

**BI-STATE DEVELOPMENT
AUDIT, FINANCE & ADMINISTRATION COMMITTEE MEETING
OPEN SESSION MINUTES
(Virtual Meeting)
January 27, 2023
Immediately following Operations Committee Meeting**

Audit, Finance & Administration Committee Members participating via Zoom

Terry Beach, Chair
Herbert Simmons
Debra Moore
Fred Pestello – Absent
Nate Johnson – Absent
Sam Gladney – Absent

Other Commissioners participating via Zoom

Rose Windmiller, Chair
Vernal Brown
Derrick Cox – Absent
Irma Golliday – Absent

Staff participating via Zoom

Taulby Roach, President and Chief Executive Officer
Brenda Deertz, Director of Executive Services
Barbara Enneking, General Counsel
Myra Bennett, Manager of Board Administration
Thomas Curran, Executive Vice President – Administration
Tammy Fulbright, Executive Vice President, Chief Financial Officer
Crystal Messner, Chief Audit Executive
Charles Stewart, Executive Vice President, Chief Operating Officer Metro Transit
Diana Bentz, Executive Vice President, Chief Human Resources Officer
Dave Tobin, Senior Director Total Rewards

Others participating via Zoom

Chelsey Niezwaag, ASL Interpreter
Katie Roberts, ASL Interpreter

1. **Open Session Call to Order**
9:20 a.m. Chair Beach called the Open Session of the Audit, Finance & Administration Committee Meeting to order at 9:20 a.m.
2. **Roll Call**
9:20 a.m. Roll call was taken, as noted above.

3. Public Comment

9:20 a.m. Myra Bennett, Manager of Board Administration, noted that no public comments were received for today's meeting.

4. Minutes of the October 14, 2022, Audit, Finance & Administration Committee, Open Meeting

9:20 a.m. The minutes of the October 14, 2022, Audit, Finance & Administration Committee, Open Meeting, were provided in the Committee packet. A motion to approve the minutes, as presented, was made by Commissioner Moore and was seconded by Commissioner Brown.

The motion passed unanimously.

5. Bi-State Development Operating and Capital Budget

9:21 a.m. A briefing paper and draft document was included in the meeting materials, presenting to the Operations Committee, for discussion, acceptance, and referral to the Board of Commissioners for approval, the FY 2024 Operating and Capital Budget. Tammy Fulbright, Executive Vice President and Chief Financial Officer, gave an overview and presentation regarding this item, including a Statement of Activity for each Enterprise (Metro Transit, Gateway Arch, Riverboat Attractions, St. Louis Downtown Airport, St. Louis Regional Freightway, Executive Services, & Health Self-Insurance), including revenues and expenses. She noted that the Agency is exploring options regarding hedging of gasoline, as the Agency currently does for diesel. Ms. Fulbright also provided an overview of the Capital Projects Budget.

Commissioner Windmiller left the meeting at approximately 9:28 a.m.

A motion to accept this agenda item, as presented, and recommend it to the Board of Commissioners for approval, was made by Commissioner Simmons and was seconded by Commissioner Brown.

The motion passed unanimously.

6. Contract Approval – Compensation Study

9:33 a.m. A briefing paper was included in the meeting materials regarding a request that the Committee accept, and forward to the Board of Commissioners for approval, a request to authorize the President & CEO to endorse a contract with John H. Burnett and Associates, Inc., aimed at re-evaluating BSD management structures, pay rate scaling, and compensation levels. Diana R. Bentz, Executive Vice President/Chief Human Resources Officer, gave an overview of this item, noting that the proposed study would encompass a more robust compensation review, based on multiple ranking technology.

Commissioner Moore asked the frequency of these reviews. Ms. Bentz stated that there is an annual internal review; however, a formal review is conducted every three years.

A motion to accept this agenda item, as presented, and recommend it to the Board of Commissioners for approval, was made by Commissioner Moore and was seconded by Commissioner Simmons.

The motion passed unanimously.

7. Internal Audit Follow-Up Summary – 2nd Quarter FY2023

9:38 a.m. A briefing paper was included in the meeting materials regarding this item. Crystal Messner, Chief Audit Executive, gave a brief overview of this item, noting that there are no past due items. (This item was presented for information only.)

8. Internal Audit Status Report – 2nd Quarter FY2023

9:39 a.m. The Internal Audit Status Report for second quarter FY 2023 was included in the meeting materials. Crystal Messner, Chief Audit Executive, noted that the Arch and Riverboats Ticket Sales audit was placed on a brief hold to allow IAD to assist on a special project regarding the Metro Pass Unit program. She stated that the special project's main objectives are to review the various divisions of the program including the MetroStore, Pass Unit, U-Pass/Marketing, and the Transit Cell Phone App. She noted that an additional special project for MetroBus Payroll Codes is in progress and is expected to be completed during the third quarter. (This item was presented as information only.)

9. Internal Audit State Safety Oversight Status Report – 4th Quarter Calendar Year 2022

9:40 a.m. The Internal Audit State Safety Oversight Status Report for the fourth quarter, Calendar Year 2022, was included in the meeting materials. Crystal Messner, Chief Audit Executive, gave an overview of this item, noting that the following audit activities were proposed by Internal Audit during the 4th Quarter:

- Conduct follow-ups on open SSO Internal Audit Corrective Action Plans (CAPs) that are ready for closure;
- Monitor the progress on the open CAPs from the 2021 non-compliance areas, including Supervisory Control and Data Acquisition (SCADA) Assessment CAPs, by collaborating with Safety on the CAP Advisory Committee to ensure satisfactory progress is being made towards addressing risks properly;
- Finalize calendar year 2022 SSO Internal Audit reports and activities for MetroLink, MetroBus, and Loop Trolley;
- Draft the Annual Safety and Security Certification for calendar year 2022 for both BSD and Loop Trolley; and
- Participate in other audit activities for the Bi-State Safety Oversight (BSSO) for BSD and the State Safety Oversight (SSO) MoDOT for the Loop Trolley.

Ms. Messner noted that the 2022 IAD SSO Internal Audit schedule was successfully completed, as proposed, and the draft audit reports were issued in November 2022. She stated that this resulted in 12 findings for MetroLink and four (4) findings for MetroBus.

Commissioner Moore expressed concerns regarding the number of findings. Ms. Messner noted that these are very large audits, and the findings primarily are related to documentation deficiencies, rather than any significant issues. Commissioner Simmons noted that Chair Beach reviews these findings, and he asked Chair Beach if there were any "red flags" indicated. Chair Beach stated that there were not. (This item was presented as information only.)

10. 2022 Pension Valuations Update

9:44 a.m. The 2022 pension valuations for company sponsored defined benefit pension plans were included in the meeting materials. David Toben, Senior Director of Total Rewards, gave an overview of this item, noting that Milliman, Inc., has issued Valuation Reports for the fiscal year

ended 2022 for the three pension plans, and all show improved funded ratios. Funded ratios are as follows: Salaried Pension Plan – 88.9%; IBEW – 88.0%; and Local 788 ATU – 74.8%. Chair Beach asked if all three programs are Defined Benefit Plans, and Mr. Toben confirmed that they are. (This item was presented as information only.)

11. Treasurer's Report

9:49 a.m. A Treasurer's Report was included in the meeting materials. Tammy Fulbright, Executive Vice President, Chief Financial Officer, gave a brief overview of this item. (This item was presented as information only.)

12. Treasury Safekeeping Quarterly Accounts Ending September 30, 2022

9:50 a.m. A quarterly treasury safekeeping accounts audit for the period ending September 30, 2022, was included in the meeting materials. Crystal Messner, Chief Audit Executive, gave an overview of this item noting that, IAD has determined that the Safekeeping Accounts exist, and the respective balances and credit ratings reported in the Treasurer's Report as of September 30, 2022 are fairly presented. She stated that IAD is in agreement with all but one reported value. Ms. Messner reported that an \$180,000 input transposition was made for a Trustee Directed Money Market fund; therefore, the Trustee Directed Investments are \$180,000 higher than reported as of September 30, 2022. She stated that the reported Fuel Hedge Program life-to-date information was also fairly stated. (This item was presented as information only.)

13. Financial Statements

9:51 a.m. The quarterly financial statements were included in the meeting materials. Tammy Fulbright, Executive Vice President and Chief Financial Officer, gave an overview of the financials for each of the Agency's enterprises.

This item was presented as information only.

15. Unscheduled Business

9:53 a.m. There was no unscheduled business.

16. President/CEO Report

9:53 a.m. Bi-State Development President/CEO Taulby Roach noted that there will be a hiring event tomorrow, from 10:00 a.m. until 2:00 p.m.

14. Procurement Report

(This item was inadvertently skipped, and was addressed after Item 16.)

9:54 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 Second Quarter FY 2023 Non-Competitive Procurements total \$4,523,466, or 11.5% of the total Purchase Order Commitment volume of \$39,448,441.86. He stated that this is a significant decline from the First Quarter of FY 2023, when non-competitive spending was 42.5% of the total. He noted that Non-Competitive Procurements total \$41,755,110, or 23.2% of the total Procurement Spend of \$180,083,017 during the last twelve months. (This item was presented as information only.)

17. Call of Dates for Future Board and Committee Meetings

9:56 a.m. Myra Bennett, Manager of Board Administration, advised the Board of Commissioners of the following upcoming meetings:

Board of Commissioners Meeting	Friday, February 17, 2023	8:30 AM
Safety & Security Committee Meeting	Friday, March 3, 2023	8:30 AM
Operations Committee Meeting	Friday, March 17, 2023	8:30 AM
Audit/Finance/Administration Committee	Friday, March 17, 2023	8:30 AM

18. 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) ; Personnel under §10.080(D)(3); and Auditors under §10.080(D)(10).

9:56 a.m. Chair Beach noted that only item for consideration on the Executive Session agenda is the Approval of the Minutes of the October 14, 2022, AFA Committee, Executive Session Meeting. He stated that, if there are no corrections to these minutes, and if there is no discussion regarding these minutes, the Committee could proceed to a vote, without going into Executive Session.

A motion to approve the minutes of the October 14, 2022, AFA Committee, Executive Session, as presented, as a closed record was made by Commissioner Simmons and seconded by Commissioner Moore. A roll call vote was taken as follows:

Vernal Brown – Yea

Terry Beach – Yea


Herbert Simmons – Yea

Debra Moore – Yea

The motion passed unanimously.

19. Adjournment

9:57 a.m. Chair Beach asked if there was any further business, being none, Commissioner Brown made a motion to adjourn the meeting. The motion was seconded by Commissioner Simmons. Unanimous vote in favor was taken. The motion passed, and the meeting was adjourned at approximately 9:58 a.m.


Deputy Secretary to the Board of Commissioners
Bi-State Development