

**BI-STATE DEVELOPMENT
AUDIT, FINANCE & ADMINISTRATION COMMITTEE MEETING
OPEN SESSION MINUTES
(Virtual Meeting)
May 21, 2021**

**Immediately following the
Special Meeting of the Board of Commissioners**

Audit, Finance & Administration Committee Members participating via Zoom

Justin Zimmerman, Chair
Herbert Simmons
Nate Johnson
Fred Pestello – Absent

Other Commissioners participating via Zoom

Rose Windmiller
Derrick Cox
Vernal Brown
Terry Beach
Sam Gladney
Irma Golliday (joined the meeting at 9:29 AM)

Staff participating via Zoom

Taulby Roach, President and Chief Executive Officer
Brenda Deertz, Director of Executive Services
Barbara Enneking, General Counsel and Deputy Secretary
Myra Bennett, Manager of Board Administration
Thomas Curran, Executive Vice President – Administration
Jessica Mefford-Miller, Executive Director Metro Transit
Tammy Fulbright, Senior Vice President Chief Financial Officer
Mary Lamie, Executive Vice President of Multi Modal Enterprises
Crystal Messner, Chief Audit Executive

Others participating via Zoom

Jenni Bevell, ASL Interpreter
Chelsey Niezwaag, ASL Interpreter

1. Open Session Call to Order

8:58 a.m. Chair Zimmerman called the Open Session of the Audit, Finance & Administration Committee Meeting to order at 8:58 a.m.

2. Roll Call

8:59 a.m. Roll call was taken, as noted above.

3. Public Comment

8:59 a.m. Chair Zimmerman asked Ms. Bennett if any speaker cards were received for today's meeting. Ms. Bennett noted that no speaker cards were submitted.

4. Minutes of the March 19, 2021 Audit, Finance & Administration Committee, Open Meeting

8:59 a.m. The minutes of the March 19, 2021 Audit, Finance & Administration Committee, Open Meeting were provided in the Committee packet. A motion to approve the minutes was made by Commissioner Windmiller and was seconded by Commissioner Brown. **The motion passed unanimously.**

5. Sole Source Contracts for Hardware/Software Maintenance

9:00 a.m. A briefing paper was included in the meeting materials regarding this item. Thomas Curran, Executive Vice President – Administration, gave an overview of this item.

A motion to accept this item, as presented, and recommend it to the Board of Commissioners for approval, was made by Commissioner Cox, and the motion was seconded by Commissioner Brown. **The motion passed unanimously.**

6. Amendment to Board Policy, Section 30.070 Hedging

9:02 a.m. A briefing paper was included in the meeting materials regarding this item. Tammy Fulbright, Senior Vice President and Chief Financial Officer, gave an overview of this item. Commissioner Zimmerman stated that he has reviewed, and is in support of the proposed changes. He asked that, with the increase in fuel prices, does staff feel that the Agency will increase savings. Ms. Fulbright stated that, with the hedging, we are able to control fuel costs, where the Agency does not see the "spikes" in cost.

A motion to accept this item, as presented, and recommend it to the Board of Commissioners for approval, was made by Commissioner Simmons, and the motion was seconded by Commissioner Windmiller. **The motion passed unanimously.**

7. FY2022 Annual Audit Work Plan

9:04 a.m. A briefing paper was included in the meeting materials regarding this item. Crystal Messner, Chief Audit Executive, gave an overview of this item, stating that the FY2022 Annual Audit Work Plan will concentrate on areas of greater exposure, using a cycled approach to assure adequate coverage. She stated that areas of exposure identified are finance, compliance, and management of employee programs, with a high emphasis on Human Resources. Ms. Messner noted that the proposed Audit Work Plan for FY2022, including the breakdown for all four quarters, has been provided on page 29 of the Board meeting materials. President/CEO Roach noted that the audit targets are emphasized, and he thanked Ms. Messner for her work.

A motion to accept this item, as presented, was made by Commissioner Gladney, and the motion was seconded by Commissioner Windmiller. **The motion passed unanimously.**

8. Draft Internal Audit Policies and Procedures Manual Revision 3

9:07 a.m. A briefing paper was included in the meeting materials regarding this item. Crystal Messner, Chief Audit Executive, gave an overview of this item, stating that an update to the policy is long overdue, as the last revision to the document was made in 2015. She stated that the proposed revisions will bring the document into alignment with professional standards. Ms. Messner noted that the proposed changes are outlined on page 30 of the Board materials. Chair Zimmerman asked if some of these recommendations were made by the third party consultants. Ms. Messner indicated that the consultants were included in conversations regarding these revisions, and the proposed changes will ensure that the Agency is in compliance with professional standards. Commissioner Windmiller posed questions regarding the removal of Government Auditing Standards (GAS). Ms. Messner noted that the Institute of Inter Auditor's (IIA) practices are all encompassing, and the Agency had not been following the GAS requirements. Commissioner Windmiller asked if this is a general cleanup of the policies and procedures, and Ms. Messner confirmed that it is.

A motion to accept this item, as presented, was made by Commissioner Windmiller, and the motion was seconded by Commissioner Brown. **The motion passed unanimously.**

9. FY 2021 External Audit – Client Service Plan from RubinBrown

9:09 a.m. A briefing paper was included in the meeting materials regarding this item. Tammy Fulbright, Senior Vice President and Chief Financial Officer, gave an overview of this item, noting that a highlight of the schedule and services is provided on page 93 of the Board meeting materials. This item was submitted for information only.

10. IAD Audit Follow-Up Summary – 3rd Qtr. – FY2021

11. Internal Audit Status Report – 3rd Quarter FY2021

12. IAD SSO-Status Report – 1st Qtr. – Calendar Year 2021

13. Treasury Safekeeping Quarterly Accounts Audit, Ending December 31,

9:11 a.m. Briefing papers were included in the Board meeting materials regarding these four items (Agenda items, 10, 11, 12, and 13). Crystal Messner, Chief Audit Executive, asked that these items be addressed together, as all four items are for information only. The Board agreed. Ms. Messner gave a brief overview. She noted that a new Executive Assistant and new Senior Auditor have been hired. She noted that the SSO review has been completed, and staff has caught up on the backlog. Ms. Messner also noted that are beginning the RFP (request for proposal) process for outsourcing.

14. Quarterly Financial Statement - Third Quarter

9:13 a.m. Quarterly Financial Statements for the third quarter were included in the Board meeting materials. Tammy Fulbright, Senior Vice President and Chief Financial Officer, gave an overview of this item, providing highlights for each enterprise. Commissioner Cox posed questions regarding CARES funding for the Riverfront/Arch enterprise. Ms. Fulbright stated that the Agency received \$69,000 in funding for the Airport, but nothing for the Arch or the Riverfront.

Commissioner Zimmerman stated that the numbers are not looking good, and asked when the Agency can expect the numbers to begin to trend upwards. He stated that it is hard to gauge the numbers year over year, and quarter over quarter, at this point. President/CEO Roach stated that he has asked staff to look at the combination of the CARES, CRRSAA, and ARP funding, and

take those Federal dollars and schedule them over a period of time, so that the Agency can run the enterprise with the assumption of a 1.5%, year over year budget increase, which is the increase that we have achieved for the past three fiscal years. Mr. Roach stated that this was included with the budget presentation, and he has asked Tammy Fulbright to prepare an exhibit on year to date CARES funding, which will put some of this into context over time. He stated that he will forward this information to the Commissioners. This item was presented as information only.

15. Treasurer's Report

9:18 a.m. A Treasurer's Report was included in the Board meeting materials. Tammy Fulbright, Senior Vice President and Chief Financial Officer, gave an overview of this item. She also gave an update on the fuel hedge, noting that the Agency has recognized gains this year of approximately \$1.3 million, but are looking at unrealized gains of \$2.1 million. She stated that the February and March numbers indicate actual gains. Ms. Fulbright stated that this was budgeted at \$1.99 per gallon, but costs were actually at \$1.66 per gallon for March. Ms. Fulbright also noted that the Agency's S&P credit rating was adjusted from negative to stable this month. Commissioner Windmiller asked if the S&P rating applies to the entire Agency, and Ms. Fulbright confirmed this is correct. This item was presented as information only.

16. Procurement Report

9:20 a.m. A Procurement Report was included in the meeting materials regarding this item. Thomas Curran, Executive Vice President Administration, gave an overview of this item. He noted that a chart has been provided that indicates the trend in total procurements for the past ten years, including both competitive and non-competitive procurements. He noted that non-competitive spending, of total procurement spending, for the most recent quarter is approximately \$7.75 million, or 31.5% of total purchase order commitment for the quarter. Mr. Curran also reported that the rolling 12 month average for non-competitive procurements is 18.7%. This item was presented as information only.

17. President/CEO Report

9:21 a.m. President and CEO, Taulby Roach, noted the "new talent" that has joined the Agency, including Crystal Messner, Chief Audit Executive and Thomas Curran, Executive Vice President Administration. He stated that the Board is seeing and hearing the oversight and integrity of the staff. Mr. Roach noted that Ms. Fulbright, who has been serving in the capacity of Interim CFO, has been announced as the permanent Chief Financial Officer for the Agency, and he congratulated her on her new position. The Board of Commissioners also congratulated Ms. Fulbright, and commended her for the work she has been doing.

18. Unscheduled Business

9:22 a.m. President and CEO, Taulby Roach, noted that there is no unscheduled business.

19. Call of Dates for Future Board and Committee Meetings

9:23 a.m. Myra Bennett, Manager of Board Administration, advised the Committee that the next Board of Commissioners Meeting will be held on Friday, June 25, 2021, at 8:30 a.m. She noted that no Board or Committee meetings are currently scheduled for the month of July.

20. Adjournment to Executive Session – If such action is approved by a majority vote of the Bi-State Development Agency's Board of Commissioners who constitute a quorum, the Board may go into closed session to discuss legal, confidential, or privileged matters pursuant to

Bi-State Development Board Policy Chapter 10, §10.080(D) Closed Records; Legal under §10.080(D)(1); Real Estate under §10.080(D)(2); and Auditors under §10.080(D)(10)

9:23 a.m. Committee Chair Zimmerman requested a motion to allow the Committee to move into closed session as permitted under Bi-State Development Board Policy, Chapter 10, Section 10.080, (D) (1) – Legal; (D) (2) – Real Estate; and (D) (10) – Audit.

A motion to move into Executive Session was made by Commissioner Brown and seconded by Commissioner Windmiller. A roll call vote was taken as follows:

Rose Windmiller – Yea
Vernal Brown – Yea
Nate Johnson – Yea
Sam Gladney – Yea

Terry Beach – Yea
Derrick Cox – Yea
Herbert Simmons – Yea
Justin Zimmerman – Yea

Motion passed unanimously, and the Committee moved into Executive Session at 9:24 a.m.

21. Reconvene to Open Meeting

9:53 a.m. The Committee reconvened to the Open Meeting at approximately 9:53 a.m.

Chair Zimmerman noted that, per Board Policy, no final action votes will be taken in a closed (executive) session.

Commissioner Brown made a motion to approve the Minutes from the March 19, 2021, Executive Session of the combined meeting of the Audit, Finance, & Administration Committee, as a closed record. The motion was seconded by Commissioner Simmons.

Rose Windmiller – Yea
Vernal Brown – Yea
Sam Gladney – Yea
Nate Johnson – Yea

Terry Beach – Yea
Derrick Cox – Yea
Irma Golliday – Yea
Herbert Simmons – Yea
Justin Zimmerman – Yea

The motion passed.

Commissioner Windmiller made a motion to accept and recommend to the Board of Commissioners for approval, the Draft Passenger Revenue Department Working Funds Audit Report, as presented. The motion was seconded by Commissioner Beach.

Rose Windmiller – Yea
Vernal Brown – Yea
Sam Gladney – Yea
Nate Johnson – Yea

Terry Beach – Yea
Derrick Cox – Yea
Irma Golliday – Yea
Herbert Simmons – Yea
Justin Zimmerman – Yea

The motion passed.

Commissioner Johnson made a motion to accept and recommend to the Board of Commissioners for approval, the Draft - Armored Car (Loomis) Contract Audit, as presented. The motion was seconded by Commissioner Cox.

Rose Windmiller – Yea
Vernal Brown – Yea
Sam Gladney – Yea
Nate Johnson – Yea

Terry Beach – Yea
Derrick Cox – Yea
Irma Golliday – Yea
Herbert Simmons – Yea
Justin Zimmerman – Yea

The motion passed.

Commissioner Cox made a motion to accept, and recommend to the Board of Commissioners for approval, the Gulfstream Lease Term Sheet and Consolidated Lease Agreement, as presented. The motion was seconded by Brown.

Rose Windmiller – Yea
Vernal Brown – Yea
Sam Gladney – Yea
Nate Johnson – Yea

Terry Beach – Yea
Derrick Cox – Yea
Irma Golliday – Yea
Herbert Simmons – Yea
Justin Zimmerman – Yea

The motion passed.

22. Adjournment

9:56 a.m. Chair Zimmerman asked if there was any further business, and being none, Commissioner Windmiller made a motion to adjourn the meeting. The motion was seconded by Commissioner Brown. Unanimous vote in favor taken. The motion passed, and the meeting was adjourned at approximately 9:56 a.m.


Deputy Secretary to the Board of Commissioners
Bi-State Development