Expenses	**295,727**	**356,882**	**851,840**	**494,958**	**138.7%**	**1,061,522**	**1,074,756**
Net Income (Deficit)	**$ 154,273**	**$ (49,413)**	**$ (636,840)**	**$ (587,427)**	**-1188.8%**	**$ (846,522)**	**$ (859,756)**

Revenue

In FY 2017, contributions and fees for service provided are expected to generate $175,000 in operating revenue. These funds are projected to come from East-West Gateway Council of Governments and the Leadership Council of Southwestern Illinois. Other Operating Revenue is budgeted at $40,000. Other sources of revenue, including member fees, are being discussed for additional possible resources.

Expense

Total operating expense is expected of $851,840, resulting in net deficit before depreciation of $638,840. The majority of operating expense is for personnel costs and outside consulting services. The Bi-State management fee is being waived for the St. Louis Regional Freightway.

Goals and Objectives Action Plan

The following strategies and action steps help BSD achieve its goals and objectives as outlined in the strategic plan section of this document.

Goal: Build an effective and efficient publically-supported organization that is viewed as a transparent and accountable steward of public funds.		
Objective: Establish and manage a marketing and business development plan that creates a cohesive brand identity for St. Louis Region Freightway.		
Strategy	**Action Steps**	**Performance Measurements**

Execute strategic external public relation strategies and build partnerships with the freight industry and regional stakeholders to be recognized as a premier freight hub Recognized for excellence in state and national level freight planning. Continue to build awareness for freight related economic growth	• Promote awareness for freight related economic growth through media stories about the region's logistic and multi-modal assets and the value they bring to the region
	• Create a St. Louis Regional Freightway Annual Event to promote collaboration regarding economic development
	• Develop a website that promotes the regions freight network, real estate opportunities and economic development
	• Develop relationships and collaborate with the freight industry and regional stakeholders to accelerate regional economic growth through the region's freight network and supply chain
	• Create and execute a series of opportunities designed to engage industry leaders and help drive economic development as it relates to the freight industry
		• Roll-out brand strategy for St. Louis Regional Freightway
		• Increase positive media reports and awareness about the following:
		  ○ St. Louis Regional Freightway
		  ○ The Region's logistic and freight capabilities to grow and attract manufacturing and distribution facilities
		  ○ The Region's freight bulk commodity capabilities
		• Publish in the St. Louis and Illinois Business Journal and use electronic and hard copies to push to greater number of constituents
		• Represent the St. Louis Regional Freightway at business to business events.
		• Increase external website users and social media presence

Internal Service Funds

Internal Service Funds

Overview

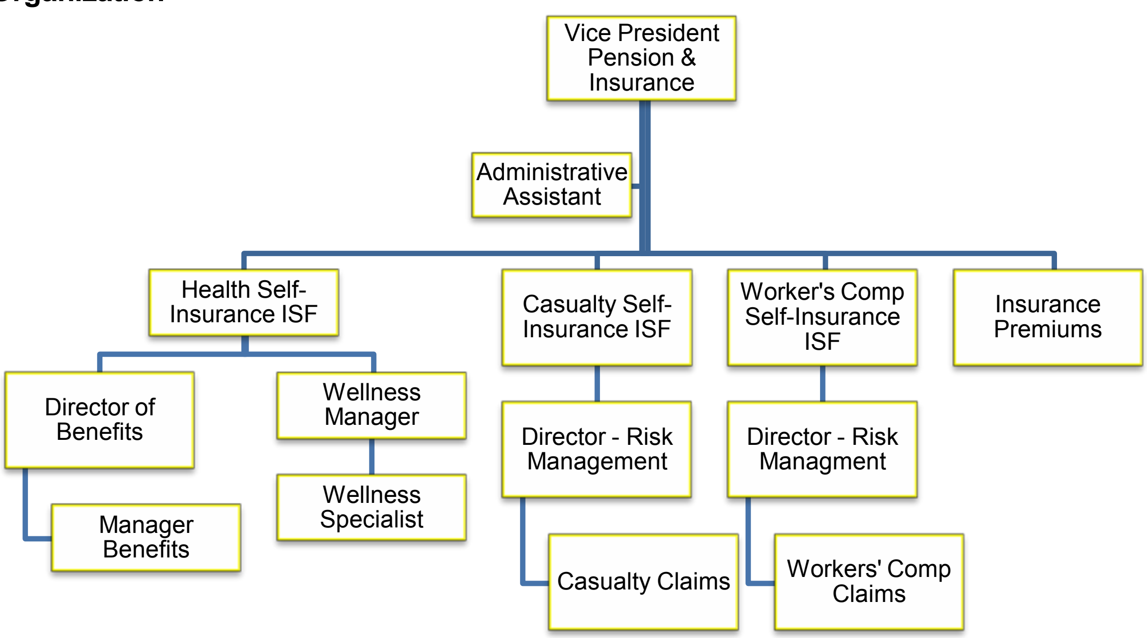
Bi-State Development operates self-insurance programs for its medical and dental benefits, casualty insurance and workers' compensation insurance. The combined expense of these the programs exceeds $35 million. Due to the importance and materiality of these combined activities, the Board of Commissioners directed that internal service funds be established to track each program's cost. Each internal service fund will generate revenue by charging out for services provided to the operating units and incur costs for its own operations.

The Health Self-Insurance Internal Service Fund was established in FY 2016. The implementation of the Health Self-Insurance Internal Service Fund enhances the governance and oversight of BSD and employee annual contributions and provides a means to clearly see the true cost of the health insurance benefit for active employees and retirees. The workers' compensation and casualty self-insurance internal service funds will begin operations July 1, 2016.

The names of Bi-State Development's internal service funds are:

- Health Self-Insurance Internal Services Fund
- Workers' Compensation Self-Insurance Internal Service Fund
- Casualty Self-Insurance Internal Service Fund

Organization



Internal Service Fund
Statement of Revenue and Expense
FY 2016 - FY 2019

	FY 2016 Budget	FY 2016 Projection	FY 2017 Budget	FY17 Bgt vs. 16 Proj $ Change	FY17 Bgt vs. 16 Proj % Change	FY 2018 Budget	FY 2019 Budget
Operating revenue:							
Health Self Insurance IS-BSD	$ 31,326,187	$ 25,308,626	$ 27,534,103	$ 2,225,477	8.8%	$ 28,335,257	$ 29,186,688
Health Self Insurance IS-Participants	-	6,512,994	7,324,706	811,712	12.5%	7,544,448	7,770,782
Workers Comp Self Insurance ISF	-	-	4,845,832	4,845,832	-	4,971,034	5,114,869
Casualty Self Insurance ISF	-	-	4,306,799	4,306,799	-	4,422,045	4,551,913
Total operating revenue	**31,326,187**	**31,821,620**	**44,011,440**	12,189,820	38.3%	**45,272,784**	**46,624,252**
Operating expense:							
Compensation & Benefits	682,346	996,568	2,012,059	1,015,490	101.9%	2,070,220	2,150,193
Other post-employment benefits	27,420	16,831	5,701	(11,131)	-66.1%	6,111	6,582
Services	719,000	444,357	544,925	100,568	22.6%	545,509	563,903
Parts & supplies	39,545	28,445	52,400	23,955	84.2%	52,500	54,500
Caualty & liability costs	-	-	633,502	633,502	-	633,502	633,502
Utilities	2,380	2,257	2,980	723	32.0%	2,980	3,580
Other expense	34,677	32,591	533,377	500,786	1536.6%	533,377	533,377
ISF Casualty Fee Expense	-	-	3,000,000	3,000,000	-	3,090,000	3,182,700
ISF Workers Comp Fee Expense	-	-	3,874,730	3,874,730	-	3,986,239	4,113,109
ISF Health & Welfare Claim & Admin Fee Exp	30,068,637	30,271,754	33,351,767	3,080,013	10.2%	34,352,346	35,382,806
Total operating expense	**31,574,005**	**31,792,803**	**44,011,440**	**12,218,637**	38.4%	**45,272,784**	**46,624,252**
Operating income (loss)	**$ (247,818)**	**$ 28,817**	**$ -**	**$ (28,817)**	-100.0%	**$ -**	**$ -**

Revenue

Revenue for the ISF is generated by charges for services provided to other business units within BSD and also to related parties. The revenue for the Health Self-Insurance ISF is derived from amounts funded through the company paid portion of the benefit and the participant (active/retiree) contributions.

The worker's compensation self-insurance ISF and casualty self-insurance ISF revenue are generated through allocation and actuarial determined costs to be incurred. The charges for potential claims are expensed to the appropriate operating units and generate offsetting revenue in the respective ISF.

Expense

Total operating expense for the internal service funds consist of compensation for staff to operate the programs, consultant fees, premiums for excess insurance coverage, office supplies and claims paid. Claims paid are the largest single expense for the internal service plans and represent claims paid on a cash basis.

Executive Services

Bi-State Development

Executive Services

Descriptions of organization

Executive Services is a service company that supports the other Bi-State Development companies including Transit System, Gateway Arch, Riverfront Attractions, St. Louis Downtown Airport, St. Louis Regional Freightway, Arts In Transit, Inc. and the Bi-State Development Research Institute and is supported by management fee revenue collected from each of the other companies. Functional areas of Executive Services include:

Executive Office is responsible for the management of all Bi-State Development operating units in support of the goals and objectives of the Board of Commissioners.

Internal Audit performs internal audits and assists with independent outside audits. Internal Audit plans and conducts audits of BSD programs and operations, identifying problem areas and developing recommendations for improved control mechanisms or organizational performance.

Government Affairs establishes and maintains working relationships with government officials that support BSD's funding, legislative program, policies, and services.

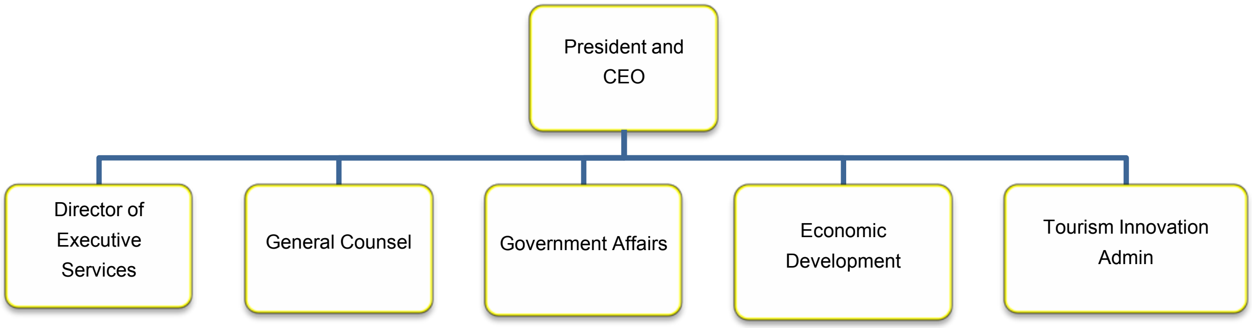
General Counsel is responsible for managing and coordinating the Bi-State Development's legal activities; ensuring corporate compliance with all laws and regulations; maintaining agency record retention and information security; and providing employee compliance and ethics training.

Economic Development is responsible for identifying alternative sources of funding and partners for regional initiatives, including real estate development around transit stations and Bus Rapid Transit initiatives promoting regional infrastructure via the Bi-State Development charter in support of job creation and new private investment; and, managing BSD's Real Estate group.

Tourism Innovation Administration provides management overview for the Gateway Arch Tram Systems and the Riverfront Attractions.

Executive Services

Organization



Financial Summary

Executive Services
Statement of Revenue and Expense
FY 2015 - FY 2019

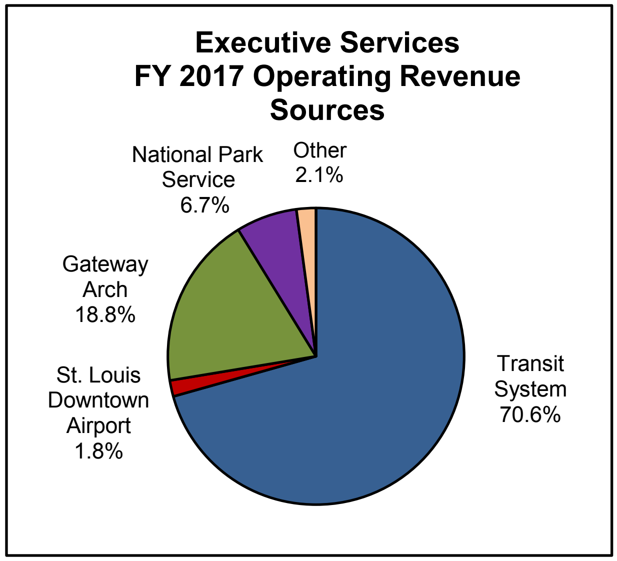
	FY 2015	FY 2016	FY 2016	FY 2017	FY17 Bgt vs. 16 Proj		FY 2018	FY 2019
	Actual	Budget	Projection	Budget	$ Change	% Change	Budget	Budget
Operating Revenue:								
Management fees:								
Transit System	$ 2,800,000	$ 3,097,907	$ 2,675,916	$ 3,014,162	$ 338,246	12.6%	$ 3,103,463	$ 3,221,761
Gateway Arch	558,263	578,382	645,367	803,307	157,940	24.5%	1,004,626	1,017,991
Gateway Arch Parking	48,811	-	-	-	-	-	-	-
National Park Service	383,005	393,561	361,547	283,784	(77,763)	-21.5%	339,176	339,176
Airport	73,318	75,271	76,234	75,271	(963)	-1.3%	79,989	85,298
Other Operating Revenue	-	-	172,800	90,579	(82,221)	-47.6%	93,296	96,095
Total Operating Revenue	**3,863,396**	**4,145,121**	**3,931,865**	**4,267,103**	**335,238**	**8.5%**	**4,620,550**	**4,760,321**
Non-Operating Revenue								
Investment income	2,156	2,550	2,727	2,700	(27)	-1.0%	2,750	2,800
Total Non-Operating Revenue	**2,156**	**2,550**	**2,727**	**2,700**	**(27)**	**-1.0%**	**2,750**	**2,800**
Total All Revenue	**3,865,552**	**4,147,671**	**3,934,591**	**4,269,803**	**335,212**	**8.5%**	**4,623,300**	**4,763,121**
Operating Expense:								
Compensation	1,340,246	1,732,325	1,523,952	1,740,006	216,055	14.2%	1,778,000	1,826,025
Benefits excluding OPEB	558,524	723,310	667,119	691,637	24,518	3.7%	715,107	749,800
OPEB	126,989	129,599	71,063	61,688	(9,375)	-13.2%	61,688	61,688
Services	558,007	1,151,267	966,702	1,132,305	165,603	17.1%	1,179,049	1,246,379
Parts & supplies	12,051	27,644	20,822	27,870	7,048	33.8%	27,592	28,824
Utilities	5,206	8,499	6,631	8,649	2,018	30.4%	8,748	8,847
Other expense	188,885	357,899	311,970	356,727	44,756	14.3%	367,765	374,119
Total Operating Expense	**2,789,908**	**4,130,543**	**3,568,260**	**4,018,882**	**450,623**	**12.6%**	**4,137,951**	**4,295,682**
Net Income (Loss) Before Depreciation & Amortization	**1,075,644**	**17,128**	**366,332**	**250,921**	**(115,411)**	**-31.5%**	**485,349**	**467,439**
Depreciation & amortization	2,433	1,937	1,937	1,941	4	0.2%	1,941	1,941
Net Surplus (Deficit)	**$ 1,073,212**	**$ 15,191**	**$ 364,395**	**$ 248,980**	**$ (115,415)**	**-31.7%**	**$ 483,409**	**$ 465,498**

Executive Services – FY 2017 Budget

Executive Services is a service company that represents Bi-State Development's headquarters and provides support to BSD operative companies.

Revenue

Metro Transit management fee is calculated at 75% of Executive Services operating expenses. This assessment represents services provided by Executive Services to Metro Transit.



Gateway Arch management fee is calculated based on a formula negotiated with the National Park Service including seven percent of total Arch revenues and ten percent of revenue net of expenses.

St. Louis Downtown Airport management fee is calculated at five percent of the Downtown Airport operating revenue and interest income.

National Park Service management fee is calculated at twenty percent of Arch entrance fees. The National Park Service charges a $3 entrance fee per adult ticket. Children 15 years old and younger are exempt from the fee. Revenue from the Arch movies is not applicable in FY 2017 as the movies have been temporarily discontinued.

St. Louis Regional Freightway is not being assessed a management fee in FY 2017.

Bi-State Development Research Institute is not being assessed a management fee in FY 2017.

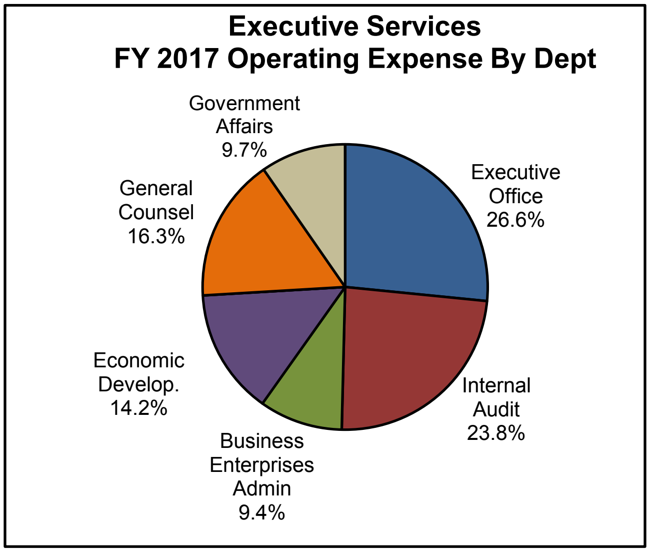
Riverfront Attractions is not being assessed a management fee in FY 2017.

Arts In Transit, Inc. is not being assessed a management fee in FY 2017.

Expense

Compensation and benefits for the FY 2017 budget remains flat when compared to the FY 2016 budget.

Other post-employment benefits (OPEB) are primarily retiree medical expenses related to the implementation of GASB Statement No. 45.

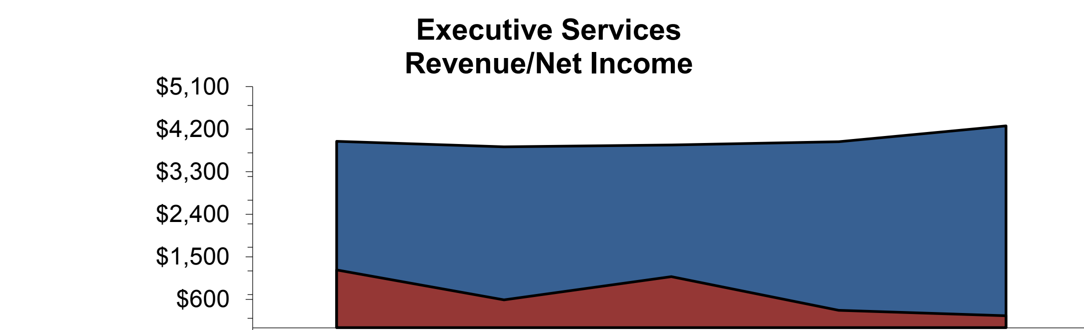


Services primarily consist of fees for outside consultants, auditors, lawyers, lobbyists and temporary help. Service expense for General Counsel has increased due to outside legal fees and an automated training management system.

Parts and supplies include office supplies and equipment, training materials, and data processing supplies.

Utilities consist of mobile device usage.

Other expense includes employee and commissioner travel, employee training and dues for regional, state, and national transportation and economic organizations.



(In thousands)	Actual 2013	Actual 2014	Actual 2015	Projected 2016	Budget 2017
Operating revenue	3,940	3,824	3,863	3,932	4,267
Net icome before depreciation	1,220	587	1,078	366	251

Executive Services

Executive Services Goals and Objectives Action Plan

The following goals and objectives are consistent with the four primary organization level goals used to achieve the Bi-State Development strategic plan. Progress in attaining these goals and objectives are measured through performance indicators. A list of performance indicators follows the goals and objectives action plan.

Goal: To be an effective and efficient publically-supported organization that is viewed as a transparent and accountable steward of public funds.		
Objective: Establish and manage communications plan that improves public perception of Bi-State Development programs and credibility of management		
Strategy	**Action Steps**	**Performance Measurements**
Economic Development		
Continual improvement of BSD's economic development services, confirming program goals and continually updating and refining BSD's economic development direction	• BSD Board and CEO provide oversight for economic development efforts • Economic Development staff interacting with BSD engineering, planning, transit, grants, business enterprise, airport, legal, procurement, finance, marketing and communication on BSD projects • Economic Development staff interacting with local and national economic development groups for information and best practices • Grow the project reach and revenue potential of the BSD Research Institute • Continue to support the operating requirements of the St. Louis Regional Freightway • Interface with the public and regional partners on region-wide economic development needs	• Purposed, short and long-term economic development projects/programs for the regional community (on-going) • Increased perception in the region as BSD being a key part of the community fabric (on-going) • Improved community and private partnerships for BSD and BSD projects (on-going) • Wise stewardship of public resources leveraging private investment

Goal: To be an effective and efficient publically-supported organization that is viewed as a transparent and accountable steward of public funds.		
Objective: Establish and manage communications plan that improves public perception of Bi-State Development programs and credibility of management		
Strategy	**Action Steps**	**Performance Measurements**
Economic Development		
Support regional development via BSDA's transit system and compact powers by leading the economic development component of TOD and economic development support for regional infrastructure.	• Interface with community partners on TOD planning, financing and development • Interface with property owners and planning staff on BRT • Focus regional efforts to secure large scale public infrastructure, such as those through the regional Freight District and SITE • Undertake econometric analysis for light rail expansion	• Increased square feet of private development and increased private investment dollars around MetroLink stations • Planning work on all 38 MetroLink stations for potential TOD investments • Initiate economic development related to BRT • On-going work for high speed rail and bridge improvements for the greater St. Louis region • Assigning economic value to areas of the region undergoing light rail expansion
Continual improvement of BSD's real estate services for BSD's real estate requirements in a professional and fiduciary manner	• Interface with engineering, transit, planning, grants operations, finance, business enterprises, economic development, legal and communications on projects • Interface with property owners and community partners on BSD projects and initiatives • Interface with FTA on property conveyance	• Managing ongoing offers and negotiations on properties and assets that support BSD's efforts • Maintaining individual real estate certifications • Managing real estate data and documents in a timely fashion for the acquisition or deposition of property • Successful annual excess property report to the BSD Board and Triennial Review with FTA • Timely processing of BSD real estate payments and collections Improved BSD revenues from BSD real estate assets

Goal: To be an effective and efficient publically-supported organization that is viewed as a transparent and accountable steward of public funds.		
Objective: Establish and manage communications plan that improves public perception of Bi-State Development programs and credibility of management		
General Counsel		
Ensure BSD compliance with all applicable legal and regulatory compliance requirements	• Maintain agency-wide corporate compliance requirements list; • Conduct semi-annual department requirements audits; revise when laws/ regulations change • Research and update all applicable federal, state, and local laws and regulations • Ensure reporting and auditing open action items are closed	• Complete semi-annual requirements audits (October 2016 and April 2017) • Include results in annual State of the Agency report present to Board of Commissioners by March 2017
Maintain an agency-wide employee compliance and ethics training program	• Conduct training for new employees • Conduct training for existing transit operators during refresher training • Conduct annual employee Code of Conduct review and attestation	• Complete training for all bus operators by June 2017 • Complete Code of Conduct attestation by February 2017
Maintain an agency-wide employee compliance fraud helpline incident reporting system	• Assign investigations for all incident reports • Track incident reports to closure • Ensure incident reports are thoroughly documented	• Close all incident reports within 30 days for at least 90% of all new incident reports • Include results in annual State of the Agency report and present to Board of Commissioners by March 2017

Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources		
Objective: Implement internal process improvements		
Strategy	**Action Steps**	**Performance Measurements**
Internal Audit		
Perform an agency wide risk assessment	• Perform a detailed review of the current "process control memos	• Use the results of the Risk Assessment to develop the FY 2017 Annual Audit Program
Assist in the implementation of the development of the Internal Service Funds for the BSD's self-funded insurance programs	• Develop the implementation guidelines for the financial statement presentation for the Health, Casualty, and Workers Compensation self-insurance programs	• Review Internal Service Fund financial statements monthly, quarterly and annually

Performance Indicators – Executive Services

Progress in meeting the goals and objectives are measured through performance indicators. Following is a list of the performance indicators.

	FY 2017 Target	FY 2016 Projection	FY 2016 Target	FY 2015 Target
Executive Office and General Counsel:				
Timely preparation of Board Resolutions	Yes	Yes	Yes	Yes
Timely preparation of Board Minutes	Yes	Yes	Yes	Yes
Respond to all Sunshine Law requests within 3 days	100%	100%	100%	100%
Ensure Agency-wide legal and regulatory compliance	100%	100%	100%	100%
Close 90% of new Compliance and Fraud incident reports within 30 days	100%	100%	100%	100%
Government Affairs:				
Actively participate in regional and national transit organizations	Yes	Yes	Yes	Yes
Actively participate in regional economic development and transportation planning	Yes	Yes	Yes	Yes
Internal Audit:				
Audits planned	35	10	21	19
Audits completed	35	10	20	13
Audit recommendations accepted by mgmt	25	10	60	17
Audit recommendations implemented	25	10	44	17
Economic Development:				
Transit Oriented Development (TOD) project efforts at 38 stations	100%	100%	100%	100%
Bus Rapid Transit pre-development support	Yes	Yes	Yes	Yes
Grow regional project/funding partnership	Yes	Yes	Yes	Yes
Create opportunities for use of Bi-State compact	Yes	Yes	Yes	Yes
Expand BSD Research Institute projects	Yes	Yes	Yes	No
Real Estate:				
BSD strategic property analysis	Yes	Yes	Yes	Yes
BSD Engineering, etc. departmental support	Yes	Yes	Yes	Yes
BSD real estate accounts receivable current	98%	98%	98%	95%
BSD real estate accounts payable current	100%	100%	100%	100%
Manage BSD real estate assets to maximize value	Yes	Yes	Yes	Yes

Executive Services - Operating Expenses - Summary

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projection	FY 2017 Budget	17 Bgt vs. 16 Proj $ Change	17 Bgt vs. 16 Proj % Change	FY 2018 Budget	FY 2019 Budget
By type of expense:								
Wages & benefits without OPEB	$ 1,896,892	$ 2,455,635	$ 2,191,071	**$ 2,431,644**	$ 240,572	11.0%	$ 2,493,108	$ 2,575,825
Other post-employment benefits	126,693	129,600	71,063	**61,688**	(9,375)	-13.2%	61,688	61,688
Services	557,641	1,151,267	966,702	**1,132,305**	165,603	17.1%	1,179,049	1,246,379
Fuel & lubrications	809	1,584	1,259	**1,464**	204	16.2%	1,500	1,538
Parts & supplies	11,188	26,059	19,563	**26,406**	6,843	35.0%	26,092	27,286
Utilities	5,148	8,499	6,631	**8,649**	2,018	30.4%	8,748	8,847
Casualty & liability	-	-	-	**-**	-		-	-
Leases and other expense	189,419	357,899	311,970	**356,727**	44,756	14.3%	367,765	374,119
					-			
Operating expense	$ 2,787,790	$ 4,130,543	$ 3,568,260	**$ 4,018,882**	$ 450,623	12.6%	$ 4,137,951	$ 4,295,682

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projection	FY 2017 Budget	17 Bgt vs. 16 Proj $ Change	17 Bgt vs. 16 Proj % Change	FY 2018 Budget	FY 2019 Budget
By function:								
Executive Office	$ 612,339	$ 1,036,781	$ 875,613	**$ 1,020,273**	$ 144,660	16.5%	$ 1,041,334	$ 1,067,289
Internal Audit	674,384	1,121,648	914,317	**1,094,260**	179,943	19.7%	1,147,171	1,215,070
Government Affairs	185,446	376,542	419,375	**370,597**	(48,779)	-11.6%	374,719	380,191
General Counsel	504,053	577,269	557,388	**625,283**	67,895	12.2%	642,555	669,576
Economic Development	438,514	447,272	405,341	**545,612**	140,271	34.6%	560,433	579,238
Tourism Innovation Administration	288,004	332,357	335,203	**362,858**	27,655	8.3%	371,738	384,319
Workforce Diversity and EEO	85,049	238,675	61,022	**-**	(61,022)	-100.0%	-	-
Operating expense	$ 2,787,790	$ 4,130,543	$ 3,568,260	**$ 4,018,882**	$ 450,623	12.6%	$ 4,137,951	$ 4,295,682

Totals may not sum due to rounding.

Executive Services - Operating Expense by Functional Area

		FY 2015 Actual	FY 2016 Budget	FY 2016 Projection	FY 2017 Budget	17 Bgt vs. 16 Proj $ Change	17 Bgt vs. 16 Proj % Change	FY 2018 Budget	FY 2019 Budget
Executive Office	Wages & benefits without OPEB	428,745	563,328	532,950	**563,752**	30,802	5.8%	579,588	600,317
	Other post-employment benefits	32,732	28,690	16,565	**14,389**	(2,176)	-13.1%	14,389	14,389
	Services	21,421	204,500	109,128	**202,000**	92,872	85.1%	207,000	212,000
	Fuel & lubrications	-	156	78	**-**	(78)	-100.0%	-	-
	Parts & supplies	2,647	5,500	3,169	**5,500**	2,331	73.6%	5,500	5,500
	Utilities	161	1,200	600	**1,200**	600	100.0%	1,200	1,200
	Leases and other expense	126,634	233,407	213,123	**233,432**	20,309	9.5%	233,657	233,882
	Operating expense	612,339	1,036,781	875,613	**1,020,273**	144,660	69.9%	1,041,334	1,067,289
Internal Audit	Wages & benefits without OPEB	444,506	523,012	496,103	**550,763**	54,660	11.0%	559,490	571,159
	Other post-employment benefits	28,447	21,513	13,025	**10,790**	(2,235)	-17.2%	10,790	10,790
	Services	175,479	524,193	359,475	**471,310**	111,835	31.1%	506,043	555,894
	Parts & supplies	3,093	9,258	5,141	**10,147**	5,006	97.4%	10,239	11,332
	Leases and other expense	22,859	43,672	40,573	**51,250**	10,677	26.3%	60,610	65,895
	Operating expense	674,384	1,121,648	914,317	**1,094,260**	179,943	73.8%	1,147,171	1,215,070
Government Affairs	Wages & benefits without OPEB	-	135,043	67,289	**135,795**	68,505	101.8%	139,713	145,024
	Other post-employment benefits	-	9,460	4,676	**4,745**	69	1.5%	4,745	4,745
	Services	177,946	215,330	338,556	**215,345**	(123,211)	-36.4%	215,445	215,445
	Parts & supplies	-	1,171	585	**1,175**	590	100.7%	1,180	1,190
	Utilities	-	600	300	**600**	300	100.0%	600	600
	Leases and other expense	7,500	14,937	7,969	**12,937**	4,969	62.4%	13,037	13,187
	Operating expense	185,446	376,542	419,375	**370,597**	(48,779)	44.2%	374,719	380,191
General Counsel	Wages & benefits without OPEB	434,927	441,881	444,055	**483,461**	39,406	8.9%	497,495	516,341
	Other post-employment benefits	28,280	26,688	14,975	**13,385**	(1,590)	-10.6%	13,385	13,385
	Services	23,676	80,400	60,449	**92,650**	32,201	53.3%	95,031	102,845
	Parts & supplies	3,770	2,000	5,895	**5,300**	(595)	-10.1%	4,850	4,900
	Utilities	79	1,800	900	**1,800**	900	100.0%	1,800	1,800
	Leases and other expense	13,321	24,500	31,114	**28,687**	(2,427)	-7.8%	29,993	30,305
	Operating expense	504,053	577,269	557,388	**625,283**	67,895	90.4%	642,555	669,576
Economic Development	Wages & benefits without OPEB	262,824	290,384	282,006	**361,216**	79,210	28.1%	370,997	384,615
	Other post-employment benefits	18,519	18,443	10,412	**9,250**	(1,162)	-11.2%	9,250	9,250
	Services	149,132	122,100	99,017	**151,000**	51,983	52.5%	155,530	160,195
	Parts & supplies	1,056	3,345	1,890	**3,384**	1,494	79.0%	3,423	3,464
	Utilities	3,231	2,499	2,587	**3,249**	662	25.6%	3,348	3,447
	Leases and other expense	3,752	10,500	9,429	**17,513**	8,083	85.7%	17,885	18,267
	Operating expense	438,514	447,272	405,341	**545,612**	140,271	108.2%	560,433	579,238
Tourism Innovation Administration	Wages & benefits without OPEB	266,432	298,743	311,209	**336,657**	25,447	8.2%	345,825	358,368
	Other post-employment benefits	15,211	18,203	10,555	**9,130**	(1,426)	-13.5%	9,130	9,130
	Services	2,735	-	78	**-**	(78)	-100.0%	-	-
	Fuel & lubrications	809	1,428	1,181	**1,464**	283	23.9%	1,500	1,538
	Parts & supplies	358	800	2,399	**900**	(1,499)	-62.5%	900	900
	Utilities	1,677	1,800	1,734	**1,800**	66	3.8%	1,800	1,800
	Leases and other expense	782	11,383	8,046	**12,908**	4,862	60.4%	12,583	12,583
	Operating expense	288,004	332,357	335,203	**362,858**	27,655	85.9%	371,738	384,319
Workforce Diversity and EEO	Wages & benefits without OPEB	59,458	203,244	57,458	**-**	(57,458)	-100.0%	-	-
	Other post-employment benefits	3,504	6,604	855	**-**	(855)	-100.0%	-	-
	Services	7,254	4,743	-	**-**	-		-	-
	Parts & supplies	264	3,985	483	**-**	(483)	-100.0%	-	-
	Utilities	-	600	510	**-**	(510)	-100.0%	-	-
	Leases and other expense	14,570	19,500	1,716	**-**	(1,716)	-100.0%	-	-
	Agency fees								
	Operating expense	85,049	238,675	61,022	**-**	(61,022)	139.4%	-	-

Totals may not sum due to rounding.

Glossary

Glossary

501(c)3 - is an American tax-exempt nonprofit organization.

Accounting system - The total set of records and procedures which are used to record, classify and report information on the financial statements and operations of an entity.

Accrual basis accounting - The method of accounting under which revenues are recognized when earned and expenses are recognized at the time the liability is incurred (whether or not cash is received at that time or disbursements are made at that time).

AAP - Annual Audit Program - Internal Audit annual review of current company processes.

ADA - The Americans with Disabilities Act of 1990 – A federal act which prohibits discrimination against people with disabilities thereby promoting access to jobs, public accommodations, telecommunications, and public services, including public transit. Both operating and capital programs have been initiated by Bi-State Development in response to ADA legislation.

ADA paratransit service - Call-A-Ride van service provided to ADA-eligible passengers.

Administration - Bi-State Development's human resources, marketing and communications, procurement and material management, information technology, finance and labor relations cost centers.

Aircraft movement - Takeoff or landing recorded by the St. Louis Downtown Airport tower. Movements when the tower is closed are not included.

Airport fuel sales - Number of gallons of aviation fuel delivered to the fixed base operators.

Amortization - the allocation of a lump sum amount to different time periods, particularly for loans and other forms of finance, including related interest or other finance charges.

Appropriation - A law enabling and limiting availability of funds from a funding jurisdiction. Bi-State Development disbursements may not exceed appropriations. Generally, Bi-State Development budgets precede appropriation.

Arch tram ridership - Number of adult and child tickets sold.

ATS - Alternative Transportation Service, paratransit service provider in St. Clair County, IL. Bi-State Development is contracted by SCCTD for maintenance of the ATS vehicles.

Average weekday ridership - Average passenger boardings for weekday service. Excludes Saturdays, Sundays, and scheduled holidays.

Balanced budget - The Approved Organizational Compact between the states of Missouri and Illinois requires Bi-State Development to prepare and adopt an annual operating budget. A balanced operating budget shall be defined as revenues to equal expenditures except for depreciation and OPEB expenses. (see also Operating Budget)

Based aircraft - Number of aircraft stored in owned or leased hangars or outside ramps at St. Louis Downtown Airport at end of each month.

Benefits - Fringe benefit expenses including health, life, and disability insurance; social security; vacations; holidays; sick leave; Paid Time Off (PTO); unemployment; workers' compensation, and employer's 401(k) contribution.

Board of Commissioners - Ten-member board that sets policy and direction for the Agency. The governor of Missouri appoints five commissioners and the County Boards of St. Clair and Madison Counties in Illinois appoint five.

Bond - A debt investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed interest rate.

Call-A-Ride - Bi-State Development service name for demand-response van service.

Capital assets - Assets of a material value and having a useful life of more than one year. Also called fixed assets.

Capital budget - A component of the annual budget that serves as a guide for efficiently and effectively undertaking capital projects. The capital budget includes the Capital Improvement Program (CIP).

Capital Improvement Program (CIP) - A plan of major capital projects. It includes the

funds required for the completion of the projects and the sources for funding these projects.

Capital project - Projects with an estimated useful life of 1-year or more and a total cost of at least $5,000.

Cash equivalent - Per Bi-State Development, all investments readily convertible into cash with original maturity of 3 months or less.

CMAQ grant - A federal Congestion Mitigation/Air Quality grant program designed to support transportation projects that contribute to air quality improvements and provide congestion relief.

Compensation - The cost of wages and salaries including overtime for the performance of work.

Complaint - Passenger or general public dissatisfaction expressed to Customer Service by phone call, letter or email for which there is no immediate, satisfactory explanation; includes operator behavior, service, equipment maintenance or suitability, or other concerns.

Continuing resolution - Legislation that allows a government organization to operate while its budget is still yet to be approved.

Cross County - MetroLink corridor extending through Clayton, Missouri and ending at Shrewsbury, Missouri, adding eight miles and nine stations to the system.

Cost center - An operating unit within Bi-State Development for which an annual budget is approved by the Board of Commissioners.

Customer complaint - See complaint.

Deadhead - The time and distance in which a transit vehicle is traveling toward a yard, shop, or the start of a run but is not in revenue service.

Debt Service Fund - A fund used to account for resources set apart for the payment of principal, interest, and any service charges on long-term debt.

Depreciation - The decrease in value of assets and/or the allocation of the cost of assets to periods in which the assets are used.

DMH - Missouri Department of Mental Health, which subsidizes Call-A-Ride paratransit passenger trips.

EADS - Employee Accountability and Development System, Bi-State Development's employee evaluation and development program.

EEO - Equal Employment Opportunity

Economic Stimulus Funds - Funds created when the government changes its fiscal policy of spending and taxation in order to bolster and revive an economy that is in a recession. By spending money on state and federal infrastructure, the government hopes to provide jobs, and jump-start the failing economy.

EWGCOG - The East-West Gateway Council of Governments is designated by federal, state, and local officials as the Metropolitan Planning Organization (MPO) for the greater St. Louis region. The MPO is responsible for carrying out the urban transportation planning process in this region.

Executive Services - A Bi-State Development service supporting the other Bi-State Development companies.

Expense (operating) - Excludes depreciation, amortization, debt expense and sheltered workshop expense. Allocations by mode are based on a management-developed model.

Failure - Call A Ride and MetroBus: Revenue service interruption whereby a vehicle is unable to complete the assigned run and must be removed from service because of a mechanical, wheelchair lift, or other equipment failure. Road hazard tire failures, vandalism, accidents, and other failures not related to maintenance of vehicles are not reported. MetroLink revenue service interruption whereby a train is delayed by five minutes or more or removed from service because of a mechanical reason.

Fair value - Unbiased estimate of the potential market price.

Farebox recovery - Passenger revenue as a percent of operating expense.

Fares - The amount charged to passengers for use of various services provided by Bi-State Development.

Federal Discretionary Funds - Programs funds allocated for specific projects. Each program has its own eligibility and selection criteria that are established by law, by regulation, or administratively.

Federal Formula Fund - Is a grant program created by the Congress to distribute funding to states using a specific formula for the distribution of the funds. The formula tells the recipient of the funding how much aid the agency qualifies for.

Finance - Bi-State Development's accounting, budget, grants, passenger revenue, safety, and treasury cost centers.

Fiscal policies - guidelines providing a framework for the financial responsibilities associated to the operation of Bi-State Development.

Fiscal year (FY) - The fiscal year for Bi-State Development ends on June 30 of each year. FY 2017 ends on June 30, 2017. FY 2017 of the federal government extends from October 1, 2016, through September 30, 2017.

Fixed asset - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery and furniture.

Fixed guideway funds - Provides grants for new and expanded rail, bus rapid transit, and ferry systems that reflect local priorities to improve transportation options in key corridors.

Fixed guideway system – Any transit service that uses and occupies a separate right–of-way or rails for the exclusive use of public transportation and other high occupancy vehicles or uses a fixed catenary system.

Fixed route service - MetroBus and MetroLink vehicles that operate according to fixed schedules and routes.

Fleet size – Number of revenue vehicles at the end of the reporting period.

FTA - (Federal Transit Administration) – The federal agency that helps cities and communities provide mobility to their citizens. Through its grant programs, FTA provides financial & planning assistance to help plan and build public transit systems. Since 1988, the only FTA funding available to Bi-State Development has been for capital projects.

Fund - A fiscal and accounting entity which is comprised of a self-balancing set of accounts which reflect all assets, liabilities, equity, revenue and expenditures (or expenses) necessary to disclose financial position and the results of operations. Funds are established as individual entities in order to segregate financial records for the purpose of legal compliance, different natures of the activities performed, measurement of different objectives, and to facilitate management control.

Fund accounting - An accounting system emphasizing accountability rather than profitability, used by non-profit organizations and governments.

Fund balance - Refers to the excess of current assets over current liabilities.

Gateway Arch - Jefferson National Expansion Memorial and park grounds operated by the National Park Service in downtown St. Louis. In reference to Bi-State Development, the tram system and ticketing operation managed by Bi-State Development under contract with the National Park Service.

Gateway Arch Riverboats - Becky Thatcher and Tom Sawyer riverboats owned and operated by Bi-State Development adjacent to the Gateway Arch park grounds.

General Fund - It is the principal operating fund for Bi-State Development.

Hedging - An investment position intended reduce any substantial losses/gains suffered by an individual or an organization

Half cent sales tax - One-half of a cent sales tax collected in St. Louis City and St. Louis County, enacted in 1973, to be used for transportation purposes

IDOT - Illinois Department of Transportation.

Infrastructure - Basic installations and facilities (e.g., roads, bridges) upon which the continuance and growth of a community depend.

Internal Service Funds - Self insurance programs operated by Bi-State Development that includes medical and dental, casualty insurance and workers' compensation insurance.

IT - Information technology including hardware and software management and office services.

JARC - Job Access and Reverse Commute Program - FTA grant program to provide funding for local programs that offer job access and reverse commute services to provide transportation for low income individuals who may live in the city core and work in suburban locations.

Liability - Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

Management fee - Assessment by Executive Services to other Bi-State Development companies to finance Executive Services company expenses.

MAP-21 (Moving Ahead for Progress in the 21st Century Act) - The surface transportation law that authorizes funding for various transportation programs. The law was signed by President Obama on July 6, 2012 and became effective October 1, 2012 and is effective for two years, through September 30, 2014. It replaces SAFETEA-LU.

Media Exposures - Potential audience reached based on print media circulation, unique social media viewers, and broadcast audience size.

MetroBus - Bi-State Development service name for bus service.

MetroLink - Bi-State Development service name for light rail service.

MetroScapes - An Arts in Transit program that publishes local artists' images for use in Metro bus shelters and a limited edition of posters. Posters are offered for sale at the MetroStore.

New Freedom - FTA formula grant program that aims to provide additional tools to overcome existing barriers facing Americans with disabilities seeking integration into the work force and full participation in society.

New Start - FTA grant program that is the primary funding option for local "guideway" transit projects, such as rapid rail, light rail, commuter rail, people movers, and exclusive facilities for buses and other high-occupancy vehicles (such as bus rapid transit).

OATS, Inc. - A not-for-profit 501(c)3 corporation providing specialized public transportation for senior citizens, people with disabilities and the rural general public in 87 Missouri counties.

On-time performance - MetroBus and MetroLink: Automated passenger counters record early and late departures for selected MetroBus routes and MetroLink runs compared to published schedules. A trip is considered "on-time" if the vehicle departs within the time frame of 59 seconds before schedule or arrives within 4:59 minutes after schedule. Deleted from the results are no-shows or extreme weather days. Call-A-Ride: Appointments are made giving the passenger an estimated arrival time. A trip is considered on time if arrival for the appointment is within 20 minutes before or after the appointment time.

Operating budget - The portion of the budget pertaining to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, travel, fuel, and capital outlay.

Operating expense - See Expense (operating)

Operating revenue - See Revenue (operating)

Operations - Bi-State Development's vehicle operator and maintenance, security, custodial, service planning, and customer service cost centers.

Organizational unit - A major administrative unit of Bi-State Development with overall management responsibility for an operation or a group of related operations within a functional area.

Paraquad - A St. Louis center for independent living for people with disabilities.

Parking facility vehicle transactions - Number of vehicles exiting the facility excluding monthly parkers.

Passenger boardings - Includes original revenue vehicle boardings and all transfers based on MetroBus farebox counts, MetroLink ridership modeling using Automatic Passenger Counter (APC) technology, and actual Call-A-Ride passengers.

Passenger injury - Physical harm or alleged physical harm to a passenger or bystander involved in an Bi-State Development accident. One vehicle accident may result in multiple injuries.

Peer - City which management considers to be comparable to St. Louis. Certain cities report more than one agency in which case the agency results have been combined.

Per capita income - income computed for every man and woman in a geographic area age 16 and over.

Performance indicators - Specific quantitative and qualitative measures of work performed as an objective of the department or cost center.

Performance measurements - See Performance Indicators

Peripheral equipment - Computer input/output devices

Prop A - One-half of a cent sales tax collected in St. Louis County, enacted in 2010, primarily used to fund transit operating activity with the remainder applied to capital.

Prop M - One-quarter of a cent sales tax collected in St. Louis City and County used for mass transit development and operations.

Prop M2 - One-quarter of a cent sales tax collected in St. Louis City, approved in 1997 and began collecting in 2010 with the passage of the St. Louis County Prop A tax, used for operations and capital development.

Restricted funds - Grants or donations that require that the funds be used in a specific way or for a specific purpose.

Revenue (operating) - The term designates an increase to a fund's assets which does not increase a liability, represent a repayment of an expenditure already made, represent a cancellation of certain liabilities or represent an increase in contributed capital.

Revenue bond - a special type of bond distinguished by its guarantee of repayment solely from revenues generated by a specified revenue-generating entity associated with the purpose of the bonds.

Revenue hours - Time that MetroBus/Call-A-Ride vehicles or MetroLink trains operate in passenger service including special service and layover/recovery time.

Revenue miles - Distance that MetroBus/Call-A-Ride vehicles or MetroLink trains operate in passenger service including special service.

Revenue recovery - Passenger revenue, Transit Management Association revenue, and paratransit contractual revenue as a percent of expense.

Reverse commute - City-to-suburb commute. This phrase refers to the fact that most riders commute from the suburbs to the city.

Ridership - Transit System: Total passenger boardings. Gateway Arch tram: Number of adult and child tickets sold. Riverboats: Number of cruise tickets sold to adults and children.

Riverfront attractions - Includes the Gateway Arch Riverboats and bike rentals, operated by Bi-State Development, and a heliport owned by Bi-State Development but operated under a lease agreement with a helicopter tour company.

Roadcall - MetroBus or Call-A-Ride revenue service interruption whereby the vehicle is delayed because of mechanical, tire, farebox, wheelchair or other equipment failure. A delay is not counted as a roadcall unless the delay is five minutes or more for MetroBus or fifteen minutes or more for Call-A-Ride.

SAFETEA-LU - Safe, Accountable, Flexible, and Efficient Transportation Equity Act – A Legacy for Users was signed into law August 10, 2005 for federal transit programs for FY 2005 through FY 2009. The law was extended under a series of continuing resolutions until its' final expiration on September 30, 2012.

SCORE - (Systems Connectivity Opportunity Responsiveness Efficiency) – Bi-State Development's state of the art business information system that brings a new level of integration of automation between business functions.

Security incident - Primarily disorderly conduct, fare evasion, trespassing, drunkenness and other arrests at Bi-State Development locations. Also includes reported violent crime and property crime even if there was no arrest.

Service hours - see total hours

Service miles - see total miles

Sheltered workshop - Vocational programs designed to provide work for persons with mental retardation/developmental disabilities. Two percent of the Missouri ½ cent sales tax (City of St. Louis and St. Louis County) when received by Bi-State Development is forwarded to support these programs.

Single Audit Act - provides audit requirements for ensuring all non-Federal entities that expend $500,000 or more of Federal awards in a year are expended properly

Smart card - Pocket-sized card with embedded integrated circuits which can process data to be used for transit fare collection.

STIP - State Transportation Improvement Program - A statewide prioritized listing/program of transportation projects covering a period of four years that is consistent with the long-range statewide transportation plan metropolitan transportation plans and transportation improvement plans (TIPs), and is required for projects to be eligible for funding.

STP - Surface Transportation Program; provides funds for projects that include road maintenance and construction, public transit projects, bridge improvements, traffic flow improvement projects, and bicycle and pedestrian projects.

Straight-line method - the purchase or acquisition price of an asset subtracted by the salvage value divided by the total productive years the asset can be reasonably expected to benefit the company

Strategic plan - Comprehensive summary of Bi-State Development's plan and vision to improve quality of life through public transportation.

Subsidy per passenger - Operating subsidies related to transit operations divided by passenger boardings.

TIF - Tax increment financing which creates tax incentives for business redevelopment. TIF programs may reduce sales tax receipts for Bi-State Development.

TIP - Transit Improvement Program, a planning document prepared by Bi-State Development for review and approval by state Departments of Transportation and the Federal Transit Administration to enable grant applications and receipt of federal funds.

TMA - Transit Management Association, which coordinates paratransit operations in the region using Bi-State Development's reservation and dispatching system.

TOD - Transit Oriented Development, is the growing trend in creating vibrant, livable communities. Also known as Transit Oriented Design, it is the creation of compact, walkable communities centered around high quality train systems. This makes it possible to live a higher quality life without complete dependence on a car for mobility and survival.

Total hours - Revenue hours plus deadhead hours (e.g., from the facility to the start of a revenue trip).

Total miles - Revenue miles plus deadhead miles (e.g., from the facility to the start of a revenue trip).

Tourism Innovation - The division responsible for the sales, marketing and operation of the Gateway Arch and Gateway Arch Riverfront Attractions.

Tranche - one of a number of related securities offered as part of the same transaction.

Transit System - The Bi-State Development company that provides transit services under service names MetroBus, MetroLink, and Call-A-Ride.

Trapeze - Trapeze Software, a major software provider specializing in transportation systems.

TRIP - Transit in the Park - (Paul S. Sarbannes) - Program goals are to conserve natural, historical, and cultural resources; reduce congestion and pollution; improve visitor mobility and accessibility; enhance visitor experience; and ensure access to all, including persons with disabilities through alternative transportation projects.

TVM - Ticket Vending Machines located at each MetroLink station

Unscheduled absenteeism - Operator, mechanic and facility support sick time and unauthorized leave as a percent of current staffing, excluding overtime.

Vehicle accident - Incident in which Bi-State Development vehicle makes physical contact with another vehicle, a fixed object or a person. It also includes derailments or leaving the road.

Vehicle miles - For MetroBus and Call-A-Ride, total miles and vehicle miles are the same. For MetroLink, total mileage for each car of a two-car train is included.

Vehicle transactions - Number of vehicles exiting the Gateway Arch Parking Facility.

UZA - A Census-designated urban area with 50,000 residents or more (Urbanized Area).

Glossary of Acronyms

ADA	Americans with Disabilities Act
AFL-CIO	American Federation of Labor and Congress of Industrial Organizations
AIG	American International Group
AIT	Arts in Transit
AMBAC	American Municipal Bond Assurance Corporation
APC	Automatic Passenger Counter
APTA	American Public Transportation Association
ARC	Actuarially Recommended Contribution
ArcGIS	Collection of software products that runs on standard desktop computers to create, import, edit, query, map, analyze and publish geographic information.
ArcGIS Server	ArcGIS Server delivers dynamic maps and GIS data and services via the Web.
ARFF	Aircraft Rescue and Firefighting
ARRA	American Recovery and Reinvestment Act of 2009
ATS	Alternative Transportation Service, paratransit service provider in St. Clair County, IL. Metro is contracted by SCCTD for maintenance of the ATS vehicles
ATU	Amalgamated Transit Union
AVL	Automated Vehicle Locator
BJC	Barnes Jewish Childrens Healthcare Centers
BRT	Bus Rapid Transit
CAD/AVL	Computer Aided Dispatch / Automated Vehicle Location
CAFR	Comprehensive Annual Financial Report
CCC	Cross County Collaborative
CCTV	Closed Circuit Television (Cameras)
CIP	Capital Improvement Program
CMAQ	Congestion Mitigation&Air Quality
CMS	Constant Maturity Swap
DBE	Disadvantaged Business Enterprise

DHS	Department of Homeland Security
DMH	Department of Mental Health
DOT	United States Department of Transportation
EADS	Employee Accountability and Development System
ERS	Evaluated Receipt Settlement
ESGR	Employer Support of the Guard and Reserve
EWGCOG	East-West Gateway Council of Governments
FAA	Federal Aviation Administration
FASB	Financial Accounting Standards Board
FAST Act	Fixing America's Surface Transportation Act
FCC	Federal Communications Commission
FEMA	Federal Emergency Management Agency
FSA	Financial Security Assurance Company (now Assured Guaranty)
FTA	Federal Transit Administration
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIC	Guaranteed Investment Contract
GIS	Geographic Information System
HCMS	Human Capital Management System
HPS	High Pressure Sodium
IBEW	International Brotherhood of Electrical Workers
IDOT	Illinois Department of Transportation
IDS	Intrusion Detection System
IT	(Metro's) Information Technology Division
JARC	Job Access and Reverse Commute Program
LIBOR	London Interbank Offering Rate
LOC	Letter of Credit
LRV	Light Rail Vehicle

MAC	Missouri Arts Council
MAP-21	Moving Ahead for Progress in the 21st Century Act
MoDOT	Missouri Department of Transportation
MOW	Maintenance of Way
MPO	Metropolitan Planning Organization
MTIA	Major Transportation Investment Analysis
NOFA	Notice of Funding Availability
NPS	National Park Service
NTD	National Transit Database
O&M	Operations and Maintenance
OATS	Older Adults Transportation Service
OPEB	Other Post Employment Benefits
PAPIs	Precision Approach Indicators
RAC	Regional Arts Commission
RCGA	Regional Chamber and Growth Association
RFP	Request for Proposal
ROMIS	Rail Operations Management Information System
RTC	Resolution Trust Corporation
SAFETEA-LU	Safe, Accountable, Flexible and Efficient Transportation Equity Act - A Legacy for Users
SCADA	Supervisory Control and Data Acquisition
SCCTD	St. Clair County Transit District (Illinois)
SCORE	Systems Connectivity Opportunity Responsiveness Efficiency (Business System)
SLU	St. Louis University
SMSA	Standard Metropolitan Statistical Area
SOP	Standard Operating Procedures
SSM	Sisters of St. Mary Healthcare
STP	Surface Transportation Program
STIP	State Transportation Improvement Program
STRIP	Separate Trading of Registered Interest and Principal Securities

TAM	Transit Asset Management
TAMP	Transit Asset Management Plan
TEA-21	Transportation Equity Act for the 21st Century
TFLEX	Transit Finance Learning Exchange
TIF	Tax Increment Financing
TIGER	Transportation Investment Generating Economic Recovery - supplemental discretionary grant program managed by the DOT.
TIP	Transportation Improvement Program
TMA	Transportation Management Association
TSA	Transportation Security Administration
TSGP	(Department of Homeland Security) Transit Security Grant Program
TVM	Ticket Vending Machines
UMSL	University of Missouri - St. Louis
USCG	United States Coast Guard
USO	United Services Organization
Wash-U	Washington University
YTD	Year to Date

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