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**NOTICE OF MEETING AND AGENDA  
BI-STATE DEVELOPMENT AGENCY/METRO  
FINANCE & ADMINISTRATION COMMITTEE**

**FY 2016 Operating and Capital Budget Presentation**

**FRIDAY, MARCH 27, 2015, 8:00 A.M.**

**Headquarters  
Board Room, 6<sup>th</sup> Floor  
707 North First Street  
St. Louis, Missouri 63102**

**This location is accessible to persons with disabilities. Individuals with disabilities needing information or communication accommodations should call Metro at (314) 982-1400; for TTY access, call Relay 711. Sign language interpreter services or other accommodations for persons with hearing or speech disabilities will be arranged if a request for such service is made at least two days in advance of the meeting. Large print material, Braille material or other formats will also be provided upon request.**

<b>Agenda</b>	<b>Disposition</b>	<b>Presentation</b>
1. Call to Order	Approval	Chair Gully
2. Roll Call	Quorum	S. Bryant
3. Public Comment	Information	Chair Gully
4. Finance and Administration Committee Open	Approval	Chair Gully
Session Minutes: August 15, 2014		
5. Establishment of Bank Accounts for Bi-State Development Internal Service Funds	Approval	K. Klevorn/T. Fulbright
6. Contract Award: BarnesCare/BJC Corporate Health Services	Approval	L. Jackson/K. Brittin
7. Bi-State Development Agency Operating and Capital Budget FY 2016	Approval/ Presentation	K. Klevorn/C. Pogorelac/ T. Beidleman
8. 2 <sup>nd</sup> Quarter Procurement Activity Report	Information	L. Jackson
9. 2 <sup>nd</sup> Quarter Financial Statements	Information	K. Klevorn/M. Vago
10. 2 <sup>nd</sup> Quarter Performance Indicators	Information	K. Klevorn/M. Vago
11. January Treasury Report	Information	K. Klevorn/T. Fulbright
12. Pension Plan & 401k Retirement Savings Program Investment Performance Update as of 12/31/14	Information	C. Stewart
13. Unscheduled Business	Approval	Chair Gully
14. Executive Session (if needed)	Approval	Chair Gully

Agenda	Disposition	Presentation
<i>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 under §610.021(1), RSMo; leasing, purchase or sale of real estate under §610.021(2); personnel actions under §610.021(3); discussions regarding negotiations with employee groups under §610.021(9); sealed bids, proposals and documents related to negotiated contracts under §610.021(12); personnel records or applications under §610.021(13); records which are otherwise protected from disclosure by law under §610.021(14); records relating to hotlines established for reporting abuse and wrongdoing under §610.021(16); or confidential or privileged communications with the District's auditor, including auditor work products under §610.021(17).</i>		
15. Call of Dates for Future Committee Meetings	Information	S. Bryant
16. Adjournment	Approval	Chair Gully

**Note: Public comment may be made at the written request of a member of the public specifying the topic(s) to be addressed and provided to the Agency's information officer at least 48 hours prior to the meeting.**





**BI-STATE DEVELOPMENT AGENCY / METRO  
FINANCE & ADMINISTRATION COMMITTEE MEETING  
OPEN SESSION MINUTES  
AUGUST 15, 2014**

**Committee Members in Attendance**

**Missouri**

Kevin Cahill  
Constance Gully  
Aliah Holman

**Illinois**

Tadas Kicielski, Chair  
David Dietzel, (absent)

**Other Commissioners in Attendance**

None

**Staff in Attendance**

John Nations, President & CEO  
Barbara Enneking, General Counsel and Deputy Secretary  
Shirley Bryant, Certified Paralegal/Assistant Secretary  
Kathy Klevorn, Sr. Vice-President, Chief Financial Officer  
Melva Pete, Vice President, Human Resources  
Jenny Nixon, Senior Vice President Business Enterprises  
Brenda Krieger, Senior Administrative Assistant  
Dianne Williams, Vice President Communications & Marketing  
Tammy Fulbright, Director, Treasury Services  
Charles Stewart, Vice President, Pension and Insurance  
David Toben, Director Benefits  
Jim Cali, Director, Internal Audit  
Patti Beck, Director of Communications  
Kent Swagler, Director Corporate Compliance & Ethics  
John Langa, Vice President, Economic Development  
Mark Vago, Controller  
John Wagner, Project Manager, Economic Development  
Larry Jackson, Vice-President, Procurement, Inventory Management & Supply Diversity  
Jeff Braun, Director Real Estate

**Others in Attendance**

Jeff White, Columbia Capital  
Jason Terry, Attorney - Gilmore & Bell

1. **Call to Order**

**8:00 a.m.** Commissioner Kicielinski called the Open Session Finance & Administration Committee Meeting to order at 8:00 a.m.

2. **Roll Call**

**8:01 a.m.** Roll call was taken.

**8:01 a.m.** John Nations, President & CEO, introduced Barbara Enneking, the Agency's new General Counsel. Ms. Enneking was hired in July to replace the former General Counsel, Dee Joyce-Hayes, who recently retired. Ms. Enneking brings a tremendous background that will be beneficial to the Agency. Ms. Enneking thanked Mr. Nations and the Board stating that she was delighted to be a member of an Agency like Metro. On behalf of the Board, Commissioner Kicielinski welcomed Ms. Enneking.

3. **Public Comment**

**8:01 a.m.** There was no public comment.

4. **Minutes of Prior Open Session Finance and Administration Committee Meeting**

**8:02 a.m.** The May 9, 2014, Open Session Finance and Administration Committee Meeting minutes were provided in the Committee packet. A motion to approve the minutes was made by Commissioner Cahill and seconded by Commissioner Holman. **Motion passed unanimously.**

5. **Arch Tram Bonds/Approval of Bond Financing**

**8:03 a.m.** The briefing paper regarding the Arch Tram Bonds/Approval of Bond Financing was provided in the Committee packet. Jeff White, Principal, Columbia Capital Management, LLC (Columbia), was introduced to provide a brief update on this agenda item. The Agency and the National Park Service (NPS) executed a Jefferson National Expansion Memorial (JNEM) Fee Management and Services Agreement on February 1, 2014 to extend the partnership for the management of attractions at the JNEM. As part of the NPS Agreement, the parties agreed that the Agency would use the authority granted to it by its Compact to issue bonds to finance necessary capital improvements related to the Arch. Columbia, as the Agency's financial advisor, conducted a preliminary credit analysis. Following that analysis and the outcome of the request for proposals issued for underwriting or bank direct purchase services, Agency staff recommended and the Board approved a preliminary plan of finance that included: 1) The Agency's issuance of bonds repaid solely from Arch Tram revenues; 2) A direct purchase of the bonds by PNC Bank, National Association; 3) An amortization of 30 years; 4) A fixed-rate financing term of 10 years; 5) A delay in principal amortization to reduce stress on Arch finances during construction; 6) A provision to permit additional bonds to be issued in the future with the same security as this financing; 7) A debt service reserve fund maintained at roughly one year's debt service; and 8) An Agency right to call the bonds prior to the expiration of the fixed rate financing term. Agency staff has worked with the bond finance team to draft the pertinent documents necessary to execute the financing. The request before the Finance & Administration Committee is to seek Board approval of the financing subject to a par amount not to exceed \$9.5 million and a fixed interest rate of not more than 6% per annum.

Some discussion followed regarding the shutdown of the Arch and the tram system during construction and/or repairs. Jenny Nixon, Senior Vice President Business Enterprises, stated that a serious capacity issue is anticipated when construction begins. The current museum space and various parts of the lobby would be lost as a result of the replacement of the museum and the ongoing construction. The museum stores will also be eliminated. It will take all of 2015 to



complete the design and procurement of the motor generators and related equipment in preparation for a total shutdown of the Arch to install the motor generators in January and February 2016. After construction is completed, there will be a new entrance to the Arch on the west side, and a new museum. Additional information regarding this project will be provided at the October 2015 Operations Committee meeting.

Additional discussion followed regarding bank fees and the final rate on the bonds, which is currently at a rate of 4.25%.

A motion for the Committee to accept and refer to the full Board for approval the adoption of the resolution approving the NPS Agreements and authorizing the Arch Tram financing on a future date subject to certain parameters, and delegating to the Board's Executive Committee the authority to finally approve the transaction was made by Commissioner Cahill and seconded by Commissioner Gully. **Motion passed unanimously.**

**\*\*8:19 a.m.** Jenny Nixon, Jeff White and Jason Terry left the meeting.

**6. Bi-State Development Research Institute/Establishment of a Bank Account**

**8:19 a.m.** The briefing paper regarding the Bi-State Development Research Institute/Establishment of a Bank Account was provided in the Committee packet. John Nations, President & CEO advised that this agenda item is an administrative function to open a bank account for the Bi-State Development Research Institute (the "Institute"). The Board of Commissioners approved the Bylaws and the initial Board of Directors for the Institute on May 23, 2014. The Internal Revenue Service issued the Institute a federal identification number and Articles of Incorporation were filed. With Board approval, Treasury Services will set up the bank account for the Institute.

A motion for the Finance & Administration Committee to refer to the Board for approval the authorization for Treasury Services to establish a bank account for the Bi-State Development Research Institute was made by Commissioner Holman and seconded by Commissioner Gully. **Motion passed unanimously.**

**7. Contract Award - Health & Welfare Consulting**

**8:20 a.m.** The briefing paper regarding Contract Award - Health & Welfare Consulting was provided in the Committee packet. David Toben, Director of Benefits, provided a brief overview. On March 31, 2014, the Agency issued a solicitation seeking qualified firms to provide services to assist with the strategic and tactical management of the Agency's self-funded fully insured benefit program. Four (4) responses were received and after the technical evaluation and presentation the overall top ranking firm of Arthur J. Gallagher (Gallagher) was selected. The Agency determined that the bundled services approach would work best and requested a Best & Final Offer from Gallagher for bundled cost only. As a result the overall cost was reduced from \$712,877 to \$709,000. The Agency chose to have an enhanced analytic package including a custom data warehouse; which was not included in the original scope of service. This additional request cost \$21,000, increasing the contract amount to \$730,000.

A motion to recommend that the Finance & Administration Committee approve and forward to the Board for approval the request to award Contract 14-RFP-98761-DR - Health and Welfare Consulting Services to A. J. Gallagher & Co. in an amount not to exceed \$730,000 was made by Commissioner Cahill and seconded by Commissioner Holman. **Motion passed unanimously.**



**8. Contract Award - Voluntary Critical Illness and Accident Insurance Program**

**8:24 a.m.** The briefing paper regarding Contract Award - Voluntary Critical Illness and Accident Insurance Program was provided in the Committee package. David Toben, Director of Benefits, provided a brief overview. In April 2014, Aon Hewitt (Aon) in conjunction with the Agency issued a solicitation to retain qualified firms to offer voluntary Critical Illness and Off-The-Job Accident benefits to employees. This voluntary product would benefit employees at no cost to the Agency. A total of ten proposals were received, and Aon provided their technical and financial marketing results comparison of all ten firms. Based on the information provided, the recommendation was to offer both the Critical Illness \$10,000 and \$20,000 policy face amounts, and the Off-The-Job Accident voluntary benefits to be offered at an after-tax payroll deduction basis. The contract period of performance would include three base years with two option years to be exercised at the Agency's discretion. The top two firms, AFLAC and Allstate were evaluated and Allstate was selected as the firm that offered the most advantageous coverage terms for the premium cost. Some discussion followed regarding the cost to the employees.

A motion for the Finance & Administration Committee to refer to the Board for approval to award the Voluntary Critical Illness and Accident Insurance Program to Allstate at an estimated employee funded cost of \$820,000; with actual payments under the contract dependent upon the level of employee participation and plan selection was made by Commissioner Cahill and seconded by Commissioner Gully. **Motion passed unanimously.**

**9. 4th Quarter Procurement Activity Report**

**8:33 a.m.** The 4th Quarter Procurement Activity Report was provided in the Committee packet. Larry Jackson, Vice-President, Procurement, Inventory Management & Supply Diversity provided a brief overview. Mr. Jackson stated that the analysis of non-competitive procurement spend has been added to the report. The spend chart shows the last several years that reflect the trend that the Agency has had. The Agency has continued to improve on the trend except for a very significant sole source which was approved earlier in the year for a radio system for Motorola.

Commissioner Cahill asked how the Agency was doing on minority business procurement. Mr. Jackson stated that the Agency was tracking very well with the DBE spend on FTA funded projects. The goal is 16% and we are tracking just above that now primarily due to some very successful work on the EADS Bridge; we are running above goal on that project. Mr. Jackson stated that all projects over \$100,000 are tracked. Commissioner Cahill asked what the percentage for non FTA projects was. Mr. Jackson stated that DBE percentages are reviewed on a project by project basis, but that he would prepare a report for the Board to show the percentages for non FTA projects. Commissioner Cahill requested that the report reflect the percentages for FTA and non FTA as well as procurement for construction and that the report be presented at the next scheduled Board meeting. This report was informational only and a copy of the report will be kept at the office of the Deputy Secretary.

**10. 4th Quarter Financial Statements**

**8:36 a.m.** The 4th Quarter Financial Statements were provided in the Committee packet. Mark Vago, Controller gave a brief overview discussing the combined state of revenue expenses for the year. Mr. Vago highlighted Executive Services which had total operating revenue of \$3.8 million and was running slightly favorable to budget, with an overall operating income of \$639,000. The Gateway Arch total operating revenue was at \$5.7 million. Due to the closure of the Arch for 16 days in October, revenue was off from the prior year by \$160,000. The operating income for the Arch was \$1.9 million, which was \$370,000 favorable to budget. The Arch Parking Garage



operating revenue was \$1.4 million compared to the \$1.6 million in the prior year. The decrease was due primarily to the road closures. The garage's operating income of \$68,000 was off by approximately \$240,000 from what was expected. The Riverfront attractions total operating revenues of \$2.4 million was slightly off budget, but it was \$200,000 over prior years' revenues. The St. Louis Downtown Airport total operating revenue of \$1.8 million is within 1% of budget; operating expenses of \$1.5 million is within 1% of budget; and operating income is within 0.5% of budget. The transit system total operating revenue of \$61 million is also within 1% of budget and it is up almost 2% from the prior year. Operating expenses of \$257.8 million, wages and benefits are running favorable to budget by about \$4.5 million. The total non operating revenue was \$194 million with an income loss of \$2.5 million.

At Commissioner Cahill's request, the Board also discussed the analysis of the Riverboats ownership and operations. Mr. Nations advised the Board that the riverboats are a part of the long term vision for the riverfront and discussion are ongoing with interested parties to determine a funding source to cover the expenses and operating costs the Agency incurs as the only entity responsible for their operation. The Agency can't afford to continue to absorb the costs to maintain and operate the riverboats. This agenda item was presented as informational only and a copy of the report will be kept at the office of the Deputy Secretary.

**11. 4th Quarter Performance Indicators**

**8:50 a.m.** The 4th Quarter Performance Indicators were provided in the Committee packet. No additional presentation was made. A copy of the report will be kept at the office of the Deputy Secretary.

**12. June Treasury Report**

**8:51 a.m.** The June 2014 Treasury Report was provided in the Committee packet. Tammy Fulbright, Director, Treasury Services presented a brief overview discussing investments, debt management and fuel hedging. As of June 30, the Agency had \$330 million in cash and investments. The Agency invested funds of approximately \$189 million. Approximately 36% of these funds were invested in U.S. Treasury or U.S. Government Agency securities, and 28% were invested in collateralized Certificates of Deposit (CDs) or Repurchase Agreements (Repos). The balance was invested in AAA rated money market funds. The average maturity of Agency investments was approximately 134 days. The Trustee Directed Funds, which is debt and debt service reserve funds, had \$47 million, and of that, \$36 million was debt service reserve funds. In June the Agency invested approximately \$9 million of the 2009 debt service reserve funds which is earning approximately 2%. The 2013 debt service reserve funds were invested in U.S. Agencies, Commercial Paper and Municipal Bonds bring the rate up approximately 2%. The income that the Agency is making on these funds should help to pay down the Agency's debt, resulting in a savings of approximately \$800,000. This report was informational only and no further Committee action was required. A copy of the report will be kept at the office of the Deputy Secretary.

**13. Pension Plan & 401(k) Performance Update**

**8:52 a.m.** The briefing paper regarding the Pension Plan & 401(k) Performance Update was provided in the Committee packet. Charles Stewart, Vice President, Pension and Insurance, provide a brief overview discussing the Salaried Pension Plan, the 401(k) Retirement Savings Program, IBEW Pension Trust and the 788 Pension Plan.

**Salaried Pension Plan 2nd Quarter 2014 Performance Report:** The investment consultants were very optimistic about the Salaried Pension Plan for 2014 to date because all markets are up. The total plan assets are at \$56.1 million after falling to \$33.4 million during 2008. Assets have



steadily grown, increasing by over \$20 million since the financial crisis. The portfolio has experienced net negative cash flows, with favorable investment returns boosting plan assets. The pension program has grown by \$1.2 million during the first six months of the year. Assets in the Salaried Pension Plan show significant growth in the last two to three years. The Asset Allocations are meeting the targets. The Cash Flow year-to-date activity shows that the contributions have been \$3.2 million. The portfolio gained 2.8% in line with the total portfolio benchmark. Since inception, dating back to 1987, the total portfolio gained 8.2% outpacing its benchmark by 50 basis points. The portfolio has also outperformed its actuarial return target of 7.5%. Ellwood was notified of the need to raise approximately \$2 million in order to fund upcoming lump sum distributions to current plan beneficiaries. Ellwood recommended liquidation of the investments to meet the spending needs. The transaction was completed during the second quarter. Total outflows from the investment program were approximately \$3 million during the quarter.

**401(k) Retirement Savings Program:** Participants' investments in the 401(k) Plan have continued to grow with market activity. The total plan assets are at \$39.7 million. The plan saw \$4.3 million in new participant contributions. Allocations to individual funds and asset types remain relatively unchanged. The Vanguard Index Fund is the most popular option with 21% of the total assets; T. Rowe Price Stable Value Fund at 15%; and Dodge & Cox Balanced Fund at 17%. The T. Rowe Price Lifecycle Funds continue to grow in popularity. Approximately 23% of the participant money is now held in these funds. There are no concerns regarding performance for any of the current funds held in the retirement plan.

Some discussion followed regarding the level of assistance the consultants provide to the employees in light of the changes to the pension plan and the investments the employees make into the 401(k) plan. Mr. Stewart assured the Board that the Agency is working very diligently with Lincoln Financial to provide more education to the employees.

**IBEW Pension Trust Local 2 and Local 309:** The IBEW Pension Trust Fund for Local 2 and Local 309 has been stable. This is a small fund with few employees and very few retirees. The assets now total \$3.1 million, growth of \$2 million since the market low in 2008. Plan assets have benefited from the favorable returns in equity markets in 2014 adding approximately \$200,000 in total market value. The asset allocation is 65% in Equity and 35% in Fixed Income.

**Division 788 ATU Master Trust Pension Plan:** The 788 ATU Master Trust Pension Plan for the Operations & Maintenance, the Operators and the Clerical employees total plan assets are at \$120.3 million. Fund flows to date have been negative with contributions of \$3.3 million compared to benefit payments or withdrawals of -\$3.8 million. Investment earnings have outweighed any impact from negative fund flows. As of June 30, the portfolio gained 45.9 million in market value due to gains in the investments. Year-to-date performance has been favorable. The portfolio gained 4.1% during the second quarter, after gaining 22.6% during the 2013 calendar year. The portfolio is up 5.1% for the first six months of 2014. Ellwood implemented the approved asset allocation and manager changes to the ATU 788 Pension portfolio. As of May 2014, the portfolio is in line with its new target allocations and no additional changes are recommended.

**OPEB Trust:** The OPEB Trust total assets are now at \$16 million, reflecting investment gains of approximately \$600,000 during the first six months of 2014. The Agency contributed \$2.6 million to the OPEB Investment Program in May 2014, and no additional contributions are anticipated during 2014. Ellwood had one manager recommendation and that was to terminate the hedge fund manager, Barlow Partners. The manager has incurred ongoing organizational



issues and Ellwood recommended liquidation of OPEB's investment with Barlow. The proceeds from the liquidation would not be realized until year-end 2014. Ellwood will provide a recommendation for the proceeds at the Committee's next meeting.

This report was presented as informational only and a copy of the report will be kept at the office of the Deputy Secretary.

**14. Unscheduled Business**

**9:20 a.m.** There was no unscheduled business.

**15. 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 under §610.021(1); RSMo; leasing, purchase or sale of real estate under §610.021(2); personnel actions under §610.021(3); discussions regarding negotiations with employee groups under §610.021(9); sealed bids, proposals and documents related to negotiated contracts under §610.021(12); personnel records or applications under §610.021(13); records which are otherwise protected from disclosure by law under §610.021(14); records relating to hotlines established for report abuse and wrongdoing under §610.021(16); or confidential or privileged communications with the District's auditor, including auditor work products under §610.021(17).**

**9:20 a.m.** Pursuant to the requirements of Section 610.021(1) 610.021(9), 610.021(12), and 610.021(17) of the Revised Statutes of Missouri, Commissioner Kicielinski requested a motion to allow the Board to go into closed session. A motion was made by Commissioner Holman and seconded by Commissioner Gully. A roll call vote was taken and the Commissioners present, Cahill, Gully, Holman and Kicielinski voted to approve this agenda item. **Motion passed unanimously.**

**16. Approval of Executive Session Items**

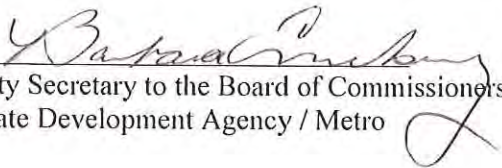
**10:02 a.m.** A motion to approve the executive session items was made by Commissioner Cahill and seconded by Commissioner Gully. **Motion passed unanimously.**

**17. Call of Dates for Future Committee Meetings**

**10:02 a.m.** No meeting dates were called.

**18. Adjournment**

**10:02 a.m.** A motion to adjourn the Open Session Finance & Administration Committee Meeting was made by Commissioner Cahill and seconded by Commissioner Holman. **Motion passed unanimously.**

  
Deputy Secretary to the Board of Commissioners  
Bi-State Development Agency / Metro

**Bi-State Development Agency / Metro  
Agenda Item  
Finance & Administration Committee  
March 27, 2015**

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**From:** Kathy S. Klevorn  
Sr. Vice President and Chief Financial Officer  
**Subject:** **Establishment of Bank Accounts for Bi-State Development Internal Service Funds**  
**Disposition:** Approval  
**Presentation:** Kathy S. Klevorn, Senior Vice President & CFO; Tammy Fulbright, Director of Treasury Services

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**Objective:**

To present to the Finance & Administration Committee for approval and referral to the Board of Commissioners a request to establish bank accounts for the Bi-State Development Internal Service Funds.

**Previous Board or Committee Action:**

In accordance with the approved Internal Audit Department (**IAD**) Annual Audit Plan, an audit of the Agency's Self-Funded Health Insurance Plan was performed by Brown Smith Wallace, LLC (**BSW**), a certified public accounting firm. BSW's Draft Self-Funded Health Insurance Plan Audit report was presented and discussed during the Executive Session at the Audit Committee Meeting on October 24, 2014. The Audit Committee voted unanimously to recommend that the Board of Commissioners approve the Draft Audit report. At the November 21, 2014, Board of Commissioners' Meeting the Board of Commissioners voted unanimously to accept and approve the Draft Self-Funded Health Insurance Plan Audit report. In order to improve the overall accountability and governance for the Agency's Self-Funded Health Insurance Plan, the Board of Commissioners approved the recommendation to establish an Internal Service Fund (**ISF**) and a separate bank account for all BSDA/Metro Health Insurance Plan cash receipts and disbursements.

**Board Policy:**

BSDA Board Policy Chapter 30, *Audit, Finance and Budget*, Section 30.040(C), *Banking and Investment*, states that, "Any two of the following may open bank accounts, subject to the approval of the Board of Commissioners through a confirming motion at the next meeting of the Board of Commissioners: Chair, Board of Commissioners; Vice Chair, Board of Commissioners; Treasurer, Board of Commissioners; President & CEO; and Chief Financial Officer."

**Funding Source:**

The Internal Service funds will be funded from Employer and Employee contributions.

**Committee Action Requested:**

Management recommends approval and referral to the Board of Commissioners the request to authorize Treasury Services to establish bank accounts as needed for the Bi-State Development Internal Service Funds.



**Bi-State Development Agency/Metro  
Agenda Item  
Finance & Administration Committee  
March 27, 2015**

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**From:** Kathy Klevorn  
Sr. Vice President and Chief Financial Officer  
**Subject:** **Contract Award: BarnesCare/BJC Corporate Health Services**  
**Disposition:** Approval and Referral  
**Presentation:** Larry Jackson, Vice President – Procurement, Inventory Management & Supplier Diversity; Kathy Brittin, Director – Risk Management, Safety & Claims

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**Objective:**

To present to the Finance & Administration Committee for discussion and referral to the Board of Commissioners a request for authorization to award Contract 15-RFP-101247-DR for Medical Examinations, Drug & Alcohol Screening, and other Occupational Medicine Consulting Services.

**Board Policy:**

Board Policy Chapter 50 – Purchasing requires Board approval of Negotiated Procurements exceeding \$500,000.

**Funding Source:**

Funding is provided through operating funds.

**Background:**

On December 10, 2014, Bi-State Development Agency (**BSDA**) issued solicitation 15-RFP-101247-DR seeking proposals from qualified firms capable of providing services for medical examinations, drug & alcohol screening, and other occupational medicine consulting services.

**Analysis:**

Three proposals were received, reviewed and evaluated in accordance with the evaluation requirements specified in the solicitation package. The technical evaluation was based on the firm's ability to provide and conduct the following:

- Medical Examination services
- Drug and Alcohol testing / After-hours specimen collection
- Medical Review (MRO) services
- Laboratory services
- Essential Function testing
- Wellness coordinator and personal trainer(s)
- Third Party Administrator services
- Staff credentials, physician and staff accessibility
- Geographic convenience
- Hours of Operation
- Technology record keeping
- Quality of reports in various areas

Each proposer's costs were then evaluated using a pre-established formula whereby the firm with the lowest cost proposal received the maximum score of 215. Each firm thereafter received points based on a formula that assigns points inversely proportional to the cost proposal amounts. The cost scores were then combined with the consensus technical scores resulting in BarnesCare/BJC Corporate Health Services being the overall top ranking firm.

<b>Firm</b>	<b>Consensus Technical Score</b>	<b>Cost Score</b>	<b>Total Score</b>
BarnesCare	352.30	215.00	567.30
Concentra	339.80	184.67	524.47
SSM Work Health	234.00	161.42	395.42

BSDA requested and received a Best & Final Offer from all three firms and as a result, BarnesCare/BJC is the overall top ranking firm. The three year cost is approximately \$950,962.50. The estimated cost for the option years is \$657,747.50.

Option years will only be exercised in the event:

- Funding is available;
- The performance of the contract is satisfactory;
- The exercise of any contractual option is in accordance with the terms and conditions of the option stated in the initial contract awarded; and
- The option price is determined to be equal to or better than prices available in the market or that the option is the more advantageous offer at the time the option is exercised.

**Committee Action Requested:**

Management recommends that the Finance and Administration Committee approve and refer to the Board of Commissioners for approval this request to award Contract 15-RFP-101247-DR – Occupational Medicine - Medical Examinations, Drug & Alcohol Screening to BarnesCare/BJC Corporate Health Services in the not-to-exceed amount of **\$1,608,710.00** to provide the necessary occupational medicine services for the period of three (3) base years and two (2) one-year option years to be exercised at BSDA's discretion.

**Bi-State Development Agency/Metro  
Agenda Item  
Finance & Administration Committee  
March 27, 2015**

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**From:** Kathy S. Klevorn  
Sr. Vice President and Chief Financial Officer  
**Subject:** **Bi-State Development Agency Operating and Capital Budget FY 2016**  
**Disposition:** Approval/Presentation  
**Presentation:** Kathy Klevorn, Sr. Vice President & CFO; Tracy Beidleman, Director of Program Development and Grants; Charles Pogorelac, Manager Financial Planning and Budget

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**Objective:**

To present the following to the Finance & Administration Committee for information and discussion:

- The Bi-State Development Agency Operating and Capital Budget FY 2016;
- The three-year Transportation Improvement Plan;
- Grant resolutions required to apply for federal and state funding necessary to support the Bi-State Development Agency's projects and programs; and
- Authorization of management to seek grants and/or appropriations from federal programs, the City of St. Louis, St. Louis County, and the states of Missouri and Illinois.

**Board Policy:**

The annual budget is presented in accordance with Board Policy Chapter 30, Section 30.030, which states:

A. General. Each year the President & CEO shall prepare an annual budget for the forthcoming fiscal year that will be presented to the Board of Commissioners. The President & CEO will work with the Board in setting strategic objectives, update the Agency's long range planning document, and prepare both an operating and capital budget. 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.

B. Approval. The President & CEO will present the annual budget at a regularly scheduled meeting of the Board of Commissioners. The Board of Commissioners shall approve annual operating and capital budgets prior to the beginning of the ensuing fiscal year.

**Funding Source:**

The funding source for the Bi-State Development Agency's Operating and Capital Budget includes operating revenue of each entity, local, state and federal funding sources.

**Background:**

The enclosed document presents the Bi-State Development Agency's Operating and Capital Budget for FY 2016.

Summaries of the FY 2016 Operating and Capital Budgets are as follows:

<b>OPERATING BUDGET (000s omitted)</b>				
	<b>Total</b>	<b>Expenses</b>	<b>Net Income</b>	
	<b>Total</b>	<b>Excluding</b>	<b>(Loss) Before</b>	<b>Capital</b>
	<b>Revenue</b>	<b>Depreciation</b>	<b>Depreciation</b>	<b>Budget</b>
<b>Metro System</b>	\$ 305,733	\$ 313,382	\$ (7,649)	\$ 465,567
<b>Agency</b>	4,148	4,131	17	-
<b>Gateway Arch Tram</b>	5,998	4,855	1,143	10,065
<b>Downtown Airport</b>	1,505	1,540	(35)	11,337
<b>Riverfront Attractions</b>	2,478	2,467	11	5
<b>Research Institute</b>	5	5	-	-
<b>Regional Freight Partnership</b>	450	296	154	-
<b>Total</b>	<u>\$ 320,317</u>	<u>\$ 326,676</u>	<u>\$ (6,359)</u>	<u>\$ 486,974</u>

**Analysis:**

The Bi-State Development Agency has developed the Metro Transit and Business Enterprises 2016 Operating and Capital Budgets, taking into account current economic conditions and conservatively estimating revenue, expense, and capital replacement and rehabilitation needs. The Bi-State Development Agency Operating and Capital Budget, as presented, is supportive of the mission and vision statements of the Agency.

**Committee Action Requested:**

Management recommends that the Finance & Administration Committee approve and refer to Board of Commissioners for approval the Operating and Capital Budget FY 2016.

**Attachments:**

1. Bi-State Development Agency Operating and Capital Budget Fiscal Year 2016
2. Budget Presentation



DRAFT

# BI-STATE DEVELOPMENT AGENCY

OPERATING  
& CAPITAL  
BUDGET

FISCAL YEAR 2016





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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
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PRESENTED TO

**Bi-State Development d.b.a. Metro  
Missouri**

For the Fiscal Year Beginning

**July 1, 2014**

Executive Director

# Board of Commissioners

## Illinois



Michael Buehlhorn  
Treasurer



David A. Dietzel  
Chair



Tadas Kicielinski



Jeffery Watson



Irma Golliday

## Missouri



Constance Gully  
Vice Chair



Aliah Holman  
Secretary



Vernal Brown



Vincent C.  
Schoemehl, Jr.



Vacant

# Authority and Government

The Board is comprised of five members from Illinois and five from Missouri. In Illinois, the Chairman of the Board of both St. Clair and Madison Counties appoint their representatives. Missouri Board members are appointed by the Governor of Missouri. The commissioners are required to be resident voters of their respective states and must reside within the Bi-State Metropolitan District. Each term is for five years and each serves without compensation.

## Executive Officers

**John M. Nations**

President & Chief Executive Officer

**Raymond A. Friem**

Chief Operating Officer  
Transit Operations

**Kathy S. Klevorn**

Senior Vice President  
Chief Financial Officer

**Jennifer S. Nixon**

Senior Vice President  
Business Enterprises

**Barbara Enneking**

General Counsel

**Melva R. Pete**

Vice President  
Human Resources

**John R. Langa**

Vice President  
Economic Development

**Debra Erickson**

Vice President  
Information Systems Management

**Larry B. Jackson**

Vice President  
Procurement, Inventory Management

**Dianne Williams**

Vice President  
Marketing



Bi-State Development Agency

707 N. First Street St. Louis, Missouri 63102-2595

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March 14, 2015

## Message from the President

The Bi-State Development Agency (BSDA) of the Missouri-Illinois Metropolitan District presents to the Board of Commissioners for approval the Fiscal Year (FY) 2016 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. BSDA's 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).

The Bi-State Development Agency was created by Compact between the State 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. Over the course of the last several years, the Agency has incorporated economic development within its vision statement and promoted economic activity within the region.

The Bi-State Development Research Institute; a 501(c)(3) non-profit corporation was developed to focus on two primary goals: (1) real estate acquisition and conveyance in support of Transit-Oriented Development ("TOD") and (2) regional economic development and to plan, study and evaluate regional land use, public policy, economic and community development and infrastructure investment, including, but not limited to transit activities.

BSDA has actively partnered with other regional organizations in the economic landscape of the St. Louis region. As an example, the Agency is a member of CityArchRiver 2015, a public-private partnership created to revitalize downtown St. Louis. Current projects include the extensive renovation of the Arch grounds and riverfront. CityArchRiver members include the National Park Service, Missouri Department of Transportation, the City of St. Louis along with several other prominent organizations. This project is being completed in conjunction with the 50<sup>th</sup> anniversary of the St. Louis Gateway Arch. The Arch grounds and St. Louis riverfront renovations are a critical step in helping a slumbering downtown region. The Arch will house a new museum entrance with greater visibility from the downtown business district. The Arch entrance will be bridged to downtown and the Old Courthouse by a dramatic green space that will extend over Highway 44 between Chestnut and Market. The new Park Over the Highway will allow visitors to seamlessly walk without obstacle from the Old Courthouse, downtown

restaurants, hotels and parking structures to the largest monument in the Western Hemisphere. In December 2014, BSDA completed a \$7.6 million bond issuance for part of the renovation. The funds will be used to rebuild the mechanical motor generator sets of the Arch Tram System and interior roof in the Arch facilities.

As part of the transformation, the Gateway Arch Parking Facility on the northern Arch grounds was closed in December 2014 and will be converted to the North Gateway Park. The park will be seven acres well suited for festivals, concerts and community events and include a Lewis and Clarks Explorer's Garden for children. The North Gateway Park will extend from Memorial Drive on the west to Leonor K Sullivan Boulevard on the east. Leonor K Sullivan Blvd. is also under construction and is being raised to reduce flooding and allow greater usage for pedestrians and bicyclists. During the extended construction period, BSDA expects Arch operations and Riverfront Attractions to be impacted.

Other new economic initiatives include the creation of a St. Louis regional freight district. The freight district is another combined regional effort which includes the East-West Gateway Council of Governments, St. Louis Regional Chamber and the Leadership Council of Southwestern Illinois. Shipments of freight are expected to grow substantially across the United States in the next couple decades and St. Louis area civic and business leaders are taking steps to make sure the region remains competitive. The Bi-State Development Agency has been tasked by the region to oversee the newly created regional freight district.

Metro was successful at winning a \$10 million Transportation Investment Generating Economic Recovery (TIGER) grant to build a new MetroLink station for the Cortex innovation district between Boyle Avenue and Sarah Street. Cortex, a 200-acre premier hub for bio-science and technology research strategically is located between the medical schools of St. Louis University and Washington University in the Central Corridor. It is also the future home of a new IKEA store currently under construction. The funding is a big win for the region as the station is essential for achieving Cortex's goal to be an international standard for innovation communities. It is expected to be an important magnetic amenity to the district and continue to appeal to the workforce that prefers an urban environment. This mean more jobs and economic opportunities for the St. Louis area.

Metro Transit System, the largest entity under the BSDA umbrella, has several other capital projects underway that are currently (or will) provide construction job opportunities within the St. Louis region. One of the largest, renovation of the historic Eads Bridge, is a \$40 million multi-year project that reached the 50 percent completion point March 2015. Dedicated in 1874, both the construction and design of Eads Bridge set precedents in bridge building. It was the world's first alloy steel bridge; the first to use tubular cord members; and the first to depend entirely upon the use of the cantilever in the building of the superstructure. The Eads Bridge was an engineering marvel and became an iconic image of the city of St. Louis from the time of its erection. The current project is a comprehensive rehabilitation of the main spans of the bridge including structural steel repairs, track superstructure replacement, removal and replacement of track, ties, rail, and walkway, removal of abandoned utilities, removal of the existing coating system, and application of a corrosion protection painting system.

The Bi-State Development Agency sees the North County region within St. Louis County as one of its fastest growing markets. Plans are underway to develop and invest in a North County Transit Center in Ferguson, Missouri. The project's first phase includes 10 MetroBus bays, two Metro Call-A-Ride bays, free parking, restrooms, digital signage and a climate controlled waiting area. The second phase of the project will include a dedicated vehicle dispatch center and full-service maintenance facility. When complete, the Transit Center will generate jobs and economic activity.

Bi-State continues to be a leader. The Agency, its transit oriented economic development endeavors and nationally recognized maintenance program was recently featured on the cover Mass Transit magazine. BSDA Procurement Division was awarded the 18th Annual Achievement of Excellence in Procurement (AEP) Award from the National Procurement Institute (NPI). The AEP Award is earned by public and non-profit organizations that obtain a high application score based on standardized criteria, innovation, professionalism, e-procurement, productivity, and leadership attributes of the procurement function. The Agency is only one of 23 special districts in the U.S. and just one of two agencies in Missouri to receive this award. The Finance Division was awarded the Certificate of Achievement for Excellence in Financial Reporting for the 18<sup>th</sup> consecutive year and the Distinguished Budget Presentation Award for the eighth year both from the Government Finance Officers Association of the United States and Canada.

The St. Louis Downtown Airport continues to provide an economic impact to the St. Louis region. Located just three miles from the Gateway Arch and downtown St. Louis, it is the second busiest airport in the region. A single month of activity at the airport can see 8,500 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 a regional economic impact of \$584 million. The St. Louis Downtown Airport is experiencing dramatic growth in charter operations with a nearly 480% increase in total charter operations since 2012. Larger aircraft, such as the Boeing 737-800 and 757-200, are serving the airport, the airport is planning for larger taxiways, higher stressed ramps, and increased man hours.

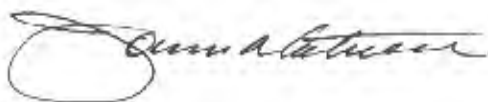
The FY 2016 Operating and Capital Budget, as prepared, outlines a prudent financial plan to build strong organizations always with an eye on improving the customer experience. The operating and capital budgets are presented by business segment, unit and division as appropriate. The operating budget is also presented in a consolidated format which mirrors financial statement requirements presented in the Comprehensive Annual Financial Reports (CAFR). Upon approval by the Agency's Board of Commissioners, the FY 2016 capital and operating budgets continue through a vetting 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.

The FY 2016 Operating and Capital Budget has been prepared to effectively and efficiently allocate resources to accomplish regional transportation goals:

- BSDA's Transit System operating expenses before depreciation - \$285.5 million
- Three-year Transit System capital funding plan:
  - Local funds \$ 155.2 million
  - Federal and State funds 464.4 million
  - Total \$ 619.6 million
- Executive Services operating expenses before depreciation - \$ 4.1 million
- Business Enterprises and Other operating revenue budget :
  - Gateway Arch \$ 6.0 million
  - Riverfront Attractions 2.5 million
  - St. Louis Downtown Airport 1.5 million
  - Regional Freight Partnership 0.4 million
  - Total \$ 10.4 million
- Business Enterprise & Other capital funding budget :
  - Gateway Arch \$ 10.1 million
  - St. Louis Downtown Airport 11.3 million
  - Total \$ 21.4 million

In Fiscal Year 2016, Bi-State Development Agency is looking forward to developing more business opportunities and growth in the region. We will continue to manage our resources, physical and financial, to the best of our abilities to assure that the Agency will be here for future generations and that it continues to play an important role in regional economic development.

I would also like to thank three dedicated former Board of Commissioners who leave us after faithfully serving the Agency beyond their required terms in office, Hugh Scott III and Kevin Cahill from Missouri and Fonzy Coleman from Illinois. I am pleased to welcome Vernal Brown (Missouri) and Irma Golliday (Illinois), recent appointments to the Board of Commissioners. Mr. Scott's replacement has not been named at this time.



John M. Nations  
President and CEO



# Executive Summary

## 2015 Financial Overview

Regional economic recovery continues in 2015 and employment trends remain positive and trending upward. A series of large-scale, private-sector expansions in the St. Louis region are adding thousands of jobs to the local economy. This equates to the fastest job growth in 15 years. According to Denny Coleman, CEO of the St. Louis Economic Development Partnership, the local economic development agency, "Manufacturing has come back and financial services have continued to grow. The only downturn has been in government services, but as the economy has turned around and more tax dollars come in, we expect that to get better." This translates to growth in sales tax receipts for the region, a positive for Metro. Interest rates are expected to remain low through 2015 and the recent drop in gas and oil prices has put money back in consumers' pockets.

The Transit System's income statement has been positively impacted by improved sales tax receipts and our financial results are expected to be better than budget. With the reduction in gas prices, Metro has seen some transit riders return to using automobiles. Transit ridership is not seeing the same growth in FY 2015 as it has been experienced over the last five years. Ridership was also impacted by recent events in Ferguson, Missouri. Articulated buses were introduced to the system on the Grand Line to mitigate overcrowding on Metro's most popular bus route. The transit system remains focused on delivering an excellent product to its constituents. Major emphasis is placed on a routine vehicle replacement program, world class maintenance, and the introduction of customer amenities including a new fare collection system and MetroBus Automated Passenger Count (APC) technology.

As projected, construction on the Arch grounds and St Louis riverfront area related to the CityArchRiver project is temporarily impacting ongoing operations of the Gateway Arch and Riverfront Operations. The biggest transformation in 50 years, once complete, is expected to have a very positive economic impact from tourism for the Arch, Riverfront and the St. Louis Region. The largest impact of construction on our riverboats is now behind us and a rebound is expected in spring and early summer of 2015. The Arch Parking Garage ceased operation in December 2014 and demolition has begun.

St. Louis Downtown Airport activity varies because of weather, special events and the economy. Activity is expected to remain at or below prior year levels. A lease restructuring with a primary tenant has impacted operating revenue. Operating expenses remain favorable and the Airport is expected to meet its 2015 financial goals.

## **Agency Awards and Recognition:**

- The Gateway Arch Riverboats celebrated its 50th anniversary.
- The Gateway Arch brochure wins Best Brochure in the Midwest Region Award for its layout, design, content and visitor appeal.
- TripAdvisor named St. Louis as one of its top world and U.S. destinations for 2014. St. Louis was ranked 23 because of its influence by Westward Expansion and Blues music.
- The Missouri Division of Tourism honored the Gateway Arch Sales and Marketing Department with the Pathfinder Award. The team was recognized for its achievements in reaching new visitors in specific niche markets.
- The Government Finance Officers Association awarded BSDA with the Certificate of Achievement for Excellence in Financial Reporting for the 19th consecutive year.
- MetroLink wins 3rd Place overall and received the 2014 Rail Transit Team Achievement Award at the 22nd Annual APTA International Rail Rodeo in Montreal, Canada.
- BSDA/Metro's Procurement Department earned the Achievement of Excellence in Procurement (AEP) Award , presented by the National Procurement Institute. BSDA is one of only three government agencies in Missouri and one of only 31 special districts in the U.S. to receive the award.
- The National Safety Council partnered with BSDA/Metro to recognize full-time MetroBus and Metro Call-A-Ride Van Operators whose safe driving records included ten or more years with no preventable accidents, and who had excellent attendance.
- BSDA/Metro was awarded the Fit-Friendly Worksites Platinum Award, the highest level of recognition presented by the American Heart Association.
- BSDA/Metro won the 2014 Healthiest Employers Award, presented by the St. Louis Business Journal.
- BSDA/Metro received the 2014 Show-Me Safety Award, a statewide award which recognizes a group or individual for a particular event that helps promote safe driving in Missouri.
- BSDA/Metro received the 2014 Green Business Challenge Award, presented by the St. Louis Regional Chamber. The challenge encourages area companies to adopt sustainable business practices that can help the region's green economy, reduce environmental impact and improve bottom lines.

## **Major Events/Milestones During Fiscal Year 2015:**

### **July 2014**

- BSDA/Metro broke ground on the new North County Transit Center.
- BSDA/Metro announced the name and design for the Gateway Smart Card.

### **August 2014**

- BSDA/Metro and the Missouri Public Transit Association (MPTA) were co-hosts for the 2014 MPTA Conference held in St. Louis.

### **September**

- The Agency secured a \$10.3 million TIGER grant from the U.S. Department of Transportation to build a new MetroLink station in the Central Corridor of St. Louis.
- The East-West Gateway Council of Governments selected BSDA to lead a new regional freight district.
- BSDA/Metro and American Red Cross partnered to raise awareness about Emergency Preparedness Month.

### **October 2014**

- The MetroLink fleet logged more than 100 million miles.
- The Agency teamed up with Operation Lifesaver to help educate customers and motorists about rail safety during the national safety campaign, See Tracks? Think Train.
- Metro transit provided extra MetroLink service and security for the National League Championship Series games.

### **November 2014**

- BSDA/Metro and the St. Louis Convention and Visitors Commission partnered to treat area commuters to the Holiday Magic Train, featuring decorations and musical performances throughout the holiday season.

### **December 2014**

- As project manager of the Eads Bridge rehabilitation project, the Agency marked the halfway point of renovations to the 140-year-old structure. This \$40.2 million full-scale rehabilitation of the truss and supporting superstructure of the historic Eads Bridge is needed to upgrade and preserve a critical piece of the region's \$1.8 billion transit infrastructure.

### **January 2015**

- The Bi-State Development Agency announced the relocation of its headquarters to the Metropolitan Square Building at 211 North Broadway in downtown St. Louis. The move is planned for summer 2015.

- Original works of art created by 10 St. Louis area artists have been selected for MetroScapes, a Metro Arts in Transit program that showcases local art at Metro transit locations.

## **February 2015**

- The Bi-State Development Agency (BSDA) announced the appointments of Vernal Brown and Irma Golliday to the BSDA Board of Commissioners. Brown, a resident of St. Louis County, was appointed to the BSDA Board by Missouri Governor Jay Nixon and replaces Commissioner Kevin Cahill. Golliday, a resident of East St. Louis, Ill., was appointed to the BSDA Board by St. Clair County Board Chairman Mark Kern and replaces Commissioner Fonzy Coleman.

## **2016 Preview**

### **Metro Transit**

Metro Transit plans to maintain current service levels in FY 2016. Revenue projections include modest growth in sales taxes and fares due to the expectation that ridership will increase by one percent. Expense projections incorporate the impact of the settled labor contracts. While fuel trends are expected to move upward from today's low, they will remain consistent with fuel expenditures over the last two years. Metro is experiencing an uptick in insurance costs as a result of some recent claims. The operating budget is projected to remain within four percent of the 2015 budget.

The FY 2016 capital budget includes a continuation of active infrastructure projects toward completion such as the Eads Bridge renovation, fare collection project, North County Transit Center, and a new MetroLink station. The three-year capital program is inclusive of all known replacement and renovation initiatives as well as the strategic regional vision of future proposed transportation improvements.

### **St. Louis Gateway Arch and Riverfront Attractions**

In FY 2016, virtually all areas of the Jefferson National Expansion Memorial will be undergoing major renovations as part of the CityArchRiver 2015 construction. The museum under the Arch will be closed for renovations. The theatre will be replaced with a new retail space and all other areas of the visitor center will be renovated in phases, further limiting the capacity of the facility and the amenities available to visitors. The Arch Transportation System will receive a major upgrade and exhibit areas will be redesigned and upgraded with the newest exhibit technology. Notwithstanding construction and reconfiguration activities at the Arch, operating revenues are projected to increase in 2016 based on price restructuring. Arch tram operating income trends upward from 2015 and long-term results are expected to be very positive. Capital projects related to the Arch Transportation Center Motor Generator Sets and Load Zones are being completed in tandem with the CityArchRiver renovation.

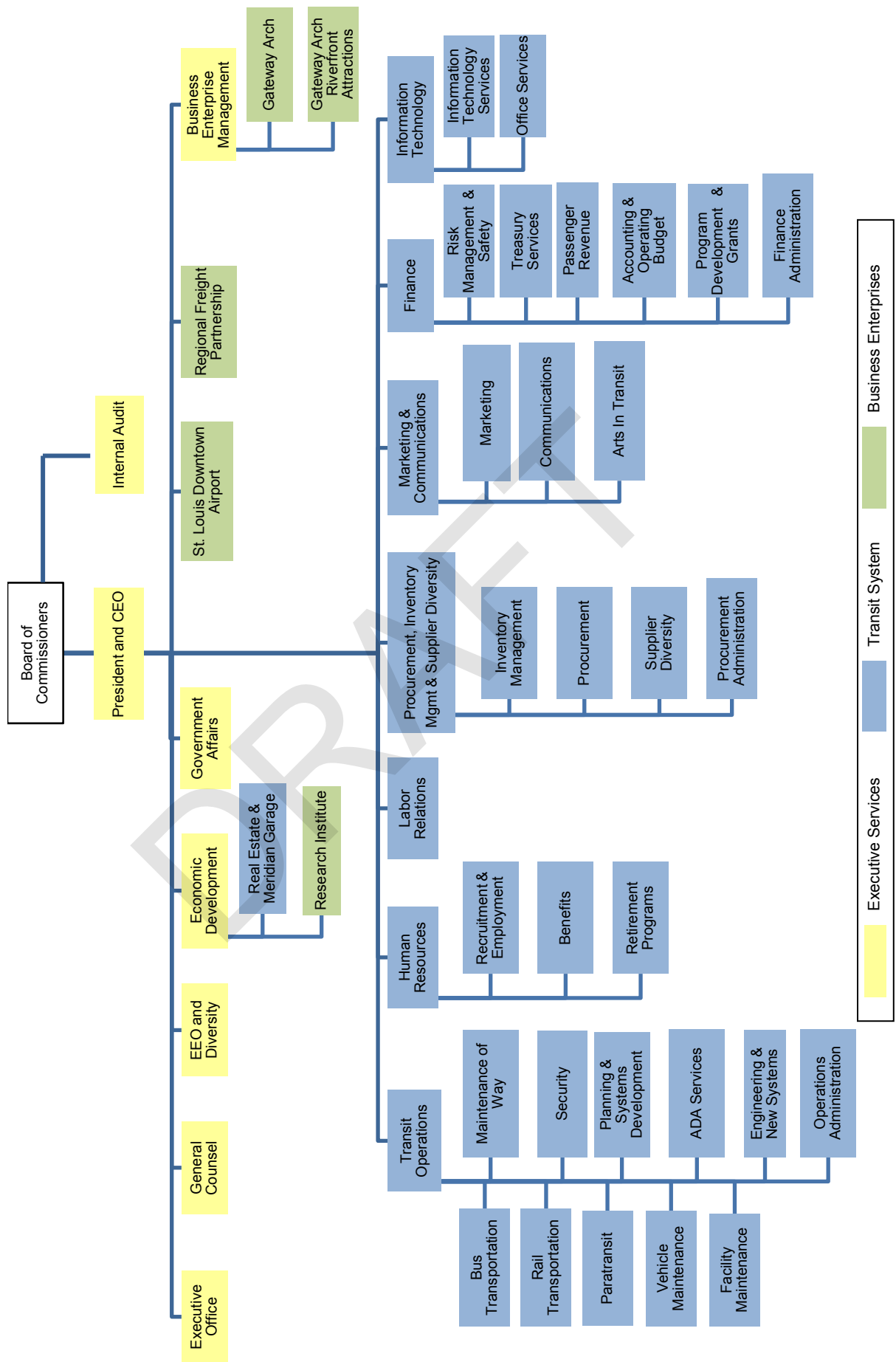
The south portion of the Leonor K. Sullivan riverfront road opens by 2015 and the Gateway Arch Riverboats operations will benefit from better access. Business Enterprises plans to combine efforts with the National Park Service to aggressively market the Riverfront experience. The number of passengers is expected to increase over FY 2015 returning to historical activity levels.

### **St. Louis Downtown Airport**

The economic impact the St. Louis Downtown Airport makes on the region is estimated at \$584 million as cited by the Illinois Department of Transportation. FY 2016 St. Louis Downtown Airport revenues are conservatively projected at \$1.5 million as hangar rentals and leased acreage are impacted by renegotiated lease agreements. A slight operating loss is projected. The \$11.3 million in the capital budget is contingent on local funding sources and successful competition for federal funds. Reconstruction and improvements to taxiways and land acquisition make up the majority of the capital spending. The source of funds to support the capital expenditures will be through Federal Grants, Illinois State and Local Grants and the Airport Fund.

### **Regional Freight Partnership**

Regional leaders have asked the Bi-State Development Agency to establish and lead a new freight district for the bi-state area. The Agency's newest venture will focus on coordinating and expanding the road, rail, river and runway freight network in and out of St. Louis. In the start-up year, revenues are expected to more than expenses. In FY 2016, the Freight District will begin to identify business opportunities in the region.



# Bi-State Development Personnel

---

Bi-State Development remains committed to maintaining a personnel position count at a responsible level. The total organization for the FY 2016 budget includes 2,256 positions which is an increase of eight compared to the budget for FY 2015. The breakdown by division consists of 2,199 positions for the Transit System, 18 in Executive Services and 39 for Business Enterprises.

## Transit System

The Transit System budget of 2,199 positions is an increase of 12 compared to the budget for FY 2015. Further breakdown is discussed in the paragraphs that follow.

## Transit Operations

Position count includes full-time and part-time bus operator personnel. In FY 2016, Metro continues the use of part-time bus operators that were restored in 2009, through the 788 Amalgamated Transit Union contract. The number of part-time bus operators in FY 2016 is 84, remaining at FY 2015 budget levels. The average number of full-time operators budgeted in FY 2016 is 792, which is up three from last year's budget and five from the FY 2014 budget. The bus operator position counts are included in the Bus Transportation function as displayed on the Personnel by Division and Function table.

MetroLink operator position count related to light rail vehicle for the FY 2016 budget remains the same as the FY 2015 at 102. This is an increase of three from the FY 2014 Budget.

Paratransit Transportation operations were able to reduce staff in FY 2016 by two through efficiencies of software upgrades and organizational structure changes.

Vehicle Maintenance increased one position that will assist in Transit Operations systems administration.

Security is adding two public safety officers to patrol MetroLink stations adding visibility and reducing undercover police expense to offset the additional officers. In total transit operations is adding four full-time positions and reducing outside expense to help offset the additional personnel.

## Procurement, Material Management & Supplier Diversity

The Materials Management area has requested two Material Handler positions. This will increase the number of Material Handler positions to 24. The positions are needed to handle the increased number of parts due to the addition of various series of buses and cover vacation and sick leave.

## Information Technology

The Information Technology Applications Development area has requested an ERP Analyst for the Financial Systems team to support the current workload and future projects. The addition of

Oracle e-Business suite modules and added support requirements has created the need. A Manager of IT Operations position has been approved and added since the last budget.

### **Marketing & Communications**

The Marketing group is creating a Community Outreach department to enhance the relationships between the Agency and the public. A Director of Community Engagement and Development position has been added to the FY 2016 Budget along with a Communications Program Coordinator transferred from another Marketing department. A Website Content Coordinator is being added to the Communications department.

### **Labor Relations**

Labor Relations has hired a Manager of Labor Relations and an Absence Management Specialist.

### **Business Enterprises**

The Arch Parking Facility discontinued operations in FY 2015. As a result the FY 2016 budget was reduced by five positions.

In FY 2015, the Bi-State Development Agency was selected to lead a new Regional Freight Partnership. The freight partnership is discussed in further detail in a separate section later in this report. The FY 2016 freight budget consists of four new positions including an Executive Director.

### **Bi-State Development Agency Employees by Division and Function**

On the following page is a table comparing the number of BSDA's personnel in the FY 2016, FY 2015 and FY 2014 budgets.

#### **Note:**

*In the Organizational Units section of this document, you will find detailed organizational charts for the FY 2016 budget for all Transit divisions. The organizational charts for the Gateway Arch, Riverfront Attractions, St. Louis Downtown Airport, and Executive Services may be found in those respective sections of this document.*

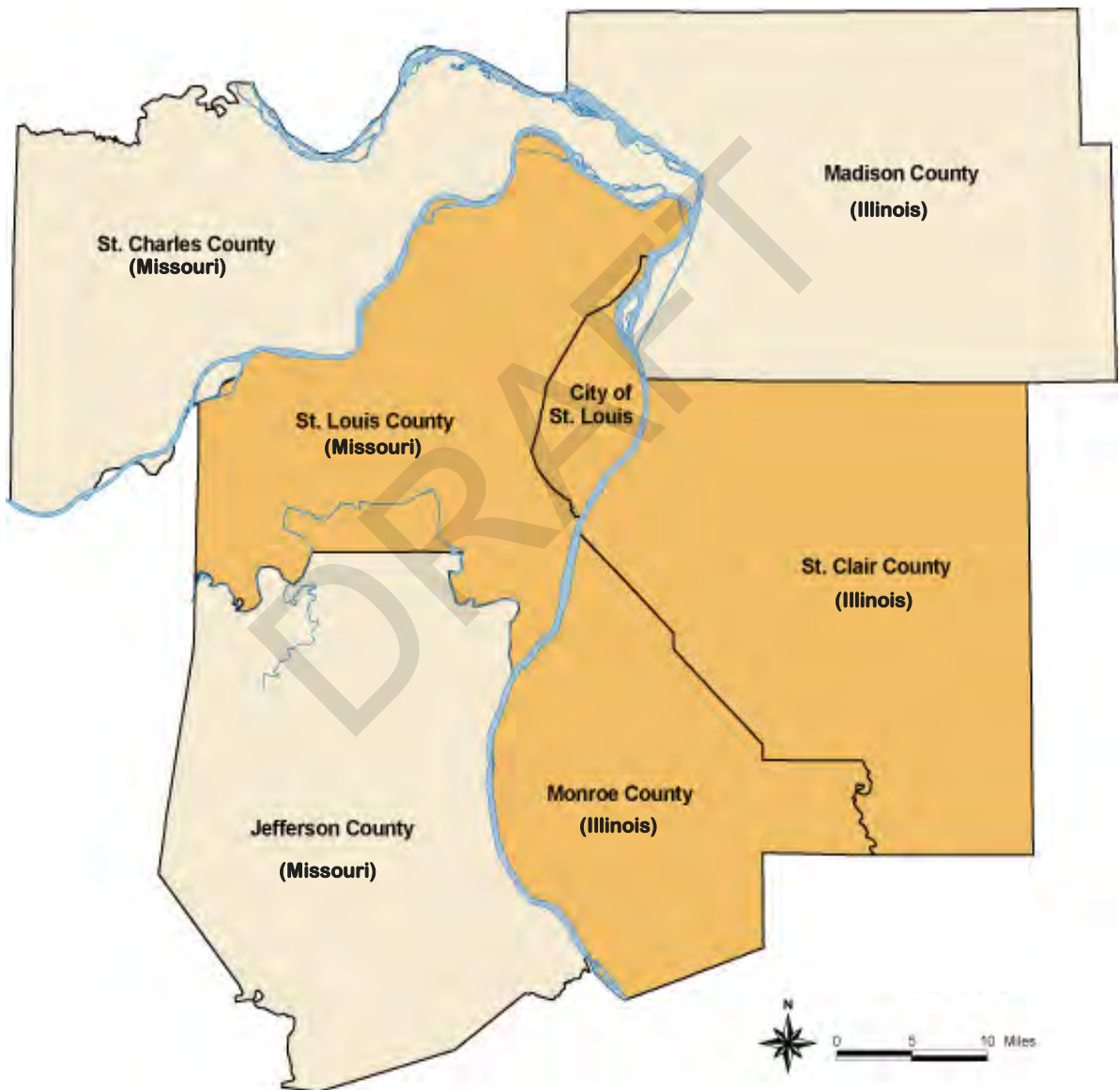



## Bi-State Development Agency Personnel by Division & Function

	FY 2016 Budget	FY 2015 Budget	Change	FY 2014 Budget
<b>Transit System</b>				
<b>Transit Services</b>				
Bus Transportation	948	945	3	943
Rail Transportation	141	141	-	138
Paratransit Transportation	247	249	(2)	249
Vehicle Maintenance	343	342	1	339
Maintenance of Way	149	149	-	149
Facility Maintenance	32	32	-	32
Security	41	39	2	34
ADA Services	7	7	-	7
Service Planning	39	39	-	39
Engineering and New Systems	17	17	-	18
Operations Administration	2	2	-	2
<b>Total Operations</b>	<b>1,966</b>	<b>1,962</b>	<b>4</b>	<b>1,950</b>
<b>Finance</b>				
Passenger Revenue	33	33	-	33
Risk Management and Safety	20	21	(1)	21
Accounting & Operating Budget	23	23	-	23
Capital Budgeting and Grants	5	5	-	5
Treasury	2	2	-	2
Finance Administration	3	3	-	3
<b>Total Finance</b>	<b>86</b>	<b>87</b>	<b>(1)</b>	<b>87</b>
<b>Procurement</b>	<b>59</b>	<b>57</b>	<b>2</b>	<b>57</b>
<b>Information Technology</b>	<b>46</b>	<b>44</b>	<b>2</b>	<b>43</b>
<b>Human Resources</b>	<b>17</b>	<b>17</b>	<b>-</b>	<b>17</b>
<b>Labor Relations</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Marketing</b>	<b>19</b>	<b>16</b>	<b>3</b>	<b>15</b>
<b>Meridian and Real Estate</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>2</b>
<b>Total Transit System</b>	<b>2,199</b>	<b>2,187</b>	<b>12</b>	<b>2,173</b>
<b>Executive Services</b>	<b>18</b>	<b>21</b>	<b>(3)</b>	<b>21</b>
<b>Business Enterprises</b>				
Gateway Arch	12	12	-	12
St. Louis Downtown Airport	11	11	-	12
Gateway Arch Parking Facility	-	5	(5)	6
Riverfront Attractions	12	12	-	12
Regional Freight Partnership	4	-	4	-
<b>Total Business Enterprises</b>	<b>39</b>	<b>40</b>	<b>(1)</b>	<b>42</b>
<b>Total Bi-State Development Agency</b>	<b>2,256</b>	<b>2,248</b>	<b>8</b>	<b>2,236</b>

# Bi-State Development Agency of the Missouri – Illinois Metropolitan District

## Jurisdiction Authority Area



 Current Transit Service Area

# Bi-State Development Agency Profile

## Organizational History and Significant Events

Bi-State Development Agency (BSDA) 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 Agency does not have the power to tax. Funding is received from local, state and federal sources. However, it is authorized to collect fees from the operation of its facilities.

In the first years of existence, the BSDA participated in, or conducted several studies which included a comprehensive plan for development of the Missouri-Illinois Metropolitan District, sponsored a survey of chemical and biological pollution of the Mississippi River, and an exhaustive study of the St. Louis County sewer problem that led to a new sewer law which created the Metropolitan St. Louis Sewer District. Bi-State Development Agency also sponsored a coordinated interstate highway planning action related to surveying highways and expressways. The most significant project undertaken in the early years was the construction of a 600-foot wharf at Granite City, Illinois in 1953.

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.
2004	Bus Transit Access Center opened.
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, a 3/16 cent sales tax, to help fund updating and expanding of Gateway Arch park grounds and riverfront attractions.
2014	Gateway Arch Parking Facility discontinued operations
2014	Selected to lead a new Regional Freight Partnership
2014	Bi-State Research Institute was formed

Today, the Bi-State Development Agency is organized into several Business Entities and the Transit System. They include Gateway Arch Tram System, St. Louis Downtown Airport, Riverfront Attractions, Regional Freight Partnership and Bi-State Research Institute. The Transit System Division is comprised of three modes of public transportation which includes MetroBus, bus operations; MetroLink, light rail operations; and Call-A-Ride, demand response operations.

The diversified Business Enterprises Division began in 1962, when Bi-State Development Agency was asked to fund and operate the 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.

An agreement was reached in October 1962 where BSDA would assist in the re-opening of Parks Metropolitan Airport at Cahokia, Illinois. After a series of approvals and resolutions, the Agency purchased the Airport in 1964 for \$3.4 million, and later renamed it St. Louis Downtown Airport.

In July 2001, Bi-State Development Agency purchased the Becky Thatcher and Tom Sawyer Riverboats to preserve the St. Louis Riverfront experience. Since 2001, the Riverfront Attractions have expanded to include the Arch View Café, a gift shop, bike rentals, concessions and a heliport barge from which helicopter tours over downtown St. Louis are provided.

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

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 Agency has created programs to educate and certify all paratransit users. BSDA 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 Agency 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 BSDA 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 Regional Freight Partnership 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

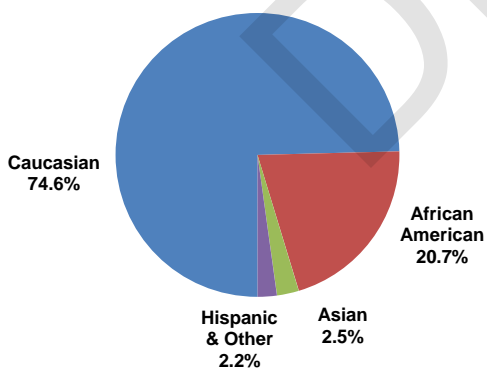
The most recent census data estimates approximately 2.5 million people live in the Greater St. Louis region served by the Bi-State Development Agency (BSDA). Overall, the Greater St. Louis region is experiencing minimal growth with a continuing shift in population from the City of St. Louis to St. Louis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

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.

### Estimated Population Comparison

Region	2010	2013	% Change
St. Louis City	319,294	318,416	-0.3%
St. Louis County	998,954	1,001,444	0.2%
St. Charles County	360,485	373,495	3.6%
Jefferson County	218,728	221,396	1.2%
St. Clair County	270,056	266,955	-1.1%
Madison County	269,282	267,225	-0.8%
Monroe County	32,957	33,493	1.6%
<b>Total</b>	<b>2,469,756</b>	<b>2,482,424</b>	<b>0.5%</b>
<b>United States</b>	<b>308,747,716</b>	<b>315,091,138</b>	<b>2.1%</b>

### 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 2014. St. Louis was listed, in the top 25, because of its influence by Westward Expansion and Blues music.

Three professional sports teams – Cardinals baseball, Rams football 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, Bi-State Development Agency Headquarters 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.

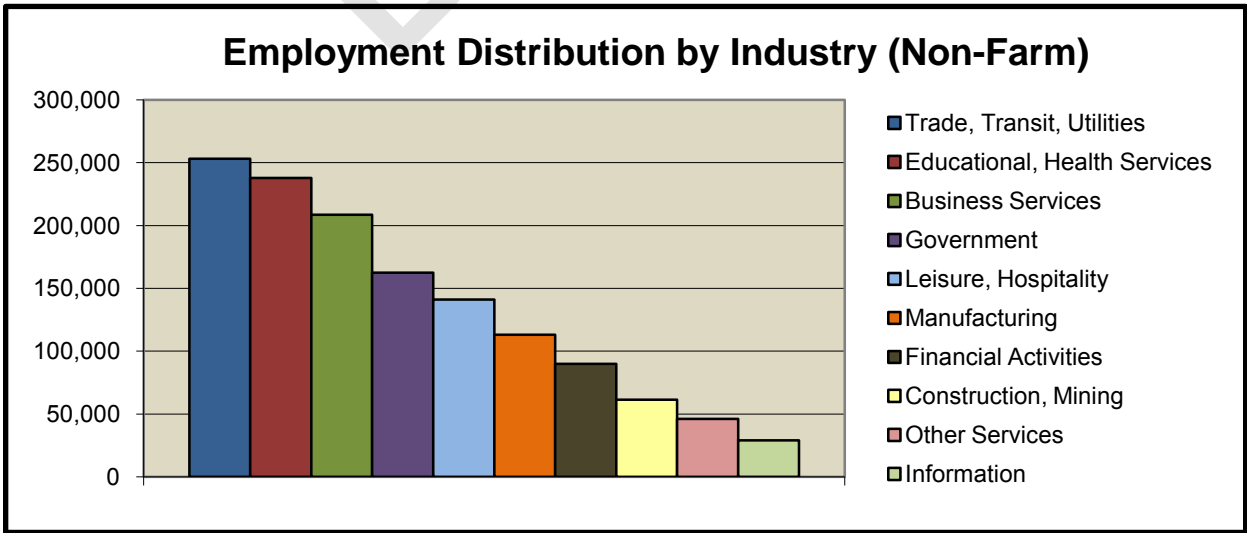
St. Louis' famous Forest Park was site of the 1904 World's Fair. It is frequented by runners, bicyclists, and picnickers and hosts some of the region's favorite cultural and educational institutions including the St. Louis Art Museum, St. Louis Zoo, St. Louis Science Center and Missouri History Museum. 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 BSDA'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 area 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.

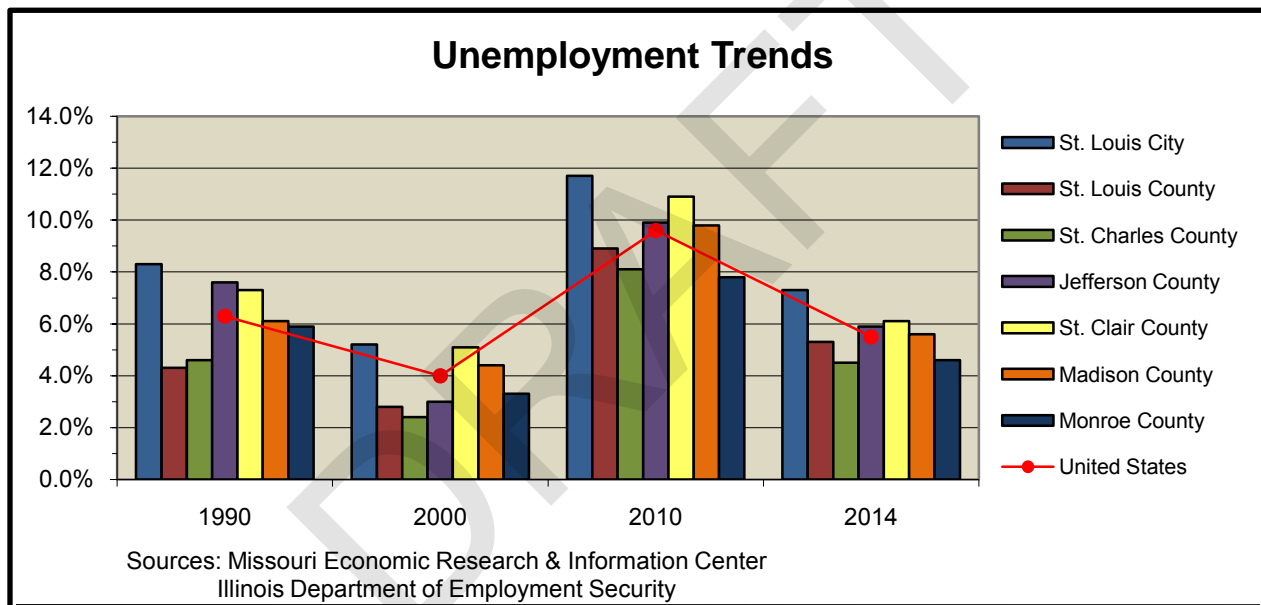


Source US Bureau of Labor Statistics - Dec 2014

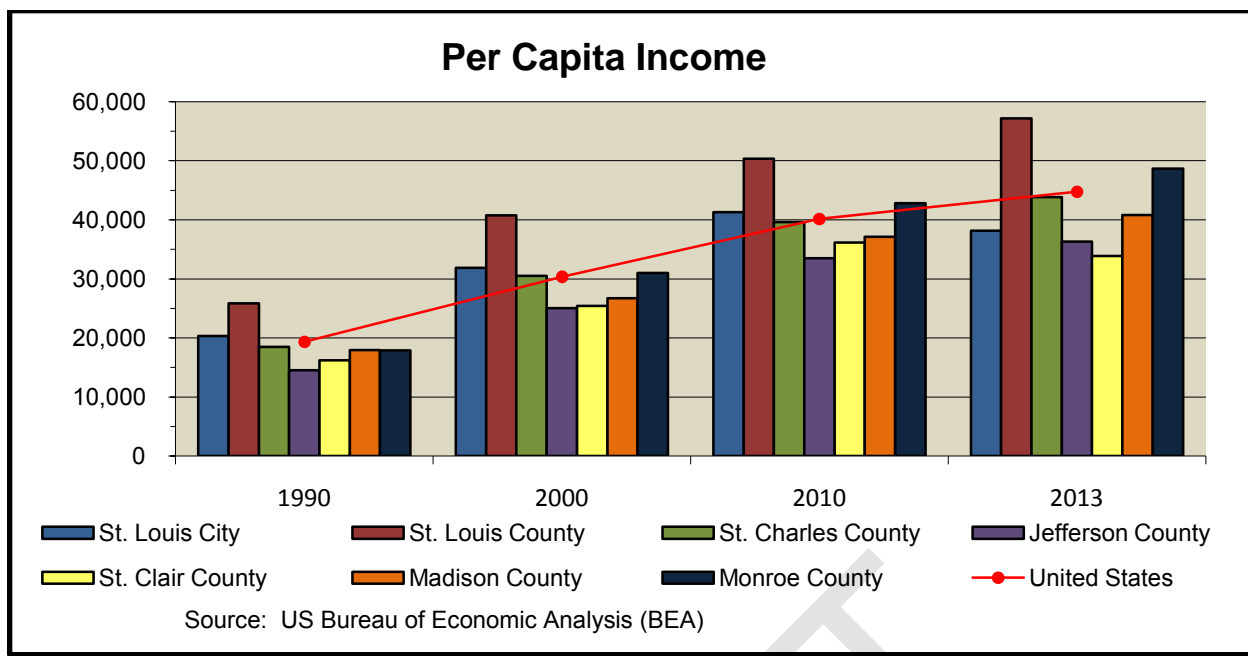
## Economic Trends

In 2014, the economy in the Greater St. Louis region closely followed improving national trends. In December 2014, The Missouri Economic Research and Information Center reported the national average unemployment rate was 5.5%. Within the bi-state area, the average unemployment rate was 5.6%. The City of St. Louis and St. Clair County in Illinois generally track worse than the national unemployment statistics. In 2014, the City of St. Louis reported an 7.3% unemployment rate while St. Clair and Madison Counties in Illinois reported 6.1% and 5.6%, respectively.

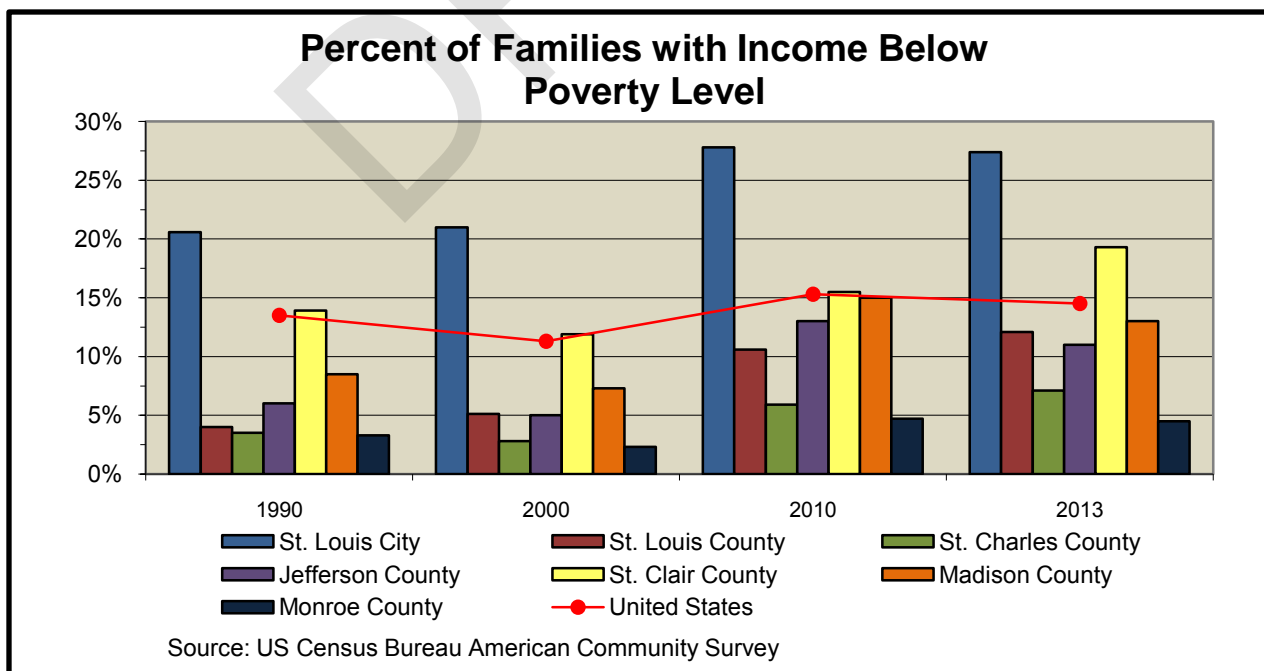
The graph below displays the unemployment rates in the bi-state area. Since a significant portion of the Transit System's ridership is composed of business commuters, unemployment clearly impacts Bi-State Development Agency's operations.



Other statistics which have a direct correlation to Bi-State Development Agency 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 St. Charles county and Madison county in Illinois touching on the national average. The City of St. Louis, Jefferson county, as well as, St. Clair and Monroe counties in Illinois 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 socioeconomic factors relating to environment and education and the lasting effects of long-term high unemployment.





# Strategic Plan Overview - Transit Operations

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## **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 Agency (BSDA) 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. BSDA public transit meets the region's needs through safe, reliable, accessible, customer-focused service in a fiscally responsible manner.

## **Long-term Strategic Plan**

Bi-State Development Agency'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 was begun involving BSDA management, East West Gateway Council of Governments (EWGCOG), community leaders and users of public transportation. 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 Agency 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 and will:

- 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

With the adoption of the long-term plan, the region can confidently proceed with implementation of the long-term plan.

## **Strategic Alignment**

### **Vision**

The Bi-State Development Agency is a dynamic and multi-faceted resource for economic development in the St. Louis region. With deep expertise in planning and implementation, the Bi-State Development Agency is uniquely empowered to provide regional solutions to regional challenges within a model of efficiency and accountability. Through proven leadership, the Bi-State Development Agency 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 Agency'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*** – The safety and security of our customers, general public, and employees is our most important priority.

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

***Character*** – We 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*** – We are committed to forward motivation; to having the courage and vision to operate in new and transformative ways.

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

***Collaboration*** – We 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*** – We are committed to providing clear and accurate information and being transparent at all times.

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

***Innovation*** – We 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 Agency has identified four primary organization level goals. These goals will guide the strategic initiatives of the organization through FY 2016. 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.

<b>Goal</b>	<b>Objective</b>
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 Agency 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 Agency, 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 2016 targets to previous years are as follows:

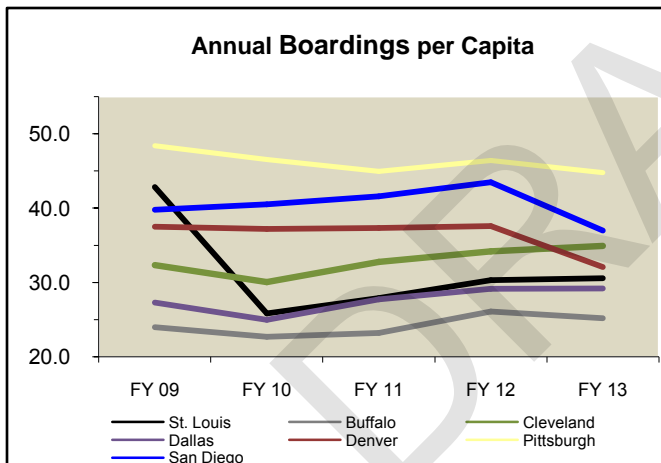
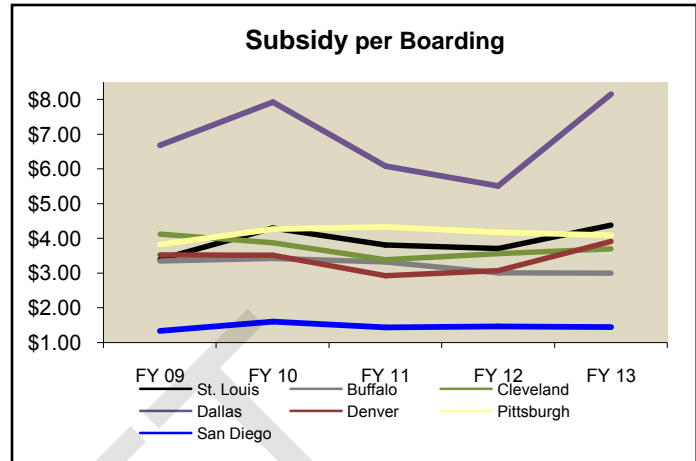
Key Performance Indicators	FY 2016	FY 2015		FY 2014
	<u>Target</u>	<u>Projection</u>	<u>Target</u>	<u>Actual</u>
<b>Customer Measures</b>				
Passenger Boardings (millions)	48.7	48.2	48.2	48.2
Average Weekday Ridership (thousands)	151.5	151.2	150.0	151.8
Passenger Injuries per 100,000 Boardings	1.0	1.2	1.1	1.3
Customer Complaints per 100,000 Boardings	10.3	9.6	10.0	10.6
<b>Business Measures</b>				
Farebox Recovery	19.0%	19.8%	19.5%	20.2%
Operating Expense per Revenue Hour	\$155.94	\$147.09	\$147.75	\$141.51
Operating Expense per Passenger Boarding	\$5.87	\$5.58	\$5.68	\$5.31
Subsidy per Passenger Boarding	\$4.53	\$4.26	\$4.35	\$4.03
<b>Operating Measures</b>				
Passenger Boardings per Revenue Mile	1.8	1.8	1.7	1.8
Passenger Boardings per Revenue Hour	26.6	26.4	26.0	26.7
Vehicle Accidents per 100,000 Vehicle Miles	1.9	1.8	2.0	1.6
Unscheduled Absenteeism	3.6%	3.5%	3.6%	3.2%
On-Time Performance	94.7%	94.2%	94.7%	93.9%

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

## Peer Performance

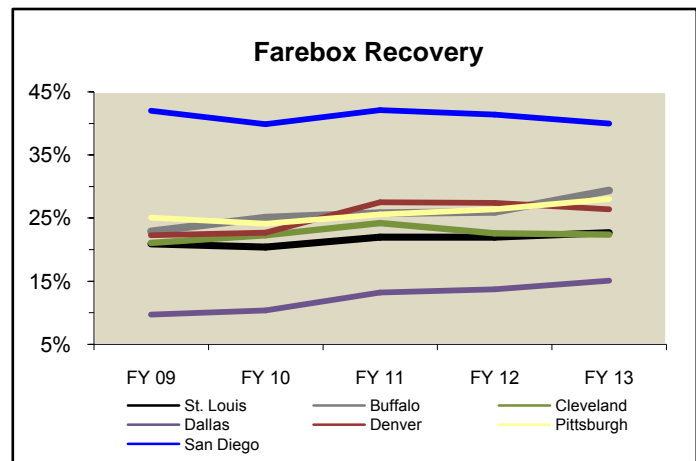
The following graphs depict performance metrics of Bi-State Development Agency's Transit System compared to peer transit agencies in the United States from FY 2009 through FY 2013. The source of this data is the Federal Transit Administration National Transit Database.

Subsidy per boarding measures how much outside funding assistance is required per passenger trip. The Bi-State Development Agency has minimized this growth through increasing ridership, cost containment and a modest fare increases in FY 2013 and FY 2015. BSDA 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.

Bi-State's farebox recovery has remained average compared to its peer transit agencies. A combination of ridership growth and periodic fare increases correlate to stable farebox recovery with limited growth. 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.



# 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 balance budget. The budget is a financial and strategic plan for the upcoming year developed in accordance with Agency policies. It seeks to optimize resources and maintain consistency with defined organizational objectives and the Agency's Strategic Plan.

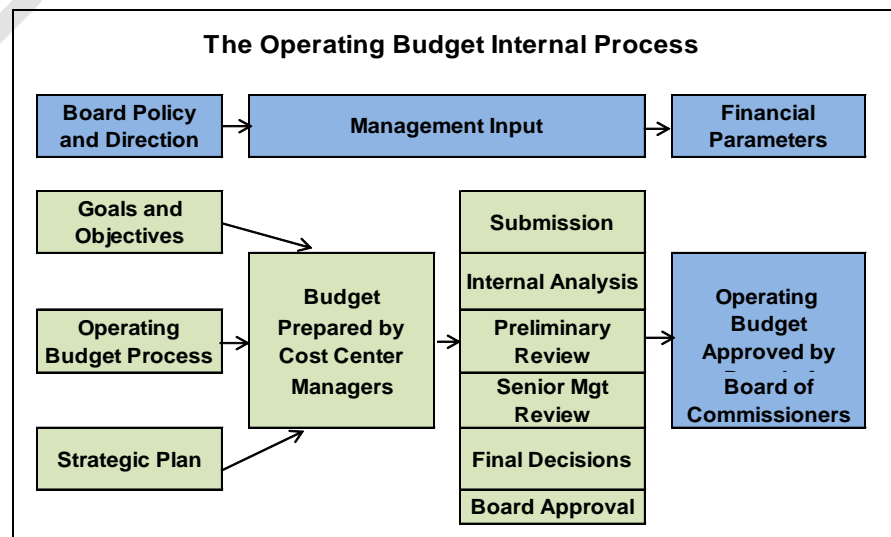


The preparation and eventual approval of the annual operating and the tri-annual capital budgets are both an internal and external process.

## Operating Budget Internal Preparation

Each year the budget begins with a budget message to Bi-State Development Agency's cost center managers imparting objectives for the upcoming budget year, including indications of the Agency'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 Agency's senior management reviews these 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 the Agency's President and CEO to allow the operating budget document to be prepared and presented to the Board. The Board of Commissioners approval completes the internal process.



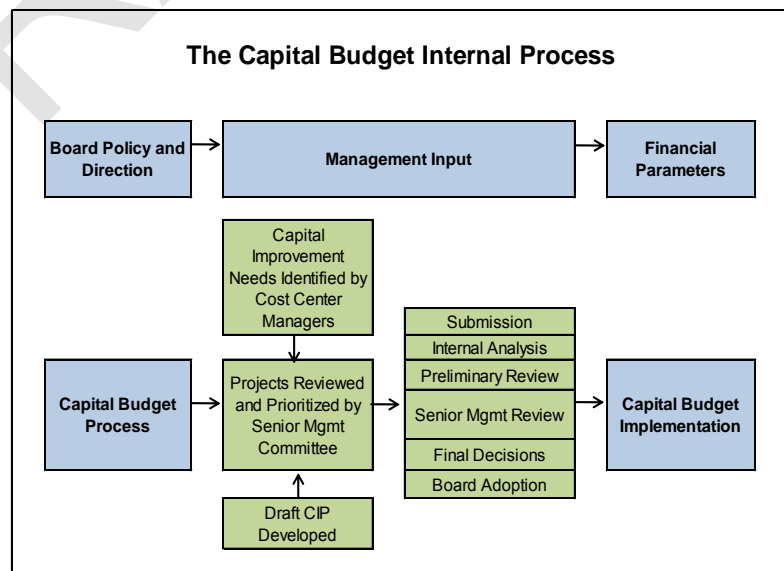
## Operating Budget External Review and Approval Process

Each of the Transit System's funding jurisdictions has a separate operating budget approval process. In St. Louis County, the Agency'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, the Agency 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 Agency's 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 the Agency's cost center managers is communicated regarding the Agency's 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 (TIP), which documents all federal transit grants for which the Agency 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 Agency's President and CEO to allow the budget document to be prepared and presented to the Board. The approval of the Board of Commissioners' 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, the Bi-State Development Agency'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, the Agency contracts with the St. Clair County Transit District (District) for funds for operations and capital acquisition. Bi-State Development Agency, 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 Agency'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.

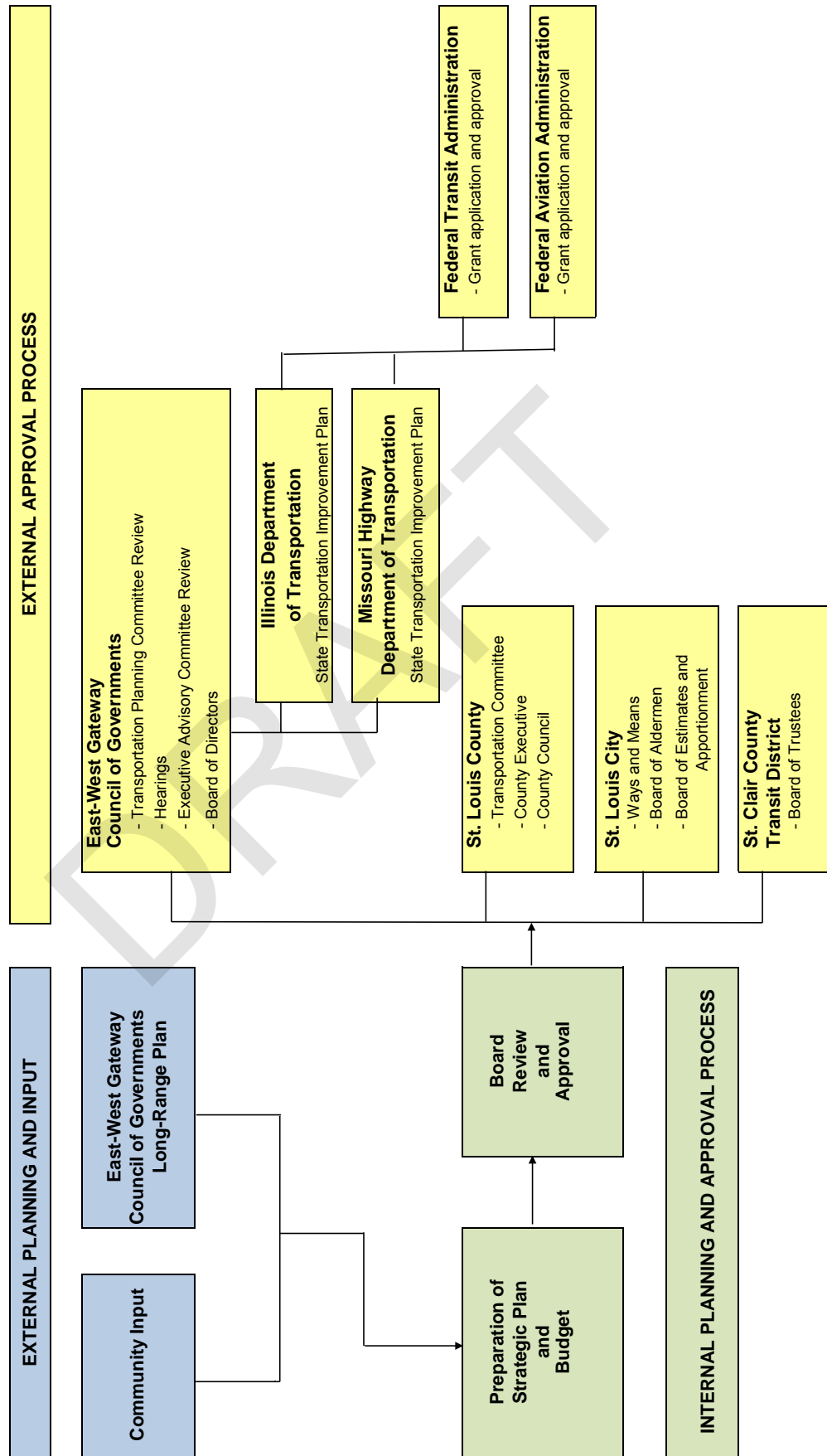
## **Operating and Capital Budget Amendment Process**

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.

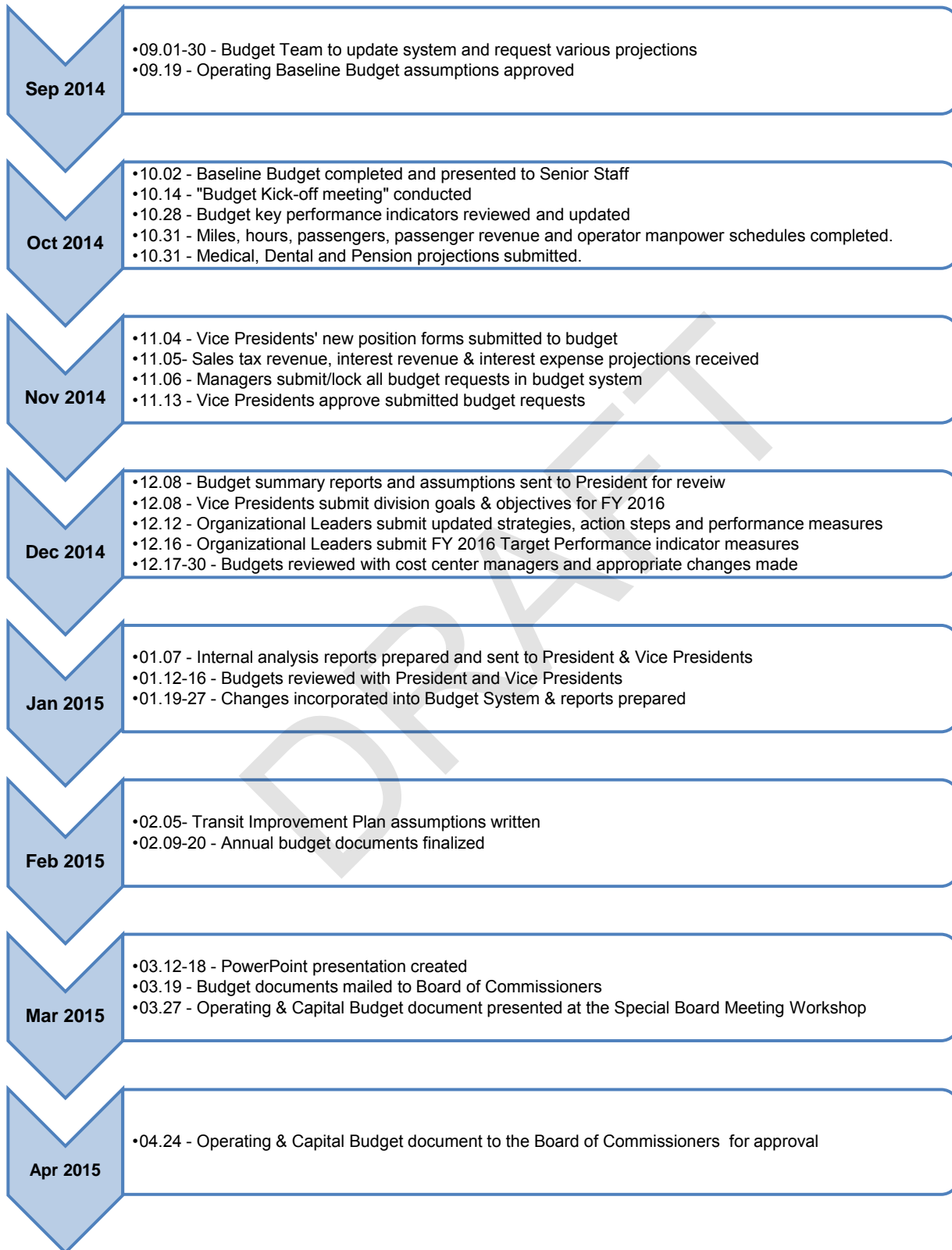
The budget and grant approval process is illustrated on the next page.



# Operating and Capital Budget and Grant Approval External Process



## FY 2016 Operating Budget Calendar



# Financial Policies, Fund Balances, Debt Obligations

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All fiscal policies apply to all operations of Bi-State Development Agency (BSDA).

## **Planning and Budgeting Policies**

### **Balanced Budget**

Each year the President and Chief Executive Officer (CEO) prepares 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 the Agency's 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 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 the policy of the Agency 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 Agency divisions with internal Agency rules and regulations. The Internal Audit Department shall at all reasonable times have access to the accounts, books, and records of

the Agency, and the Internal Audit Department may interview the President and CEO and other employees of the Agency as necessary.

### **External Audit**

It is the policy of the Agency to submit its books and records to 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 Agency is responsible. These functions include: Executive Services, Gateway Arch Tram System, Regional Freight District, Gateway Arch Riverfront Attractions, St. Louis Downtown Airport, Metro Transit System, Arts In Transit Inc and Bi-State Development Research Institute. Beginning in July 2015, the financial statements will also encompass proprietary functions for Internal Service Funds for self insured risks related to health related, worker's compensation and general liability costs.

Additionally, Bi-State Development Agency evaluated whether there were any potential component units which should be included in 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 Agency 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 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 equities balances and changes therein are segregated for the purpose of carrying on the specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The fund financial statements provide information about the agency's finances, including fiduciary resources. The emphasis of fund financial statements in FY 2016 is on proprietary funds. There are two types of proprietary funds: enterprise funds and internal service funds. Bi-State Development Agency has both fund types in the FY 2016 budget. Fiduciary funds are used to account for assets held in trust by the government for the benefit of individuals or other entities.

For financial reporting purposes, Bi-State Development Agency enterprise funds are considered a single enterprise fund in which all subsidiary enterprise funds are combined and interfund transactions are eliminated.

### Proprietary Funds

#### Enterprise Funds

Bi-State Development Agency's 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;
- **Gateway Arch 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; and
- **Arts In Transit Inc.** – works to enhance the transit system by commissioning temporary and permanent public art works by local, regional and national artists. Project venues include MetroLink stations and vehicle interiors, MetroBus centers, bus shelters and bus exteriors.
- **Bi-State Research Institute** – the organization will conduct studies in the bi-state regional to evaluate land use, public policy, economic and community development and infrastructure investment, including, but not limited to public transit.

- **Regional Freight District** – the partnership will identify opportunities to create a freight district environment in the bi-state region. The goal will be to produce results that will strengthen the St. Louis region by increasing job growth and improving the local economy. The cooperative effort will focus on managing regional freight movement, coordinating the work of various jurisdictions and marketing the overall Greater St. Louis region's freight capacity to the nation.
- **Metro Transit System Fund** – owns, operates and maintains the St. Louis metropolitan area mass transportation system which includes MetroBus, MetroLink and Metro Call-A-Ride services.

### **Internal Service Fund**

The Internal Service Fund will be used to report activities and accumulate and allocate costs of services that are provided to Bi-State's various functions. This fund will account for payroll and risk management, which includes self-insurance general liability and worker's compensation. These services predominantly benefit the enterprise functions, so they have been predominantly included within business activities in the Agency-wide financial statements.

### **Fiduciary Fund**

Fiduciary funds are used to account for assets held by Bi-State Development Agency 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 Agency Other Post Employment Benefit Trust.

### **Cash and Cash Equivalents**

When beneficial, Bi-State Development Agency 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 Agency Operating Revenues and Expenses**

Operating revenues and expenses generally result from providing services in connection with Bi-State Development Agency'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 Bi-State Development Agency are as follows:

- **Executive Services Enterprise Fund** – interfund charges for management services.
- **Gateway Arch Tram System Enterprise Fund** – charges to tourists for admissions to attractions at the Jefferson National Expansion Memorial and rentals.
- **Gateway Arch Riverfront Attractions Enterprise Fund** – charges to tourists for riverboat excursions along the Mississippi, memorabilia sales and heliport and bicycle rentals.

- **St. Louis Downtown Airport Enterprise Fund** – charges to customers for aviation and runway services provided, including hangar rentals and fuel.
- **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.
- **Metro Transit System Fund** – fares charged to passengers for public transportation, advertising, and rentals.

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 Agency 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	Unlimited

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 Transit inventories of materials and supplies are recorded at cost, using the weighted-average method and are expensed when inventories are consumed in operations. The Gateway Arch 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:

	<u>Years</u>
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 Agency 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 Agency's investments are made in accordance with investment policies specific to their restriction. Unrestricted investments are made in accordance with Bi-State Development Agency's general investment policy.

When beneficial, Bi-State Development Agency pools unrestricted funds for investment purposes. For pooled investments, investment earnings are allocated proportionately according to each fund's equity in the investment. Bi-State Development Agency'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 Agency 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.



## **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.

## **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.

## **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.

## **Self-Insurance Liability**

Self-insurance liabilities for workers' compensation, employee medical and dental insurance claims, and public liability and property damage claims are recognized when incurred and on the basis of the estimated cost to Bi-State Development Agency upon resolution.

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 Agency sponsors four defined-benefit pension plans; one Salaried plan and three Union plans. 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 contributions. 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 over one-half of the Trustees on the three 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 three Committees.

Required contributions and benefit provisions are established and amended by the Administrative Pension Committees. The Administrative 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 four pension plans. The independent audit firm who performs the work is hired by each respective Administrative Pension Committee. Like many other governments and public entities in Missouri, Bi-State Development Agency'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**

All Bi-State Development Agency full-time salaried employees hired prior to June 30, 2013 were eligible to participate in the Pension Plan for Salaried Employees (Salaried Plan). The Salaried Plan was closed to new entrants effective July 1, 2013. After July 1, all new hired salaried employees were put in a 401k plan. Active employees had the option to exit the plan and begin participation in the 401k or remain grandfathered into the pension plan. An additional change to the plan July 1 returned the normal retirement age to 60 from 65.

As of January 1, 2014, the Salaried Plan became a 3% contributory single employer defined benefit pension plan for salaried employees who elected to remain in the plan.

Employees who retire after attaining the normal service retirement age as defined in the plan, provided the employees have five years of credited service, 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. The amortization period for the Salaried Plan is closed.

### **Union Plans**

All Bi-State Development Agency 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. The Union Plans 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, AFL-CIO Employees' Pension Plan and Agreement (788 O&M Plan)

- Bi-State Development Agency Missouri-Illinois Metropolitan District and Division 788, Clerical Unit, Amalgamated Transit Union, AFL-CIO Employees' Pension Plan and Agreement (788 Clerical 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 O&M Plan members 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 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.

The IBEW Plan members are eligible for full retirement benefits at (a) age 65 with 12 or more years of credited service or (b) the completion of 25 years of credited service.

IBEW employees also closed their defined benefit pension plan to new employees effective January 1, 2014. The defined benefit plan remains for eligible active employees, while new hired employees are directed to a defined contribution plan or the National Electric Benefit Funds pension plan.

All participating union employees are required to make plan contributions by payroll deduction each week. If a union employee leaves the employment of Bi-State Development Agency 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.

### **Funding Policy, Annual Pension Cost and Actuarial Assumptions**

For the Salaried Plan, Bi-State Development Agency contributes the actuarially recommended contribution (ARC) less the amount contributed by the employees. For the Union Plans, Bi-State Development Agency has agreed within each collective bargaining agreement, to fund a portion of the ARC. For the 788 O&M and IBEW plans, Bi-State Development funds 70% of the ARC. For the 788 Clerical Plan, Bi-State Development funds 68% of the ARC. The remaining percentages of each plan's ARC are funded from the employee contributions. Following is Bi-State Development agency's annual pension cost for the current year and related information for each plan.

### **Other Post-Employment Benefits**

In addition to the pension benefits described above, Bi-State Development Agency 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, 2014 and 2013, 1,365 and 1,264 union and salaried retirees, respectively, met those requirements. There is not a separate GAAP based audited set of financial statements for OPEB.

For budgeting purposes, Bi-State Development Agency 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 notional 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 Agency 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 Agency passengers cover only a portion of the cost to operate the Metro transit system. Consequently, the Agency 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.
- **Gateway Arch Parking Facility** - Daily and monthly parking and special event parking fees.
- **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.

## **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 tickets. 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 Agency 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 Agency or the Bond Trustee, as applicable. Revenue is recognized on the accrual basis as it is earned.

### **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. 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 Agency 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 Agency 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 for FY 2015.
- **Illinois Department of Transportation Grants** - IDOT is authorized under provisions of Illinois Revised Statutes, Chapter 127, Section 49 through 51 and Illinois Revised Statutes, 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**

There are three local Missouri sales taxes that fund Bi-State Development. The 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 Agency, 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 Combined Statements of Revenues, Expenses and Changes in Net Position of Bi-State Development Agency.

There is a ¼ cent sales tax restricted to mass transit use. These funds are based upon annual appropriations from the City of St. Louis and St. Louis County. The bond trustee receives these funds, deducts debt service payments, and then forwards the remaining amount to Bi-State Development. There is a ¼ cent sales tax restricted to mass transit use and is forwarded to Bi-State Development

There is also an additional St. Louis County ½ cent sales tax known as Prop A. The passing of the County proposition triggered a reciprocal tax in City of St. Louis of ¼ cent. This City tax collection is referenced as Prop M2.

## **Illinois Service**

Bi-State Development Agency 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 2016, 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 8.0% 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 Agency 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 Agency 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 Agency 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 is required to transfer to the United States Government all remaining assets from the operations of the Tram after discharge of all liabilities.

Bi-State previously operated a parking facility for the National Park Service which discontinued operations in FY 2015. Bi-State Development Agency is not directly financially responsible for the demolition of the parking structure. A final accounting of all activities is being determined.

### **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 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 Agency's financial position or results of operations.

### **Conduit Debt Obligations**

From time to time, Bi-State Development Agency 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 2014 – The \$4,160,000 Series 2014 Bonds, issued December 4, 2014, are special limited obligations of the Agency payable strictly out of District sales tax, and are not general obligations of Bi-State Development Agency. These bonds refund the Series 2004 Bonds, issued April 15, 2004 which refunded a portion of the Series 1998 A bonds. The bonds mature serially in varying amounts through 2027.

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 provide funds to refund a portion of the Series 1998 A bonds on July 1, 2009 through July 1, 2028. As of June 30, 2014 and 2013, \$36,060,000 and \$37,645,000 remain 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.

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.

All the leases mentioned are recorded as capital leases for accounting purposes. The following table highlights pertinent information on the subleases for 2014:

	<b><u>Capital Lease Obligation</u></b>
Sublease balances, 6/30/13	\$ 84,088,710
Interest accrued in 2014	5,402,205
Lease payments and reductions	<u>(3,472,844)</u>
Total sublease balances, 6/30/14	<u>\$ 86,018,071</u>
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, 2014:

	<b><u>Payments</u></b>
2015	\$ -
2016	-
2017	-
2018	-
2019	-
2020 - 2024	-
2025	<u>217,541,618</u>
Total future lease payments	217,541,618
Less amount representing interest	<u>(131,523,547)</u>
Net obligation at June 30, 2014	<u>\$ 86,018,071</u>

## **Long-Term Debt**

### **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.
- \$75 million for St. Louis County 2013B

The bonds were issued at coupons ranging from 3.0 percent to 5.0 percent with a true effective cost of 4.44%. In July 2014, St. Louis County approved the appropriation of the second loan advance. This increased the Series 2013B loan to \$105 million. The interest for the Series 2013B loan is between 1.04-1.06%. Due to the loan advance, the debt service reserve fund requirement was reduced to approximately \$25 million.

## **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**

In December 2014, Bi-State Development closed on the Series 2014 Taxable Arch Revenue bonds. These bonds have a par value of \$7,656,000 and a thirty year term. The initial fixed rate term is 10 years with a fixed interest rate of 4.016%. The bond proceeds are to be used as follows:

- Approximately \$156 thousand was used for the cost of issuance.
- Approximately \$2.5 million will be used to fund half of the cost to replace the interior roof over the Arch visitor's center.
- Approximately \$5 million will be used to fund the cost to replace the Arch motor generator sets.

# Bi-State Development Agency Financial Summary

## Combined Revenue and Expenses

The following is the combined Bi-State Development Agency (BSDA) operating budget summary, comparing FY 2016 budget, FY 2015 projection and budget, and FY 2014 actual. By applying Bi-State Development Agency's planning and budgeting financial policies, this report consolidates the Transit System, Business Enterprises and Executive Services major revenues, expenditures and other non-operating funds to show the BSDA entity Net surplus/(deficit); however, it does not show interfund eliminations, which have zero impact on Net surplus/(deficit), as shown in our Comprehensive Annual Financial Report.

Below is the operating revenue detail for Bi-State Development Agency Combined.

### Bi-State Development Agency Combined Operating Revenue Summary Fiscal Year Ending June 30, 2016

	FY 2016 Budget	FY 2015 Projection	FY 2015 Budget	16 Bgt vs. 15 Proj \$ Change	% Change	FY 2014 Actual
<b>Operating revenue:</b>						
<u>Transit System</u>						
Passenger revenue	\$ 54,249,049	\$ 53,102,124	\$ 53,484,992	\$ 1,146,925	2.2%	\$ 51,670,441
TMA revenue	1,452,546	1,421,800	1,431,720	30,746	2.2%	1,365,196
Paratransit contracts	3,234,919	3,231,626	3,980,425	3,293	0.1%	3,216,567
Other operating revenue	5,243,593	4,944,760	4,845,957	298,833	6.0%	4,804,651
Total operating revenue	64,180,107	62,700,310	63,743,095	1,479,798	2.4%	61,056,856
<u>Executive Services</u>						
Management fees	4,145,121	3,926,350	3,911,310	218,771	5.6%	3,824,056
<u>Gateway Arch</u>						
Ticket sales/discounts	5,954,816	5,374,253	5,467,518	580,564	10.8%	5,646,858
Site rental/other	28,799	39,152	40,199	(10,353)	-26.4%	35,594
Total operating revenue	5,983,615	5,413,404	5,507,717	570,211	10.5%	5,682,452
<u>St. Louis Downtown Airport</u>						
Aircraft parking	139,410	137,261	133,214	2,149	1.6%	140,470
Leased acreage	172,677	241,538	435,287	(68,861)	-28.5%	435,668
Hangar rental	810,212	836,943	820,355	(26,731)	-3.2%	798,448
Aviation sale flowage fee	177,365	171,313	177,365	6,053	3.5%	172,480
Airport Concessions	115,159	144,957	128,730	(29,798)	-20.6%	134,198
Other operating revenue	90,254	93,206	90,287	(2,951)	-3.2%	109,235
Total operating revenue	1,505,078	1,625,217	1,785,239	(120,139)	-7.4%	1,790,500
<u>Gateway Arch Parking Facility</u>						
Garage parking receipts - daily/special	-	990,560	1,180,978	(990,560)	-100.0%	1,181,484
Garage parking receipts - monthly	-	83,650	121,200	(83,650)	-100.0%	103,365
Other operating revenue	-	80,563	65,850	(80,563)	-100.0%	92,387
Total operating revenue	-	1,154,773	1,368,027	(1,154,773)	-100.0%	1,377,236
<u>Riverfront Attractions</u>						
Cruise revenue	1,557,615	761,603	863,150	796,012	104.5%	1,377,952
Food and beverage revenue	759,828	461,334	614,180	298,494	64.7%	839,490
Retail revenue	76,930	46,500	62,330	30,430	65.4%	90,803
Other operating revenue	83,360	81,981	71,440	1,379	1.7%	122,786
Total operating revenue	2,477,733	1,351,418	1,611,100	1,126,315	83.3%	2,431,032
<u>Regional Freight Partnership</u>						
Regional Freight Fees	450,000	-	-	450,000	-	-
<u>BSD Research Institute</u>						
Not-For-Profit (NFP) Revenue	5,000	-	-	5,000	-	-
<b>Total Operating revenues *</b>	<b>\$ 78,746,655</b>	<b>\$ 76,171,471</b>	<b>\$ 77,926,487</b>	<b>\$ 2,575,183</b>	<b>3.4%</b>	<b>\$ 76,162,132</b>

Below is the operating expenses, non-operating revenue and expense and a breakdown of operating expense by division.

**Bi-State Development Agency  
Combined Expense & Net Income (Loss) Summary  
Fiscal Year Ending June 30, 2016**

	FY 2016 Budget	FY 2015 Projection	FY 2015 Budget	16 Bgt vs. 15 Proj \$ Change	% Change	FY 2014 Actual
<b>Operating expense:</b>						
Wages and benefits w/o OPEB	\$ 188,960,090	\$ 175,703,315	\$ 178,698,019	\$ 13,256,775	7.5%	\$ 165,579,542
OPEB	7,969,479	9,848,657	9,981,849	(1,879,178)	-19.1%	9,147,000
Wages and benefits	196,929,569	185,551,972	188,679,868	11,377,598	6.1%	174,726,542
Services	35,134,740	34,028,816	34,064,756	1,105,924	3.2%	35,042,649
Fuel and lubrications	18,577,865	18,930,226	19,842,853	(352,360)	-1.9%	18,173,151
Parts & supplies	24,347,230	21,573,100	22,723,222	2,774,131	12.9%	20,386,946
Casualty and liability costs	5,716,909	4,946,554	5,216,197	770,355	15.6%	5,287,167
Interfund administrative charges	3,751,560	3,521,870	3,523,481	229,690	6.5%	3,390,295
Utilities	8,974,962	8,502,599	8,897,504	472,363	5.6%	7,964,527
Leases and other expenses	5,093,007	3,847,819	4,167,373	1,245,188	32.4%	3,047,835
<b>Total operating expenses *</b>	<b>298,525,842</b>	<b>280,902,956</b>	<b>287,115,253</b>	<b>17,622,887</b>	<b>6.3%</b>	<b>268,019,111</b>
<b>Operating income (loss)</b>	<b>(219,779,188)</b>	<b>(204,731,484)</b>	<b>(209,188,765)</b>	<b>(15,047,704)</b>	<b>-7.3%</b>	<b>(191,856,980)</b>
<b>Non-operating revenue/(expense):</b>						
State and local assistance	214,095,901	208,207,596	203,136,522	5,888,305	2.8%	199,909,859
Federal assistance	20,742,875	18,021,795	20,130,055	2,721,080	15.1%	20,876,636
Total grants & assistance	234,838,776	226,229,391	223,266,577	8,609,385	3.8%	220,786,495
Interest revenue	6,688,435	6,298,198	5,943,796	390,237	6.2%	5,685,708
Interest expense	(26,516,362)	(27,266,064)	(27,006,783)	749,702	2.7%	(28,773,662)
Contributions from (to) outside entities	(1,165,016)	(6,624,637)	(1,726,134)	5,459,621	82.4%	(2,482,236)
Other non-operating revenue (expense)	-	176,395	-	(176,395)	-100.0%	54,407
Gain (loss) on disposition of assets	(426,079)	(149,747)	-	(276,332)	-184.5%	(451,363)
<b>Total nonoperating revenues (expenses)</b>	<b>213,419,754</b>	<b>198,663,536</b>	<b>200,477,456</b>	<b>14,756,217</b>	<b>7.4%</b>	<b>194,819,349</b>
<b>Net Income before depreciation</b>	<b>(6,359,434)</b>	<b>(6,067,948)</b>	<b>(8,711,310)</b>	<b>(291,486)</b>	<b>-4.8%</b>	<b>2,962,370</b>
Depreciation and amortization	78,065,817	72,412,493	73,064,710	5,653,324	7.8%	69,778,223
<b>Net income (loss)</b>	<b>\$ (84,425,251)</b>	<b>\$ (78,480,441)</b>	<b>\$ (81,776,020)</b>	<b>(5,944,810)</b>	<b>-7.6%</b>	<b>\$ (66,815,853)</b>
<b>* Operating expense by Division</b>						
Transit System	285,539,634	268,757,774	273,986,101	16,781,860	6.2%	255,695,851
Executive Services	4,130,543	3,350,076	3,867,873	780,467	23.3%	3,239,118
Gateway Arch	4,547,852	4,135,870	4,288,314	411,982	10.0%	3,805,267
St. Louis Downtown Airport	1,539,866	1,442,414	1,472,222	97,452	6.8%	1,576,446
Gateway Arch Parking Facility	-	1,164,726	1,211,328	(1,164,726)	-100.0%	1,304,727
Riverfront Attractions	2,467,221	2,051,147	2,289,414	416,074	20.3%	2,397,702
Regional Freight Partnership	295,727	-	-	295,727	-	-
BSD Research Institute	5,000	949	-	4,051	426.9%	-
<b>Total Bi-State Development Agency</b>	<b>\$ 298,525,842</b>	<b>\$ 280,902,956</b>	<b>\$ 287,115,253</b>	<b>\$ 17,622,887</b>	<b>6.3%</b>	<b>\$ 268,019,111</b>

\* Does not include intercompany eliminations.

## Bi-State Development Agency Funds, Sources and Uses

The FY 2016 budget sources and uses of cash report is detailed by division and contains the operating and capital beginning funds and the sources and uses of those funds to arrive at the ending balances. The report includes the dollar and percent change in balances from the



beginning to the end of the period. Following is a discussion on those changes in balances by division.

### **Transit System**

Metro Transit System operating funds are expected to decrease by approximately \$7.4 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**

Operating revenue is less than expenses which will create a shortage of funds of \$151 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 2016.

### **Gateway Arch**

The Gateway Arch tram system is expected to operate at a positive cash flow of \$203 thousand. Capital funding at the Gateway Arch is expected to decrease 51.1% in FY 2016. The Arch Trams has several capital projects totaling \$10.1 million, creating negative cash flow in capital funding. These projects include an Arch Transportation System (ATS) and Motor Generator Set Replacement construction (\$5.0 million); ATS Load Zone and Exhibit Rehabilitation project (\$4.2 million) and ATS Motor Generator Set Replacement design \$600 thousand). The funding for these projects will come from the 2014 Series Arch Tram Revenue Bonds, Exhibit Rehabilitation Project Account and Jefferson National Expansion Memorial capital improvement fund.

### **Riverfront Attractions**

The Riverfront Attractions is planned to have operating income in FY 2016. The riverfront and arch grounds construction hindered riverboat operations last year and will still affect passenger numbers in FY 2016. Despite construction issues Riverfront Attractions is planning to produce \$55 thousand in operating cash flow. There are no capital project planned for FY 2016.

### **St. Louis Downtown Airport**

The St. Louis Downtown Airport is expected to operate at a loss in FY 2016. Capital spending planned in FY 2016 results in a negative operating and capital funds flow. Funds will drop \$705 thousand for the year. Capital projects are expected to total \$11.3 million dollars. These will be primarily funded through federal, state and local grants.

### **Regional Freight Partnership**

The Bi-State Development Agency was selected to lead a new regional freight partnership aimed at optimizing the region's freight transportation infrastructure. This entity is still in the formative stages and FY 2016 will be its first full year of operations. During this period we see no capital spending and a minimal cash flow.

**Bi-State Development Agency  
Operating and Capital Budget  
Projected Sources and Uses of Funds  
Fiscal Year 2016  
(in thousands)**

	Transit System		Executive Services		Gateway Arch Tram		Riverfront Attractions		St. Louis Downtown Airport		Regional Freight Partnership		Totals	
	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital
<b>Beginning available funds</b>	<b>\$53,950</b>	<b>\$156,000</b>	<b>\$3,043</b>	<b>\$0</b>	<b>\$1,166</b>	<b>\$17,742</b>	<b>\$255</b>	<b>\$0</b>	<b>\$375</b>	<b>\$346</b>	<b>\$0</b>	<b>\$0</b>	<b>\$58,789</b>	<b>\$174,088</b>
<b>Sources of funds:</b>														
State and local assistance	214,096	122,725	-	-	-	-	-	-	-	1,618	-	-	214,096	124,343
Passenger and service fees	64,180	-	3,847	-	4,992	992	2,473	5	1,286	219	-	-	76,778	1,216
Federal assistance	20,743	314,616	-	-	-	-	-	-	-	9,000	-	-	20,743	323,616
Other (adm. fees, interest & misc.)	680	-	3	-	14	-	-	-	-	-	450	-	1,147	-
<b>Total Sources</b>	<b>299,699</b>	<b>437,341</b>	<b>3,850</b>	<b>-</b>	<b>5,006</b>	<b>992</b>	<b>2,473</b>	<b>5</b>	<b>1,286</b>	<b>10,837</b>	<b>450</b>	<b>-</b>	<b>312,764</b>	<b>449,175</b>
<b>Uses of funds:</b>														
Wages and benefits	182,662	-	2,456	-	1,893	-	1,200	-	853	-	249	-	189,313	-
Services	32,622	-	1,151	-	979	-	222	-	115	-	40	-	35,129	-
Materials and supplies	23,428	-	28	-	241	-	520	-	130	-	2	-	24,349	-
Utilities and fuel	27,161	-	8	-	128	-	176	-	217	-	1	-	27,691	-
Casualty and liability costs	5,425	-	-	-	54	-	174	-	65	-	-	-	5,718	-
Other	8,332	-	358	-	1,201	-	131	-	111	-	3	-	10,136	-
Capital Projects - Metrolink	-	131,936	-	-	-	-	-	-	-	-	-	-	-	131,936
New revenue & support vehicles	-	127,767	-	-	-	-	-	-	-	-	-	-	-	127,767
Capital projects, equipment, and other capital	-	205,863	-	-	-	-	-	-	-	-	-	-	-	227,270
Debt service	27,438	-	-	-	307	-	-	-	-	11,337	-	-	27,745	-
<b>Total Uses</b>	<b>307,068</b>	<b>465,566</b>	<b>4,001</b>	<b>-</b>	<b>4,803</b>	<b>10,065</b>	<b>2,423</b>	<b>5</b>	<b>1,491</b>	<b>11,337</b>	<b>295</b>	<b>-</b>	<b>320,081</b>	<b>486,973</b>
<b>Ending available funds</b>	<b>\$46,581</b>	<b>\$127,775</b>	<b>\$2,892</b>	<b>\$0</b>	<b>\$1,369</b>	<b>\$8,669</b>	<b>\$305</b>	<b>\$0</b>	<b>\$170</b>	<b>(\$154)</b>	<b>\$155</b>	<b>\$0</b>	<b>\$51,472</b>	<b>\$136,290</b>
<b>Change in Balance</b>	<b>(\$7,369)</b>	<b>(\$28,225)</b>	<b>(\$151)</b>	<b>\$0</b>	<b>\$203</b>	<b>(\$9,073)</b>	<b>\$50</b>	<b>\$0</b>	<b>(\$205)</b>	<b>(\$500)</b>	<b>\$155</b>	<b>\$0</b>	<b>(\$7,317)</b>	<b>(\$37,798)</b>
<b>Percent Change</b>	<b>-13.7%</b>	<b>-18.1%</b>	<b>-5.0%</b>	<b>-</b>	<b>17.4%</b>	<b>-51.1%</b>	<b>19.6%</b>	<b>-</b>	<b>-54.6%</b>	<b>-144.5%</b>	<b>-</b>	<b>-</b>	<b>-12.4%</b>	<b>-21.7%</b>

(Totals may not sum due to rounding.)

## Transit System

# Total System

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### Overview:

The Transit System 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 2014 Actuals):

48.2 million passenger boardings  
151,787 average weekday ridership  
27.0 million revenue miles  
1.8 million revenue hours  
1.4 million customer calls answered  
5,634,101 diesel gallons consumed

### Service area (558 square miles):

Missouri:  
City of St. Louis  
St. Louis County  
Illinois:  
St. Clair County  
Madison County  
Monroe County

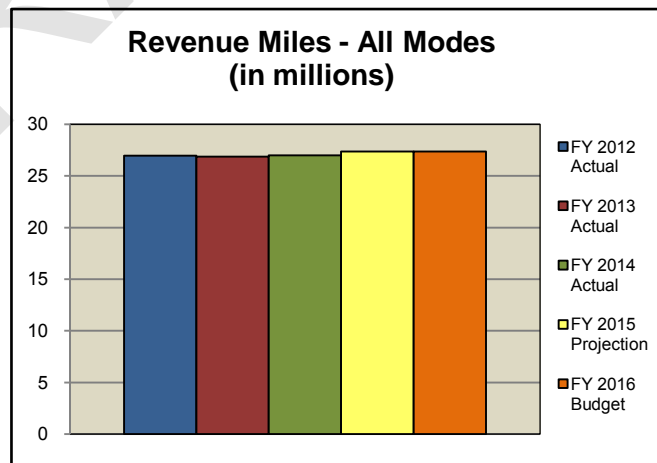
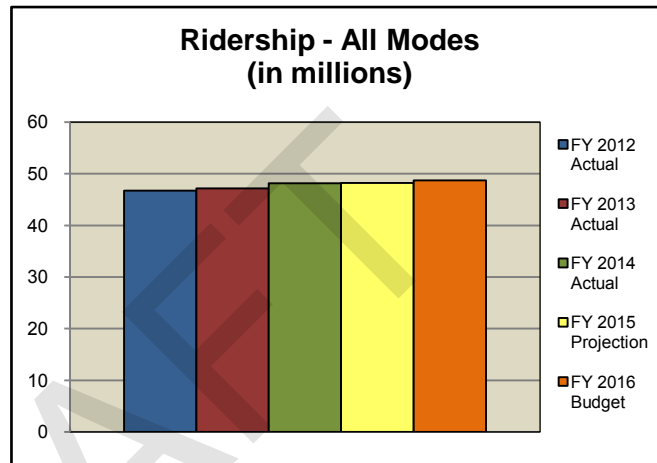
### Union contracts:

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.metrostlouis.org](http://www.metrostlouis.org)  
[www.MovingTransitForward.org](http://www.MovingTransitForward.org)  
[www.nextstopstl.org](http://www.nextstopstl.org)  
[www.facebook.com/STLMetro](http://www.facebook.com/STLMetro)

[www.tripfinder.metrostlouis.org](http://www.tripfinder.metrostlouis.org)  
[www.twitter.com/STLMetro](http://www.twitter.com/STLMetro)  
[www.bi-state.org](http://www.bi-state.org)  
[www.artsintransit.org](http://www.artsintransit.org)

## Transit System

# MetroBus

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### Overview:

Since 1963, the Bi-State Development Agency (BSDA) has continuously provided bus service in the Greater St. Louis Region. BSDA currently operates 59 fixed bus routes in Missouri and 17 fixed bus routes in Illinois. Special bus service is provided in Missouri for New Year's Eve and Mardi Gras festivities. Additional special bus service is offered in Illinois for all St. Louis Cardinals home baseball games, St. Louis Rams home football games and the Muny Opera.

### Service levels (FY 2014 Actuals):

- 30.1 million passenger boardings
- 95,911 average weekday ridership
- 18.5 million revenue miles
- 1.4 million revenue hours
- 383 buses (314 used at peak)
- 4,883,541 diesel gallons consumed
- 76 bus routes at the end of FY 2014

### Facilities:

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

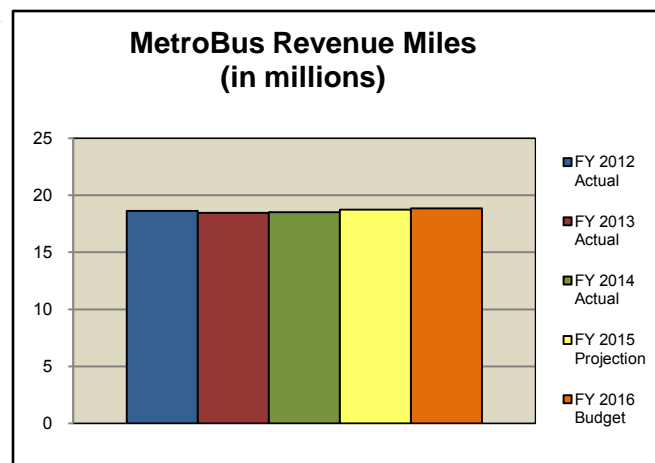
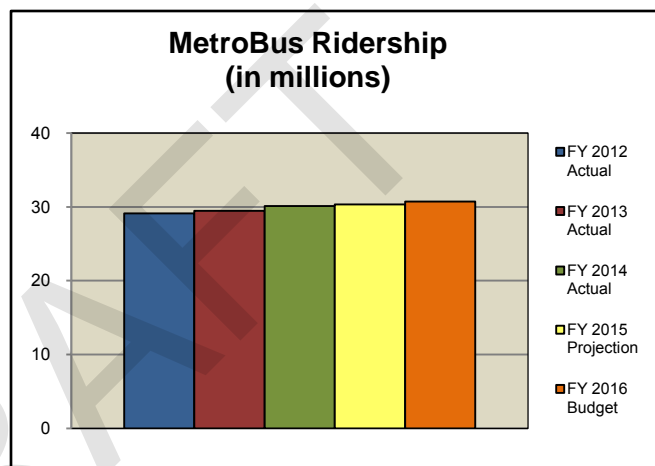
### Development:

#### Completed:

- Brentwood Meridian (June 2007)
- Catalan Bus Loop Improvements (2008)
- 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)

#### Construction In Progress:

- North County Transit Center (July 2014)
- Downtown Transfer Center



## Transit System

# MetroLink

### Overview:

Since 1993, the Bi-State Development Agency 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 2014 Actuals):

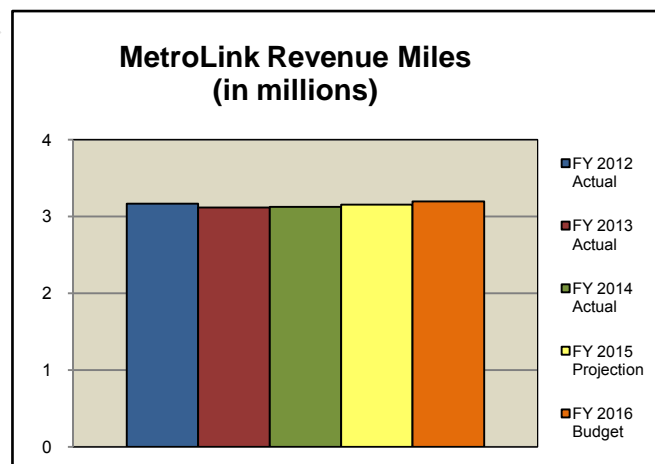
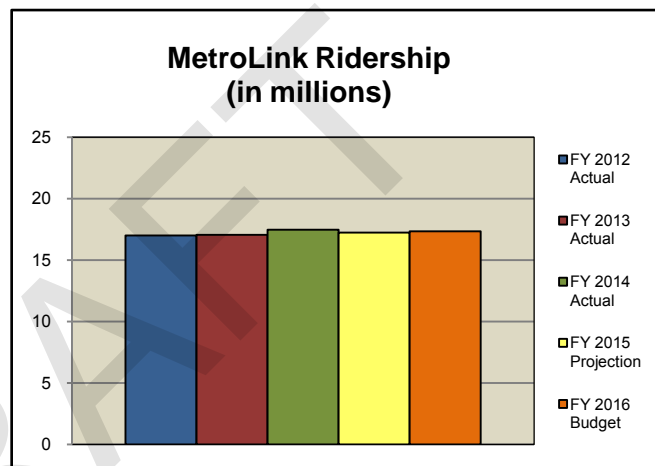
- 17.5 million passenger boardings
- 53,900 average weekday ridership
- 3.1 million revenue miles
- 132,922 revenue hours
- 87 rail cars (50 used at peak)

### Facilities:

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

### Development:

- Original alignment, July 1993 (17 miles)
- St. Clair corridor, May 2001 (17.5 miles)
- 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



## Transit System

# Call-A-Ride

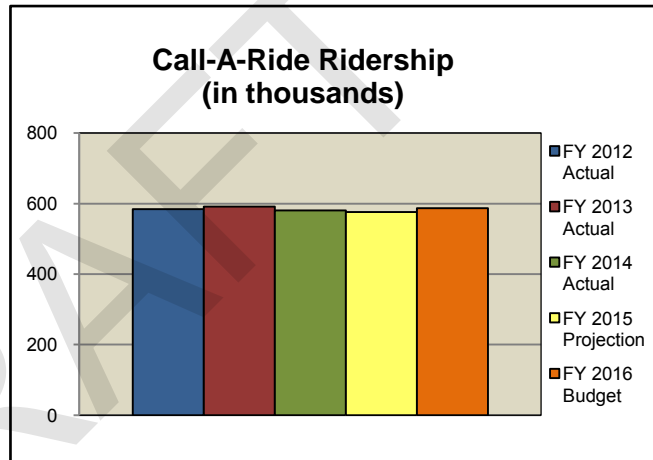
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### Overview:

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 the Bi-State Development Agency meets the federal mandate of full ADA compliance.

### Service levels (FY 2014 Actuals):

- 580,562 passenger boardings
- 94.6% ADA passenger boardings
- 1,976 average weekday ridership
- 5.3 million revenue miles
- 311,539 revenue hours
- 561,041 reservation/assistance calls
- 750,560 gallons of diesel consumed
- 116 vans (97 used at peak)

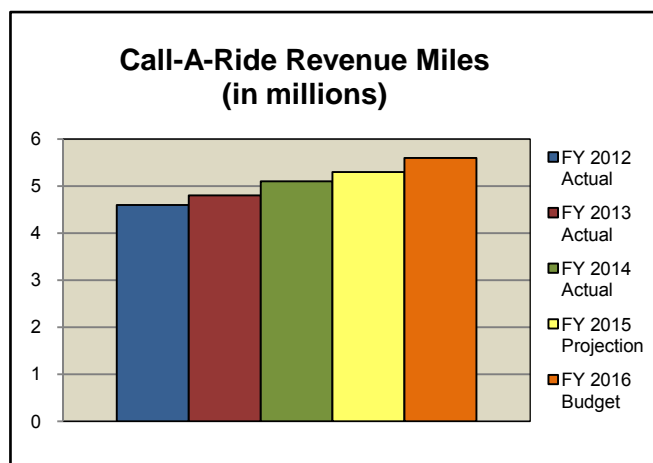


### Facilities:

- Paratransit maintenance facility at Main Shop

### Development:

- ADA Training Center, February 2004



## Performance Indicators: Transit System

		FY 2016	FY 2015		FY 2014
		Budget	Projection	Budget	Actual
<b>Passenger boardings:</b>	<b>System</b>	<b>48,679,022</b>	<b>48,185,763</b>	<b>48,205,970</b>	<b>48,170,065</b>
	MetroBus	30,751,987	30,367,268	30,123,895	30,123,181
	MetroLink	17,340,669	17,242,298	17,489,485	17,466,322
	Call-A-Ride	586,366	576,197	592,590	580,562
<b>Revenue miles:</b>	<b>System</b>	<b>27,370,402</b>	<b>27,348,959</b>	<b>27,855,908</b>	<b>26,971,985</b>
	MetroBus	18,861,573	18,749,689	19,090,410	18,529,084
	MetroLink	3,195,254	3,155,330	3,185,054	3,127,483
	Call-A-Ride	5,313,575	5,443,940	5,580,444	5,315,418
<b>Revenue hours:</b>	<b>System</b>	<b>1,831,090</b>	<b>1,827,213</b>	<b>1,854,329</b>	<b>1,806,973</b>
	MetroBus	1,386,686	1,379,909	1,396,337	1,362,512
	MetroLink	135,165	133,408	134,702	132,922
	Call-A-Ride	309,239	313,896	323,290	311,539
<b>Passenger revenue (excluding TMA and contractual)</b>	<b>System</b>	<b>\$ 54,249,049</b>	<b>\$ 53,102,124</b>	<b>\$ 53,484,992</b>	<b>\$ 51,670,441</b>
	MetroBus	34,010,186	33,156,590	33,239,155	32,056,360
	MetroLink	19,083,718	18,829,283	19,238,434	18,478,294
	Call-A-Ride	1,155,145	1,116,251	1,007,403	1,135,787
<b>TMA (regional van services) &amp; contractual Medicaid services</b>		<b>\$ 4,687,465</b>	<b>\$ 4,653,426</b>	<b>\$ 5,412,145</b>	<b>\$ 4,581,763</b>
<b>Operating expense by mode:</b>	<b>System</b>	<b>\$ 285,539,634</b>	<b>\$ 268,757,774</b>	<b>\$ 273,986,101</b>	<b>\$ 255,695,851</b>
	MetroBus	178,619,814	168,146,186	172,428,917	156,872,723
	MetroLink	80,607,607	74,004,700	75,203,573	73,645,742
	Call-A-Ride	26,312,213	26,606,888	26,353,611	25,177,386
<b>Passenger boardings per revenue mile:</b>	<b>System</b>	<b>1.8</b>	<b>1.8</b>	<b>1.7</b>	<b>1.8</b>
	MetroBus	1.6	1.6	1.6	1.6
	MetroLink	5.4	5.5	5.5	5.6
	Call-A-Ride	0.1	0.1	0.1	0.1
<b>Operating expense: Per revenue mile:</b>	<b>System</b>	<b>\$ 10.43</b>	<b>\$ 9.83</b>	<b>\$ 9.84</b>	<b>\$ 9.48</b>
	MetroBus	9.47	8.97	9.03	8.47
	MetroLink	25.23	23.45	23.61	23.55
	Call-A-Ride	4.95	4.89	4.72	4.74
<b>Per revenue hour:</b>	<b>System</b>	<b>\$ 155.94</b>	<b>\$ 147.09</b>	<b>\$ 147.75</b>	<b>\$ 141.51</b>
	MetroBus	128.81	121.85	123.49	115.13
	MetroLink	596.36	554.72	558.30	554.05
	Call-A-Ride	85.09	84.76	81.52	80.82
<b>Per passenger boarding</b>	<b>System</b>	<b>\$ 5.87</b>	<b>\$ 5.58</b>	<b>\$ 5.68</b>	<b>\$ 5.31</b>
	MetroBus	5.81	5.54	5.72	5.21
	MetroLink	4.65	4.29	4.30	4.22
	Call-A-Ride	44.87	46.18	44.47	43.37
<b>Farebox recovery:</b>	<b>System</b>	<b>19.0%</b>	<b>19.8%</b>	<b>19.5%</b>	<b>20.2%</b>
	MetroBus	19.0%	19.7%	19.3%	20.4%
	MetroLink	23.7%	25.4%	25.6%	25.1%
	Call-A-Ride	4.4%	4.2%	3.8%	4.5%
<b>Subsidy per passenger boarding:</b>	<b>System</b>	<b>\$ 4.53</b>	<b>\$ 4.26</b>	<b>\$ 4.35</b>	<b>\$ 4.03</b>
	MetroBus	4.58	4.33	4.51	4.03
	MetroLink	3.42	3.08	3.09	3.05
	Call-A-Ride	34.78	36.04	33.53	33.41



**Metro Transit System  
Budget Summary  
Fiscal Year Ending June 30, 2016**

	FY 2016 Budget	FY 2015 Projection      Budget		FY16 Bgt vs. FY15 Proj \$ Change      % Change		FY 2014 Actual
Operating Revenue:						
Passenger Revenue						
Bus/Rail Revenue	\$ 53,093,904	\$ 51,985,873	\$ 52,477,589	\$ 1,108,031	2.1%	\$ 50,534,654
C-A-R Revenue	1,155,145	1,116,251	1,007,403	38,894	3.5%	1,135,787
Total Passenger Revenue	54,249,049	53,102,124	53,484,992	1,146,925	2.2%	51,670,441
TMA Revenue	1,452,546	1,421,800	1,431,720	30,746	2.2%	1,365,196
Other Operating Revenue	5,243,593	4,944,760	4,845,957	298,833	6.0%	4,804,651
Paratransit Contracts	3,234,919	3,231,626	3,980,425	3,293	0.1%	3,216,567
Total Operating Revenue	64,180,107	62,700,310	63,743,095	1,479,798	2.4%	61,056,856
Operating Expenses:						
Compensation & Benefits	182,307,816	169,687,703	172,210,686	12,620,113	7.4%	159,611,102
Other post-employment benefits (OPEB)	7,695,879	9,522,118	9,619,849	(1,826,239)	-19.2%	8,811,053
Services	32,621,836	31,638,028	31,450,951	983,807	3.1%	32,376,875
Fuel and Lubrications	18,466,981	18,847,168	19,744,018	(380,188)	-2.0%	18,069,340
Parts & Supplies	23,427,877	20,882,387	21,851,499	2,545,490	12.2%	19,612,351
Casualty and Liability Costs	5,424,602	4,641,616	4,882,761	782,986	16.9%	5,014,763
Utilities	8,554,145	8,031,389	8,418,887	522,756	6.5%	7,511,547
Other Operating Expenses	3,942,592	2,707,366	3,007,449	1,235,226	45.6%	2,138,821
Agency Fees	3,097,907	2,800,000	2,800,000	297,907	10.6%	2,550,000
Total Operating Expenses	285,539,634	268,757,774	273,986,101	16,781,860	6.2%	255,695,851
Operating Income (Loss)	(221,359,527)	(206,057,464)	(210,243,007)	(15,302,062)	-7.4%	(194,638,995)
Non-Operating Revenue (Expense):						
Grants & Assistance	234,838,776	226,229,391	223,266,577	8,609,385	3.8%	220,761,529
Investment Income	680,500	664,275	304,375	16,225	2.4%	270,721
Capital Lease Revenue	5,990,757	5,619,853	5,619,853	370,904	6.6%	5,402,198
Capital Lease Expense	(5,990,757)	(5,619,853)	(5,619,853)	(370,904)	-6.6%	(5,402,198)
Interest Expense	(20,218,140)	(21,315,261)	(21,386,930)	1,097,120	5.1%	(23,371,464)
Sheltered Workshop	(1,207,516)	(1,200,019)	(1,134,134)	(7,497)	-0.6%	(1,133,071)
Contributions (to) From Outside Entities	42,500	(56,217)	43,000	98,717	175.6%	(928,907)
Other Misc Non-Operating Revenue	(426,079)	26,648	-	(452,727)	-1698.9%	(485,166)
Total Non-Operating Revenues	213,710,041	204,348,818	201,092,888	9,361,223	4.6%	195,113,642
Net Income (Deficit) Before						
Depreciation & Amortization	(7,649,486)	(1,708,647)	(9,150,119)	(5,940,839)	-347.7%	474,647
Depreciation and Amortization	76,034,218	70,184,019	70,895,333	5,850,198	8.3%	67,489,065
Net Transfers	-	(12,702)	-	12,702	100.0%	(46,697)
Net Surplus (Deficit)	\$ (83,683,704)	\$ (71,879,964)	\$ (80,045,452)	\$ (11,803,739)	-16.4%	\$ (66,967,721)

**Metro Transit System  
Detail of Grants and Assistance  
Budget Summary**

	<b>FY 2016</b>	<b>FY 2015</b>		<b>FY16 Bgt vs. FY15 Proj</b>		<b>FY 2014</b>
	<b><u>Budget</u></b>	<b><u>Projection</u></b>	<b><u>Budget</u></b>	<b><u>\$ Change</u></b>	<b><u>% Change</u></b>	<b><u>Actual</u></b>
<b>Missouri subsidies:</b>						
City of St. Louis 1/2 cent sales tax	\$ 18,756,937	\$ 18,571,225	\$ 17,236,670	\$ 185,712	1.0%	\$ 17,188,886
City of St. Louis 1/4 cent sales tax	8,818,212	8,747,739	7,979,599	70,473	0.8%	8,275,026
City of St. Louis Prop M2 sales tax	7,020,678	6,951,165	6,410,830	69,513	1.0%	6,366,105
<b>Total City of St. Louis</b>	<b>34,595,827</b>	<b>34,270,129</b>	<b>31,627,099</b>	<b>325,698</b>	<b>1.0%</b>	<b>31,830,017</b>
St. Louis County 1/2 cent sales tax	39,586,633	38,819,097	38,335,872	767,536	2.0%	36,917,112
St. Louis County 1/4 cent sales tax	34,932,767	34,105,139	32,991,808	827,628	2.4%	32,397,042
St. Louis County Prop A sales tax	49,991,893	48,772,579	48,056,087	1,219,314	2.5%	47,190,203
<b>Total St. Louis County</b>	<b>124,511,293</b>	<b>121,696,815</b>	<b>119,383,767</b>	<b>2,814,478</b>	<b>2.3%</b>	<b>116,504,356</b>
Other Local Match - MO	600,000	818,617	510,000	(218,617)	-26.7%	1,089,621
Planning and demo reimbursement	160,000	160,000	160,000	-	0.0%	160,000
<b>Total Other Local MO</b>	<b>760,000</b>	<b>978,617</b>	<b>670,000</b>	<b>(218,617)</b>	<b>-22.3%</b>	<b>1,249,621</b>
General Operating & Special Asst. MODOT	270,150	355,723	409,522	(85,573)	-24.1%	487,066
<b>Total State of Missouri</b>	<b>270,150</b>	<b>355,723</b>	<b>409,522</b>	<b>(85,573)</b>	<b>-24.1%</b>	<b>487,066</b>
<b>Total Missouri local &amp; state subsidies:</b>	<b>160,137,270</b>	<b>157,301,284</b>	<b>152,090,388</b>	<b>2,835,986</b>	<b>1.8%</b>	<b>150,071,061</b>
<b>Illinois subsidies:</b>						
St. Clair County	52,018,796	48,428,838	49,122,299	3,589,958	7.4%	46,806,797
Other Local Match - IL	1,939,835	2,477,474	1,923,835	(537,639)	-21.7%	3,007,036
<b>Total Illinois local &amp; state subsidies:</b>	<b>53,958,631</b>	<b>50,906,312</b>	<b>51,046,134</b>	<b>3,052,319</b>	<b>6.0%</b>	<b>49,813,833</b>
<b>Total local &amp; state subsidies:</b>	<b>214,095,901</b>	<b>208,207,596</b>	<b>203,136,522</b>	<b>5,888,305</b>	<b>2.8%</b>	<b>199,884,893</b>
<b>Federal assistance:</b>						
Vehicle maintenance subsidy	16,000,000	13,000,000	16,000,000	3,000,000	23.1%	16,000,000
CMAQ grant	-	-	-	-		13,750
Non-capitalized project subsidy	4,742,875	4,469,373	4,130,055	273,502	6.1%	4,853,604
Other Federal assistance	-	552,422	-	(552,422)	-100.0%	9,282
<b>Total Federal assistance:</b>	<b>20,742,875</b>	<b>18,021,795</b>	<b>20,130,055</b>	<b>2,721,080</b>	<b>15.1%</b>	<b>20,876,636</b>
<b>Total grants &amp; assistance</b>	<b>\$ 234,838,776</b>	<b>\$ 226,229,391</b>	<b>\$ 223,266,577</b>	<b>\$ 8,609,385</b>	<b>3.8%</b>	<b>\$ 220,761,529</b>

# Transit Operating - FY 2016 Budget

## Priorities

The short-term 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

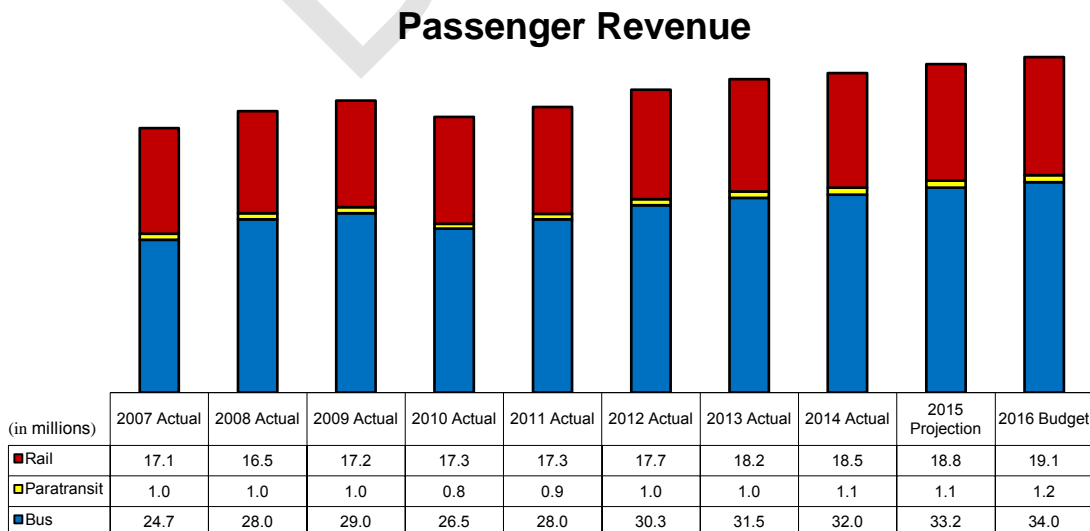
The FY 2016 budget projects a \$7.7 million deficit before depreciation, which is within the unfunded other post employment benefit (OPEB) obligation. Government Accounting Standards Board (GASB) ruling number 45 requires the accruing of other post-employment benefits. GASB 45 dictates recording the OPEB liability and expenses, but leaves the method of funding to the discretion of the entity. Bi-State Development Agency currently funds the annual normal cost portion of this obligation using “pay as you go” methodology. Furthermore, for the past five years BSDA has made an annual contribution of \$3.0 million to its OPEB trust.

**Service miles and hours** for all three modes are planned with minimal increased levels for route adjustments and efficiencies and to accommodate passenger requirements.

**Passenger boardings** on MetroBus, MetroLink and Call-A-Ride show a 1.0% growth compared to FY 2015 budget and an expected 1.0% increase over the FY 2015 projection.

## Operating Revenue

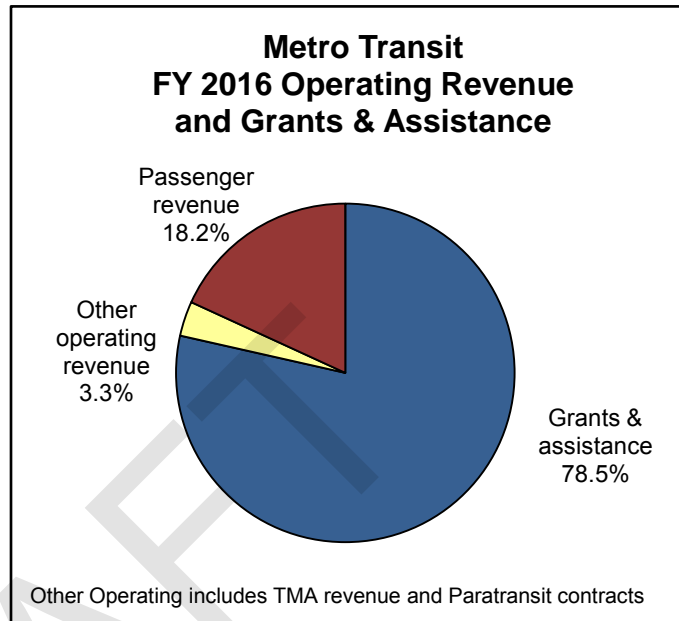
**Passenger revenue is budgeted at \$54.2 million** for FY 2016 which is a \$0.8 million or 1.4% increase from the 2015 budget. The anticipated increase in passenger revenue is due to the expected growth in ridership. The increase in ridership is anticipated as people utilize service efficiencies in routes and scheduling and take advantage of the reliable transit service.



**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 2016 will mark the 17<sup>th</sup> year of the TMA. The FY 2016 budget of \$1.5 million a 2.2% increase compared to the FY 2015 projection and a 6.4% increase over FY 2014 actual.

**Paratransit contracts** include Medicaid and dialysis revenue, and other contractual receipts related to trips provided by Paratransit Operations. A 18.7% decrease is expected compared to the FY 2015 budget and flat compared to the FY 2015 projection.

**Other operating revenue** includes advertising on revenue vehicles, bus shelters, and MetroLink stations; provided maintenance service and vending machine concessions; rental income and other revenue. Other operating revenues are expected to increase 8.2% to \$5.2 million compared to the FY 2015 budget.



## Expenses

**Wages & benefits** budgeted for FY 2016 is expected to be 6.1% higher than FY 2015 budget. This budget reflects service enhancements to mitigate overcrowding on bus routes and wage rate adjustments. The FY 2016 budget reflects an increase in benefit costs for medical and pension/401k.

**Other post-employment benefits (OPEB)** 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 2016, the unfunded, OPEB cost is expected to be 20.0% lower than the FY 2015 budget level due to policy change in retiree medical benefits.

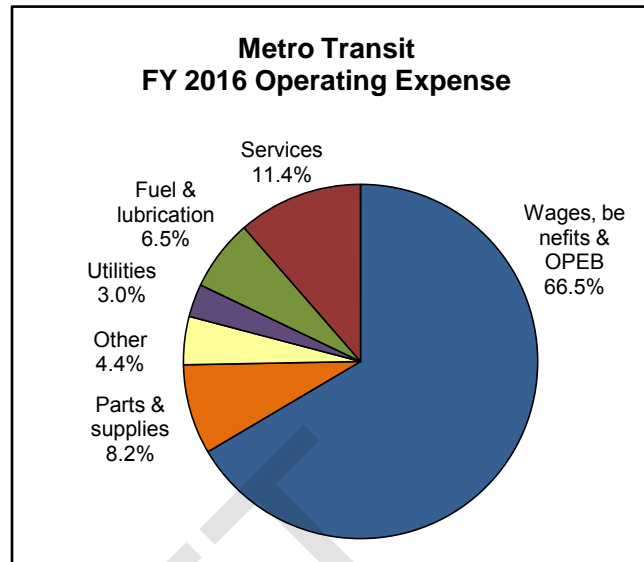
**Services** increased 3.7% from the FY 2015 budget and 3.1% from the FY 2015 projection. These increases are primarily due to maintenance and custodial services. Increase in Marketing's Gateway Card Center temporary help also contributed to the rise in expense.

**Fuel hedging (realized)** helps neutralize the outcome of a rise in the price of diesel fuel. The fuel hedging program involves purchasing heating oil contracts up to 18 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. The projected realized

gain on the hedging program is \$1.9 million in FY 2016. However, it is important to note that if diesel fuel prices drop BSDA would book a loss on the hedging.

**Fuel & lubrications** net expense for the FY 2016 budget is anticipated to decrease 6.5% compared to the FY 2015 budget and 2.0% compared to the FY 2015 projection. Decreases from current diesel prices are driving these changes.

**Parts & supplies** expense is expected to increase 12.2% between FY 2016 and FY 2015 projection and a 7.2% increase from FY 2015 budget. Revenue and non-revenue vehicle parts and tires are the main factors for the changes. Increase from FY 2015 projection is due to the purchase smart card stock. Using life cycle fleet maintenance, equivalent revenue equipment parts have been budgeted in FY 2016 when compared to the prior year budget. BSDA 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. There is an 11.1% increase over the FY 2015 budget and a 16.9% increase from the FY 2015 projection. The increase is related to higher self insurance costs due to some recent property damage claims and increased property insurance costs.

**Utilities**, including electric propulsion, are budgeted to increase 1.6% compared to the FY 2015 budget. This increase is primarily due to the higher anticipated cost of electric and greater telephone expenses.

**Other expenses** for FY 2016 reflect an increase of 31.1% compared to the FY 2015 budget. Other expenses consist of taxes, leases, advertising, travel, staff development and other expenses. The increase in the FY 2015 budget is due to the increase in leases and rents as a result of a move to a leased facility.

**Agency fees** are payments to Executive Services for providing management services to the Transit System. For FY 2016, Transit's portion, calculated at 75% of the Executive Services operating expenses is \$3.1 million.

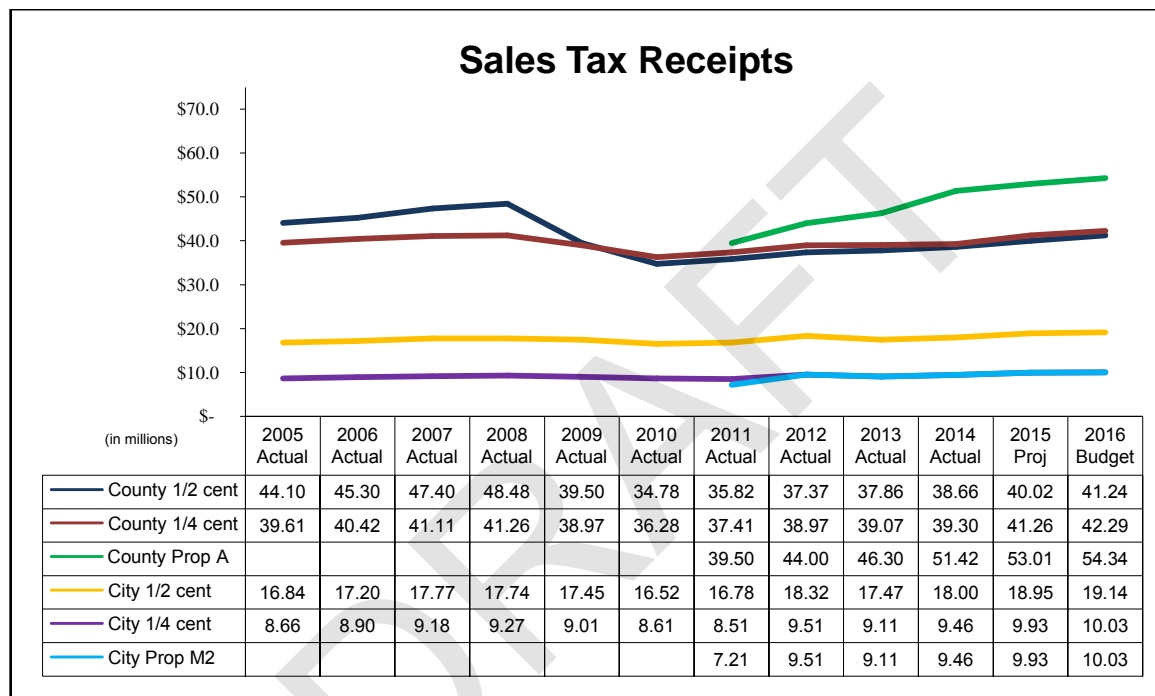
## Grants and Assistance

**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. The Prop M ¼ cent levy began in the middle of FY 1995. Only the ½ cent tax is subject to deductions for Tax Increment Financing

(TIF). St. Louis City forwards to BSDA 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 Agency.

St. Louis County voters passed Prop A, a ½ cent sales tax 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 Agency.

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



Slow growth in the local economy translates to relatively minimal growth in sales tax receipts for FY 2016 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.

**State of Missouri assistance** is expected to increase for FY 2016 with their annual appropriation of \$270 thousand.

**St. Clair County, Illinois assistance** is based on a service agreement between St. Clair County Transit District and BSD. The St. Clair County Transit District administers St. Clair County tax collections and Illinois Department of Transportation subsidies and contracts with BSD for services. This assistance is expected to increase 5.8% compared to the FY 2015 budget to reflect St. Clair County Transit District's portion of increased transit service and operating expenses.

**Federal vehicle maintenance assistance** represents federal capital formula funds that the Agency chooses to program for vehicle maintenance per the Federal Transit Administration's

guidelines. BSDA is planning to use \$16 million of their 5307 Federal Formula Funds in the FY 2016 operating budget for preventive maintenance.

**Non-Capital Federal assistance grants** anticipated funding is expected to be \$4.7 million for FY 2016 to be used for right-of-way MetroLink structural repairs, rail tie replacement and various Missouri projects.

## **Non-Operating Revenue (Expense)**

**Investment income**, which includes interest earned on invested funds, is expected to increase in FY 2016 compared to the prior year budget due to re-financing and interest on debt service funds.

**Capital lease revenue and expense** recognize the revenue and expense associated with capital leases. The revenue and expense offset exactly. For FY 2016, these amounts are \$6.0 million in both revenue and expense.

**Interest on debt** results primarily from interest paid on bonds issued to finance the Cross County expansion. Refinancing of debt in FY 2015 is leading to favorable results and less expense.

**Sheltered workshop** expense is 2% of the 1974 Missouri ½ cent sales tax and is budgeted at \$1.2 million in FY 2016. This expense increased 0.6%, when compared to the FY 2015 projection.

## **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 2016, depreciation is expected to increase 8.3% and 7.2% compared to the FY 2015 projection and FY 2015 budget respectively as a result of the purchase on communications equipment, revenue equipment and buses and capital improvements to bridges and tunnels.



## Transit Company - Operating Expense

	FY 2016 Budget	FY 2015 Projection	FY 2015 Budget	16 Bgt vs. 15 Proj		FY 2014 Actual
				\$ Change	% Change	
<b>By type of expense:</b>						
Wages & benefits without OPEB	\$ 182,307,816	\$ 169,687,703	\$ 172,210,686	\$ 12,620,113	7.4%	\$ 159,611,102
Other post-employment benefits	7,695,879	9,522,118	9,619,849	(1,826,239)	-19.2%	8,811,053
Services	32,621,836	31,638,028	31,450,951	983,807	3.1%	32,376,875
Fuel & lubrications	18,466,981	18,847,168	19,744,018	(380,188)	-2.0%	18,069,340
Parts & supplies	23,427,877	20,882,387	21,851,499	2,545,490	12.2%	19,612,351
Casualty & liability	5,424,602	4,641,616	4,882,761	782,986	16.9%	5,014,763
Utilities	8,554,145	8,031,389	8,418,887	522,756	6.5%	7,511,547
Leases and other expense	3,942,592	2,707,366	3,007,449	1,235,226	45.6%	2,138,821
Agency fees	3,097,907	2,800,000	2,800,000	297,907	10.6%	2,550,000
<b>Total operating expense</b>	<b>\$ 285,539,634</b>	<b>\$ 268,757,774</b>	<b>\$ 273,986,101</b>	<b>\$ 16,781,861</b>	<b>6.2%</b>	<b>\$ 255,695,851</b>

<b>By function:</b>						
Transit Operations	\$ 225,272,887	\$ 214,454,943	\$ 217,244,525	\$ 10,817,945	5.0%	\$ 204,496,730
Engineering and New Systems	5,083,914	5,737,364	6,456,259	(653,449)	-11.4%	6,498,090
Human Resources *	11,870,260	12,491,445	13,031,660	(621,185)	-5.0%	9,610,661
Labor Relations	762,287	498,527	529,197	263,761	52.9%	947,777
Procurement, Inventory Management	5,552,029	5,120,082	5,166,284	431,947	8.4%	4,464,056
Finance **	23,332,827	19,596,417	20,313,624	3,736,411	19.1%	18,995,835
Information Technology	9,184,373	7,782,749	7,840,714	1,401,624	18.0%	7,630,783
Marketing & Communications	3,614,453	2,413,012	2,730,823	1,201,441	49.8%	2,374,562
Real Estate & Meridian	866,603	663,236	673,014	203,367	30.7%	677,356
<b>Total Transit System</b>	<b>\$ 285,539,634</b>	<b>\$ 268,757,774</b>	<b>\$ 273,986,101</b>	<b>\$ 16,781,861</b>	<b>6.2%</b>	<b>\$ 255,695,851</b>

\* Human Resources includes \$8.9 million of retiree benefits

\*\* Includes Risk Management and Passenger Revenue in addition to traditional finance functions

(Sums may not equal Total due to rounding)

# Transit Operations

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## **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, the paratransit facility, and Bi-State Development Agency headquarters.

**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 Agency's customers, personnel, and property as well as fare enforcement. The Bi-State Development Agency utilizes certain employees, jurisdictional police officers, outside security service guards, and undercover police officers.

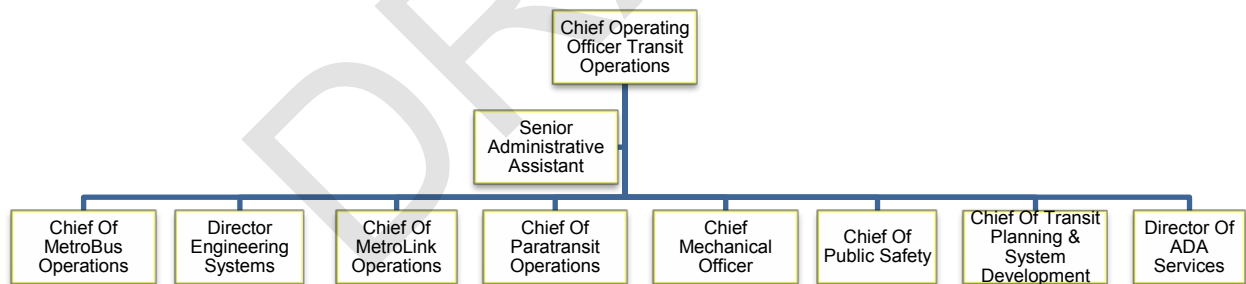
**Planning & Systems Development** plans for efficient and effective routes and operating schedules for bus and light rail service, reports on passenger boardings and service miles and hours, operates the transit call center, and researches service opportunities and trends.

**ADA Services** administers and oversees compliance with transportation provisions of the Americans with Disabilities Act. The group also administers and coordinates the ADA activities related to Bi-State Development Agency's Call-A-Ride paratransit service including certification of customers as eligible for ADA complementary paratransit service, monitors service to the disability community, and actively participates 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: Transportation Operations

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

<b>Goal: Deliver a high quality transit experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence</b>		
<b>Objective: Improve service quality and capacity for van, bus, and rail systems</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Continue a program of enhancing bus stops in compliance with ADA standards and optimizing bus stop spacing	<ul style="list-style-type: none"> <li>• Create an amenity component of bus stop improvement program</li> <li>• Optimize bus stop spacing, locate new bus stops more accessible / proximal to ridership generators</li> <li>• Encourage customers to submit requests for improvements and new bus stop locations</li> </ul>	<ul style="list-style-type: none"> <li>• Integrate bus stop amenity improvement plan in “Moving Transit Forward” long-range plan</li> <li>• Created / released communications plan for accessibility programs</li> </ul>
<b>Objective: Implement innovative technologies</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Implement automated fare collection system using smart card technology	<ul style="list-style-type: none"> <li>• Convert existing infrastructure to smart card technology.</li> <li>• Train staff on technology</li> <li>• Perform pilot program testing</li> <li>• Roll out new system</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance ridership information</li> <li>• Reduce fare evasion</li> <li>• Eliminate paper transfers</li> </ul>
<b>Objective: Improve transit security of van, bus, and rail</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Engage independent security specialist to evaluate existing combination of internal personnel, local police, and security contractors and analyze security deployment options	<ul style="list-style-type: none"> <li>• Recommendations to senior management &amp; Board Operations Committee in review process</li> </ul>	<ul style="list-style-type: none"> <li>• Development of FY 2016 Legislative Agenda</li> </ul>

<b>Goal: Build an effective and efficient publically-supported organization that is viewed as a transparent and accountable steward of public funds</b>		
<b>Objective: Establish a planning, policy, financial, and operational framework for developing and delivering 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</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Develop expanded, modern communications mechanism to engage employees and customers in conversations about services, needs, wants, etc.	<ul style="list-style-type: none"> <li>• Establish e-mail and cell phone outreach programs for customers and employees</li> <li>• Expand the use of live chat media opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain customer and employee contact database</li> <li>• Maintain communication mechanism for transit customers including service updates</li> <li>• Ongoing customer contacts</li> </ul>

<b>Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplemental existing resources</b>		
<b>Objective: Implement internal process improvements</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Develop standards and system to accommodate electronic storage and archiving of procurement contract files	<ul style="list-style-type: none"> <li>• Evaluate current file management practices and establish format for electronic archival</li> <li>• Transition new contracts and solicitations to new standards</li> </ul>	<ul style="list-style-type: none"> <li>• Review of requirements completed and management recommendation submitted for approval (ongoing)</li> <li>• Process in place and in use for new solicitations and contracts</li> </ul>

<b>Objective: Identify and implement shared services programs with other entities where beneficial</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Manage the preventative, and break down repair activities for the City of St. Louis Fire Department in order to maximize our building and system resources while developing a positive relationship with the City of St. Louis and their Fire Department	<ul style="list-style-type: none"> <li>• Review all current procedures and training necessary for the successful repair and maintenance of fire trucks and ancillary equipment.</li> <li>• Prepare work areas, recruit and train mechanic and supervisory personnel, prepare inventory and set up procurement and accounting systems in order to maintain auditable systems.</li> <li>• Schedule and complete inspection, grief and breakdown repair of fire trucks and systems</li> </ul>	<ul style="list-style-type: none"> <li>• Contract Renewed by City through FY 2016</li> </ul>

## 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 2016 Target	FY 2015 Projection	FY 2015 Target	FY 2014 Actual
<b>Bus Transportation:</b>				
On-time performance	91.0%	91.2%	91.0%	91.5%
Accidents per 100,000 vehicle miles	2.3	2.2	2.3	2.2
Passenger injuries per 100,000 boardings	1.2	1.5	1.2	1.7
Customer complaints per 100,000 boardings	15.0	14.0	15.0	11.8
<b>Rail Transportation:</b>				
On-time performance	98.0%	97.5%	98.0%	97.0%
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	1.7	1.7	1.8	1.5
<b>Paratransit Transportation:</b>				
On-time performance	95.0%	94.0%	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
<b>Vehicle Maintenance:</b>				
Average revenue miles between incidents:				
MetroBus roadcalls	22,000	21,000	22,000	19,958
MetroLink failures	30,000	28,500	30,000	27,196
Call-A-Ride roadcalls	50,000	49,000	50,000	47,459
<b>Maintenance of Way (MOW):</b>				
MOW system reliability (on-time performance)	98.6%	98.0%	98.5%	97.5%
Elevator and escalator availability	98.0%	98.0%	97.0%	99.4%
On-time performance of equipment inspections	98.0%	94.0%	95.0%	96.3%
<b>ADA Services:</b>				
Percent of incoming calls answered	95.0%	94.9%	95.0%	95.3%

## Transit Operations - Operating Expense

		FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
		Budget	Projection	Budget	\$ Change	% Change	Actual
<b>Transit Operations</b>	Wages & benefits without OPEB	\$ 150,020,830	\$ 140,000,619	\$ 140,411,102	\$ 10,020,211	7.2%	\$ 133,183,108
	Other post-employment benefits	6,659,833	8,263,977	8,324,791	(1,604,144)	-19.4%	7,668,267
	Services	20,761,285	19,866,402	19,975,381	894,882	4.5%	19,557,083
	Fuel & lubrications	18,466,981	18,847,168	19,744,018	(380,188)	-2.0%	18,069,340
	Parts & supplies	19,820,433	19,405,692	19,992,983	414,740	2.1%	18,427,425
	Utilities	7,837,900	7,265,753	7,822,037	572,146	7.9%	6,784,928
	Leases and other expense	1,705,627	805,330	974,213	900,296	111.8%	806,580
	<b>Operating expense</b>	<b>\$ 225,272,887</b>	<b>\$ 214,454,943</b>	<b>\$ 217,244,525</b>	<b>\$ 10,817,945</b>	<b>5.0%</b>	<b>\$ 204,496,730</b>
<b>Bus Transportation</b>	Wages & benefits without OPEB	72,960,152	68,364,309	68,411,780	4,595,843	6.7%	62,913,481
	Other post-employment benefits	3,534,367	4,351,366	4,417,959	(816,999)	-18.8%	4,010,846
	Services	227,681	194,921	227,681	32,760	16.8%	166,041
	Parts & supplies	286,600	203,806	280,014	82,794	40.6%	167,714
	Utilities	35,844	28,803	35,604	7,041	24.4%	23,027
	Leases and other expense	210,047	99,676	129,147	110,371	110.7%	58,697
	<b>Operating expense</b>	<b>\$ 77,254,692</b>	<b>\$ 73,242,906</b>	<b>\$ 73,502,185</b>	<b>\$ 4,011,786</b>	<b>5.5%</b>	<b>\$ 67,339,806</b>
<b>Rail Transportation</b>	Wages & benefits without OPEB	11,944,875	10,978,221	11,135,929	966,654	8.8%	11,351,956
	Other post-employment benefits	570,424	697,823	713,029	(127,400)	-18.3%	672,134
	Services	4,750	2,747	4,750	2,003	72.9%	4,092
	Parts & supplies	23,520	23,382	22,879	138	0.6%	16,553
	Utilities	29,340	22,086	29,340	7,254	32.8%	14,639
	Leases and other expense	111,300	69,009	111,300	42,291	61.3%	19,976
	<b>Operating expense</b>	<b>\$ 12,684,209</b>	<b>\$ 11,793,268</b>	<b>\$ 12,017,227</b>	<b>\$ 890,941</b>	<b>7.6%</b>	<b>\$ 12,079,384</b>
<b>Paratransit Transportation</b>	Wages & benefits without OPEB	13,621,150	12,720,259	13,461,845	900,891	7.1%	12,320,685
	Other post-employment benefits	138,036	173,883	172,546	(35,847)	-20.6%	152,335
	Services	167,400	135,696	166,500	31,704	23.4%	124,504
	Parts & supplies	34,422	31,719	32,400	2,703	8.5%	19,766
	Utilities	22,800	19,356	22,800	3,444	17.8%	15,776
	Leases and other expense	47,800	32,744	45,300	15,056	46.0%	35,315
	<b>Operating expense</b>	<b>\$ 14,031,608</b>	<b>\$ 13,113,657</b>	<b>\$ 13,901,391</b>	<b>\$ 917,951</b>	<b>7.0%</b>	<b>\$ 12,668,382</b>
<b>Vehicle Maintenance</b>	Wages & benefits without OPEB	29,047,037	26,575,137	26,622,505	2,471,900	9.3%	25,364,493
	Other post-employment benefits	1,431,044	1,778,091	1,788,805	(347,047)	-19.5%	1,643,428
	Services	2,774,504	2,916,160	2,631,635	(141,656)	-4.9%	2,180,070
	Fuel & lubrications	18,464,599	18,845,481	19,741,713	(380,883)	-2.0%	18,067,278
	Parts & supplies	16,164,192	16,000,973	16,329,502	163,220	1.0%	15,035,631
	Utilities	23,220	64,105	109,284	(40,885)	-63.8%	18,392
	Leases and other expense	261,603	164,816	163,579	96,788	58.7%	119,533
	<b>Operating expense</b>	<b>\$ 68,166,199</b>	<b>\$ 66,344,762</b>	<b>\$ 67,387,022</b>	<b>\$ 1,821,436</b>	<b>2.7%</b>	<b>\$ 62,428,825</b>
<b>Facility Maintenance</b>	Wages & benefits without OPEB	2,625,726	2,599,202	2,439,612	26,524	1.0%	2,576,601
	Other post-employment benefits	130,336	163,989	162,920	(33,652)	-20.5%	151,835
	Services	2,527,632	2,076,663	2,195,271	450,969	21.7%	1,719,991
	Fuel & lubrications	2,382	1,662	2,305	720	43.3%	1,930
	Parts & supplies	925,951	939,309	897,472	(13,358)	-1.4%	908,972
	Utilities	2,740,629	2,641,759	2,913,054	98,870	3.7%	2,451,576
	Leases and other expense	583,821	62,622	34,891	521,199	832.3%	24,921
	<b>Operating expense</b>	<b>\$ 9,536,477</b>	<b>\$ 8,485,206</b>	<b>\$ 8,645,525</b>	<b>\$ 1,051,271</b>	<b>12.4%</b>	<b>\$ 7,835,827</b>
<b>Maintenance of Way</b>	Wages & benefits without OPEB	11,849,291	11,826,979	10,991,182	22,311	0.2%	11,924,151
	Other post-employment benefits	537,630	696,352	672,037	(158,723)	-22.8%	674,245
	Services	7,417,361	7,248,420	7,114,826	168,941	2.3%	7,609,591
	Parts & supplies	2,113,574	1,935,452	2,036,581	178,121	9.2%	2,131,781
	Utilities	4,915,117	4,431,029	4,635,635	484,088	10.9%	4,214,964
	Leases and other expense	129,250	98,853	129,250	30,397	30.7%	211,390
	<b>Operating expense</b>	<b>\$ 26,962,222</b>	<b>\$ 26,237,086</b>	<b>\$ 25,579,511</b>	<b>\$ 725,136</b>	<b>2.8%</b>	<b>\$ 26,766,219</b>
<b>Security</b>	Wages & benefits without OPEB	3,797,547	3,291,890	3,536,671	505,657	15.4%	3,233,303
	Other post-employment benefits	115,782	147,172	144,727	(31,391)	-21.3%	122,523
	Services	7,185,450	6,916,597	7,161,000	268,853	3.9%	6,987,138
	Parts & supplies	38,249	40,376	33,558	(2,127)	-5.3%	21,267
	Utilities	33,600	30,553	33,600	3,047	10.0%	24,421
	Leases and other expense	62,366	73,073	70,366	(10,707)	-14.7%	86,424
	<b>Operating expense</b>	<b>\$ 11,232,993</b>	<b>\$ 10,499,662</b>	<b>\$ 10,979,922</b>	<b>\$ 733,332</b>	<b>7.0%</b>	<b>\$ 10,475,077</b>
<b>Planning &amp; System Development</b>	Wages & benefits without OPEB	3,110,963	2,769,780	2,831,348	341,183	12.3%	2,608,621
	Other post-employment benefits	178,701	218,733	223,376	(40,032)	-18.3%	200,629
	Services	222,100	199,959	239,609	22,141	11.1%	602,654
	Parts & supplies	167,535	189,021	295,381	(21,486)	-11.4%	88,420
	Utilities	19,200	15,899	26,400	3,301	20.8%	6,019
	Leases and other expense	46,241	20,976	36,781	25,265	120.4%	20,568
	<b>Operating expense</b>	<b>\$ 3,744,740</b>	<b>\$ 3,414,367</b>	<b>\$ 3,652,895</b>	<b>\$ 330,373</b>	<b>9.7%</b>	<b>\$ 3,526,911</b>
<b>ADA Services</b>	Wages & benefits without OPEB	748,371	573,793	674,909	174,578	30.4%	554,257
	Other post-employment benefits	8,161	16,666	10,201	(8,505)	-51.0%	17,890
	Services	23,480	28,268	23,500	(4,788)	-16.9%	43,351
	Parts & supplies	26,605	21,675	26,500	4,930	22.7%	34,079
	Utilities	16,626	10,820	15,120	5,806	53.7%	14,747
	Leases and other expense	222,428	165,050	222,828	57,378	34.8%	145,319
	<b>Operating expense</b>	<b>\$ 1,045,671</b>	<b>\$ 816,273</b>	<b>\$ 973,058</b>	<b>\$ 229,398</b>	<b>28.1%</b>	<b>\$ 809,642</b>
<b>Operations Administration</b>	Wages & benefits without OPEB	315,718	301,049	305,322	14,669	4.9%	335,560
	Other post-employment benefits	15,354	19,902	19,192	(4,548)	-22.9%	22,401
	Services	210,927	146,971	210,609	63,956	43.5%	119,653
	Parts & supplies	39,784	19,979	38,697	19,805	99.1%	3,242
	Utilities	1,524	1,343	1,200	181	13.5%	1,365
	Leases and other expense	30,770	18,512	30,770	12,258	66.2%	84,437
	<b>Operating expense</b>	<b>\$ 614,076</b>	<b>\$ 507,755</b>	<b>\$ 605,790</b>	<b>\$ 106,321</b>	<b>20.9%</b>	<b>\$ 566,658</b>



# Engineering & New Systems Development

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## 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:

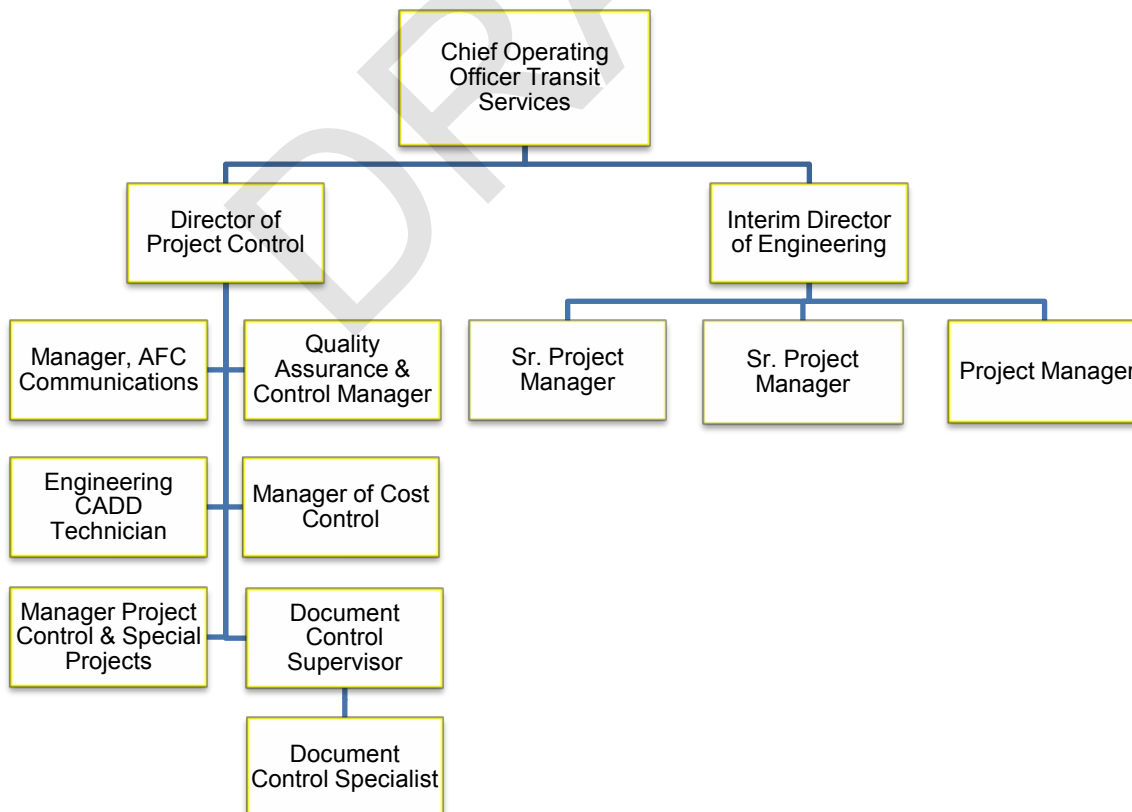
**New Systems Development** is responsible for the design and engineering of emerging transit technologies including:

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:

Engineering is currently reporting to the Transit Operations Chief Operating Officer. The distinctive operations of the Engineering department justifies 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 Agency achieve its goals and objectives as outlined in the Strategic Plan section of this document.

Goal: <b>Deliver a high quality transit experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence</b>		
Objective: <b>Improve service quality and capacity for van, bus, and rail systems; Deliver quality capital projects on time and within budget</b>		
Strategy	Action Steps	Performance Measurements
Implement the new Fare Collection System	<ul style="list-style-type: none"> <li>Finalize Vendor Integrated Software for the Smart Card system</li> <li>Final software installed in production environment</li> <li>Perform Final Acceptance Testing</li> <li>Implement customer information program</li> </ul>	<ul style="list-style-type: none"> <li>All software tested and deployed to field equipment (August 2015)</li> <li>System wide testing of Smart card system (September 2015)</li> <li>Install Trapeze software to integrate with farebox with the AVL system (August 2015)</li> <li>Start full scale smart card roll out (October 2015)</li> </ul>
Completion of the Eads Bridge Rehabilitation Project	<ul style="list-style-type: none"> <li>Abide by the requirements and restrictions of the ARRA Program</li> </ul>	<ul style="list-style-type: none"> <li>Achieve 100% completion of the project (March 2016)</li> <li>Exhaust all ARRA funds by June 30, 2015</li> </ul>
Downtown Transfer Center	<ul style="list-style-type: none"> <li>Schematic Design &amp; Design Development</li> <li>Procure Construction Services</li> <li>Construct Project</li> </ul>	<ul style="list-style-type: none"> <li>Award Construction Contract (Award of construction contract pending resolution of ADA issues)</li> <li>Complete Construction - construction anticipated to complete approximately 15 – 18 months following award</li> </ul>
North County Transfer Center	<ul style="list-style-type: none"> <li>Construct Project, Phase I</li> </ul>	<ul style="list-style-type: none"> <li>Complete Construction – January 2016</li> </ul>
Illinois Slopes II	<ul style="list-style-type: none"> <li>NTP issued and construction commences July 2013.</li> <li>Continue implementation</li> </ul>	<ul style="list-style-type: none"> <li>Complete Construction (June 2016)</li> </ul>
Ewing Wall Rehabilitation	<ul style="list-style-type: none"> <li>Issue Part 2, Design Build RFP</li> <li>Complete Design Build competition</li> <li>Negotiate Design Build Contract and issue NTP</li> <li>Implement</li> </ul>	<ul style="list-style-type: none"> <li>Complete Design Build negotiations by May 2015</li> <li>Complete project May 2016</li> </ul>

Strategy	Action Steps	Performance Measurements
Downtown Tunnel Repairs	<ul style="list-style-type: none"> <li>• Develop design RFP</li> <li>• Issue and award design contract</li> <li>• Complete preliminary design and obtain NEPA approval</li> <li>• Complete final design</li> <li>• Implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Issue design RFP July 2015</li> <li>• Award design contract September 2015</li> <li>• Complete preliminary design and obtain NEPA approvals by January 2016</li> <li>• Complete final design by May 2016</li> </ul>
Boyle Street Station and Interlocking	<ul style="list-style-type: none"> <li>• Obtain NEPA approval</li> <li>• Complete grant contract execution</li> <li>• Develop design RFP</li> <li>• Issue and award design contract</li> <li>• Complete design</li> <li>• Implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Obtain NEPA approval by March 2015</li> <li>• Grant contract execution by May 2015</li> <li>• Issue design RFP June 2015</li> <li>• Complete design May 2016</li> <li>• Complete construction October 2018</li> </ul>

### 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 2016 Target	FY 2015 Projection	FY 2015 Target	FY 2014 Actual
<b>New Systems Operating:</b>				
<b>Project Measurement:</b>				
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

		FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
		Budget	Projection	Budget	\$ Change	% Change	Actual
<b>Engineering &amp; New Systems</b>	Wages & benefits without OPEB	\$ 1,405,491	\$ 1,056,253	\$ 1,278,761	\$ 349,238	33.1%	\$ 1,236,798
	Other post-employment benefits	58,773	69,940	73,466	(11,167)	-16.0%	63,810
	Services	3,530,578	4,557,230	5,015,527	(1,026,653)	-22.5%	5,104,543
	Parts & supplies	31,440	22,376	30,874	9,065	40.5%	14,272
	Casualty & liability	-	-	-	-	-	-
	Utilities	12,400	10,875	12,400	1,525	14.0%	11,976
	Leases and other expense	45,233	20,690	45,231	24,543	118.6%	66,690
	<b>Operating expense</b>	<b>\$ 5,083,914</b>	<b>\$ 5,737,364</b>	<b>\$ 6,456,259</b>	<b>\$ (653,449)</b>	<b>-11.4%</b>	<b>\$ 6,498,090</b>

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# Human Resources

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## Operational overview:

The Human Resources Division provides services in the areas of talent acquisition and management, compensation and benefits, 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.

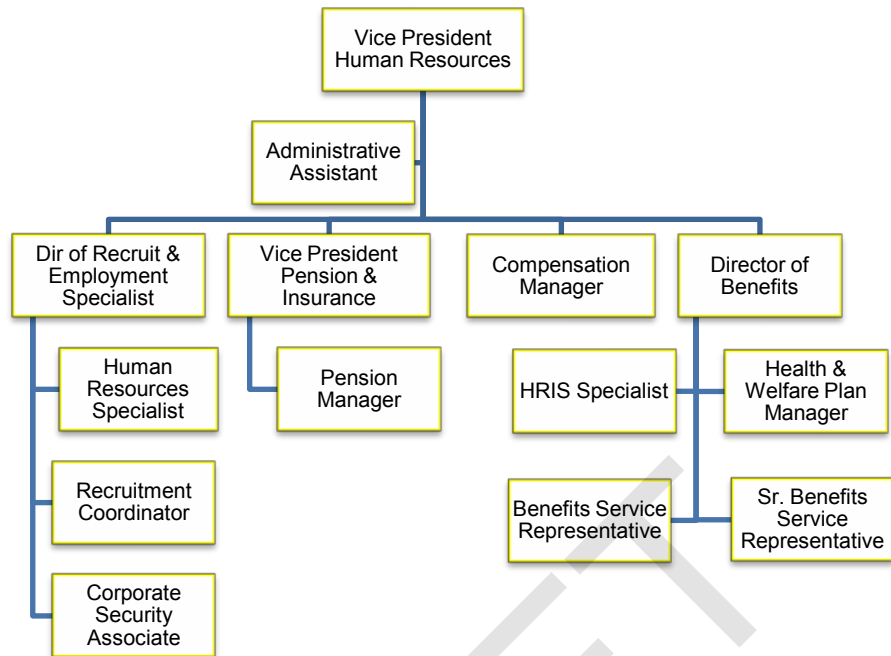
**Human Resources Management** includes the staff of the Vice President of Human Resources, employee relations and performance management, compensation, human resources data maintenance, and the three specialty areas that follow:

**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 Agency's workforce staffing requirements.

**Benefits** department develops and administers employee benefit plans for both active employees and retirees. The department advocates for a range of health benefits including Medical with Specific Claim Stop Loss Insurance, Medicare Retiree Replacement Options, Dental, Prescription Drug, Employee Assistance Plan/Behavioral Health, Vision, Health and Dependent Care Flexible Spending Accounts, Basic and Supplemental/Dependent Life, Accidental Death and Dismemberment, Short and Long Term Disability, Pension Disability, and the administration of retirement programs related to four Defined Benefit Pension Plans and a 401K program.

**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.

<b>Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources</b>		
<b>Objective: Implement cost reduction strategies</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Reduce costs and impact on productivity associated with absenteeism	<ul style="list-style-type: none"> <li>Implementation of a structured absence management program</li> </ul>	<ul style="list-style-type: none"> <li>Implemented Absence Management program (FMLA, STD and other leaves of absence) in partnership with case management vendor</li> </ul>

<b>Goal: Value all members of our staff and endeavor to help all of our employees develop to their fullest potential</b>		
<b>Objective: Implement a competitive Compensation System that supports effective recruitment, retention, motivation and recognition of a skilled, and diverse workforce.</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Conduct a Compensation and Classification study of all salaried positions, in partnership with experienced compensation consultants.	<ul style="list-style-type: none"> <li>• Develop a competitive compensation program that recognizes and rewards desired performance and contributes to the overall success of Metro.</li> <li>• Establish a compensation philosophy that maintains a competitive market position</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of a new Compensation and Classification System by June 2015.</li> </ul>
<b>Objective: Implement A Performance Management System that provides valuable feedback and drives performance that supports the Bi-State Development's Goal and Objectives</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Evaluate current BSD employee measurement and feedback systems and develop approach to improve performance management	<ul style="list-style-type: none"> <li>• Develop or Re-design the Agency's performance management system</li> </ul>	<ul style="list-style-type: none"> <li>• New Performance Management System implemented by June 2015.</li> </ul>



## 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:

	<b>FY 2016</b>	<b>FY 2015</b>		<b>FY 2014</b>
	<b><u>Target</u></b>	<b><u>Projection</u></b>	<b><u>Target</u></b>	<b><u>Actual</u></b>
<b>Human Resources Management</b>				
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
<b>Benefits</b>				
Medical Benefits Expense	\$30,525,481	\$25,824,754	\$27,730,171	\$22,368,684
Percent Variance to Budget	+/- 10.0%	- 6.9%	+/- 10.0%	-18.7%
Prescription Drug Plan performance:				
Plan cost per member per month (Paid Basis)	\$82.95	\$80.00	\$82.95	\$76.70
Generic fill rate	79%	79%	79%	78%
Home delivery utilization rate	4.0%	3.9%	4.0%	3.9%

## Human Resources - Operating Expense

		FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
		Budget	Projection	Budget	\$ Change	% Change	Actual
<b>Human Resources</b>	Wages & benefits without OPEB	\$ 10,652,685	\$ 11,237,460	\$ 11,926,284	\$ (584,775)	-5.2%	\$ 8,498,118
	Other post-employment benefits	77,258	96,046	96,573	(18,787)	-19.6%	95,291
	Services	945,965	1,053,172	861,164	(107,207)	-10.2%	944,088
	Parts & supplies	37,589	18,672	22,779	18,917	101.3%	21,069
	Utilities	4,330	2,222	2,160	2,108	94.9%	1,834
	Leases and other expense	152,432	83,873	122,700	68,559	81.7%	50,263
	<b>Operating expense</b>	<b>\$ 11,870,260</b>	<b>\$ 12,491,445</b>	<b>\$ 13,031,660</b>	<b>\$ (621,185)</b>	<b>-5.0%</b>	<b>\$ 9,610,661</b>
<b>Benefits*</b>	Retiree Benefits	9,632,392	10,355,859	10,943,129	\$ (723,467)	-7.0%	7,532,899
	Other post-employment benefits	27,420	39,614	34,275	(12,193)	-30.8%	40,681
	Services	712,150	784,479	714,300	(72,329)	-9.2%	690,487
	Parts & supplies	3,000	578	-	2,422	418.9%	7,712
	Utilities	730	788	720	(58)	-7.3%	665
	Leases and other expense	29,177	16,771	28,145	12,406	74.0%	17,579
	<b>Operating expense</b>	<b>\$ 10,404,869</b>	<b>\$ 11,198,088</b>	<b>\$ 11,720,569</b>	<b>\$ (793,219)</b>	<b>-7.1%</b>	<b>\$ 8,290,023</b>
<b>Training &amp; Development</b>	Wages & benefits without OPEB	-	-	-	-	-	-
	Services	55,000	27,500	55,000	27,500	100.0%	-
	Parts & supplies	17,759	8,802	17,604	8,957	101.8%	1,865
	Utilities	1,200	720	1,440	480	66.7%	-
	Leases and other expense	71,305	34,903	69,805	36,403	104.3%	-
	<b>Operating expense</b>	<b>\$ 145,264</b>	<b>\$ 71,925</b>	<b>\$ 143,849</b>	<b>\$ 73,340</b>	<b>102.0%</b>	<b>\$ 1,865</b>
<b>Human Resources Management</b>	Wages & benefits without OPEB	1,020,294	881,601	983,156	138,693	15.7%	965,219
	Other post-employment benefits	49,838	56,432	62,298	(6,594)	-11.7%	54,610
	Services	178,815	241,193	91,864	(62,378)	-25.9%	253,601
	Parts & supplies	16,830	9,292	5,175	7,538	81.1%	11,492
	Utilities	2,400	714	-	1,686	236.0%	1,168
	Leases and other expense	51,950	32,200	24,750	19,750	61.3%	32,683
	<b>Operating expense</b>	<b>\$ 1,320,127</b>	<b>\$ 1,221,433</b>	<b>\$ 1,167,242</b>	<b>\$ 98,694</b>	<b>8.1%</b>	<b>\$ 1,318,773</b>

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

# Labor Relations

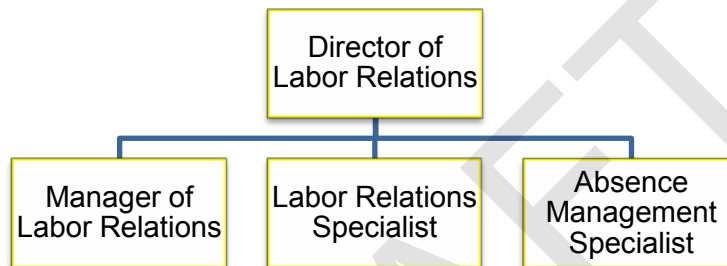
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## Operational overview:

The Labor Relations division 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 Agency 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	<ul style="list-style-type: none"><li>• Implementation of a structured absence management program</li><li>• Add an absence management specialist</li></ul>	<ul style="list-style-type: none"><li>• Established attendance program review committee including Labor Relations and facilities management for bus, rail and van in 2014</li><li>• Maintain Absence Management program (FMLA, STD and other leaves of absence).</li></ul>

<b>Goal: Value all members of our staff and endeavor to help all of our employees develop to their fullest potential</b>		
<b>Objective: Strengthen the labor – management working relationship</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Maintain a positive working relationship with union management to ensure an open communication process for resolving work related issues.	<ul style="list-style-type: none"> <li>• Develop a joint complaint and grievance review committee with Local 788 to address issues for operations and maintenance</li> <li>• Develop and implement grievance/arbitration training for first line supervisors in operations and maintenance</li> </ul>	<ul style="list-style-type: none"> <li>• Joint Committee formed by Sep 2015</li> <li>• Training completed by Dec 2015</li> <li>• Reduction in number of work related issues</li> </ul>

### 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.

	<b>FY 2016</b>	<b>FY 2015</b>		<b>FY 2014</b>
	<b><u>Target</u></b>	<b><u>Projection</u></b>	<b><u>Target</u></b>	<b><u>Actual</u></b>
<b>Labor Relations</b>				
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

		FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
		Budget	Projection	Budget	\$ Change	% Change	Actual
<b>Labor Relations</b>	Wages & benefits without OPEB	398,240	240,540	191,893	157,700	65.6%	361,895
	Other post-employment benefits	8,613	15,072	10,767	(6,458)	-42.9%	19,041
	Services	350,748	241,008	325,969	109,740	45.5%	563,866
	Parts & supplies	586	412	569	174	42.2%	257
	Utilities	-	610	-	(610)	-100.0%	1,236
	Leases and other expense	4,100	885	-	3,215	363.1%	1,483
	<b>Operating expense</b>	<b>\$ 762,287</b>	<b>\$ 498,527</b>	<b>\$ 529,197</b>	<b>\$ 263,761</b>	<b>52.9%</b>	<b>\$ 947,777</b>

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# Procurement & Inventory Management

## Descriptions of organization:

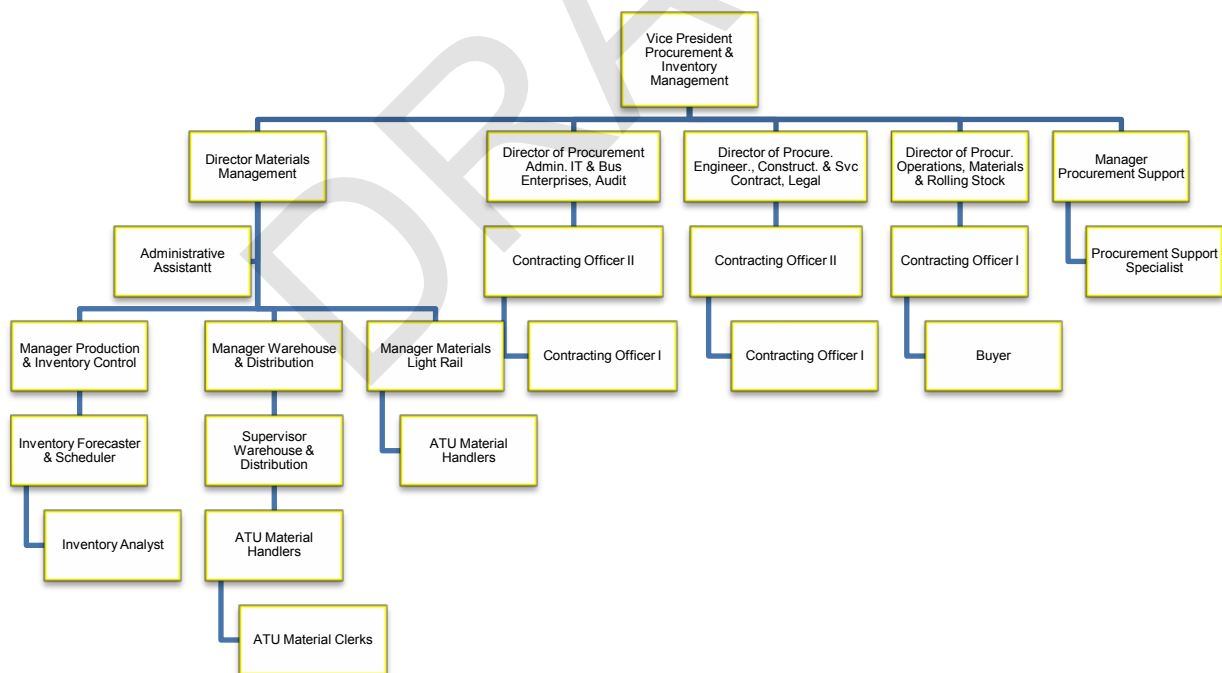
The Procurement and Inventory Management Division consists of the following units that are responsible for delivering on a timely basis the best value product or service, while maintaining the public's trust and fulfilling public policy goals.

**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 Agency (BSDA) requires for operations and expansion. The department is also responsible for ensuring compliance with all federal, state, and local laws and regulations and BSDA 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 Agency achieve its goals and objectives as outlined in the Strategic Plan section of this document.

<b>Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources</b>		
<b>Objective: Implement cost reduction strategies</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Improve MetroLink warehouse and materials management processes	<ul style="list-style-type: none"> <li>• Identify and categorize parts and supplies</li> <li>• Identify ML critical spares</li> <li>• Evaluate inventory item attributes</li> <li>• Implement recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• Parts identification completed for all operating systems</li> <li>• Process recommendations and implementation schedule completed</li> </ul>
<b>Objective: Implement internal process improvements</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Improve equipment and parts availability and supplier performance	<ul style="list-style-type: none"> <li>• Develop and implement supplier performance measurement program</li> </ul>	<ul style="list-style-type: none"> <li>• Performance measurement program in place and scorecards are created and reviewed with key suppliers</li> </ul>
Implement planned maintenance process in partnership with maintenance for all Agency divisions as mirrored with bus maintenance	<ul style="list-style-type: none"> <li>• Establish project teams</li> <li>• Evaluate current maintenance and material requirement plans</li> <li>• Develop process improvement recommendations</li> <li>• Implement recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• Project teams established and operating</li> <li>• Process improvement recommendations and implementation schedule for ML rail operations completed</li> <li>• Process improvement recommendations and implementation schedule for MOW completed</li> </ul>

## 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 2016 Target	FY 2015 Projection	FY 2015 Target	FY 2014 Actual
<b>Inventory Management:</b>				
Accuracy of bus parts inventory	98.0%	97.5%	98.0%	97.7%
Accuracy of rail parts inventory	98.0%	96.5%	98.0%	95.4%
Bus parts inventory turnover	3.00	2.50	3.00	1.89
Rail parts inventory turnover	1.00	0.80	1.00	0.72
<b>Procurement:</b>				
Percent of purchases competitively sourced	90.0%	90.0%	90.0%	88.4%





## Procurement, Inventory Management - Operating Expense

		FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
		Budget	Projection	Budget	\$ Change	% Change	Actual
<b>Procurement, Inventory Management</b>	Wages & benefits without OPEB	\$ 4,872,948	\$ 4,444,413	\$ 4,450,921	\$ 428,535	9.6%	\$ 4,225,659
	Other post-employment benefits	224,963	278,584	281,204	(53,620)	-19.2%	254,373
	Services	45,371	31,329	42,059	14,042	44.8%	18,024
	Parts & supplies	324,357	279,783	289,358	44,575	15.9%	(86,668)
	Utilities	4,980	4,429	5,820	551	12.4%	3,197
	Leases and other expense	79,409	81,546	96,921	(2,136)	-2.6%	49,471
	<b>Operating expense</b>	<b>\$ 5,552,029</b>	<b>\$ 5,120,082</b>	<b>\$ 5,166,284</b>	<b>\$ 431,947</b>	<b>8.4%</b>	<b>\$ 4,464,056</b>
<b>Inventory Management</b>	Wages & benefits without OPEB	3,159,755	2,875,759	2,825,203	\$ 283,996	9.9%	2,525,047
	Other post-employment benefits	148,033	180,881	185,042	(32,848)	-18.2%	158,879
	Services	2,500	263	-	2,237	850.0%	3,197
	Parts & supplies	309,367	270,521	274,783	38,846	14.4%	(93,154)
	Utilities	1,500	1,170	1,500	330	28.2%	979
	Leases and other expense	25,598	23,239	21,710	2,360	10.2%	16,795
	<b>Operating expense</b>	<b>\$ 3,646,754</b>	<b>\$ 3,351,833</b>	<b>\$ 3,308,238</b>	<b>\$ 294,921</b>	<b>8.8%</b>	<b>\$ 2,611,743</b>
<b>Procurement</b>	Wages & benefits without OPEB	1,133,353	1,027,821	1,078,733	105,532	10.3%	1,083,380
	Other post-employment benefits	47,887	61,434	59,859	(13,547)	-22.1%	59,152
	Services	15,914	12,845	15,450	3,069	23.9%	11,895
	Parts & supplies	-	-	-	-	-	2,323
	Leases and other expense	-	3,707	-	(3,707)	-100.0%	1,512
	<b>Operating expense</b>	<b>\$ 1,197,154</b>	<b>\$ 1,105,806</b>	<b>\$ 1,154,042</b>	<b>\$ 91,347</b>	<b>8.3%</b>	<b>\$ 1,158,262</b>
	<b>Supplier Diversity</b>						
<b>Supplier Diversity</b>	Wages & benefits without OPEB	220,822	199,275	206,681	21,547	10.8%	247,716
	Other post-employment benefits	12,617	13,985	15,771	(1,368)	-9.8%	12,688
	Services	1,030	500	1,000	530	106.0%	-
	Parts & supplies	4,145	2,063	3,900	2,082	100.9%	2,941
	Utilities	2,640	2,473	3,480	167	6.8%	1,481
	Leases and other expense	33,200	37,572	54,600	(4,372)	-11.6%	11,890
	<b>Operating expense</b>	<b>\$ 274,454</b>	<b>\$ 255,868</b>	<b>\$ 285,432</b>	<b>\$ 18,586</b>	<b>7.3%</b>	<b>\$ 276,716</b>
<b>Procurement Administration</b>	Wages & benefits without OPEB	359,017	341,558	340,303	17,459	5.1%	369,516
	Other post-employment benefits	16,426	22,283	20,533	(5,857)	-26.3%	23,654
	Services	25,927	17,721	25,609	8,206	46.3%	2,932
	Parts & supplies	10,845	7,198	10,675	3,647	50.7%	1,222
	Utilities	840	786	840	54	6.8%	737
	Leases and other expense	20,611	17,028	20,611	3,583	21.0%	19,274
	<b>Operating expense</b>	<b>\$ 433,668</b>	<b>\$ 406,575</b>	<b>\$ 418,572</b>	<b>\$ 27,093</b>	<b>6.7%</b>	<b>\$ 417,335</b>

# Finance

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## **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, risk management, and in-house claims department and safety.

**Risk Management, Claims and Safety** is responsible for the Agency-wide self insurance and insurance programs as well as the administration of workers' compensation, property and auto liability claims. The risk and safety staff investigates accidents and oversees all elements of employee and facility safety, identifies hazards and develops recommendations to reduce or eliminate problems. The department administers 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. It is also responsible for the agency-wide health and wellness initiatives.

**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.

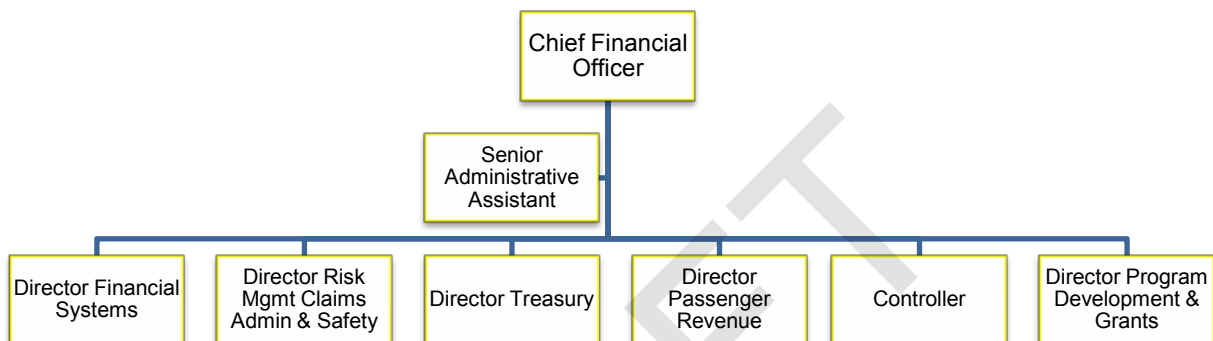
**Passenger Revenue** is responsible for the overall management and maintenance of fare collection and bus headsign equipment in addition to Ticket Vending Machines and Validation equipment employed on the MetroLink alignment. The department is in charge of the collection and processing of Bi-State Development 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 the Bi-State Development Agency.

**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 Agency (BSDA) 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 in safety, security and emergency management	<ul style="list-style-type: none"> <li>Public service announcement through bus and LRV poster program and literature about safety, security and emergency preparedness</li> <li>Provide safety, security and emergency preparedness information for new Metro website</li> <li>Perform MetroLink station blitzes to remind customers to “Stop, Look, and Live” before crossing the MetroLink railroad tracks.</li> </ul>	<ul style="list-style-type: none"> <li>Safety, Security and Emergency Preparedness posters on MetroBus and MetroLink</li> <li>MetroLink evacuation poster and brochure available</li> <li>Safety, Security and Emergency Preparedness information posted to website</li> </ul>

<b>Goal: Deliver a high quality transit experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence</b>		
<b>Objective: Efficiently and effectively operate service sectors</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Continue six year trend to reduce accidents and injuries (Risk Management and Safety)	<ul style="list-style-type: none"> <li>• Design training module to address broken switches and red signal violations (i.e., human factors)</li> </ul>	<ul style="list-style-type: none"> <li>• Red signal violation and broken switch training module completed</li> <li>• Wellness training program in place</li> <li>• Healthcare representative residing on-site</li> <li>• Agency accident and injury metrics</li> </ul>

<b>Goal: Value all members of our staff and endeavor to help all of our employees develop to their fullest potential</b>		
<b>Objective: Continue to develop a safety conscious culture throughout BSDA, its customers, and business partners</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Improve employee health while maintaining or reducing medical plan costs	<ul style="list-style-type: none"> <li>• Develop and implement an incentive based, wellness oriented medical plan to complement the health &amp; wellness initiative</li> </ul>	<ul style="list-style-type: none"> <li>• Continue wellness initiatives</li> <li>• Evaluate and track employee participation in premium-based incentive plan</li> <li>• Instill health and wellness as a cultural norm</li> </ul>

<b>Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources</b>		
<b>Objective: Implement internal process improvements</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Increase income from investments	<ul style="list-style-type: none"> <li>• Finish the implementation of the Treasury module to include all cash and investments for reporting purposes</li> <li>• From the new reporting, develop more sophisticated cash flow analysis to enable funds to be invested longer term</li> </ul>	<ul style="list-style-type: none"> <li>• Reporting that forecasts maturities to help better manage a laddered portfolio</li> <li>• From the improved cash flow analysis, put non-operating funds to work in investment vehicles that provide a better return</li> </ul>

Strategy	Action Steps	Performance Measurements
Identify opportunities to reimburse cost of staff training and administrative time through grant resources	<ul style="list-style-type: none"> <li>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</li> <li>Identify grant funds to support administrative effort to procure and manage grant funded projects</li> </ul>	<ul style="list-style-type: none"> <li>Identify sources of revenue to support Bi-State Development's capital and eligible operating needs</li> <li>Maintain line of communication with funding sources to identify agency needs and identify available resources to support capital needs</li> </ul>
Provide project management and coordination for the FTA funded state of good repair program	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Transit Asset Management Software design by Q1 FY 2016; implementation in late FY 2016</li> </ul>
<b>Objective: Implement cost reduction strategies</b>		
Strategy	Action Steps	Performance Measurements
Improve bank fee analysis process	<ul style="list-style-type: none"> <li>Create more efficient reporting in preparation for the upcoming Bank RFP</li> </ul>	<ul style="list-style-type: none"> <li>Cost savings on bank fees and improved contract pricing on RFP</li> </ul>
Strategy	Action Steps	Performance Measurements
Evaluate alternatives and cost containment measures for Other Post Employment Benefits (OPEB) in order to utilize for collective bargaining activities	<ul style="list-style-type: none"> <li>Engage financial consultant to provide guidance on how to reduce the unfunded liabilities</li> <li>Establish a baseline cost and examine the true cost of retiree health care benefits</li> <li>Survey current market strategies</li> <li>Evaluate each strategy's cost implications</li> </ul>	<ul style="list-style-type: none"> <li>Identify and evaluate the all inclusive costs associated with the self funded health care program.</li> </ul>

## 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 2016 Target	FY 2015 Projection	FY 2015 Target	FY 2014 Actual
<b>Risk Management:</b>				
Lost work days due to employee injury	2,200	2,250	2,200	1,987
Employee injuries	190	205	180	191
MetroBus preventable accidents per 100,000 miles	0.80	0.85	0.75	0.85
Call-A-Ride preventable accidents per 100,000 miles	0.80	0.66	0.90	0.82
Passenger injuries per 100,000 boardings	0.90	1.10	1.00	1.00
Liability & WC subrogation recoveries	\$375,000	\$350,000	\$350,000	\$326,287
<b>Treasury:</b>				
Percent of months in which:				
Yield on working capital funds equal 90- day T-Bill	100%	75%	83%	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%	99%	99%
Monthly Treasurer's Report completed before Board deadline	100%	100%	100%	100%
<b>Passenger Revenue:</b>				
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

	FY 2016	FY 2015		FY 2014
	Target	Projection	Target	Actual
<b>Program Development and Grants:</b>				
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%
<b>Controller's Group:</b>				
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%	89.0%	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%	0.05%	0%
Percent of employees using direct deposit	100%	99.98%	100%	99.98%

## Finance - Operating Expense

		FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
		Budget	Projection	Budget	\$ Change	% Change	Actual
<b>Finance</b>	Wages & benefits without OPEB	\$ 7,769,084	\$ 7,248,407	\$ 7,529,129	\$ 520,677	7.2%	\$ 7,173,025
	Other post-employment benefits	371,135	456,683	463,918	(85,548)	-18.7%	425,607
	Services	3,022,275	2,745,538	2,740,717	276,736	10.1%	2,739,827
	Fuel & lubrications	-	-	-	-	-	-
	Parts & supplies	2,444,392	526,082	772,927	1,918,309	364.6%	466,331
	Casualty & liability	5,406,024	4,622,708	4,864,761	783,316	16.9%	4,995,870
	Utilities	74,015	146,029	64,050	(72,014)	-49.3%	44,338
	Leases and other expense	1,147,996	1,050,969	1,078,121	97,027	9.2%	600,838
	Agency fees	3,097,907	2,800,000	2,800,000	297,907	10.6%	2,550,000
	<b>Operating expense</b>	<b>\$ 23,332,827</b>	<b>\$ 19,596,417</b>	<b>\$ 20,313,624</b>	<b>\$ 3,736,411</b>	<b>19.1%</b>	<b>\$ 18,995,835</b>
<b>Risk Management, Claims &amp; Safety</b>	Wages & benefits without OPEB	2,214,271	2,070,009	2,209,205	144,262	7.0%	2,043,706
	Other post-employment benefits	90,590	111,009	113,238	(20,418)	-18.4%	103,222
	Services	1,028,400	988,664	945,140	39,736	4.0%	1,095,856
	Parts & supplies	311,302	175,649	264,814	135,653	77.2%	189,296
	Casualty & liability	5,346,024	4,566,047	4,806,761	779,977	17.1%	4,941,443
	Utilities	68,050	140,682	58,650	(72,632)	-51.6%	38,772
	Leases and other expense	665,007	623,117	611,388	41,890	6.7%	362,369
	<b>Operating expense</b>	<b>\$ 9,723,645</b>	<b>\$ 8,675,177</b>	<b>\$ 9,009,196</b>	<b>\$ 1,048,468</b>	<b>12.1%</b>	<b>\$ 8,774,664</b>
<b>Treasury</b>	Wages & benefits without OPEB	287,866	282,362	304,294	5,504	1.9%	239,882
	Other post-employment benefits	12,179	16,512	15,224	(4,333)	-26.2%	12,393
	Services	730,250	432,675	634,000	297,575	68.8%	343,821
	Fuel & lubrications	-	-	-	-	-	-
	Parts & supplies	1,600	856	1,500	744	86.9%	809
	Casualty & liability	60,000	56,662	58,000	3,338	5.9%	54,426
	Utilities	-	-	-	-	-	-
	Leases and other expense	29,900	25,639	24,200	4,261	16.6%	(82,559)
	Agency fees	3,097,907	2,800,000	2,800,000	297,907	10.6%	2,550,000
	<b>Operating expense</b>	<b>\$ 4,219,702</b>	<b>\$ 3,614,706</b>	<b>\$ 3,837,218</b>	<b>\$ 604,996</b>	<b>16.7%</b>	<b>\$ 3,118,772</b>
<b>Passenger Revenue</b>	Wages & benefits without OPEB	2,552,099	2,327,675	2,357,785	224,424	9.6%	2,290,492
	Other post-employment benefits	131,238	158,808	164,047	(27,570)	-17.4%	147,128
	Services	1,034,615	1,014,082	926,697	20,533	2.0%	980,694
	Parts & supplies	2,070,195	295,147	444,233	1,775,047	601.4%	241,952
	Utilities	5,215	4,844	4,800	371	7.7%	5,398
	Leases and other expense	306,584	308,174	303,370	(1,590)	-0.5%	270,127
	<b>Operating expense</b>	<b>\$ 6,099,945</b>	<b>\$ 4,108,730</b>	<b>\$ 4,200,932</b>	<b>\$ 1,991,215</b>	<b>48.5%</b>	<b>\$ 3,935,791</b>
<b>Controller's Group</b>	Wages & benefits without OPEB	1,990,006	1,752,889	1,815,489	237,117	13.5%	1,721,978
	Other post-employment benefits	99,175	121,289	123,969	(22,114)	-18.2%	110,692
	Services	26,250	118,941	31,600	(92,691)	-77.9%	133,307
	Parts & supplies	32,518	33,266	32,741	(748)	-2.2%	22,669
	Leases and other expense	36,225	26,993	29,833	9,232	34.2%	16,689
	<b>Operating expense</b>	<b>\$ 2,184,174</b>	<b>\$ 2,053,378</b>	<b>\$ 2,033,632</b>	<b>\$ 130,796</b>	<b>6.4%</b>	<b>\$ 2,005,336</b>
<b>Program Development &amp; Grants</b>	Wages & benefits without OPEB	322,617	414,654	431,169	(92,037)	-22.2%	452,716
	Other post-employment benefits	19,075	24,082	23,843	(5,007)	-20.8%	25,266
	Services	2,260	44,185	2,000	(41,925)	-94.9%	178,884
	Parts & supplies	8,477	5,790	8,288	2,687	46.4%	5,682
	Leases and other expense	83,980	46,515	83,980	37,465	80.5%	25,263
	<b>Operating expense</b>	<b>\$ 436,409</b>	<b>\$ 535,225</b>	<b>\$ 549,280</b>	<b>\$ (98,816)</b>	<b>-18.5%</b>	<b>\$ 687,811</b>
<b>Finance Administration</b>	Wages & benefits without OPEB	402,225	400,818	411,186	1,407	0.4%	424,251
	Other post-employment benefits	18,878	24,984	23,597	(6,106)	-24.4%	26,906
	Services	200,500	146,992	201,280	53,508	36.4%	7,266
	Parts & supplies	20,300	15,374	21,352	4,926	32.0%	5,921
	Utilities	750	503	600	247	49.2%	169
	Leases and other expense	26,300	20,531	25,350	5,769	28.1%	8,949
	<b>Operating expense</b>	<b>\$ 668,952</b>	<b>\$ 609,201</b>	<b>\$ 683,365</b>	<b>\$ 59,751</b>	<b>9.8%</b>	<b>\$ 473,462</b>



# Information Technology

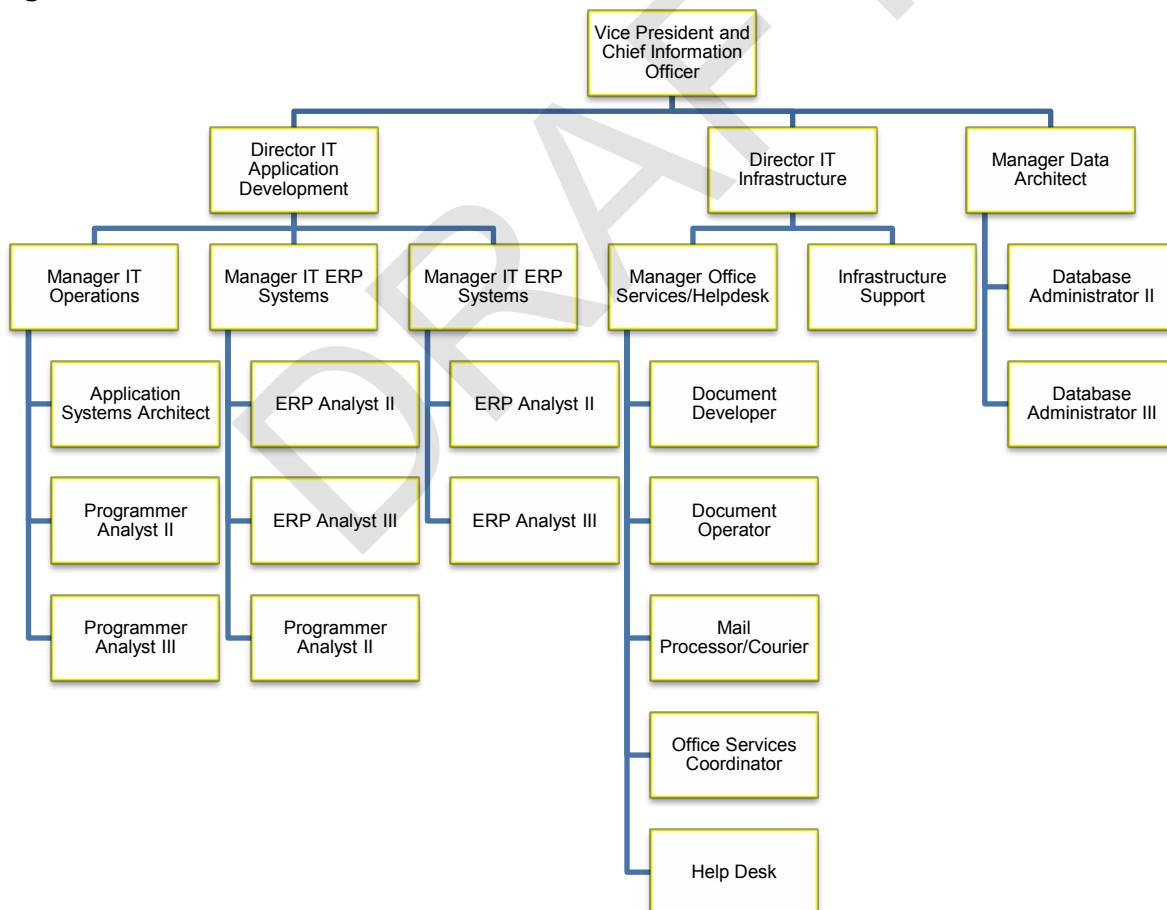
## Organizational overview:

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: 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
Implement IT tasks for Fare Collection project per schedule and within budget	<ul style="list-style-type: none"><li>• Completion by Jan 2016</li><li>• Budget: See Fare Collection Project</li></ul>	<ul style="list-style-type: none"><li>• Deadlines met</li><li>• Budget met</li></ul>
Complete Transit Operations Improvements project per schedule and within budget	<ul style="list-style-type: none"><li>• Completion By:</li><li>• OPS-Core, OPS-Sign In Terminal – Apr 2016</li><li>• OPS-Web, OPS-IVR – Dec 2016</li><li>• Viewpoint – Apr 2017</li><li>• Budget: \$4.5M</li></ul>	<ul style="list-style-type: none"><li>• Deadlines met</li><li>• Budget met</li></ul>

## 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 2016 Target	FY 2015 Projection	FY 2015 Target	FY 2014 Actual
<b>Information Technology:</b>				
Information Technology personnel turnover	<10%	18%	<10%	0%
<b>Office Services:</b>				
System uptime	98.8%	98.9%	98.7%	98.8%

## Information Technology - Operating Expense

		FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
		Budget	Projection	Budget	\$ Change	% Change	Actual
<b>Information Technology</b>	Wages & benefits without OPEB	\$ 5,145,947	\$ 3,838,358	\$ 4,757,122	\$ 1,307,589	34.1%	\$ 3,411,226
	Other post-employment benefits	221,541	243,525	276,926	(21,985)	-9.0%	197,949
	Services	2,632,571	2,581,472	1,800,192	51,099	2.0%	2,907,972
	Parts & supplies	494,262	428,368	485,618	65,894	15.4%	511,958
	Utilities	528,820	513,512	432,720	15,308	3.0%	560,633
	Leases and other expense	161,232	177,513	88,136	(16,280)	-9.2%	41,046
	<b>Operating expense</b>	<b>\$ 9,184,373</b>	<b>\$ 7,782,749</b>	<b>\$ 7,840,714</b>	<b>\$ 1,401,624</b>	<b>18.0%</b>	<b>\$ 7,630,783</b>

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# 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 the Bi-State Development Agency and its Divisions and Enterprises.

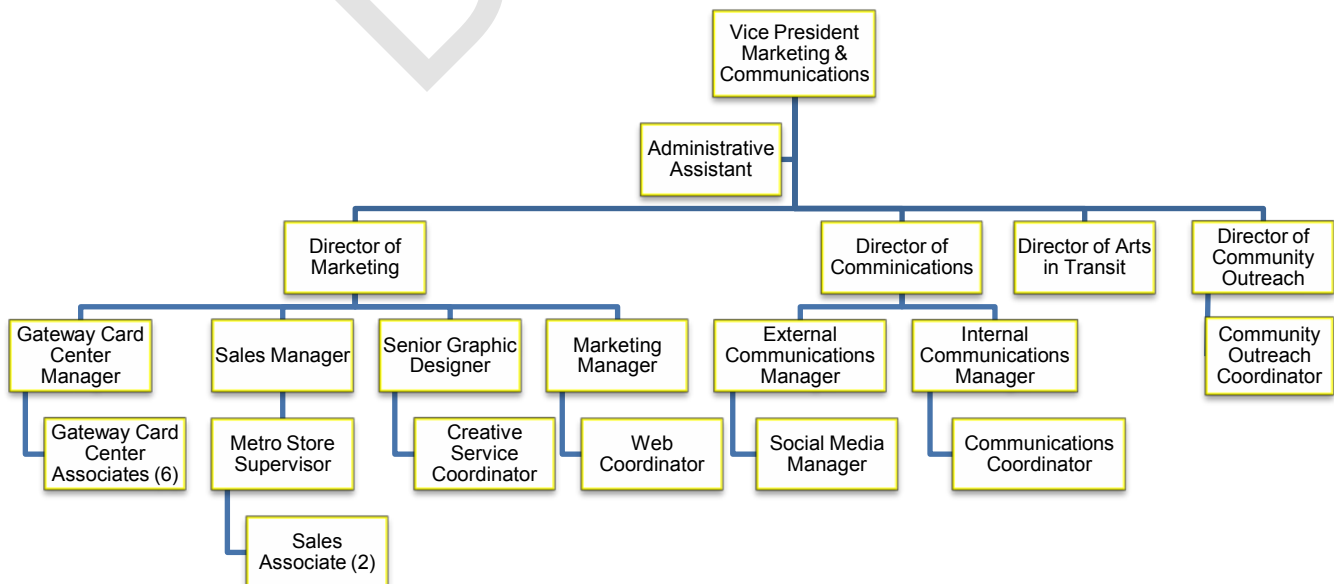
**Marketing** develops and implements marketing, sales and graphic communication strategies and programs to support the Agency and all its business units. Marketing is responsible for the Gateway Card customer education function that supports transit's new fare collection system, and for MetroStore, the Bi-State Development Agency'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 Agency'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 Agency'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 Agency's 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 communications plan that improves public perception of the Bi-State Development Agency programs and credibility of management		
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 BSDA and all its Divisions as an effective public organization; recognized for excellence in transit service delivery and for effective economic development engagement.	<ul style="list-style-type: none"> <li>Promote awareness about BSDA commitment to excellence by promoting media stories about agency initiatives and leaders, emphasizing the value they bring to the region</li> <li>Circulate Annual Report to a wider audience through business publications</li> <li>Create BSDA Annual Meeting to promote collaboration regarding regional economic development</li> <li>Increase website assets to reflect all Bi-State Development Agency enterprises and serve its varied customers</li> <li>Support implementation of Smart Card roll out</li> <li>Assist with the launch and promotion of the regional freight district</li> <li>Promote the BSDA Research Institute</li> <li>Partner with Operations to create a new "Wayfinding" strategy for transit.</li> </ul>	<ul style="list-style-type: none"> <li>Roll-out of brand strategy for Bi-State Development and operating entities, including brand identities for the parent organization and its enterprises.</li> <li>Increase positive media reports about the Agency</li> <li>Publish in Business Journal and Illinois Business Journal and use electronic and hard copies to push to greater number of constituents</li> <li>Host first annual BSDA Economic Development event</li> <li>Increased awareness of BSDA economic development enterprises</li> <li>Increase external website users and social media presence</li> </ul>

<b>Goal: Value all members of our staff and endeavor to help all of our employees develop their fullest potential</b>		
<b>Objective: Invest in employee development</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Develop and execute internal communications plans that improve employee knowledge and engagement	<ul style="list-style-type: none"> <li>• Develop new features and add functionality to MetroWeb</li> <li>• Manage electronic message boards at Metro facilities</li> <li>• Ensure consistency between internal/external messaging</li> <li>• Survey employees to assess internal communications use and effectiveness, and to uncover other internal communications needs.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish benchmarks for measurement of employee engagement by Summer 2015</li> </ul>
<b>Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources</b>		
<b>Objective: Implement revenue enhancement strategies</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Drive revenue through Commuter Advantage Program sales..	<ul style="list-style-type: none"> <li>• Establish and execute specific and trackable sales plan including client categories, program baseline &amp; growth goals</li> <li>• Create Customer Relationship Management (CRM) system</li> <li>• Implement product strategy</li> <li>• Update collateral materials</li> <li>• Adjust program as needed.</li> </ul>	<ul style="list-style-type: none"> <li>• Improved monthly average revenue over FY 2015 actual</li> <li>• Improved monthly average pass sales over FY 2015</li> <li>• Reach FY 2016 Corporate participation goal</li> </ul>
Drive revenue through Tourism, Convention and Recreation markets.	<ul style="list-style-type: none"> <li>• Continue sales strategy of establishing multi-day passes appealing to the tourism marketplace</li> <li>• Continue to use MetroStore to increase both corporate and tourism-related sales</li> <li>• Continue development of pass distribution partnerships</li> <li>• Create and execute marketing &amp; communications plan specifically for this market</li> <li>• Distribute collateral materials &amp; digital platform</li> </ul>	<ul style="list-style-type: none"> <li>• Pass sales</li> <li>• Downtown &amp; Forest Park Shuttle Ridership</li> </ul>

Drive revenue through Special Event Passes	<ul style="list-style-type: none"> <li>• Develop and execute plan to target special events easily accessed by transit system</li> <li>• Engage event planners to create partnership opportunities such as packaging event &amp; Metro tickets, creation of specialty passes, marketing &amp; social media programs</li> </ul>	<ul style="list-style-type: none"> <li>• Pass Sales</li> <li>• Special event ridership</li> <li>• Increased Marketing &amp; Social Media awareness for "Take Metro to the..." campaigns.</li> </ul>
Drive revenue through improved advertising opportunities	<ul style="list-style-type: none"> <li>• Develop sales strategy targeting corporate clients with multi-year advertising and naming right programs</li> <li>• Maximize revenue through closer management of existing advertising contracts</li> <li>• Expand sales opportunities of unused inventory</li> </ul>	<ul style="list-style-type: none"> <li>• Indirect Revenue - Increased sales from advertising contracts</li> <li>• Direct Revenue - Trackable sales by Marketing department</li> </ul>

<b>Goal: Build an effective and efficient publically supported organization that is viewed as a transparent and accountable steward of public funds.</b>		
<b>Objective: Establish a planning, policy, financial and operational framework for developing and delivering 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.</b>		
Strategy	Action Steps	Performance Measurements
Create opportunities to engage business and civic organizations in conversations about opportunities to enhance regional vitality; and support the regional aesthetic environment through and effective public art program – Arts in Transit.	<ul style="list-style-type: none"> <li>• In addition to the annual event, create and execute a series of opportunities designed to engage community and organizational leaders throughout the region</li> <li>• Host annual Art Bus, Poetry in Motion, Bus Shelter Poster events and other relevant community-based arts programs</li> <li>• Secure grants and sponsorships to support the Arts in Transit program</li> </ul>	<ul style="list-style-type: none"> <li>• Increased participation in community events</li> <li>• Represent Bi-State Development Agency at business to business events</li> <li>• Increase number and amount of grants</li> </ul>

## 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 2016 Target	FY 2015 Projection	FY 2015 Target	FY 2014 Actual
Increase public awareness and support for Agency policies, plans, services and initiatives through effective media relations.				
• Media reports accomplishing that goal:	2,400	2,000	1,500	2,384
• Estimated media exposures:	440,000,000	308,000,000	N/A	436,658,187
• \$ value of comparable advertising:	\$4.3M	\$3.4M	N/A	\$4.3M
Increase public awareness and support for Agency policies, plans, services and initiatives through growing effective social media.				
• Facebook likes	4,250	4,000	3,450	3,306
• Twitter followers	15,250	12,750	11,000	8,803
• Instagram followers	1,500	1,100	350	200
Develop and execute strategic and tactical marketing and sales plans that meet business targets for transit				
• Advertising Revenue	\$1.4M	\$1.1M	\$1.3M	\$1.3M
• MetroStore Sales	\$2.6M	\$2.5M	\$2.4M	\$2.8M
• Transit Benefit Program corporate participants	130	120	178	113
• Transit Benefit Program passes purchased: (monthly average)	5,800	5,500	6,500	5,103
Arts in Transit grants and other revenue:	\$75,000	\$35,000	\$40,000	\$30,000
Community events participation:	75	45	35	39



## Marketing & Communications - Operating Expense

		FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
		Budget	Projection	Budget	\$ Change	% Change	Actual
<b>Marketing &amp; Communications</b>	Wages & benefits without OPEB	\$ 1,814,703	\$ 1,403,757	\$ 1,445,784	\$ 410,946	29.3%	\$ 1,282,673
	Other post-employment benefits	63,044	84,423	78,804	(21,379)	-25.3%	72,213
	Services	886,784	320,136	417,943	566,648	177.0%	290,562
	Parts & supplies	261,242	191,737	238,390	69,505	36.3%	256,953
	Utilities	9,200	8,570	9,200	630	7.4%	6,833
	Leases and other expense	579,480	404,388	540,702	175,092	43.3%	465,329
	<b>Operating expense</b>	<b>\$ 3,614,453</b>	<b>\$ 2,413,012</b>	<b>\$ 2,730,823</b>	<b>\$ 1,201,441</b>	<b>49.8%</b>	<b>\$ 2,374,562</b>
<b>Arts In Transit</b>	Wages & benefits without OPEB	100,687	85,099	50,584	15,588	18.3%	132,643
	Other postemployment benefits	2,500	5,411	3,125	(2,910)	-53.8%	9,617
	Services	46,000	20,796	30,000	25,205	121.2%	27,301
	Parts & supplies	20,587	1,398	1,890	19,189	1372.8%	662
	Utilities	800	706	800	94	13.4%	729
	Taxes, leases & other	2,400	1,471	2	929	63.2%	3,773
	<b>Operating expense</b>	<b>172,974</b>	<b>114,880</b>	<b>86,401</b>	<b>58,094</b>	<b>50.6%</b>	<b>174,725</b>
<b>Gateway Card Center</b>	Wages & benefits without OPEB	70,272	20,759	-	49,514	238.5%	-
	Other postemployment benefits	0	1,014	-	(1,014)	-100.0%	-
	Services	209,500	10,651	-	198,849	1867.0%	-
	Parts & supplies	750	696	-	54	7.7%	-
	Taxes, leases & other	3,200	5	-	3,195	63900.0%	-
	<b>Operating expense</b>	<b>283,722</b>	<b>33,125</b>	<b>-</b>	<b>250,598</b>	<b>756.5%</b>	<b>-</b>
<b>Marketing Management</b>	Wages & benefits without OPEB	1,643,743	1,297,899	1,395,200	345,844	26.6%	1,150,030
	Other postemployment benefits	60,543	77,998	75,679	(17,455)	-22.4%	62,595
	Services	631,284	288,690	387,943	342,594	118.7%	263,261
	Parts & supplies	239,906	189,643	236,500	50,262	26.5%	256,290
	Utilities	8,400	7,864	8,400	536	6.8%	6,104
	Taxes, leases & other	573,880	402,912	540,700	170,968	42.4%	461,555
	<b>Operating expense</b>	<b>3,157,756</b>	<b>2,265,007</b>	<b>2,644,422</b>	<b>892,749</b>	<b>39.4%</b>	<b>2,199,836</b>

# Economic Development and Real Estate

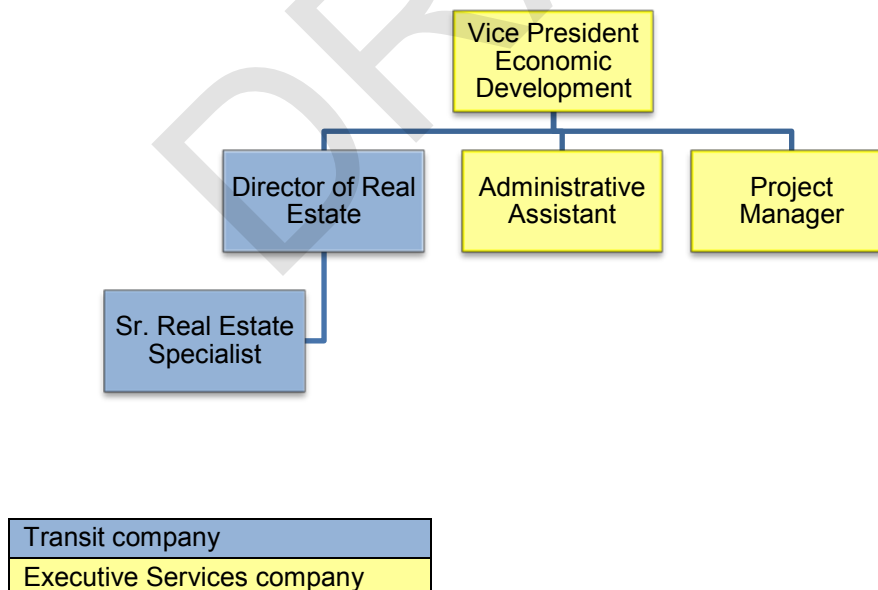
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## Operational Overview:

**Economic Development** is responsible for working with regional public partners and private developers to increase public and private investment adjacent and proximate to Bi-State Development Agency (BSDA) infrastructure and systems assets; working with regional partners on identifying and funding large-scale public infrastructure, including the establishment of a region-wide freight district; monetizing BSDA assets, where possible, to support BSDA budgeting and project requirements; establishment and operation of the Bi-State Development Research Institute, a 501c(3) organization that works in conjunction and in support of BSDA; supporting the region's effort for job creation and socio-economic fabric improvement; and, managing BSDA's Real Estate group.

**Real Estate** acquires and conveys property for Bi-State Development Agency transit and additional public projects and services made eligible through the BSDA Organizational Compact; manages and administrates leases, licenses and contracts related to BSDA real property assets; and provides an annual excess properties report to the BSDA Board per BSDA Board Policy.

## Organization:



## Goals and Objectives Action Plan: Economic Development and Real Estate

The following strategies and action steps help BSDA achieve its goals and objectives as outlined in the Strategic Plan section of this document.

<b>Goal: Build an effective and efficient publically-supported organization that is viewed as a transparent and accountable steward of public funds</b>		
<b>Objective: Establish and manage departmental plan that improves public-perception of Bi-State Development programs and credibility of management</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Continual improvement of BSDA's economic development services, confirming program goals and continually updating and refining BSDA's economic development direction	<ul style="list-style-type: none"> <li>• BSDA Board and CEO provide oversight for economic development efforts</li> <li>• Economic Development staff interacting with BSDA engineering, planning, transit, grants, business enterprise, legislative, finance, marketing and communication on BSDA projects</li> <li>• Economic Development staff interacting with local and national economic development groups for information and best practices</li> <li>• Complete the establishment of the 501c (3) for economic development purposes</li> </ul>	<ul style="list-style-type: none"> <li>• Thoughtful, short and long-term economic development projects/programs for the regional community (on-going)</li> <li>• Increased perception in the region as BSDA being a key part of the community fabric (on-going)</li> <li>• Improved community and private partnerships for BSDA and BSDA projects (on-going)</li> </ul>
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.	<ul style="list-style-type: none"> <li>• Interface with BSDA planning staff regarding TOD</li> <li>• Interface with community partners on TOD planning/ finance/ development</li> <li>• Interface with property owners and planning staff on BRT</li> <li>• Focus regional efforts to secure large scale public infrastructure, such as the new Freight District</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing TOD, improving quality of transit station experience</li> <li>• Work on all 37 Metrolink stations for potential TOD improvements</li> <li>• Initiate economic development related to BRT</li> <li>• On-going work for high speed rail and bridge improvements for the greater St. Louis region</li> </ul>

<b>Objective: Establish and manage departmental plan that improves public-perception of Bi-State Development programs and credibility of management (cont.)</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Continual improvement of BSDA's real estate services by supporting BSDA's real estate requirements in a professional and fiduciary manner	<ul style="list-style-type: none"> <li>• Interface with engineering, transit, planning, grants operations, finance, business enterprises, economic development, legal and communications on projects</li> <li>• Interface with the community and community partners on BSDA projects and initiatives</li> <li>• Interface with FTA on property conveyance and systems licensing issues</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing offers, negotiations on properties and assets that support BSDA's efforts</li> <li>• Maintaining individual real estate certifications</li> <li>• Performing appraisals in a timely fashion for the acquisition or deposition of property</li> <li>• Annual excess property report to the BSDA Board</li> </ul>

### Performance Indicators – Economic Development and Real Estate

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

	<b>FY 2016</b>	<b>FY 2015</b>		<b>FY 2014</b>
	<b>Target</b>	<b>Projection</b>	<b>Target</b>	<b>Actual</b>
<b>Economic Development (also found under Executive Services)</b>				
Transit Oriented Development (TOD) project efforts at 37 stations	100%	100%	100%	100%
Bus Rapid Transit pre-development support	Yes	Yes	Yes	Yes
Grow regional project/funding partnership	Yes	Yes	Yes	Yes
Establish Freight District within BSDA	Yes	No	No	No
Create opportunities for use of Bi-State compact	Yes	Yes	Yes	Yes
Create 501c (3) for program leveraging	Yes	Yes	Yes	No
<b>Real Estate:</b>				
BSDA strategic property analysis	Yes	Yes	Yes	Yes
Engineering department support	Yes	Yes	Yes	Yes
BSDA leases accounts receivable current	98%	95%	95%	90%
BSDA leases accounts payable current	100%	100%	100%	100%
Operations department support	Yes	Yes	Yes	Yes

## Economic Development and Real Estate - Operating Expense

		FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
		Budget	Projection	Budget	\$ Change	% Change	Actual
<b>Economic Development &amp; Real Estate</b>	Wages & benefits without OPEB	\$ 227,889	\$ 217,896	\$ 219,690	\$ 9,992	4.6%	\$ 238,601
	Other post-employment benefits	10,719	13,869	13,399	(3,149)	-22.7%	14,503
	Services	446,260	241,740	272,000	204,520	84.6%	250,910
	Parts & supplies	13,575	9,264	18,000	4,311	46.5%	755
	Casualty & liability	18,578	18,908	18,000	(330)	-1.7%	18,893
	Utilities	82,500	79,389	70,500	3,111	3.9%	96,571
	Leases and other expense	67,082	82,171	61,425	(15,089)	-18.4%	57,122
	<b>Operating expense</b>	<b>\$ 866,603</b>	<b>\$ 663,236</b>	<b>\$ 673,014</b>	<b>\$ 203,367</b>	<b>30.7%</b>	<b>\$ 677,356</b>

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## Transit System

# Transit Improvement Plan Assumptions

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The three-year Transit Improvement Plan reflects known factors currently in existence to estimate net income/(deficit) before depreciation and were prepared using the FY 2016 Budget as the basis, identifying the company goals and objectives and applying the TIP assumptions to complete the plan. Deficits projected for FY 2017 through FY 2019 represent the unfunded portion of OPEB obligations.

## Operating Revenue

**Passenger revenue** for FY 2017 through FY 2019 reflects consistent service levels as planned in the FY 2016 budget. Passenger revenue projections include a 3.0% increase in 2017 as a result of a fare increase and smart card technology. Core ridership increase and system efficiencies in 2018 yields a 2.5% increase. Planned regional development, plus a fare increase allows a 3.0% growth in passenger revenue in FY 2019.

**TMA revenue** to be received from Transit Management Association participants is expected to grow at 3.0% annually for FY 2017 through FY 2019.

**Paratransit contract** revenues are associated with Call-A-Ride operations primarily due to Missouri Medicaid customers. These revenues are expected to increase 1.5% for the three year period FY 2017 through FY 2019. The modest increase is due to less customers using Medicaid due to complicated application process and opting to pay minimum fare.

**Other operating revenue** consists of advertising on revenue vehicles, shelters and MetroLink stations; property rental; contracted maintenance for St. Clair ATS service and the City of St. Louis fire truck maintenance; concessions; and other revenue. For FY 2017 through FY 2019, other operating revenues are expected to increase 3.0% annually.

## Operating Expense

**Operating expenses** are projected to increase at the rate of 3.0% for FY 2017 through FY 2019. Moderate inflation demands will increase wages, materials and parts, services and utilities costs.

## Grants and Assistance

**City of St. Louis ½ cent sales tax** assumes a modest growth of 1.0% in FY 2017 through FY 2019.

**St. Louis County ½ cent sales tax** assumes that the county will continue to appropriate to the Bi-State Development Agency 50.0% of collections for FY 2017 through FY 2019. Tax receipts from St. Louis County are projected to increase 2.5% in FY 2017, FY 2018 and FY 2019 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% annually for the TIP period. St. Louis County Prop M sales tax receipts are projected to increase 2.5% for the TIP period.

**St. Louis County ½ cent sales tax (Prop A)** assumes that St. Louis County will appropriate between 64.0% and 65.0% of projected Proposition A sales tax receipts to fund Metro operations, capital and debt requirements between FY 2017 and FY 2019. Revenues from this sales tax are projected to increase 2.5% annually. 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 2017 through FY 2019.

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 2017 through FY 2019 are expected to remain at the FY 2016 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 2016 budget. The projected increase will change at the 3.0% rate as overall operating expenses from FY 2017 through FY 2019.

**State of Illinois revenue** for the non-capital soil erosion and other non-capital projects are expected to inflate at approximately 3.0% from FY 2017 through FY 2019.

**Federal vehicle maintenance (Federal Formula Funds)** is budgeted at \$16 million for FY 2017 through FY 2019. 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 Agency 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.

**Federal assistance JARC** – the Job Access Reverse Commute dollars are anticipated to fund new route initiatives.

**Other non-capital projects Federal assistance** is projected at approximately \$3.8 million in FY 2016 and increasing to \$4.4 million in FY 2019.

**Federal non-capital Grants administration** is \$228 thousand in FY 2016 and remains at or near that level through FY 2019.

## **Non-Operating Revenue (Expense)**

**Investment income** is projected to increase 3.0% annually. Rates are expected to remain low; however, an increase in the amount available to investment accounts for the modest growth year over year.

**Interest on debt** decreased in FY 2016 levels as a result of refinancing. For FY 2017 through FY 2019 interest expense is expected to remain unchanged.

## **Deficit before Depreciation**

**Net deficits** projected for FY 2017 through FY 2019 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 and Assistance detail.



# Transit System Transit Improvement Plan Three Year Financial Summary

(Dollars in thousands)

	FY 2016		FY 2017		FY 2018		FY 2019	
	Budget		Projection	Change	Projection	Change	Projection	Change
<b>Operating revenue:</b>								
Passenger revenue	\$ 54,249	\$	55,900	3.0%	\$ 57,322	2.5%	\$ 59,068	3.0%
TMA revenue	1,453		1,497	3.0%	1,542	3.0%	1,589	3.0%
Paratransit contracts	3,235		3,283	1.5%	3,333	1.5%	3,383	1.5%
Other	5,244		5,402	3.0%	5,565	3.0%	5,731	3.0%
	<b>64,180</b>		<b>66,083</b>	<b>3.0%</b>	<b>67,762</b>	<b>2.5%</b>	<b>69,771</b>	<b>3.0%</b>
<b>Operating expense</b>	<b>285,540</b>		<b>293,964</b>	<b>3.0%</b>	<b>302,638</b>	<b>3.0%</b>	<b>311,567</b>	<b>3.0%</b>
<b>Operating income (loss)</b>	<b>(221,360)</b>		<b>(227,881)</b>	<b>(2.9)%</b>	<b>(234,876)</b>	<b>(3.1)%</b>	<b>(241,796)</b>	<b>(2.9)%</b>
<b>Non-operating revenue (expense):</b>								
Grants & assistance	234,839		241,325	2.8%	247,653	2.6%	253,564	2.4%
Investment income	681		701	3.0%	722	3.0%	744	3.0%
Interest on debt	(20,218)		(20,135)	(0.4)%	(19,990)	(0.7)%	(19,776)	(1.1)%
Sheltered workshop	(1,208)		(1,232)	2.0%	(1,258)	2.1%	(1,288)	2.4%
Other non-operating revenue/expense	(384)		(393)	2.5%	(403)	2.5%	(412)	2.5%
	<b>213,710</b>		<b>220,266</b>	<b>3.1%</b>	<b>226,725</b>	<b>2.9%</b>	<b>232,831</b>	<b>2.7%</b>
<b>Net income (deficit) before depreciation</b>	<b>\$ (7,649)</b>	<b>\$</b>	<b>(7,615)</b>	<b>0.4%</b>	<b>\$ (8,151)</b>	<b>(7.0)%</b>	<b>\$ (8,966)</b>	<b>(10.0)%</b>

Totals may not sum due to rounding.

# Transit System Transit Improvement Plan Three Year Grants and Assistance Detail

(Dollars in thousands)

	FY 2016		FY 2017		FY 2018		FY 2019	
	Budget	Projection	Change	Projection	Change	Projection	Change	
Local & state subsidies:								
Missouri subsidies:								
City of St. Louis 1/2 cent sales tax	\$ 18,757	\$ 18,945	1.0%	\$ 19,142	1.0%	\$ 19,343	1.0%	
City of St. Louis 1/4 cent sales tax	8,818	8,923	1.2%	8,995	0.8%	9,036	0.5%	
City of St. Louis Prop M2 sales tax	7,021	7,091	1.0%	7,178	1.2%	7,267	1.2%	
Total City of St. Louis	34,596	34,959	1.0%	35,316	1.0%	35,645	0.9%	
St. Louis County 1/2 cent sales tax	39,587	40,592	2.5%	41,623	2.5%	42,872	3.0%	
St. Louis County Prop M 1/4 cent sales tax	34,933	35,783	2.4%	36,550	2.1%	37,295	2.0%	
St. Louis County Prop A 1/2 cent sales tax	49,992	52,487	5.0%	54,907	4.6%	56,554	3.0%	
Total St. Louis County	124,511	128,862	3.5%	133,079	3.3%	136,721	2.7%	
Other local match - MO	600	618	3.0%	637	3.0%	656	3.0%	
State of Missouri	270	278	3.0%	287	3.0%	295	3.0%	
Planning & demonstration reimbursement - EWGCOG	160	160	0.0%	160	0.0%	160	0.0%	
Total Missouri local & state subsidies:	160,137	164,877	3.0%	169,478	2.8%	173,477	2.4%	
Illinois subsidies:								
St. Clair County	52,019	53,590	3.0%	55,221	3.0%	56,902	3.0%	
State of Illinois	1,940	1,975	1.8%	1,975	0.0%	2,013	1.9%	
Total Illinois local & state subsidies:	53,959	55,564	3.0%	57,196	2.9%	58,915	3.0%	
Total local & state subsidies	214,096	220,442	3.0%	226,674	2.8%	232,392	2.5%	
Federal assistance:								
Vehicle maintenance	16,000	16,000	0.0%	16,000	0.0%	16,000	0.0%	
JARC West County reverse commute expres	567	456	(19.6)%	437	(4.1)%	523	19.6%	
Non-capital projects- other	3,854	4,100	6.4%	4,300	4.9%	4,400	2.3%	
Non-capital grants administration	228	235	3.0%	242	3.0%	249	3.0%	
Total federal assistance	20,743	20,884	0.7%	20,979	0.5%	21,172	0.9%	
Total grants & assistance	\$ 234,839	\$ 241,325	2.8%	\$ 247,653	2.6%	\$ 253,564	2.4%	

## Transit System

# Capital Revenue Assumptions FY 2016 – FY 2018

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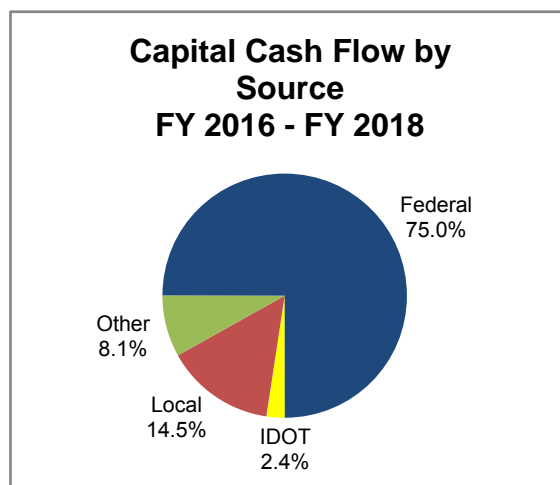
## Federal Funding

### “Moving Ahead for Progress in the 21<sup>st</sup> Century” (MAP-21)

MAP-21 is a two year bill signed into law by President Obama on July 6, 2012. MAP-21 became effective Oct. 1, 2012 and authorizes transportation programs through the federal fiscal year ending September 30, 2014. MAP-21 is currently under a continuing resolution through May 31, 2015. The Consolidated and Further Continuing Appropriations Act, 2015 signed by President Obama on December 16, 2014 provides \$11.008 billion in new budget authority including a full fiscal year's funding of \$8.595 billion for the Federal Transit Administration programs. For the purposes of this three-year capital plan, the FY 2016 – FY 2018 planned revenue assumes the transportation law will remain in effect under the congressional continuing resolution process or full reauthorization of the law.

MAP-21 supports many of the Agency's capital program goals, including safety, state of good repair, performance, and program efficiency. MAP-21 also improves the efficiency of administering grant programs by eliminating and consolidating several programs. Through funding apportioned under MAP-21, the Agency's capital program is planned primarily through the Section 5307 Urbanized Area Formula program which consolidates the Job Access and Reverse Commute (JARC) program activities; Section 5337 State of Good Repair Formula Program which replaces the Fixed Guideway Modernization program, and a new Section 5339 Bus and Bus Facility Formula program, which formulizes previous bus discretionary funds.

Beginning with the FY 2013 apportionment under MAP-21, the Urbanized Area Formula funds will be 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, bus operating costs, fixed guideway vehicle revenue 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.

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 Agency’s FY 2016 – FY 2018 capital budget totals \$619.6 million. Funding is planned through the MAP-21 programs as well as previously authorized and apportioned programs under SAFETEA-LU. Federal discretionary programs such as Congestion Mitigation & Air Quality (CMAQ) funds and Surface Transportation Program (STP) funds are continued under the MAP-21 law and are planned in this capital program. Under the MAP-21 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, MAP-21 authorizes an 85% federal investment with a 15% local match.

#### **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.

The Agency’s primary funding through SAFETEA-LU is from the 5307 Urbanized Area Formula program and the Fixed Guideway Modernization program. In most cases, capital formula and fixed guideway dollars are used to fund 80% of capital projects with a 20% local match. Formula funds apportioned to urbanized areas are based on population, population density, and other criteria. Fixed Guideway Modernization funds

allocated by formula to urbanized areas are based on systems with exclusive or controlled rights-of-way that have been in operation for at least seven years.

Other programs authorized under SAFETEA-LU include Section 5309 Capital Investment discretionary funding such as Bus and Bus Facilities, Bus Livability, State of Good Repair and Clean Fuels programs for bus purchases, construction or rehabilitation of related facilities, and projects that support reduced emissions activities. In addition, several formula based regional programs were established through SAFETEA-LU including the New Freedom and Job Access Reverse Commute (JARC) programs. Programs and funding authorized under SAFETEA-LU will continue until fully implemented and funds expended.

**The American Recovery and Reinvestment Act, 2009 (ARRA); (The Recovery Act)** [Pub. L. 111-5]; was signed into law on February 17, 2009 and includes \$8.4 billion for transit capital improvements. The goals of the statute include the preservation or creation of jobs and promotion of an economic recovery, as well as the investment in transportation, environmental protection and other infrastructure that will provide long-term economic benefits.

Funds appropriated through the ARRA for public transportation have been apportioned for three different programs: Transit Capital Assistance, Fixed Guideway Infrastructure Investment, and Capital Investment Grants (New/Small Starts). The Agency has received an allocation of funding through the Transit Capital Assistance program under the Section 5307 Urbanized Area Formula program for \$45,792,022 [\$4,130,901 was passed through to Madison County Transit District based on their reporting of regional transportation data to the National Transit Database (NTD)]. The Agency also received ARRA funds through the Fixed Guideway Infrastructure Investment/Modernization program for \$1,289,449.

As a result of the ARRA funding, the Agency has obligated \$42,950,570 in additional 5307 Urbanized Area Formula and 5309 Fixed Guideway Modernization funds to implement critical regional projects that have been deferred due to funding. Fixed Guideway funding through this revenue source has been expended 100%. Funding through the 5307 Formula program is ongoing and will be expended through FY 2016.

#### **Department of Homeland Security Transit Security Grant Program (TSGP)**

The Transit Security Grant Program continues to be an important funding source for the Agency. These funds provide for the critical hardening of the Agency'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 2016 – FY 2018 period.

## **State Funding**

### **Illinois Department of Transportation (IDOT)**

IDOT funds are used to support various capital projects located in Illinois. The Agency 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**

The Agency 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 2016 - FY 2018.

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.

## Transit System

# Capital Expenditure Assumptions FY 2016 – FY 2018

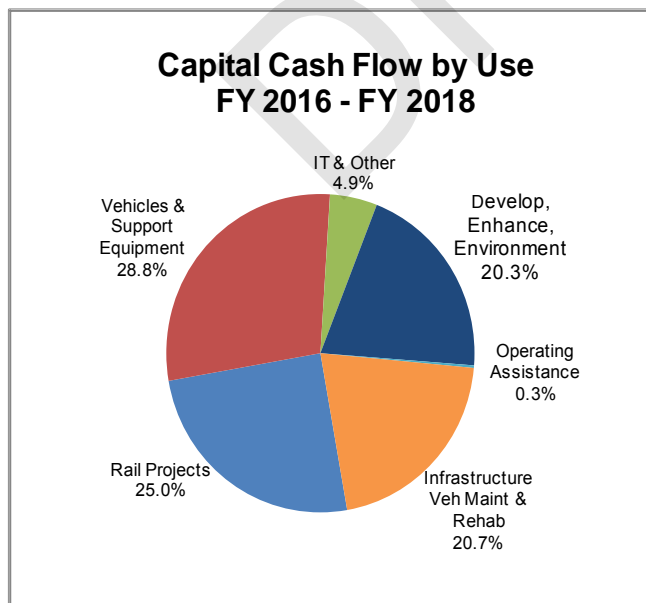
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## Capital Expenditures

The capital expenditure program for FY 2016 – FY 2018 encompasses a wide range of initiatives over the next three years meeting the Agency's major capital projects and priorities and incorporates the federal program changes reflected in the new transportation law Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21).

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 2016 is \$465.5 million. Total capital expenditures planned for the three-year capital program is \$619.6 million. The FY 2016 – FY 2018 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.



One Percent of planned FY 2016 - FY 2018 Section 5307 Formula funds will be used to provide associated transit improvements to enhance MetroBus and MetroLink facilities as a part of the Agency's recurring capital activities. As part of the redefined FTA enhancement program under MAP-21, public art activities are no longer eligible under the Urbanized Area Formula 1% enhancement program; however one percent of remaining

funds authorized under SAFETEA-LU as well as other capital funds will be designated for the Arts in Transit Program as directed by Board policy.

The three-year capital budget assumes approximately \$154.9 million for MetroLink infrastructure projects, \$1.6 million for JARC operating assistance, \$9.9 million for safety and security enhancements, and \$19.1 million for information technology improvements. Vehicles and supporting equipment needs assume \$178.4 million; infrastructure and vehicle maintenance needs assume \$128.5 million.

Peripheral equipment is planned to improve operating efficiencies, customer enhancements and support “smart bus” technology which 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 the transit's bus and light rail facilities.

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 all MetroLink stations as well as improved access to bus stops and the installation of passenger benches at various bus stop locations throughout the system. In addition, a Travel Training program is planned to continue to support persons with disabilities in using the fixed guideway and bus systems.

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

Associated Transit Improvement projects will be undertaken to provide increased passenger amenities including upgrades to passenger shelters, signage and other station improvements. The Arts in Transit Department works closely with community groups and organizations in the development of these projects.

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 2016 - FY 2018 capital budget. These non-recurring expenditures are intended to address an immediate capital need within the Agency's 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 bus transfer center in Downtown and new bus transfer center and maintenance facility in the North County portions of the service area. These planned improvements total \$42.5 million.

Additionally, the Agency 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 2016 - FY 2018 capital program period, funds totaling \$23.7 million are planned for expenditure to complete this project. A total of \$10.9 million in expenditures is planned for the FY2016 – FY1018 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 2016 – FY 2018 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 2016 - FY 2018.

Under MAP-21 the Fixed Guideway program was eliminated and a new formula program known as State of Good Repair has been authorized. During the FY 2016 - FY 2018 capital investment program projects will continue to be administered and funds expended under the previously authorized Fixed Guideway program. In addition, funds totaling \$18 million dollars have been returned to the capital budget from the Agency's debt service reserve fund and applied to fixed guideway eligible projects. A total of \$85 million in federal State of Good Repair funds are planned over this FY 2016 - FY 2018 to support light rail facility and right-of-way improvements throughout the system. As a part of the Agency's overall state of good repair efforts, the Agency continues to develop its' Transit Asset Management program which will further establish standards for the state of good repair of the Agency's transportation infrastructure and vehicles; and to develop a Transit Asset Management database to more efficiently manage all assets.

As a part of the Agency'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 \$619.6 million addresses all major elements of the Agency. Included within this plan are eight significant non-routine capital expenditures. They include:

	(in millions)
Integrated Fare System Upgrade	\$ 29.5
Radio Replacement	34.0
MetroLink Right-of-Way Improvements	50.0
Union Station Tunnel Rehabilitation	35.0
Downtown Transfer Center	7.1
North County Bus Transfer Center\Maintenance Facility	35.4
Light Rail Vehicle Upgrades	32.0
Information Technology Upgrades	4.7
Total non-routine projects	<u>\$ 227.7</u>

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

## **Non-Routine Capital Grant Administration Agreements**

In FY 2005, the Agency 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 the Agency. As a part of the SAFETEA-LU authorization the JARC funding was changed to a formula program. Under MAP-21 the JARC program has been eliminated and the JARC related activities are now incorporated as a part of eligible activities under the Federal Urbanized Area Formula funding. The New Freedom program was introduced in SAFETEA-LU as a formula program. Under MAP-21 the program has been 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 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 the Agency administers sub-recipient awards and agreements for any projects selected through a competitive application process for these programs. Under MAP-21 the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities will be allocated to co-designated recipients including the Bi-State Development Agency, East-West Gateway Council of Governments, Missouri Department of Transportation (MoDOT) and Illinois Department of Transportation (IDOT).

The Agency will manage sub-recipient 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 Agency will continue to administer funds remaining under the SAFETEA-LU authorization through the FY 2016 – FY 2018 program period. The funds identified under MAP-21 will also be administered through this program period.

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

SAFETEA-LU Funded Projects  
Job Access and Reverse Commute

	(in millions)
Independence Center	.18
Madison County Transit District	.02
St. Clair County Transit District	.05
OATS, Inc,	.19
Challenge Unlimited	.08
Jefferson County Developmental Disabilities Resource Board	.11
Sub-total JARC agreements	<u>\$ 0.63</u>

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

	(in millions)
Paraquad	.38
ITN St. Charles	.12
Disability Resource Association	.29
Touchette Regional Hospital	.03
Challenge Unlimited	.34
Jefferson County Developmental Disabilities Resource Board	.31
Sub-total Enhanced Mobility of Seniors & Individuals with Disabilities agreements	<u>\$ 1.47</u>
Total non-routine capital grant administration agreements	<u>\$ 2.10</u>

## **Transit System**

# **Impact of Capital Improvements on Operating Budget**

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Included in the capital budget is a three-year program designed to build, maintain or replace the Bi-State Development Agency's (Agency) 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 2016 – FY 2018 capital program period and that directly affect the FY 2016 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 2016. 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 2016 capital plan. This tunnel has experienced significant repairs over the past three 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 2016 - FY 2018 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 47 buses and 37 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 to be in place by 2016. 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**

Design is underway for the expansion of a downtown bus transfer center and a transfer center in the North County portion of our service area. With the construction of these two new 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 the Agency 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 14<sup>th</sup> and Spruce, Shrewsbury, Riverview and Meridian MetroBus Center. These centers permit improved transfers between bus routes in a safe and secure location. Those 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 2016 – FY 2018

Description	Capital Investment (in millions)	Annual Impact FY	Operating \$
North County Transfer Center	\$5.4	2016	\$0.3
Downtown Transfer Center Expansion	\$7.1	2017	-
North County Maintenance Facility	\$30.0	2017	\$0.3
MetroLink Station Parking Lot Improvements	\$1.4	2016	(\$0.3)
Radio/CAD/AVL Upgrades	\$34.0	2016	(\$0.5)
Replacement Rolling Stock	\$132.0	2016-2018	(\$3.0)

## Transit System

# Federal Programming Needs

## FY 2016 – FY 2018

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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.

MAP-21 is a two year bill signed into law by President Obama on July 6, 2012. MAP-21 became effective Oct. 1, 2012 and authorizes transportation programs through the federal fiscal year ending September 30, 2014. MAP-21 is currently under a continuing resolution through May 31, 2015. The Consolidated and Further Continuing Appropriations Act, 2015 signed by President Obama on December 16, 2014 provides \$11.008 billion in new budget authority including a full fiscal year's funding of \$8.595 billion for the Federal Transit Administration programs. This three-year capital plan assumes the transportation law will remain in effect through congressional reauthorization or continuing resolution process.

MAP-21 continues to address 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. MAP-21 also emphasizes rehabilitation and replacement of aged infrastructure by establishing new asset management requirements and performance-based planning requirements.

Projects identified in the Agency's FY 2016 – FY 2018 capital plan seek to meet the requirements detailed in the MAP-21 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. The Agency'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 Congestion Mitigation & Air Quality and Surface Transportation Program funds.

The Agency 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 MAP-21 the Agency will seek

funding under the Fixed Guideway Capital Investments program which includes streamlined guidance for the New Starts and Small Starts programs as well as a new Core Capacity program. These funding sources will support new or expanded fixed guideway systems as well as bus rapid transit efforts.

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# Transit System Transportation Improvement Plan

FY 2016 - FY 2018

## Capital Cash Flow Summary

Sources of Funds	FY 2016	FY 2017	FY 2018	TOTAL
Federal Formula Funds - New	\$ 33,271,595	\$ 33,604,311	\$ 33,940,354	\$ 100,816,260
Federal Formula Funds - Carryover	94,939,000	-	-	94,939,000
Fixed Guideway Funds - Carryover	31,990,296	-	-	31,990,296
State of Good Repair - New	14,467,414	14,612,088	14,758,210	43,837,712
State of Good Repair - Carryover	41,009,578	-	-	41,009,578
Bus and Bus Facility - New	3,151,380	3,182,893	3,214,722	9,548,995
Bus and Bus Facility - Carryover	9,163,691	-	-	9,163,691
Approved Federal Discretionary Funds	58,251,693	-	-	58,251,693
Planned Federal Discretionary Funds	53,933,368	11,000,000	10,000,000	74,933,368
IDOT Funding	12,368,892	1,695,545	763,660	14,828,097
Missouri Local Sales Tax Capital Funding	3,334,754	-	-	3,334,754
Missouri Local Prop M Sales Tax Funding	63,050,409	8,929,206	10,100,419	82,080,034
St. Clair County Transit District Funds	4,236,474	194,174	8,666	4,439,314
Other Financing	<u>42,398,241</u>	<u>4,040,243</u>	<u>4,059,328</u>	<u>50,497,812</u>
<b>Grand Total</b>	<b>\$ <u>465,566,785</u></b>	<b>\$ <u>77,258,460</u></b>	<b>\$ <u>76,845,359</u></b>	<b>\$ <u>619,670,604</u></b>

## FY 2016 Capital Programs and Projects

### Current and Future Rail Projects

Track, Catenary, Alignment, Bridge, Tunnel, and Maintenance Projects	131,936,382
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**131,936,382**

### Operating Assistance

Job Access/Reverse Commute Service	1,595,201
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**1,595,201**

### Vehicles and Supporting Equipment

Peripheral Equipment	10,963,816
Peripheral Support	22,961,310
Revenue Vehicles	88,526,469
Support Vehicles	5,315,714

**127,767,309**

### New Development, Enhancement, Environmental Projects

Community Development Projects	8,354,919
Enhancement Projects	7,036,578
Transit Development-Facility, Centers, Stations, Parking Lots, Loops, Other	98,841,449

**114,232,946**

### Information Technology Improvements

Hardware and Software Data Systems	15,471,148
Office equipment	465,820

**15,936,968**

### Infrastructure, Vehicle Maintenance and Rehab Programs

Existing Facilities - Maintenance and Rehab	10,196,613
Maintenance Equipment - Fleet, Warehouse, Facilities, Storeroom	3,474,772
Preventative Maintenance	20,000,000
Vehicle Maintenance, Rehab, Overhaul Programs	31,184,023

**64,855,408**

## FY 2016 Capital Programs and Projects

### Health, Safety, and Security

Health, Safety and Security Projects

8,192,409

**8,192,409**

### Program Administration

Program Administration

1,050,162

**1,050,162**

**Grand Total**

**465,566,785**

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## **FY 2016 - FY 2018 Capital Programs and Projects**

### **Current and Future Rail Projects**

Track, Catenary, Alignment, Bridge, Tunnel, and Maintenance Projects	154,847,023	
		<b>154,847,023</b>

### **Operating Assistance**

Job Access/Reverse Commute Service	1,595,201	
		<b>1,595,201</b>

### **Vehicles and Supporting Equipment**

Peripheral Equipment	14,939,316	
Peripheral Support	22,961,310	
Revenue Vehicles	132,017,104	
Support Vehicles	8,488,214	
		<b>178,405,944</b>

### **New Development, Enhancement, Environmental Projects**

Community Development Projects	8,354,919	
Enhancement Projects	8,053,406	
Transit Development-Facility, Centers, Stations, Parking Lots, Loops, Other	109,254,922	
		<b>125,663,247</b>

### **Information Technology Improvements**

Hardware and Software Data Systems	18,521,148	
Office Equipment	633,820	
		<b>19,154,968</b>

### **Infrastructure, Vehicle Maintenance and Rehab Programs**

Existing Facilities - Maintenance and Rehab	31,185,117	
Maintenance Equipment - Fleet, Warehouse, Facilities, Storeroom	5,116,772	
Preventative Maintenance	60,000,000	
Vehicle Maintenance, Rehab, Overhaul Programs	32,216,611	
		<b>128,518,500</b>

**FY 2016 - FY 2018 Capital Programs and Projects**

<b>Health, Safety, and Security</b>		
Health, Safety and Security Projects	9,935,559	<b>9,935,559</b>
<b>Program Administration</b>		
Program Administration	1,550,162	<b>1,550,162</b>
<b>Grand Total</b>		<b><u>619,670,604</u></b>

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# Transit System Transportation Improvement Plan

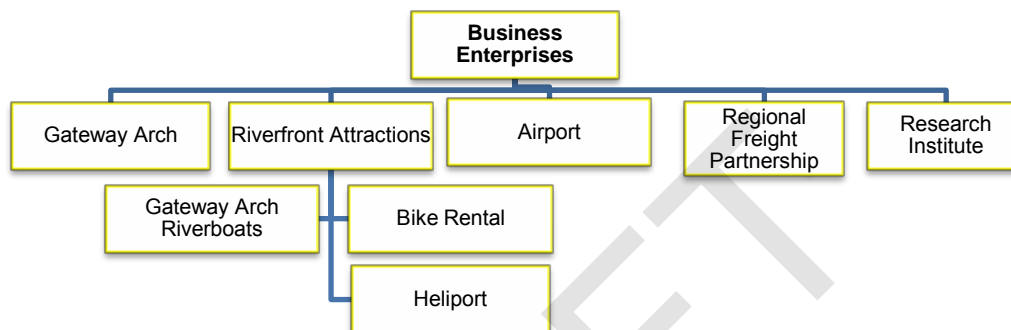
## FY 2016 - FY 2018

### Capital Cash Flow Summary

Uses of Funds	FY 2016	FY 2017	FY 2018	TOTAL
Track, Catenary, Alignment, Bridge, Tunnel, and Maintenance Projects	\$ 131,936,382	\$ 20,008,541	\$ 2,902,100	\$ 154,847,023
Job Access/Reverse Commute Service	1,595,201	-	-	1,595,201
Peripheral Equipment	10,963,816	3,975,500	-	14,939,316
Peripheral Support	22,961,310	-	-	22,961,310
Revenue Vehicles	88,526,469	21,135,387	22,355,248	132,017,104
Support Vehicles	5,315,714	3,172,500	-	8,488,214
Community Development Projects	8,354,919	-	-	8,354,919
Enhancement Projects	7,036,578	496,590	520,238	8,053,406
Transit Development - Facility, Centers, Stations, Parking, Lots, Loops, Other	98,841,449	-	10,413,473	109,254,922
Hardware and Software Data Systems	15,471,148	2,050,000	1,000,000	18,521,148
Office Equipment	465,820	168,000	-	633,820
Existing Facilities - Maintenance and Rehab	10,196,613	2,327,354	18,661,150	31,185,117
Preventative Maintenance	20,000,000	20,000,000	20,000,000	60,000,000
Maintenance Equipment - Fleet, Warehouse, Facilities, Storeroom	3,474,772	1,642,000	-	5,116,772
Vehicle Maintenance, Rehab, Overhaul Programs	31,184,023	1,032,588	-	32,216,611
Health, Safety and Security Projects	8,192,409	1,000,000	743,150	9,935,559
Program Administration	1,050,162	250,000	250,000	1,550,162
<b>Grand Total</b>	<b>\$ 465,566,785</b>	<b>\$ 77,258,460</b>	<b>\$ 76,845,359</b>	<b>\$ 619,670,604</b>

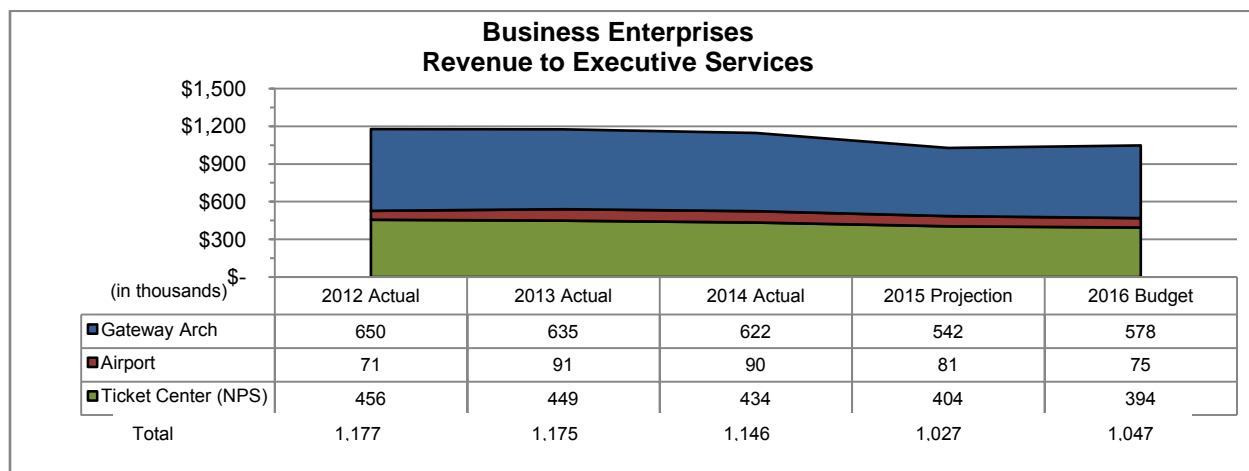
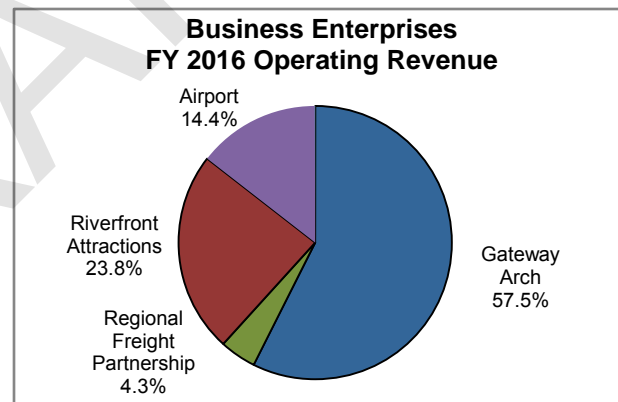
# Business Enterprises

The Business Enterprise Operating Units function as a stand-alone, revenue-generating and business development entity. The Business Enterprises division includes the Gateway Arch Tram ticketing and reservation systems, the Gateway Arch Riverfront Attractions, the St. Louis Downtown Airport, and two new companies; the Regional Freight Partnership and the Research Institute. Each of these companies operates separate from Bi-State's Transit System from managerial, financial and policy standpoints.



The graph to the right summarizes the sources of Business Enterprise's operating revenues. The largest provider of revenue is the Gateway Arch, which is expected to provide 57.5% of those revenues in FY 2016.

Business Enterprises reimburses Executive Services for various administrative services. The chart below shows the payments made over the past several years, as well as, estimated future payments.



**Business Enterprises**  
**Operating Budget Summary**  
**Fiscal Year Ending June 30, 2016**  
(Dollars in thousands)

	FY 2016 Budget							
	Gateway Arch		St. Louis	Regional				
	Tram	Riverfront	Downtown	Freight	Research	FY 2016	FY 2015	Percent
	Operations	Attractions	Airport	Partnership	Institute	Total	Budget	change
Operating revenue:								
Business Enterprises								
operations revenue	\$ 5,984	\$ 2,478	\$ 1,505	\$ 450	\$ 5	\$ 10,421	\$ 10,272	1.5%
Other revenue	-	-	-	-	-	-	-	-
	5,984	2,478	1,505	450	5	10,421	10,272	1.5%
Operating expense:								
Wages & benefits excluding OPEB	1,894	1,200	853	250	-	4,197	4,063	3.3%
Other post-employment benefits (OPEB)	52	44	48	-	-	144	200	-28.0%
Services	979	222	115	40	5	1,362	1,710	-20.4%
Fuel & lubrications	-	83	26	-	-	109	97	12.4%
Parts & supplies	241	520	130	2	-	893	848	5.3%
Casualty & liability	54	174	65	-	-	292	333	-12.3%
Utilities	128	93	191	1	-	412	471	-12.5%
Taxes, leases & other	622	131	36	4	-	793	815	-2.7%
Agency fees	578	-	75	-	-	654	723	-9.7%
	4,548	2,467	1,540	296	5	8,856	9,261	-4.4%
Operating income (loss)	1,436	11	(35)	154	-	1,566	1,011	54.9%
Non-operating revenue (expense):								
Investment income	14	-	0.3	-	-	15	17	-15.0%
Interest on debt	(307)	-	-	-	-	(307)	-	-
Contributions from (to) other entities	-	-	-	-	-	-	(635)	-100.0%
	(293)	-	0.3	-	-	(293)	(618)	52.6%
Net income (deficit)								
before depreciation	1,143	11	(34)	154	-	1,273	393	223.9%
Depreciation & amortization	(152)	(315)	(1,562)	-	-	(2,030)	(2,167)	-6.3%
Net surplus (deficit)	\$ 991	\$ (305)	\$ (1,597)	\$ 154	\$ -	\$ (757)	\$ (1,774)	-57.3%



## Business Enterprises

# Gateway Arch

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### 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 Agency (BSDA) 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, BSDA 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, BSDA 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 Agency 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 2016.

#### *Westward Expansion Museum*

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

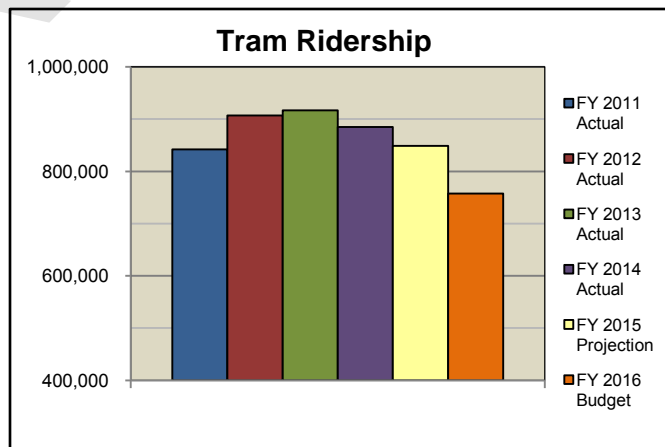
#### *Odyssey Theatre*

This theatre will be permanently closed and repurposed as retail in 2015.

#### *Tucker Theater*

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

*Museum Stores* include museum gift shop and nostalgic recreation of 1870's general store.



### Also on the St. Louis Riverfront:

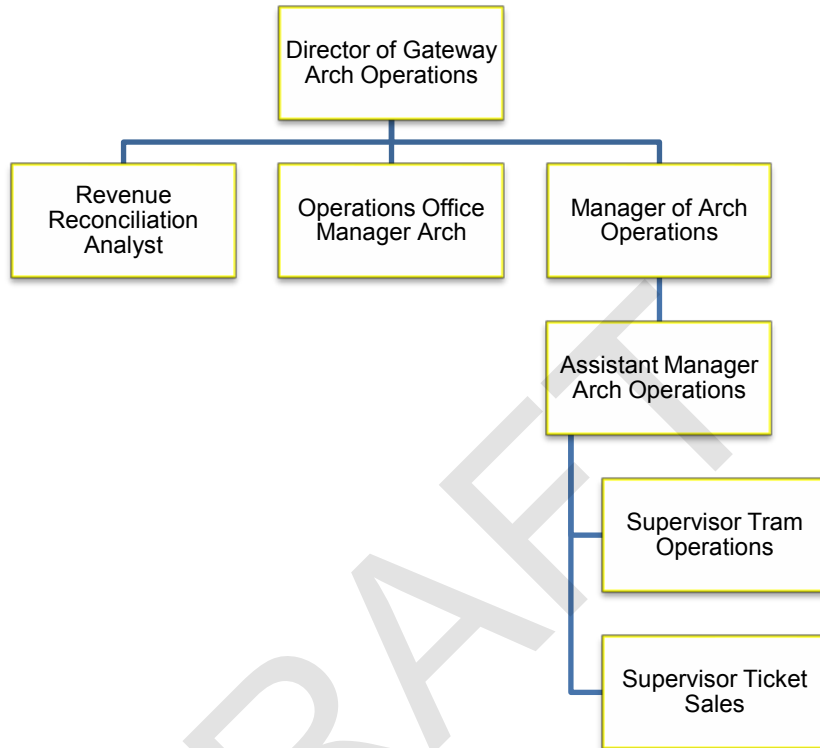
Old Courthouse, Gateway Arch Riverboats, helicopter tours, Laclede's Landing MetroLink station

**Website:** [www.gatewayarch.com](http://www.gatewayarch.com)

# Gateway Arch

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## Organization:



## Total Personnel:

Full-Time - 12

Part-Time - Seasonal employee count varies throughout the year



**Gateway Arch  
Operating Budget Summary  
Fiscal Year Ending June 30, 2016**

	<b>FY 2016 Budget</b>	<b>FY 2015 Projection</b>	<b>FY 2015 Budget</b>	<b>FY16 Bgt vs. FY15 Proj \$ Change</b>	<b>FY16 Bgt vs. FY15 Proj % Change</b>	<b>FY 2014 Actual</b>
<b>Operating revenue:</b>						
Arch ticket sales	\$ 6,042,614	\$ 5,453,635	\$ 5,544,898	\$ 588,979	10.8%	\$ 5,725,315
Sales discounts and allowances	(87,798)	(79,383)	(77,380)	(8,416)	-10.6%	(78,457)
Site rental and other revenues	28,799	39,152	40,199	(10,353)	-26.4%	35,594
<b>Total operating revenue</b>	<b>5,983,615</b>	<b>5,413,404</b>	<b>5,507,717</b>	<b>570,211</b>	<b>10.5%</b>	<b>5,682,452</b>
<b>Operating expense:</b>						
Compensation	1,391,344	1,184,248	1,245,469	207,096	17.5%	1,047,848
Benefits excluding OPEB	502,189	412,021	472,093	90,168	21.9%	440,192
OPEB	52,000	55,639	65,000	(3,639)	-6.5%	59,540
Services	979,257	904,442	932,950	74,814	8.3%	878,476
Materials and supplies	241,133	202,564	246,033	38,569	19.0%	113,618
Utilities	127,613	113,733	116,965	13,880	12.2%	127,144
Casualty & liability	53,566	50,926	53,566	2,640	5.2%	46,937
Other expenses	1,200,751	1,212,298	1,156,238	(11,547)	-1.0%	1,091,512
<b>Total operating expenses</b>	<b>4,547,852</b>	<b>4,135,870</b>	<b>4,288,314</b>	<b>411,982</b>	<b>10.0%</b>	<b>3,805,267</b>
<b>Operating income (loss)</b>	<b>1,435,763</b>	<b>1,277,534</b>	<b>1,219,403</b>	<b>158,228</b>	<b>12.4%</b>	<b>1,877,185</b>
<b>Non-operating revenue (expense):</b>						
Investment income	14,293	10,303	14,293	3,990	38.7%	9,753
Interest expense	(307,465)	(330,951)	-	23,486	7.1%	-
Contributions to outside entities	-	(5,366,801)	(630,000)	5,366,801	100.0%	(420,259)
Other non-operating expense	-	-	-	-	-	202
<b>Total non-operating revenue (expense)</b>	<b>(293,172)</b>	<b>(5,687,448)</b>	<b>(615,707)</b>	<b>5,394,277</b>	<b>94.8%</b>	<b>(410,303)</b>
<b>Net income (loss) before depreciation</b>	<b>1,142,591</b>	<b>(4,409,914)</b>	<b>603,696</b>	<b>5,552,505</b>	<b>125.9%</b>	<b>1,466,881</b>
Depreciation & amortization	151,874	380,825	323,970	(228,951)	-60.1%	391,669
Net transfers (in) out	-	(112,298)	-	112,298	100.0%	(123,223)
<b>Net income (loss)</b>	<b>\$ 990,717</b>	<b>\$ (4,678,441)</b>	<b>\$ 279,726</b>	<b>\$ 5,669,158</b>	<b>121.2%</b>	<b>\$ 1,198,435</b>

## Business Enterprises

### Gateway Arch - FY 2016 Budget

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On October 28, 2015, the Gateway Arch will celebrate the 50th anniversary of the placement of the final piece of the Arch. Throughout FY 2016 virtually all areas of the Jefferson National Expansion Memorial (JNEM) will be undergoing major renovations as part of the CityArchRiver 2015 construction. The Gateway Arch staff will be heavily involved both by managing portions of the construction and providing visitor service solutions to accommodate visitors during this challenging time.

For the duration of FY 2016, the museum under the Arch will be closed for renovations. The Odyssey Theatre will be replaced with a new retail space and all other areas of the Visitor Center will be renovated in phases, further limiting the capacity of the facility and the 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 their 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.

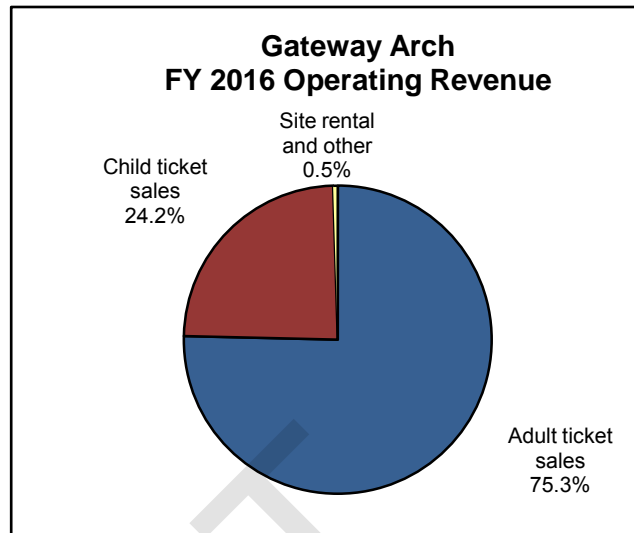
The Gateway Arch will be operating two additional ticketing locations with five points-of-sale at the Old Courthouse and three points-of-sale in a ticket booth near the entrance to the Arch. Operating multiple locations and ensuring that all visitors to the facility have an entry ticket will increase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

In January and February 2016, the Arch Transportation System (ATS) will receive a major upgrade. The motor generator set 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 entire facility will be closed to the public to accommodate these construction projects as well as critical life-safety related projects throughout the Gateway Arch Visitor Center.

Upon completion of the ATS upgrades and the *Journey to the Top* exhibits in March 2016, the pricing for the tram will increase from \$7 for an adult ticket to \$10 and a child ticket will increase from \$5 to \$10.

## Revenue

**Arch ticket sales** in FY 2016 result from a budgeted 757,685 tram passengers which is 10.7% lower than the 848,532 passengers projected for FY 2015. FY 2016 will experience Arch grounds construction and trams shut down in January and February for the motor generator replacement project. The current tram fares are \$7.00 for adults and \$5.00 for children but are budgeted to increase in March 2016 to \$10 for an adults and \$10 for a child ticket.



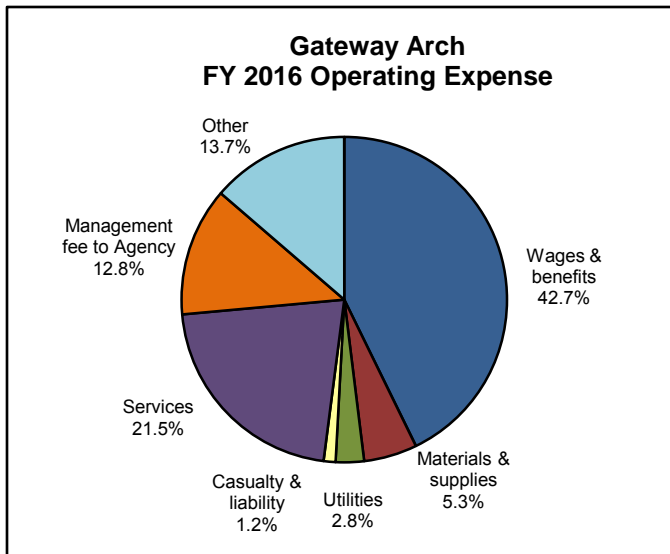
**Site rental and other revenues** represent convenience fees charged on the online and individual phone ticket purchases. There are no site rental revenues budgeted in FY 2016.

## Expense

**Wages and benefits including OPEB** are budgeted in FY 2016 at 17.5% higher than the FY 2015 projection due to a higher number of seasonal and part-time hours planned. Changes to the Arch campus will require additional staffing for visitor orientation and guidance.

**Services** increased 8.3% over the FY 2015 projection and 5.0% 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	\$ 693
Credit card fees, banking service charges	162
Legal	40
Internet web site maintenance and development	30
Maintenance Services	43
Other	11
	<u>\$ 979</u>



**Materials and supplies** are budgeted at \$241,133, which is \$19.0% greater than the FY 2015 projection. The increase is in ticket stock, computer equipment, furniture and fixtures, and tram repair parts.

**Utilities** are primarily electricity costs which are \$124,213 of the overall \$127,613 utility budget in FY 2016.

**Casualty and liability** cost is budgeted in FY 2016 at 5.2%

greater than the FY 2015 projection due to anticipated inflationary increases in all policies.

**Other expense** includes the following (in thousands):

Management fee to the Agency	\$ 578
Advertising and promotion	575
Travel, training, lease expense and other	<u>48</u>
	<u>\$ 1,201</u>

Other expense is budgeted in FY 2016 to be 0.7% lower than the FY 2015 projection due to lower advertising expenses and 3.8% higher than the FY 2015 budget because of higher agency management fees which are based on higher 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** includes a \$5,366,801 projection for FY 2015 and is primarily the Arch visitors center roof replacement project. The FY 2015 budget included contributions to the National Park Service for the following (in thousands):

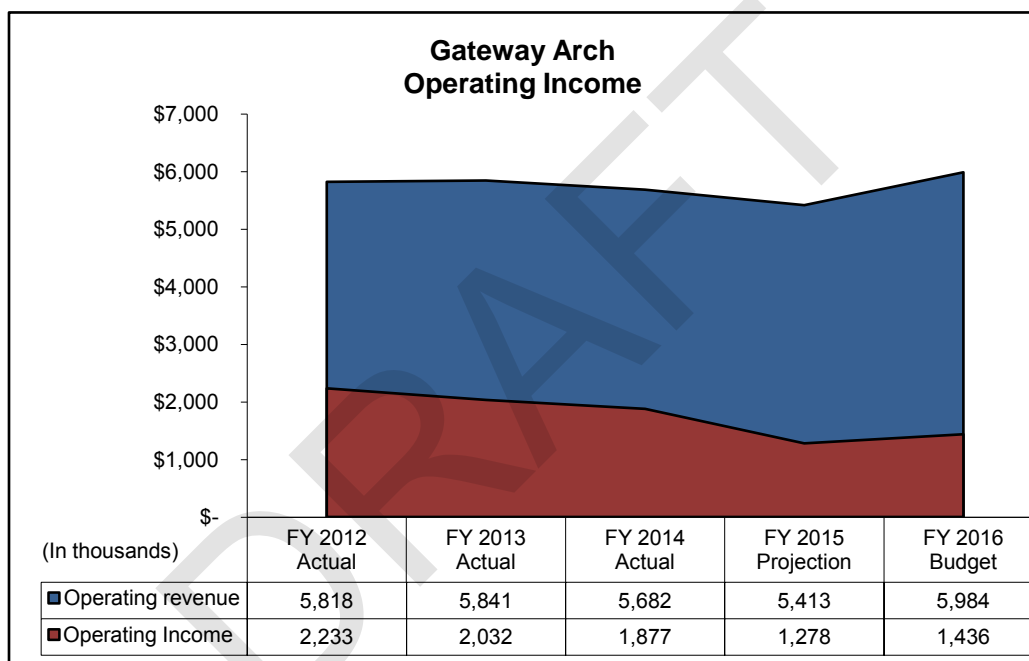
Arch Staining Remediation	\$ 300
CityArchRiver redesign project	300
Arch Bike Trail Improvements	<u>30</u>
	<u>\$ 630</u>

For FY 2016 there are no contributions to outside entities budgeted.

## Income

**Operating Income** for FY 2016 is \$158,228 greater than the FY 2015 projection due to the tram fare increase in March 2016.

**Net income before depreciation** is budgeted at \$1,142,591 for FY 2016. The FY 2015 Projection is net of the \$5,366,801 contribution to the Jefferson National Expansion Memorial Beneficial Fund (JNEMBF) for capital projects, primarily the Arch visitor center roof replacement project. Any income the Gateway Arch generates is held in the JNEMBF to fund capital improvements. The capital budget for FY 2016 is \$10,065,000.



## 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 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.

<b>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.</b>		
<b>Objective: Improve service quality</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Understand our customers' expectations and take steps to exceed them	<ul style="list-style-type: none"> <li>• Due to limited capacity and amenities available to visitors, the Gateway Arch Visitor Center will require a timed-ticket for entry</li> <li>• Update the Arch Tram Transportation System by replacing the Motor Generator Sets</li> <li>• Redesign "Journey to the Top" load zones to focus on park themes, lower maintenance costs, and improved pre-boarding processes</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce time spent in queues for security / building entry</li> <li>• Increase reliability of Arch Tram Transportation System</li> <li>• Enhance the customer experience of the product</li> <li>• Increase efficiency of the "Journey to the Top" experience and improve customer satisfaction with the overall experience</li> </ul>
<b>Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources</b>		
<b>Objective: Implement revenue enhancement strategies</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Increase ticket sales	<ul style="list-style-type: none"> <li>• Add two 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</li> <li>• Increase revenue opportunities through advance ticket sales by expanding existing partnerships and establishing new relationships</li> <li>• Track the effectiveness of advertising promotions</li> </ul>	<ul style="list-style-type: none"> <li>• Minimize visitor complaints related to limited capacity and new ticketing locations.</li> <li>• Continue partnerships with the St. Louis Convention and Visitors Commission and area hotels to sell packages, which increase exposure and pre-visit buying opportunities</li> <li>• Determine the most effective promotions strategies through system tracking and evaluation</li> </ul>



<b>Objective: Identify and implement shared services programs with other entities where beneficial</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Work closely with local communities and organizations to ensure the success of all as we are a regional cooperative partner that supports regional economic development	<ul style="list-style-type: none"> <li>• Maximize public relations and public awareness opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Partner with the NPS to coordinate and promote activities</li> <li>• Coordinate financial resources and strategic partnerships for CityArchRiver 2015 projects</li> </ul>
<b>Objective: Deliver quality capital projects on time and within budget</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Aggressively pursue and complete capital projects	<ul style="list-style-type: none"> <li>• As determined from guest research and in conjunction with the National Park Service General Management Plan, address key guest experience issues through capital investments</li> </ul>	<ul style="list-style-type: none"> <li>• Design, construct, and install Arch Load Zone and lobby exhibits to improve the guest experience</li> <li>• Complete Arch Tram Transportation System Motor Generator study, design, and bid review</li> </ul>

<b>Gateway Arch: Performance Indicators</b>				
	<b>FY 2016</b>	<b>FY 2015</b>		<b>FY 2014</b>
	<b>Target</b>	<b>Projection</b>	<b>Target</b>	<b>Actual</b>
Operating income (\$ in thousands)	\$1,436	\$1,278	\$1,219	\$1,877
Tram ridership	757,685	848,532	857,266	885,165

## Business Enterprises

# Gateway Arch FY 2016 Capital Project Summary

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(in thousands)

### Sources of Funds:

Exhibit Rehabilitation Project Account	\$ 4,165
2014 Series Arch Tram Revenue Bonds - PNC	5,000
Jefferson National Expansion Memorial Beneficial Fund	<u>900</u>
<b>Total Sources of Funds</b>	<b><u>\$ 10,065</u></b>

### Uses of Funds:

#### **ATS Load Zone and Exhibit Rehabilitation Project**

Redesign and implement updated exhibits in both sides of the Arch Journey to the Top experience, the Arch lobby, and two MetroLink stations. The new lobby designs will focus on better efficiency in the operating process, more integration with NPS themes, and easier-to-maintain / more durable exhibits. The design will complement the other upgrades and enhancements related to the CityArchRiver 2015 project. The MetroLink station updates will provide welcoming locations for visitors to the vicinity of the Arch.

\$ 4,165

#### **Arch Transportation System (ATS) Motor Generator (MG) Set Replacement Design Services**

This project includes all remaining design and engineering related to the integration and construction oversight for the replacement of the MG sets for the ATS and additional safety options.

600

#### **Arch Transportation System (ATS) Motor Generator (MG) Set Replacement Construction**

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

**Uses of Funds (continued):**

**Gateway Arch Visitor Facility Distributed Antenna System**

Design, procure, and install a centralized, modular Distributed Antenna System capable of providing commercial cellular services and Radio-Frequency based services throughout the Gateway Arch underground facility.

300

**Total Uses of Funds**

**\$ 10,065**

DRAFT

## Business Enterprises

# 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 Agency 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, 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, bike rentals and a public use heliport barge offering helicopter tours. The bike rental concessions will not be in operation in FY 2016 due to the Arch riverfront construction but will return in FY 2017.

### 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 the Bi-State Development Agency 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 2016, our goal is to retain passenger revenue during major riverfront construction.

### Number of passengers yearly

#### (FY 2014 Actual):

Sightseeing	101,947
Dinner cruise	10,175
Charter cruise	8,601

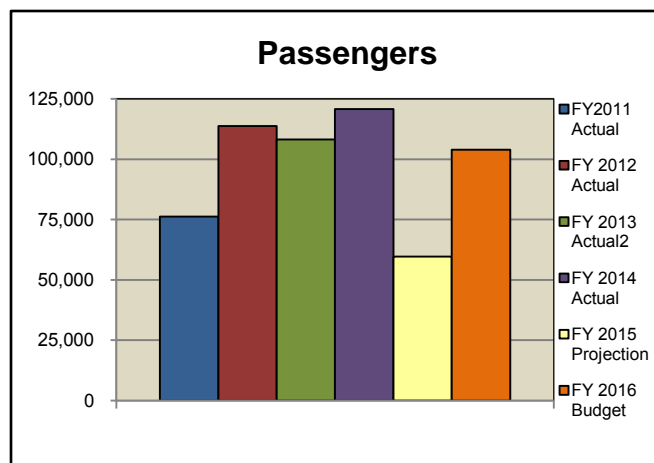
#### Tom Sawyer Riverboat:

Passenger capacity	350
Year built	1966

#### Becky Thatcher Riverboat:

Passenger capacity	300
Year built	1963

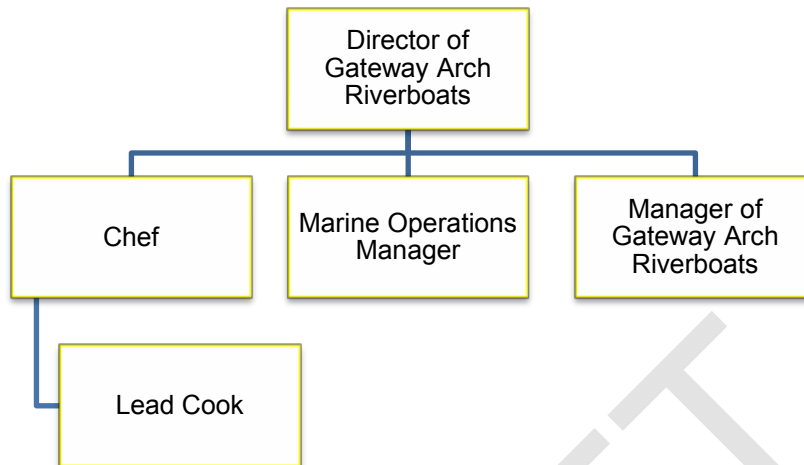
Website: [www.gatewayarchriverboats.com](http://www.gatewayarchriverboats.com)



# Riverfront Attractions

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## Organization:



## Total Personnel:

Full-Time - 12  
Part-Time - Seasonal employee count varies throughout the year



**Riverfront Attractions  
Operating Budget Summary  
Fiscal Year Ending June 30, 2016**

	<b>FY 2016</b>	<b>FY 2015</b>		<b>FY16 Bgt vs. FY15 Proj</b>		<b>FY 2014</b>
	<b><u>Budget</u></b>	<b><u>Projection</u></b>	<b><u>Budget</u></b>	<b><u>\$ Change</u></b>	<b><u>% Change</u></b>	<b><u>Actual</u></b>
<b>Operating revenue:</b>						
Cruise	\$ 1,557,615	\$ 761,603	\$ 863,150	\$ 796,012	92.2%	\$ 1,377,952
Food	544,662	329,892	438,750	214,770	49.0%	622,438
Beverage	215,166	131,443	175,430	83,723	47.7%	217,052
Retail	76,930	46,500	62,330	30,430	48.8%	90,803
Other	83,360	81,981	71,440	1,379	1.9%	122,786
<b>Total operating revenue</b>	<b>2,477,733</b>	<b>1,351,418</b>	<b>1,611,100</b>	<b>1,126,315</b>	<b>69.9%</b>	<b>2,431,032</b>
<b>Operating expense:</b>						
Compensation	798,423	652,931	701,378	145,491	20.7%	822,837
Benefits excluding OPEB	401,897	343,348	359,224	58,549	16.3%	367,354
OPEB	44,000	49,685	55,000	(5,685)	-10.3%	57,914
Services	222,080	219,882	213,033	2,198	1.0%	219,575
Materials and supplies	520,461	328,106	470,311	192,355	40.9%	496,493
Fuel & lubrications	83,000	58,352	70,000	24,648	35.2%	76,993
Utilities	92,845	88,192	99,228	4,653	4.7%	80,906
Casualty & liability	173,715	159,659	173,715	14,055	8.1%	135,563
Other expenses	130,800	150,991	147,525	(20,191)	-13.7%	140,067
<b>Total operating expense</b>	<b>2,467,221</b>	<b>2,051,147</b>	<b>2,289,414</b>	<b>416,074</b>	<b>18.2%</b>	<b>2,397,702</b>
<b>Operating income (loss)</b>	<b>10,512</b>	<b>(699,729)</b>	<b>(678,314)</b>	<b>710,241</b>	<b>104.7%</b>	<b>33,330</b>
<b>Net income(loss) before depreciation</b>	<b>10,512</b>	<b>(699,729)</b>	<b>(678,314)</b>	<b>710,241</b>	<b>104.7%</b>	<b>33,330</b>
Depreciation & amortization	315,412	263,625	238,689	51,787	21.7%	252,235
<b>Net income (loss)</b>	<b>\$ (304,900)</b>	<b>\$ (963,354)</b>	<b>\$ (917,003)</b>	<b>\$ 658,454</b>	<b>71.8%</b>	<b>\$ (218,905)</b>

Totals may not sum due to rounding

## Business Enterprises

### Riverfront Attractions – FY 2016 Budget

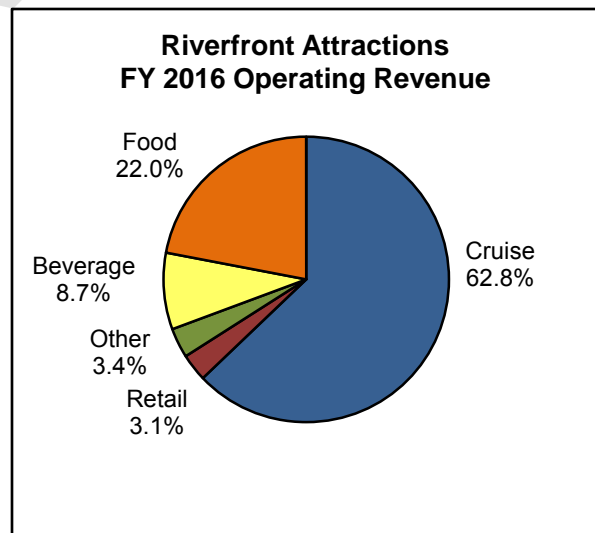
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The Riverfront Attractions, which include the Gateway Arch Riverboats, Arch View Café, gift shop, bike rental concession, and the heliport, create a complete family and tourist destination. The ability to provide these additional offerings to guests 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 2016, the Gateway Arch Riverboats will be continuing the pricing strategy of “combo pricing” by reducing cruise fares by \$3 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 Agency’s operations on the riverfront.

In FY 2016, the Gateway Arch Riverboats, with the combined efforts and aggressive marketing strategies of the Bi-State Development Agency 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

**Cruise revenue** is based on the FY 2016 budget of 103,910 passengers. Cruise revenue for FY 2016 is budgeted at \$1,557,615, which is 80.5% higher than the FY 2015 budget. The FY 2016 Riverboats passenger counts and revenues are budgeted with 18 cruising days lost to high water of the Mississippi River. The CityArchRiver construction reduced the maximum allowable high water level mark by 8 feet resulting in 37 lost cruising days through the first six months of FY 2015. An adult sightseeing ticket can be purchased for \$18.00 and the child sightseeing fare is \$8.00. A base dinner cruise ticket is \$46.00 for adults.



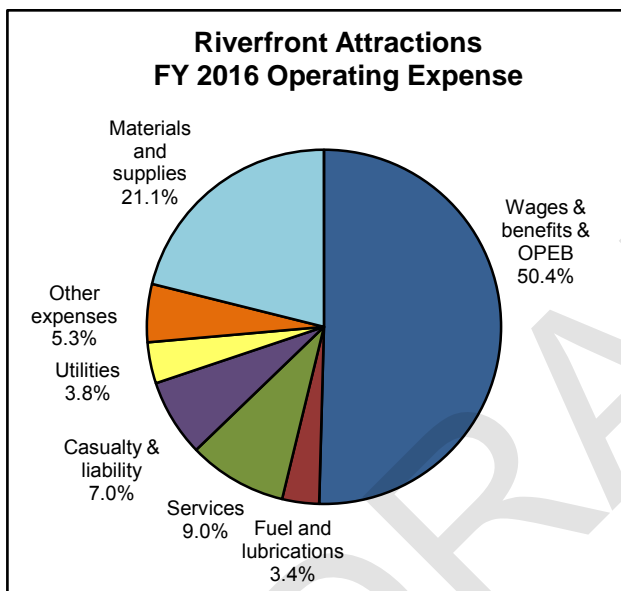
**Food revenue** includes food sold on dinner dance cruises and at the concession stands on the dock and boats. Food revenue is budgeted in FY 2016 to increase by 24.1% from the FY 2015 budget and is 49.0% higher than the FY 2015 projection.

**Beverage revenue** for FY 2016 is generated from beverage sales on the various types of cruises and from the Arch View Café. Beverage revenue is budgeted at 22.7% higher than the FY 2015 budget and 47.7% higher than the FY 2015 projection.

**Retail revenue** is generated from gift shop sales. These revenues are budgeted 23.4% higher than the FY 2015 budget and 48.8% higher than the FY 2015 projection.

**Other miscellaneous revenue** in FY 2016 includes revenues from helicopter tours and concessions and a contracted passenger cruise photography service.

## Expense



**Wages and benefits including OPEB** are budgeted in FY 2016 at 19.0% higher than the FY 2015 projection as a result of higher seasonal and part-time wages due to more passengers and more cruising days.

**Services** in FY 2016 are budgeted to increase 1.0% from the FY 2015 projection and 11.5% from the FY 2015 budget primarily due to higher entertainment and National Park Service interpretive services offset by lower boat dry docking maintenance services.

**Materials and supplies** are budgeted 40.9% higher than the FY 2015 projection and 10.7% higher than the FY 2015 budget. The FY 2016 budget materials and supplies include the following (in thousands):

Cost of food	\$ 283
Cost of beverages	76
Cost of retail shop items	52
Other marine operations supplies	42
Food and beverage service supplies	34
Office supplies, other	33
	<u>\$ 520</u>

**Fuel and lubrications** expense is budgeted to increase 35.2% in FY 2016 from the FY 2015 projection and 18.6% from the FY 2015 budget due to more cruises and related fuel usage in FY 2015.

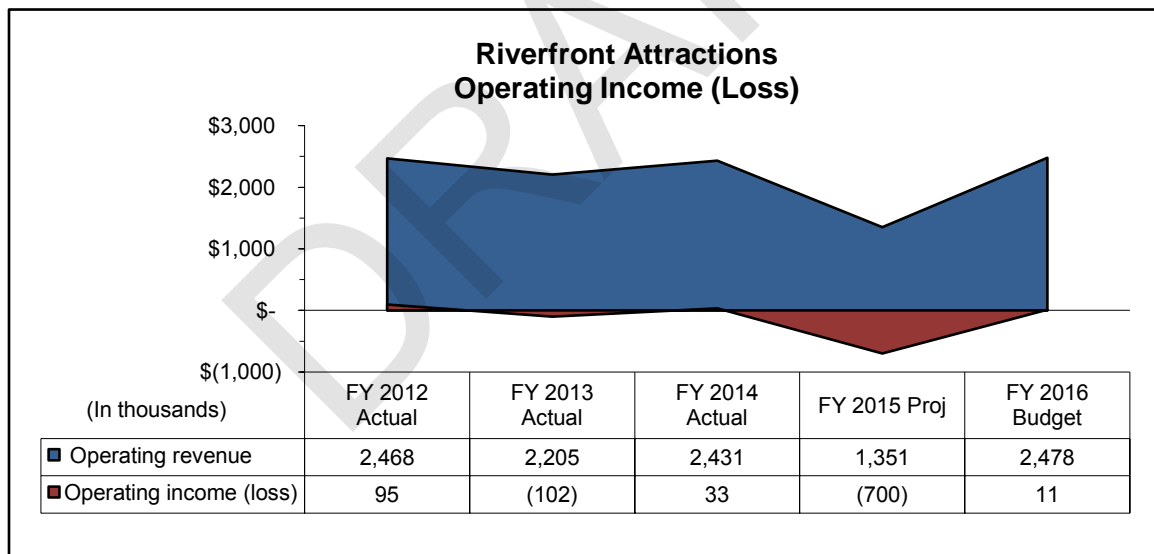


**Utilities** are comprised of \$55,645 for electricity, \$9,600 for telephone, \$10,000 for natural gas, \$8,400 for waste removal, and \$9,200 for water and sewer.

**Casualty and liability** costs are budgeted at the same level as the FY 2015 Budget, but 8.1% greater than the FY 2015 projection which has lower self-insured losses for property and casualty.

**Other expense** is 13.7% lower than the FY 2015 projection, and 11.4% less than the FY 2015 budget and includes \$110,000 in advertising fees. Following the practice since FY 2008, a 5% management fee to the Bi-State Development Agency is being waived in the FY 2016 budget.

**Net income (loss) before depreciation** is budgeted with an income of \$10,512 due to increased revenue from more passengers and cruises as FY 2016 will benefit from the completion of the section 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 2016 will assist in funding future Riverfront Attractions capital improvements.



## 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.

<b>Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources</b>		
<b>Objective: Implement revenue enhancement strategies</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Seek increasing revenue from all available sources	<ul style="list-style-type: none"> <li>• Increase revenue opportunities by offering variety of cruise, food, beverage, retail options to meet entertainment need of Riverfront visitors</li> <li>• Continue availability of vessels for revenue service through on-going compliance with United States Coast Guard (USCG) regulations</li> <li>• Increase community awareness of operation through continued involvement in regional Homeland Security drills</li> <li>• Develop and implement programmable-based and seasonal event offerings</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased attendance on cruises offered</li> <li>• Increased sales of food items</li> <li>• Increased sales of beverage items</li> <li>• Increased sales of retail items</li> <li>• Increased cross sales of other riverfront partners (i.e. increased carriage rides)</li> <li>• USCG Certification: Vessels meet all requirements; crew is properly trained; vessels comply with USCG regulations related to Americans with Disabilities Act</li> <li>• Press release to local media about Homeland Security preparedness</li> <li>• Participation in U.S. Coast Guard harbor safety drills</li> <li>• Participate in Transportation Safety Administration drills</li> <li>• Lower cost of supplies</li> <li>• Lower equipment replacement costs</li> <li>• Improved maintenance support</li> <li>• Improved rental equipment quality</li> <li>• Better product mix to meet guest demands</li> <li>• Work with heliport concessionaire to develop and implement seasonal trip offerings</li> <li>• Provide easy access for our guests to riverboat venues during riverfront reconstruction</li> </ul>

<b>Goal: Deliver a high quality experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence</b>		
<b>Objective: Improve service quality</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Understand and take steps to meet or exceed our customers' expectations despite the challenges presented by the reconstruction of the St. Louis Riverfront	<ul style="list-style-type: none"> <li>• Continue to insure safety and quality of food and service by exceeding Federal, State and local safety and health guidelines</li> <li>• Given changes due to riverfront reconstruction, assess the degree to which product offerings match client needs</li> </ul>	<ul style="list-style-type: none"> <li>• High scores from Food and Drug Administration with regard to training of employees and safety/health inspections</li> <li>• High scores from City of St. Louis Health Department with regard to training of employees and safety/health inspections</li> <li>• Reduced number of guest food and service complaints</li> <li>• Conduct email-based product assessment with previous and current clients</li> <li>• Maintain the ability to make scheduling and operational changes to adapt to the challenges presented during reconstruction to meet quality and financial goals</li> </ul>

<b>Gateway Arch Riverfront Attractions: Performance Indicators</b>				
	<b>FY 2016</b>	<b>FY 2015</b>		<b>FY 2014</b>
	<b><u>Target</u></b>	<b><u>Projection</u></b>	<b><u>Target</u></b>	<b><u>Actual</u></b>
Passengers	103,910	59,647	67,900	120,723
Cruises	917	530	675	932
Days of operation	272	129	188	248
Passengers per Cruise	113	113	145	129
Revenue per Passenger	\$22.36	\$21.28	\$22.68	\$19.12
City health inspection score				
Becky Thatcher boat	100	100	100	100
Tom Sawyer boat	100	100	100	100
Main Galley	100	98	100	95

## Business Enterprises

# Riverfront Attractions FY 2016 Capital Project Summary

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(in thousands)

### Sources of Funds:

Riverboat Renewal and Replacement Fund	<u>\$ 5</u>
<b>Total Sources of Funds</b>	<b><u>\$ 5</u></b>

### Uses of Funds:

#### Copy Machine

Scheduled replacement of copy machine at Riverboat office barge.	<u>\$ 5</u>
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<b>Total Uses of Funds</b>	<b><u>\$ 5</u></b>
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## Business Enterprises

# 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 2014):

1.8 million gallons of fuel sold  
106,996 aircraft movements  
321 based aircraft  
Location of Flight Training  
Dept., St. Louis University

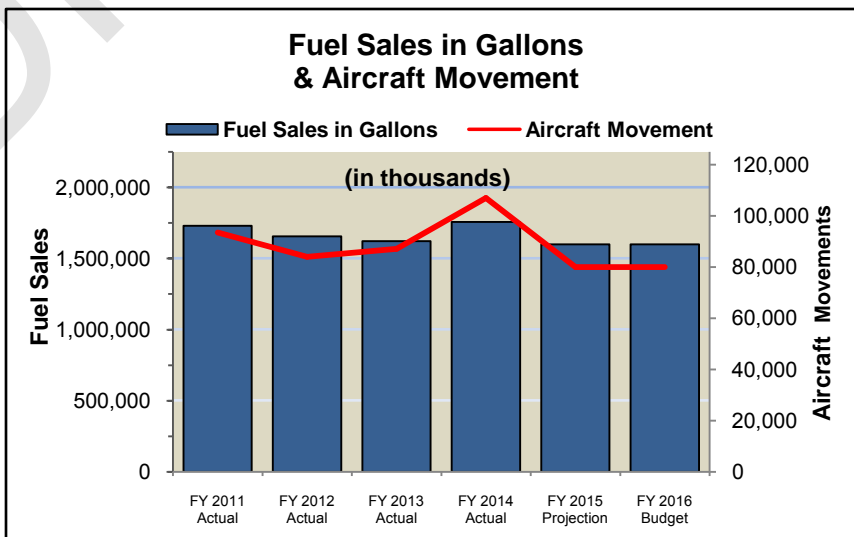
### Facilities:

95 small, 42 mid and  
21 large hangars  
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](http://www.stlouisdowntownairport.com)

# Downtown Airport

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## Organization:



## Total Personnel:

Full-Time - 11  
Part-Time - 2



**St. Louis Downtown Airport  
Operating Budget Summary  
Fiscal Year Ending June 30, 2016**

	<b>FY 2016</b>	<b>FY 2015</b>		<b>16 Bgt vs. 15 Proj</b>		<b>FY 2014</b>
	<b><u>Budget</u></b>	<b><u>Projection</u></b>	<b><u>Budget</u></b>	<b><u>\$ Change</u></b>	<b><u>% Change</u></b>	<b><u>Actual</u></b>
<b>Operating revenue:</b>						
Aircraft parking	\$ 139,410	\$ 137,261	\$ 133,214	\$ 2,149	1.6%	\$ 140,470
Leased acreage	172,677	241,538	435,287	(68,861)	-28.5%	435,668
Hangar rentals	810,212	836,943	820,355	(26,731)	-3.2%	798,448
Aviation fuel sale - flowage fee	177,365	171,313	177,365	6,053	3.5%	172,480
Concession fees	115,159	144,957	128,730	(29,798)	-20.6%	134,198
Other revenues	90,254	93,206	90,287	(2,951)	-3.2%	109,235
<b>Total operating revenue</b>	<b>1,505,078</b>	<b>1,625,217</b>	<b>1,785,239</b>	<b>(120,139)</b>	<b>-7.4%</b>	<b>1,790,500</b>
<b>Operating expense:</b>						
Compensation	490,317	484,897	517,368	5,420	1.1%	483,755
Benefits excluding OPEB	362,943	338,389	351,605	24,553	7.3%	392,348
OPEB	48,000	53,154	60,000	(5,154)	-9.7%	52,362
Services	115,301	79,043	75,249	36,258	45.9%	137,713
Materials and supplies	130,200	118,007	91,950	12,193	10.3%	124,488
Fuel & lubrications	26,300	23,529	27,250	2,771	11.8%	25,621
Utilities	190,660	178,376	166,327	12,284	6.9%	148,548
Casualty & liability	65,026	57,598	65,026	7,428	12.9%	56,653
Other expenses	111,119	109,421	117,447	1,698	1.6%	154,958
<b>Total operating expense</b>	<b>1,539,866</b>	<b>1,442,414</b>	<b>1,472,221</b>	<b>97,451</b>	<b>6.8%</b>	<b>1,576,446</b>
<b>Operating income (loss)</b>	<b>(34,787)</b>	<b>182,803</b>	<b>313,018</b>	<b>(217,591)</b>	<b>-119.0%</b>	<b>214,054</b>
<b>Nonoperating revenue (expense):</b>						
State and local assistance	-	-	-	-	-	24,965
Investment income	334	248	334	87	34.9%	192
Other income (expense)	-	-	-	-	-	8,640
<b>Total nonoperating revenue (expense)</b>	<b>334</b>	<b>248</b>	<b>334</b>	<b>87</b>	<b>34.9%</b>	<b>33,797</b>
<b>Net income (loss) before depreciation</b>	<b>(34,453)</b>	<b>183,051</b>	<b>313,352</b>	<b>(217,504)</b>	<b>-118.8%</b>	<b>247,851</b>
Depreciation & amortization	1,562,377	1,576,681	1,604,286	(14,305)	-0.9%	1,633,001
<b>Net income (loss)</b>	<b>\$ (1,596,830)</b>	<b>\$ (1,393,630)</b>	<b>\$ (1,290,934)</b>	<b>\$ (203,199)</b>	<b>-14.6%</b>	<b>\$ (1,385,151)</b>

Totals may not sum do to rounding

## Business Enterprises

### St. Louis Downtown Airport – FY 2016 Budget

As the aerial front door to downtown St. Louis and the primary general aviation reliever for Lambert International Airport, St. Louis Downtown Airport makes an annual economic impact to the region of approximately \$584 million. In FY 2016, 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 86,412 in FY 2015 and 90,000 in FY 2016. Aircraft movements have been adversely impacted nationwide because of contraction in industry activity due to economic conditions.

#### Revenue

**Aircraft parking** revenue for FY 2016 is budgeted at 4.7% above the FY 2015 budget and 1.6% above the FY 2015 projection.

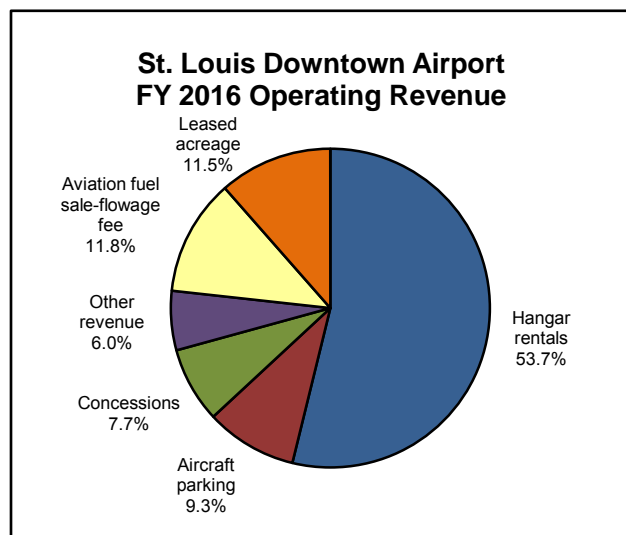
**Leased acreage** revenue is airport land leased for private investment or farm income and is budgeted in FY 2016 to be significantly lower than the FY 2015 budget and slightly below the FY 2015 projection because of reclassifying the acreage for hangar rentals from leased acreage to hangar rental.

**Hangar rentals** in FY 2016 are budgeted at 1.2% less than the FY 2015 budget and 3.2% less than the FY 2015 projection. Hangar rentals have declined due to Jet Aviation, Inc. having a new lease with lower rent and also vacating a hangar.

**Aviation fuel sale-flowage fee** revenues are budgeted to increase by 3.5% from the FY 2015 projection and the same levels as the FY 2015 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 2016 budget is 20.6% lower than the FY 2015 projection and 10.5% lower than the FY 2015 budget primarily due to lower terminal restaurant rental income.

**Other revenues** include reimbursements from tenants for contract security, utilities and trash removal services. The FY 2016





budget is at the same level as the FY 2015 budget and 3.2% lower than the FY 2015 projection as a result of lower revenue from After Hours ARFF Services billing.

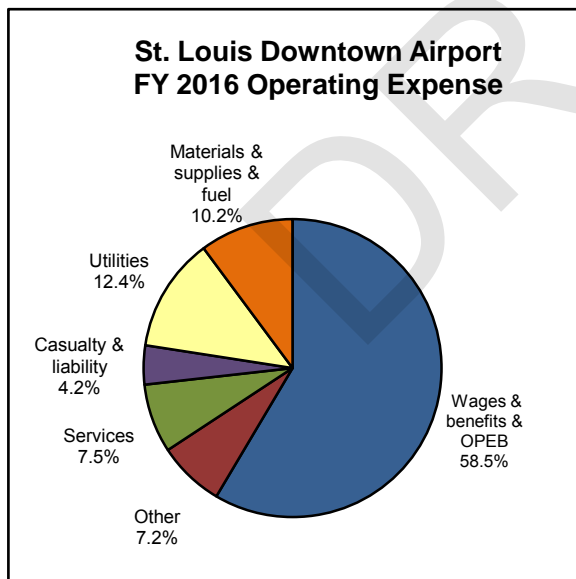
## Expense

**Wages and benefits including OPEB** are budgeted at 2.8% higher than the FY 2015 projection and 3.0% lower than the FY 2015 budget due to the timing of a position pay increase.

**Services** include the following (in thousands):

Legal and consultants fees	\$ 77
Contract maintenance	27
Other	<u>11</u>
	<u>\$ 115</u>

Services are budgeted 53.2% higher than the FY 2015 budget due to legal fees for lease review and consultation. Other key items in the FY Service 2016 budget are 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.



**Materials, supplies and fuel** are budgeted in FY 2016 to be higher than the FY 2015 projection by 10.6% and 31.3% greater than the FY 2015 budget due to Aircraft Rescue and Firefighting (ARFF) supplies and vehicle repair parts.

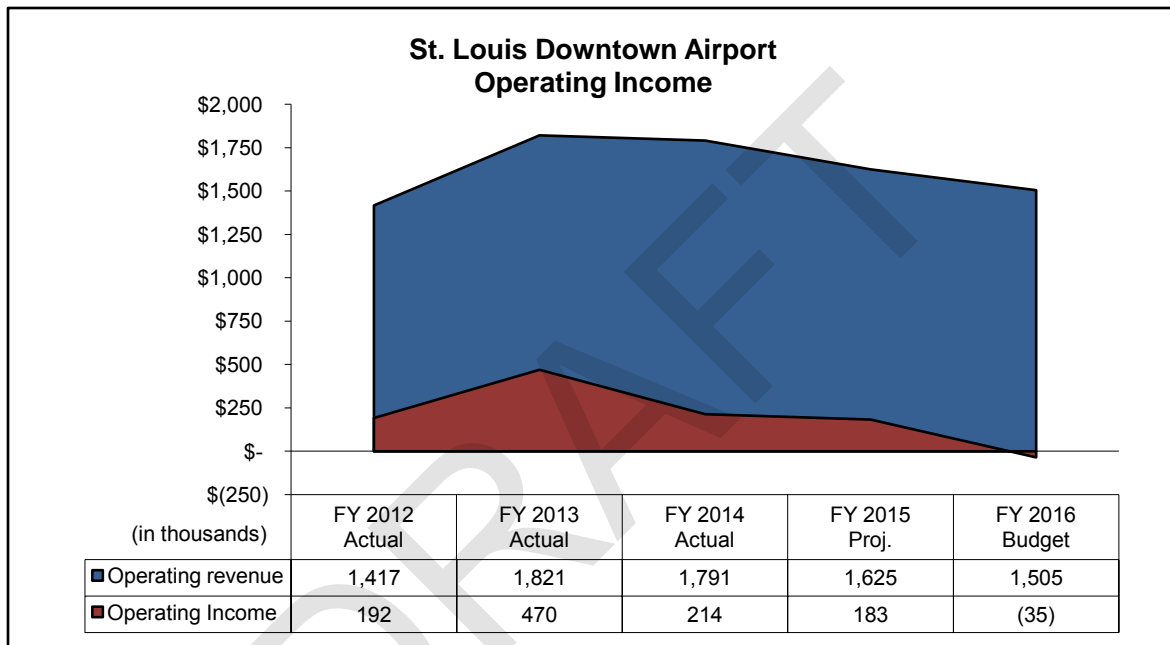
**Utilities** include electricity, gas, telephone, waste removal and water and are budgeted in FY 2016 to be 6.9% higher than the FY 2015 projection and 14.6% higher than the FY 2015 budget as rate increases are expected.

**Casualty and liability** costs are budgeted at 12.9% above the FY 2015 projection due to the increase in casualty costs.

**Other expense includes the following (in thousands):**

Management fees to the Agency	\$ 75
Travel, training, meetings, dues	24
Other	<u>12</u>
	<u>\$ 111</u>

The FY 2016 budget is 1.6% lower than the FY 2015 projection. The FY 2016 budget reflects lower training and dues and subscription expenses.



## Income

**Net income (loss) before depreciation** normally provides cash flow to assist in funding capital improvements. The net loss before depreciation of \$34,453 budgeted in FY 2016 is 118.8% lower than the FY 2015 projection.

## 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 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.

<b>Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources</b>		
<b>Objective: Implement revenue enhancement strategies</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Ensure cost-effective and efficient use of resources for revenue enhancement	<ul style="list-style-type: none"> <li>• Promote the Airport's Commercial Airport Operating Certificate and Aircraft Rescue and Firefighting (ARFF) capabilities to attract new customers and increase revenues</li> <li>• Continue to increase revenue through airport tenant business growth and expansion</li> <li>• Increase transient aircraft operations by promoting aviation group activities and local events</li> </ul>	<ul style="list-style-type: none"> <li>• Increased operations by large aircraft charter operators such as those carrying professional sports teams resulting in increased fuel sales</li> <li>• Personnel training, customer education, and safety inspections which result in a positive safety-awareness environment</li> <li>• Continued construction of new facilities on existing leased parcels that are not fully developed</li> <li>• Conversion of existing option-to-lease agreements to lease agreements</li> <li>• 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 &amp; Space Museum conducts additional special events)</li> <li>• Transient aviation organizations select the airport and the St. Louis region for their annual conventions</li> </ul>

<b>Objective: Deliver quality capital projects on time and within budget</b>		
<b>Strategy</b>	<b>Action Steps</b>	<b>Performance Measurements</b>
Aggressively pursue funding, and deliver quality capital projects	<ul style="list-style-type: none"> <li>• Maintain and enhance Airport infrastructure and services through continued capital investments in infrastructure and equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Improve runway safety areas and reduce wildlife strike hazards through improved storm water drainage</li> <li>• Conduct environmental assessments and other planning efforts necessary to rehabilitate aging pavements and improve the airport's ability to efficiently handle large charter aircraft</li> <li>• Enhance airport security through improved perimeter fencing</li> <li>• Maintain and improve the airport vehicle and equipment inventory through timely replacement and additions</li> <li>• Continued construction of public infrastructure (parking lots, ramps, taxi lanes, and roadways) on public airport property</li> <li>• Expand airport property available for expansion and growth of new tenant facilities</li> </ul>

<b>St. Louis Downtown Airport: Performance Indicators</b>				
	<b>FY 2016</b>	<b>FY 2015</b>		<b>FY 2014</b>
	<b>Target</b>	<b>Projection</b>	<b>Target</b>	<b>Actual</b>
Operating income (\$ in thousands)	\$(35)	\$183	\$313	\$214
Fuel sales in gallons (thousands)	1,774	1,776	1,774	1,758
Aircraft movement	90,000	86,412	90,000	106,996
Based aircraft	320	319	320	321

## Business Enterprises

# St. Louis Downtown Airport FY 2016 Capital Project Summary

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(in thousands)

### Sources of Funds:

Federal Grants	\$ 9,000
Airport Fund	719
Illinois State and Local Grants	<u>1,618</u>
<b>Total Sources of Funds</b>	<b><u>\$ 11,337</u></b>

### Uses of Funds:

#### Construction:

Reconstruct Taxiway B, Phase 1	\$4,500	
Improve 4-way Intersection	<u>900</u>	\$5,400

#### Equipment and Facilities Replacements:

Rapid Intervention Vehicle	500	500
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#### Land and Land Improvements:

Land Acquisition	4,000	
Rehabilitate and Resurface Parking Lot	312	
Taxiway B Northside Environmental Assessment	125	
Taxiway B Northside Drainage Improvements	<u>1,000</u>	<u>5,437</u>

<b>Total Uses of Funds</b>	<b><u>\$ 11,337</u></b>
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## Business Enterprises

# Regional Freight Partnership FY 2016 Budget

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Since the Bi-State Development Agency was established in 1949, the region has turned to it to provide solutions to regional issues: among them, a sewage study that led to the creation of the Metropolitan Sewer District, followed by stabilizing the region's fragmented public transit system.

Most recently, regional leaders have asked BSDA to establish and lead a new freight district for the bi-state area. The Agency's newest venture will focus on coordinating and expanding the freight network in and out of St. Louis — by road, rail, river and runway. BSDA is proud to lead this new regional effort with partners such as the East-West Gateway Council of Governments, St. Louis Regional Chamber, Leadership Council of Southwestern Illinois, St. Louis Development Corporation, City of St. Louis, St. Clair, St. Charles and Madison counties, Illinois Department of Transportation, Missouri Department of Transportation and Terminal Railroad.

In FY 2016, the partnership will begin to identify opportunities to create a freight district environment in the bi-state region. The goal will be to produce results that will 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.

In FY 2016, contributions and fees for service provided are expected to generate \$450,000 in operating revenue. These funds are projected to come from East-West Gateway Council of Governments, St. Louis Regional Chamber, and the Leadership Council of Southwestern Illinois.

Total operating expense is expected of \$295,727, resulting in net surplus before depreciation of \$154,273. The majority of operating expense is for personnel costs and outside services. The Bi-State management fee is being waived in the inaugural year of the Freight Partnership.

ST. LOUIS IS  
THE **18<sup>TH</sup>**  
LARGEST PORT  
DISTRICT IN  
THE NATION.



## Business Enterprises

# Research Institute– FY 2016 Budget

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The Bi-State Development Research Institute is a 501(c)(3) non-profit corporation under the organizational umbrella of the Bi-State Development Agency (BSDA) of the Missouri-Illinois Metropolitan District (District). 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 Mission Statement of the Institute is:

*The 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 the Bi-State Development Agency.*

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

1. Focus on real estate acquisition and conveyance in support of Transit-Oriented Development ("TOD") and regional economic development; and
2. Plan, study and evaluate regional land use, public policy, economic and community development and infrastructure investment, including, but not limited to transit activities; and
3. 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.

In FY 2016, contributions and consulting fees are expected to generate \$5,000 in revenue. Operating expenses include legal fees and outside services and are budgeted at \$5,000. The FY 2016 budget revenues and expenses result in a break even outcome.

The responsibilities of the Executive Director for the Research Institute will be filled with existing BSDA staff until a time the position is filled permanently.

## Bi-State Development Agency

# Executive Services

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### Descriptions of organization:

Executive Services is a service company that supports the other Bi-State Development Agency companies including Transit System, Gateway Arch, Riverfront Attractions, St. Louis Downtown Airport, Regional Freight Partnership, and 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 the Agency 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 Agency 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 the Agency's funding, legislative program, policies, and services.

**General Counsel** is responsible for managing and coordinating the Agency'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.

**Workforce Diversity and EEO** is responsible for monitoring and promoting positive and fair employment practices to ensure a diverse workforce in a discrimination/harassment free environment.

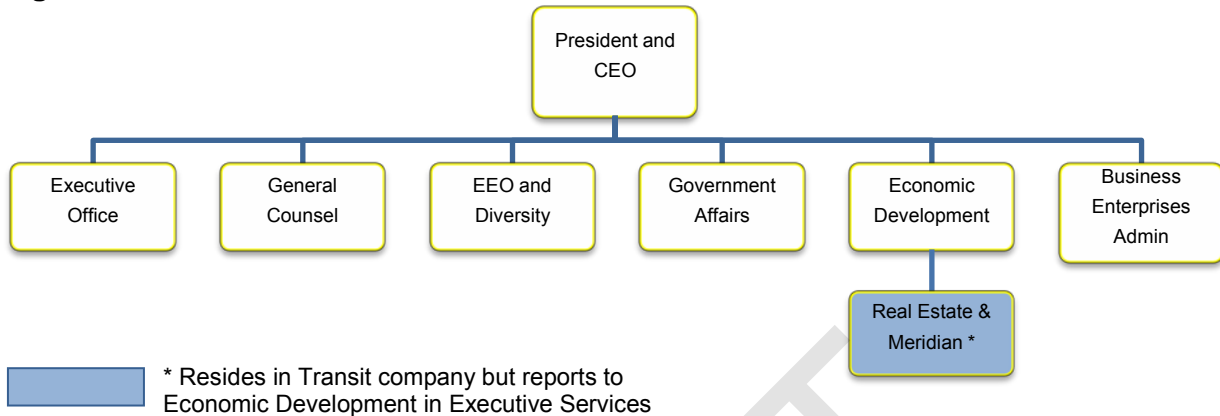
**Economic Development** is responsible for identifying alternative sources of funding and partners for Agency initiatives, including real estate development around transit stations and Bus Rapid Transit initiatives promoting regional infrastructure via the Bi-State Development Agency charter in support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

**Business Enterprises Administration** provides management overview for the Business Enterprises companies and explores business opportunities.



# Executive Services

## Organization:



## Financial Summary:

### Executive Services Operating Budget Summary Fiscal Year Ending June 30, 2016

	FY 2016 Budget	FY 2015 Projection	FY 2015 Budget	FY16 Bgt vs. 15 Proj \$ Change	% Change	FY 2014 Actual
<b>Operating revenue:</b>						
Management fees:						
Transit System	\$ 3,097,907	\$ 2,800,000	\$ 2,800,000	\$ 297,907	10.6%	\$ 2,550,000
Gateway Arch	578,382	541,712	521,029	36,670	6.8%	622,472
Gateway Arch Parking	-	98,889	113,173	(98,889)	-100.0%	128,287
National Park Service	393,561	404,478	387,829	(10,917)	-2.7%	433,761
Airport	75,271	81,271	89,279	(6,000)	-7.4%	89,535
<b>Total operating revenue</b>	<b>4,145,121</b>	<b>3,926,350</b>	<b>3,911,310</b>	<b>218,771</b>	<b>5.6%</b>	<b>3,824,056</b>
<b>Operating expense:</b>						
Compensation & Benefits	2,455,635	2,195,623	2,424,513	260,013	11.8%	2,025,677
Other post-employment benefits (OPEB)	129,600	150,840	162,000	(21,240)	-14.1%	145,532
Services	1,151,267	690,336	904,210	460,931	66.8%	817,661
Parts & supplies	27,644	19,140	24,922	8,504	44.4%	13,428
Utilities	8,499	6,455	7,200	2,044	31.7%	5,563
Other expense	357,899	287,683	345,028	70,216	24.4%	231,258
<b>Total operating expenses</b>	<b>4,130,543</b>	<b>3,350,076</b>	<b>3,867,873</b>	<b>780,467</b>	<b>23.3%</b>	<b>3,239,118</b>
<b>Operating income (loss)</b>	<b>14,578</b>	<b>576,274</b>	<b>43,437</b>	<b>(561,696)</b>	<b>-97.5%</b>	<b>584,938</b>
<b>Nonoperating revenue (expense)</b>						
Investment income	2,550	2,324	2,649	226	9.7%	1,891
<b>Total nonoperating revenue (exp)</b>	<b>2,550</b>	<b>2,324</b>	<b>2,649</b>	<b>226</b>	<b>9.7%</b>	<b>1,891</b>
<b>Net income (loss) before depreciation &amp; amortization</b>	<b>17,128</b>	<b>578,598</b>	<b>46,086</b>	<b>(561,470)</b>	<b>-97.0%</b>	<b>586,829</b>
Depreciation & amortization	1,937	2,433	2,433	(496)	-20.4%	2,433
<b>Net surplus (deficit)</b>	<b>\$ 15,191</b>	<b>\$ 576,166</b>	<b>\$ 43,654</b>	<b>\$ (560,974)</b>	<b>-97.4%</b>	<b>\$ 584,396</b>

# Executive Services – FY 2016 Budget

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Executive Services is a service company that represents Bi-State Development Agency's headquarters and provides support for the six Bi-State Development Agency operative companies (Transit System, Gateway Arch, Riverfront Attractions, and St. Louis Downtown Airport, Regional Freight Partnership and Research Institute).

## Revenue

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

**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.

**Gateway Arch Parking Facility management fee** is not applicable in FY 2016 as the facility was closed in December 2014.

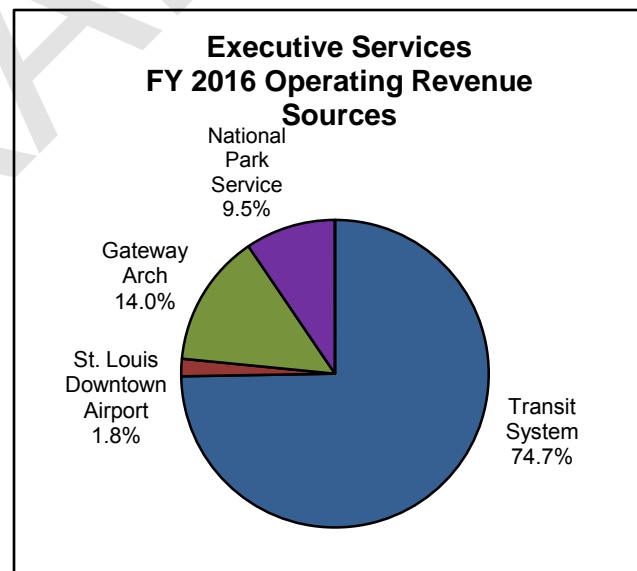
**Riverfront Attractions management fee** was initiated in FY 2004. Because of extensive hull repairs in FY 2014 and 2015, the fee was waived and will continue to be waived for FY 2016.

**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 and younger are exempt from that fee. Revenue from the Arch movies is not applicable in FY 2016 as the movies have been discontinued.

**Regional Freight Partnership** is not assessed a management fee in FY 2016 as the innovative partnership moves forward.

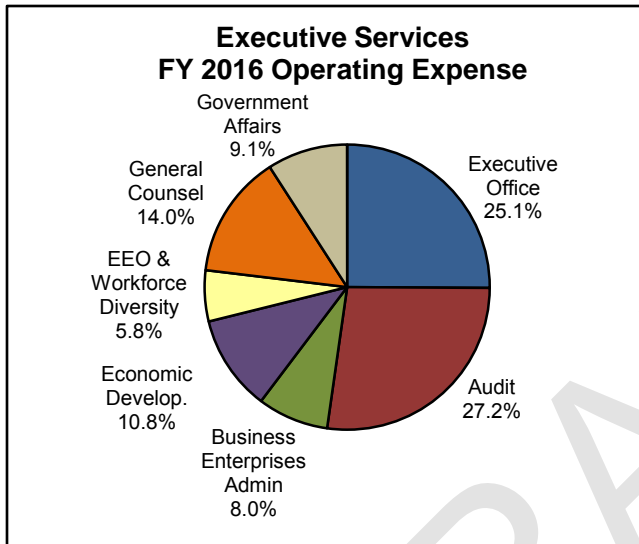
**Research Institute** does not have a management fee in FY 2016. The Institute's Board of Directors will meet in December 2015 to discuss as part of the Institute's plan evaluation.



## Expense

**Compensation and benefits** for the FY 2016 budget increased from the FY 2015 budget by only 1.3% due to three fewer budgeted positions offset by increases in medical costs and salary adjustments.

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

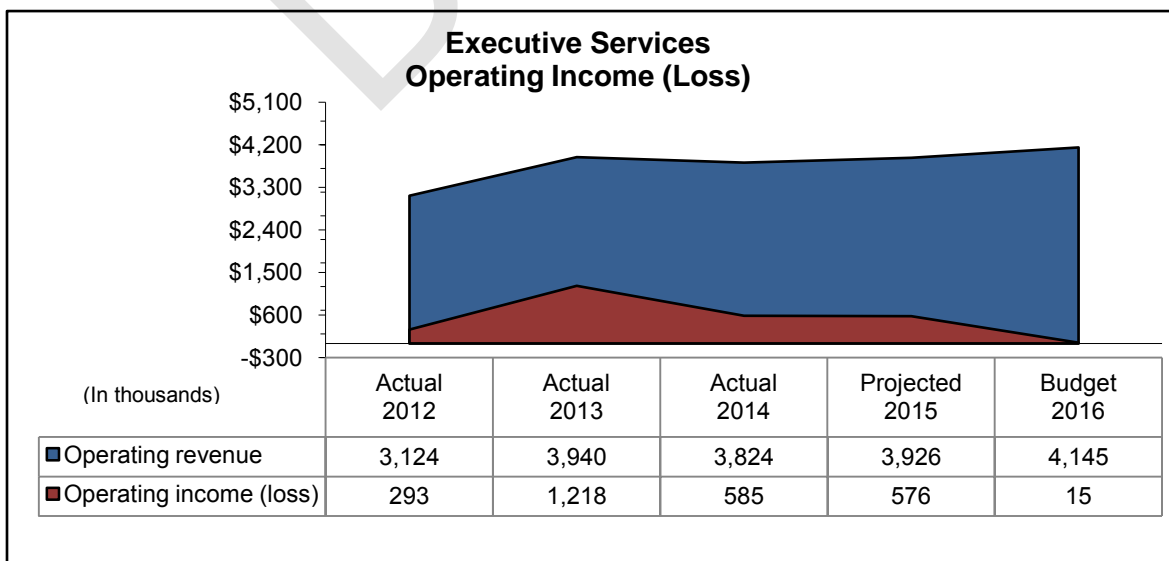


**Services** primarily consist of fees for outside consultants, auditors, lawyers, lobbyists and temporary help. Consulting has increased for outside internal audit contracts and is offset somewhat by one less hired internal audit position. Consulting was also impacted by increased financial audit fees.

**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.



# 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 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.

<b>Goal: To be an effective and efficient publically-supported organization that is viewed as a transparent and accountable steward of public funds.</b>		
<b>Objective: Establish and manage communications plan that improves public perception of Bi-State Development Agency programs and credibility of management</b>		
Strategy	Action Steps	Performance Measurements
<b>Economic Development</b>		
Continual improvement of BSDA's economic development services, confirming program goals and continually updating and refining BSDA's economic development direction	<ul style="list-style-type: none"> <li>• BSDA Board and CEO provide oversight for economic development efforts</li> <li>• Economic Development staff interacting with BSDA engineering, planning, transit, grants, business enterprise, legislative, finance, marketing and communication on BSDA projects</li> <li>• Economic Development staff interacting with local and national economic development groups for information and best practices</li> <li>• Complete the establishment of the 501c (3) for economic development purposes</li> </ul>	<ul style="list-style-type: none"> <li>• Thoughtful, short and long-term economic development projects/programs for the regional community (on-going)</li> <li>• Increased perception in the region as BSDA being a key part of the community fabric (on-going)</li> <li>• Improved community and private partnerships for BSDA and BSDA projects (on-going)</li> </ul>
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.	<ul style="list-style-type: none"> <li>• Interface with BSDA planning staff regarding TOD</li> <li>• Interface with community partners on TOD planning/ finance/ development</li> <li>• Interface with property owners and planning staff on BRT</li> <li>• Focus regional efforts to secure large scale public infrastructure, such as the new Freight District</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing TOD, improving quality of transit station experience</li> <li>• Work on all 37 Metrolink stations for potential TOD improvements</li> <li>• Initiate economic development related to BRT</li> <li>• On-going work for high speed rail and bridge improvements for the greater St. Louis region</li> </ul>

Strategy	Action Steps	Performance Measurements
Continual improvement of BSDA's real estate services by supporting BSDA's real estate requirements in a professional and fiduciary manner	<ul style="list-style-type: none"> <li>• Interface with engineering, transit, planning, grants operations, finance, business enterprises, economic development, legal and communications on projects</li> <li>• Interface with the community and community partners on BSDA projects and initiatives</li> <li>• Interface with FTA on property conveyance and systems licensing issues</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing offers, negotiations on properties and assets that support BSDA's efforts</li> <li>• Maintaining individual real estate certifications</li> <li>• Performing appraisals in a timely fashion for the acquisition or deposition of property</li> <li>• Annual excess property report to the BSDA Board</li> </ul>
<b>General Counsel</b>		
Ensure Agency compliance with all applicable legal and regulatory compliance requirements	<ul style="list-style-type: none"> <li>• Maintain agency-wide corporate compliance requirements list;</li> <li>• Conduct semi-annual department requirements audits; revise when laws/regulations change</li> <li>• Research and update all applicable federal, state, and local laws and regulations</li> <li>• Ensure reporting and auditing open action items are closed</li> </ul>	<ul style="list-style-type: none"> <li>• Complete semi-annual requirements audits (October 2015 and April 2016)</li> <li>• Include results in annual State of the Agency report present to Board of Commissioners by March 2016</li> </ul>
Maintain an agency-wide employee compliance and ethics training program	<ul style="list-style-type: none"> <li>• Conduct training for new employees</li> <li>• Conduct training for existing transit operators during refresher training</li> <li>• Conduct annual employee Code of Conduct review and attestation</li> </ul>	<ul style="list-style-type: none"> <li>• Complete training for all bus operators by June 2016</li> <li>• Complete Code of Conduct attestation by February 2016</li> </ul>
Maintain an agency-wide employee compliance fraud helpline incident reporting system	<ul style="list-style-type: none"> <li>• Assign investigations for all incident reports</li> <li>• Track incident reports to closure</li> <li>• Ensure incident reports are thoroughly documented</li> </ul>	<ul style="list-style-type: none"> <li>• Close all incident reports within 30 days for at least 90% of all new incident reports</li> <li>• Include results in annual State of the Agency report and present to Board of Commissioners by March 2016</li> </ul>

EEO and Diversity		
Improve transparency of the Agency's DBE contracting and expenditures	<ul style="list-style-type: none"> <li>• Determine data to be displayed on the BSDA website</li> <li>• Redesign BSDA DBE website to better communicate program goals, process, accomplishments, and data</li> <li>• Implement Small Business component of DBE program</li> <li>• Improve compliance monitoring and enforcement procedures and processes</li> </ul>	<ul style="list-style-type: none"> <li>• Completed and implemented redesign of website with DBE performance information</li> <li>• DBE training and certification assistance available to interested parties</li> <li>• Small Business program implemented and operating per our program document</li> <li>• Achievement of DBE and workforce contract goals</li> </ul>
<b>Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources</b>		
<b>Objective: Implement internal process improvements</b>		
Strategy	Action Steps	Performance Measurements
<b>Internal Audit</b>		
Perform an Agency wide Risk Assessment	<ul style="list-style-type: none"> <li>• Perform a detailed review of the current "process control memos"</li> </ul>	<ul style="list-style-type: none"> <li>• Use the results of the Risk Assessment to develop the FY 2015 Annual Audit Program</li> </ul>
Integrate more technology in the performance of internal audits	<ul style="list-style-type: none"> <li>• Obtain more training on the use of the Oracle data base and data mining software</li> </ul>	<ul style="list-style-type: none"> <li>• Audit reports will incorporate audit findings based upon a more detail analysis of business processes</li> </ul>
<b>Objective: Implement revenue enhancement strategies</b>		
Strategy	Action Steps	Performance Measurements
<b>Executive Office</b>		
Address federal, state, and local policies to include better transit funding, planning, & infrastructure	<ul style="list-style-type: none"> <li>• Identify the uses of the current transit sales tax revenue collections</li> <li>• Prepare detailed financial reports showing the uses of the transit sales tax revenue for road construction, road maintenance, TIF's, debt service and public transit operations</li> </ul>	<ul style="list-style-type: none"> <li>• Publish a quarterly report of transit sales tax collections and expenditures</li> </ul>

## 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 2016 Target	FY 2015 Projection	FY 2015 Target	FY 2014 Target
<b>Executive Office and General Counsel:</b>				
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%
<b>Government Affairs:</b>				
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
<b>Internal Audit:</b>				
Audits planned	35	10	21	19
Audits completed	35	10	20	13
Audit recommendations accepted by Management	25	10	60	17
Audit recommendations implemented	25	10	44	17
<b>Economic Development:</b>				
Transit Oriented Development (TOD) project efforts at 37 stations	100%	100%	100%	100%
Bus Rapid Transit pre-development support	Yes	Yes	Yes	Yes
Grow regional project/funding partnership	Yes	Yes	Yes	Yes
Establish Freight District within BSDA	Yes	No	No	No
Create opportunities for use of Bi-State compact	Yes	Yes	Yes	Yes
Create 501c (3) for program leveraging	Yes	Yes	Yes	No
<b>Real Estate (also found under Transit company):</b>				
BSDA strategic property analysis	Yes	Yes	Yes	Yes
Engineering department support	Yes	Yes	Yes	Yes
BSDA leases accounts receivable current	98%	95%	95%	90%
BSDA leases accounts payable current	100%	100%	100%	100%
Operations department support	Yes	Yes	Yes	Yes

## Executive Services - Operating Expenses - Summary

	FY 2016 Budget	FY 2015 Projection	FY 2015 Budget	16 Bgt vs. 15 Proj \$ Change	% Change	FY 2014 Actual
<b>By type of expense:</b>						
Wages & benefits without OPEB	\$ 2,455,635	\$ 2,195,623	\$ 2,424,513	\$ 260,013	11.8%	\$ 2,025,677
Other post-employment benefits	129,600	150,840	162,000	(21,240)	-14.1%	145,532
Services	1,151,267	690,336	904,210	460,931	66.8%	817,661
Fuel & lubrications	1,584	1,131	1,584	453	40.1%	1,015
Parts & supplies	26,059	18,009	23,338	8,051	44.7%	12,413
Utilities	8,499	6,455	7,200	2,044	31.7%	5,563
Leases and other expense	357,899	287,683	345,028	70,216	24.4%	231,258
<b>Operating expense</b>	<b>\$ 4,130,543</b>	<b>\$ 3,350,076</b>	<b>\$ 3,867,873</b>	<b>\$ 780,467</b>	<b>23.3%</b>	<b>\$ 3,239,118</b>

<b>By function:</b>						
Executive Office	\$ 1,036,781	\$ 809,495	\$ 910,820	\$ 227,286	28.1%	\$ 730,129
Internal Audit	1,121,648	811,651	946,394	309,997	38.2%	928,182
Government Affairs	376,542	315,173	439,529	61,369	19.5%	191,651
General Counsel	577,269	527,451	579,945	49,817	9.4%	453,521
Economic Development	447,272	392,877	431,412	54,395	13.8%	425,503
Business Enterprises Administration	332,357	301,033	324,637	31,323	10.4%	368,410
Workforce Diversity and EEO	238,675	192,395	235,136	46,280	24.1%	141,723
<b>Operating expense</b>	<b>\$ 4,130,543</b>	<b>\$ 3,350,076</b>	<b>\$ 3,867,873</b>	<b>\$ 780,467</b>	<b>23.3%</b>	<b>\$ 3,239,118</b>

Totals may not sum due to rounding.



## Executive Services - Operating Expense by Functional Area

		FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
		<u>Budget</u>	<u>Projection</u>	<u>Budget</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Actual</u>
<b>Executive Office</b>	Wages & benefits without OPEB	563,328	465,404	448,977	97,924	21.0%	501,167
	Other post-employment benefits	28,690	37,634	35,862	(8,944)	-23.8%	36,970
	Services	204,500	114,184	201,500	90,316	79.1%	22,590
	Fuel & lubrications	156	78	156	78	100.0%	-
	Parts & supplies	5,500	3,029	4,700	2,471	81.6%	2,962
	Utilities	1,200	761	1,200	439	57.7%	204
	Leases and other expense	233,407	188,405	218,425	45,002	23.9%	166,236
	<b>Operating expense</b>	<b>1,036,781</b>	<b>809,495</b>	<b>910,820</b>	<b>227,286</b>	<b>28.1%</b>	<b>730,129</b>
<b>Internal Audit</b>	Wages & benefits without OPEB	523,012	532,489	630,612	(9,477)	-1.8%	426,320
	Other post-employment benefits	21,513	28,272	26,891	(6,759)	-23.9%	29,324
	Services	524,193	218,790	248,308	305,403	139.6%	449,052
	Parts & supplies	9,258	5,973	9,066	3,285	55.0%	2,571
	Leases and other expense	43,672	26,128	31,518	17,544	67.1%	20,915
	<b>Operating expense</b>	<b>1,121,648</b>	<b>811,651</b>	<b>946,394</b>	<b>309,997</b>	<b>38.2%</b>	<b>928,182</b>
<b>Government Affairs</b>	Wages & benefits without OPEB	135,043	64,711	130,290	70,332	108.7%	-
	Other post-employment benefits	9,460	5,845	11,825	3,615	61.9%	-
	Services	215,330	226,044	275,267	(10,713)	-4.7%	184,103
	Parts & supplies	1,171	580	1,160	591	101.9%	48
	Utilities	600	300	600	300	100.0%	-
	Leases and other expense	14,937	17,694	20,387	(2,757)	-15.6%	7,500
	<b>Operating expense</b>	<b>376,542</b>	<b>315,173</b>	<b>439,529</b>	<b>61,369</b>	<b>19.5%</b>	<b>191,651</b>
<b>General Counsel</b>	Wages & benefits without OPEB	441,881	435,655	448,775	6,226	1.4%	378,021
	Other post-employment benefits	26,688	31,113	33,360	(4,425)	-14.2%	27,021
	Services	80,400	31,727	59,530	48,673	153.4%	21,193
	Parts & supplies	2,000	4,159	1,000	(2,159)	-51.9%	2,257
	Utilities	1,800	979	1,800	821	83.8%	1,209
	Leases and other expense	24,500	23,818	35,480	682	2.9%	23,819
	<b>Operating expense</b>	<b>577,269</b>	<b>527,451</b>	<b>579,945</b>	<b>49,817</b>	<b>9.4%</b>	<b>453,521</b>
<b>Economic Development</b>	Wages & benefits without OPEB	290,384	271,977	277,758	18,408	6.8%	277,356
	Other post-employment benefits	18,443	21,199	23,054	(2,756)	-13.0%	24,515
	Services	122,100	89,625	115,000	32,475	36.2%	116,249
	Parts & supplies	3,345	1,809	3,300	1,536	84.9%	3,706
	Utilities	2,499	2,716	1,800	(217)	-8.0%	2,232
	Leases and other expense	10,500	5,551	10,500	4,949	89.2%	1,444
	<b>Operating expense</b>	<b>447,272</b>	<b>392,877</b>	<b>431,412</b>	<b>54,395</b>	<b>13.8%</b>	<b>425,503</b>
<b>Business Enterprises Administration</b>	Wages & benefits without OPEB	298,743	272,855	287,537	25,888	9.5%	331,182
	Other post-employment benefits	18,203	19,176	22,754	(973)	-5.1%	19,536
	Services	-	410	-	(410)	-100.0%	11,177
	Fuel & lubrications	1,428	1,053	1,428	375	35.6%	1,015
	Parts & supplies	800	540	800	260	48.2%	762
	Utilities	1,800	1,698	1,800	102	6.0%	1,917
	Leases and other expense	11,383	5,302	10,318	6,081	114.7%	2,821
	<b>Operating expense</b>	<b>332,357</b>	<b>301,033</b>	<b>324,637</b>	<b>31,323</b>	<b>10.4%</b>	<b>368,410</b>
<b>Workforce Diversity and EEO</b>	Wages & benefits without OPEB	203,244	152,531	200,565	50,712	33.2%	111,630
	Other post-employment benefits	6,604	7,602	8,254	(999)	-13.1%	8,166
	Services	4,743	9,556	4,605	(4,813)	-50.4%	13,297
	Parts & supplies	3,985	1,920	3,312	2,065	107.6%	107
	Utilities	600	-	-	600	-	-
	Leases and other expense	19,500	20,786	18,400	(1,286)	-6.2%	8,523
	<b>Operating expense</b>	<b>238,675</b>	<b>192,395</b>	<b>235,136</b>	<b>46,280</b>	<b>24.1%</b>	<b>141,723</b>

# Glossary

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**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.

**ACL (data mining)** - A software used to automate audit testing procedures. The technical audit term for using this type of audit software is called data mining, because the software is programmed by the individual auditor to find certain patterns and/or discrepancies in the data being tested.

**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 Agency in response to ADA legislation.

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

**Administration** - Bi-State Development Agency's human resources, communications, purchasing, material management, information technology, finance and ADA services 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 Agency disbursements may not exceed appropriations. Generally, Bi-State Development Agency 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 Agency 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 Agency 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.

**Business Enterprises** - Bi-State Development Agency operating companies other than Transit System; includes Gateway Arch, Gateway Arch Parking Facility, Gateway Arch Riverboats, and St. Louis Downtown Airport.

**Call-A-Ride** - Bi-State Development Agency 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 Agency, 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 Agency 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 Agency'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.

**Engineering & New System Development (ENSD)** - Bi-State Development Agency's engineering, construction, and rail and facilities management cost centers.

**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 Agency service supporting the other Bi-State Development Agency 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 Agency.

**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 Agency's accounting, budget, grants, passenger revenue, risk management, safety, and treasury cost centers.

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

**Fiscal year (FY)** - The fiscal year for Bi-State Development Agency ends on June 30 of each year. FY 2015 ends on June 30, 2015. FY 2015 of the federal government extends from October 1, 2014, through September 30, 2015.

**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 Agency 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 Agency, the

tram system and ticketing operation managed by Bi-State Development Agency under contract with the National Park Service.

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

**General Agency** - See Executive Services.

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

**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.

**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 Agency 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.

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

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

**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 Agency’s vehicle operator and maintenance, security, custodial, service planning, and customer service cost centers.

**Organizational unit** - A major administrative unit of Bi-State Development Agency 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 Agency 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 Agency, and a heliport owned by Bi-State Development Agency 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 Agency'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 Agency 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 Agency 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 Agency'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 Agency.

**TIP** - Transit Improvement Program, a planning document prepared by Bi-State Development Agency 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 Agency'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).

**Tranche** - one of a number of related securities offered as part of the same transaction.

**Transit System** - The Bi-State Development Agency 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 an Agency 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

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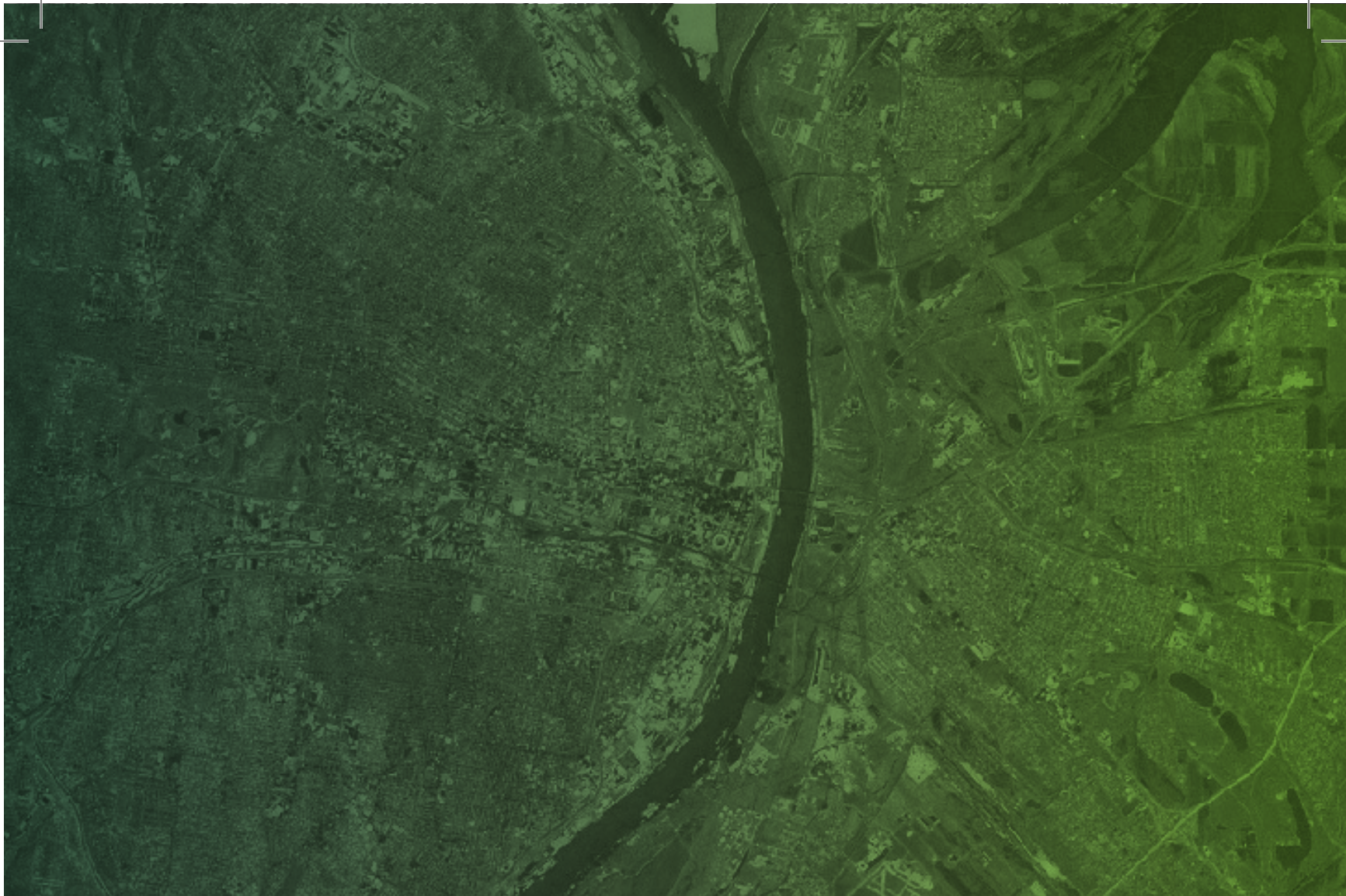
<b>ADA</b>	Americans with Disabilities Act
<b>AFL-CIO</b>	American Federation of Labor and Congress of Industrial Organizations
<b>AIG</b>	American International Group
<b>AIT</b>	Arts In Transit, Inc.
<b>AMBAC</b>	American Municipal Bond Assurance Corporation
<b>APC</b>	Automatic Passenger Counter
<b>APTA</b>	American Public Transportation Association
<b>ARC</b>	Actuarially Recommended Contribution
<b>ARFF</b>	Aircraft Rescue and Firefighting
<b>ARRA</b>	American Recovery and Reinvestment Act of 2009
<b>ATS</b>	Alternative Transportation Service, paratransit service provider in St. Clair County, IL. Bi-State Development Agency is contracted by SCCTD for maintenance of the ATS vehicles
<b>ATU</b>	Amalgamated Transit Union
<b>AVL</b>	Automated Vehicle Locator
<b>BJC</b>	Barnes Jewish Childrens Healthcare centers
<b>BRT</b>	Bus Rapid Transit
<b>CAD/AVL</b>	Computer Aided Dispatch / Automated Vehicle Location
<b>CAFR</b>	Comprehensive Annual Financial Report
<b>CCC</b>	Cross County Collaborative
<b>CCTV</b>	Closed Circuit Television (Cameras)
<b>CIP</b>	Capital Improvement Program
<b>CMAQ</b>	A federal Congestion Mitigation/Air Quality grant program designed to support transportation projects that reduce traffic congestion
<b>CMS</b>	Constant Maturity Swap
<b>DBE</b>	Disadvantaged Business Enterprise
<b>DHS</b>	Department of Homeland Security
<b>DMH</b>	Department of Mental Health
<b>DOT</b>	United States Department of Transportation

<b>EADS</b>	Employee Accountability and Development System
<b>EEO</b>	Equal Employment Opportunity
<b>ESGR</b>	Employer Support of the Guard and Reserve
<b>EWGCOG</b>	East-West Gateway Council of Governments
<b>FAA</b>	Federal Aviation Administration
<b>FASB</b>	Financial Accounting Standards Board
<b>FCC</b>	Federal Communications Commission
<b>FEMA</b>	Federal Emergency Management Agency
<b>FSA</b>	Financial Security Assurance Company (now Assured Guaranty)
<b>FTA</b>	Federal Transit Administration
<b>FY</b>	Fiscal Year
<b>GAAP</b>	Generally Accepted Accounting Principles
<b>GASB</b>	Governmental Accounting Standards Board
<b>GFOA</b>	Government Finance Officers Association
<b>GIC</b>	Guaranteed Investment Contract
<b>GIS</b>	Geographic Information System
<b>HCMS</b>	Human Capital Management System
<b>IBEW</b>	International Brotherhood of Electrical Workers
<b>IDOT</b>	Illinois Department of Transportation
<b>IDS</b>	Intrusion Detection System
<b>IT</b>	(Bi-State Development Agency's) Information Technology Division
<b>JARC</b>	Job Access and Reverse Commute Program
<b>LIBOR</b>	London Interbank Offering Rate
<b>LOC</b>	Letter of Credit
<b>LRV</b>	Light Rail Vehicle
<b>MAC</b>	Missouri Arts Council
<b>MAP-21</b>	Moving Ahead for Progress in the 21st Century Act
<b>MoDOT</b>	Missouri Department of Transportation
<b>MOW</b>	Maintenance of Way
<b>MPO</b>	Metropolitan Planning Organization

<b>MTIA</b>	Major Transportation Investment Analysis
<b>NOFA</b>	Notice of Funding Availability
<b>NPS</b>	National Park Service
<b>NTD</b>	National Transit Database
<b>O&amp;M</b>	Operations and Maintenance
<b>OATS</b>	Older Adults Transportation Service
<b>OPEB</b>	Other Post-Employment Benefits
<b>PTO</b>	Paid Time Off
<b>RAC</b>	Regional Arts Commission
<b>RCGA</b>	Regional Chamber and Growth Association
<b>RFP</b>	Request for Proposal
<b>ROMIS</b>	Rail Operations Management Information System
<b>SAFETEA-LU</b>	Safe, Accountable, Flexible and Efficient Transportation Equity Act - A Legacy for Users
<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>SCCTD</b>	St. Clair County Transit District (Illinois)
<b>SCORE</b>	Systems Connectivity Opportunity Responsiveness Efficiency (Business System)
<b>SLU</b>	St. Louis University
<b>SMSA</b>	Standard Metropolitan Statistical Area
<b>SOP</b>	Standard Operating Procedures
<b>STP</b>	Surface Transportation Program
<b>STIP</b>	State Transportation Improvement Program
<b>STRIP</b>	Separate Trading of Registered Interest and Principal Securities
<b>TAM</b>	Transit Asset Management
<b>TAMP</b>	Transit Asset Management Plan
<b>TIF</b>	Tax Increment Financing
<b>TIGER</b>	Transportation Investment Generating Economic Recovery - supplemental discretionary grant program managed by the DOT
<b>TIP</b>	Transportation Improvement Program/Plan
<b>TMA</b>	Transportation Management Association

<b>TSA</b>	Transportation Security Administration
<b>TSGP</b>	(Department of Homeland Security) Transit Security Grant Program
<b>TVM</b>	Ticket Vending Machines
<b>UMSL</b>	University of Missouri - St. Louis
<b>UZA</b>	Urbanized Area
<b>YTD</b>	Year to Date

DRAFT



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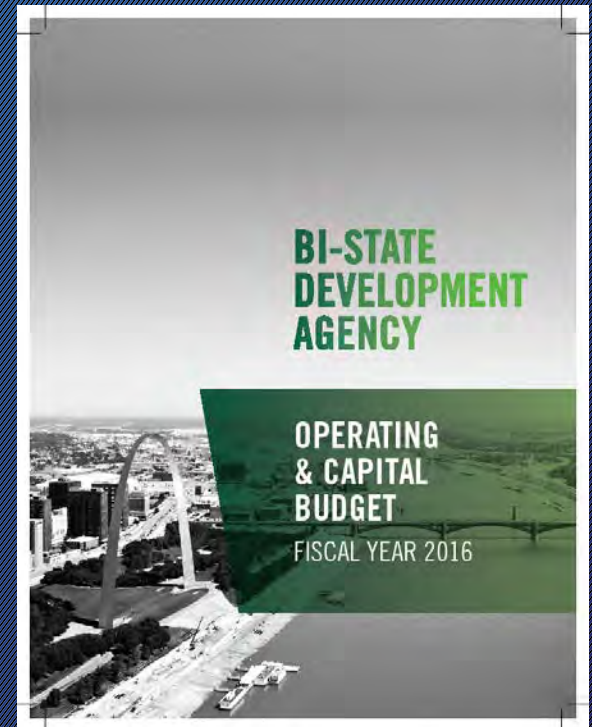


# Bi-State Development Agency Capital & Operating Budgets



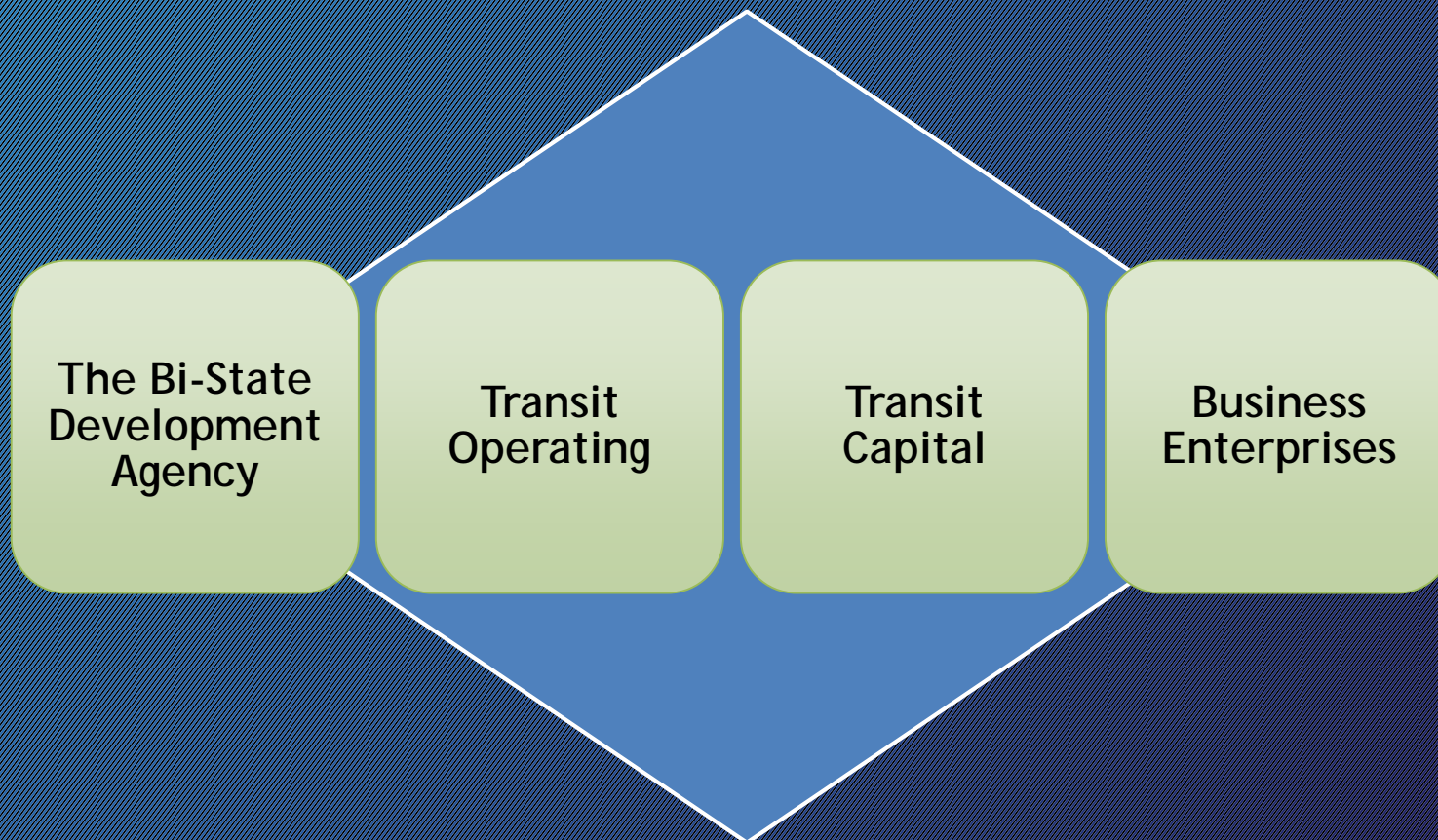
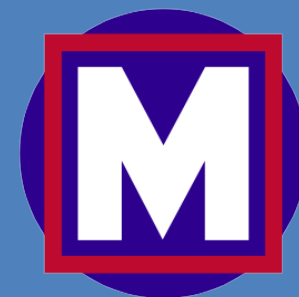
Bi-State Development Agency  
of the Missouri-Illinois  
Metropolitan District

FY 2016 – FY 2018

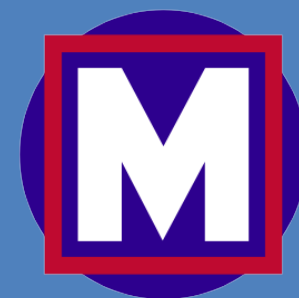




# Budget Outline



# Combined Statement of Revenue & Expense



\$ in millions	FY 2016 <u>Budget</u>	FY 2015 <u>Projection</u>	FY 2015 <u>Budget</u>
Operating revenue	\$ 78.7	\$ 76.2	\$ 77.9
Operating expense	<u>298.5</u>	<u>280.9</u>	<u>287.1</u>
Operating (loss)	<u>(219.8)</u>	<u>(204.7)</u>	<u>(209.2)</u>
Non-operating revenue (expense)			
Grants & assistance	234.8	226.2	223.3
Other	<u>(21.4)</u>	<u>(27.5)</u>	<u>(22.8)</u>
Total	<u>213.4</u>	<u>198.7</u>	<u>200.5</u>
Net (deficit) before depreciation	<u>(6.4)</u>	<u>(6.0)</u>	<u>(8.7)</u>
Depreciation	<u>78.0</u>	<u>72.4</u>	<u>73.1</u>
Net (deficit)	<u>\$ (84.4)</u>	<u>\$ (78.4)</u>	<u>\$ (81.8)</u>

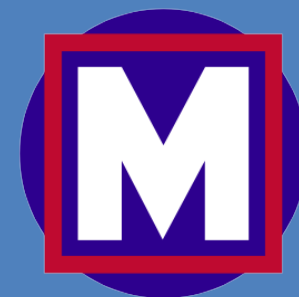
# Moving Forward



- North County Transit Center
- Smart Card Technology
- New Central West End Station and Improvements
- Arch Grounds Renovations
- Regional Freight Partnership
- Bi-State Development Research Institute
- Internal Service Fund



# Transit System





# FY 2016 Transit Budget Assumptions



## Revenues

- Ridership growth 1.0%
- No fare increase in FY 2016
- Other Operating Revenues of \$5.2 million
- Sales tax growth rate: 2.5% County and 1.0% City
- Federal vehicle maintenance for operations \$16 million

# FY 2016 Transit Budget Assumptions



## Expenses

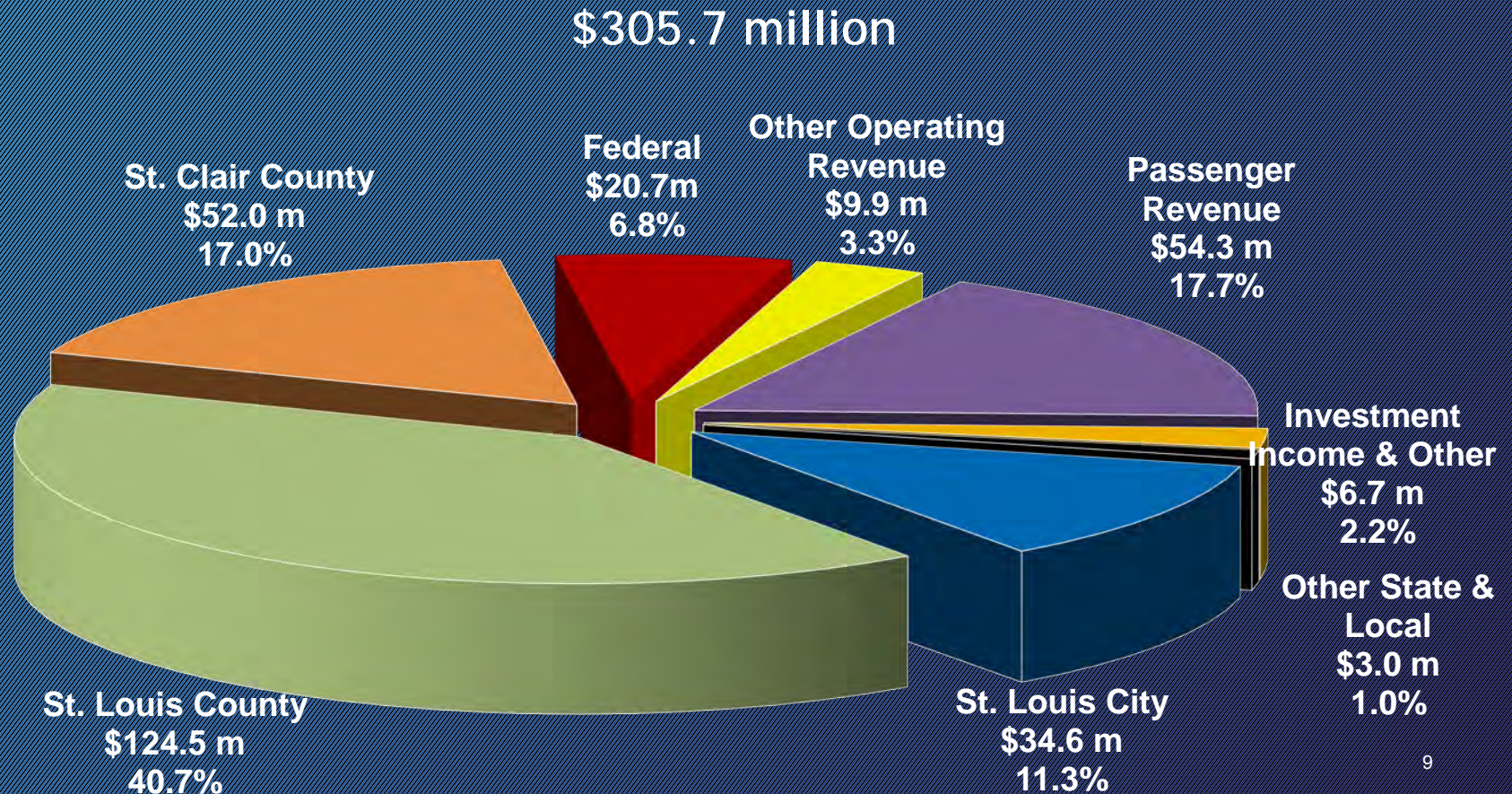
- 2,199 Transit employees
- Wage increases as per contracts
- Headquarters relocation
- Engineering Services for non-capital projects of \$3.3M, mostly offset by Federal and Local funds
- Predictive vehicle maintenance program

# Transit Summary



	FY 2016 Budget	FY 2015 Projection	FY 2015 Budget
Operating revenue	\$ 64.2	\$ 62.7	\$ 63.7
Operating expense	<u>285.5</u>	<u>268.8</u>	<u>274.0</u>
Operating loss	(221.3)	(206.1)	(210.3)
Non-operating revenue (expense)	<u>213.7</u>	<u>204.4</u>	<u>201.1</u>
Net (loss) before depreciation	(7.6)	(1.7)	(9.2)
Depreciation	<u>76.0</u>	<u>70.2</u>	<u>70.9</u>
Net deficit	<u>\$ (83.6)</u>	<u>\$ (71.9)</u>	<u>\$ (80.1)</u>

# Transit Operating and Non-Operating Revenue

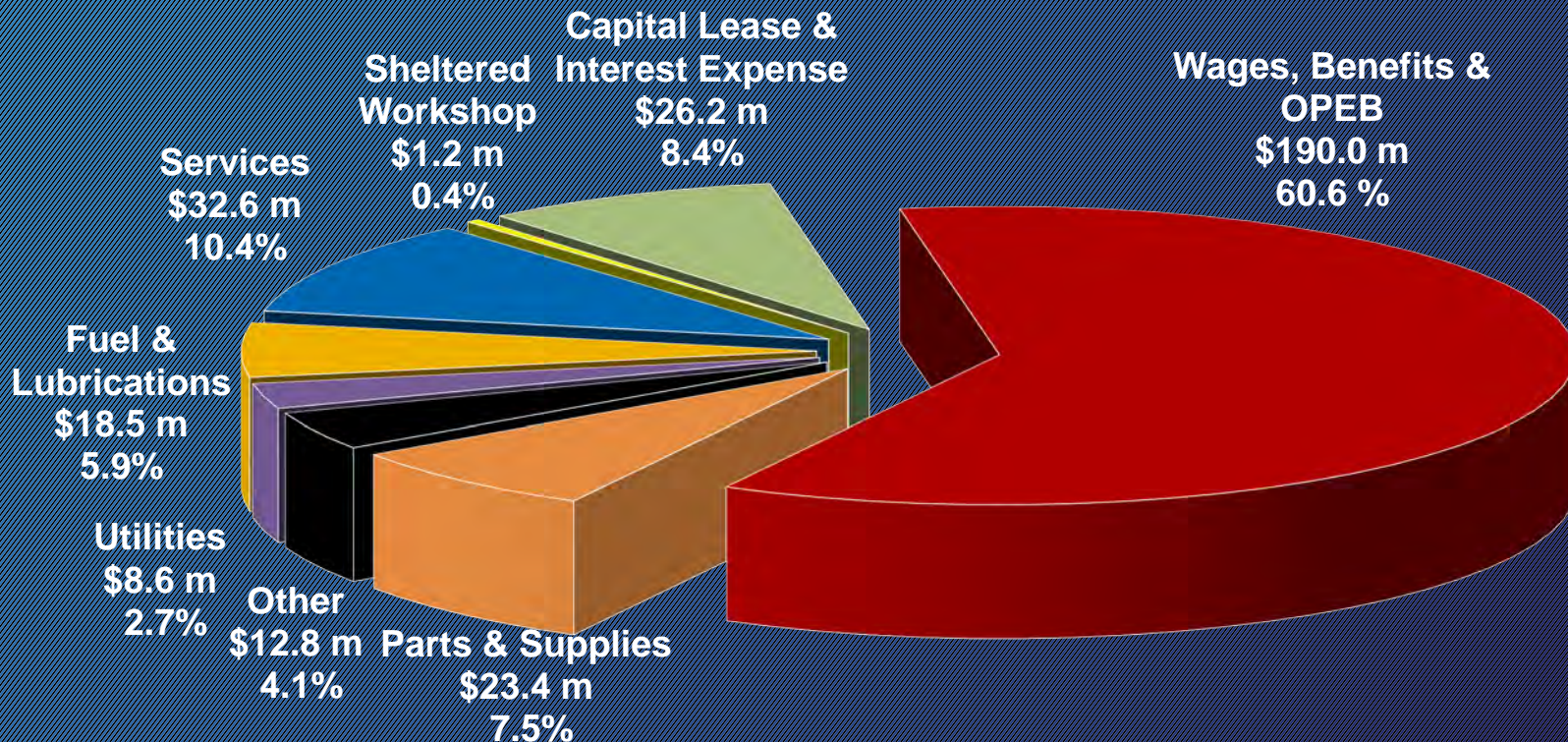




# Transit Operating and Non-Operating Expense



**\$313.3 million**



# Capital Budget



**Spruce Street Bridge  
Rehabilitation**



**Fare Collection  
/Smart Card**



**Downtown Transfer  
Center**



**Rolling Stock  
Replacement**



**North County Transfer Center &  
Maintenance Facility**

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



- Signed into law by President Obama on July 6, 2012
- Effective October 1, 2012 – September 30, 2014 (Continuing Resolution through May 31, 2015)
- 2015 Budget signed March 4, 2014
- Fully funds MAP-21 at authorized funding levels for surface transportation programs
- Includes a reserve for Surface Transportation Reauthorization of MAP-21 beyond its current expiration

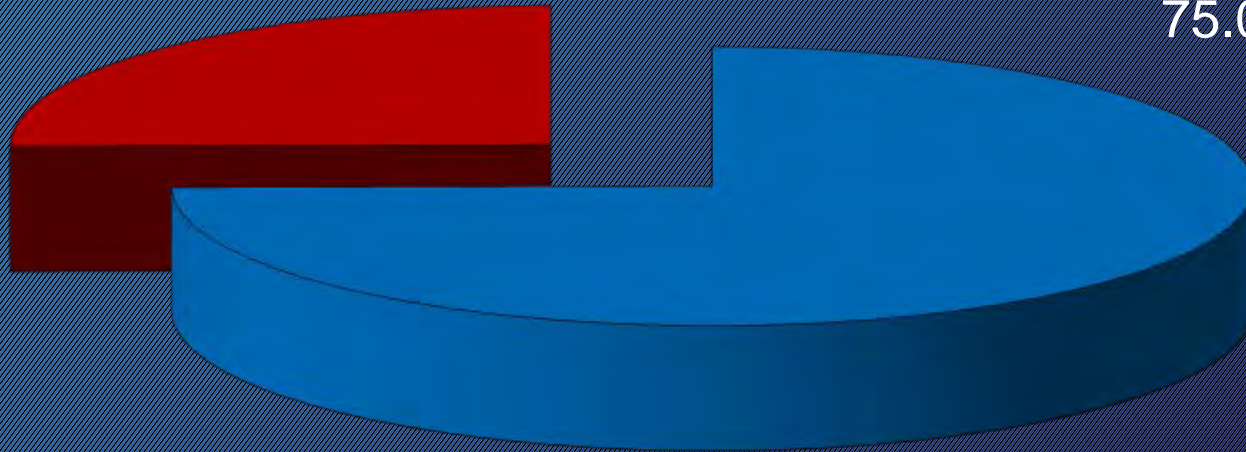


# Sources of Funds FY 2016 - FY 2018 \$619.6 million

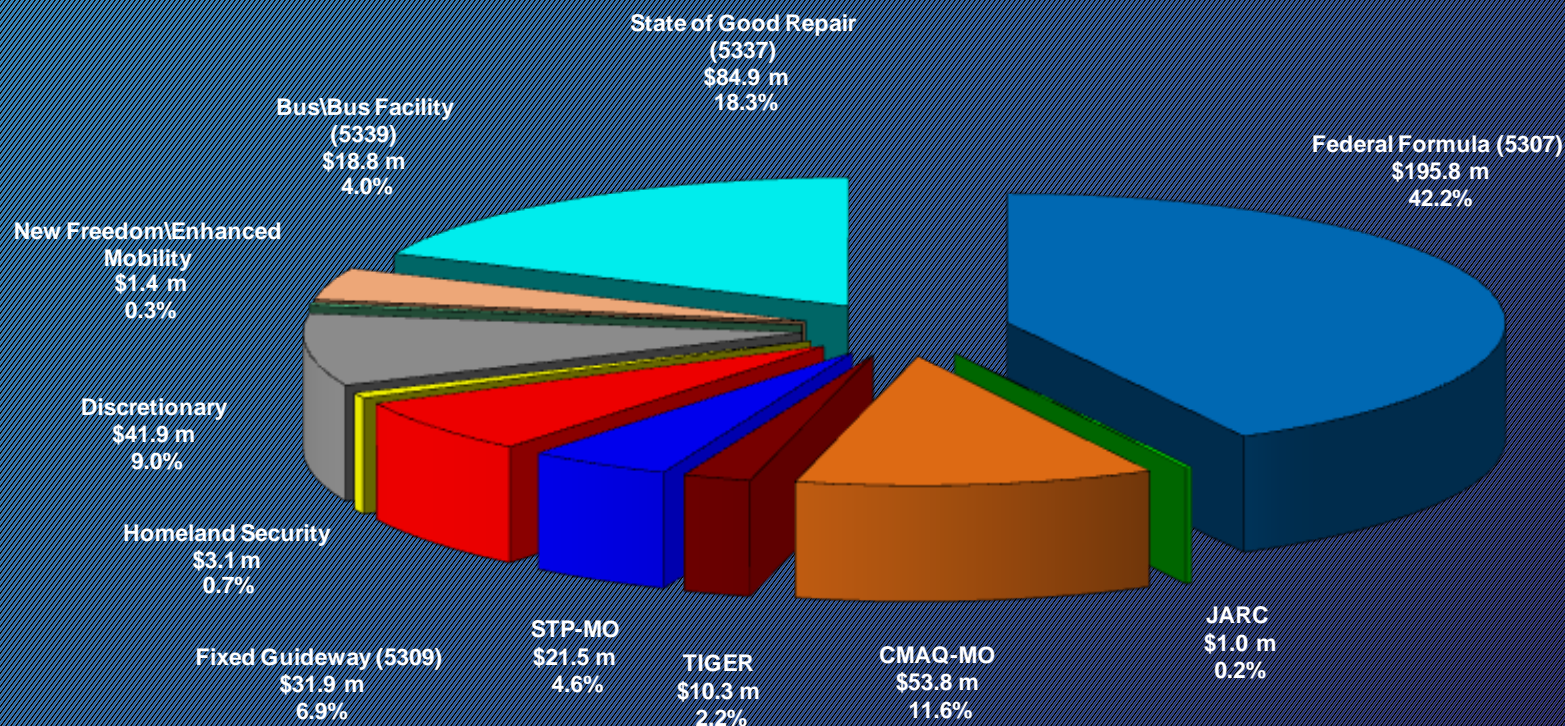
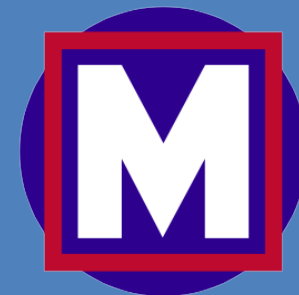


Local Funding  
\$155.2 m  
25.0%

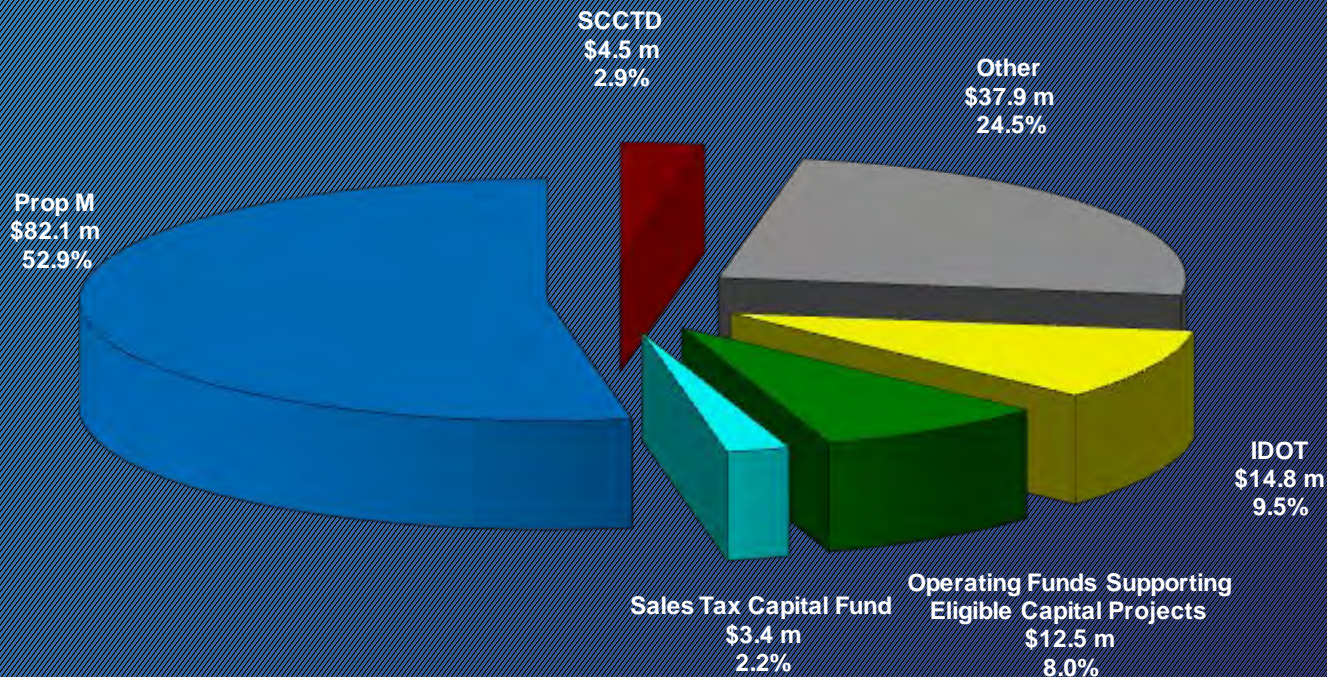
Federal Funding  
\$464.4 m  
75.0%



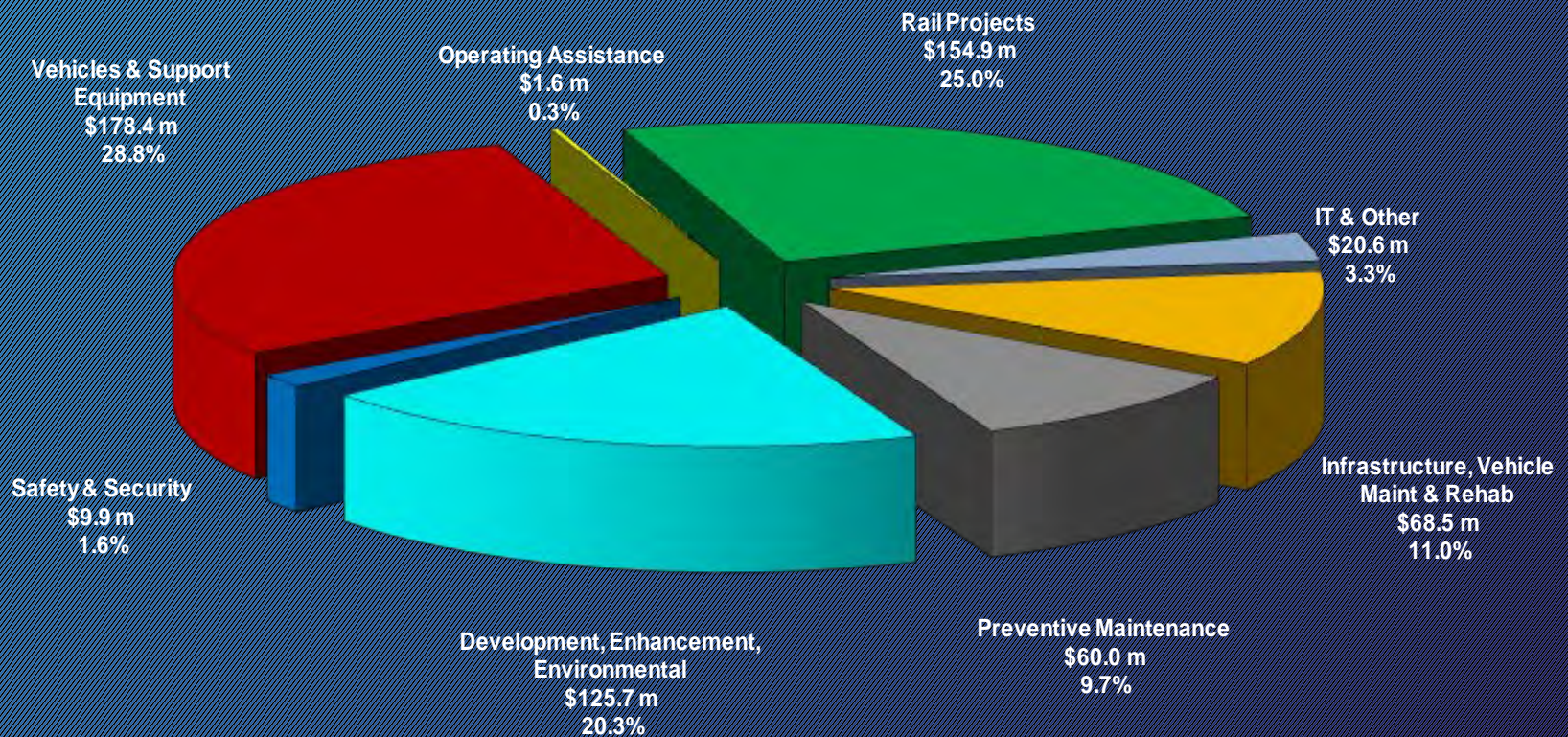
# Federal Sources of Funds FY 2016 - FY 2018 \$464.4 million



# Local Capital Sources of Funds FY 2016 - FY 2018 \$155.2 million



# Capital Cash Flow By Use FY 2016 - FY 2018 \$619.6 million





# FY 2016 - FY 2018 Major Capital Projects (in millions)



• Revenue Rolling Stock Replacement	\$132.0
• Light Rail Vehicle Upgrade	\$ 32.0
• North County Operating and Maintenance Facility	\$ 29.2
• Radio System Replacement	\$ 23.7
• Eads Bridge Rehabilitation	\$ 26.1
• New Central West End Station & Improvements	\$ 12.9
• Integrated Fare System Upgrade	\$ 10.9
• North County Transfer Center	\$ 6.2
• Downtown Transfer Center	\$ 6.7
• MetroLink Station Improvements	\$ 1.4



# Capital Maintenance Projects State of Good Repair



- Buses/ Paratransit Vans/Support Vehicles
- Maintenance Facilities Rehabilitation
- Light Rail Vehicle Upgrades
- MetroLink Bridge & Tunnel Rehabilitation
- Rehabilitation of Various MetroLink Stations/Parking Lots
- Rail & Tie Replacement Program
- Rail Slope Stability/Drainage/Culvert Improvements

# Business Enterprise



## 2016 Operating and Capital Budget



# Gateway Arch



**Operating Revenue**  
**\$ 5.98 million**

**Operating Income**  
**\$ 1.43 million**



# Gateway Arch Budget Summary



\$ in Millions	FY 2016 Budget	FY 2015 Projection	FY 2015 Budget
Operating revenue	\$ 5.98	\$ 5.41	\$ 5.51
Operating expense	<u>4.55</u>	<u>4.13</u>	<u>4.29</u>
Operating income	1.43	1.28	1.22
Non-operating revenue (expense)	<u>(0.29)</u>	<u>(5.69)</u>	<u>(0.62)</u>
Net income (loss) before depreciation	1.14	(4.41)	0.60
Depreciation	0.15	0.38	0.33
Net Transfers	<u>0.00</u>	<u>(0.11)</u>	<u>0.00</u>
Net surplus (deficit)	<u>\$ 0.99</u>	<u>\$ (4.68)</u>	<u>\$ 0.27</u>



# Gateway Arch Operating Revenue



\$5.98 million

Child Ticket  
Sales  
\$1.44 m  
24.2%

Adult Ticket  
Sales  
\$4.51 m  
75.3%

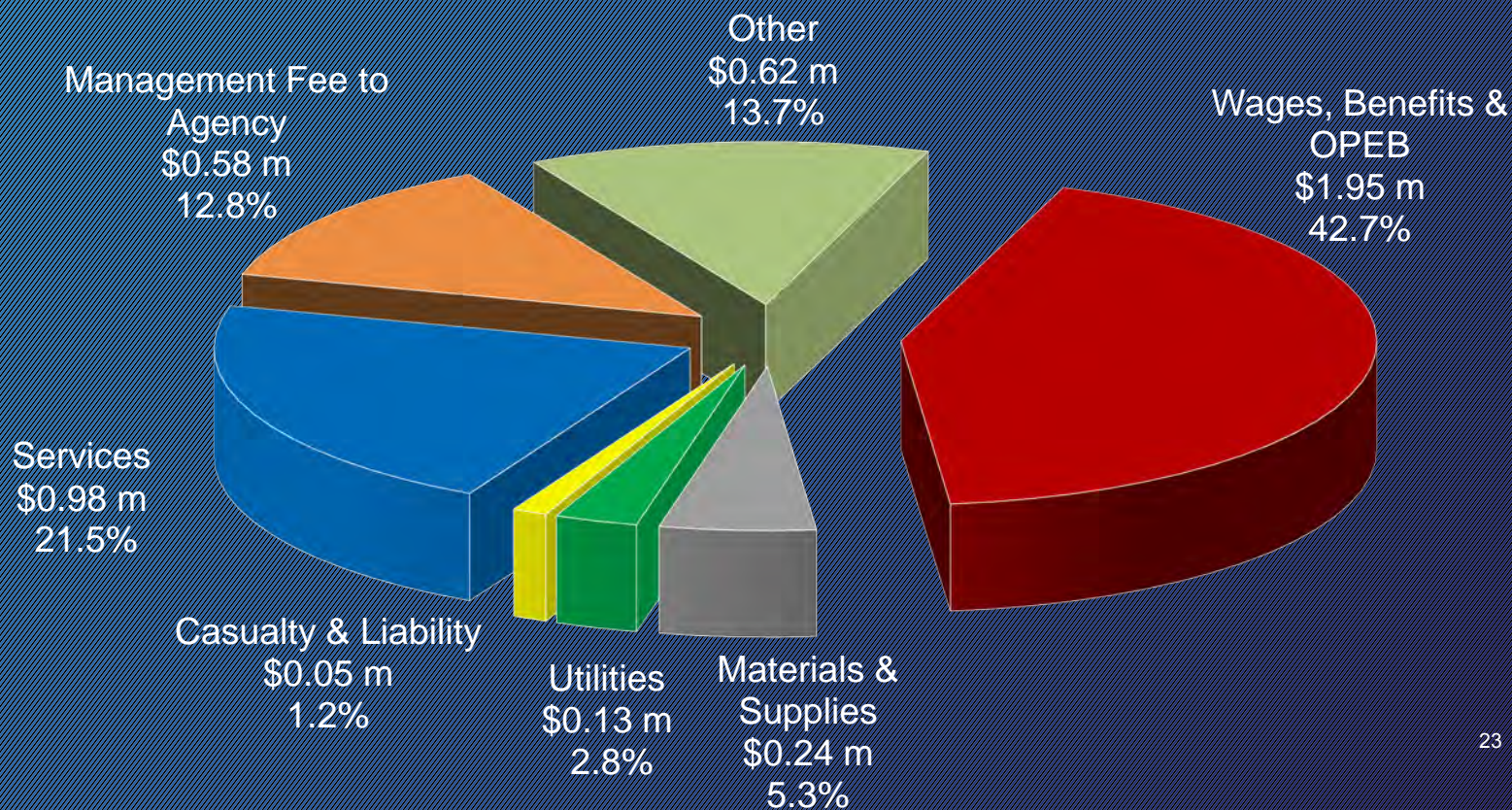
Site Rental  
& Other  
\$ 0.03 m  
0.5%



# Gateway Arch Operating Expense



**\$4.55 million**



# Gateway Arch Capital Projects FY16



(\$ in thousands)

## Sources of funds:

Exhibit Rehabilitation Project Account	\$4,165
2014 Series Arch Tram Revenue Bonds - PNC	5,000
Jefferson National Expansion Memorial Beneficial Fund	<u>900</u>
<b>Total Sources of Funds</b>	<b><u>\$10,065</u></b>

## Uses of funds:

Arch Transportation System (ATS) Exhibit Rehabilitation Project	\$4,165
ATS Motor Generator (MG) Set Replacement Design Services	600
ATS Motor Generator (MG) Set Replacement Construction	5,000
Gateway Arch Visitor Facility Distributed Antenna System	<u>300</u>
<b>Total Uses of Funds</b>	<b><u>\$10,065</u></b>



# Riverfront Attractions



**Operating Revenue**  
**\$ 2.48 million**

**Operating Income**  
**\$ 0.01 million**



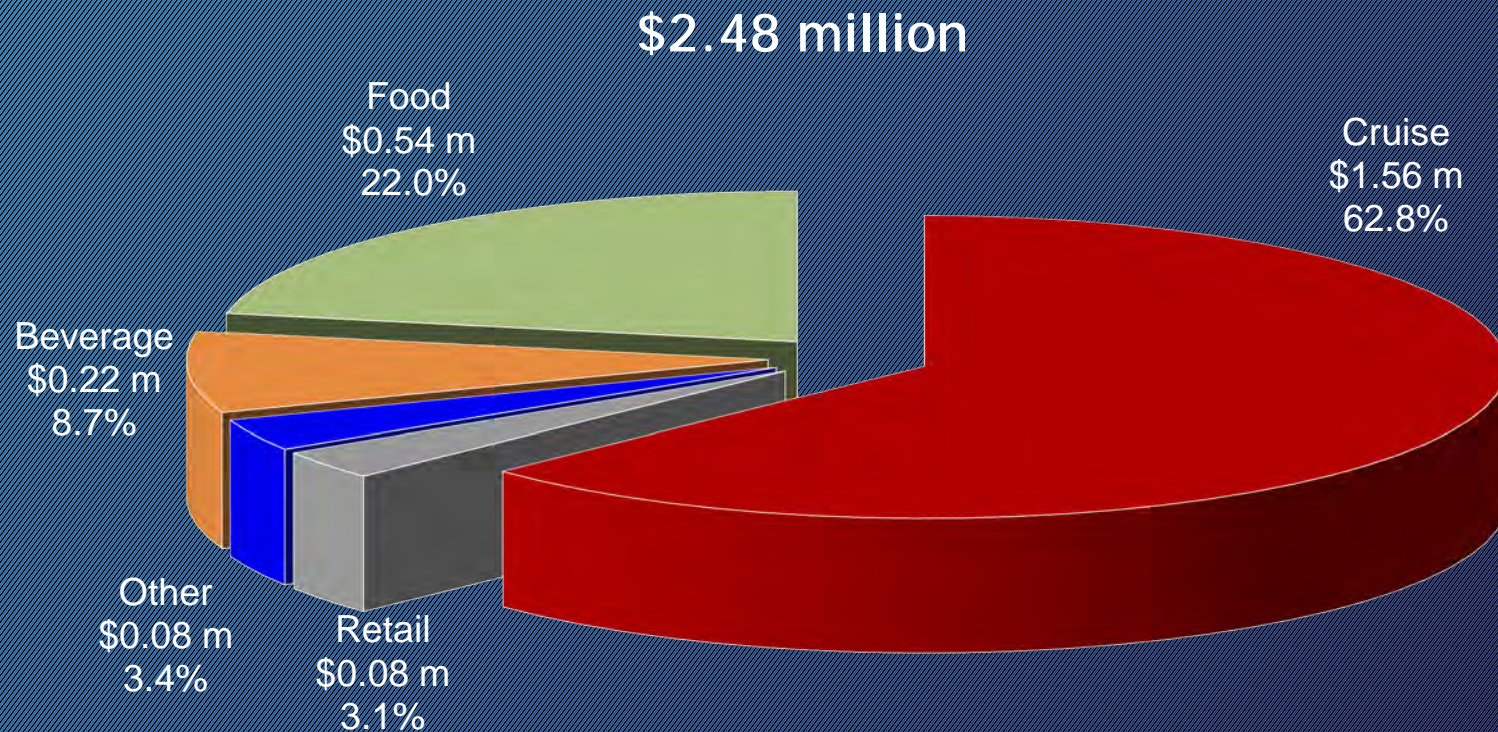


# Riverfront Attractions Budget Summary



\$ in Millions	FY 2016 Budget	FY 2015 Projection	FY 2015 Budget
Operating revenue	\$ 2.48	\$ 1.35	\$ 1.61
Operating expense	<u>2.47</u>	<u>2.05</u>	<u>2.29</u>
Operating income (loss)	0.01	(0.70)	(0.68)
Non-operating revenue (expense)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net income (loss) before depreciation	0.01	(0.70)	(0.68)
Depreciation	<u>0.32</u>	<u>0.26</u>	<u>0.24</u>
Net (deficit)	<u>\$ (0.31)</u>	<u>\$ (0.96)</u>	<u>\$ (0.92)</u>

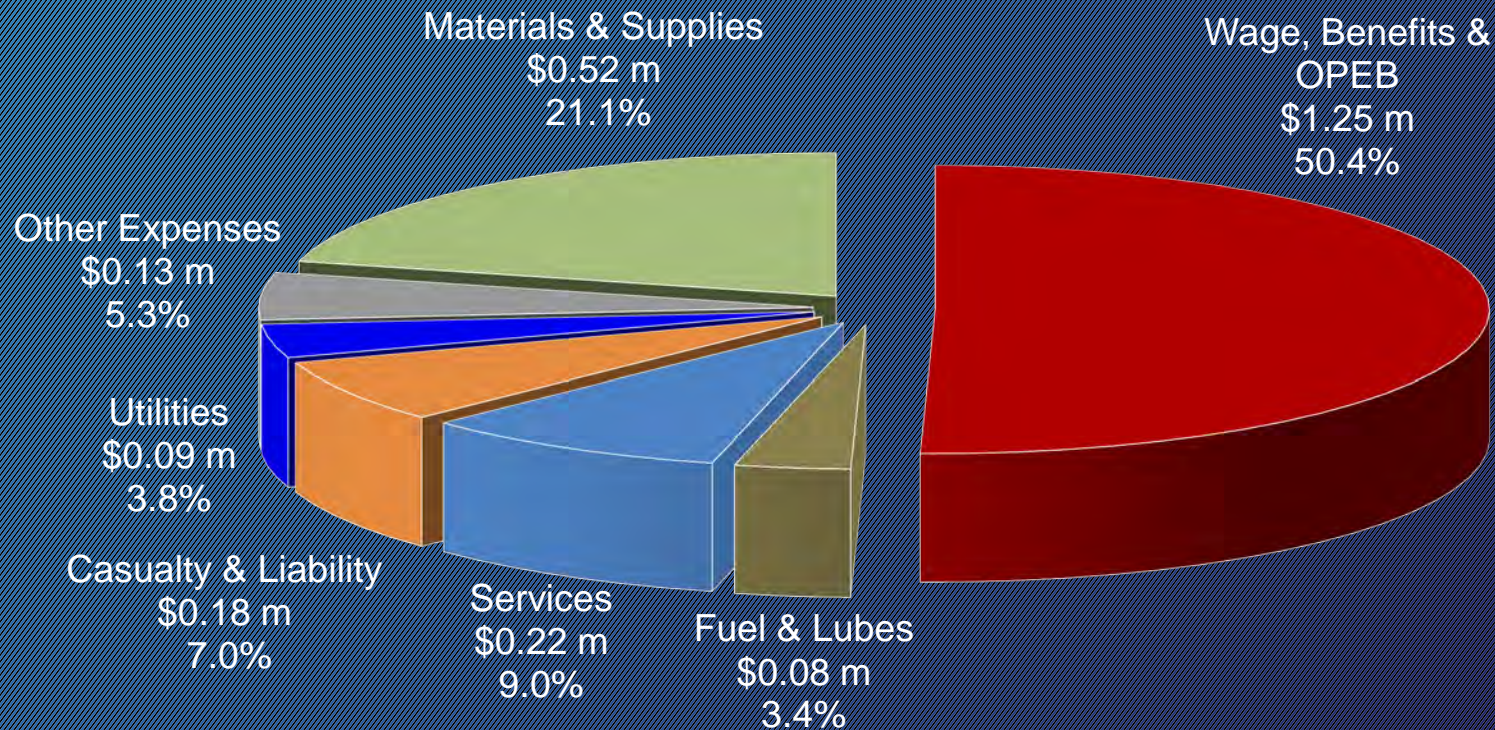
# Riverfront Attractions Operating Revenue



# Riverfront Attractions Operating Expense



\$2.47 million



# St. Louis Downtown Airport



**Operating Revenue**  
**\$ 1.51 million**

**Operating Loss**  
**\$ (0.03) million**



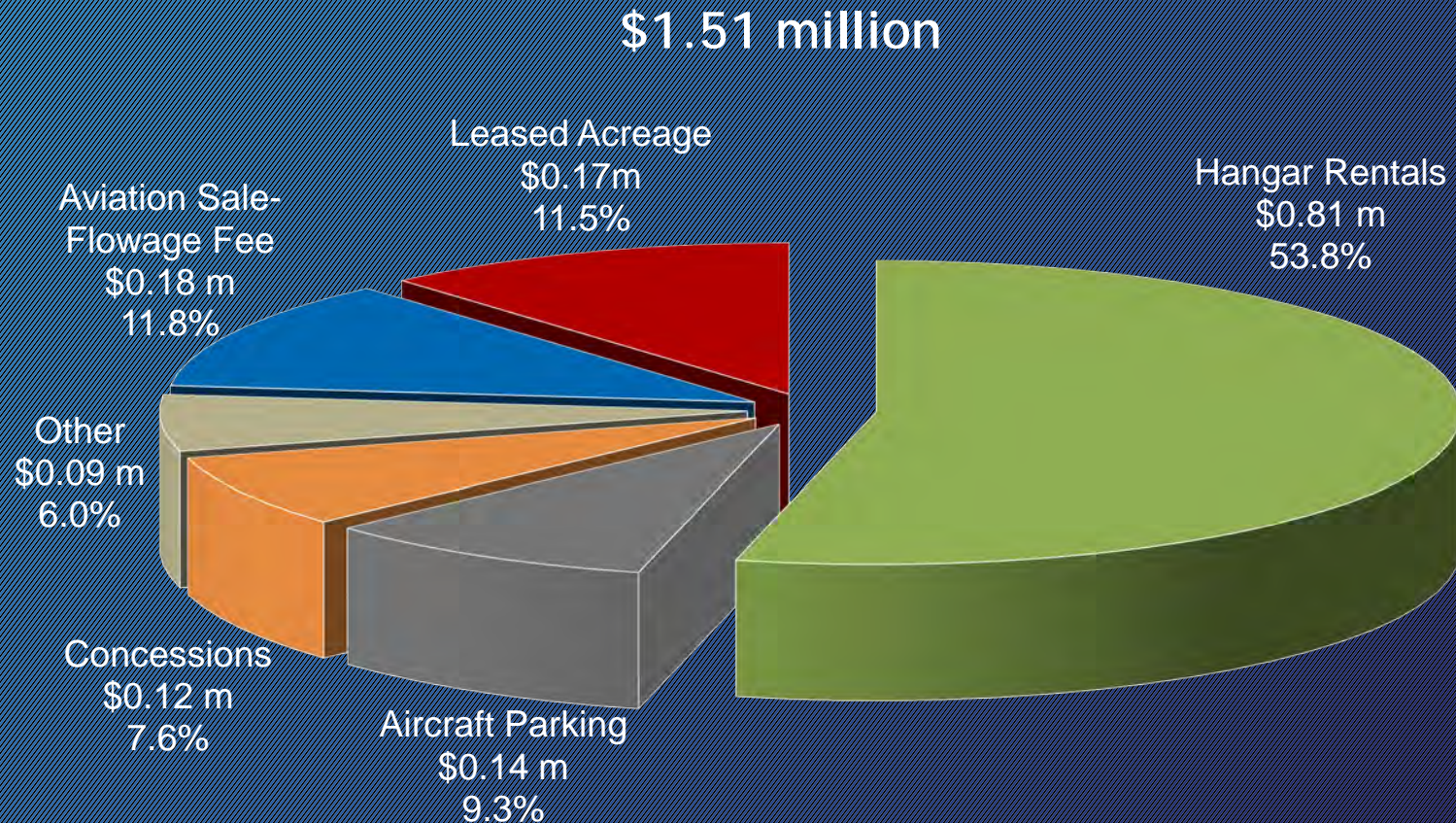


# St. Louis Downtown Airport Budget Summary

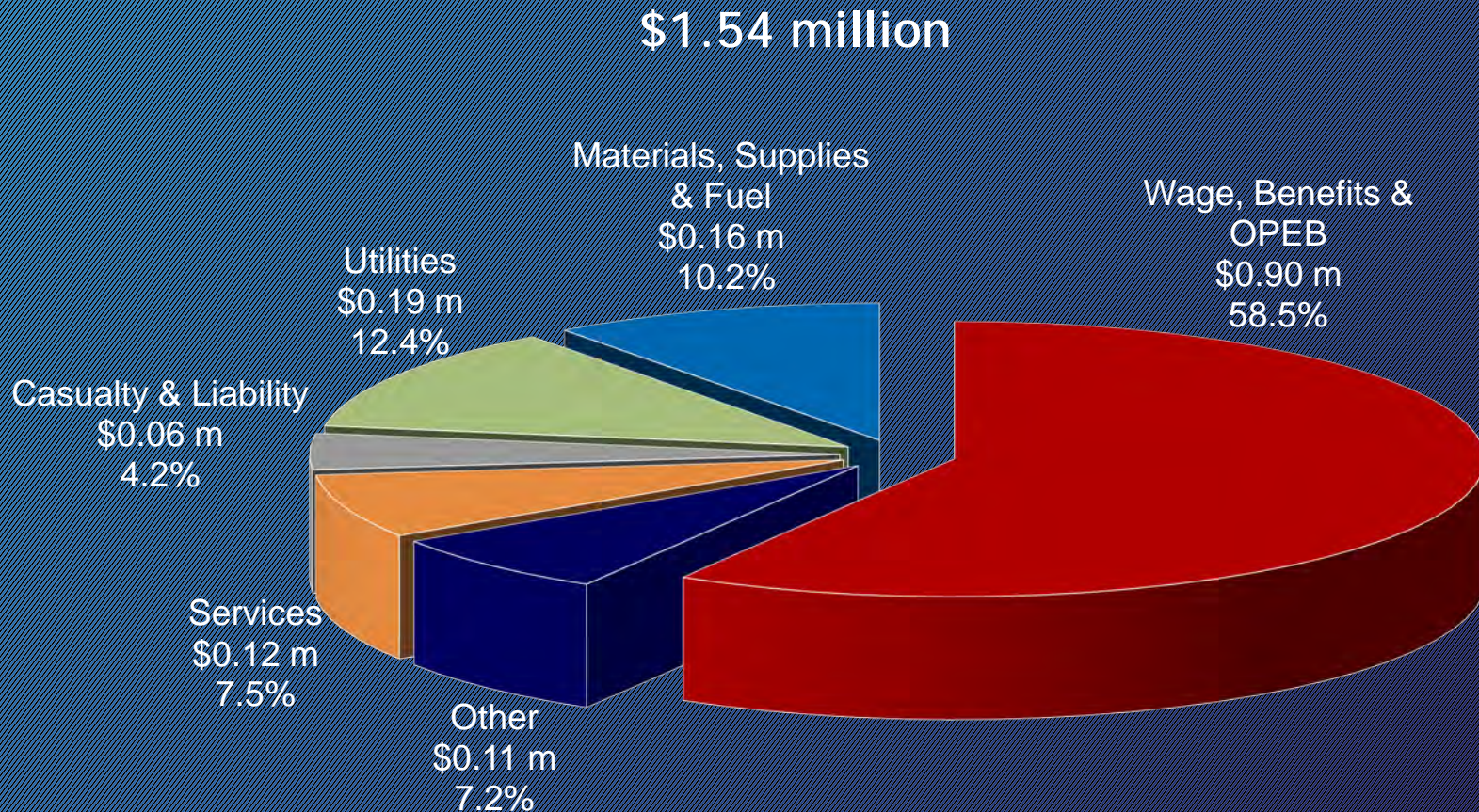


\$ in Millions	FY 2016 Budget	FY 2015 Projection	FY 2015 Budget
Operating revenue	\$ 1.51	\$ 1.63	\$ 1.78
Operating expense	<u>1.54</u>	<u>1.44</u>	<u>1.47</u>
Operating income (loss)	(0.03)	0.19	0.31
Non-operating revenue (expense)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net income (loss) before depreciation	(0.03)	0.19	0.31
Depreciation	<u>1.56</u>	<u>1.58</u>	<u>1.60</u>
Net (deficit)	<u>\$ (1.59)</u>	<u>\$ (1.39)</u>	<u>\$ (1.29)</u>

# St. Louis Downtown Airport Operating Revenue



# St. Louis Downtown Airport Operating Expense



# St. Louis Downtown Airport Capital Projects FY16



(\$ in thousands)

## Sources of funds:

Federal Grants	\$9,000
Illinois State and Local Grants	719
Airport Funds	<u>1,618</u>
Total Sources of Funds	<u>\$11,337</u>

## Uses of funds:

Reconstruct Taxiway B, Phase 1	\$4,500
Land and Land Improvements	5,437
Construction- Improve 4-way Intersection	900
Rapid Intervention Vehicle	<u>500</u>
Total Uses of Funds	<u>\$11,337</u>



# Regional Freight Partnership



(\$ in thousands)	FY 2016 Budget
Operating revenue	\$ 450.0
Operating expense	<u>295.7</u>
Operating income	154.3
Non-operating revenue (expense)	<u>0.0</u>
Net income	\$ 154.3

## Revenue Sources:

East-West Gateway

St. Louis Regional Chamber

Leadership Council of  
Southwestern Illinois

## Budgeted Expenses:

Wages & Benefits

Outside Services

Supplies & Other

# Bi-State Development Research Institute



*A non-profit organization dedicated to the study, planning and evaluation of regional public policy, land use, economic development and infrastructure investment*

(\$ in thousands)	FY 2016 Budget
Operating revenue	\$ 5.0
Operating expense	<u>5.0</u>
Operating income (loss)	0.0
Non-operating revenue (expense)	<u>0.0</u>
Net income (loss)	\$ 0.0

## Revenue Sources:

Contributions & Consulting Fees

## Budgeted Expenses:

Legal Fees

Outside Services

# Executive Services



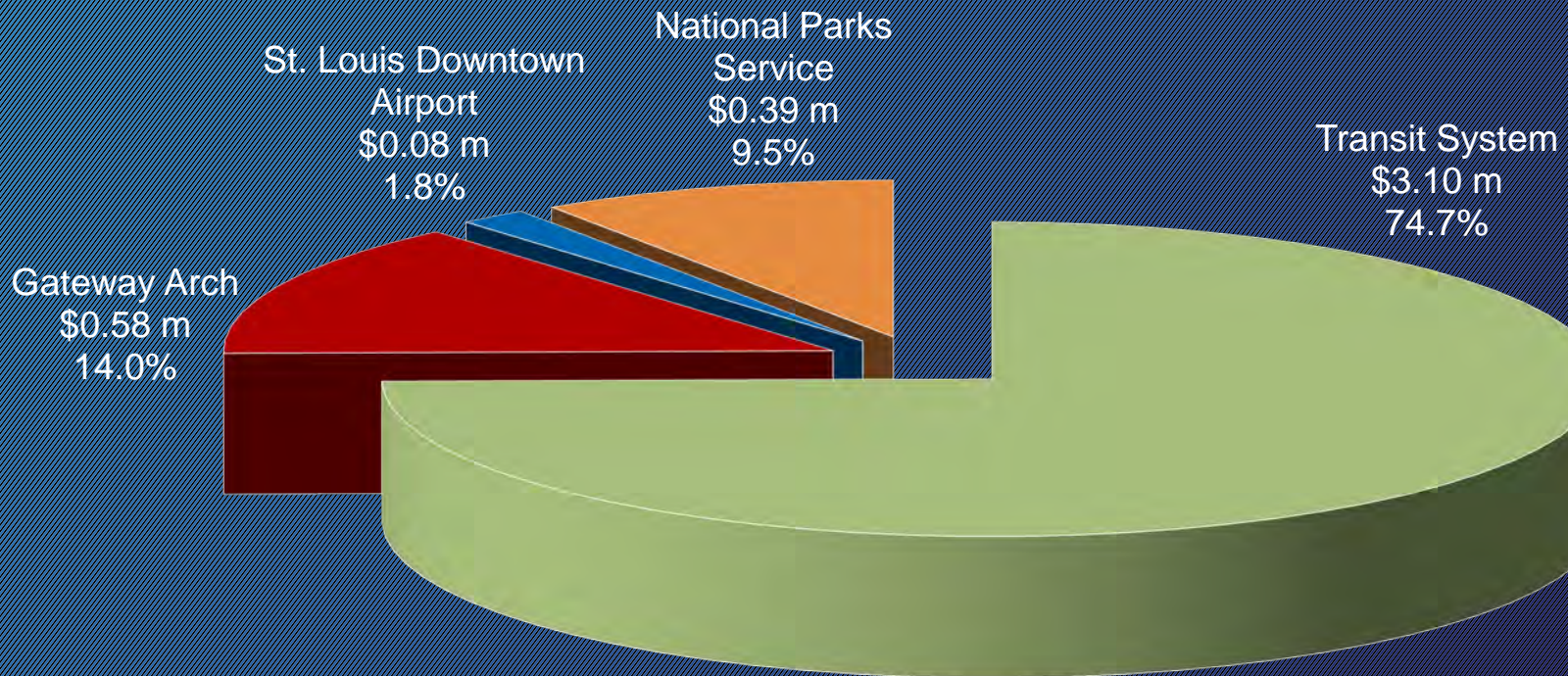
\$ in Millions	FY 2016 Budget	FY 2015 Projection	FY 2015 Budget
Operating revenue	\$ 4.15	\$ 3.93	\$ 3.91
Operating expense	<u>4.13</u>	<u>3.35</u>	<u>3.87</u>
Operating income	0.02	0.58	0.04
Non-operating revenue (expense)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net income before depreciation	0.02	0.58	0.04
Depreciation	0.00	0.00	0.00
Net surplus	<u>\$ 0.02</u>	<u>\$ 0.58</u>	<u>\$ 0.04</u>



# Executive Services Operating Revenue



\$4.15 million

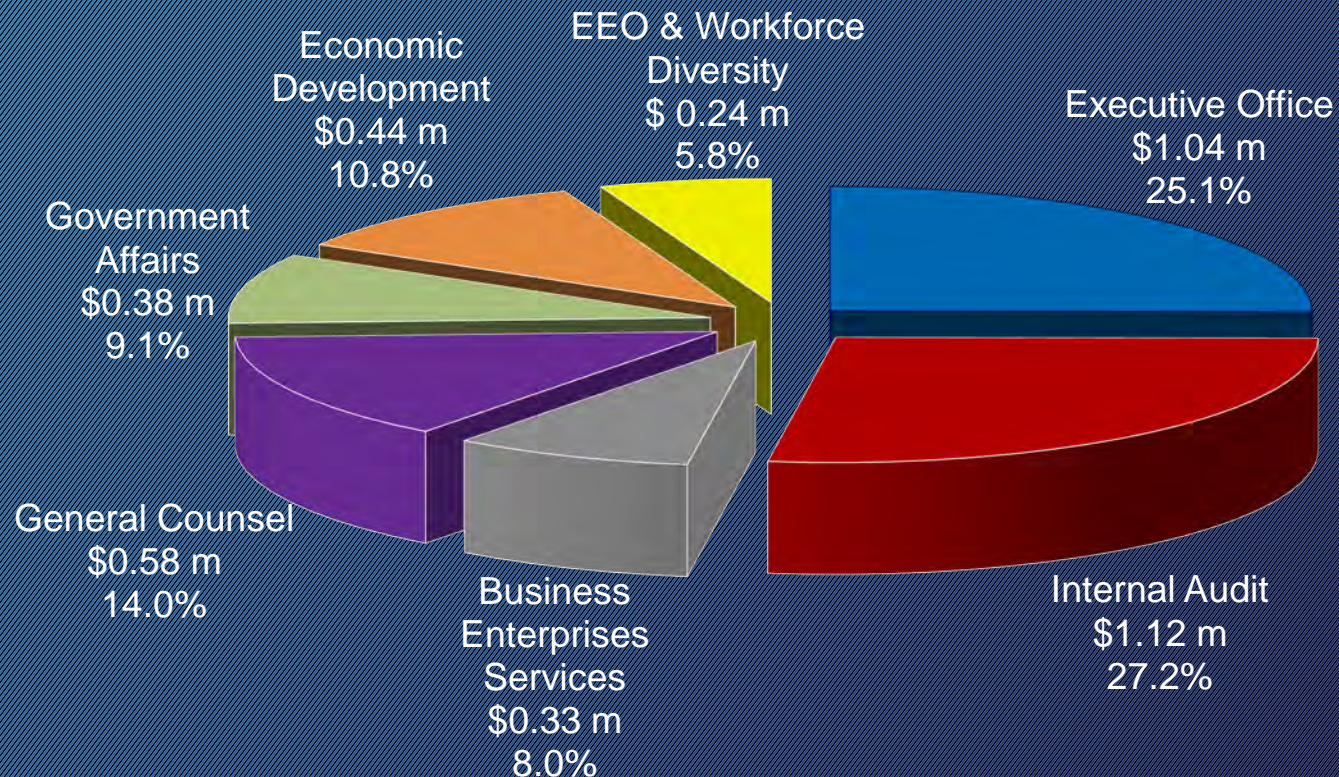




# Executive Services Operating Expense



\$4.13 million



# BSDA Financial Budget Summary FY 2016



\$ in thousands	<u>Total Revenue</u>	<u>Total Expenses Excluding Depreciation</u>	<u>Net Income (Loss) Before Depreciation</u>
Transit System	\$ 305,691	\$ 313,341	\$ (7,650)
Executive Services	4,148	4,131	17
Gateway Arch Tram	5,998	4,855	1,143
St. Louis Downtown Airport	1,505	1,540	(35)
Riverfront Attractions	2,478	2,467	11
Regional Freight Partnership	450	296	154
Research Institute	5	5	0
<b>Total</b>	<b>\$ 320,275</b>	<b>\$ 326,635</b>	<b>\$ (6,360)</b>

# BSDA Capital Budget Summary 2016 -2018



\$ in thousands	1 Year	3 Years
<b>Transit System</b>		<b>\$619,671</b>
<b>Business Enterprises</b>		
Gateway Arch Tram	\$10,065	
Riverfront Attractions	5	
St. Louis Downtown Airport	11,337	
<b>Total</b>	<b>\$21,407</b>	<b>\$619,671</b>

# Board Action



**To recommend to the  
Board of Commissioners passage of:**


- The FY 2016 Operating and Capital Budget
- The three-year Transportation Improvement Plan
- Grant resolutions required to apply for federal and state funding necessary to support Bi-State's projects and programs





**Metro**

**To:** Board of Commissioners

**From:** Larry B. Jackson   
V.P. Procurement, Inventory Management &  
Supplier Diversity

**Date:** March 6, 2015

**Subject: Quarterly Procurement Activity Report  
Second Quarter Fiscal Year 2015**

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Metro Board Policy Chapter 50 Section 010 Paragraph N.3 requires that we provide quarterly reports to the Board relating to procurement activities, which exceed \$100,000, including contract modifications and award of options. The report format that has been used the past several years includes the key sections that are explained below.

**Section 1 – Non-Competitive Procurement Trend**

Federal regulations and Board Policy require that all procurements be conducted in a manner which fosters full and open competition. In certain instances however, competition is not feasible or practical. This section of the report summarizes the trend and relationship of non-competitive spend to total spend. All individual non-competitive contract awards exceeding \$100,000 are presented to the Board of Commissioners for approval prior to award. Other non-competitive expenditures must be approved by the appropriate Division Vice President, the Vice President of Procurement, and the President & CEO prior to award.

**Section 2 – Procurement Contract Awards**

This report lists all major (>\$100,000) contract awards during the reporting period and the relevant contract information for each. Information in this report is now listed in descending contract dollar value as requested previously by the Committee.

### **Section 3 – Contract Modifications**

This report lists all contract modification actions executed during the period where the total revised contract amount exceeds \$100,000. Contract modifications include changes to contract scope, exercise of options and extensions, or other actions effecting the contract term. Information in this report is listed in descending contract dollar value as requested previously by the Committee.

### **Section 4 – Davis Bacon Act Projects**

The Davis Bacon Act requires that all construction contracts financed with Federal assistance contain provisions requiring that all laborers and mechanics employed by the contractors or subcontractors to work on the project must be paid wages not less than those established for the area by the Secretary of Labor. The contractors listed in this section submit weekly “certified payrolls” to Metro, which we monitor in accordance with the regulatory requirements.

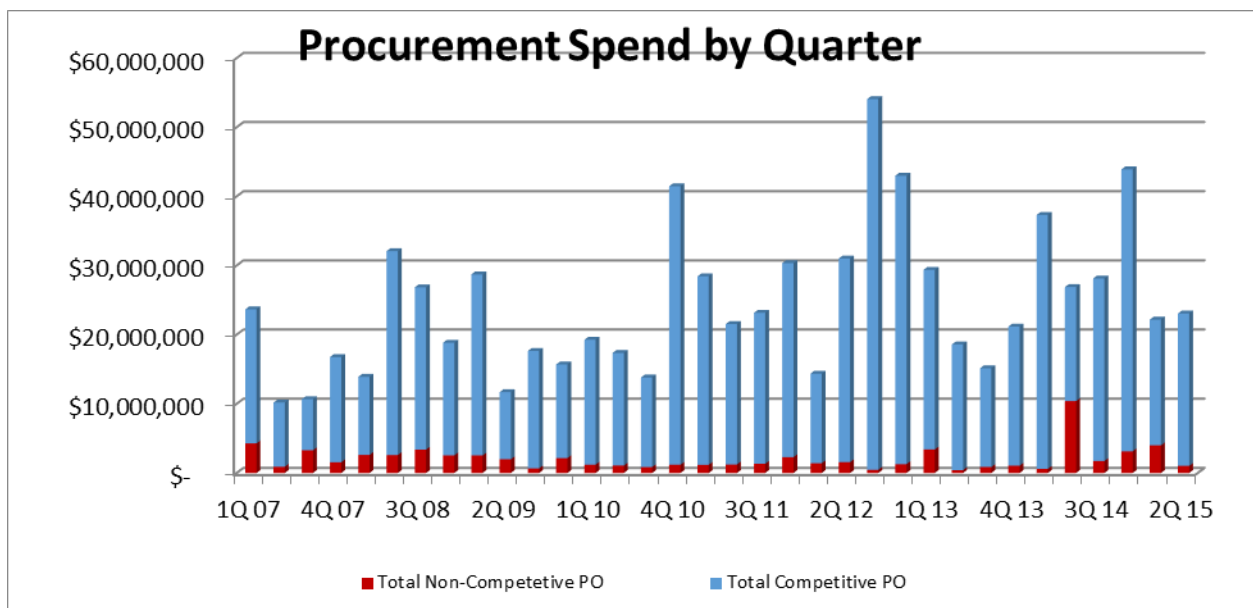
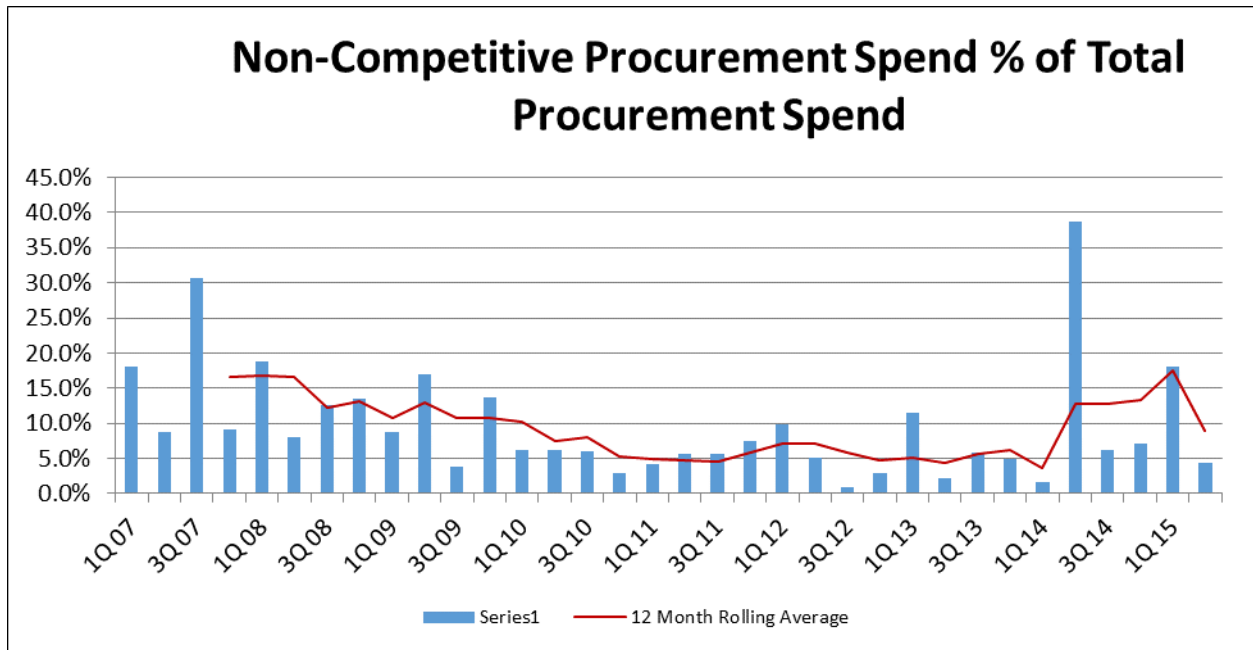
### **Section 5 – Procurement Card Administration**

Metro’s Procurement Department administers a Procurement Card Program, which provides a means for cardholders to procure low-dollar goods and services independently. This program reduces the administrative burden of processing Purchase Orders and Check Requests for small dollar purchases (typically less than \$2500). The report included in this section details the overall volume of transactions and information related to procedural violations and administrative actions on those violations.

Please feel free to contact me with any suggestions, questions, or information requests that you may have.

# Procurement Activity Report Non-Competitive Procurement Trend Second Quarter FY2015

Second Quarter Non-Competitive Procurements totaled \$1,621,242 or 4.5% of total Purchase Order Commitment volume of \$23,061,480. The most recent 12 month rolling average is 8.4% of total purchases.



**CONTRACT AWARDS EXCEEDING \$100,000  
JULY 1, 2014 - DECEMBER 31, 2014**

<u>Number</u>	<u>Rev</u>	<u>Description</u>	<u>Type</u>	<u>Order Date</u>	<u>Supplier</u>	<u>Amount</u>	<u>Buyer</u>	<u>Closure Status</u>	<u>DBE Goal</u>
47402	0	Express Scripts Pharmacy, Three Base Years, Period of Performance December 1, 2014 - November 30, 2017	Contract Purchase Agreement	11/25/14	EXPRESS SCRIPTS	\$21,994,086.00	Rowey, Deborah	Open	0.0%
47111	0	14-SB-99550-SM, MetroLink Station Cleaning, Three Base Years and Two Option Years, Period of Performance September 25, 2014 - September 24, 2019.	Contract Purchase Order	07/25/14	KATSAM LLC	\$ 5,770,469.55	McCuaig, Shauna	Open	15.0%
47605	0	15-RFP-100842-CB North County Transfer Center - Phase I. Period of Performance December 23, 2014 - December 23, 2015	Standard Purchase Order	12/19/14	C RALLO CONTRACTING CO	\$ 5,085,000.00	Bonds, Charcita	Open	26.2%
46128	0	Trapeze Software and License Maintenance Transit Operations Improvement, Period of Performance June 19, 2014 - June 19, 2016.	Standard Purchase Order	07/10/14	TRAPEZE SOFTWARE GROUP	\$ 1,942,170.00	Griffin, Sandra	Open	0.0%
47406	0	14-RFP-99506-DR Stop Loss Insurance Services , Period of Performance January 1, 2015 - December 31, 2017	Contract Purchase Agreement	11/25/14	CONNECTICUT GENERAL LIFE INSURANCE COMPANY	\$ 1,056,714.00	Rowey, Deborah M	Open	0.0%
46972	0	14-RFP-99536-DR Temporary Help Services, Three Base Years and Two Option Years, Period of Performance October 20, 2014 - October 19, 2019.	Blanket Purchase Agreement	10/08/14	ROTH STAFFING COMPANIES L P	\$ 934,721.80	Rowey, Deborah	Open	0.0%
46973	0	14-RFP-99536-DR Temporary Help Services, Three Base Years and Two Option Years, Period of Performance October 20, 2014 - October 19, 2019.	Blanket Purchase Agreement	10/08/14	STIVERS STAFFING SERVICES	\$ 914,794.80	Rowey, Deborah	Open	0.0%
46974	0	14-RFP-99536-DR Temporary Help Services, Three Base Years and Two Option Years, Period of Performance October 20, 2014 - October 19, 2019.	Blanket Purchase Agreement	10/08/14	ABOVE ALL PERSONNEL	\$ 852,373.50	Rowey, Deborah	Open	0.0%
47879	0	14-RFP-99505-DR Voluntary Critical Illness & Accident Insurance Program, Three Base Years and Two Option Years, Period of Performance January 1, 2015 - December 31, 2019	Contract Purchase Agreement	12/31/15	AMERICAN HERITAGE LIFE INSURANCE CO	\$ 820,000.00	Rowey, Deborah	Open	0.0%
46971	0	14-RFP-99536-DR Temporary Help Services, Three Base Years and Two Option Years, Period of Performance October 20, 2014 - October 19, 2019.	Blanket Purchase Agreement	10/08/14	STAFFING SOLUTIONS INC	\$ 805,051.20	Rowey, Deborah	Open	0.0%

**CONTRACT AWARDS EXCEEDING \$100,000  
JULY 1, 2014 - DECEMBER 31, 2014**

<u>Number</u>	<u>Rev</u>	<u>Description</u>	<u>Type</u>	<u>Order Date</u>	<u>Supplier</u>	<u>Amount</u>	<u>Buyer</u>	<u>Closure Status</u>	<u>DBE Goal</u>
46970	0	14-RFP-99536-DR Temporary Help Services, Three Base Years and Two Option Years, Period of Performance October 20, 2014 - October 19, 2019.	Blanket Purchase Agreement	10/08/14	MANPOWER	\$ 798,504.70	Rowey, Deborah	Open	0.0%
46375	0	14-SB-99459-TJ DeBaliviere Facility Cleaning, Two Base Years and Three Option Years, Period of Performance August 15, 2014 - August 14, 2019.	Contract Purchase Order	08/05/14	ISS FACILITY SERVICES, INC	\$ 783,395.44	Johnson, Theresa	Open	15.0%
46814	0	15-SB-100690-SM Tactile Warning Strip Replacement II Project	Standard Purchase Order	09/22/14	L. KEELEY CONSTRUCTION CO.	\$ 718,062.00	McCuaig, Shauna	Open	15.0%
47039	0	14-SB-100640-SG MetroLink Manual Ticket Sales/Revenue Services, Two Base Years and One Option Year, Period of Performance August 18, 2014 - August 17, 2017.	Contract Purchase Order	08/12/14	ABOVE ALL PERSONNEL	\$ 666,638.08	Griffin, Sandra	Open	10.0%
47066	0	15-SB-100757-SM Shrewsbury Station Pavement and Wall Repair	Standard Purchase Order	10/16/14	ST LOUIS BRIDGE CO	\$ 576,890.25	McCuaig, Shauna	Open	17.0%
47793	0	14-RFP-98761-DR Health & Welfare Consultant Services, Three Base Years and Two Option Years, Period of Performance October 2014 thru October 2019	Contract Purchase Agreement	12/31/14	GALLAGHER BENEFIT SERVICES INC	\$ 427,000.00	Rowey, Deborah	Open	0.0%
46099	0	Transitmaster Hardware/Software Agreement Period of Performance July 1, 2014 - June 30, 2015.	Standard Purchase Order	07/10/14	TRAPEZE SOFTWARE GROUP	\$ 388,283.00	Hill, Diana	Closed	0.0%
47487	0	15-SB-100966-DAB Illinois Bus Cleaning, Two Base Years, Period of Performance December 16, 2014 - Dec. 15, 2016	Contract Purchase Agreement	12/08/14	ISS FACILITY SERVICES, INC	\$ 362,409.60	Baldwin, Deborah	Open	15.0%
46235	0	14-100619-DW -JNEM Project for Gateway Arch Corrosion Investigation Study - Phase 3. Period of Performance June 3, 2014 - June 3, 2016	Standard Purchase Order	07/22/14	WISS, JANNEY, ELSTNER ASSOCIATES INC	\$ 312,431.00	Wright, Diane	Open	0.0%
46670	0	15-RFQ-100906-DAB Winter Storm Supplies Magnesium Chloride, Period of Performance Winter 2014 - 2015.	Standard Purchase Order	09/05/14	INDUSTRIAL SOAP CO	\$ 305,967.00	Baldwin, Deborah	Open	0.0%
47679	0	14-SS-101038-DW City ArchRiver 2015 (CAR) Project, Sole Source, Period of Performance November 30, 2014 - November 30, 2017	Standard Purchase Order	12/31/14	JANET K WILDING, POLICY AND CHANGE, LLC	\$ 300,000.00	Wright, Diane	Open	0.0%

**CONTRACT AWARDS EXCEEDING \$100,000  
JULY 1, 2014 - DECEMBER 31, 2014**

<u>Number</u>	<u>Rev</u>	<u>Description</u>	<u>Type</u>	<u>Order Date</u>	<u>Supplier</u>	<u>Amount</u>	<u>Buyer</u>	<u>Closure Status</u>	<u>DBE Goal</u>
47400	0	Microsoft Office Professional Plus 2013, 850 Licenses	Standard Purchase Order	11/25/14	WORLD WIDE TECHNOLOGY INC	\$ 285,982.50	Haynes, Vickie	Open	0.0%
46671	0	15-RFQ-100906-DAB Winter Storm Supplies Bulk Salt and Bagged Sand, Period of Performance Winter 2014 - 2015.	Standard Purchase Order	09/05/14	KIRKWOOD MATERIAL SUPPLY, INC.	\$ 263,425.00	Baldwin, Deborah	Open	0.0%
47439	1	Project 1869 Audio Frequency Circuit Upgrade for LRVs, Sole Source	Standard Purchase Order	12/01/14	GETS GLOBAL SIGNALING LLC	\$ 256,333.52	Hill, Diana	Open	0.0%
46612	1	RFQ 99305, 2 Two LRV Battery Sets for each of 33 LRV's Plus One Spare Set.	Standard Purchase Order	09/02/14	HOPPECKE BATTERIES INC	\$ 250,383.56	Hill, Diana	Open	0.0%
47547	0	15-SB-101107-TJ Transmission Fluid, Period of Performance December 19, 2014 - May 13, 2015	Standard Purchase Order	12/12/14	WALLIS LUBRICANT INC.	\$ 248,500.00	Johnson, Theresa	Open	0.0%
46610	0	RFQ 99133 Cummins Diesel Motor Oil and Automotive Motor Oil, Period of Performance Five Years, Pricing September 3, 2014 - March 2, 2015.	Standard Purchase Order	08/29/14	WALLIS LUBRICANT INC.	\$ 231,240.00	Hill, Diana	Open	0.0%
47162	0	15-RFQ-101110-DAB Sodium Chloride Blend, Period of Performance Winter 2014-2015	Standard Purchase Order	10/27/14	KIRKWOOD MATERIAL SUPPLY, INC.	\$ 209,745.00	Baldwin, Deborah	Open	0.0%
47489	0	15-RFQ-101177-SG Dry Dock Inspection for Tom Sawyer	Standard Purchase Order	12/08/14	SCF SERVICES, LLC	\$ 179,895.95	Griffin, Sandra	Open	0.0%
47041	0	14-RFP-100638-SG Passenger Counting and Surveying , One Base Year and Two Option Years, Period of Performance August 8, 2014 - August 7, 2017.	Contract Purchase Agreement	10/15/14	CRITIQUE PERSONNEL SERVICE INC	\$ 165,720.00	Griffin, Sandra	Open	10.0%
47229	0	14-SB-100731-CB Purchase and Installation of Analog Addressable Fire Alarm System, Period of Performance November 7, 2014 - April 6, 2015	Standard Purchase Order	11/04/14	ARTISAN CONSTRUCTORS, LLC	\$ 147,144.00	Bonds, Charcita	Open	0.0%
47646	0	15-RFQ-101292-CB Purchase of Unleaded Gasoline, Period of Performance January 1, 2015 - March 31, 2015	Standard Purchase Order	12/29/14	ENERGY PETROLEUM COMPANY B135	\$ 145,950.00	Bonds, Charcita	Open	0.0%
46077	0	Programmer/Analyst II for Transit Operations Improvement Project, Period of Performance July 14, 2014 - July 13, 2015.	Standard Purchase Order	07/03/14	ADVANCED RESOURCES INC	\$ 145,600.00	Haynes, Vickie	Open	0.0%
47678	0	15-SB-100671-SM Replacement of St. Louis Downtown Airport Roof	Standard Purchase Order	12/31/14	GEISSLER ROOFING COMPANY, INC.	\$ 144,000.00	Wright, Diane	Open	0.0%

**CONTRACT AWARDS EXCEEDING \$100,000  
JULY 1, 2014 - DECEMBER 31, 2014**

<u>Number</u>	<u>Rev</u>	<u>Description</u>	<u>Type</u>	<u>Order Date</u>	<u>Supplier</u>	<u>Amount</u>	<u>Buyer</u>	<u>Closure Status</u>	<u>DBE Goal</u>
46822	0	14-RFP-100702-VH Assist and Guide Metro through the Transit Asset Management Implementation Process, Period of Performance September 24, 2014 - March 23, 2015	Standard Purchase Order	09/23/14	FOUR NINES TECHNOLOGIES	\$ 130,720.00	Haynes, Vickie	Open	0.0%
46195	1	RFQ 96215 Phoenix hardware to retrofit remaining 73 buses with smart bus hardware.	Standard Purchase Order	07/17/14	LHP TELEMATICS, LLC	\$ 109,500.00	Johnson, Theresa	Closed	0.0%
47447	0	15-SB-101142-DAB Backhoe Loader and Accessories	Standard Purchase Order	12/02/14	FABICK CAT	\$ 108,360.00	Baldwin, Deborah	Closed	0.0%

Contract Modifications FY2015  
July 2014 - Dec 2014

Contract #	Task Order	Mod #	Description	Reason for Mod	Contractor	DBE %	Original Contract Amount	Mod Date	Mod Amount	Revised Contract Amount	Funding Source	# Days Extended	# of Extensions to Date
13-RFP-5995-CB		2	Design & Construction Phase Services North County Transfer Center Phase 1& 2	Change in Scope	NCTC-2013 JV	13%	\$2,243,447	10/15/14	\$111,724	\$2,567,950	MO-95-X015 MO-90-X296, and STCF	0	0
09-RFP-5527-DR		9	Metro Operator Uniforms	Incorporate Garment Changes and Pricing	Leon Uniform Company	0%	\$1,709,397	10/23/14	\$0	\$1,709,397	Operations	90	1
11-SB-5775-DR		2	Oracle Annual Maintenance E-Business Suite	Exercise Option Year 2	Mythics, Inc.	0%	\$626,596	08/19/14	\$376,802	\$1,377,366	Operations	0	0
12-SB-5891-DGR		5	Tactile Warning Strip Replacement	Additional Funds Additional Work	The Harlan Company	15%	\$915,000	08/01/14	\$4,972	\$1,355,328	MO-90-231 MO-90-X197 SCCTD	270	3
08-RFP-5401-DR		6	Health & Welfare Consultant	Time Extension	AON Hewitt Consulting (formerly AON Consulting)	0%	\$166,484	08/14/14	\$0	\$1,048,419	Operations	90	1
13-SB-5927-DGR		1	Missouri Rail Tie Replacement	Additional Funds	Musselman & Hall Contractors	0%	\$858,230	08/04/14	\$113,727	\$971,957	MO-015-0028 Prop M	0	0
SB-11-5788-CE/DAB		2	Call-A-ride Van Cleaning Service	Exercise Option Year 2	World Management	12%	\$478,806	08/12/14	\$248,147	\$966,355	Operations	0	0
12-SB-5833-DAB		2	DeBalaviere Bus Cleaning	Change in Scope	MERS/Goodwill	15%	\$617,776	12/18/2014	\$22,259	\$956,111	Operations	0	0
12-SB-5833-DAB		1	DeBalaviere Bus Cleaning	Exercise Option Year 1	MERS/Goodwill	15%	\$617,776	08/28/14	\$316,076	\$933,852	Operations	0	0
12-SB-5823-EM/TJ		2	Illinois Bus Facility Cleaning	Exercise Option Year 2	World Management, Inc.	17%	\$182,176	12/17/2014	\$182,176	\$728,703	Operations	0	0
13-SB-6011-CB		4	Missouri Fare Collection Infrastructure	Additional Work	The Harlan Company	15%	\$602,674	11/20/2014	\$32,948	\$635,622	MO-90-X231 & Prop M	0	0



Contract Modifications FY2015  
July 2014 - Dec 2014

Contract #	Task Order	Mod #	Description	Reason for Mod	Contractor	DBE %	Original Contract Amount	Mod Date	Mod Amount	Revised Contract Amount	Funding Source	# Days Extended	# of Extensions to Date
12-RFP-5919-MM		2	Downtown Transfer Center	Time Extension	Arcturis	15%	\$558,657	11/6/2014	\$0	\$635,522	MO-04-0113	90	1
12-RFP-5919-MM		1	Downtown Transfer Center	Change in Scope Additional Work	Arcturis	15%	\$558,657	9/11/2014	\$76,865	\$635,522	MO-04-0113	0	0
14-SB-98810-SM		3	#74 Florissant Bus Stop Enhancement Project.	Additional Work	Gershenson Consturction Co., Inc.	23%	\$596,768	12/1/2014	\$8,128	\$604,896	MO-95-X256	0	0
14-SB-98810-SM		2	#74 Florissant Bus Stop Enhancement Project	Time Extension	Gershenson Consturction Co., Inc.	23%	\$596,768	07/31/14	\$0	\$596,768	MO-95-X256	180	2
14-SB-98810-SM		1	#74 Florissant Bus Stop Enhancement Project	Time Extension	Gershenson Consturction Co., Inc.	23%	\$596,768	07/31/14	\$0	\$596,768	MO-95-X256	90	1
13-SB-5972-MM/DW		3	North Hanley Pedestrian Improvements	Additional Funds Additional Work	The Harlan Company	13%	\$398,800	10/06/14	\$154,410	\$515,349	Prop M MO-04-0135	0	0
11-SB-5688-CB		7	Refuse Removal Services	Exercise Option Year 3	Allid Waste Inc.	0%	\$170,925	11/17/2014	\$94,400	\$459,887	Operations	0	0
11-RFP-5756-DP/DAB		2	Safety Footwear Services	Exercise Option Year 2	Red Wing	0%	\$180,000	08/04/14	\$80,000	\$345,000	Operations	0	0
14-SB-99460-CB		1	Feeder Wire Rehabilitation & Substation Waterproofing at MO-11	Time Extension	TGB, Inc.	15%	\$287,190	12/4/2014	\$0	\$287,190	MO-05-0028	180	2
14-SB-98894-CB		1	Phase 4 Missouri ADA MetroBus Stop Enhancements	Additional Work	Gershenson Construction Co., Inc.	16%	\$245,975	09/10/14	\$36,159	\$282,134	MO-57-X006	0	0
12-SB-5985-DGR		3	Feeder Wire Rehabilitation & Substation Waterproofing @ MO-12	Additional Funds	Reinhold Electric, Inc.	15%	\$234,408	08/06/14	\$4,292	\$238,700	MO-90-X231	180	2
14-SB-98901-SM		3	New Freedom Bus Stops St. Clair	Additional Work	Hank's Excavating & Landscaping	7%	\$227,600	12/04/14	\$6,646	\$234,246	MO-57-X0061	90	1

Contract Modifications FY2015  
July 2014 - Dec 2014

Contract #	Task Order	Mod #	Description	Reason for Mod	Contractor	DBE %	Original Contract Amount	Mod Date	Mod Amount	Revised Contract Amount	Funding Source	# Days Extended	# of Extensions to Date
14-SB-98901-SM		2	New Freedom Bus Stops St. Clair	Time Extension	Hank's Excavating & Landscaping	7%	\$227,600	06/20/14	\$0	\$227,600	MO-57-X0061	90	1
13-SB-6014-CB		4	Illinois Fare Collection Infrastructure Construction	Change in Scope	Kozeny-Wagner, Inc.	10%	\$210,587	07/21/14	\$5,526	\$225,653	MO-90-X231	180	2
12-SB-5893-DAB		1	Illinois Bus Cleaning	Time Extension	World Management, Inc.	15%	\$209,965	07/25/14	\$0	\$209,965	Operations	90	1
12-SB-5893-DAB		2	Illinois Bus Cleaning	Time Extension	World Management, Inc.	15%	\$186,225	08/28/14	\$5,935	\$198,095	Operations	180	2
13-SB-5964-CB		1	Sign Installation - Phase III	Time Extension	Midwest Sunray Lighting & Sign Maintenance Co.	0%	\$147,026	07/08/14	\$0	\$147,026	MO-90-X197 MO-90-X204 STCF	180	2
14-SB-98685-SM		2	MO Substation Waterproofing	Change in Scope	The Harlan Company	0%	\$148,000	09/15/14	-\$2,495	\$145,505	MO-05-0028	0	0
10-RFQ-5654-DR		5	Material Safety Data Sheet	Exercise Option Year 2	Safetec Compliance Systems, Inc.	0%	\$45,540	07/03/14	\$20,280	\$132,579	Operations	0	0
11-RFP-5742-DR	4	3	On-Call Finance/Accounting Consulting Services	Additional Funds	Experis Finance	0%	\$30,400	09/26/14	\$39,900	\$131,100	Operations	0	0



## Prevailing Wage Report Fiscal Year 2014 Oct 2014 - Dec 2014

**Project:** 12-SB-5786-MM EADS BRIDGE REHABILITATION FTA Grant No. MO-96-x005; MO-90-x279; MO-90-x281

**Project Control ID:** Is Community Hiring Goal a Requirement: No

Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor
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6362963300

ST. LOUIS BRIDGE COMPANY

Start Date: 03/06/2012 End 11/14/2014  
Contract Amount: \$36,326,411.91

655 LANDMARK DRIVE ,  
ARNOLD , MO 63010

636-274-0802

ATK SAFETY SUPPLY INC

Start Date: 10/05/2012

End Date: 05/25/2013

314-524-6111

B & P Construction

Start Date: 10/02/2012

End Date: 09/10/2013

773-721-9350

Era Valdivia Contractors Inc

Start Date: 03/23/2013

End Date: 04/25/2014

314-892-2963

M.T.C. Construction dba K. Bates Steel

Start Date: 09/11/2012

End Date: 11/14/2014

6364753500

THOMAS INDUSTRIAL COATINGS, INC.

Start Date: 08/19/2012

End Date: 11/14/2014

314-773-8813

WESTERN WATERPROOFING

Start Date: 07/06/2013

End Date: 01/24/2014

618-398-7575

Wissehr Electrical Contractor

Start Date: 09/09/2012

End Date: 11/14/2014

**Project:** 12-SB-5865-DGR SWIC METROLINK IMPROVEMENTS IDOT Grant No. CAP-12-1009-ILL

**Project Control ID:** Is Community Hiring Goal a Requirement: No

Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor
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6185662000

THE KILIAN CORPORATION

Start Date: 10/16/2012 End 01/24/2014

Contract Amount: **\$5,344,892.72**

608 S. INDEPENDENCE STREET , P.O. BOX A  
MASCOUTAH , IL 62258-0187

3144212288	Architectural Signing Associates, Inc. dba ASI	Start Date: <b>01/15/2014</b>	End Date: <b>01/25/2014</b>
		Contract Amount: <b>\$13,724.46</b>	
618-274-0105	BUMPY'S STEEL ERECTION LLC	Start Date: <b>11/13/2012</b>	End Date: <b>11/22/2013</b>
6182331018	EHRET, INC.	Contract ID: <b>12-SB-5865-DGI</b>	
		Start Date: <b>05/08/2013</b>	End Date: <b>10/15/2013</b>
		Contract Amount: <b>\$7,410.00</b>	
6185389500	ELECTRICO INC	Start Date: <b>10/21/2012</b>	End Date: <b>01/19/2014</b>
314-962-5296	HAPPY TREE SERVICE LLC	Start Date: <b>09/09/2013</b>	End Date: <b>09/14/2013</b>
		Contract Amount: <b>\$2,000.00</b>	
618-254-5588	ILLINI EXCAVATION & RECLAMATION, INC.	Start Date: <b>09/28/2012</b>	End Date: <b>01/01/2013</b>
		Contract Amount: <b>\$288,974.12</b>	
6185389501	LAND OPERATIONS INC.	Start Date: <b>11/18/2012</b>	End Date: <b>11/28/2013</b>
6187684519	MAV MASONRY, INC.	Start Date: <b>12/12/2012</b>	End Date: <b>12/08/2013</b>
		Contract Amount: <b>\$336,704.90</b>	
6184732667	NOLLAU NUSERIES, INC	Start Date: <b>10/30/2012</b>	End Date: <b>11/26/2013</b>
3144364717	ROADSAFE TRAFFIC SYSTEMS, INC	Start Date: <b>08/26/2013</b>	End Date: <b>11/17/2013</b>
		Contract Amount: <b>\$20,697.25</b>	

**Project:** 12-SB-5891-DGR TACTILE WARNING STRIP REPLACEMENT FTA Grant Nos.: MO-90-x231; MO-90-x197

**Project Control ID:** Is Community Hiring Goal a Requirement: No

Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor
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3148902351

THE HARLAN COMPANY

Start Date: <b>10/30/2012</b>	End	<b>08/31/2014</b>
Contract Amount: <b>\$915,000.00</b>		

9810 PAGE BLVD. ,  
ST. LOUIS , MO 63132

314-520-6844  
KSG Enterprises LLC

Start Date: 10/30/2012

End Date: 08/31/2014

**Project:** 13-SB-5785-DGR JNEM STORM WATER REPAIRS - OPS Budget

<b>Project Control ID:</b>	<b>Is Community Hiring Goal a Requirement:</b> No
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<b>Prime Contractor</b>	<b>Subcontractor</b>	<b>Sub Subcontractor</b>	<b>Sub Sub Subcontractor</b>	<b>Sub Sub Sub Subcontractor</b>
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43-1203358

GERSHENSON CONSTRUCTION COMPANY, INC.

Start Date: 03/31/2014	End	01/26/2015
Contract Amount: \$1,824,971.29		

#2 TRUITT DRIVE ,  
EUREKA , MO 63025

314-524-6111  
B & P Construction

Start Date: **06/30/2014**

636-398-4450  
B.O. Graham Plumbing

Start Date: 11/03/2014

3146460415  
CONCRETE CORING CO. - ST. LOUIS

Start Date: **06/30/2014**

6367646441  
Creative Architectural Solutions, LLC.

Start Date: 09/01/2014

314-599-6064  
Empire Mechanical Inc.

Start Date: 09/01/2014

6364923200  
Franklin Mechanical, Inc.

Start Date: 09/01/2014

636-530-8000  
Insituform Technologies USA, LLC

Start Date: 05/16/2014

6363492288  
J B Fence LLC

Start Date: **10/10/2014**

6363434636

Martin C. Heck Brick Contracting Co.	Start Date: <b>09/01/2014</b>
636-926-9988 MIDWEST TURF	Start Date: <b>06/30/2014</b>
6189427433 R & E Midwest Sales Co., Inc.	Start Date: <b>09/01/2014</b>
3142091530 Resource Electrical Systems, Inc.	Start Date: <b>09/01/2014</b>
3147812400 RJP Electric, LLC	Start Date: <b>12/15/2014</b>
6363327333 Site System Landscaping, Inc.	Start Date: <b>09/01/2014</b>
3142982502 St. Charles Acoustics	Start Date: <b>09/01/2014</b>

**Project:** 13-SB-5933-DGR ILLINOIS SLOPE STABILIZATION SERVICES & SCOUR PROTECTION PHASE 2 IDOT Grant IL CAP-11-98-ILL

**Project Control ID:** Is Community Hiring Goal a Requirement: No

Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor
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6182823844 ILLINOIS EXCAVATORS, INC.	Start Date: <b>08/01/2013</b>	End	<b>11/15/2014</b>
	Contract Amount: <b>\$4,705,629.45</b>		

55 E. MILL STREET ,  
RUMA , IL 62278

3148698000 COLLINS & HERMANN	Start Date: <b>06/27/2013</b>
618-277-4280 MAYER LANDSCPAING INC	Start Date: <b>07/10/2013</b>
6185669117 N & W HORIZONTAL BORING CO.	Start Date: <b>06/27/2013</b>
636-978-0752 PIR ASSOCIATES	Start Date: <b>06/27/2013</b>

<b>Project:</b> 13-SB-5972 NORTH HANLEY PEDESTRIAN IMPROVEMENTS FTA Grant #MO-04-135				
<b>Project Control ID:</b>		<b>Is Community Hiring Goal a Requirement:</b> No		
<b>Prime Contractor</b>	<b>Subcontractor</b>	<b>Sub Subcontractor</b>	<b>Sub Sub Subcontractor</b>	<b>Sub Sub Sub Subcontractor</b>
3148902351				
THE HARLAN COMPANY		Start Date: 04/23/2013	End	07/19/2013
		Contract Amount: \$398,800.00		
9810 PAGE BLVD. , ST. LOUIS , MO 63132				
	3148698000 COLLINS & HERMANN	Start Date: 03/05/2014 Contract Amount: \$9,590.00	End Date:	04/29/2014
	6369378300 D & S FENCING CO INC	Start Date: 04/28/2014 Contract Amount: \$118,867.50	End Date:	06/06/2014
	3148428200 RETAINING WALL SOLUTIONS, INC.	Start Date: 11/17/2013 Contract Amount: \$41,138.00	End Date:	04/06/2014
	EC#253 SCHAEFFER ELECTRIC CO., INC.	Start Date: 11/16/2013	End Date:	02/15/2014
	636-938-5347 Waddell Concrete	Start Date: 04/14/2014 Contract Amount: \$27,002.00	End Date:	05/09/2014
	636-366-9590 Wehmeyer Farms, Inc.	Start Date: 11/04/2013	End Date:	04/30/2014
		Contract Amount: \$33,982.55		
<b>Project:</b> 13-SB-5985-DGR FEEDER WIRE REHABILITATION & SUBSTATION WATERPROOFING @ MO-12 FTA GRANT MO-90-X231				
<b>Project Control ID:</b>		<b>Is Community Hiring Goal a Requirement:</b> No		
<b>Prime Contractor</b>	<b>Subcontractor</b>	<b>Sub Subcontractor</b>	<b>Sub Sub Subcontractor</b>	<b>Sub Sub Sub Subcontractor</b>
3146311158				
REINHOLD ELECTRIC, INC.		Start Date: 07/20/2013	End	08/10/2013
		Contract Amount: \$234,408.00		
2511 LEMAY FERRY ROAD , ST. LOUIS , MO 63125				
<b>Project:</b> 13-SB-6011-CB - MO FARE COLLECTION INFRASTRUCTURE CONSTRUCTION - FTA Grant No. MO-05-0028				

Project Control ID:		Is Community Hiring Goal a Requirement: No		
Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor
3148902351				
THE HARLAN COMPANY		Start Date: 08/27/2013	End	09/11/2014
		Contract Amount: \$772,675.00		
9810 PAGE BLVD. , ST. LOUIS , MO 63132				
6369378300				
D & S FENCING CO INC		Start Date: 03/31/2014	End Date:	04/05/2014
		Contract Amount: \$58,982.87		
636-379-4545				
Five Star Electric		Start Date: 09/02/2013	End Date:	09/11/2014
		Contract Amount: \$169,465.00		
314-520-6844				
KSG Enterprises LLC		Start Date: 12/02/2013	End Date:	09/11/2014
		Contract Amount: \$65,000.00		

Project: 14-SB-98685-SM MO SUBSTATION WATERPROOFING - FTA Grant No. MO-05-0028				
Project Control ID:		Is Community Hiring Goal a Requirement: No		
Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor
3148902351				
THE HARLAN COMPANY		Start Date: 12/20/2013	End	09/02/2014
		Contract Amount: \$148,000.00		
9810 PAGE BLVD. , ST. LOUIS , MO 63132				
314-522-9400				
All American Painting Company		Start Date: 02/03/2014	End Date:	05/30/2014
		Contract Amount: \$50,875.00		

Project: 14-SB-98810-SM #74 FLORISSANT BUS STOP ENHANCEMENTS - FTA Grant No. MO-95-x256				
Project Control ID:		Is Community Hiring Goal a Requirement: No		
Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor
43-1203358				
GERSHENSON CONSTRUCTION COMPANY, INC.		Start Date: 01/10/2014	End	07/23/2014
		Contract Amount: \$596,768.00		
#2 TRUITT DRIVE ,				



3144964260	AU Innovative Land Management	Start Date: 02/01/2014	End Date: 07/23/2014
6369378300	D & S FENCING CO INC		
3146311158	REINHOLD ELECTRIC, INC.	Start Date: 03/15/2014	End Date: 07/23/2014
LC9658874	RODEN'S LANDSCAPING, INC.	Start Date: 05/03/2014	End Date: 07/23/2014
573-269-1113	Woods Construction Services, Inc.	Start Date: 05/05/2014	

**Project:** 14-SB-98894-CB PHASE 4 ADA MISSOURI METROBUS STOP ENHANCEMENTS PROJECT FTA Grant No. MO-57-x006

**Project Control ID:** Is Community Hiring Goal a Requirement: No

Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor
43-1203358				
GERSHENSON CONSTRUCTION COMPANY, INC.		Start Date: 01/20/2014	End	06/30/2014
		Contract Amount: \$245,975.00		
#2 TRUITT DRIVE ,				
EUREKA , MO 63025				

3144964260	AU Innovative Land Management	Start Date: 02/01/2014	End Date: 06/30/2014
6369378300	D & S FENCING CO INC	Start Date: 04/01/2014	End Date: 04/05/2014

**Project:** 14-SB-98901-SM NEW FREEDOM BUS STOPS - ST CLAIR - FTA Grant No. MO-57-x006

**Project Control ID:** Is Community Hiring Goal a Requirement: No

Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor
6183985556				
HANK'S EXCAVATING & LANDSCAPING INC.		Start Date: 11/27/2013	End	06/30/2014
		Contract Amount: \$227,600.00		

5825 WEST STATE ROUTE 161 ,  
BELLEVILLE , IL 62223

**Project:** 14-SB-99054-CB METROLINK BRIDGE 2.17 SLOPE REPAIR FTA Grant No. MO-05-0028

**Project Control ID:** Is Community Hiring Goal a Requirement: No

Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor
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43-1203358				
GERSHENSON CONSTRUCTION COMPANY, INC.		Start Date: 04/02/2014	End	09/30/2014
		Contract Amount: \$130,394.15		

#2 TRUITT DRIVE ,  
EUREKA , MO 63025

573-766-5231	
FREEDOM FENCE	Start Date: 07/26/2014

6362257800	
Traffic Control Company	Start Date: 07/16/2014

**Project:** 14-SB-99081-SM ARCH BIKE TRAIL SIGNAGE FTA Grant No. MO-20-x001 and GRG District

**Project Control ID:** Is Community Hiring Goal a Requirement: No

Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor
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7853121020				
STAR SIGNS		Start Date: 07/07/2014	End	07/07/2015
		Contract Amount: \$286,266.00		

801 E. 9TH STREET ,  
LAWERENCE , KS 66044

**Project:** 14-SB-99329-CB ADA REPAIRS AT MULTIPLE MISSOURI METROLINK STATIONS FTA Grant No. MO-90-x231

**Project Control ID:** Is Community Hiring Goal a Requirement: No

Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor
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43-1203358				
GERSHENSON CONSTRUCTION COMPANY, INC.		Start Date: 05/07/2014	End	11/07/2014
		Contract Amount: \$289,606.00		

#2 TRUITT DRIVE ,  
EUREKA , MO 63025

573-893-2335

Meyer Electric Company, Inc. Start Date: **06/25/2014**

3148428200  
RETAINING WALL SOLUTIONS, INC. Start Date: **10/01/2014**

3148942626  
RETAINING WALL SOLUTIONS Start Date: **11/03/2014**

**Project:** 14-SB-99460-CB FEEDER WIRE REHABILITATION & SUBSTATION WATERPROOFING AT MO-11 FTA Grant No. MO-05-0028

**Project Control ID:** Is Community Hiring Goal a Requirement: No

**Prime Contractor** **Subcontractor** **Sub Subcontractor** **Sub Sub Subcontractor** **Sub Sub Sub Subcontractor**

3146644444

TGB, INC. Start Date: **06/11/2014** End **10/21/2014**  
Contract Amount: **\$287,190.00**

1104 S. JEFFERSON ,  
ST. LOUIS , MO 63104

**Project:** 15-SB-100690-SM TACTILE WARNING STRIP REPLACEMENT II FTA Grant No. MO-90-x281

**Project Control ID:** Is Community Hiring Goal a Requirement: No

**Prime Contractor** **Subcontractor** **Sub Subcontractor** **Sub Sub Subcontractor** **Sub Sub Sub Subcontractor**

3144215933

L. Keeley Start Date: **10/06/2014** End **04/01/2015**  
Contract Amount: **\$718,062.00**

2901 Falling Springs Road ,  
Sauget , IL 62206

**Project:** 15-SB-100757-SM SHREWSBURY PAVEMENT AND WALL REPAIR FTA Grant No. MO-05-0028

**Project Control ID:** Is Community Hiring Goal a Requirement: No

**Prime Contractor** **Subcontractor** **Sub Subcontractor** **Sub Sub Subcontractor** **Sub Sub Sub Subcontractor**

6362963300

ST. LOUIS BRIDGE COMPANY Start Date: **10/24/2014** End **10/24/2015**  
Contract Amount: **\$576,890.25**

655 LANDMARK DRIVE ,  
ARNOLD , MO 63010

**Project:** 15-SB-100842-CB NORTH COUNTY TRANSFER CENTER - PHASE 1 FTA Grant No. MO-90-x296, MO-95-x015

Project Control ID:		Is Community Hiring Goal a Requirement: No		
Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor
3146642900				
C. RALLO				
		Start Date: 01/05/2015	End	12/23/2015
		Contract Amount: \$5,085,000.00		
5000 Kemper ,				
St. Louis , MO 63139				
Project: 15-SB-100902-DW RIVERBOAT GANGWAY				
Project Control ID:		Is Community Hiring Goal a Requirement: No		
Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor
3144361541				
Material Sales Company Inc				
		Start Date: 09/29/2014	End	04/01/2015
		Contract Amount: \$99,382.50		
920 S. 2nd Street ,				
St. Louis , MO 63102				

**PROCUREMENT CARD PROGRAM  
ADMINISTRATIVE REVIEW STATISTICS  
2nd QTR FISCAL YEAR 2015**

	FY2014 YTD TOTAL		1ST QUARTER FY15		2nd QUARTER FY15		FY2015 YTD TOTAL	
	TRANSACTION COUNT	TRANSACTION AMOUNT	TRANSACTION COUNT	TRANSACTION AMOUNT	TRANSACTION COUNT	TRANSACTION AMOUNT	TRANSACTION COUNT	TRANSACTION AMOUNT
TOTAL TRANSACTIONS	16323	\$ 5,159,344	4591	\$ 1,660,010	4402	\$ 1,621,242	8993	\$ 3,281,252
TRANSACTIONS REVIEWED	16323	\$ 5,159,344	4591	\$ 1,660,010	4402	\$ 1,621,242	8993	\$ 3,281,252
PERCENTAGE REVIEWED	100%	100%	100%	100%	100%	100%	100%	100%
TRANSACTIONS INVESTIGATED	60	\$ 110,761	42	\$ 69,486	12	\$ 13,259	54	\$ 82,744
PERCENTAGE OF TOTAL INVESTIGATED	0.4%	2.1%	0.9%	4.2%	0.3%	0.8%	0.6%	2.5%
CONFIRMED PROCEDURAL VIOLATIONS	6 TRANS, 2 INCIDENTS	\$ 7,832	0 TRANS 0 INCIDENTS	\$ -	0 TRANS 0 INCIDENTS	\$ -	0 TRANS 0 INCIDENTS	\$ -
CONFIRMED VIOLATION PERCENTAGE OF TOTAL	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TRANSACTIONS WITH SALES TAX	129	0.0%	60	0.0%	69	0.0%	129	0.0%
SALES TAX CHARGED		\$ 1,279	35	\$ 341	61	\$ 682	96	\$ 1,023
PERCENTAGE OF TOTAL TRANSACTIONS WITH SALES TAX	0.8%	0.4%	1.3%	0.0%	1.6%	0.0%	1.4%	0.0%
REFUNDED SALES TAX	31	\$ 916	18	\$ 283	8	\$3,093	26	\$ 3,376



**Bi-State  
Development  
Agency**

# QUARTERLY FINANCIAL STATEMENTS

**FISCAL YEAR 2015**  
Second Quarter • Ending December 31, 2014



Bi-State Development Agency

707 N. First Street St. Louis, Missouri 63102-2595

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To: John M. Nations  
President & Chief Executive Officer

From:   
Kathy S. Kleyorn  
Senior Vice President & CFO

Date: February 2, 2015

Subject: Bi-State Financial Statements – December 31, 2014

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Enclosed is the financial statement package for December 31, 2014. Operating results, including the analysis and financial position, are provided for operating unit. These results are *unaudited* and subject to change.

The financial statements presented are not prepared in conformity with U.S. Generally Accepted Accounting Principles (U.S. GAAP). A U.S. GAAP presentation would include, among other things, depreciation shown as an operating expense rather than as other non-operating expense; full disclosure of all material financial and non-financial events with accompanying footnote disclosures; and a Management Discussion and Analysis (MD&A) section.

The Bi-State Development Agency combined passenger and operating revenue for all business units for the six months ended December 31, 2014 is \$36.7 million. This is down from \$37.7 million for the same six-month period last year. Transit ridership is experiencing negative trends which is likely the result of lower fuel prices in the region. The Arch Tram System and Riverboats are being affected by CityArchRiver and local road construction in the St. Louis City downtown area. National news resulting from the Ferguson, MO grand jury decision has also had an impact on the region, affecting tourism and local businesses -- both of which can impact transit ridership.

Operating expenses for all units for the first six months have increased from \$129.0 million in FY 2014 to \$134.9 million in FY 2015. The increase in FY 2015 is partially attributable to the recent settlement of the ATU 788 labor contract.

## **Metro Transit**

Metro transit operating revenue of \$31.4 is up slightly over the prior year despite ridership trending down 1.4% through the first six months of the fiscal year. The passenger revenue increase is driven by a fare increase enacted July 1, 2014. MetroBus ridership is flat year over year. MetroLink and Call-A-Ride ridership are down 3.2% and 1.5%, respectively. MetroLink ridership is affected by consumer fuel prices and Call-A-Ride is impacted by less available funding for Medicaid trips.

Wages and benefits expenses reflect one-time payments and rate increases set forth by the 788 ATU contract. There are one-time seniority payments of approximately \$2.5 million and additional costs for rate increases which were enacted retroactively to the beginning of the fiscal year. Non-compensation related operating expense for the first six months of FY 2015 are \$42.8 million. This is consistent with a prior year cost of \$43.0 million. *Please see page 17 for the Statement of Revenue and Expense.*

## **Gateway Arch**

Arch ticket sales are 4% lower than last year primarily due to the Arch grounds construction project. Bi-State contributed \$4.6 million to the National Park Service (NPS) to fund the roof for the new museum. The Gateway Arch Trams also issued 30-year bonds of \$7.6 million to fund new motor generator sets for both trams and to reimburse the Beneficial fund for approximately half the roof. The \$153,000 related to the cost of issuance was expensed as non-operating expense per accounting rules. The Gateway Arch Tram System is generating a net loss before depreciation of \$4.3 million, mainly due to the contribution to the NPS. *Please see page 29 for the Statement of Revenue and Expense.*

## **Gateway Arch Parking Facility**

The parking facility discontinued operations in December 2014 and demolition is scheduled to begin in February 2015. Prior to ceasing operations the parking facility was generating an operating loss of \$38 thousand on operating revenues of \$532 thousand. Final accounting related to the discontinued operations is expected to be completed by fiscal year end. *Please see page 36 for the Statement of Revenue and Expense.*

## **Riverfront Attractions**

Attendance and operating revenues are down 54% and 47% respectively from prior year primarily due to the road closures and CityArchRiver construction. The heliport is operating, but bike rentals have been temporarily discontinued. Riverfront Attractions has an operating loss of \$123 thousand compared to net income of \$362 thousand in the prior year before construction commenced. *Please see page 43 for the Statement of Revenue and Expense.*



### **St. Louis Downtown Airport**

Operating revenue is 21% lower than last year primarily due to renegotiated lease agreement for hanger rentals and fewer rented hangars. Operating expenses have remained consistent year over year at approximately \$700 thousand. Operating income is decreasing \$195 thousand compared to prior year. *Please see page 51 for the Statement of Revenue and Expense.*

### **Executive Services**

For the first six months, operating revenues exceed operating expenses and results are 18% better than prior year results.

Please contact me with any comments or questions regarding the financial statements.

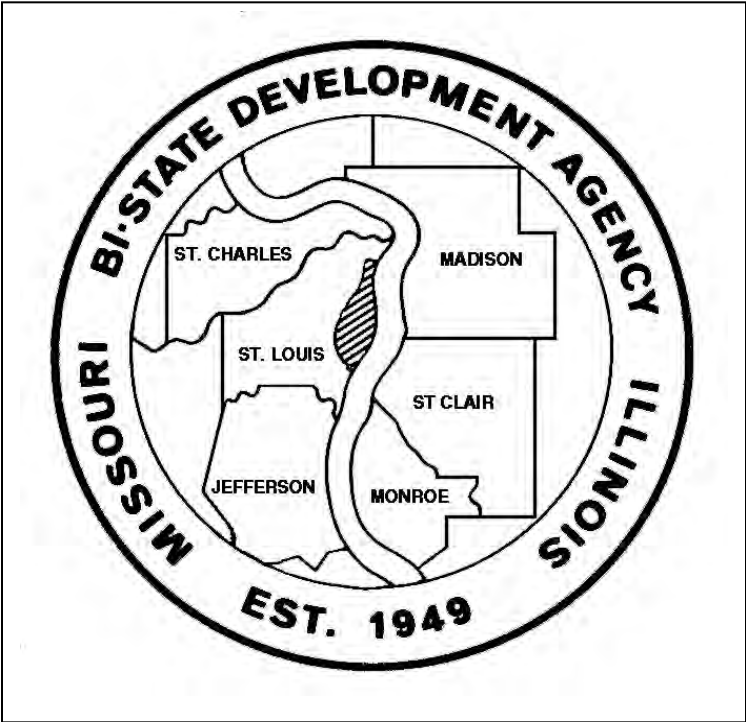
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Enclosures

**Bi-State Development Agency of the  
Missouri-Illinois Metropolitan District**  
**Combining Schedule of Revenues, Expenses and Net Income (Loss)**  
**For the Quarter Ended December 31, 2014**  
(unaudited)

	Executive Services	Gateway Arch Tram System	Gateway Arch Parking Facility	Riverfront Attractions	St. Louis Downtown Airport	Metro Transit System	Totals	Interfund Eliminations	Totals After Eliminations
<b>Passenger and service revenues</b>									
Passenger and service revenues	\$ -	\$ 2,924,747	\$ 482,132	\$ 819,020	\$ 607,010	\$ 27,428,771	\$ 32,261,680	\$ (47,027)	\$ 32,214,653
Interfund administrative fees	1,797,735	-	-	-	-	-	1,797,735	(1,797,735)	-
Other Operating Revenue	233,705	2,331	50,108	61,437	128,231	4,018,974	4,494,786	-	4,494,786
<b>Total operating revenues</b>	<u>2,031,440</u>	<u>2,927,078</u>	<u>532,240</u>	<u>880,457</u>	<u>735,241</u>	<u>31,447,745</u>	<u>38,554,201</u>	<u>(1,844,762)</u>	<u>36,709,439</u>
<b>Operating expenses</b>									
Wages and benefits	1,061,250	758,929	203,999	516,869	417,246	88,269,600	91,227,893	-	91,227,893
Services	238,231	469,703	255,286	136,714	41,418	15,265,510	16,406,862	-	16,406,862
Fuel and lube consumed	339	46	-	28,352	9,738	9,058,672	9,097,147	-	9,097,147
Materials and supplies	6,340	60,026	5,904	138,338	69,348	9,965,815	10,245,771	-	10,245,771
Utilities	2,855	60,492	39,529	38,589	92,973	3,706,472	3,940,910	-	3,940,910
Casualty and liability costs	-	24,143	16,190	73,913	25,079	2,206,059	2,345,384	-	2,345,384
Leases & other expenses	138,916	643,143	49,019	71,082	50,433	2,552,488	3,505,081	(1,844,762)	1,660,319
<b>Total operating expenses</b>	<u>1,447,931</u>	<u>2,016,482</u>	<u>569,927</u>	<u>1,003,857</u>	<u>706,235</u>	<u>131,024,616</u>	<u>136,769,048</u>	<u>(1,844,762)</u>	<u>134,924,286</u>
<b>Operating income (loss)</b>	<u>583,509</u>	<u>910,596</u>	<u>(37,687)</u>	<u>(123,400)</u>	<u>29,006</u>	<u>(99,576,871)</u>	<u>(98,214,847)</u>	<u>-</u>	<u>(98,214,847)</u>
<b>Non-operating revenues (expenses)</b>									
Grants and assistance									
State and local assistance	-	-	-	-	-	110,821,826	110,821,826	-	110,821,826
Federal assistance	-	-	-	-	-	9,456,767	9,456,767	-	9,456,767
Interest income	1,000	3,157	49	-	81	513,213	517,500	-	517,500
Interest expense	-	(153,592)	-	-	-	(10,621,795)	(10,775,387)	-	(10,775,387)
Contributions to outside entities	-	(5,051,801)	-	-	-	(705,909)	(5,757,710)	-	(5,757,710)
Other non-operating revenue (expense)	-	-	-	-	-	27,534	27,534	-	27,534
<b>Total non-operating revenues (expenses)</b>	<u>1,000</u>	<u>(5,202,236)</u>	<u>49</u>	<u>-</u>	<u>81</u>	<u>109,491,636</u>	<u>104,290,530</u>	<u>-</u>	<u>104,290,530</u>
<b>Income (loss) before depreciation</b>	<u>584,509</u>	<u>(4,291,640)</u>	<u>(37,638)</u>	<u>(123,400)</u>	<u>29,087</u>	<u>9,914,765</u>	<u>6,075,683</u>	<u>-</u>	<u>6,075,683</u>
Depreciation and amortization	1,216	173,281	4,909	146,094	758,285	34,365,862	35,449,647	-	35,449,647
<b>Net income (loss) before transfers</b>	<u>583,293</u>	<u>(4,464,921)</u>	<u>(42,547)</u>	<u>(269,494)</u>	<u>(729,198)</u>	<u>(24,451,097)</u>	<u>(29,373,964)</u>	<u>-</u>	<u>(29,373,964)</u>
Net transfers	-	112,298	(125,000)	-	-	12,702	-	-	-
<b>Net income (loss)</b>	<u>\$ 583,293</u>	<u>\$ (4,352,623)</u>	<u>\$ (167,547)</u>	<u>\$ (269,494)</u>	<u>\$ (729,198)</u>	<u>\$ (24,438,395)</u>	<u>\$ (29,373,964)</u>	<u>\$ -</u>	<u>\$ (29,373,964)</u>

# Executive Services



## Executive Branch

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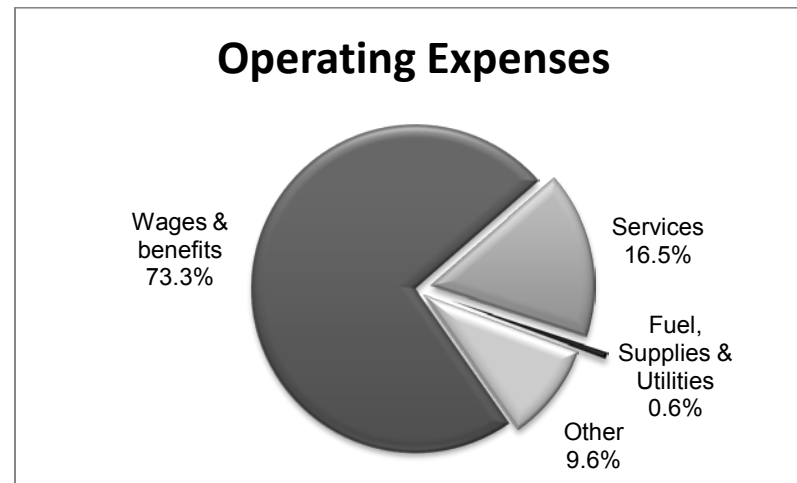
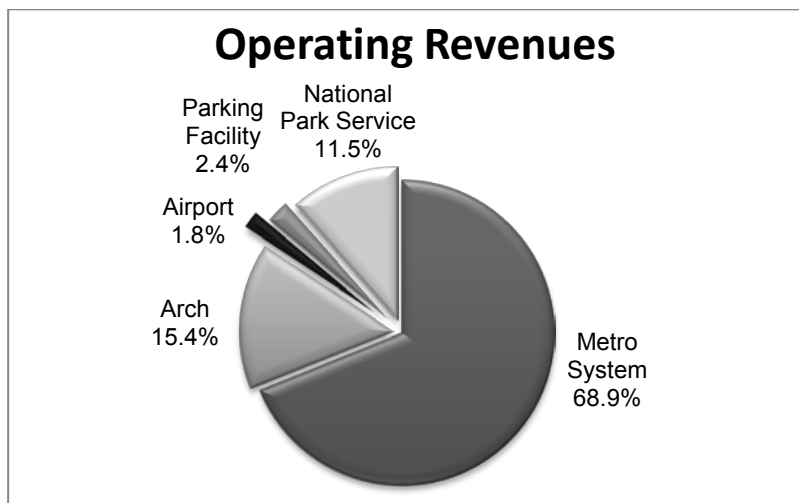
# Executive Services

Six Months Ended December 31, 2014

**Executive Services** is a service company which supports all Bi-State Development operating companies. Executive Services consist of the Executive Office, Internal Audit, General Counsel, Economic Development, Workforce Diversity and EEO and Business Enterprises Administration.

**Operating income** of \$583,509 is favorable to budget as a result of expenses being lower than budget and also a favorable increase in Arch administrative fee revenue.

**Operating revenue** is the total of management fee assessments to Bi-State operating companies plus the National Park Service. The absence of a Riverfront Attractions assessment reflects a fee waiver for FY 2015. Operating revenues for the period were 0.7% greater than budget due to greater net revenues at the Gateway Arch.



**Salaries, wages & benefits** are \$240,051 or 18.4% favorable to budget due to position vacancies.

**Services** include fees for legal, audit, consulting and other services. Services are \$213,874 favorable to budget due to the timing of legal and consulting expenses.

**Materials and supplies** are \$5,329 or 45.7% favorable to budget and primarily due to the timing of spending for office supplies, computer supplies and training materials.

**Other expenses** are \$57,345 favorable to budget primarily due to less than planned travel and meeting, training, dues and subscriptions, and other general expenses.


**Executive Services**  
**Quarterly Statement of Net Position**  
**December 31, 2014**  
(unaudited)

	<u>Current Quarter</u>	<u>Prior Quarter</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Prior Year</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Assets</b>							
Current Assets							
Cash and Investments	\$ 3,601,581	\$ 3,269,067	\$ 332,514	10.2	\$ 2,834,806	\$ 766,775	27.0
Restricted cash and investments	820,713	784,953	35,760	4.6	696,569	124,144	17.8
Accounts and notes receivable	655,400	864,395	(208,995)	(24.2)	687,960	(32,560)	(4.7)
Restricted accounts receivable	67	55	12	21.8	71	(4)	(5.6)
Total current assets	<u>5,077,761</u>	<u>4,918,470</u>	<u>159,291</u>	3.2	<u>4,219,406</u>	<u>858,355</u>	20.3
Capital assets							
Capital assets, net depr	<u>5,809</u>	<u>6,417</u>	<u>(608)</u>	(9.5)	<u>8,242</u>	<u>(2,433)</u>	(29.5)
Total capital assets	<u>5,809</u>	<u>6,417</u>	<u>(608)</u>	(9.5)	<u>8,242</u>	<u>(2,433)</u>	(29.5)
<b>Total</b>	<u>\$ 5,083,570</u>	<u>\$ 4,924,887</u>	<u>\$ 158,683</u>	3.2	<u>\$ 4,227,648</u>	<u>\$ 855,922</u>	20.2

**Executive Services**  
**Quarterly Statement of Net Position**  
**December 31, 2014**  
(unaudited)

	<u>Current Quarter</u>	<u>Prior Quarter</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Prior Year</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Liabilities</b>							
Current liabilities							
Accounts payable	\$ 100,675	\$ 145,804	\$ (45,129)	(31.0)	\$ 124,722	\$ (24,047)	(19.3)
Accrued expenses	218,605	218,605	-	-	138,049	80,556	58.4
Total current liabilities	319,280	364,409	(45,129)	(12.4)	262,771	56,509	21.5
Non-current liabilities							
Other post-employment benefits	820,713	784,953	35,760	4.6	696,569	124,144	17.8
Long-term self-insurance	300	300	-	-	300	-	-
Total non-current liabilities	821,013	785,253	35,760	4.6	696,869	124,144	17.8
Total liabilities	1,140,293	1,149,662	(9,369)	(0.8)	959,640	180,653	18.8
<b>Net Position</b>							
Net position - capital investments	234,215	234,215	-	-	234,215	-	-
Net position - unrestricted	3,125,769	3,125,769	-	-	2,541,374	584,395	23.0
Net income (loss)	583,293	415,241	168,052	40.5	492,419	90,874	18.5
Total net position	3,943,277	3,775,225	168,052	4.5	3,268,008	675,269	20.7
<b>Total</b>	<u>\$ 5,083,570</u>	<u>\$ 4,924,887</u>	<u>\$ 158,683</u>	3.2	<u>\$ 4,227,648</u>	<u>\$ 855,922</u>	20.2

**Executive Services**  
**Schedule of Revenues, Expenses and Net Income (Loss)**  
**For the Quarter Ended December 31, 2014**  
(unaudited)

	Current					Year to Date				
	Actual	Budget	\$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year Month To Date	Actual	Budget	\$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year Year To Date
<b>Operating revenues</b>										
Admin fees - Transit	\$ 700,000	\$ 700,000	\$ -	-	\$ 637,500	\$ 1,400,000	\$ 1,400,000	\$ -	-	\$ 1,275,000
Admin fees - Gateway Arch	67,907	67,372	535	0.8	67,938	312,146	291,463	20,683	7.1	349,454
Admin fees - Airport	20,861	22,178	(1,317)	(5.9)	24,527	36,766	44,774	(8,008)	(17.9)	46,397
Admin fees - Gateway Parking Facility	9,341	19,591	(10,250)	(52.3)	17,060	48,823	63,107	(14,284)	(22.6)	85,297
National Park Service management fee	67,019	50,080	16,939	33.8	63,937	233,705	217,056	16,649	7.7	238,223
<b>Total operating revenues</b>	<b>865,128</b>	<b>859,221</b>	<b>5,907</b>	<b>0.7</b>	<b>810,962</b>	<b>2,031,440</b>	<b>2,016,400</b>	<b>15,040</b>	<b>0.7</b>	<b>1,994,371</b>
<b>Operating expenses</b>										
Wages and benefits	519,185	650,648	131,463	20.2	498,817	1,061,250	1,301,301	240,051	18.4	985,683
Services	135,500	226,052	90,552	40.1	203,232	238,231	452,105	213,874	47.3	371,604
Fuel and lube consumed	55	396	341	86.1	150	339	792	453	57.2	372
Materials and supplies	4,995	5,835	840	14.4	5,169	6,340	11,669	5,329	45.7	6,562
Utilities	1,410	1,800	390	21.7	1,574	2,855	3,600	745	20.7	3,254
Other expenses	35,856	69,698	33,842	48.6	23,377	138,916	196,261	57,345	29.2	134,132
<b>Total operating expenses</b>	<b>697,001</b>	<b>954,429</b>	<b>257,428</b>	<b>27.0</b>	<b>732,319</b>	<b>1,447,931</b>	<b>1,965,728</b>	<b>517,797</b>	<b>26.3</b>	<b>1,501,607</b>
<b>Operating income (loss)</b>	<b>168,127</b>	<b>(95,208)</b>	<b>263,335</b>	<b>276.6</b>	<b>78,643</b>	<b>583,509</b>	<b>50,672</b>	<b>532,837</b>	<b>1,051.5</b>	<b>492,764</b>
<b>Non-operating revenue (expense)</b>										
Interest income	533	662	(129)	(19.5)	456	1,000	1,325	(325)	(24.5)	870
<b>Total non-operating revenues (expenses)</b>	<b>533</b>	<b>662</b>	<b>(129)</b>	<b>(19.5)</b>	<b>456</b>	<b>1,000</b>	<b>1,325</b>	<b>(325)</b>	<b>(24.5)</b>	<b>870</b>
<b>Income (loss) before depreciation</b> 	<b>168,660</b>	<b>(94,546)</b>	<b>263,206</b>	<b>278.4</b>	<b>79,099</b>	<b>584,509</b>	<b>51,997</b>	<b>532,512</b>	<b>1,024.1</b>	<b>493,634</b>
Depreciation and amortization	608	608	-	-	609	1,216	1,216	-	-	1,215
<b>Net income (loss)</b>	<b>\$ 168,052</b>	<b>\$ (95,154)</b>	<b>\$ 263,206</b>	<b>276.6</b>	<b>\$ 78,490</b>	<b>\$ 583,293</b>	<b>\$ 50,781</b>	<b>\$ 532,512</b>	<b>1,048.6</b>	<b>\$ 492,419</b>

**Executive Services**  
**Cash Receipts and Disbursements Schedule**  
**For the Quarter Ended December 31, 2014**  
(unaudited)

<u>Description</u>	<u>Total</u>	<u>Agency Operating Fund</u>	<u>Investments Operating Fund</u>	<u>Other Restricted Fund</u>
<b>Balance at October 1, 2014</b>				
<b>Cash &amp; Investments</b>	\$ 4,054,020	\$ 25,004	\$ 3,244,063	\$ 784,953
<b>Add:</b>				
Interest received	522	347	175	-
Transit	250,000	250,000	-	-
Gateway Arch	88,251	88,251	-	-
St Louis Downtown Airport	20,000	20,000	-	-
Gateway Parking Facility	14,070	14,070	-	-
Research Institute	850	850	-	-
<b>Total cash receipts</b>	<u>373,693</u>	<u>373,518</u>	<u>175</u>	<u>-</u>
Interfund transfers	-	(368,100)	332,340	35,760
<b>Less:</b>				
Loan to Research Institute	(5,000)	(5,000)	-	-
Cash disbursements	<u>(419)</u>	<u>(419)</u>	<u>-</u>	<u>-</u>
	(5,419)	(5,419)	-	-
<b>Balance at December 31, 2014</b>				
<b>Cash &amp; Investments</b>	<u>\$ 4,422,294</u>	<u>\$ 25,003</u>	<u>\$ 3,576,578</u>	<u>\$ 820,713</u>



**Executive Services**  
**Statement of Cash Flows**  
**For the Six Months Ended December 31, 2014**  
**(unaudited)**

**Cash flows from operating activities**

Receipts from customers	\$ 298,692
Payments to employees	(987,359)
Payments to vendors	(500,887)
Receipts (payments) from inter-fund activity	<u>1,906,481</u>

**Net cash provided by (used in)  
operating activities**

716,927

**Cash flow from noncapital financing activities**

None noted.	<u>-</u>
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**Cash flow from capital and related financing activities**

None noted.	
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**Cash flows from investing activities**

Interest received	<u>994</u>
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**Net cash provided by (used in)  
investing activities**

994

**Net increase (decrease) in cash  
and cash equivalents**

717,921

**Cash and cash equivalents, beginning of year**

3,704,373

**Cash and cash equivalents, year to date**

\$ 4,422,294

**Reconciliation of operating income to  
net cash used for operating activities**

Operating income (loss)	<u>\$ 583,509</u>
-------------------------	-------------------

**Adjustments to reconcile operating  
income (loss) to net cash provided  
by (used for) operating activities**

Change in assets and liabilities	
Accounts and notes receivables	64,986
Interfund accounts receivable	107,513
Accounts payable	(114,207)
Interfund accounts payable	1,234
Accrued Expenses	3,121
Other post employment benefits liability	<u>70,771</u>

Total adjustments	<u>133,418</u>
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**Net cash provided by (used for)  
operating activities**

\$ 716,927

**Supplemental disclosure of cash flow information**

No disclosures.

**Executive Services**  
**Capital Expenditures for Active Projects**  
For the Quarter Ended December 31, 2014  
(unaudited)

Description	<u>Budget</u>	<u>Current</u>	<u>Year-To-Date</u>	<u>Life-To-Date</u>	<u>Balance</u>
	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Executive Services</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# Metro Transit System Financials



## Regional Economic Development through Excellence in Transportation

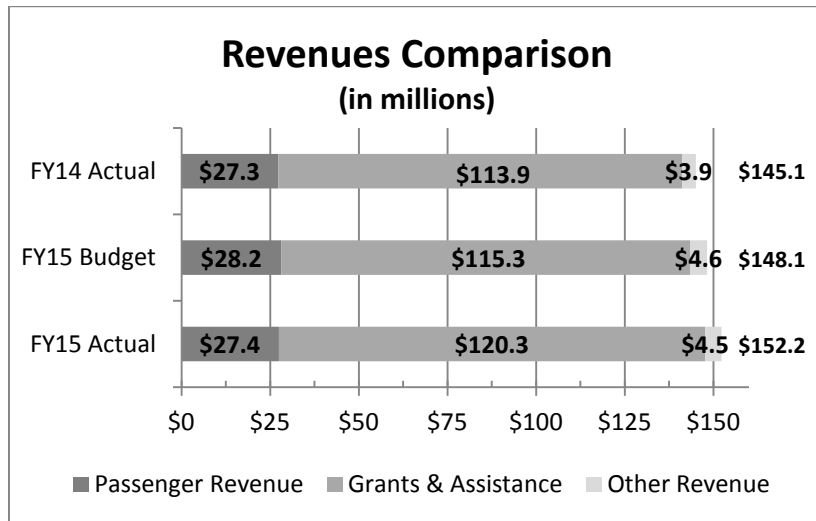
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# Metro System

## Six Months Ended December 31, 2014

**Net Income before depreciation** for the six months ended December 31, 2014 is \$9.9 million. Compared to the same period in the prior year, operating expenses are up 5.0% or \$6.2 million while operating revenue is up 1.4% or \$423 thousand.

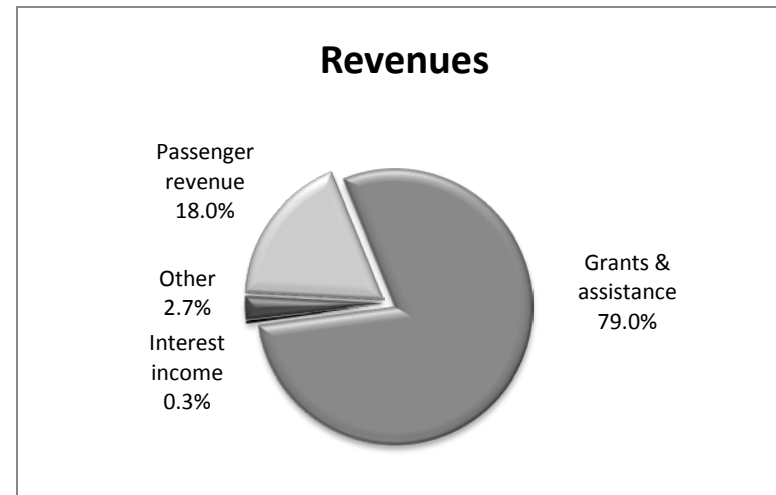
The chart below reports revenue trends in each revenue category. The chart to the right illustrates the relative importance of each revenue source in the fiscal year 2015.



**Passenger Revenue** of \$27.4 million was 2.8% less than budget, but 0.6% favorable to prior year. Despite ridership being down year over year, revenue is up as a result of the fare increase on select ticket options implemented on July 1, 2014.

At December 31, MetroBus ridership is flat and MetroLink ridership is down 3.2% compared to year over year. Ridership has been negatively affected by various factors. MetroLink ridership is being affected by lower fuel prices in the region.

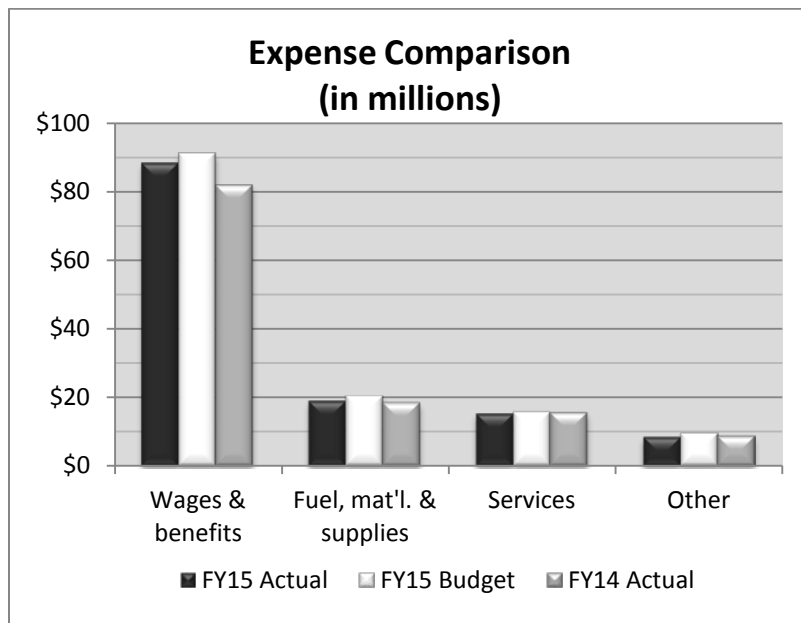
National news resulting from the Ferguson, MO grand jury decision has also had an impact on the region, affecting tourism and local businesses -- both of which can impact transit ridership.



**Grants & assistance** funding for operations in the first half of FY 2015 is \$120.3 million or 4.3% favorable to budget. Total regional sales tax assistance is 7.3% greater than the budget and 9.8% greater than prior year.

St. Clair County Transit District assistance of \$25.4 million and State of Illinois assistance of \$1.5 million is 0.5% less than budget and 0.6% greater than prior year. St. Clair County contracts for service and pays 100% of the cost of service. Federal assistance of \$9.5 million is 6.0% less than budget due to Federal vehicle maintenance funds designated for operations in FY 2015 being directed to a capital project.

**Total operating expenses** of \$131.0 million are 4.4% favorable to budget.



**Wages and benefits** for the second quarter reflect one-time payments and rate increases set forth by the 788 ATU contract. There are one-time seniority payments of approximately \$2.5 million and additional costs for rate increases which were enacted retroactively to the beginning of the fiscal year.

The favorable variance in wages and benefits is being primarily driven by medical expenses for active and retired employees, which has a favorable variance of \$2.3 million.

**Services** are 3.5% or \$547 thousand favorable to budget. Lower than planned Maintenance and Custodial Services is partially offset with higher than anticipated Outside Services and Consultant Fees.

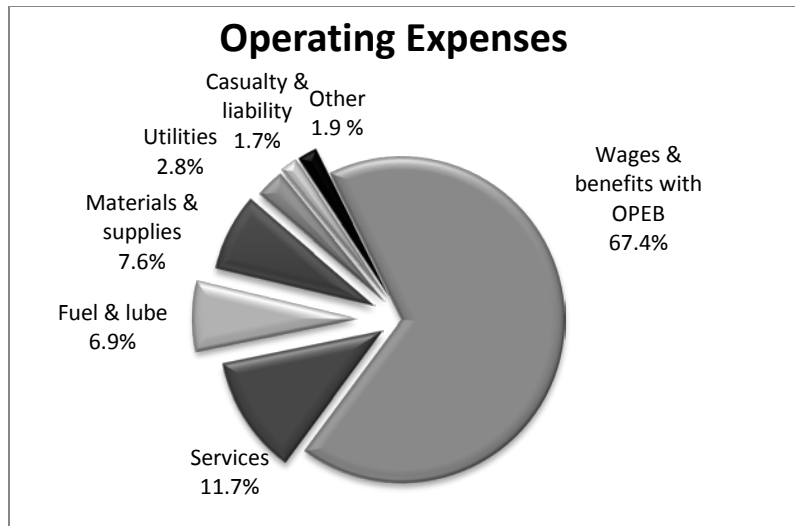
**Fuel and lube consumed** is 6.2% favorable to budget primarily due to lower than planned diesel prices. The 1<sup>st</sup> half of FY 2015 average price of diesel was \$2.72 per gallon compared to the budgeted price of \$3.40 per gallon.

**Materials and supplies** expenditures of \$10.0 million are 8.9% favorable to budget due to lower than anticipated revenue and repair parts and passes, tickets, transfers and timetable stock.

**Utilities** are favorable to budget by 12.1% as a result of lower than budgeted natural gas prices and less electric propulsion usage.

**Casualty & liability** expense is 9.9% favorable to budget due to larger recoveries along with lower casualty insurance cost.

**Other** costs are favorable to budget by \$396 thousand due to less travel, training and advertising spending.



**Interest expense** is 0.7% favorable to budget.

**Interest revenue** is favorable to budget as a result of interest from invested funds for the debt service reserve fund.

**Contributions** is unfavorable to budget due to non-budgeted contributions to Southwestern Illinois College projects. Contributions also include a pass-through of the half-cent sales tax to sheltered workshops.

Passenger Boardings (in millions – YTD)			
	FY 2015	FY 2014	FY 2013
MetroBus	15.52	15.46	15.11
MetroLink	8.74	9.02	8.68
Call-A-Ride	<u>0.29</u>	<u>0.29</u>	<u>0.30</u>
Total System	24.55	24.77	24.09

**Passenger boardings** for the first six months of FY 2015 were 0.9% short of the FY 2014 ridership. By mode, MetroBus increased 0.4%, while MetroLink decreased and Call-A-Ride decreased 3.2% and 1.5%, respectively.

While the 1<sup>st</sup> quarter system ridership increased 1.1%, over the prior year, the second quarter saw a decline in ridership. Protest activity in North County negatively impacted MetroBus service operation and ridership; since this activity has calmed ridership is recovering. The decrease in MetroLink ridership is attributed to the lower gas prices and fewer events being held in St. Louis.

**Metro Transit System**  
**Quarterly Statement of Net Position**  
**December 31, 2014**  
(unaudited)

	<b>Current Quarter</b>	<b>Prior Quarter</b>	<b>Dollar Change</b>	<b>Percent Change</b>	<b>Prior Year</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Assets</b>							
Current Assets							
Cash and Investments	\$ 68,847,594	\$ 75,004,395	\$ (6,156,801)	(8.2)	\$ 60,659,349	\$ 8,188,245	13.5
Restricted cash and investments	151,413,703	161,674,078	(10,260,375)	(6.3)	145,048,267	6,365,436	4.4
Accounts and notes receivable	5,359,714	6,945,384	(1,585,670)	(22.8)	3,772,194	1,587,520	42.1
Restricted accounts receivable	183,448	49,823	133,625	268.2	31,855	151,593	475.9
Federal, state and local assistance receivable	32,770,023	26,399,467	6,370,556	24.1	37,278,562	(4,508,539)	(12.1)
Materials and supplies inventory	9,925,409	9,841,276	84,133	0.9	8,062,147	1,863,262	23.1
Other current assets	3,089,304	3,753,579	(664,275)	(17.7)	3,404,043	(314,739)	(9.2)
Total current assets	271,589,195	283,668,002	(12,078,807)	(4.3)	258,256,417	13,332,778	5.2
Capital assets							
Capital assets - motorbus, net depr	103,493,166	95,608,948	7,884,218	8.2	86,194,674	17,298,492	20.1
Capital assets - paratransit, net depr	14,131	14,131	-	-	121,093	(106,962)	(88.3)
Capital assets - lightrail, net depr	780,753,964	793,917,494	(13,163,530)	(1.7)	831,422,481	(50,668,517)	(6.1)
Land	97,432,663	97,432,663	-	-	97,432,663	-	-
Construction-in-process	59,729,524	47,295,549	12,433,975	26.3	41,566,002	18,163,522	43.7
Total capital assets	1,041,423,448	1,034,268,785	7,154,663	0.7	1,056,736,913	(15,313,465)	(1.4)
Non-current assets							
Restricted investments	88,767,777	87,400,410	1,367,367	1.6	86,780,762	1,987,015	2.3
Other non-current assets, net amort	60,083	56,365	3,718	6.6	150,920	(90,837)	(60.2)
Total non-current assets	88,827,860	87,456,775	1,371,085	1.6	86,931,682	1,896,178	2.2
Total assets	1,401,840,503	1,405,393,562	(3,553,059)	(0.3)	1,401,925,012	(84,509)	-
<b>Deferred Outflow of Resources</b>							
Deferred loss on hedging instruments	5,130,288	843,642	4,286,646	508.1	-	5,130,288	n/a
Deferred loss on debt refunding	3,852,444	3,960,203	(107,759)	(2.7)	4,683,266	(830,822)	(17.7)
Total deferred outflow of resources	8,982,732	4,803,845	4,178,887	87.0	4,683,266	4,299,466	91.8
<b>Total</b>	<b>\$ 1,410,823,235</b>	<b>\$ 1,410,197,407</b>	<b>\$ 625,828</b>	<b>-</b>	<b>\$ 1,406,608,278</b>	<b>\$ 4,214,957</b>	<b>0.3</b>

**Metro Transit System**  
**Quarterly Statement of Net Position**  
**December 31, 2014**  
(unaudited)

	<b>Current Quarter</b>	<b>Prior Quarter</b>	<b>Dollar Change</b>	<b>Percent Change</b>	<b>Prior Year</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Liabilities</b>							
Current liabilities							
Accounts payable	\$ 17,976,743	\$ 7,896,353	\$ 10,080,390	127.7	\$ 8,332,824	\$ 9,643,919	115.7
Accrued expenses	18,655,951	18,971,292	(315,341)	(1.7)	16,576,596	2,079,355	12.5
Other current liabilities	26,357,982	25,554,431	803,551	3.1	21,973,147	4,384,835	20.0
Total current liabilities	62,990,676	52,422,076	10,568,600	20.2	46,882,567	16,108,109	34.4
Current liab payable from restricted assets							
Accounts payable and retention	2,115,473	1,994,250	121,223	6.1	2,336,891	(221,418)	(9.5)
Accrued interest payable	6,027,322	12,003,869	(5,976,547)	(49.8)	6,001,934	25,388	0.4
General self-insurance liability	6,450,868	6,450,868	-	-	6,998,913	(548,045)	(7.8)
Medical self-insurance liability	2,682,305	2,894,675	(212,370)	(7.3)	3,093,397	(411,092)	(13.3)
Current portion of long-term debt	7,220,000	37,015,000	(29,795,000)	(80.5)	7,015,000	205,000	2.9
Current portion of lease obligation	-	-	-	n/a	3,472,844	(3,472,844)	(100.0)
Total current liabilities payable from restricted assets	24,495,968	60,358,662	(35,862,694)	(59.4)	28,918,979	(4,423,011)	(15.3)
Total current liabilities	87,486,644	112,780,738	(25,294,094)	(22.4)	75,801,546	11,685,098	15.4
Non-current liabilities							
Other post-employment benefits	60,906,261	58,551,568	2,354,693	4.0	54,113,492	6,792,769	12.6
Long-term self-insurance	5,310,253	5,663,061	(352,808)	(6.2)	6,578,459	(1,268,206)	(19.3)
Long-term debt	557,411,611	535,327,138	22,084,473	4.1	567,441,962	(10,030,351)	(1.8)
Capital lease obligations	88,752,805	87,385,438	1,367,367	1.6	83,292,944	5,459,861	6.6
Other non-current liabilities	8,026,941	7,214,375	812,566	11.3	7,000,799	1,026,142	14.7
Total non-current liabilities	720,407,871	694,141,580	26,266,291	3.8	718,427,656	1,980,215	0.3
Total liabilities	807,894,515	806,922,318	972,197	0.1	794,229,202	13,665,313	1.7
<b>Deferred Inflow of Resources</b>							
Deferred gain on hedging instruments	-	-	-	n/a	677,141	(677,141)	(100.0)
Total deferred inflow of resources	-	-	-	n/a	677,141	(677,141)	(100.0)
<b>Net Position</b>							
Net position - capital investments	1,004,231,307	987,012,945	17,218,362	1.7	949,172,631	55,058,676	5.8
Net position - unrestricted	(376,864,192)	(376,864,192)	-	-	(309,896,470)	(66,967,722)	(21.6)
Net income (loss)	(24,438,395)	(6,873,664)	(17,564,731)	(255.5)	(27,574,226)	3,135,831	11.4
Total net position	602,928,720	603,275,089	(346,369)	(0.1)	611,701,935	(8,773,215)	(1.4)
<b>Total</b>	<u>\$ 1,410,823,235</u>	<u>\$ 1,410,197,407</u>	<u>625,828</u>	-	<u>\$ 1,406,608,278</u>	<u>4,214,957</u>	0.3



**Metro Transit System**  
**Schedule of Revenues, Expenses and Net Income (Loss)**  
**For the Quarter Ended December 31, 2014**  
(unaudited)

	Current					Year to Date				
	Actual	Budget	\$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Yr	Actual	Budget	\$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year Year To Date
<b>Operating revenues</b>										
Passenger revenue	\$ 12,786,662	\$ 13,628,869	\$ (842,207)	(6.2)	\$ 12,994,061	\$ 27,428,771	\$ 28,221,560	\$ (792,789)	(2.8)	\$ 27,278,058
Other operating revenue	1,970,255	2,207,529	(237,274)	(10.7)	1,762,021	4,018,974	4,460,517	(441,543)	(9.9)	3,746,033
<b>Total operating revenues</b>	<u>14,756,917</u>	<u>15,836,398</u>	<u>(1,079,481)</u>	<u>(6.8)</u>	<u>14,756,082</u>	<u>31,447,745</u>	<u>32,682,077</u>	<u>(1,234,332)</u>	<u>(3.8)</u>	<u>31,024,091</u>
<b>Operating expenses</b>										
Wages and benefits	45,751,693	45,170,480	(581,213)	(1.3)	40,268,560	88,269,600	90,991,113	2,721,513	3.0	81,761,657
Services	6,705,928	7,659,287	953,359	12.4	8,847,349	15,265,510	15,812,194	546,684	3.5	15,725,070
Fuel and lube consumed	4,236,983	4,442,010	205,027	4.6	4,253,507	9,058,672	9,655,523	596,851	6.2	9,170,627
Materials and supplies	4,976,373	5,463,618	487,245	8.9	4,595,405	9,965,815	10,934,928	969,113	8.9	9,378,071
Utilities	1,712,091	2,028,585	316,494	15.6	1,699,918	3,706,472	4,218,969	512,497	12.1	3,682,469
Casualty and liability costs	1,526,333	1,222,966	(303,367)	(24.8)	1,625,982	2,206,059	2,447,204	241,145	9.9	2,848,777
Other expenses	1,280,487	1,449,910	169,423	11.7	1,136,982	2,552,488	2,948,837	396,349	13.4	2,233,907
<b>Total operating expenses</b>	<u>66,189,888</u>	<u>67,436,856</u>	<u>1,246,968</u>	<u>1.8</u>	<u>62,427,703</u>	<u>131,024,616</u>	<u>137,008,768</u>	<u>5,984,152</u>	<u>4.4</u>	<u>124,800,578</u>
<b>Operating income (loss)</b>	<u>(51,432,971)</u>	<u>(51,600,458)</u>	<u>(167,487)</u>	<u>(0.3)</u>	<u>(47,671,621)</u>	<u>(99,576,871)</u>	<u>(104,326,691)</u>	<u>(4,749,820)</u>	<u>(4.6)</u>	<u>(93,776,487)</u>
<b>Non-operating revenue (expense)</b>										
Grants and assistance	56,356,753	55,586,796	769,957	1.4	55,538,866	120,278,593	115,339,325	4,939,268	4.3	113,867,397
Interest income	344,725	73,506	271,219	369.0	62,600	513,213	153,313	359,900	234.7	146,296
Interest expense	(5,340,139)	(5,346,731)	6,592	0.1	(5,381,127)	(10,621,795)	(10,693,465)	71,670	0.7	(12,745,893)
Contribution to outside entities	(503,001)	(234,861)	(268,140)	(114.2)	(448,881)	(705,909)	(539,922)	(165,987)	(30.7)	(1,454,576)
Other non-operating revenue (expense)	103,525	-	103,525	-	65,516	27,534	-	27,534	-	137,176
<b>Total non-operating revenues (expenses)</b>	<u>50,961,863</u>	<u>50,078,710</u>	<u>883,153</u>	<u>1.8</u>	<u>49,836,974</u>	<u>109,491,636</u>	<u>104,259,251</u>	<u>5,232,385</u>	<u>5.0</u>	<u>99,950,400</u>
<b>Income (loss) before depreciation</b> ➡	<u>(471,108)</u>	<u>(1,521,748)</u>	<u>1,050,640</u>	<u>69.0</u>	<u>2,165,353</u>	<u>9,914,765</u>	<u>(67,440)</u>	<u>9,982,205</u>	<u>n/a</u>	<u>6,173,913</u>
Depreciation and amortization	17,099,635	17,584,382	484,747	2.8	16,972,907	34,365,862	35,077,171	711,309	2.0	33,770,323
<b>Net income (loss) before transfers</b>	<u>(17,570,743)</u>	<u>(19,106,130)</u>	<u>1,535,387</u>	<u>8.0</u>	<u>(14,807,554)</u>	<u>(24,451,097)</u>	<u>(35,144,611)</u>	<u>10,693,514</u>	<u>30.4</u>	<u>(27,596,410)</u>
<b>Net Transfers</b>	<u>6,012</u>	<u>-</u>	<u>6,012</u>	<u>-</u>	<u>11,737</u>	<u>12,702</u>	<u>-</u>	<u>12,702</u>	<u>-</u>	<u>22,184</u>
<b>Net income (loss)</b>	<u>(17,564,731)</u>	<u>\$ (19,106,130)</u>	<u>\$ 1,541,399</u>	<u>8.1</u>	<u>\$ (14,795,817)</u>	<u>(24,438,395)</u>	<u>\$ (35,144,611)</u>	<u>\$ 10,706,216</u>	<u>30.5</u>	<u>\$ (27,574,226)</u>
Capital contributions	17,218,362					24,261,748				
Change in net position	(346,369)					(176,647)				
Total net position, beginning of the period	603,275,089					603,105,367				
Total net position, end of the period	<u>\$ 602,928,720</u>					<u>\$ 602,928,720</u>				

**Metro Transit System**  
**Detailed Schedule of Grants and Assistance**  
**For the Quarter Ended December 31, 2014**  
(unaudited)

	Current					Year to Date				
	Actual	Budget	\$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Yr	Actual	Budget	\$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year Year To Date
<b>Grants and assistance</b>										
Missouri assistance										
City of St. Louis 1/2 cent	\$ 4,577,024	\$ 4,198,505	\$ 378,519	9.0	\$ 4,202,610	\$ 9,798,886	\$ 8,954,236	\$ 844,650	9.4	\$ 8,847,663
City of St. Louis 1/4 cent	2,162,143	2,026,556	135,587	6.7	1,949,988	4,639,435	4,090,603	548,832	13.4	4,243,477
City of St. Louis Prop M2 (1/4 cent)	1,678,169	1,553,795	124,374	8.0	1,530,262	3,579,697	3,274,733	304,964	9.3	3,228,674
Total City of St. Louis	8,417,336	7,778,856	638,480	8.2	7,682,860	18,018,018	16,319,572	1,698,446	10.4	16,319,814
St. Louis County 1/2 cent	9,429,078	9,544,767	(115,689)	(1.2)	8,741,269	20,770,640	20,385,103	385,537	1.9	18,706,303
St. Louis County 1/4 cent	8,210,129	7,634,389	575,740	7.5	7,588,481	18,066,490	16,985,884	1,080,606	6.4	16,948,565
St. Louis County Prop A (1/2 cent)	12,074,658	11,768,244	306,414	2.6	11,290,580	26,247,193	23,979,250	2,267,943	9.5	23,459,640
Total St. Louis County	29,713,865	28,947,400	766,465	2.6	27,620,330	65,084,323	61,350,237	3,734,086	6.1	59,114,508
Other Local										
Planning and demo reimbursement	40,000	40,000	-	-	40,000	80,000	80,000	-	-	80,000
Other miscellaneous assistance	296,684	127,500	169,184	132.7	435,146	563,617	255,000	308,617	121.0	544,665
Total other local	336,684	167,500	169,184	101.0	475,146	643,617	335,000	308,617	92.1	624,665
State of Missouri	52,594	102,381	(49,787)	(48.6)	262,081	150,962	204,761	(53,799)	(26.3)	360,540
Total other Missouri	52,594	102,381	(49,787)	(48.6)	262,081	150,962	204,761	(53,799)	(26.3)	360,540
Total Missouri assistance	38,520,479	36,996,137	1,524,342	4.1	36,040,417	83,896,920	78,209,570	5,687,350	7.3	76,419,527
Illinois assistance										
St. Clair Transit District	12,113,900	13,077,188	(963,288)	(7.4)	12,431,529	25,409,349	26,102,811	(693,462)	(2.7)	24,755,317
State of Illinois	650,611	480,957	169,654	35.3	1,064,782	1,515,557	961,916	553,641	57.6	2,020,863
Total Illinois assistance	12,764,511	13,558,145	(793,634)	(5.9)	13,496,311	26,924,906	27,064,727	(139,821)	(0.5)	26,776,180
Total local and state assistance	51,284,990	50,554,282	730,708	1.4	49,536,728	110,821,826	105,274,297	5,547,529	5.3	103,195,707
Federal assistance										
Vehicle maintenance	3,250,000	4,000,000	(750,000)	(18.8)	4,000,000	6,500,000	8,000,000	(1,500,000)	(18.8)	8,000,000
Non-capital grants (i.e. JARC)	1,821,763	1,032,514	789,249	76.4	2,002,138	2,956,767	2,065,028	891,739	43.2	2,671,690
Total federal assistance	5,071,763	5,032,514	39,249	0.8	6,002,138	9,456,767	10,065,028	(608,261)	(6.0)	10,671,690
<b>Total grants and assistance</b>	<b>\$ 56,356,753</b>	<b>\$ 55,586,796</b>	<b>\$ 769,957</b>	<b>1.4</b>	<b>\$ 55,538,866</b>	<b>\$ 120,278,593</b>	<b>\$ 115,339,325</b>	<b>\$ 4,939,268</b>	<b>4.3</b>	<b>\$ 113,867,397</b>

**Transit System**  
**Cash Receipts and Disbursements Schedule**  
**For the Quarter Ended December 31, 2014**  
(unaudited)

	<b>Total</b>	<b>Revenue Fund</b>	<b>Operating Fund</b>	<b>Internally Restricted Fund</b>	<b>Prop M Fund</b>	<b>Prop A Fund</b>	<b>Sales Tax Capital Fund</b>	<b>Commodity Funds</b>	<b>Insurance Funds</b>	<b>Other Restricted Funds</b>
<b>Balance October 1, 2014</b>										
<b>Cash &amp; Investments</b>	\$ 181,909,023	\$ 1,344,972	\$ 57,347,100	\$ 14,662,714	\$ 56,905,476	\$ 13,058,381	\$ 12,698,448	\$ 1,619,644	\$ 15,757,460	\$ 8,514,828
<b>Add :</b>										
Passenger Fares	14,112,996	14,051,217	61,779	-	-	-	-	-	-	-
City of St. Louis	9,539,337	-	8,623,415	-	819,981	-	95,941	-	-	-
St. Louis County	27,748,245	-	27,376,573	-	172,931	-	198,741	-	-	-
State of Illinois	1,084,000	-	1,084,000	-	-	-	-	-	-	-
State of Missouri	-	-	-	-	-	-	-	-	-	-
Cross County Project	-	-	-	-	-	-	-	-	-	-
St. Clair County	17,332,717	-	17,332,717	-	-	-	-	-	-	-
FTA	5,479,413	-	5,479,413	-	-	-	-	-	-	-
Commodity Fund	13,750	-	13,750	-	-	-	-	-	-	-
All Other	3,279,208	-	3,173,193	(15,701)	34,125	10,794	6,908	-	69,889	-
<b>Cash Receipts</b>	78,589,666	14,051,217	63,144,840	(15,701)	1,027,037	10,794	301,590	-	69,889	-
<b>Interfund Transfers</b>	-	(14,150,000)	(50,298)	(14,520)	(1,123,553)	1,304,802	342,926	6,500,000	7,166,182	24,462
<b>Less:</b>										
Cash Disbursements	(82,669,928)	-	(74,950,467)	-	-	-	-	(575,179)	(7,144,282)	-
<b>Balance December 31, 2014</b>										
<b>Cash &amp; Investments</b>	177,828,763	1,246,189	45,491,176	14,632,493	56,808,960	14,373,977	13,342,964	7,544,465	15,849,249	8,539,290
<b>Less:</b>										
<b>Pre-Encumbrances &amp; Restrictions</b>										
Local Match - Approved Grants	43,236,932	-	-	-	39,861,752	-	3,375,181	-	-	-
- Grant Applications	4,908,566	-	-	-	4,908,566	-	-	-	-	-
- Long Range Capital Programs (1)	22,006,426	-	-	-	12,038,642	-	9,967,783	-	-	-
SIR Worker Comp Pledged Funds	2,405,000	-	-	-	-	-	-	-	2,405,000	-
Other Restrictions	105,271,839	1,246,189	45,491,176	14,632,493	-	14,373,977	-	7,544,465	13,444,249	8,539,290
Total Restrictions	177,828,763	1,246,189	45,491,176	14,632,493	56,808,960	14,373,977	13,342,964	7,544,465	15,849,249	8,539,290
<b>Unencumbered Cash &amp; Investments</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Restricted to finance obligations.

**Transit System**  
**Cross County Metrolink Project**  
**Cash Receipts and Disbursements Schedule**  
**For the Quarter Ended December 31, 2014**  
**(unaudited)**

	<b>Total Trustee Statements</b>	<b>Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Expense Funds</b>	<b>Debt Service Reserve Funds</b>
Balance at October 1, 2014					
<b>Cash &amp; investments</b>	\$ 54,769,450	\$ 271	\$ 19,019,973	\$ 93,401	\$ 35,655,805
<b>Add cash receipts:</b>					
St. Louis County sales tax - Prop M	10,216,915	10,216,915	-	-	-
St. Louis County sales tax - Prop A	13,271,096	13,271,096	-	-	-
St. Louis City sales tax - Prop M	2,499,014	2,499,014	-	-	-
St. Louis City sales tax - Prop M2	2,499,014	2,499,014	-	-	-
St. Louis County Series 2013B Loan	30,000,000	-	30,000,000	-	-
Realized gain/(loss)	(4,946)	-	-	-	(4,946)
Interest received	260,031	669	646	11	258,705
<b>Total cash receipts</b>	<b>58,741,123</b>	<b>28,486,707</b>	<b>30,000,646</b>	<b>11</b>	<b>253,759</b>
<b>Less fund disbursements:</b>					
Debt service - Series 2009	(2,383,988)	-	(2,383,988)	-	-
Debt service - Series 2013A	(9,222,381)	-	(9,222,381)	-	-
Debt service - Series 2013B	(397,500)	-	(397,500)	-	-
Debt Principal - Series 2013A (2052)	(30,000,000)	-	(30,000,000)	-	-
Debt Principal - Series 2013A	(7,015,000)	-	(7,015,000)	-	-
Expenses/Accrued interest reclassification	(98,243)	-	-	(5,800)	(92,443)
Prop M/Prop A to Metro	(21,960,925)	(21,960,925)	-	-	-
<b>Total disbursements</b>	<b>(71,078,037)</b>	<b>(21,960,925)</b>	<b>(49,018,869)</b>	<b>(5,800)</b>	<b>(92,443)</b>
<b>Interfund transfers:</b>					
Transfer from 2013 DSR to 2013 DS	-	-	1,305,222	-	(1,305,222)
Interest/principal transfers	-	(6,525,350)	6,525,350	-	-
<b>Total interfund transfers</b>	<b>-</b>	<b>(6,525,350)</b>	<b>7,830,572</b>	<b>-</b>	<b>(1,305,222)</b>
Balance at December 31, 2014					
<b>Cash &amp; investments</b>	<b>\$ 42,432,536</b>	<b>\$ 703</b>	<b>\$ 7,832,322</b>	<b>\$ 87,611</b>	<b>\$ 34,511,899</b>

**Transit Operating System**  
**Statement of Cash Flows**  
**For the Six Months Ended December 31, 2014**  
**(unaudited)**

**Cash flows from operating activities**

Receipts from customers	\$ 29,236,533
Payments to employees	(82,861,308)
Payments to vendors	(27,620,619)
Payments for self-insurance	(3,005,260)
Receipts (payments) from inter-fund activity	<u>(1,266,452)</u>

**Net cash provided by (used in)  
operating activities**

(85,517,106)

**Cash flows from non capital financing activities**

Operating assistance received	111,605,086
Contributions to outside entities	<u>(705,909)</u>

**Net cash provided by (used in)  
non capital financing activities**

110,899,177

**Cash flows from capital and related financing activities**

Acquisitions of capital assets	(27,175,199)
Payments of long-term debt	(8,436,939)
Interest Paid	(10,526,210)
Contributed capital	<u>24,261,750</u>

**Cash flows from capital and  
related financing activities**

(21,876,598)

**Cash flows from investing activities**

Purchases of investments	(52,035,378)
Proceeds from sale of investments	54,366,236
Interest received	<u>513,213</u>

**Net cash provided by (used in)  
investing activities**

2,844,071

**Net increase (decrease) in cash  
and cash equivalents**

6,349,544

**Cash and cash equivalents, beginning of year**

106,477,465

**Cash and cash equivalents, year to date**

\$ 112,827,009

**Reconciliation of operating loss to  
net cash used for operating activities**

Operating income (loss)	<u>\$ (99,576,871)</u>
-------------------------	------------------------

**Adjustments to reconcile operating  
income (loss) to net cash provided  
by (used for) operating activities**

Change in assets and liabilities	
Accounts and notes receivables	(2,211,214)
Interfund accounts receivable	(184,876)
Materials and supplies	(782,704)
Prepaid expenses, deferred charges	(737,043)
Accounts payable	6,072,445
Other current liabilities	6,975,641
Interfund accounts payable	318,424
Accrued expenses	680,872
Other post employment benefits liability	4,727,420
Self-insurance liability	<u>(799,200)</u>

Total adjustments	<u>14,059,765</u>
-------------------	-------------------

**Net cash provided by (used for)  
operating activities**

\$ (85,517,106)

**Supplemental disclosure of cash flow information**

**Noncash Activities:**

> Interest received on capital lease	\$ 2,734,734
> Interest accrued on capital lease	(2,734,734)
> Gain/(Loss) on hedging commodities	604,330
> Loss on disposal of fixed assets	28,499
> Non-operating noncash activity	(40,187)
> Net transfers for rail station improvements	12,702

Note: Cash and cash equivalents for this cash flow statement are defined according to General Accepted Accounting Principles as cash and all investments with a maturity of 90 days or less. The Consolidated Cash Receipts & Disbursement (CR&D), the Cross County CR&D report and the Balance Sheet report on cash and all investments, regardless of maturity date. Therefore, the beginning and ending cash balances on this report may not agree to the CR&D report and the balance sheet.

**Transit System**  
**Schedule of Aged Receivables - Invoiced**  
**December 31, 2014**  
(In Dollars)  
(unaudited)

	<u>Less than 30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-180 days</u>	<u>181-360 days</u>	<u>Over 361 days</u>	<u>Total</u>
Due from TMA Customers	\$ 218,622	\$ 16,786	\$ 3,712	\$ 9,019	\$ 23,931	\$ 9,176	\$ 281,246
Due from Call-A-Ride	221,758	200	200	-	-	-	222,158
Due from Engineering Services	-	-	-	-	-	-	-
Due from Advertising (Marketing)	-	-	-	-	-	-	-
Due from Leases and Rents	116,503	-	458	917	316	954	119,148
Due from Auxiliary Services/Others	301,001	136,503	-	-	-	425	437,930
Due from Grants (Accounting)	9,274,767	174,650	167,178	665,765	26,366	16,444	10,325,170
Due from Passes	1,979,057	73,073	121,947	72,981	4,792	-	2,251,850
<b>Total</b>	<b><u>\$ 12,111,708</u></b>	<b><u>\$ 401,212</u></b>	<b><u>\$ 293,495</u></b>	<b><u>\$ 748,682</u></b>	<b><u>\$ 55,405</u></b>	<b><u>\$ 26,999</u></b>	<b><u>\$ 13,637,502</u></b>

**Transit System**  
**Capital Expenditures for Active Projects**  
**For the Quarter Ended December 31, 2014**  
**(unaudited)**

Description		Budget	Current	Year-To-Date	Life-To-Date	Balance
<b>Project #</b>						
0034 Van Procurement FY04-FY08 (X204) 2		\$ 2,740,824	\$ 5,770.66	\$ 5,770.66	\$ 2,717,109	\$ 23,715
0097 ML Bike Trail - County		11,345,463	-	-	10,052,284	1,293,180
1237 CAR Van Replacement FY07		2,977,123	-	-	2,913,172	63,951
1279 Fare Collection System Upgrade/Replacement (06 Earmark)		29,707,512	980,569	1,152,010	19,847,289	9,860,223
1290 Buses FY05 Fed Earmark (25)		1,210,646	1,776	1,776	1,206,564	4,082
1361 Radio System CAD/AVL		23,857,144	2,517	2,751	9,625,459	14,231,685
1530 Eads Bridge Rehab ARRA		25,338,773	684,318	2,208,541	23,355,560	1,983,213
1531 Rail & Tie Replacement		1,718,025	-	-	1,718,025	-
1574 CAR Van Replacement		8,650,165	2,282	2,282	1,241,320	7,408,845
1610 Tctile Warning Strips - MO	z	1,039,069	1,775	6,378	904,619	134,449
1666 Slope Stabilization	z	4,097,297	404,091	1,740,392	3,624,274	473,023
1668 Embankment Erosion	z	3,203,073	36,871	53,886	89,250	3,113,823
1680 SCADA Hardening II DHS		3,256,808	-	-	3,255,793	1,015
1708 Feeder Wire/Water Mitigation MO--12	z	1,058,564	3,518	112,171	695,423	363,141
1717 Non-Revenue Vehicles FY12 MO		1,718,858	264,367	356,642	1,396,299	322,559
1722 Missouri Slopes Stability	z	1,144,600	87,734	93,616	210,597	934,003
1723 MO OCS Wire Rehab	z	1,511,670	227,548	499,580	1,085,382	426,288
1724 Missouri Rail tie Replacement	z	1,934,162	255,930	312,750	1,828,868	105,294
1734 EADS Bridge Rehab Phase II		29,708,943	112,525	216,101	1,647,942	28,061,001
1739 Downtown Transfer Center		7,098,596	27,585	157,248	699,456	6,399,140
1754 IT Systems Upgrade Yr 1 - FY12		1,136,406	-	-	838,027	298,380
1755 IT Systems Upgrade Yr 2 - FY13		1,425,750	-	-	-	1,425,750
1756 North County Transit Center		10,280,000	61,049	102,976	4,179,099	6,100,901
1773 SWIC Metrolink Improvements	y	6,128,737	22,798	58,048	5,670,546	458,191

**Transit System**  
**Capital Expenditures for Active Projects**  
**For the Quarter Ended December 31, 2014**  
**(unaudited)**

Description		Budget	Current	Year-To-Date	Life-To-Date	Balance
<b>Projects continued</b>						
1817 Radio System Tower Sites		\$ 2,077,655	\$ -	\$ -	\$ 1,511,670	\$ 565,984
1834 Rail Tie Replacement Year 2	z	1,934,162	302,854	909,354	1,446,624	487,538
1844 Tactile Warning Strip Phase II	z	1,719,616	45,152	135,359	301,812	1,417,805
1845 MOW SGR Inventory-Database Development		1,037,955	82,957	227,350	1,008,809	29,146
1848 Articulated Buses		11,445,723	7,252	331,409	6,486,961	4,958,761
1855 Arch Bike Trail		1,095,938	-	9,312	58,060	1,037,878
1860 Bus Procurement Duluth		20,911,804	8,011	11,015	20,904,111	7,694
1862 North County Transit Phase II		2,200,481	52,869	154,402	1,413,273	787,208
1863 Bus Procurement Duluth II		11,603,244	10,902,104	10,902,104	10,902,104	701,140
1867 Buses - SCCTD		2,720,000	-	-	2,656,329	63,671
1869 Phase 1 Audio Frequency Circuit		3,101,678	578	5,053	5,117	3,096,561
1875 Rail Tie Replace Year 3	z	2,147,572	107	107	107	2,147,465
1885 TOI Operation Management Software		2,840,318	80,235	113,006	121,534	2,718,784
1887 TOI Transit Business Intellegence		1,039,572	-	-	-	1,039,572
1905 Buses - FY13 CMAQ		18,565,431	4,363	4,363	4,363	18,561,068
1933 FY14 Preventive Maintance	z	20,000,000	-	-	20,000,000	-
1937 Innovative High School Career	z	2,129,435	-	-	-	2,129,435
1941 Duluth Piggyback III 40'		16,407,549	-	-	-	16,407,549
1959 Z-Gate Ped Barriers & Fence		1,257,938	2,654	2,654	2,654	1,255,284
1960 Rail ROW Repairs-MP 0-15.4 MO		3,405,200	-	-	-	3,405,200
1962 Elevator Rehab - 8 Units - MO		1,302,000	-	-	-	1,302,000
1983 DC to AC Rail Car Upgrades		22,500,000	-	-	-	22,500,000
1988 Ewing Wall Rehabilitation		10,037,743	-	-	-	10,037,743
1991 Financial Report-Budget Software		1,307,680	-	-	-	1,307,680
1997 IL Bus Facility Rehabilitation		1,850,692	-	-	-	1,850,692
All others	*z	34,164,470	1,325,383	2,416,067	16,758,291	17,406,180
<b>Total active projects</b>		<b>\$ 381,092,065</b>	<b>\$ 15,997,540</b>	<b>\$ 22,304,473</b>	<b>\$ 182,384,176</b>	<b>\$ 198,707,889</b>

\* "All Others" list all projects with a budget less than one million dollars.

y Metro administers contribution to outsidies entities.

z Some Projects/Awards do not produce a fixed asset; they are considered operating expenditures.



# **Business Enterprises Financials**



## **Metropolitan St. Louis Attractions**

**BUSINESS  
ENTERPRISES**

# Gateway Arch Tram Financials



## World-Class

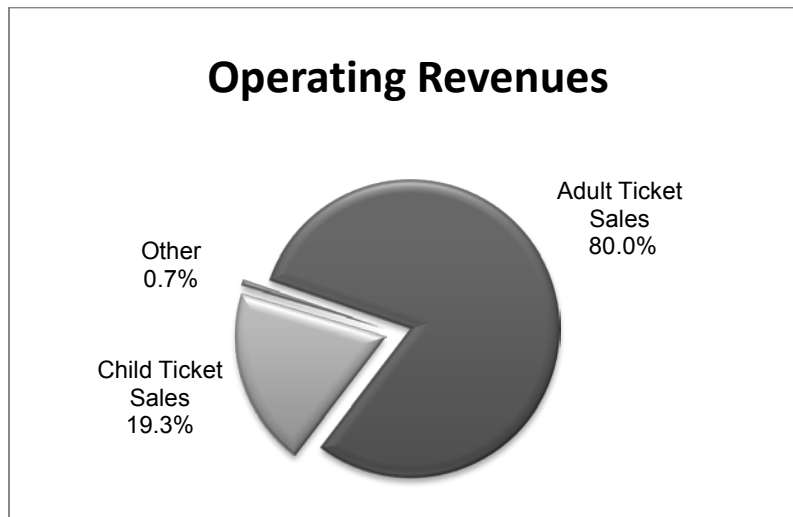
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# Gateway Arch Tram

## Six Months Ended December 31, 2014

**Operating income** for the Gateway Arch Tram for the six months ended December 31, 2014 was \$757,004, which is 11.2% unfavorable to budget and 37.9% below prior year results.

**Operating Revenue** was 3.1% lower than budget and 4.2% unfavorable to prior year. Arch ticket sales make up the majority of the revenue and were 3.0% lower than budget and 4.1% less than prior year. Ticket sales are down compared to prior year due to on-going Arch grounds construction.



**Salaries, wages & benefits** are 14.7% or \$130,655 below budget as a result of vacant salaried positions and lower than budgeted medical costs, pension expense and unemployment insurance.

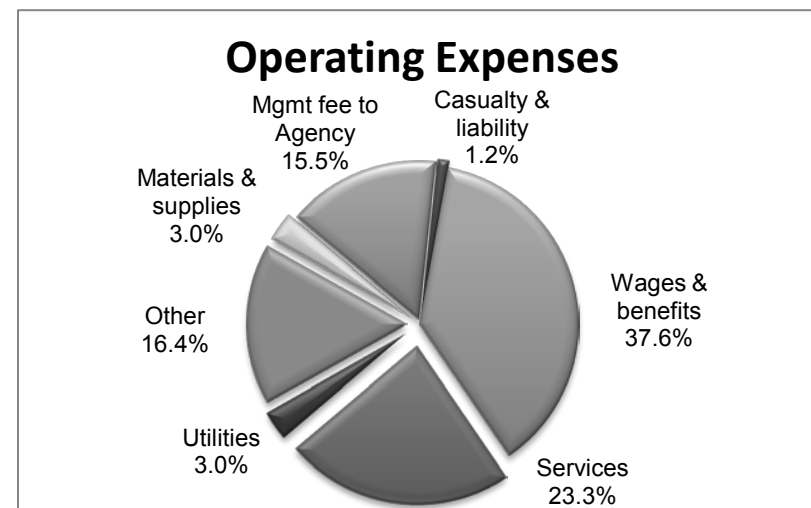
**Services** are 5.7% favorable to budget as a result of lower legal fees and website maintenance expense.

**Materials and supplies** are \$43,515 or 42.0% favorable to budget as a result of the timing of Arch tram repair parts and printing tram ticket stock.

**Utilities** are \$3,232 or 5.1% favorable to budget due to lower electricity usage.

**Other expenses** are \$56,060 or 9.5% unfavorable to budget due to the purchase of way finding billboards related to the current park grounds and highway construction and detours.

**Non-operating revenues (expenses)** include \$5,051,801 of expenses for Contributions to Outside Entities. There was a \$4.4 million contribution to the National Park Service for the roof replacement project. Other contributions to the NPS include the lobby rehab, corrosion study, and the storm water drainage projects.



Tram Ridership Comparison			
	<u>Adult</u>	<u>Child</u>	<u>Total</u>
FY15 Actual	338,394	113,595	451,989
FY15 Budget	349,531	118,147	467,678
FY14 Actual	350,690	120,549	471,239

**Tram ridership** for the six months ended December 31, 2014 was 3.4% lower than budget. Tram ridership decreased 4.1% compared to prior year due to the Arch grounds construction project.

**Gateway Arch**  
**Quarterly Statement of Net Position**  
**December 31, 2014**  
(unaudited)

	<u>Current Quarter</u>	<u>Prior Quarter</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Prior Year</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Assets</b>							
Current Assets							
Cash and Investments	\$ 2,533,076	\$ 2,923,677	\$ (390,601)	(13.4)	\$ 1,470,822	\$ 1,062,254	72.2
Restricted cash and investments	17,742,493	15,221,655	2,520,838	16.6	16,360,375	1,382,118	8.4
Accounts and notes receivable	664,826	702,980	(38,154)	(5.4)	244,502	420,324	171.9
Restricted accounts receivable	421	473	(52)	(11.0)	3,323	(2,902)	(87.3)
Other current assets	34,230	54,813	(20,583)	(37.6)	33,535	695	2.1
Total current assets	20,975,046	18,903,598	2,071,448	11.0	18,112,557	2,862,489	15.8
Capital assets							
Capital assets, net depr	249,937	335,768	(85,831)	(25.6)	615,705	(365,768)	(59.4)
Construction-in-process	883,667	404,429	479,238	118.5	61,611	822,056	n/a
Total capital assets	1,133,604	740,197	393,407	53.1	677,316	456,288	67.4
<b>Total</b>	<u>\$ 22,108,650</u>	<u>\$ 19,643,795</u>	<u>\$ 2,464,855</u>	12.5	<u>\$ 18,789,873</u>	<u>\$ 3,318,777</u>	17.7

**Gateway Arch**  
**Quarterly Statement of Net Position**  
**December 31, 2014**  
(unaudited)

	<u>Current Quarter</u>	<u>Prior Quarter</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Prior Year</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Liabilities</b>							
Current liabilities							
Accounts payable	\$ 1,066,366	\$ 1,068,023	\$ (1,657)	(0.2)	\$ 1,381,343	\$ (314,977)	(22.8)
Accrued expenses	56,574	56,574	-	-	48,294	8,280	17.1
Other current liabilities	55,710	54,295	1,415	2.6	45,843	9,867	21.5
Total current liabilities	<u>1,178,650</u>	<u>1,178,892</u>	<u>(242)</u>	-	<u>1,475,480</u>	<u>(296,830)</u>	<u>(20.1)</u>
Non-current liabilities							
Other post-employment benefits	44,010	33,386	10,624	31.8	25,635	18,375	71.7
Long-term self-insurance	1,749	3,474	(1,725)	(49.7)	5,721	(3,972)	(69.4)
Long-term debt	7,656,000	-	7,656,000	n/a	-	7,656,000	n/a
Total non-current liabilities	<u>7,701,759</u>	<u>36,860</u>	<u>7,664,899</u>	<u>n/a</u>	<u>31,356</u>	<u>7,670,403</u>	<u>n/a</u>
Total liabilities	<u>8,880,409</u>	<u>1,215,752</u>	<u>7,664,657</u>	<u>630.4</u>	<u>1,506,836</u>	<u>7,373,573</u>	<u>489.3</u>
<b>Net Position</b>							
Net position - unrestricted	17,580,864	17,580,864	-	-	16,382,429	1,198,435	7.3
Net income (loss)	<u>(4,352,623)</u>	<u>847,179</u>	<u>(5,199,802)</u>	<u>(613.8)</u>	<u>900,608</u>	<u>(5,253,231)</u>	<u>(583.3)</u>
Total net position	<u>13,228,241</u>	<u>18,428,043</u>	<u>(5,199,802)</u>	<u>(28.2)</u>	<u>17,283,037</u>	<u>(4,054,796)</u>	<u>(23.5)</u>
<b>Total</b>	<u>\$ 22,108,650</u>	<u>\$ 19,643,795</u>	<u>\$ 2,464,855</u>	<u>12.5</u>	<u>\$ 18,789,873</u>	<u>\$ 3,318,777</u>	<u>17.7</u>

**Gateway Arch**  
**Schedule of Revenues, Expenses and Net Income (Loss)**  
**For the Quarter Ended December 31, 2014**  
(unaudited)

	Current					Year to Date				
	Actual	Budget	\$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year Month To Date	Actual	Budget	\$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year Year To Date
<b>Operating revenues</b>										
Arch tickets	\$ 822,617	\$ 928,136	\$ (105,519)	(11.4)	\$ 833,428	\$ 2,946,182	\$ 3,037,445	\$ (91,263)	(3.0)	\$ 3,072,081
Service fee revenue	3,008	3,460	(452)	(13.1)	7,211	17,213	15,791	1,422	9.0	19,163
Other operating revenue	(149)	3,000	(3,149)	(105.0)	3	2,331	4,800	(2,469)	(51.4)	2,666
Sales discount	(7,270)	(11,041)	3,771	34.2	(11,760)	(38,648)	(36,645)	(2,003)	(5.5)	(38,745)
<b>Total operating revenues</b>	<u>818,206</u>	<u>923,555</u>	<u>(105,349)</u>	<u>(11.4)</u>	<u>828,882</u>	<u>2,927,078</u>	<u>3,021,391</u>	<u>(94,313)</u>	<u>(3.1)</u>	<u>3,055,165</u>
<b>Operating expenses</b>										
Wages and benefits	313,540	387,149	73,609	19.0	341,445	758,929	889,584	130,655	14.7	771,424
Services	205,503	222,313	16,810	7.6	201,959	469,703	498,211	28,508	5.7	458,152
Fuel and lube consumed	-	-	-	-	56	46	-	(46)	-	123
Materials and supplies	24,354	77,277	52,923	68.5	46,027	60,026	103,541	43,515	42.0	54,849
Utilities	24,133	23,485	(648)	(2.8)	23,749	60,492	63,724	3,232	5.1	64,387
Casualty and liability costs	12,071	13,391	1,320	9.9	11,828	24,143	26,783	2,640	9.9	23,531
Other expenses	197,567	218,062	20,495	9.4	116,949	643,143	587,083	(56,060)	(9.5)	462,737
<b>Total operating expenses</b>	<u>777,168</u>	<u>941,677</u>	<u>164,509</u>	<u>17.5</u>	<u>742,013</u>	<u>2,016,482</u>	<u>2,168,926</u>	<u>152,444</u>	<u>7.0</u>	<u>1,835,203</u>
<b>Operating income (loss)</b>	<u>41,038</u>	<u>(18,122)</u>	<u>59,160</u>	<u>326.5</u>	<u>86,869</u>	<u>910,596</u>	<u>852,465</u>	<u>58,131</u>	<u>6.8</u>	<u>1,219,962</u>
<b>Non-operating revenue (expense)</b>										
Interest income	921	3,573	(2,652)	(74.2)	2,917	3,157	7,147	(3,990)	(55.8)	6,311
Interest expense / Cost of Issuance	(153,592)	-	(153,592)	-	-	(153,592)	-	(153,592)	-	-
Contribution to outside entities	(4,996,324)	(157,500)	(4,838,824)	(3,072.3)	(102,346)	(5,051,801)	(315,000)	(4,736,801)	(1,503.7)	(104,298)
<b>Total non-operating revenues (expenses)</b>	<u>(5,148,995)</u>	<u>(153,927)</u>	<u>(4,995,068)</u>	<u>-</u>	<u>(99,429)</u>	<u>(5,202,236)</u>	<u>(307,853)</u>	<u>(4,894,383)</u>	<u>(1,589.8)</u>	<u>(97,987)</u>
<b>Income (loss) before depreciation</b> ➡	<u>(5,107,957)</u>	<u>(172,049)</u>	<u>(4,935,908)</u>	<u>(2,868.9)</u>	<u>(12,560)</u>	<u>(4,291,640)</u>	<u>544,612</u>	<u>(4,836,252)</u>	<u>(888.0)</u>	<u>1,121,975</u>
Depreciation and amortization	85,833	58,214	(27,619)	(47.4)	99,307	173,281	116,427	(56,854)	(48.8)	199,183
<b>Net income (loss) before transfers</b>	<u>(5,193,790)</u>	<u>(230,263)</u>	<u>(4,963,527)</u>	<u>(2,155.6)</u>	<u>(111,867)</u>	<u>(4,464,921)</u>	<u>428,185</u>	<u>(4,893,106)</u>	<u>(1,142.8)</u>	<u>922,792</u>
<b>Net Transfers</b>	<u>(6,012)</u>	<u>-</u>	<u>(6,012)</u>	<u>-</u>	<u>(11,737)</u>	<u>112,298</u>	<u>-</u>	<u>112,298</u>	<u>-</u>	<u>(22,184)</u>
<b>Net income (loss)</b>	<u>\$ (5,199,802)</u>	<u>\$ (230,263)</u>	<u>\$ (4,969,539)</u>	<u>(2,158.2)</u>	<u>\$ (123,604)</u>	<u>\$ (4,352,623)</u>	<u>\$ 428,185</u>	<u>\$ (4,780,808)</u>	<u>(1,116.5)</u>	<u>\$ 900,608</u>

**Gateway Arch Tram**  
**Cash Receipts and Disbursements Schedule**  
**For the Quarter Ended December 31, 2014**  
(unaudited)

Description	Total	Arch Collection Facility Fund	Arch Tram Fee Account	JNEM Arch Operating Fund	JNEM Beneficial Fund	Drainage Project Fund	Exhibit Rehabilitation Fund	Motor Generator Sets Design Fund	Corrosion Study Fund	Other Restricted Funds	2014 Arch Bonds Project Fund	2014 Arch Bonds Cost of Issuance	2014 Arch Bonds Debt Service Reserve
<b>Balance at October 1, 2014</b>													
<b>Cash &amp; Investments</b>	\$ 18,145,332	\$ 655,232	\$ 1,102,446	\$ 1,166,000	\$ 7,519,948	\$ 2,292,688	\$ 3,977,459	\$ 601,252	\$ 330,307	\$ 500,000	\$ -	\$ -	\$ -
<b>Add:</b>													
Receipts	11,302,246	1,232,363	-	-	2,233,883	-	-	-	-	-	7,656,000	180,000	-
Gateway Parking Facility	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	998	-	30	44	743	56	102	14	9	-	-	-	-
<b>Total cash receipts</b>	11,303,244	1,232,363	30	44	2,234,626	-	-	-	-	-	-	-	-
Interfund transfers	-	(905,528)	628,528	-	(176,485)	-	-	-	-	-	(156,000)	156,000	453,485
<b>Less:</b>													
Cash disbursements	(9,173,007)	(566,154)	(779,883)	-	(4,651,914)	(335,906)	(125,189)	(141,300)	(5,186)	-	(2,413,883)	(153,592)	-
<b>Balance at December 31, 2014</b>													
<b>Cash &amp; Investments</b>	<u>\$ 20,275,569</u>	<u>\$ 415,913</u>	<u>\$ 951,121</u>	<u>\$ 1,166,044</u>	<u>\$ 4,926,175</u>	<u>\$ 1,956,838</u>	<u>\$ 3,852,372</u>	<u>\$ 459,966</u>	<u>\$ 325,130</u>	<u>\$ 500,000</u>	<u>\$ 5,086,117</u>	<u>\$ 182,408</u>	<u>\$ 453,485</u>



**Gateway Arch Tram System**  
**Statement of Cash Flows**  
**For the Six Months Ended December 31, 2014**  
(unaudited)

**Cash flows from operating activities**

Receipts from customers	\$ 2,923,225
Payments to employees	(734,977)
Payments to vendors	(796,314)
Payments for self-insurance	(23,774)
Receipts (payments) from inter-fund activity	<u>(814,790)</u>

**Net cash provided by (used in)  
operating activities**

553,370

**Cash flows from noncapital financing activities**

Contributions to outside entities	(5,051,801)
Net Transfers	<u>112,298</u>

**Net cash provided by (used in)  
financing activities**

(4,939,503)

**Cash flows from capital and related financing activities**

Acquisitions of capital assets	(850,817)
Issuance of Debt	7,656,000

**Net cash provided by (used in)  
capital and related financing activities**

6,805,183

**Cash flows from investing activities**

Proceeds from sale of investments	1,999,375
Interest received	<u>4,215</u>

**Net cash provided by (used in)  
investing activities**

2,003,590

**Net increase (decrease) in cash**

4,422,640

**Cash and cash equivalents, beginning of year**

15,352,686

**Cash and cash equivalents, year to date**

\$ 19,775,326

**Reconciliation of operating loss to  
net cash used for operating activities**

Operating income (loss)	<u>\$ 757,003</u>
-------------------------	-------------------

**Adjustments to reconcile operating  
income (loss) to net cash provided  
by (used for) operating activities**

Change in assets and liabilities	
Accounts and notes receivables	(3,853)
Interfund accounts receivable	(300,298)
Prepaid expenses, deferred charges and other current assets	(12,588)
Accounts payable	281,068
Other current liabilities	10,063
Interfund accounts payable	(202,346)
Accrued Expenses	594
Other post employment benefits liability	23,358
Self-insurance liability	<u>369</u>

Total adjustments	<u>(203,633)</u>
-------------------	------------------

**Net cash provided by (used for)  
operating activities**

\$ 553,370

**Supplemental disclosure of cash flow information**

No disclosures.

**Gateway Arch**  
**Capital Expenditures for Active Projects**  
**For the Quarter Ended December 31, 2014**  
**(unaudited)**

Description		Budget	Current	Year-To-Date	Life-To-Date	Balance
ATS Motor Generator Set Replacement - Construction	x	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000
ATS Motor Generator Set Replacement - Design	x	721,000	164,574	321,289	321,738	399,262
Arch Transportation System (ATS) Load Zone Rehab	x	1,493,910	54,082	225,795	293,488	1,200,423
Exhibit Rehabilitation		2,671,090	-	-	-	2,671,090
JNEM Trench Drain Project	xy	2,288,001	595,521	605,236	661,429	1,626,572
JNEM Arch Lobby Rehabilitation	y	1,087,107	18,215	46,798	53,042	1,034,065
JNEM Rail Station Improvements	z	518,623	6,012	25,935	96,203	422,420
Arch Corrosion Study project	y	350,000	2,449	24,879	24,879	325,121
Distributed Antenna System		300,000	-	-	-	300,000
Copier Machine		5,000	-	-	-	5,000
<b>Total Gateway Arch</b>		<b>\$ 14,434,732</b>	<b>\$ 840,853</b>	<b>\$ 1,249,932</b>	<b>\$ 1,450,779</b>	<b>\$ 12,678,953</b>

x Projects are carryover from prior year.

y Upon completion of this project, assets to be contributed to National Park Service (NPS).

z Upon completion of this project, assets to be contributed to Metro Transit

# Arch Parking Facility Financials



## First Line Ambassador

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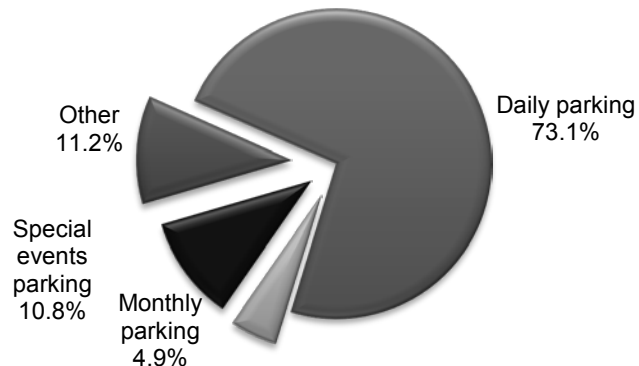
# Gateway Arch Parking Facility

Six Months Ended December 31, 2014

**Operating income** for the Gateway Arch Parking Facility for the six months ended December 31, 2014 was \$37,687 and was \$166,653 unfavorable to budget. Unfavorable Operating Loss resulted from lower revenues due to road construction and limited access around the parking facility area and the effects of the impending shutdown of the facility on December 1, 2014.

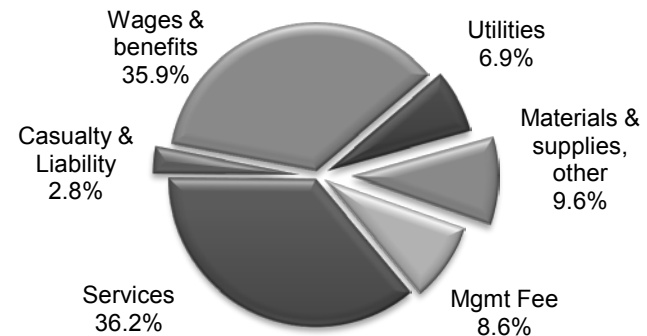
**Operating revenue** for the six months was 28.6% less than budget and 37.6% lower than FY 2014. Daily parking revenue was 27.8% or \$149,519 unfavorable to budget. Monthly parking was \$37,550 or 59.0% less than budget. CityArchRiver surrounding road construction and the December closing has contributed to lower use of the Arch parking facility.

## Operating Revenues



**Salaries, wages & benefits** are \$14,307 or 6.6% favorable to budget due to unfilled vacancies, lower than planned medical and other benefits costs and less staff requirements.

## Operating Expenses



**Services** are 3.5% higher than budget and include temporary help, maintenance, custodial, and banking services.

**Materials and supplies** are \$16,091 or 73.2% favorable to budget due to less spending on building and grounds repair parts and ticket stock.

**Other expenses** are 24.7% favorable to budget. This category consists primarily of management fees paid to the Executive Services.

## Vehicle Transactions

FY15 Actual	75,122
FY15 Budget	86,014
FY14 Actual	127,816

**Gateway Arch Parking Facility**  
**Quarterly Statement of Net Position**  
**December 31, 2014**  
(unaudited)

	<u>Current Quarter</u>	<u>Prior Quarter</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Prior Year</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Assets</b>							
Current Assets							
Cash and Investments	\$ 449,973	\$ 553,885	\$ (103,912)	(18.8)	\$ 456,692	\$ (6,719)	(1.5)
Accounts and notes receivable	313,486	266,926	46,560	17.4	24,462	289,024	n/a
Restricted accounts receivable	4	4	-	-	164	(160)	(97.6)
Other current assets	17,180	25,720	(8,540)	(33.2)	17,626	(446)	(2.5)
Total current assets	<u>780,643</u>	<u>846,535</u>	<u>(65,892)</u>	<u>(7.8)</u>	<u>1,464,170</u>	<u>(683,527)</u>	<u>(46.7)</u>
Capital assets							
Capital assets, net depr	<u>64,641</u>	<u>67,096</u>	<u>(2,455)</u>	<u>(3.7)</u>	<u>-</u>	<u>64,641</u>	<u>n/a</u>
Total capital assets	<u>64,641</u>	<u>67,096</u>	<u>(2,455)</u>	<u>(3.7)</u>	<u>-</u>	<u>64,641</u>	<u>n/a</u>
<b>Total</b>	<u>\$ 845,284</u>	<u>\$ 913,631</u>	<u>\$ (68,347)</u>	<u>(7.5)</u>	<u>\$ 1,464,170</u>	<u>\$ (618,886)</u>	<u>(42.3)</u>

**Gateway Arch Parking Facility**  
**Quarterly Statement of Net Position**  
**December 31, 2014**  
(unaudited)

	<u>Current Quarter</u>	<u>Prior Quarter</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Prior Year</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Liabilities</b>							
Current liabilities							
Accounts payable	\$ 404,280	\$ 331,447	\$ 72,833	22.0	\$ 657,674	\$ (253,394)	(38.5)
Accrued expenses	12,568	12,568	-	-	7,136	5,432	76.1
Other current liabilities	5,065	13,733	(8,668)	(63.1)	12,720	(7,655)	(60.2)
Total current liabilities	<u>421,913</u>	<u>357,748</u>	<u>64,165</u>	17.9	<u>677,530</u>	<u>(255,617)</u>	(37.7)
Non-current liabilities							
Other post-employment benefits	13,960	11,074	2,886	26.1	8,757	5,203	59.4
Long-term self-insurance	14,744	14,745	(1)	-	14,745	(1)	-
Total non-current liabilities	<u>28,704</u>	<u>25,819</u>	<u>2,885</u>	11.2	<u>23,502</u>	<u>5,202</u>	22.1
Total liabilities	<u>450,617</u>	<u>383,567</u>	<u>67,050</u>	17.5	<u>701,032</u>	<u>(250,415)</u>	(35.7)
<b>Net Position</b>							
Net position - unrestricted	562,214	562,214	-	-	589,121	(26,907)	(4.6)
Net income (loss)	<u>(167,547)</u>	<u>(32,150)</u>	<u>(135,397)</u>	(421.1)	<u>174,017</u>	<u>(341,564)</u>	(196.3)
Total net position	<u>394,667</u>	<u>530,064</u>	<u>(135,397)</u>	(25.5)	<u>763,138</u>	<u>(368,471)</u>	(48.3)
<b>Total</b>	<u>\$ 845,284</u>	<u>\$ 913,631</u>	<u>\$ (68,347)</u>	(7.5)	<u>\$ 1,464,170</u>	<u>\$ (618,886)</u>	(42.3)

**Gateway Arch Parking Facility**  
**Schedule of Revenues, Expenses and Net Income (Loss)**  
**For the Quarter Ended December 31, 2014**  
(unaudited)

	Current					Year to Date				
	Actual	Budget	\$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year Month To Date	Actual	Budget	\$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year Year To Date
<b>Operating revenues</b>										
Passenger revenue	\$ 3,480	\$ 5,600	\$ (2,120)	(37.9)	\$ 5,840	\$ 9,500	\$ 11,600	\$ (2,100)	(18.1)	\$ 12,140
Garage parking receipts - daily	90,240	194,508	(104,268)	(53.6)	147,658	388,897	538,416	(149,519)	(27.8)	571,492
Garage parking receipts - special events	22,977	38,260	(15,283)	(39.9)	43,662	57,685	96,484	(38,799)	(40.2)	158,624
Parking - monthly	7,610	31,200	(23,590)	(75.6)	27,760	26,050	63,600	(37,550)	(59.0)	59,365
Service fee revenue	9,452	7,380	2,072	28.1	11,863	50,447	35,395	15,052	42.5	51,394
Other operating revenue	(315)	-	(315)	-	(349)	(339)	-	(339)	-	(70)
<b>Total operating revenues</b>	<b>133,444</b>	<b>276,948</b>	<b>(143,504)</b>	<b>(51.8)</b>	<b>236,434</b>	<b>532,240</b>	<b>745,495</b>	<b>(213,255)</b>	<b>(28.6)</b>	<b>852,945</b>
<b>Operating expenses</b>										
Wages and benefits	107,732	108,881	1,149	1.1	94,755	203,999	218,306	14,307	6.6	202,461
Services	120,522	111,704	(8,818)	(7.9)	138,552	255,286	246,588	(8,698)	(3.5)	310,953
Materials and supplies	1,894	13,010	11,116	85.4	12,475	5,904	21,995	16,091	73.2	22,369
Utilities	18,626	18,327	(299)	(1.6)	17,462	39,529	43,971	4,442	10.1	41,586
Casualty and liability costs	8,095	10,282	2,187	21.3	8,388	16,190	20,564	4,374	21.3	16,676
Other expenses	9,537	20,590	11,053	53.7	17,299	49,019	65,105	16,086	24.7	85,668
<b>Total operating expenses</b>	<b>266,406</b>	<b>282,794</b>	<b>16,388</b>	<b>5.8</b>	<b>288,931</b>	<b>569,927</b>	<b>616,529</b>	<b>46,602</b>	<b>7.6</b>	<b>679,713</b>
<b>Operating income (loss)</b>	<b>(132,962)</b>	<b>(5,846)</b>	<b>(127,116)</b>	<b>(2,174.4)</b>	<b>(52,497)</b>	<b>(37,687)</b>	<b>128,966</b>	<b>(166,653)</b>	<b>(129.2)</b>	<b>173,232</b>
<b>Non-operating revenue (expense)</b>										
Interest income	20	573	(553)	(96.5)	371	49	1,146	(1,097)	(95.7)	785
Contribution to outside entities	-	(1,250)	1,250	100.0	-	-	(2,500)	2,500	100.0	-
<b>Total non-operating revenues (expenses)</b>	<b>20</b>	<b>(677)</b>	<b>697</b>	<b>103.0</b>	<b>371</b>	<b>49</b>	<b>(1,354)</b>	<b>1,403</b>	<b>103.6</b>	<b>785</b>
<b>Income (loss) before depreciation</b> ➡	<b>(132,942)</b>	<b>(6,523)</b>	<b>(126,419)</b>	<b>(1,938.0)</b>	<b>(52,126)</b>	<b>(37,638)</b>	<b>127,612</b>	<b>(165,250)</b>	<b>(129.5)</b>	<b>174,017</b>
Depreciation and amortization	2,455	-	(2,455)	-	-	4,909	-	(4,909)	-	-
<b>Net income (loss) before transfers</b>	<b>(135,397)</b>	<b>(6,523)</b>	<b>(128,874)</b>	<b>(1,975.7)</b>	<b>(52,126)</b>	<b>(42,547)</b>	<b>127,612</b>	<b>(170,159)</b>	<b>(133.3)</b>	<b>174,017</b>
<b>Net Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(125,000)</b>	<b>-</b>	<b>(125,000)</b>	<b>-</b>	<b>-</b>
<b>Net income (loss)</b>	<b>\$ (135,397)</b>	<b>\$ (6,523)</b>	<b>\$ (128,874)</b>	<b>(1,975.7)</b>	<b>\$ (52,126)</b>	<b>\$ (167,547)</b>	<b>\$ 127,612</b>	<b>\$ (295,159)</b>	<b>(231.3)</b>	<b>\$ 174,017</b>

**Gateway Arch Parking Facility**  
**Cash Receipts and Disbursements Schedule**  
**For the Quarter Ended December 31, 2014**  
(unaudited)

Description	Total	Garage Fee Account	JNEM Garage Operating Fund
<b>Balance at October 1, 2014</b>			
<b>Cash &amp; Investments</b>	\$ 553,885	\$ 48,240	\$ 505,645
<b>Add:</b>			
Revenue collected	125,967	125,967	-
Received from Gateway Arch	13,996	-	13,996
Interest received	21	9	12
<b>Total cash receipts</b>	139,984	125,976	14,008
Interfund transfers	-	-	-
<b>Less:</b>			
Bank expenses	(1,885)	(1,885)	-
Paid to Transit	(221,809)	(145,769)	(76,040)
Paid to Executive Services	(19,584)	(14,070)	(5,514)
Paid to Gateway Arch	-	-	-
Paid to Airport	(144)	-	(144)
Paid to Riverboats	(474)	-	(474)
<b>Total cash disbursements</b>	(243,896)	(161,724)	(82,172)
<b>Balance at December 31, 2014</b>			
<b>Cash &amp; Investments</b>	<u>\$ 449,973</u>	<u>\$ 12,492</u>	<u>\$ 437,481</u>



**Gateway Arch Parking Facility**  
**Statement of Cash Flows**  
**For the Six Months Ended December 31, 2014**  
(unaudited)

**Cash flows from operating activities**

Receipts from customers	\$ 532,239
Payments to employees	(196,132)
Payments to vendors	(154,463)
Payments for self-insurance	(16,190)
Receipts (payments) from inter-fund activity	<u>(168,361)</u>

**Net cash provided by (used in)  
operating activities**

(2,907)

**Cash flows from noncapital financing activities**

Net Transfers	<u>(125,000)</u>
---------------	------------------

**Net cash provided by (used in)  
noncapital financing activities**

(125,000)

**Cash flows from capital and related financing activities**

None noted.

**Cash flows from investing activities**

Interest received	<u>49</u>
-------------------	-----------

**Net cash provided by (used in)  
investing activities**

49

**Net increase (decrease) in cash  
and cash equivalents**

(127,858)

**Cash and cash equivalents, beginning of year**

577,831

**Cash and cash equivalents, year to date**

\$ 449,973

**Reconciliation of operating loss to  
net cash used for operating activities**

Operating income (loss)	<u>\$ (37,686)</u>
-------------------------	--------------------

**Adjustments to reconcile operating  
income (loss) to net cash provided  
by (used for) operating activities**

Change in assets and liabilities	
Interfund accounts receivable	(103,546)
Prepaid expenses, deferred charges and other current assets	(16,980)
Accounts payable	172,509
Other current liabilities	(9,078)
Interfund accounts payable	(15,993)
Accrued expenses	499
Other post employment benefits liability	<u>7,368</u>
Total adjustments	<u>34,779</u>

**Net cash provided by (used for)  
operating activities**

\$ (2,907)

**Supplemental disclosure of cash flow information**

No disclosures.

# Riverfront Attractions Financials



## Unique Entertainment

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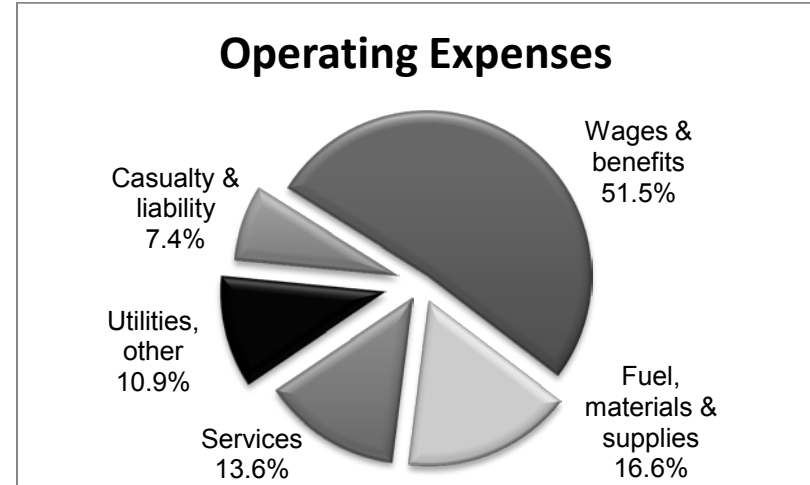
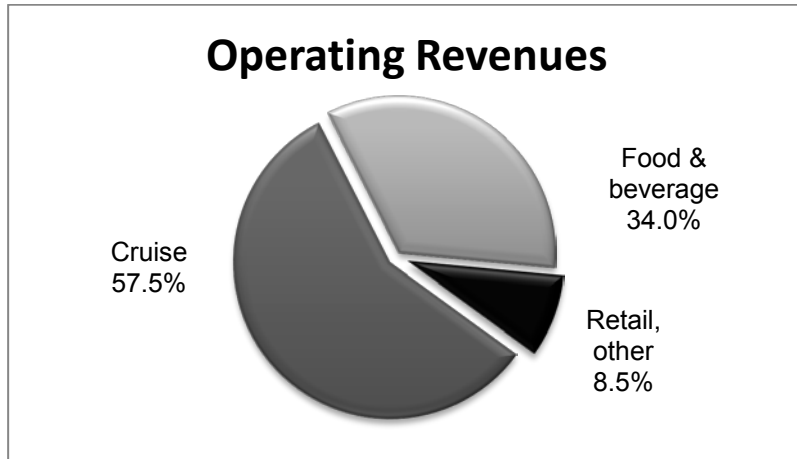
# Riverfront Attractions

Six Months Ended December 31, 2014

**Riverfront Attractions** includes the Tom Sawyer and Becky Thatcher riverboats and heliport operations. Bike rentals have been temporarily discontinued due to riverfront construction. The major component of Riverfront Attractions is the Riverboat operations which include sightseeing, dinner, and specialty cruises as well as gift shop, snack bar, and photography sales.

**Operating loss** for all Riverfront Attractions for the six months ended December 31, 2014 was \$123,400. This is \$21,414 unfavorable to budget and \$485,780 less than prior year. Riverfront flooding and the CityArchRiver construction project during the second quarter impacted the number of passengers and income.

**Operating revenue** is \$880,457 or 22.8% lower than budget and unfavorable to prior year by \$793,047 or 47.4% due to the flooding and construction.



**Salaries, wages & benefits** are \$69,638 or 11.9% favorable to budget due to a position vacancy and favorable benefits.

**Services** are \$6,848 or 5.3% unfavorable to budget due to maintenance and outside services.

**Fuel consumed** is \$11,648 favorable to budget due to 145 fewer cruises than budgeted in FY 2015.

**Materials and supplies** are \$142,205 favorable to budget primarily due to lower food and beverage purchases for the fewer dinner and specialty cruises. Repair parts and cleaning supplies expense are also lower.

**Utilities** are \$11,036 or 22.2% favorable to budget due to lower electricity, natural gas, water and sewer, and waste removal expenses.

**Casualty and liability** expense is \$14,055 or 16.0% favorable to budget as a result of lower property and casualty insurances.

**Other expenses** are unfavorable to budget by \$3,466. The unfavorable variance to budget is primarily due to the timing of advertising and promotion spending.

YTD	Passengers	Cruises	Passengers per Cruise
FY15 Actual	39,007	337	116
FY15 Budget	47,260	482	98
FY14 Actual	78,961	587	135

**Riverboat passengers** decreased 50.6% from FY 2014 and was 17.5% less than budget. Riverfront flooding and the CityArchRiver construction project impacted the number of passengers.

The number of **Cruises** decreased from FY 2014 by 250 or 42.6% and 145 less than budget. This was the result of 37 cruising days lost due to flooding. The CityArchRiver construction project also impacted the number of cruises. The average **Passenger per cruise** decreased 14.1% from last year and increased 18.4% over budget.

**Riverfront Attractions**  
**Quarterly Statement of Net Position**  
**December 31, 2014**  
(unaudited)

	<u>Current Quarter</u>	<u>Prior Quarter</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Prior Year</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Assets</b>							
Current Assets							
Cash and Investments	\$ 19,436	\$ 52,758	\$ (33,322)	(63.2)	\$ 390,009	\$ (370,573)	(95.0)
Accounts and notes receivable	7,138	76,027	(68,889)	(90.6)	53,143	(46,005)	(86.6)
Materials and supplies inventory	46,565	45,459	1,106	2.4	40,595	5,970	14.7
Other current assets	74,890	113,020	(38,130)	(33.7)	76,863	(1,973)	(2.6)
Total current assets	<u>148,029</u>	<u>287,264</u>	<u>(139,235)</u>	<u>(48.5)</u>	<u>560,610</u>	<u>(412,581)</u>	<u>(73.6)</u>
Capital assets							
Capital assets, net depr	1,605,123	1,674,947	(69,824)	(4.2)	1,678,114	(72,991)	(4.3)
Construction-in-process	<u>3,283</u>	<u>2,015</u>	<u>1,268</u>	<u>62.9</u>	<u>-</u>	<u>3,283</u>	<u>n/a</u>
Total capital assets	<u>1,608,406</u>	<u>1,676,962</u>	<u>(68,556)</u>	<u>(4.1)</u>	<u>1,678,114</u>	<u>(69,708)</u>	<u>(4.2)</u>
Total assets	<u>1,756,435</u>	<u>1,964,226</u>	<u>(207,791)</u>	<u>(10.6)</u>	<u>2,238,724</u>	<u>(482,289)</u>	<u>(21.5)</u>
<b>Total</b>	<u>\$ 1,756,435</u>	<u>\$ 1,964,226</u>	<u>\$ (207,791)</u>	<u>(10.6)</u>	<u>\$ 2,238,724</u>	<u>\$ (482,289)</u>	<u>(21.5)</u>

**Riverfront Attractions**  
**Quarterly Statement of Net Position**  
**December 31, 2014**  
(unaudited)

	<u>Current Quarter</u>	<u>Prior Quarter</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Prior Year</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Liabilities</b>							
Current liabilities							
Accounts payable	\$ 656,863	\$ 549,973	\$ 106,890	19.4	\$ 529,339	\$ 127,524	24.1
Accrued expenses	96,915	96,915	-	-	78,341	18,574	23.7
Other current liabilities	123,508	211,590	(88,082)	(41.6)	70,843	52,665	74.3
Total current liabilities	877,286	858,478	18,808	2.2	678,523	198,763	29.3
Total current liabilities	877,286	858,478	18,808	2.2	678,523	198,763	29.3
Non-current liabilities							
Other post-employment benefits	366,371	356,490	9,881	2.8	325,158	41,213	12.7
Long-term self-insurance	37,654	37,654	-	-	33,654	4,000	11.9
Total non-current liabilities	404,025	394,144	9,881	2.5	358,812	45,213	12.6
Total liabilities	1,281,311	1,252,622	28,689	2.3	1,037,335	243,976	23.5
<b>Net Position</b>							
Net position - capital investments	254,907	254,907	-	-	254,907	-	-
Net position - unrestricted	489,711	489,711	-	-	708,616	(218,905)	(30.9)
Net income (loss)	(269,494)	(33,014)	(236,480)	(716.3)	237,866	(507,360)	(213.3)
Total net position	475,124	711,604	(236,480)	(33.2)	1,201,389	(726,265)	(60.5)
<b>Total</b>	<u>\$ 1,756,435</u>	<u>\$ 1,964,226</u>	<u>\$ (207,791)</u>	(10.6)	<u>\$ 2,238,724</u>	<u>\$ (482,289)</u>	(21.5)

**Riverfront Attractions**  
**Schedule of Revenues, Expenses and Net Income (Loss)**  
**For the Quarter Ended December 31, 2014**  
(unaudited)

	Current					Year to Date				
	Actual	Budget	\$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year Month To Date	Actual	Budget	\$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year Year To Date
<b>Operating revenues</b>										
Cruise	\$ 136,569	\$ 130,850	\$ 5,719	4.4	\$ 161,816	\$ 506,253	\$ 607,800	\$ (101,547)	(16.7)	\$ 913,957
Food and beverage	79,958	128,655	(48,697)	(37.9)	129,911	299,289	452,135	(152,846)	(33.8)	606,406
Retail	4,575	7,360	(2,785)	(37.8)	7,283	26,260	42,090	(15,830)	(37.6)	61,510
Bike rental	-	-	-	-	1,212	-	-	-	-	44,994
Other operating revenue	22,628	21,979	649	3.0	28,481	61,437	59,119	2,318	3.9	86,579
Sales discount	(3,374)	(7,220)	3,846	53.3	(4,487)	(12,782)	(21,005)	8,223	39.1	(39,942)
<b>Total operating revenues</b>	<u>240,356</u>	<u>281,624</u>	<u>(41,268)</u>	<u>(14.7)</u>	<u>324,216</u>	<u>880,457</u>	<u>1,140,139</u>	<u>(259,682)</u>	<u>(22.8)</u>	<u>1,673,504</u>
<b>Operating expenses</b>										
Wages and benefits	199,684	255,650	55,966	21.9	224,472	516,869	586,507	69,638	11.9	651,711
Services	60,838	41,915	(18,923)	(45.1)	50,851	136,714	129,866	(6,848)	(5.3)	144,009
Fuel and lube consumed	6,768	10,000	3,232	32.3	9,666	28,352	40,000	11,648	29.1	59,567
Materials and supplies	52,145	56,205	4,060	7.2	60,166	138,338	280,543	142,205	50.7	303,662
Utilities	16,614	23,879	7,265	30.4	14,919	38,589	49,625	11,036	22.2	39,629
Casualty and liability costs	36,956	42,926	5,970	13.9	27,597	73,913	87,968	14,055	16.0	60,253
Other expenses	34,007	33,161	(846)	(2.6)	18,431	71,082	67,616	(3,466)	(5.1)	52,293
<b>Total operating expenses</b>	<u>407,012</u>	<u>463,736</u>	<u>56,724</u>	<u>12.2</u>	<u>406,102</u>	<u>1,003,857</u>	<u>1,242,125</u>	<u>238,268</u>	<u>19.2</u>	<u>1,311,124</u>
<b>Operating income (loss)</b>	<u>(166,656)</u>	<u>(182,112)</u>	<u>15,456</u>	<u>8.5</u>	<u>(81,886)</u>	<u>(123,400)</u>	<u>(101,986)</u>	<u>(21,414)</u>	<u>(21.0)</u>	<u>362,380</u>
<b>Income (loss) before depreciation</b> ➡	<u>(166,656)</u>	<u>(182,112)</u>	<u>15,456</u>	<u>8.5</u>	<u>(81,886)</u>	<u>(123,400)</u>	<u>(101,986)</u>	<u>(21,414)</u>	<u>(21.0)</u>	<u>362,380</u>
Depreciation and amortization	<u>69,824</u>	<u>60,496</u>	<u>(9,328)</u>	<u>(15.4)</u>	<u>62,160</u>	<u>146,094</u>	<u>121,158</u>	<u>(24,936)</u>	<u>(20.6)</u>	<u>124,514</u>
<b>Net income (loss)</b>	<u>\$ (236,480)</u>	<u>\$ (242,608)</u>	<u>\$ 6,128</u>	<u>2.5</u>	<u>\$ (144,046)</u>	<u>\$ (269,494)</u>	<u>\$ (223,144)</u>	<u>\$ (46,351)</u>	<u>(20.8)</u>	<u>\$ 237,866</u>

**Riverfront Attractions**  
**Cash Receipts and Disbursements Schedule**  
**For the Quarter Ended December 31, 2014**  
(unaudited)

	<u>Total</u>	<u>Operating Fund</u>	<u>Change Fund</u>
<b>Balance at October 1, 2014</b>			
<b>Cash</b>	\$ 52,758	\$ 46,858	\$ 5,900
<b>Add:</b>			
Revenue receipts	88,828	88,828	-
Transfers from Arch Tram	115,554	115,554	-
<b>Total cash receipts</b>	<u>204,382</u>	<u>204,382</u>	<u>-</u>
Interfund transfers	-	-	-
<b>Less:</b>			
Transfers to Transit	(237,000)	(237,000)	-
Cash disbursements	(704)	(704)	-
<b>Total cash disbursements</b>	<u>(237,704)</u>	<u>(237,704)</u>	<u>-</u>
<b>Balance at December 31, 2014</b>			
<b>Cash</b>	<u>\$ 19,436</u>	<u>\$ 13,536</u>	<u>\$ 5,900</u>



**Riverfront Attractions**  
**Statement of Cash Flows**  
**For the Six Months Ended December 31, 2014**  
**(unaudited)**

**Cash flows from operating activities**

Receipts from customers	\$ 884,681
Payments to employees	(494,006)
Payments to vendors	(619,565)
Payments for self-insurance	(69,913)
Receipts (payments) from inter-fund activity	<u>301,256</u>

**Net cash provided by (used in)  
operating activities**

2,453

**Cash flows from noncapital financing activities**

Acquisitions of capital assets	<u>(3,283)</u>
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**Net cash provided by (used in)  
capital and related financing activities**

(3,283)

**Cash flows from capital and related financing activities**

None noted.

**Cash flows from investing activities**

None noted.

**Net increase (decrease) in cash  
and cash equivalents**

(830)

**Cash and cash equivalents, beginning of year**

20,266

**Cash and cash equivalents, year to date**

\$ 19,436

**Reconciliation of operating loss to  
net cash used for operating activities**

Operating income (loss)	<u>\$ (123,400)</u>
-------------------------	---------------------

**Adjustments to reconcile operating  
income (loss) to net cash provided  
by (used for) operating activities**

Change in assets and liabilities	
Accounts and notes receivable	4,223
Interfund accounts receivable	166,164
Materials and supplies	(237)
Prepaid expenses, deferred charges and other current assets	(74,623)
Accounts payable	14,855
Other current liabilities	(146,484)
Interfund accounts payable	135,092
Accrued expenses	362
Other post employment benefits liability	22,501
Self-insurance liability	<u>4,000</u>

Total adjustments	<u>125,853</u>
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**Net cash provided by (used for)  
operating activities**

\$ 2,453

**Supplemental disclosure of cash flow information**

No disclosures.

**Riverfront Attractions**  
**Capital Expenditures for Active Projects**  
**For the Quarter Ended December 31, 2014**  
**(unaudited)**

<b>Description</b>	<b>Budget</b>	<b>Current</b>	<b>Year-To-Date</b>	<b>Life-To-Date</b>	<b>Balance</b>
Tom Sawyer Riverboat Dry Docking	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
Riverboat Gangway	121,052	1,268	3,283	3,283	117,769
Copy machine	5,000	-	-	-	5,000
<b>Total Riverfront Attractions</b>	<b>\$ 276,052</b>	<b>\$ 1,268</b>	<b>\$ 3,283</b>	<b>\$ 3,283</b>	<b>\$ 272,769</b>

# St. Louis Downtown Airport Financials



## Third Busiest Airport in Illinois

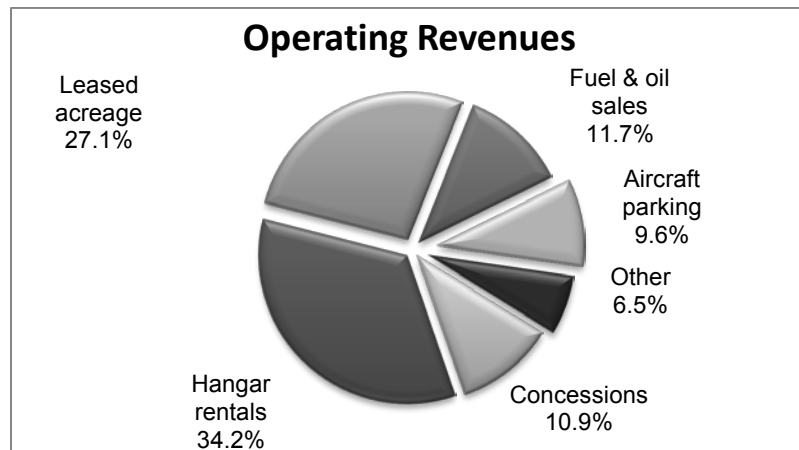
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# St. Louis Downtown Airport

Six Months Ended December 31, 2014

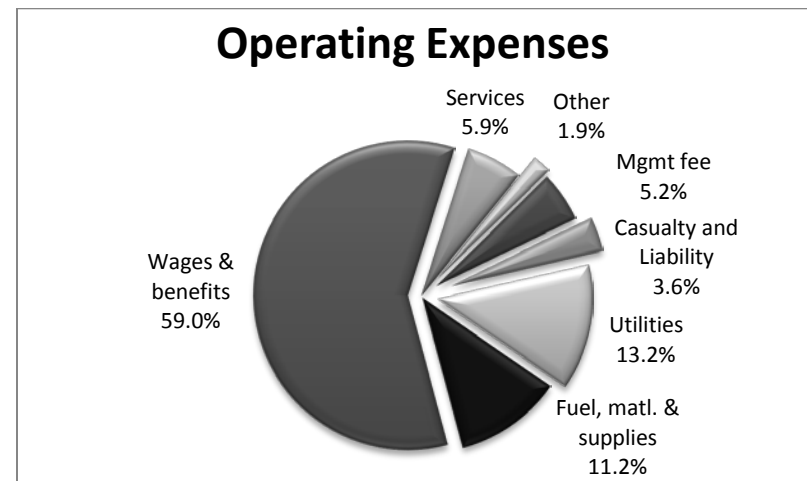
**Operating income** for the St. Louis Downtown Airport for the six months ended December 31, 2014 was \$29,006. This is unfavorable to budget by \$130,215 or 81.8%. These results are lower than the prior year by \$195,426.

**Operating revenue** is unfavorable to budget by 17.9% or \$160,022 primarily due to lower hangar rental revenue. Jet Aviation, Inc has a new lease with lower rent and also vacated a hangar. Leased acreage is also unfavorable to budget by 8.6%. Compared to prior year, operating revenue is down 20.8% mainly due to lower hanger rental and leased acreage revenue.



**Salaries, wages & benefits** are favorable to budget by \$52,532 or 11.2% due fewer part time hours and lower pension and other benefits costs.

**Casualty and liability costs** are \$7,427 or 22.8% favorable to budget due to a recovery of a self-insured casualty loss.



**Materials and supplies** are unfavorable to budget by \$26,057 due to airport firefighting supplies, equipment and building and grounds repair parts and computer equipment expense.

**Utilities** are \$12,050 unfavorable to budget. This variance is due to higher water and sewer expense related to a water line issue that needs to be remedied.

**Other expenses** are favorable to budget by \$8,026 or 13.7% due to lower management fees to Executive Services that are based on decreased revenues. Advertising and travel expenses are favorable because of the timing of the spending compared to budget.

YTD	Fuel sales (gallons)	Aircraft movements	Avg. based aircraft
FY15 Actual	871,010	44,412	318
FY15 Budget	870,741	45,126	320
FY14 Actual	910,878	57,712	326

**St. Louis Downtown Airport**  
**Quarterly Statement of Net Position**  
**December 31, 2014**  
(unaudited)

	<u>Current Quarter</u>	<u>Prior Quarter</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Prior Year</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Assets</b>							
Current Assets							
Cash and Investments	\$ 497,287	\$ 445,802	\$ 51,485	11.5	\$ 571,295	\$ (74,008)	(13.0)
Restricted cash and investments	342,684	331,528	11,156	3.4	303,742	38,942	12.8
Accounts and notes receivable	73,392	94,484	(21,092)	(22.3)	79,510	(6,118)	(7.7)
Materials and supplies inventory	62,321	61,437	884	1.4	62,162	159	0.3
Other current assets	63,925	51,366	12,559	24.5	55,045	8,880	16.1
Total current assets	1,039,609	984,617	54,992	5.6	1,071,754	(32,145)	(3.0)
Capital assets							
Capital assets, net depr	19,198,384	19,604,986	(406,602)	(2.1)	20,652,770	(1,454,386)	(7.0)
Land	4,542,564	4,542,564	-	-	4,542,564	-	-
Construction-in-process	1,197,077	1,191,480	5,597	0.5	773,050	424,027	54.9
Total capital assets	24,938,025	25,339,030	(401,005)	(1.6)	25,968,384	(1,030,359)	(4.0)
Non-current assets							
Deferred charges	20,542	17,572	2,970	16.9	(20,074)	40,616	202.3
Total non-current assets	20,542	17,572	2,970	16.9	(20,074)	40,616	202.3
<b>Total</b>	<u>\$ 25,998,176</u>	<u>\$ 26,341,219</u>	<u>\$ (343,043)</u>	<u>(1.3)</u>	<u>\$ 27,020,064</u>	<u>\$ (1,021,888)</u>	<u>(3.8)</u>

**St. Louis Downtown Airport**  
**Quarterly Statement of Net Position**  
**December 31, 2014**  
(unaudited)

	<u>Current Quarter</u>	<u>Prior Quarter</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Prior Year</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Liabilities</b>							
Current liabilities							
Accounts payable	\$ 65,067	\$ 59,747	\$ 5,320	8.9	\$ 55,744	\$ 9,323	16.7
Accrued expenses	60,675	60,675	-	-	76,886	(16,211)	(21.1)
Other current liabilities	4,464	4,261	203	4.8	1,871	2,593	138.6
Total current liabilities	<u>130,206</u>	<u>124,683</u>	<u>5,523</u>	<u>4.4</u>	<u>134,501</u>	<u>(4,295)</u>	<u>(3.2)</u>
Non-current liabilities							
Other post-employment benefits	342,684	331,528	11,156	3.4	303,742	38,942	12.8
Long-term self-insurance	28,991	28,991	-	-	34,991	(6,000)	(17.1)
Total non-current liabilities	<u>371,675</u>	<u>360,519</u>	<u>11,156</u>	<u>3.1</u>	<u>338,733</u>	<u>32,942</u>	<u>9.7</u>
Total liabilities	<u>501,881</u>	<u>485,202</u>	<u>16,679</u>	<u>3.4</u>	<u>473,234</u>	<u>28,647</u>	<u>6.1</u>
<b>Net Position</b>							
Net position - capital investments	32,669,070	32,707,656	(38,586)	(0.1)	32,200,461	468,609	1.5
Net position - unrestricted	(6,443,577)	(6,443,577)	-	-	(5,058,426)	(1,385,151)	(27.4)
Net income (loss)	<u>(729,198)</u>	<u>(408,062)</u>	<u>(321,136)</u>	<u>(78.7)</u>	<u>(595,205)</u>	<u>(133,993)</u>	<u>(22.5)</u>
Total net position	<u>25,496,295</u>	<u>25,856,017</u>	<u>(359,722)</u>	<u>(1.4)</u>	<u>26,546,830</u>	<u>(1,050,535)</u>	<u>(4.0)</u>
<b>Total</b>	<u>\$ 25,998,176</u>	<u>\$ 26,341,219</u>	<u>\$ (343,043)</u>	<u>(1.3)</u>	<u>\$ 27,020,064</u>	<u>\$ (1,021,888)</u>	<u>(3.8)</u>

**St. Louis Downtown Airport**  
**Schedule of Revenues, Expenses and Net Income (Loss)**  
**For the Quarter Ended December 31, 2014**  
**(unaudited)**

	Current					Year to Date				
	Actual	Budget	\$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year Month To Date	Actual	Budget	\$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year Year To Date
<b>Operating revenues</b>										
Airport parking	\$ 35,724	\$ 33,304	\$ 2,420	7.3	\$ 35,513	\$ 70,653	\$ 66,607	\$ 4,046	6.1	\$ 70,665
Leased acreage	104,941	108,822	(3,881)	(3.6)	108,866	198,895	217,643	(18,748)	(8.6)	217,732
Hangar rental	135,324	205,088	(69,764)	(34.0)	204,307	251,765	410,178	(158,413)	(38.6)	408,509
Aviation sales flowage	44,745	41,274	3,471	8.4	44,411	85,697	91,750	(6,053)	(6.6)	90,910
Concessions	66,294	32,395	33,899	104.6	72,172	80,169	63,941	16,228	25.4	95,202
Service fee revenue	600	50	550	1,100.0	-	600	100	500	500.0	-
Other operating revenue	29,546	22,522	7,024	31.2	23,491	47,462	45,044	2,418	5.4	44,908
<b>Total operating revenues</b>	<b>417,174</b>	<b>443,455</b>	<b>(26,281)</b>	<b>(5.9)</b>	<b>488,760</b>	<b>735,241</b>	<b>895,263</b>	<b>(160,022)</b>	<b>(17.9)</b>	<b>927,926</b>
<b>Operating expenses</b>										
Wages and benefits	213,403	233,348	19,945	8.5	237,016	417,246	469,778	52,532	11.2	457,252
Services	31,221	18,812	(12,409)	(66.0)	15,169	41,418	37,625	(3,793)	(10.1)	21,188
Fuel and lube consumed	4,031	6,096	2,065	33.9	5,170	9,738	13,460	3,722	27.7	14,105
Materials and supplies	27,690	22,317	(5,373)	(24.1)	28,648	69,348	43,291	(26,057)	(60.2)	46,085
Utilities	42,605	39,648	(2,957)	(7.5)	44,331	92,973	80,923	(12,050)	(14.9)	72,744
Casualty and liability costs	15,539	16,255	716	4.4	13,807	25,079	32,506	7,427	22.8	27,577
Other expenses	32,911	29,121	(3,790)	(13.0)	47,182	50,433	58,459	8,026	13.7	64,543
<b>Total operating expenses</b>	<b>367,400</b>	<b>365,597</b>	<b>1,803</b>	<b>0.5</b>	<b>391,323</b>	<b>706,235</b>	<b>736,042</b>	<b>(29,807)</b>	<b>(4.0)</b>	<b>703,494</b>
<b>Operating income (loss)</b>	<b>49,774</b>	<b>77,858</b>	<b>(28,084)</b>	<b>(36.1)</b>	<b>97,437</b>	<b>29,006</b>	<b>159,221</b>	<b>(130,215)</b>	<b>(81.8)</b>	<b>224,432</b>
<b>Non-operating revenue (expense)</b>										
Grants and assistance *	-	-	-	-	1,000	-	-	-	-	1,000
Interest income	43	84	(41)	(48.8)	74	81	167	(86)	(51.5)	104
Other non-operating revenue (expense)	-	-	-	-	-	-	-	-	-	40
<b>Total non-operating revenues (expenses)</b>	<b>43</b>	<b>84</b>	<b>(41)</b>	<b>(48.8)</b>	<b>1,074</b>	<b>81</b>	<b>167</b>	<b>(86)</b>	<b>(51.5)</b>	<b>1,144</b>
<b>Income (loss) before depreciation</b> ➡	<b>49,817</b>	<b>77,942</b>	<b>(28,125)</b>	<b>(36.1)</b>	<b>98,511</b>	<b>29,087</b>	<b>159,388</b>	<b>(130,301)</b>	<b>(81.8)</b>	<b>225,576</b>
Depreciation and amortization	370,953	404,568	33,615	8.3	405,848	758,285	785,891	27,606	3.5	820,781
<b>Net income (loss)</b>	<b>\$ (321,136)</b>	<b>\$ (326,626)</b>	<b>\$ 5,490</b>	<b>1.7</b>	<b>\$ (307,337)</b>	<b>\$ (729,198)</b>	<b>\$ (626,503)</b>	<b>\$ (102,695)</b>	<b>(16.4)</b>	<b>\$ (595,205)</b>



**St. Louis Downtown Airport**  
**Detailed Schedule of Grants and Assistance**  
**For the Quarter Ended December 31, 2014**  
**(Unaudited)**

	Current					Year to Date				
	Actual	Budget	\$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year Month To Date	Actual	Budget	\$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year Year To Date
<b>Grants and assistance</b>										
Illinois assistance										
State of Illinois	\$ -	\$ -	\$ -	-	\$ 1,000	\$ -	\$ -	\$ -	-	\$ 1,000
Total Illinois assistance	-	-	-	-	1,000	-	-	-	-	1,000
Total local and state assistance	-	-	-	-	1,000	-	-	-	-	1,000
<b>Total grants and assistance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ 1,000</u>

**St. Louis Downtown Airport**  
**Cash Receipts and Disbursements Schedule**  
**For the Quarter Ended December 31, 2014**  
(unaudited)

	<u>Total</u>	<u>Revenue Fund</u>	<u>Investments Operating Fund</u>	<u>Other Restricted Funds</u>
<b>Balance at October 1, 2014</b>				
<b>Cash &amp; Investments</b>	\$ 777,330	\$ 411,644	\$ 34,158	\$ 331,528
<b>Add:</b>				
Customer payments	431,306	431,162	144	-
Interest received	<u>43</u>	<u>23</u>	<u>20</u>	<u>-</u>
<b>Total cash receipts</b>	431,349	431,185	164	-
Interfund transfers	-	(660,000)	648,844	11,156
<b>Less:</b>				
Cash disbursements	<u>(368,708)</u>	<u>(708)</u>	<u>(368,000)</u>	<u>-</u>
<b>Balance at December 31, 2014</b>				
<b>Cash &amp; Investments</b>	<u>\$ 839,971</u>	<u>\$ 182,121</u>	<u>\$ 315,166</u>	<u>\$ 342,684</u>

**St. Louis Downtown Airport**  
**Statement of Cash Flows**  
**For the Six Months Ended December 31,2014**  
**(unaudited)**

**Cash flows from operating activities**

Receipts from customers	\$ 791,800
Payments to employees	(393,081)
Payments to vendors	(310,231)
Payments for self-insurance	(31,079)
Receipts (payments) from inter-fund activity	<u>41,866</u>

**Net cash provided by (used in)  
operating activities**

99,275

**Cash flows from noncapital financing activities**

None noted

**Cash flows from capital and related financing activities**

Acquisitions of capital assets	(224,104)
Contributed capital	<u>204,044</u>

**Net cash provided by (used in)  
capital and related financing activities**

(20,060)

**Cash flows from investing activities**

Interest received	<u>82</u>
-------------------	-----------

**Net cash provided by (used in)  
investing activities**

82

**Net increase (decrease) in cash  
and cash equivalents**

79,297

**Cash and cash equivalents, beginning of year**

760,674

**Cash and cash equivalents, year to date**

\$ 839,971

**Reconciliation of operating income to  
net cash used for operating activities**

Operating income (loss)	<u>\$ 29,007</u>
-------------------------	------------------

**Adjustments to reconcile operating  
income (loss) to net cash provided  
by (used for) operating activities**

Change in assets and liabilities	
Accounts and notes receivables	56,559
Interfund accounts receivable	34,895
Materials and supplies	(246)
Prepaid expenses, deferred charges and other current assets	(43,547)
Accounts payable	(40,969)
Other current liabilities	1,674
Interfund accounts payable	43,737
Accrued expenses	583
Other post employment benefits liability	23,582
Self-insurance liability	<u>(6,000)</u>

Total adjustments	<u>70,268</u>
-------------------	---------------

**Net cash provided by (used for)  
operating activities**

\$ 99,275

**Supplemental disclosure of cash flow information**

No disclosures.

**St. Louis Downtown Airport**  
**Capital Expenditures for Active Projects**  
**For the Quarter Ended December 31, 2014**  
**(unaudited)**

<b>Description</b>		<b>Budget</b>	<b>Current</b>	<b>Year-To-Date</b>	<b>Life-To-Date</b>	<b>Balance</b>
Reconstruct Taxiway B, Phase 1		\$ 3,750,000	\$ -	\$ -	\$ -	\$ 3,750,000
Land acquisition for future airport expansion		3,590,000	-	-	-	3,590,000
Improve 4-way intersection - turn lanes and traffic lights		900,000	-	-	-	900,000
Rapid Intervention Vehicle		500,000	-	-	-	500,000
Rehab parking lot by Hangar 1 and 2.		312,000	-	-	-	312,000
Terminal Roof Replacement		144,700	-	-	-	144,700
Taxiway B Northside Environmental Assessment		125,000	-	-	-	125,000
Wildlife Hazard Assessment		50,000	-	-	-	50,000
Pick-Up Truck with Snow Blade		40,000	-	-	-	40,000
Bush Hog Mower		25,000	-	-	-	25,000
Copier Machine		5,000	-	-	-	5,000
Earthwork - Grade Ditch Parallel to Main Runway	x	698,000	-	47,267	496,219	201,781
Taxiway - Reconstruct Taxilane in NW Quadrant	x	644,000	-	206,890	550,374	93,626
Construct Perimeter Fence	x	458,600	-	-	406,576	52,024
Airport Master Plan, Phase II	x	360,000	-	-	-	360,000
Airport Master Plan, Phase I	x	140,000	-	-	126,000	14,000
Airport SUV and Equipment	x	45,097	-	3,927	40,047	5,050
Airport Heavy Duty Truck		40,000	5,597	5,597	5,597	34,403
<b>Total St. Louis Downtown Airport</b>		<b>\$ 11,827,397</b>	<b>\$ 5,597</b>	<b>\$ 263,680</b>	<b>\$ 1,624,813</b>	<b>\$ 10,202,584</b>

x Projects are carryover from prior year.

# Manpower Staffing

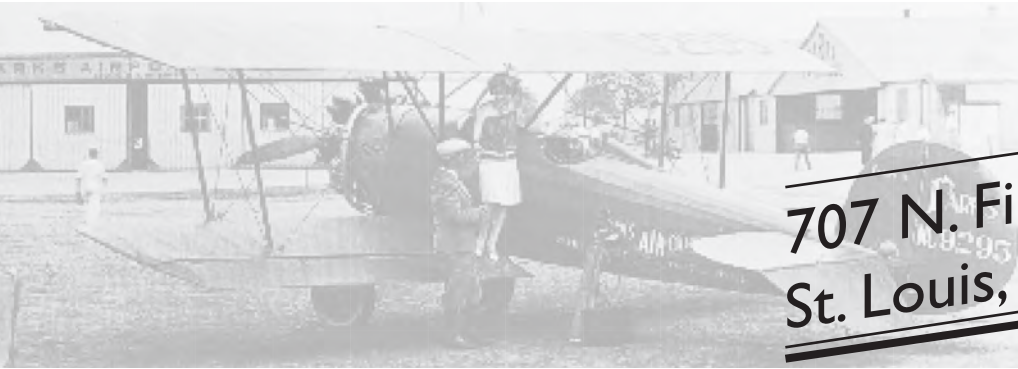


Staffing Level Report .....50

**METRO  
STAFFING LEVEL REPORT  
December 2014**

	EMPLOYEES AT END OF MONTH				BUDGETED POSITIONS	VARIANCE	PERCENT VARIANCE
	PRIOR MONTH	ADDED	DELETED	CURRENT MONTH			
<b>MULTI MODAL TRANSIT SYSTEM</b>							
A.T.U. Maintenance & Operations:							
Light Rail Vehicle Operators	102	3	(3)	102	102	0	0.0%
PT Bus Operators	97	0	0	97	83	14	16.9%
Bus Operators	829	5	(13)	821	787	34	4.3%
Van Operators	209	0	(4)	205	200	5	2.5%
Vehicle Maintenance	266	6	(7)	265	286	(21)	-7.3%
MetroBus Support Services and Facility Maintenance	22	1	(1)	22	24	(2)	-8.3%
Maintenance of Way	54	3	(4)	53	53	0	0.0%
Revenue	13	2	(2)	13	13	0	0.0%
Materials Management	24	1	(1)	24	24	0	0.0%
<b>SUBTOTAL Maintenance &amp; Operations</b>	<b>1,616</b>	<b>21</b>	<b>(35)</b>	<b>1,602</b>	<b>1,572</b>	<b>30</b>	<b>1.9%</b>
Other:							
A.T.U. Clerical Unit	53	1	0	54	52	2	3.8%
I.B.E.W.	63	0	0	63	66	(3)	-4.5%
Salaried	436	5	(3)	438	494	(56)	-11.3%
<b>SUBTOTAL Other</b>	<b>552</b>	<b>6</b>	<b>(3)</b>	<b>555</b>	<b>612</b>	<b>(57)</b>	<b>-9.3%</b>
<b>TOTAL MULTI MODAL TRANSIT SYSTEM</b>	<b>2,168</b>	<b>27</b>	<b>(38)</b>	<b>2,157</b>	<b>2,184</b>	<b>(27)</b>	<b>-1.2%</b>
<b>PARKING GARAGE</b>							
Salaried:	4	0	(2)	2	5	(3)	-60.0%
Hourly:	7	0	(2)	5	8	(3)	-37.5%
<b>TOTAL PARKING GARAGE</b>	<b>11</b>	<b>0</b>	<b>(4)</b>	<b>7</b>	<b>13</b>	<b>(6)</b>	<b>-46.2%</b>
<b>ARCH</b>							
Salaried:	11	0	0	11	12	(1)	-8.3%
Hourly:	86	2	(3)	85	137	(52)	-38.0%
<b>TOTAL ARCH</b>	<b>97</b>	<b>2</b>	<b>(3)</b>	<b>96</b>	<b>149</b>	<b>(53)</b>	<b>-35.6%</b>
<b>AIRPORT</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>0.0%</b>
<b>RIVERBOAT CRUISES</b>							
Salaried:	11	0	0	11	12	(1)	-8.3%
Hourly:	65	0	0	65	64	1	1.6%
<b>TOTAL RIVERBOAT CRUISES</b>	<b>76</b>	<b>0</b>	<b>0</b>	<b>76</b>	<b>76</b>	<b>0</b>	<b>0.0%</b>
<b>EXECUTIVE OFFICE</b>	<b>21</b>	<b>0</b>	<b>(1)</b>	<b>20</b>	<b>21</b>	<b>(1)</b>	<b>-4.8%</b>
<b>TOTAL AGENCY</b>	<b>2,384</b>	<b>29</b>	<b>(46)</b>	<b>2,367</b>	<b>2,454</b>	<b>(87)</b>	<b>-3.5%</b>

Does not include Security Officers, Interns or Temporary Employees  
1/15/2015

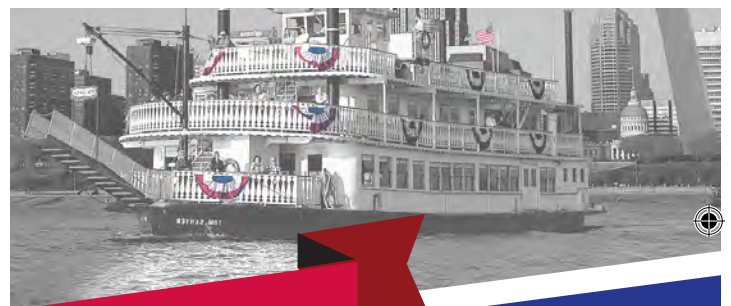
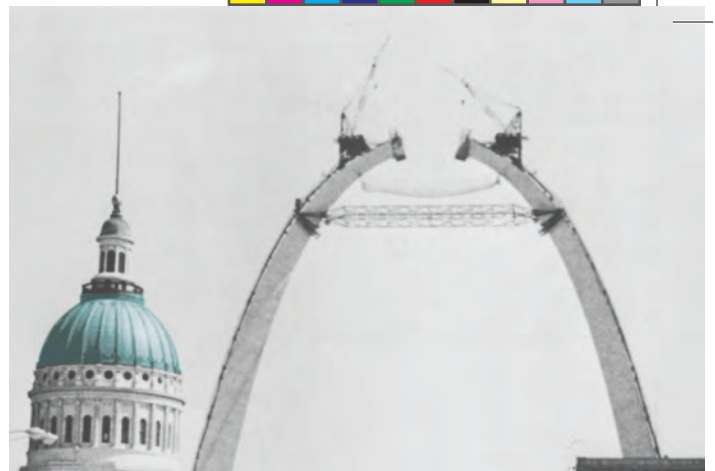


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## PERFORMANCE INDICATORS

**FISCAL YEAR 2015**  
Second Quarter • Ending December 31, 2014



Bi-State  
**Development**



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## EXECUTIVE SUMMARY

### METRO TRANSIT SYSTEM

#### **SERVICE CHANGES AND FARE INCREASES**

There have been no major service changes in FY 2015; Metro continues to modify bus routes on a quarterly basis to improve efficiencies in scheduling and to match customer needs. System revenue miles decreased slightly by 0.1%, while the revenue hours dropped 0.6%. On July 1, 2014 Metro increased fares affecting the price of Metrolink base and reduced fares and weekly, monthly and university semester passes. The cost of the Metrolink base fare increased 25¢ to \$2.50; weekly passes increased \$1 to \$27; monthly passes increased from \$72 to \$78 and the university semester pass increased from \$150 to \$175. July 1, 2012 fare increases affected the prices of 2-hour, weekly, monthly, and semester passes.

#### **REVENUES AND EXPENSES**

Passenger revenue of \$27.4 million is 0.6% favorable to prior year as a result of a fare increase. Operating expenses are 5.0% greater than prior year and 4.4% favorable to budget. Expenses are greater than prior year due to higher wage and benefit costs and parts expense. The favorable variance to budget is related to wages and benefits, parts and supplies, fuel and utilities.

#### **RIDERSHIP AND OTHER CUSTOMER MEASURES**

Passenger boardings for the first six months of FY 2015 decreased 0.7% when compared to the prior year. MetroBus increased 0.4%, MetroLink and Call-A-Ride decreased 3.2% and 1.5%, respectively. MetroBus ridership was negatively affected by various factors limiting growth. The decrease in MetroLink ridership is attributed to the lower gas prices and fewer events being held in St. Louis. System passenger injuries per 1,000 boardings increased to 1.5 from 1.1 and customer complaints per 1,000 boardings decreased 13.0%, when compared to the prior year.

#### **BUSINESS MEASURES**

Average fare for the first half of FY 2015 is \$1.07, compared to \$1.05 for the prior year. This increase is the result of a fare increase. Farebox recovery is lower than the prior year primarily due to operating expenses increasing at a greater rate than passenger revenue; however, farebox recovery is better than budget due to lower than anticipated operating expenses. Operating expense per revenue hour increased 5.6% compared to the prior year, while remaining below budget. Operating expense per passenger boarding increased 6.0% compared to the prior year, but remains 6.0% under budget.

#### **OPERATING MEASURES**

For the first half of FY 2015, vehicle accidents per 100,000 vehicle miles increased 0.1 to 1.6 when compared to the prior year; however, under budget by 0.4. Unscheduled absenteeism of 3.0% is at budget. Passenger boardings per revenue mile and revenue hour remain near prior year levels.



## EXECUTIVE SUMMARY (Cont.)

### **BUSINESS ENTERPRISES**

#### **GATEWAY ARCH**

Arch tram ridership for the six months ended December 31, 2014 was 3.4% unfavorable to budget and 4.1% unfavorable to prior year actual. Ticket sales are down compared to prior year due to the on-going City/Arch/River construction project. Operating income was 6.8% greater than budget. Wages and benefits were favorable to budget but were somewhat offset by unfavorable Other Expenses for the purchase of way finding billboards related to the current park grounds and highway construction and detours.

#### **GATEWAY ARCH PARKING**

For the six months ended December 31, 2014, operating income was \$166,653 unfavorable to budget and \$210,919 less than prior year actual. Road construction and limited access related to the City/Arch/River development project and the shutdown of the facility on December 1, 2014 contributed to lower use of the garage. Vehicle transactions include pay machine exit and pay at the entrance transactions that were not counted in the budget.

#### **RIVERFRONT ATTRACTIONS**

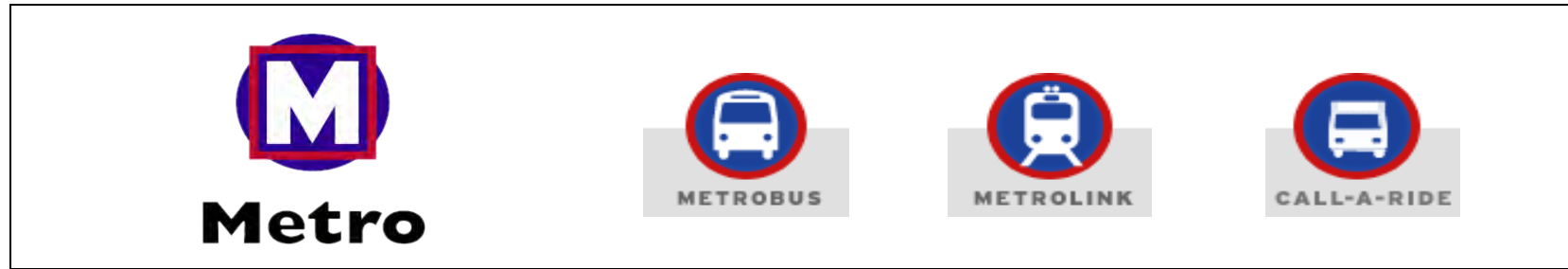
Riverboat passengers for the six months ended December 31, 2014 were 17.5% lower than budget and 50.6% less than FY 2014. Operating revenue for all Riverfront Attractions was 22.8% unfavorable to budget. Operating expenses were 19.2% under budget as a result of less than anticipated wages and benefits, utilities, insurance and materials and supplies expense. This led to unfavorable operating income compared to budget of \$21,414.

#### **ST. LOUIS DOWNTOWN AIRPORT**

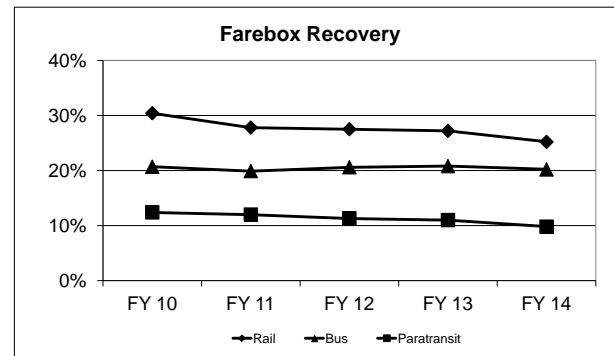
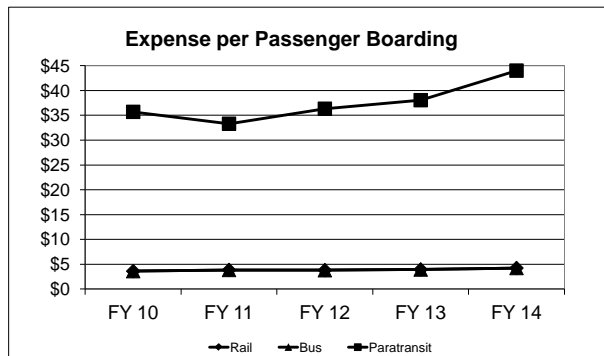
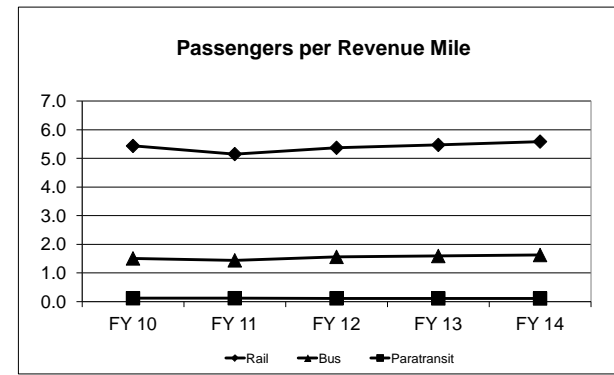
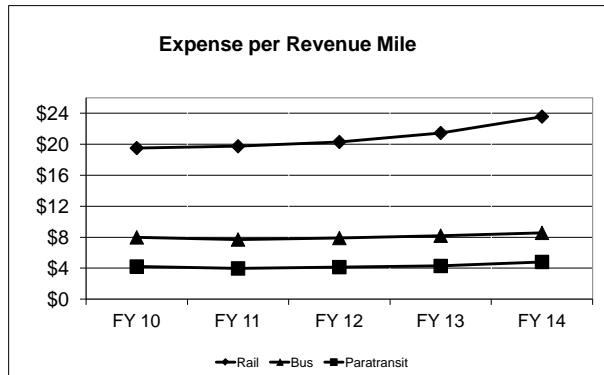
Operating income for the airport was \$130,215 below budget goals as a result of decreased operating revenue. Operating revenue was unfavorable to budget by 17.9% or \$160,022 primarily due to lower hangar rental revenue. Jet Aviation, Inc has a new lease with lower rent and also vacated a hangar. Leased acreage revenue is also below budget by 8.6%. Operating expense was favorable to budget by 4.0% due to wages and benefits and fewer part-time hours and lower pension and other benefit costs. Other expenses are lower due to Agency fees that are based on lower revenues. Airport activity varies because of the economy, special events and weather conditions. Aircraft movements decreased 23.0% from last year due to a sluggish economy. Gallon fuel sales decreased 4.4% and the average number of aircraft based at the airport decreased 2.5% compared to last year.

#### **EXECUTIVE SERVICES**

Operating income for Executive Services exceeded the budget by \$532,837 as a result of expenses being lower than budget and a favorable variance of Arch administrative fee revenue. The lower than budgeted expenses are due to unfilled positions and the timing of legal fees and consulting fees.

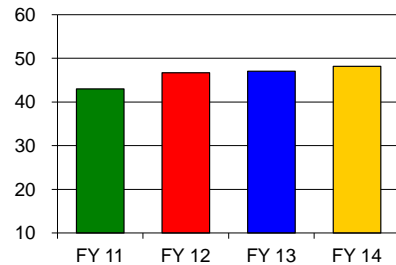


## ANNUAL TRANSIT PERFORMANCE

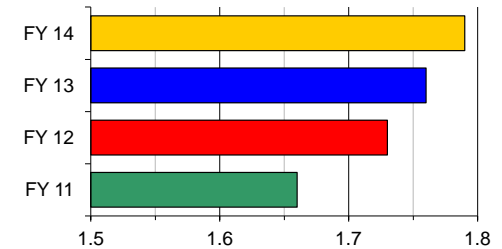


## System Profile

Annual Ridership (in millions)



Annual Passengers per Revenue Mile

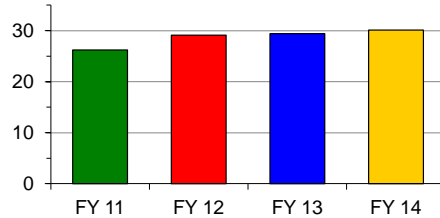


### Six Months Ended December 31, 2014

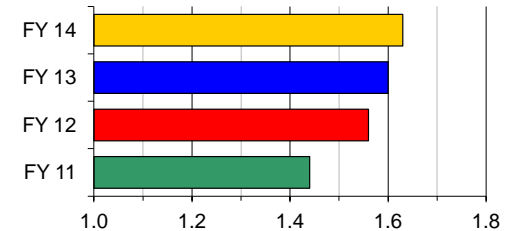
Goal	FY 2015	FY 2014	Change		FY 2013	FY 2012	FY 2011
<b><u>Customer Measures</u></b>							
155,151	153,341	154,432	-0.7%	Average Weekday Ridership	152,612	147,985	137,632
24,827,050	24,551,293	24,780,866	-0.9%	Passenger Boardings	24,152,524	23,371,250	21,610,892
1.1	1.5	1.1	28.7%	Passenger Injuries per 100,000 Boardings	1.5	1.0	1.4
10.0	10.2	11.7	-13.0%	Customer Complaints per 100,000 Boardings	16.6	12.2	11.8
<b><u>Business Measures</u></b>							
\$1.11	\$1.07	\$1.05	1.8%	Average Fare (Includes Fixed & Special)	\$1.07	\$1.03	\$1.05
19.5%	20.8%	21.5%	-3.0%	Farebox Recovery	21.6%	21.7%	22.1%
\$147.75	\$144.15	\$136.54	5.6%	Operating Expense per Revenue Hour	\$130.10	\$124.27	\$124.32
\$5.68	\$5.34	\$5.04	6.0%	Operating Expense per Passenger Boarding	\$4.87	\$4.80	\$5.00
\$4.35	\$4.03	\$3.78	6.6%	Subsidy per Passenger Boarding	\$3.60	\$3.54	\$3.69
<b><u>Operating Measures</u></b>							
2.0	1.6	1.5	6.7%	Vehicle Accidents per 100,000 Vehicle Miles	1.6	1.6	1.6
3.0%	3.0%	2.9%	3.4%	Unscheduled Absenteeism	3.3%	3.5%	3.4%
1.78	1.81	1.82	-0.8%	Passenger Boardings per Revenue Mile	1.79	1.73	1.67
26.62	27.00	27.10	-0.4%	Passenger Boardings per Revenue Hour	26.70	25.90	24.90

## MetroBus Profile

Annual Ridership (in millions)



Annual Passengers per Revenue Mile

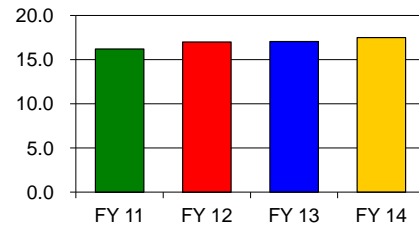


### Six Months Ended December 31, 2014

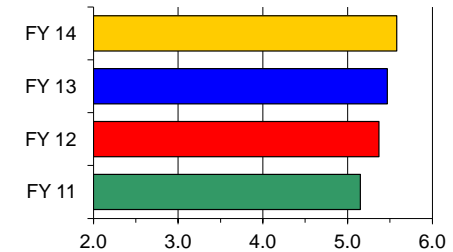
Goal	FY 2015	FY 2014	Change		FY 2013	FY 2012	FY 2011
<b><u>Customer Measures</u></b>							
96,752	97,949	97,441	0.5%	Average Weekday Ridership	96,615	93,231	84,972
15,343,800	15,523,874	15,464,723	0.4%	Passenger Boardings	15,172,940	14,528,019	13,069,312
1.2	1.8	1.4	28.6%	Passenger Injuries per 100,000 Boardings	1.9	1.4	1.7
15.0	11.8	12.2	-3.1%	Customer Complaints per 100,000 Boardings	19.2	13.3	16.7
<b><u>Business Measures</u></b>							
\$1.10	\$1.06	\$1.04	1.6%	Average Fare (Fixed and Special)	\$1.06	\$1.02	\$1.04
19.3%	20.3%	21.5%	-5.6%	Farebox Recovery	21.7%	21.4%	20.7%
\$123.49	\$119.62	\$110.68	8.1%	Operating Expense per Revenue Hour	\$109.63	\$104.19	\$105.15
\$5.72	\$5.31	\$4.93	7.7%	Operating Expense per Passenger Boarding	\$4.93	\$4.91	\$5.27
<b><u>Operating Measures</u></b>							
2.3	2.2	2.1	4.8%	Vehicle Accidents per 100,000 Vehicle Miles	2.1	1.9	2.2
91.0%	92.1%	91.3%	0.9%	On-Time Performance	92.0%	90.3%	88.1%
1.60	1.67	1.66	0.6%	Passenger Boardings per Revenue Mile	1.63	1.55	1.46
21.81	22.54	22.45	0.4%	Passenger Boardings per Revenue Hour	22.22	21.23	19.97
99.9%	99.8%	99.9%	-0.1%	Percent of Trips Completed	99.9%	99.9%	99.9%
22,000	17,575	20,730	-15.2%	Revenue Miles Between Roadcalls	22,649	18,807	17,842

## MetroLink Profile

Annual Ridership (in millions)



Annual Passengers per Revenue Mile

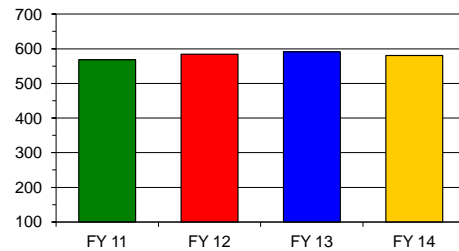


### Six Months Ended December 31, 2014

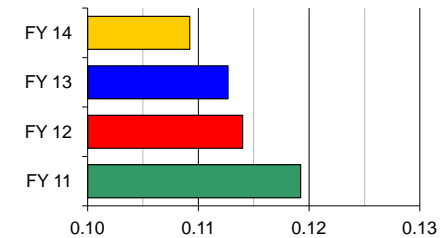
Goal	FY 2015	FY 2014	Change		FY 2013	FY 2012	FY 2011
<b>Customer Measures</b>							
56,429	53,464	55,027	-2.8%	Average Weekday Ridership	53,983	52,759	50,663
9,189,846	8,739,359	9,023,696	-3.2%	Passenger Boardings	8,682,249	8,553,937	8,257,797
0.7	0.7	0.3	133.3%	Passenger Injuries per 100,000 Boardings	0.6	0.2	0.7
1.8	1.2	1.4	-15.1%	Customer Complaints per 100,000 Boardings	1.5	0.7	1.0
<b>Business Measures</b>							
\$1.10	\$1.06	\$1.04	1.6%	Average Fare (Fixed and Special)	\$1.06	\$1.02	\$1.04
25.6%	26.0%	26.2%	-0.8%	Farebox Recovery	29.2%	29.2%	30.1%
\$558.30	\$541.49	\$544.49	-0.6%	Operating Expense per Revenue Hour	\$478.10	\$462.62	\$450.35
\$4.30	\$4.13	\$4.05	2.0%	Operating Expense per Passenger Boarding	\$3.67	\$3.59	\$3.61
<b>Operating Measures</b>							
0.1	0.1	0.1	34.0%	Vehicle Accidents per 100,000 Vehicle Miles	0.0	0.0	0.0
98.0%	96.6%	97.0%	-0.4%	On-Time Performance	98.3%	98.8%	98.7%
5.73	5.55	5.72	-3.0%	Passenger Boardings per Revenue Mile	5.51	5.38	5.21
135.24	131.11	134.28	-2.4%	Passenger Boardings per Revenue Hour	130.45	128.75	124.84
31,000	47,685	38,037	25.4%	Vehicle Miles between Failures	39,918	40,756	26,653

## Call-A-Ride Profile

Annual Ridership (in thousands)



Annual Passengers per Revenue Mile

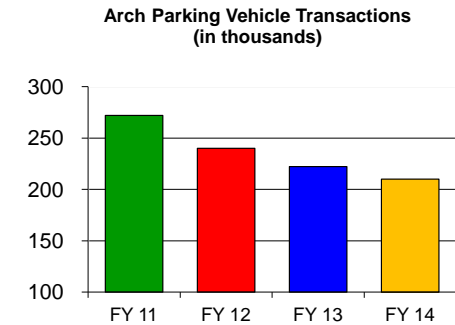
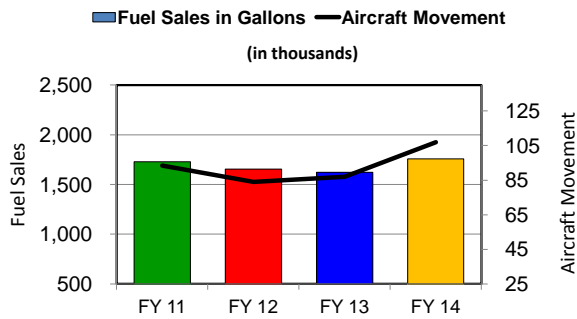
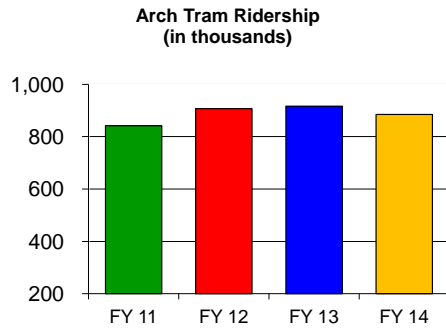


### Six Months Ended December 31, 2014

Goal	FY 2015	FY 2014	Change		FY 2013	FY 2012	FY 2011
<b>Customer Measures</b>							
1,970	1,928	1,964	-1.8%	Average Weekday Ridership	2,015	1,995	1,997
293,404	288,060	292,447	-1.5%	Passenger Boardings	297,335	289,294	283,783
4.5	5.9	8.5	-30.6%	Passenger Injuries per 100,000 Boardings	7.1	4.1	5.6
20.0	26.0	17.8	46.4%	Customer Complaints per 100,000 Boardings	15.5	15.9	19.7
<b>Business Measures</b>							
\$1.68	\$2.14	\$1.92	11.4%	Average Fare	\$1.90	\$1.70	\$1.56
9.3%	10.3%	10.7%	-3.7%	Farebox Recovery (excludes contractual)	11.4%	11.5%	12.5%
24.4%	22.2%	24.5%	-9.6%	Revenue Recovery (includes contractual)	27.7%	30.4%	33.2%
\$81.52	\$81.72	\$75.73	7.9%	Operating Expense per Revenue Hour	\$71.00	\$66.99	\$63.25
\$44.47	\$43.60	\$40.88	6.7%	Operating Expense per Passenger Boarding	\$37.10	\$35.33	\$32.90
<b>Operating Measures</b>							
1.8	1.2	0.7	71.4%	Vehicle Accidents per 100,000 Vehicle Miles	1.1	2.0	1.5
95.0%	94.8%	94.2%	0.6%	On-Time Performance	94.3%	95.7%	98.8%
0.11	0.11	0.11	0.0%	Passenger Boardings per Revenue Mile	0.11	0.11	0.12
1.82	1.87	1.85	1.1%	Passenger Boardings per Revenue Hour	1.91	1.90	1.92
50,000	33,039	59,397	-44.4%	Revenue Miles between Maintenance Failure	38,582	43,717	66,199



## Business Enterprises and Executive Services Profiles



### Six Months Ended December 31, 2014

Goal	FY 2015	FY 2014	Change		FY 2013	FY 2012	FY 2011
<b>Gateway Arch</b>							
\$852,465	\$910,597	\$1,219,962	-25.4%	Operating Income	\$1,301,864	\$1,290,008	\$1,304,461
467,678	451,989	471,239	-4.1%	Tram Ridership	496,110	476,749	487,566
<b>Gateway Arch Parking</b>							
\$128,966	(\$37,686)	\$173,232	-121.8%	Operating Income (Loss)	\$223,767	\$309,922	\$461,358
86,014	75,122	127,816	-41.2%	Vehicle Transactions *	110,146	132,269	155,779
<b>Riverfront Attractions</b>							
(\$101,986)	(\$123,400)	\$362,383	-134.1%	Operating Income (Loss)	\$243,273	\$178,842	\$89,620
47,260	39,007	78,961	-50.6%	Passengers	68,673	56,362	50,905
482	337	587	-42.6%	Cruises	667	599	506
127	105	151	-30.5%	Days of Operation	156	141	132
<b>St. Louis Downtown Airport</b>							
\$159,221	\$29,007	\$224,432	-87.1%	Operating Income (Loss)	\$313,893	\$131,683	\$126,577
870,741	871,010	910,878	-4.4%	Fuel Sales (gallons)	796,733	800,000	977,785
45,126	44,412	57,712	-23.0%	Aircraft Movements	43,667	45,727	52,534
320	318	326	-2.4%	Average Based Aircraft	318	332	279
<b>Executive Services</b>							
\$50,672	\$583,509	\$492,765	18.4%	Operating Income	\$748,029	\$183,178	\$268,368

\* Vehicle transactions beginning in FY 2014 include Pay Machine Exit and Pay at the Entrance transactions. Prior Years Actual have not been restated.

## Average Weekday Ridership

Period	MetroBus			MetroLink			Call-A-Ride			System		
	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change
1st Qtr YTD	100,622	98,878	1.8%	56,867	56,762	0.2%	1,948	1,984	-1.8%	159,437	157,623	1.2%
2nd Qtr YTD	97,949	97,441	0.5%	53,464	55,027	-2.8%	1,928	1,964	-1.8%	153,341	154,432	-0.7%
3rd Qtr YTD	-	95,702		-	53,022		-	1,973		-	150,697	
Full year	-	95,911		-	53,900		-	1,976		-	151,787	

July	96,481	90,627	6.5%	56,267	53,801	4.6%	1,903	1,953	-2.6%	154,651	146,381	5.6%
August	99,160	99,747	-0.6%	55,674	58,215	-4.4%	1,988	1,998	-0.5%	156,822	159,960	-2.0%
September	106,420	106,999	-0.5%	58,690	61,258	-4.2%	1,952	2,000	-2.4%	167,062	170,257	-1.9%
October	103,809	100,032	3.8%	55,874	59,348	-5.9%	2,026	2,041	-0.7%	161,709	161,421	0.2%
November	93,086	97,811	-4.8%	47,498	52,428	-9.4%	1,878	1,950	-3.7%	142,462	152,189	-6.4%
December	88,254	89,872	-1.8%	46,200	47,402	-2.5%	1,822	1,840	-1.0%	136,276	139,114	-2.0%
January	-	83,911		-	45,920		-	1,799		-	131,630	
February	-	93,506		-	49,184		-	2,059		-	144,749	
March	-	94,789		-	51,800		-	2,115		-	148,704	
April	-	96,049		-	57,185		-	2,036		-	155,270	
May	-	97,879		-	56,374		-	1,955		-	156,208	
June	-	95,698		-	56,010		-	1,963		-	153,671	

# Passenger Boardings

Period	MetroBus			MetroLink			Call-A-Ride			System		
	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change
1st Qtr YTD	8,039,048	7,863,294	2.2%	4,730,660	4,759,015	-0.6%	144,792	147,262	-1.7%	12,914,500	12,769,571	1.1%
2nd Qtr YTD	15,523,874	15,464,723	0.4%	8,739,359	9,023,696	-3.2%	288,060	292,447	-1.5%	24,551,293	24,780,866	-0.9%
3rd Qtr YTD	-	22,449,648	-	-	12,884,942	-	-	434,870	-	-	35,769,460	-
Full year	-	30,123,181	-	-	17,466,322	-	-	580,562	-	-	48,170,065	-

July	2,614,885	2,456,715	6.4%	1,618,750	1,548,189	4.6%	48,491	49,838	-2.7%	4,282,126	4,054,742	5.6%
August	2,659,210	2,721,485	-2.3%	1,528,210	1,600,732	-4.5%	48,349	49,901	-3.1%	4,235,769	4,372,118	-3.1%
September	2,764,953	2,685,094	3.0%	1,583,700	1,610,094	-1.6%	47,952	47,523	0.9%	4,396,605	4,342,711	1.2%
October	2,837,701	2,842,083	-0.2%	1,562,305	1,664,818	-6.2%	51,699	51,894	-0.4%	4,451,705	4,558,795	-2.3%
November	2,289,928	2,456,784	-6.8%	1,201,463	1,349,380	-11.0%	44,002	47,180	-6.7%	3,535,393	3,853,344	-8.3%
December	2,357,197	2,302,562	2.4%	1,244,931	1,250,483	-0.4%	47,567	46,111	3.2%	3,649,695	3,599,156	1.4%
January	-	2,243,038		-	1,234,908		-	45,893		-	3,523,839	
February	-	2,255,170		-	1,201,360		-	46,113		-	3,502,643	
March	-	2,486,717		-	1,424,978		-	50,417		-	3,962,112	
April	-	2,540,100		-	1,567,406		-	49,947		-	4,157,453	
May	-	2,642,618		-	1,522,250		-	48,920		-	4,213,788	
June	-	2,490,815		-	1,491,724		-	46,825		-	4,029,364	

## Passengers by Jurisdiction

Period	MetroBus						MetroLink					
	Missouri			St. Clair			Missouri			St. Clair		
	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change
1st Qtr YTD	7,152,041	7,014,205	2.0%	887,007	849,089	4.5%	3,841,877	3,832,944	0.2%	888,783	926,071	-4.0%
2nd Qtr YTD	13,862,702	13,827,112	0.3%	1,661,172	1,637,611	1.4%	7,103,544	7,294,053	-2.6%	1,635,815	1,729,643	-5.4%
3rd Qtr YTD	-	20,099,223	-	-	2,350,425	-	-	10,414,449	-	-	2,470,493	-
Full year	-	26,951,227	-	-	3,171,954	-	-	14,131,372	-	-	3,334,950	-

July	2,330,567	2,197,028	6.1%	284,318	259,687	9.5%	1,319,626	1,248,438	5.7%	299,124	299,751	-0.2%
August	2,354,244	2,421,325	-2.8%	304,966	300,160	1.6%	1,236,244	1,290,183	-4.2%	291,966	310,549	-6.0%
September	2,467,230	2,395,852	3.0%	297,723	289,242	2.9%	1,286,007	1,294,323	-0.6%	297,693	315,771	-5.7%
October	2,543,215	2,548,064	-0.2%	294,486	294,019	0.2%	1,273,341	1,347,733	-5.5%	288,964	317,085	-8.9%
November	2,054,174	2,200,452	-6.6%	235,754	256,332	-8.0%	977,035	1,096,988	-10.9%	224,428	252,392	-11.1%
December	2,113,272	2,064,391	2.4%	243,925	238,171	2.4%	1,011,291	1,016,388	-0.5%	233,640	234,095	-0.2%
January	-	2,010,121		-	232,917		-	994,117		-	240,791	
February	-	2,024,682		-	230,488		-	968,113		-	233,247	
March	-	2,237,308		-	249,409		-	1,158,166		-	266,812	
April	-	2,271,624		-	268,476		-	1,273,923		-	293,483	
May	-	2,357,508		-	285,110		-	1,231,161		-	291,089	
June	-	2,222,872		-	267,943		-	1,211,839		-	279,885	

# Passenger Revenue

Period	MetroBus			MetroLink			Call-A-Ride *			System		
	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change
1st Qtr YTD	\$8,844,893	\$8,542,264	3.5%	\$5,153,495	\$5,125,326	0.5%	\$643,724	\$616,407	4.4%	\$14,642,112	\$14,283,997	2.5%
2nd Qtr YTD	\$16,749,400	\$16,419,685	2.0%	\$9,385,899	\$9,584,376	-2.1%	\$1,293,472	\$1,273,996	1.5%	\$27,428,771	\$27,278,057	0.6%
3rd Qtr YTD	\$23,846,755			\$13,708,228			\$1,845,088			\$39,400,071		
Full year	\$31,995,231			\$18,540,970			\$2,500,983			\$53,037,184		

1st Qtr	\$8,844,893	\$8,542,264	3.5%	\$5,153,495	\$5,125,326	0.5%	\$643,724	\$616,407	4.4%	\$14,642,112	\$14,283,997	2.5%
2nd Qtr	\$7,904,507	\$7,877,421	0.3%	\$4,232,404	\$4,459,051	-5.1%	\$649,748	\$657,588	-1.2%	\$12,786,659	\$12,994,060	-1.6%
3rd Qtr	\$7,427,069			\$4,123,852			\$571,093			\$12,122,014		
4th Qtr	\$8,148,476			\$4,832,742			\$655,895			\$13,637,113		

\* Call-A-Ride passenger revenue does not include Medicaid and Department of Mental Health contractual subsidies.

# Revenue Miles

Period	MetroBus*			MetroLink*			Call-A-Ride			System		
	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change
1st Qtr YTD	4,692,837	4,684,655	0.2%	787,374	789,196	-0.2%	1,354,466	1,343,446	0.8%	6,834,677	6,817,297	0.3%
2nd Qtr YTD	9,314,538	9,328,683	-0.2%	1,573,591	1,578,540	-0.3%	2,676,164	2,672,854	0.1%	13,564,294	13,580,077	-0.1%
3rd Qtr YTD	-	13,857,952		-	2,349,260		-	3,958,113		-	20,165,325	
Full year	-	18,529,083		-	3,127,483		-	5,315,418		-	26,971,985	

July	1,583,027	1,582,930	0.0%	268,160	268,090	0.0%	452,806	451,464	0.3%	2,303,993	2,302,484	0.1%
August	1,573,079	1,600,952	-1.7%	263,356	265,318	-0.7%	449,359	455,824	-1.4%	2,285,794	2,322,094	-1.6%
September	1,536,731	1,500,773	2.4%	255,858	255,788	0.0%	452,301	436,158	3.7%	2,244,891	2,192,719	2.4%
October	1,599,734	1,605,583	-0.4%	266,487	272,128	-2.1%	476,950	475,892	0.2%	2,343,170	2,353,602	-0.4%
November	1,472,726	1,500,852	-1.9%	253,504	252,446	0.4%	405,168	427,766	-5.3%	2,131,398	2,181,064	-2.3%
December	1,549,241	1,537,593	0.8%	266,227	264,770	0.6%	439,580	425,750	3.2%	2,255,049	2,228,113	1.2%
January	-	1,563,415		-	265,712		-	419,500		-	2,248,626	
February	-	1,419,734		-	240,977		-	415,031		-	2,075,742	
March	-	1,546,121		-	264,030		-	450,728		-	2,260,879	
April	-	1,537,858		-	256,926		-	459,680		-	2,254,464	
May	-	1,557,455		-	264,515		-	455,281		-	2,277,252	
June	-	1,575,818		-	256,782		-	442,344		-	2,274,944	

\* Scheduled

# Total Miles

Period	MetroBus*			MetroLink*			Call-A-Ride			System		
	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change
1st Qtr YTD	5,340,966	5,334,232	0.1%	795,036	796,151	-0.1%	1,439,391	1,427,967	0.8%	7,575,393	7,558,351	0.2%
2nd Qtr YTD	10,594,844	10,608,243	-0.1%	1,588,429	1,593,399	-0.3%	2,849,873	2,838,974	0.4%	15,033,146	15,040,616	0.0%
3rd Qtr YTD	-	15,752,314		-	2,370,309		-	4,203,636		-	22,326,259	
Full year	-	21,026,546		-	3,155,350		-	5,643,112		-	29,825,007	

July	1,804,931	1,800,912	0.2%	271,057	270,548	0.2%	481,182	479,556	0.3%	2,557,170	2,551,015	0.2%
August	1,797,276	1,824,692	-1.5%	265,683	267,670	-0.7%	476,915	485,716	-1.8%	2,539,874	2,578,078	-1.5%
September	1,738,760	1,708,629	1.8%	258,295	257,934	0.1%	481,294	462,695	4.0%	2,478,349	2,429,258	2.0%
October	1,821,835	1,827,151	-0.3%	269,301	275,749	-2.3%	509,671	504,073	1.1%	2,600,807	2,606,973	-0.2%
November	1,670,199	1,700,318	-1.8%	255,632	254,640	0.4%	432,581	453,261	-4.6%	2,358,412	2,408,218	-2.1%
December	1,761,844	1,746,542	0.9%	268,461	266,859	0.6%	468,230	453,673	3.2%	2,498,535	2,467,074	1.3%
January	-	1,775,002		-	267,792		-	446,730		-	2,489,524	
February	-	1,613,191		-	242,824		-	440,987		-	2,297,002	
March	-	1,755,879		-	266,294		-	476,945		-	2,499,118	
April	-	1,755,032		-	259,485		-	487,026		-	2,501,543	
May	-	1,777,402		-	266,589		-	484,029		-	2,528,019	
June	-	1,741,798		-	258,967		-	468,421		-	2,469,186	

\* Scheduled

# Revenue Hours

Period	MetroBus*			MetroLink*			Call-A-Ride			System		
	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change
1st Qtr YTD	348,319	347,991	0.1%	33,351	33,677	-1.0%	77,549	79,048	-1.9%	459,219	460,716	-0.3%
2nd Qtr YTD	688,587	688,947	-0.1%	66,658	67,200	-0.8%	153,674	157,886	-2.7%	908,920	914,033	-0.6%
3rd Qtr YTD	-	1,020,168		-	99,908		-	233,752		-	1,353,828	
Full year	-	1,362,513		-	132,922		-	311,539		-	1,806,973	

July	117,420	116,968	0.4%	11,393	11,445	-0.5%	26,310	26,932	-2.3%	155,122	155,346	-0.1%
August	117,552	119,046	-1.3%	11,156	11,348	-1.7%	25,753	26,859	-4.1%	154,461	157,253	-1.8%
September	113,348	111,977	1.2%	10,803	10,883	-0.7%	25,486	25,257	0.9%	149,636	148,117	1.0%
October	117,968	118,510	-0.5%	11,225	11,550	-2.8%	26,910	27,794	-3.2%	156,103	157,854	-1.1%
November	108,155	110,029	-1.7%	10,789	10,718	0.7%	23,375	25,364	-7.8%	142,319	146,111	-2.6%
December	114,146	112,417	1.5%	11,293	11,254	0.3%	25,840	25,680	0.6%	151,279	149,351	1.3%
January	-	114,055		-	11,290		-	25,782		-	151,127	
February	-	103,665		-	10,238		-	24,155		-	138,058	
March	-	113,500		-	11,180		-	25,929		-	150,609	
April	-	113,762		-	10,888		-	26,493		-	151,143	
May	-	115,605		-	11,251		-	26,123		-	152,979	
June	-	112,978		-	10,875		-	25,171		-	149,024	

\* Scheduled



# Total Hours

Period	MetroBus*			MetroLink*			Call-A-Ride			System		
	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change
1st Qtr YTD	373,708	372,912	0.2%	33,901	34,204	-0.9%	83,595	85,241	-1.9%	491,204	492,357	-0.2%
2nd Qtr YTD	739,261	738,747	0.1%	67,742	68,288	-0.8%	165,875	170,247	-2.6%	972,878	977,282	-0.5%
3rd Qtr YTD	-	1,094,630		-	101,493		-	252,135		-	1,448,258	
Full year	-	1,462,141		-	135,028		-	335,814		-	1,932,983	

July	126,018	125,407	0.5%	11,591	11,627	-0.3%	28,442	29,034	-2.0%	166,051	166,068	0.0%
August	126,057	127,552	-1.2%	11,331	11,527	-1.7%	27,666	29,036	-4.7%	165,054	168,115	-1.8%
September	121,633	119,953	1.4%	10,979	11,050	-0.6%	27,487	27,171	1.2%	160,099	158,174	1.2%
October	126,687	127,096	-0.3%	11,420	11,774	-3.0%	29,056	29,874	-2.7%	167,163	168,743	-0.9%
November	116,043	117,962	-1.6%	10,954	10,887	0.6%	25,277	27,305	-7.4%	152,274	156,153	-2.5%
December	122,823	120,778	1.7%	11,467	11,423	0.4%	27,947	27,827	0.4%	162,237	160,028	1.4%
January	-	122,577		-	11,460		-	27,964		-	162,001	
February	-	111,399		-	10,391		-	26,094		-	147,884	
March	-	121,906		-	11,354		-	27,830		-	161,091	
April	-	122,190		-	11,073		-	28,423		-	161,686	
May	-	124,075		-	11,419		-	28,201		-	163,695	
June	-	121,247		-	11,043		-	27,055		-	159,345	

\* Scheduled

## Operating Expense by Mode

Period	MetroBus			MetroLink			Call-A-Ride			System		
	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change
1st Qtr YTD	\$40,333,500	\$38,259,110	5.4%	\$18,060,510	\$18,000,810	0.3%	\$6,440,719	\$6,112,953	5.4%	\$64,834,729	\$62,372,874	3.9%
2nd Qtr YTD	\$82,371,139	\$76,254,594	8.0%	\$36,094,969	\$36,589,701	-1.4%	\$12,558,509	\$11,956,282	5.0%	\$131,024,617	\$124,800,577	5.0%
3rd Qtr YTD	\$116,834,583			\$54,313,807			\$18,570,902			\$189,719,292		
Full year	\$158,594,799			\$73,683,260			\$25,554,639			\$257,832,698		

1st Qtr	\$40,333,500	\$38,259,110	5.4%	\$18,060,510	\$18,000,810	0.3%	\$6,440,719	\$6,112,953	5.4%	\$64,834,729	\$62,372,874	3.9%
2nd Qtr	\$42,037,639	\$37,995,484	10.6%	\$18,034,459	\$18,588,890	-3.0%	\$6,117,790	\$5,843,328	4.7%	\$66,189,888	\$62,427,703	6.0%
3rd Qtr	\$40,579,989			\$17,724,106			\$6,614,620			\$64,918,715		
4th Qtr	\$41,760,216			\$19,369,453			\$6,983,737			\$68,113,406		

## Unscheduled Absenteeism

Period	Operators			Maintenance			Facility Support			Total		
	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change
1st Qtr YTD	3.0%	3.3%	-0.3%	2.1%	2.8%	-0.8%	2.2%	1.4%	0.7%	2.8%	3.0%	-0.2%
2nd Qtr YTD	3.3%	3.2%	0.0%	2.0%	2.4%	-0.4%	2.8%	1.7%	1.1%	3.0%	2.9%	0.1%
3rd Qtr YTD		3.6%			2.4%			2.0%			3.2%	
Full year		3.6%			2.2%			1.8%			3.2%	

July	3.1%	2.8%	0.3%	3.0%	3.9%	-0.9%	1.8%	0.9%	0.9%	2.9%	2.8%	0.2%
August	2.8%	3.3%	-0.5%	1.9%	2.4%	-0.5%	2.3%	1.6%	0.7%	2.6%	2.9%	-0.3%
September	3.1%	3.8%	-0.7%	1.2%	2.1%	-1.0%	2.3%	1.8%	0.5%	2.7%	3.3%	-0.6%
October	3.3%	2.8%	0.5%	2.3%	2.3%	0.0%	3.8%	2.8%	1.0%	3.2%	2.7%	0.5%
November	3.2%	3.1%	0.2%	2.5%	1.4%	1.0%	2.9%	1.7%	1.2%	3.1%	2.6%	0.5%
December	4.0%	3.9%	0.1%	1.3%	2.2%	-0.8%	3.4%	1.4%	2.0%	3.5%	3.3%	0.2%
January		4.2%			3.2%			2.2%			3.8%	
February		4.3%			2.4%			3.1%			3.9%	
March		4.2%			1.7%			2.2%			3.6%	
April		3.7%			1.6%			1.0%			3.0%	
May		4.1%			1.5%			1.2%			3.3%	
June		3.1%			2.1%			1.8%			2.8%	

# Gateway Arch

	Operating Income		
Quarter	FY 2015	FY 2014	Change
1st Qtr YTD	\$869,559	\$1,133,094	-23.3%
2nd Qtr YTD	\$910,597	\$1,219,962	-25.4%
3rd Qtr YTD		\$1,291,005	
Full Year		\$1,903,977	

	Tram Ridership		
Quarter	FY 2015	FY 2014	Change
1st Qtr YTD	327,008	347,536	-5.9%
2nd Qtr YTD	451,989	471,239	-4.1%
3rd Qtr YTD		594,156	
Full Year		885,165	

	Tram Ridership		
Month	FY 2015	FY 2014	Change
July	153,124	156,979	-2.5%
August	117,575	124,943	-5.9%
September	56,309	65,614	-14.2%
October	52,740	32,033	64.6%
November	39,556	54,174	-27.0%
December	32,685	37,496	-12.8%
January		23,447	
February		25,964	
March		73,506	
April		70,271	
May		92,486	
June		128,252	

# Gateway Arch Parking

	Operating Income (Loss)		
Quarter	FY 2015	FY 2014	Change
1st Qtr YTD	\$95,277	\$225,729	-57.8%
2nd Qtr YTD	(\$37,686)	\$173,232	-121.8%
3rd Qtr YTD		\$62,213	
Full Year		\$68,281	

	Vehicle Transactions		
Quarter	FY 2015	FY 2014	Change
1st Qtr YTD	60,189	94,948	-36.6%
2nd Qtr YTD	75,122	127,816	-41.2%
3rd Qtr YTD		158,870	
Full Year		210,394	

	* Vehicle Transactions		
Month	FY 2015	FY 2014	Change
July	29,021	40,402	-28.2%
August	19,493	33,564	-41.9%
September	11,675	20,982	-44.4%
October	12,303	8,941	37.6%
November	2,630	13,031	-79.8%
December	-	10,896	
January		8,222	
February		7,435	
March		15,397	
April		11,211	
May		16,721	
June		23,592	

\* Vehicle transactions in FY 2014 and FY 2015 include Pay Machine Exit and Pay at the Entrance transactions.

# Riverfront Attractions

	Riverboat Passengers		
Month	FY 2015	FY 2014	Change
July	6,496	32,752	-80.2%
August	20,101	23,774	-15.4%
September	4,446	11,443	-61.1%
October	5,660	8,156	-30.6%
November	1,964	2,633	-25.4%
December	340	203	67.5%
January		-	
February		-	
March		5,650	
April		9,542	
May		16,542	
June		10,028	

Quarter	FY 2015	FY 2014	Change
1st Qtr YTD	31,043	67,969	-54.3%
2nd Qtr YTD	39,007	78,961	-50.6%
3rd Qtr YTD		84,611	
Full Year		120,723	

	Operating Income (Loss)		
Quarter	FY 2015	FY 2014	Change
1st Qtr YTD	\$43,256	\$444,268	-90.3%
2nd Qtr YTD	(\$123,400)	\$362,383	-134.1%
3rd Qtr YTD		\$37,087	
Full Year		\$44,652	

	Riverboat Cruises		
Quarter	FY 2015	FY 2014	Change
1st Qtr YTD	254	477	-46.8%
2nd Qtr YTD	337	587	
3rd Qtr YTD		631	
Full Year		932	

	Riverboat Days of Operation		
Quarter	FY 2015	FY 2014	Change
1st Qtr YTD	55	92	-40.2%
2nd Qtr YTD	105	151	
3rd Qtr YTD		175	
Full Year		248	

# St. Louis Downtown Airport

	Fuel Sales in Gallons		
Month	FY 2015	FY 2014	Change
July	147,048	153,396	-4.1%
August	138,056	165,059	-16.4%
September	146,556	160,327	-8.6%
October	171,728	189,759	-9.5%
November	154,712	136,805	13.1%
December	112,910	105,532	7.0%
January		124,462	
February		104,235	
March		154,339	
April		167,417	
May		149,801	
June		146,508	

Quarter	FY 2015	FY 2014	Change
1st Qtr YTD	431,660	478,782	-9.8%
2nd Qtr YTD	871,010	910,878	-4.4%
3rd Qtr YTD		1,293,914	
Full Year		1,757,640	

	Operating Income (Loss)		
Quarter	FY 2015	FY 2014	Change
1st Qtr YTD	(\$20,767)	\$126,995	-116.4%
2nd Qtr YTD	\$29,007	\$224,432	-87.1%
3rd Qtr YTD		\$255,061	
Full year		\$277,116	

	Aircraft Movements		
Quarter	FY 2015	FY 2014	Change
1st Qtr YTD	23,874	33,603	-29.0%
2nd Qtr YTD	44,412	57,712	-23.0%
3rd Qtr YTD		77,003	
Full Year		106,996	

	Average Based Aircraft		
Quarter	FY 2015	FY 2014	Change
1st Qtr YTD	317	328	-3.6%
2nd Qtr YTD	318	326	-2.4%
3rd Qtr YTD		323	
Full Year		321	

## Executive Services Operating Income

Quarter	FY 2015	FY 2014	Change
1st Qtr YTD	\$415,383	\$414,123	0.3%
2nd Qtr YTD	\$583,509	\$748,029	-22.0%
3rd Qtr YTD		\$945,638	
Full Year		\$1,217,941	

Quarter	FY 2015	FY 2014	Change
1st Qtr	\$415,383	\$414,123	0.3%
2nd Qtr	\$168,126	\$333,906	-49.6%
3rd Qtr		\$197,608	
4th Qtr		\$272,304	



# Definitions

## Transit

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### **Customer 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. System customer complaints have been restated to include complaints not specifically related to an operating facility.

### **Expense**

Excludes depreciation, amortization, debt expense and the 2% sheltered workshop pass-through. Allocations by mode are based on a management-developed model. (See also "Operating Expense.")

### **Failure**

Metro Call A Ride: 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 for mechanical reasons.

### **Farebox recovery**

Passenger revenue as a percent of operating expense.

### **Fleet size**

Number of revenue vehicles at the end of the reporting period.

### **On-time performance**

MetroBus and MetroLink: 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.

Metro 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.

## Transit

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### **Operating expense**

Expense less leases and rentals, which is a National Transit Database definition. Allocations by mode are based on National Transit Database instructions which are different than the management-developed cost allocation model. (See also "Expense.")

### **Passenger boardings**

Includes original revenue vehicle boardings and all transfers based on bus 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 Agency 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.

### **Revenue hours**

Time that MetroBus/Call-A-Ride vehicles or MetroLink trains operate in passenger service including special service.

### **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.

### **Ridership**

Total passenger boardings.

### **Roadcall**

MetroBus revenue service interruption whereby the vehicle is delayed because of mechanical, tire, farebox, wheelchair life or other equipment failure. A delay is not counted as a roadcall unless the delay is five minutes or more.

## Transit

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### **Subsidy**

Subsidy as reported on "System Profile" - Expense less operating revenue except federal, state and local assistance.

Subsidy as reported on "Peer Performance - System" - Operating expense less passenger revenue.

### **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).

### **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 an Agency 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.

## Non-Transit

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### **Aircraft movement**

Takeoff or landing recorded by the 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.

### **Arch tram ridership**

Number of adult and child tickets sold.

### **Based aircraft**

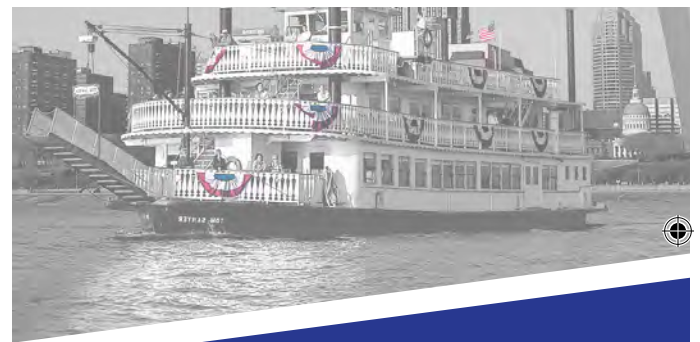
Average number of aircraft stored in owned or leased hangers or outside ramps. Quarterly, the amount represents the average of the month-end counts.

### **Parking Facility vehicle transactions**

Number of vehicles exiting the facility (excluding monthly customers) that have paid by either a Pay at the Entrance Transaction, Pay Machines Transaction, or Booth Cashier Transaction.

### **Riverfront Attractions**

Includes the Gateway Arch Riverboats and bike rentals, operated by Metro, and a heliport owned by Metro but operated under contract by another party.



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<p style="text-align: center;"><b>BI-STATE DEVELOPMENT AGENCY</b> <b>TREASURER'S REPORT DECEMBER 31, 2014</b></p>
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**INVESTMENTS**

***Yields:***

Agency investments had an average yield of .21% in December. For reference, December yields on the ninety day and one year U.S. Treasury were .04% and .22%, respectively. The quantitative easing program has ended and it is likely that rates will begin to rise. Short term rates have shown improvement over the past month.

***Invested Funds:***

In December, the Agency had \$183 million in invested funds. Approximately 41% of these funds were invested in U.S. Treasury or U.S. Government Agency securities, and 25% were invested in collateralized Certificates of Deposit (CDs) or Repurchase Agreements (Repos). The balance was invested in AAA rated money market funds. The average maturity of Agency investments was approximately 193 days.

**DEBT MANAGEMENT**

***Debt Restructuring, 2013:***

On July 1, 2013, Metro successfully sold its \$381,225,000 Series 2013A Bonds. More than \$1.5 billion in orders were placed for the bonds. The deal closed on August 1, 2013. An effective cost of funds of 4.44% was achieved. The effects of the \$75 million County loan bring the true interest cost to 3.68%. The bond restructuring, of essentially all of the Cross County Bonds, with the exception of the \$97 million Series 2009 Bonds, achieved important long term financial objectives for Metro:

- Improved debt ratings. The bonds were assigned ratings of 'AA+' and 'Aa3' by S&P and Moody's, respectively. The higher ratings will benefit Metro in future financings.
- Eliminated exposure of Metro to variable and short-term debt obligations.
- Brought 2010 subordinate bonds to senior lien status, and began their amortization.
- Optimized the debt service funding requirements to preserve long term funding flexibility for operations and capital.
- Incorporated the availability of the County Loan by using the Prop A Capital Reserve to reduce borrowing costs.
- Returned \$18 million of Federal funding from the 2002 Debt Service Reserve Fund to Metro's capital program.

In July 2014, St Louis County approved the appropriation of the 2nd loan advance in the amount of \$30 million to the Agency. The Agency redeemed the Series 2052 bonds in the amount of \$30 million on October 1, 2014. This lowered the interest rate on \$30 million in debt from 4.75% to 1.04%. It also decreased the debt service reserve fund requirement on the 2013A bonds by approximately \$1.3 million. The total debt service reserve balance is approximately \$25 million. The \$1.3 million decrease in the debt service reserve requirement was used to pay interest for monthly debt service.

***Arch Tram Revenue Bonds, 2014:***

On December 3, 2014, Metro closed on the Series 2014 Taxable Arch Tram 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 funds from this bond issuance will pay for the cost of issuance, half of the interior roof over the Arch visitor's center, and the replacement of the motor generator sets. The debt service requirement is approximately \$454 thousand.

***Bi State Development Agency/St. Clair County Transit District Revenue Bonds Refunding, 2014:***

On December 4, 2014, the Agency and St Clair County Transit District closed on the \$4,160,000 issuance of the Series 2014 Bi State Development Agency/St Clair County Metrolink Extension Project Refunding Revenue Bonds. The refunding provides a savings of approximately \$700,000 in debt service expenses. It also eliminated the need for the debt service reserve funding of approximately \$450 thousand.

***Capital Leases:***

Metro has one remaining capital lease, its 2001 LRV Lease (C1, C2 Tranches). In February 2011, staff negotiated a default cure agreement with the 2001 C1 C2 lease investor. The agreement provided that Metro deposit additional collateral with the lease trustee, of which the St. Clair County Transit District (SCCTD) provided 70%. The collateral amount is reviewed annually and is approximately \$8.5 million for 2014. The 2014 calculation was finalized in late March and securities were purchased for collateral in April.

**FUEL HEDGING**

In December, in conjunction with its diesel fuel hedging program, Metro had a *realized loss of \$290 thousand* on the sale of Home Heating Oil #2 futures contracts. Since September 2014, the price of oil per barrel has dropped approximately 42%. The decrease in price is primarily due to a lack of demand from China, Japan, and Western Europe due to weakening economies. The US is still the largest consumer, but due to more fuel efficient vehicles and a slower economy demand is stagnant. So, supply is up and demand is down. Generally, as the price of oil increases, the value of Metro's future positions also increases. A gain in the futures partially offsets the actual increase in the cost of diesel fuel. If oil prices drop, the value of the futures decline. An increase in unrealized gains generally indicates that the price of fuel is rising, and losses generally indicate oil prices are falling.





# BI-STATE DEVELOPMENT AGENCY- MONTHLY TREASURER'S REPORT

AS OF: **31-Dec-2014**

**30-Nov-2014**

	Wt. Avg.	Dollars			Market	Wt. Avg.	Dollars	Percentage		Market
BI-STATE DIRECTED:	Maturity (1)	(,000 omitted)	Of Total	Rate	Value (2)	Maturity (1)	(,000 omitted)	Of Total	Rate	Value (2)
Cash	0	\$10,538	8.3%	0.00%	\$10,538	0	\$9,072	6.9%	0.00%	\$9,072
Repurchase Agreements	1	41,263	32.6%	0.06%	41,263	3	49,798	37.9%	0.07%	49,798
Certificates of Deposit	175	898	0.7%	0.27%	898	206	898	0.7%	0.27%	898
U.S. Agencies (discounted)	160	4,994	3.9%	0.13%	4,998	191	4,993	3.8%	0.13%	4,997
U.S. Agencies (coupon)	345	35,108	27.7%	0.31%	35,083	292	31,666	24.1%	0.24%	31,104
U.S. Treasury Securities	459	4,394	3.5%	0.40%	4,403	490	4,394	3.3%	0.41%	4,399
Other Investments (3)	1	29,350	23.2%	0.04%	29,350	3	30,502	23.2%	0.02%	30,502
SUB-TOTAL BI-STATE	120	\$126,545	100.0%	0.15%	\$126,533	97	\$131,323	100.0%	0.12%	\$130,770
BI-STATE DIRECTED-PROP M:										
Certificates of Deposit	275	\$2,509	4.4%	0.16%	\$2,509	53	\$4,505	8.0%	0.18%	\$4,505
U.S. Agencies (discounted)	159	999	1.8%	0.13%	1,000	190	999	1.8%	0.13%	1,000
U.S. Agencies (coupon)	653	29,639	52.5%	0.64%	29,612	568	23,649	42.1%	0.47%	23,646
U.S. Treasury Securities	0	0	0.0%	0.00%	0	0	0	0.0%	0.00%	0
Other Investments (3)	1	23,286	41.3%	0.04%	23,286	3	27,065	48.1%	0.03%	27,065
SUB-TOTAL PROP M	358	\$56,433	100.0%	0.36%	\$56,407	248	\$56,218	100.0%	0.23%	\$56,216
TOTAL BI-STATE DIRECTED	193	\$182,978		0.21%	\$182,940	142	\$187,541		0.15%	\$186,986
TRUSTEE DIRECTED:										
Cash	0	\$0	0.0%	0.00%	\$0	0	\$0	0.0%	0.00%	\$0
U.S. Treasury Securities	0	0	0.0%	0.00%	0	0	0	0.0%	0.00%	0
Municipal Bonds	1995	10,629	22.1%	2.14%	10,578	2026	10,629	26.5%	2.14%	10,611
U.S. Agencies (coupon)	2086	23,680	49.2%	2.08%	23,775	2117	23,680	59.1%	2.08%	23,560
Commercial Paper	0	0	0.0%	0.00%	0	0	0	0.0%	0.00%	0
Other Investments (3)	1	13,846	28.8%	0.05%	13,846	3	5,762	14.4%	0.02%	5,762
SUB-TOTAL TRUSTEE	1,466	\$48,155	100.0%	1.51%	\$48,199	1,789	\$40,071	100.0%	1.80%	\$39,933
TOTAL BI-STATE & TRUSTEE	459	\$231,133		0.48%	\$231,139	432	\$227,612		0.44%	\$226,919
LRV LEASE/LEASEBACK 2001:										
US Treasury Securities	8	8,485	8.7%	0.05%	8,488	39	8,485	8.8%	0.05%	8,488
Other Investments (4)	13 years	88,768	91.3%	5.80%	88,768	13 years	88,312	91.2%	5.80%	88,312
SUB-TOTAL LRV 2001		\$97,253	100.0%	5.30%	\$97,256		\$96,797	100.0%	5.30%	\$96,800
SUB-TOTAL LEASES		\$97,253			\$97,256		\$96,797			\$96,800
Grand Total (5)		\$328,386			\$328,395		\$324,409			\$323,719

## Explanatory Notes:

- (1) Approximate weighted average of days to effective maturity, from last business day of the month.
- (2) Market value of government securities provided by safekeeping agent. Cost equals market for other investments.
- (3) Includes money market funds and fuel hedging accounts.
- (4) Investment Contracts (leases). Values of investment contracts adjusted to conform to lease payment schedules.
- (5) All amounts preliminary and subject to audit and adjustment.

Prepared by:

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Terry Gudowicz Green, Mgr of Treas Ops

Date

Reviewed by:

*Tammy Fulbright*  
Tammy Fulbright, Dir of Treasury Services

Date

Approved:

*Kathy Klevo*  
Kathy Klevo, CFO

Date

**THE BI-STATE DEVELOPMENT AGENCY dba METRO**  
**MONTHLY TREASURER'S REPORT- ALL COMPANIES**  
**BANK / ISSUER SUMMARY as of: 12/31/2014**

*Section 1 Bank/Issuer Summary*

<b>BI-STATE DIRECTED *</b> <i>all non debt/lease assets, Inc. Prop Mt.</i>	<b>CASH</b>	<b>CERTIFICATES OF DEPOSIT</b>	<b>REPURCHASE AGREEMENTS</b>	<b>OTHER</b>	<b>GOVERNMENT SECURITIES</b>	<b>COMMERCIAL PAPER\ BA's</b>	<b>TOTAL</b>	<b>MARKET VALUE</b>	<b>NOTES +</b>
BANK OF AMERICA MERRILL LYNCH	9,881,642	0	2,500,000	22,908,243	0	0	35,289,885	35,289,885	FDIC\tri-party collateral(deposits).
BLACK ROCK	0	0	0	3,954,626	0	0	3,954,626	3,954,626	Money Market Fund (Govt. Securities).
COMMERCE BANK	0	2,756,609	0	0	0	0	2,756,609	2,756,609	FDIC\FRB collateral.
FIDELITY	0	0	0	4,463,869	0	0	4,463,869	4,463,869	Money Market Fund (First Tier\Prime)
FIRST CLOVERLEAF	0	650,000	0	0	0	0	650,000	650,000	FDIC\tri-party collateral(deposits).
JEFFERSON BANK & TRUST	25,004	0	2,878,400	0	0	0	2,903,404	2,903,404	FDIC; repo collateral held at JBT.
JP MORGAN CHASE	(62,407)	0	0	8,261,444	0	0	8,199,037	8,199,037	FDIC (bank acct.)\MMKT (First Tier\Prime)
OPTUM	15,429	0	0	0	0	0	15,429	15,429	FDIC\FRB collateral.
PNC BANK	378,091	0	0	0	0	0	378,091	378,091	FDIC\FRB collateral.
RBC DAIN RAUSCHER	0	0	0	1,764,636	0	0	1,764,636	1,764,636	Commodities Margin Acct. (fuel hedging)
RJ O'BRIEN	0	0	0	649,542	0	0	649,542	649,542	Commodities Trading Acct. (fuel hedging)
REGIONS BANK	181,377	0	0	0	0	0	181,377	181,377	FDIC Insured.
UBS FINANCIAL	0	0	0	9,976,385	0	0	9,976,385	9,976,385	Money Market Fund (First Tier\Prime).
UMB BANK	8,999	0	35,885,000	0	0	0	35,893,999	35,893,999	FDIC\FRB Collateral.
U.S. BANK	110,024	0	0	0	0	0	110,024	110,024	FDIC\FRB Collateral.
ILLINOIS FUNDS	0	0	0	657,850	0	0	657,850	657,850	Illinois State Treasurer Investment Pool.
FARM CREDIT BANK	0	0	0	0	21,478,928	0	21,478,928	21,469,554	Safekept at Bank of America (BOA).
FEDERAL HOME LOAN BANK	0	0	0	0	49,261,291	0	49,261,291	49,223,036	Safekept at Bank of America (BOA).
U.S. TREASURY	0	0	0	0	4,393,679	0	4,393,679	4,403,001	Safekept by BOA or designated agent.
<b>sub-total Bi-State directed</b>	<b>10,538,159</b>	<b>3,406,609</b>	<b>41,263,400</b>	<b>52,636,595</b>	<b>75,133,898</b>	<b>0</b>	<b>182,978,661</b>	<b>182,940,354</b>	
<b>TRUSTEE DIRECTED</b>									
<b>DEBT ISSUES</b>									
<b>Cross County Bonds</b>									
<b>Series 2009, 2013</b>									
<b>BANK OF NEW YORK -MELLON TRUST</b>									
BLACK ROCK	0	0	0	7,986,567	0	0	7,986,567	7,986,567	Money Market Fund (First Tier\Prime).
GOLDMAN	0	0	0	1,992,308	0	0	1,992,308	1,992,308	Money Market Fund (First Tier\Prime).
FEDERATED GOVT OBLIG	0	0	0	1,846,534	0	0	1,846,534	1,846,534	Safekept at Bank of New York
MORGAN STANLEY	0	0	0	2,020,686	0	0	2,020,686	2,020,686	Safekept at Bank of New York
US BANK	0	0	0	0	0	0	0	0	Safekept at Bank of New York
GOVERNMENT AGENCIES	0	0	0	0	23,679,420	0	23,679,420	23,775,099	Safekept at Bank of New York
MUNICIPAL BONDS	0	0	0	0	10,629,027	0	10,629,027	10,577,549	Safekept at Bank of New York
<b>sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,846,095</b>	<b>34,308,447</b>	<b>0</b>	<b>48,154,542</b>	<b>48,198,743</b>	
<b>SUB-TOTAL TRUSTEE (BONDS)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,846,095</b>	<b>34,308,447</b>	<b>0</b>	<b>48,154,542</b>	<b>48,198,743</b>	
<b>SUB-TOTAL BI-STATE AND TRUSTEE</b>	<b>10,538,159</b>	<b>3,406,609</b>	<b>41,263,400</b>	<b>66,482,690</b>	<b>109,442,345</b>	<b>0</b>	<b>231,133,203</b>	<b>231,139,097</b>	
<b>LRV Lease\Leaseback 2001 C1 C2</b>									
FSA/IG	0	0	0	88,767,767	0	0	88,767,767	88,767,767	Guaranteed Investment Contract (GIC).
U.S. TREASURY	0	0	0	0	8,484,863	0	8,484,863	8,488,000	Safekept by Lease Trustee.
<b>sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88,767,767</b>	<b>8,484,863</b>	<b>0</b>	<b>97,252,630</b>	<b>97,255,767</b>	
<b>sub-total leases</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88,767,767</b>	<b>8,484,863</b>	<b>0</b>	<b>97,252,630</b>	<b>97,255,767</b>	
<b>GRAND TOTAL</b>	<b>\$10,538,159</b>	<b>\$3,406,609</b>	<b>\$41,263,400</b>	<b>\$155,250,457</b>	<b>\$117,927,208</b>	<b>\$0</b>	<b>\$328,385,833</b>	<b>\$328,394,864</b>	

\* Please refer to Pages 4 and 9 for explanatory notes and credit ratings.

+ **ABBREVIATIONS (above):**  
 FDIC- Federal Deposit Insurance Corp.  
 FRB - Federal Reserve Bank



## **INVESTMENT CATEGORY DESCRIPTIONS**

**CASH:** Demand deposit accounts. Some accounts are consolidated by bank for presentation purposes. Negative balances generally reflect check float. The Agency's bank accounts are protected either by Federal Deposit Insurance Corporation (FDIC) , or collateralized with securities pledged to the Agency and held either in a segregated customer account, tri-party account, or at the Federal Reserve.

**CERTIFICATES OF DEPOSIT:** Non-negotiable certificates of deposit, protected by FDIC insurance, AAA rated surety or Letter of Credit, or collateralized with securities placed in joint safekeeping with the Agency at the Federal Reserve Bank.

**BANKER'S ACCEPTANCE (BAs):** Negotiable investment instruments created by banks to finance commercial trade transactions. The Agency investment policy permits purchase of BAs only from banks rated "B" or better by Fitch Ratings (formerly Thomson BankWatch-see ratings descriptions below).

**REPURCHASE AGREEMENTS (REPOs):** An investment created by the simultaneous sale and repurchase of a security (usually a government security) for different settlement dates. The Agency's repos are collateralized with securities held in segregated customer accounts, or at the Federal Reserve.

**OTHER:** Interest checking, money market funds, guaranteed investment contracts (GICs) and investment agreements. Also includes fuel hedging related accounts. Agency policy restricts use of money market funds to Triple A rated institutional funds which have over \$500 million in assets.

**GOVERNMENT SECURITIES:** Securities (bills, discount notes, strips, coupon notes and bonds), issued by the U.S. Treasury or U.S. Government Agencies. Some securities are subject to "call" (redemption before stated final maturity).

**COMMERCIAL PAPER:** Short-term unsecured promissory note that is the obligation of the issuing entity, generally a large corporation (see ratings descriptions below).

**NOTE:** Permitted Agency investments are specified in Board Policy 30.040. All investments are shown at cost, unless otherwise noted. Market values shown for government securities or commercial paper are considered "subject to market" and provided for informational use only. Cost or par approximates market for other investments, and some of these may be subject to penalty for early redemption.

## **CREDIT QUALITY RATING DEFINITIONS (also see Page 9)**

### **Standard & Poor's, Moody's Investor Services, Fitch:**

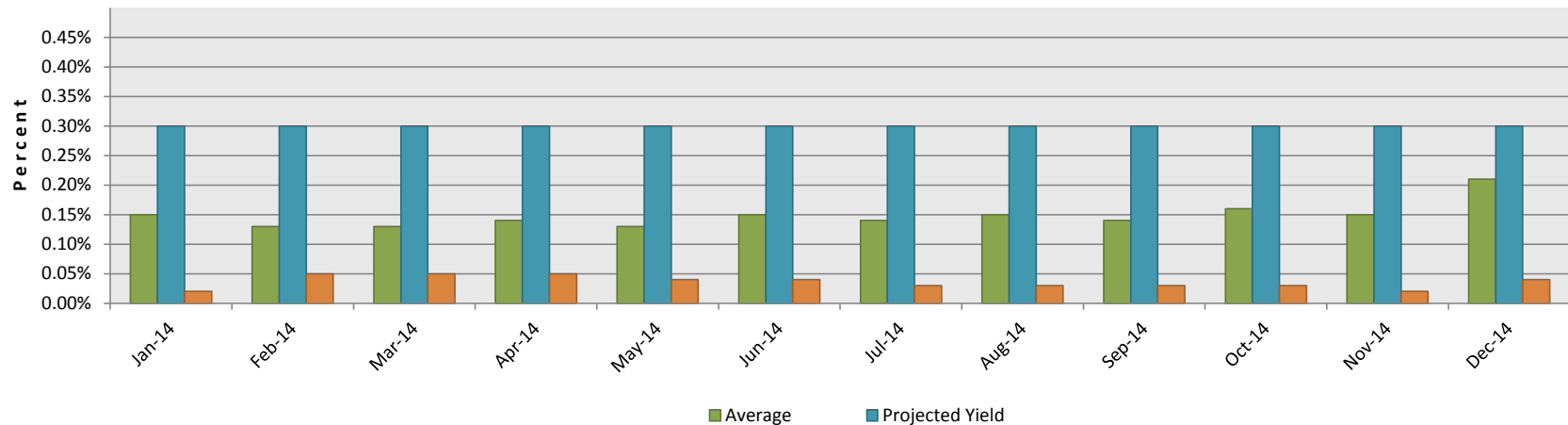
<b>AAA</b>	Standard & Poor's, Moody's and Fitch rate credit quality on an A to C scale, with A generally regarded as "upper investment grade" and C as "speculative" (D would indicate default). Within each category are different gradients. The triple A rating indicates that the issuer's long term unsecured debt rating or specific investment instrument (such as money market funds) are of the highest credit quality (lowest expectation of risk.) The AAA rating is assigned only when there is exceptionally strong capacity for timely payment of financial commitments.
<b>A1-P1</b>	Commercial Paper issues rated "A-1 by Standard and Poor's and "P-1" by Moody's have the greatest capacity for timely payment (least risk). The Agency's investment policy permits purchase of A2-P2 commercial paper from issuers with a business presence in the St. Louis region.

**BI-STATE DEVELOPMENT AGENCY  
ANNUAL INVESTMENT REPORT  
FOR MOST CURRENT 12 MONTHS**

<b>Funds (ooo's omitted)</b>	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Bi-State Investments	123,337	124,402	124,497	122,285	135,772	132,172	116,843	130,855	138,362	133,752	131,323	<b>126,545</b>
Bi-State Prop M Investments	54,519	54,435	54,094	54,177	54,494	56,620	56,628	56,667	56,886	57,062	56,218	<b>56,433</b>
Total	177,856	178,837	178,591	176,462	190,266	188,792	173,471	187,522	195,248	190,814	187,541	<b>182,978</b>
Projected Total	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	<b>145,000</b>
Trustee Investments	46,072	48,658	51,244	41,809	44,387	46,963	54,059	52,066	54,722	37,016	39,825	<b>48,155</b>

<b>Yields\Rates Information</b>	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Bi-State	0.11%	0.10%	0.10%	0.11%	0.11%	0.13%	0.12%	0.12%	0.11%	0.13%	0.12%	<b>0.15%</b>
Prop M	0.22%	0.20%	0.20%	0.20%	0.19%	0.19%	0.18%	0.21%	0.21%	0.25%	0.23%	<b>0.36%</b>
<b>Average</b>	0.15%	0.13%	0.13%	0.14%	0.13%	0.15%	0.14%	0.15%	0.14%	0.16%	0.15%	<b>0.21%</b>
<b>Projected Yield</b>	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	<b>0.30%</b>
Trustee	0.12%	0.03%	0.03%	0.03%	0.03%	1.55%	1.34%	1.39%	1.33%	1.93%	1.79%	<b>1.51%</b>
<b>3-Month Treasury Bills</b>	0.02%	0.05%	0.05%	0.05%	0.04%	0.04%	0.03%	0.03%	0.03%	0.03%	0.02%	<b>0.04%</b>
1 Year Treasury	0.10%	0.12%	0.13%	0.11%	0.10%	0.11%	0.12%	0.09%	0.11%	0.10%	0.12%	<b>0.22%</b>
Fed Funds (target)	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	<b>0.25%</b>
20-Year Municipals	4.48%	4.38%	4.43%	4.33%	4.26%	4.29%	4.33%	4.17%	4.11%	3.90%	3.94%	<b>3.65%</b>
SIFMA (BMA) Index (month end)	0.04%	0.04%	0.03%	0.06%	0.10%	0.06%	0.06%	0.05%	0.04%	0.05%	0.04%	<b>0.03%</b>

## ANNUAL YIELDS



**Bi-State Development Agency**  
**Monthly Investment Report**  
**Report of Term Investment\* Purchases: December 2014**

Item	Investment:	Par Amount	Purchased	Maturity Date	Term(days)	Yield	Purchased From	Fund
1	CD -- Collateralized	\$ 1,507,506	12/18/14	12/18/15	365	0.16%	Commerce Bank	Prop M County
2	FFCB Callable Bond	\$ 997,220	12/19/14	12/11/17	1088	1.24%	Bank of America	Prop M City
3	FFCB Callable Bond	\$ 997,690	12/19/14	12/17/18	1459	1.68%	Bank of America	Prop M City
4	FFCB Callable Bond	\$ 997,220	12/19/14	12/11/17	1088	1.24%	Bank of America	Prop M County
5	FFCB Callable Bond	\$ 997,690	12/19/14	12/17/18	1459	1.68%	Bank of America	Prop M County
6	FHLB Bond	\$ 2,000,440	12/19/14	01/25/16	402	0.32%	Wells Fargo	Prop A
7	FFCB Callable Bond	\$ 997,220	12/19/14	12/11/17	1088	1.24%	Bank of America	Prop A
8	FHLB Bond	\$ 1,500,000	12/23/14	12/23/15	365	0.25%	Commerce Bank	Transit Sales Tax
9	FHLB Callable Bond	\$ 999,910	12/30/14	12/30/16	731	0.88%	JP Morgan	Prop M City
10	FHLB Bond	\$ 999,750	12/30/14	06/30/17	913	1.01%	Wells Fargo	Prop M County
11	FHLB Callable Bond	\$ 999,910	12/30/14	12/30/16	731	0.88%	JP Morgan	Prop A
12	FHLB Bond	\$ 999,750	12/30/14	06/30/17	913	1.01%	Wells Fargo	Prop A
	<b>Total</b>	<b>\$ 13,994,306</b>						
					<b>811</b>	<b>0.86%</b>		

**Notes:**

\* Investments with an original term of over 14 days.

## Metro Diesel Fuel Hedging Program - FY 2015

	<b>Diesel Fuel Budget \ Actual Comparison:</b>	<b>Dec-14</b>	<b>Year to Date</b>	<b>Life to Date</b>
a	Gallons consumed-actual	443,556	2,871,704	65,958,724
b=(c/a)	Average cost per gallon-actual	\$ 2.25	\$ 2.74	\$ 2.21
c	<b>Total Diesel Fuel Cost-Actual</b>	<b>\$ 996,715</b>	<b>\$ 7,863,236</b>	<b>\$ 145,624,142</b>
d	Gallons consumed- budget	425,421	2,808,069	68,987,297
e=(f/d)	Average cost per gallon- budget	\$ 3.40	\$ 3.40	\$ 2.27
f	<b>Total Diesel Fuel Cost- Budget</b>	<b>\$ 1,446,431</b>	<b>\$ 9,547,435</b>	<b>\$ 156,821,324</b>
g=(f-c)	<b>Budget Variance (Unfavorable)</b>	<b>\$ 449,716</b>	<b>\$ 1,684,199</b>	<b>\$ 11,197,182</b>
h	<b>Realized Futures Gains (Losses)</b>	<b>\$ (290,060)</b>	<b>\$ (604,330)</b>	<b>\$ 5,185,534</b>
i=(c-h)	<b>Net Cost of Fuel</b>	<b>\$ 1,286,775</b>	<b>\$ 8,467,566</b>	<b>\$ 140,438,608</b>
j=(i-f)	<b>Net Budget Variance (Unfavorable)</b>	<b>\$ 159,656</b>	<b>\$ 1,079,869</b>	<b>\$ 16,382,716</b>
j=(i/f)	Net Cost of Fuel, Per Gallon, inc. Hedge	\$ 2.90	\$ 2.95	\$ 2.13
k=(e-i)	Net Budget Variance Per Gallon	\$ 0.50	\$ 0.45	\$ 0.14
<b>Futures Activity:</b>		<b>Price of Barrel of Oil:</b>		
	Futures Contracts Purchased	8	<b>Date</b>	<b>Price</b>
	Futures Contracts Sold	16	08/31/2014	\$ 95.96
	Futures Contracts Net Change at month end	(8)	09/30/2014	\$ 91.16
	Total Open Futures Contracts, at month end	152	10/31/2014	\$ 80.54
	Futures Contracts Unrealized Gain/(Loss) *	(\$1,571,535)	11/30/2014	\$ 66.15
	(% of Estimated Future Consumption)	79%	12/31/2014	\$ 53.27
<p>* = At month end</p> <p><b><u>Explanatory Notes:</u></b></p> <p>Consumption budgeted at approximately 120,000 gallons per week.</p> <p>Current diesel contracts: diesel =Platts +10.17 cents per gal.; B2 diesel= Platts + 10.93 cents per gal.</p> <p>A futures contract equals 42,000 gallons.</p> <p>Numbers above rounded.</p> <p>Amounts do not include transaction or consulting costs.</p> <p>Futures Contracts are purchased from Feb 2015 through Jul 2016 (18 months).</p> <p><b><u>Background:</u></b></p> <p>Linwood Capital is a consultant retained by Metro since April 2004 to assist with its energy price risk management program.</p> <p>Metro manages the cost of fuel by utilizing purchase of exchange traded futures, specifically NYMEX Heating Oil#2 (HO#2) futures.</p> <p>Generally, as oil prices increase, the value of the futures goes up, and acts to partially offset the actual increase in the price of fuel.</p>				

**Bi-State Development Agency**  
**FY'15 Metro Transit Projected Cash Flow (draft, discussion only)**  
(dollars in thousands)

	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals														
Note- Figures are estimates of CASH receipts and disb.: subject to change	Fiscal Yr	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	Fiscal Yr	JULY	AUG	SEPT	OCT	NOV	DEC	FY'16
	2014	2014	2014	2014	2014	2014	2014	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	Six months
BEGINNING CASH BAL. OPER.&REV. FUNDS	\$30,000	\$51,300	\$35,200	\$47,200	\$58,000	\$53,500	\$51,800	\$45,800	\$38,157	\$40,129	\$39,502	\$36,168	\$49,106	\$51,300	\$44,602	\$41,912	\$39,673	\$47,458	\$40,033	\$38,141	\$44,602
CASH RECEIPTS- SALES TAXES :																					
St Louis County 1/2 cent (est. 1974)	38,657	0	7,515	3,963	3,510	2,809	3,618	3,867	3,557	3,159	3,143	3,290	3,332	41,763	3,757	3,757	3,963	3,510	2,809	3,618	21,414
St Louis City 1/2 cent (est. 1974)	17,996	2,371	1,069	1,888	1,764	1,126	1,907	1,673	988	1,734	1,305	1,521	1,702	19,048	2,371	1,069	1,888	1,764	1,126	1,907	10,125
sub-total 1/2 cent (1974)	56,653	2,371	8,584	5,851	5,274	3,935	5,525	5,540	4,545	4,893	4,448	4,811	5,034	60,811	6,128	4,826	5,851	5,274	3,935	5,525	31,539
Pledged to debt service X-County Bonds:																					
St Louis County 1/4 cent Prop M (1994)	39,298	0	7,524	4,059	3,612	2,916	3,689	3,922	3,403	3,246	3,210	3,348	3,328	42,257	3,762	3,762	4,059	3,612	2,916	3,689	21,800
St Louis City 1/4 cent Prop M (1994)	9,457	0	1,752	1,004	902	595	1,002	870	562	879	818	770	888	10,042	876	876	982	917	586	992	5,228
St Louis County 1/2 cent Prop A (2010)	50,759	661	9,801	5,276	4,694	3,788	4,788	5,095	4,763	4,142	4,104	2,534	1,774	51,420	1,322	2,914	5,566	3,765	3,319	4,900	21,786
St Louis City 1/4 cent Prop M2 (2010)	9,457	0	1,752	1,004	902	595	1,002	870	562	879	818	770	888	10,042	876	876	1,004	902	595	1,002	5,255
sub-total pledged sales taxes	108,971	661	20,829	11,343	10,110	7,894	10,481	10,757	9,290	9,146	8,950	7,422	6,878	113,761	6,836	8,428	11,611	9,196	7,416	10,583	54,069
Debt Service X-County Bonds, Interest	(23,926)	0	(3,956)	(1,993)	(702)	(2,008)	(2,009)	(2,009)	(2,010)	(2,010)	(2,010)	(2,010)	(2,010)	(22,727)	(2,010)	(2,010)	(2,010)	(2,010)	(2,010)	(2,010)	(12,060)
Debt Service X-County Bonds, Principal	(6,192)	0	(1,169)	(585)	(602)	(602)	(602)	(602)	(602)	(602)	(602)	(602)	(602)	(7,172)	(602)	(602)	(602)	(602)	(602)	(602)	(3,612)
sub-total debt service	(30,118)	0	(5,125)	(2,578)	(1,304)	(2,610)	(2,611)	(2,611)	(2,612)	(2,612)	(2,612)	(2,612)	(2,612)	(29,899)	(2,612)	(2,612)	(2,612)	(2,612)	(2,612)	(2,612)	(15,672)
sub-total pledged sales tax less debt	78,853	661	15,704	8,765	8,806	5,284	7,870	8,146	6,678	6,534	6,338	4,810	4,266	83,862	4,224	5,816	8,999	6,584	4,804	7,971	38,397
TOTAL SALES TAX RECEIPTS LESS DEBT	135,506	3,032	24,288	14,616	14,080	9,219	13,395	13,686	11,223	11,427	10,786	9,621	9,300	144,673	10,352	10,642	14,850	11,858	8,739	13,496	69,936
CASH RECEIPTS- OTHER:																					
Passenger Revenue, inc. Paratransit	60,281	5,746	5,135	5,260	5,124	4,126	4,863	3,906	6,101	4,503	4,447	5,391	4,976	59,578	5,746	5,135	5,260	5,124	4,126	4,863	30,254
Other	46,497	1,292	1,493	3,599	1,053	1,405	870	1,268	2,798	823	1,353	1,417	2,408	19,779	350	350	350	350	350	16	1,766
St. Clair County (inc. State of Illinois)	52,155	378	5,818	6,366	9,043	1,028	8,346	4,786	4,486	4,990	248	8,052	503	54,044	378	5,818	6,366	9,043	1,028	8,346	30,979
State of Missouri	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Federal Assistance:																					0
Maintenance	16,000	0	0	0	0	0	0	0	0	0	0	16,000	0	16,000	0	0	0	0	0	0	0
CMAQ\JARC\ARRA\Other grants\reimb.	54,304	3,395	1,613	3,223	(74)	4,390	1,042	10,849	4,180	0	5,603	2,635	4,410	41,266	3,395	1,613	3,223	(74)	4,390	1,042	13,589
TOTAL CASH RECEIPTS	364,743	13,843	38,347	33,064	29,226	20,168	28,516	34,495	28,788	21,743	22,437	43,116	21,597	335,340	20,221	23,558	30,049	26,301	18,633	27,763	146,524
CASH DISBURSEMENTS:																					
Payroll & Related (not inc. OPEB)	(130,388)	(9,790)	(11,145)	(9,563)	(14,237)	(9,634)	(11,611)	(13,168)	(9,588)	(9,680)	(9,342)	(11,651)	(10,380)	(129,789)	(9,790)	(11,145)	(9,563)	(14,237)	(9,634)	(11,611)	(65,980)
Accounts Payable	(170,350)	(16,586)	(10,104)	(10,491)	(13,824)	(7,593)	(16,135)	(14,540)	(13,509)	(10,215)	(13,069)	(12,933)	(13,567)	(152,566)	(9,554)	(10,104)	(10,491)	(13,824)	(7,593)	(16,135)	(67,701)
Self-Insurance	(23,803)	(3,006)	(2,050)	(1,886)	(2,817)	(1,997)	(2,331)	(2,624)	(1,945)	(2,276)	(2,356)	(1,934)	(1,965)	(27,187)	(3,006)	(1,500)	(1,886)	(2,817)	(1,997)	(2,331)	(13,537)
Other (capital fund transfer., OPEB set aside)	(14,402)	(561)	(3,048)	(324)	(2,848)	(2,644)	(4,439)	(11,806)	(1,774)	(199)	(1,004)	(3,660)	(189)	(32,496)	(561)	(3,048)	(324)	(2,848)	(1,301)	(1,937)	(10,019)
TOTAL CASH DISBURSEMENTS	(338,943)	(29,943)	(26,347)	(22,264)	(33,726)	(21,868)	(34,516)	(42,138)	(26,816)	(22,370)	(25,771)	(30,178)	(26,101)	(342,038)	(22,911)	(25,797)	(22,264)	(33,726)	(20,525)	(32,014)	(157,237)
CASH SURPLUS (DEFICIT)	25,800	(16,100)	12,000	10,800	(4,500)	(1,700)	(6,000)	(7,643)	1,972	(627)	(3,334)	12,938	(4,504)	(6,698)	(2,690)	(2,239)	7,785	(7,425)	(1,892)	(4,251)	(10,713)
CUMULATIVE CASH SURPLUS (DEFICIT)	51,300	35,200	47,200	58,000	53,500	51,800	45,800	38,157	40,129	39,502	36,168	49,106	44,602	44,602	41,912	39,673	47,458	40,033	38,141	33,889	33,889
STABILIZATION FUND:																					
Beginning Balance	3	24	30	30	35	41	54	327	600	873	2,727	3,000	0	0	273	546	819	1,092	1,365	1,638	1,638
Fund Transfer - OPEB Trust	(3,000)	0	0	0	0	0	0	0	0	0	0	(3,000)	0	(3,000)	0	0	0	0	0	0	0
Ending Balance	(2,997)	24	30	30	35	41	54	327	600	873	2,727	0	0	(3,000)	273	546	819	1,092	1,365	1,638	1,638
INTERNALLY RESTRICTED FUND:																					
Beginning Balance	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659
Cumulative	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance (1)	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659

(1) = Additional temporary working capital for operations is provided, if needed, by Sales Tax Capital, Self-Insurance and Prop M Funds. Current balances: Sales Tax Capital \$12 million; Prop M \$61 million; Self Insurance \$15 million.  
A large portion of these additional funds are encumbered for long range capital projects, local match, liability claims, or restricted for debt service or lease issues, but are currently liquid.

**Bi-State Development Agency dba Metro**  
**Credit Ratings of Financial Institutions (see also page 4)**

Depository Banks:	Long-Term Debt Rating			Short-Term Debt Rating			Fitch Bank Rating
	S&P	Moody's	Fitch	S&P	Moody's	Fitch	
Bank of America, N.A.	A	A2	A+	A-1	P-1	F1	NA
Commerce Bank	A	Aa3			P-1		NA
PNC Bank	A	A2	AA-	A-1	P-1	F1+	NA
Regions Bank	BBB+	Baa3	BBB	A-2	P-3	F2	NA
U.S. Bank	AA-	Aa3	AA-	A-1+	P-1	F1+	NA
UMB Bank	A-		A+	A-2		F1	NA
<b>Trust Companies:</b>							
Bank of New York Mellon Trust	AA-	Aa2	AA	A-1+	P-1	F1+	NA
<b>Money Market Funds:</b>							
	S&P			Moody's			
Black Rock FFI Treasury	AAAm			Aaa-mf			
Black Rock Fed	AAAm			Aaa-mf			
Black Rock Temp	AAAm			Aaa-mf			
FFI Select Institutional Fund (formerly Merrill now Black Rock)	AAAm			Aaa-mf			
Columbia (BOA/Merrill) Money Market Reserves	AAAm			Aaa-mf			
Columbia (BOA/Merrill) Government	AAAm			Aaa-mf			
Dreyfus Government Cash Management	AAAm			Aaa-mf			
Federated Prime	AAAm			Aaa-mf			
Federated Treasury	AAAm			Aaa-mf			
Federated Government	AAAm			Aaa-mf			
Fidelity Prime	AAAm			Aaa-mf			
Goldman Sachs Prime	AAAm			Aaa-mf			
JP Morgan Prime	AAAm			Aaa-mf			
UBS Select Prime	AAAm			Aaa-mf			
Wells Fargo Treasury	AAAm			Aaa-mf			
Other:	Long-Term Debt Rating						
	S&P	Moody's	Fitch				
AIG (2001 LRV Lease)	A+	A2	A+	NA = Fitch overall bank ratings or LT debt ratings have been withdrawn			
U.S. Treasury	AA+	Aaa	AAA				
Federal Home Loan Bank (FHLB)	AA+	Aaa					
Federal Farm Credit Bank (FCB)	AA+	Aaa	AAA				

Bi-State Development Agency dba Metro				
Mass Transit Sales Tax Appropriation Cross-County Bonds & St Louis County Loan				
Series	2009	2013		Total Cross County
	Refunding	2013A Bonds	2013B Loan	
Issue date	9-Nov-09	1-Aug-13	1-Aug-13	
Principal (original)	\$97,220,000	\$381,225,000	\$75,000,000	
<b>Principal (currently outstanding)</b>	<b>\$97,220,000</b>	<b>\$344,210,000</b>	<b>\$105,000,000</b>	<b>\$546,430,000</b>
Lien on 1\4 cent Prop M, Prop M2, Prop A tax	Senior	Senior	Subordinate	
Stand alone credit rating (S&P\Moody's)	AA+\A2	AA+\Aa3	NA	
Maturity date(s)	2023 – 2039	2050	2053	
Optional Call Date	2019	Various	2018	
Interest rate mode	Fixed	Fixed	1% + SIFMA	
Rate	4.50%-5.00%	3.00%-5.00%	1.04%-1.06%	
Interest pmt. dates	April, October	April, October	April, October	
<b>Annual debt service:</b>				
<b>Interest</b>	<b>\$4,767,975</b>	<b>\$18,234,312</b>	<b>\$1,107,000</b>	<b>\$24,109,287</b>
<b>Principal - (1st pymt 10/1/14-\$7,015,000)</b>	<b>\$0</b>	<b>\$7,220,000</b>	<b>\$0</b>	<b>\$7,220,000</b>
<b>total princ.&amp;int.</b>	<b>\$4,767,975</b>	<b>\$25,454,312</b>	<b>\$1,107,000</b>	<b>\$31,329,287</b>
Debt Service Reserve Fund (DSRF)	\$9.1 million in DSRF with bond trustee, BONY-Mellon.	\$25 million in DSRF with bond trustee, BONY-Mellon.	NA	
Other	Refunded balance of 2002 A	Refunded Series 2002A,B,C, 2007, and Series 2010B	Refunded Series 2010A Bonds	

**Bi-State Development Agency / Metro  
Agenda Item  
Finance & Administration Committee  
March 27, 2015**

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**From:** Charles A. Stewart, Jr.  
Vice President Pension & Insurance  
**Subject:** **Pension Plan and 401(k) Retirement Savings Program Investment  
Performance Update as of December 31, 2014**  
**Disposition:** Information  
**Presentation:** Charles A. Stewart, Jr., Vice President Pension & Insurance

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**Objective:**

To present to the Finance & Administration Committee the Pension Plan and 401(k) Retirement Savings Program Investment Performance Update as of December 31, 2014.

**Board Policy:**

*Board Policy, Section 70.050, Employee's Pension and 401(k) Retirement Savings Plan* states (in part) that:

- A. General. The Bi-State Development Agency (**BSDA**) sponsors four defined benefit pension plans and one defined contribution plan for employees of the Agency. It is the responsibility of the Board of Commissioners to:
1. Oversee the funded status of the Plans
  2. Oversee Trustee Administration

**Funding Source:**

Funding is provided through annual operating budget.

**Background:**

Fourth Quarter 2014 Pension Plan, 401(k) Retirement Savings Program and OPEB Trust Investment Performance Reports were presented to the respective trustees by Ellwood Associates, at the February 2015 trustee meetings.

**Analysis:**

**Salaried Pension Plan**

- As of December 31, 2014, total plan assets were \$55.8M. After falling to \$33.4M during 2008, assets have grown steadily, increasing by over \$20M since the depths of the financial crisis.
- In 2014, due to modifications to the salaried retirement programs, the portfolio experienced net negative cash flows, while favorable investment returns improved overall plan assets. Net of all cash flows, the Salaried plan trust has grown by \$0.9M since the beginning of the year.
- During the fourth quarter, the portfolio gained 1.1% and was in line with the total portfolio benchmark (1%). Since inception dating back to 1987, the total portfolio gained



7.9%, outpacing its benchmark by 50 basis points. The portfolio has also outperformed its actuarial return target of 7.5%.

- The pension plan has outperformed its primary benchmark in 3 of the last 5 years.
- No additional manager changes were advised at this time.
- The annual review of the plan's Statement of Investment Policy (**SOIP**) will take place at the trustee's next meeting.

### **Metro St. Louis Retirement Savings Program**

- Similar to the other investment programs, participants' investments in the 401(k) program have continued to grow with market activity. Total plan assets are now \$401.5M.
- Participant contributions into the Plan have been steady and consistent throughout all market environments. Calendar year 2014 saw \$6.2M in new participant contributions. It was a uniquely high amount and largely a function of the modifications to the salaried retirement programs. Going forward, new contributions into the retirement program are anticipated at \$2-3M annually.
- Allocations to individual funds and asset types remain relatively unchanged from the beginning of the year. The Vanguard Index Fund remains the most popular investment option among participants with approximately \$8.0M in participant money or 21% of total assets. The T. Rowe Price Stable Value Fund (15%) and Dodge & Cox Balanced Fund (17%) both also have significant participation from employees.
- The T.Rowe Price Lifecycle Funds continue to grow in popularity. These are great long-term investment options for participants which seek to delegate the investment decisions to expert industry professionals. Nearly 24% of participant money is now held in these funds.
- There are no concerns regarding performance for any of the current funds held in the retirement plan. The managers have continued to produce strong, positive relative returns over longer-periods.

### **IBEW Pension Trust – Local 2 and Local 309**

- As of December 31, 2014, plan assets reached \$3.5M, gaining approximately \$600k since the beginning of the calendar year. Total portfolio market value has steadily increased – in 2008 the market value fell to \$1.1M, but has more than tripled since reaching the market bottom.
- During 2014, the portfolio advanced 5.1%, but trailed the portfolio's benchmark by 220 basis points. Longer-term performance remains favorable. The IBEW Trust has advanced +11.9% and +9.6% over the trailing 3- and 5-year periods, respectively. Both trailing periods are ahead of the actuarial return target.
- The IBEW portfolio has outperformed its benchmark in 2 of the last 5 years.
- All managers are performing in line with expectations
- Ellwood had no additional manager recommendations at this time.

### **Bi-State Development Agency – 788 Pension**

- Total plan assets are now \$118.4M. Fund flows to date have been negative, with contributions of \$12.9M compared to benefit payments (or withdrawals) of -\$15.5M. Investment earnings, however, have outweighed any impact from negative fund flows. During calendar year 2014, the portfolio gained \$5.7M in market value due to positive returns from investments.
- Year-to-date performance has been favorable. The portfolio gained 4.9% during 2014, after advancing 22.6% during the 2013 calendar year.
- As of September 2014, the Master Trust is in line with its target allocations. There is no need to rebalance the Portfolio at this time. Ellwood also reviewed asset allocation for the Operating and Clerical Plans – current asset class exposures are more unbalanced, but there is no need to rebalance at this time.

### **OPEB Trust**

- Ellwood provided an overview of performance and investment activity during calendar year 2014. As of December 31, 2014 total assets are \$16.0M, up \$3.2M from the beginning of year. Contributions into the plan were \$2.6M -- Metro expects to make contributions to the OPEB Trust annually in May/June of each calendar year.

- Total Portfolio asset allocation is in line with target allocations – Ellwood did not recommend any rebalancing at this time. Total cash balance was approximately \$11,000 at year end.
- The Portfolio continues to perform in line with expectations. During calendar year 2014, the OPEB Trust's first year of full investment, the Portfolio gained 4.1%. All of the Portfolio's investment managers are performing in line with expectations, and no manager changes were advised at this time.
- The Trust's SOIP will be reviewed at the next meeting in May 2015.

**Committee Action Requested:**

None. Information only.

**Attachments:**

4th Quarter 2014 Performance Reports

1. Metro Salaried Pension Plan
2. 401(k) Plan
3. Metro IBEW Pension Plan
4. Metro 788 Trust Plan
5. OPEB Trust

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**ELLWOOD ASSOCIATES**

Investment Consulting



**Metro St. Louis**

Pension Plan

Fourth Quarter 2014 Performance Report

Scott R. Meggenberg  
Michael S. Patock, CAIA

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I. Capital Market Overview

II. Pension Plan Portfolio Review

III. Investment Manager Appendix

— Manager Performance Review

— Retirement Program Fee Analysis

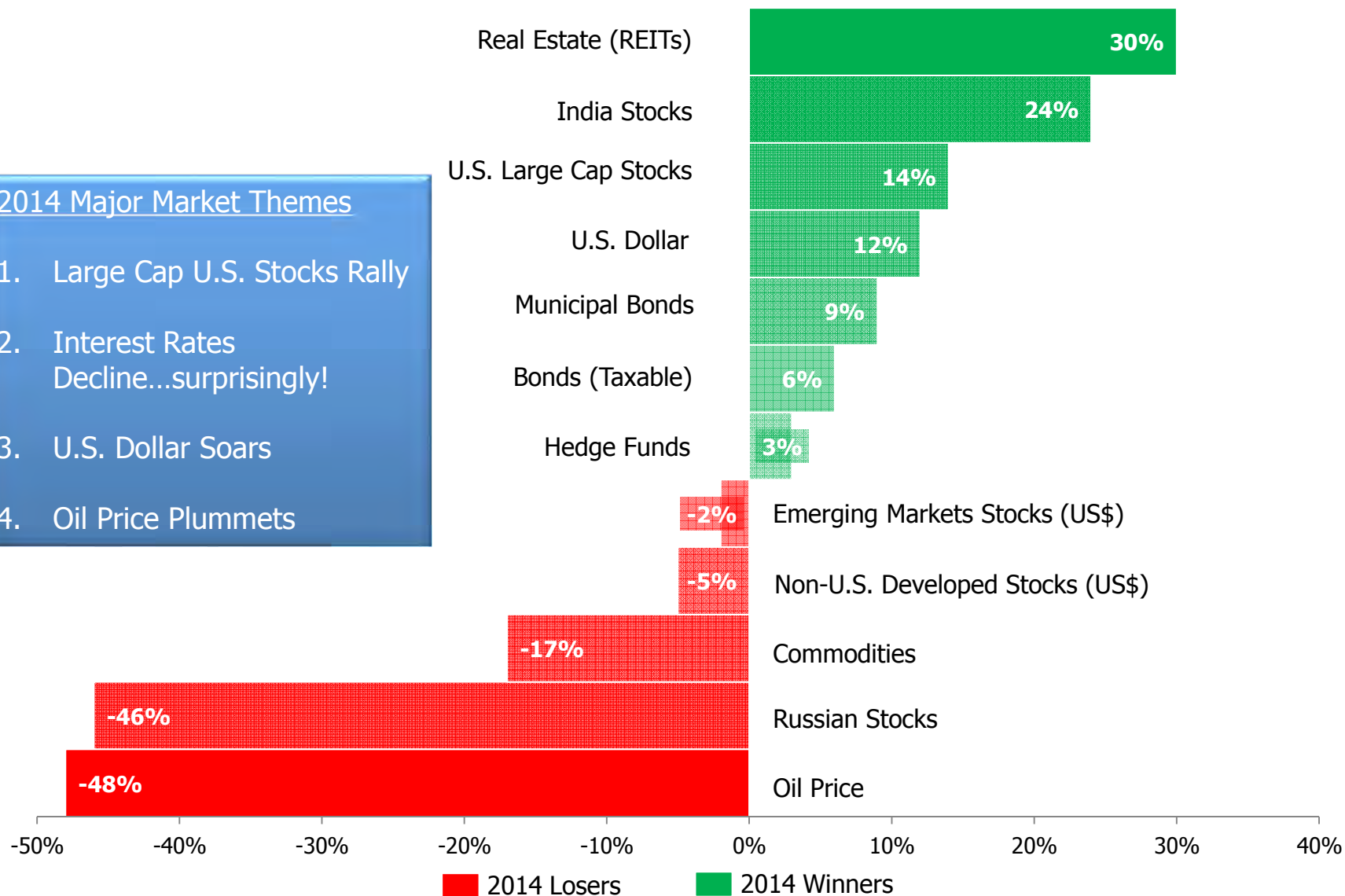
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## Fourth Quarter 2014 Capital Markets Exhibits

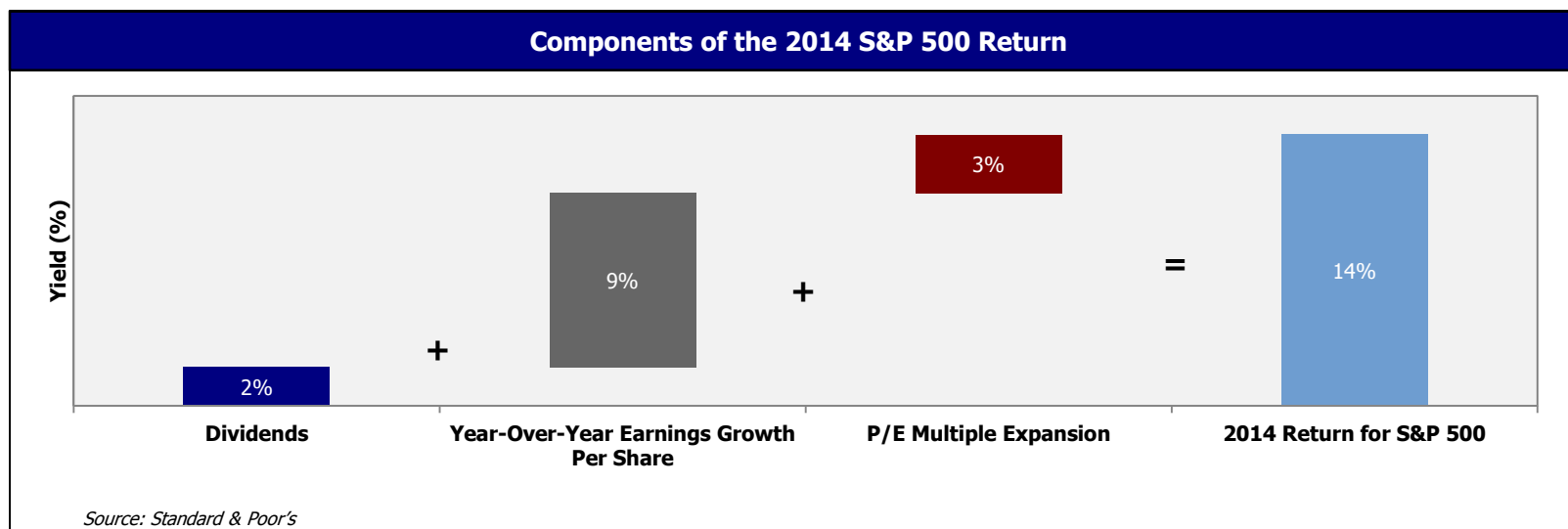
# 2014: Winners and Losers (Rates of Return)

## 2014 Major Market Themes

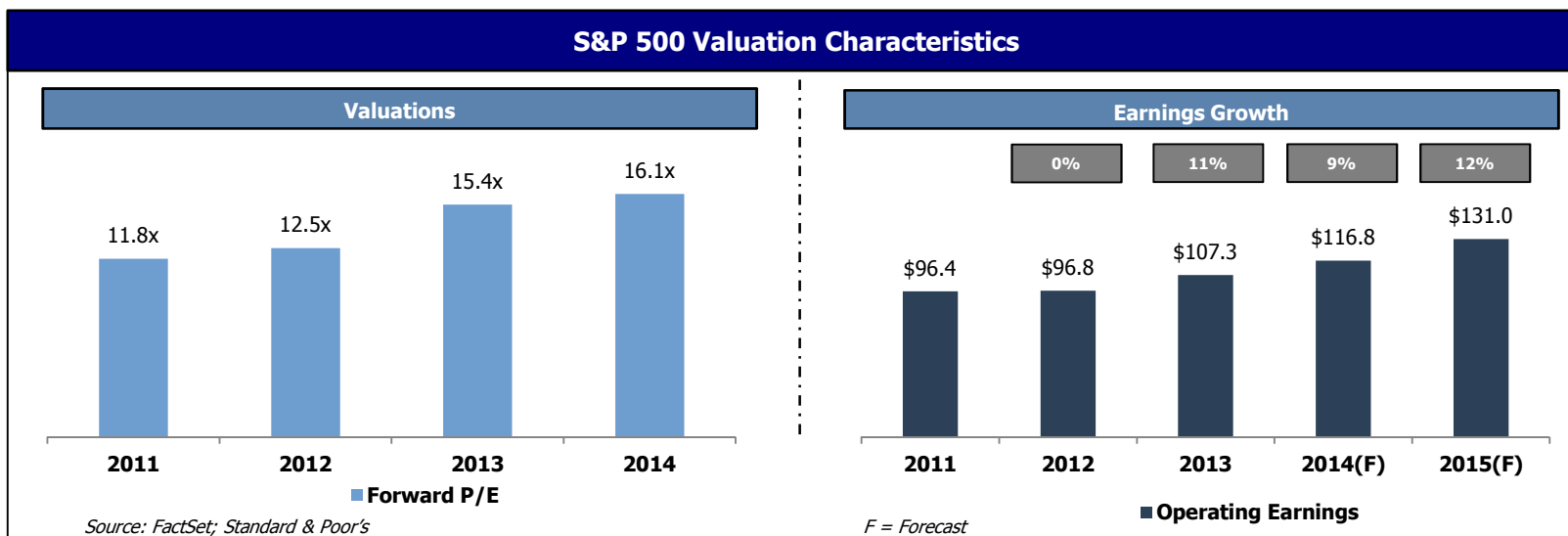
1. Large Cap U.S. Stocks Rally
2. Interest Rates Decline...surprisingly!
3. U.S. Dollar Soars
4. Oil Price Plummets



# Strong Earnings Drive Large Cap Returns



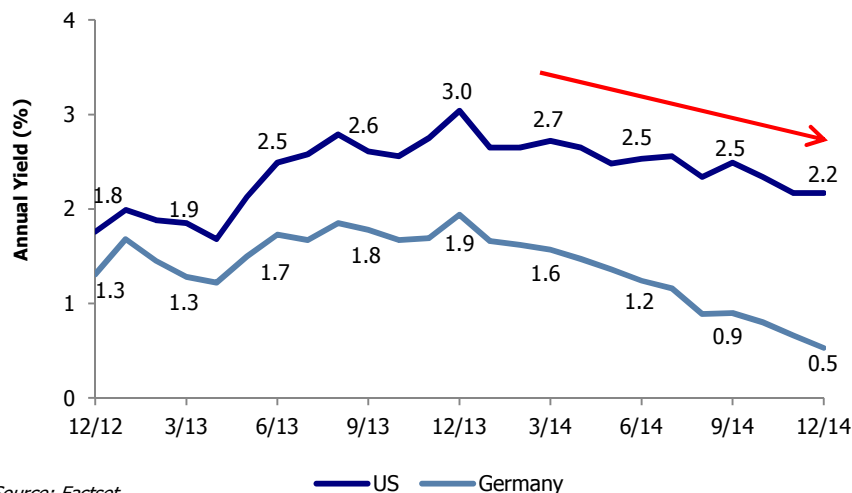
Note: Assumes dividends reinvested in S&P 500 Index on ex-dividend dates. Dividends, earnings growth and changes in P/E multiples combine to drive the return of the stock market.



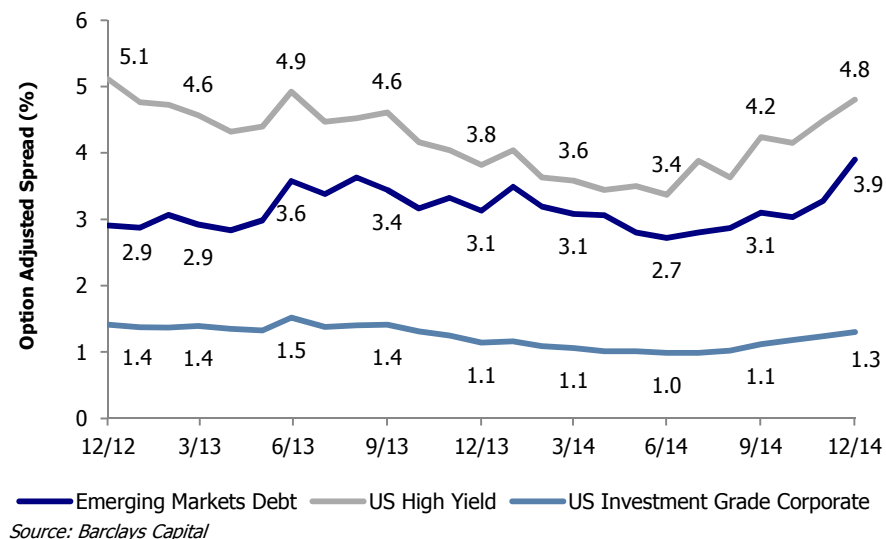


# Biggest Surprise in 2014: Interest Rates Decline Globally

## 10-Year Treasury Bond Yields



## Credit Spreads Widen in 2014



## Observations

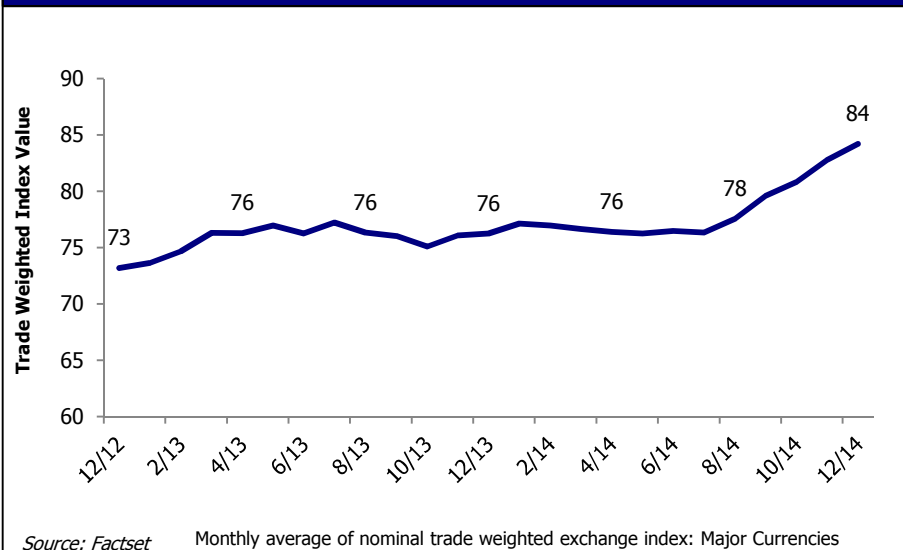
- ❑ A flight to quality and continued high demand for US Treasuries pushed rates lower even as the Fed buyback program concluded.
- ❑ Yields on lower quality sovereign bonds (U.K., Italy, Spain) fell below those of US Treasuries.
- ❑ Credit spreads began to widen in the fourth quarter from a historically tight range mid-year.
- ❑ Inflation remains low allowing central banks flexibility to stimulate economic growth.
- ❑ Federal Open Market Committee forecasts\* for the Fed Funds Rate, by end of year:

2014	2015	2016	2017	Long Run
0.13%	1.13%	2.50%	3.63%	3.75%

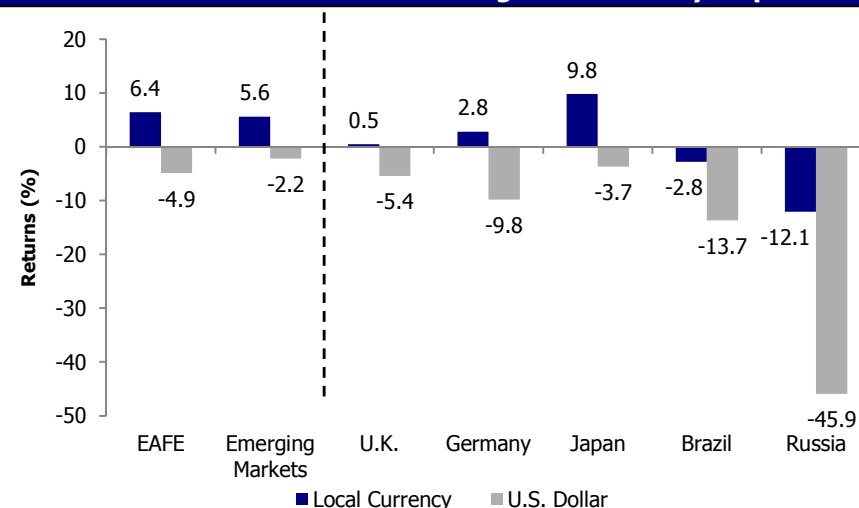
\* Forecasts of 17 FOMC participants, midpoints of central tendency.

# U.S. Dollar Appreciates

## U.S. Dollar Index



## 2014 Stock Market Returns: Negative Currency Impact



## U.S. Imports and Exports: 2013 (\$ in Billions)

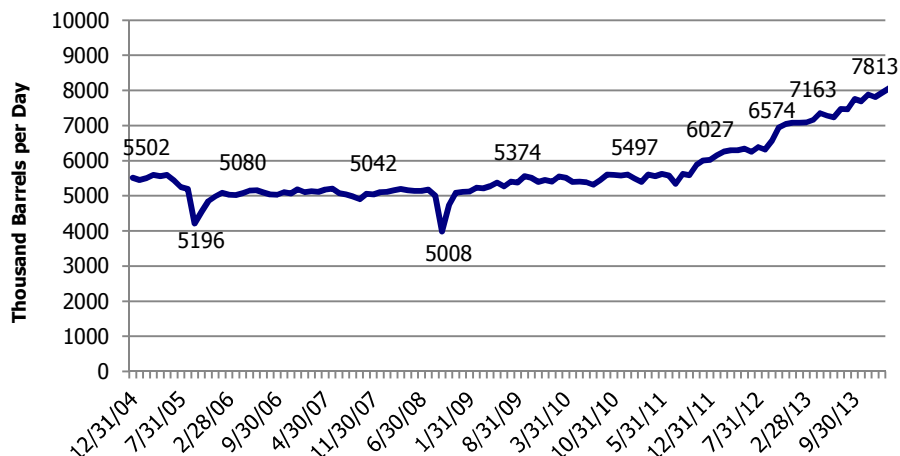


## Observations

- Strong economic growth and the prospect of rising interest rates in the U.S. pushed the U.S. dollar higher creating wide dispersion in many markets between local currency and U.S. dollar returns.
- The stronger dollar combined with a more financially stable U.S. consumer is expected to have a positive impact on those markets from which the U.S. imports goods and services.
- In local currency terms, non-U.S. equity market performance was only slightly below long-term averages. However, for U.S. dollar based investors, these returns were negative.

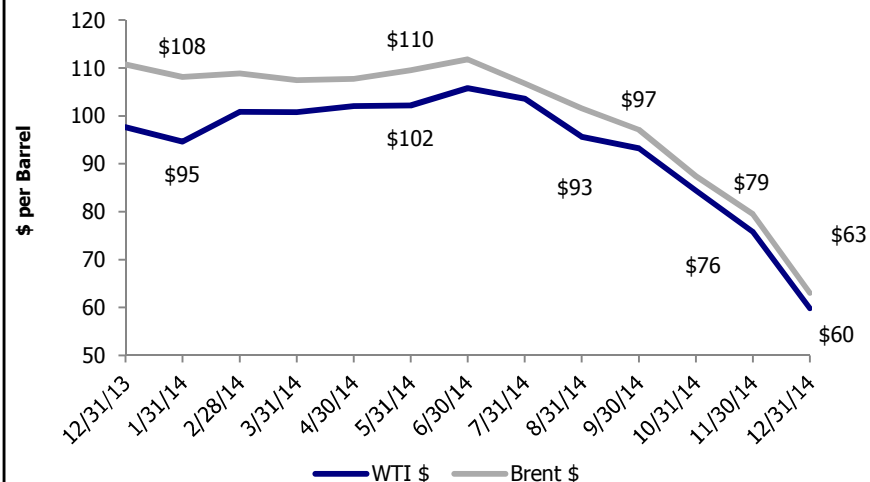
# Oil Prices Plummet in 2014

**United States Field Production of Crude Oil**

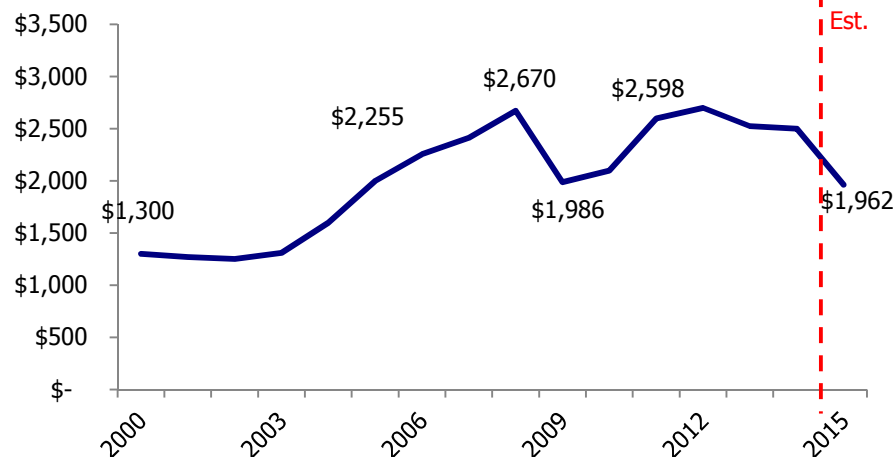


Source: U.S. Energy Information Administration

**Spot Crude Oil Prices**



**Avg. Annual Household Exp. On Gasoline**

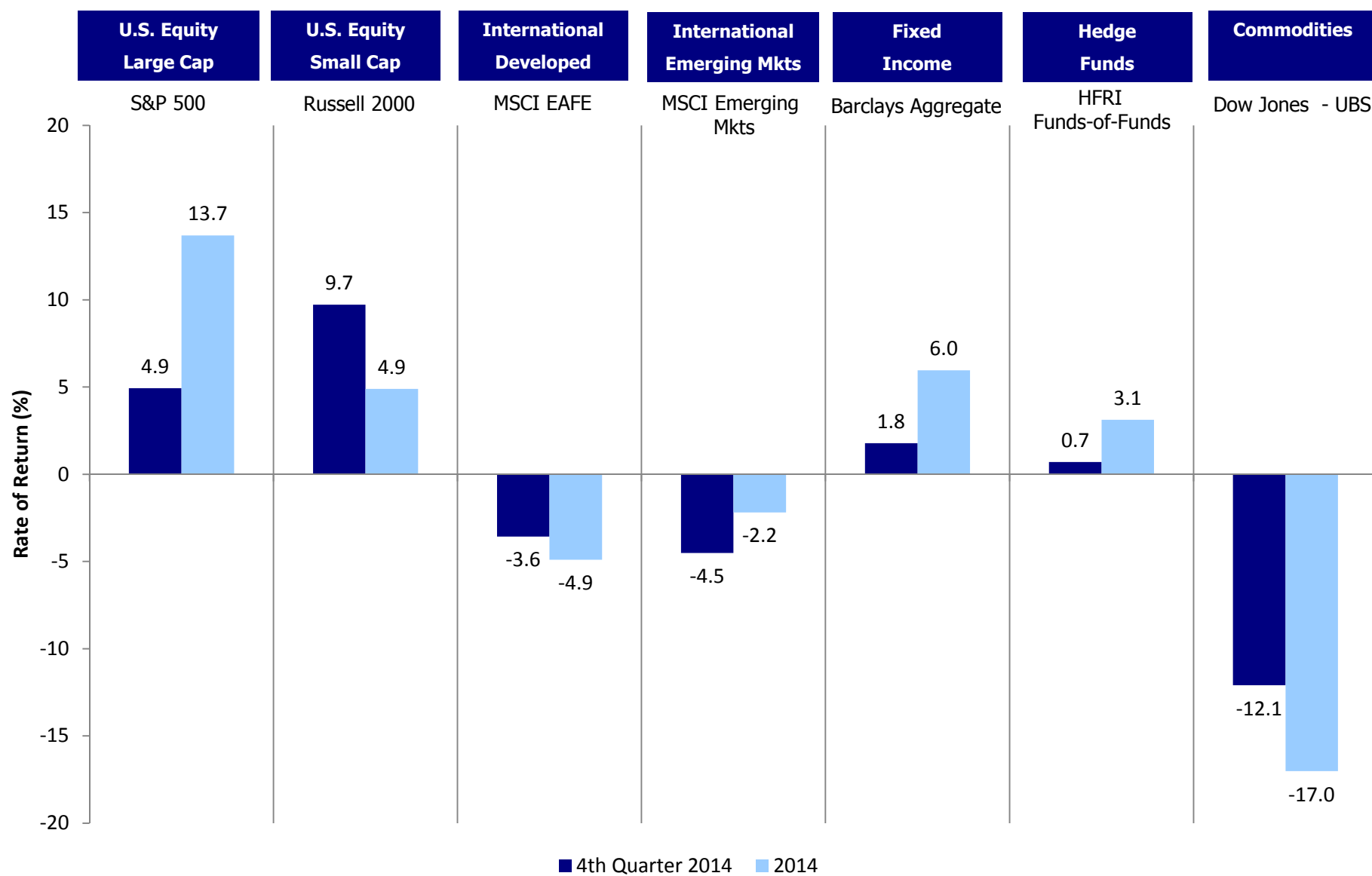


Source: U.S. Energy Information Administration

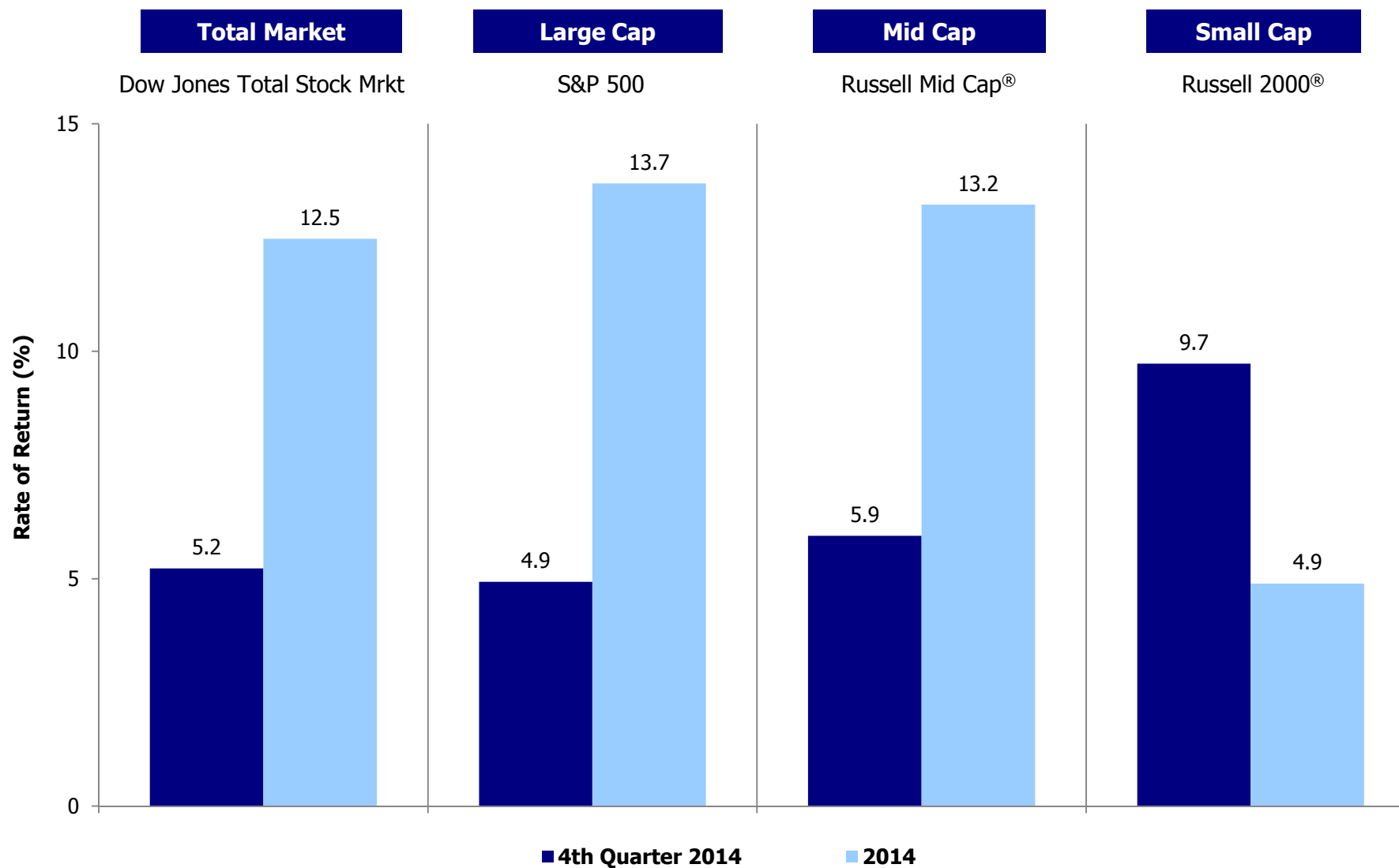
**Are Oil Price Declines a Positive or Negative?**

Pros	Cons
Estimated \$600 annual savings per household on gas should provide significant boost to GDP	Slows investment in U.S. energy infrastructure which has been additive to U.S. economy
Tempers inflationary forces of improving labor market	Potential to dislocate credit markets (Energy represents approximately 15% of high yield indices)
	Acts as deflationary force in markets struggling with deflation (Continental Europe, Japan)

# Asset Class Returns

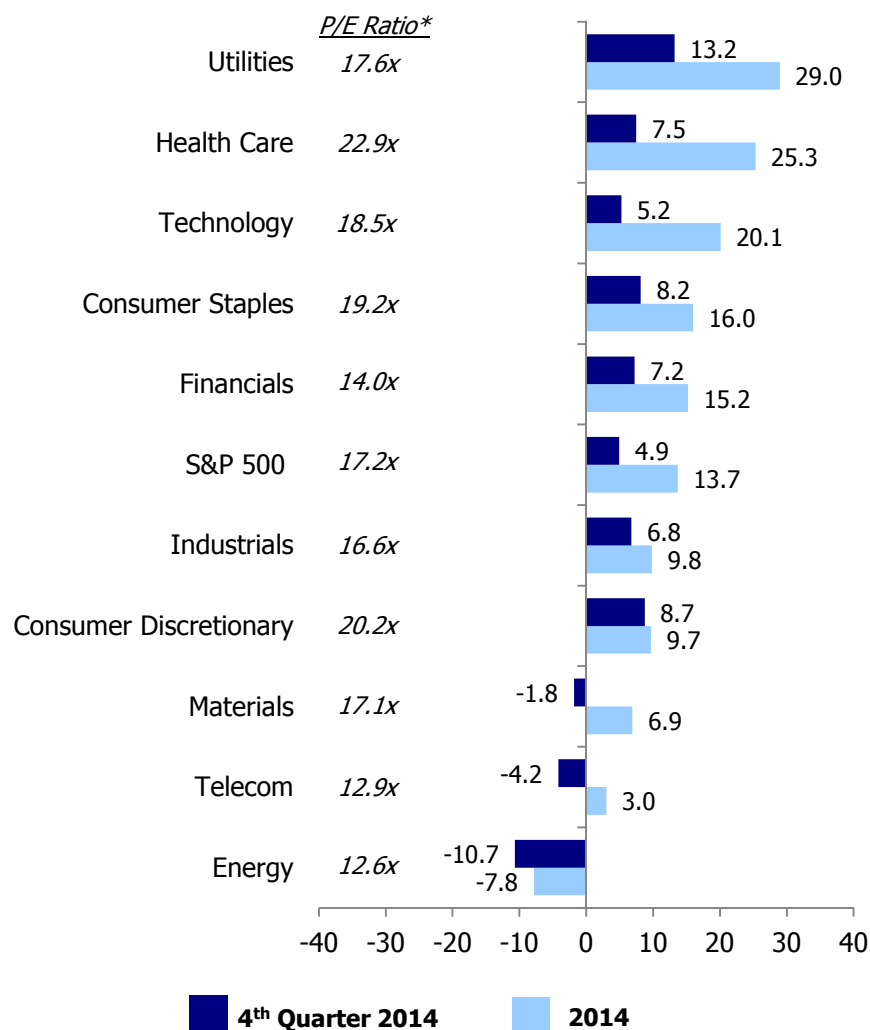


# U.S. Equity Market Performance



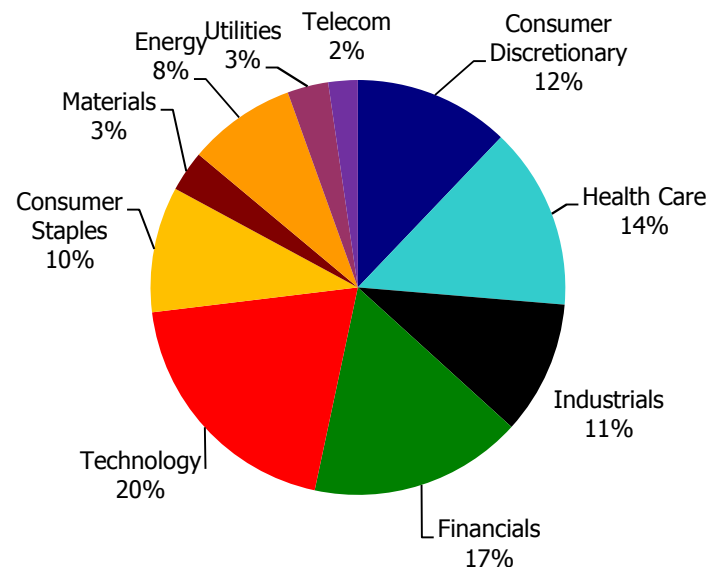
# S&P 500 Scorecard

## S&P Sector Returns



\* Trailing 12 month P/E as of 12/31/2014.

## Sector Weights

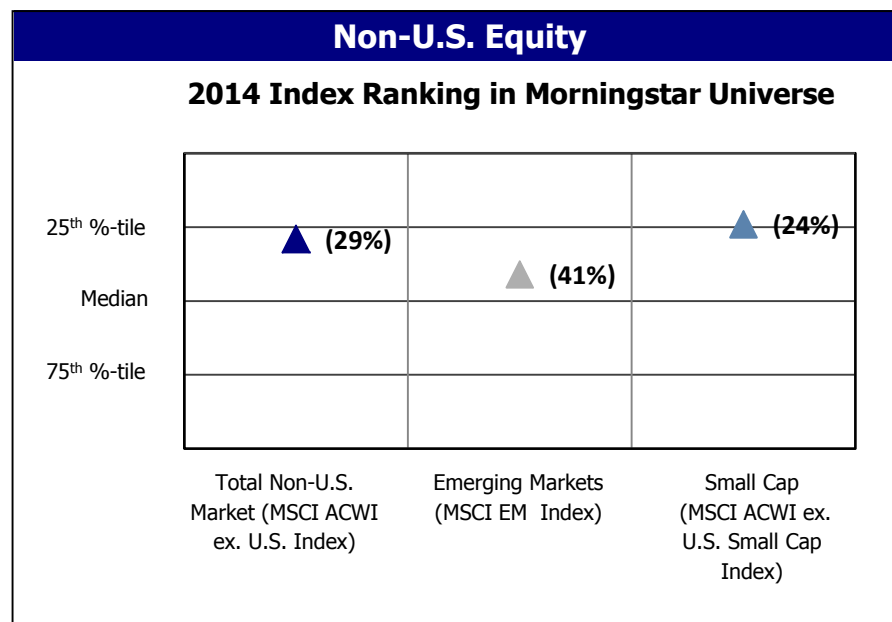
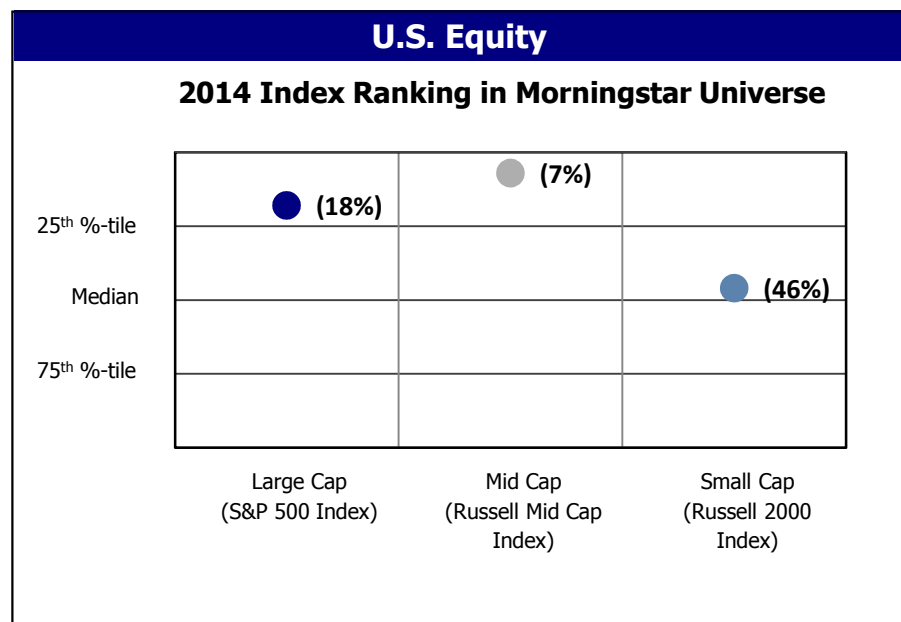


## Top Five S&P 500 Index Holdings

Name	Sector	% of S&P	2014 Return	2014 Contribution to Return	2013 Return	2013 Contribution to Return
1. Apple, Inc.	Technology	3.3%	+40.6%	+1.21%	+8.1%	0.00%
2. Exxon Mobil	Energy	2.5%	-6.1%	-0.16%	+20.1%	+0.56%
3. Microsoft Corp.	Technology	1.9%	+27.5%	+0.47%	+44.3%	+0.71%
4. Johnson & Johnson	Health Care	1.7%	+17.3%	+0.27%	+34.6%	+0.58%
5. General Electric Co.	Industrials	1.5%	-6.7%	-0.12%	+37.9%	+0.61%

Source: Morningstar Direct

# Difficult Year for Active Management

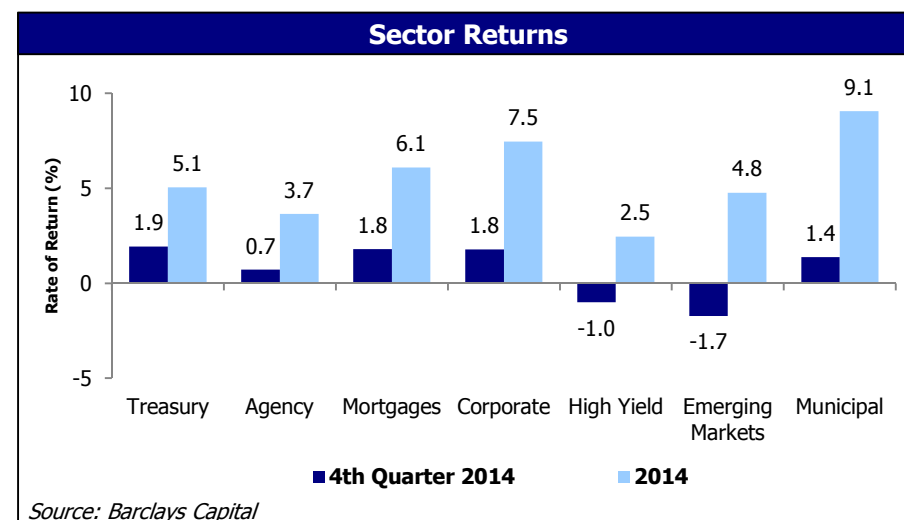
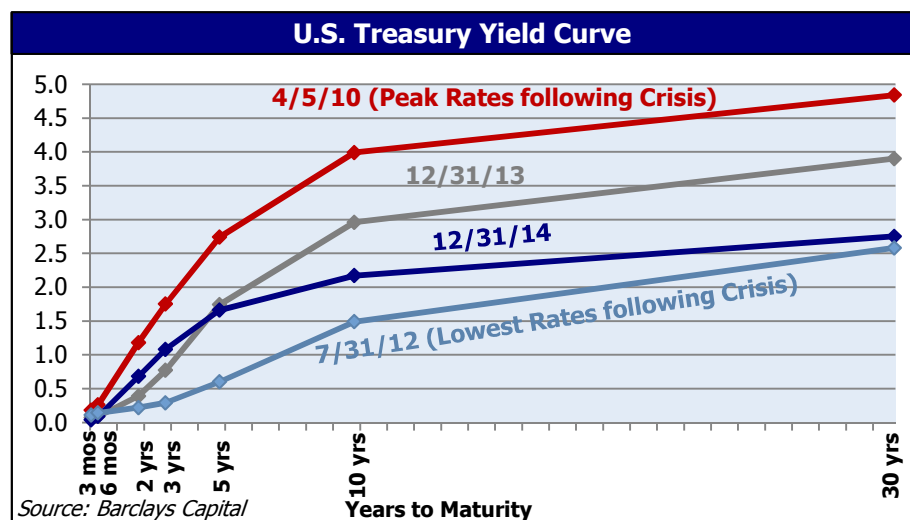
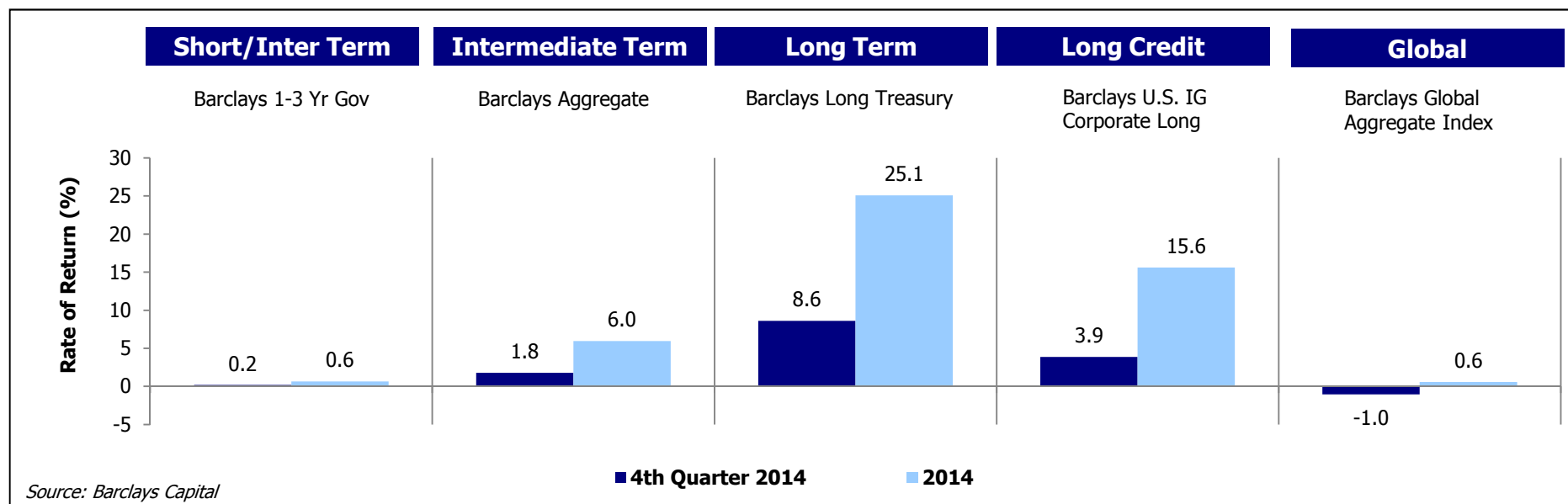


Note: Each figure shown above represents the index ranking within its respective asset class universe.

## Reasons Cited for Poor Active Management Results

- ❑ A fairly narrow market existed as only 30% of the stocks in the S&P 1500 Index posted gains exceeding the Index itself. (Source: *Fortune.com*)
- ❑ Five mega cap stocks (Apple, Berkshire Hathaway, Johnson & Johnson, Microsoft, and Intel) accounted for 20% of the gains in the S&P 500 Index making it difficult for large cap managers to keep pace if they were not at least equally weighted in those names. (Sources: *Financial Times*, *Leuthold Group*)
- ❑ Rapid shifts occurred in market and sector direction, which tended to favor short-term traders. (Source: *Fiscal Times*)
- ❑ A disconnect existed between the U.S. economy and stock market confounding many active managers as the least cyclical sectors (healthcare and utilities) performed the best despite declining unemployment and solid GDP growth. (Source: *Fortune.com*)

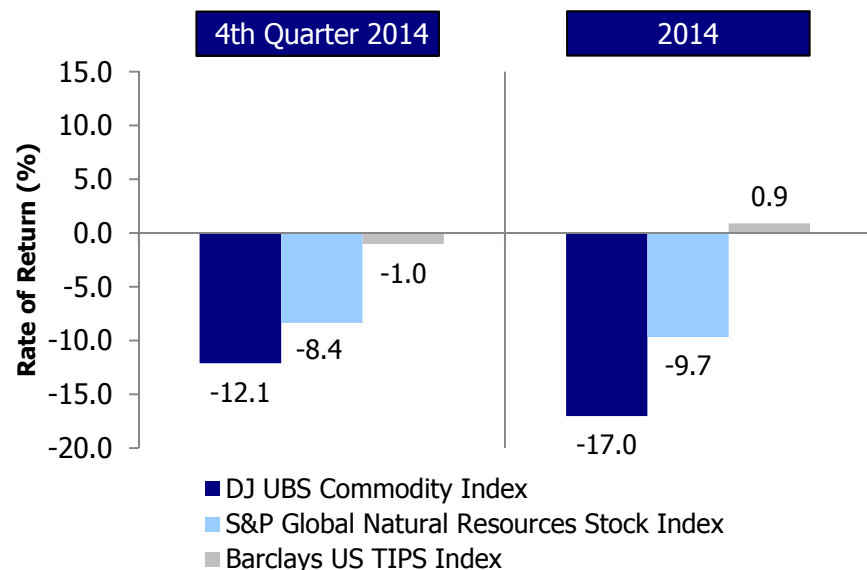
# Fixed Income Markets



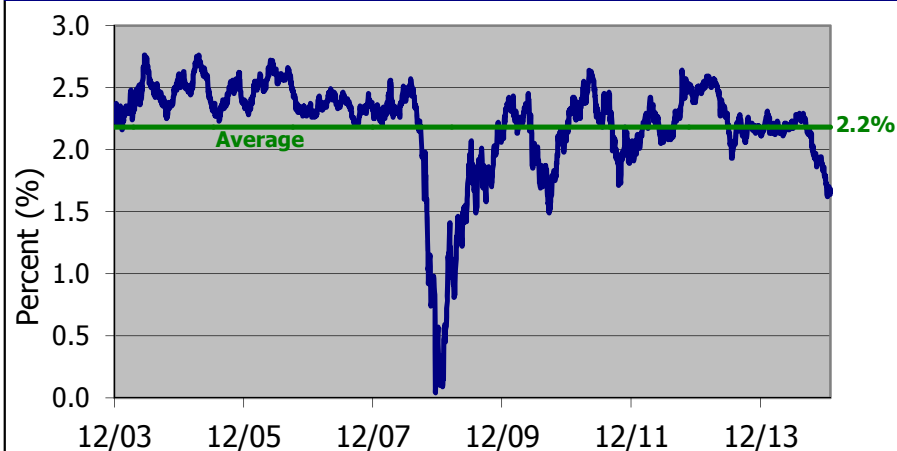


# Inflation Hedging Performance

## Asset Class Performance

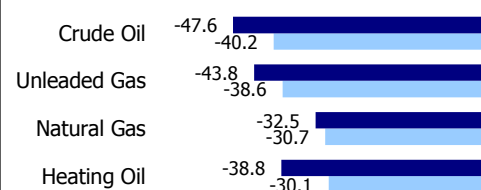


## Historical Inflation Expectations

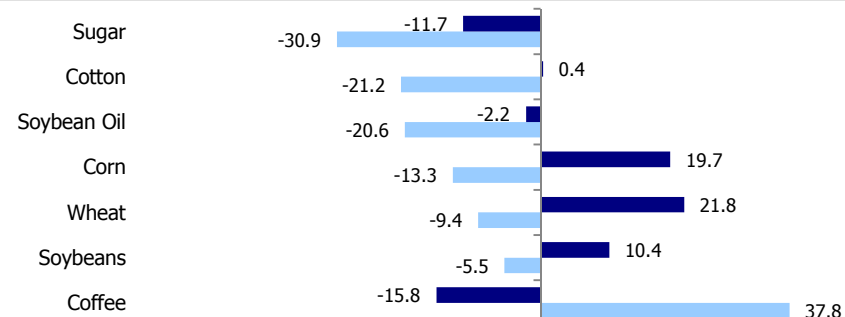


## Commodity Sector Performance

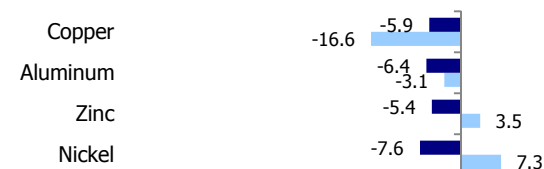
### 31% Energy (-39.3%)



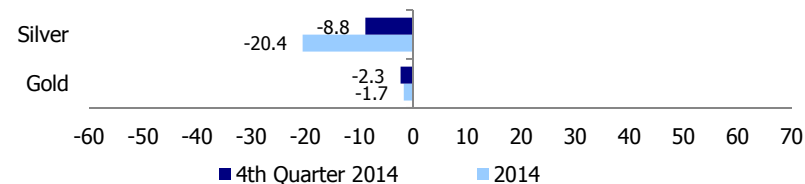
### 29% Agriculture (-9.2%)



### 18% Industrial Metals (-6.9%)



### 16% Precious Metals (-6.7%)



Source: Morningstar Direct

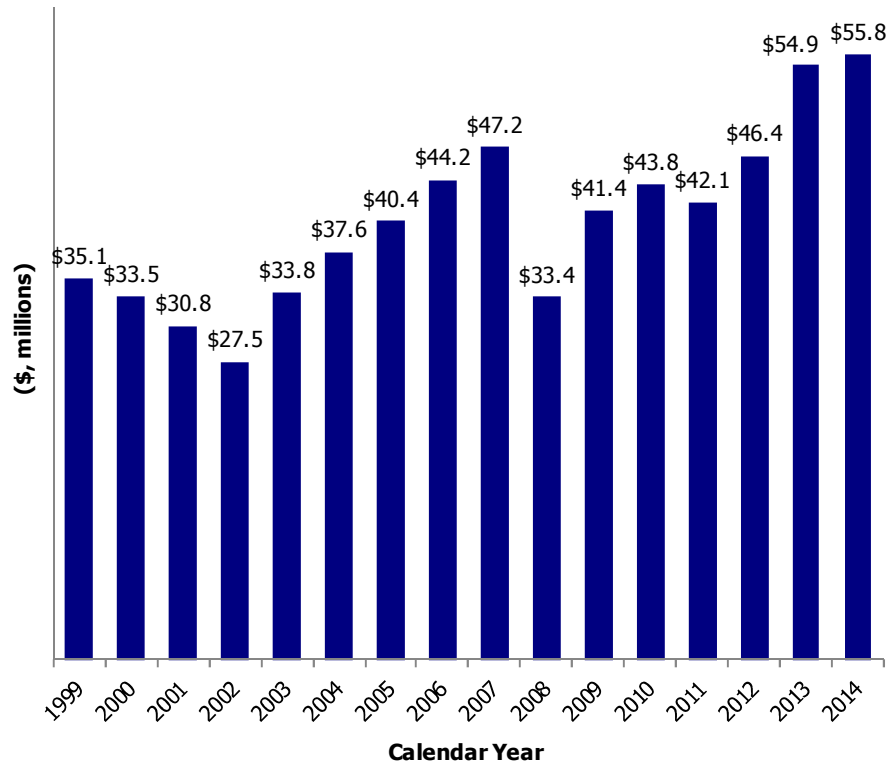
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## Pension Plan Portfolio Review

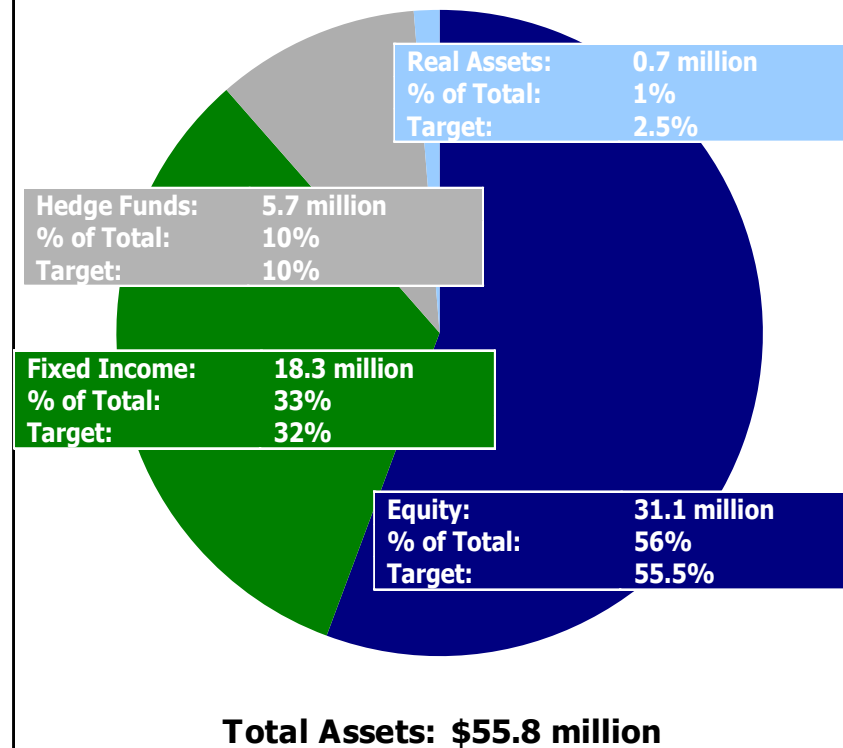
# Metro St. Louis Pension Plan for Salaried Employees

## As of December 31, 2014

**Growth of Assets**



**Asset Allocation**



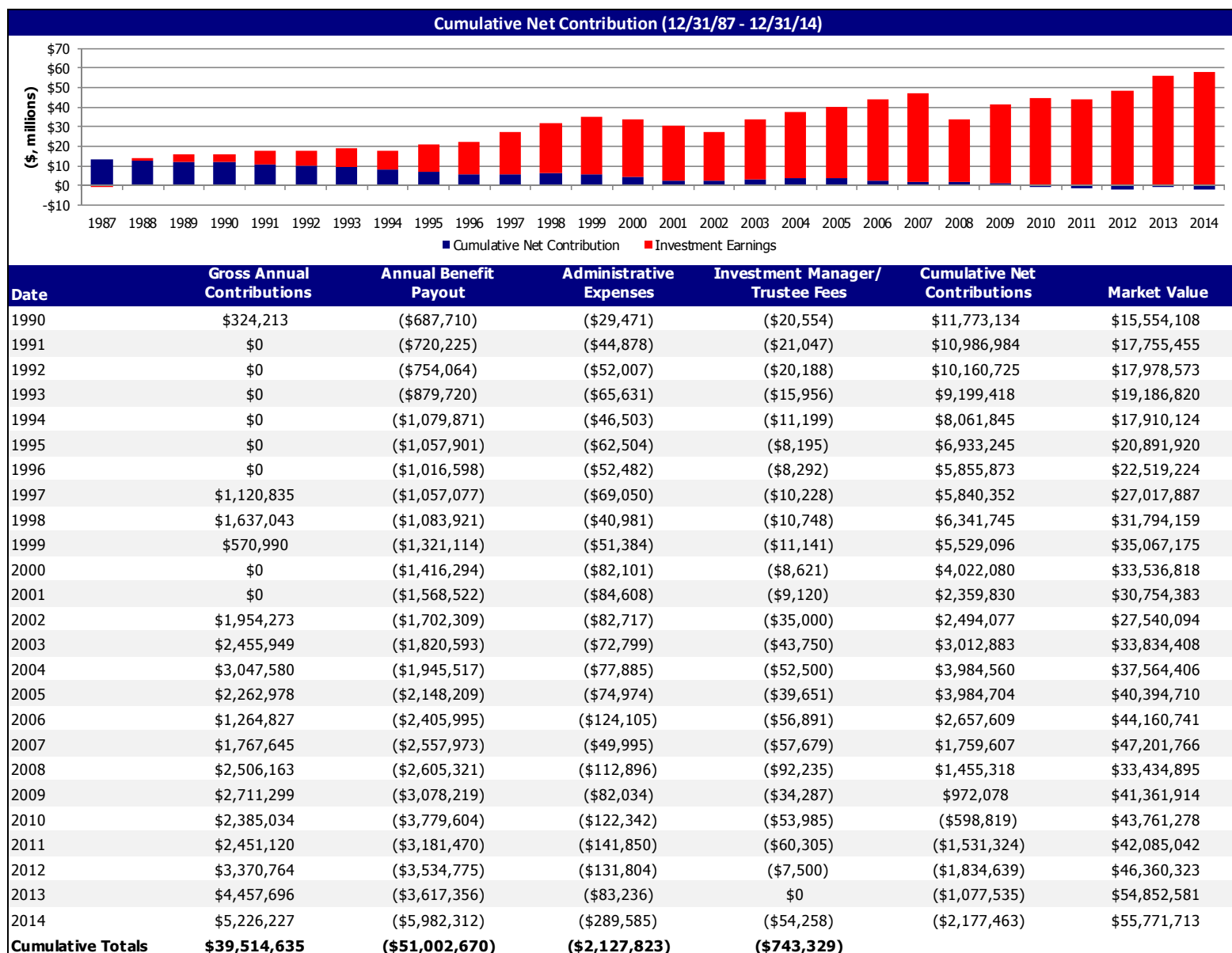
# Cash Flow Activity (\$, millions)

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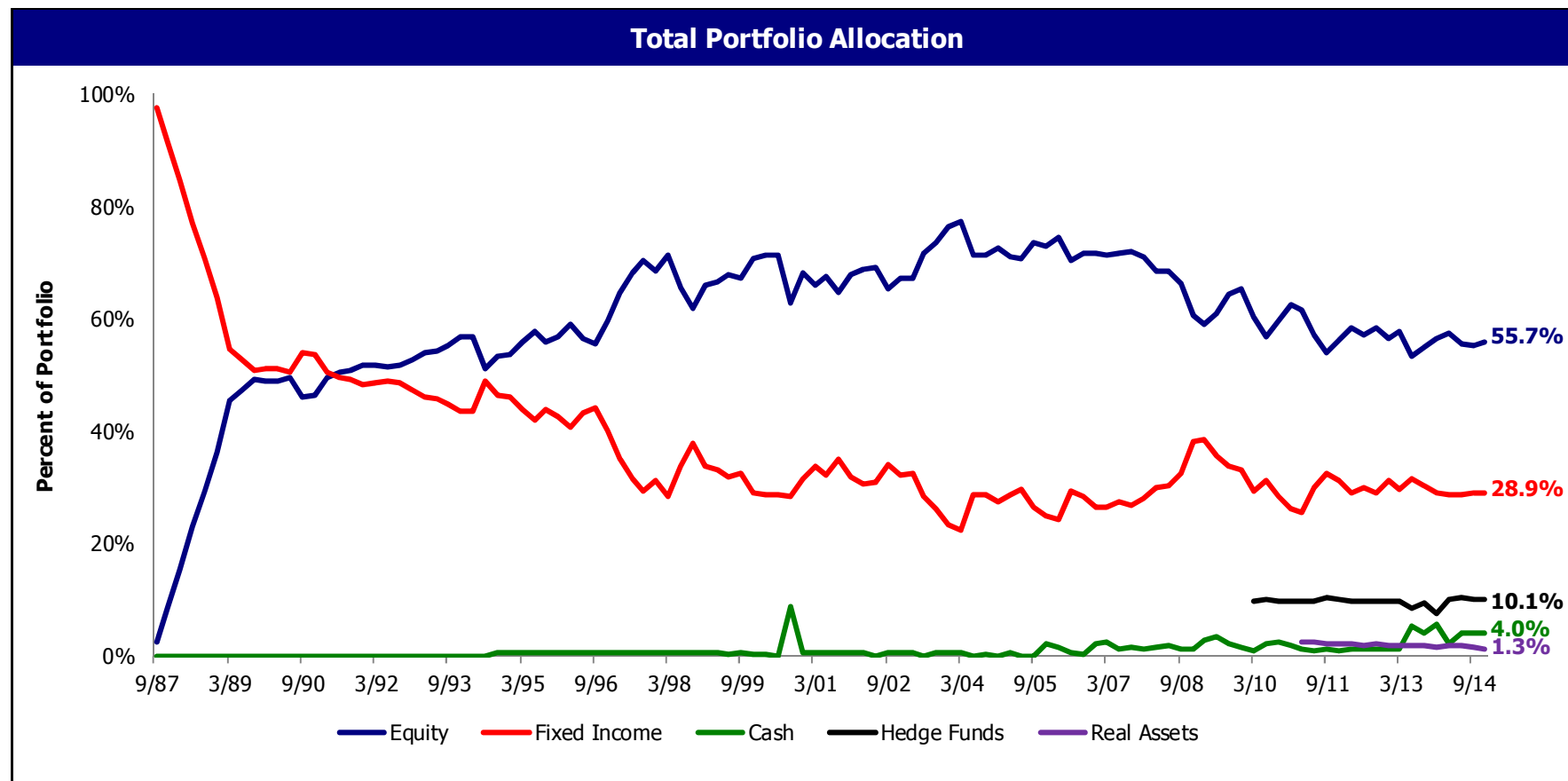
4th Quarter Activity (\$, millions)	
<b>Beginning Value: (10/1/14)</b>	<b>\$55.4</b>
Contributions:	\$1.0
Withdrawals:	(\$1.0)
Investment Earnings:	<u>\$0.4</u>
<b>Ending Value: (12/31/14)</b>	<b>\$55.8</b>

YTD Activity (\$, millions)	
<b>Beginning Value: (1/1/14)</b>	<b>\$54.9</b>
Contributions:	\$5.2
Withdrawals:	(\$6.3)
Investment Earnings:	<u>\$2.0</u>
<b>Ending Value: (12/31/14)</b>	<b>\$55.8</b>

# Cumulative Net Contribution



# Total Portfolio Asset Allocation



# Total Portfolio Manager Allocation

## As of December 31, 2014

	Value	Core	Growth	
U.S. Large Cap	Dodge & Cox: \$6.0 million % of Equity: 19% Target: 18%	Fayez Sarofim: \$5.4 million % of Equity: 17% Target: 17%	Montag: \$5.7 million % of Equity: 18% Target: 17%	= \$17.1 million % of Equity: 55% Target: 52%
U.S. Mid/Small Cap	Vaughan Nelson: \$2.4 million % of Equity: 8% Target: 8%	William Blair: \$2.8 million % of Equity: 9% Target: 8%		= \$5.2 million % of Equity: 17% Target: 16%
Non-U.S. Large Cap	Brandes: \$2.8 million % of Equity: 9% Target: 12%	EuroPacific: \$4.6 million % of Equity: 15% Target: 15%		= \$8.8 million % of Equity: 28% Target: 32%
Non-U.S. Small Cap	Templeton: \$1.4 million % of Equity: 4% Target: 5%			
				= \$31.1 million 100% of Equity
Real Assets	Credit Suisse: \$0.3 million % of Real Assets: 48%	Jennison: \$0.4 million % of Real Assets: 52%		= \$0.7 million 100% of Real Assets
	Short/Intermediate	Cash Equivalents		
Fixed Income	MetWest: \$16.1 million % of Fixed Income: 88%	BNY Mellon STIF: \$2.2 million % of Fixed Income: 12%		= \$18.3 million 100% of Fixed Income
Long/Short Equity Hedge	Common Sense: \$0.0 million % of Hedge Funds: 1%	Forester: \$2.8 million % of Hedge Funds: 49%	Wellington: \$2.9 million % of Hedge Funds: 50%	= \$5.7 million 100% of Hedge Funds
				= \$55.8 million 100% of Total Portfolio

Notes: Totals may not add to 100% due to rounding.

Common Sense investment is in liquidation. Total market value as of December 31, 2014 is \$37,544.

# Fund Segment Market Benchmark Definitions

## Target Allocations (%)

---

<u>Market Benchmark</u>	<u>Total Fund</u>	<u>Equity Segment</u>	<u>Real Asset Segment</u>	<u>Hedge Fund Segment</u>	<u>Fixed Segment</u>
Wilshire 5000 Index	<b>37.5%</b>	<b>68%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
MSCI EAFE Index	<b>18%</b>	<b>32%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
DJ UBS Commodity Index	<b>2.5%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>
HFRI Strategic Fund-of-Funds Benchmark	<b>10%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>
Merrill Lynch 1-3 Year Treasury Index	<b><u>32%</u></b>	<b><u>0%</u></b>	<b><u>0%</u></b>	<b><u>0%</u></b>	<b><u>100%</u></b>
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Note: Prior to 3/31/09, the total fund benchmark was 49% Wilshire 5000, 21% MSCI EAFE and 30% Merrill Lynch 1-3 Year Treasury Indexes.

From 4/1/09 through 2/28/10, the total fund benchmark was 46% Wilshire 5000, 19% MSCI EAFE and 35% Merrill Lynch 1-3 Year Treasury Indexes.

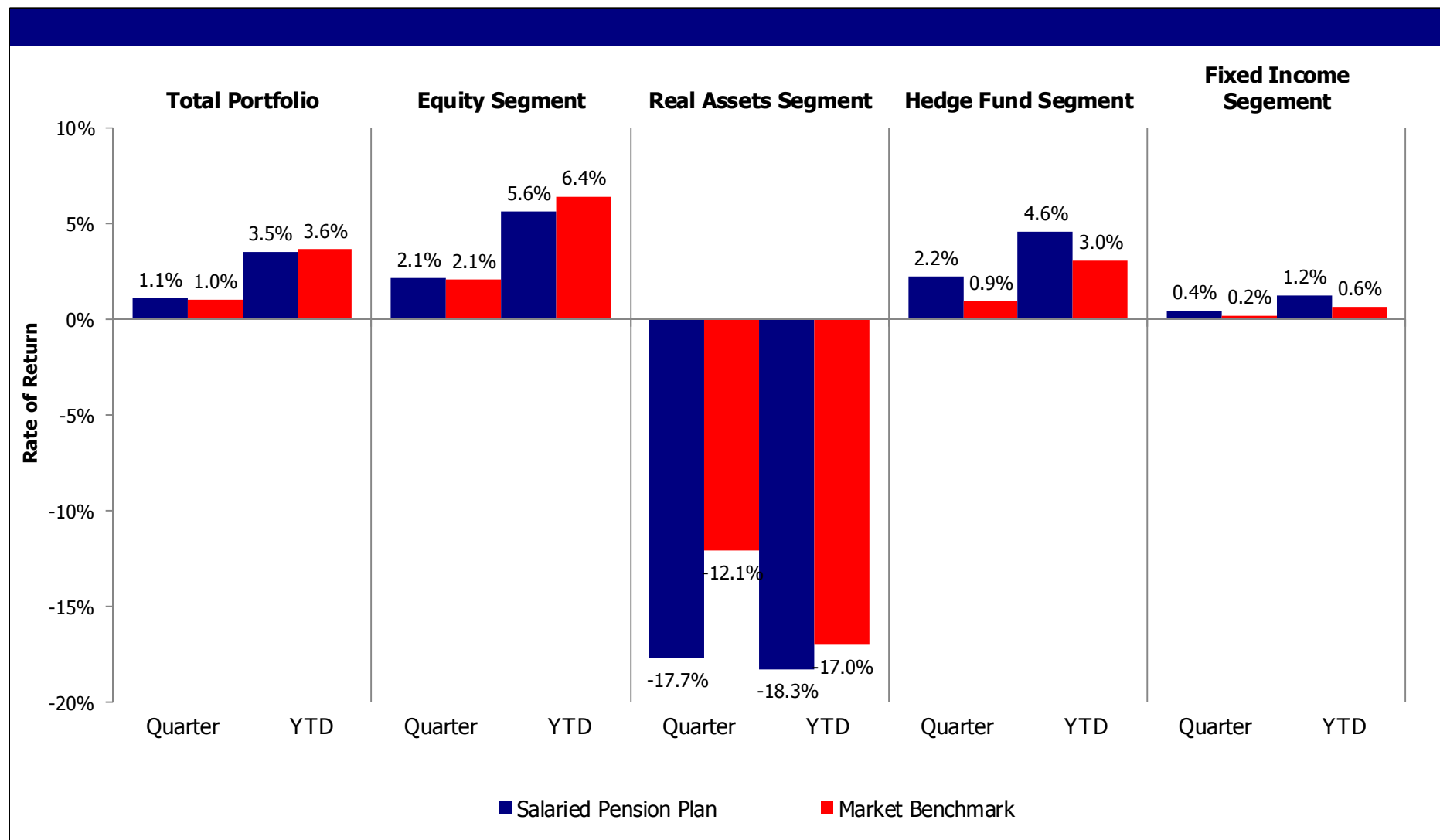
From 2/28/10 through 2/28/11, the total fund benchmark was 42% Wilshire 5000, 16% MSCI EAFE, 10% HFRI Strategic Hedge, and 32% Merrill Lynch 1-3 Year Treasury Index.

From 2/28/11-present, the total fund benchmark is 37.5% Wilshire 5000, 18% MSCI EAFE, 10% HFRI Strategic Hedge, 32% Merrill Lynch 1-3 Year Treasury, and 2.5% DJ UBS Commodities.



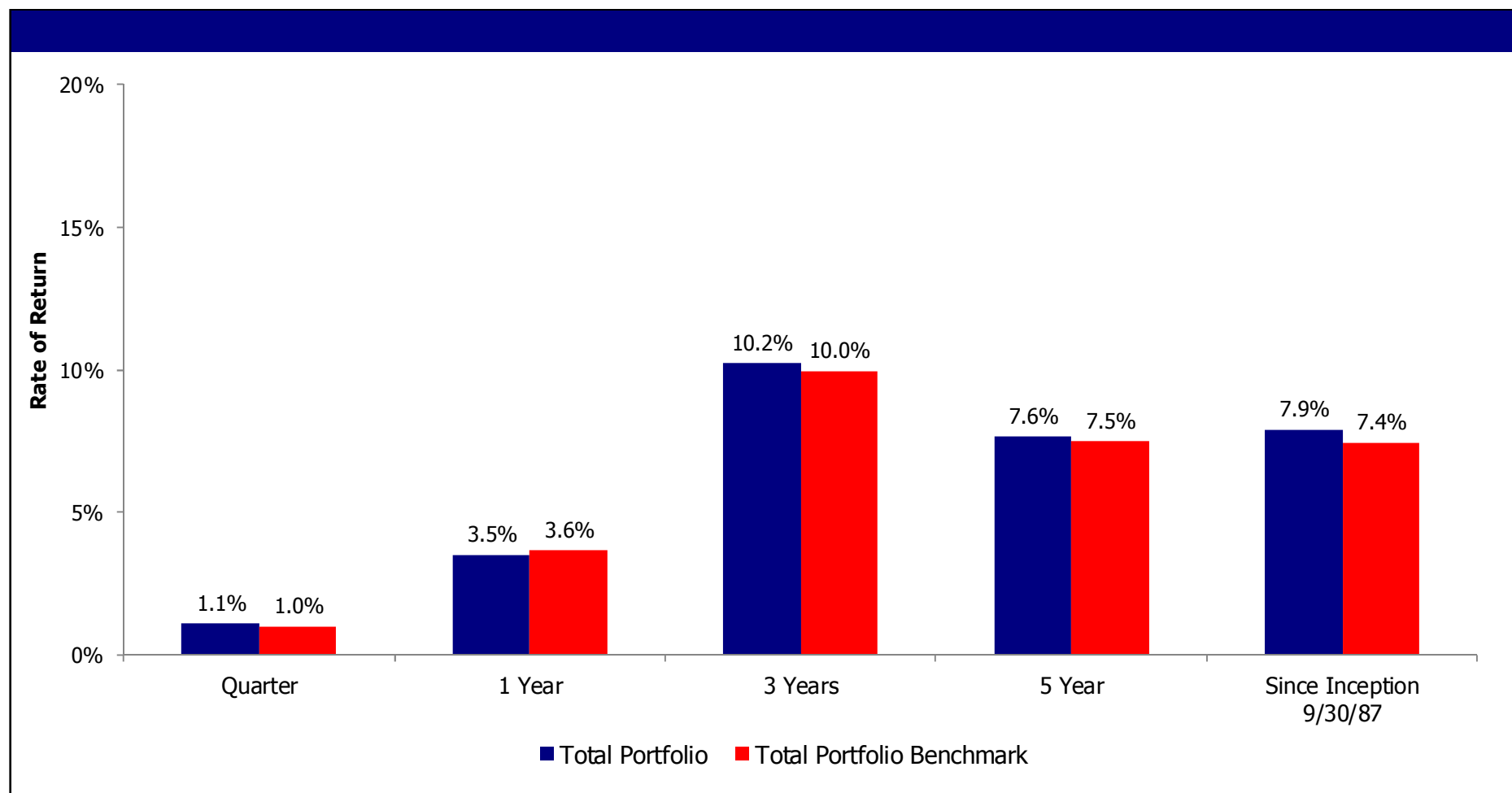
# Metro St. Louis Pension Plan for Salaried Employees

## Asset Class Performance as of December 31, 2014



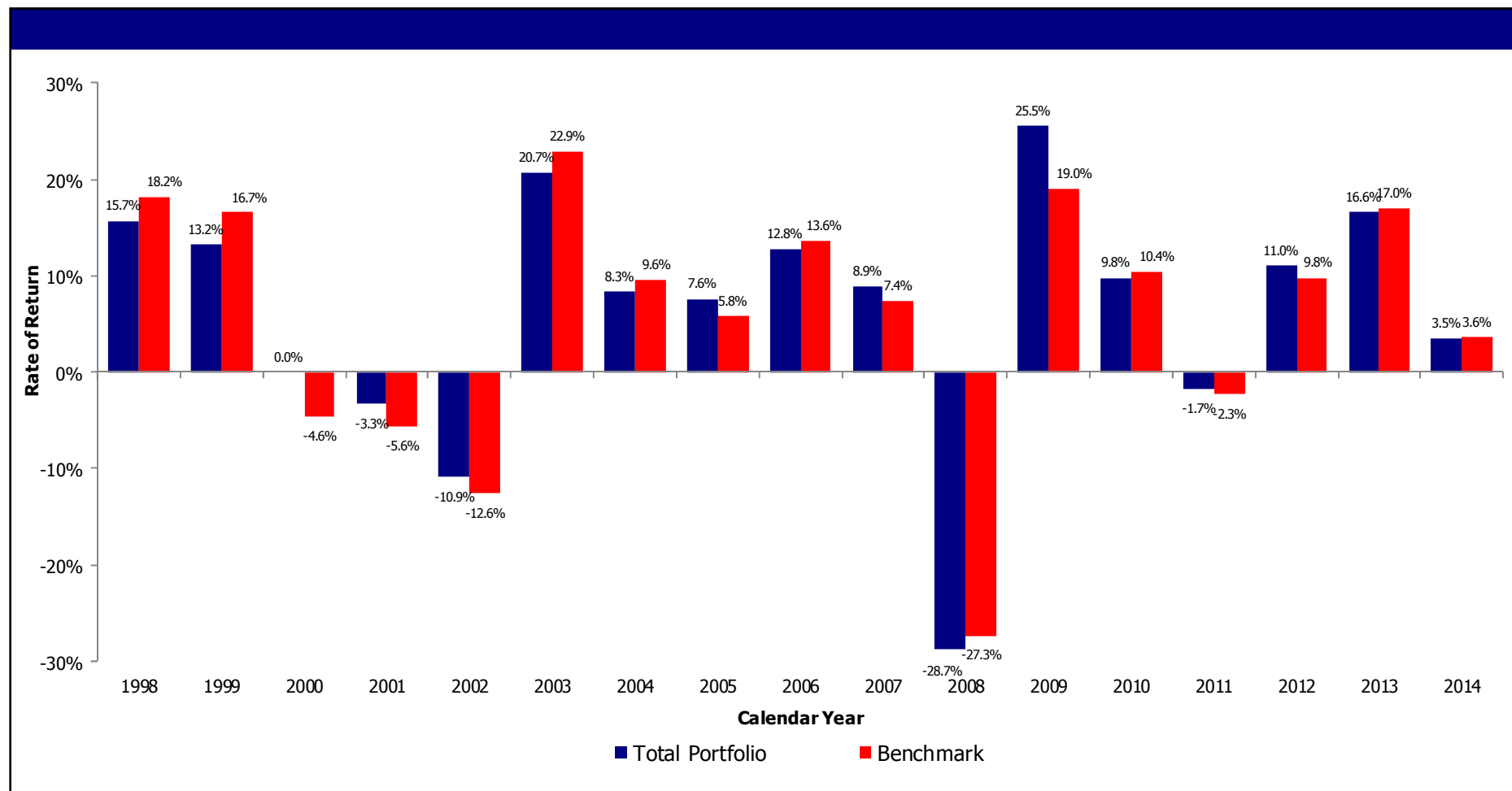
# Metro St. Louis Pension Plan for Salaried Employees

## Total Portfolio Performance as of December 31, 2014



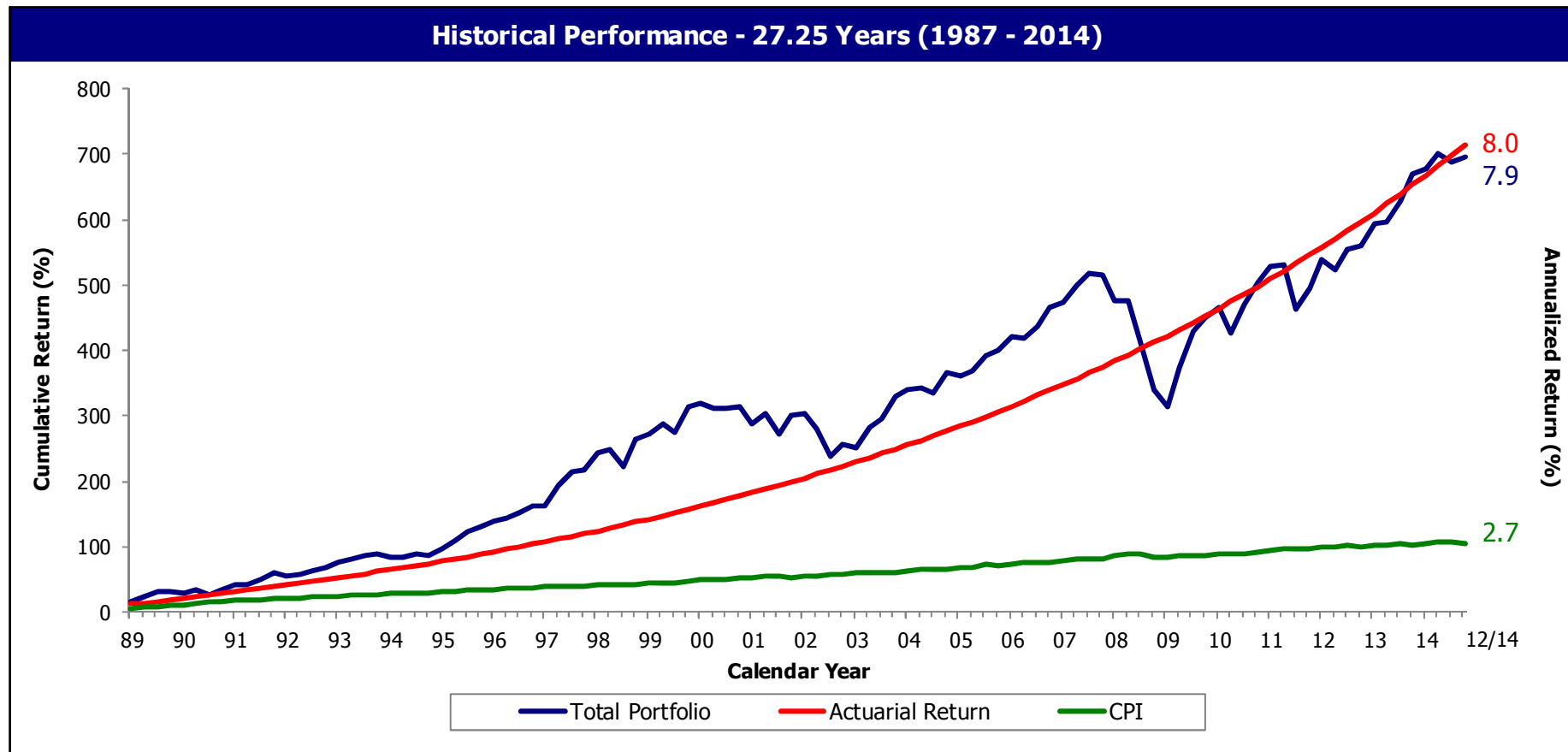
# Metro St. Louis Pension Plan for Salaried Employees

## Calendar Year Performance



# Performance Summary

## Total Portfolio vs. Inflation



# Manager Performance Summary

## Periods Ended December 31, 2014

	Quarter	2014	Five Years	Ten Years	Annualized Since Inception	Inception Date
U.S. Equity						
Dodge & Cox Stock Fund	2.2	10.4	15.6	7.1	9.2	10/10/2000
Russell 1000 Value Index	5.0	13.5	15.4	7.3	7.4	
Fayez Sarofim & Co.	3.1	9.6	13.2	7.6	7.6	4/1/2004
S&P 500 Index	4.9	13.7	15.5	7.7	8.0	
Montag & Caldwell Growth Fund	4.6	7.6	11.7	7.8	5.8	12/5/1997
Russell 1000 Growth Index	4.8	13.0	15.8	8.5	5.6	
Vaughan Nelson Value Opportunity	5.9	11.2	16.4	--	10.3	2/18/2014
Russell 2000 Value Index	9.4	4.2	14.3	6.9	5.6	
William Blair SMID Growth	9.0	8.6	16.3	10.2	11.1	1/11/2008
Russell 2000 Growth Index	10.1	5.6	16.8	8.5	10.2	
Non-U.S. Equity						
Brandes International Equity	-5.3	-5.0	4.4	3.5	7.0	5/19/2009
MSCI EAFE Index	-3.6	-4.9	5.3	4.4	8.8	
EuroPacific Growth Fund	-1.7	-2.6	5.7	6.7	8.0	11/2/2001
MSCI EAFE Index	-3.6	-4.9	5.3	4.4	6.3	
Templeton Foreign Small Cos.	-2.0	-3.3	9.1	8.6	6.4	2/28/2011
MSCI EAFE Small Cap Index	-2.3	-4.9	8.6	6.0	4.9	

Notes: Illustrative performance shown prior to manager inception.  
Returns less than one year are not annualized.

# Manager Performance Summary

## Periods Ended December 31, 2014

	Quarter	2014	Five Years	Ten Years	Annualized Since Inception	Inception Date
<b>Real Assets</b>						
Credit Suisse Commodity Return Strategy	-11.9	-16.9	-5.5	-1.9	-11.5	2/28/2011
Jennison Natural Resources	-22.5	-19.7	-2.1	7.4	-10.0	2/28/2011
DJ UBS Commodities Index	-12.1	-17.0	-5.5	-1.9	-11.4	
<b>Long/Short Equity Hedge</b>						
Common Sense	-0.6	-8.9	2.0	3.9	1.8	3/1/2010
HFRI Strategic Index	0.9	3.0	3.5	3.4	3.8	
Wellington Archipelego	1.0	3.5	7.4	7.6	7.7	3/1/2010
HFRI Strategic Index	0.9	3.0	3.5	3.4	3.8	
Forester Offshore	0.7	0.8	7.1	7.6	13.6	6/30/2013
HFRI Strategic Index	0.6	1.3	4.6	3.9	9.8	
<b>Fixed Income</b>						
MetWest Low Duration Bond Fund	0.1	1.6	4.6	3.3	-0.1	12/2/2014
Merrill U.S. Treasuries (1-3 Y)	0.2	0.6	1.1	2.5	-0.1	

Notes: Illustrative performance shown prior to manager inception.  
Returns less than one year are not annualized.

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## Investment Manager Appendix

# Dodge & Cox Stock

As of 12/31/2014

## Portfolio Statistics

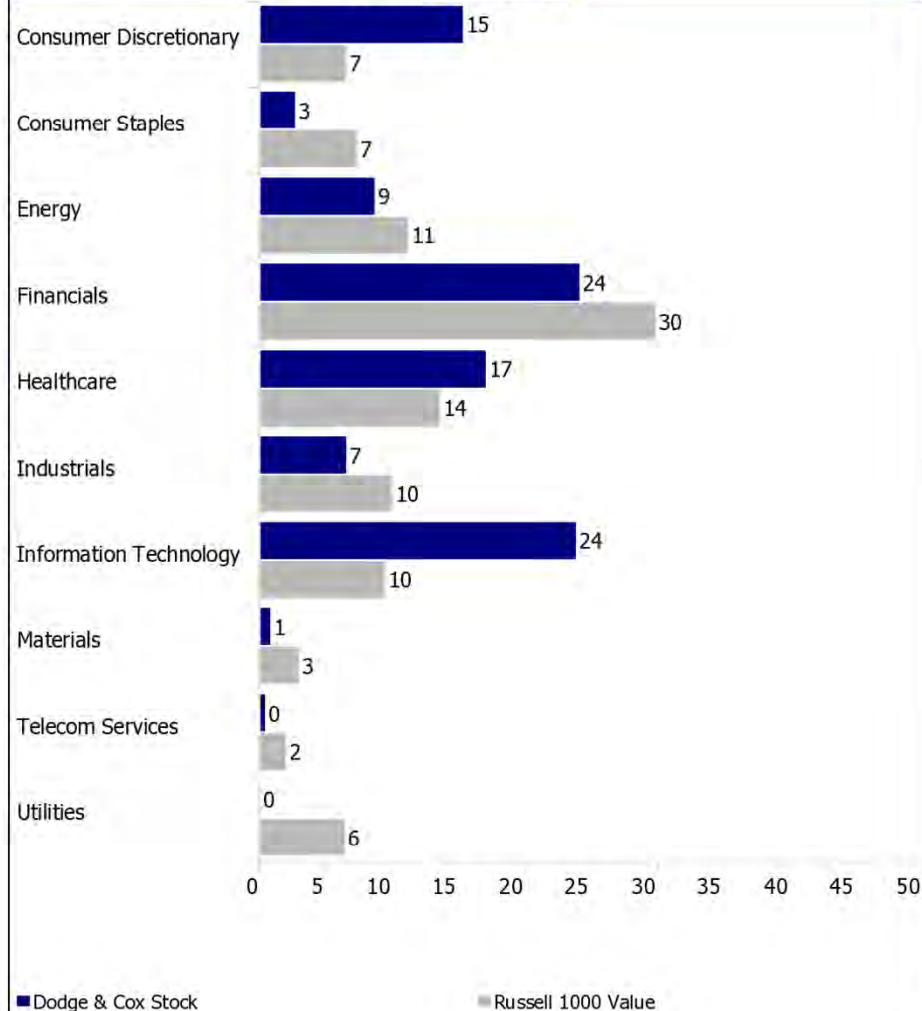
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	116.3	112.1
P/E Ratio	18.2	16.8
P/B Ratio	2.1	1.8
Dividend Yield (%)	1.8	2.2

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Hewlett-Packard Co	Information Technology	4.1	45.7
Wells Fargo & Co	Financials	4.0	23.7
Capital One Financial Corp	Financials	3.9	9.3
Microsoft Corp	Information Technology	3.8	27.2
Novartis AG ADR	Health Care	3.2	18.7
Time Warner Inc	Consumer Discretionary	3.2	29.7
Time Warner Cable Inc	Consumer Discretionary	2.9	14.4
Charles Schwab Corp	Financials	2.8	17.0
Bank of America Corporation	Financials	2.8	15.7
Bank of New York Mellon Corp	Financials	2.7	18.0

## Sector Allocation (%)



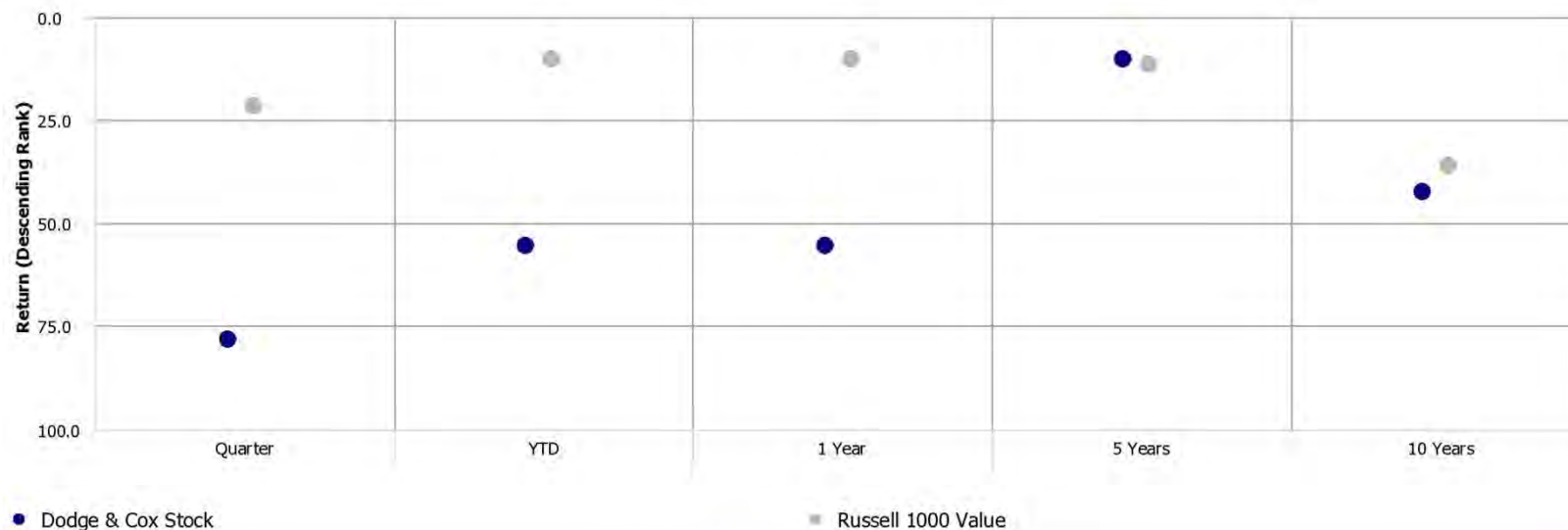
Source: Morningstar Direct



# Dodge & Cox Stock

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Large Value



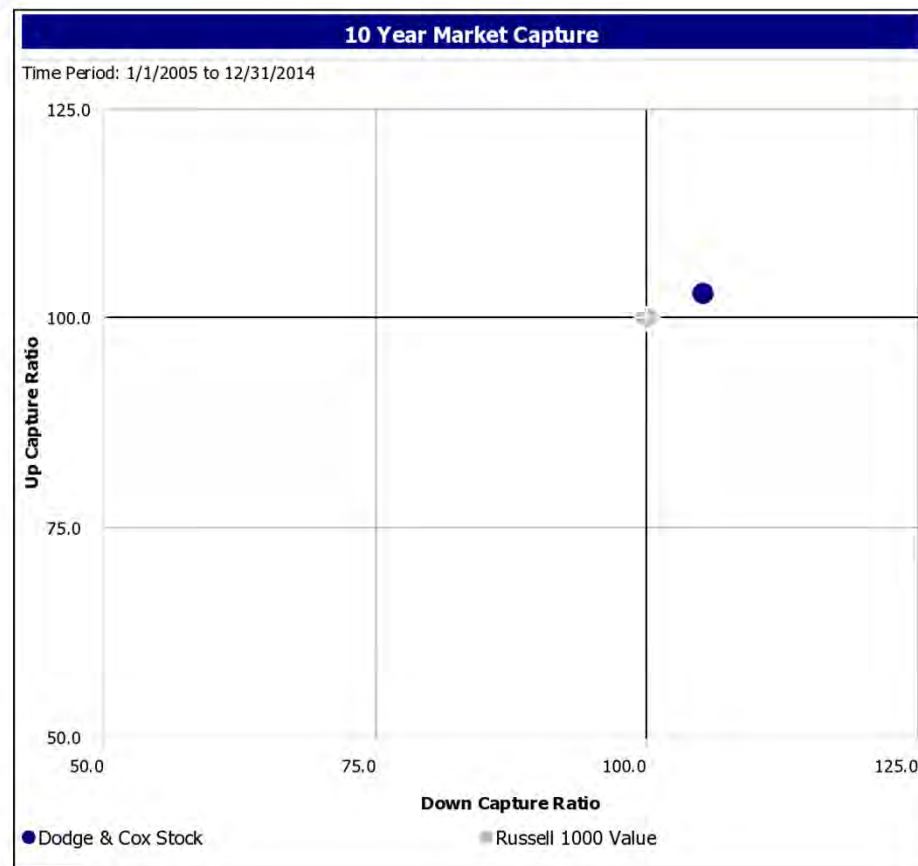
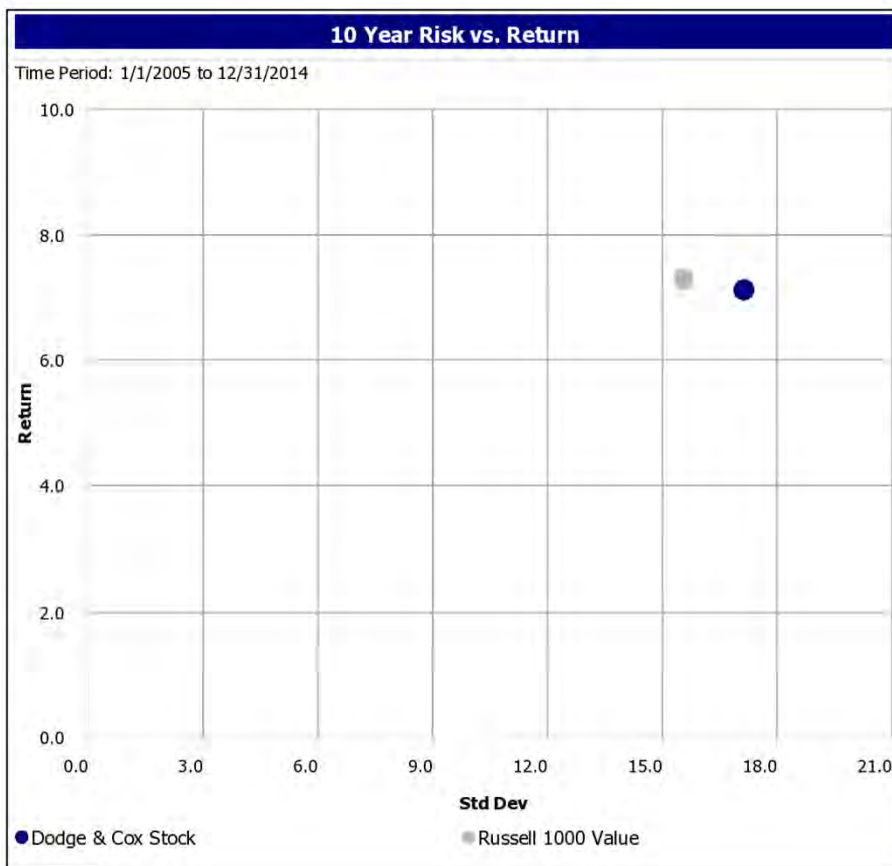
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Dodge & Cox Stock	2.2	10.4	10.4	15.6	7.1
Peer group percentile	78	55	55	10	42
Russell 1000 Value	5.0	13.5	13.5	15.4	7.3
Peer group percentile	21	10	10	11	36
25th Percentile	4.8	12.1	12.1	14.5	7.8
50th Percentile	4.0	10.7	10.7	13.7	6.8
75th Percentile	2.7	9.0	9.0	12.6	5.9

Source: Morningstar Direct

# Dodge & Cox Stock

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Dodge & Cox Stock	9.4	18.5	0.1	-43.3	31.3	13.5	-4.1	22.0	40.5	10.4	10.4	23.7	15.6	7.1
Russell 1000 Value	7.1	22.2	-0.2	-36.8	19.7	15.5	0.4	17.5	32.5	13.5	13.5	20.9	15.4	7.3



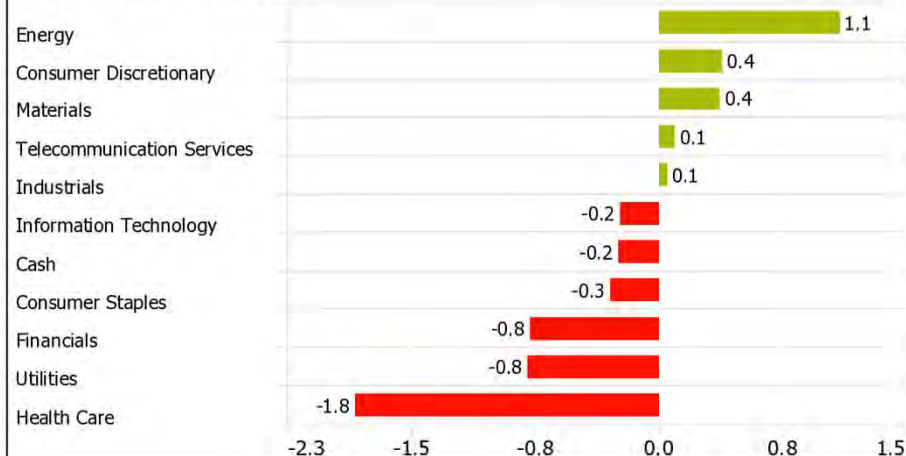
Source: Morningstar Direct

# Dodge & Cox Stock

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
FedEx Corp	2.0	21.4	0.4
Hewlett-Packard Co	3.5	46.0	0.3
Schlumberger NV	2.6	-3.6	0.2
Time Warner Inc	2.1	30.0	0.2
Baker Hughes Inc	1.0	2.5	0.2

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Sanofi ADR	2.5	-11.9	-0.9
GlaxoSmithKline PLC ADR	2.0	-15.7	-0.8
Roche Holding AG ADR	2.4	-0.3	-0.6
Coach Inc	0.7	-30.8	-0.4
Aegon NV ADR	1.0	-18.0	-0.4

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	14.2	16.3	2.4	6.4	14.5	1.0	0.1	0.2	0.4
Consumer Staples	2.3	12.5	0.4	6.4	17.4	1.2	-0.2	-0.1	-0.3
Energy	8.5	-8.6	-0.6	13.9	-7.8	-0.9	1.0	0.1	1.1
Financials	22.9	12.6	2.9	28.9	15.5	4.5	-0.1	-0.7	-0.8
Health Care	18.9	9.8	1.8	13.4	22.6	2.9	0.5	-2.3	-1.8
Industrials	6.6	2.9	0.2	10.3	5.7	0.6	0.3	-0.2	0.1
Information Technology	22.7	18.5	4.1	9.2	29.5	2.5	2.0	-2.3	-0.2
Materials	2.0	11.8	0.3	3.1	3.4	0.1	0.2	0.2	0.4
Telecommunication Services	0.2	-21.0	-0.1	2.3	3.2	0.1	0.2	-0.1	0.1
Utilities	0.0		0.0	6.1	27.4	1.6	-0.8	0.0	-0.8
Cash	1.5	0.0	0.0	0.0		0.0	-0.2	0.0	-0.2
Attribution Total	100.0	11.4	11.4	100.0	13.5	13.5	3.0	-5.2	-2.2

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct

# Fayez Sarofim & Co. Large Cap Equity

As of 12/31/2014

## Portfolio Statistics

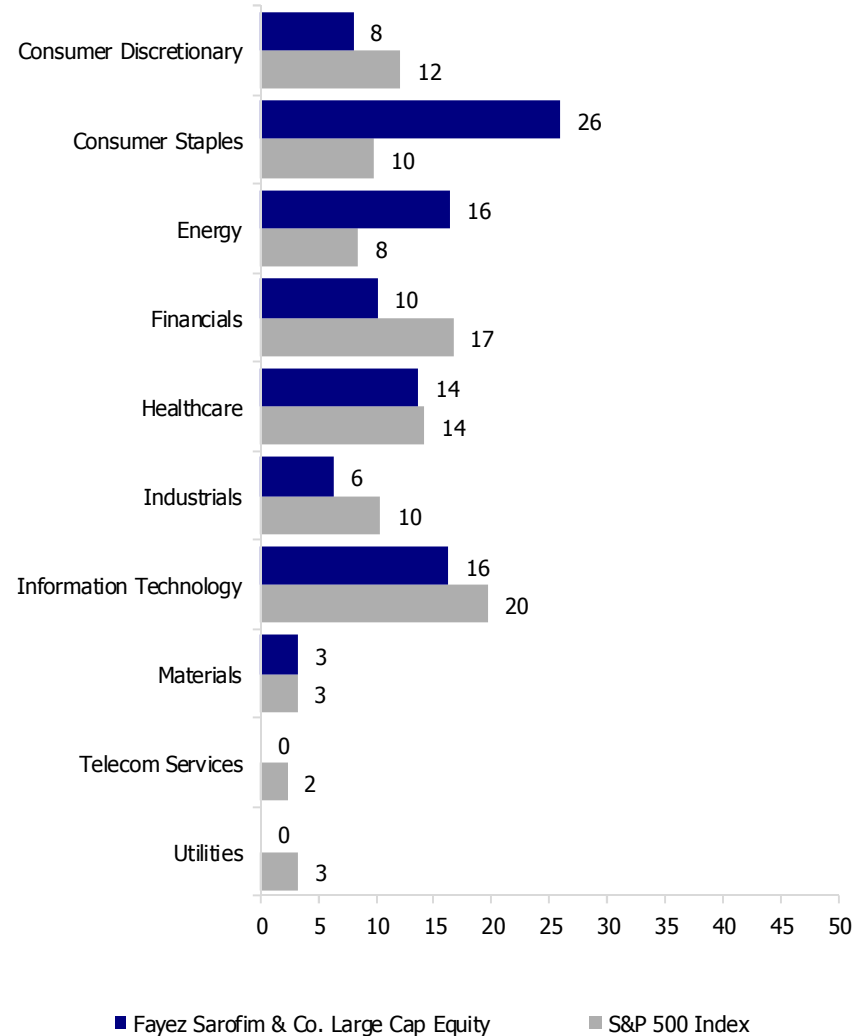
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	179.1	131.9
P/E Ratio	17.5	18.7
P/B Ratio	3.1	2.7
Dividend Yield (%)	2.6	1.9

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Apple Inc.	Information Technology	6.5%	40.6%
Philip Morris International Inc.	Consumer Staples	4.9%	-2.1%
Exxon Mobil Corporation	Energy	4.8%	-6.1%
Coca-Cola Company	Consumer Staples	4.4%	5.3%
Chevron Corporation	Energy	3.4%	-7.0%
Berkshire Hathaway Inc. Clas	Industrials	2.8%	27.0%
Nestle S.A. Sponsored ADR	Consumer Staples	2.6%	1.8%
Procter & Gamble Company	Consumer Staples	2.6%	15.4%
JPMorgan Chase & Co.	Financials	2.6%	9.9%
Johnson & Johnson	Health Care	2.5%	17.3%

## Sector Allocation (%)

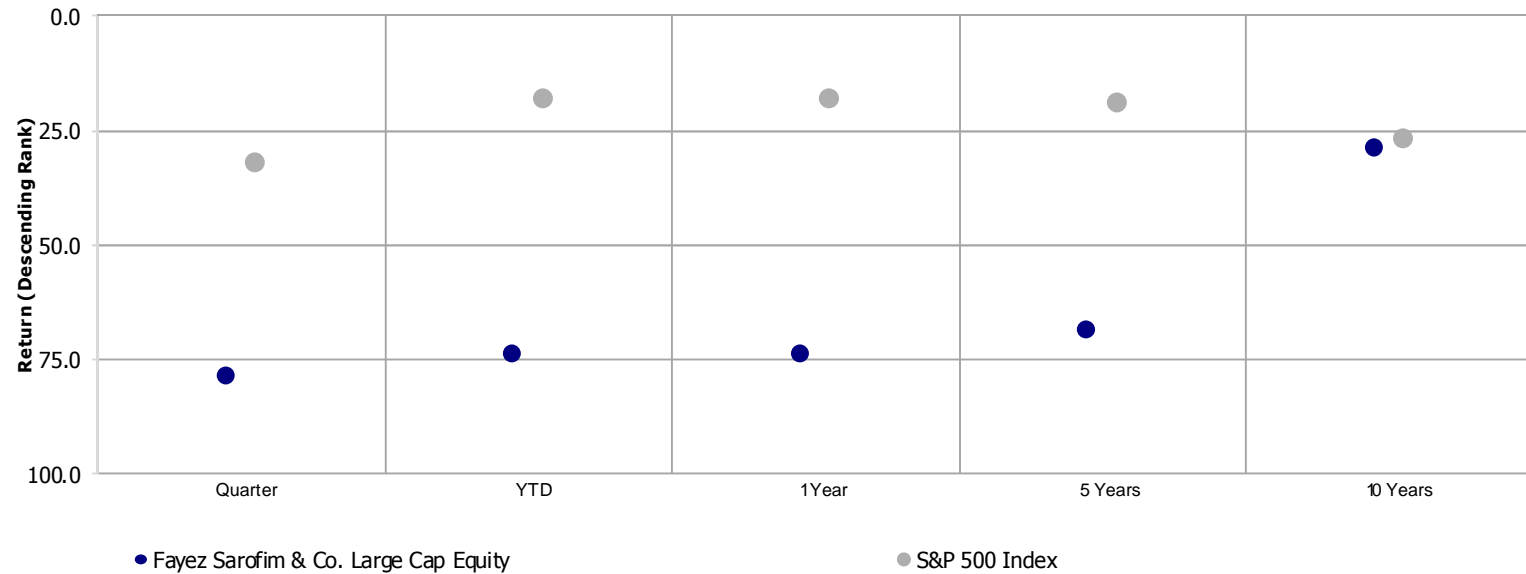


Source: FactSet

# Fayez Sarofim & Co. Large Cap Equity

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Large Cap Value

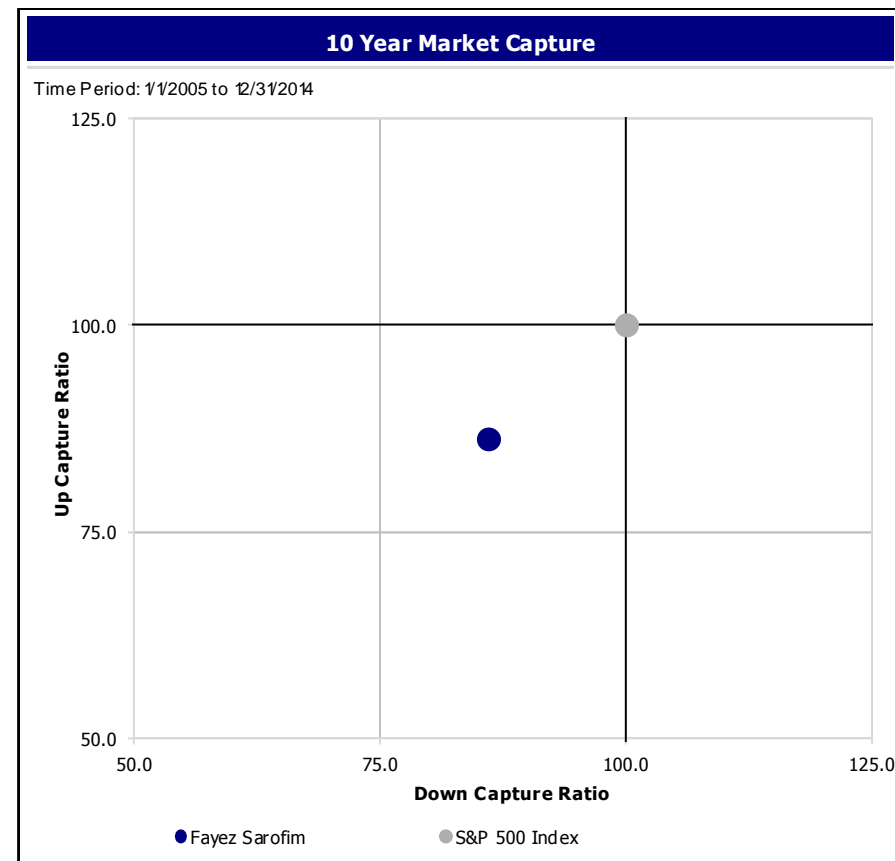
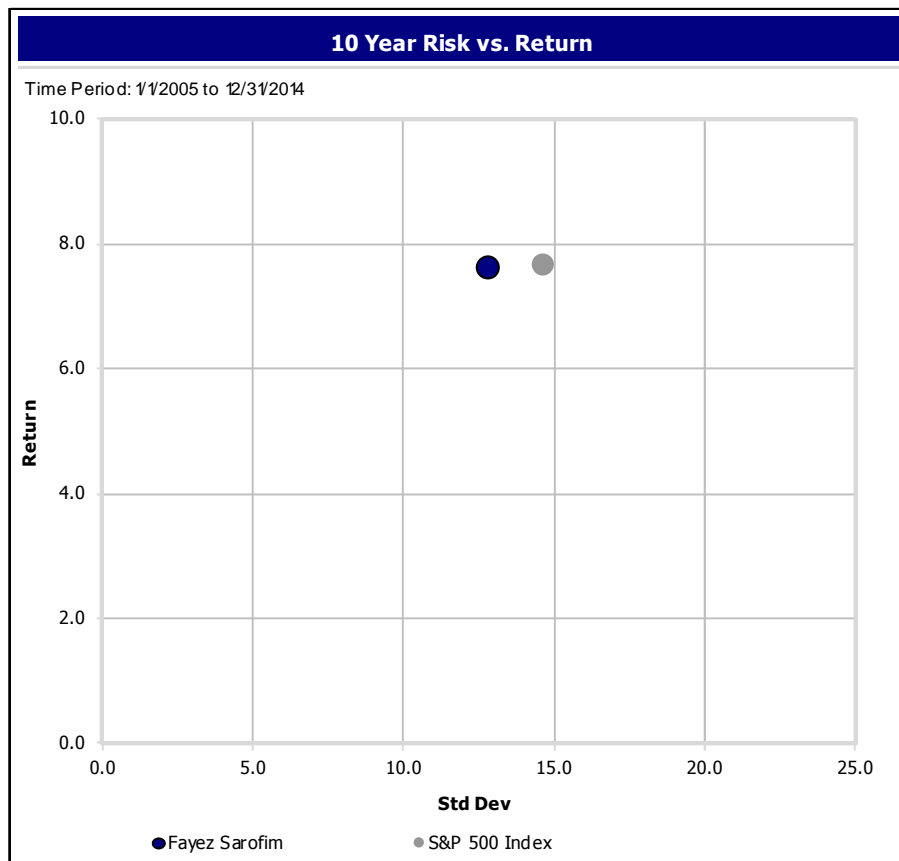


Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Fayez Sarofim & Co. Large Cap Equity	3.1	9.6	9.6	13.2	7.6
Peer group percentile	79	74	74	69	29
S&P 500 Index	4.9	13.7	13.7	15.5	7.7
Peer group percentile	32	18	18	19	27
25th Percentile	5.2	13.3	13.3	15.2	7.7
50th Percentile	4.5	11.7	11.7	14.1	7.1
75th Percentile	3.3	9.4	9.4	12.8	6.5

# Fayez Sarofim & Co. Large Cap Equity

As of 12/31/2014

Returns (%)														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Fayez Sarofim & Co. Large Cap Eq	5.1	4.9	16.3	8.6	-32.2	25.1	15.1	9.4	10.8	21.6	9.6	13.9	13.2	7.7
S&P 500 Index	10.9	4.9	15.8	5.5	-37.0	26.5	15.1	2.1	16.0	32.4	13.7	20.4	15.5	7.7

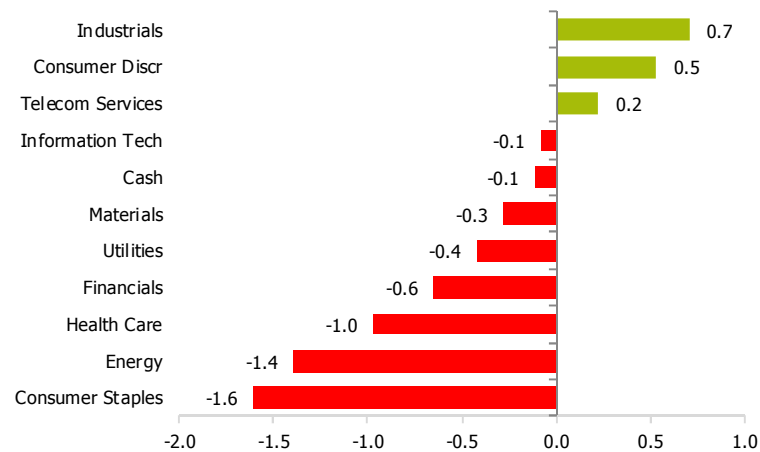


# Fayez Sarofim & Co. Large Cap Equity

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2005 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Apple Inc.	2.3	40.6	0.5
General Electric Company	-1.5	-6.7	0.3
Amazon.com, Inc.	-0.7	-22.2	0.3
Berkshire Hathaway Inc. Class A	2.5	27.0	0.3
Altria Group, Inc.	1.7	34.5	0.3

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Philip Morris International Inc.	4.5	-2.1	-0.7
Exxon Mobil Corporation	2.8	-6.1	-0.6
Chevron Corporation	2.5	-7.0	-0.5
Occidental Petroleum Corporation	2.2	-9.0	-0.5
Total SA Sponsored ADR Class B	1.8	-12.8	-0.4

## Attribution/Contribution

Time Period: 1/1/2005 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	8.7	14.6	1.2	12.0	9.7	1.1	0.2	0.4	0.5
Consumer Staples	24.0	7.9	1.9	9.7	16.0	1.5	0.2	-1.8	-1.6
Energy	19.2	-4.6	-0.7	10.0	-7.7	-0.6	-1.8	0.4	-1.4
Financials	9.6	9.5	0.8	16.3	15.3	2.4	-0.1	-0.6	-0.6
Health Care	12.0	17.5	2.1	13.7	25.3	3.3	-0.2	-0.8	-1.0
Industrials	6.6	19.3	1.3	10.6	9.8	1.1	0.1	0.6	0.7
Information Technology	15.3	21.7	3.1	18.9	20.3	3.7	-0.2	0.2	-0.1
Materials	3.9	1.5	0.1	3.5	6.9	0.3	0.0	-0.2	-0.3
Telecommunication Services	0.0	0.0	0.0	2.4	2.4	0.1	0.2	0.0	0.2
Utilities	0.0	0.0	0.0	3.1	28.7	0.9	-0.4	0.0	-0.4
Cash	0.7	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1
Attribution Total	100.0	9.7	9.7	100.0	13.7	13.7	-2.2	-1.9	-4.0

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: FactSet



# Montag & Caldwell Growth

As of 12/31/2014

## Portfolio Statistics

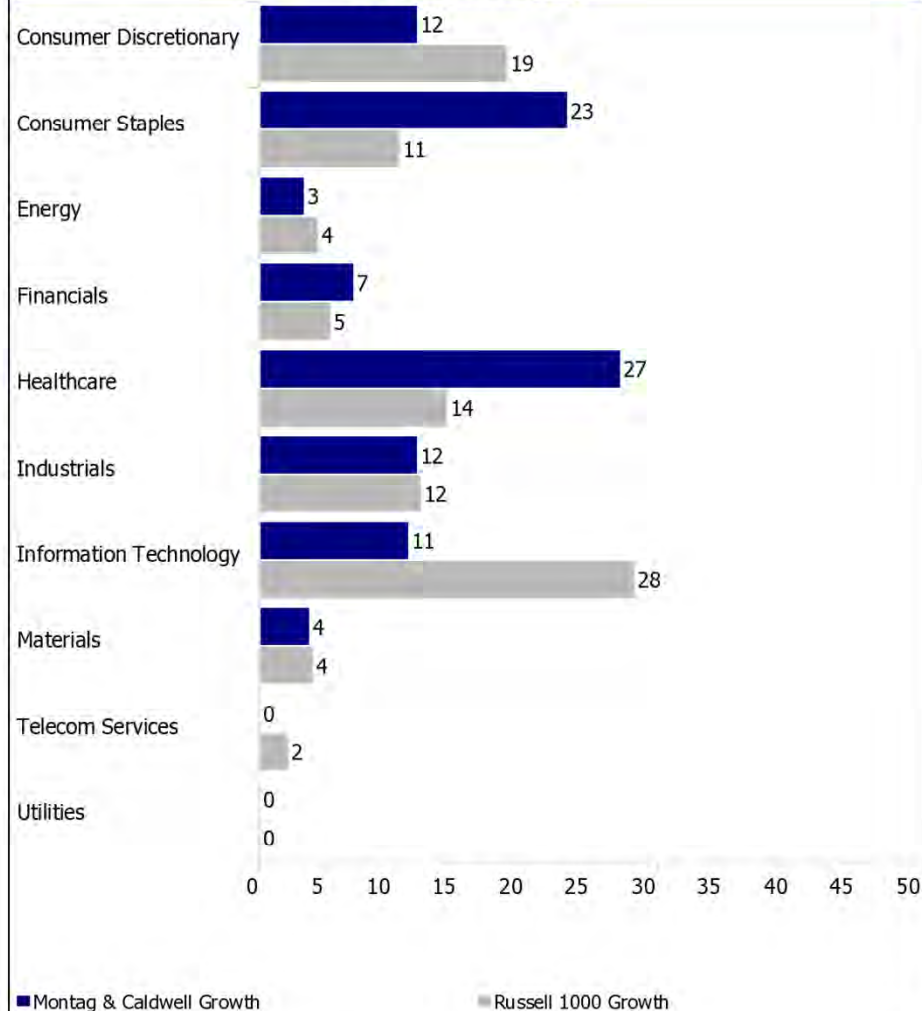
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	101.1	121.6
P/E Ratio	24.6	21.7
P/B Ratio	4.3	5.1
Dividend Yield (%)	1.3	1.4

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
PepsiCo Inc	Consumer Staples	4.8	17.1
McKesson Corp	Health Care	4.3	29.2
Visa Inc Class A	Information Technology	4.2	18.5
Mondelez International Inc Class A	Consumer Staples	4.1	4.5
Gilead Sciences Inc	Health Care	4.0	25.5
Monsanto Co	Materials	3.6	4.0
Thermo Fisher Scientific Inc	Health Care	3.5	13.1
Allergan Inc	Health Care	3.3	91.6
United Parcel Service Inc (UPS) Class B	Industrials	3.2	8.3
American Express Co	Financials	3.2	3.6

## Sector Allocation (%)



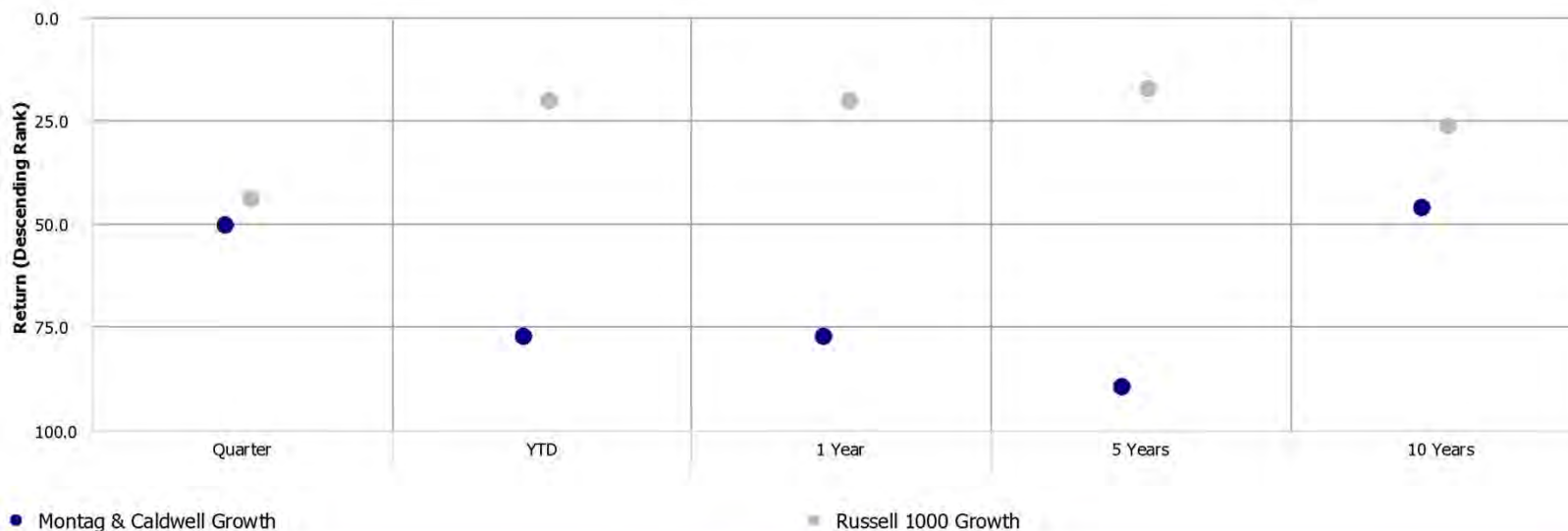
Source: Morningstar Direct



# Montag & Caldwell Growth

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Large Growth



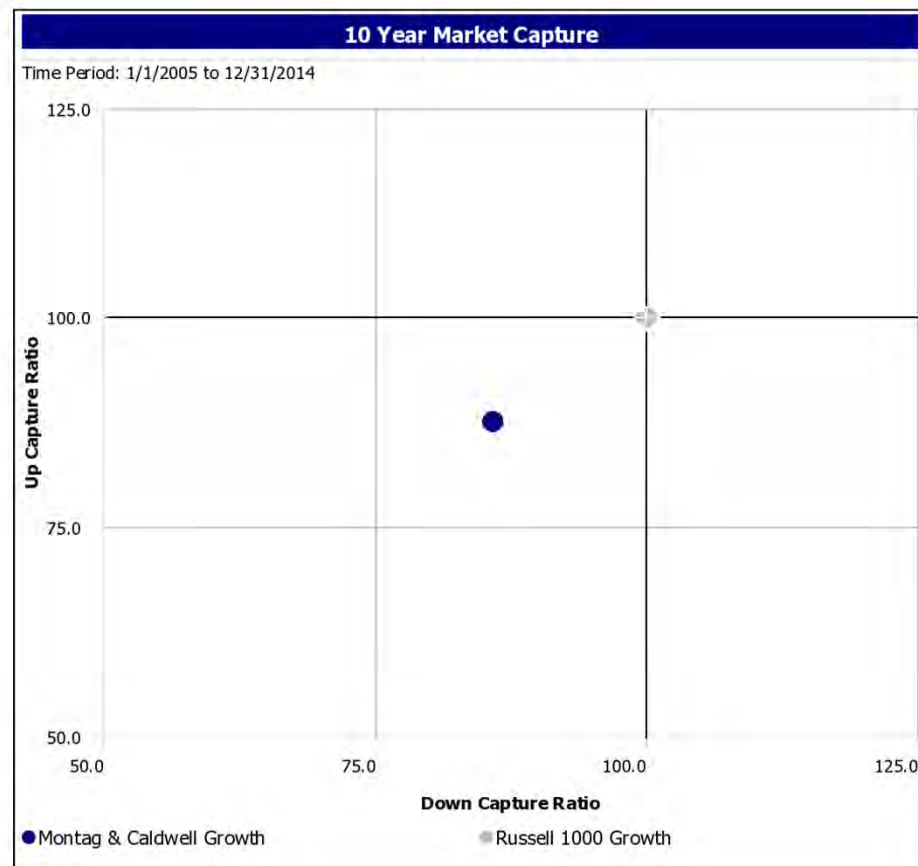
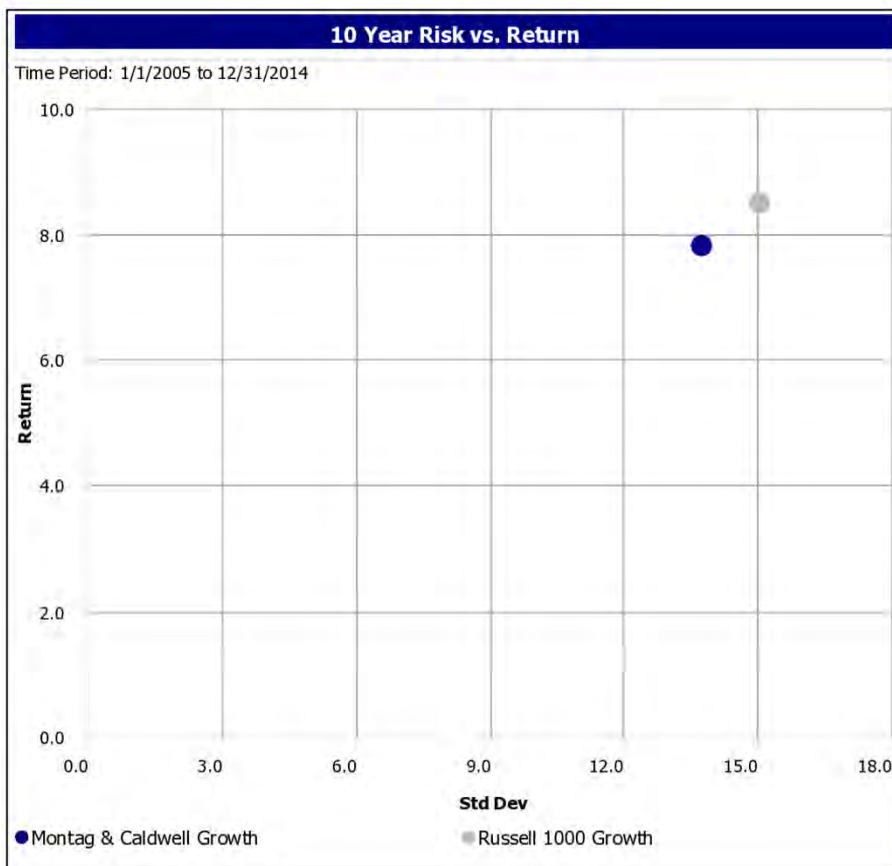
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Montag & Caldwell Growth	4.6	7.6	7.6	11.7	7.8
Peer group percentile	50	77	77	89	46
Russell 1000 Growth	4.8	13.0	13.0	15.8	8.5
Peer group percentile	44	20	20	17	26
25th Percentile	5.5	12.5	12.5	15.3	8.5
50th Percentile	4.6	10.2	10.2	14.2	7.7
75th Percentile	3.4	8.0	8.0	12.9	6.8

Source: Morningstar Direct

# Montag & Caldwell Growth

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Montag & Caldwell Growth	5.7	8.4	21.4	-32.5	30.2	8.6	3.4	13.0	27.6	7.6	7.6	15.8	11.7	7.8
Russell 1000 Growth	5.3	9.1	11.8	-38.4	37.2	16.7	2.6	15.3	33.5	13.0	13.0	20.3	15.8	8.5



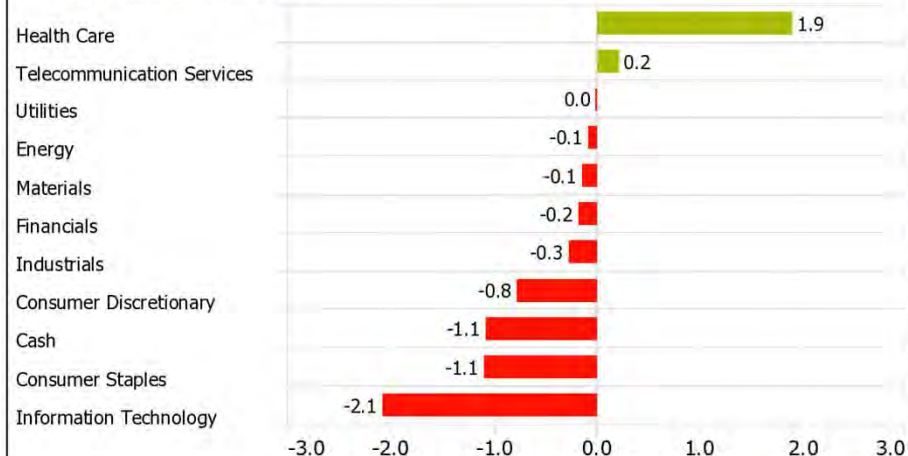
Source: Morningstar Direct

# Montag & Caldwell Growth

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Allergan Inc	2.9	91.6	1.5
Wells Fargo & Co	2.5	24.1	0.3
Visa Inc Class A	1.8	18.6	0.3
Philip Morris International, Inc.	-0.9	-10.3	0.3
Coca-Cola Co	-0.7	-0.5	0.2

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
General Electric Co	2.5	-6.7	-0.6
Google Inc Class A	1.4	-5.4	-0.5
Thermo Fisher Scientific Inc	1.9	10.3	-0.4
eBay Inc	1.4	-4.3	-0.4
Juniper Networks Inc	1.9	-6.2	-0.4

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	11.1	0.8	-0.3	18.7	8.3	1.6	0.3	-1.0	-0.8
Consumer Staples	21.2	8.5	1.9	11.1	14.8	1.6	0.2	-1.2	-1.1
Energy	4.3	-13.7	-0.8	5.2	-8.4	-0.7	0.2	-0.3	-0.1
Financials	7.2	9.1	0.6	5.4	12.3	0.7	0.0	-0.2	-0.2
Health Care	23.8	31.8	6.5	13.0	28.8	3.5	1.5	0.4	1.9
Industrials	8.0	4.6	0.6	12.2	11.6	1.4	0.1	-0.4	-0.3
Information Technology	15.4	5.1	0.6	27.7	15.5	4.3	-0.3	-1.8	-2.1
Materials	3.4	4.1	0.2	4.3	9.3	0.4	0.0	-0.1	-0.1
Telecommunication Services	0.0		0.0	2.2	2.6	0.1	0.2	0.0	0.2
Utilities	0.0		0.0	0.1	24.5	0.0	0.0	0.0	0.0
Cash	5.7	0.0	0.0	0.0		0.0	-1.1	0.0	-1.1
Attribution Total	100.0	9.4	9.4	100.0	13.0	13.0	1.0	-4.7	-3.6

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct

# Vaughan Nelson Value Opp

As of 12/31/2014

## Portfolio Statistics

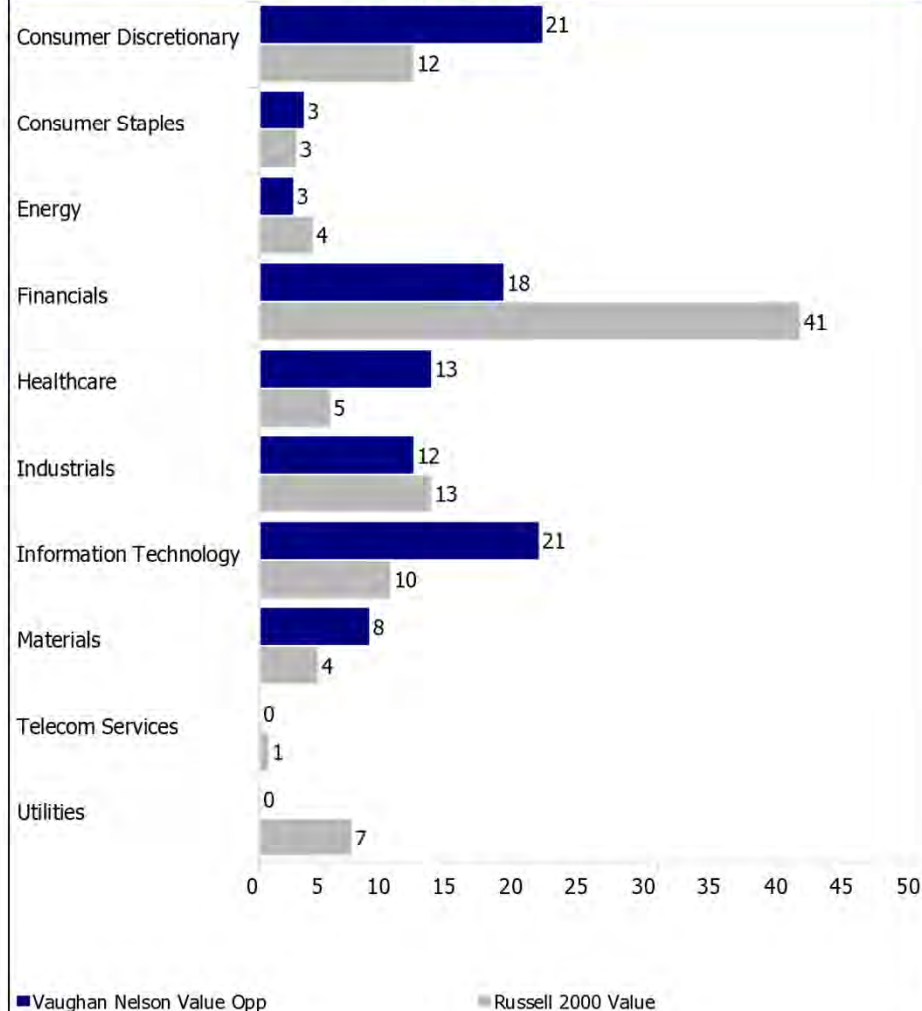
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	8.8	1.7
P/E Ratio	21.4	19.0
P/B Ratio	2.6	1.5
Dividend Yield (%)	0.9	1.9

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
HCA Holdings Inc	Health Care	2.4	53.8
Crown Holdings Inc	Materials	2.3	14.2
Jarden Corp	Consumer Discretionary	2.1	17.1
PacWest Bancorp	Financials	2.1	10.6
CACI International Inc Class A	Information Technology	2.0	17.7
Catalent Inc	Health Care	2.0	
Amsurg Corp	Health Care	2.0	19.2
NCR Corp	Information Technology	2.0	-14.4
Wabco Holdings Inc	Industrials	2.0	12.2
CIT Group Inc	Financials	1.9	-7.3

## Sector Allocation (%)



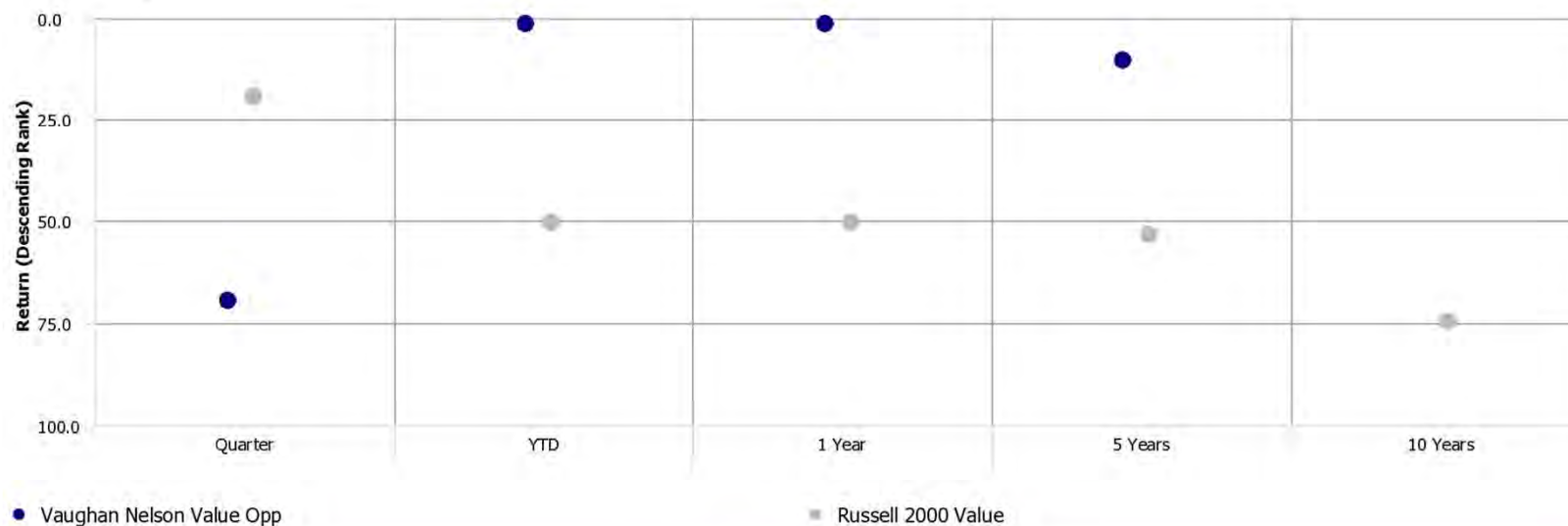
Source: Morningstar Direct



# Vaughan Nelson Value Opp

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Small Value



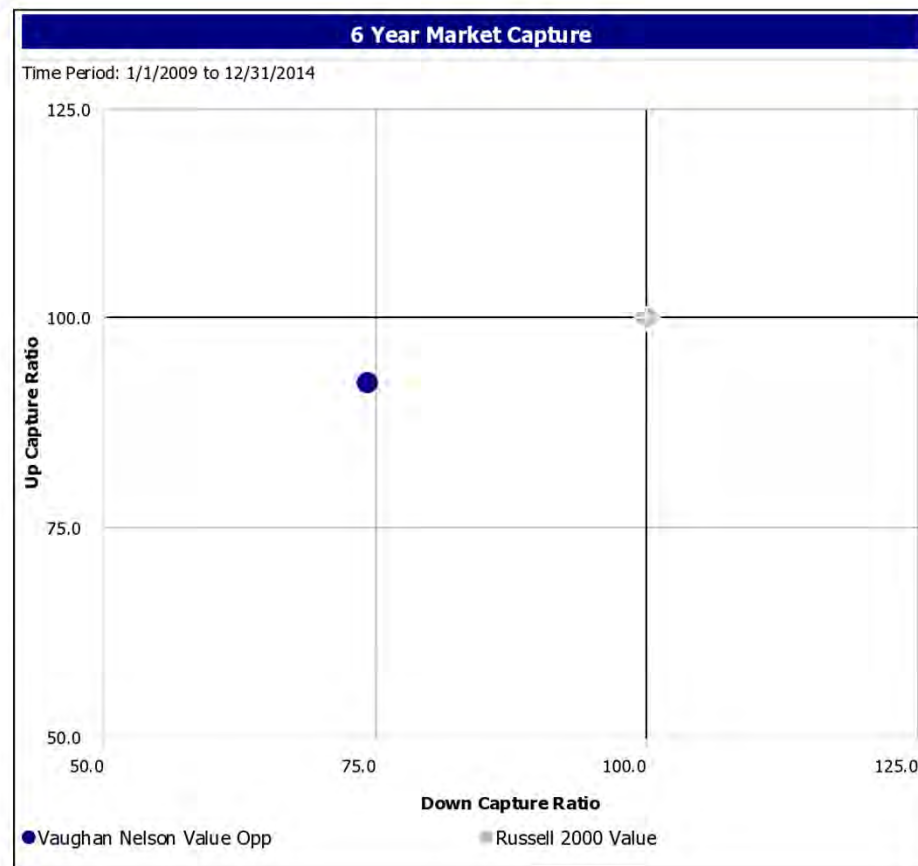
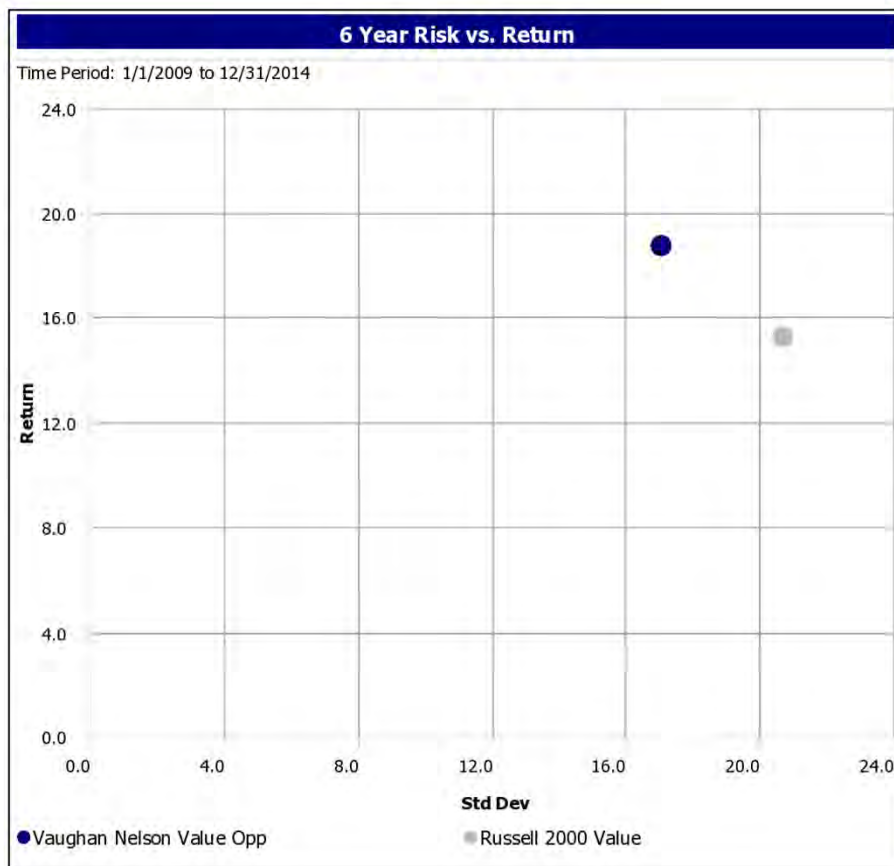
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Vaughan Nelson Value Opp	5.9	11.2	11.2	16.4	
Peer group percentile	69	1	1	10	
Russell 2000 Value	9.4	4.2	4.2	14.3	6.9
Peer group percentile	19	50	50	53	74
25th Percentile	8.6	5.8	5.8	15.4	8.3
50th Percentile	6.9	4.2	4.2	14.4	7.6
75th Percentile	5.2	2.0	2.0	13.0	6.8

Source: Morningstar Direct

# Vaughan Nelson Value Opp

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Vaughan Nelson Value Opp					31.4	20.0	-2.5	16.3	41.5	11.2	11.2	22.3	16.4	
Russell 2000 Value	4.7	23.5	-9.8	-28.9	20.6	24.5	-5.5	18.1	34.5	4.2	4.2	18.3	14.3	6.9



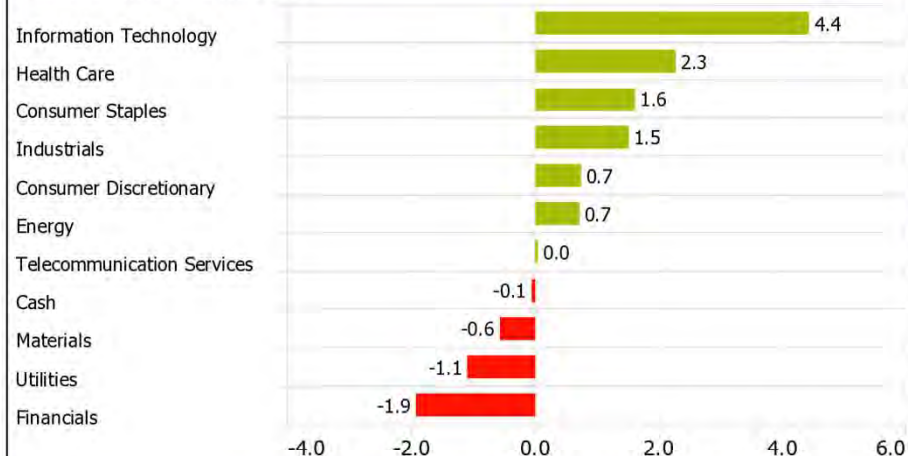
Source: Morningstar Direct

# Vaughan Nelson Value Opp

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Skyworks Solutions Inc	1.8	156.3	1.8
Rite Aid Corp	0.7	136.7	1.1
Avago Technologies Ltd	1.6	93.2	1.1
Micron Technology Inc	1.6	61.0	0.7
HCA Holdings Inc	2.3	53.8	0.7

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
NCR Corp	2.2	-14.4	-0.5
Cabela's Inc	0.9	-19.7	-0.5
Whiting Petroleum Corp	0.5	-62.7	-0.4
GNC Holdings Inc	1.6	-18.4	-0.4
MRC Global Inc	1.0	-27.7	-0.3

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	16.2	9.0	1.8	10.7	6.7	0.7	0.4	0.3	0.7
Consumer Staples	2.3	92.5	1.8	2.6	8.3	0.2	0.1	1.5	1.6
Energy	5.8	-39.7	-2.1	6.9	-37.9	-2.6	0.5	0.2	0.7
Financials	17.5	5.4	1.1	39.6	9.9	3.9	-1.2	-0.7	-1.9
Health Care	10.3	40.0	3.6	4.9	17.0	0.8	0.8	1.5	2.3
Industrials	13.9	9.8	1.2	13.3	-1.6	-0.2	0.0	1.5	1.5
Information Technology	19.3	31.4	5.4	10.4	6.6	0.7	0.2	4.2	4.4
Materials	11.3	-9.2	-0.6	4.6	-5.2	-0.3	-0.6	0.0	-0.6
Telecommunication Services	0.0		0.0	0.7	-1.8	0.0	0.0	0.0	0.0
Utilities	0.0		0.0	6.4	22.1	1.3	-1.1	0.0	-1.1
Cash	3.3	0.0	0.0	0.0		0.0	-0.1	0.0	-0.1
Attribution Total	100.0	12.3	12.3	100.0	4.5	4.5	-0.9	8.6	7.7

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct



# William Blair Small-Mid Cap Growth

As of 12/31/2014

## Portfolio Statistics

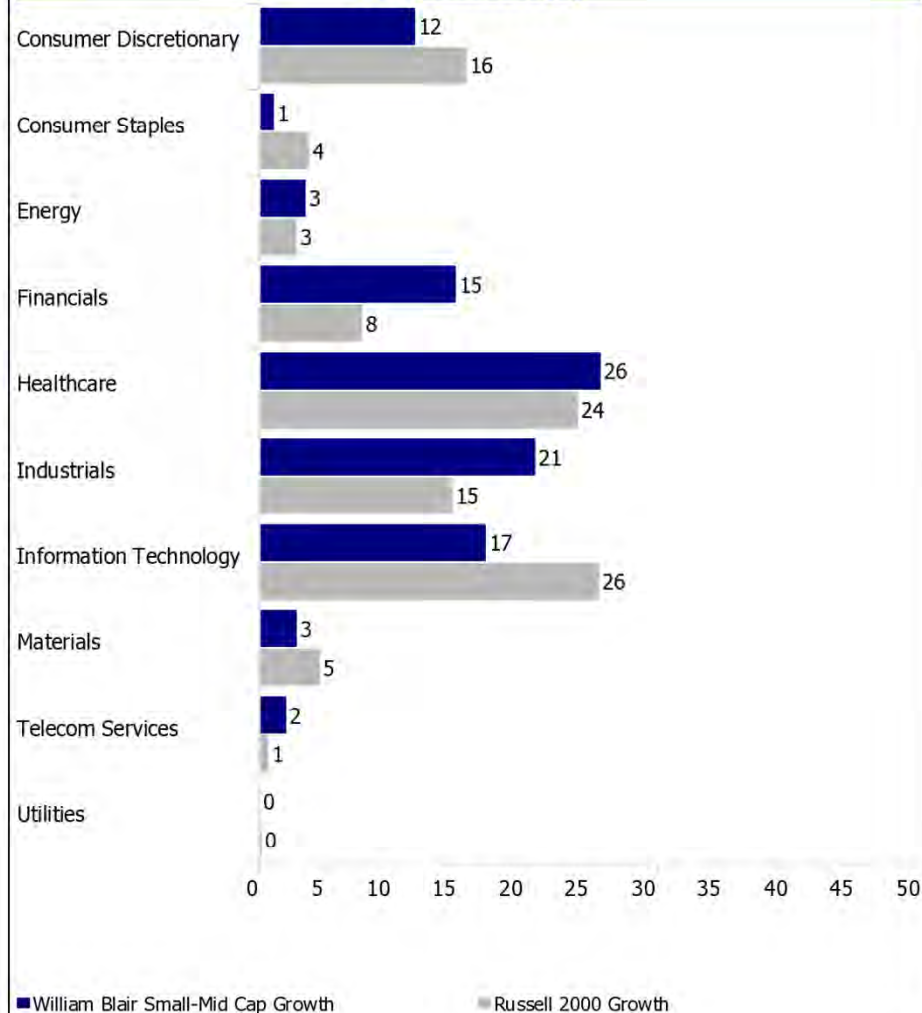
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	5.7	2.1
P/E Ratio	26.3	26.0
P/B Ratio	4.3	4.0
Dividend Yield (%)	0.7	0.6

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
j2 Global Inc	Information Technology	2.7	26.2
Stericycle Inc	Industrials	2.4	12.8
Jones Lang LaSalle Inc	Financials	2.3	46.9
Robert Half International Inc	Industrials	2.2	40.7
Guidewire Software Inc	Information Technology	2.1	3.2
Six Flags Entertainment Corp	Consumer Discretionary	2.1	22.4
SBA Communications Corp	Telecommunication Services	2.0	23.3
Polaris Industries Inc	Consumer Discretionary	2.0	5.2
Affiliated Managers Group Inc	Financials	1.9	-2.1
Biomarin Pharmaceutical Inc	Health Care	1.9	28.5

## Sector Allocation (%)



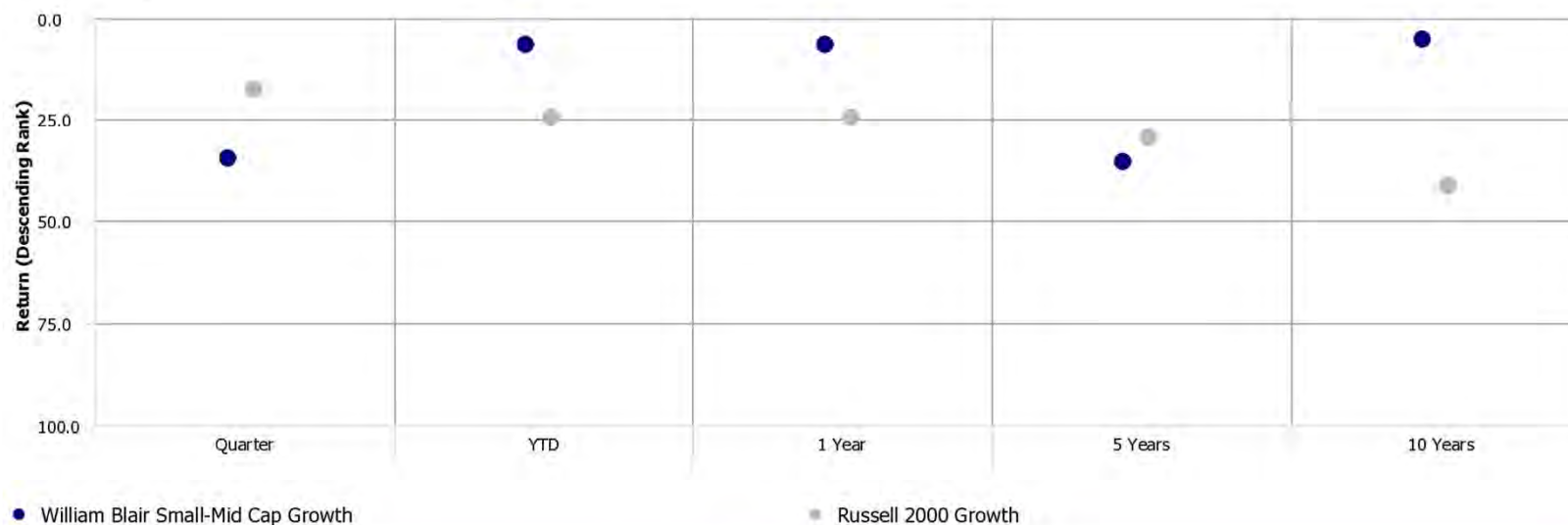
Source: Morningstar Direct



# William Blair Small-Mid Cap Growth

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Small Growth



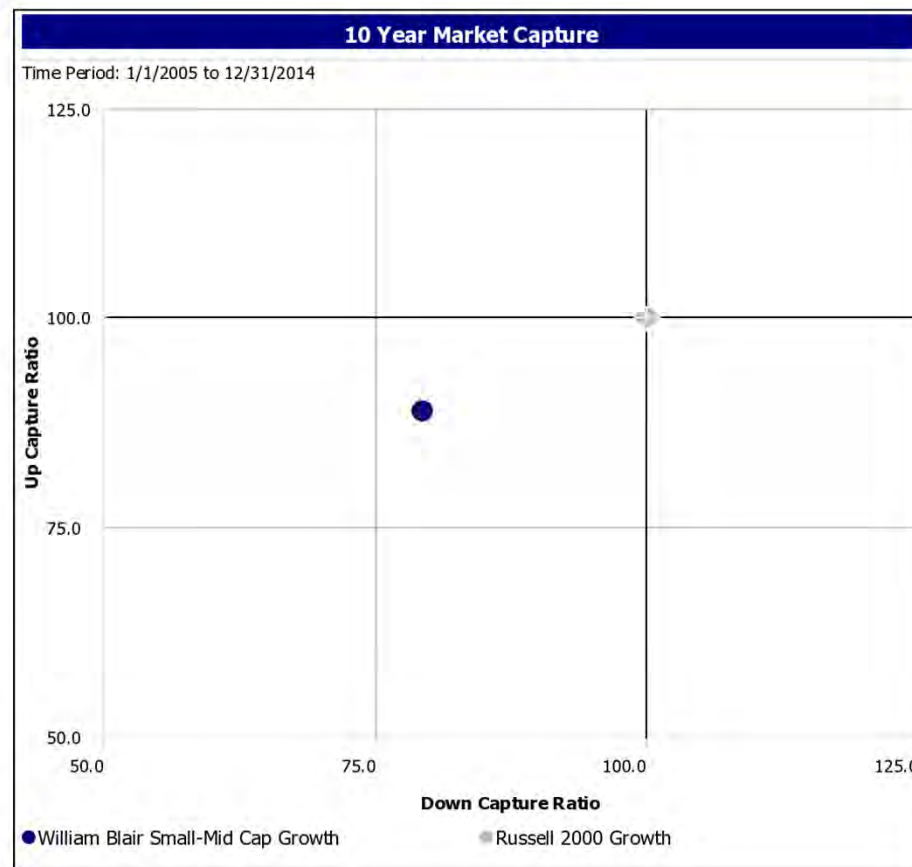
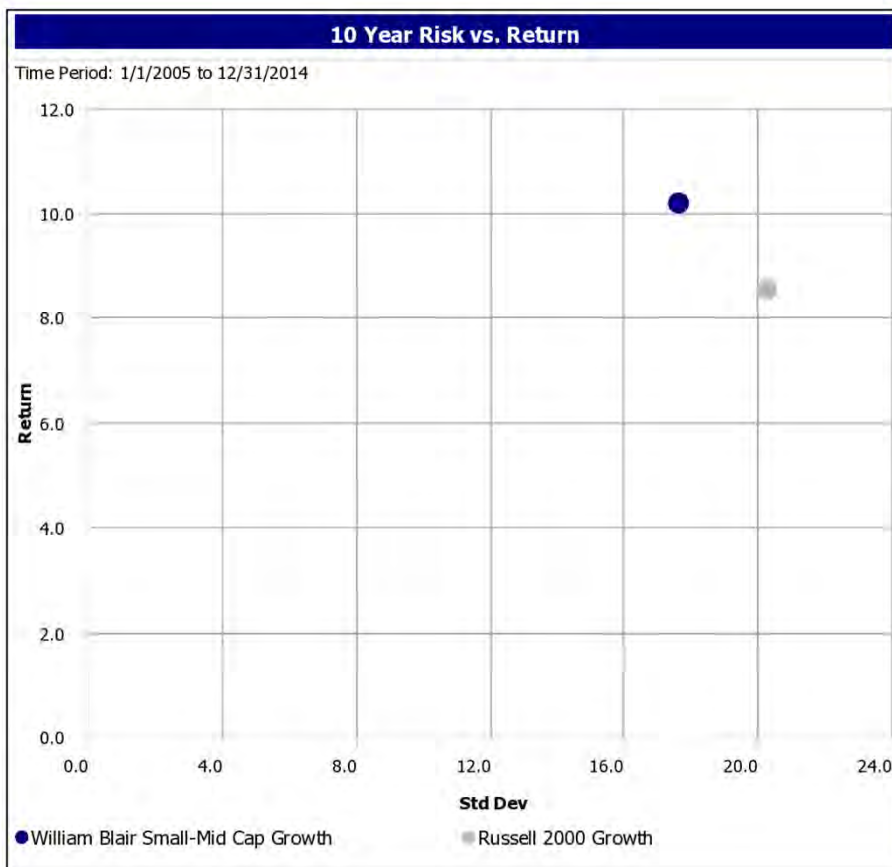
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
William Blair Small-Mid Cap Growth	9.0	8.6	8.6	16.3	10.2
Peer group percentile	34	6	6	35	5
Russell 2000 Growth	10.1	5.6	5.6	16.8	8.5
Peer group percentile	17	24	24	29	41
25th Percentile	9.6	5.5	5.5	17.0	9.0
50th Percentile	8.0	3.0	3.0	15.5	8.3
75th Percentile	6.6	0.0	0.0	14.2	7.5

Source: Morningstar Direct

# William Blair Small-Mid Cap Growth

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
William Blair Small-Mid Cap Growth	11.1	10.0	12.5	-37.5	44.3	23.1	0.0	12.4	41.9	8.6	8.6	20.1	16.3	10.2
Russell 2000 Growth	4.2	13.3	7.0	-38.5	34.5	29.1	-2.9	14.6	43.3	5.6	5.6	20.1	16.8	8.5



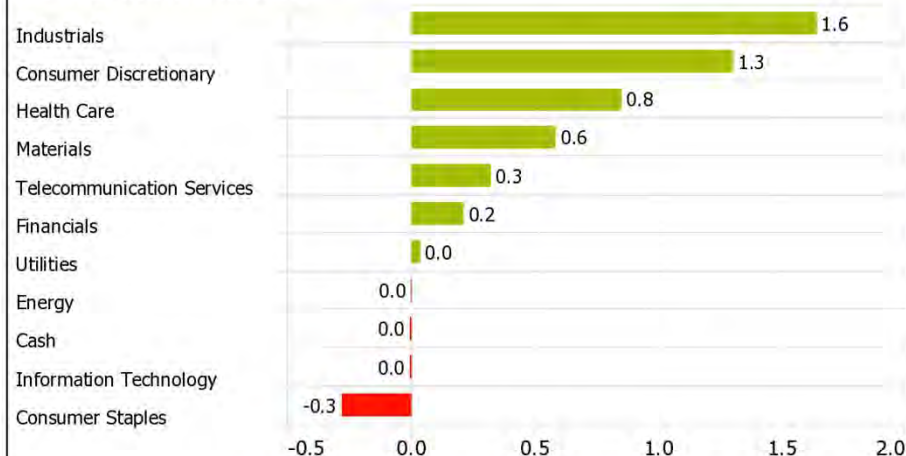
Source: Morningstar Direct

# William Blair Small-Mid Cap Growth

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Old Dominion Freight Lines	1.8	46.4	0.7
Robert Half International Inc	1.9	41.2	0.7
Green Mountain Coffee Roasters, Inc.	0.2	45.8	0.7
Williams-Sonoma Inc	1.7	32.6	0.5
Jones Lang LaSalle Inc	1.6	47.0	0.5

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Nu Skin Enterprises Inc Class A	0.6	-45.2	-0.6
NeuStar Inc	0.6	-44.2	-0.5
Align Technology Inc	1.2	-2.2	-0.3
Akorn Inc	0.2	-7.2	-0.3
Core Laboratories NV	0.4	-15.9	-0.3

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	13.0	8.8	0.8	15.5	-0.8	-0.1	0.0	1.3	1.3
Consumer Staples	0.8	3.7	0.1	4.3	15.2	0.6	-0.4	0.1	-0.3
Energy	4.6	-35.4	-1.8	4.4	-32.2	-1.7	0.6	-0.6	0.0
Financials	13.6	7.8	1.1	7.5	6.2	0.5	0.0	0.2	0.2
Health Care	22.1	25.0	5.4	22.0	20.1	4.2	0.3	0.6	0.8
Industrials	19.9	9.7	2.0	15.2	1.4	0.2	-0.1	1.8	1.6
Information Technology	17.2	9.5	1.9	25.1	8.5	2.1	-0.2	0.2	0.0
Materials	4.4	9.4	0.4	5.0	-0.4	0.0	0.1	0.5	0.6
Telecommunication Services	1.9	23.3	0.4	0.8	5.4	0.0	0.0	0.3	0.3
Utilities	0.0	0.0	0.0	0.2	-8.1	0.0	0.0	0.0	0.0
Cash	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Attribution Total	100.0	10.4	10.4	100.0	5.7	5.7	0.3	4.3	4.6

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct



# Brandes International Equity

As of 12/31/2014

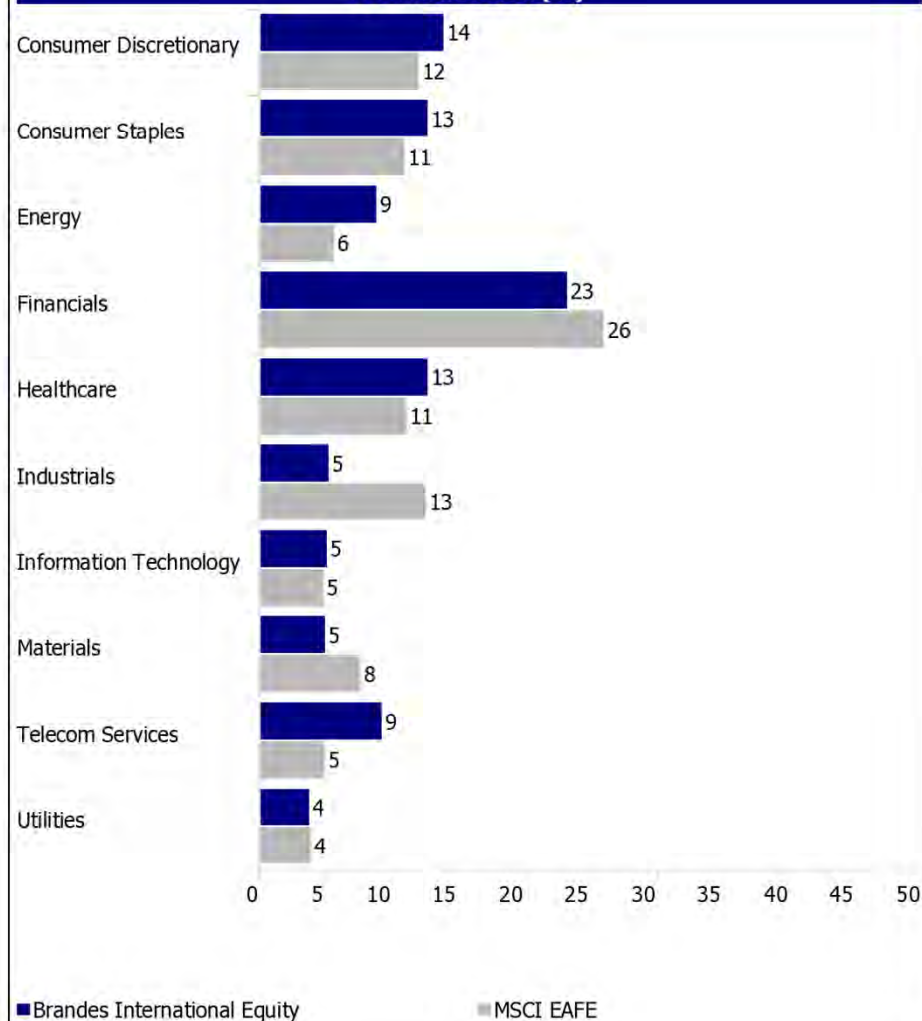
## Regional Allocation (%)

	Manager	Index
North America	1.7	0.0
Latin America Emerging	8.1	0.0
United Kingdom	22.4	21.4
Europe Developed	33.2	44.8
Europe Emerging	3.0	0.0
Africa/Middle East	0.0	0.6
Japan	24.6	21.1
Australia/New Zealand	0.0	7.7
Asia Developed	4.7	4.4
Asia Emerging	2.4	0.0

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
GlaxoSmithKline PLC	Health Care	3.3	-14.9
GDF Suez	Utilities	3.1	5.8
Nissan Motor	Consumer Discretionary	2.8	7.3
Morrison (Wm) Supermarkets PLC	Consumer Staples	2.8	-28.8
Canon Inc	Information Technology	2.6	4.3
Sanofi	Health Care	2.4	-10.7
BP PLC	Energy	2.4	-16.1
Daiichi Sankyo Co Ltd	Health Care	2.4	-20.9
Honda Motor Co Ltd	Consumer Discretionary	2.3	-27.5
UBS AG	Financials	2.2	-8.3

## Sector Allocation (%)

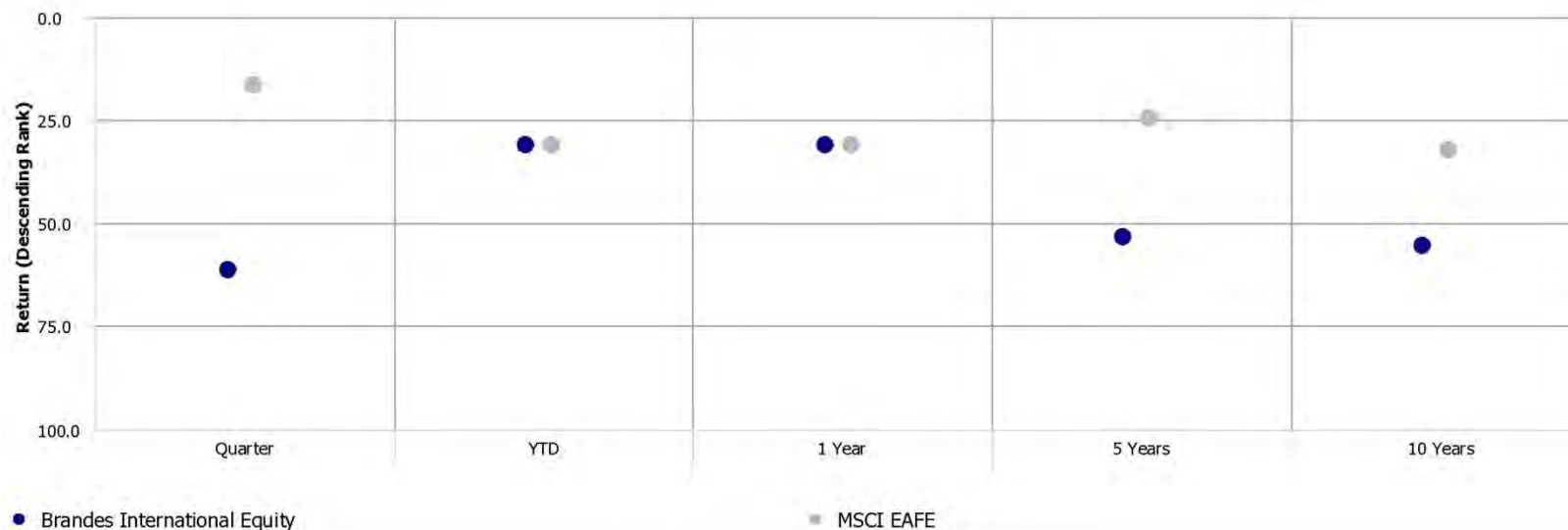


Source: Morningstar Direct

# Brandes International Equity

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Foreign Large Value



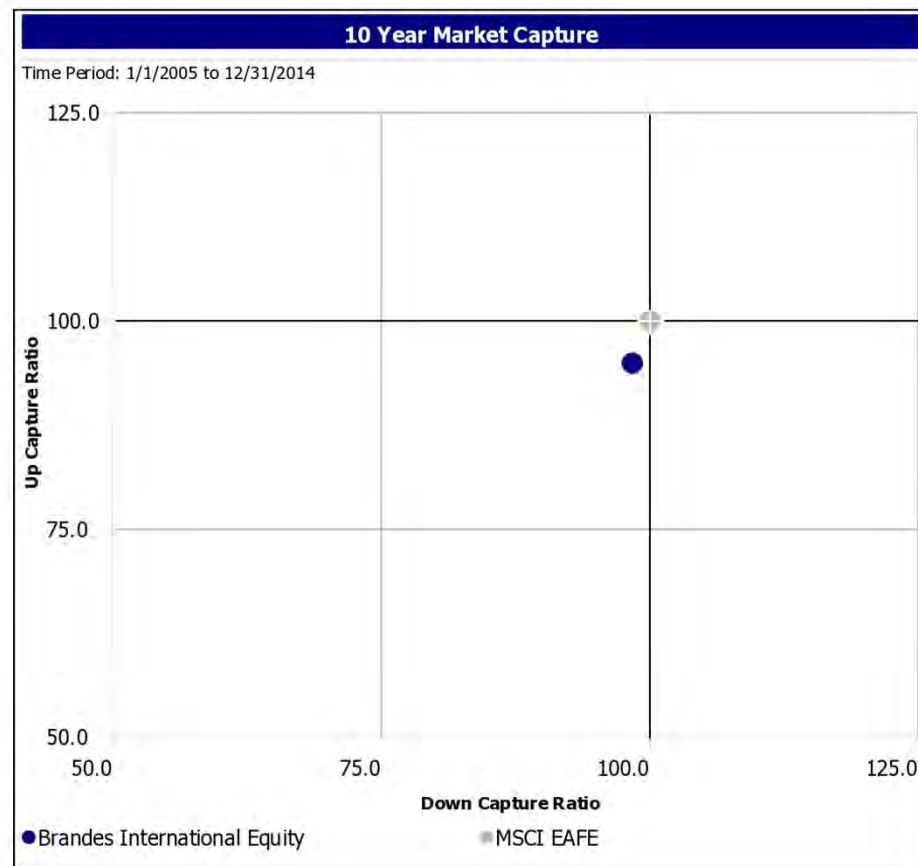
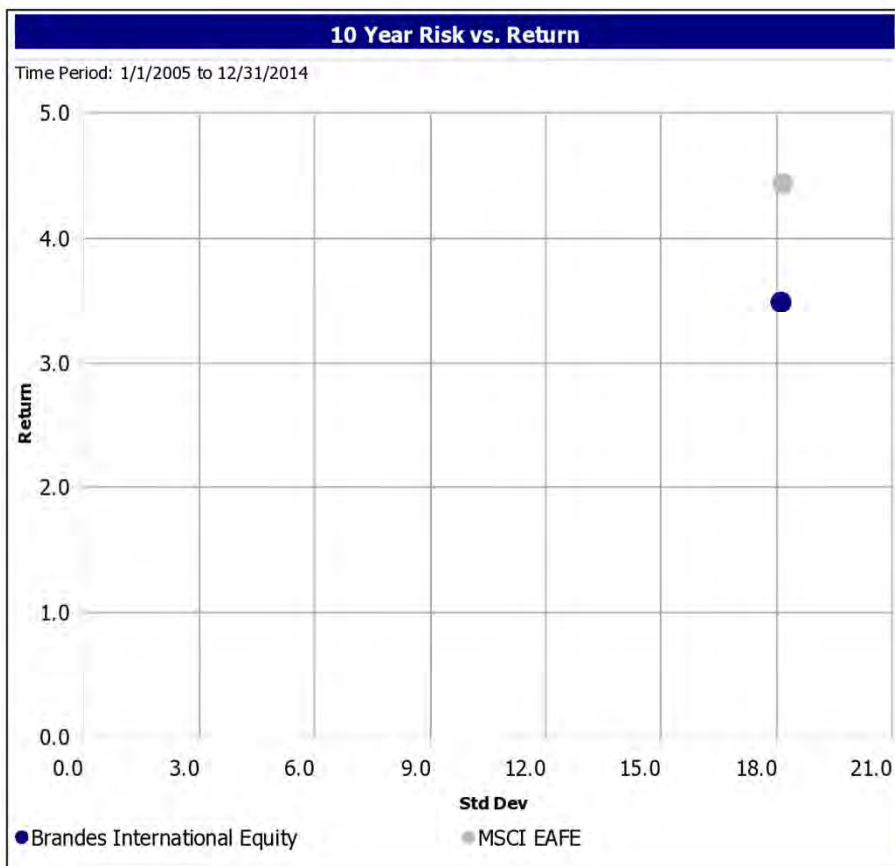
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Brandes International Equity	-5.3	-5.0	-5.0	4.4	3.5
Peer group percentile	61	31	31	53	55
MSCI EAFE	-3.6	-4.9	-4.9	5.3	4.4
Peer group percentile	16	31	31	24	32
25th Percentile	-4.3	-4.2	-4.2	5.2	4.7
50th Percentile	-4.9	-6.4	-6.4	4.4	3.8
75th Percentile	-5.8	-7.8	-7.8	3.5	2.9

Source: Morningstar Direct

# Brandes International Equity

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Brandes International Equity	10.8	26.1	8.6	-37.2	19.5	5.0	-11.9	11.2	26.5	-5.0	-5.0	10.2	4.4	3.5
MSCI EAFE	13.5	26.3	11.2	-43.4	31.8	7.8	-12.1	17.3	22.8	-4.9	-4.9	11.1	5.3	4.4



Source: Morningstar Direct

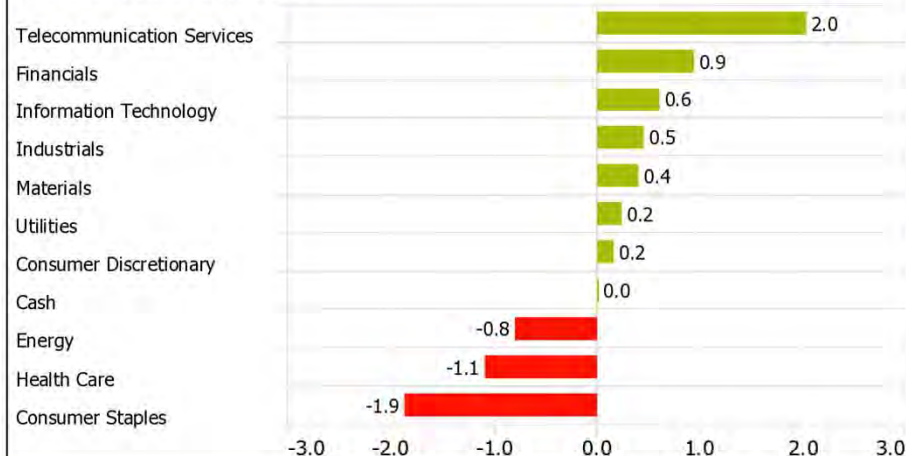


# Brandes International Equity

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
ORANGE	2.0	45.8	0.7
Intesa Sanpaolo Rsp	2.0	23.7	0.6
Nippon Telegraph & Telephone Corp	1.7	18.2	0.4
China Mobile Ltd	1.1	32.2	0.4
Flextronics International Ltd	1.0	43.9	0.4

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Morrison (Wm) Supermarkets PLC	2.5	-28.6	-0.6
Daiichi Sankyo Co Ltd	2.1	-20.9	-0.6
Tesco PLC	1.1	-37.7	-0.5
Sainsbury (J) PLC	1.3	-32.7	-0.4
Carrefour	1.8	-21.2	-0.4

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	11.1	-3.4	-0.5	11.8	-4.7	-0.6	0.2	0.0	0.2
Consumer Staples	12.4	-17.9	-2.4	11.0	-2.4	-0.2	0.1	-1.9	-1.9
Energy	10.2	-25.6	-2.0	6.8	-18.4	-1.2	-0.2	-0.6	-0.8
Financials	20.6	-1.6	-0.4	25.6	-5.5	-1.4	0.1	0.9	0.9
Health Care	12.8	-4.5	-0.6	10.6	6.4	0.6	0.3	-1.4	-1.1
Industrials	3.8	-2.9	-0.3	12.6	-7.7	-1.0	0.3	0.2	0.5
Information Technology	5.6	10.6	0.6	4.5	-0.5	0.0	0.0	0.6	0.6
Materials	5.4	-7.3	-0.3	8.0	-10.7	-0.9	0.2	0.2	0.4
Telecommunication Services	13.4	11.0	1.7	5.1	-4.5	-0.2	-0.1	2.1	2.0
Utilities	4.6	2.4	0.5	3.8	4.2	0.1	0.2	0.1	0.2
Cash	0.2	0.0	0.0	0.0		0.0	0.0	0.0	0.0
Attribution Total	100.0	-3.7	-3.7	100.0	-4.8	-4.8	1.0	0.2	1.1

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct

# Europacific Growth

As of 12/31/2014

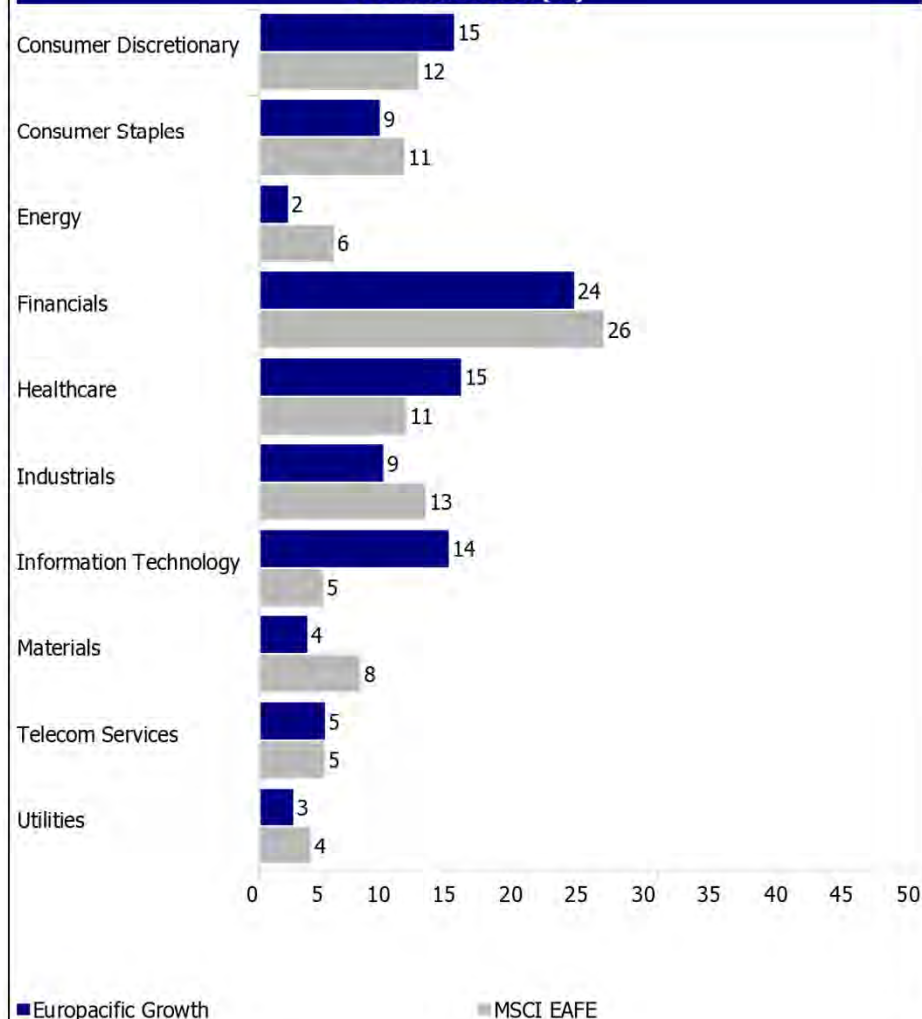
## Regional Allocation (%)

	Manager	Index
North America	3.1	0.1
Latin America Emerging	0.7	0.0
United Kingdom	16.1	21.2
Europe Developed	36.6	44.3
Europe Emerging	0.9	0.0
Africa/Middle East	3.2	0.6
Japan	12.8	21.3
Australia/New Zealand	0.7	7.7
Asia Developed	10.3	4.7
Asia Emerging	15.7	0.0

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Novo Nordisk A/S Class B	Health Care	4.1	16.6
Bayer AG	Health Care	2.5	-2.7
Novartis AG	Health Care	2.3	19.2
SOFTBANK Corp	Telecommunication Services	2.1	-31.0
Prudential PLC	Financials	1.9	7.3
Associated British Foods PLC	Consumer Staples	1.7	22.7
Barclays PLC	Financials	1.6	-13.5
Baidu Inc ADR	Information Technology	1.6	28.2
British American Tobacco PLC	Consumer Staples	1.3	6.0
HDFC Bank Ltd	Financials	1.2	41.1

## Sector Allocation (%)



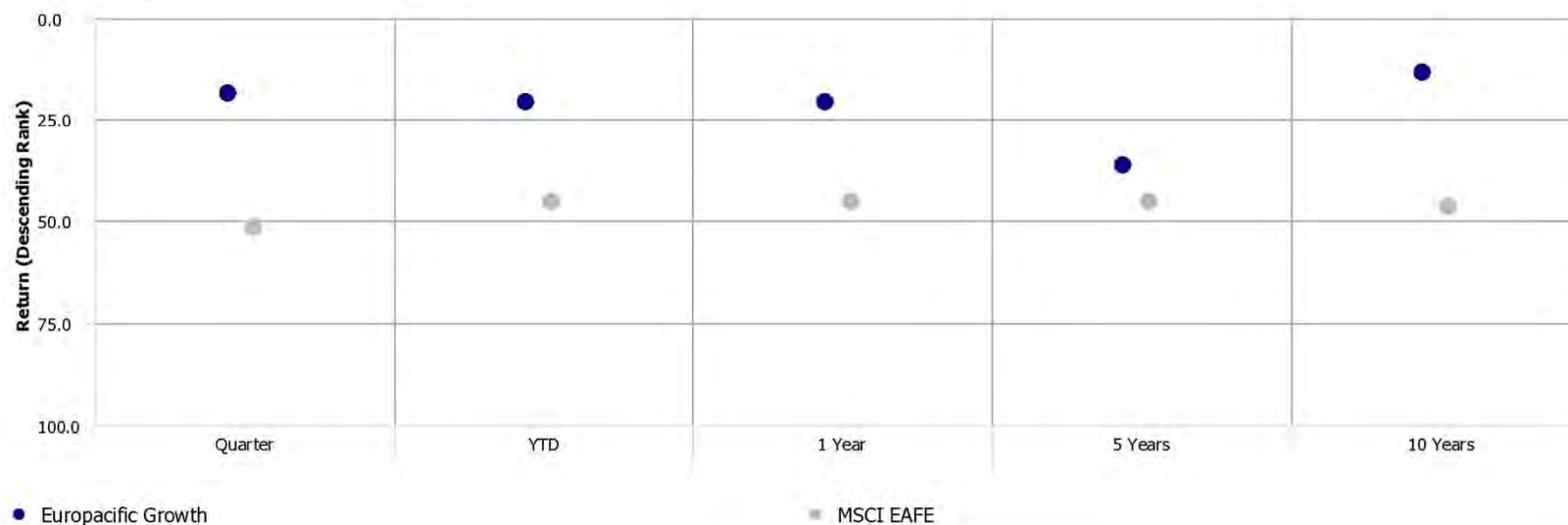
Source: Morningstar Direct



# Europacific Growth

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Foreign Large Blend



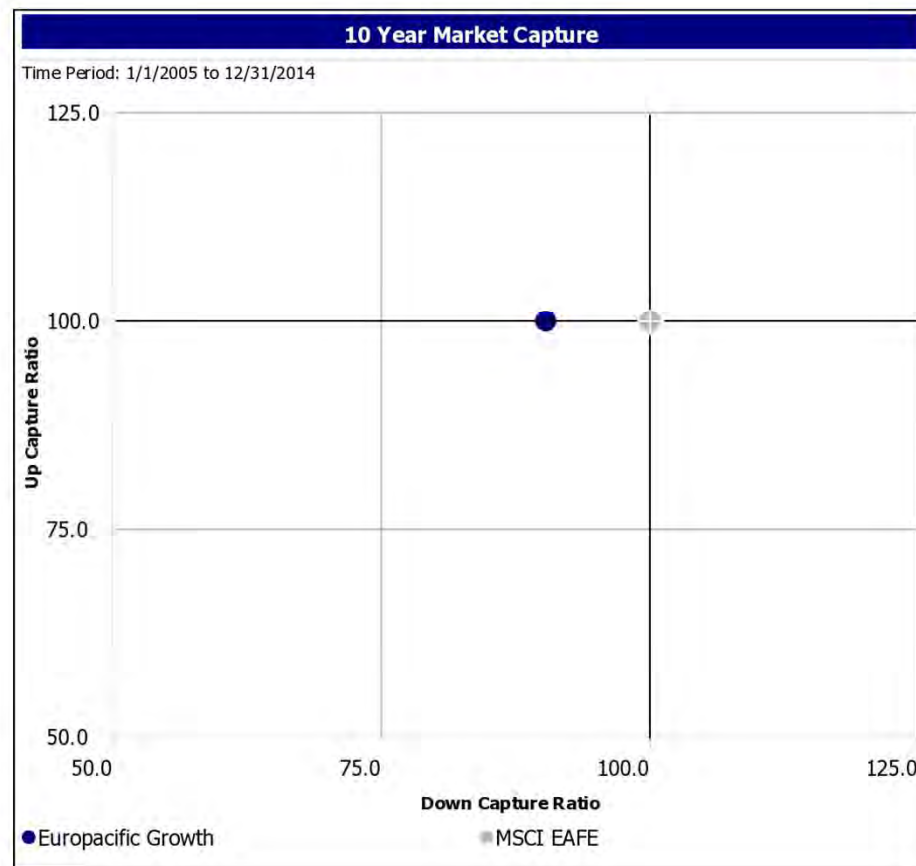
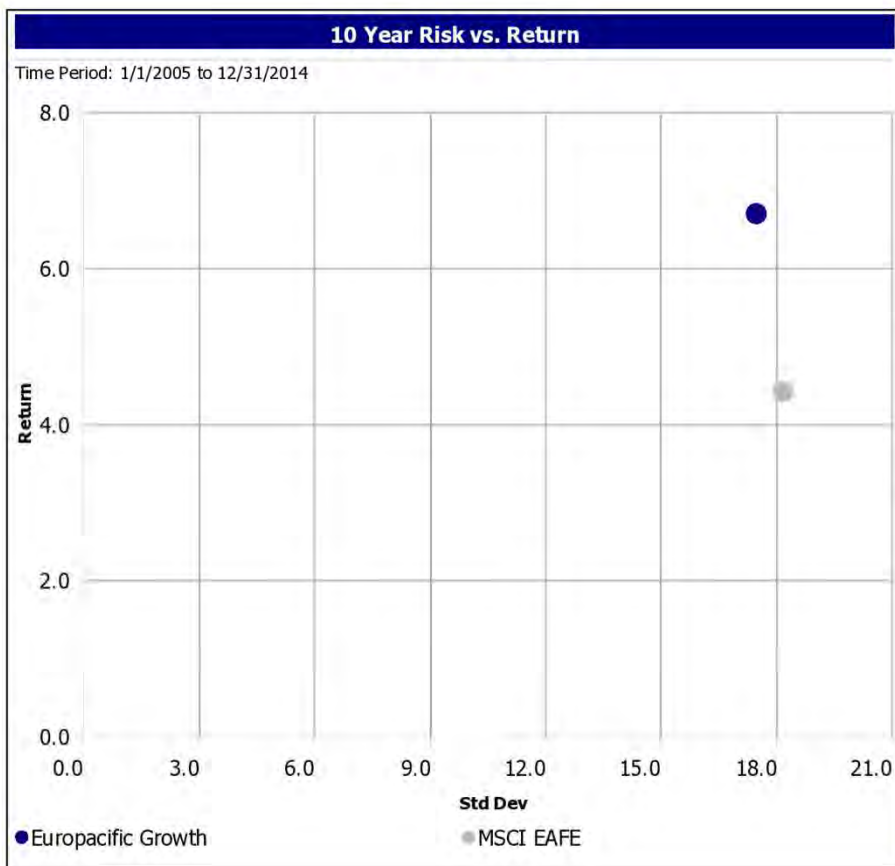
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Europacific Growth	-1.7	-2.6	-2.6	5.7	6.7
Peer group percentile	18	20	20	36	13
MSCI EAFE	-3.6	-4.9	-4.9	5.3	4.4
Peer group percentile	51	45	45	45	46
25th Percentile	-2.2	-3.4	-3.4	6.1	5.5
50th Percentile	-3.5	-5.3	-5.3	5.1	4.3
75th Percentile	-4.2	-6.6	-6.6	4.2	3.4

Source: Morningstar Direct

# Europacific Growth

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Europacific Growth	21.1	21.9	19.0	-40.5	39.1	9.4	-13.6	19.2	20.2	-2.6	-2.6	11.7	5.7	6.7
MSCI EAFE	13.5	26.3	11.2	-43.4	31.8	7.8	-12.1	17.3	22.8	-4.9	-4.9	11.1	5.3	4.4



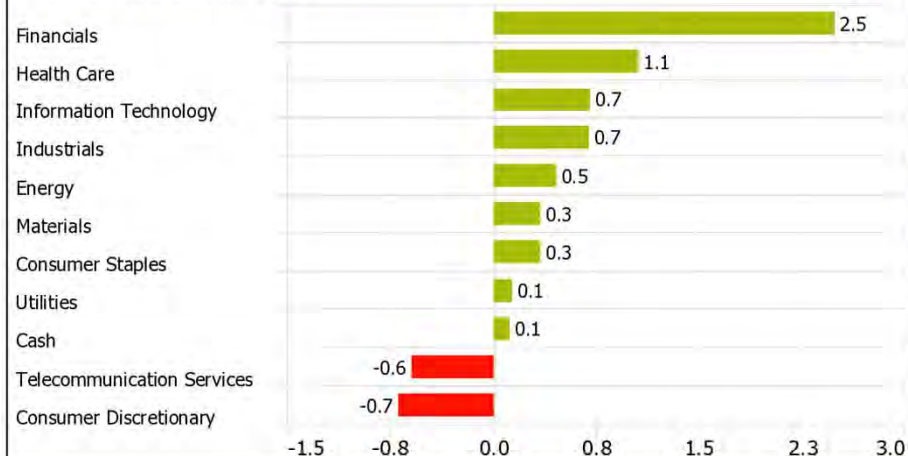
Source: Morningstar Direct

# Europacific Growth

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Sberbank Of Russia GDR	0.2	-45.8	0.7
Millicom International Cellular SA DR	0.1	1,009.5	0.5
Ryanair Holdings PLC ADR	0.8	51.9	0.5
Axis Bank Ltd	0.6	91.2	0.5
Baidu Inc ADR	1.3	28.2	0.4

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
SOFTBANK Corp	1.8	-31.0	-0.9
Yandex NV	0.3	-58.4	-0.3
Sberbank Of Russia ADR	0.3	-66.6	-0.3
Airbus Group NV	0.6	-34.0	-0.3
Honda Motor Co Ltd ADR	0.7	-28.6	-0.2

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	13.5	-9.2	-1.3	11.8	-4.7	-0.6	-0.1	-0.6	-0.7
Consumer Staples	7.7	3.6	0.3	11.0	-2.3	-0.2	-0.1	0.4	0.3
Energy	2.4	-25.2	-0.6	6.8	-18.4	-1.2	0.6	-0.2	0.5
Financials	24.0	4.2	1.0	25.6	-5.6	-1.5	0.1	2.4	2.5
Health Care	15.4	10.9	1.5	10.6	6.4	0.6	0.4	0.6	1.1
Industrials	9.5	-0.7	-0.1	12.6	-7.7	-1.0	0.1	0.6	0.7
Information Technology	15.1	1.1	0.2	4.5	-0.5	0.0	0.5	0.2	0.7
Materials	3.9	-8.9	-0.3	8.0	-10.7	-0.9	0.3	0.1	0.3
Telecommunication Services	4.7	-8.1	-0.3	5.1	4.0	0.2	-0.1	-0.5	-0.6
Utilities	1.6	27.2	0.4	3.8	4.2	0.1	-0.2	0.3	0.1
Cash	2.3	0.0	0.0	0.0		0.0	0.1	0.0	0.1
Attribution Total	100.0	0.6	0.6	100.0	-4.4	-4.4	1.7	3.3	5.0

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct



# Templeton Ins Foreign Smaller Co Ser

As of 12/31/2014

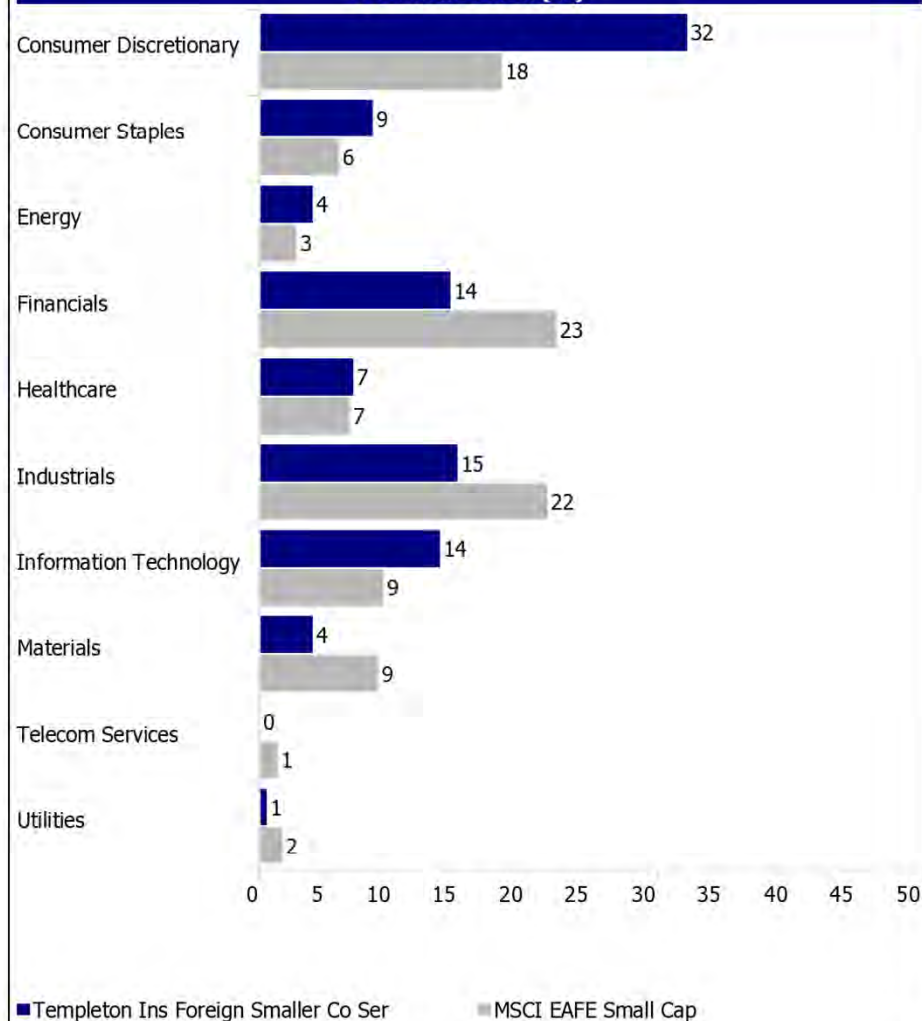
## Regional Allocation (%)

	Manager	Index
North America	8.8	0.2
Latin America Emerging	0.9	0.0
United Kingdom	9.3	21.5
Europe Developed	33.9	35.4
Europe Emerging	0.0	0.0
Africa/Middle East	0.0	1.0
Japan	15.9	28.8
Australia/New Zealand	0.6	7.5
Asia Developed	22.7	5.1
Asia Emerging	8.1	0.3

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
ASICS Corp	Consumer Discretionary	2.1	42.9
Huhtamäki Oyj	Materials	2.0	5.5
Amer Sports Corp	Consumer Discretionary	2.0	-4.4
Kobayashi Pharmaceutical Co., Ltd.	Consumer Staples	1.9	6.2
Techtronic Industries Co Ltd	Consumer Discretionary	1.8	14.8
Gerresheimer AG	Health Care	1.8	-21.4
Halla Visteon Climate Control Corp	Consumer Discretionary	1.8	19.9
VTech Holdings Ltd	Information Technology	1.8	15.3
BS Financial Group Inc	Financials	1.7	-13.0
Arcadis NV	Industrials	1.6	-14.5

## Sector Allocation (%)



Source: Morningstar Direct

# Templeton Ins Foreign Smaller Co Ser

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Foreign Small/Mid Blend



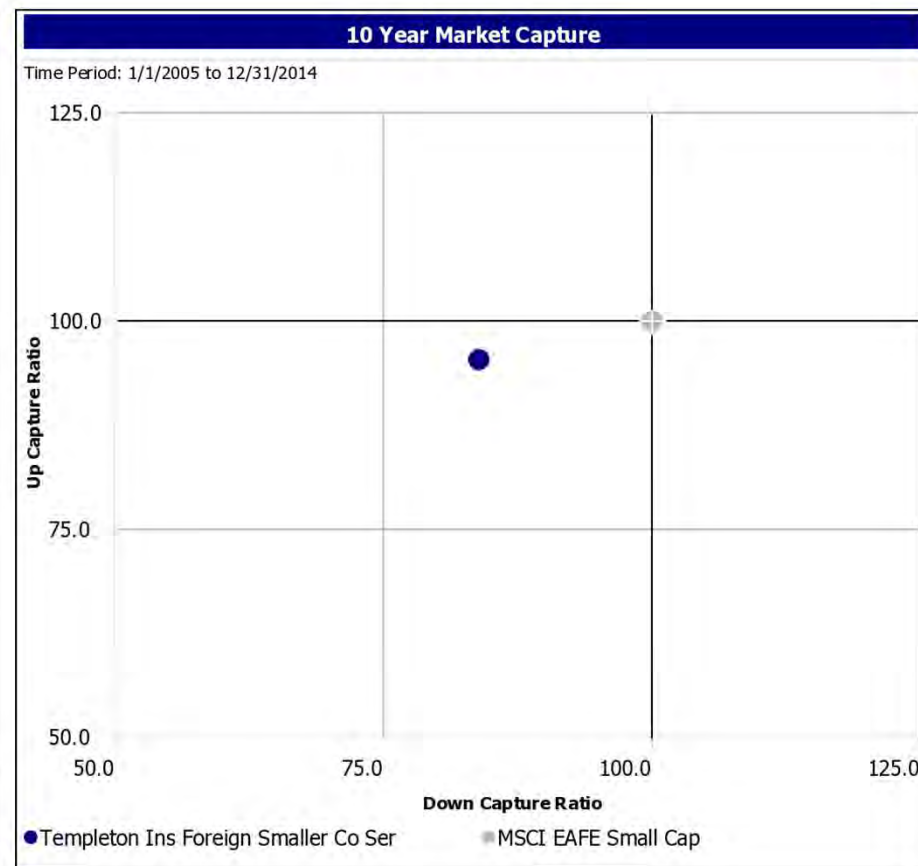
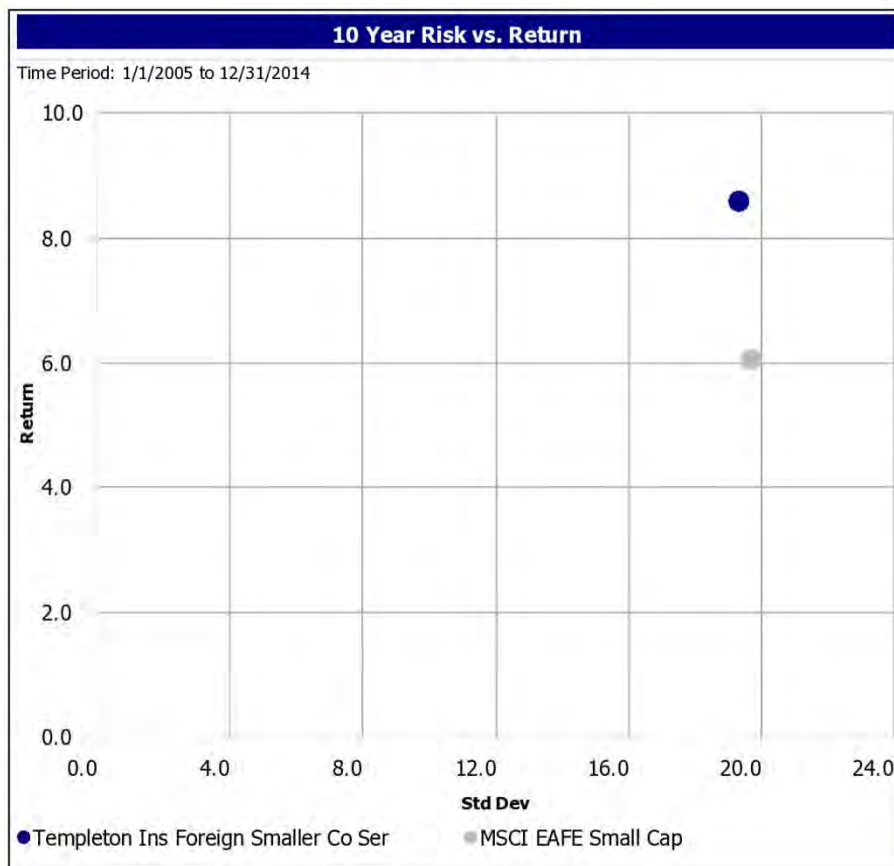
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Templeton Ins Foreign Smaller Co Ser	-2.0	-3.3	-3.3	9.1	8.6
Peer group percentile	31	20	20	29	26
MSCI EAFE Small Cap	-2.3	-4.9	-4.9	8.6	6.0
Peer group percentile	36	45	45	36	62
25th Percentile	-1.9	-4.1	-4.1	9.5	8.9
50th Percentile	-3.5	-5.3	-5.3	8.1	6.5
75th Percentile	-4.9	-7.4	-7.4	7.2	5.2

Source: Morningstar Direct

# Templeton Ins Foreign Smaller Co Ser

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Templeton Ins Foreign Smaller Co Ser	12.3	28.8	15.1	-47.3	68.0	21.4	-11.3	21.6	22.2	-3.3	-3.3	12.8	9.1	8.6
MSCI EAFE Small Cap	26.2	19.3	1.4	-47.0	46.8	22.0	-15.9	20.0	29.3	-4.9	-4.9	13.8	8.6	6.0



Source: Morningstar Direct

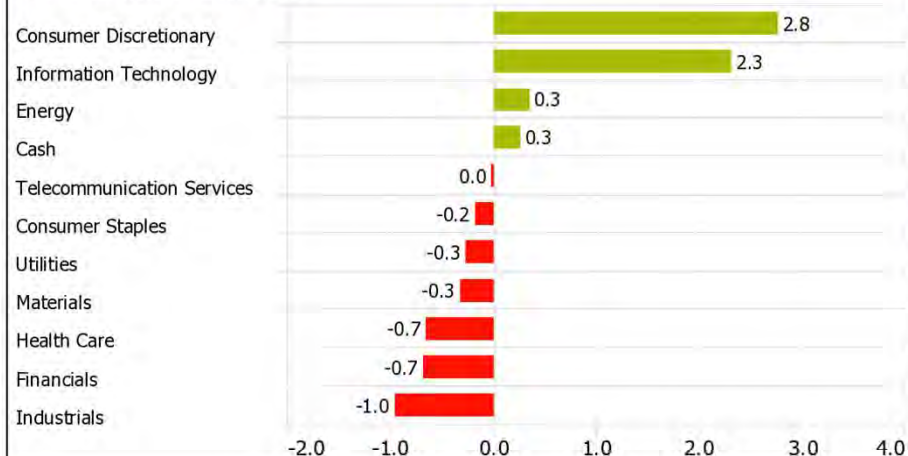


# Templeton Ins Foreign Smaller Co Ser

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
ASICS Corp	1.9	43.2	0.8
Greggs PLC	1.3	66.2	0.7
Giant Manufacturing Co Ltd	1.4	31.9	0.5
Daum Communications Corp	0.8	41.3	0.4
Flextronics International Ltd	1.0	43.9	0.4

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Hyundai Mipo Dockyard Co Ltd	1.0	-62.4	-0.7
African Minerals Ltd	0.3	-91.5	-0.6
Oriflame Cosmetics SA DR	0.7	-54.3	-0.5
DGB Financial Group Co Ltd	1.2	-32.0	-0.4
Ipsos	1.2	-31.3	-0.4

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

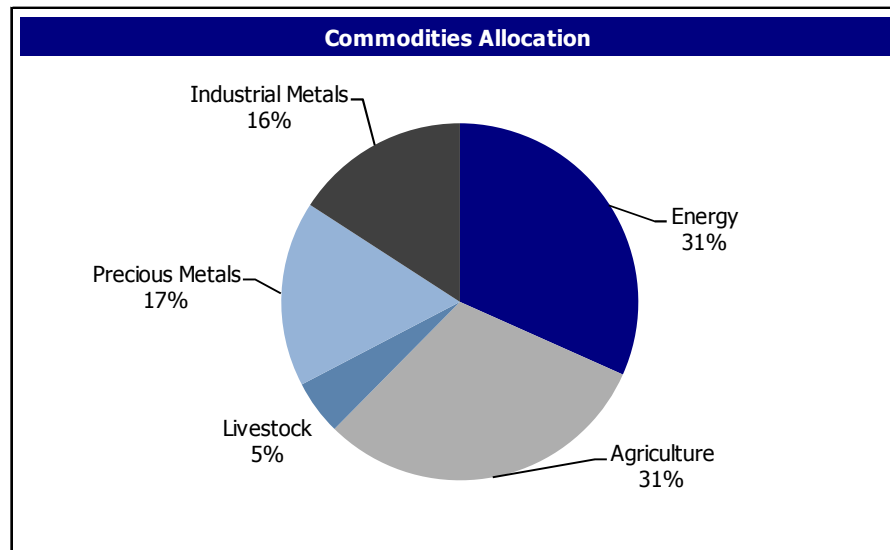
	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	28.9	3.0	0.9	18.4	-6.6	-1.2	0.0	2.7	2.8
Consumer Staples	7.1	-2.9	-0.4	5.8	0.0	0.0	0.1	-0.3	-0.2
Energy	4.2	-31.8	-1.3	3.7	-39.4	-1.7	-0.1	0.5	0.3
Financials	11.8	1.8	0.2	21.1	1.9	0.4	-0.6	0.0	-0.7
Health Care	5.8	-10.7	-0.7	6.4	0.4	0.0	0.0	-0.6	-0.7
Industrials	15.8	-14.0	-2.1	22.5	-6.9	-1.5	0.2	-1.1	-1.0
Information Technology	13.4	14.0	1.8	9.2	-4.6	-0.4	0.0	2.3	2.3
Materials	4.7	-14.2	-0.7	9.6	-6.5	-0.6	0.0	-0.4	-0.3
Telecommunication Services	0.0		0.0	1.3	-2.8	0.0	0.0	0.0	0.0
Utilities	0.7	-35.4	-0.2	1.8	1.6	0.0	-0.1	-0.2	-0.3
Cash	5.2	0.0	0.0	0.0		0.0	0.3	0.0	0.3
Attribution Total	100.0	-2.5	-2.5	100.0	-5.1	-5.1	0.0	2.6	2.6

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

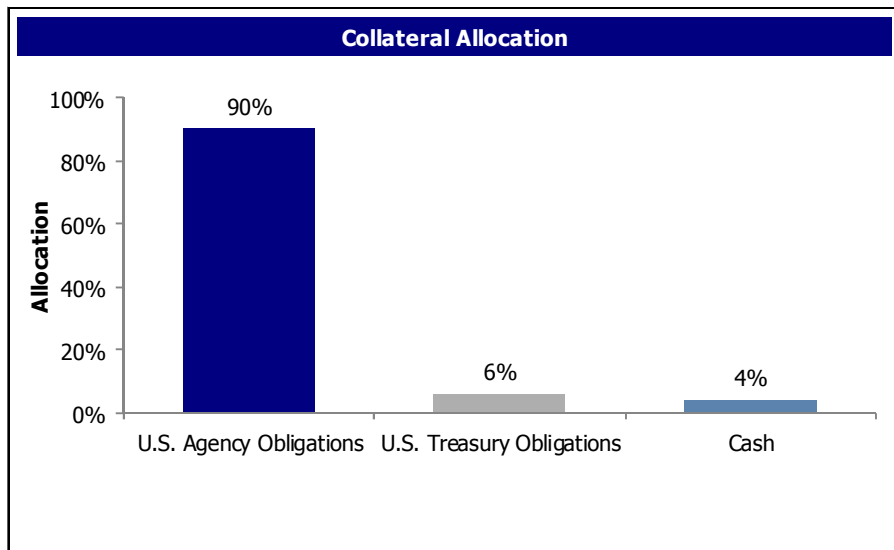
Source: Morningstar Direct

# Real Assets Overview: Credit Suisse Commodity

As of 12/31/2014



Note: All data provided by the investment manager.

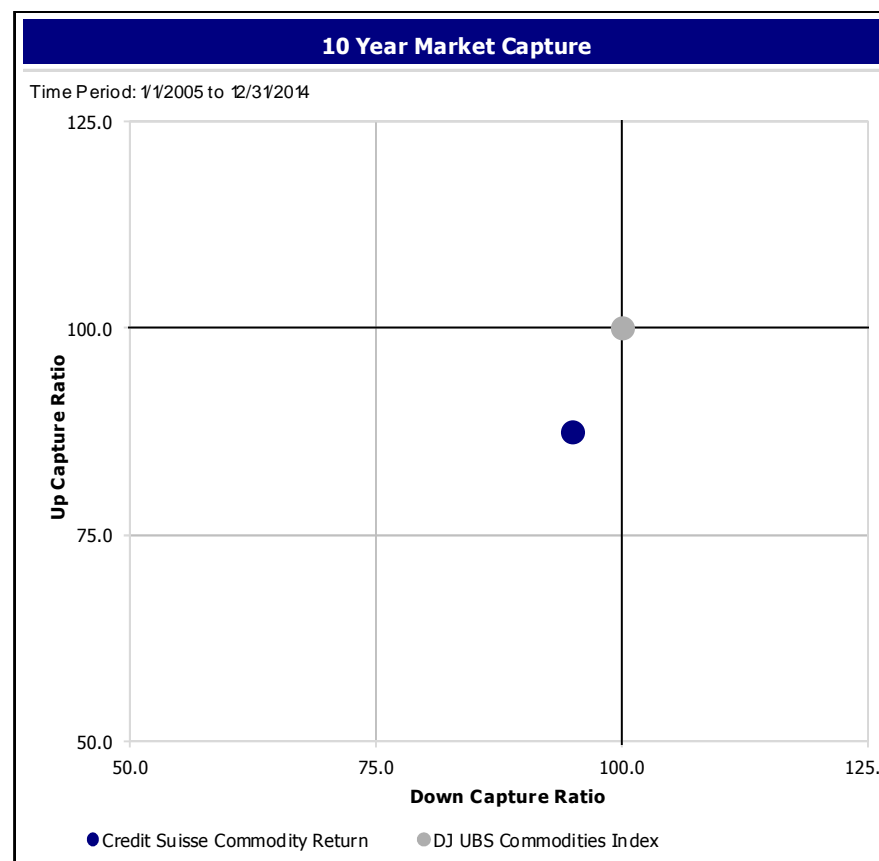
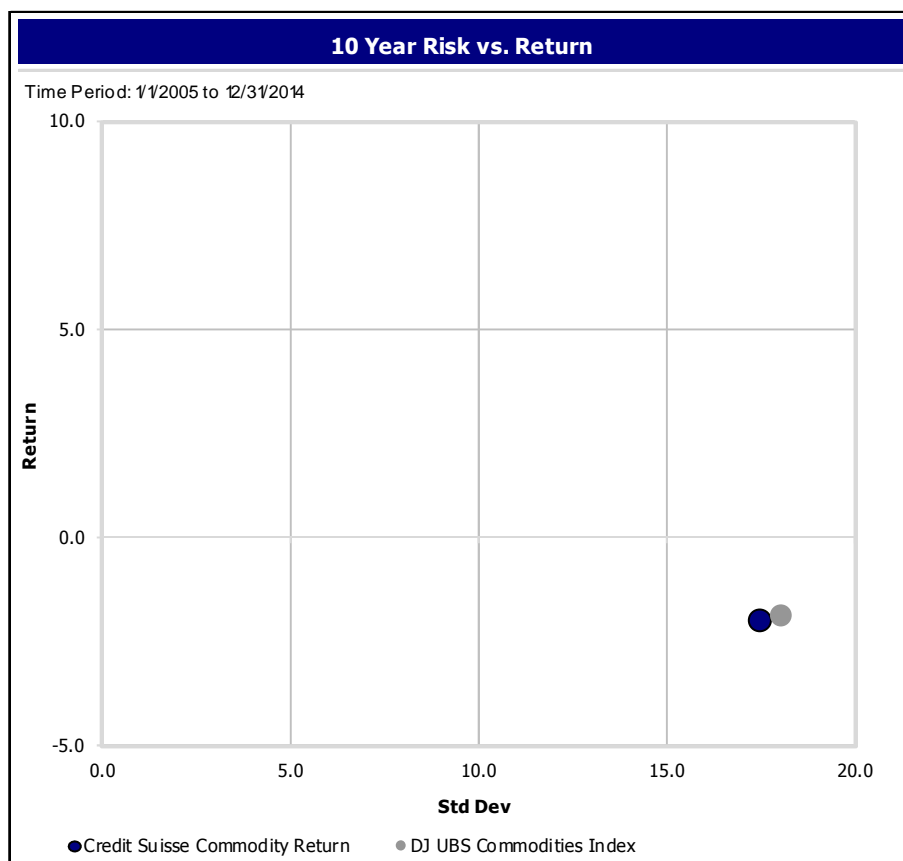




# Credit Suisse Commodity Return

As of 12/31/2014

Returns (%)														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Credit Suisse Commodity Return	--	20.3	1.9	14.8	-35.5	20.1	16.9	-12.3	-1.8	-10.0	-16.9	-9.8	-5.5	-1.9
DJ UBS Commodities Index	9.1	21.4	2.1	16.2	-35.6	18.9	16.8	-13.3	-1.1	-9.5	-17.0	-9.4	-5.5	-1.9



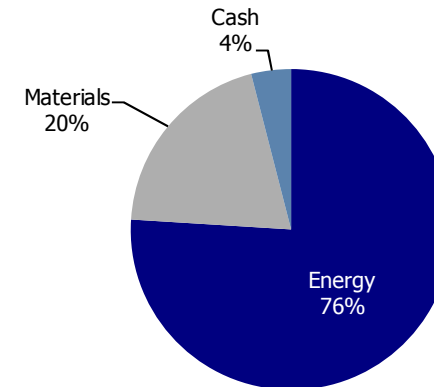
# Real Assets Overview: Jennison Natural Resources

As of 12/31/2014

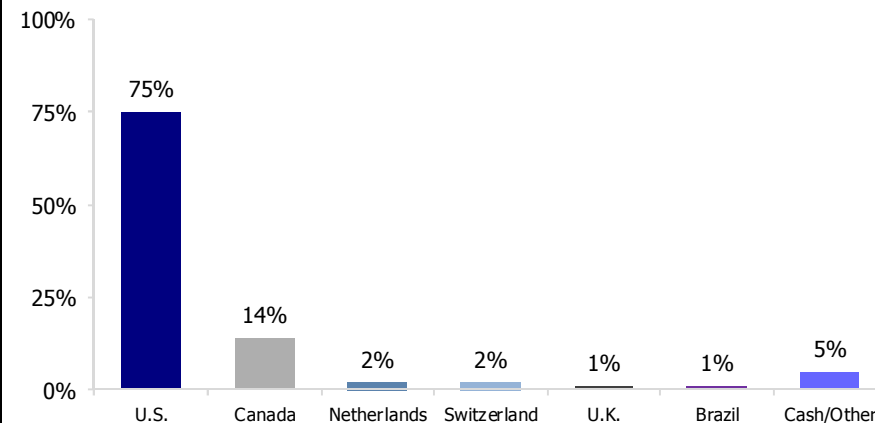
## Top Ten Holdings

Name	Sector	% of Portfolio	YTD Return
Schlumberger NV	Energy	4.4%	-3.6%
Anadarko Petroleum Corporation	Energy	4.0%	5.1%
Concho Resources Inc.	Energy	3.5%	-7.6%
Noble Energy, Inc.	Energy	3.5%	-29.6%
EOG Resources, Inc.	Energy	3.4%	10.3%
Marathon Petroleum Corp.	Energy	3.2%	0.4%
Cameron International Corporation	Energy	3.1%	-16.1%
Devon Energy Inc.	Energy	3.0%	-21.6%
Suncor Energy Inc.	Energy	2.9%	-30.2%
Dril-Quip, Inc.	Energy	2.8%	-7.0%

## Sector Allocation



## Geographic Allocation

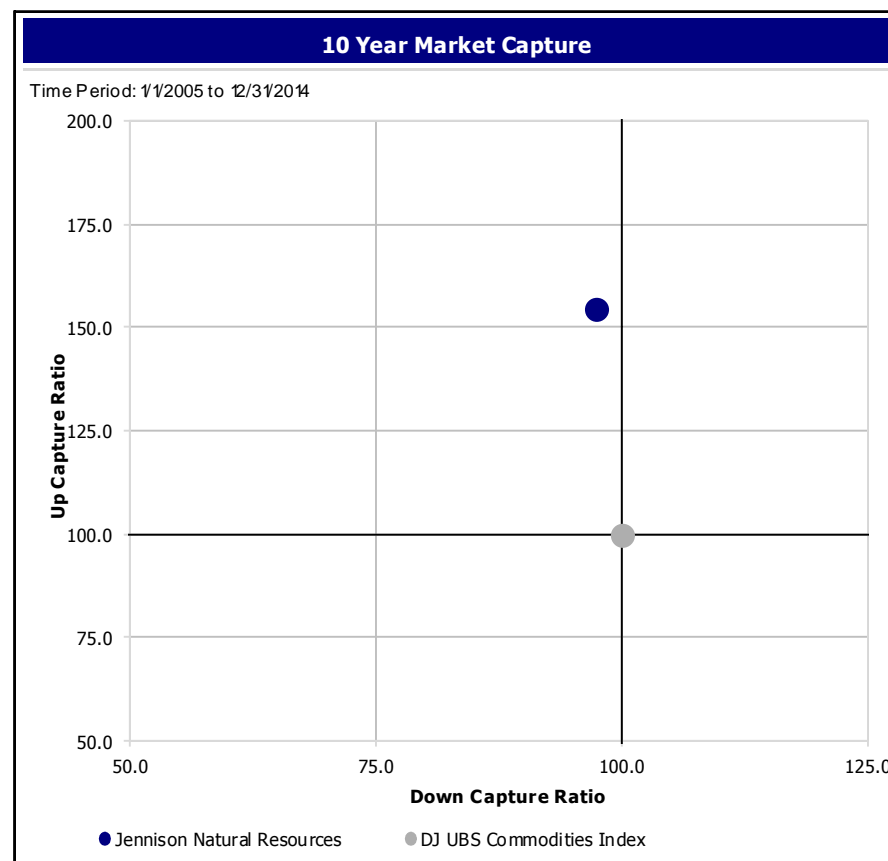
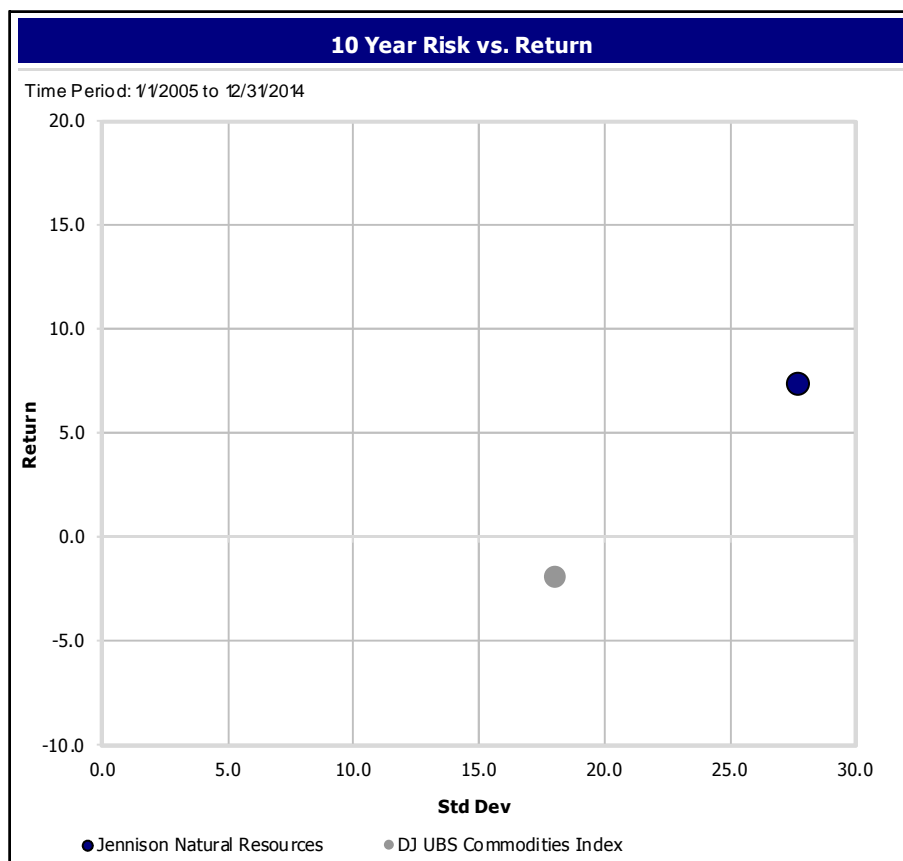


Note: All data provided by the investment manager.

# Jennison Natural Resources

As of 12/31/2014

Returns (%)														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Jennison Natural Resources	27.4	54.6	21.7	46.5	-52.7	73.7	28.1	-18.5	-2.4	10.1	-19.7	-4.8	-2.1	7.4
DJ UBS Commodities Index	9.1	21.4	2.1	16.2	-35.6	18.9	16.8	-13.3	-1.1	-9.5	-17.0	-9.4	-5.5	-1.9



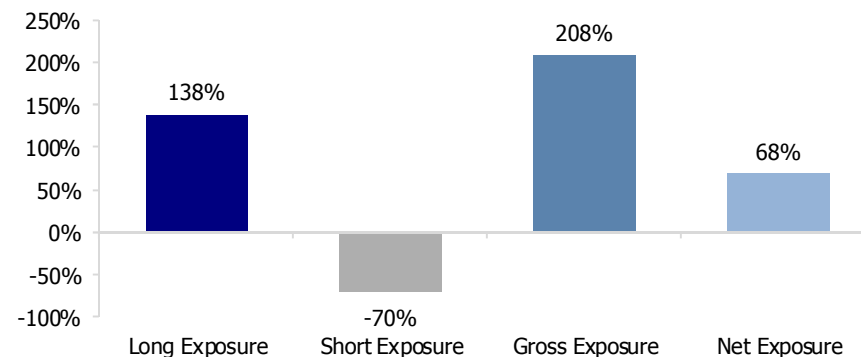
# Hedge Fund of Funds Overview: Wellington Archipelago

As of 10/31/2014

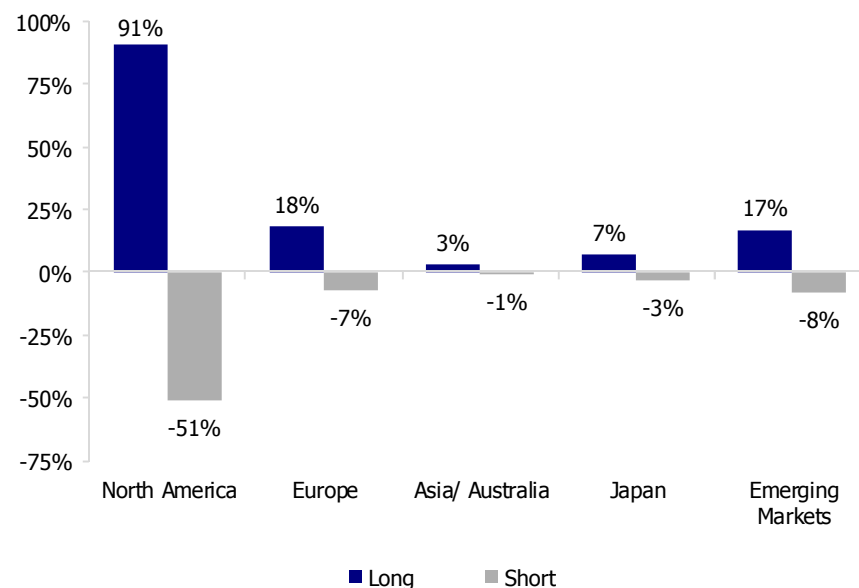
## Organizational Overview

Strategy Type	Equity Long/Short Hedge Fund-of-Funds
Location of Headquarters	Boston, MA
Year Founded	1928
Firm Assets Under Management (\$, B)	\$15.8
Fund Assets Under Management (\$, B)	\$3.3

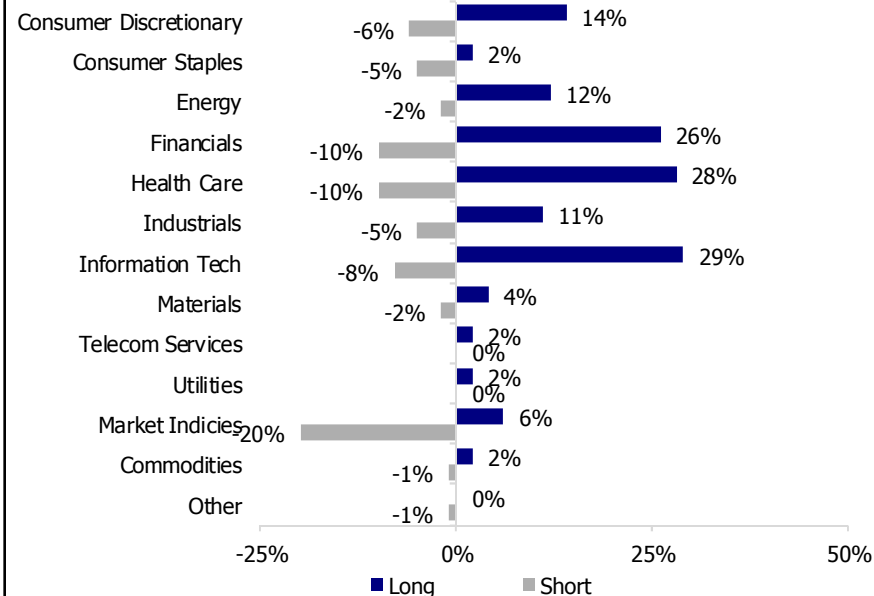
## Fund Exposure



## Geographic Exposure



## Sector Exposure



Note: All data provided by the investment manager.

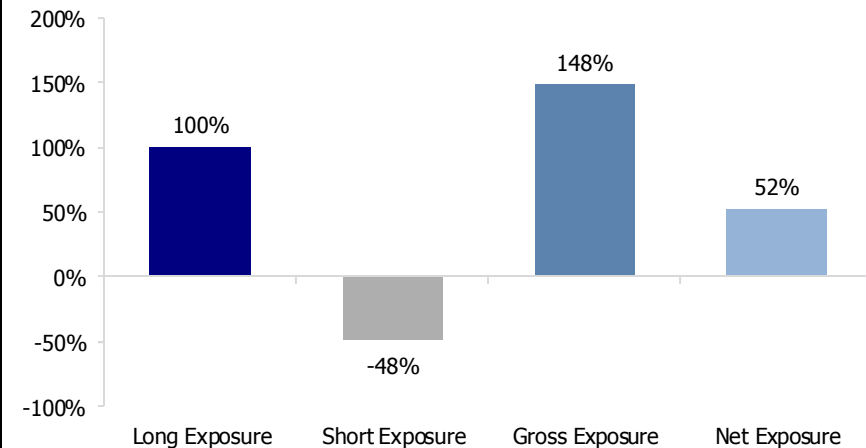
# Hedge Fund of Funds Overview: Forester Partners

As of 9/30/2014

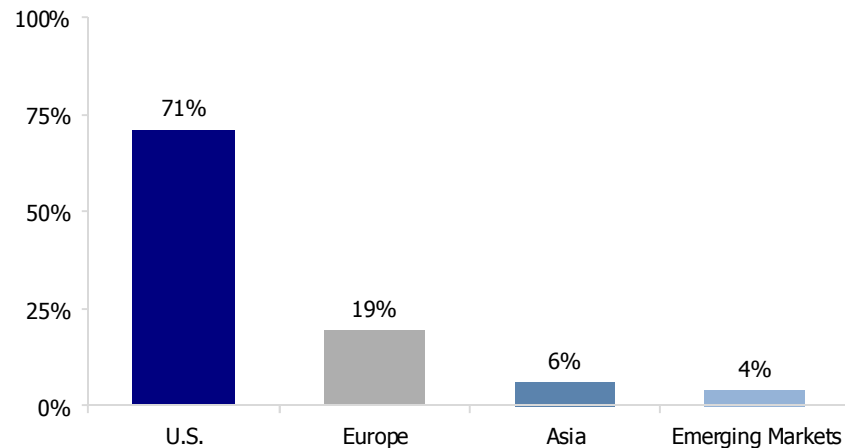
## Organizational Overview

Strategy Type	Equity Long/Short Hedge Fund-of-Funds
Location of Headquarters	Greenwich, CT
Year Founded	2000
Firm Assets Under Management (\$, B)	\$4.0
Fund Assets Under Management (\$, B)	\$1.5

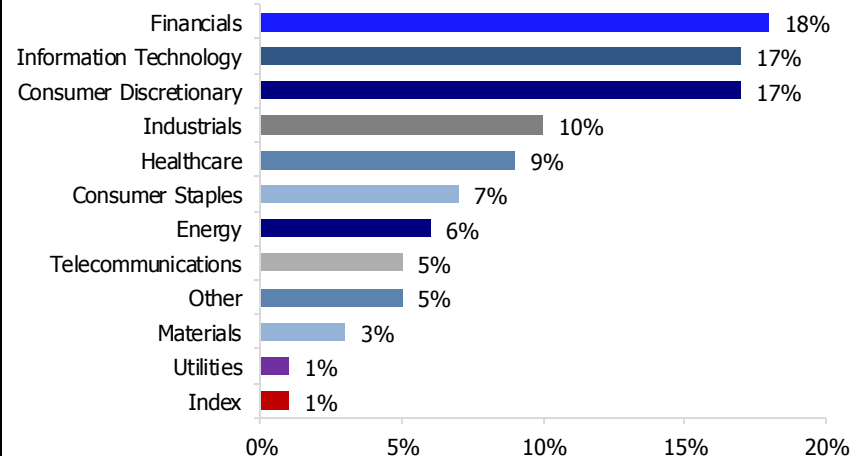
## Fund Exposure



## Geographic Exposure



## Strategy Exposure

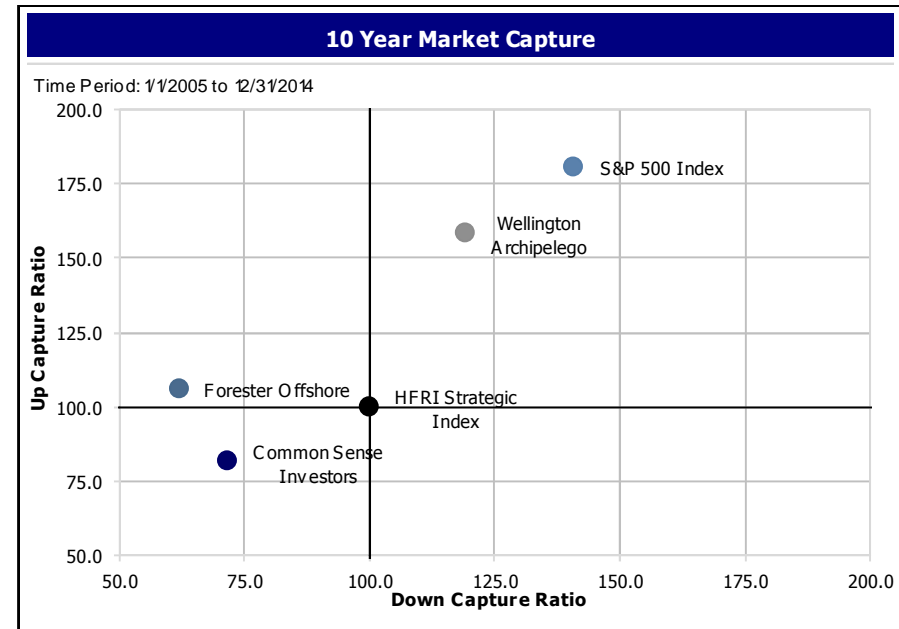
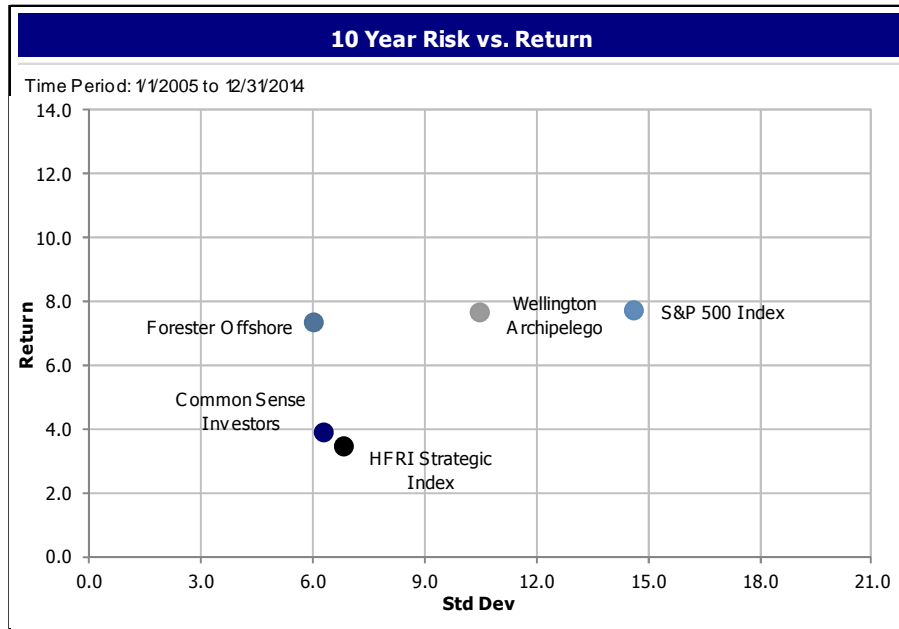


Source: Data Provided by Investment Manager

# Hedge Fund Managers

As of 12/31/2014

Returns (%)														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Common Sense Investors	6.6	11.1	7.2	19.1	-20.9	18.1	2.6	1.7	2.1	13.7	-9.0	1.8	2.0	3.9
Wellington Archipelego	8.7	13.7	14.4	13.6	-28.6	39.0	11.2	-5.9	9.8	19.6	3.5	10.8	7.3	7.6
Forester Offshore	10.0	12.0	11.5	18.6	-13.0	14.6	5.6	-2.4	9.5	15.5	5.4	10.0	6.5	7.3
S&P 500 Index	10.9	4.9	15.8	5.5	-37.0	26.5	15.1	2.1	16.0	32.4	13.7	20.4	15.5	7.7
HFRI Strategic Index	8.3	10.3	11.8	12.8	-25.2	13.2	6.3	-7.3	5.8	10.5	3.0	6.4	3.5	3.4



# Fixed Income Overview: Metropolitan West Low Duration Bond

As of 12/31/2014

Portfolio Characteristics	Metropolitan West Low Duration Bond	ML U.S. Treasuries 1-3 Year
Duration	0.9 yrs	1.9 yrs
Average Maturity	3.7 yrs	1.9 yrs
Average Quality	n/a	AAA
Yield to Maturity	1.8%	0.7%

Maturity Breakdown	Metropolitan West Low Duration Bond	ML U.S. Treasuries 1-3 Year
0-1 Years	27%	0%
1-3 Years	28%	100%
3-5 Years	25%	0%
5-10 Years	15%	0%
10-20 Years	2%	0%
20+ Years	2%	0%

Sector Allocation	Metropolitan West Low Duration Bond	ML U.S. Treasuries 1-3 Year
Cash	19%	0%
U.S. Treasury	1%	100%
Direct Agency	4%	0%
Agency Mortgages	11%	0%
Non-Agency Mortgages	18%	0%
CMBS	13%	0%
Asset-Backed	15%	0%
Investment Grade Corp.	17%	0%
Non-Investment Grade Corp.	2%	0%
Municipals	1%	0%
Non-U.S.	0%	0%
Other	0%	0%

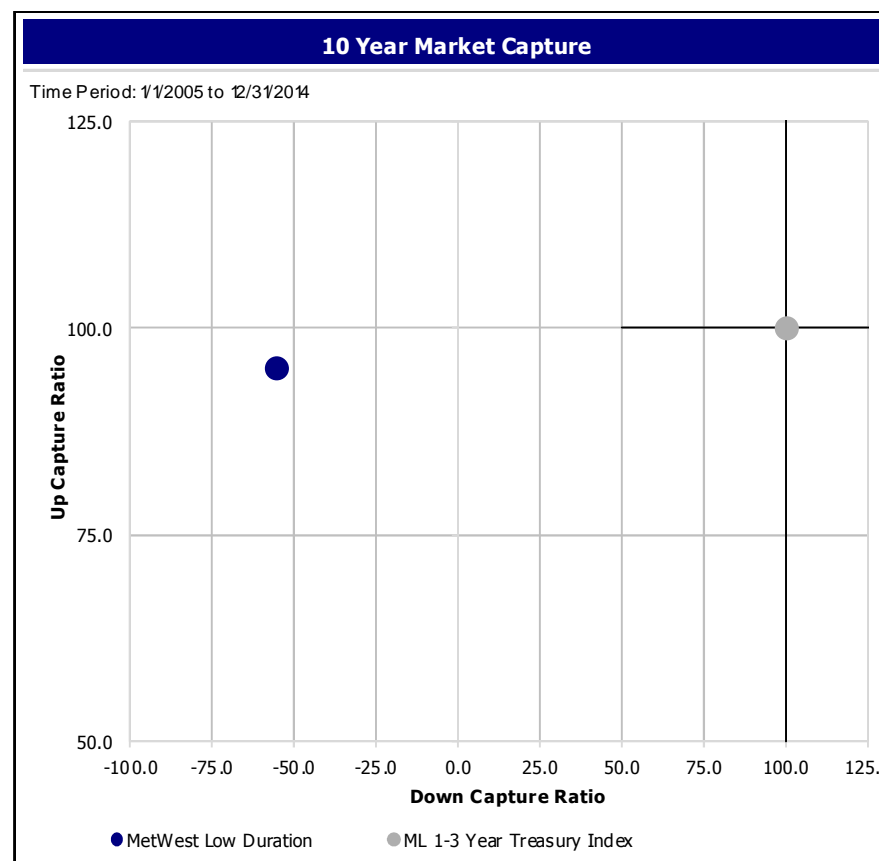
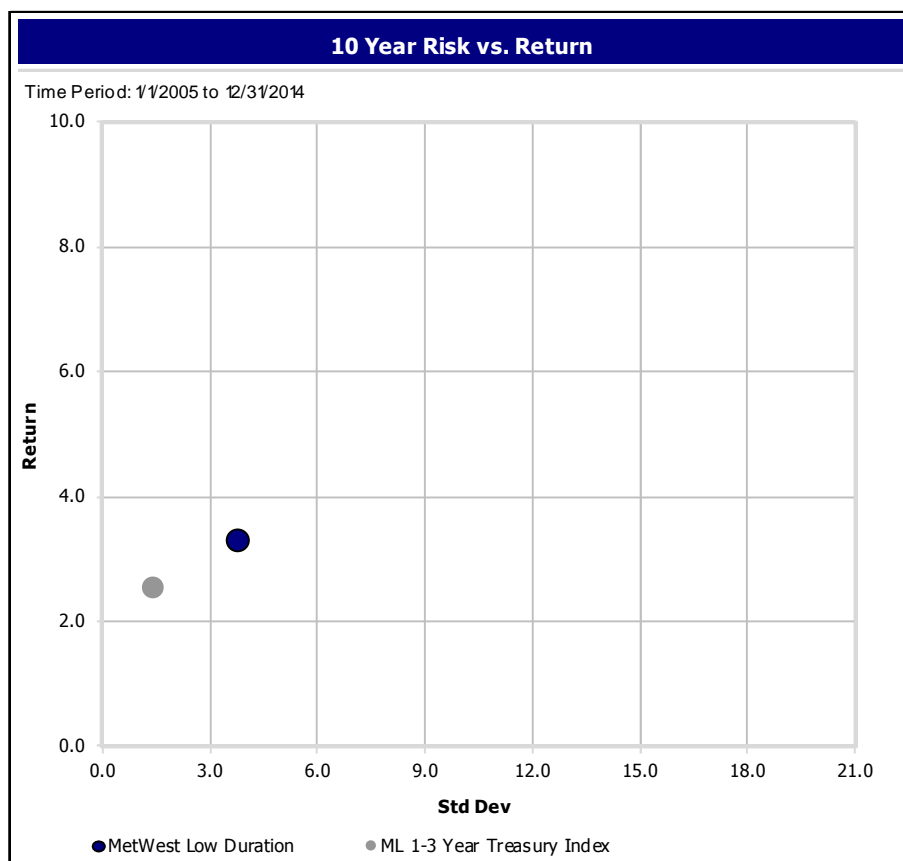
Quality Breakdown	Metropolitan West Low Duration Bond	ML U.S. Treasuries 1-3 Year
AAA	60%	100%
AA	6%	0%
A	15%	0%
BBB	11%	0%
Below Investment Grade	8%	0%
Other	1%	0%

Note: All data provided by the investment manager.

# MetWest Low Duration

As of 12/31/2014

Returns (%)														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
MetWest Low Duration	3.4	3.0	6.3	2.7	-14.6	15.3	10.6	1.2	7.9	2.0	1.6	3.8	4.6	3.3
ML 1-3 Year Treasury Index	0.9	1.7	4.0	7.3	6.6	0.8	2.3	1.6	0.4	0.4	0.6	0.5	1.1	2.5





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## Appendix: Investment Manager Fee Review

# Metro St. Louis Pension Plan Fee Summary

As of 12/31/2014

Investment Manager	Style	Morningstar Expense Ratio	Annual Fee in Dollar Terms	Morningstar Average Expense Ratio
Dodge & Cox Stock	LCV	0.52%	\$31,167	0.96%
Fayez Sarofim	LCC	0.50%	\$26,991	1.00%
Montag & Caldwell Growth	LCG	0.81%	\$45,965	1.02%
Vaughan Nelson Value Opportunity	SMIV	1.06%	\$25,728	1.12%
William Blair SMID Growth	SMIG	1.10%	\$30,490	1.18%
Brandes International Equity	Non-US Large Value	1.05%	\$29,754	1.11%
EuroPacific Growth	Non-US Large Blend	0.84%	\$38,313	1.18%
Templeton Foreign Smaller Companies	Non-US Small \ Mid	0.95%	\$13,242	1.26%
Credit Suisse Commodity Return Strategy	Commodity	0.80%	\$2,753	1.07%
Jennison Natural Resources	Natural Resources	0.89%	\$3,261	1.07%
Common Sense Long-Biased	Hedge Fund	0.50%	\$188	1.70%
Forester Offshore	Hedge Fund	1.00%	\$27,866	1.70%
Wellington Archipelago	Hedge Fund	1.00%	\$28,559	1.70%
PIMCO Low Duration	Fixed Income	0.37%	\$59,556	0.70%
BNY Cash	Money Market	0.18%	\$4,015	--
<b>Total Investment Management Fees<sup>(1)</sup></b>		<b>0.66%</b>	<b>\$367,848</b>	
<b>Ellwood Associates Consulting Fee<sup>(2)</sup></b>		<b>0.11%</b>	<b>\$58,794</b>	
<b>Total Fees</b>		<b>0.76%</b>	<b>\$426,642</b>	

<sup>(1)</sup> Investment management fee in dollar terms based on December 31, 2014 market values.

<sup>(2)</sup> Consulting fee based on 2014 invoice.

# Endnotes

- ❑ As a service to clients, Ellwood Associates may provide reporting information on all assets held in your account, including assets for which it does not provide advisory services. Such assets may include legacy assets, assets for which you have engaged other advisors and, with respect to retirement plans, (i) self-directed brokerage, mutual fund window and similar options, (ii) employer securities, and (iii) real property. While Ellwood Associates seeks to identify such assets as “excluded assets” in your reports and/or in your Consulting Services Agreement, Ellwood Associates shall not be liable or responsible in any respect for the supervision or oversight of such assets.
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**Metro St. Louis**

401(k) Retirement Savings Program

Fourth Quarter 2014 Performance Report

Scott R. Meggenberg  
Michael S. Patock, CAIA

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II. 401(k) Retirement Savings Portfolio Review

III. Investment Manager Appendix

— Manager Performance Review

— Retirement Program Fee Analysis

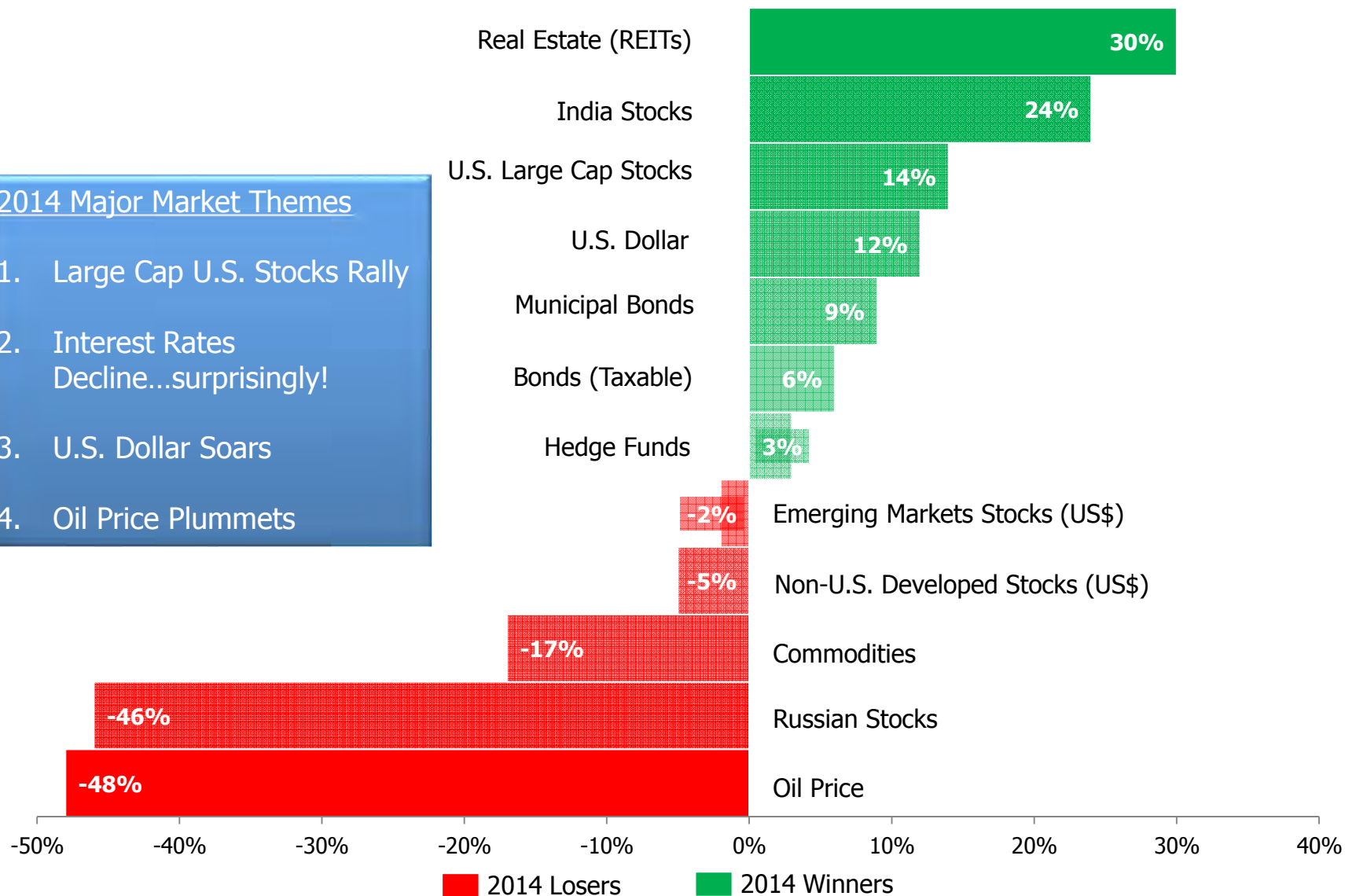
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## Fourth Quarter 2014 Capital Markets Exhibits

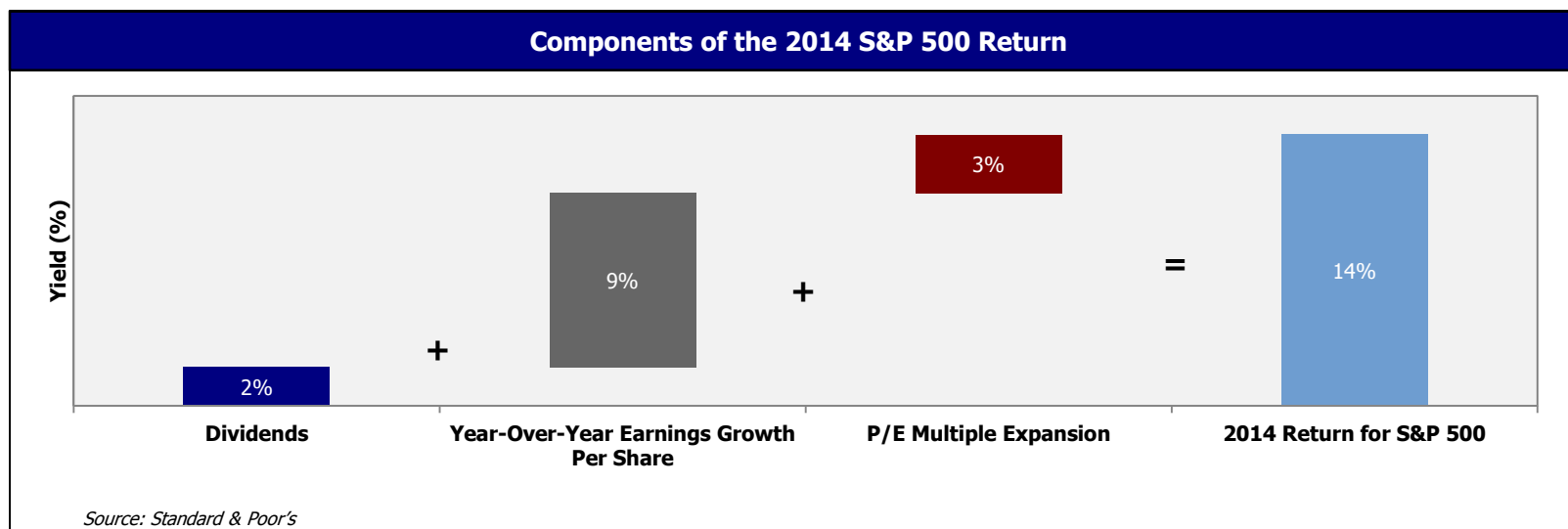
# 2014: Winners and Losers (Rates of Return)

## 2014 Major Market Themes

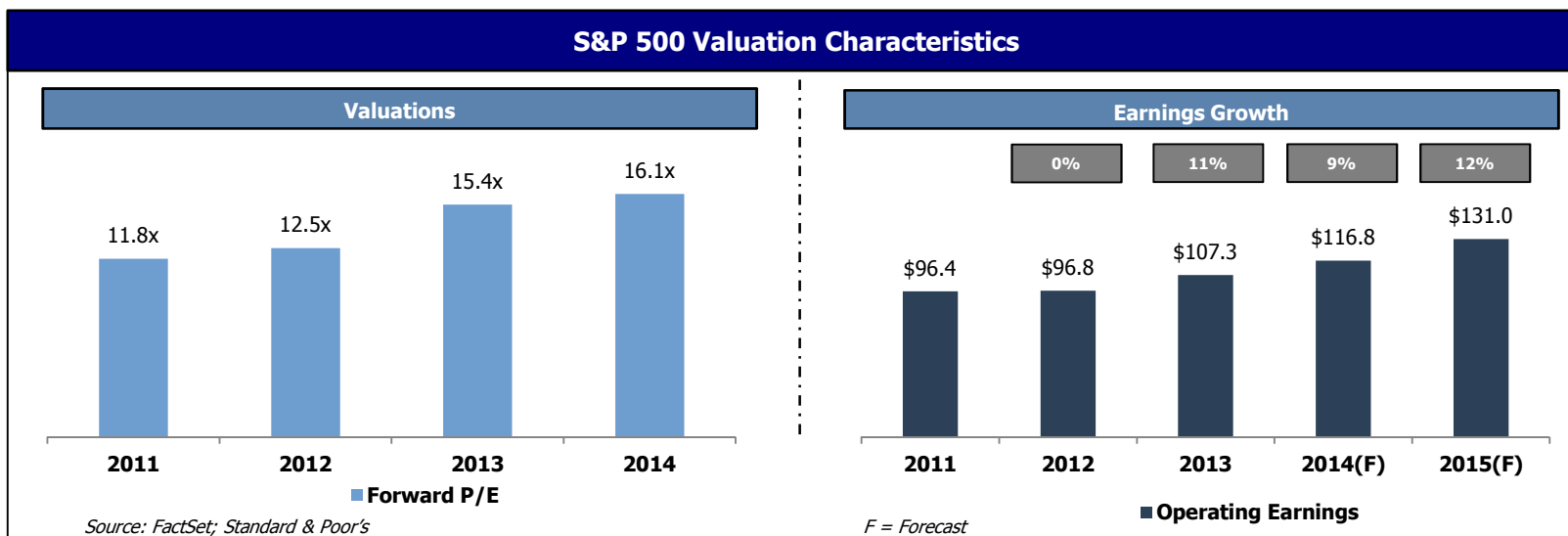
1. Large Cap U.S. Stocks Rally
2. Interest Rates Decline...surprisingly!
3. U.S. Dollar Soars
4. Oil Price Plummets



# Strong Earnings Drive Large Cap Returns



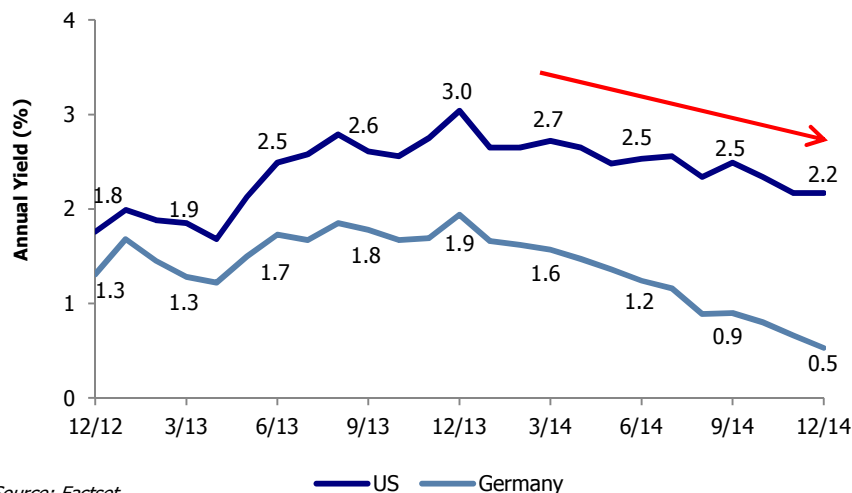
Note: Assumes dividends reinvested in S&P 500 Index on ex-dividend dates. Dividends, earnings growth and changes in P/E multiples combine to drive the return of the stock market.



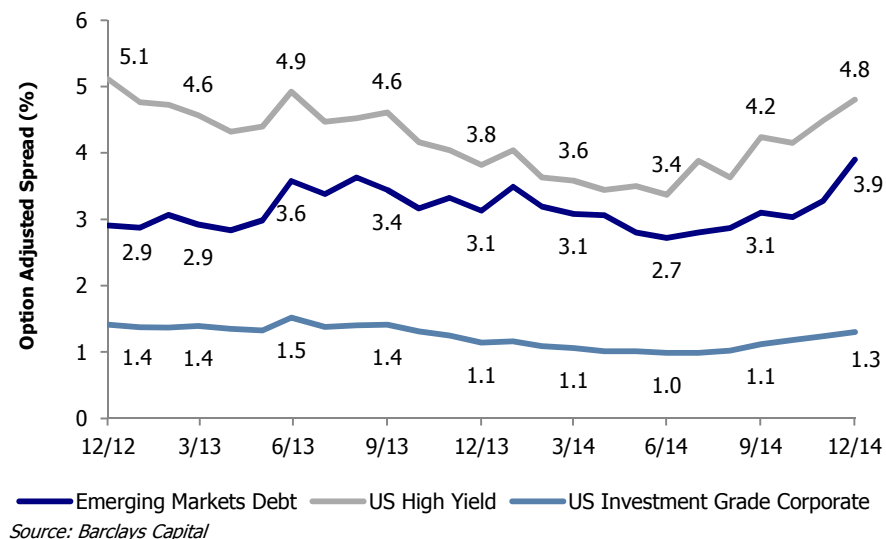


# Biggest Surprise in 2014: Interest Rates Decline Globally

**10-Year Treasury Bond Yields**



**Credit Spreads Widen in 2014**



## Observations

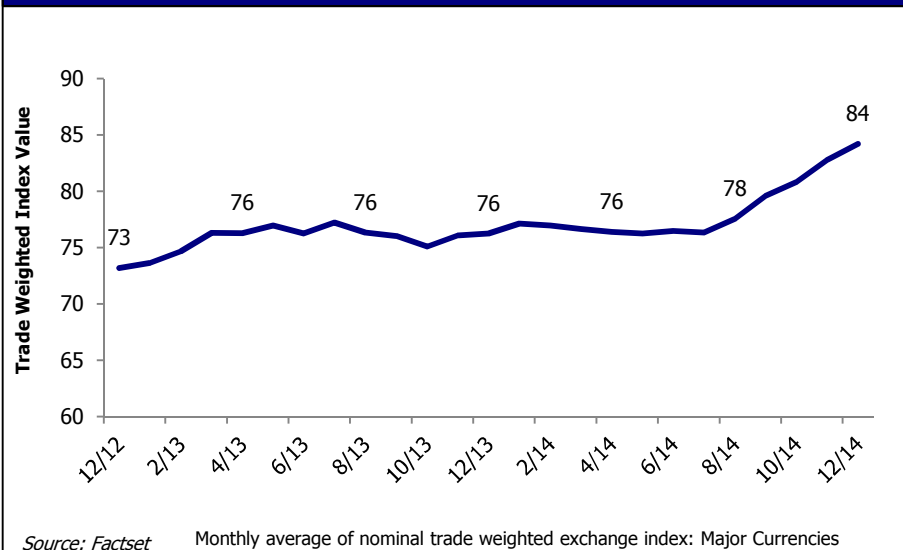
- ❑ A flight to quality and continued high demand for US Treasuries pushed rates lower even as the Fed buyback program concluded.
- ❑ Yields on lower quality sovereign bonds (U.K., Italy, Spain) fell below those of US Treasuries.
- ❑ Credit spreads began to widen in the fourth quarter from a historically tight range mid-year.
- ❑ Inflation remains low allowing central banks flexibility to stimulate economic growth.
- ❑ Federal Open Market Committee forecasts\* for the Fed Funds Rate, by end of year:

2014	2015	2016	2017	Long Run
0.13%	1.13%	2.50%	3.63%	3.75%

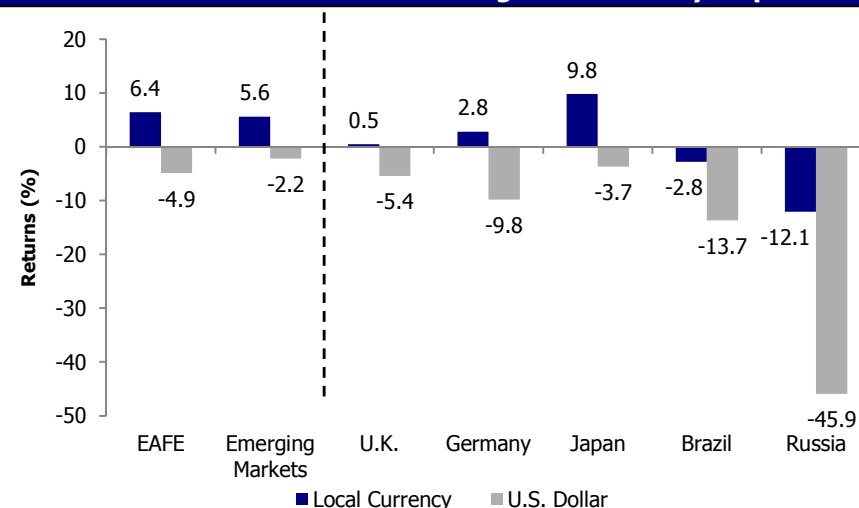
\* Forecasts of 17 FOMC participants, midpoints of central tendency.

# U.S. Dollar Appreciates

## U.S. Dollar Index



## 2014 Stock Market Returns: Negative Currency Impact



## U.S. Imports and Exports: 2013 (\$ in Billions)

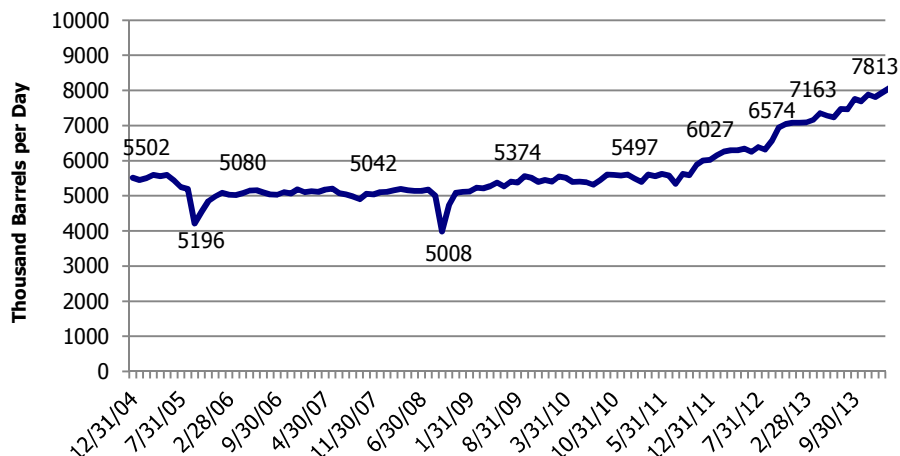


## Observations

- Strong economic growth and the prospect of rising interest rates in the U.S. pushed the U.S. dollar higher creating wide dispersion in many markets between local currency and U.S. dollar returns.
- The stronger dollar combined with a more financially stable U.S. consumer is expected to have a positive impact on those markets from which the U.S. imports goods and services.
- In local currency terms, non-U.S. equity market performance was only slightly below long-term averages. However, for U.S. dollar based investors, these returns were negative.

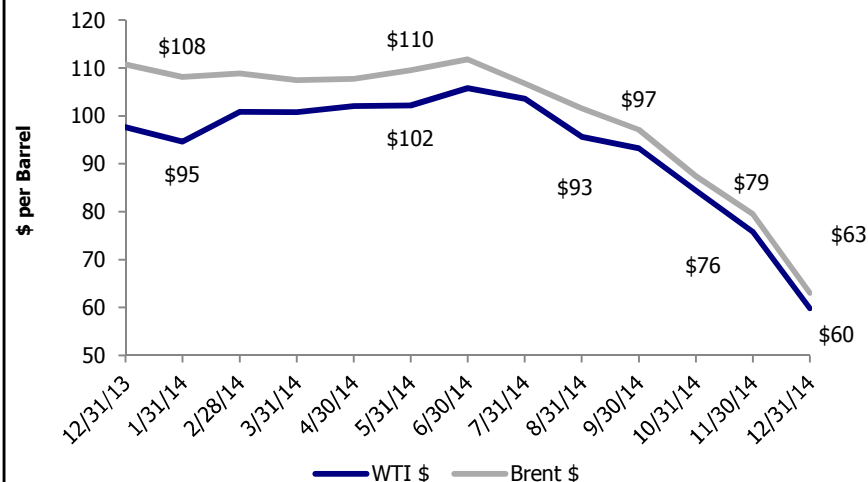
# Oil Prices Plummet in 2014

**United States Field Production of Crude Oil**

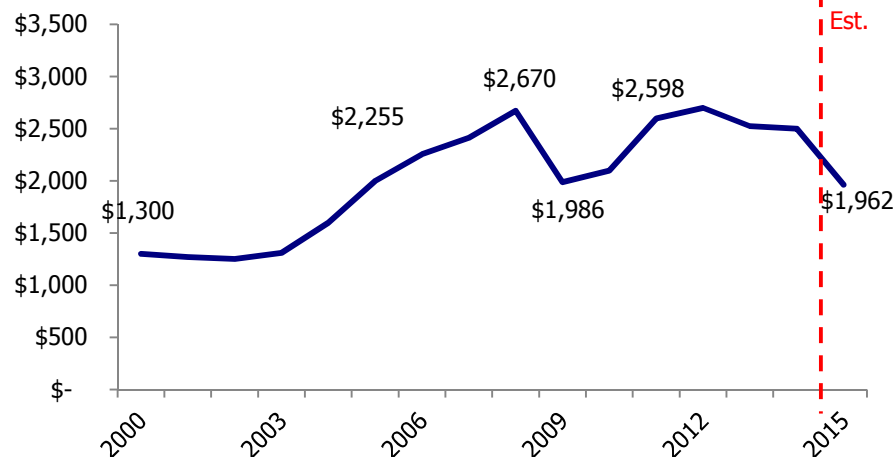


Source: U.S. Energy Information Administration

**Spot Crude Oil Prices**



**Avg. Annual Household Exp. On Gasoline**

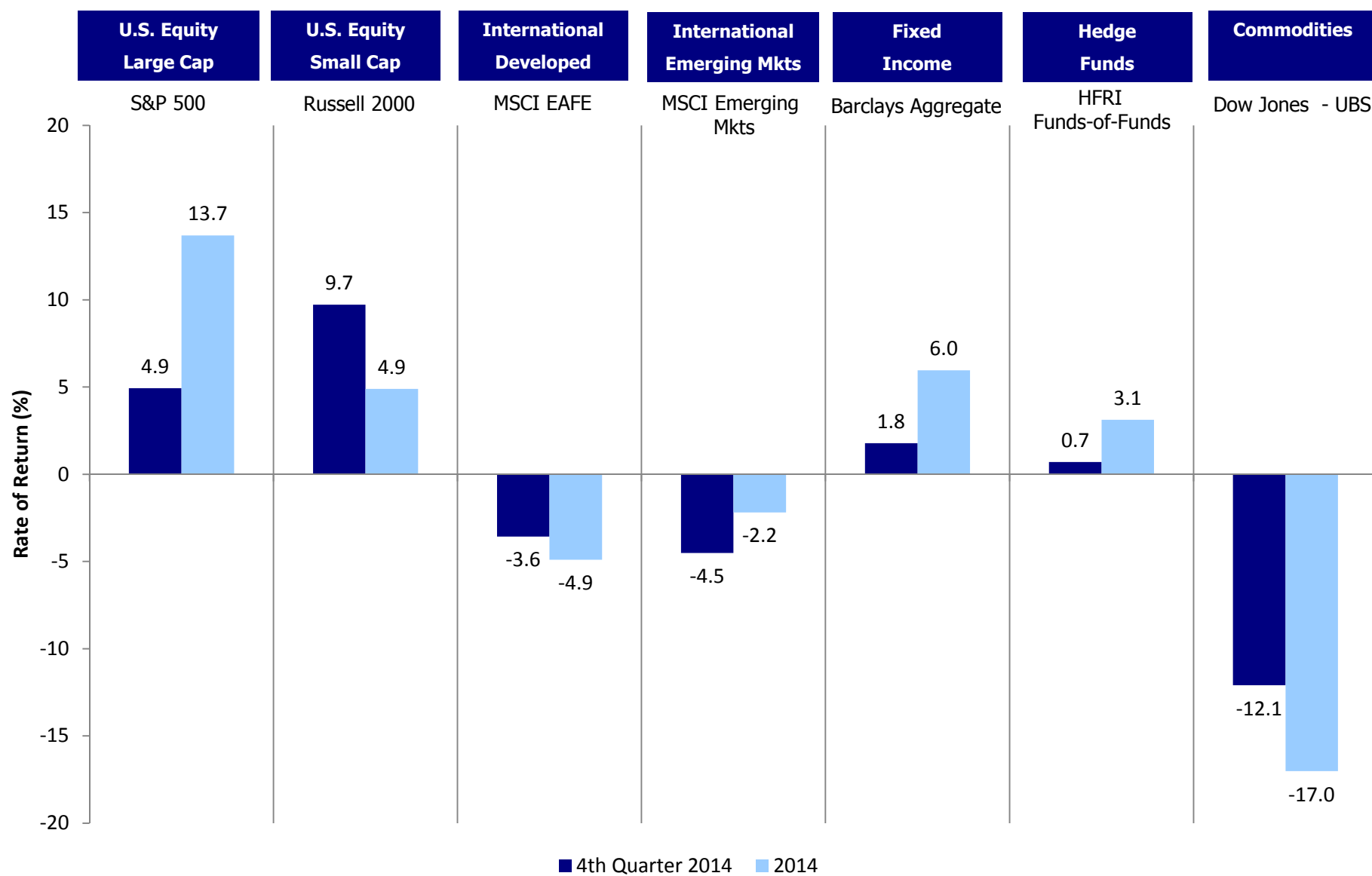


Source: U.S. Energy Information Administration

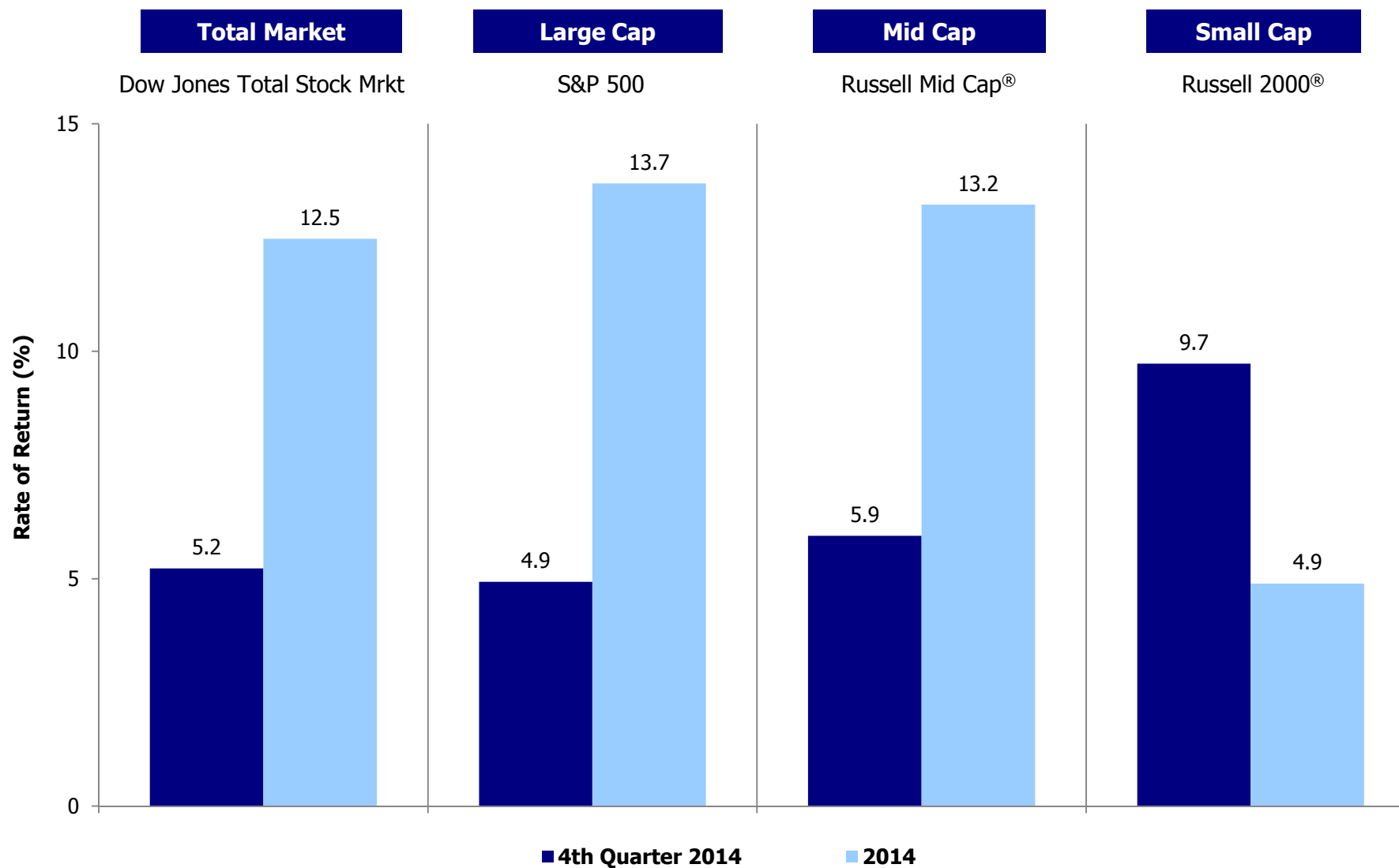
**Are Oil Price Declines a Positive or Negative?**

Pros	Cons
Estimated \$600 annual savings per household on gas should provide significant boost to GDP	Slows investment in U.S. energy infrastructure which has been additive to U.S. economy
Tempers inflationary forces of improving labor market	Potential to dislocate credit markets (Energy represents approximately 15% of high yield indices)
	Acts as deflationary force in markets struggling with deflation (Continental Europe, Japan)

# Asset Class Returns

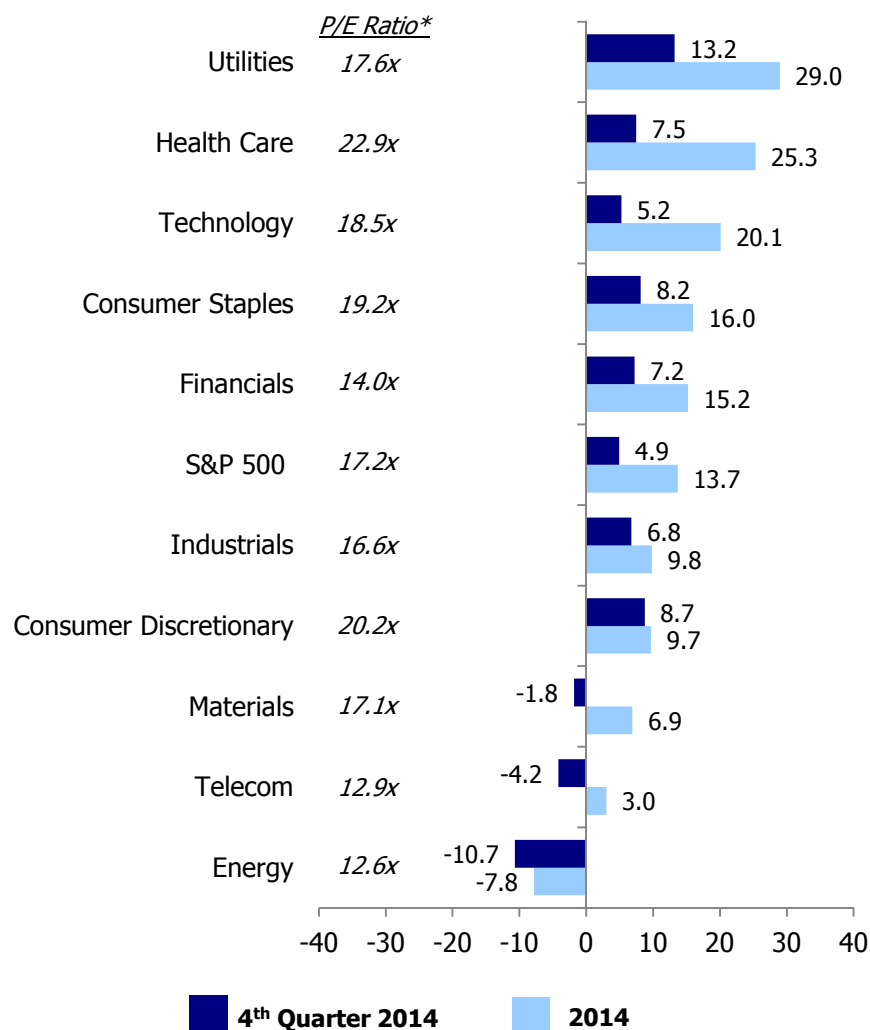


# U.S. Equity Market Performance



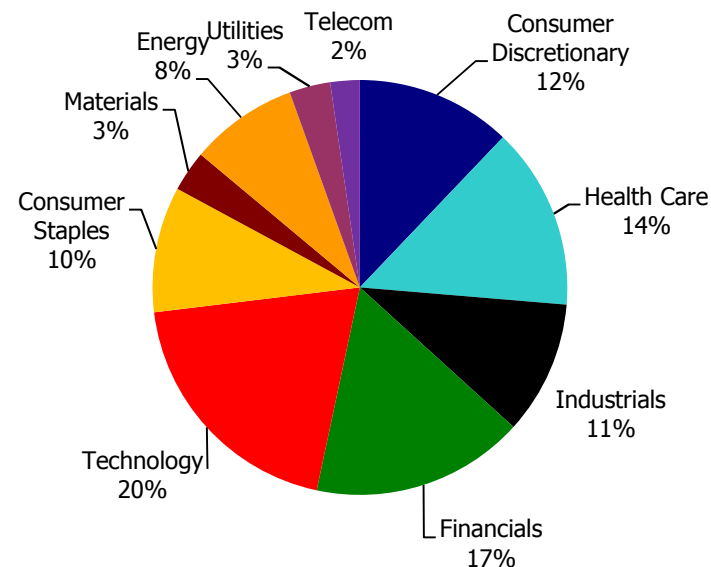
# S&P 500 Scorecard

## S&P Sector Returns



\* Trailing 12 month P/E as of 12/31/2014.

## Sector Weights

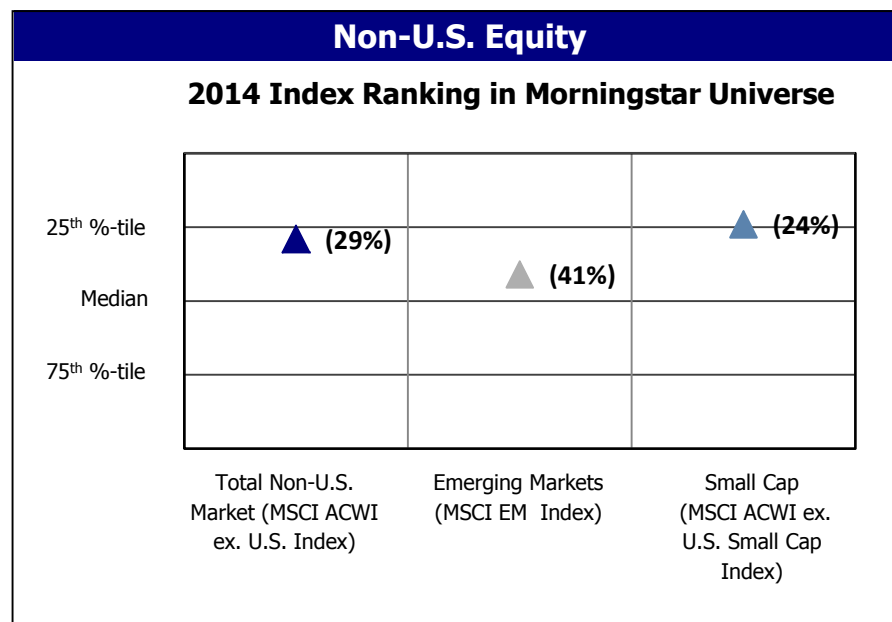
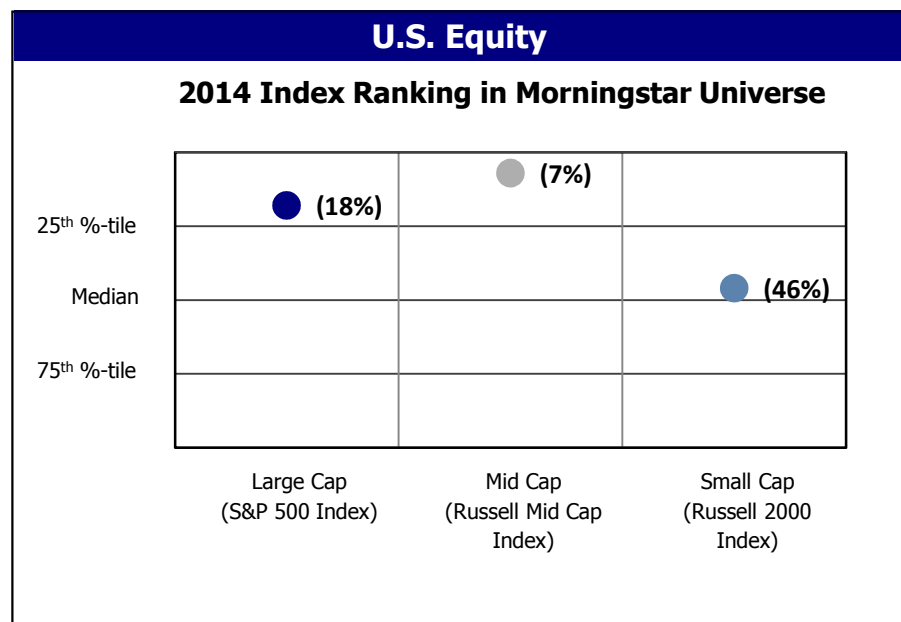


## Top Five S&P 500 Index Holdings

Name	Sector	% of S&P	2014 Return	2014 Contribution to Return	2013 Return	2013 Contribution to Return
1. Apple, Inc.	Technology	3.3%	+40.6%	+1.21%	+8.1%	0.00%
2. Exxon Mobil	Energy	2.5%	-6.1%	-0.16%	+20.1%	+0.56%
3. Microsoft Corp.	Technology	1.9%	+27.5%	+0.47%	+44.3%	+0.71%
4. Johnson & Johnson	Health Care	1.7%	+17.3%	+0.27%	+34.6%	+0.58%
5. General Electric Co.	Industrials	1.5%	-6.7%	-0.12%	+37.9%	+0.61%

Source: Morningstar Direct

# Difficult Year for Active Management

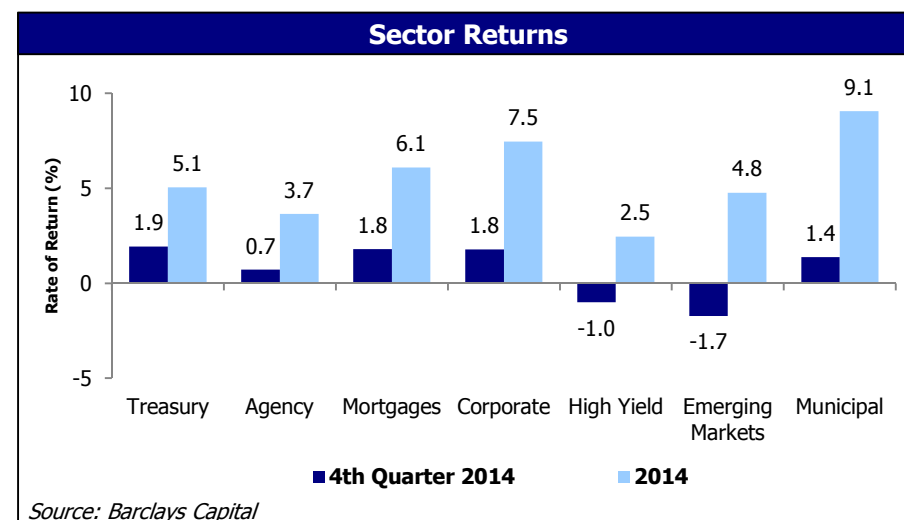
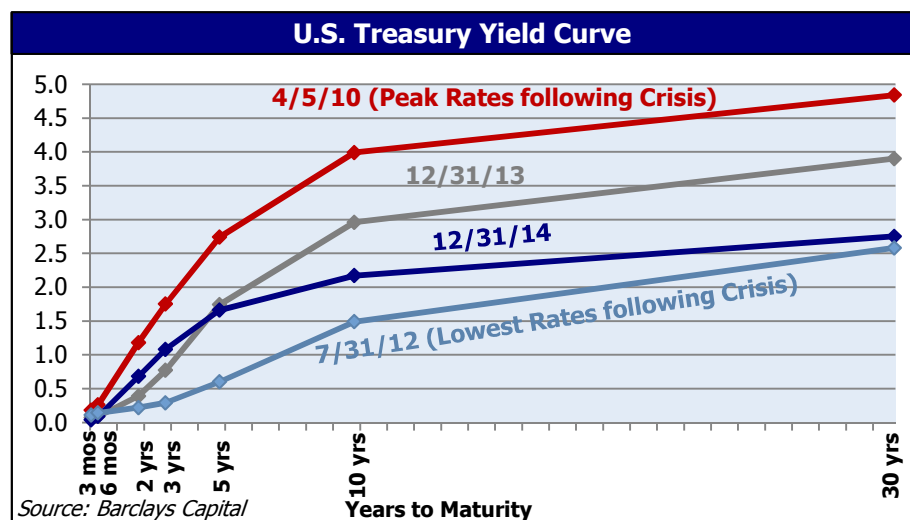
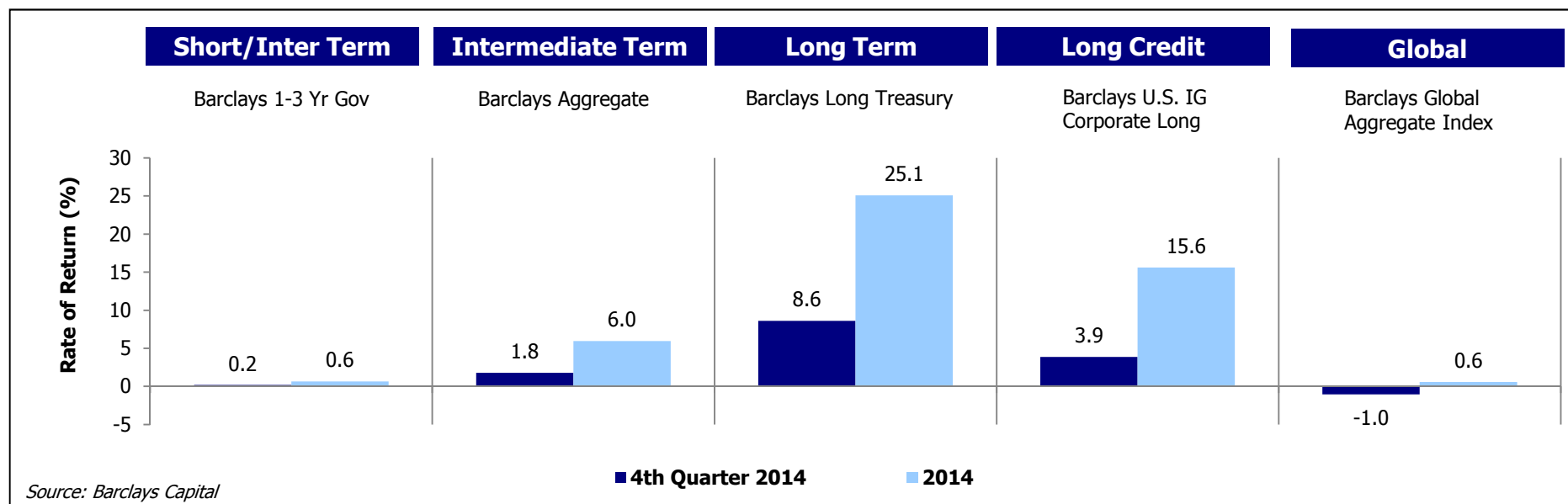


Note: Each figure shown above represents the index ranking within its respective asset class universe.

## Reasons Cited for Poor Active Management Results

- ❑ A fairly narrow market existed as only 30% of the stocks in the S&P 1500 Index posted gains exceeding the Index itself. (Source: *Fortune.com*)
- ❑ Five mega cap stocks (Apple, Berkshire Hathaway, Johnson & Johnson, Microsoft, and Intel) accounted for 20% of the gains in the S&P 500 Index making it difficult for large cap managers to keep pace if they were not at least equally weighted in those names. (Sources: *Financial Times*, *Leuthold Group*)
- ❑ Rapid shifts occurred in market and sector direction, which tended to favor short-term traders. (Source: *Fiscal Times*)
- ❑ A disconnect existed between the U.S. economy and stock market confounding many active managers as the least cyclical sectors (healthcare and utilities) performed the best despite declining unemployment and solid GDP growth. (Source: *Fortune.com*)

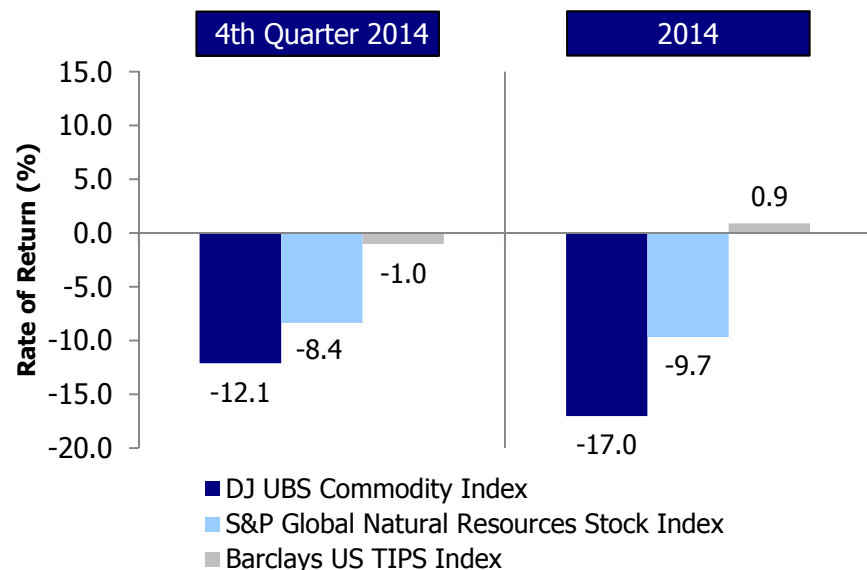
# Fixed Income Markets



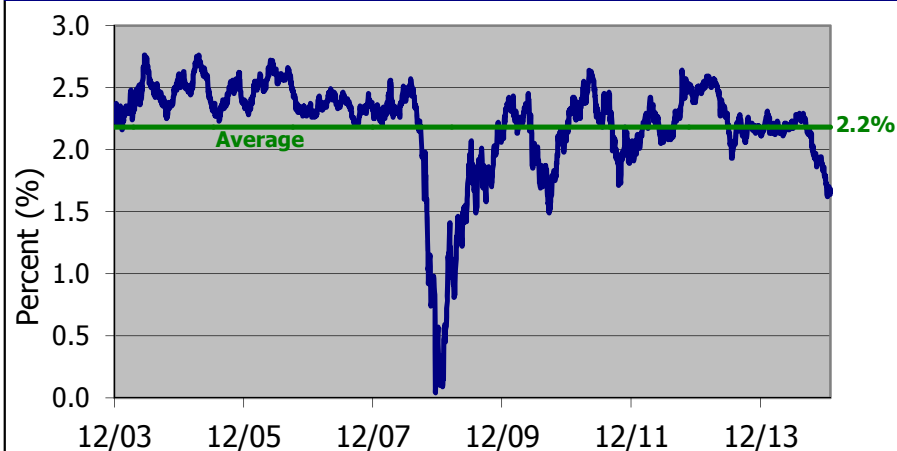


# Inflation Hedging Performance

## Asset Class Performance

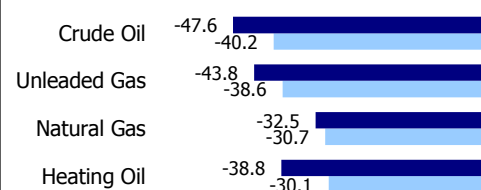


## Historical Inflation Expectations

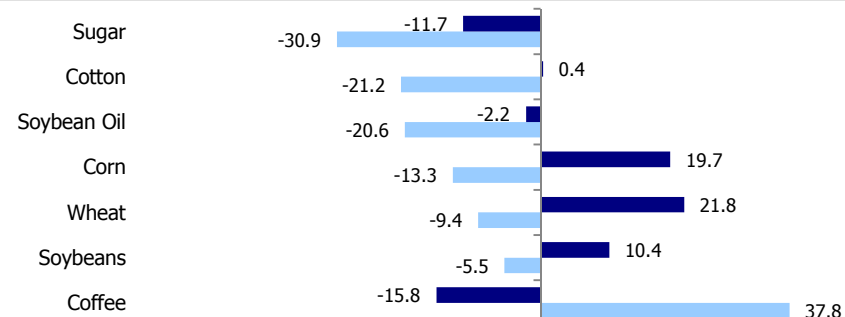


## Commodity Sector Performance

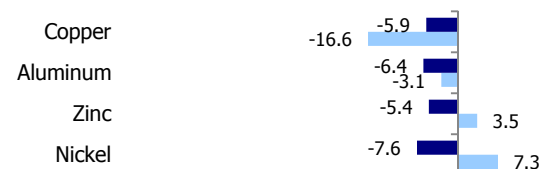
### 31% Energy (-39.3%)



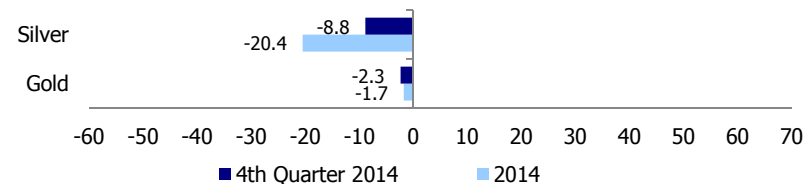
### 29% Agriculture (-9.2%)



### 18% Industrial Metals (-6.9%)



### 16% Precious Metals (-6.7%)



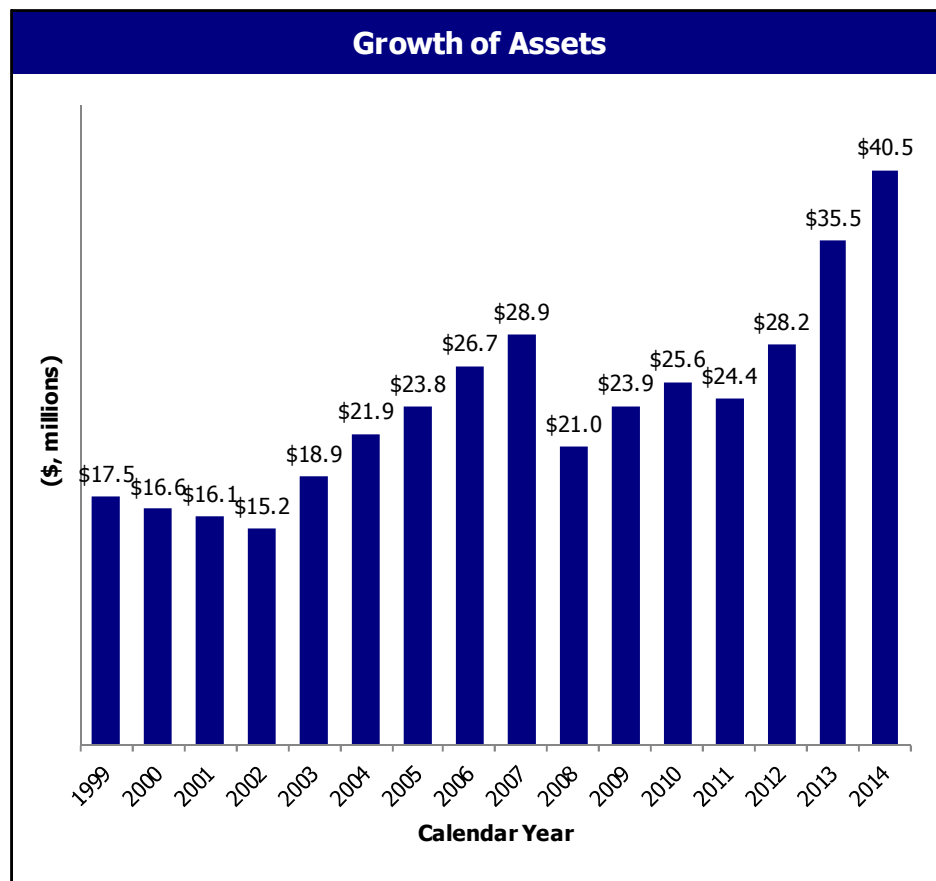
Source: Morningstar Direct

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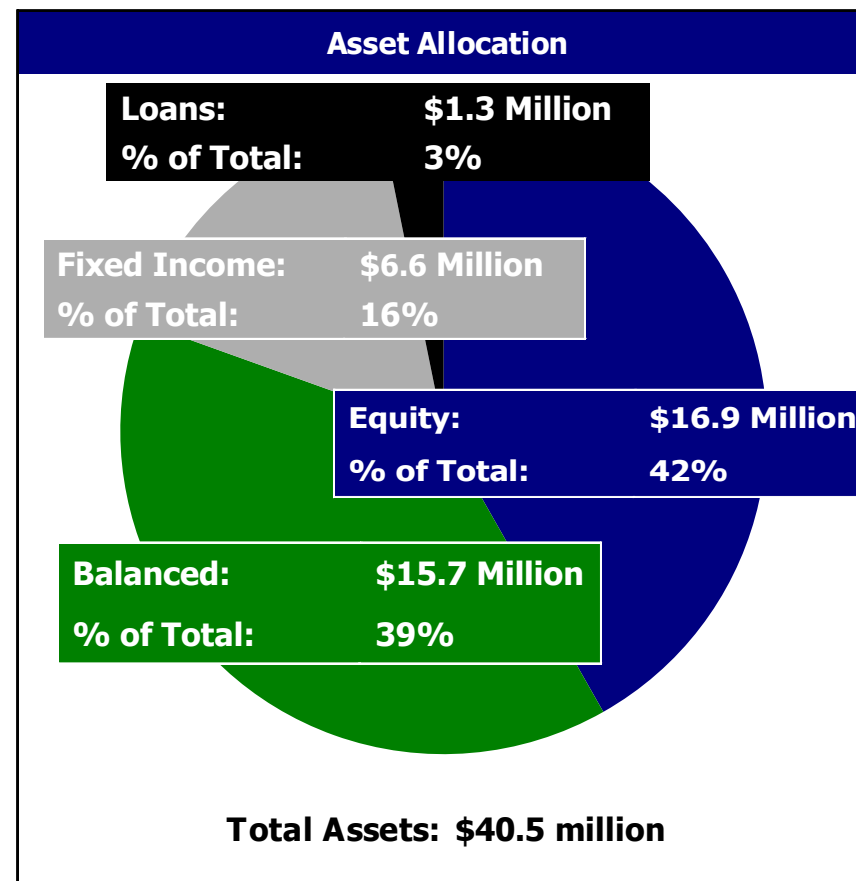
## 401(k) Retirement Savings Portfolio Review

# Metro St. Louis 401(k) Retirement Savings Program

## As of December 31, 2014

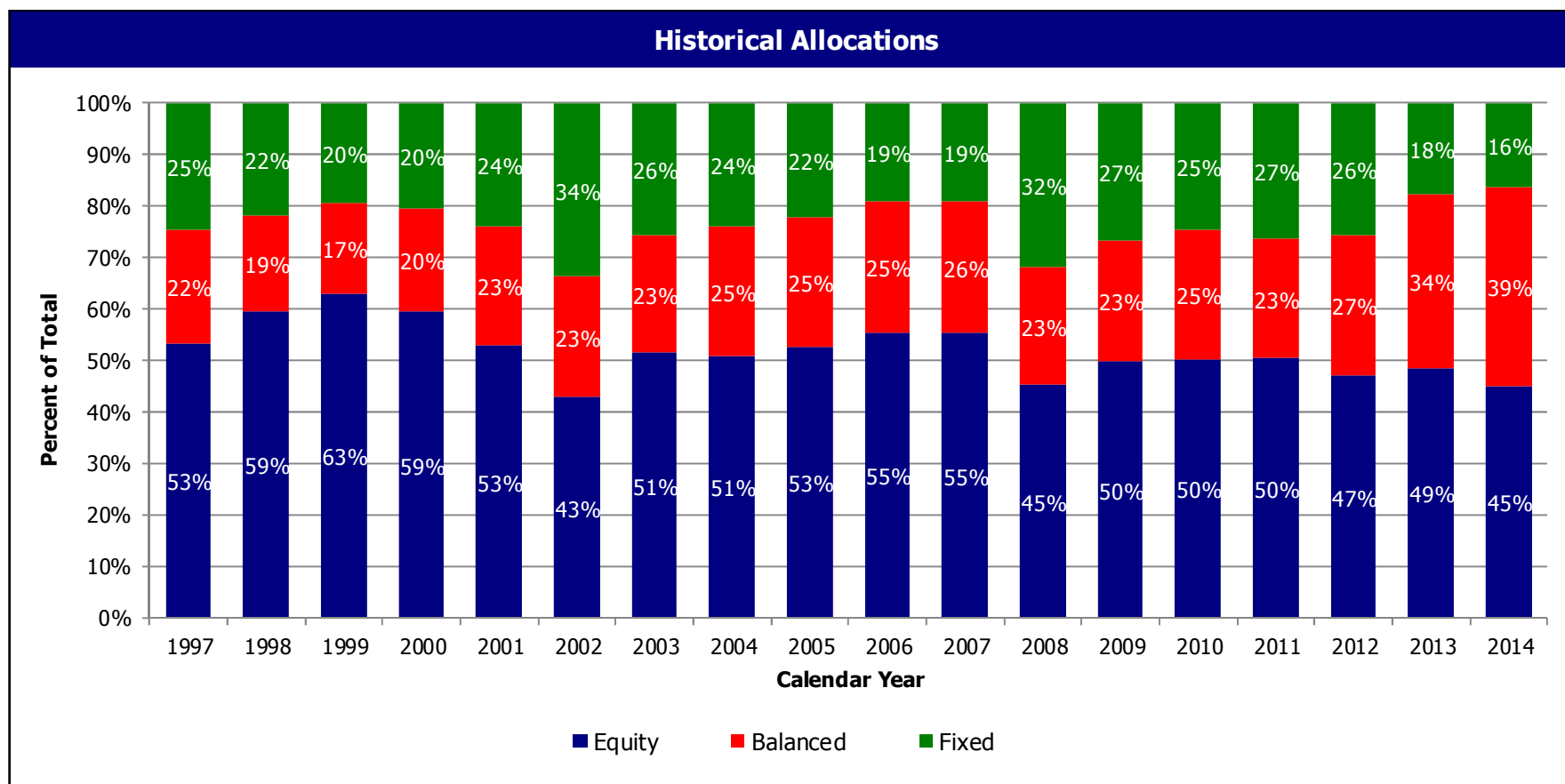


Note: Totals may not equal 100% due to rounding.



# Metro St. Louis 401(k) Retirement Savings Program

## As of December 31, 2014

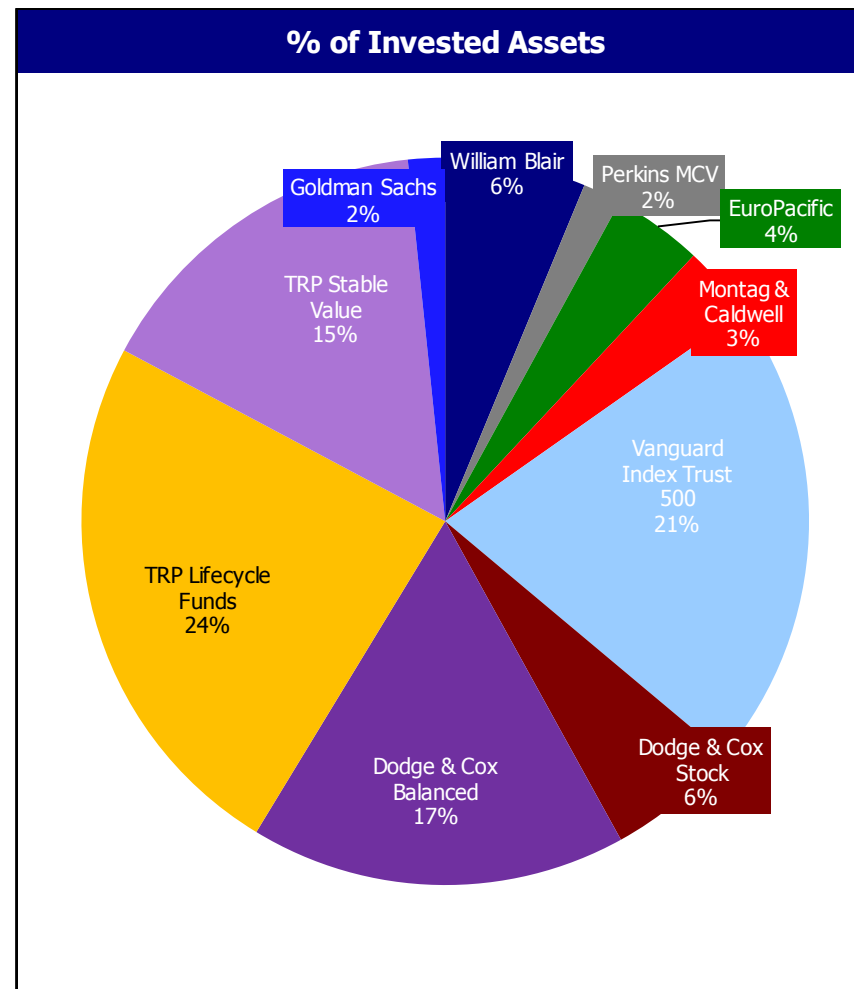


Note: Historical allocations excluding loans and self directed accounts.

# Metro St. Louis 401(k) Retirement Savings Overview

## As of December 31, 2014

Asset Allocation (\$, millions)		
	1/1/2014	12/31/2014
<u>Investment Option</u>	<u>Assets</u>	<u>Assets</u>
William Blair SMID Growth	\$2.3	\$2.4
Perkins MidCap Value	\$0.6	\$0.7
EuroPacific Growth	\$1.6	\$1.5
Montag & Caldwell Growth	\$1.3	\$1.3
Vanguard Index Trust 500	\$7.2	\$8.0
Dodge & Cox Stock	\$1.7	\$2.3
Dodge & Cox Balanced	\$5.6	\$6.4
T. Rowe Price Lifecycle Funds	\$6.7	\$9.3
T. Rowe Price Stable Value	\$5.5	\$6.0
Goldman Sachs ILA MM	\$0.8	\$0.6
<b>Total</b>	<b>\$33.3</b>	<b>\$38.4</b>
<b>Self-Directed</b>	<b>\$1.2</b>	<b>\$0.8</b>
<b>Loan Account</b>	<b>\$1.0</b>	<b>\$1.3</b>
<b>Total Plan Assets</b>	<b>\$35.5</b>	<b>\$40.5</b>



# Metro St. Louis 401(k) Retirement Savings Program

## Plan Activity – As of December 31, 2014

Calendar Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Beginning Assets (\$000)	\$14,553	\$17,488	\$16,584	\$16,142	\$15,159	\$18,930	\$21,456	\$23,321	\$25,945	\$28,132
Inflows	1,506	1,561	1,659	1,704	1,859	2,071	2,266	2,171	2,133	2,388
Outflows	<u>(1,031)</u>	<u>(2,294)</u>	<u>(1,588)</u>	<u>(908)</u>	<u>(1,207)</u>	<u>(1,556)</u>	<u>(2,092)</u>	<u>(2,641)</u>	<u>(1,774)</u>	<u>(2,336)</u>
Net Cash Flow	475	(733)	71	796	652	515	174	(470)	359	52
Investment Earnings	<u>2,460</u>	<u>(179)</u>	<u>(513)</u>	<u>(1,779)</u>	<u>3,119</u>	<u>2,011</u>	<u>1,691</u>	<u>3,094</u>	<u>1,828</u>	<u>(7,911)</u>
Ending Market Value (\$000)	\$17,488	\$16,584	\$16,142	\$15,159	\$18,930	\$21,456	\$23,321	\$25,945	\$28,132	\$20,273
Loan Balance (\$000)	--	--	--	--	--	\$421	\$543	\$770	\$835	\$736

Calendar Year	2009	2010	2011	2012	2013	2014
Beginning Assets (\$000)	\$20,273	\$23,312	\$24,987	\$23,794	\$27,252	\$34,404
Inflows	2,222	2,141	2,169	2,166	2,322	6,239
Outflows	<u>(3,215)</u>	<u>(2,707)</u>	<u>(2,714)</u>	<u>(1,281)</u>	<u>(1,581)</u>	<u>(3,746)</u>
Net Cash Flow	(993)	(566)	(545)	885	740	2,493
Investment Earnings	<u>4,032</u>	<u>2,241</u>	<u>(648)</u>	<u>2,573</u>	<u>6,412</u>	<u>1,321</u>
Ending Market Value (\$000)	\$23,312	\$24,987	\$23,794	\$27,252	\$34,404	\$39,218
Loan Balance (\$000)	\$569	\$626	\$632	\$925	\$1,042	\$1,288

# Benchmark Definitions

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## **Investment Option**

Goldman Sachs IKA Money Market

T. Rowe Price Stable Value

T. Rowe Price Lifecycle Funds

Dodge & Cox Balanced

Dodge & Cox Stock

Vanguard 500 Index

Montage & Caldwell Growth

EuroPacific Growth

Perkins Mid Cap Value

William Blair Small/Mid Growth

## **Benchmark**

Merrill Lynch 91-Day T-Bill Index

Average GIC Pooled Fund

Custom Target Benchmark\*

60% S&P 500 Index/40% Barclays Capital  
Aggregate bond Index

Russell 1000 Value Index

S&P 500 Index

Russell 1000 Growth Index

MSCI EAFE Index

Russell Mid Cap Value Index

Russell 2000 Growth Index

\*Custom Target Benchmark consists of combination of Wilshire 5000, MSCI EAFE, Barclays Capital Aggregate Bond and ML 91-Day T-Bill Indices based on each fund's underlying asset allocation.

# Equity Options Performance Summary

## Periods Ended December 31, 2014

Investment Options	Quarter	2014	Annualized		Since Inception	Inception Date
			Five Years	Ten Years		
<u>Large Cap Value</u>						
Dodge & Cox Stock	2.2	10.4	15.6	7.1	6.8	7/20/06
Russell 1000 Value Index	5.0	13.5	15.4	7.3	7.0	
<u>Equity Index</u>						
Vanguard Index 500	4.9	13.6	15.4	7.7	6.4	1/2/98
S&P 500 Index	4.9	13.7	15.5	7.7	6.4	
<u>Large Cap Growth</u>						
Montag & Caldwell Growth	4.6	7.6	11.7	7.8	3.5	4/6/00
Russell 1000 Growth Index	4.8	13.0	15.8	8.5	2.0	
<u>Mid Cap Value</u>						
Perkins Mid Cap Value	4.3	9.0	11.1	8.2	15.7	2/10/09
Russell Mid Cap Value Index	6.1	14.7	17.4	9.4	22.8	
<u>Small\Mid Cap</u>						
Wm. Blair Small\Mid Growth	9.0	8.6	16.3	10.2	9.3	3/16/06
Russell 2000 Growth Index	10.1	5.6	16.8	8.5	8.0	
<u>Non-U.S. Equity</u>						
EuroPacific Growth	-1.7	-2.6	5.7	6.7	6.5	6/4/01
MSCI EAFE Index	-3.6	-4.9	5.3	4.4	4.8	

Note: Illustrative performance shown prior to manager inception. Returns less than one year are not annualized.



# Balanced and Fixed Income Options Performance Summary

## Periods Ended December 31, 2014

Investment Options	Quarter	2014	Annualized		Since Inception	Inception Date
			Five Years	Ten Years		
<u>Balanced Option</u>						
Dodge & Cox Balanced	1.8	8.9	12.8	6.8	8.5	1/2/1998
60% S&P 500 Index /40% BC Agg. Index	3.7	10.6	11.2	6.8	5.9	
<u>T. Rowe Price Lifecycle Options</u>						
Retirement Income	0.6	3.9	6.9	5.4	5.2	1/31/2008
Retirement 2005	0.8	4.7	7.7	5.8	5.5	1/31/2008
Retirement 2010	1.0	5.0	8.4	6.0	5.7	1/31/2008
Retirement 2015	1.3	5.4	9.4	6.4	6.1	1/31/2008
Retirement 2020	1.5	5.6	10.2	6.7	6.4	1/31/2008
Retirement 2025	1.6	5.8	10.9	6.8	6.6	1/31/2008
Retirement 2030	1.8	6.1	11.5	7.1	6.9	1/31/2008
Retirement 2035	1.9	6.1	11.8	7.1	7.0	1/31/2008
Retirement 2040	2.0	6.2	12.1	7.3	7.1	1/31/2008
Retirement 2045	2.0	6.1	12.1	--	7.1	1/31/2008
Retirement 2050	2.0	6.2	12.1	--	7.1	1/31/2008
Retirement 2055	2.0	6.2	12.1	--	7.1	1/31/2008
<u>Stable Asset Option</u>						
T. Rowe Price Stable Value	0.5	2.0	2.8	3.6	4.6	1/18/1993
Average Stable Value Manager	0.3	1.1	1.7	2.8	4.1	
<u>Money Market Option</u>						
Goldman Sachs Money Market	0.0	0.0	0.1	1.6	2.3	1/2/1998
ML 91-Day T-Bills Index	0.0	0.0	0.1	1.5	2.4	

Note: Illustrative performance shown prior to manager inception. Returns less than one year are not annualized.

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## Investment Manager Appendix

# Dodge & Cox Stock

As of 12/31/2014

## Portfolio Statistics

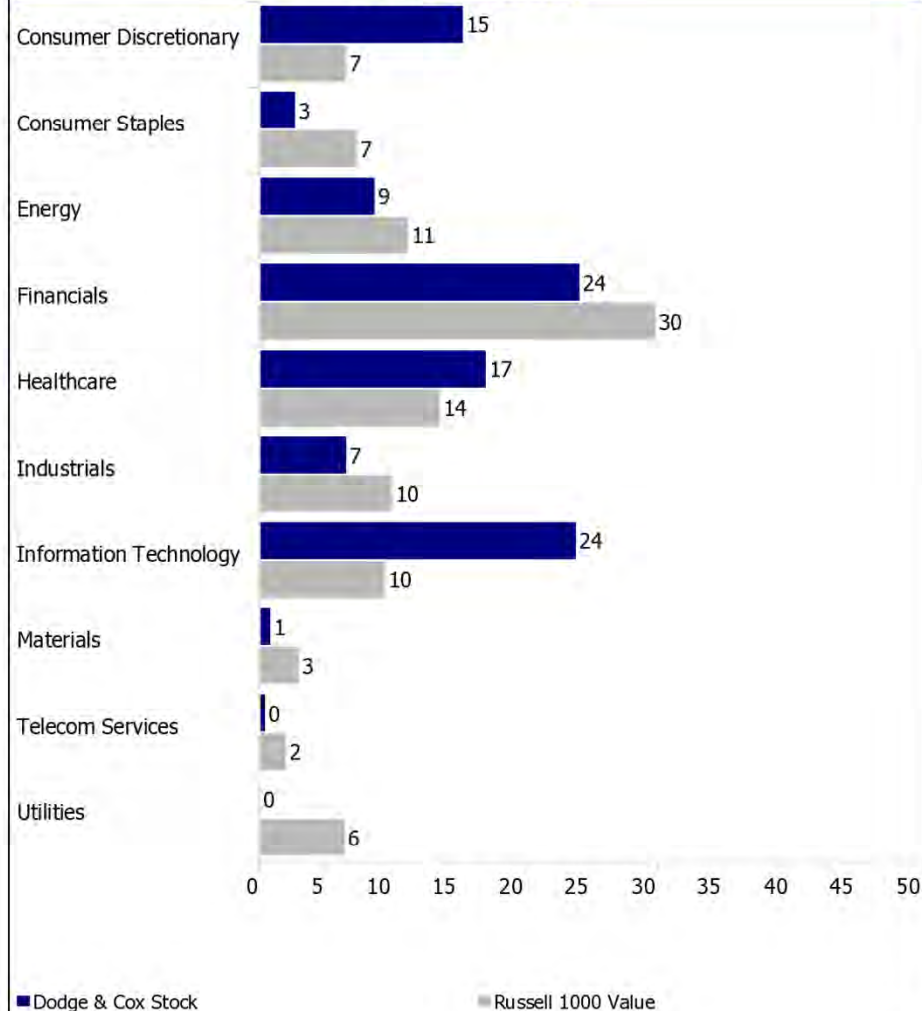
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	116.3	112.1
P/E Ratio	18.2	16.8
P/B Ratio	2.1	1.8
Dividend Yield (%)	1.8	2.2

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Hewlett-Packard Co	Information Technology	4.1	45.7
Wells Fargo & Co	Financials	4.0	23.7
Capital One Financial Corp	Financials	3.9	9.3
Microsoft Corp	Information Technology	3.8	27.2
Novartis AG ADR	Health Care	3.2	18.7
Time Warner Inc	Consumer Discretionary	3.2	29.7
Time Warner Cable Inc	Consumer Discretionary	2.9	14.4
Charles Schwab Corp	Financials	2.8	17.0
Bank of America Corporation	Financials	2.8	15.7
Bank of New York Mellon Corp	Financials	2.7	18.0

## Sector Allocation (%)

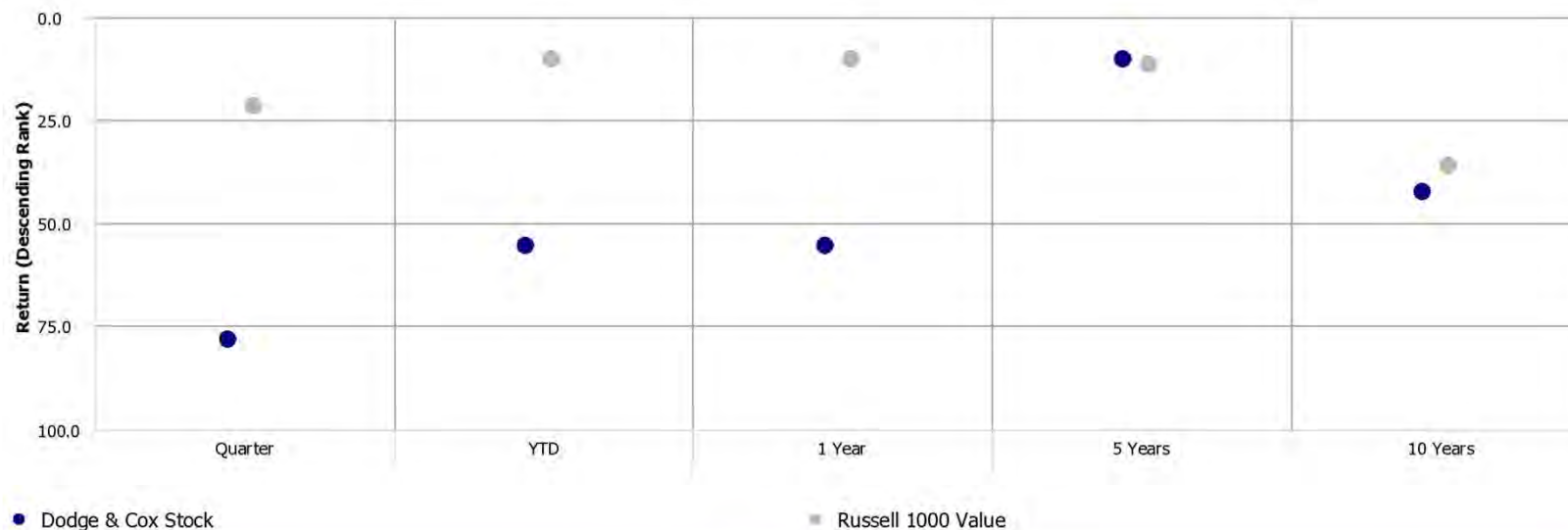


Source: Morningstar Direct

# Dodge & Cox Stock

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Large Value



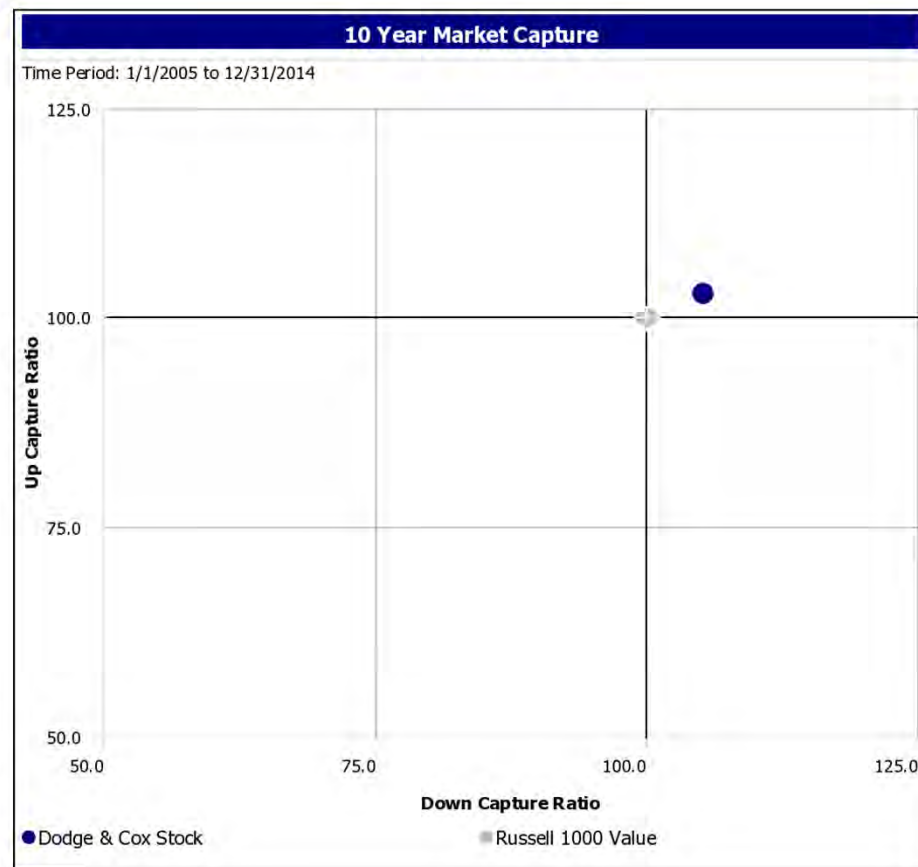
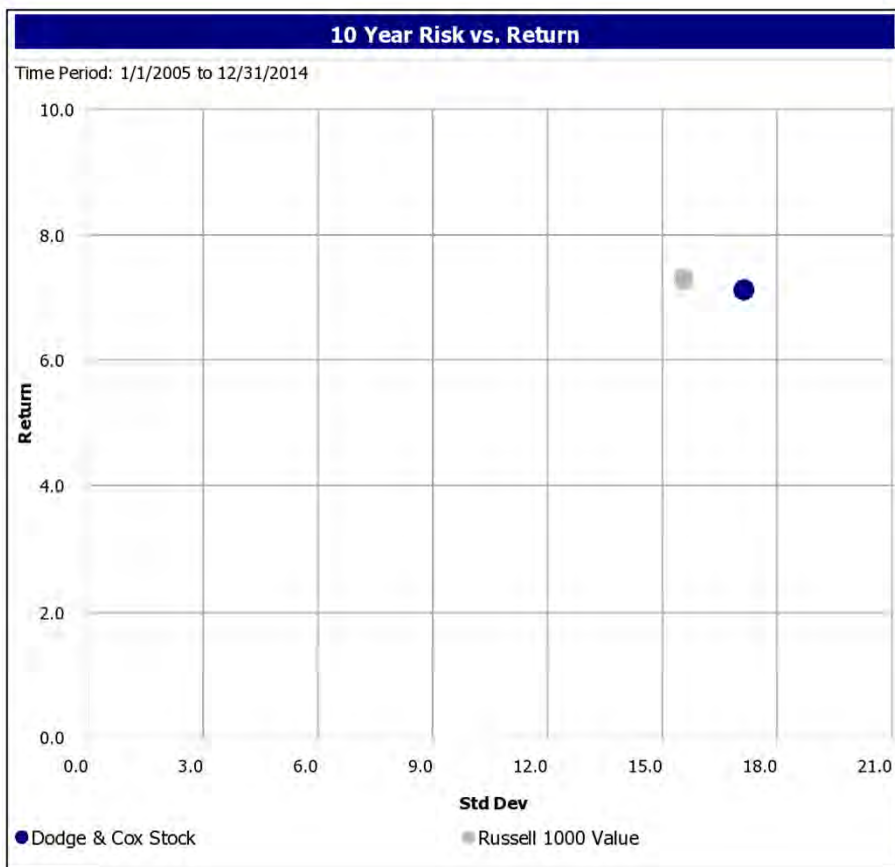
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Dodge & Cox Stock	2.2	10.4	10.4	15.6	7.1
Peer group percentile	78	55	55	10	42
Russell 1000 Value	5.0	13.5	13.5	15.4	7.3
Peer group percentile	21	10	10	11	36
25th Percentile	4.8	12.1	12.1	14.5	7.8
50th Percentile	4.0	10.7	10.7	13.7	6.8
75th Percentile	2.7	9.0	9.0	12.6	5.9

Source: Morningstar Direct

# Dodge & Cox Stock

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Dodge & Cox Stock	9.4	18.5	0.1	-43.3	31.3	13.5	-4.1	22.0	40.5	10.4	10.4	23.7	15.6	7.1
Russell 1000 Value	7.1	22.2	-0.2	-36.8	19.7	15.5	0.4	17.5	32.5	13.5	13.5	20.9	15.4	7.3



Source: Morningstar Direct

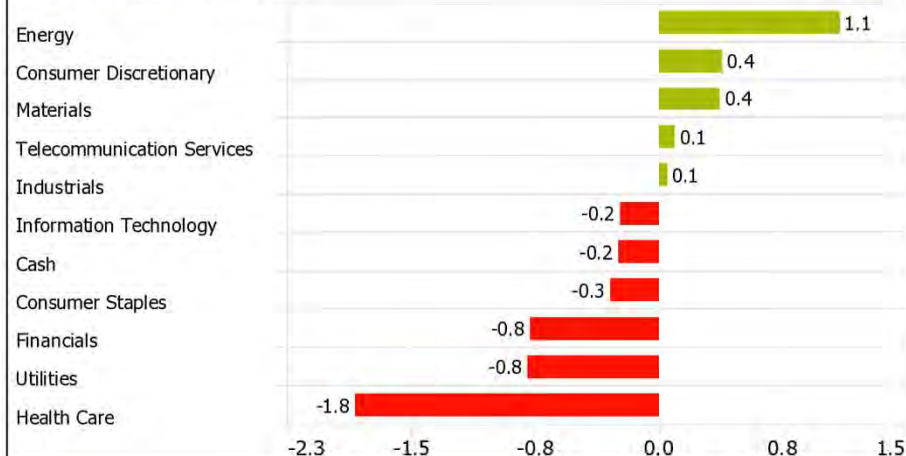


# Dodge & Cox Stock

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
FedEx Corp	2.0	21.4	0.4
Hewlett-Packard Co	3.5	46.0	0.3
Schlumberger NV	2.6	-3.6	0.2
Time Warner Inc	2.1	30.0	0.2
Baker Hughes Inc	1.0	2.5	0.2

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Sanofi ADR	2.5	-11.9	-0.9
GlaxoSmithKline PLC ADR	2.0	-15.7	-0.8
Roche Holding AG ADR	2.4	-0.3	-0.6
Coach Inc	0.7	-30.8	-0.4
Aegon NV ADR	1.0	-18.0	-0.4

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	14.2	16.3	2.4	6.4	14.5	1.0	0.1	0.2	0.4
Consumer Staples	2.3	12.5	0.4	6.4	17.4	1.2	-0.2	-0.1	-0.3
Energy	8.5	-8.6	-0.6	13.9	-7.8	-0.9	1.0	0.1	1.1
Financials	22.9	12.6	2.9	28.9	15.5	4.5	-0.1	-0.7	-0.8
Health Care	18.9	9.8	1.8	13.4	22.6	2.9	0.5	-2.3	-1.8
Industrials	6.6	2.9	0.2	10.3	5.7	0.6	0.3	-0.2	0.1
Information Technology	22.7	18.5	4.1	9.2	29.5	2.5	2.0	-2.3	-0.2
Materials	2.0	11.8	0.3	3.1	3.4	0.1	0.2	0.2	0.4
Telecommunication Services	0.2	-21.0	-0.1	2.3	3.2	0.1	0.2	-0.1	0.1
Utilities	0.0	0.0	0.0	6.1	27.4	1.6	-0.8	0.0	-0.8
Cash	1.5	0.0	0.0	0.0	0.0	0.0	-0.2	0.0	-0.2
Attribution Total	100.0	11.4	11.4	100.0	13.5	13.5	3.0	-5.2	-2.2

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct

# Vanguard 500 Index

As of 12/31/2014

## Portfolio Statistics

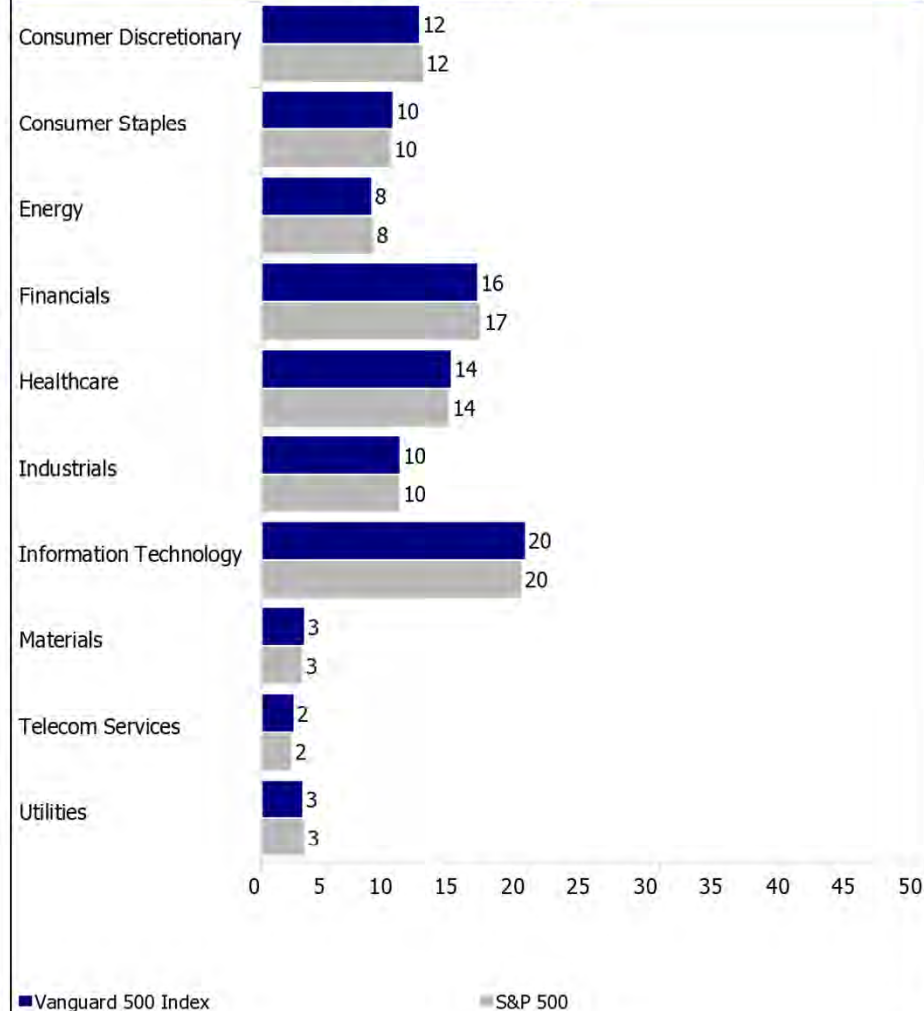
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	132.2	131.9
P/E Ratio	18.7	18.7
P/B Ratio	2.7	2.7
Dividend Yield (%)	1.9	1.9

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Apple Inc	Information Technology	3.9	40.0
Microsoft Corp	Information Technology	2.1	27.2
Exxon Mobil Corporation	Energy	2.1	-6.0
Johnson & Johnson	Health Care	1.7	17.2
General Electric Co	Industrials	1.4	-6.7
Wells Fargo & Co	Financials	1.4	23.7
Berkshire Hathaway Inc Class B	Financials	1.3	26.6
Procter & Gamble Co	Consumer Staples	1.3	15.0
JPMorgan Chase & Co	Financials	1.2	9.7
Verizon Communications Inc	Telecommunication Services	1.1	-0.4

## Sector Allocation (%)

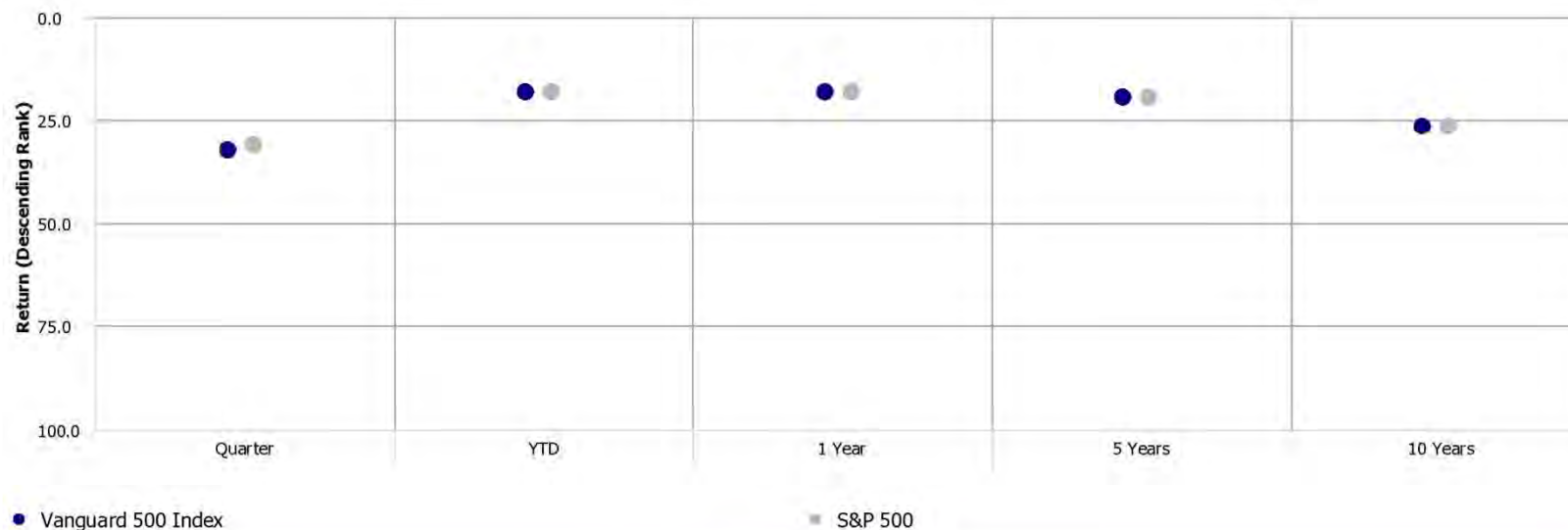


Source: Morningstar Direct

# Vanguard 500 Index

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Large Blend



Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Vanguard 500 Index	4.9	13.6	13.6	15.4	7.7
Peer group percentile	32	18	18	19	26
S&P 500	4.9	13.7	13.7	15.5	7.7
Peer group percentile	31	18	18	19	26
25th Percentile	5.2	13.2	13.2	15.1	7.7
50th Percentile	4.5	11.6	11.6	14.1	7.1
75th Percentile	3.3	9.3	9.3	12.8	6.5

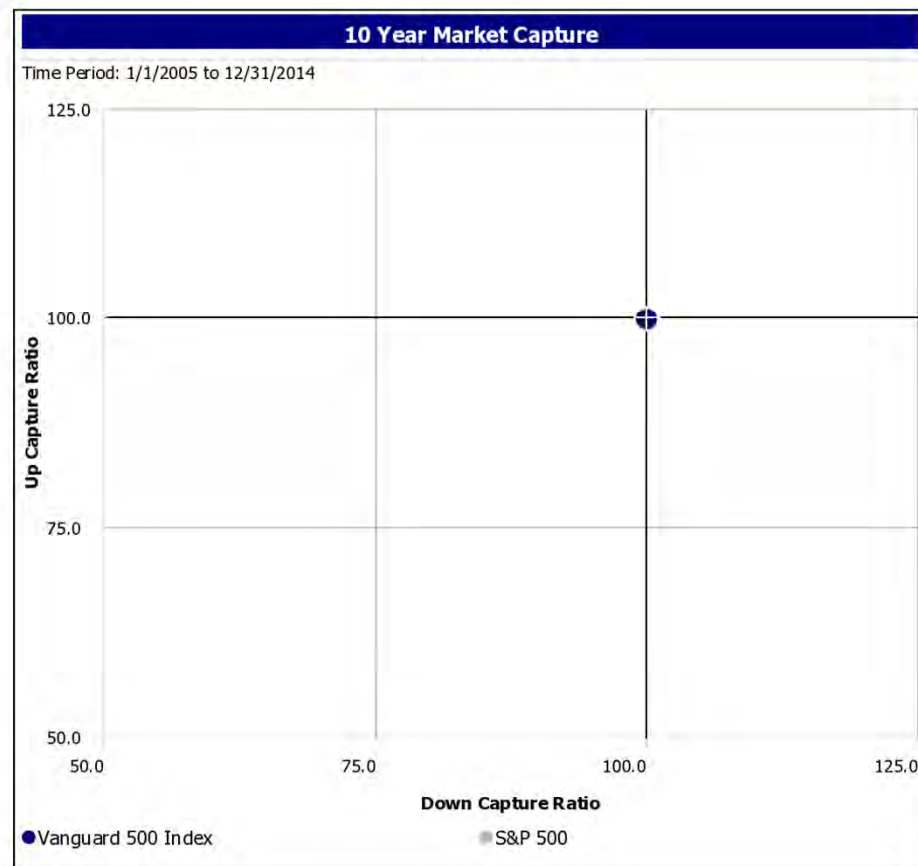
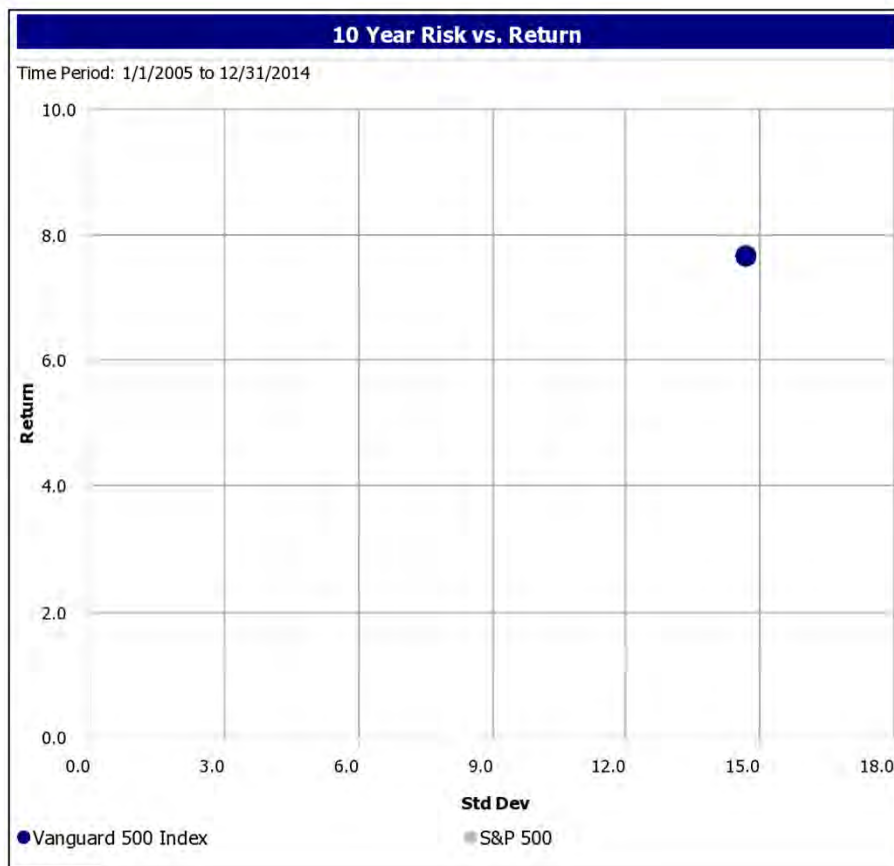
Source: Morningstar Direct



# Vanguard 500 Index

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Vanguard 500 Index	4.9	15.7	5.5	-37.0	26.6	15.1	2.1	16.0	32.3	13.6	13.6	20.4	15.4	7.7
S&P 500	4.9	15.8	5.5	-37.0	26.5	15.1	2.1	16.0	32.4	13.7	13.7	20.4	15.5	7.7



Source: Morningstar Direct

# Montag & Caldwell Growth

As of 12/31/2014

## Portfolio Statistics

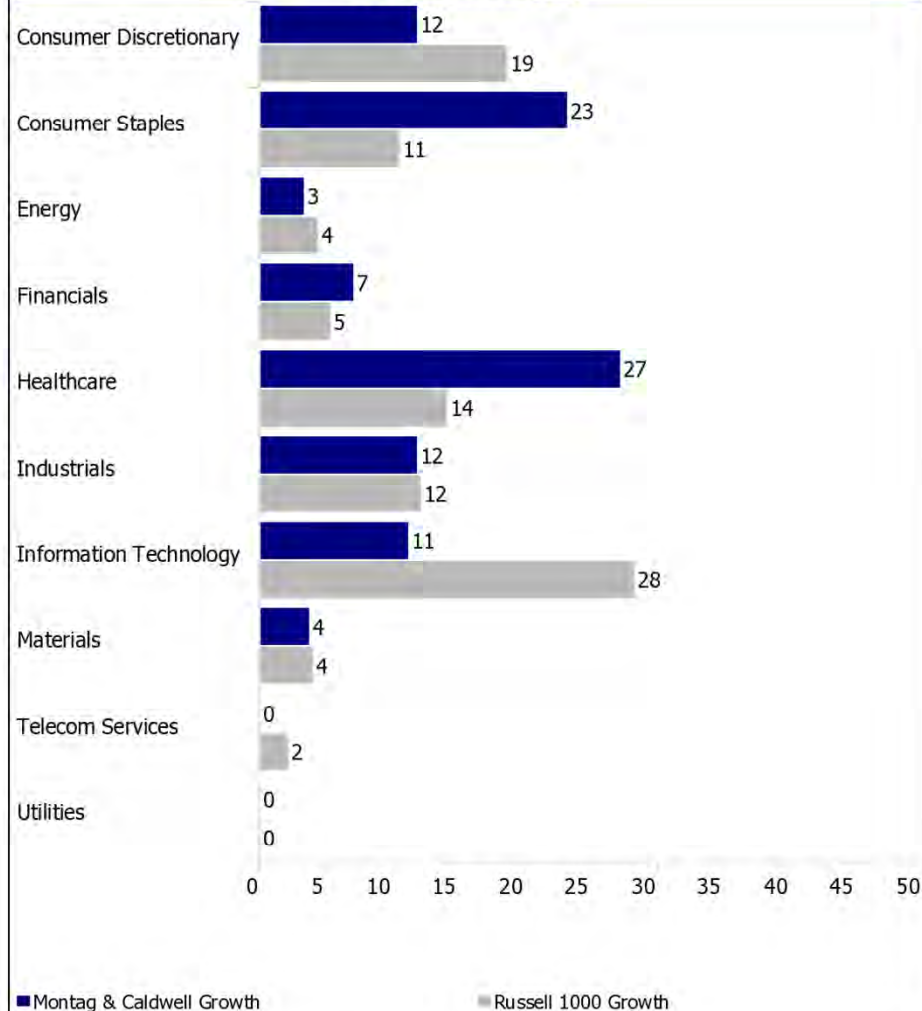
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	101.1	121.6
P/E Ratio	24.6	21.7
P/B Ratio	4.3	5.1
Dividend Yield (%)	1.3	1.4

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
PepsiCo Inc	Consumer Staples	4.8	17.1
McKesson Corp	Health Care	4.3	29.2
Visa Inc Class A	Information Technology	4.2	18.5
Mondelez International Inc Class A	Consumer Staples	4.1	4.5
Gilead Sciences Inc	Health Care	4.0	25.5
Monsanto Co	Materials	3.6	4.0
Thermo Fisher Scientific Inc	Health Care	3.5	13.1
Allergan Inc	Health Care	3.3	91.6
United Parcel Service Inc (UPS) Class B	Industrials	3.2	8.3
American Express Co	Financials	3.2	3.6

## Sector Allocation (%)

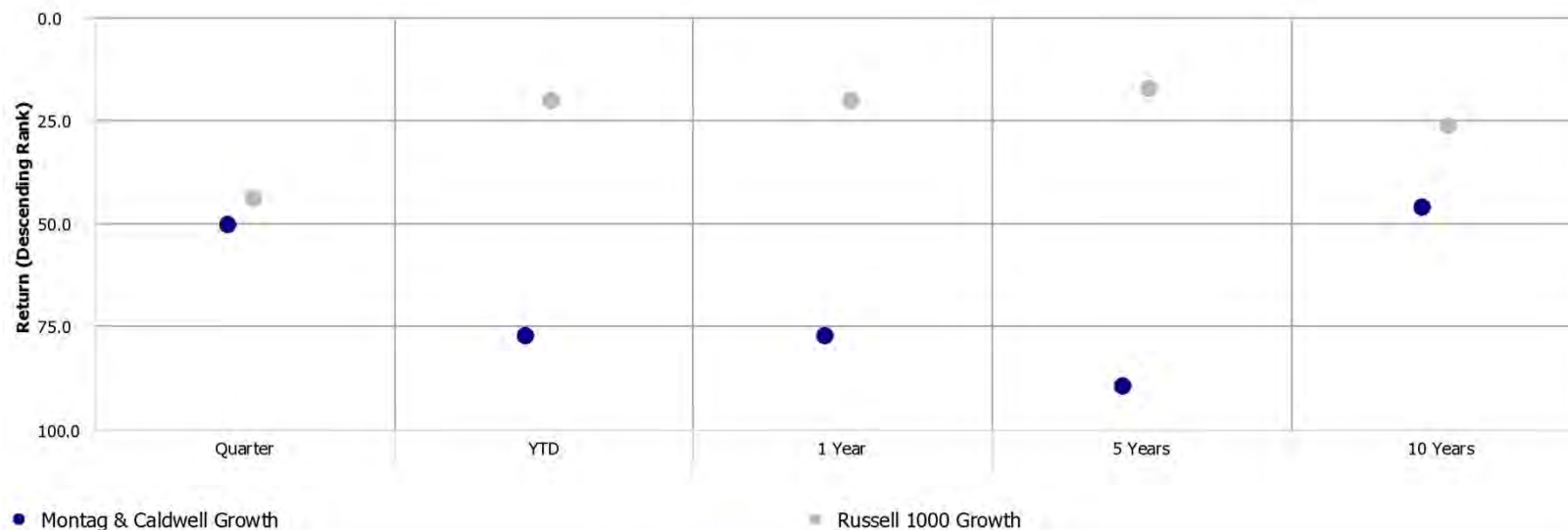


Source: Morningstar Direct

# Montag & Caldwell Growth

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Large Growth



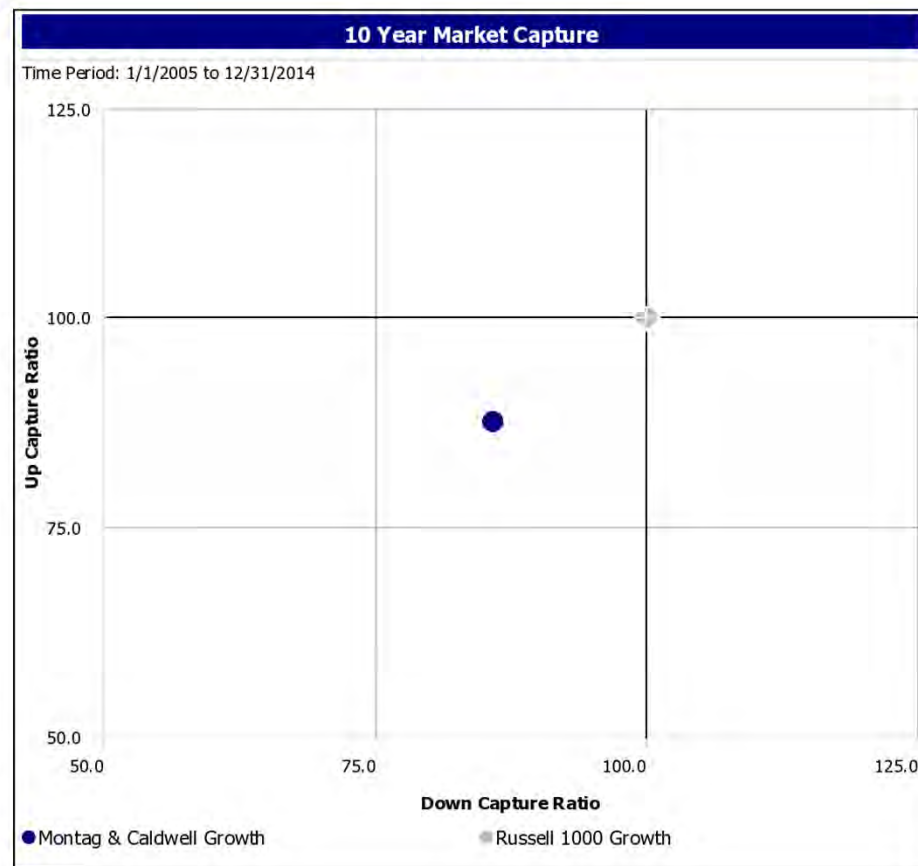
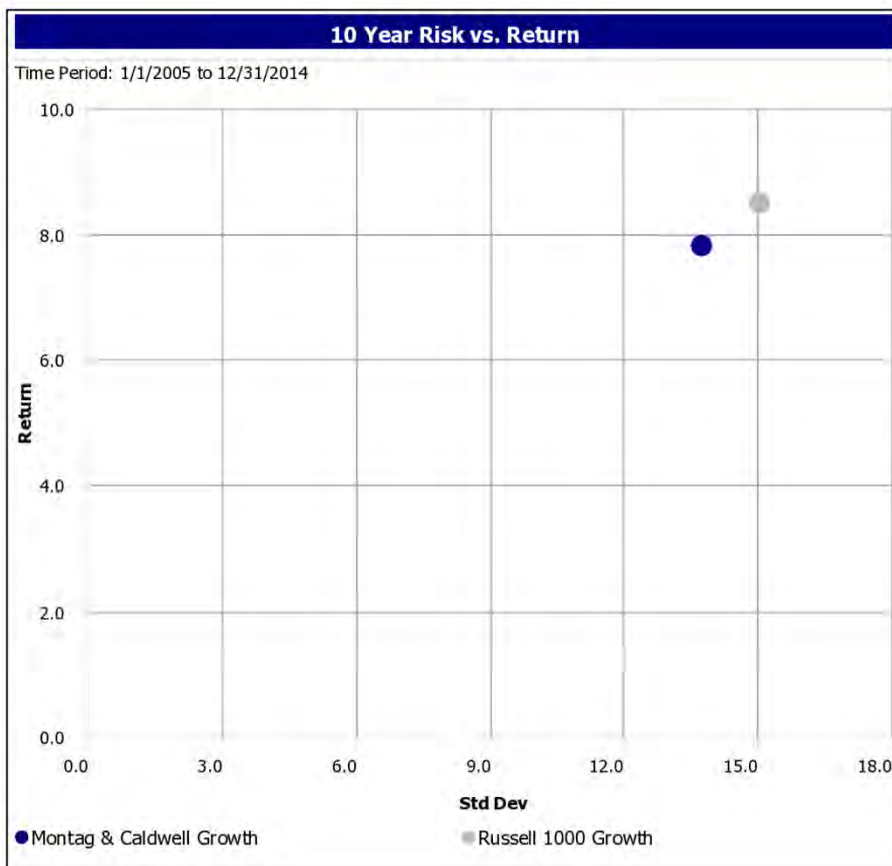
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Montag & Caldwell Growth	4.6	7.6	7.6	11.7	7.8
Peer group percentile	50	77	77	89	46
Russell 1000 Growth	4.8	13.0	13.0	15.8	8.5
Peer group percentile	44	20	20	17	26
25th Percentile	5.5	12.5	12.5	15.3	8.5
50th Percentile	4.6	10.2	10.2	14.2	7.7
75th Percentile	3.4	8.0	8.0	12.9	6.8

Source: Morningstar Direct

# Montag & Caldwell Growth

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Montag & Caldwell Growth	5.7	8.4	21.4	-32.5	30.2	8.6	3.4	13.0	27.6	7.6	7.6	15.8	11.7	7.8
Russell 1000 Growth	5.3	9.1	11.8	-38.4	37.2	16.7	2.6	15.3	33.5	13.0	13.0	20.3	15.8	8.5



Source: Morningstar Direct

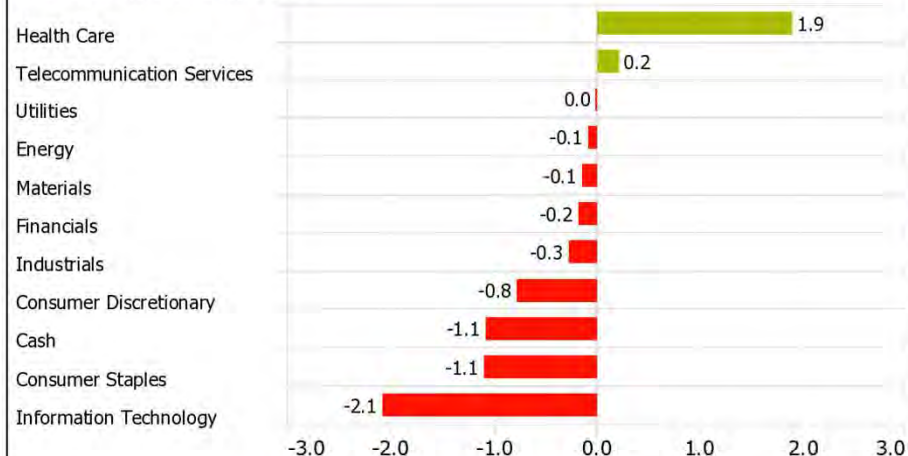


# Montag & Caldwell Growth

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Allergan Inc	2.9	91.6	1.5
Wells Fargo & Co	2.5	24.1	0.3
Visa Inc Class A	1.8	18.6	0.3
Philip Morris International, Inc.	-0.9	-10.3	0.3
Coca-Cola Co	-0.7	-0.5	0.2

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
General Electric Co	2.5	-6.7	-0.6
Google Inc Class A	1.4	-5.4	-0.5
Thermo Fisher Scientific Inc	1.9	10.3	-0.4
eBay Inc	1.4	-4.3	-0.4
Juniper Networks Inc	1.9	-6.2	-0.4

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	11.1	0.8	-0.3	18.7	8.3	1.6	0.3	-1.0	-0.8
Consumer Staples	21.2	8.5	1.9	11.1	14.8	1.6	0.2	-1.2	-1.1
Energy	4.3	-13.7	-0.8	5.2	-8.4	-0.7	0.2	-0.3	-0.1
Financials	7.2	9.1	0.6	5.4	12.3	0.7	0.0	-0.2	-0.2
Health Care	23.8	31.8	6.5	13.0	28.8	3.5	1.5	0.4	1.9
Industrials	8.0	4.6	0.6	12.2	11.6	1.4	0.1	-0.4	-0.3
Information Technology	15.4	5.1	0.6	27.7	15.5	4.3	-0.3	-1.8	-2.1
Materials	3.4	4.1	0.2	4.3	9.3	0.4	0.0	-0.1	-0.1
Telecommunication Services	0.0		0.0	2.2	2.6	0.1	0.2	0.0	0.2
Utilities	0.0		0.0	0.1	24.5	0.0	0.0	0.0	0.0
Cash	5.7	0.0	0.0	0.0		0.0	-1.1	0.0	-1.1
Attribution Total	100.0	9.4	9.4	100.0	13.0	13.0	1.0	-4.7	-3.6

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct

# Perkins Mid Cap Value

As of 12/31/2014

## Portfolio Statistics

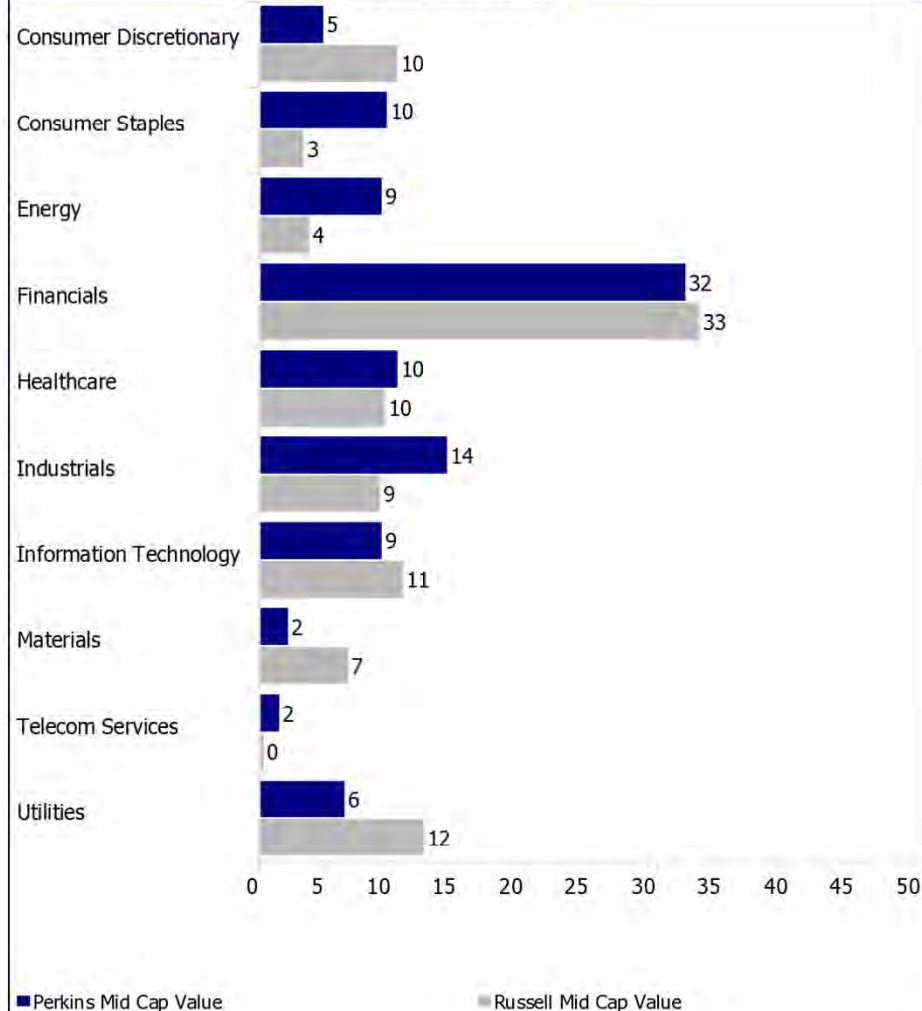
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	15.4	12.0
P/E Ratio	20.0	19.3
P/B Ratio	2.5	1.8
Dividend Yield (%)	2.0	2.0

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Republic Services Inc Class A	Industrials	2.5	24.5
PPL Corp	Utilities	2.5	25.7
Alliant Energy Corp	Utilities	2.2	32.7
Allstate Corp	Financials	2.1	30.9
Plains GP Holdings LP Class A	Energy	2.1	-1.6
Casey's General Stores Inc	Consumer Staples	2.0	29.7
Torchmark Corp	Financials	2.0	4.9
Marsh & McLennan Companies Inc	Financials	1.9	20.6
Stryker Corporation	Health Care	1.8	27.2
Canadian Pacific Railway Ltd	Industrials	1.8	28.6

## Sector Allocation (%)



Source: Morningstar Direct

# Perkins Mid Cap Value

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Mid-Cap Value



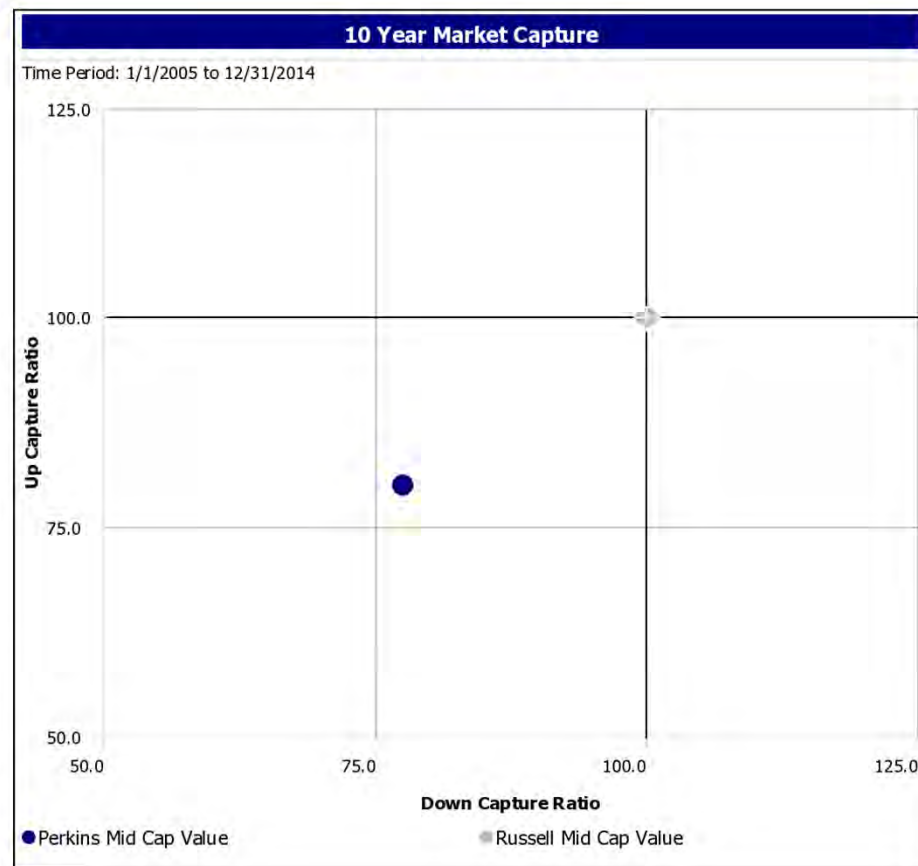
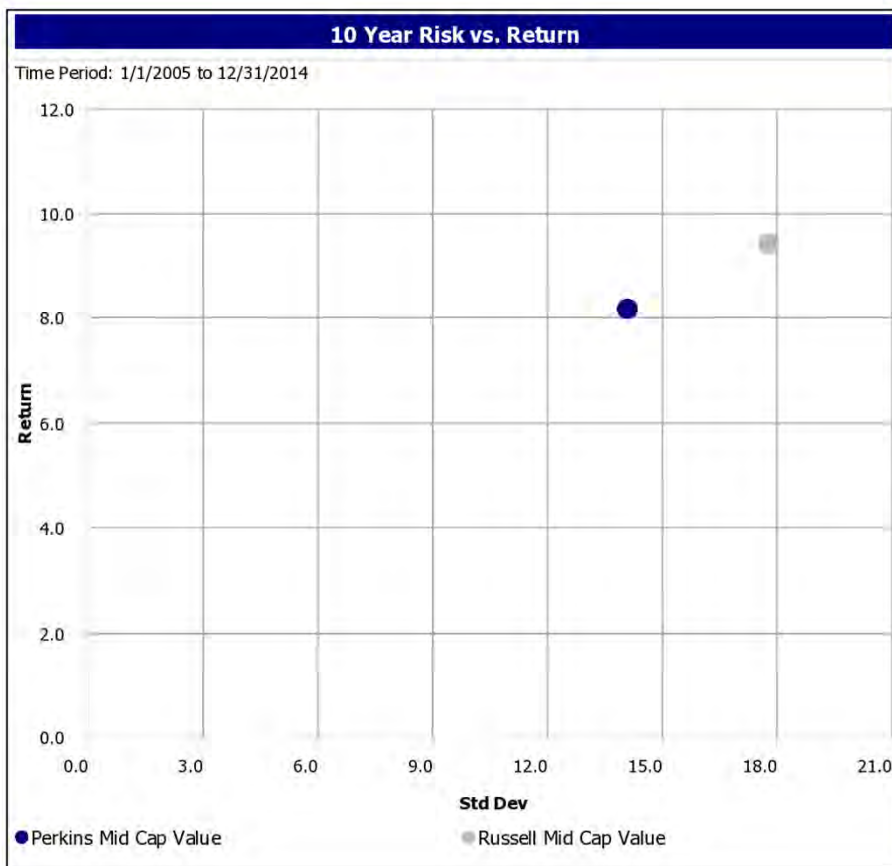
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Perkins Mid Cap Value	4.3	9.0	9.0	11.1	8.2
Peer group percentile	71	56	56	95	59
Russell Mid Cap Value	6.1	14.7	14.7	17.4	9.4
Peer group percentile	30	8	8	10	16
25th Percentile	6.3	12.0	12.0	16.1	9.1
50th Percentile	5.4	9.7	9.7	15.3	8.4
75th Percentile	3.8	7.0	7.0	14.1	7.5

Source: Morningstar Direct

# Perkins Mid Cap Value

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Perkins Mid Cap Value	10.4	15.3	7.4	-27.3	30.4	14.8	-2.6	10.3	25.9	9.0	9.0	14.8	11.1	8.2
Russell Mid Cap Value	12.6	20.2	-1.4	-38.4	34.2	24.8	-1.4	18.5	33.5	14.7	14.7	22.0	17.4	9.4



Source: Morningstar Direct



# Perkins Mid Cap Value

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Canadian Pacific Railway Ltd	2.1	28.7	0.7
Plains GP Holdings LP Class A	2.1	-1.7	0.7
Republic Services Inc Class A	2.0	24.7	0.4
Casey's General Stores Inc	1.1	34.7	0.4
Anadarko Petroleum Corp	1.0	5.1	0.4

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Rogers Communications Inc Class B	1.6	-10.2	-0.6
Mattel Inc	0.5	-20.3	-0.3
CIT Group Inc	1.2	-7.3	-0.3
The ADT Corporation	0.0	-25.6	-0.3
Zions Bancorp	1.0	-4.3	-0.3

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	5.9	8.0	0.4	9.3	15.4	1.6	-0.3	-0.4	-0.7
Consumer Staples	6.8	33.9	2.1	3.0	23.4	0.7	0.3	0.7	1.0
Energy	8.7	-20.1	-1.7	6.3	-25.8	-1.2	-1.4	0.6	-0.8
Financials	30.4	11.4	3.5	32.3	16.1	5.2	0.0	-1.4	-1.4
Health Care	10.3	24.8	2.4	9.0	28.2	2.4	0.1	-0.3	-0.2
Industrials	15.6	4.2	0.8	10.6	3.5	0.5	-0.6	0.3	-0.2
Information Technology	8.8	9.4	0.9	10.8	19.6	2.1	-0.1	-0.9	-1.0
Materials	1.8	16.0	0.3	6.2	6.6	0.3	0.4	0.2	0.5
Telecommunication Services	1.8	-13.6	-0.3	0.5	26.0	0.1	0.2	-0.8	-0.7
Utilities	5.7	27.3	1.4	11.9	26.2	3.0	-0.7	0.1	-0.7
Cash	4.3	0.0	0.0	0.0		0.0	-0.7	0.0	-0.7
Attribution Total	100.0	9.8	9.8	100.0	14.7	14.7	-2.8	-2.0	-4.9

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct

# William Blair Small-Mid Cap Growth

As of 12/31/2014

## Portfolio Statistics

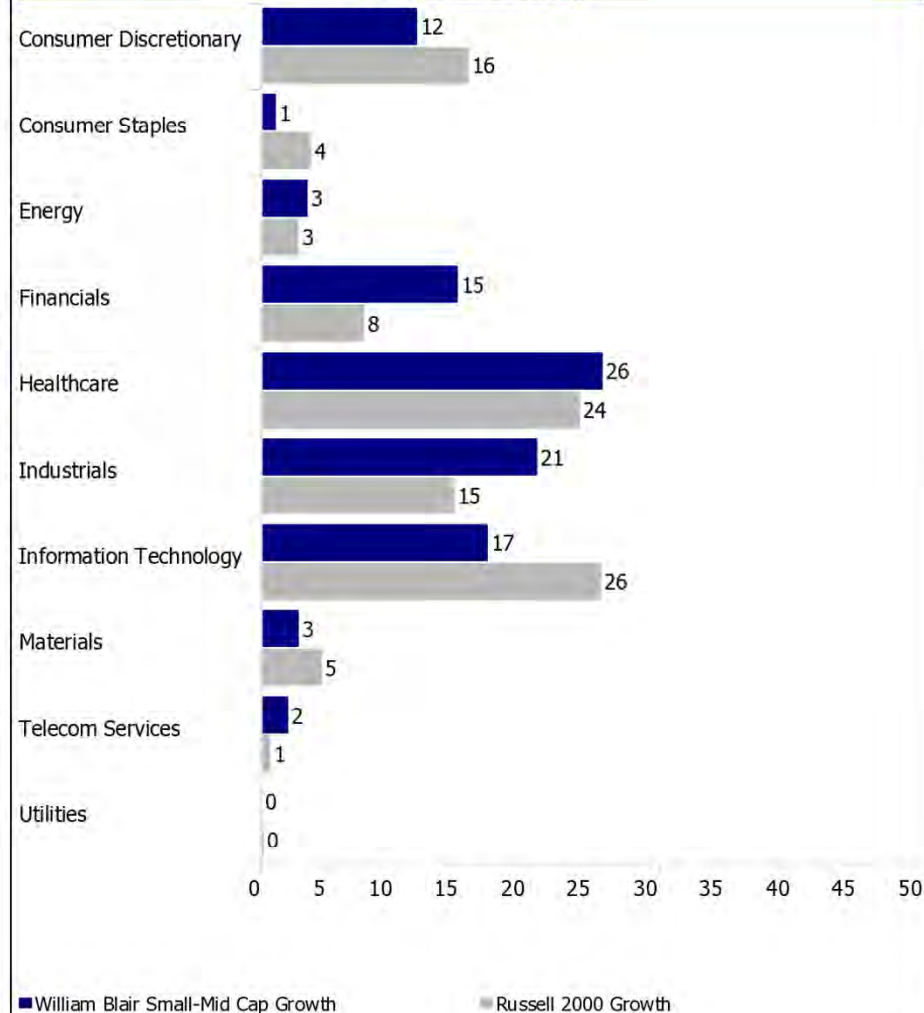
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$B)	5.7	2.1
P/E Ratio	26.3	26.0
P/B Ratio	4.3	4.0
Dividend Yield (%)	0.7	0.6

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
j2 Global Inc	Information Technology	2.7	26.2
Stericycle Inc	Industrials	2.4	12.8
Jones Lang LaSalle Inc	Financials	2.3	46.9
Robert Half International Inc	Industrials	2.2	40.7
Guidewire Software Inc	Information Technology	2.1	3.2
Six Flags Entertainment Corp	Consumer Discretionary	2.1	22.4
SBA Communications Corp	Telecommunication Services	2.0	23.3
Polaris Industries Inc	Consumer Discretionary	2.0	5.2
Affiliated Managers Group Inc	Financials	1.9	-2.1
Biomarin Pharmaceutical Inc	Health Care	1.9	28.5

## Sector Allocation (%)

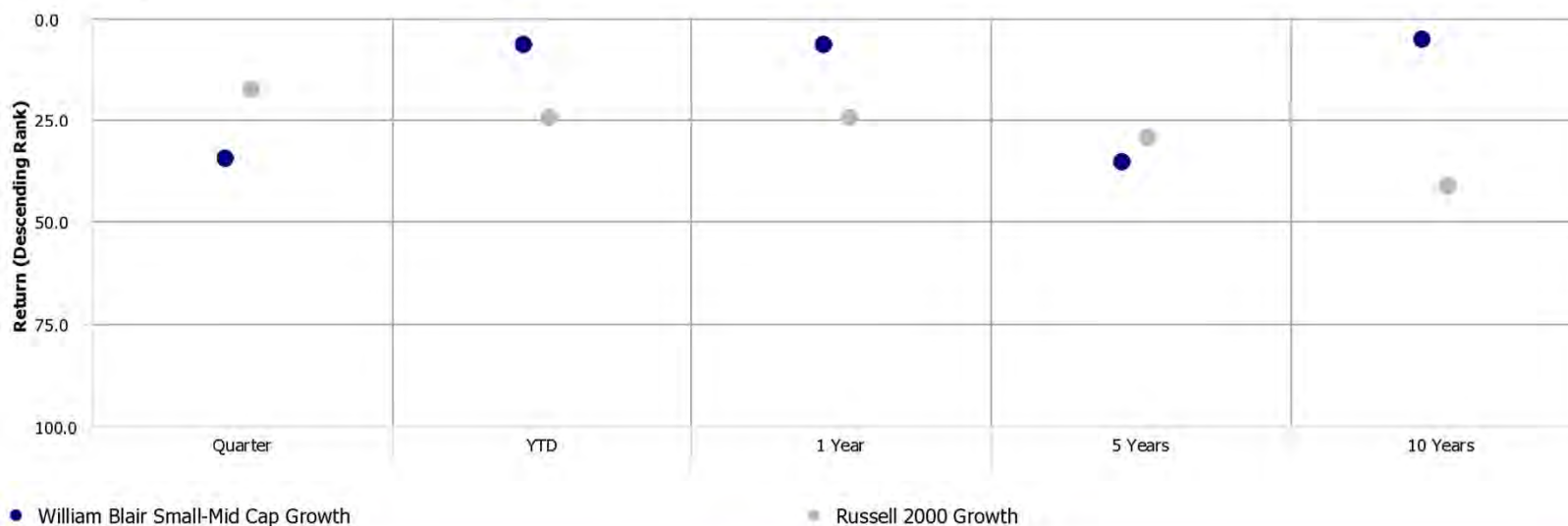


Source: Morningstar Direct

# William Blair Small-Mid Cap Growth

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Small Growth



Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
William Blair Small-Mid Cap Growth	9.0	8.6	8.6	16.3	10.2
Peer group percentile	34	6	6	35	5
Russell 2000 Growth	10.1	5.6	5.6	16.8	8.5
Peer group percentile	17	24	24	29	41
25th Percentile	9.6	5.5	5.5	17.0	9.0
50th Percentile	8.0	3.0	3.0	15.5	8.3
75th Percentile	6.6	0.0	0.0	14.2	7.5

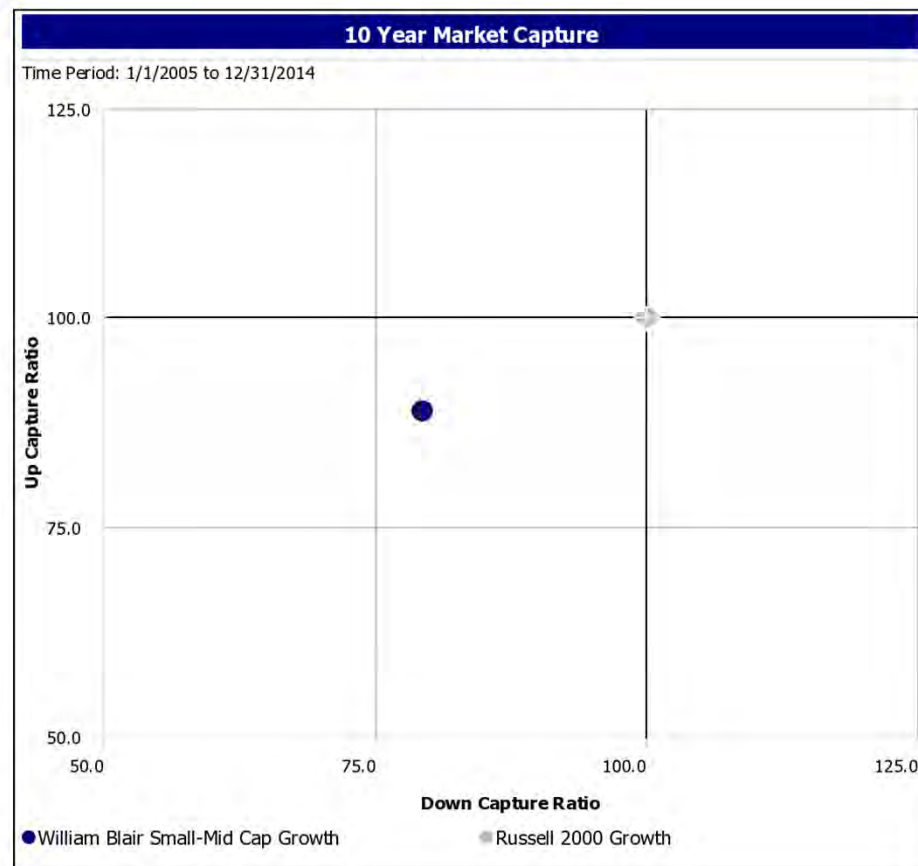
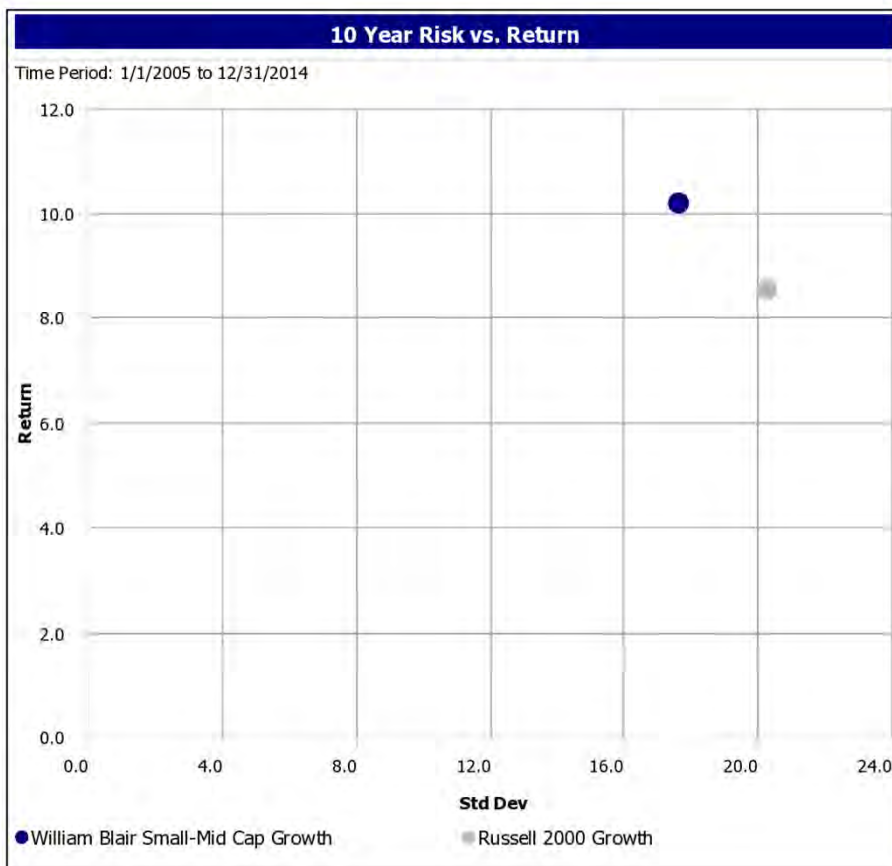
Source: Morningstar Direct



# William Blair Small-Mid Cap Growth

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
William Blair Small-Mid Cap Growth	11.1	10.0	12.5	-37.5	44.3	23.1	0.0	12.4	41.9	8.6	8.6	20.1	16.3	10.2
Russell 2000 Growth	4.2	13.3	7.0	-38.5	34.5	29.1	-2.9	14.6	43.3	5.6	5.6	20.1	16.8	8.5



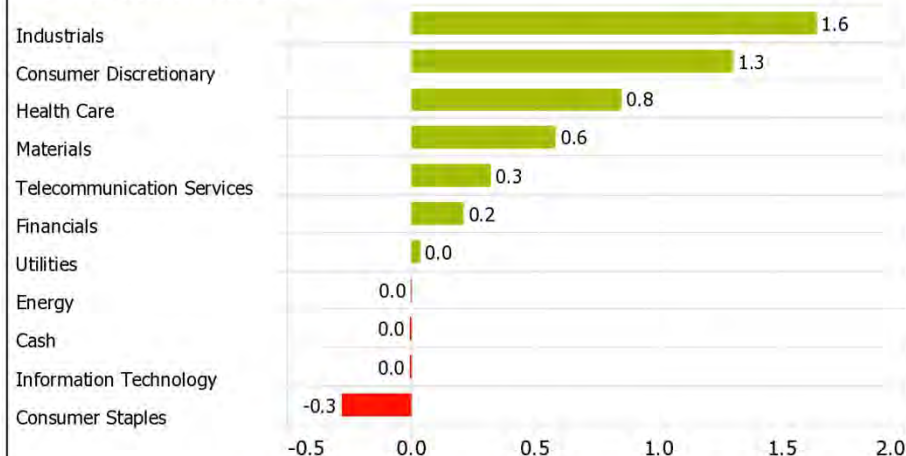
Source: Morningstar Direct

# William Blair Small-Mid Cap Growth

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Old Dominion Freight Lines	1.8	46.4	0.7
Robert Half International Inc	1.9	41.2	0.7
Green Mountain Coffee Roasters, Inc.	0.2	45.8	0.7
Williams-Sonoma Inc	1.7	32.6	0.5
Jones Lang LaSalle Inc	1.6	47.0	0.5

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Nu Skin Enterprises Inc Class A	0.6	-45.2	-0.6
NeuStar Inc	0.6	-44.2	-0.5
Align Technology Inc	1.2	-2.2	-0.3
Akorn Inc	0.2	-7.2	-0.3
Core Laboratories NV	0.4	-15.9	-0.3

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	13.0	8.8	0.8	15.5	-0.8	-0.1	0.0	1.3	1.3
Consumer Staples	0.8	3.7	0.1	4.3	15.2	0.6	-0.4	0.1	-0.3
Energy	4.6	-35.4	-1.8	4.4	-32.2	-1.7	0.6	-0.6	0.0
Financials	13.6	7.8	1.1	7.5	6.2	0.5	0.0	0.2	0.2
Health Care	22.1	25.0	5.4	22.0	20.1	4.2	0.3	0.6	0.8
Industrials	19.9	9.7	2.0	15.2	1.4	0.2	-0.1	1.8	1.6
Information Technology	17.2	9.5	1.9	25.1	8.5	2.1	-0.2	0.2	0.0
Materials	4.4	9.4	0.4	5.0	-0.4	0.0	0.1	0.5	0.6
Telecommunication Services	1.9	23.3	0.4	0.8	5.4	0.0	0.0	0.3	0.3
Utilities	0.0	0.0	0.0	0.2	-8.1	0.0	0.0	0.0	0.0
Cash	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Attribution Total	100.0	10.4	10.4	100.0	5.7	5.7	0.3	4.3	4.6

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct

# Europacific Growth

As of 12/31/2014

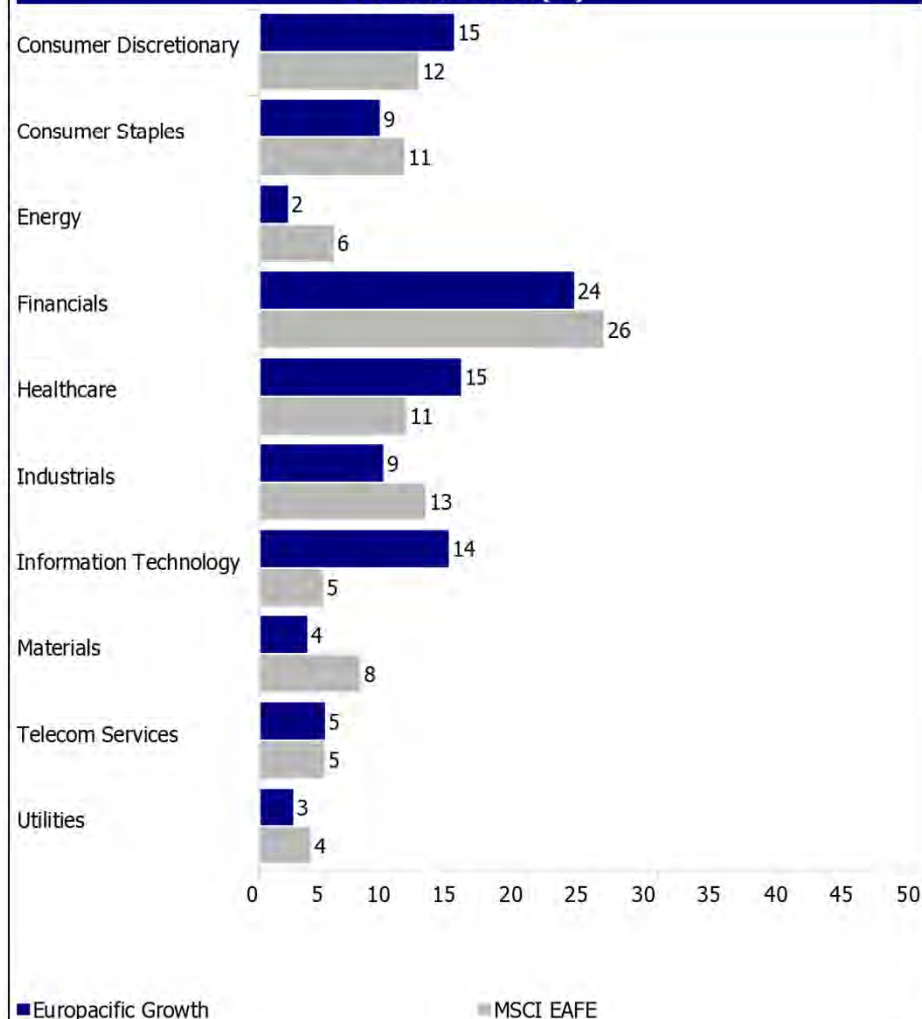
## Regional Allocation (%)

	Manager	Index
North America	3.1	0.1
Latin America Emerging	0.7	0.0
United Kingdom	16.1	21.2
Europe Developed	36.6	44.3
Europe Emerging	0.9	0.0
Africa/Middle East	3.2	0.6
Japan	12.8	21.3
Australia/New Zealand	0.7	7.7
Asia Developed	10.3	4.7
Asia Emerging	15.7	0.0

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Novo Nordisk A/S Class B	Health Care	4.1	16.6
Bayer AG	Health Care	2.5	-2.7
Novartis AG	Health Care	2.3	19.2
SOFTBANK Corp	Telecommunication Services	2.1	-31.0
Prudential PLC	Financials	1.9	7.3
Associated British Foods PLC	Consumer Staples	1.7	22.7
Barclays PLC	Financials	1.6	-13.5
Baidu Inc ADR	Information Technology	1.6	28.2
British American Tobacco PLC	Consumer Staples	1.3	6.0
HDFC Bank Ltd	Financials	1.2	41.1

## Sector Allocation (%)



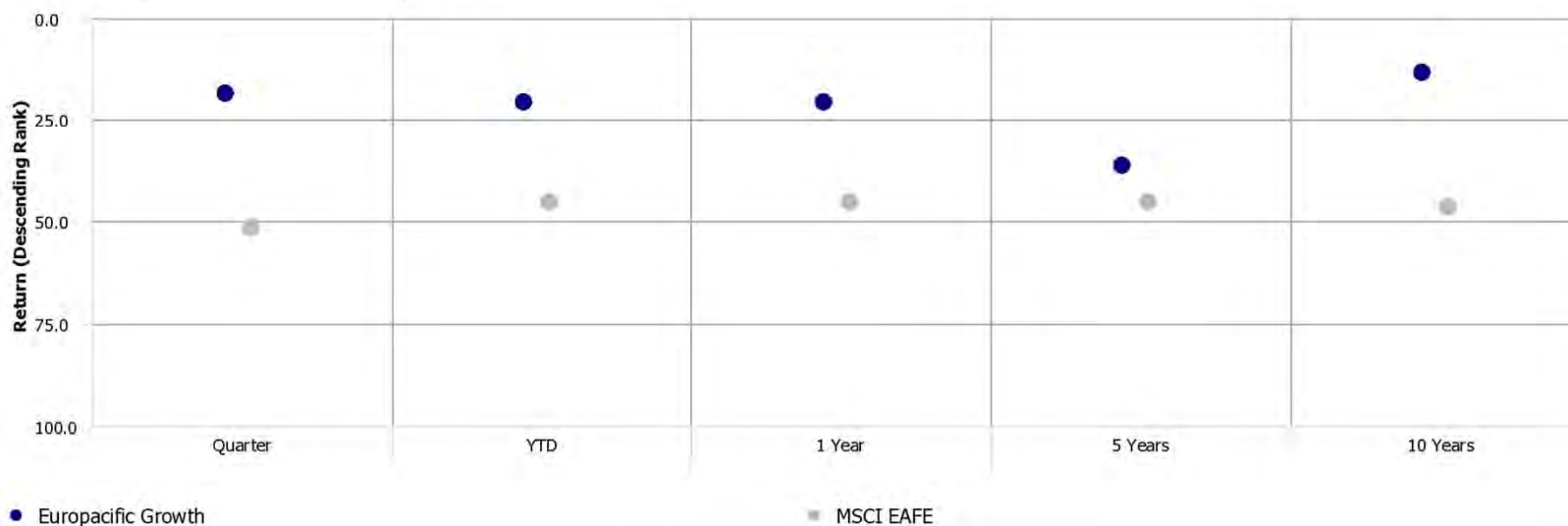
Source: Morningstar Direct



# Europacific Growth

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Foreign Large Blend



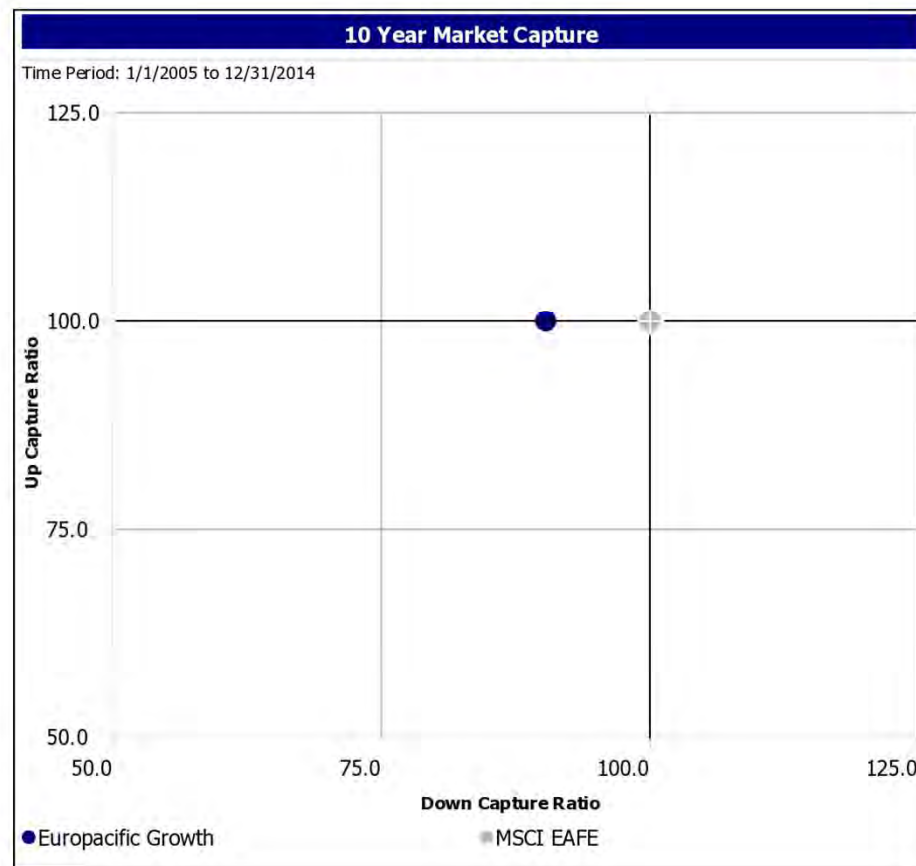
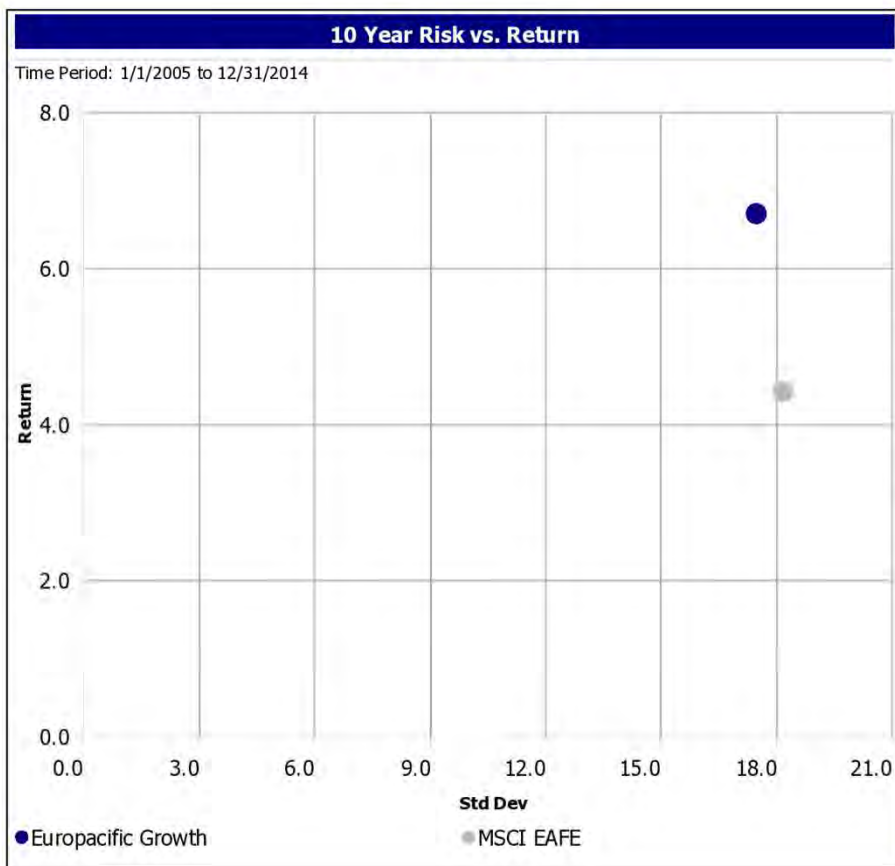
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Europacific Growth	-1.7	-2.6	-2.6	5.7	6.7
Peer group percentile	18	20	20	36	13
MSCI EAFE	-3.6	-4.9	-4.9	5.3	4.4
Peer group percentile	51	45	45	45	46
25th Percentile	-2.2	-3.4	-3.4	6.1	5.5
50th Percentile	-3.5	-5.3	-5.3	5.1	4.3
75th Percentile	-4.2	-6.6	-6.6	4.2	3.4

Source: Morningstar Direct

# Europacific Growth

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Europacific Growth	21.1	21.9	19.0	-40.5	39.1	9.4	-13.6	19.2	20.2	-2.6	-2.6	11.7	5.7	6.7
MSCI EAFE	13.5	26.3	11.2	-43.4	31.8	7.8	-12.1	17.3	22.8	-4.9	-4.9	11.1	5.3	4.4



Source: Morningstar Direct

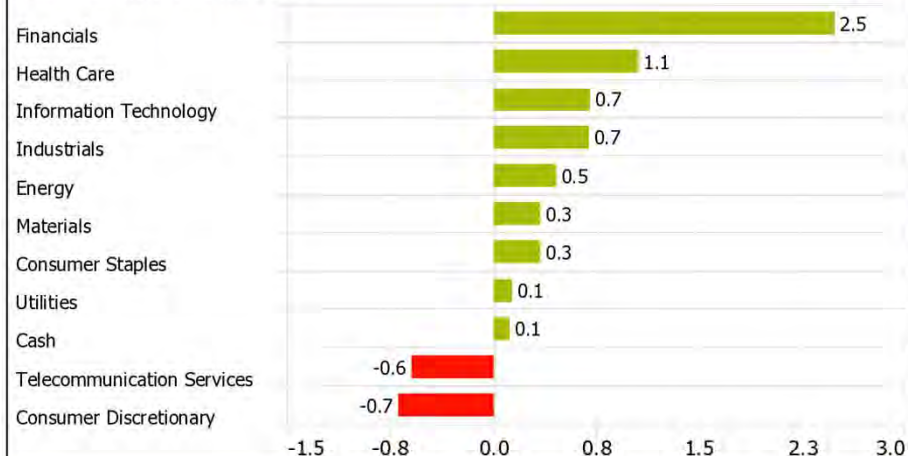


# Europacific Growth

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Sberbank Of Russia GDR	0.2	-45.8	0.7
Millicom International Cellular SA DR	0.1	1,009.5	0.5
Ryanair Holdings PLC ADR	0.8	51.9	0.5
Axis Bank Ltd	0.6	91.2	0.5
Baidu Inc ADR	1.3	28.2	0.4

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
SOFTBANK Corp	1.8	-31.0	-0.9
Yandex NV	0.3	-58.4	-0.3
Sberbank Of Russia ADR	0.3	-66.6	-0.3
Airbus Group NV	0.6	-34.0	-0.3
Honda Motor Co Ltd ADR	0.7	-28.6	-0.2

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

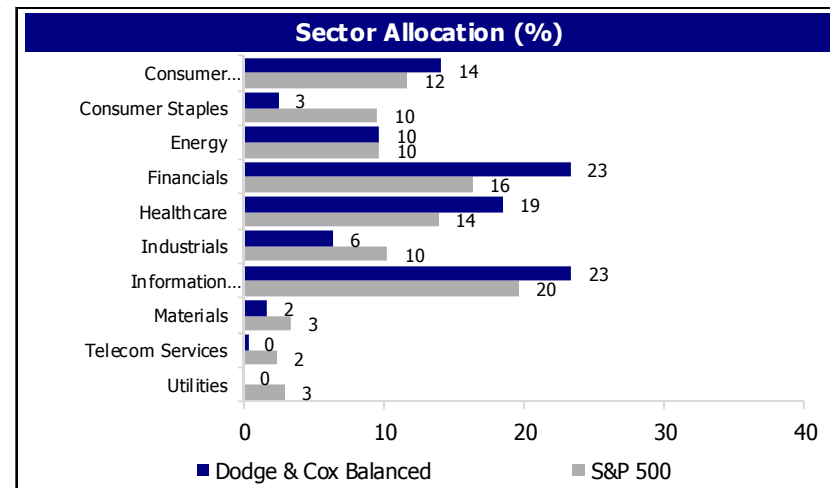
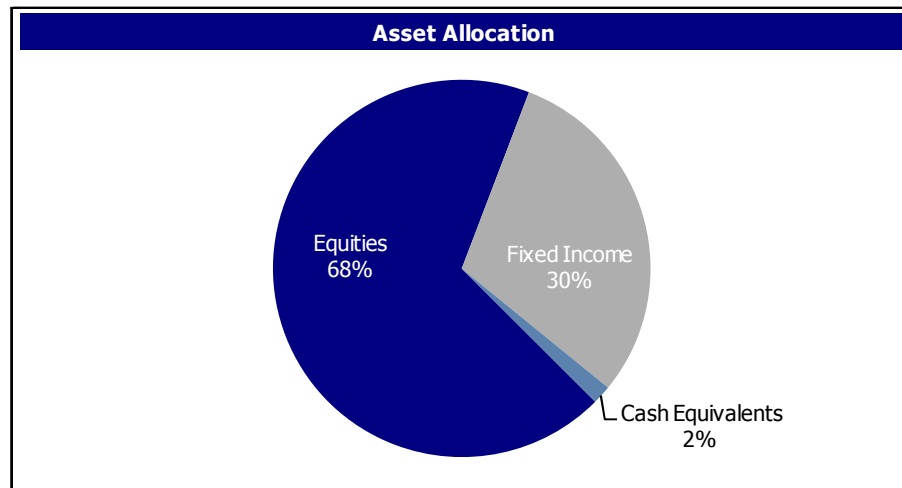
	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	13.5	-9.2	-1.3	11.8	-4.7	-0.6	-0.1	-0.6	-0.7
Consumer Staples	7.7	3.6	0.3	11.0	-2.3	-0.2	-0.1	0.4	0.3
Energy	2.4	-25.2	-0.6	6.8	-18.4	-1.2	0.6	-0.2	0.5
Financials	24.0	4.2	1.0	25.6	-5.6	-1.5	0.1	2.4	2.5
Health Care	15.4	10.9	1.5	10.6	6.4	0.6	0.4	0.6	1.1
Industrials	9.5	-0.7	-0.1	12.6	-7.7	-1.0	0.1	0.6	0.7
Information Technology	15.1	1.1	0.2	4.5	-0.5	0.0	0.5	0.2	0.7
Materials	3.9	-8.9	-0.3	8.0	-10.7	-0.9	0.3	0.1	0.3
Telecommunication Services	4.7	-8.1	-0.3	5.1	4.0	0.2	-0.1	-0.5	-0.6
Utilities	1.6	27.2	0.4	3.8	4.2	0.1	-0.2	0.3	0.1
Cash	2.3	0.0	0.0	0.0		0.0	0.1	0.0	0.1
Attribution Total	100.0	0.6	0.6	100.0	-4.4	-4.4	1.7	3.3	5.0

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct

# Dodge & Cox Balanced

As of 9/30/2014



**Top Ten Holdings**

	<u>Sector</u>	<u>% of Portfolio</u>	<u>YTD Return</u>
Citigroup Capital XIII Tr Pfd S	Financials	9.4%	4.3%
Hewlett-Packard Company	Information Technology	4.0%	28.5%
Microsoft Corporation	Information Technology	3.8%	26.5%
Capital One Financial Corpora	Financials	3.6%	7.8%
Wells Fargo & Company	Financials	3.4%	16.7%
Novartis AG Sponsored ADR	Health Care	3.0%	20.4%
Comcast Corporation Class A	Consumer Discretionary	2.8%	4.8%
Charles Schwab Corporation	Financials	2.6%	13.8%
Sanofi Sponsored ADR	Health Care	2.5%	7.8%
Bank of New York Mellon	Financials	2.4%	12.4%

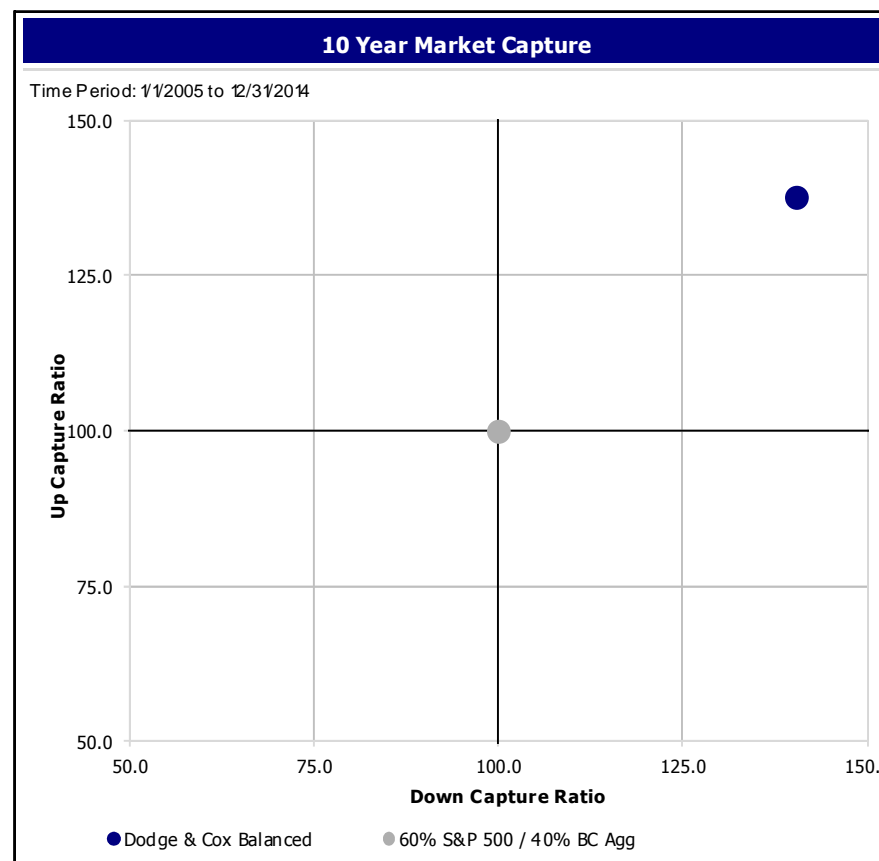
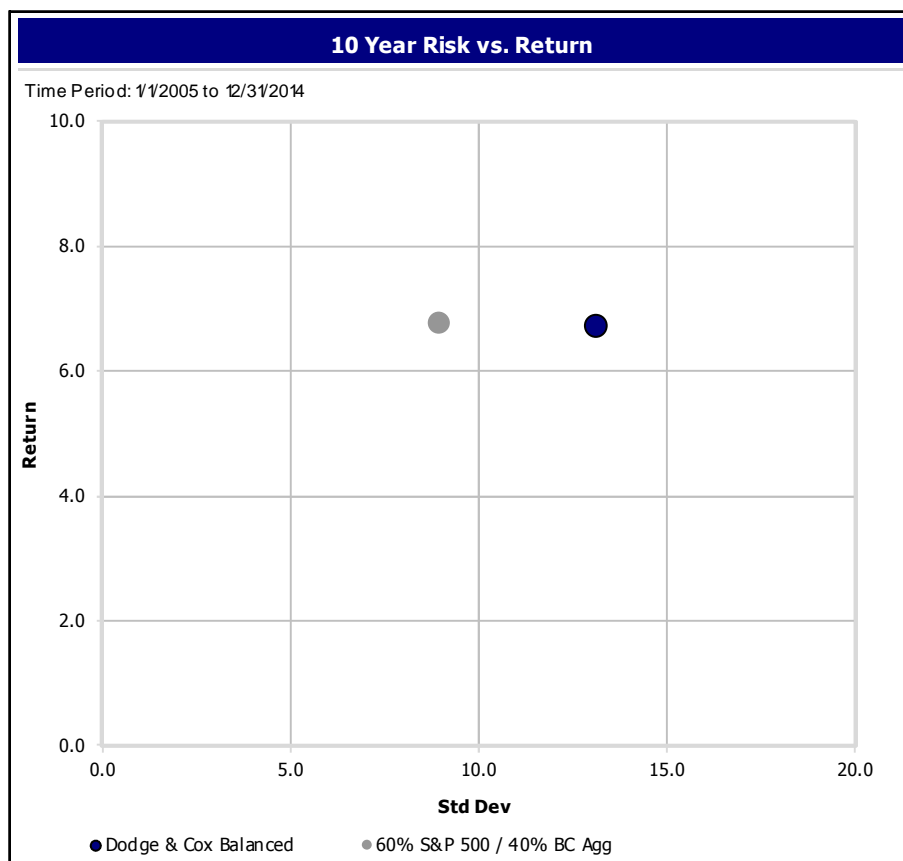
**Portfolio Bond Characteristics**

	<u>Dodge &amp; Cox</u>	<u>BC Agg Index</u>
Duration	4.7 yrs	5.6 yrs
Average Maturity	7.9 yrs	7.6 yrs
Average Quality	AA	AA
Yield-to-Maturity	3.0%	2.4%
% Non-Investment Grade E	11%	0%

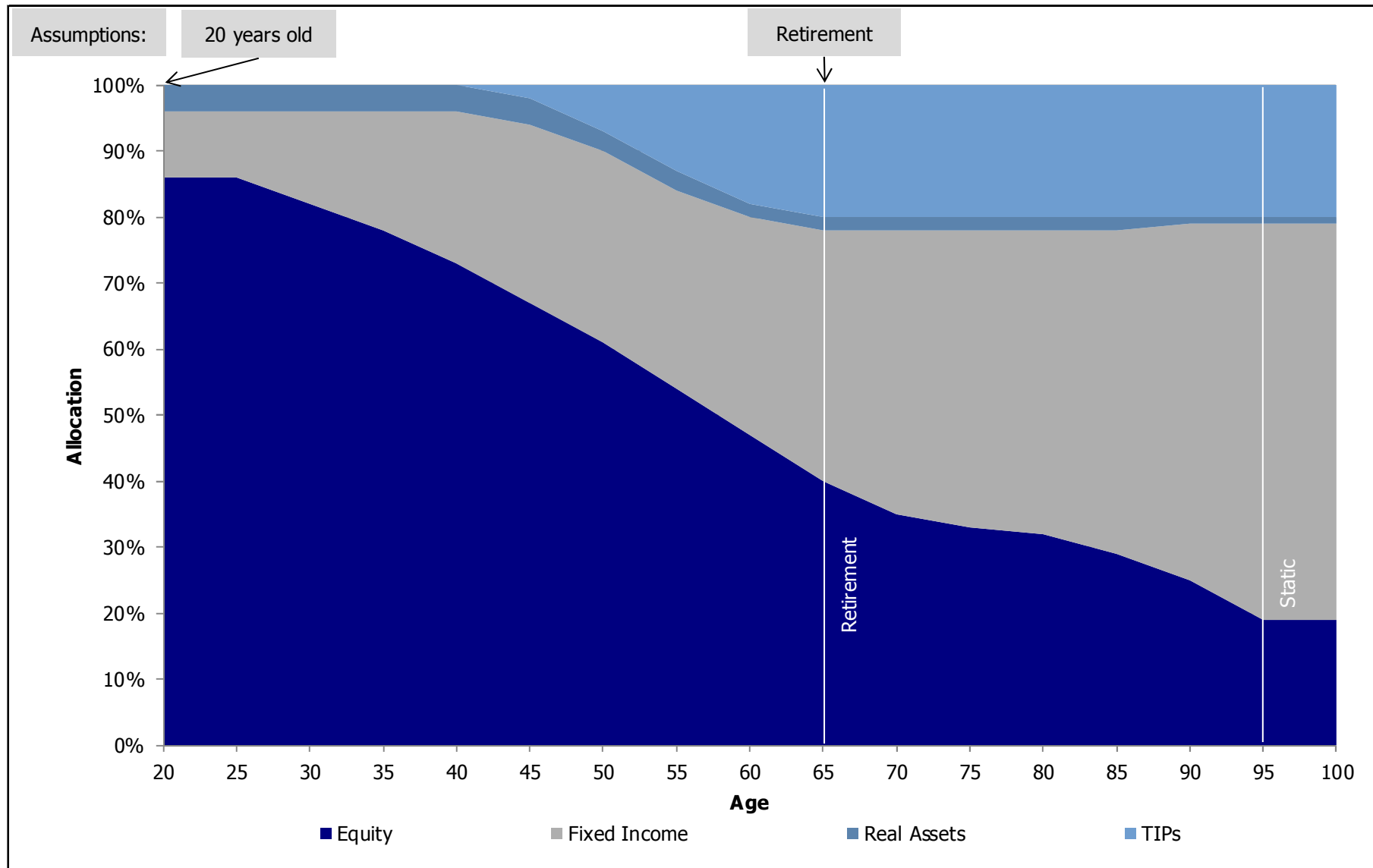
# Dodge & Cox Balanced

As of 12/31/2014

Returns (%)														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Dodge & Cox Balanced	13.3	6.6	13.9	1.7	-33.6	28.4	12.2	-1.7	18.3	28.4	8.9	18.2	12.8	6.8
60% S&P 500 / 40% BC Agg	8.3	4.0	11.1	6.2	-22.1	18.4	12.1	4.7	11.3	17.6	10.6	13.1	11.2	6.8



# Glide Path Overview: T. Rowe Price (To Retirement)

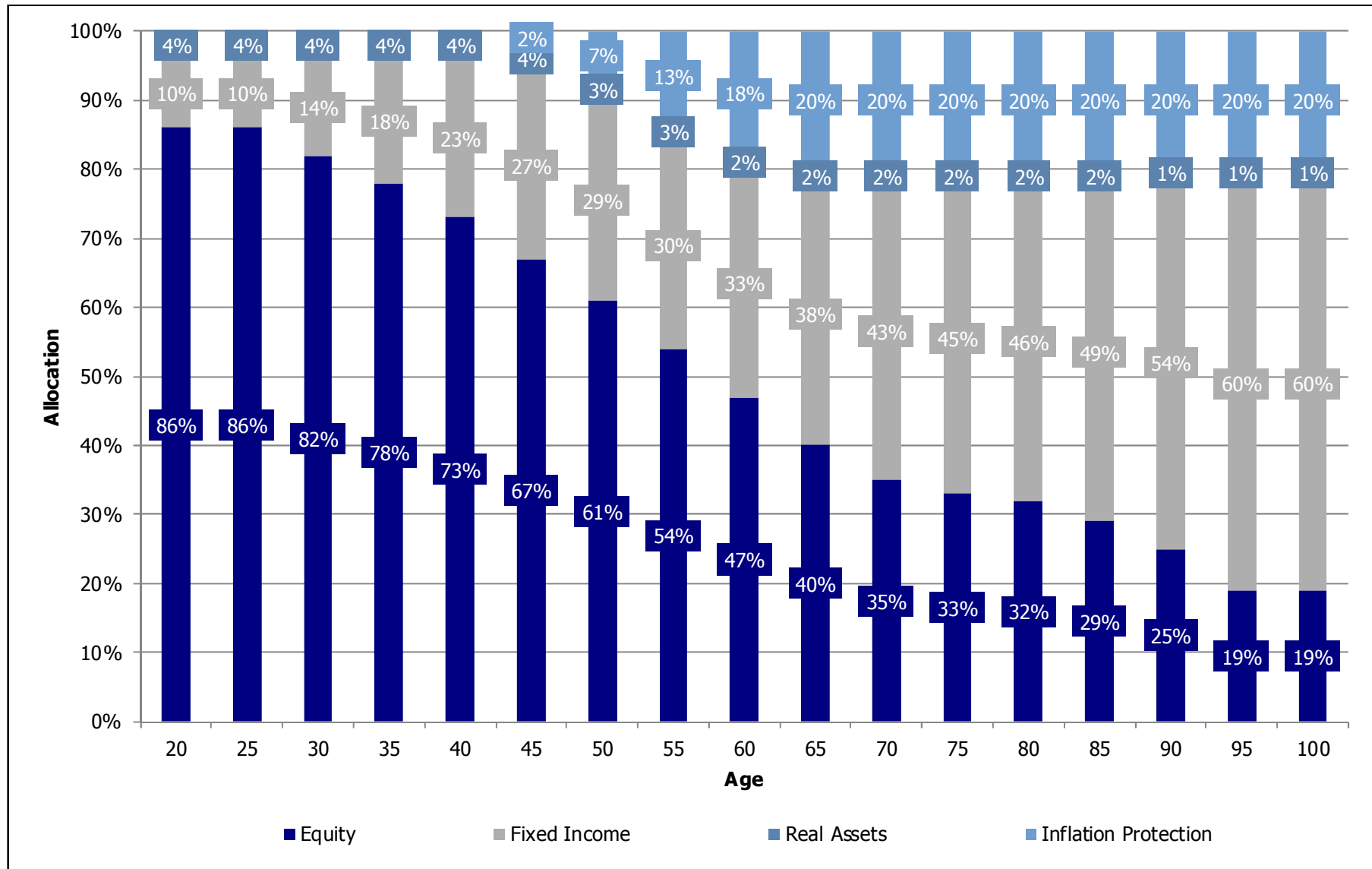


Note: All data provided by the investment manager.

# Fund Composition Overview: T. Rowe Price (To Retirement)

	Equity Index 500 Fund	Value Fund	Growth Stock Fund	Mid-Cap Value Fund	Mid-Cap Growth Fund	New Horizons Fund	Small-Cap Value Fund	Small-Cap Stock Fund	International Stock Fund	Overseas Stock Fund	International Growth & Income Fund	Emerging Markets Stock	Real Assets Fund	New Income Fund	High Yield Fund	Emerging Markets Bond	International Bond Fund	Inflation- Focused Bond Fund	Cash
2005 Fund	21%	0%	0%	1%	1%	1%	1%	1%	3%	3%	3%	2%	1%	28%	6%	4%	4%	20%	0%
2010 Fund	20%	0%	1%	1%	1%	1%	1%	1%	3%	3%	4%	2%	2%	27%	5%	4%	4%	20%	0%
2015 Fund	17%	4%	5%	2%	2%	1%	1%	1%	4%	4%	4%	2%	2%	22%	5%	3%	3%	18%	0%
2020 Fund	14%	7%	9%	2%	2%	1%	1%	1%	4%	4%	5%	3%	2%	19%	4%	3%	3%	16%	0%
2025 Fund	11%	10%	12%	2%	2%	1%	1%	1%	5%	5%	6%	3%	3%	19%	4%	3%	2%	10%	0%
2030 Fund	9%	13%	15%	2%	2%	1%	1%	1%	5%	6%	7%	3%	3%	18%	4%	3%	2%	5%	0%
2035 Fund	7%	16%	18%	3%	3%	1%	1%	1%	6%	6%	7%	4%	3%	16%	3%	2%	2%	1%	0%
2040 Fund	7%	18%	20%	3%	3%	1%	1%	1%	6%	6%	7%	4%	3%	13%	3%	2%	2%	0%	0%
2045 Fund	7%	19%	21%	3%	3%	1%	1%	1%	7%	7%	8%	4%	3%	11%	2%	1%	1%	0%	0%
2050 Fund	7%	20%	22%	3%	3%	1%	1%	1%	7%	7%	8%	4%	4%	8%	2%	1%	1%	0%	0%
2055 Fund	7%	20%	23%	3%	3%	1%	1%	1%	7%	7%	8%	5%	4%	7%	1%	1%	1%	0%	0%

# Glide Path Overview: T. Rowe Price (To Retirement)



# T. Rowe Price Target Retirement Funds

As of 12/31/2014

	Returns (%)													
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
T.Rowe Price Retirement Income	7.7	4.9	10.0	6.1	-18.4	22.1	10.1	1.4	10.1	9.2	3.9	7.7	6.9	5.4
S&P Retirement Income Benchmark	7.1	3.5	8.8	6.2	-13.1	11.4	9.1	4.0	7.5	6.3	4.9	6.2	6.3	4.6
T.Rowe Price Retirement 2005	--	5.6	11.5	6.7	-22.2	24.6	11.5	1.4	11.4	9.7	4.7	8.6	7.7	5.8
S&P Retirement Income Benchmark	7.1	3.5	8.8	6.2	-13.1	11.4	9.1	4.0	7.5	6.3	4.9	6.2	6.3	4.6
T.Rowe Price Retirement 2010	11.1	6.3	12.8	6.7	-26.7	27.9	12.7	0.5	12.4	11.9	5.0	9.7	8.4	6.0
S&P Retirement 2010 Benchmark	8.9	4.0	10.5	6.4	-17.4	14.6	10.6	2.6	9.0	9.4	5.1	7.8	7.3	5.1
T.Rowe Price Retirement 2015	--	6.7	13.7	6.7	-30.2	31.4	13.8	-0.3	13.8	15.2	5.4	11.4	9.4	6.4
S&P Retirement 2015 Benchmark	10.0	4.4	11.9	6.5	-21.3	17.5	11.8	1.5	10.3	12.2	5.5	9.3	8.2	5.5
T.Rowe Price Retirement 2020	12.8	7.2	14.7	6.7	-33.5	34.2	14.7	-1.2	15.0	18.1	5.6	12.8	10.2	6.6
S&P Retirement 2020 Benchmark	10.9	4.7	13.1	6.6	-24.8	19.9	12.9	0.6	11.5	14.8	5.7	10.6	9.0	5.8
T.Rowe Price Retirement 2025	--	7.4	15.4	6.8	-35.9	36.3	15.4	-2.1	16.0	20.8	5.8	14.0	10.9	6.8
S&P Retirement 2025 Benchmark	11.8	5.3	14.2	6.6	-27.8	22.0	13.8	-0.3	12.5	17.0	5.6	11.6	9.5	6.0
T.Rowe Price Retirement 2030	14.2	8.1	16.1	6.8	-37.8	38.0	16.0	-2.7	16.8	23.1	6.1	15.1	11.5	7.1
S&P Retirement 2030 Benchmark	12.3	5.6	15.3	6.7	-30.5	23.7	14.5	-1.2	13.4	19.1	5.6	12.6	10.1	6.1
T.Rowe Price Retirement 2035	--	8.0	16.2	6.8	-38.9	39.0	16.3	-3.3	17.4	24.9	6.1	15.8	11.8	7.1
S&P Retirement 2035 Benchmark	12.7	5.8	15.9	7.0	-34.0	26.0	15.4	-2.2	14.7	22.1	5.7	14.0	10.8	6.2
T.Rowe Price Retirement 2040	14.1	8.1	16.2	6.8	-38.9	39.1	16.5	-3.5	17.5	25.9	6.2	16.3	12.1	7.3
S&P Retirement 2040 Benchmark	13.0	6.0	16.4	7.0	-34.0	26.0	15.4	-2.2	14.7	22.1	5.7	14.0	10.8	6.2
T.Rowe Price Retirement 2045	--	--	16.1	6.8	-38.8	39.1	16.4	-3.5	17.6	25.9	6.1	16.3	12.1	--
S&P Retirement 2045 Benchmark	--	--	16.8	7.0	-35.2	26.4	15.6	-2.6	15.1	23.1	5.7	14.4	11.0	--
T.Rowe Price Retirement 2050	--	--	--	6.8	-38.8	38.9	16.4	-3.4	17.6	25.9	6.2	16.3	12.1	--
S&P 2050+ Benchmark	--	--	--	--	--	--	--	--	15.5	24.1	5.7	14.8	--	--
T.Rowe Price Retirement 2050	--	--	--	6.8	-38.9	39.0	16.4	-3.3	17.6	25.9	6.2	16.3	12.1	--
S&P 2050+ Benchmark	--	--	--	--	--	--	--	--	15.5	24.1	5.7	14.8	--	--

# Stable Value Overview: T. Rowe Price

As of 12/31/2014

Asset Allocation (12/31/14)	
	% of Total
Corporate, Foreign, Gov't. Entities	41.6%
U.S. Treasuries, Agencies, Other	27.1%
Mortgage Backed Securities	13.8%
Asset-Backed Securities	9.2%
Cash Reserves	6.6%
Guaranteed Investment Contracts (GICS)	1.7%
Total	100.0%

Notes: Percentages may not equal 100% due to rounding.

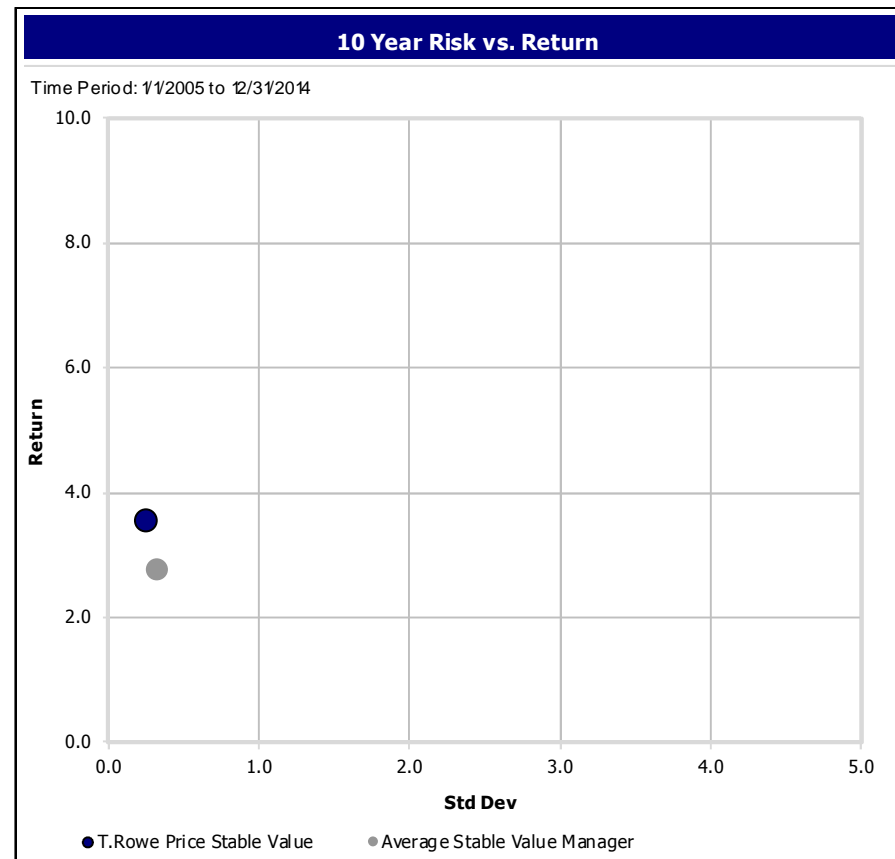
Fund Facts (12/31/14)	
Effective Yield (%)	1.97%
Average Maturity (Years)	3.1
Average Credit Quality	AA
Number of Holdings	12
Assets in Fund (\$MM)	\$11,223.8



# T.Rowe Price Stable Value

As of 12/31/2014

Returns (%)														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
T.Rowe Price Stable Value	4.1	4.1	4.4	4.6	4.6	4.1	4.1	3.3	2.4	2.2	2.0	2.2	2.8	3.6
Average Stable Value Manager	3.9	4.1	4.2	4.4	4.1	2.4	2.3	2.3	1.6	1.3	1.1	1.3	1.7	2.8



# Money Market Overview: Goldman Sachs

As of 9/30/2014

Portfolio Composition	
	% of Total Fund
Other Notes	31.5%
Certificates of Deposit	27.7%
Repurchase Agreements	15.6%
Asset Backed Commercial Paper	8.7%
Financial Company Commercial Paper	6.7%
Repurchase Agreements (Gov't)	5.0%
Gov't Agency Debt	2.9%
Variable Rate Demand Note	1.0%
Other Commercial Paper	0.9%
Total	100.0%

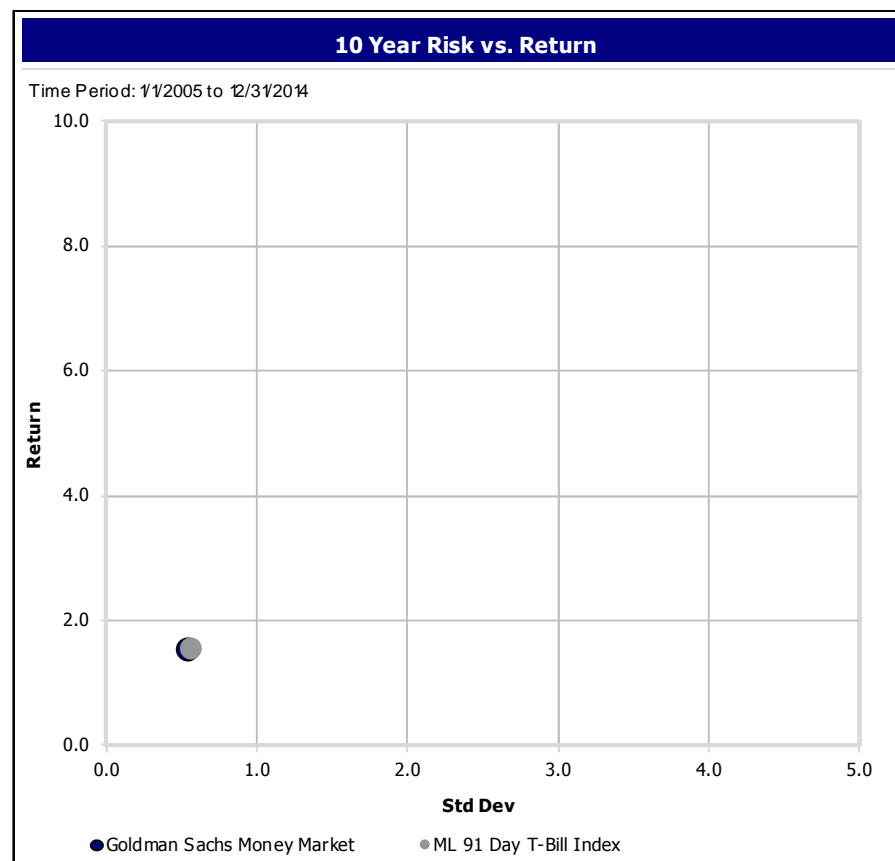
Note: Percentages may not equal 100% due to rounding.

Fund Facts	
A high quality money market portfolio that comprises U.S. and foreign short-term debt obligations	
Current Yield (%)	0.06%
Average Maturity (Days)	45
Assets in Fund (\$MM)	\$31,489

# Goldman Sachs Money Market

As of 12/31/2014

Returns (%)														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Goldman Sachs Money Market	1.0	2.9	4.7	5.0	2.4	0.2	0.1	0.1	0.2	0.1	0.0	0.1	0.1	1.6
ML 91 Day T-Bill Index	1.3	3.1	4.8	5.0	2.1	0.2	0.1	0.1	0.1	0.1	0.0	0.1	0.1	1.5



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## Appendix: Investment Manager Fee Review

# Metro St. Louis 401(k) Plan Fee Summary

As of 12/31/2014

Investment Manager	Style	Morningstar Expense Ratio	Annual Fee in Dollar Terms	Morningstar Average Expense Ratio
Dodge & Cox Stock	US Large Cap	0.52%	\$11,754	0.93%
Vanguard Index Trust 500	US Large Cap	0.17%	\$13,622	1.00%
Montag & Caldwell Growth	US Large Cap	0.81%	\$10,185	1.02%
Perkins Mid Cap Value	US Mid Cap	0.84%	\$5,508	1.05%
William Blair SMID Growth	US Mid Cap	1.10%	\$26,442	1.18%
EuroPacific Growth	Non US Equity	0.84%	\$12,924	1.12%
Dodge & Cox Balanced	Balanced	0.53%	\$34,030	1.01%
T. Rowe Price Retirement Income	Income	0.57%	\$7,968	0.68%
T. Rowe Price Retirement 2005	2000-2010	0.59%	\$1,066	0.68%
T. Rowe Price Retirement 2010	2000-2010	0.61%	\$2,427	0.68%
T. Rowe Price Retirement 2015	2011-2015	0.66%	\$6,769	0.79%
T. Rowe Price Retirement 2020	2016-2020	0.70%	\$15,528	0.79%
T. Rowe Price Retirement 2025	2021-2025	0.73%	\$8,499	0.83%
T. Rowe Price Retirement 2030	2026-2030	0.75%	\$10,786	0.83%
T. Rowe Price Retirement 2035	2031-2035	0.77%	\$4,193	0.84%
T. Rowe Price Retirement 2040	2036-2040	0.78%	\$4,604	0.87%
T. Rowe Price Retirement 2045	2041-2045	0.78%	\$1,010	0.87%
T. Rowe Price Retirement 2050	2046-2050	0.78%	\$1,046	0.84%
T. Rowe Price Retirement 2055	2051+	0.78%	\$310	0.84%
T. Rowe Price Stable Value	Stable Value	0.45%	\$26,911	0.63%
Goldman Sachs Money Market	Money Market	0.18%	\$1,139	--
<b>Total Investment Management Fees<sup>(1)</sup></b>		<b>0.51%</b>	<b>\$206,710</b>	
<b>Ellwood Associates Consulting Fee<sup>(2)</sup></b>		<b>0.03%</b>	<b>\$14,839</b>	
<b>Lincoln Alliance Program Fee<sup>(3)</sup></b>		<b>0.14%</b>	<b>\$56,710</b>	
<b>Total Fees</b>		<b>0.68%</b>	<b>\$278,258</b>	

<sup>(1)</sup> Investment management fee calculated based on December 31, 2014 market values.

<sup>(2)</sup> Consulting fee based on most recent invoice.

<sup>(3)</sup> Many of the mutual funds listed above participate in revenue sharing which helps to offset a portion of Lincoln's expenses.

Note: Participants electing to invest in the self-directed brokerage option pay a \$100 fee, plus any trading costs associated with the account.

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- Universe Note: Beginning with first quarter 2008 reporting, Ellwood Associates is using Morningstar universes.
- Manager and universe returns are shown net of investment management expenses. Index returns are shown gross of investment management expenses.
- Data Disclosure: Mutual fund holdings and performance provided by Morningstar (Copyright ©2014 Morningstar, via Morningstar Direct. All rights reserved)
- Separate Account Performance Attribution Note: Contribution to return measures the impact that each security has on the portfolio’s total return and is calculated using holdings information in FactSet. The security weights are multiplied by its total return on a daily basis and linked geometrically for any given period. Accordingly, the contribution to return shown could differ from actual returns when daily portfolio holdings are not available and/or there is a significant difference between the trade price and the closing price of any given security. Furthermore, the contribution to return does not directly take into account manager fees.
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**ELLWOOD ASSOCIATES**

Investment Consulting



**Metro St. Louis**

IBEW Pension Trust  
Local 2 and Local 309

Fourth Quarter 2014 Performance Report

Scott R. Meggenberg  
Michael S. Patock, CAIA

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I. Capital Market Overview

II. IBEW Pension Trust Portfolio Review

III. Investment Manager Appendix

— Manager Performance Review

— Retirement Program Fee Analysis



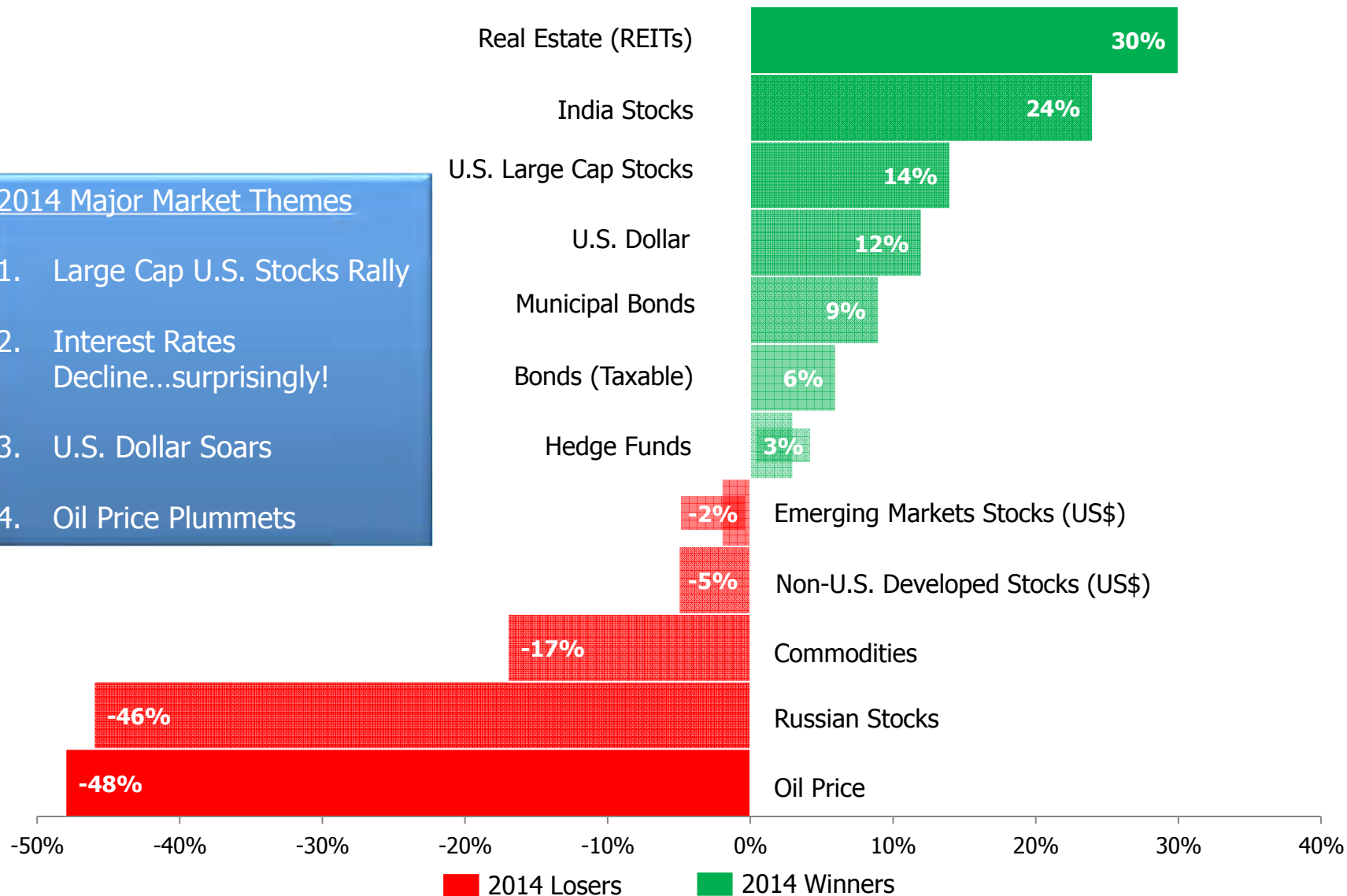
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## Fourth Quarter 2014 Capital Markets Exhibits

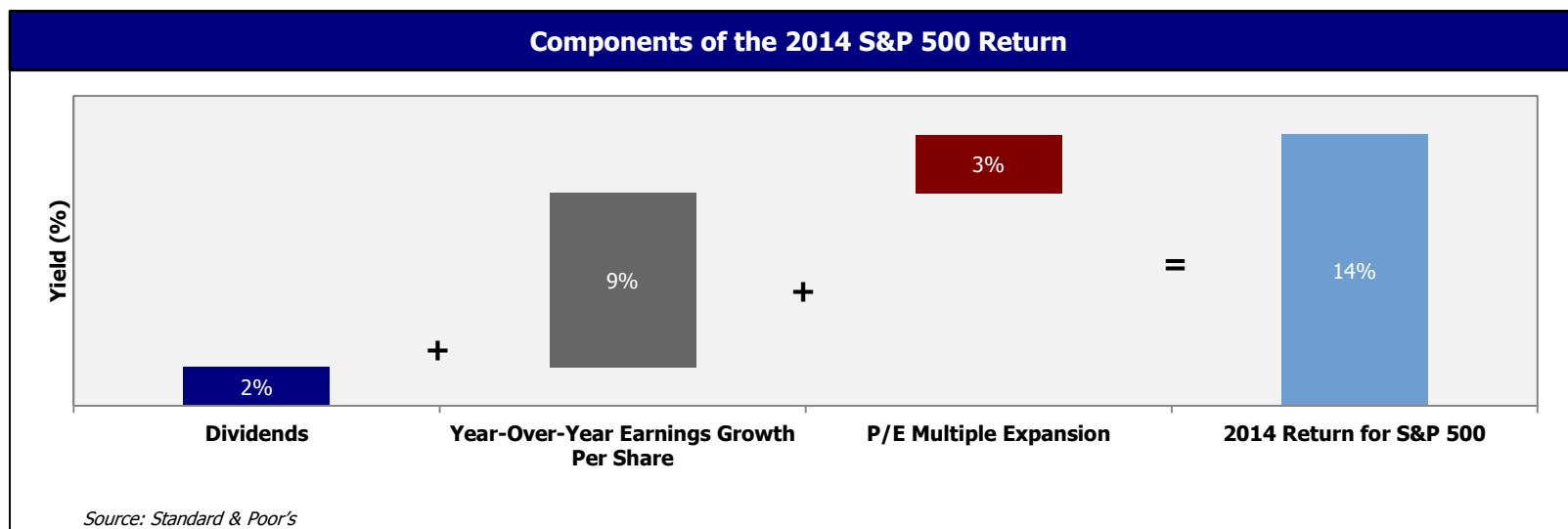
# 2014: Winners and Losers (Rates of Return)

## 2014 Major Market Themes

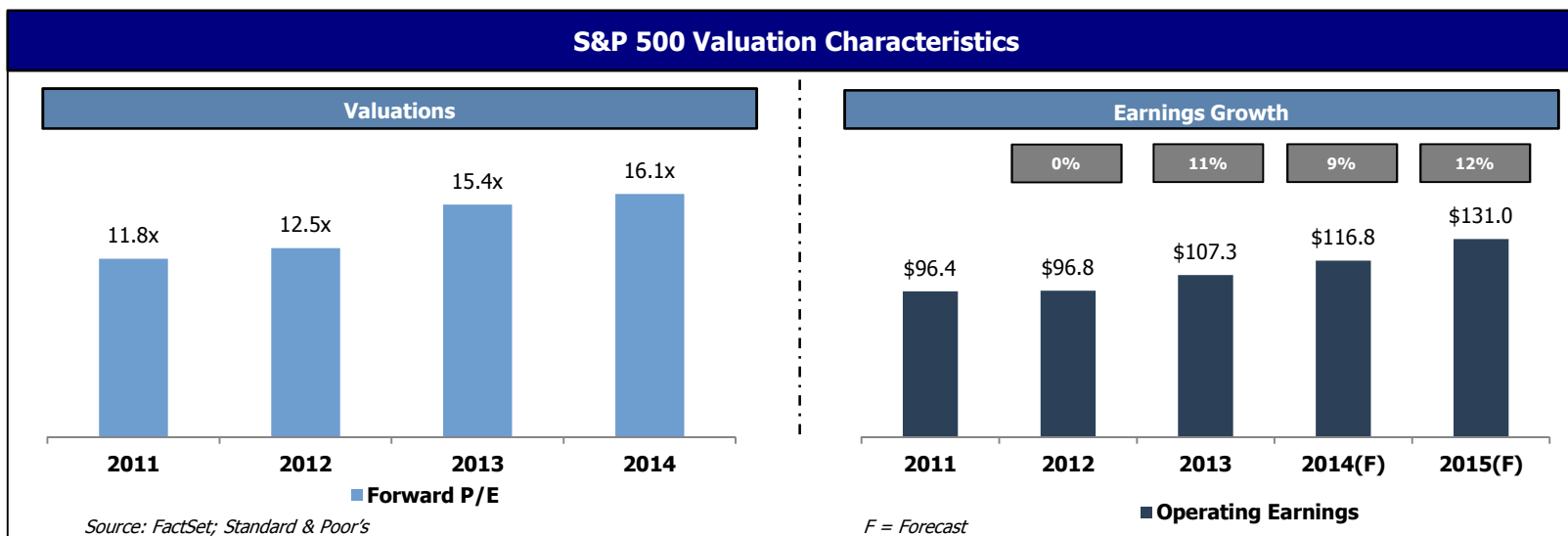
1. Large Cap U.S. Stocks Rally
2. Interest Rates Decline...surprisingly!
3. U.S. Dollar Soars
4. Oil Price Plummets



# Strong Earnings Drive Large Cap Returns

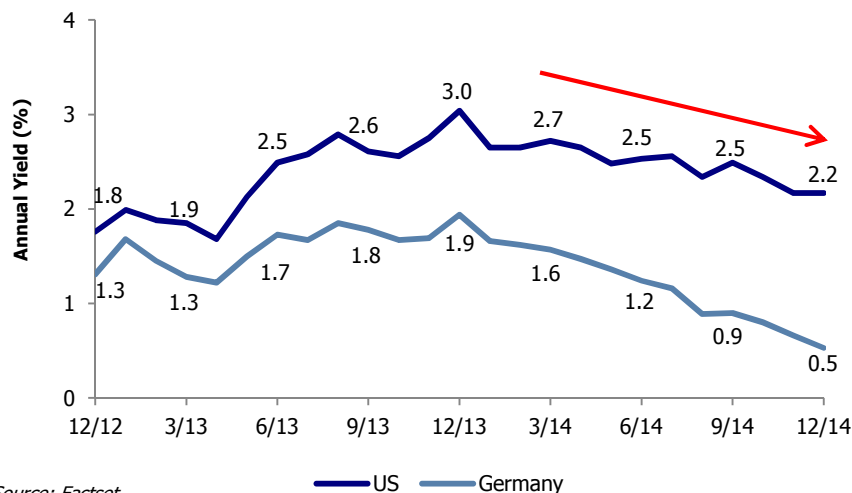


Note: Assumes dividends reinvested in S&P 500 Index on ex-dividend dates. Dividends, earnings growth and changes in P/E multiples combine to drive the return of the stock market.

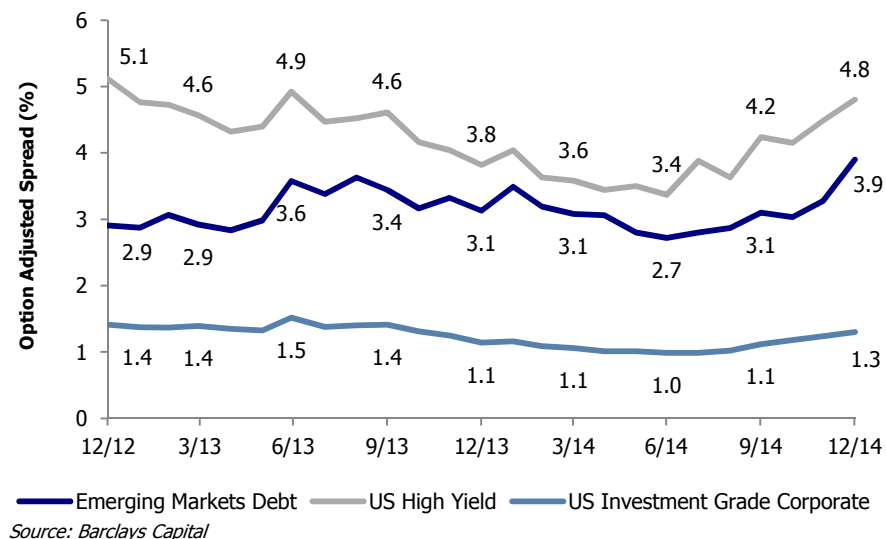


# Biggest Surprise in 2014: Interest Rates Decline Globally

**10-Year Treasury Bond Yields**



**Credit Spreads Widen in 2014**



## Observations

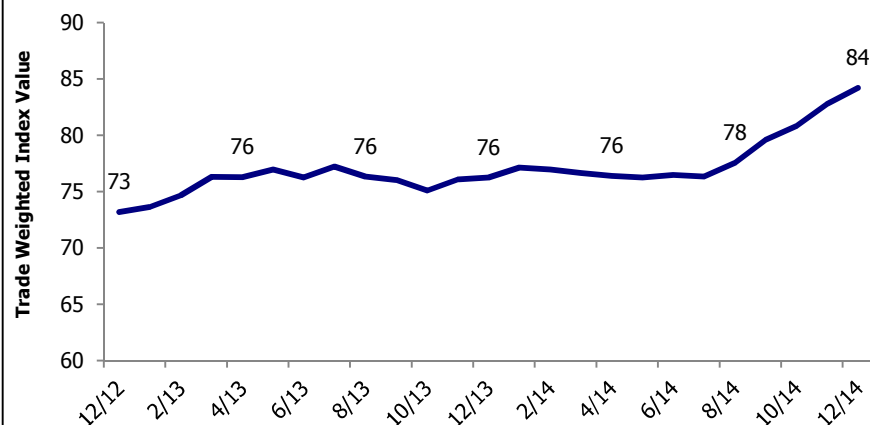
- ❑ A flight to quality and continued high demand for US Treasuries pushed rates lower even as the Fed buyback program concluded.
- ❑ Yields on lower quality sovereign bonds (U.K., Italy, Spain) fell below those of US Treasuries.
- ❑ Credit spreads began to widen in the fourth quarter from a historically tight range mid-year.
- ❑ Inflation remains low allowing central banks flexibility to stimulate economic growth.
- ❑ Federal Open Market Committee forecasts\* for the Fed Funds Rate, by end of year:

2014	2015	2016	2017	Long Run
0.13%	1.13%	2.50%	3.63%	3.75%

\* Forecasts of 17 FOMC participants, midpoints of central tendency.

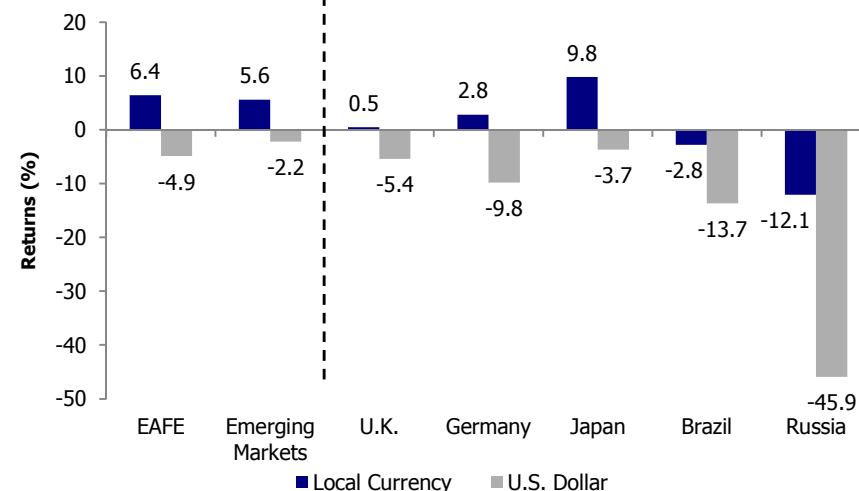
# U.S. Dollar Appreciates

## U.S. Dollar Index



Source: Factset Monthly average of nominal trade weighted exchange index: Major Currencies

## 2014 Stock Market Returns: Negative Currency Impact



## U.S. Imports and Exports: 2013 (\$ in Billions)



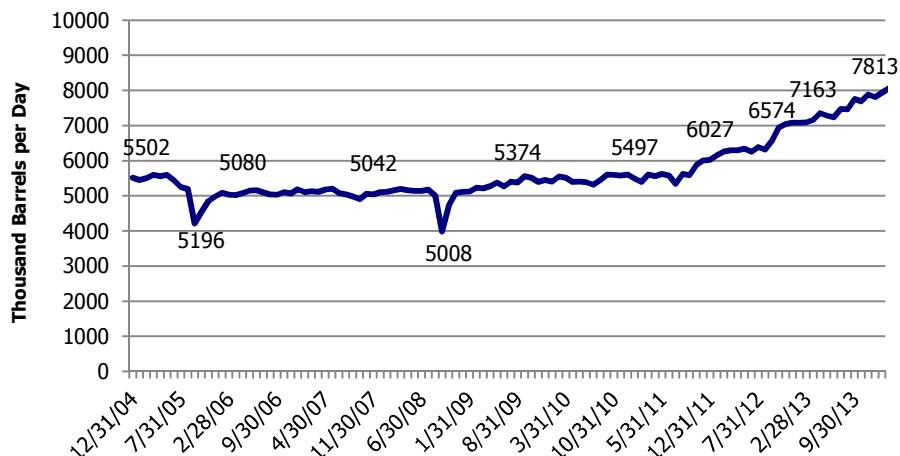
Source: United States Census Bureau

## Observations

- Strong economic growth and the prospect of rising interest rates in the U.S. pushed the U.S. dollar higher creating wide dispersion in many markets between local currency and U.S. dollar returns.
- The stronger dollar combined with a more financially stable U.S. consumer is expected to have a positive impact on those markets from which the U.S. imports goods and services.
- In local currency terms, non-U.S. equity market performance was only slightly below long-term averages. However, for U.S. dollar based investors, these returns were negative.

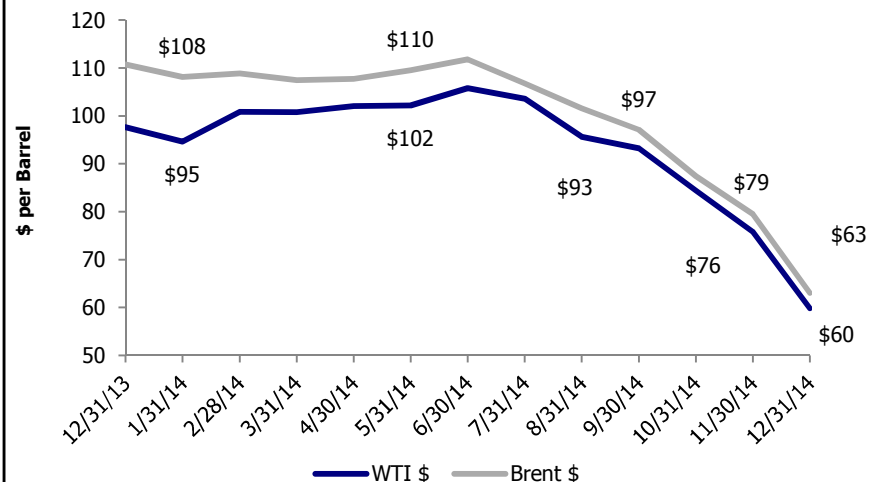
# Oil Prices Plummet in 2014

**United States Field Production of Crude Oil**

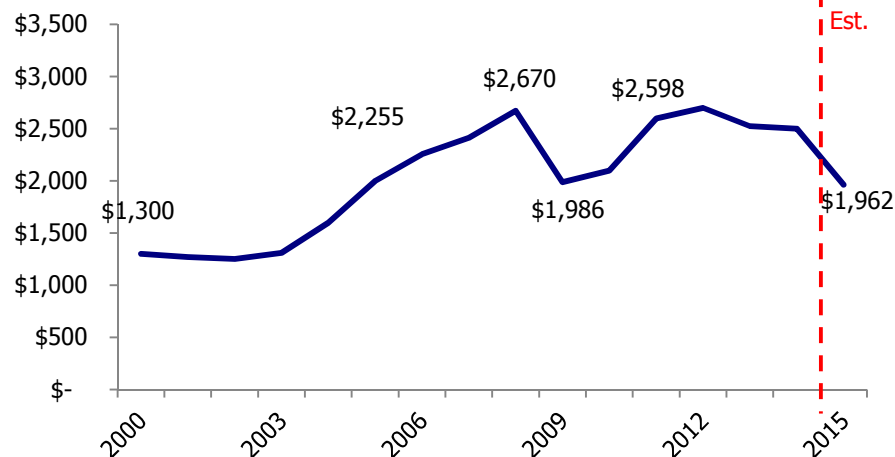


Source: U.S. Energy Information Administration

**Spot Crude Oil Prices**



**Avg. Annual Household Exp. On Gasoline**

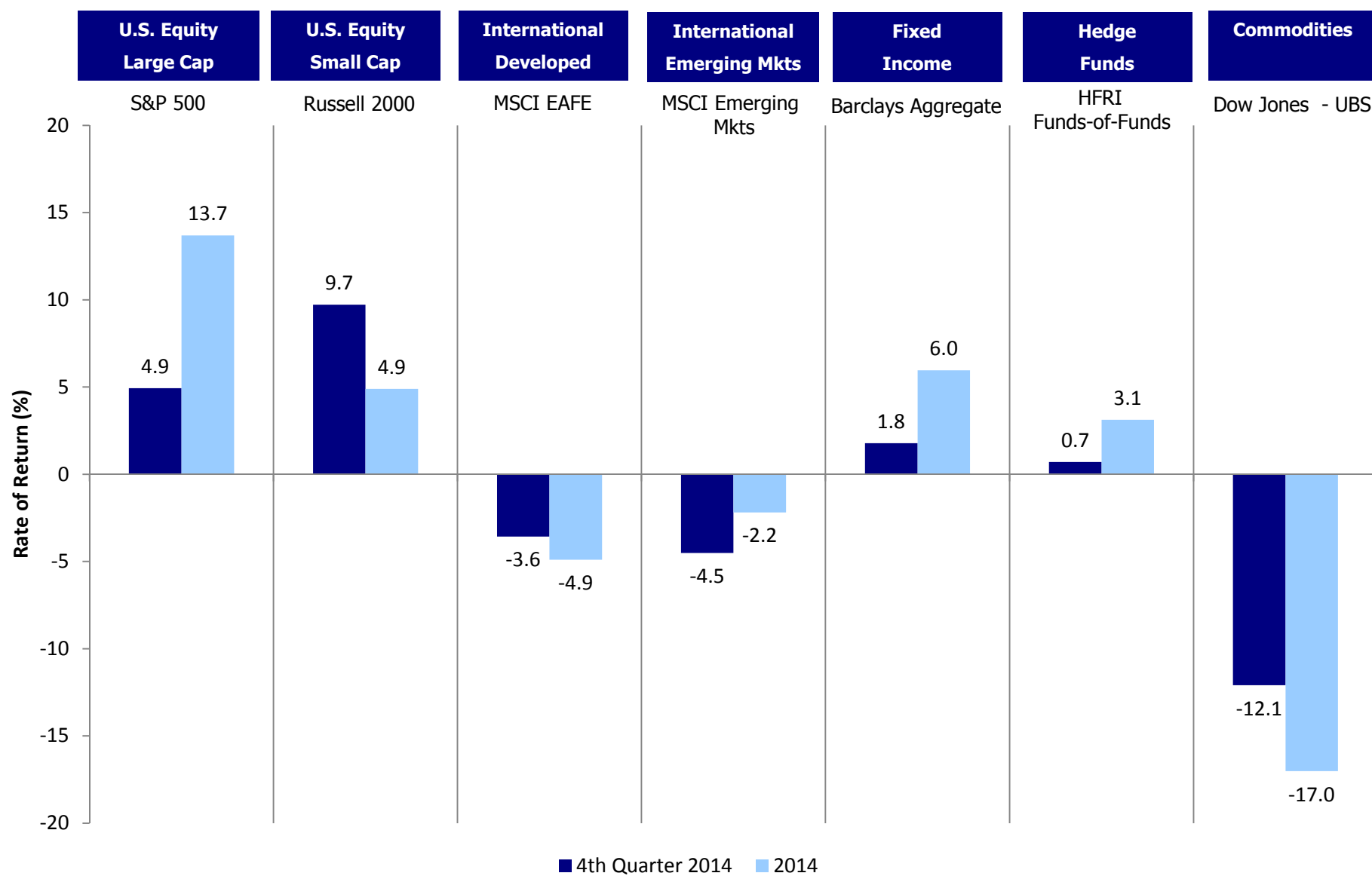


Source: U.S. Energy Information Administration

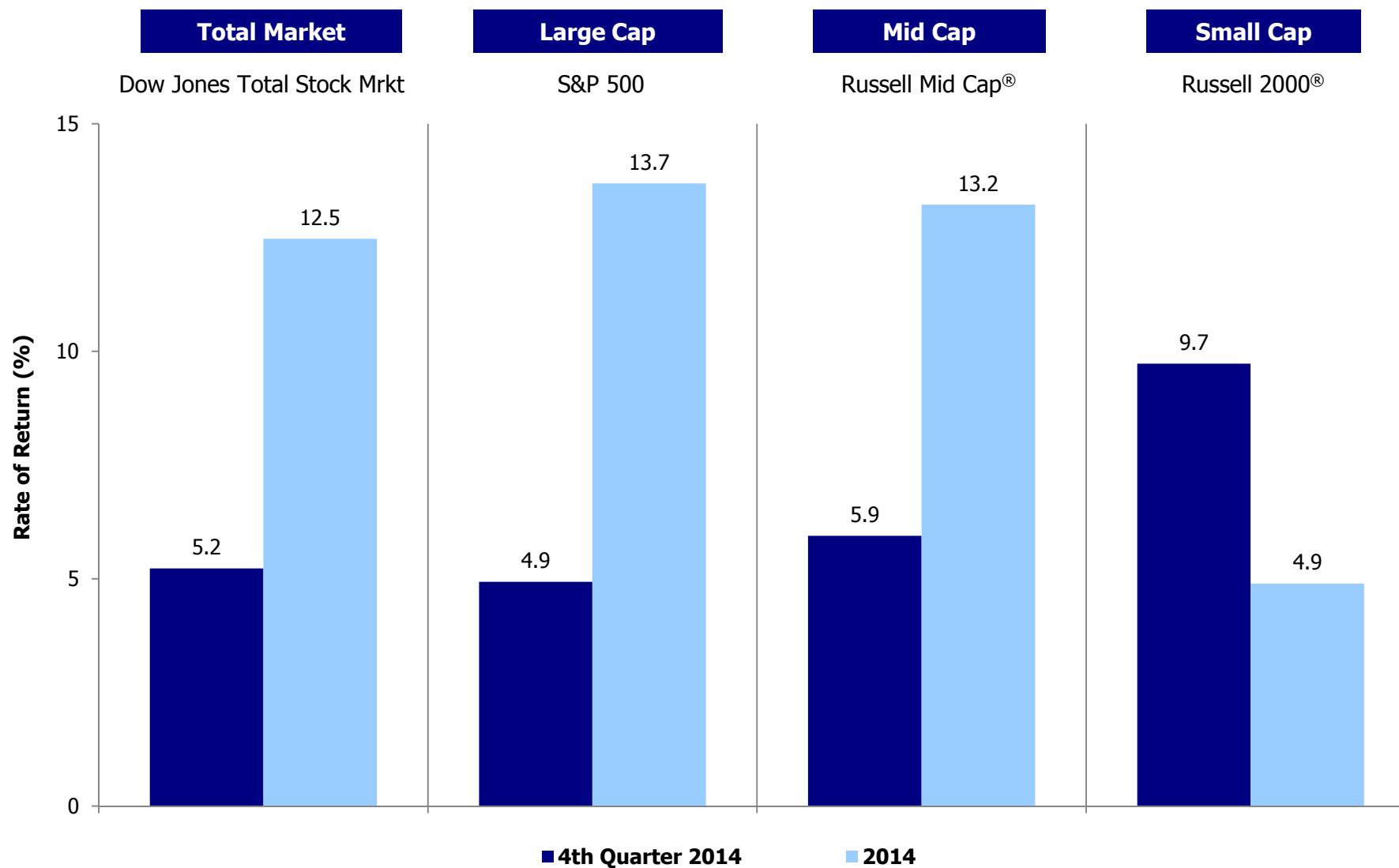
**Are Oil Price Declines a Positive or Negative?**

Pros	Cons
Estimated \$600 annual savings per household on gas should provide significant boost to GDP	Slows investment in U.S. energy infrastructure which has been additive to U.S. economy
Tempers inflationary forces of improving labor market	Potential to dislocate credit markets (Energy represents approximately 15% of high yield indices)
	Acts as deflationary force in markets struggling with deflation (Continental Europe, Japan)

# Asset Class Returns



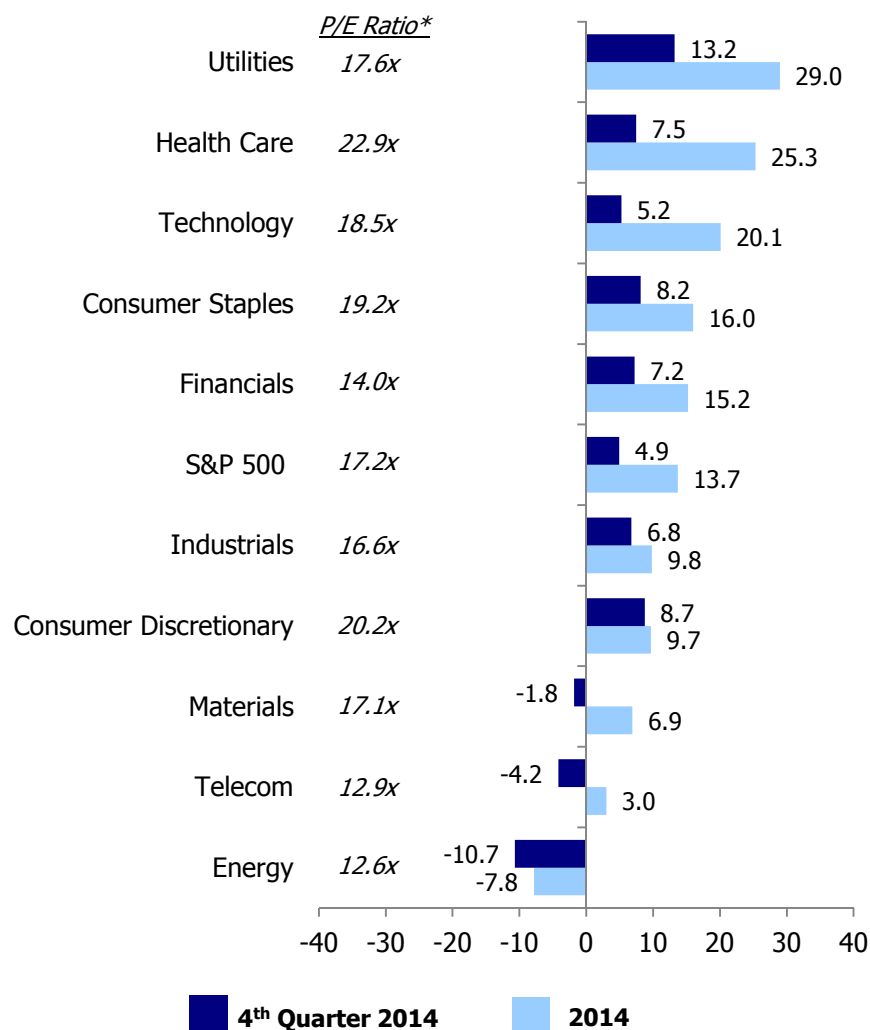
# U.S. Equity Market Performance





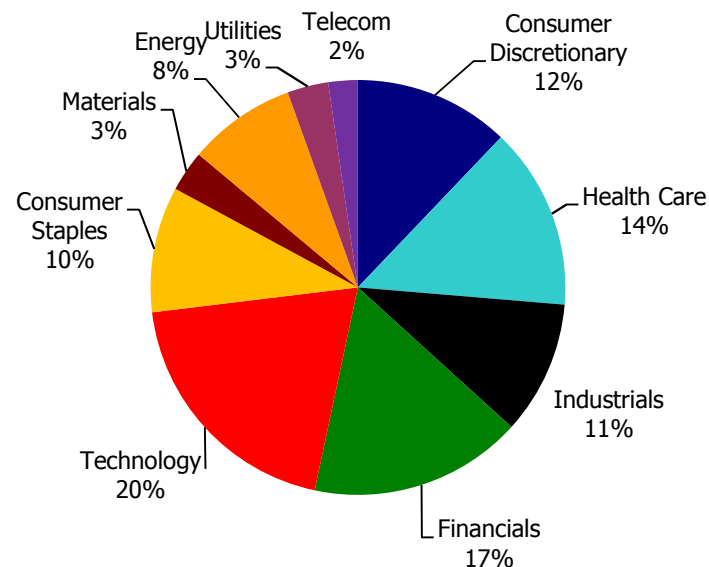
# S&P 500 Scorecard

## S&P Sector Returns



\* Trailing 12 month P/E as of 12/31/2014.

## Sector Weights

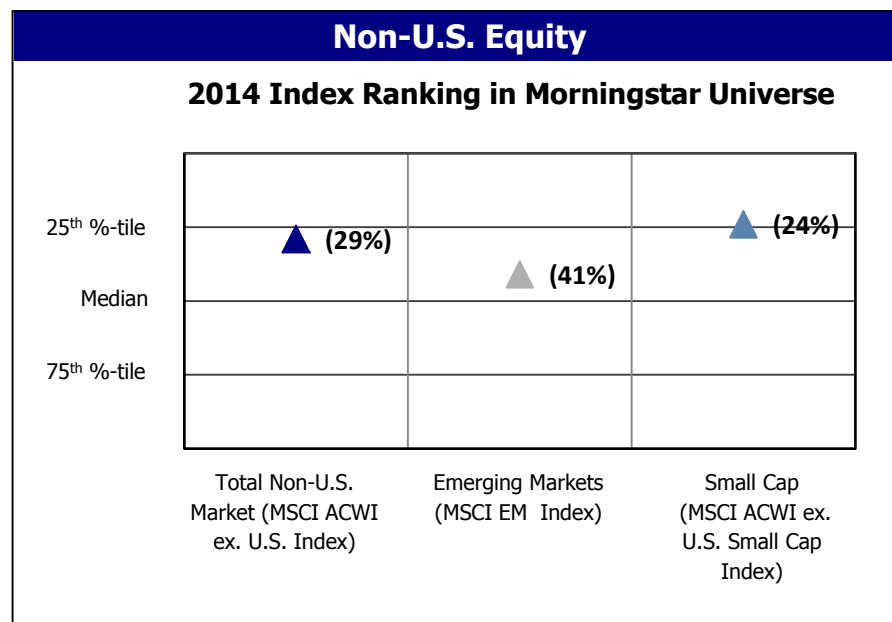
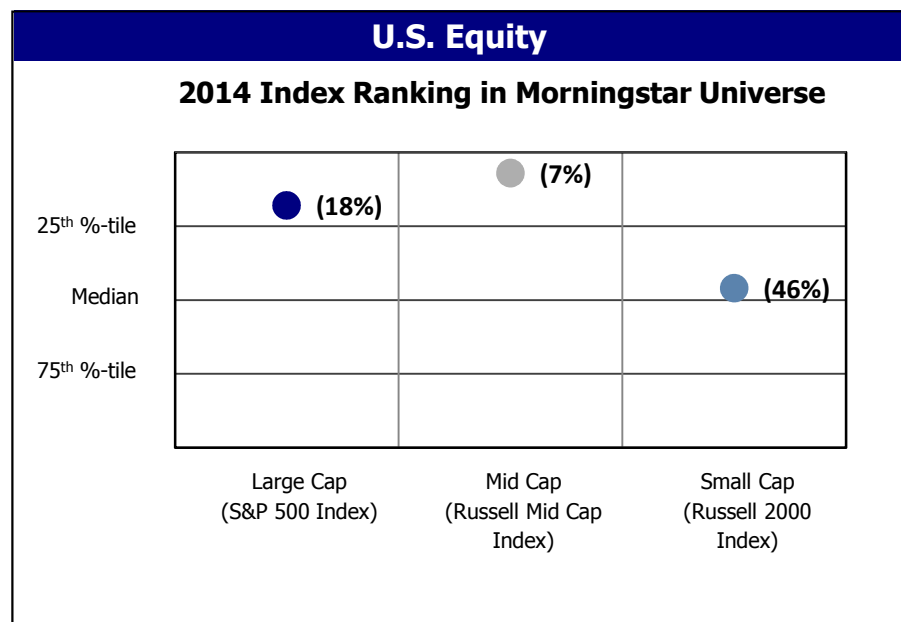


## Top Five S&P 500 Index Holdings

Name	Sector	% of S&P	2014 Return	2014 Contribution to Return	2013 Return	2013 Contribution to Return
1. Apple, Inc.	Technology	3.3%	+40.6%	+1.21%	+8.1%	0.00%
2. Exxon Mobil	Energy	2.5%	-6.1%	-0.16%	+20.1%	+0.56%
3. Microsoft Corp.	Technology	1.9%	+27.5%	+0.47%	+44.3%	+0.71%
4. Johnson & Johnson	Health Care	1.7%	+17.3%	+0.27%	+34.6%	+0.58%
5. General Electric Co.	Industrials	1.5%	-6.7%	-0.12%	+37.9%	+0.61%

Source: Morningstar Direct

# Difficult Year for Active Management

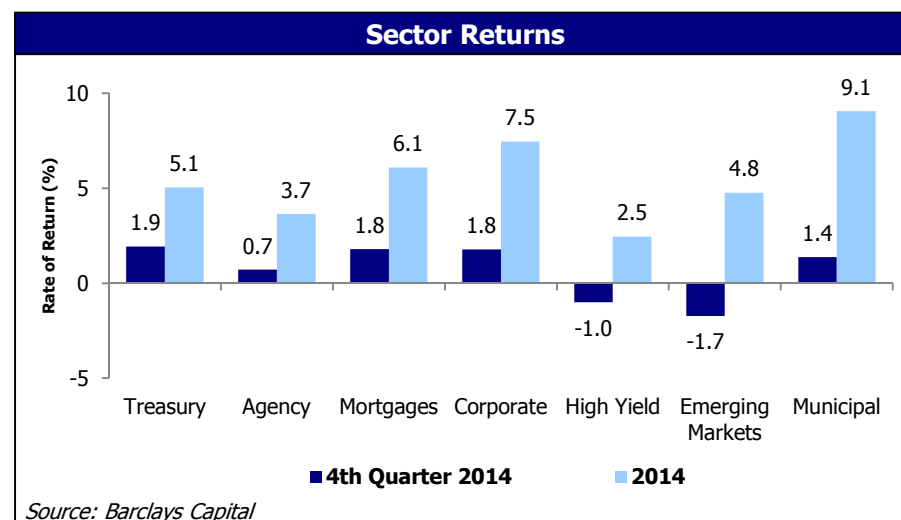
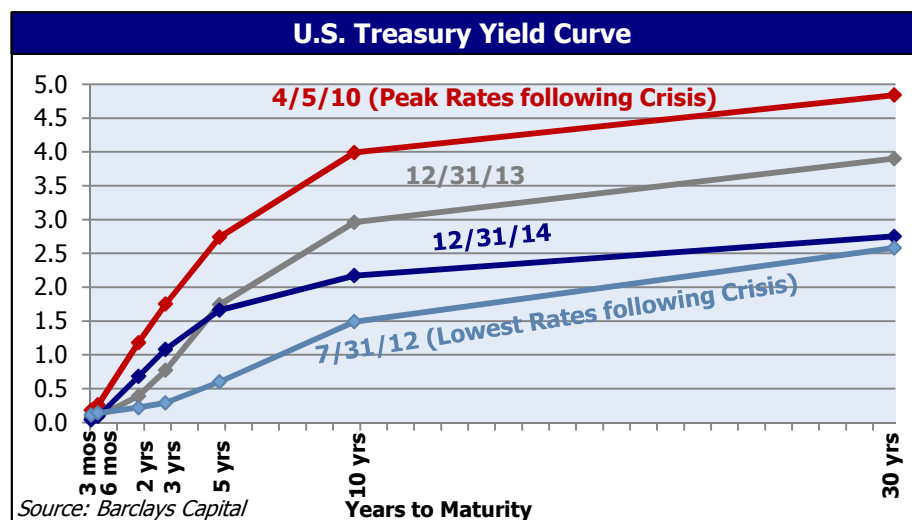
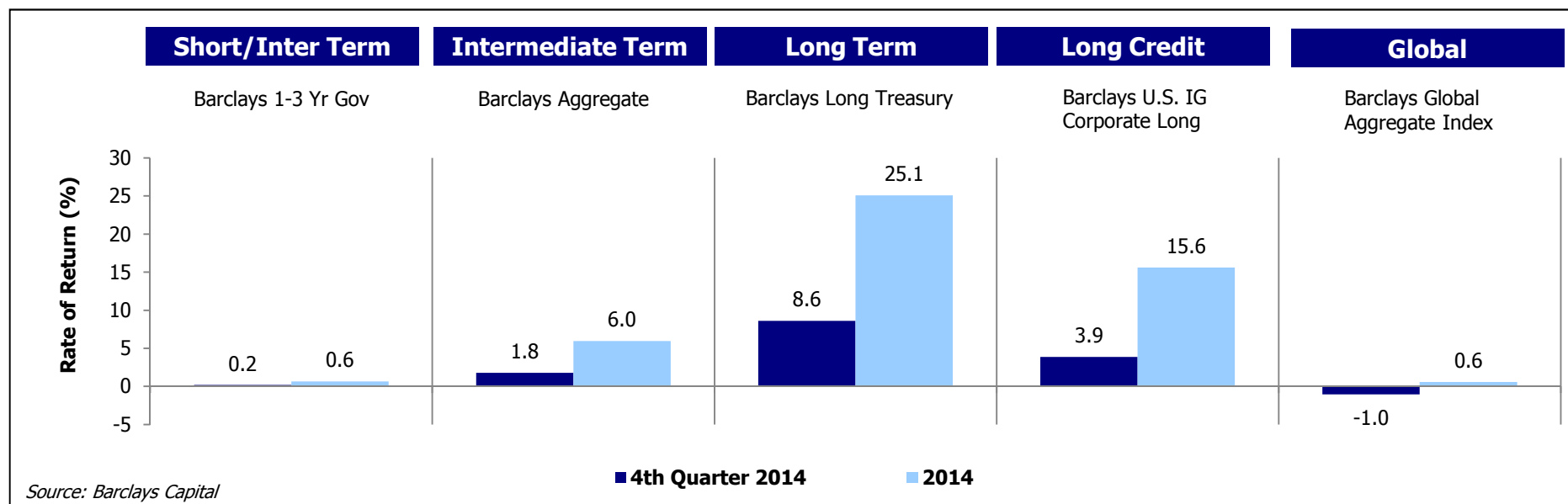


Note: Each figure shown above represents the index ranking within its respective asset class universe.

## Reasons Cited for Poor Active Management Results

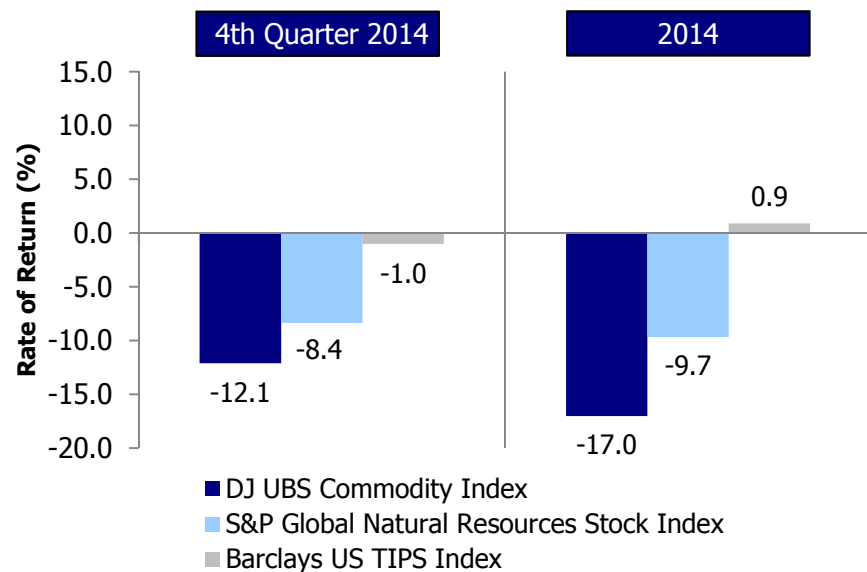
- ❑ A fairly narrow market existed as only 30% of the stocks in the S&P 1500 Index posted gains exceeding the Index itself. (Source: *Fortune.com*)
- ❑ Five mega cap stocks (Apple, Berkshire Hathaway, Johnson & Johnson, Microsoft, and Intel) accounted for 20% of the gains in the S&P 500 Index making it difficult for large cap managers to keep pace if they were not at least equally weighted in those names. (Sources: *Financial Times*, *Leuthold Group*)
- ❑ Rapid shifts occurred in market and sector direction, which tended to favor short-term traders. (Source: *Fiscal Times*)
- ❑ A disconnect existed between the U.S. economy and stock market confounding many active managers as the least cyclical sectors (healthcare and utilities) performed the best despite declining unemployment and solid GDP growth. (Source: *Fortune.com*)

# Fixed Income Markets

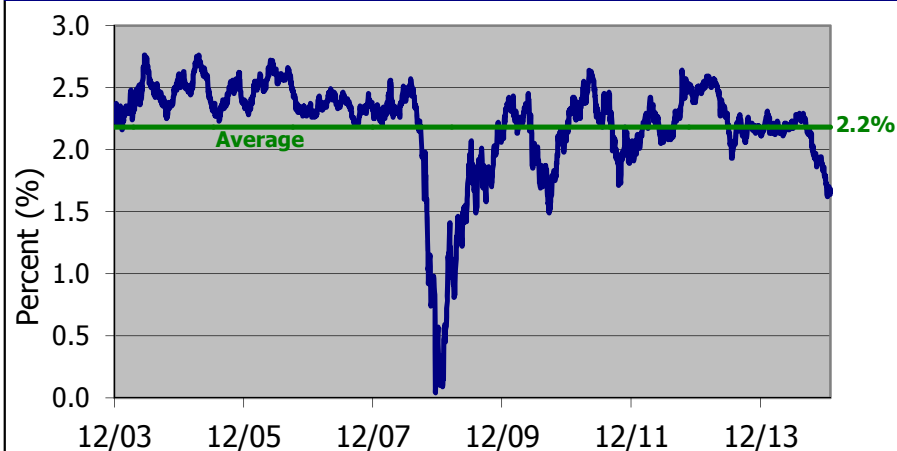


# Inflation Hedging Performance

## Asset Class Performance

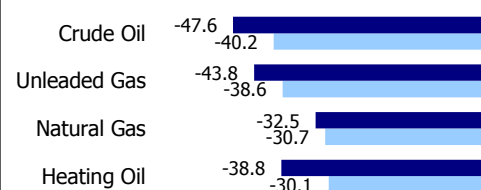


## Historical Inflation Expectations

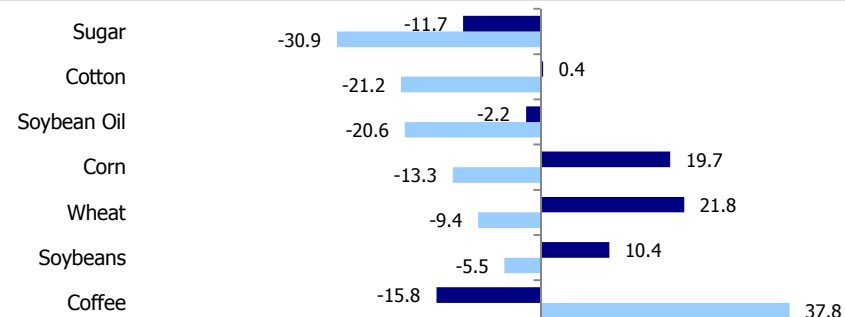


## Commodity Sector Performance

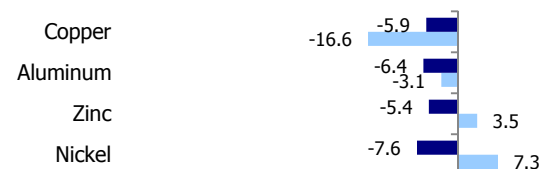
### 31% Energy (-39.3%)



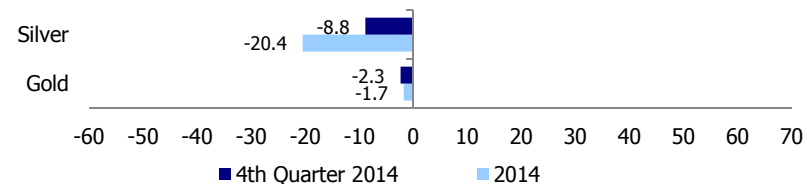
### 29% Agriculture (-9.2%)



### 18% Industrial Metals (-6.9%)



### 16% Precious Metals (-6.7%)



Source: Morningstar Direct

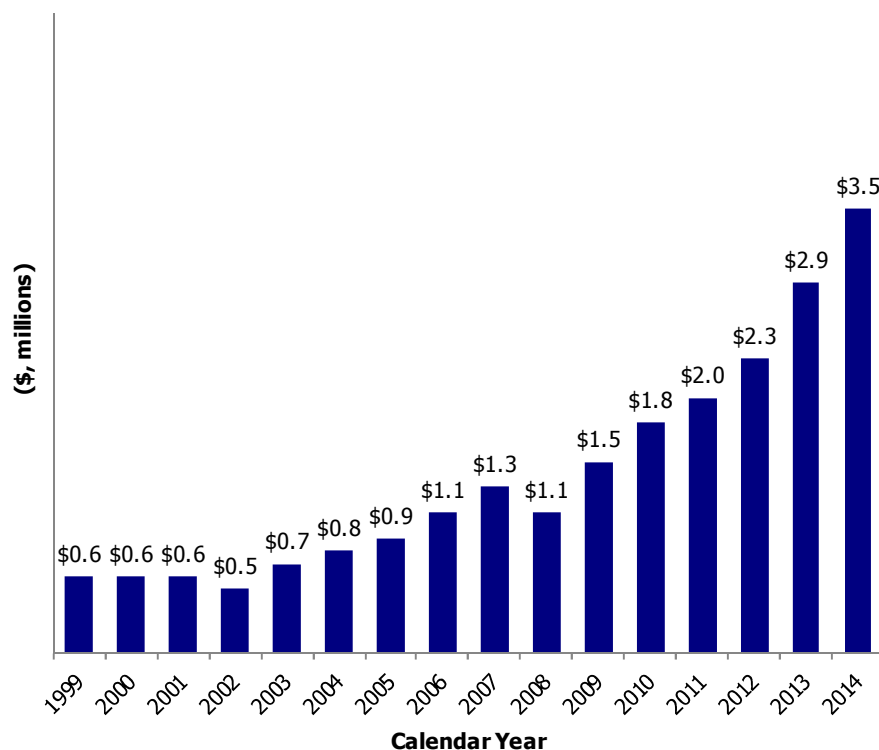
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## Pension Trust Portfolio Review

# Metro St. Louis IBEW Pension Trust – Local 2 and Local 309

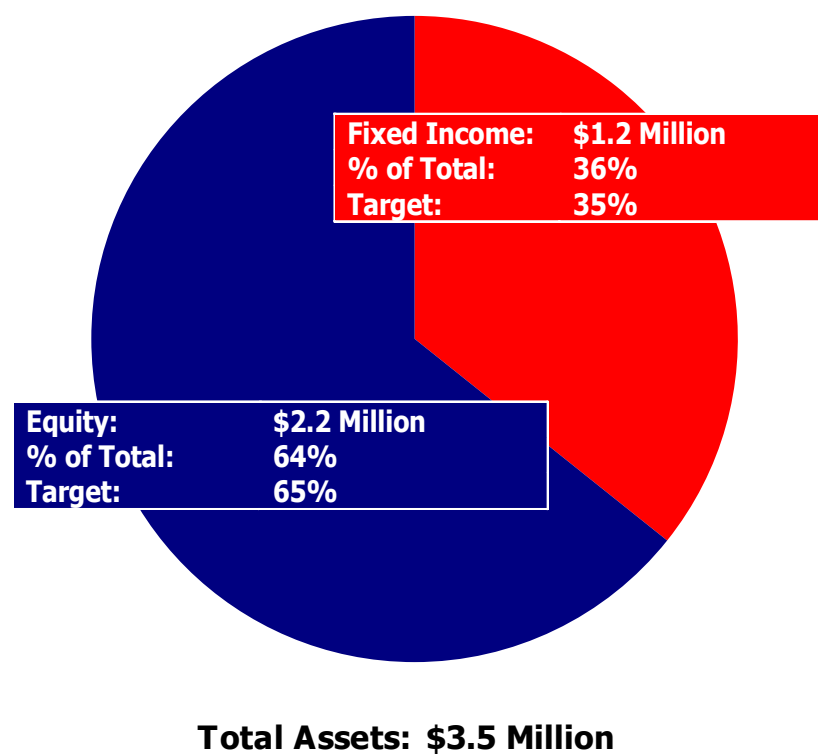
## As of December 31, 2014

**Growth of Assets**

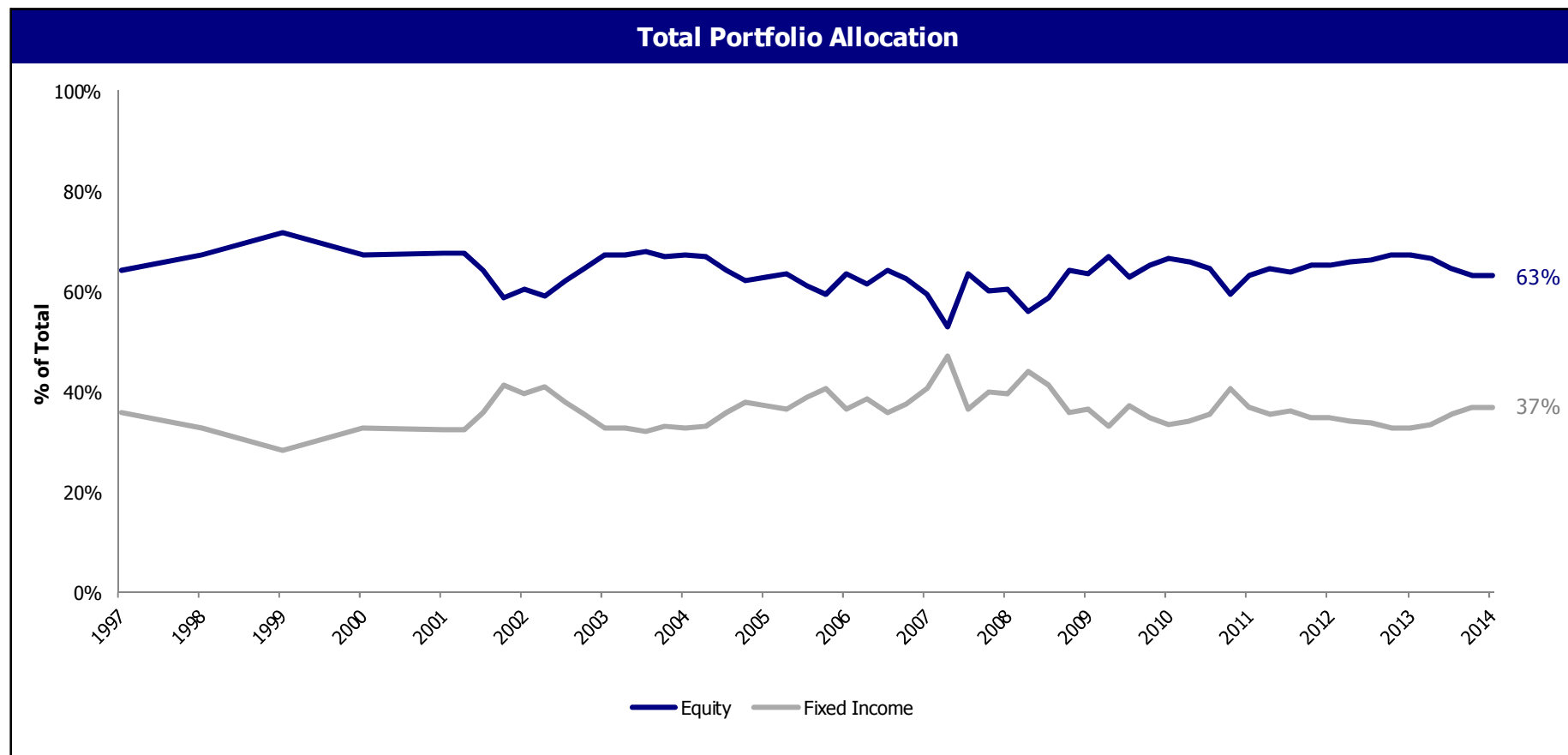


Note: Totals may not add to 100% due to rounding.

**Asset Allocation**



# Total Portfolio Asset Allocation



# Total Portfolio Manager Allocation (\$, thousands)

## As of December 31, 2014

	Value	Core	Growth	
Large Cap		Vanguard S&P 500 Index		= \$1,394.9 % of Equity: 62% Target: 62%
Mid Cap	Perkins Mid Cap Value			= \$170.0 % of Equity: 8% Target: 8%
Small Cap		Artisan Small Cap		= \$157.7 % of Equity: 7% Target: 7%
International	Harbor International Fund			= \$514.7 % of Equity: 23% Target: 23%
				<hr/>
				= \$2,237.5 % of Total Equity: 100%
	Intermediate-Term		Short-Term	
Fixed Income	Dodge & Cox Income \$1,136.0 % of Fixed Income: 91.3%		Cash Equivalents \$107.7 % of Fixed Income: 8.7%	
			= \$1,243.7 % of Total Fixed: 100%	



# Fund Segment Market Benchmark Definitions

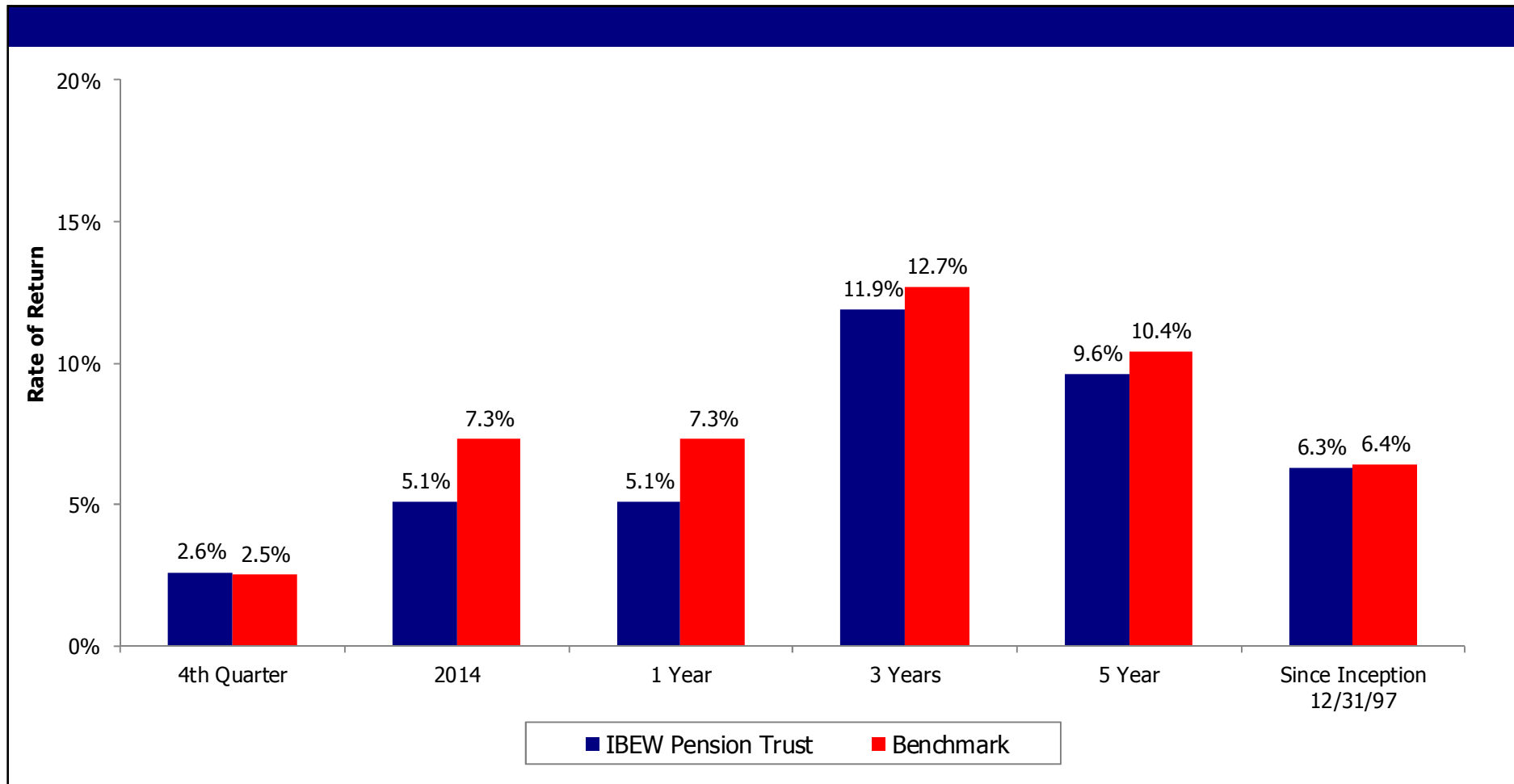
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Market Benchmark	Target % of Total Fund	Equity Segment	Fixed Segment
Wilshire 5000 Index	50%	77%	0%
MSCI EAFE Index	15%	23%	0%
Barclays Aggregate Bond Index	<u>35%</u>	<u>0%</u>	<u>100%</u>
	<b>100%</b>	<b>100%</b>	<b>100%</b>

Note: Prior to 1/1/09, the equity segment benchmark was 85% Wilshire 5000 Index and 15% MSCI EAFE Index.

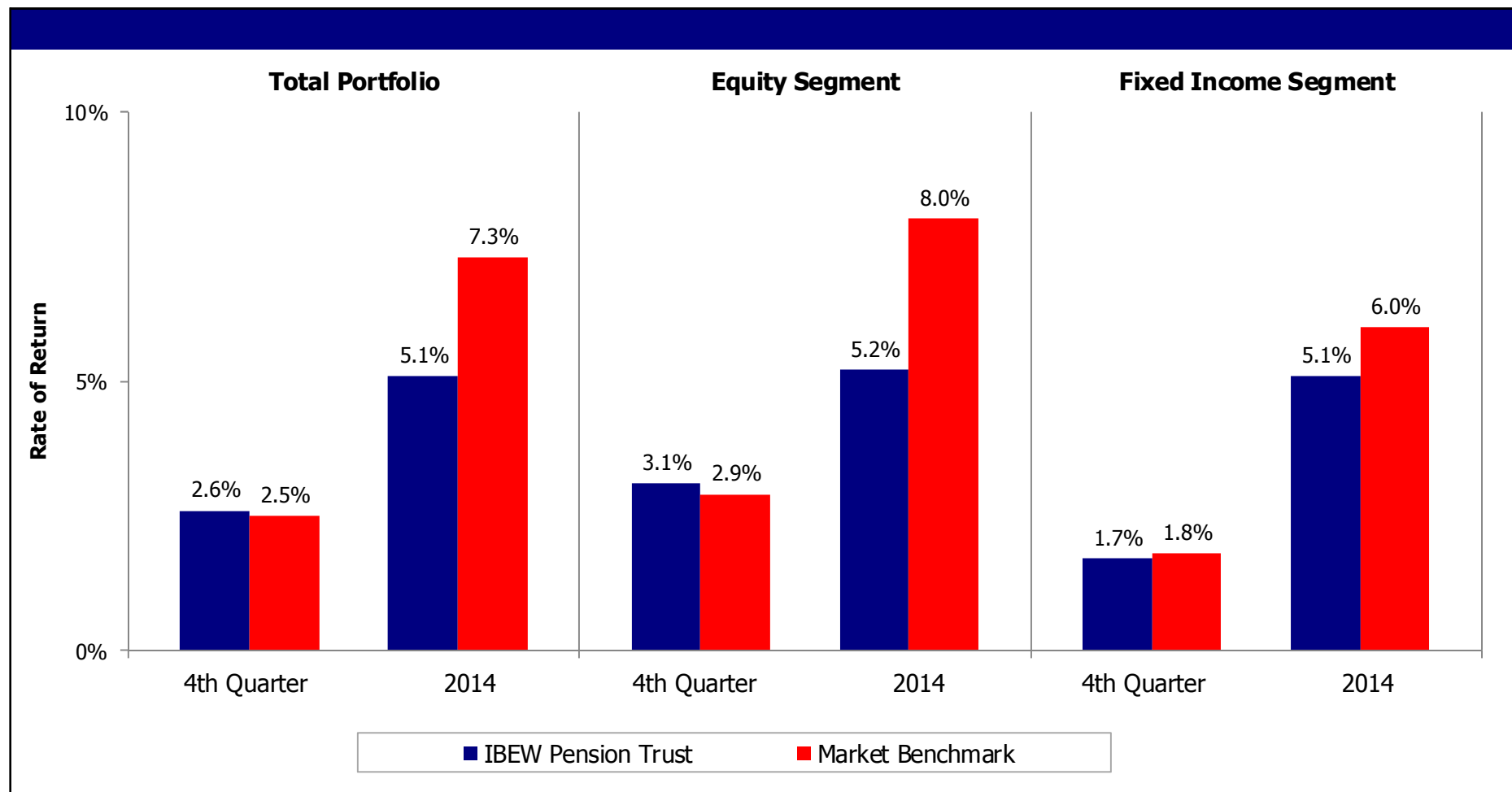
# Total Portfolio Performance Review

## As of December 31, 2014



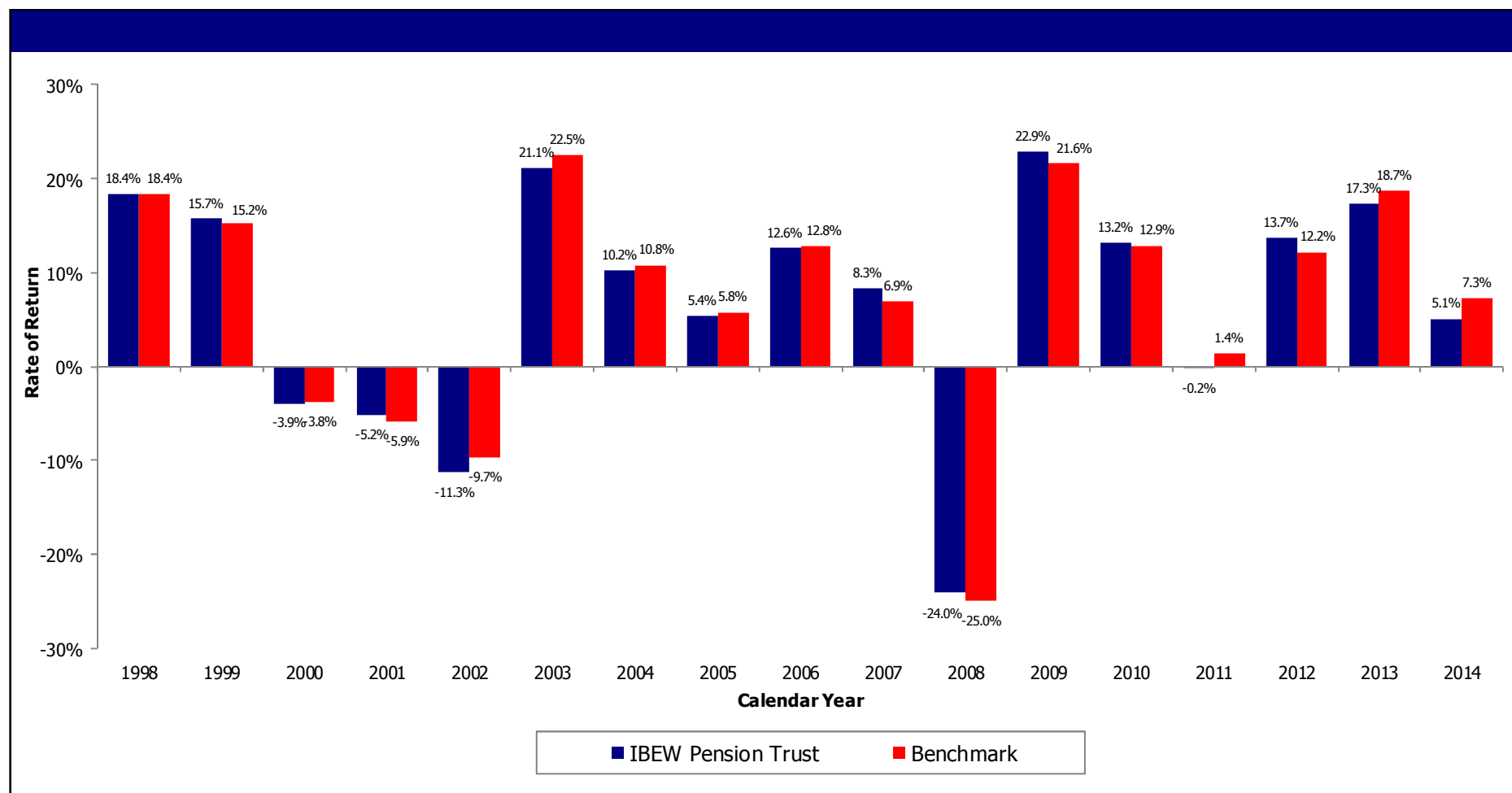
# Asset Class Performance Review

## As of December 31, 2014



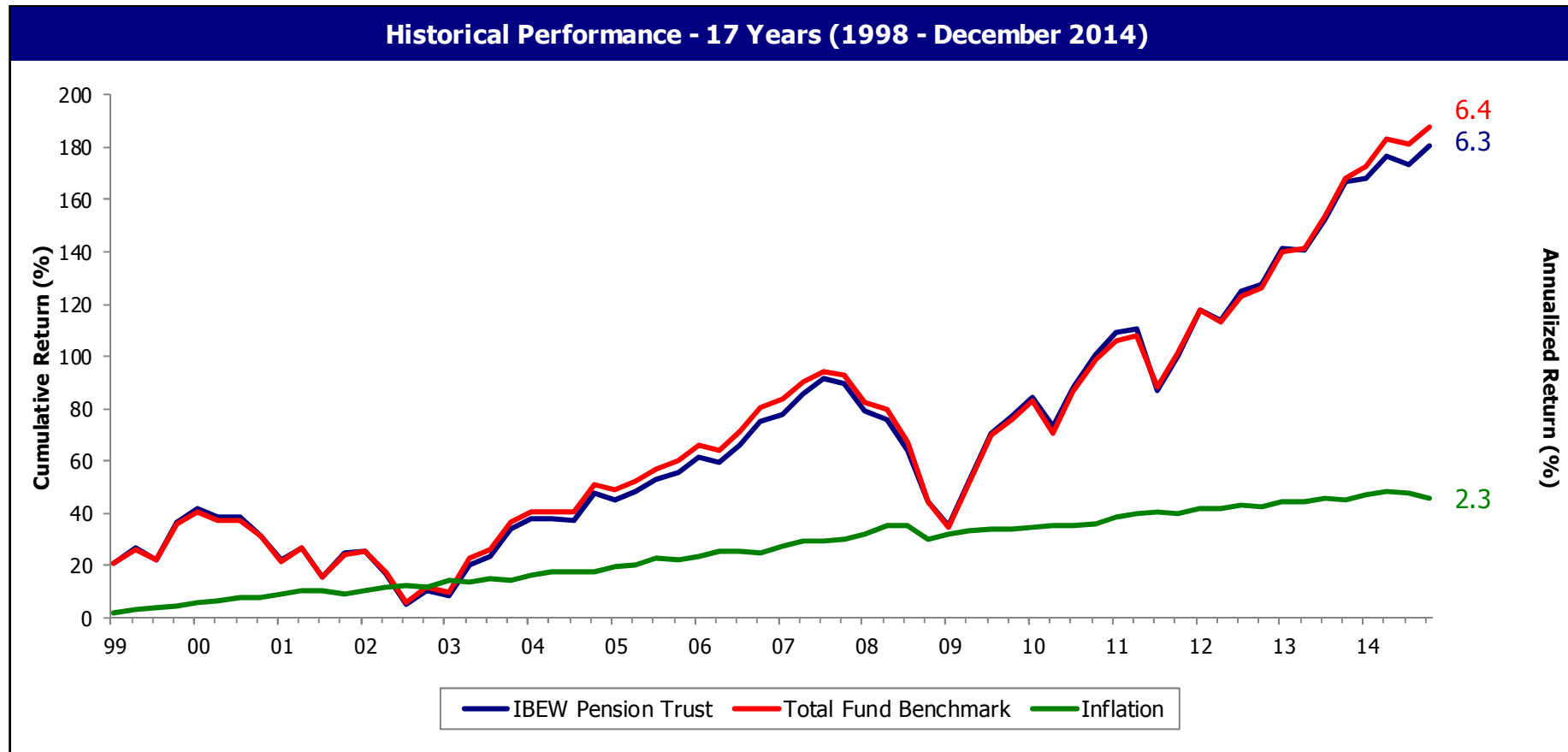
# Metro St. Louis IBEW Pension Trust

## Calendar Year Performance



# Performance Summary

## Total Portfolio vs. Inflation



# Manager Performance

## As of December 31, 2014

			Annualized			
Asset Class	Quarter	2014	Five Years	Ten Years	Since Inception	Inception Date
<b>Large Cap Core</b>						
<b>Vanguard Index 500</b>	<b>4.9</b>	<b>13.6</b>	<b>15.4</b>	<b>7.7</b>	<b>6.4</b>	<b>12/31/97</b>
S&P 500 Index	4.9	13.7	15.5	7.7	6.5	
<b>Mid Cap</b>						
<b>Perkins Mid Cap Value</b>	<b>4.3</b>	<b>9.0</b>	<b>11.1</b>	<b>8.2</b>	<b>14.9</b>	<b>12/5/08</b>
Russell Mid Cap Value Index	6.1	14.7	17.4	9.4	21.0	
<b>Small Cap</b>						
<b>Artisan Small Cap Growth</b>	<b>9.8</b>	<b>-0.8</b>	<b>16.6</b>	<b>7.5</b>	<b>10.9</b>	<b>8/28/13</b>
Russell 2000 Growth Index	10.1	5.6	16.8	8.5	16.2	
<b>International Equity</b>						
<b>Harbor International</b>	<b>-4.1</b>	<b>-6.8</b>	<b>5.5</b>	<b>7.4</b>	<b>-9.7</b>	<b>5/22/14</b>
MSCI EAFE Index	-3.6	-4.9	5.3	4.4	-7.3	
<b>Fixed Income</b>						
<b>Dodge &amp; Cox Income</b>	<b>0.9</b>	<b>5.5</b>	<b>5.2</b>	<b>5.3</b>	<b>-0.1</b>	<b>12/2/14</b>
Barclays Aggregate Bond Index	1.8	6.0	4.4	4.7	-0.3	

Notes: Illustrative performance shown prior to manager inception.  
Returns less than one year are not annualized.

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## Investment Manager Appendix

# Vanguard 500 Index

As of 12/31/2014

## Portfolio Statistics

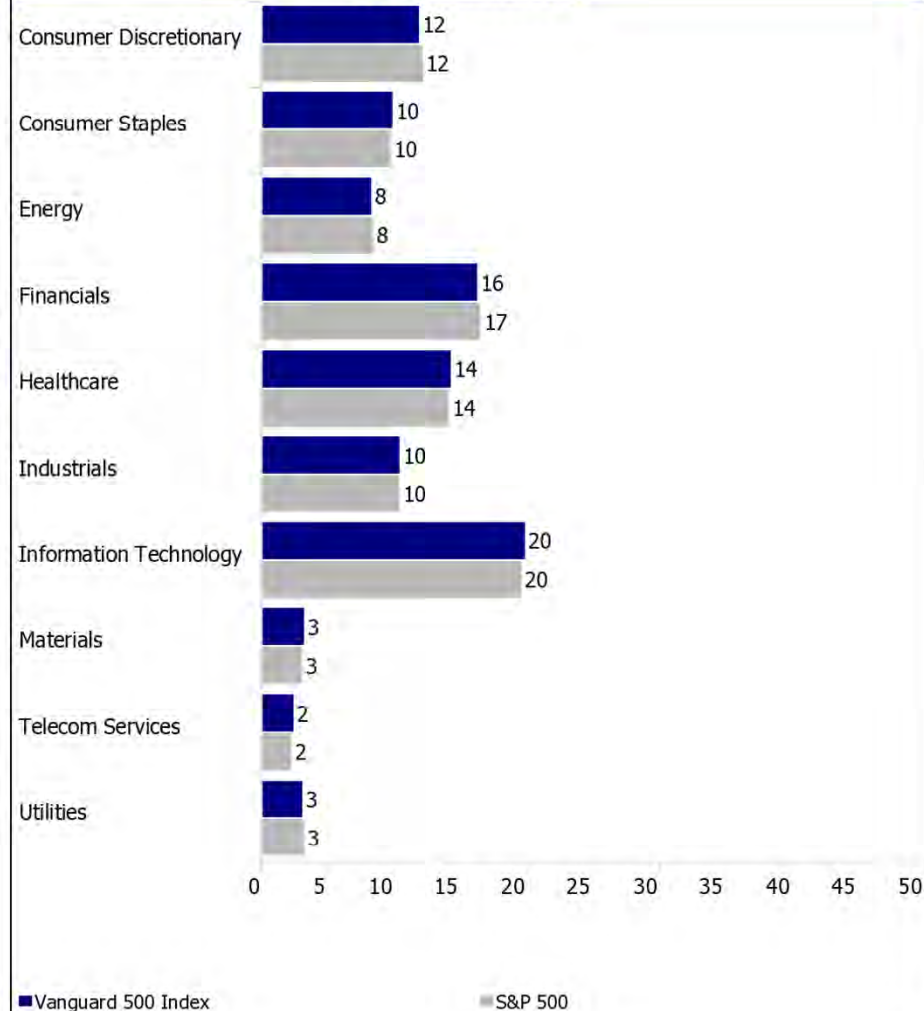
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	132.2	131.9
P/E Ratio	18.7	18.7
P/B Ratio	2.7	2.7
Dividend Yield (%)	1.9	1.9

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Apple Inc	Information Technology	3.9	40.0
Microsoft Corp	Information Technology	2.1	27.2
Exxon Mobil Corporation	Energy	2.1	-6.0
Johnson & Johnson	Health Care	1.7	17.2
General Electric Co	Industrials	1.4	-6.7
Wells Fargo & Co	Financials	1.4	23.7
Berkshire Hathaway Inc Class B	Financials	1.3	26.6
Procter & Gamble Co	Consumer Staples	1.3	15.0
JPMorgan Chase & Co	Financials	1.2	9.7
Verizon Communications Inc	Telecommunication Services	1.1	-0.4

## Sector Allocation (%)



Source: Morningstar Direct



# Vanguard 500 Index

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Large Blend



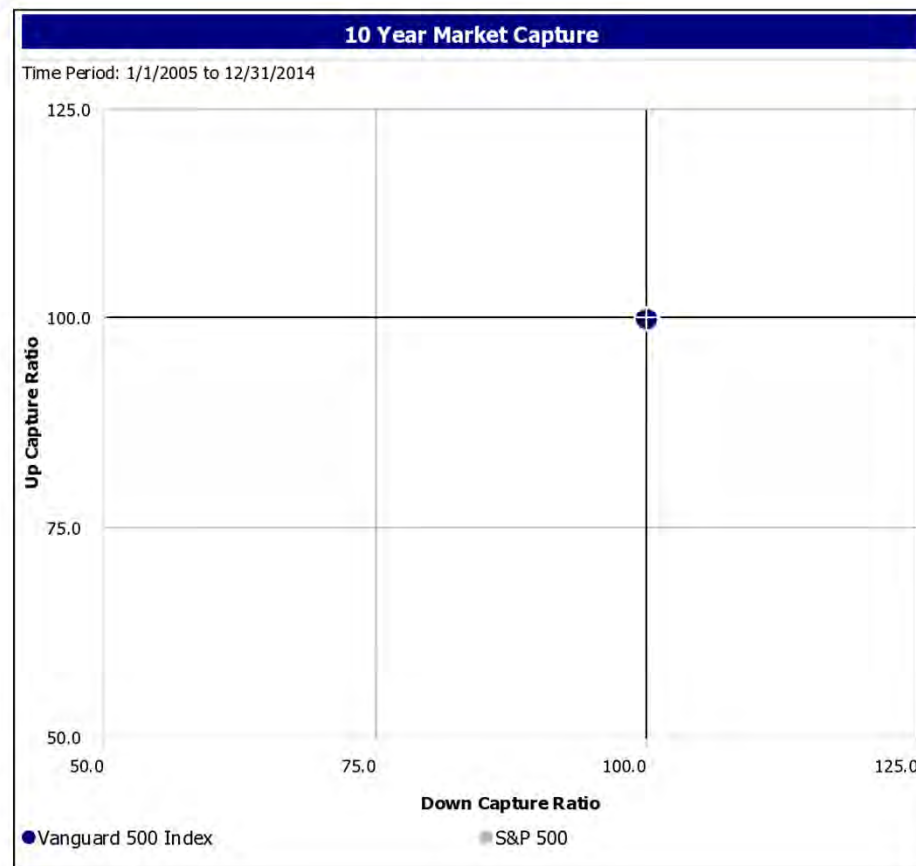
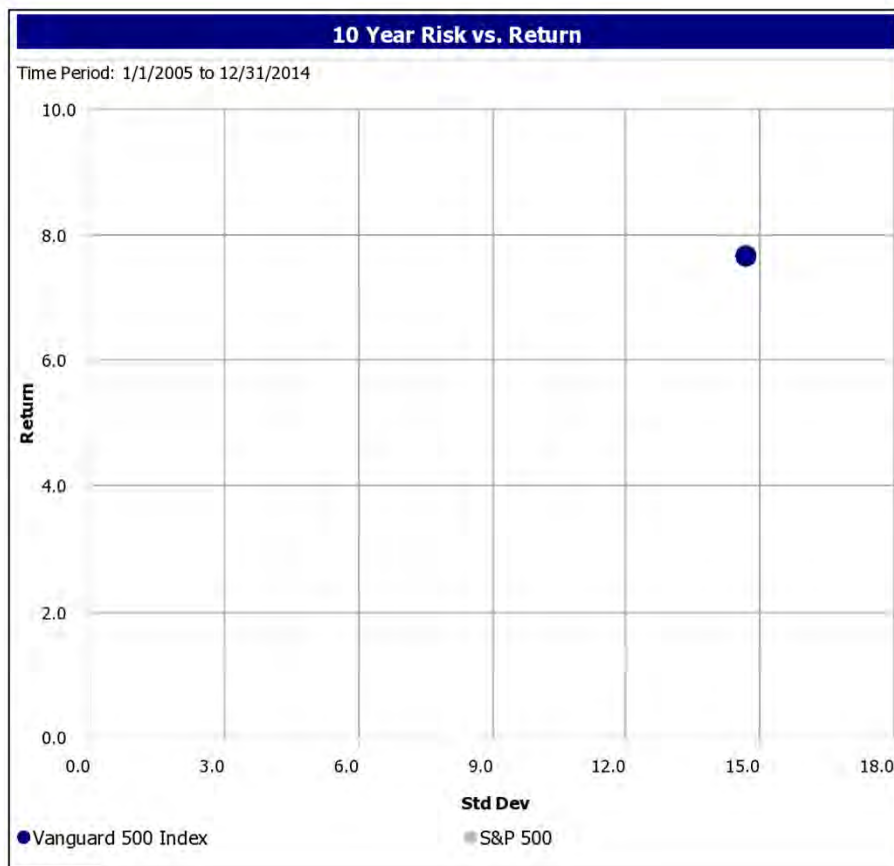
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Vanguard 500 Index	4.9	13.6	13.6	15.4	7.7
Peer group percentile	32	18	18	19	26
S&P 500	4.9	13.7	13.7	15.5	7.7
Peer group percentile	31	18	18	19	26
25th Percentile	5.2	13.2	13.2	15.1	7.7
50th Percentile	4.5	11.6	11.6	14.1	7.1
75th Percentile	3.3	9.3	9.3	12.8	6.5

Source: Morningstar Direct

# Vanguard 500 Index

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Vanguard 500 Index	4.9	15.7	5.5	-37.0	26.6	15.1	2.1	16.0	32.3	13.6	13.6	20.4	15.4	7.7
S&P 500	4.9	15.8	5.5	-37.0	26.5	15.1	2.1	16.0	32.4	13.7	13.7	20.4	15.5	7.7



Source: Morningstar Direct

# Perkins Mid Cap Value

As of 12/31/2014

## Portfolio Statistics

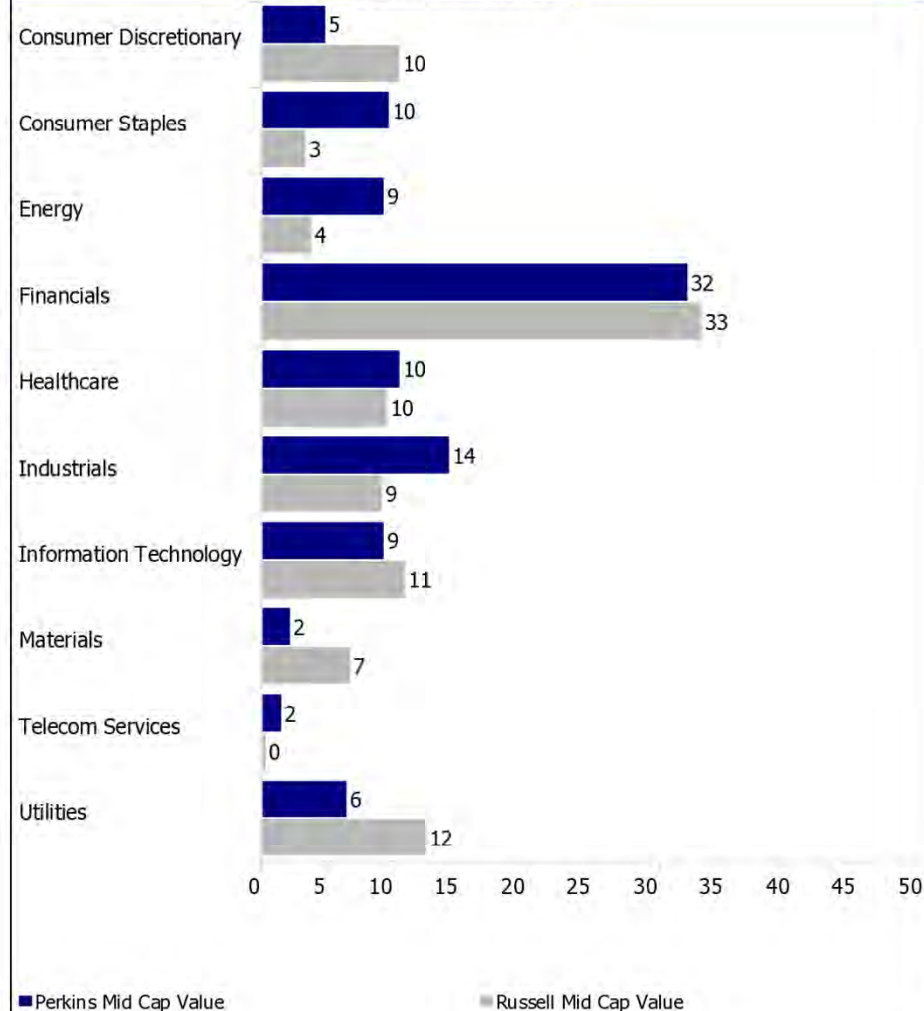
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	15.4	12.0
P/E Ratio	20.0	19.3
P/B Ratio	2.5	1.8
Dividend Yield (%)	2.0	2.0

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Republic Services Inc Class A	Industrials	2.5	24.5
PPL Corp	Utilities	2.5	25.7
Alliant Energy Corp	Utilities	2.2	32.7
Allstate Corp	Financials	2.1	30.9
Plains GP Holdings LP Class A	Energy	2.1	-1.6
Casey's General Stores Inc	Consumer Staples	2.0	29.7
Torchmark Corp	Financials	2.0	4.9
Marsh & McLennan Companies Inc	Financials	1.9	20.6
Stryker Corporation	Health Care	1.8	27.2
Canadian Pacific Railway Ltd	Industrials	1.8	28.6

## Sector Allocation (%)



Source: Morningstar Direct

# Perkins Mid Cap Value

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Mid-Cap Value



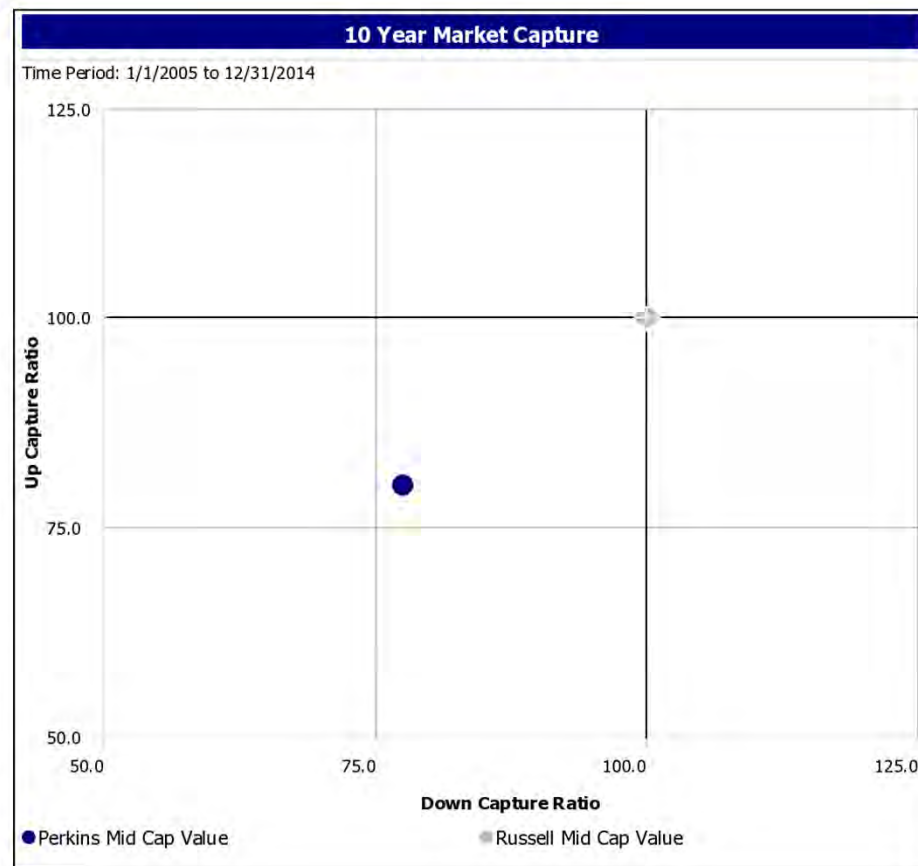
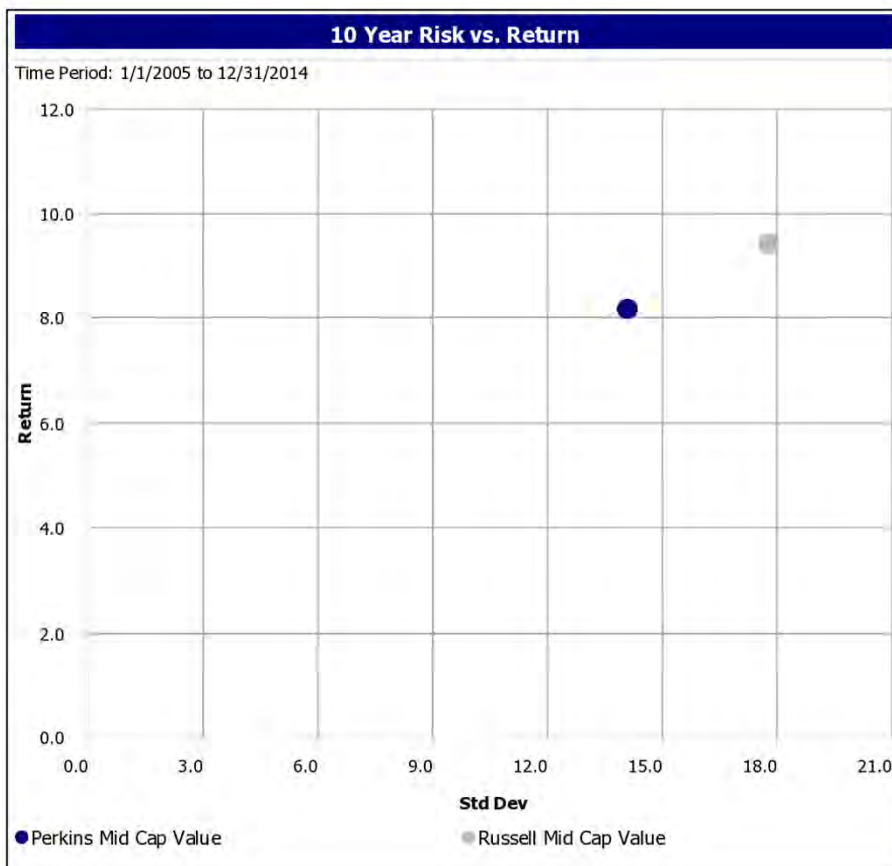
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Perkins Mid Cap Value	4.3	9.0	9.0	11.1	8.2
Peer group percentile	71	56	56	95	59
Russell Mid Cap Value	6.1	14.7	14.7	17.4	9.4
Peer group percentile	30	8	8	10	16
25th Percentile	6.3	12.0	12.0	16.1	9.1
50th Percentile	5.4	9.7	9.7	15.3	8.4
75th Percentile	3.8	7.0	7.0	14.1	7.5

Source: Morningstar Direct

# Perkins Mid Cap Value

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Perkins Mid Cap Value	10.4	15.3	7.4	-27.3	30.4	14.8	-2.6	10.3	25.9	9.0	9.0	14.8	11.1	8.2
Russell Mid Cap Value	12.6	20.2	-1.4	-38.4	34.2	24.8	-1.4	18.5	33.5	14.7	14.7	22.0	17.4	9.4



Source: Morningstar Direct



# Perkins Mid Cap Value

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Canadian Pacific Railway Ltd	2.1	28.7	0.7
Plains GP Holdings LP Class A	2.1	-1.7	0.7
Republic Services Inc Class A	2.0	24.7	0.4
Casey's General Stores Inc	1.1	34.7	0.4
Anadarko Petroleum Corp	1.0	5.1	0.4

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Rogers Communications Inc Class B	1.6	-10.2	-0.6
Mattel Inc	0.5	-20.3	-0.3
CIT Group Inc	1.2	-7.3	-0.3
The ADT Corporation	0.0	-25.6	-0.3
Zions Bancorp	1.0	-4.3	-0.3

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	5.9	8.0	0.4	9.3	15.4	1.6	-0.3	-0.4	-0.7
Consumer Staples	6.8	33.9	2.1	3.0	23.4	0.7	0.3	0.7	1.0
Energy	8.7	-20.1	-1.7	6.3	-25.8	-1.2	-1.4	0.6	-0.8
Financials	30.4	11.4	3.5	32.3	16.1	5.2	0.0	-1.4	-1.4
Health Care	10.3	24.8	2.4	9.0	28.2	2.4	0.1	-0.3	-0.2
Industrials	15.6	4.2	0.8	10.6	3.5	0.5	-0.6	0.3	-0.2
Information Technology	8.8	9.4	0.9	10.8	19.6	2.1	-0.1	-0.9	-1.0
Materials	1.8	16.0	0.3	6.2	6.6	0.3	0.4	0.2	0.5
Telecommunication Services	1.8	-13.6	-0.3	0.5	26.0	0.1	0.2	-0.8	-0.7
Utilities	5.7	27.3	1.4	11.9	26.2	3.0	-0.7	0.1	-0.7
Cash	4.3	0.0	0.0	0.0		0.0	-0.7	0.0	-0.7
Attribution Total	100.0	9.8	9.8	100.0	14.7	14.7	-2.8	-2.0	-4.9

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct

# Artisan Small Cap

As of 12/31/2014

## Portfolio Statistics

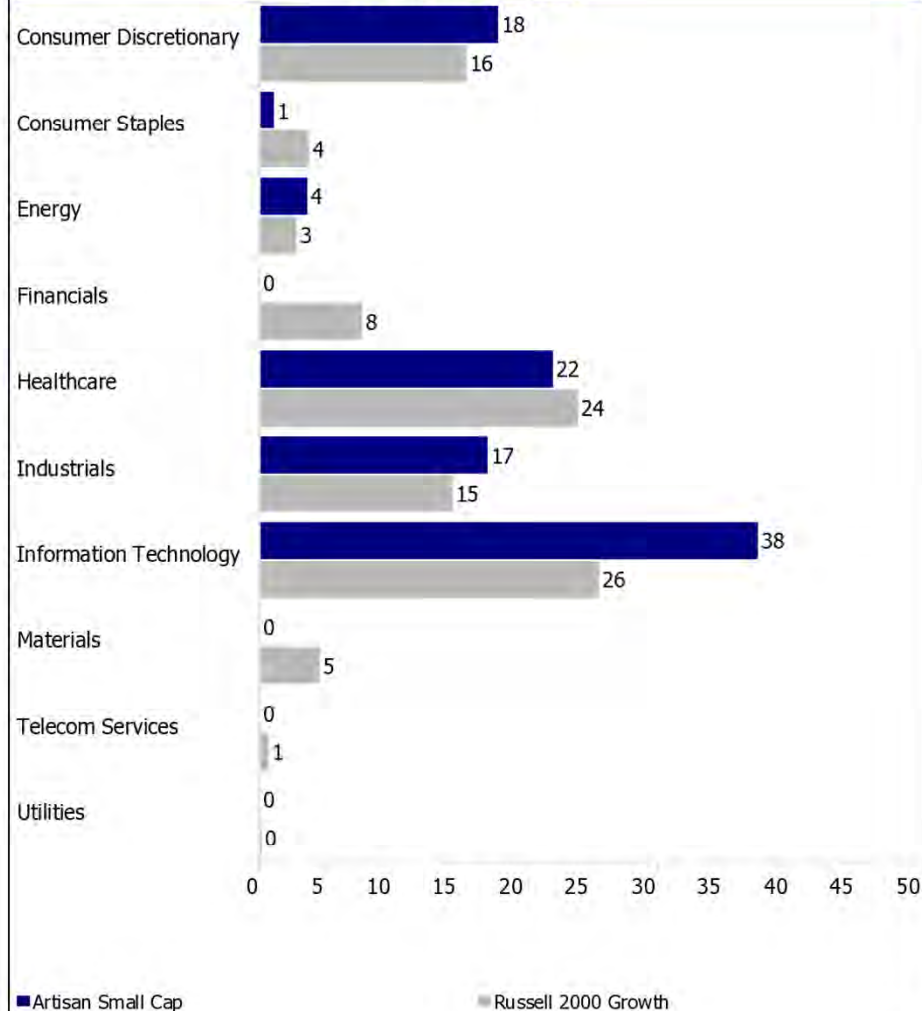
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$B)	4.0	2.1
P/E Ratio	35.4	26.1
P/B Ratio	5.0	4.0
Dividend Yield (%)	0.1	0.6

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
DexCom Inc	Health Care	4.1	55.5
Acuity Brands Inc	Industrials	4.0	28.6
Cognex Corp	Information Technology	4.0	8.3
Concur Technologies Inc	Information Technology	3.8	22.9
Teledyne Technologies Inc	Industrials	3.4	11.8
Dunkin Brands Group Inc	Consumer Discretionary	3.1	-9.6
Pandora Media Inc	Information Technology	2.9	-33.0
Deckers Outdoor Corp	Consumer Discretionary	2.9	7.8
Guidewire Software Inc	Information Technology	2.9	3.2
Cepheid	Health Care	2.9	16.0

## Sector Allocation (%)

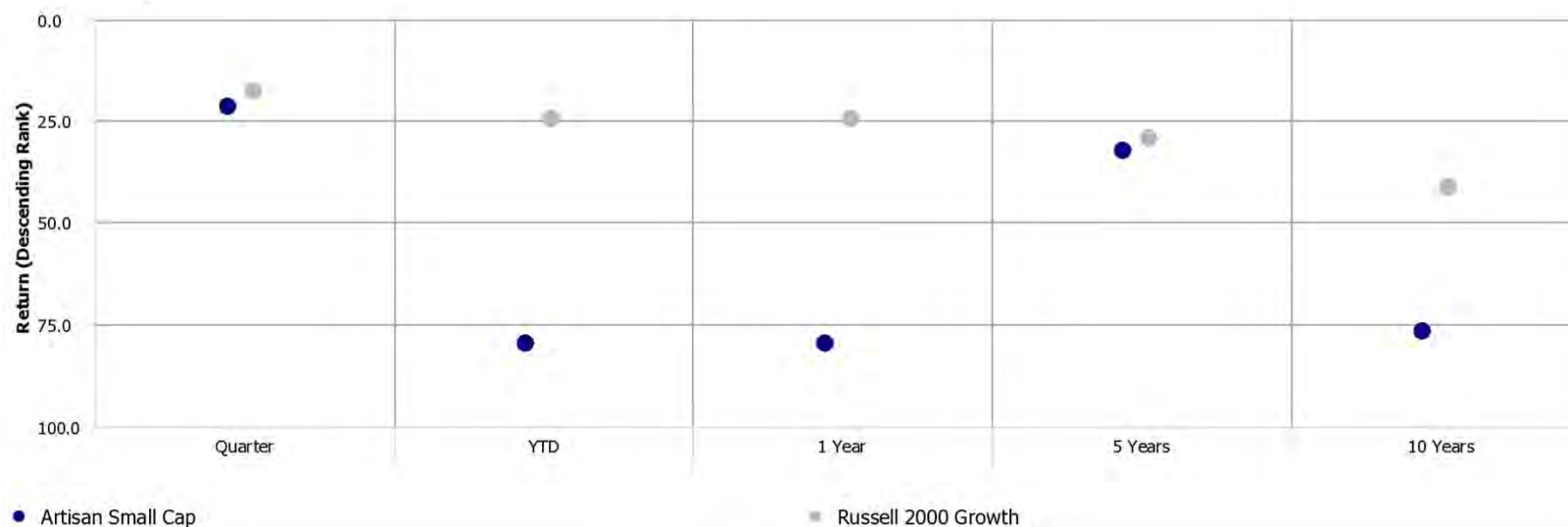


Source: Morningstar Direct

# Artisan Small Cap

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Small Growth



Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Artisan Small Cap	9.8	-0.8	-0.8	16.6	7.5
Peer group percentile	21	79	79	32	76
Russell 2000 Growth	10.1	5.6	5.6	16.8	8.5
Peer group percentile	17	24	24	29	41
25th Percentile	9.6	5.5	5.5	17.0	9.0
50th Percentile	8.0	3.0	3.0	15.5	8.3
75th Percentile	6.6	0.0	0.0	14.2	7.5

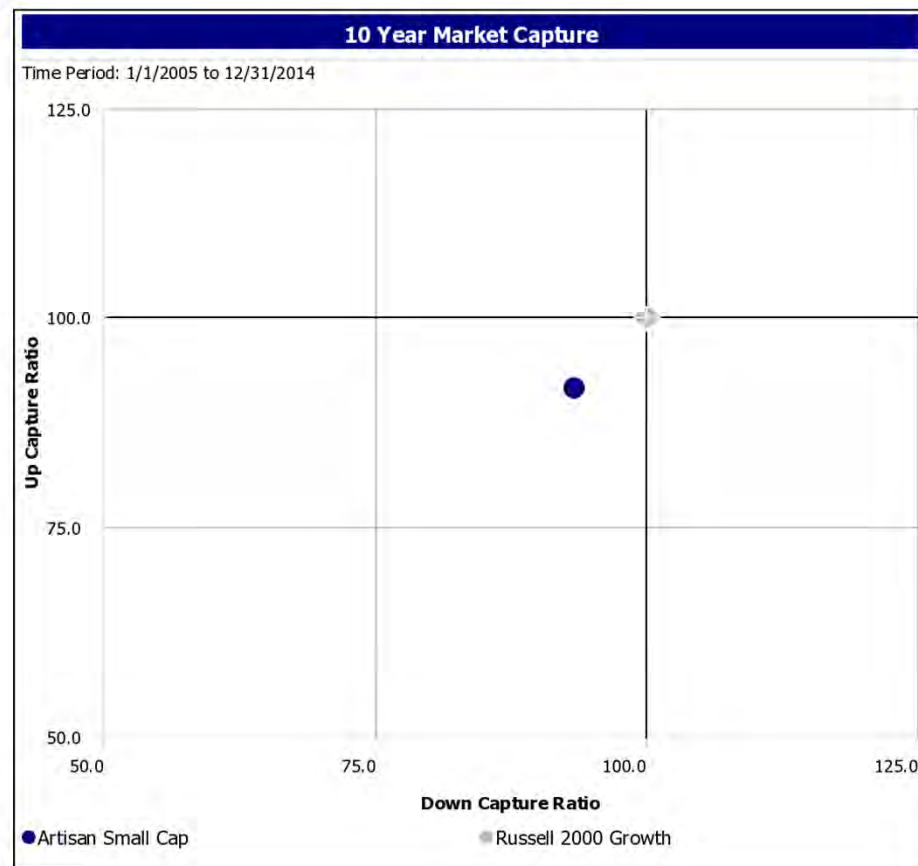
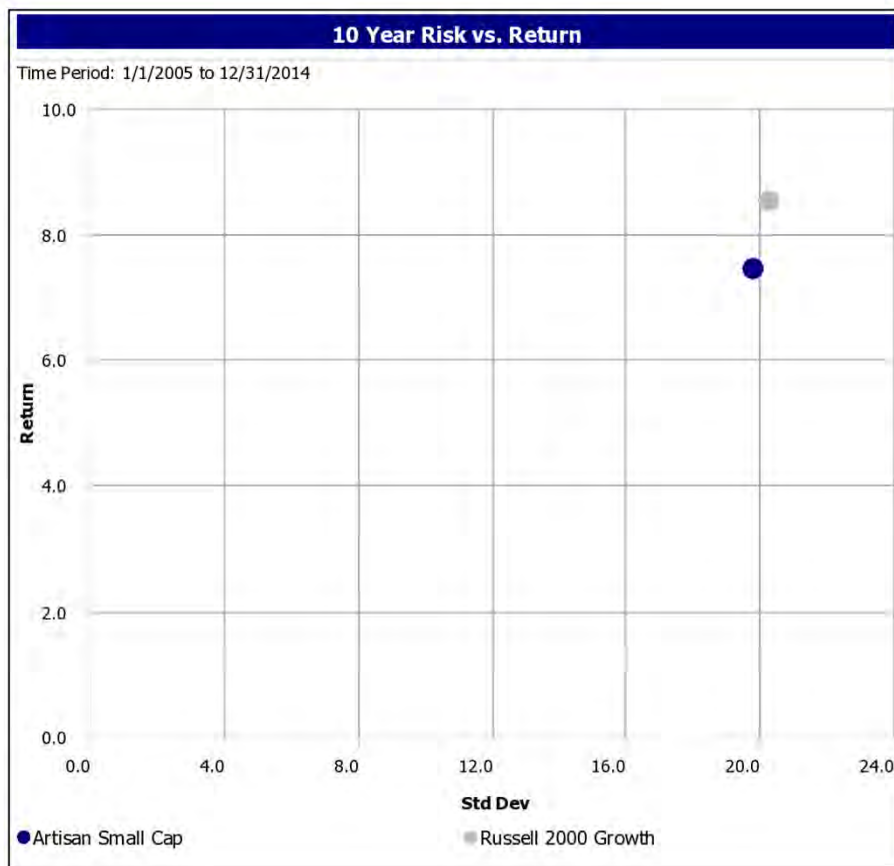
Source: Morningstar Direct



# Artisan Small Cap

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Artisan Small Cap	7.0	6.9	3.3	-43.9	44.1	20.5	7.0	17.8	42.8	-0.8	-0.8	18.6	16.6	7.5
Russell 2000 Growth	4.2	13.3	7.0	-38.5	34.5	29.1	-2.9	14.6	43.3	5.6	5.6	20.1	16.8	8.5



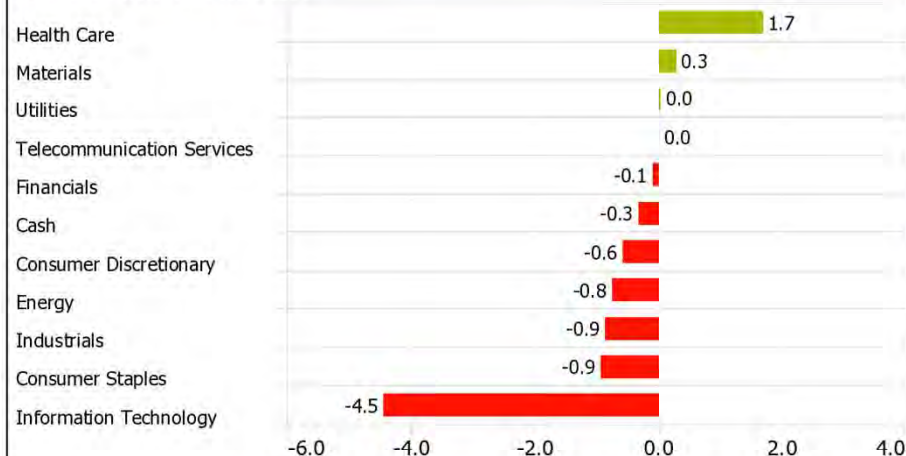
Source: Morningstar Direct

# Artisan Small Cap

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
DexCom Inc	3.6	55.5	1.1
Taser International Inc	1.2	66.8	0.8
Isis Pharmaceuticals	2.3	55.0	0.8
Acuity Brands Inc	3.7	28.7	0.7
Gentherm Inc	2.0	36.6	0.7

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Pandora Media Inc	3.0	-33.0	-1.2
Beacon Roofing Supply Inc	2.7	-31.0	-1.1
CommVault Systems, Inc.	0.9	-34.3	-0.9
Bruker Corp	2.9	-0.8	-0.7
Oasis Petroleum Inc	1.4	-64.8	-0.6

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	15.4	-4.3	-0.7	15.5	-0.7	-0.1	0.1	-0.7	-0.6
Consumer Staples	1.5	-22.2	-0.5	4.3	15.0	0.6	-0.3	-0.7	-0.9
Energy	3.2	-64.6	-2.4	4.4	-32.2	-1.7	0.8	-1.6	-0.8
Financials	0.1	-18.8	0.0	7.5	6.2	0.5	0.0	0.0	-0.1
Health Care	21.3	27.9	5.6	22.0	20.1	4.2	-0.2	1.9	1.7
Industrials	17.3	-2.5	-0.4	15.2	1.4	0.2	-0.1	-0.7	-0.9
Information Technology	36.4	-5.0	-1.9	25.1	8.5	2.1	0.3	-4.7	-4.5
Materials	0.0		0.0	5.0	-0.4	0.0	0.3	0.0	0.3
Telecommunication Services	0.0		0.0	0.8	5.4	0.0	0.0	0.0	0.0
Utilities	0.0		0.0	0.2	-8.1	0.0	0.0	0.0	0.0
Cash	4.7	0.0	0.0	0.0		0.0	-0.3	0.0	-0.3
Attribution Total	100.0	-0.3	-0.3	100.0	5.7	5.7	0.5	-6.6	-6.0

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct

# Harbor International

As of 12/31/2014

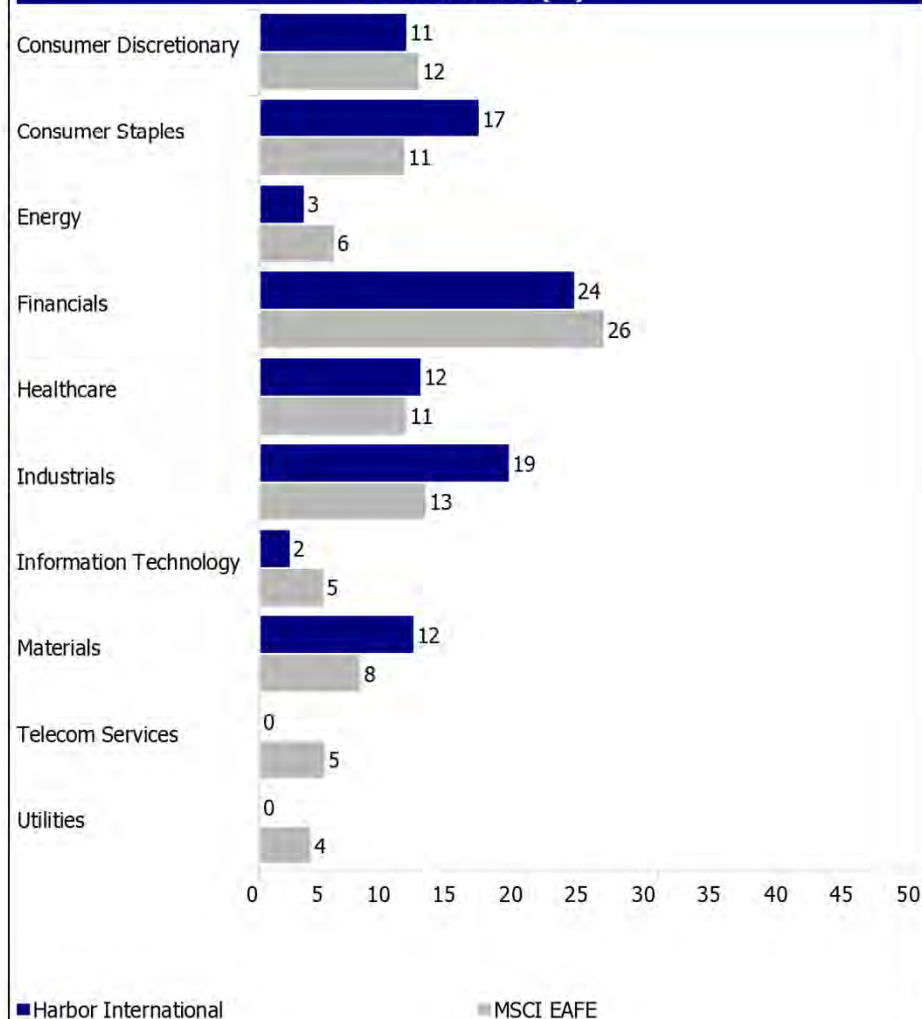
## Regional Allocation (%)

	Manager	Index
North America	2.7	0.0
Latin America Emerging	1.5	0.0
United Kingdom	15.3	21.4
Europe Developed	67.6	44.8
Europe Emerging	0.0	0.0
Africa/Middle East	0.0	0.6
Japan	9.1	21.1
Australia/New Zealand	0.0	7.7
Asia Developed	2.8	4.4
Asia Emerging	0.9	0.0

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Banco Bilbao Vizcaya Argentaria SA	Financials	2.8	-22.3
Roche Holding AG Dividend Right Cert.	Health Care	2.8	-0.3
Novo Nordisk A/S Class B	Health Care	2.7	16.6
Lloyds Banking Group PLC	Financials	2.7	-9.5
Anheuser-Busch Inbev SA	Consumer Staples	2.6	10.9
Novartis AG	Health Care	2.6	19.2
Schneider Electric SE	Industrials	2.5	-12.9
AXA SA	Financials	2.5	-13.0
Fanuc Corp	Industrials	2.4	-8.3
Rolls-Royce Holdings PLC	Industrials	2.3	-34.1

## Sector Allocation (%)



Source: Morningstar Direct

# Harbor International

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Foreign Large Blend



Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Harbor International	-4.1	-6.8	-6.8	5.5	7.4
Peer group percentile	68	78	78	39	9
MSCI EAFE	-3.6	-4.9	-4.9	5.3	4.4
Peer group percentile	51	45	45	45	46
25th Percentile	-2.2	-3.4	-3.4	6.1	5.5
50th Percentile	-3.5	-5.4	-5.4	5.1	4.3
75th Percentile	-4.2	-6.6	-6.6	4.2	3.4

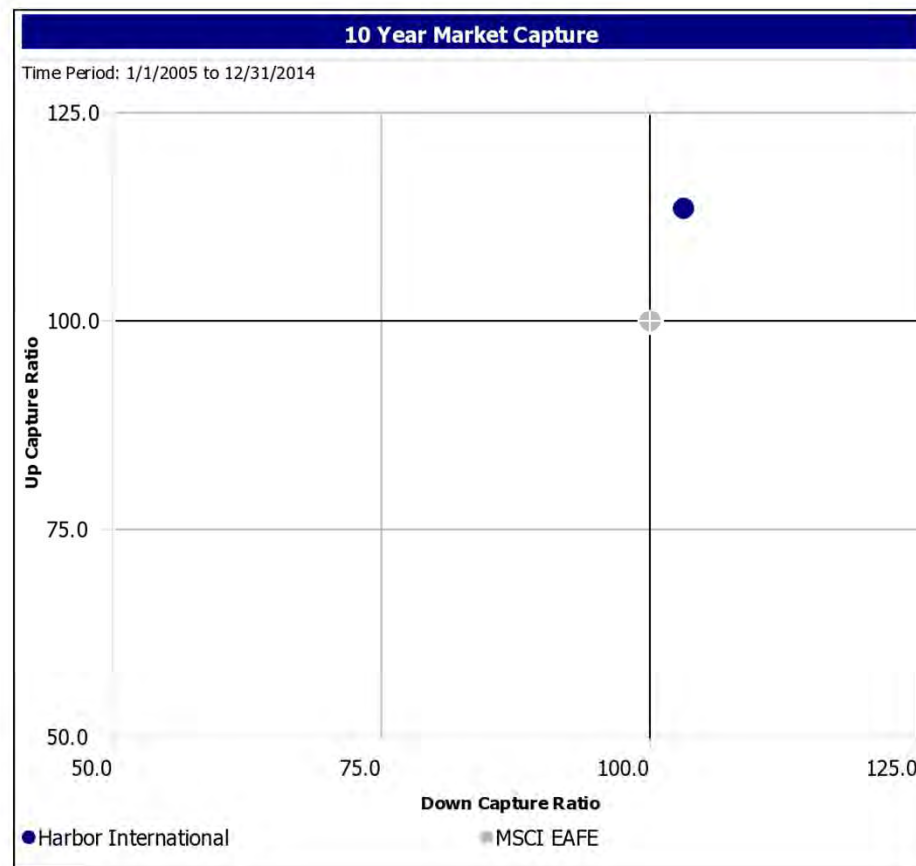
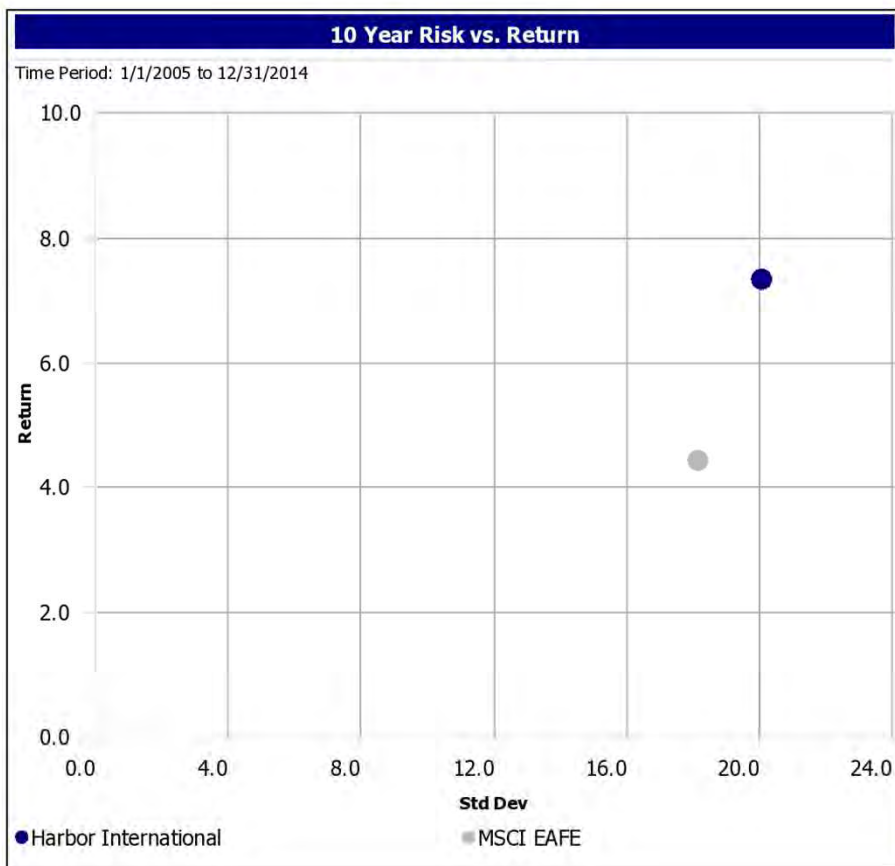
Source: Morningstar Direct



# Harbor International

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Harbor International	20.8	32.7	21.8	-42.7	38.6	12.0	-11.1	20.9	16.8	-6.8	-6.8	9.6	5.5	7.4
MSCI EAFE	13.5	26.3	11.2	-43.4	31.8	7.8	-12.1	17.3	22.8	-4.9	-4.9	11.1	5.3	4.4



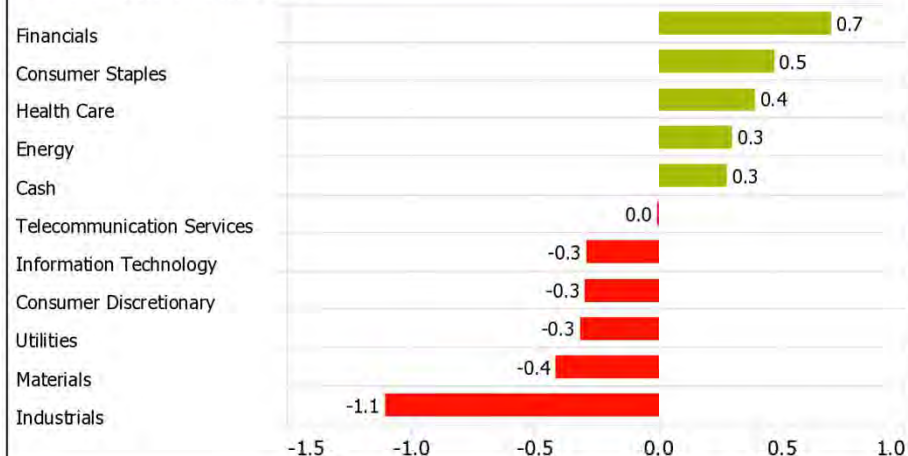
Source: Morningstar Direct

# Harbor International

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Intesa Sanpaolo	1.2	20.7	0.5
SMC Corp	1.6	6.3	0.2
United Overseas Bank Ltd	1.1	13.9	0.2
Cheung Kong Holdings Ltd	1.1	15.4	0.2
Taiwan Semiconductor Manufacturing Co Ltd ADR	0.7	17.8	0.2

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Rolls-Royce Holdings PLC	2.0	-34.2	-0.6
Freeport-McMoRan Inc	1.7	-35.8	-0.5
Banco Bilbao Vizcaya Argentaria SA	2.2	-22.4	-0.4
BG Group PLC	1.3	-36.2	-0.3
SAP SE	1.7	-16.8	-0.3

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	11.2	-7.7	-0.9	11.8	-4.7	-0.6	0.1	-0.4	-0.3
Consumer Staples	15.6	0.2	0.0	11.0	-2.4	-0.2	0.1	0.4	0.5
Energy	3.3	-22.4	-0.8	6.8	-18.4	-1.2	0.5	-0.2	0.3
Financials	23.6	-2.7	-0.5	25.6	-5.5	-1.4	0.0	0.7	0.7
Health Care	10.5	10.7	1.0	10.6	6.4	0.6	0.0	0.4	0.4
Industrials	17.7	-12.7	-2.4	12.6	-7.7	-1.0	-0.2	-0.9	-1.1
Information Technology	3.0	-7.3	-0.2	4.5	-0.5	0.0	-0.1	-0.2	-0.3
Materials	11.3	-12.6	-1.4	8.0	-10.7	-0.9	-0.2	-0.2	-0.4
Telecommunication Services	0.0		0.0	5.1	-4.5	-0.2	0.0	0.0	0.0
Utilities	0.0		0.0	3.8	4.2	0.1	-0.3	0.0	-0.3
Cash	3.7	0.0	0.0	0.0		0.0	0.3	0.0	0.3
Attribution Total	100.0	-5.1	-5.1	100.0	-4.8	-4.8	0.1	-0.4	-0.3

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct

# Fixed Income Overview: Dodge & Cox Income

As of 12/31/2014

Portfolio Characteristics	Dodge & Cox Income	Barclays U.S. Agg Bond
Duration	3.9 yrs	5.6 yrs
Average Maturity	7.2 yrs	7.7 yrs
Average Quality	--	AA
Yield to Maturity	2.6%	2.3%

Maturity Breakdown	Dodge & Cox Income	Barclays U.S. Agg Bond
0-1 Years	5%	0%
1-3 Years	17%	24%
3-5 Years	33%	21%
5-10 Years	29%	40%
10-20 Years	6%	3%
20+ Years	10%	11%

Sector Allocation	Dodge & Cox Income	Barclays U.S. Agg Bond
Cash	3%	0%
U.S. Treasury	11%	36%
Direct Agency	7%	3%
Agency Mortgages	29%	29%
Non-Agency Mortgages	5%	0%
CMBS	0%	2%
Asset-Backed	7%	1%
Investment Grade Corp.	35%	19%
Non-Investment Grade Corp.	4%	0%
Municipals	0%	1%
Non-U.S.	0%	9%
Other	0%	0%

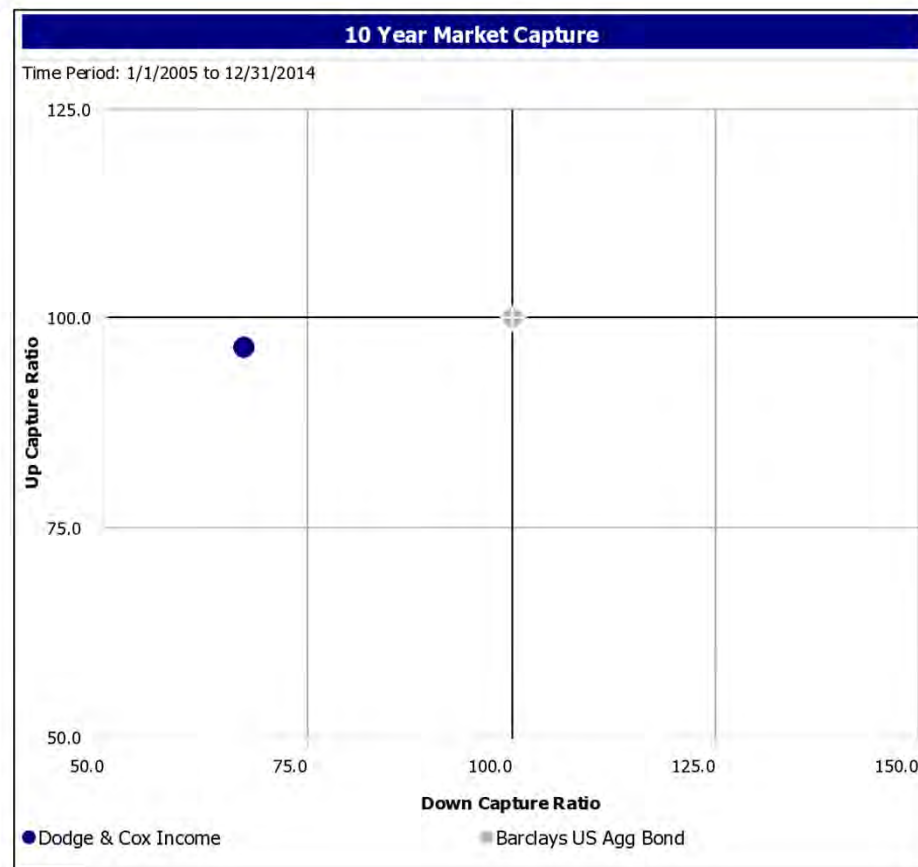
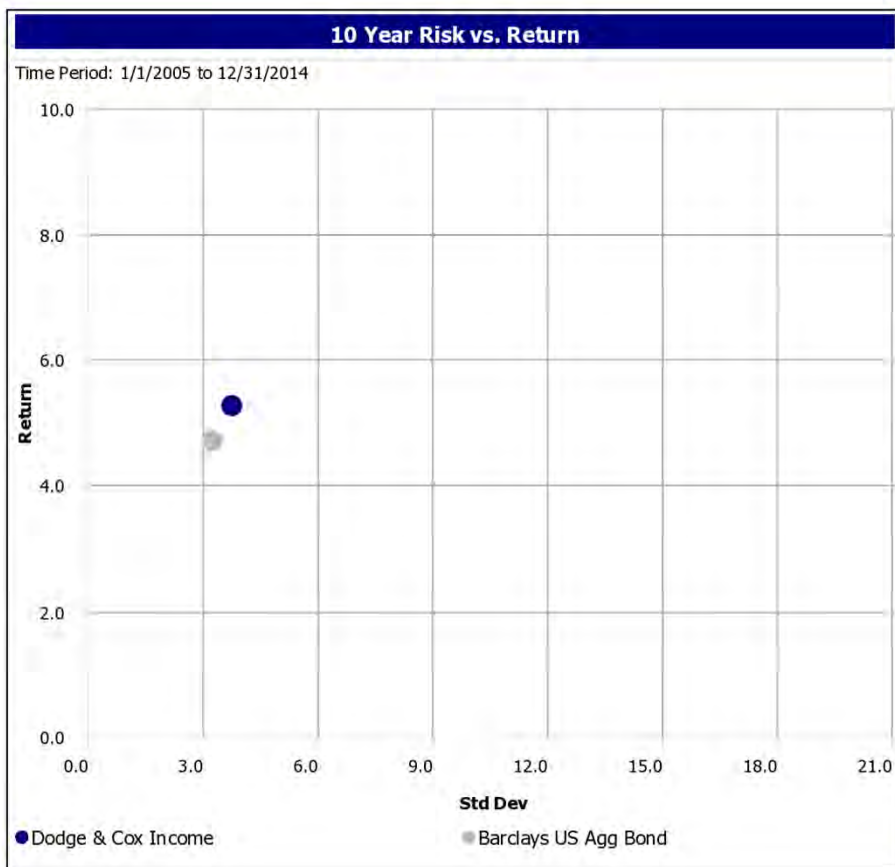
Quality Breakdown	Dodge & Cox Income	Barclays U.S. Agg Bond
AAA	53%	72%
AA	1%	5%
A	10%	12%
BBB	26%	12%
Below Investment Grade	11%	0%
Other	0%	0%

Note: All data provided by the investment manager.

# Dodge & Cox Income

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Dodge & Cox Income	2.0	5.3	4.7	-0.3	16.1	7.2	4.8	7.9	0.6	5.5	5.5	4.6	5.2	5.3
Barclays US Agg Bond	2.4	4.3	7.0	5.2	5.9	6.5	7.8	4.2	-2.0	6.0	6.0	2.7	4.4	4.7



Source: Morningstar Direct



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## Appendix: Investment Manager Fee Review

# IBEW Pension Trust Investment Program Fee Summary

Style	Fund	Market Value (\$,M)	Management Fee	Projected Annual Fee (\$)	Average Expense Ratio for Style
Large Cap Core Equity	Vanguard 500 Index Fund	\$1.4	0.65%	\$9,067	1.00%
Mid Cap Value Equity	Perkins Mid Cap Value	\$0.2	0.96%	\$1,632	1.05%
Small Cap Growth	Artisan Small Cap Growth	\$0.2	1.02%	\$1,609	1.24%
International Equity	Harbor International	\$0.5	0.74%	\$3,809	1.12%
Fixed Income	Dodge & Cox Income	\$1.1	0.43%	\$4,885	0.71%
Money Market	First American Prime Obligation	\$0.1	0.45%	\$485	0.13%
<b>Total</b>		<b>\$3.5</b>	<b>0.62%</b>	<b>\$21,487</b>	<b>0.91%</b>

# Endnotes

- As a service to clients, Ellwood Associates may provide reporting information on all assets held in your account, including assets for which it does not provide advisory services. Such assets may include legacy assets, assets for which you have engaged other advisors and, with respect to retirement plans, (i) self-directed brokerage, mutual fund window and similar options, (ii) employer securities, and (iii) real property. While Ellwood Associates seeks to identify such assets as “excluded assets” in your reports and/or in your Consulting Services Agreement, Ellwood Associates shall not be liable or responsible in any respect for the supervision or oversight of such assets.
- The historical information included herein regarding the performance by various funds and managers is historical only and is not a guarantee of future performance.
- Included in this report are various indices and market information as well as, in some cases, prior investment manager data regarding your plan (“Third Party Data”). Such information may include, but is not limited to, information that Ellwood Associates purchases from commercial sources and information that is provided to Ellwood Associates at no cost. Ellwood Associates uses and includes Third Party Data it considers reliable; however, Ellwood Associates has no duty to investigate or inquire into the accuracy or reliability of Third Party Data, and Ellwood Associates may rely fully and completely on any and all such information.
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- Hypothetical performance results have many inherent limitations. No representation is being made that any performance will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program. One of the limitations of a hypothetical performance record is that decisions relating to the selection of managers and the allocation of assets among those managers were made with the benefit of hindsight based upon the historical rates of return of the selected trading advisors. Therefore, performance records invariably show positive rates of return. Another inherent limitation of these results is that the allocation decisions reflected in the performance record were not made under actual market conditions and, therefore, cannot completely account for the impact of financial risk in actual trading.
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- Universe Note: Beginning with first quarter 2008 reporting, Ellwood Associates is using Morningstar universes.
- Manager and universe returns are shown net of investment management expenses. Index returns are shown gross of investment management expenses.
- Data Disclosure: Mutual fund holdings and performance provided by Morningstar (Copyright ©2014 Morningstar, via Morningstar Direct. All rights reserved)
- Separate Account Performance Attribution Note: Contribution to return measures the impact that each security has on the portfolio’s total return and is calculated using holdings information in FactSet. The security weights are multiplied by its total return on a daily basis and linked geometrically for any given period. Accordingly, the contribution to return shown could differ from actual returns when daily portfolio holdings are not available and/or there is a significant difference between the trade price and the closing price of any given security. Furthermore, the contribution to return does not directly take into account manager fees.
- Performance for the Ellwood direct hedge fund Platforms is illustrative prior to client investment. Illustrative performance is provided solely to demonstrate Ellwood’s investment process and performance of the underlying asset class, and does not represent client’s actual investment results. Illustrative performance is derived from applying the stated allocation during the period shown to actual historical performance data of the underlying hedge funds. Actual allocations and underlying funds selected may differ based on the circumstances of individual clients. Illustrative performance information is not meant to be a historical description of results or a prediction of future performance. Actual results may vary from the results illustrated herein and such variations may be material.
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**ELLWOOD ASSOCIATES**

Investment Consulting

Bi-State Development Agency  
Division 788 A.T.U. Master Trust Pension Plan

Fourth Quarter 2014 Performance Report

Scott R. Meggenberg  
Michael Patock, CAIA

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# Fourth Quarter 2014 Capital Markets Exhibits

# 2014: Winners and Losers (Rates of Return)

2014 Major Market Themes

1.

Large Cap U.S. Stocks Rally

2.

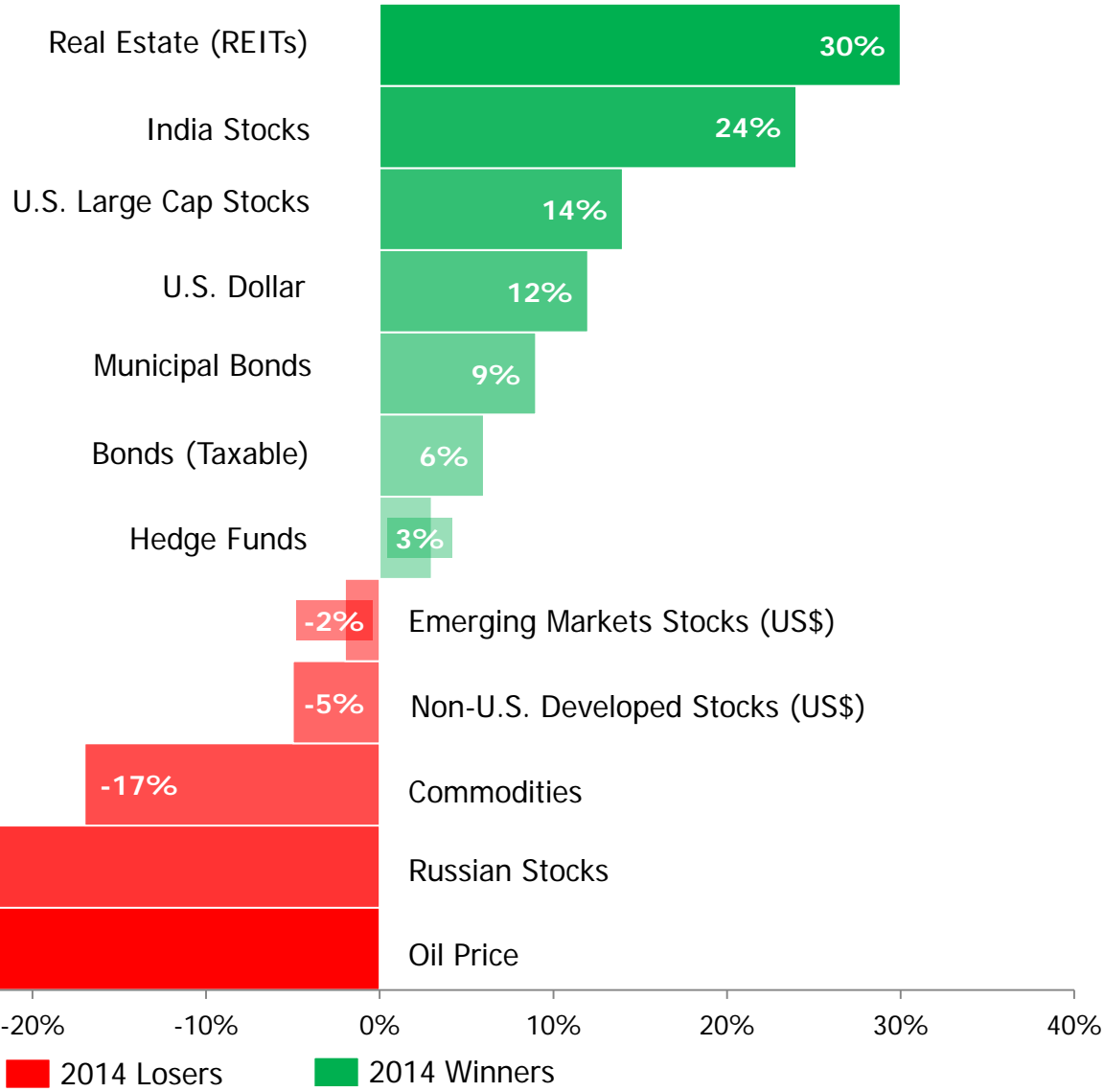
Interest Rates Decline...surprisingly!

3.

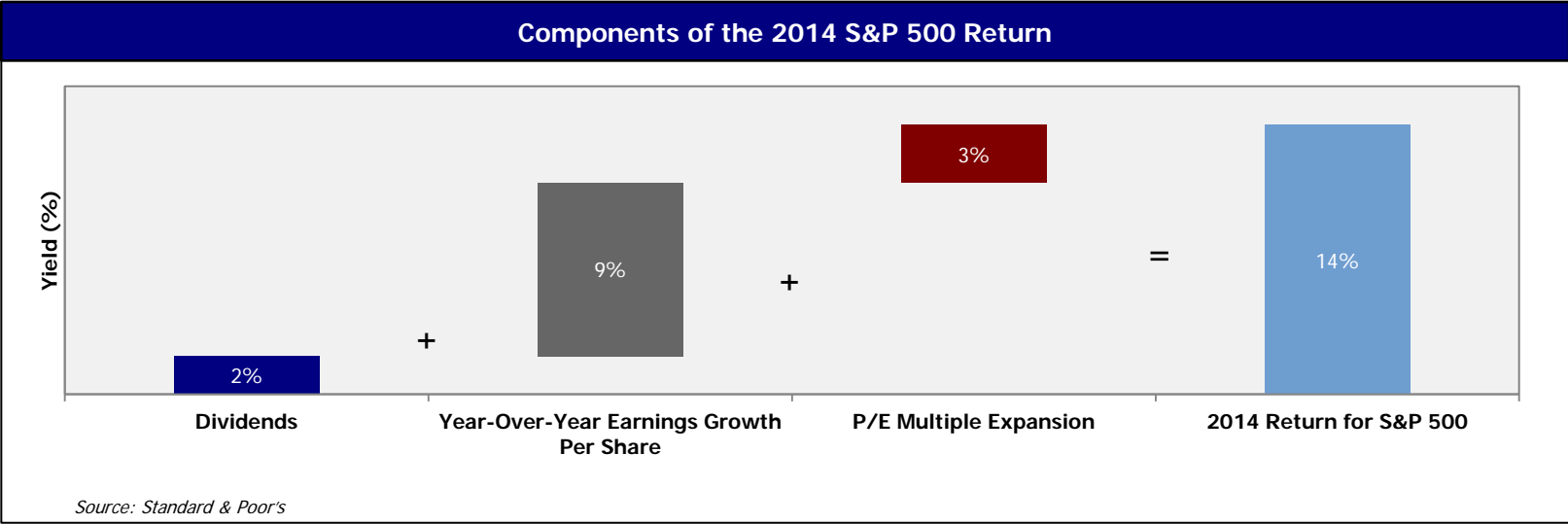
U.S. Dollar Soars

4.

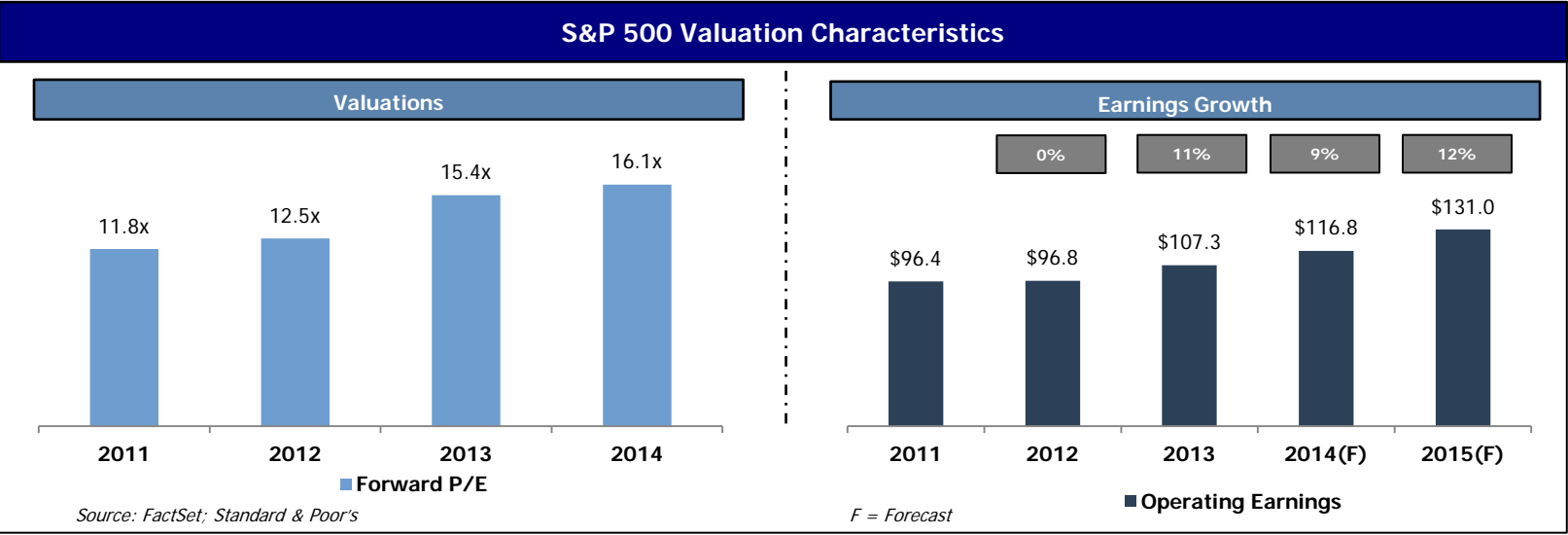
Oil Price Plummets



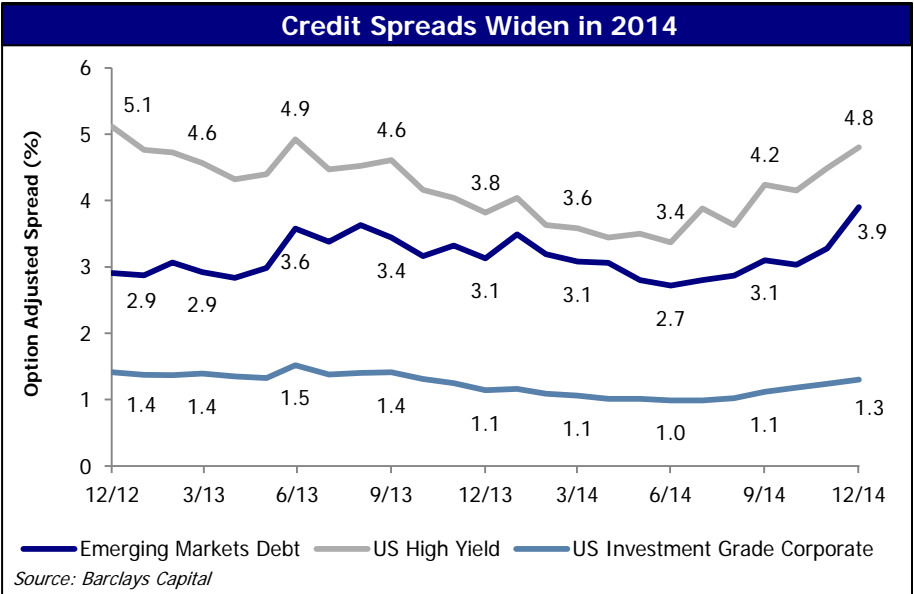
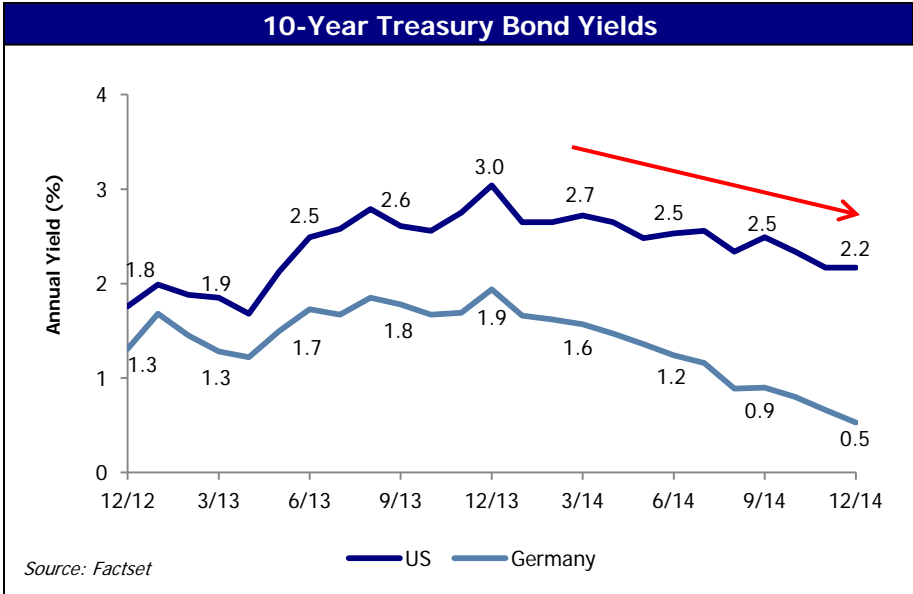
# Strong Earnings Drive Large Cap Returns



Note: Assumes dividends reinvested in S&P 500 Index on ex-dividend dates. Dividends, earnings growth and changes in P/E multiples combine to drive the return of the stock market.



# Biggest Surprise in 2014: Interest Rates Decline Globally



## Observations

- q A flight to quality and continued high demand for US Treasuries pushed rates lower even as the Fed buyback program concluded.
- q Yields on lower quality sovereign bonds (U.K., Italy, Spain) fell below those of US Treasuries.
- q Credit spreads began to widen in the fourth quarter from a historically tight range mid-year.
- q Inflation remains low allowing central banks flexibility to stimulate economic growth.
- q Federal Open Market Committee forecasts\* for the Fed Funds Rate, by end of year:

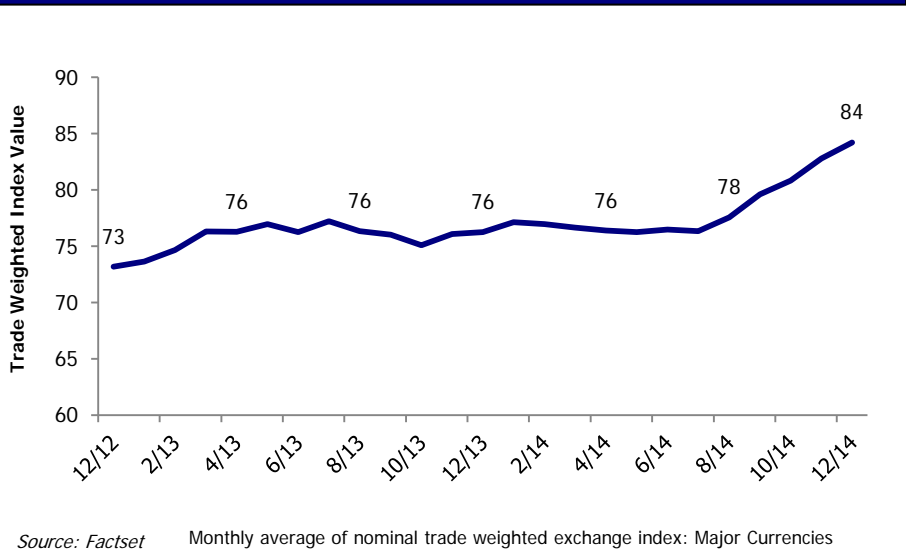
2014	2015	2016	2017	Long Run
0.13%	1.13%	2.50%	3.63%	3.75%

\* Forecasts of 17 FOMC participants, midpoints of central tendency.

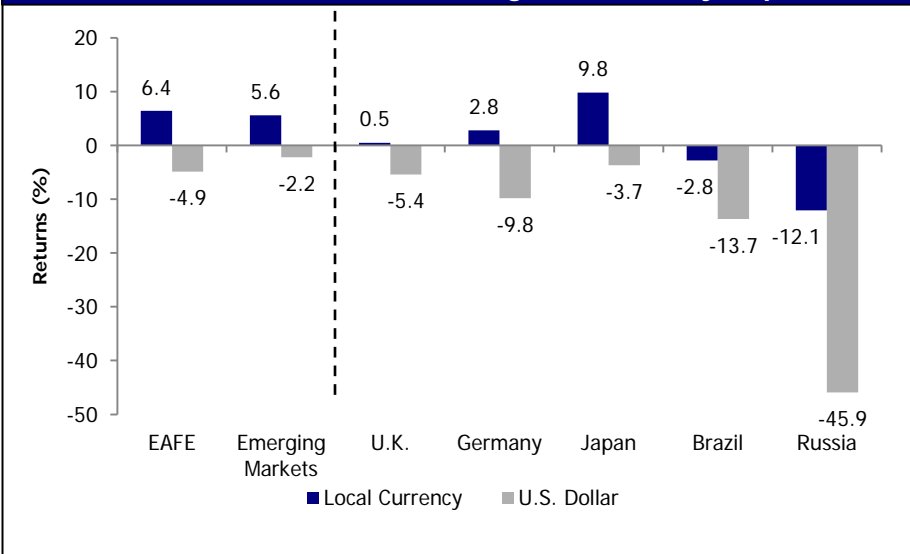


# U.S. Dollar Appreciates

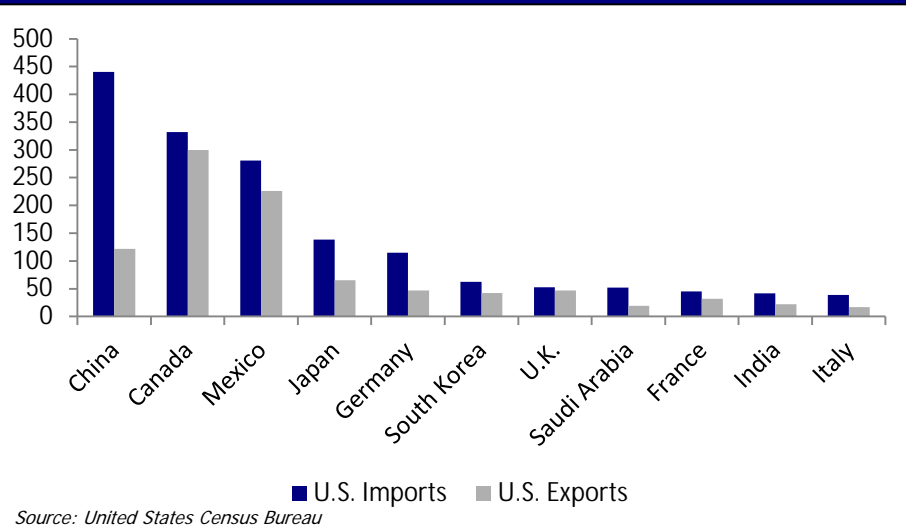
U.S. Dollar Index



2014 Stock Market Returns: Negative Currency Impact



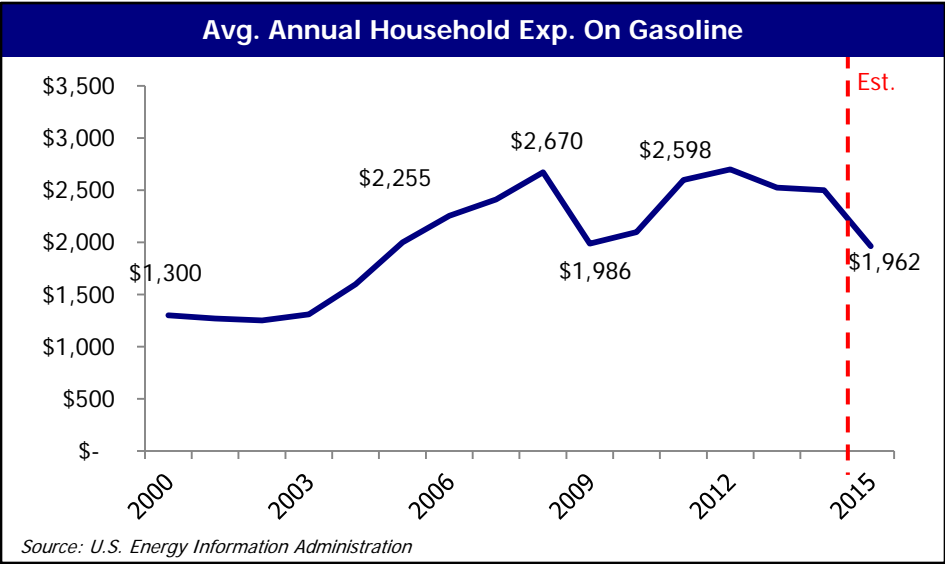
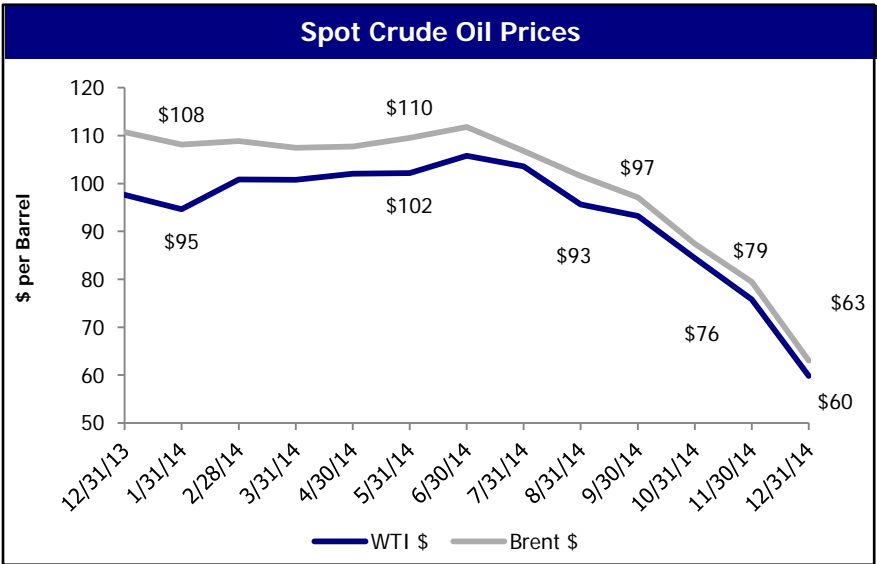
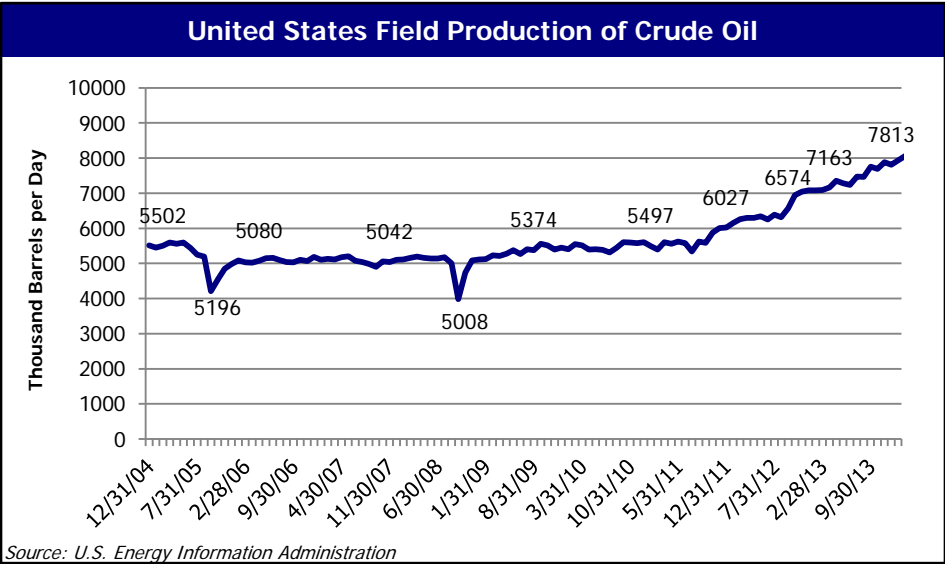
U.S. Imports and Exports: 2013 (\$ in Billions)



Observations

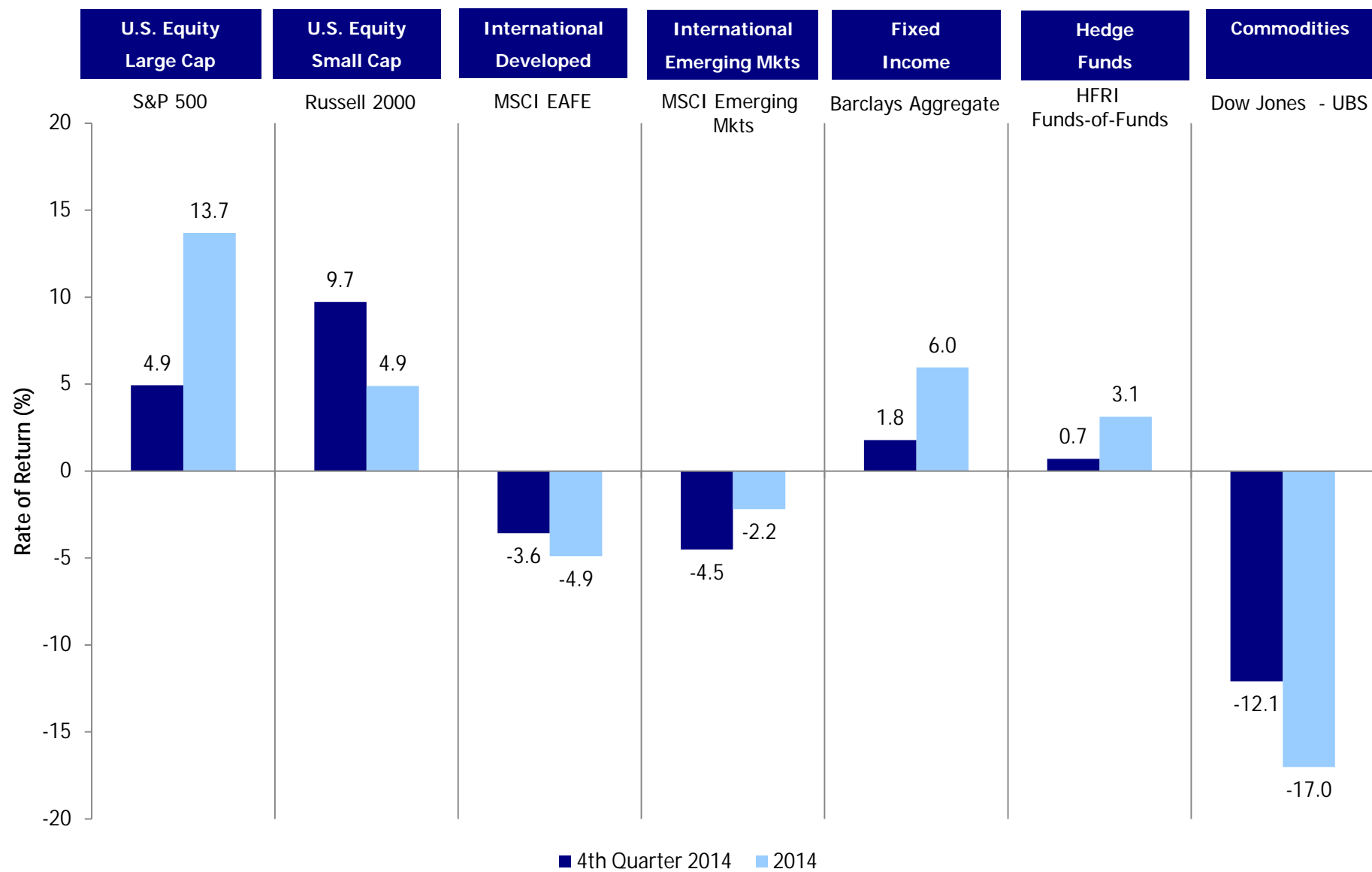
- q Strong economic growth and the prospect of rising interest rates in the U.S. pushed the U.S. dollar higher creating wide dispersion in many markets between local currency and U.S. dollar returns.
- q The stronger dollar combined with a more financially stable U.S. consumer is expected to have a positive impact on those markets from which the U.S. imports goods and services.
- q In local currency terms, non-U.S. equity market performance was only slightly below long-term averages. However, for U.S. dollar based investors, these returns were negative.

# Oil Prices Plummet in 2014

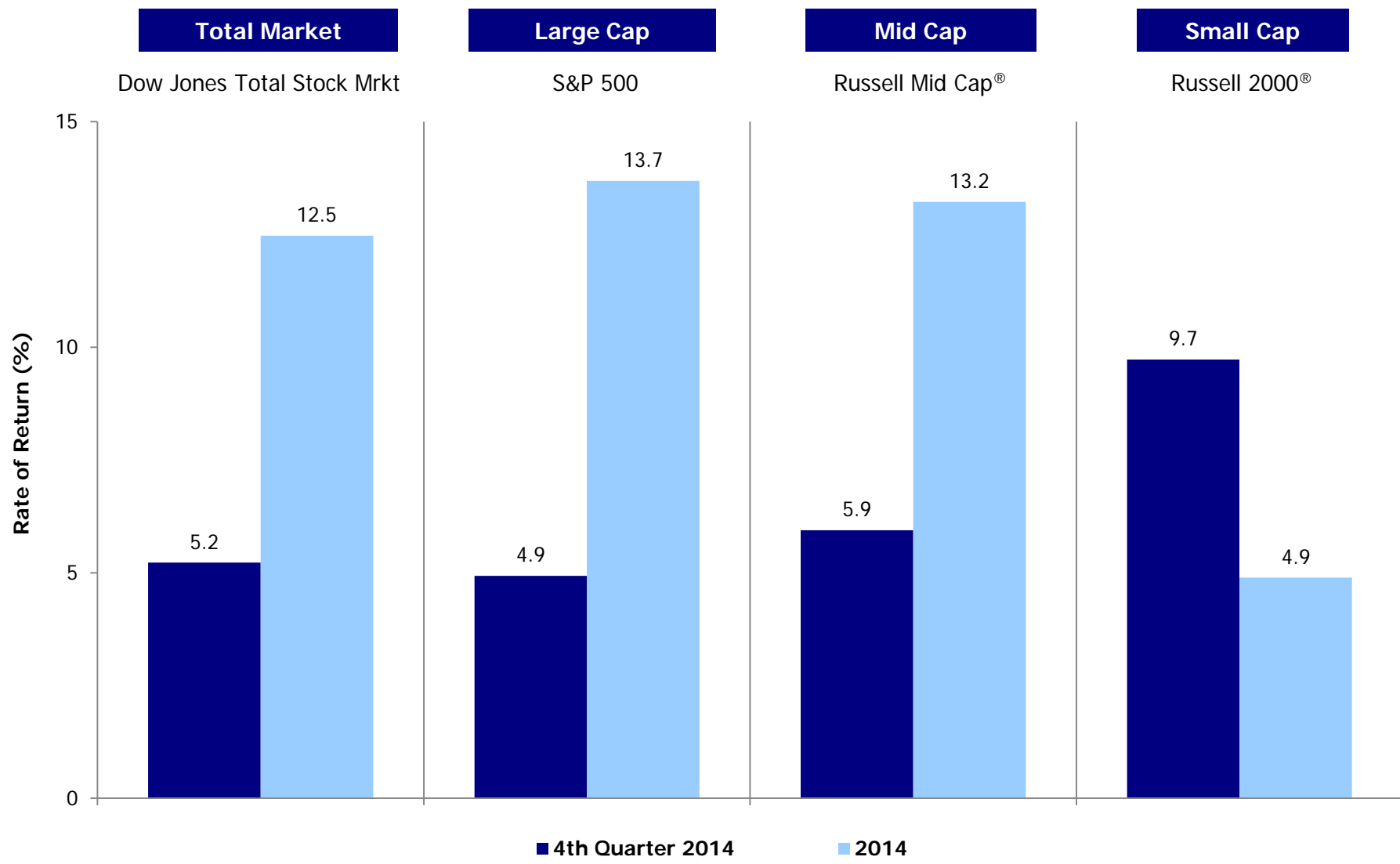


Are Oil Price Declines a Positive or Negative?	
Pros	Cons
Estimated \$600 annual savings per household on gas should provide significant boost to GDP	Slows investment in U.S. energy infrastructure which has been additive to U.S. economy
Tempers inflationary forces of improving labor market	Potential to dislocate credit markets (Energy represents approximately 15% of high yield indices)
	Acts as deflationary force in markets struggling with deflation (Continental Europe, Japan)

# Asset Class Returns

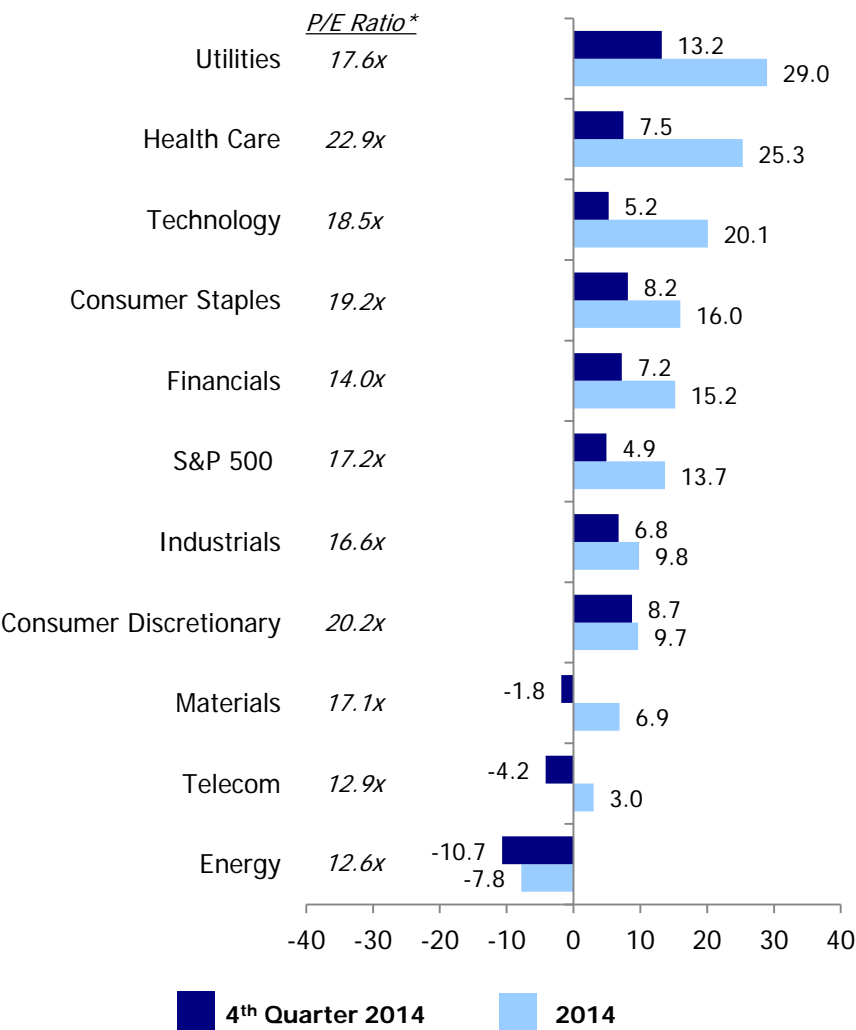


# U.S. Equity Market Performance



# S&P 500 Scorecard

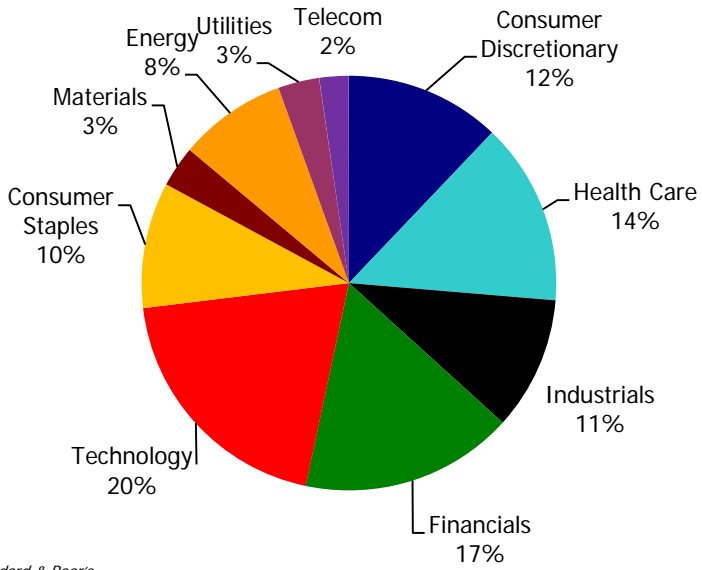
## S&P Sector Returns



Source: FactSet

\* Trailing 12 month P/E as of 12/31/2014.

## Sector Weights



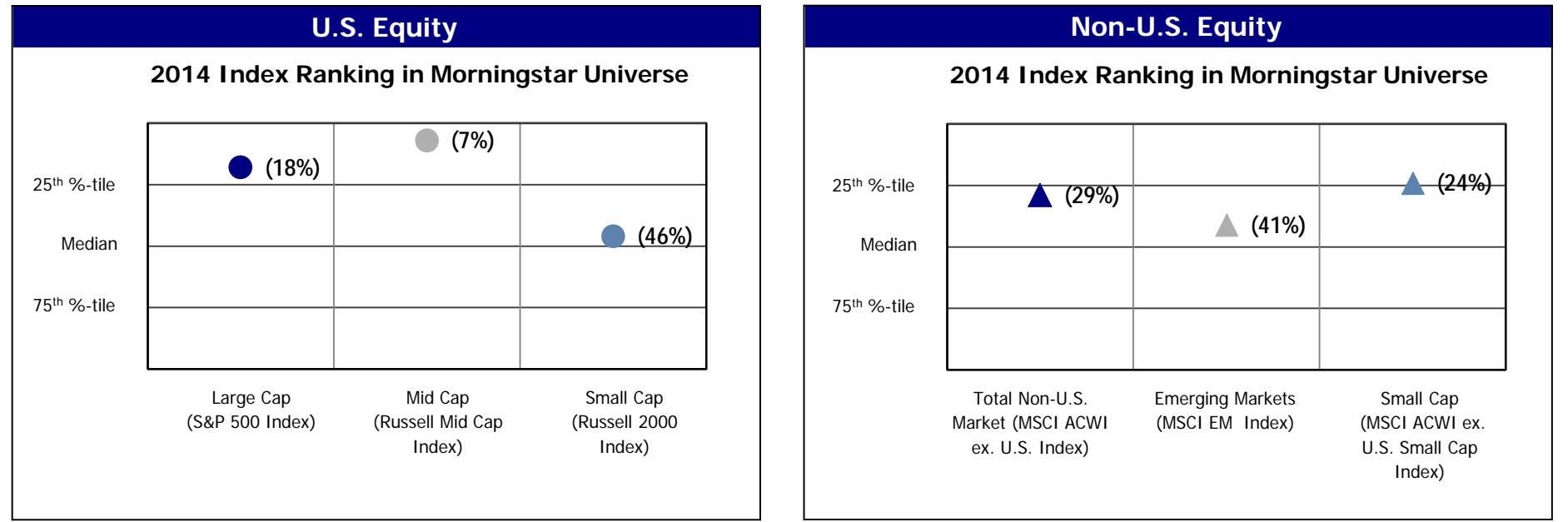
Source: Standard & Poor's

## Top Five S&P 500 Index Holdings

Name	Sector	% of S&P	2014 Return	2014 Contribution to Return	2013 Return	2013 Contribution to Return
1. Apple, Inc.	Technology	3.3%	+40.6%	+1.21%	+8.1%	0.00%
2. Exxon Mobil	Energy	2.5%	-6.1%	-0.16%	+20.1%	+0.56%
3. Microsoft Corp.	Technology	1.9%	+27.5%	+0.47%	+44.3%	+0.71%
4. Johnson & Johnson	Health Care	1.7%	+17.3%	+0.27%	+34.6%	+0.58%
5. General Electric Co.	Industrials	1.5%	-6.7%	-0.12%	+37.9%	+0.61%

Source: Morningstar Direct

# Difficult Year for Active Management



Note: Each figure shown above represents the index ranking within its respective asset class universe.

- Reasons Cited for Poor Active Management Results
- q

A fairly narrow market existed as only 30% of the stocks in the S&P 1500 Index posted gains exceeding the Index itself. (Source: Fortune.com)

q

Five mega cap stocks (Apple, Berkshire Hathaway, Johnson & Johnson, Microsoft, and Intel) accounted for 20% of the gains in the S&P 500 Index making it difficult for large cap managers to keep pace if they were not at least equally weighted in those names. (Sources: Financial Times, Leuthold Group)

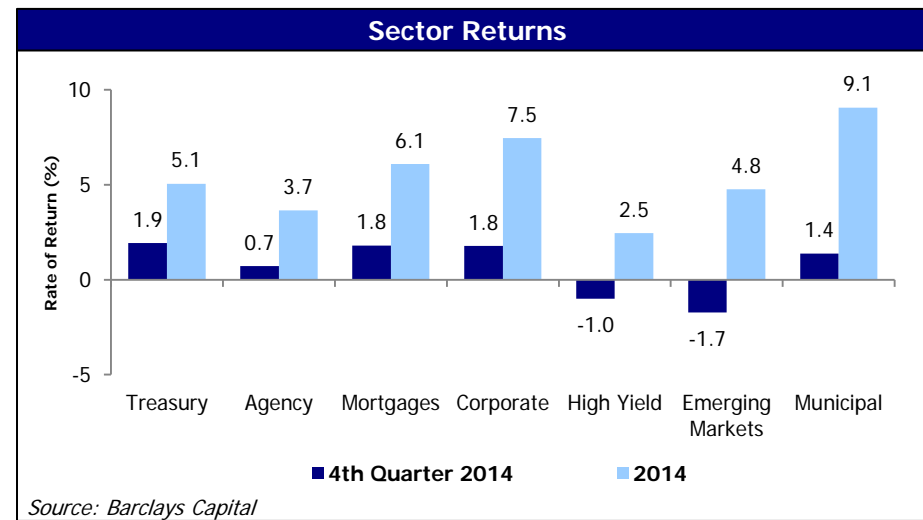
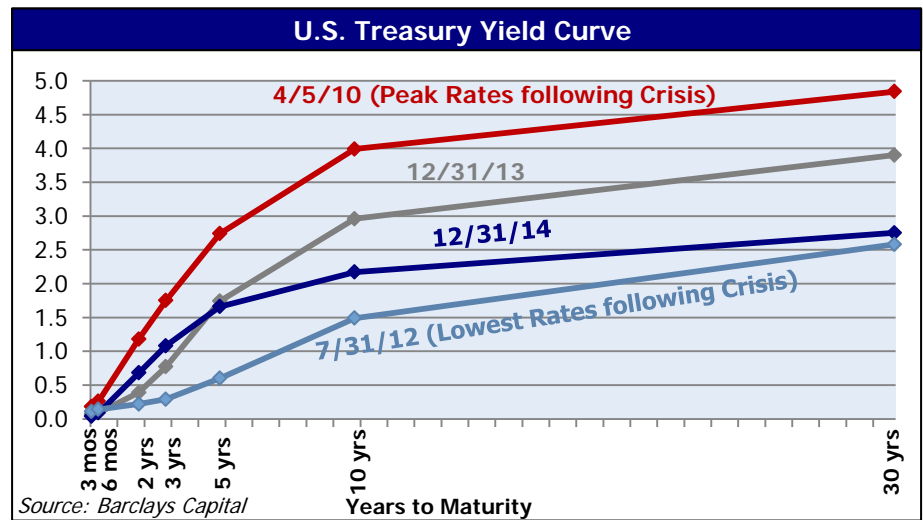
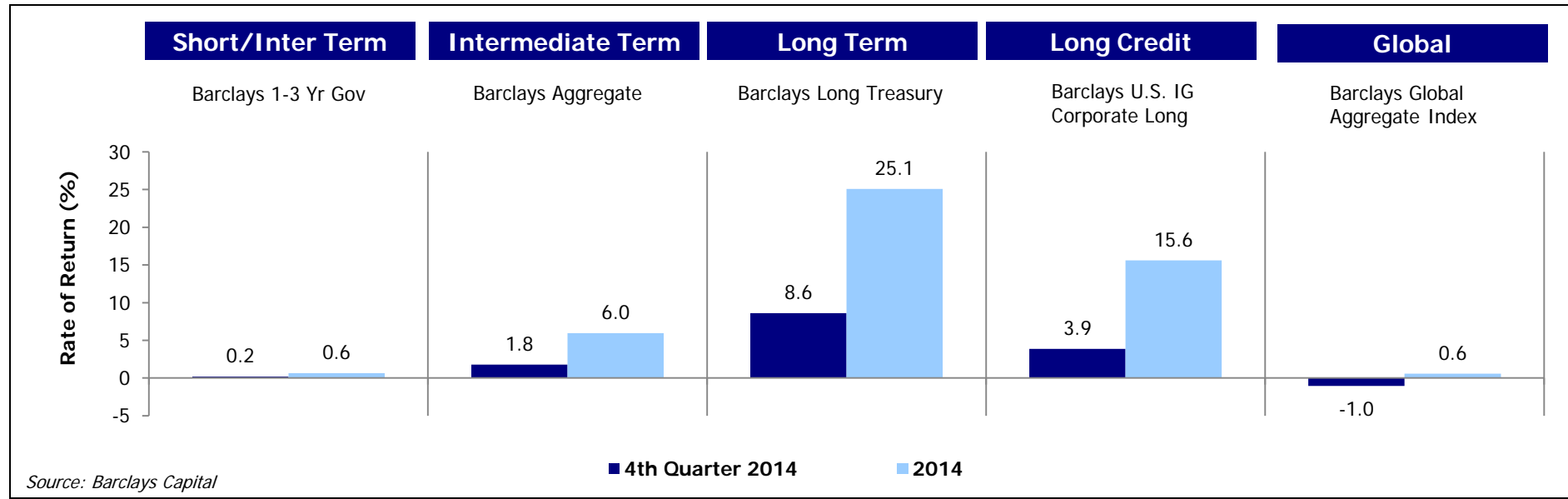
q

Rapid shifts occurred in market and sector direction, which tended to favor short-term traders. (Source: Fiscal Times)

q

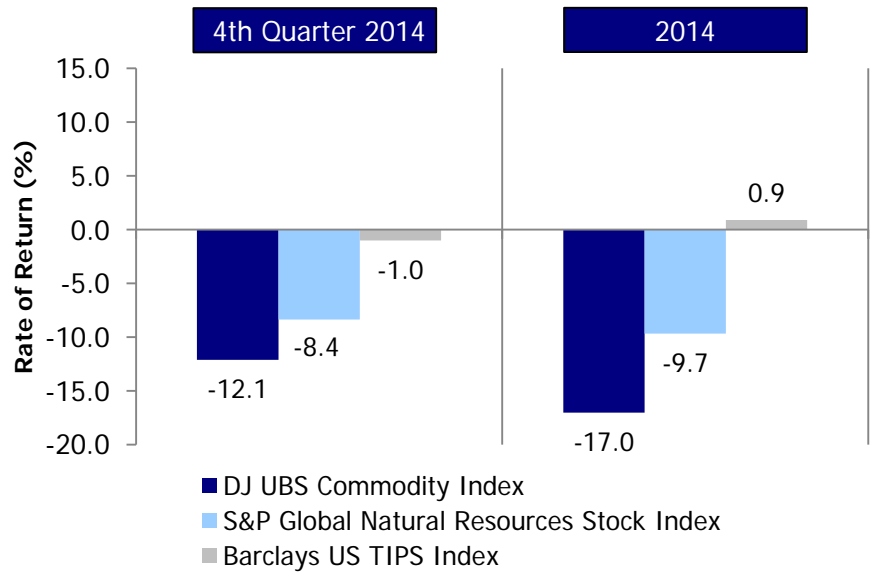
A disconnect existed between the U.S. economy and stock market confounding many active managers as the least cyclical sectors (healthcare and utilities) performed the best despite declining unemployment and solid GDP growth. (Source: Fortune.com)

# Fixed Income Markets

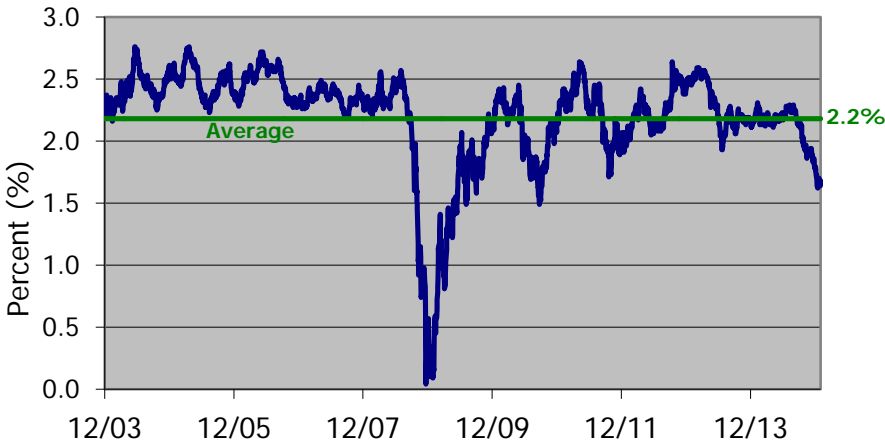


# Inflation Hedging Performance

## Asset Class Performance



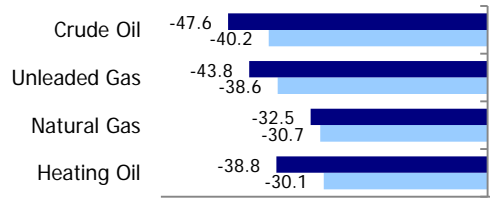
## Historical Inflation Expectations



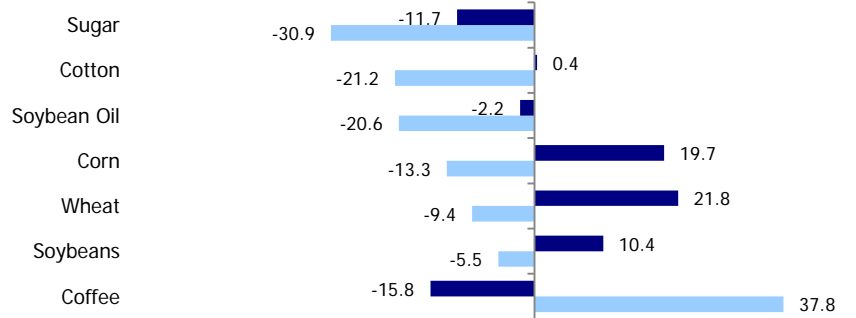
Source: Barclays Capital

## Commodity Sector Performance

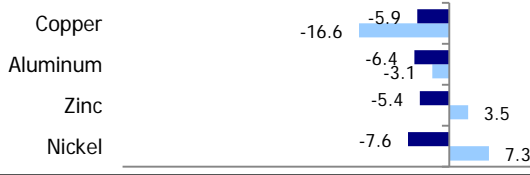
### 31% Energy (-39.3%)



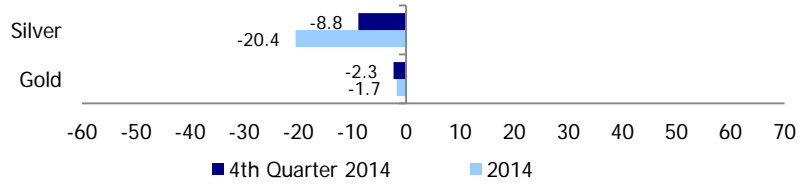
### 29% Agriculture (-9.2%)



### 18% Industrial Metals (-6.9%)



### 16% Precious Metals (-6.7%)



Source: Morningstar Direct



## Division 788 A.T.U. Master Trust Pension Plan

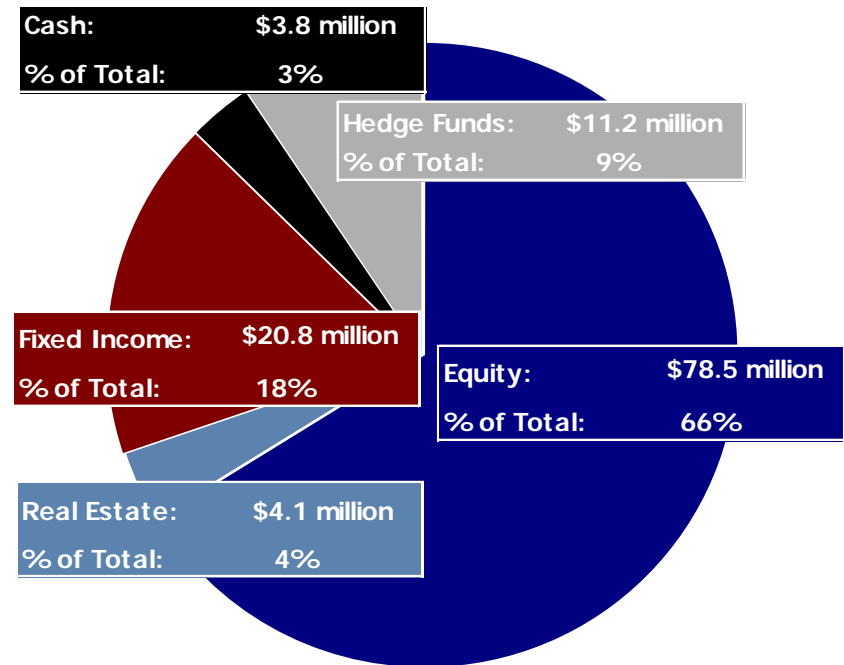
# Total Portfolio Overview

## As of December 31, 2014

### Total Fund Activity (\$, millions)

<b>Assets as of 1/1/2014</b>	<b>\$115.4</b>
Contributions	\$12.9
Withdrawals	(\$15.5)
Investment Earnings	\$5.7
<b>Assets as of 12/31/2014</b>	<b>\$118.4</b>

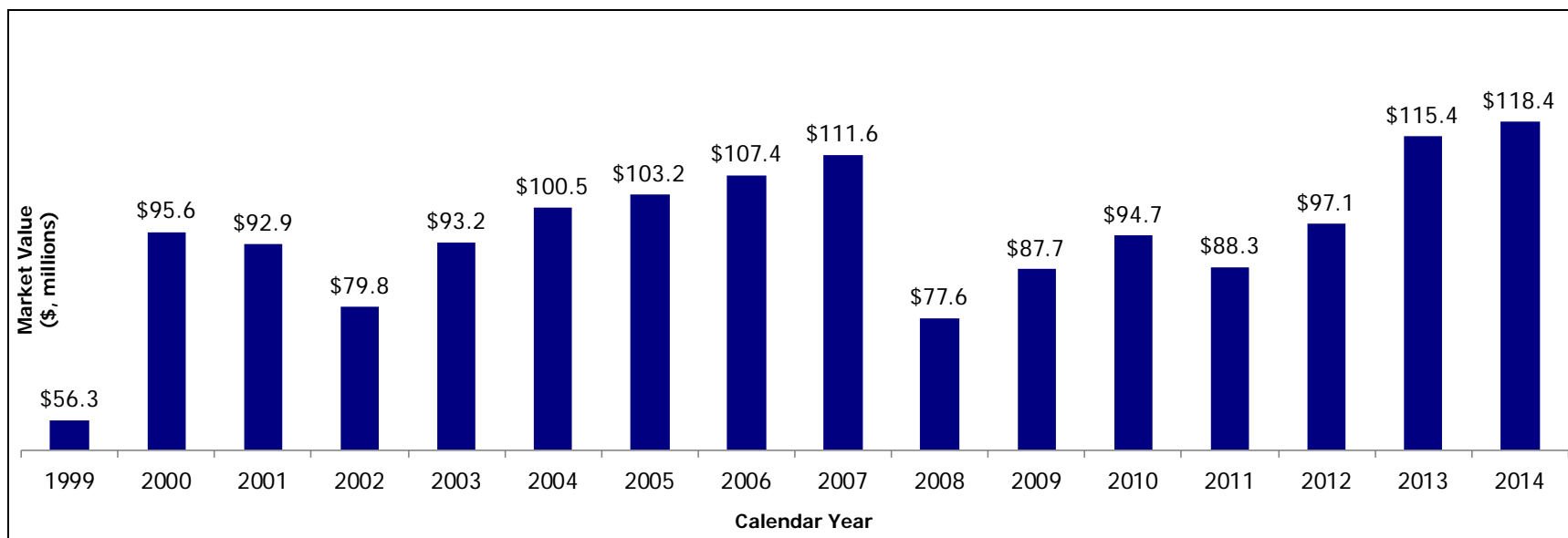
### Portfolio Overview



Note: Totals may not add up to 100% due to rounding.

# Historical Asset Growth

As of December 31, 2014



Portfolio Cash Flows (\$, millions)					
	Quarter I	Quarter II	Quarter III	Quarter IV	2014
Beginning Assets	\$115.4	\$117.1	\$120.3	\$117.8	\$115.4
Contributions	\$3.3	\$3.3	\$3.2	\$3.1	\$12.9
Withdrawals	(\$3.8)	(\$3.8)	(\$4.1)	(\$3.9)	(\$15.5)
Investment Earnings	\$2.2	\$3.7	(\$1.6)	\$1.4	\$5.7
Ending Assets	\$117.1	\$120.3	\$117.8	\$118.4	\$118.4

Notes: All performance data shown net of investment fees. Historical data prior to 2013 has been provided by the previous consultant.

Totals may not add up to 100% due to rounding.

# Asset Allocation Overview – Master Trust Pension Plan

## As of December 31, 2014

	Current Allocation	Target Allocation	+/- Target
<b><u>Domestic Equity</u></b>			
Dodge & Cox	12.9%	12.0%	0.9%
Piedmont Strategic Core	6.9%	6.0%	0.9%
Argent Large Cap Growth	12.6%	12.0%	0.6%
Artisan Mid Cap	5.5%	5.0%	0.5%
Vaughan Nelson Value Opportunity	5.3%	5.0%	0.3%
<b>Total Domestic Equity</b>	<b>43.2%</b>	<b>40.0%</b>	<b>3.2%</b>
<b><u>International Equity</u></b>			
EuroPacific Growth Fund	9.4%	10.0%	-0.6%
Harbor International	8.9%	10.0%	-1.1%
DFA Emerging Markets Value	4.8%	5.0%	-0.2%
<b>Total International Equity</b>	<b>23.1%</b>	<b>25.0%</b>	<b>-1.9%</b>
<b><u>Hedge Funds</u></b>			
BlueCrest AllBlue Fund	3.2%	3.3%	-0.2%
HBK Master Fund II	3.1%	3.3%	-0.3%
Och-Ziff OZ Overseas Fund II	3.2%	3.3%	-0.1%
<b>Total Hedge Funds</b>	<b>9.4%</b>	<b>10.0%</b>	<b>-0.6%</b>
<b><u>Real Estate</u></b>			
Principal US Real Estate	3.4%	5.0%	-1.6%
<b>Total Real Estate</b>	<b>3.4%</b>	<b>5.0%</b>	<b>-1.6%</b>
<b><u>Fixed Income</u></b>			
MetWest Total Return	9.4%	10.0%	-0.6%
Dodge & Cox Income	8.1%	8.0%	0.1%
Cash	3.2%	2.0%	1.2%
<b>Total Fixed Income</b>	<b>20.8%</b>	<b>20.0%</b>	<b>0.8%</b>
<b>Total Portfolio</b>	<b>100%</b>	<b>100%</b>	<b>--</b>

Note: Totals may not add up to 100% due to rounding.

# Asset Allocation Overview – Operating Trust

## As of December 31, 2014

	Current Allocation	Target Allocation	+/- Target
<b><u>Domestic Equity</u></b>			
Dodge & Cox	12.9%	12.0%	0.9%
Piedmont Strategic Core	6.7%	6.0%	0.7%
Argent Large Cap Growth	12.4%	12.0%	0.4%
Artisan Mid Cap	5.4%	5.0%	0.4%
Vaughan Nelson Value Opportunity	5.2%	5.0%	0.2%
<b>Total Domestic Equity</b>	<b>42.6%</b>	<b>40.0%</b>	<b>2.6%</b>
<b><u>International Equity</u></b>			
EuroPacific Growth Fund	9.4%	10.0%	-0.6%
Harbor International	8.7%	10.0%	-1.3%
DFA Emerging Markets Value	4.7%	5.0%	-0.3%
<b>Total International Equity</b>	<b>22.8%</b>	<b>25.0%</b>	<b>-2.2%</b>
<b><u>Hedge Funds</u></b>			
BlueCrest AllBlue Fund	3.1%	3.3%	-0.3%
HBK Master Fund II	3.0%	3.3%	-0.4%
Och-Ziff OZ Overseas Fund II	3.1%	3.3%	-0.2%
<b>Total Hedge Funds</b>	<b>9.2%</b>	<b>10.0%</b>	<b>-0.8%</b>
<b><u>Real Estate</u></b>			
Principal US Real Estate	3.3%	5.0%	-1.7%
<b>Total Real Estate</b>	<b>3.3%</b>	<b>5.0%</b>	<b>-1.7%</b>
<b><u>Fixed Income</u></b>			
MetWest Total Return	9.2%	10.0%	-0.8%
Dodge & Cox Income	7.9%	8.0%	-0.1%
Cash	4.9%	2.0%	2.9%
<b>Total Fixed Income</b>	<b>22.1%</b>	<b>20.0%</b>	<b>2.1%</b>
<b>Total Portfolio</b>	<b>100%</b>	<b>100%</b>	<b>--</b>

Note: Totals may not add up to 100% due to rounding.

# Asset Allocation Overview – Clerical Trust

As of December 31, 2014

	Current Allocation	Target Allocation	+/- Target
<b><u>Domestic Equity</u></b>			
Dodge & Cox	9.5%	12.0%	-2.5%
Piedmont Strategic Core	6.9%	6.0%	0.9%
Argent Large Cap Growth	12.8%	12.0%	0.8%
Artisan Mid Cap	6.0%	5.0%	1.0%
Vaughan Nelson Value Opportunity	5.8%	5.0%	0.8%
<b>Total Domestic Equity</b>	<b>40.9%</b>	<b>40.0%</b>	<b>0.9%</b>
<b><u>International Equity</u></b>			
EuroPacific Growth Fund	6.1%	10.0%	-3.9%
Harbor International	9.7%	10.0%	-0.3%
DFA Emerging Markets Value	5.2%	5.0%	0.2%
<b>Total International Equity</b>	<b>20.9%</b>	<b>25.0%</b>	<b>-4.1%</b>
<b><u>Hedge Funds</u></b>			
BlueCrest AllBlue Fund	4.0%	3.3%	0.7%
HBK Master Fund II	3.9%	3.3%	0.6%
Och-Ziff OZ Overseas Fund II	4.1%	3.3%	0.7%
<b>Total Hedge Funds</b>	<b>12.0%</b>	<b>10.0%</b>	<b>2.0%</b>
<b><u>Real Estate</u></b>			
Principal US Real Estate	5.0%	5.0%	0.0%
<b>Total Real Estate</b>	<b>5.0%</b>	<b>5.0%</b>	<b>0.0%</b>
<b><u>Fixed Income</u></b>			
MetWest Total Return	10.5%	10.0%	0.5%
Dodge & Cox Income	8.8%	8.0%	0.8%
Cash	1.9%	2.0%	-0.1%
<b>Total Fixed Income</b>	<b>21.1%</b>	<b>20.0%</b>	<b>1.1%</b>
<b>Total Portfolio</b>	<b>100%</b>	<b>100%</b>	<b>--</b>

Note: Totals may not add up to 100% due to rounding.

# Total Portfolio Manager Allocation

## As of December 31, 2014

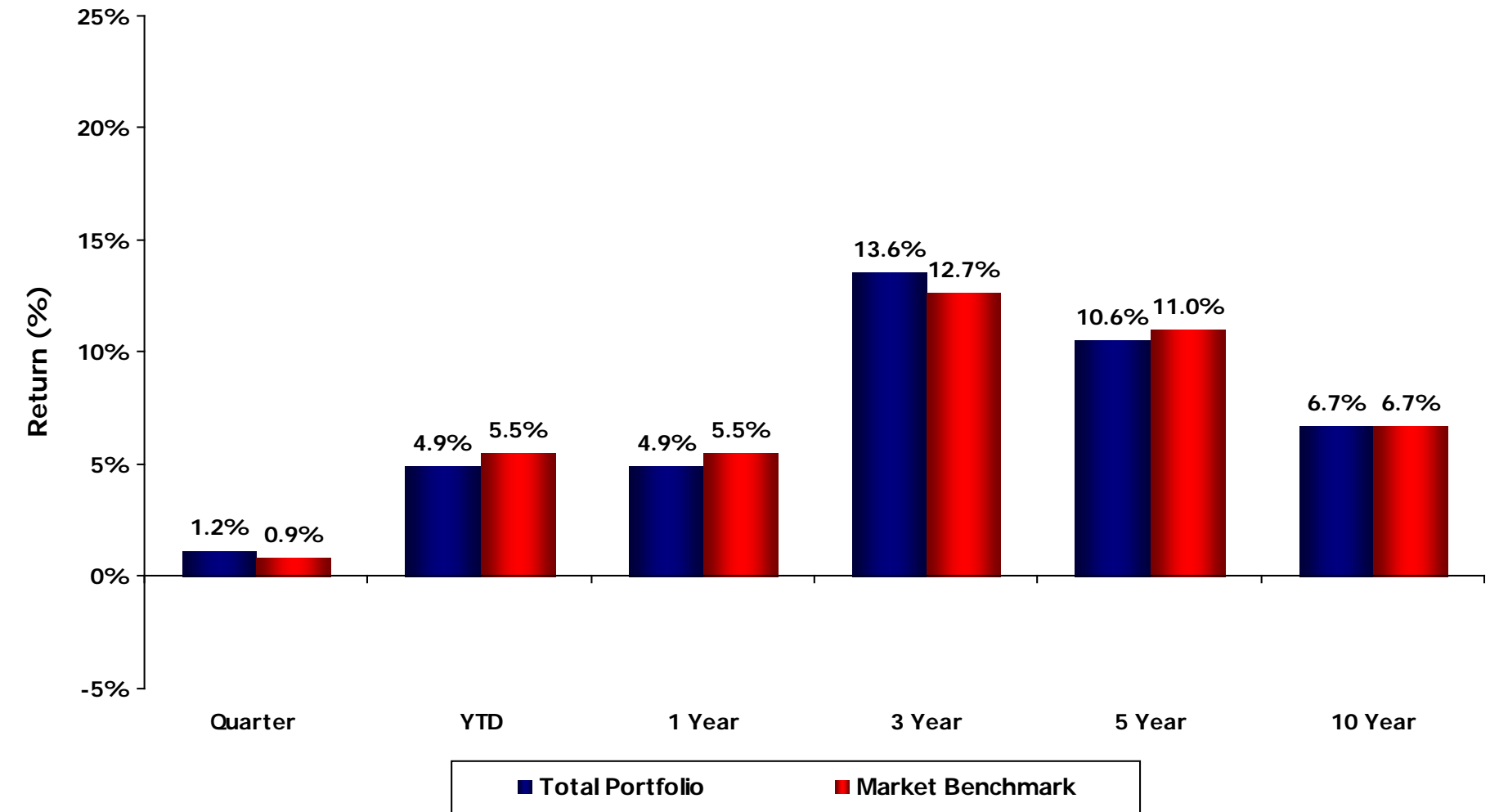
	<b>Value</b>	<b>Core</b>	<b>Growth</b>	
U.S. Large Cap	Dodge & Cox: \$15.3 million % of Equity: 19%	Piedmont \$8.1 million % of Equity: 10%	Argent: \$14.9 million % of Equity: 19%	= \$38.3 million % of Equity: 49%
U.S. Mid/ Small Cap	Vaughan Nelson \$6.3 million % of Equity: 8%		Artisan \$6.5 million % of Equity: 8%	= \$12.8 million % of Equity: 16%
Non-U.S. Developed	Harbor: \$10.5 million % of Equity: 13%		American Funds: \$11.2 million % of Equity: 14%	= \$21.7 million % of Equity: 28%
Emerging Markets	DFA \$5.6 million % of Equity: 7%			= \$5.6 million % of Equity: 7%
				= \$78.5 million 100% of Equity
Hedge Funds	BlueCrest: \$3.8 million % of Hedge Funds: 34%	HBK: \$3.6 million % of Hedge Funds: 33%	Och-Ziff: \$3.8 million % of Hedge Funds: 34%	= \$11.2 million 100% of Hedge Funds
Real Estate	Principal: \$4.1 million % of Real Assets: 100%			= \$4.1 million 100% of Real Estate
	<b>Intermediate</b>	<b>Cash Equivalents</b>		
Fixed Income	MetWest: \$11.2 million % of Fixed Income: 45%	Dodge & Cox \$9.6 million % of Fixed Income: 39%	Cash: \$3.8 million % of Fixed Income: 16%	= \$24.6 million 100% of Fixed Income
				= \$118.4 million 100% of Total Portfolio

Notes: Totals may not add up to 100% due to rounding.

During the second quarter, Bi-State 788 executed a full redemption of the AFL-CIO Real Estate Trust. Proceeds will be re-deployed to Principal.

# Total Portfolio Performance Overview

## As of December 31, 2014



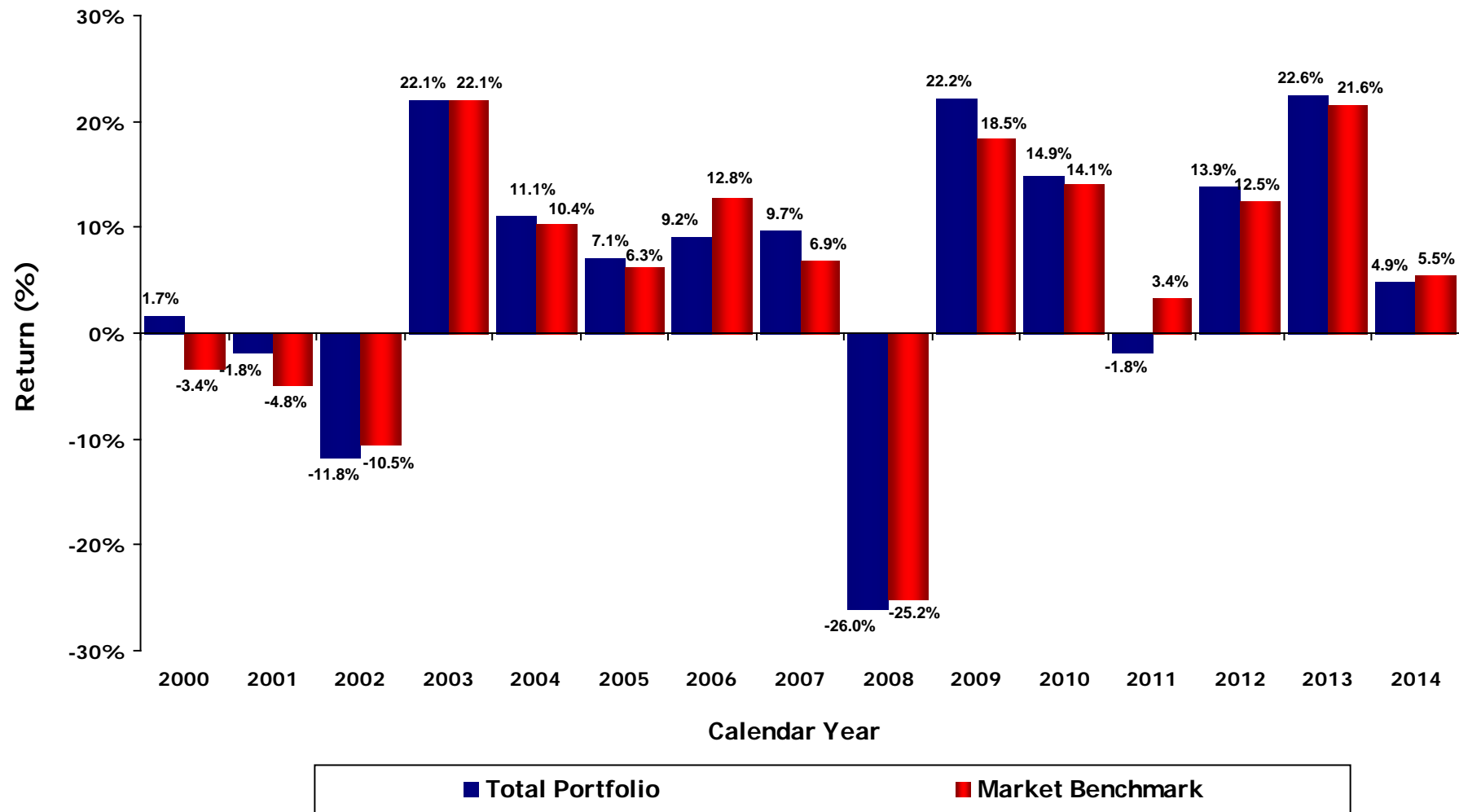
Notes: Market Benchmark made up of 65% MSCI ACWI Index, 10% HFRI FOF Conservative Index, 5% NCREIF Open-End Diversified Core Index, and 20% Barclays Aggregate Index. Prior to June 2014, the Market Benchmark was made up of 60% Dow Jones U.S. Total Stock Market Index, 5% MSCI EAFE Index, 5% NFI Index, and 30% Barclays Aggregate Index.

All performance data shown net of investment fees. Historical data prior to 2013 has been provided by the previous consultant.



# Total Portfolio Annual Return Comparison

## As of December 31, 2014



Notes: Market Benchmark made up of 65% MSCI ACWI Index, 10% HFRI FOF Conservative Index, 5% NCREIF Open-End Diversified Core Index, and 20% Barclays Aggregate Index. Prior to June 2014, the Market Benchmark was made up of 60% Dow Jones U.S. Total Stock Market Index, 5% MSCI EAFE Index, 5% NFI Index, and 30% Barclays Aggregate Index.

All performance data shown net of investment fees. Historical data prior to 2013 has been provided by the previous consultant.

# Manager Performance Summary

As of December 31, 2014

	Quarter	1 Year	3 Year	5 Year	10 Year
<b><u>U.S. Equity</u></b>					
Dodge & Cox Stock	2.2%	10.4%	23.7%	15.6%	7.1%
<i>Russell 1000 Value Index</i>	<i>5.0%</i>	<i>13.5%</i>	<i>20.9%</i>	<i>15.4%</i>	<i>7.3%</i>
Piedmont Strategic Core	3.1%	10.8%	18.3%	12.7%	7.0%
<i>S&amp;P 500 Index</i>	<i>4.9%</i>	<i>13.7%</i>	<i>20.4%</i>	<i>15.5%</i>	<i>7.7%</i>
Argent Large Cap Growth	4.1%	12.0%	21.2%	15.1%	8.1%
<i>Russell 1000 Growth Index</i>	<i>4.8%</i>	<i>13.1%</i>	<i>20.3%</i>	<i>15.8%</i>	<i>8.5%</i>
Vaughan Nelson Value Opportunity	5.9%	11.2%	22.3%	16.4%	--
<i>Russell Midcap Value Index</i>	<i>6.1%</i>	<i>14.7%</i>	<i>22.0%</i>	<i>17.4%</i>	<i>9.4%</i>
Artisan Mid Cap	5.6%	6.0%	20.5%	17.8%	10.8%
<i>Russell Midcap Growth Index</i>	<i>5.8%</i>	<i>11.9%</i>	<i>20.7%</i>	<i>16.9%</i>	<i>9.4%</i>
<b><u>Non - U.S. Equity</u></b>					
EuroPacific Growth Fund	-1.6%	-2.3%	12.0%	5.8%	6.8%
<i>MSCI EAFE Index</i>	<i>-3.6%</i>	<i>-4.9%</i>	<i>11.1%</i>	<i>5.3%</i>	<i>4.4%</i>
Harbor International	-4.1%	-6.8%	9.6%	5.5%	7.4%
<i>MSCI EAFE Index</i>	<i>-3.6%</i>	<i>-4.9%</i>	<i>11.1%</i>	<i>5.3%</i>	<i>4.4%</i>
DFA Emerging Markets Value	-6.3%	-4.4%	3.1%	-0.1%	8.8%
<i>MSCI Emerging Markets Index</i>	<i>-4.5%</i>	<i>-2.2%</i>	<i>4.0%</i>	<i>1.8%</i>	<i>8.4%</i>
<b><u>Hedge Funds</u></b>					
BlueCrest	0.8%	6.2%	4.5%	4.7%	--
<i>HFRI Macro Index</i>	<i>2.9%</i>	<i>6.2%</i>	<i>1.8%</i>	<i>1.8%</i>	<i>4.4%</i>
HBK	-1.0%	3.1%	6.0%	7.4%	5.6%
<i>HFRI Fund Weighted Composite Index</i>	<i>0.5%</i>	<i>3.3%</i>	<i>6.2%</i>	<i>4.6%</i>	<i>5.1%</i>
Och-Ziff	2.7%	5.3%	10.4%	8.0%	8.1%
<i>HFRI Fund Weighted Composite Index</i>	<i>0.5%</i>	<i>3.3%</i>	<i>6.2%</i>	<i>4.6%</i>	<i>5.1%</i>
<b><u>Real Estate</u></b>					
Principal US Real Estate	4.2%	12.6%	12.5%	13.8%	5.8%
<i>NCREIF Open-End Diversified Core Index</i>	<i>4.2%</i>	<i>13.5%</i>	<i>12.8%</i>	<i>14.1%</i>	<i>7.2%</i>
<b><u>Fixed Income</u></b>					
MetWest Total Return	1.6%	6.0%	5.9%	7.0%	6.7%
<i>Barclays Aggregate Bond Index</i>	<i>1.8%</i>	<i>6.0%</i>	<i>2.7%</i>	<i>4.4%</i>	<i>4.7%</i>
Dodge & Cox Income	0.9%	5.5%	4.6%	5.2%	5.3%
<i>Barclays Aggregate Bond Index</i>	<i>1.8%</i>	<i>6.0%</i>	<i>2.7%</i>	<i>4.4%</i>	<i>4.7%</i>

Notes: Performance prior to inception is shown for illustrative purposes.

All performance data shown net of investment fees. Historical data prior to 2013 has been provided by the previous consultant.

NCREIF Open-End Diversified Core Index is estimated for the current quarter as the information is not yet available.

# Manager Performance Review

# Dodge & Cox Stock

As of 12/31/2014

## Portfolio Statistics

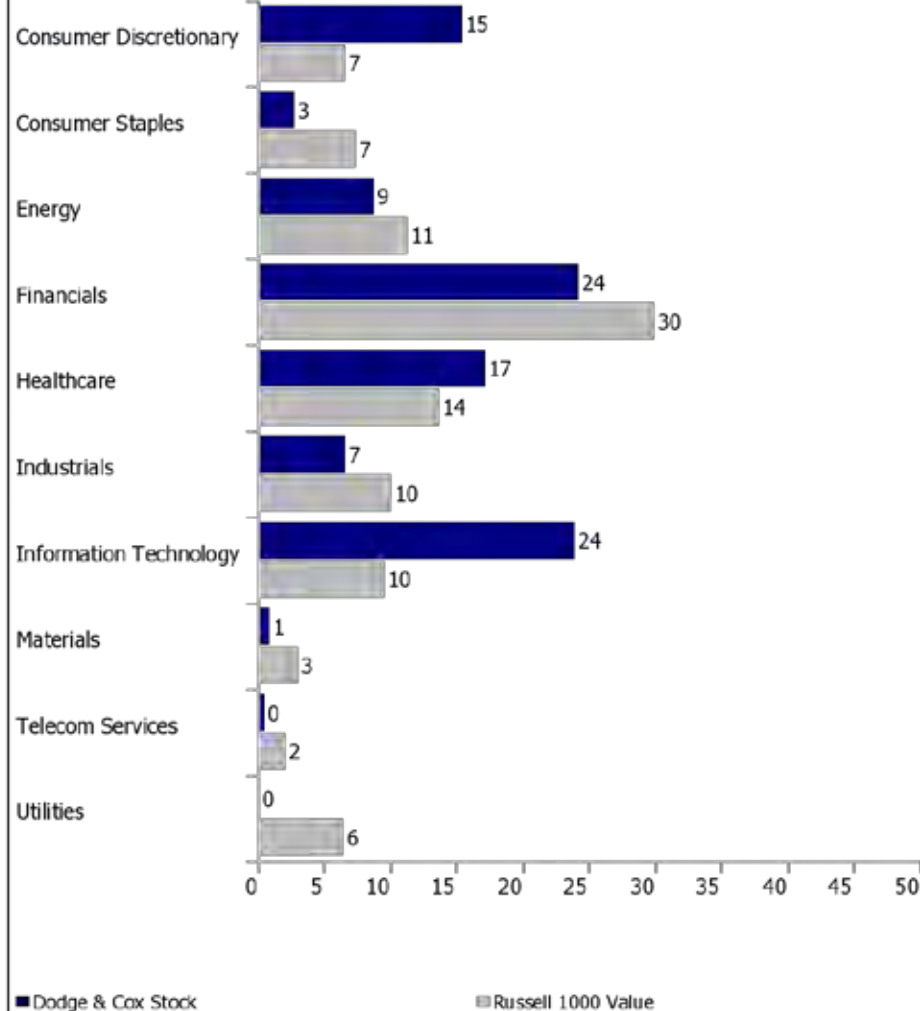
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	116.3	112.1
P/E Ratio	18.2	16.8
P/B Ratio	2.1	1.8
Dividend Yield (%)	1.8	2.2

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Hewlett-Packard Co	Information Technology	4.1	45.7
Wells Fargo & Co	Financials	4.0	23.7
Capital One Financial Corp	Financials	3.9	9.3
Microsoft Corp	Information Technology	3.8	27.2
Novartis AG ADR	Health Care	3.2	18.7
Time Warner Inc.	Consumer Discretionary	3.2	29.7
Time Warner Cable Inc	Consumer Discretionary	2.9	14.4
Charles Schwab Corp	Financials	2.8	17.0
Bank of America Corporation	Financials	2.8	15.7
Bank of New York Mellon Corp	Financials	2.7	18.0

## Sector Allocation (%)

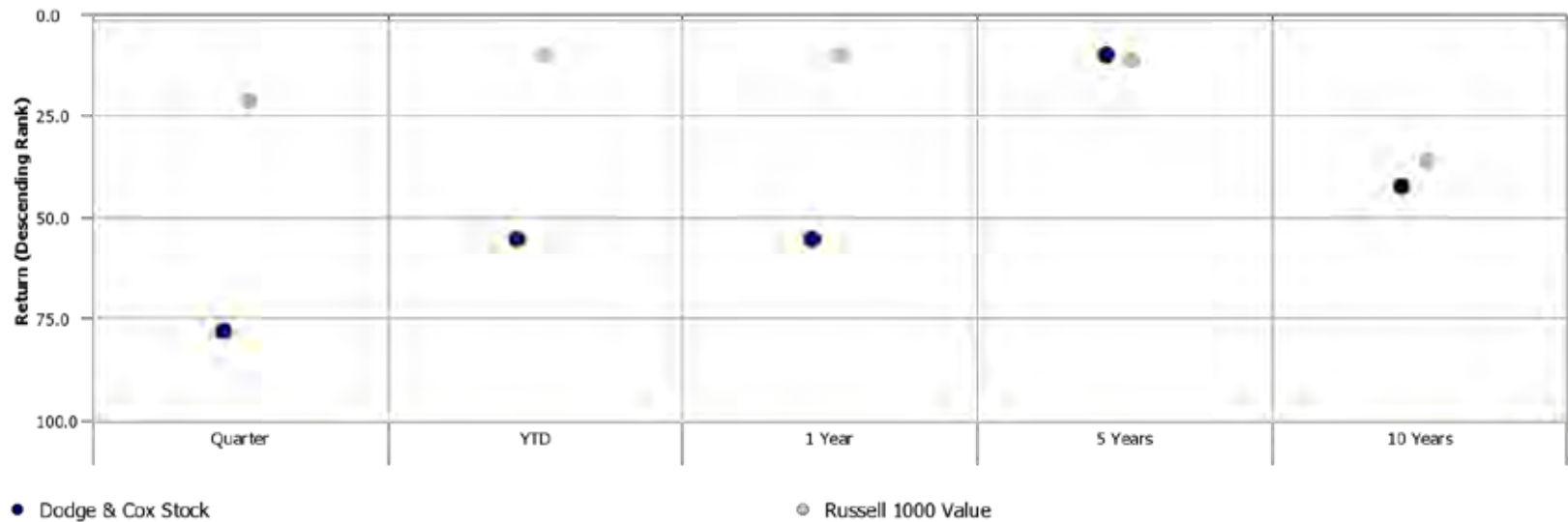


Source: Morningstar Direct

# Dodge & Cox Stock

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Large Value



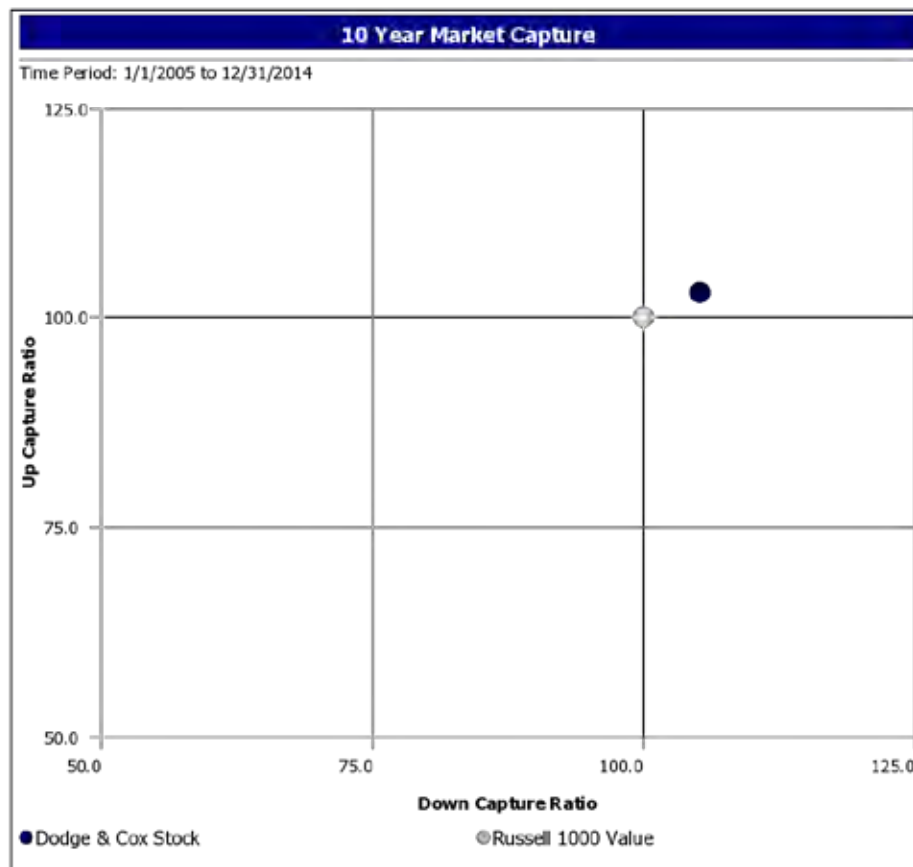
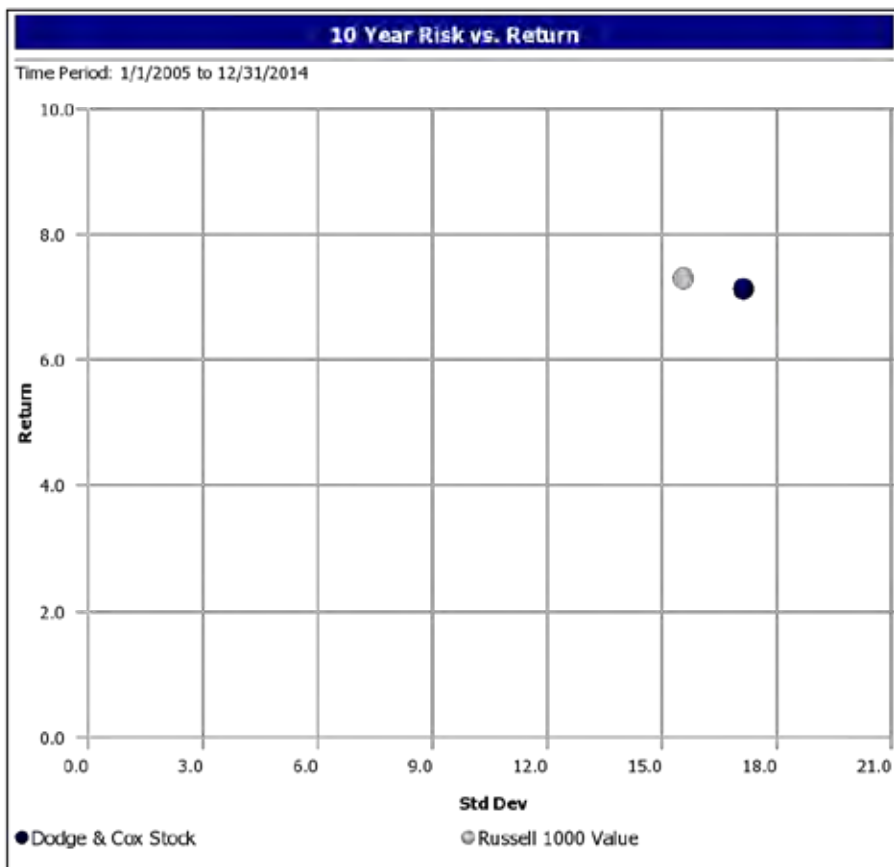
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Dodge & Cox Stock	2.2	10.4	10.4	15.6	7.1
Peer group percentile	78	55	55	10	42
Russell 1000 Value	5.0	13.5	13.5	15.4	7.3
Peer group percentile	21	10	10	11	36
25th Percentile	4.8	12.1	12.1	14.5	7.8
50th Percentile	4.0	10.7	10.7	13.7	6.8
75th Percentile	2.7	9.0	9.0	12.6	5.9

Source: Morningstar Direct

# Dodge & Cox Stock

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Dodge & Cox Stock	9.4	18.5	0.1	-43.3	31.3	13.5	-4.1	22.0	40.5	10.4	10.4	23.7	15.6	7.1
Russell 1000 Value	7.1	22.2	-0.2	-36.8	19.7	15.5	0.4	17.5	32.5	13.5	13.5	20.9	15.4	7.3



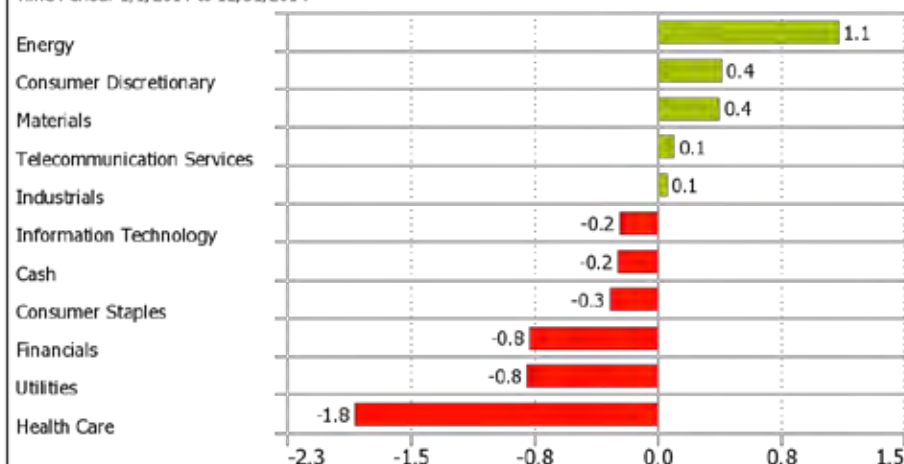
Source: Morningstar Direct

# Dodge & Cox Stock

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
FedEx Corp	2.0	21.4	0.4
Hewlett-Packard Co	3.5	46.0	0.3
Schlumberger NV	2.6	-3.6	0.2
Time Warner Inc	2.1	30.0	0.2
Baker Hughes Inc	1.0	2.5	0.2

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Sanofi ADR	2.5	-11.9	-0.9
GlaxoSmithKline PLC ADR	2.0	-15.7	-0.8
Roche Holding AG ADR	2.4	-0.3	-0.6
Coach Inc	0.7	-30.8	-0.4
Aegon NV ADR	1.0	-18.0	-0.4

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	14.2	16.3	2.4	6.4	14.5	1.0	0.1	0.2	0.4
Consumer Staples	2.3	12.5	0.4	6.4	17.4	1.2	-0.2	-0.1	-0.3
Energy	8.5	-8.6	-0.6	13.9	-7.8	-0.9	1.0	0.1	1.1
Financials	22.9	12.6	2.9	28.9	15.5	4.5	-0.1	-0.7	-0.8
Health Care	18.9	9.8	1.8	13.4	22.6	2.9	0.5	-2.3	-1.8
Industrials	6.6	2.9	0.2	10.3	5.7	0.6	0.3	-0.2	0.1
Information Technology	22.7	18.5	4.1	9.2	29.5	2.5	2.0	-2.3	-0.2
Materials	2.0	11.8	0.3	3.1	3.4	0.1	0.2	0.2	0.4
Telecommunication Services	0.2	-21.0	-0.1	2.3	3.2	0.1	0.2	-0.1	0.1
Utilities	0.0		0.0	6.1	27.4	1.6	-0.8	0.0	-0.8
Cash	1.5	0.0	0.0	0.0		0.0	-0.2	0.0	-0.2
Attribution Total	100.0	11.4	11.4	100.0	13.5	13.5	3.0	-5.2	-2.2

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct

# Piedmont Strategic Core

As of 12/31/2014

## Portfolio Statistics

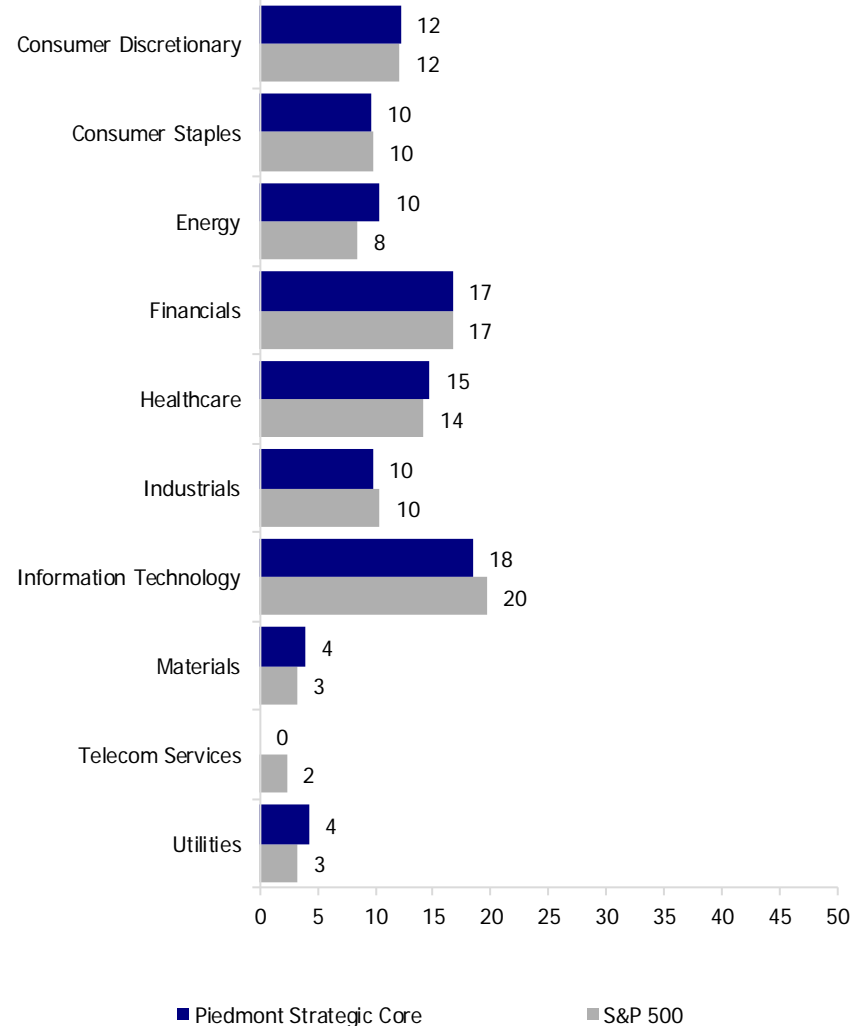
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	118.8	131.9
P/E Ratio	17.4	18.7
P/B Ratio	3.0	2.7
Dividend Yield (%)	1.2	1.9

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Apple Inc.	Information Technology	4.7%	40.6%
Kroger Co.	Consumer Staples	3.7%	64.8%
CVS Health Corporation	Consumer Staples	3.5%	36.6%
Google Inc. Class A	Information Technology	3.4%	-5.4%
Aetna Inc.	Health Care	3.4%	31.1%
Allstate Corporation	Financials	3.2%	31.2%
Discover Financial Services	Financials	3.2%	18.9%
Facebook, Inc. Class A	Information Technology	3.2%	42.8%
Boeing Company	Industrials	3.2%	-2.5%
Pfizer Inc.	Health Care	3.1%	5.3%

## Sector Allocation (%)



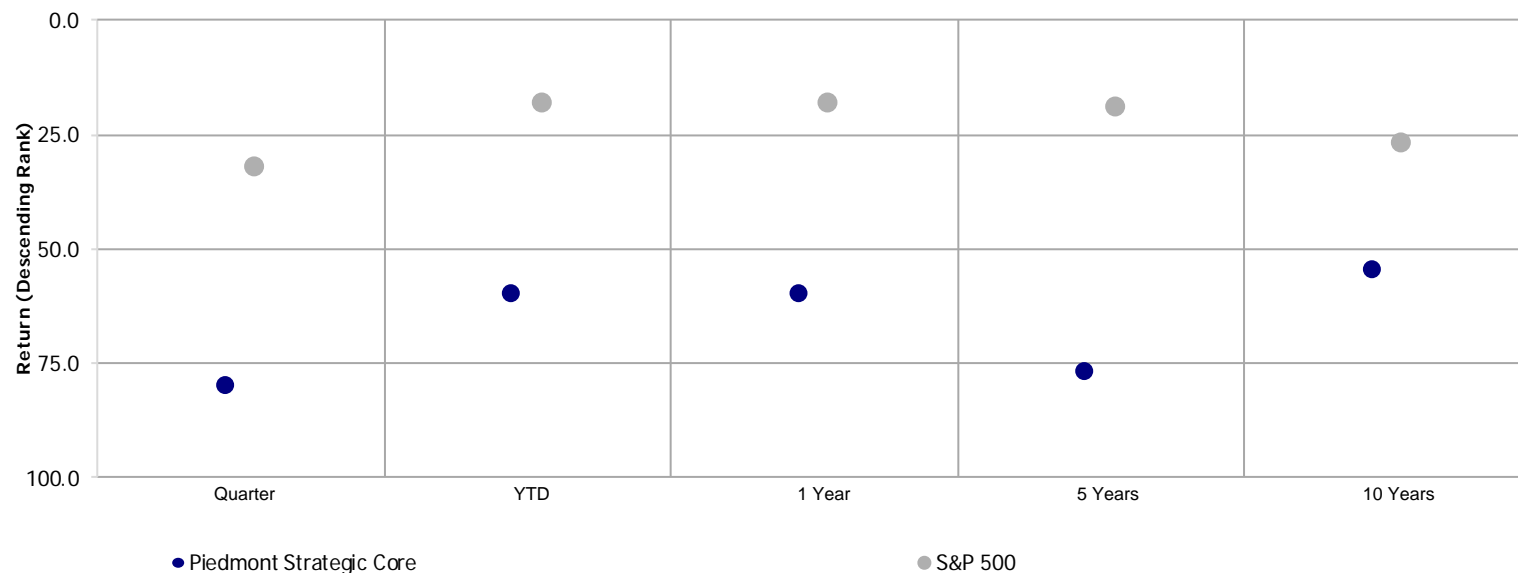
Source: FactSet



# Piedmont Strategic Core

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Large Cap Core

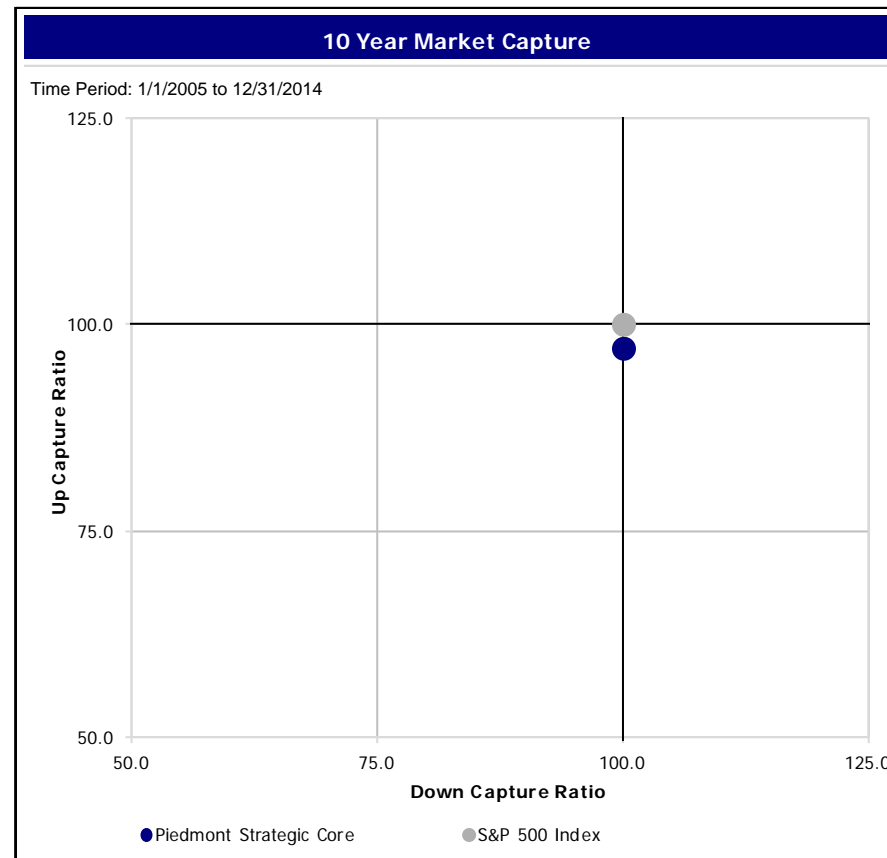
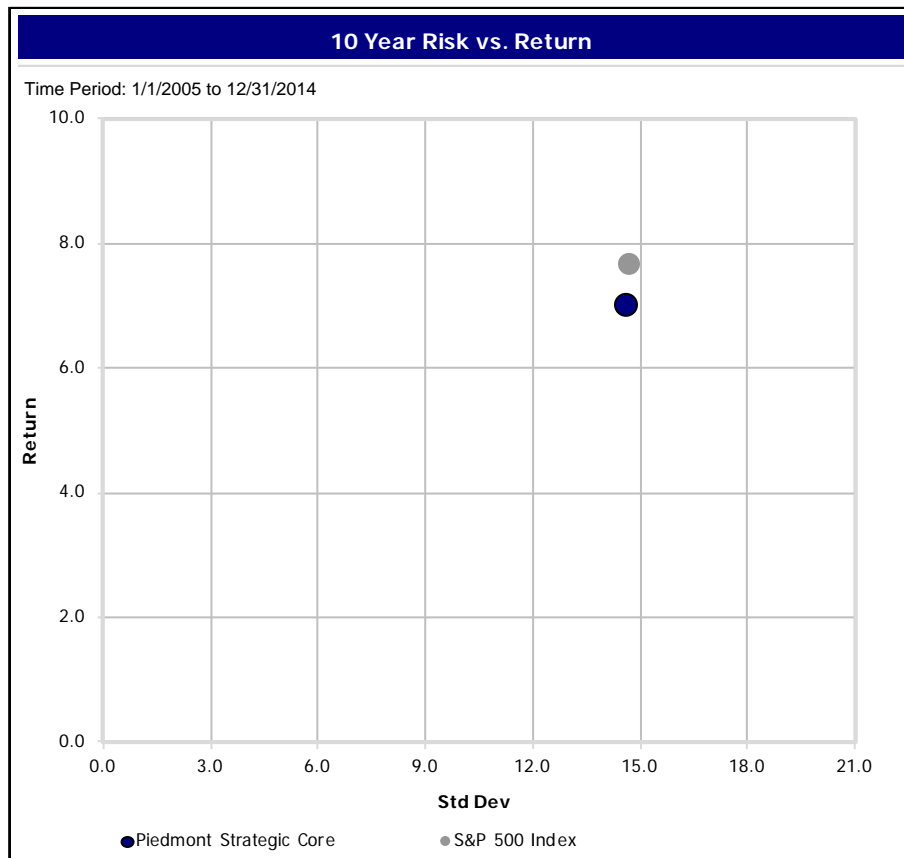


Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Piedmont Strategic Core	3.1	10.8	10.8	12.7	7.0
Peer group percentile	80	60	60	77	55
S&P 500	4.9	13.7	13.7	15.5	7.7
Peer group percentile	32	18	18	19	27
25th Percentile	5.2	13.3	13.3	15.2	7.7
50th Percentile	4.5	11.7	11.7	14.1	7.1
75th Percentile	3.3	9.4	9.4	12.8	6.5

# Piedmont Strategic Core

As of 12/31/2014

Returns (%)														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Piedmont Strategic Core	8.9	7.5	13.1	12.5	-36.7	25.4	15.3	-4.8	15.3	29.4	10.8	18.3	12.7	7.0
S&P 500	10.9	4.9	15.8	5.5	-37.0	26.5	15.1	2.1	16.0	32.4	13.7	20.4	15.5	7.7

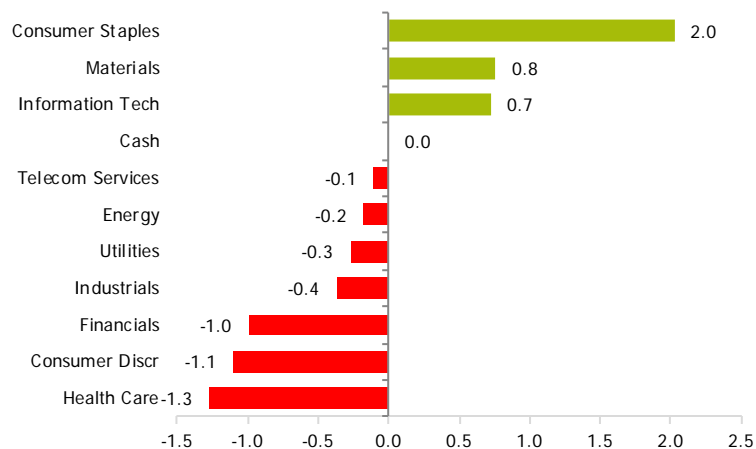


# Piedmont Strategic Core

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Monster Beverage Corporation	1.1	59.9	0.8
Kroger Co.	2.1	64.8	0.8
Southwest Airlines Co.	1.2	126.3	0.8
Facebook, Inc. Class A	2.0	42.8	0.6
CVS Health Corporation	2.5	36.6	0.5

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Amazon.com, Inc.	1.8	-22.2	-0.7
Terex Corporation	1.1	-33.2	-0.6
General Motors Company	1.4	-11.5	-0.5
Precision Castparts Corp.	1.6	-10.5	-0.5
Gilead Sciences, Inc.	-0.3	25.5	-0.5

## Attribution/Contribution

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	13.0	2.2	0.2	12.0	9.7	1.1	-0.1	-1.0	-1.1
Consumer Staples	9.3	42.4	3.6	9.7	16.0	1.5	0.0	2.1	2.0
Energy	10.0	-14.8	-0.7	10.0	-7.7	-0.6	0.2	-0.4	-0.2
Financials	16.4	9.3	1.4	16.3	15.3	2.4	-0.1	-0.9	-1.0
Health Care	11.0	14.7	1.6	13.7	25.3	3.3	-0.3	-1.0	-1.3
Industrials	10.0	6.1	0.6	10.6	9.8	1.1	0.0	-0.4	-0.4
Information Technology	22.1	22.5	4.8	18.9	20.3	3.7	0.2	0.5	0.7
Materials	3.8	26.4	1.0	3.5	6.9	0.3	0.0	0.8	0.8
Telecommunication Services	2.2	-0.1	0.0	2.4	2.4	0.1	-0.1	-0.1	-0.1
Utilities	2.3	17.2	0.5	3.1	28.7	0.9	-0.1	-0.2	-0.3
Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Attribution Total	100.0	12.9	12.9	100.0	13.7	13.7	-0.2	-0.6	-0.8

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: FactSet

# Argent Large Cap Growth

As of 12/31/2014

## Portfolio Statistics

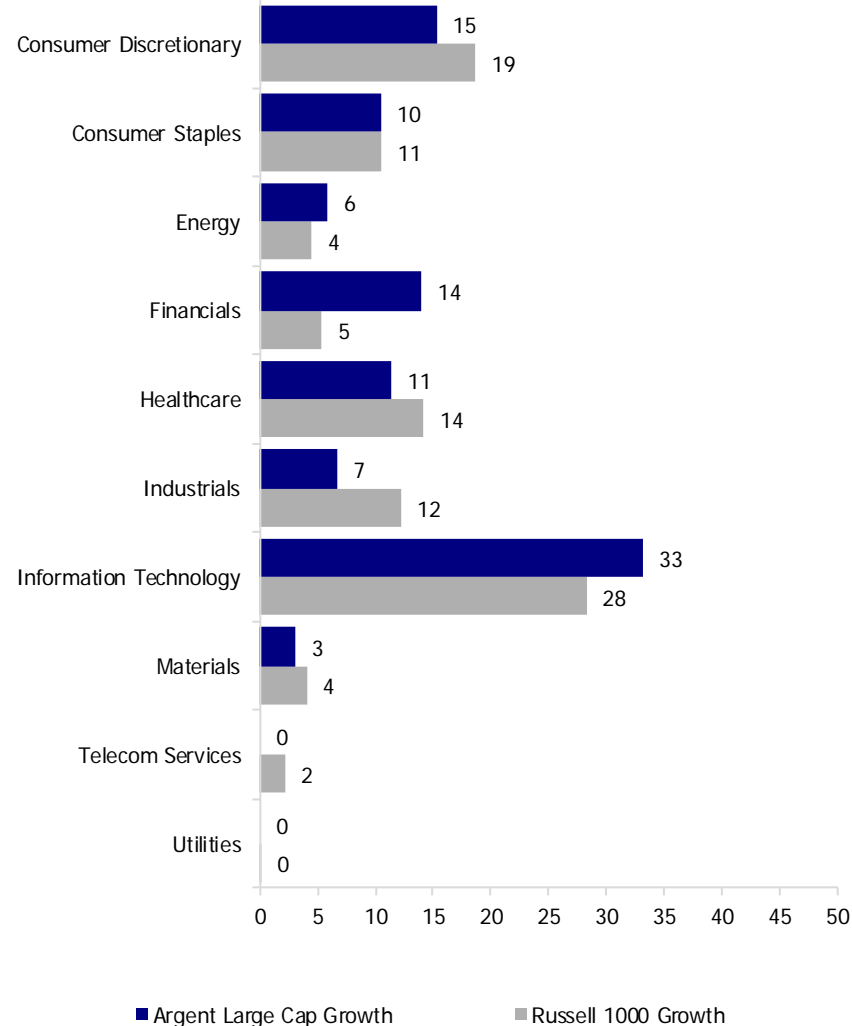
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	63.8	121.6
P/E Ratio	21.1	21.7
P/B Ratio	2.3	5.1
Dividend Yield (%)	1.1	1.4

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Electronic Arts Inc.	Information Technology	4.6%	104.9%
Skyworks Solutions, Inc.	Information Technology	4.3%	156.3%
Google Inc. Class A	Information Technology	4.1%	-5.4%
Danaher Corporation	Industrials	4.1%	11.6%
CBS Corporation Class B	Consumer Discretionary	3.9%	-12.4%
F5 Networks, Inc.	Information Technology	3.8%	43.6%
Lincoln National Corporation	Financials	3.8%	13.1%
Broadcom Corporation Class A	Information Technology	3.8%	48.2%
JPMorgan Chase & Co.	Financials	3.3%	9.9%
Teva Pharmaceutical Industries	Health Care	3.3%	46.7%

## Sector Allocation (%)

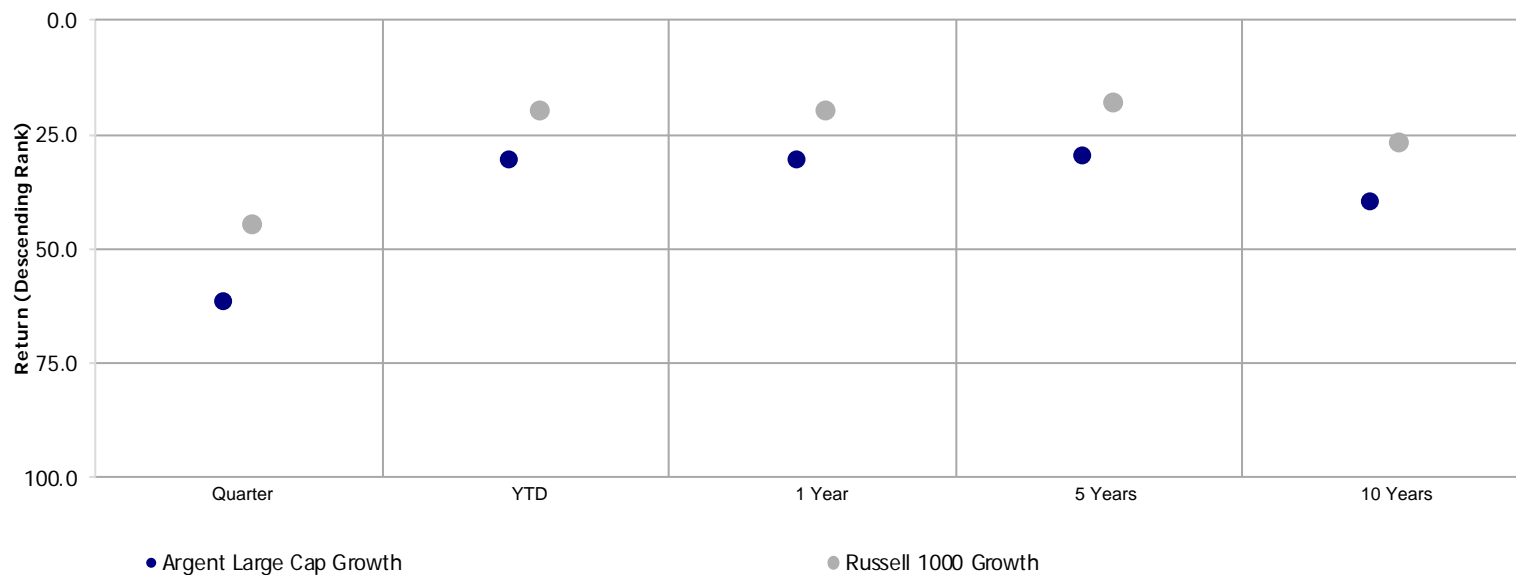


Source: FactSet

# Argent Large Cap Growth

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Large Cap Growth

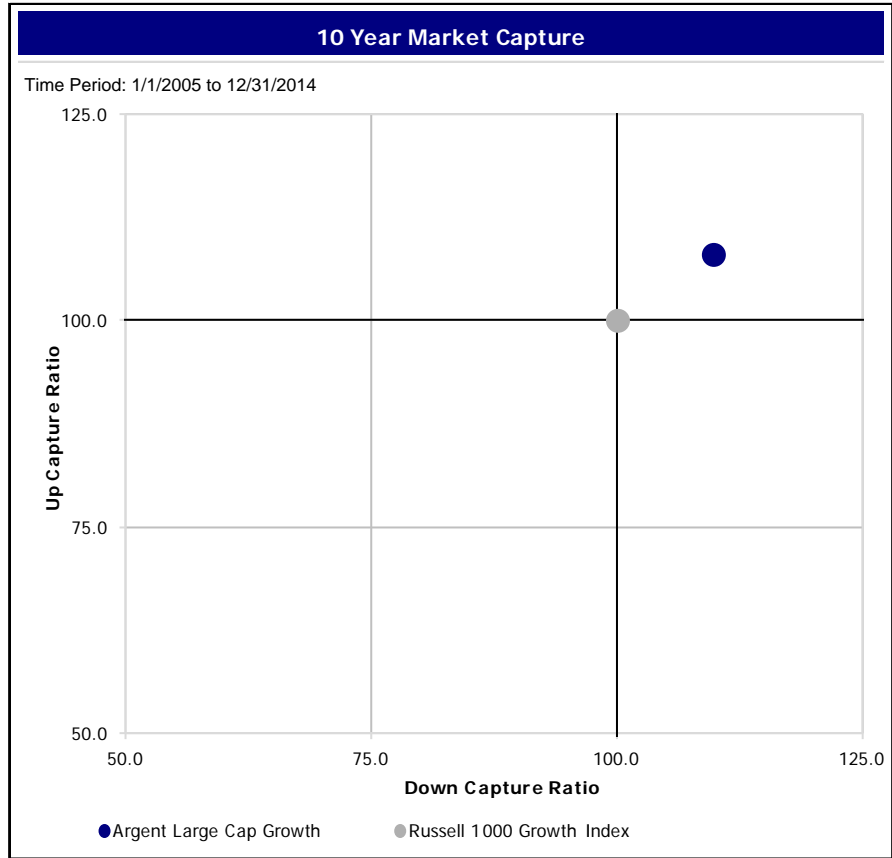
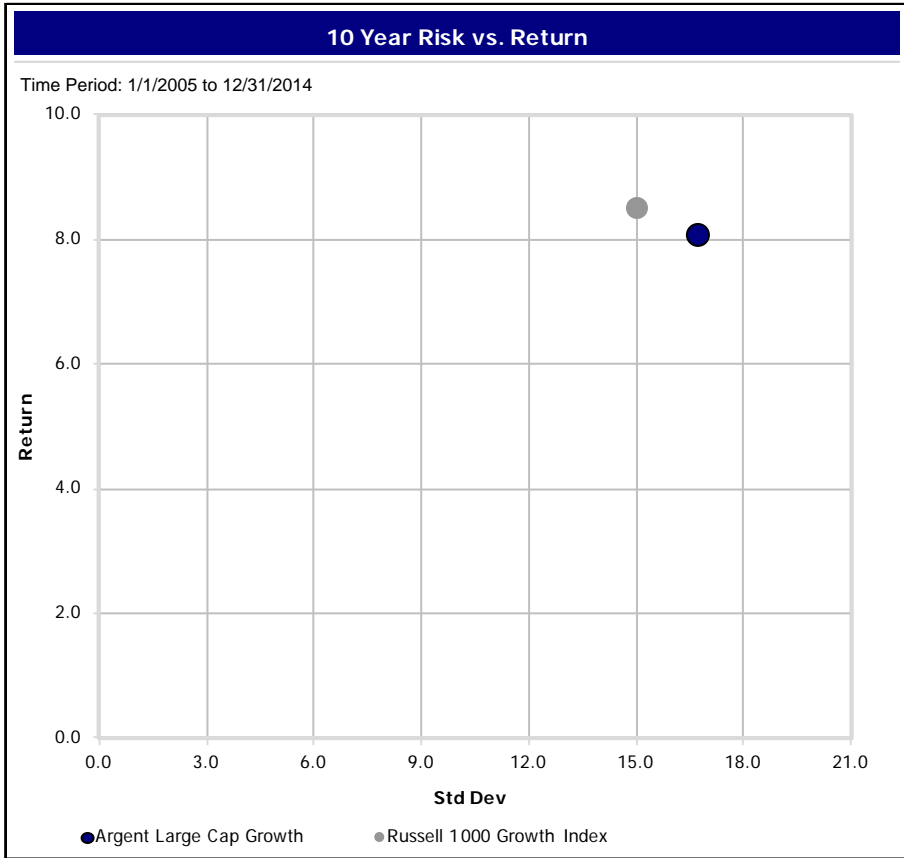


Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Argent Large Cap Growth	4.1	12.0	12.0	15.1	8.1
Peer group percentile	62	31	31	30	40
Russell 1000 Growth	4.8	13.1	13.1	15.8	8.5
Peer group percentile	45	20	20	18	27
25th Percentile	5.5	12.6	12.6	15.3	8.6
50th Percentile	4.6	10.3	10.3	14.2	7.7
75th Percentile	3.4	8.1	8.1	13.0	6.8

# Argent Large Cap Growth

As of 12/31/2014

Returns (%)														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Argent Large Cap Growth	9.3	10.7	15.0	4.8	-40.0	34.4	15.3	-1.4	21.0	31.5	12.0	21.2	15.1	8.1
Russell 1000 Growth	6.3	5.3	9.1	11.8	-38.4	37.2	16.7	2.6	15.3	33.5	13.1	20.3	15.8	8.5

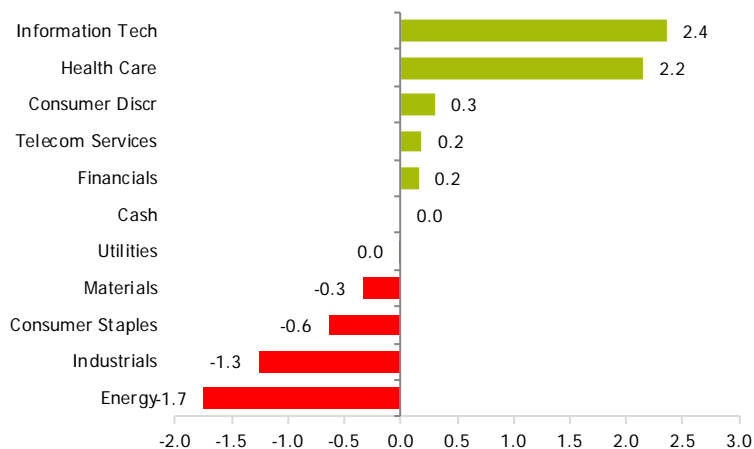


# Argent Large Cap Growth

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Forest Laboratories, Inc.	1.9	66.1	3.0
Skyworks Solutions, Inc.	2.8	156.3	2.3
Electronic Arts Inc.	3.5	104.9	2.2
Mallinckrodt Plc	1.7	89.5	1.0
Amazon.com, Inc.	-1.2	-22.2	0.5

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Weatherford International plc	1.0	-26.1	-1.4
Apple Inc.	-5.0	40.6	-1.2
CBS Corporation Class B	4.1	-12.4	-1.1
Chesapeake Energy Corporation	2.3	-22.6	-0.9
Post Holdings, Inc.	2.9	-15.0	-0.9

## Attribution/Contribution

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	13.5	8.4	1.0	18.7	8.4	1.4	0.3	0.0	0.3
Consumer Staples	10.0	9.6	0.8	11.1	14.8	1.6	0.1	-0.8	-0.6
Energy	6.9	-20.0	-2.0	5.2	-8.4	-0.4	-0.7	-1.0	-1.7
Financials	14.5	15.1	1.9	5.5	12.3	0.7	-0.1	0.2	0.2
Health Care	13.4	36.0	5.7	13.1	28.8	3.6	0.1	2.1	2.2
Industrials	9.0	-2.1	-0.3	12.2	11.6	1.4	-0.1	-1.2	-1.3
Information Technology	29.8	23.9	7.0	27.6	15.6	4.2	0.0	2.3	2.4
Materials	3.1	4.9	0.1	4.3	9.4	0.5	0.0	-0.3	-0.3
Telecommunication Services	0.0	0.0	0.0	2.2	2.9	0.1	0.2	0.0	0.2
Utilities	0.0	0.0	0.0	0.1	24.1	0.0	0.0	0.0	0.0
Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Attribution Total	100.0	14.2	14.2	100.0	13.1	13.1	-0.1	1.2	1.2

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: FactSet

# Natixis Vaughan Nelson Value Opp

As of 12/31/2014

## Portfolio Statistics

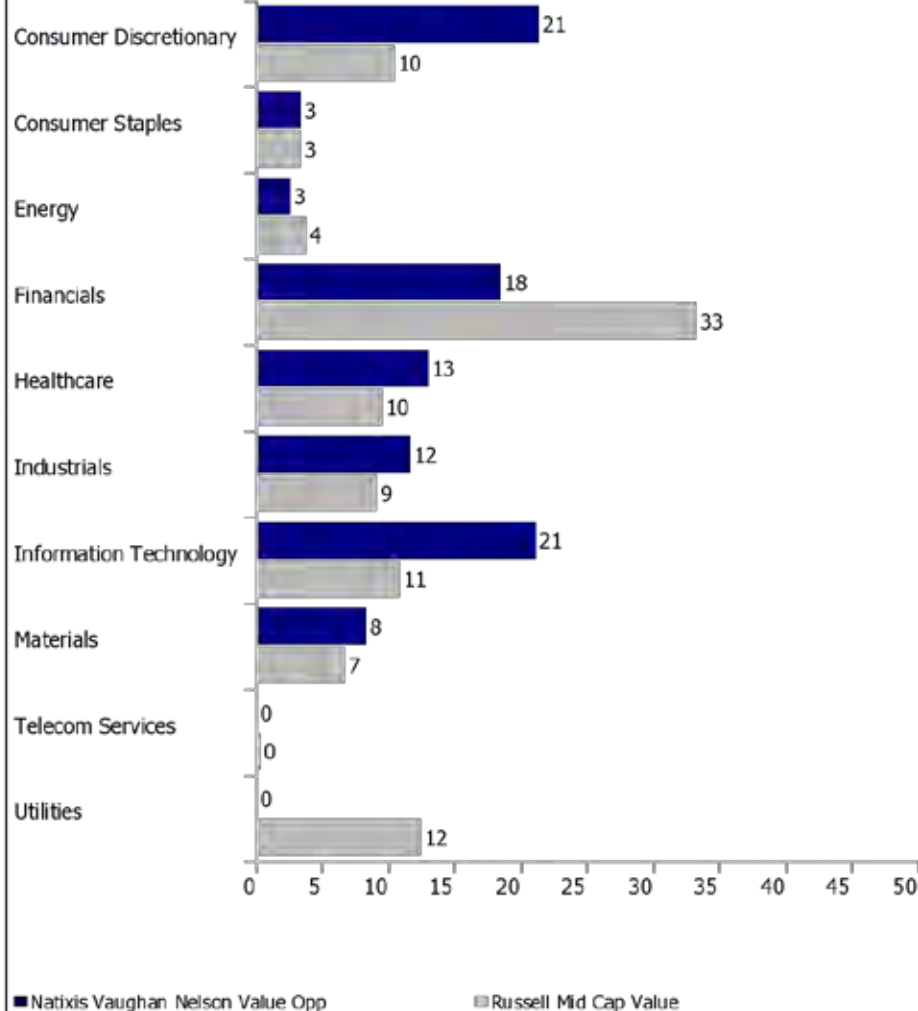
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	8.8	12.0
P/E Ratio	21.4	19.3
P/B Ratio	2.6	1.8
Dividend Yield (%)	0.9	2.0

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
HCA Holdings Inc	Health Care	2.4	53.8
Crown Holdings Inc	Materials	2.3	14.2
Jarden Corp	Consumer Discretionary	2.1	17.1
PacWest Bancorp	Financials	2.1	10.6
CACI International Inc Class A	Information Technology	2.0	17.7
Catalent Inc	Health Care	2.0	
Amsurg Corp	Health Care	2.0	19.2
NCR Corp	Information Technology	2.0	-14.4
Wabco Holdings Inc	Industrials	2.0	12.2
CIT Group Inc	Financials	1.9	-7.3

## Sector Allocation (%)



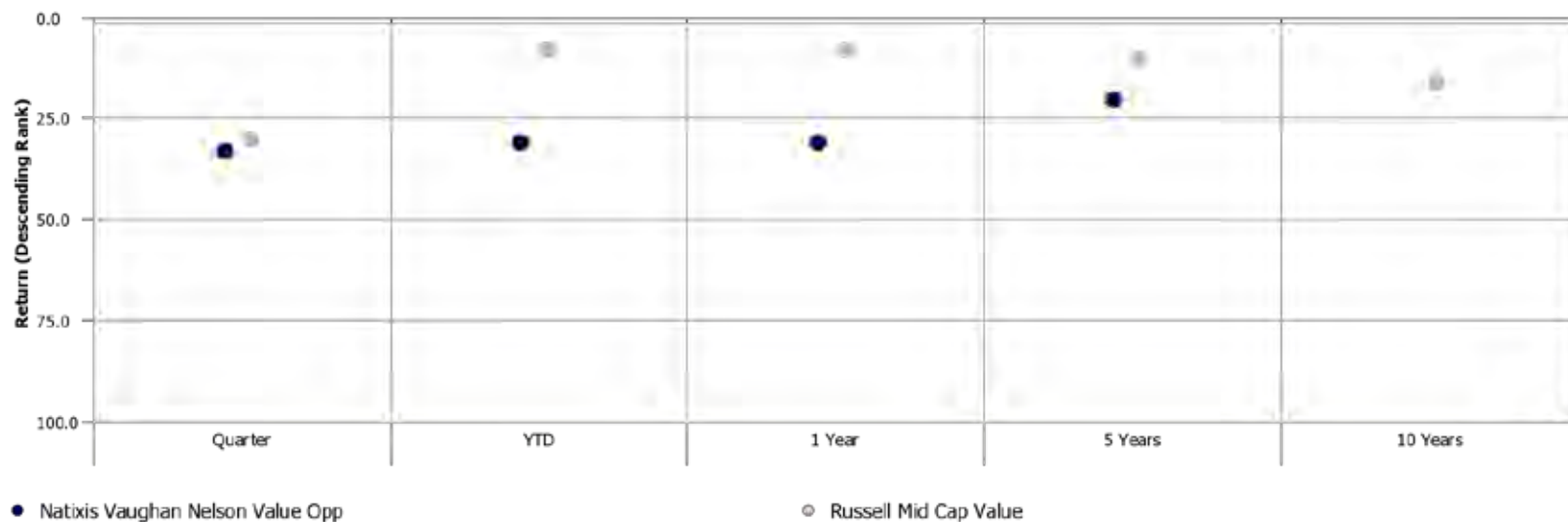
Source: Morningstar Direct



# Natixis Vaughan Nelson Value Opp

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Mid-Cap Value



Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Natixis Vaughan Nelson Value Opp	5.9	11.2	11.2	16.4	
Peer group percentile	33	31	31	20	
Russell Mid Cap Value	6.1	14.7	14.7	17.4	9.4
Peer group percentile	30	8	8	10	16
25th Percentile	6.3	12.0	12.0	16.1	9.1
50th Percentile	5.4	9.7	9.7	15.3	8.4
75th Percentile	3.8	7.0	7.0	14.1	7.5

Source: Morningstar Direct

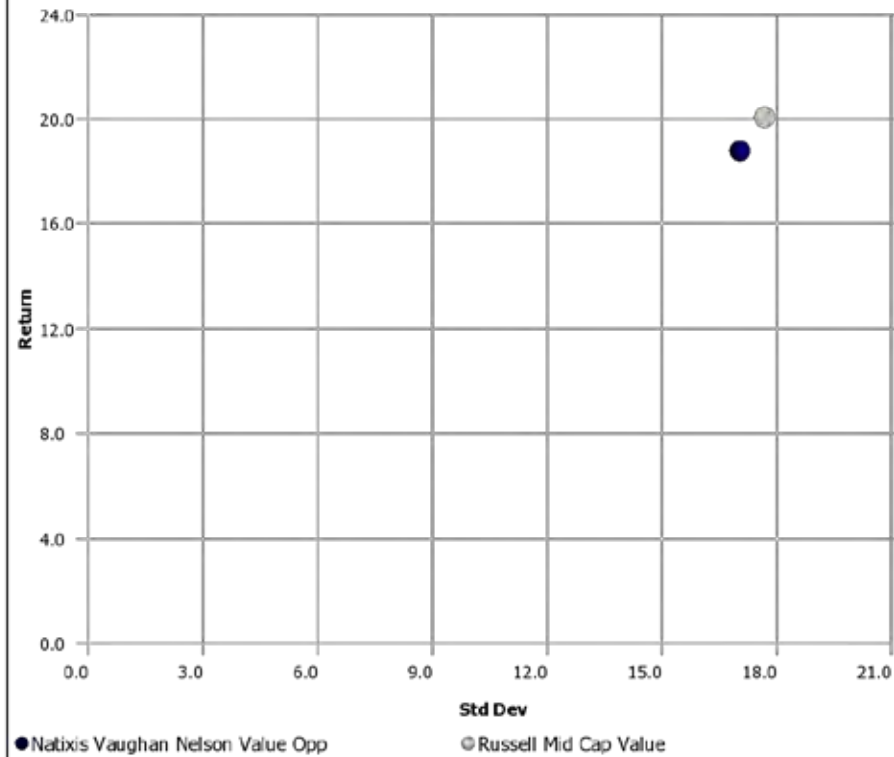
# Natixis Vaughan Nelson Value Opp

As of 12/31/2014

Returns (%)														
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Natixis Vaughan Nelson Value Opp					31.4	20.0	-2.5	16.3	41.5	11.2	11.2	22.3	16.4	
Russell Mid Cap Value	12.6	20.2	-1.4	-38.4	34.2	24.8	-1.4	18.5	33.5	14.7	14.7	22.0	17.4	9.4

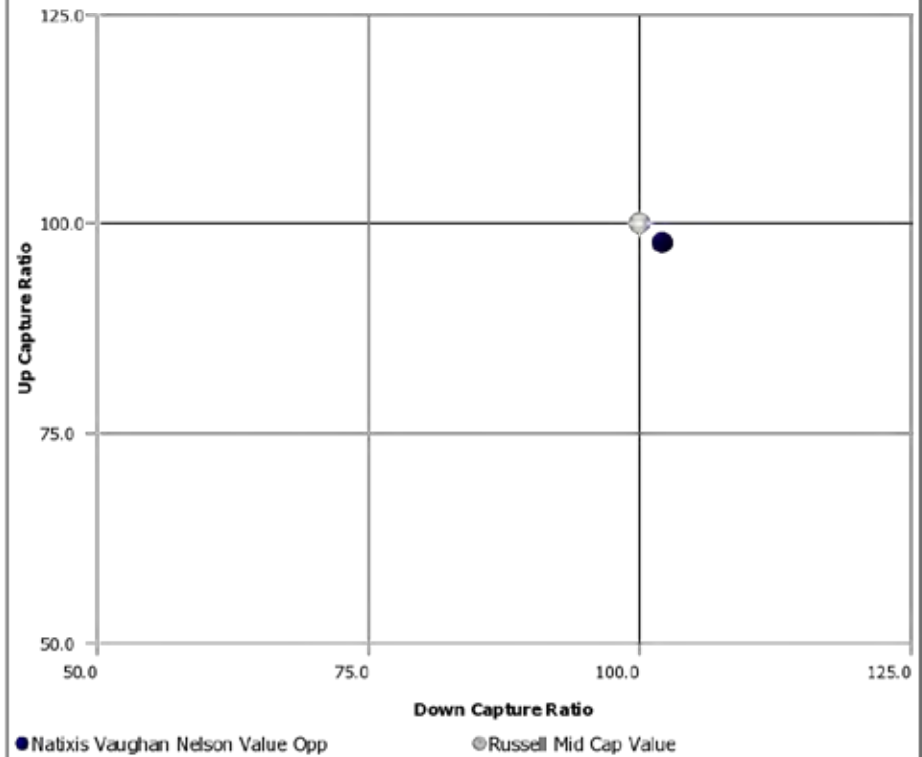
## 6 Year Risk vs. Return

Time Period: 1/1/2009 to 12/31/2014



## 6 Year Market Capture

Time Period: 1/1/2009 to 12/31/2014



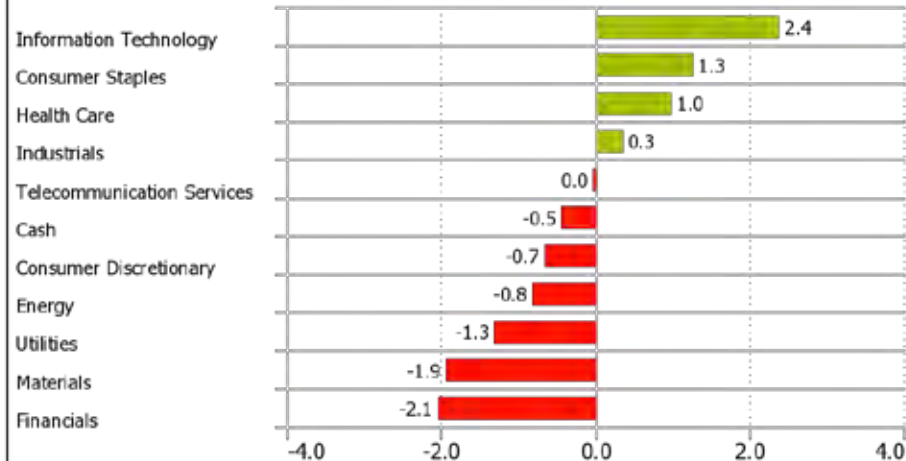
Source: Morningstar Direct

# Natixis Vaughan Nelson Value Opp

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Skyworks Solutions Inc	1.8	156.3	1.6
Rite Aid Corp	0.8	136.7	1.3
Avago Technologies Ltd	1.6	93.2	0.9
Harman International Industries Inc	1.2	31.9	0.4
United Rentals Inc	1.4	30.9	0.4

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
NCR Corp	2.1	-14.4	-0.7
Cabela's Inc	0.9	-19.7	-0.5
GNC Holdings Inc	1.6	-18.4	-0.5
Whiting Petroleum Corp	0.2	-62.7	-0.5
FMC Corporation	1.2	-27.4	-0.5

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	16.2	9.0	1.8	9.3	15.4	1.6	0.4	-1.1	-0.7
Consumer Staples	2.3	92.5	1.8	3.0	23.4	0.7	0.0	1.3	1.3
Energy	5.8	-39.7	-2.1	6.3	-25.8	-1.2	0.0	-0.9	-0.8
Financials	17.5	5.4	1.1	32.3	16.0	5.2	-0.2	-1.9	-2.1
Health Care	10.3	40.0	3.6	9.0	28.2	2.4	0.1	0.9	1.0
Industrials	13.9	9.8	1.2	10.6	3.5	0.5	-0.4	0.7	0.3
Information Technology	19.3	31.4	5.4	10.8	19.6	2.1	0.4	2.0	2.4
Materials	11.3	-9.2	-0.6	6.2	6.6	0.3	-0.3	-1.6	-1.9
Telecommunication Services	0.0		0.0	0.5	26.0	0.1	0.0	0.0	0.0
Utilities	0.0		0.0	11.9	26.2	3.0	-1.3	0.0	-1.3
Cash	3.3	0.0	0.0	0.0		0.0	-0.5	0.0	-0.5
Attribution Total	100.0	12.3	12.3	100.0	14.6	14.6	-1.8	-0.6	-2.4

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct

# Artisan Mid Cap

As of 12/31/2014

## Portfolio Statistics

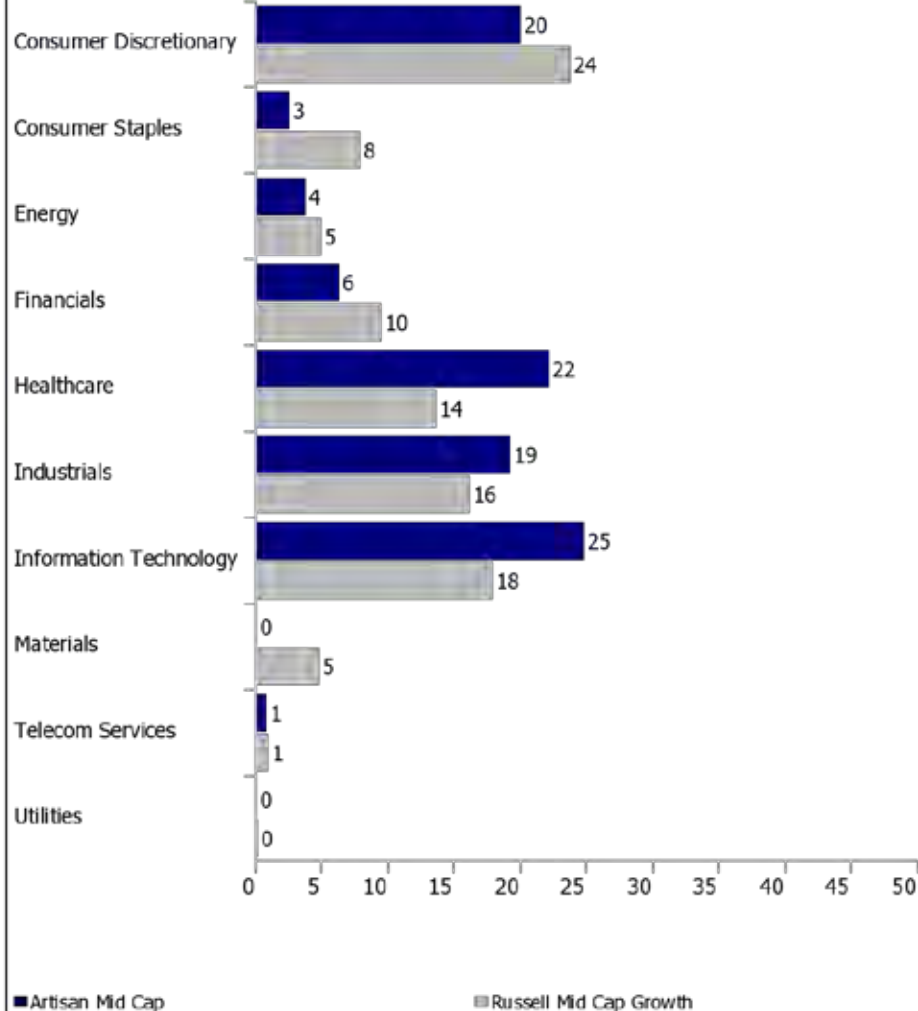
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	15.7	13.9
P/E Ratio	32.5	24.6
P/B Ratio	4.9	4.7
Dividend Yield (%)	0.5	1.0

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Regeneron Pharmaceuticals Inc	Health Care	5.0	49.1
IHS Inc Class A	Industrials	4.6	-4.9
Applied Materials Inc	Information Technology	3.5	43.2
Illumina Inc	Health Care	3.1	66.9
Discover Financial Services	Financials	3.1	18.7
Ametek Inc	Industrials	3.0	0.6
LKQ Corp	Consumer Discretionary	2.7	-14.5
Chipotle Mexican Grill Inc Class A	Consumer Discretionary	2.6	28.5
Concur Technologies Inc	Information Technology	2.4	22.9
Fortune Brands Home & Security Inc	Industrials	2.4	0.1

## Sector Allocation (%)

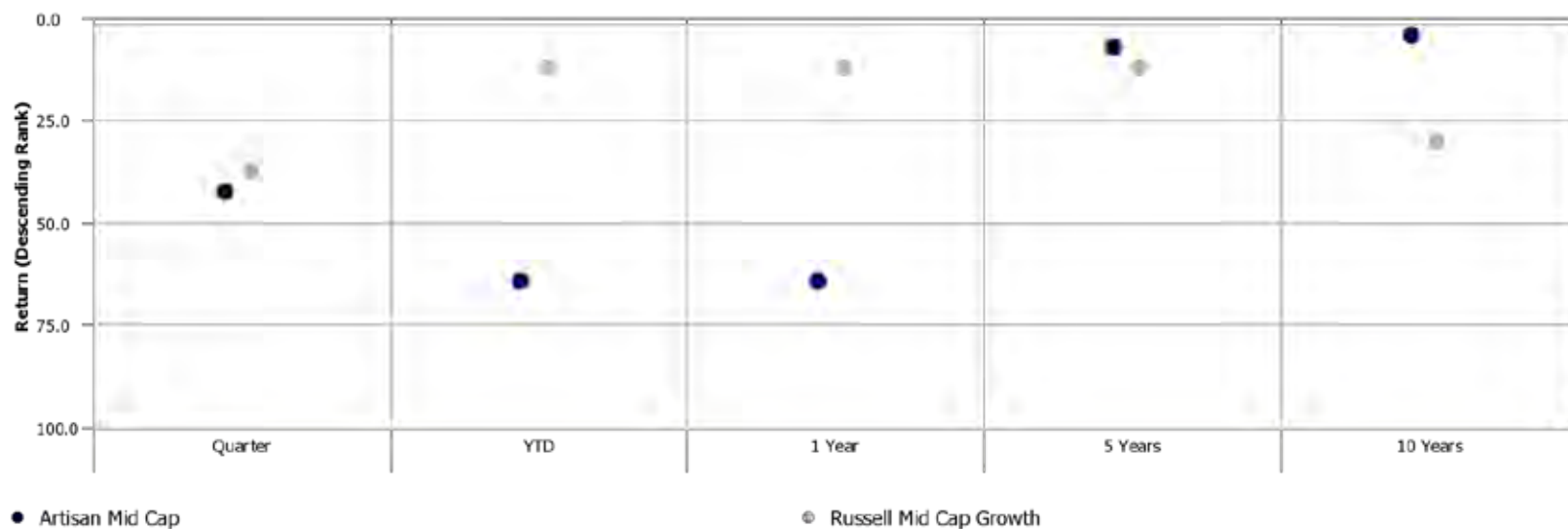


Source: Morningstar Direct

# Artisan Mid Cap

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Mid-Cap Growth



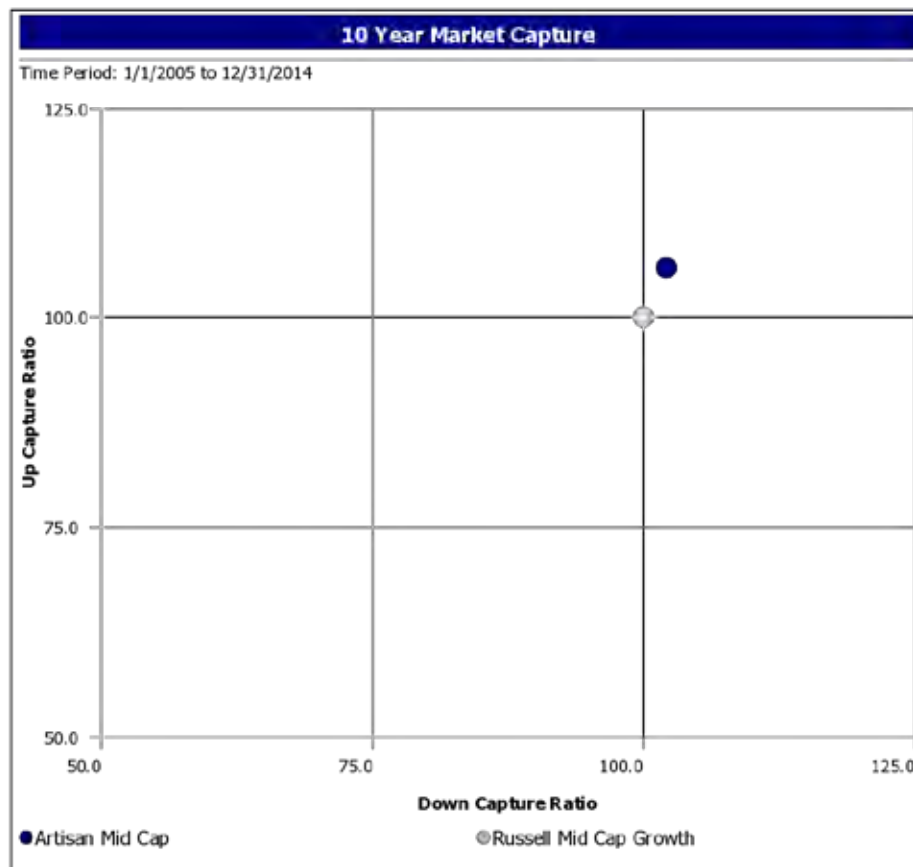
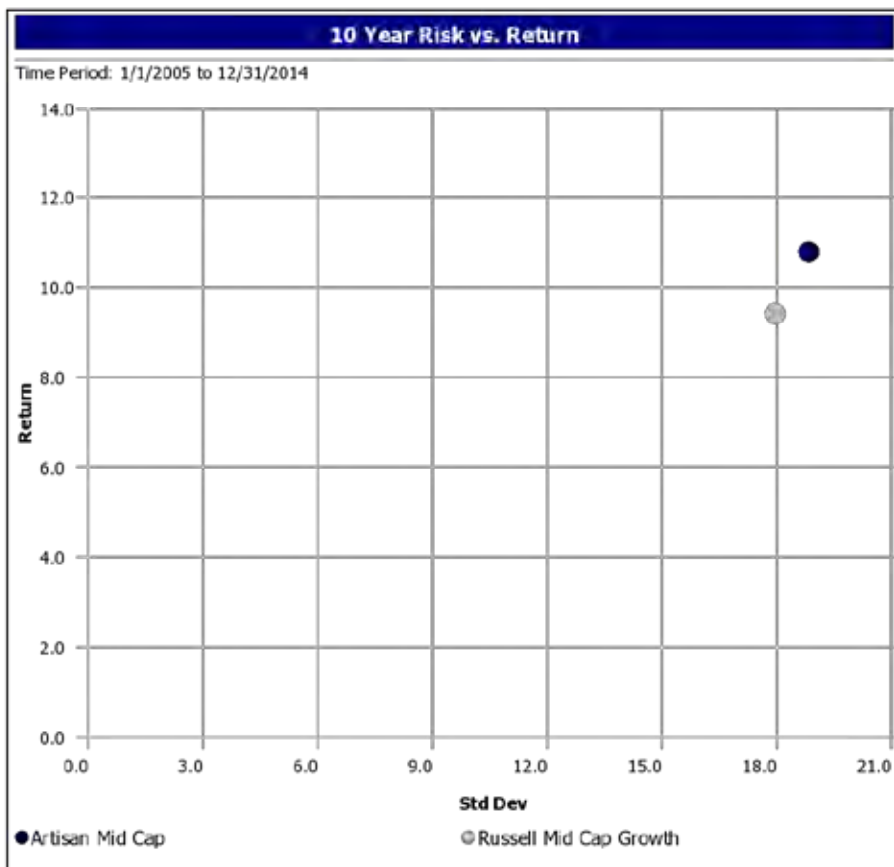
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Artisan Mid Cap	5.6	6.0	6.0	17.8	10.8
Peer group percentile	44	66	66	7	4
Russell Mid Cap Growth	5.8	11.9	11.9	16.9	9.4
Peer group percentile	39	15	15	13	32
25th Percentile	6.6	10.2	10.2	16.1	9.7
50th Percentile	5.4	7.4	7.4	14.9	8.7
75th Percentile	4.0	4.8	4.8	13.7	7.4

Source: Morningstar Direct

# Artisan Mid Cap

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Artisan Mid Cap	9.4	9.9	21.6	-44.0	50.6	31.9	-1.8	19.8	37.7	6.0	6.0	20.5	17.8	10.8
Russell Mid Cap Growth	12.1	10.7	11.4	-44.3	46.3	26.4	-1.7	15.8	35.7	11.9	11.9	20.7	16.9	9.4



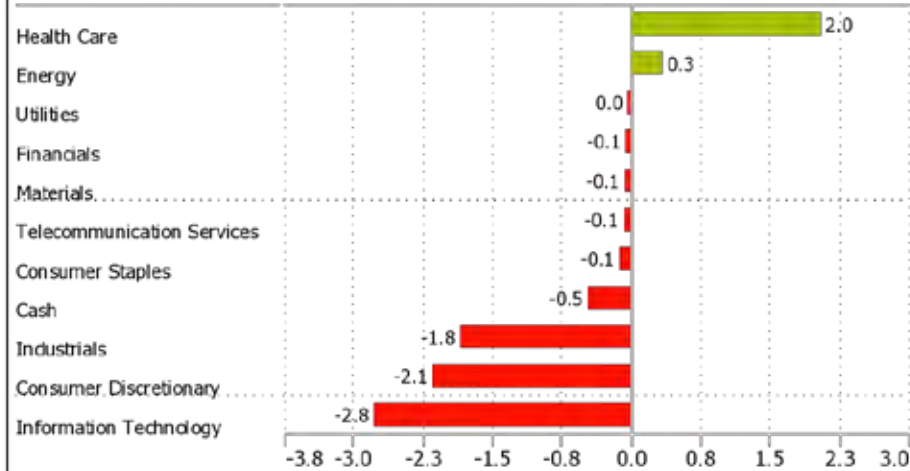
Source: Morningstar Direct

# Artisan Mid Cap

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Regeneron Pharmaceuticals Inc	4.8	49.1	0.8
Applied Materials Inc	2.7	43.7	0.6
Under Armour Inc Class A	1.1	55.6	0.5
Illumina Inc	2.3	66.9	0.4
Isis Pharmaceuticals	1.6	55.0	0.4

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
IHS Inc Class A	4.0	-4.9	-0.6
Melco Crown Entertainment Ltd ADR	0.9	-31.9	-0.6
ARM Holdings PLC ADR	1.2	-19.7	-0.5
CommVault Systems, Inc.	0.5	-34.3	-0.5
Cabela's Inc	1.1	-20.9	-0.5

## Attribution/Contribution

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	20.4	0.4	0.0	23.8	10.4	2.5	0.1	-2.2	-2.1
Consumer Staples	1.6	79.7	0.6	7.9	19.4	1.5	-0.4	0.3	-0.1
Energy	4.0	-29.1	-1.3	6.5	-19.7	-1.4	1.0	-0.7	0.3
Financials	5.2	9.7	0.5	9.3	11.1	1.0	0.1	-0.1	-0.1
Health Care	22.6	32.4	6.6	13.2	30.2	3.7	1.4	0.6	2.0
Industrials	17.3	-0.7	-0.1	15.7	9.7	1.5	-0.1	-1.8	-1.8
Information Technology	24.6	0.8	0.2	17.1	11.4	2.0	-0.1	-2.6	-2.8
Materials	0.0		0.0	5.3	12.4	0.7	-0.1	0.0	-0.1
Telecommunication Services	0.3	12.5	0.1	0.9	29.6	0.2	-0.1	0.1	-0.1
Utilities	0.0		0.0	0.3	24.1	0.1	0.0	0.0	0.0
Cash	4.0	0.0	0.0	0.0		0.0	-0.5	0.0	-0.5
Attribution Total	100.0	6.6	6.6	100.0	11.8	11.8	1.2	-6.4	-5.2

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct



# American Funds Europacific Growth

As of 12/31/2014

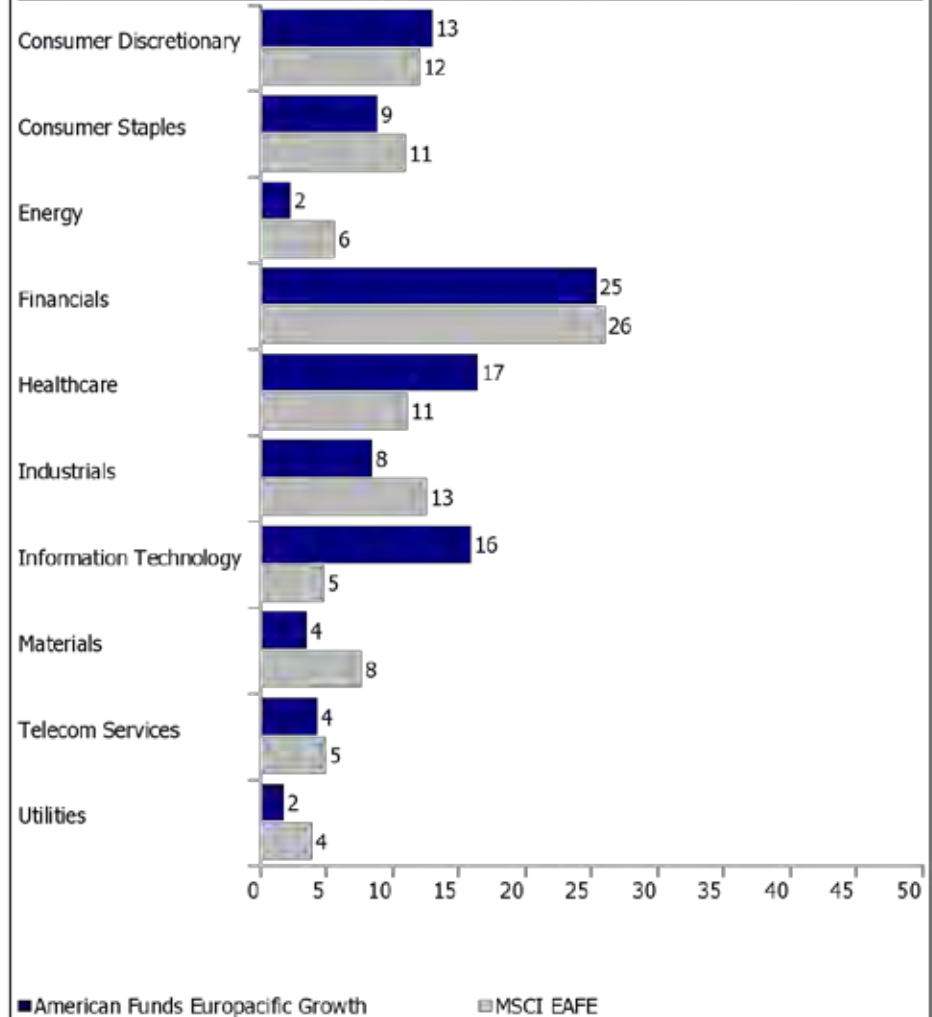
## Regional Allocation (%)

	Manager	Index
North America	4.5	0.0
Latin America Emerging	0.5	0.0
United Kingdom	12.5	21.4
Europe Developed	40.3	44.8
Europe Emerging	1.5	0.0
Africa/Middle East	2.1	0.6
Japan	13.6	21.1
Australia/New Zealand	0.5	7.7
Asia Developed	11.0	4.4
Asia Emerging	13.5	0.0

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Novo Nordisk A/S	Health Care	5.0	16.6
Bayer AG	Health Care	2.5	-2.7
SOFTBANK Corp	Telecommunication Services	2.3	-31.0
Novartis AG	Health Care	2.2	19.2
Prudential PLC	Financials	1.8	7.3
Barclays PLC	Financials	1.7	-13.5
Murata Mfg Co Ltd	Information Technology	1.6	25.5
Baidu Inc ADR	Information Technology	1.5	28.2
Associated Brit Foods		1.4	
Samsung Electronics Co Ltd	Information Technology	1.4	-7.1

## Sector Allocation (%)

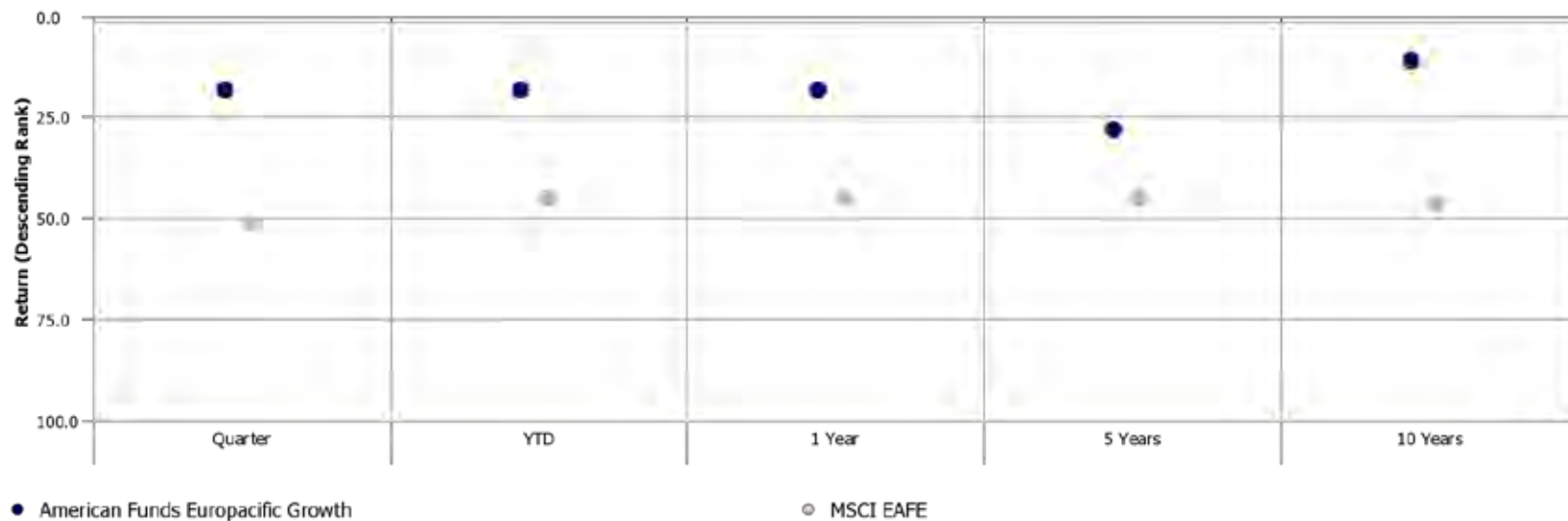




# American Funds Europacific Growth

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Foreign Large Blend



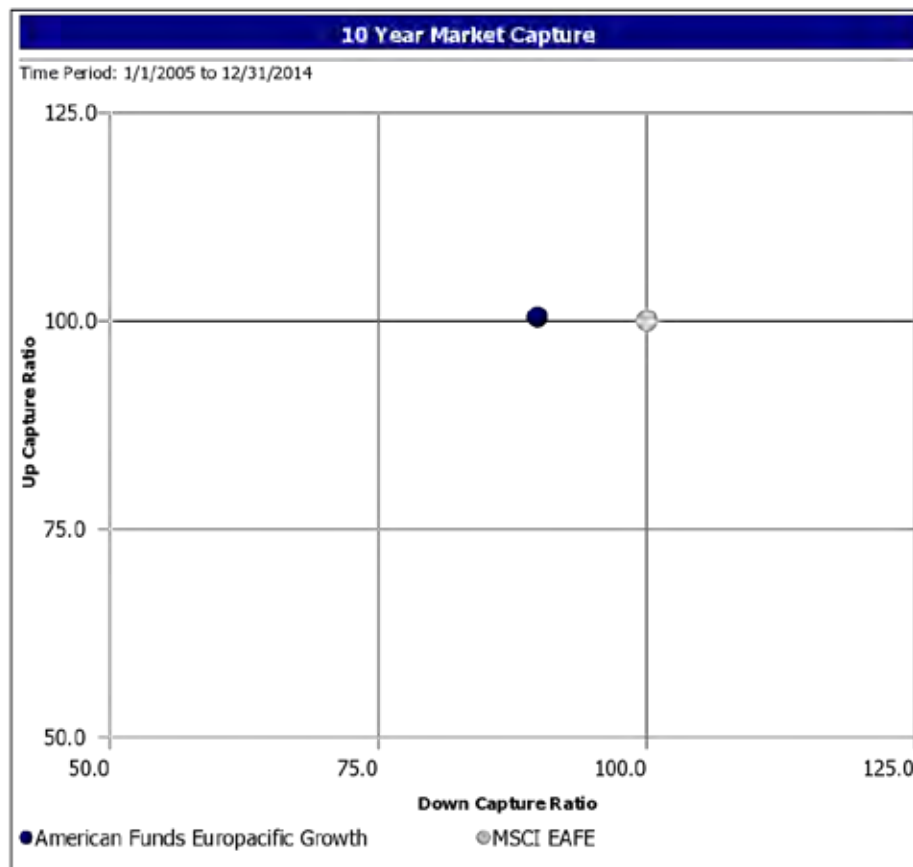
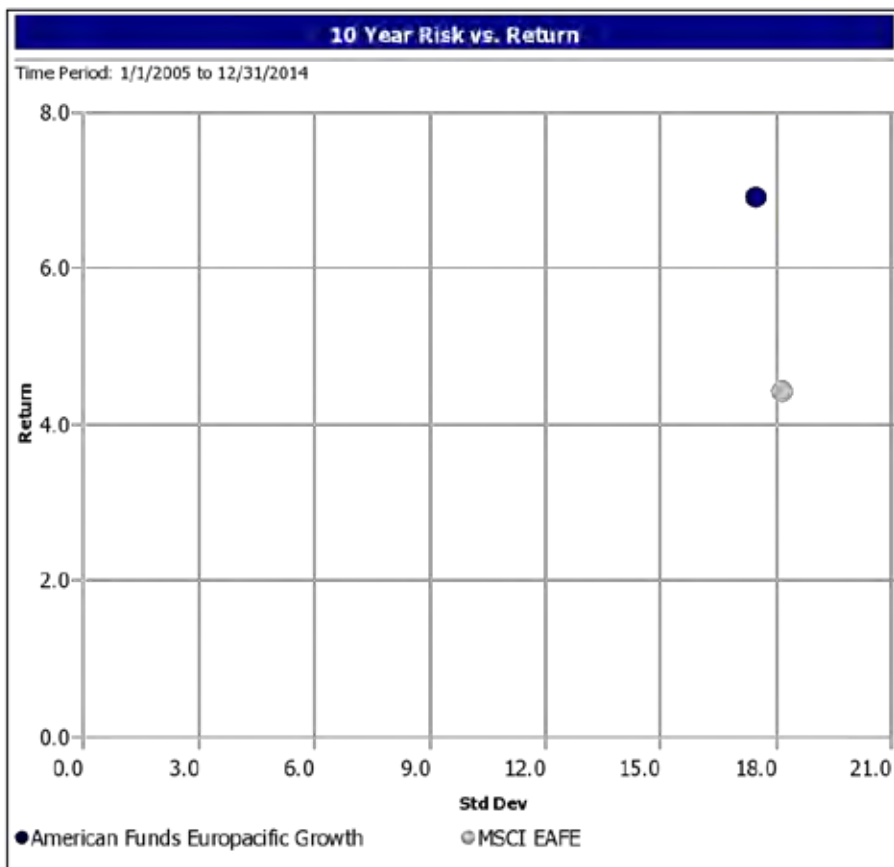
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
American Funds Europacific Growth	-1.6	-2.3	-2.3	6.0	6.9
Peer group percentile	18	18	18	28	11
MSCI EAFE	-3.6	-4.9	-4.9	5.3	4.4
Peer group percentile	51	45	45	45	46
25th Percentile	-2.2	-3.4	-3.4	6.1	5.5
50th Percentile	-3.5	-5.4	-5.4	5.1	4.3
75th Percentile	-4.2	-6.6	-6.6	4.2	3.4

Source: Morningstar Direct

# American Funds Europacific Growth

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
American Funds Europacific Growth	21.1	21.9	19.0	-40.5	39.4	9.8	-13.3	19.6	20.6	-2.3	-2.3	12.1	6.0	6.9
MSCI EAFE	13.5	26.3	11.2	-43.4	31.8	7.8	-12.1	17.3	22.8	-4.9	-4.9	11.1	5.3	4.4



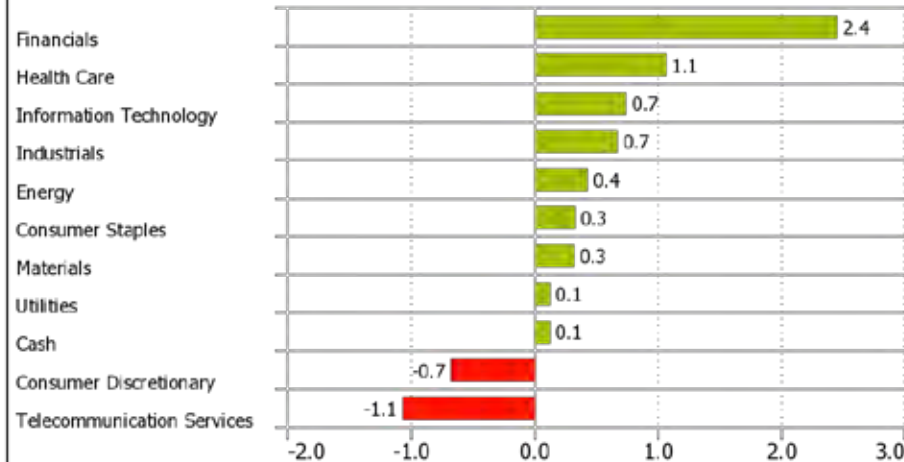
Source: Morningstar Direct

# American Funds Europacific Growth

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Sberbank Of Russia GDR	0.2	-45.8	0.7
Axis Bank Ltd	0.6	91.2	0.5
Ryanair Holdings PLC ADR	0.8	51.9	0.5
Baidu Inc ADR	1.3	28.2	0.4
Alimentation Couche-Tard Inc	0.6	68.4	0.4

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
SOFTBANK Corp	1.8	-31.0	-0.7
Yandex NV	0.3	-58.4	-0.3
Sberbank Of Russia ADR	0.3	-66.6	-0.3
European Aeronautic Defence and Space NV	0.6	-34.0	-0.3
Honda Motor Co Ltd ADR	0.7	-28.6	-0.2

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	13.5	-9.2	-1.3	11.8	-4.7	-0.6	0.0	-0.6	-0.7
Consumer Staples	7.7	3.6	0.3	11.0	-2.4	-0.2	-0.1	0.4	0.3
Energy	2.4	-25.2	-0.6	6.8	-18.4	-1.2	0.6	-0.2	0.4
Financials	24.0	4.2	1.0	25.6	-5.5	-1.4	0.0	2.4	2.4
Health Care	15.4	10.9	1.5	10.6	6.4	0.6	0.5	0.6	1.1
Industrials	9.5	-0.7	-0.1	12.6	-7.7	-1.0	0.1	0.6	0.7
Information Technology	15.1	1.1	0.2	4.5	-0.5	0.0	0.5	0.2	0.7
Materials	3.9	-8.9	-0.3	8.0	-10.7	-0.9	0.3	0.1	0.3
Telecommunication Services	4.6	-24.3	-1.3	5.1	-4.5	-0.2	0.0	-1.1	-1.1
Utilities	1.6	27.2	0.4	3.8	4.2	0.1	-0.2	0.3	0.1
Cash	2.3	0.0	0.0	0.0		0.0	0.1	0.0	0.1
Attribution Total	100.0	-0.3	-0.3	100.0	-4.8	-4.8	1.8	2.8	4.5

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct

# Harbor International

As of 12/31/2014

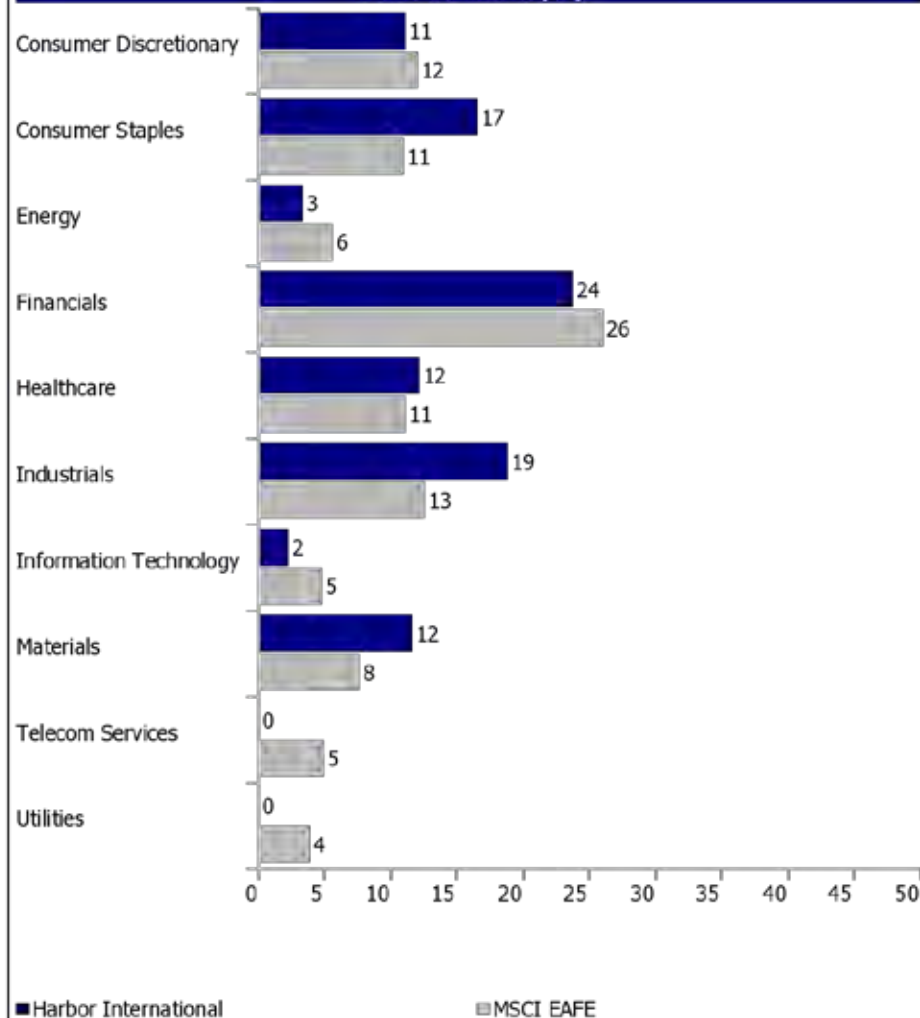
## Regional Allocation (%)

	Manager	Index
North America	2.7	0.0
Latin America Emerging	1.5	0.0
United Kingdom	15.3	21.4
Europe Developed	67.6	44.8
Europe Emerging	0.0	0.0
Africa/Middle East	0.0	0.6
Japan	9.1	21.1
Australia/New Zealand	0.0	7.7
Asia Developed	2.8	4.4
Asia Emerging	0.9	0.0

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Banco Bilbao Vizcaya Argentaria SA	Financials	2.8	-22.3
Roche Holding AG Dividend Right Cert.	Health Care	2.8	-0.3
Novo Nordisk A/S Class B	Health Care	2.7	16.6
Lloyds Banking Group PLC	Financials	2.7	-9.5
Anheuser-Busch Inbev SA	Consumer Staples	2.6	10.9
Novartis AG	Health Care	2.6	19.2
Schneider Electric SE	Industrials	2.5	-12.9
AXA SA	Financials	2.5	-13.0
Fanuc Corp	Industrials	2.4	-8.3
Rolls-Royce Holdings PLC	Industrials	2.3	-34.1

## Sector Allocation (%)

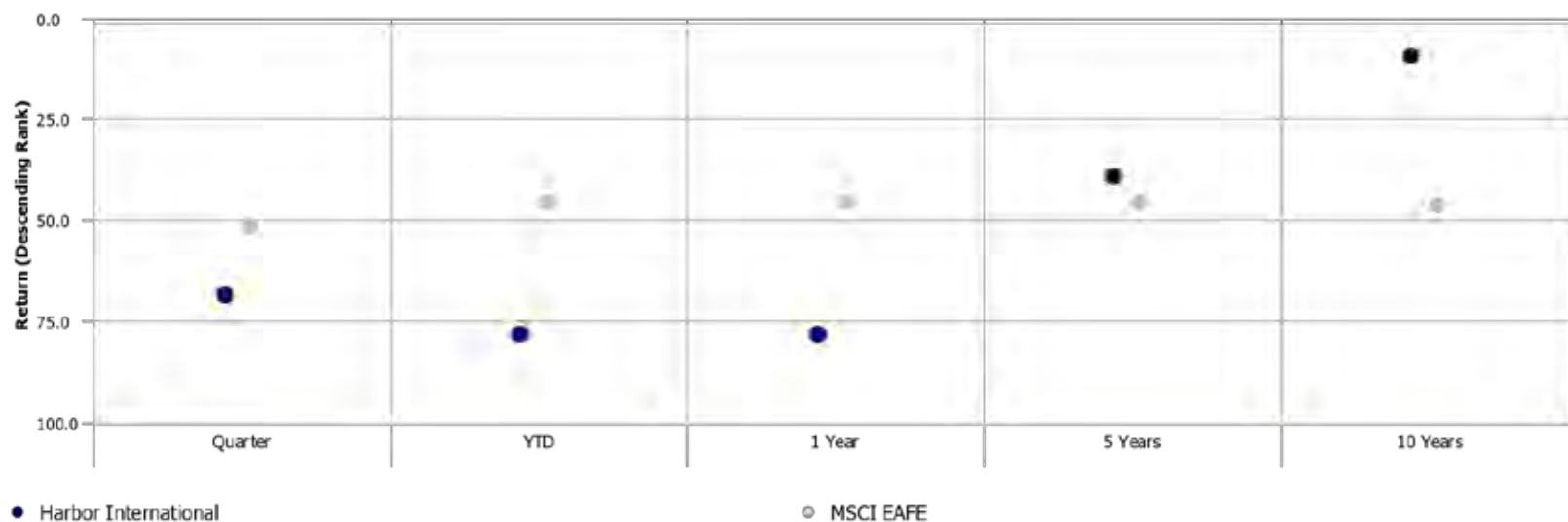


Source: Morningstar Direct

# Harbor International

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Foreign Large Blend



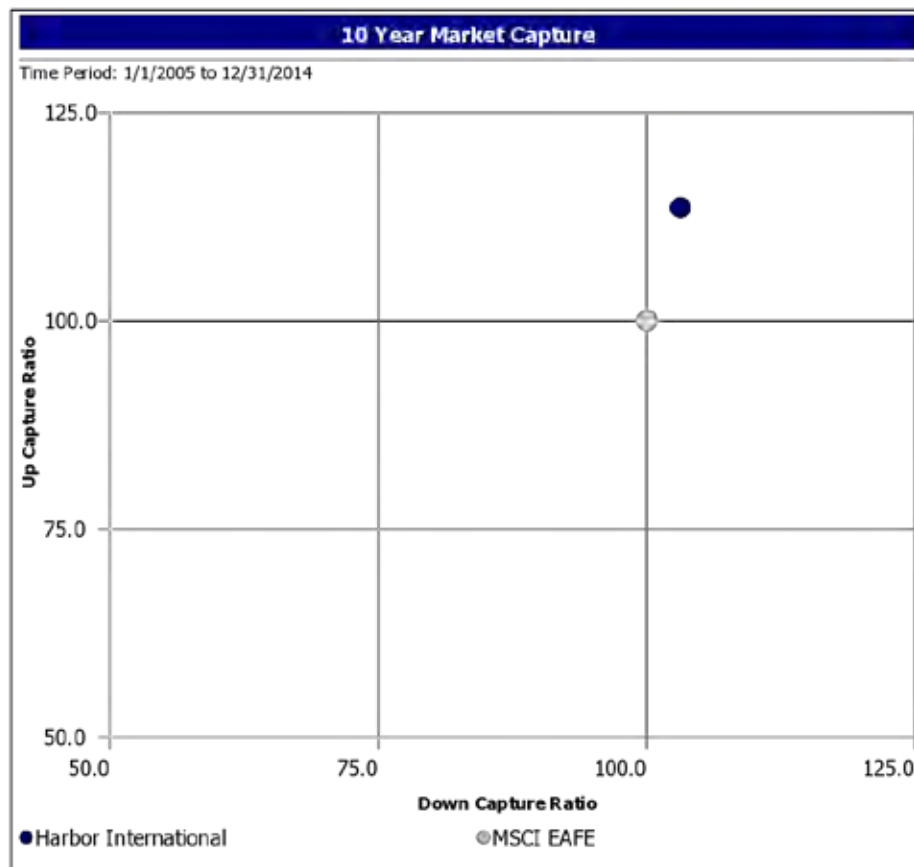
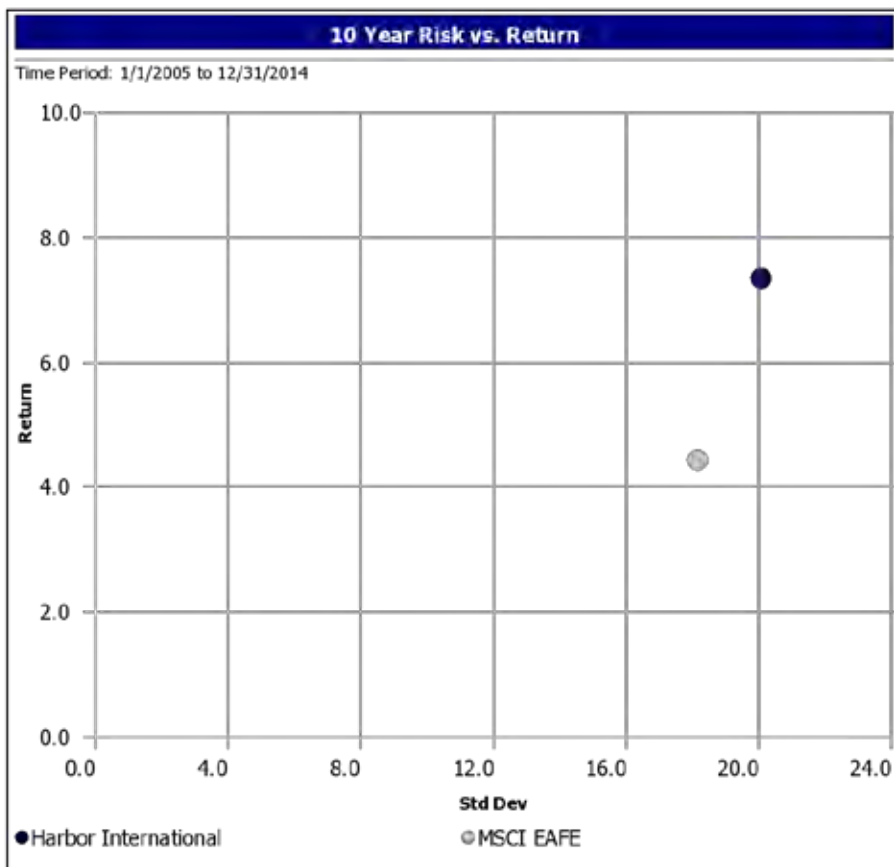
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Harbor International	-4.1	-6.8	-6.8	5.5	7.4
Peer group percentile	68	78	78	39	9
MSCI EAFE	-3.6	-4.9	-4.9	5.3	4.4
Peer group percentile	51	45	45	45	46
25th Percentile	-2.2	-3.4	-3.4	6.1	5.5
50th Percentile	-3.5	-5.4	-5.4	5.1	4.3
75th Percentile	-4.2	-6.6	-6.6	4.2	3.4

Source: Morningstar Direct

# Harbor International

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Harbor International	20.8	32.7	21.8	-42.7	38.6	12.0	-11.1	20.9	16.8	-6.8	-6.8	9.6	5.5	7.4
MSCI EAFE	13.5	26.3	11.2	-43.4	31.8	7.8	-12.1	17.3	22.8	-4.9	-4.9	11.1	5.3	4.4



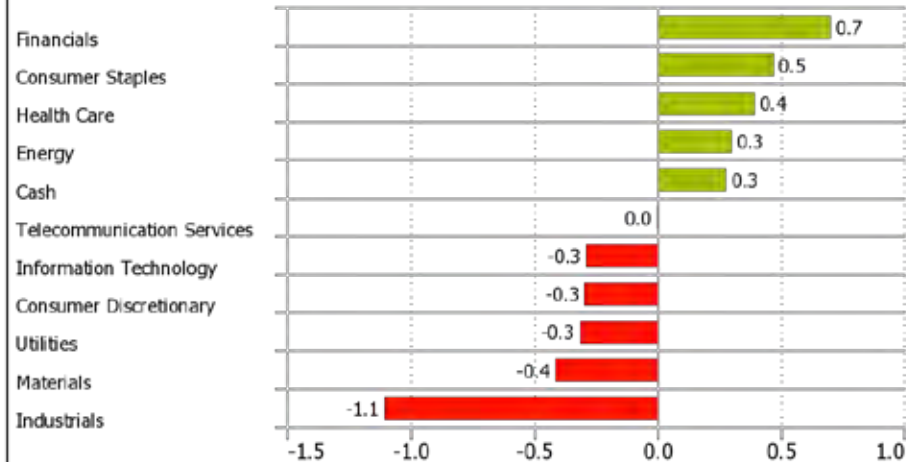
Source: Morningstar Direct

# Harbor International

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Intesa Sanpaolo	1.2	20.7	0.5
SMC Corp	1.6	6.3	0.2
United Overseas Bank Ltd	1.1	13.9	0.2
Cheung Kong Holdings Ltd	1.1	15.4	0.2
Taiwan Semiconductor Manufacturing Co Ltd ADR	0.7	17.8	0.2

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Rolls-Royce Holdings PLC	2.0	-34.2	-0.6
Freeport-McMoRan Inc	1.7	-35.8	-0.5
Banco Bilbao Vizcaya Argentaria SA	2.2	-22.4	-0.4
BG Group PLC	1.3	-36.2	-0.3
SAP SE	1.7	-16.8	-0.3

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	11.2	-7.7	-0.9	11.8	-4.7	-0.6	0.1	-0.4	-0.3
Consumer Staples	15.6	0.2	0.0	11.0	-2.4	-0.2	0.1	0.4	0.5
Energy	3.3	-22.4	-0.8	6.8	-18.4	-1.2	0.5	-0.2	0.3
Financials	23.6	-2.7	-0.5	25.6	-5.5	-1.4	0.0	0.7	0.7
Health Care	10.5	10.7	1.0	10.6	6.4	0.6	0.0	0.4	0.4
Industrials	17.7	-12.7	-2.4	12.6	-7.7	-1.0	-0.2	-0.9	-1.1
Information Technology	3.0	-7.3	-0.2	4.5	-0.5	0.0	-0.1	-0.2	-0.3
Materials	11.3	-12.6	-1.4	8.0	-10.7	-0.9	-0.2	-0.2	-0.4
Telecommunication Services	0.0		0.0	5.1	-4.5	-0.2	0.0	0.0	0.0
Utilities	0.0		0.0	3.8	4.2	0.1	-0.3	0.0	-0.3
Cash	3.7	0.0	0.0	0.0		0.0	0.3	0.0	0.3
Attribution Total	100.0	-5.1	-5.1	100.0	-4.8	-4.8	0.1	-0.4	-0.3

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct



# DFA Emerging Markets Value

As of 12/31/2014

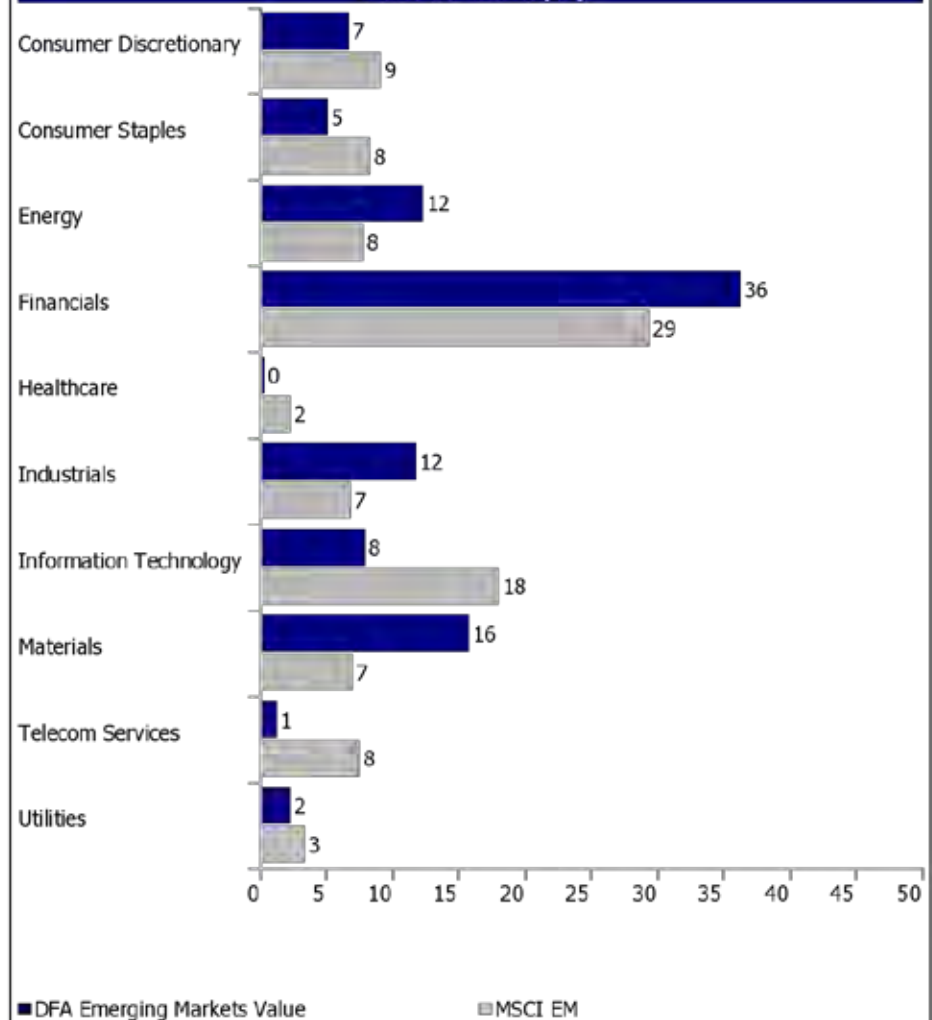
## Regional Allocation (%)

	Manager	Index
North America	0.0	0.1
Latin America Emerging	18.0	16.0
United Kingdom	0.0	0.0
Europe Developed	0.3	0.6
Europe Emerging	7.9	8.5
Africa/Middle East	7.7	9.4
Japan	0.0	0.0
Australia/New Zealand	0.0	0.0
Asia Developed	32.0	26.8
Asia Emerging	34.1	38.5

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
GAO Gazprom ADR	Energy	2.4	-41.0
China Construction Bank Corp H Shares	Financials	2.1	15.3
Bank Of China Ltd. H Shares	Financials	1.9	29.2
Reliance Industries Ltd	Energy	1.8	-1.4
Petroleo Brasileiro SA Petrobras ADR	Energy	1.4	-43.8
Standard Bank Group Ltd	Financials	1.3	3.7
Fomento Economico Mexicano SAB de CV ADR	Consumer Staples	1.3	-10.1
Shinhan Financial Group Co Ltd	Financials	1.2	-9.8
Cemex SAB de CV ADR	Materials	1.2	-10.4
Petroleo Brasileiro SA Petrobras ADR	Energy	1.1	-44.4

## Sector Allocation (%)



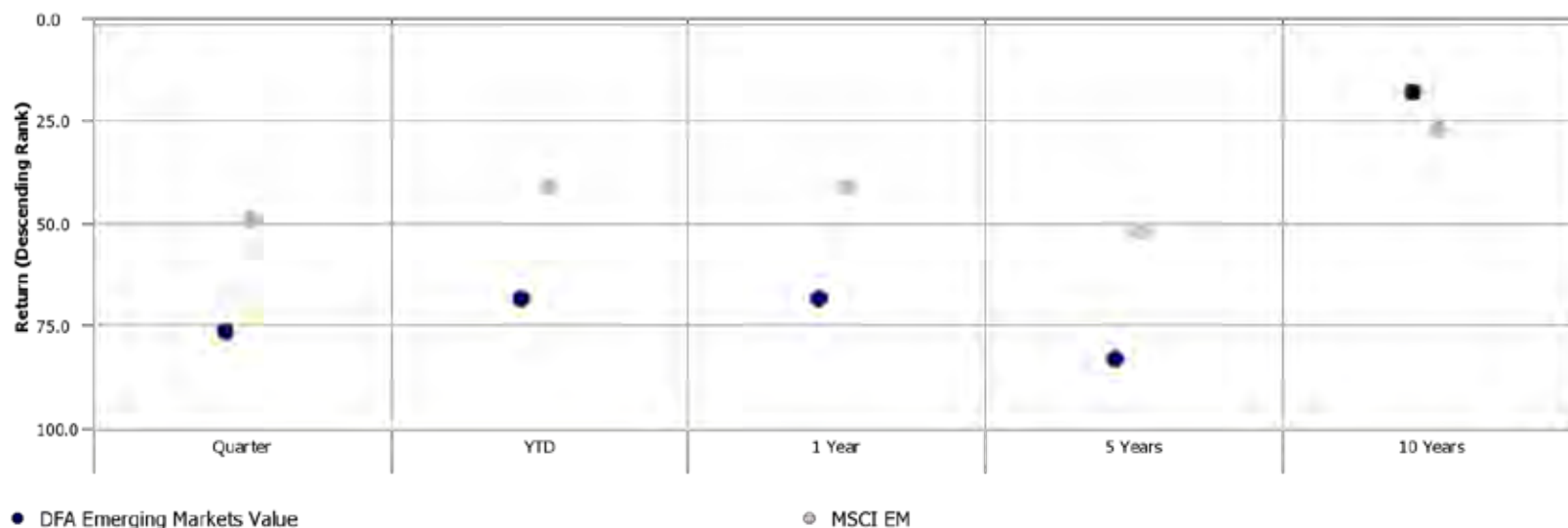
Source: Morningstar Direct



# DFA Emerging Markets Value

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Diversified Emerging Mkts



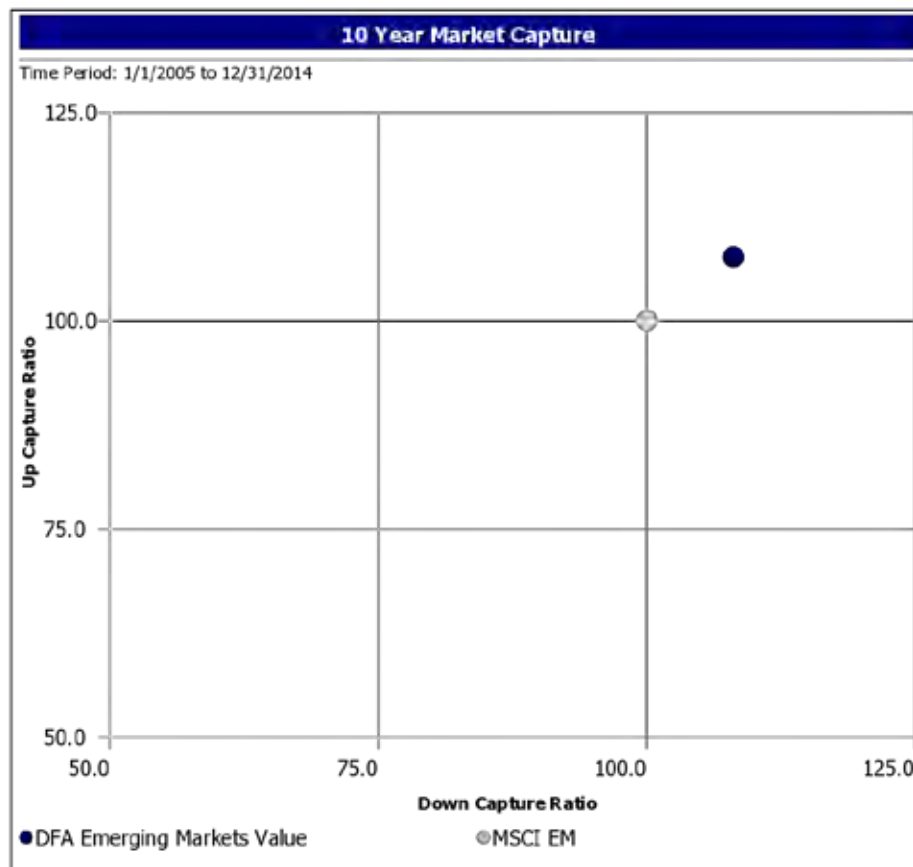
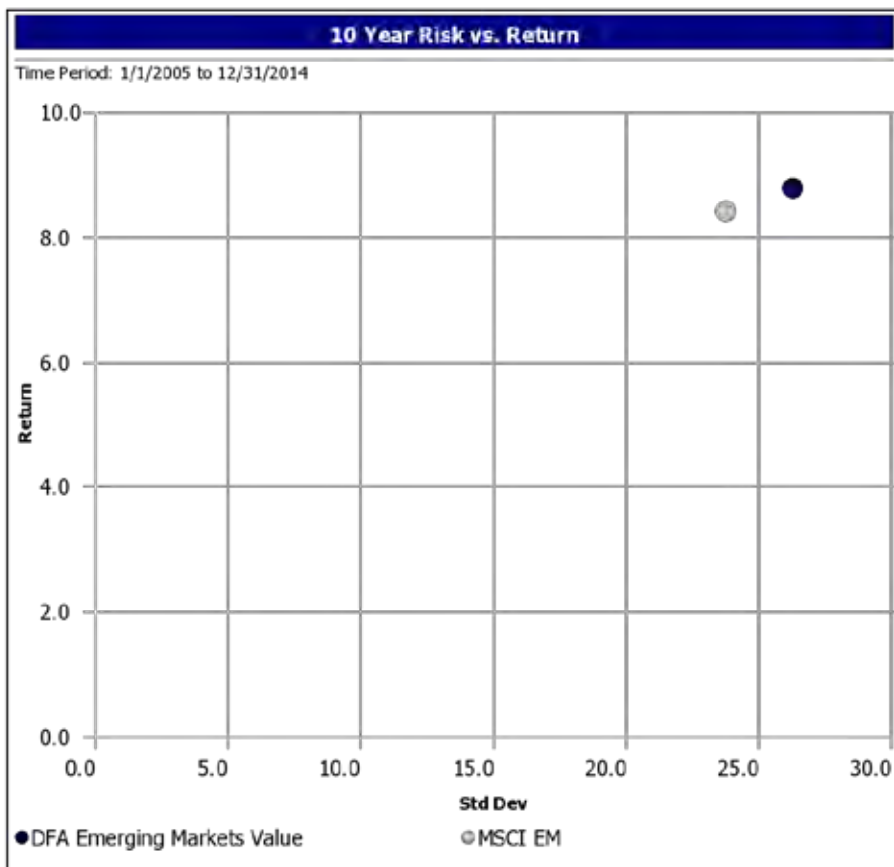
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
DFA Emerging Markets Value	-6.3	-4.4	-4.4	-0.1	8.8
Peer group percentile	76	68	68	83	18
MSCI EM	-4.5	-2.2	-2.2	1.8	8.4
Peer group percentile	49	41	41	52	27
25th Percentile	-3.2	-0.4	-0.4	3.4	8.5
50th Percentile	-4.6	-3.1	-3.1	1.9	7.6
75th Percentile	-6.2	-5.0	-5.0	0.5	6.7

Source: Morningstar Direct

# DFA Emerging Markets Value

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
DFA Emerging Markets Value	30.8	37.9	45.6	-53.9	92.3	22.1	-25.6	19.4	-3.8	-4.4	-4.4	3.1	-0.1	8.8
MSCI EM	34.0	32.1	39.4	-53.3	78.5	18.9	-18.4	18.2	-2.6	-2.2	-2.2	4.0	1.8	8.4



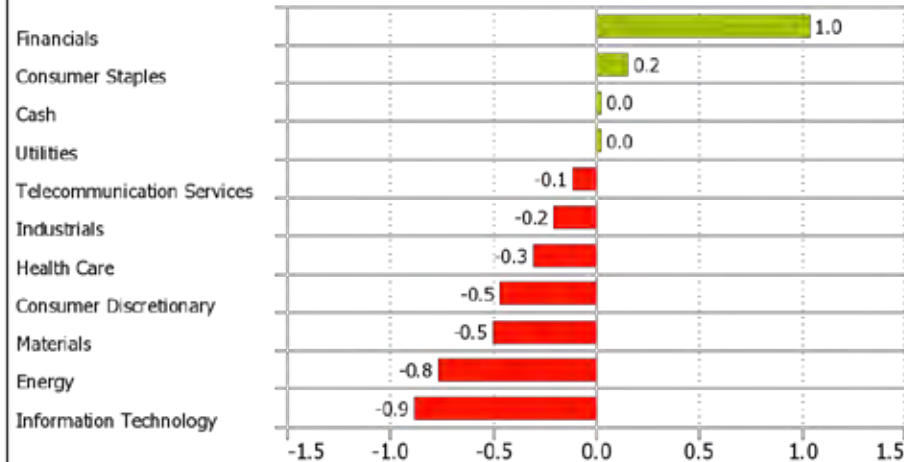
Source: Morningstar Direct

# DFA Emerging Markets Value

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Ptt PLC Shs Foreign Registered	0.8	23.5	0.4
ICICI Bank Ltd ADR	0.8	57.8	0.3
Reliance Industries Ltd	1.2	-1.6	0.3
China Petroleum & Chemical Corp ADR	0.6	2.4	0.2
Bank Of China Ltd. H Shares	1.0	31.0	0.2

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
AO Gazprom ADR	3.3	-43.0	-0.7
Petroleo Brasileiro SA Petrobras ADR	1.6	-45.8	-0.3
Petroleo Brasileiro SA Petrobras ADR	1.6	-45.8	-0.3
Gerdau SA ADR	0.5	-54.0	-0.3
Vale SA ADR	0.6	-36.5	-0.2

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	6.7	-8.3	-0.6	9.1	-1.5	-0.2	0.0	-0.5	-0.5
Consumer Staples	5.0	-4.1	-0.2	8.4	-5.1	-0.4	0.1	0.0	0.2
Energy	13.9	-26.6	-3.7	10.5	-26.8	-2.9	-0.9	0.1	-0.8
Financials	34.6	7.1	2.5	27.0	5.8	1.6	0.6	0.4	1.0
Health Care	0.4	16.9	0.1	1.9	19.2	0.3	-0.3	0.0	-0.3
Industrials	12.1	-4.1	-0.4	6.5	-2.6	-0.2	0.0	-0.2	-0.2
Information Technology	8.0	11.5	0.8	16.9	9.8	1.6	-1.0	0.1	-0.9
Materials	15.9	-14.9	-2.6	8.8	-20.1	-1.8	-1.4	0.9	-0.5
Telecommunication Services	1.3	-4.7	-0.1	7.3	-1.0	-0.1	-0.1	0.0	-0.1
Utilities	1.7	10.0	0.2	3.5	2.9	0.1	-0.1	0.1	0.0
Cash	0.5	0.0	0.0	0.0		0.0	0.0	0.0	0.0
Attribution Total	100.0	-4.1	-4.1	100.0	-2.1	-2.1	-3.1	1.1	-1.9

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct

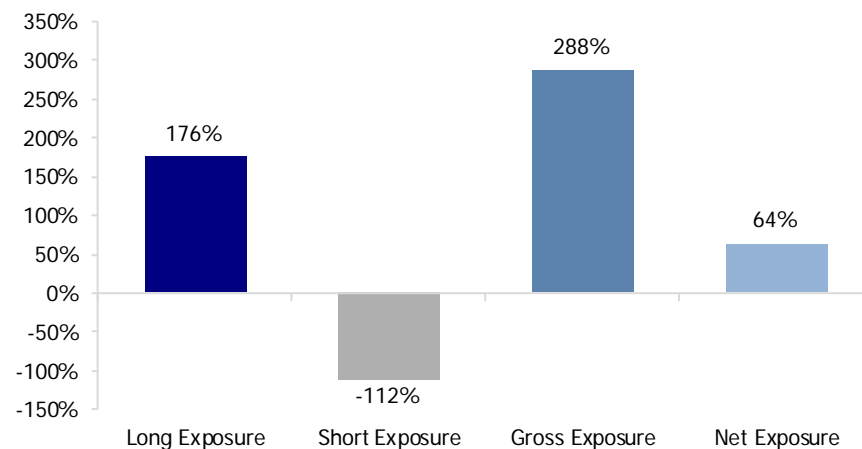
# Hedge Fund Overview: BlueCrest AllBlue Fund

As of 9/30/2014

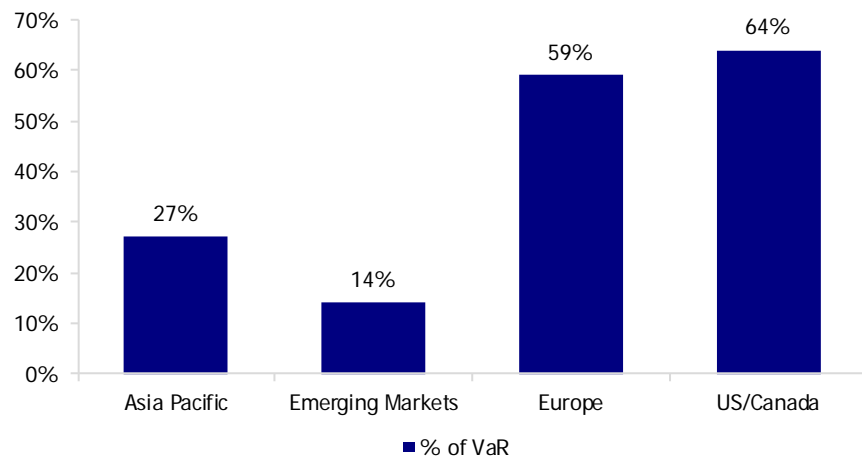
## Organizational Overview

Strategy Type	Multi-Strategy
Location of Headquarters	London, England
Year Founded	2000
Firm Assets Under Management (\$, B)	\$25.2
Fund Assets Under Management (\$, B)	\$8.8

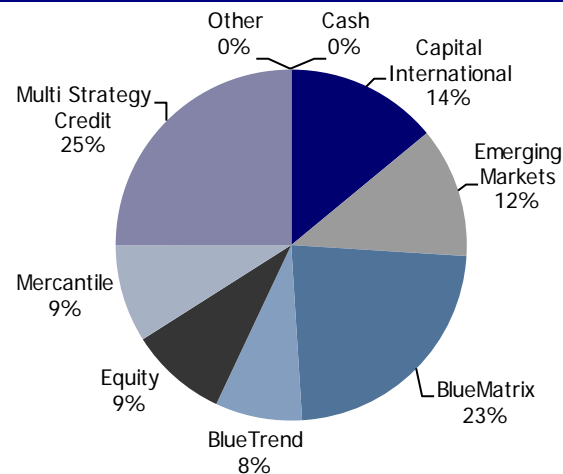
## Fund Exposure



## Regional Exposure (% of VaR)



## Strategy Exposure



Note: Data is as of September 30, 2014. Data as of December 31, 2014 is not yet available.

Note: All data provided by the investment manager.

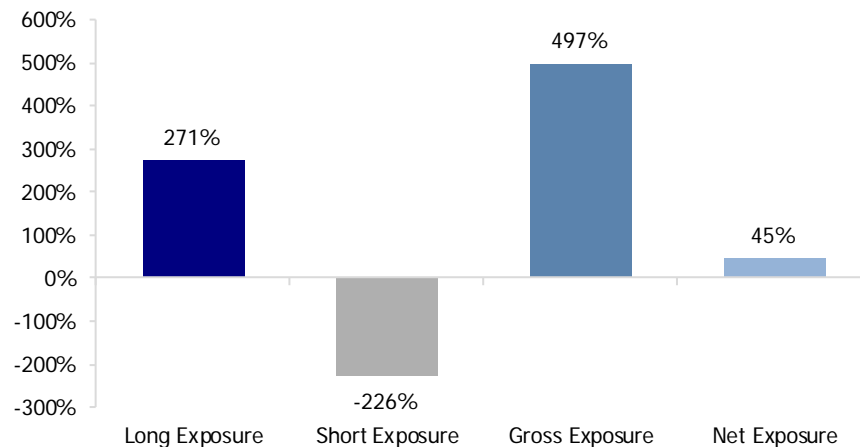
# Hedge Fund Overview: HBK Master Fund

As of 11/30/2014

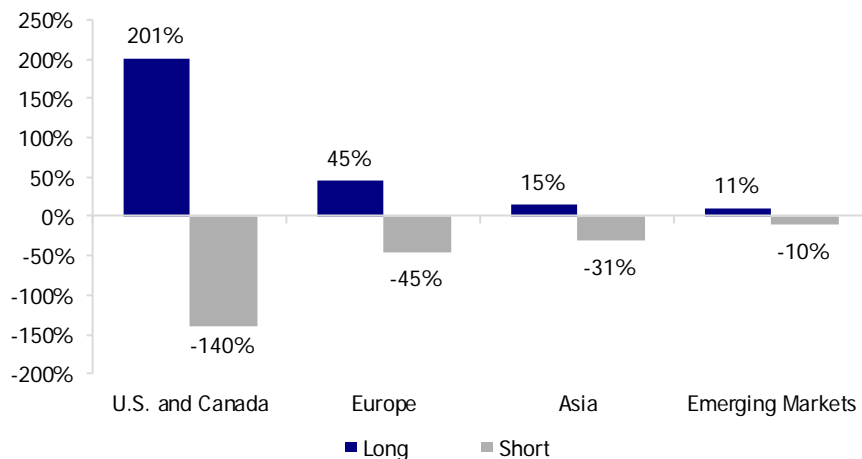
## Organizational Overview

Strategy Type	Mult-Strategy
Location of Headquarters	Dallas, TX
Year Founded	1991
Firm Assets Under Management (\$, B)	\$8.8
Fund Assets Under Management (\$, B)	\$7.8

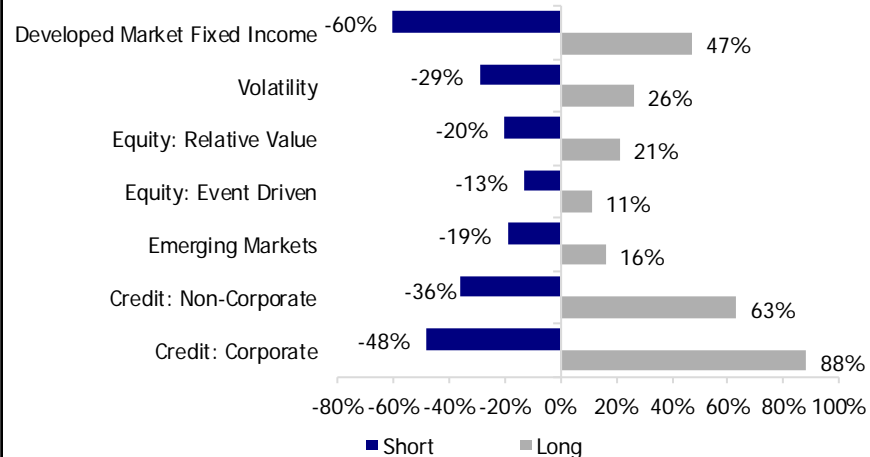
## Fund Exposure



## Regional Allocation (Long/Short)



## Sector Allocation (Long/Short)



Note: Data is as of November 30, 2014. Data as of December 31, 2014 is not yet available.

Note: All data provided by the investment manager.

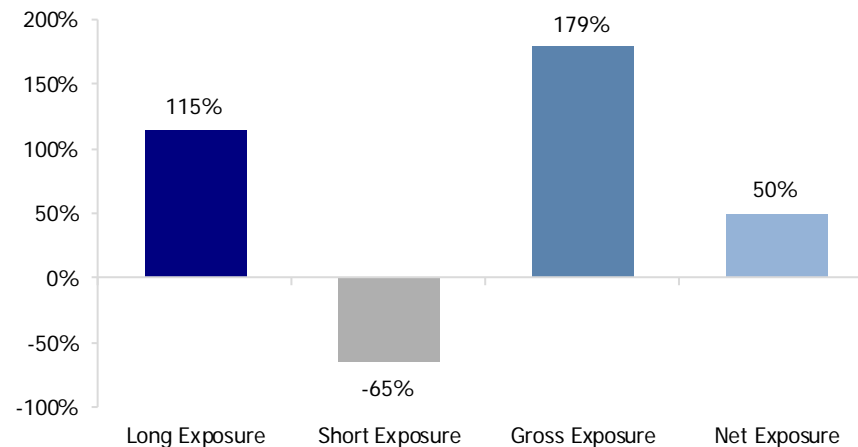
# Hedge Fund Overview: Och-Ziff Master Fund II

As of 11/30/2014

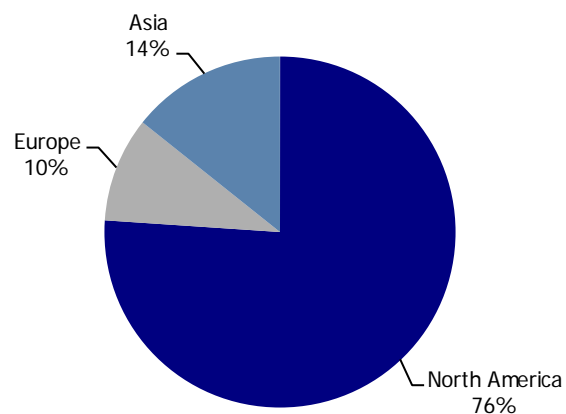
## Organizational Overview

Strategy Type	Multi-Strategy
Location of Headquarters	New York, NY
Year Founded	1994
Firm Assets Under Management (\$, B)	\$46.0
Fund Assets Under Management (\$, B)	\$27.8

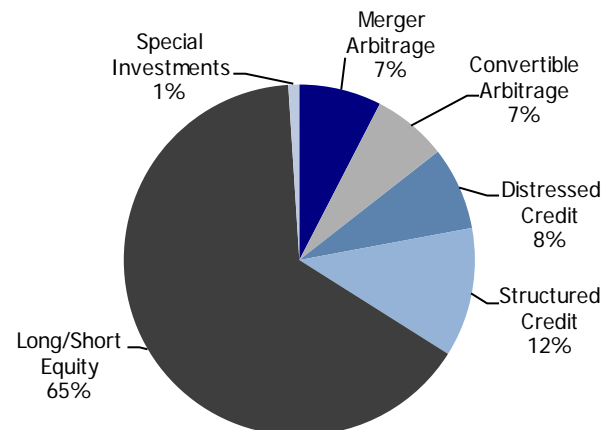
## Fund Exposure



## Geographic Exposure



## Strategy Exposure

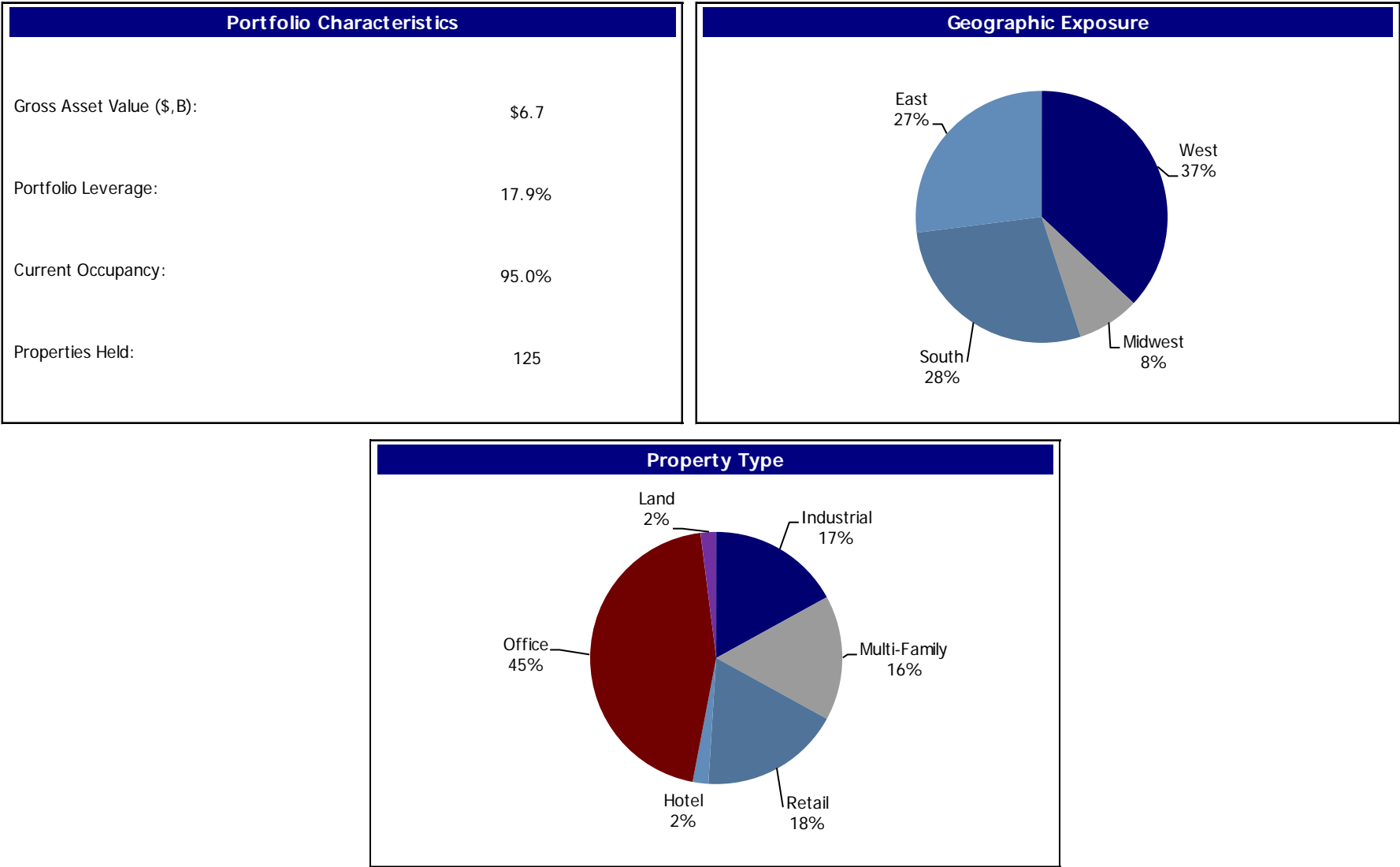


Note: Data is as of November 30, 2014. Data as of December 31, 2014 is not yet available.

Note: All data provided by the investment manager.

# Real Estate Overview: Principal U.S. Property

As of 9/30/2014



Note: Data is as of September 30, 2014. Data as of December 31, 2014 is not yet available.

# Fixed Income Overview: MetWest Total Return

As of 12/31/2014

Portfolio Characteristics	MetWest Total Return	Barclays US Agg Bond
Duration	4.7 yrs	5.6 yrs
Average Maturity	8.6 yrs	7.7 yrs
Average Quality	--	AA
Yield to Maturity	2.5%	2.3%

Maturity Breakdown	MetWest Total Return	Barclays US Agg Bond
0-1 Years	3%	0%
1-3 Years	22%	24%
3-5 Years	11%	21%
5-10 Years	48%	40%
10-20 Years	5%	3%
20+ Years	11%	11%

Sector Allocation	MetWest Total Return	Barclays US Agg Bond
Cash	3%	0%
U.S. Treasury	32%	36%
Direct Agency	2%	3%
Agency Mortgages	20%	29%
Non-Agency Mortgages	11%	0%
CMBS	8%	2%
Asset-Backed	8%	1%
Investment Grade Corp.	13%	19%
Non-Investment Grade Corp.	2%	0%
Municipals	1%	1%
Non-U.S.	0%	9%
Other	0%	0%

Quality Breakdown	MetWest Total Return	Barclays US Agg Bond
AAA	70%	72%
AA	5%	5%
A	9%	12%
BBB	7%	12%
Below Investment Grade	8%	0%
Other	0%	0%

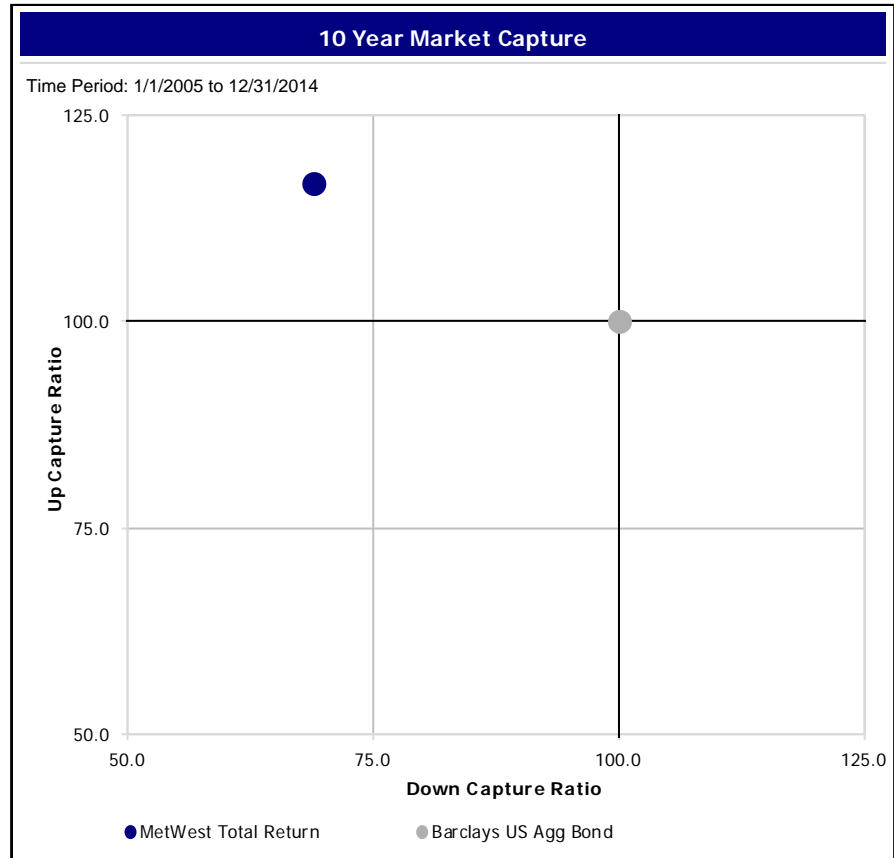
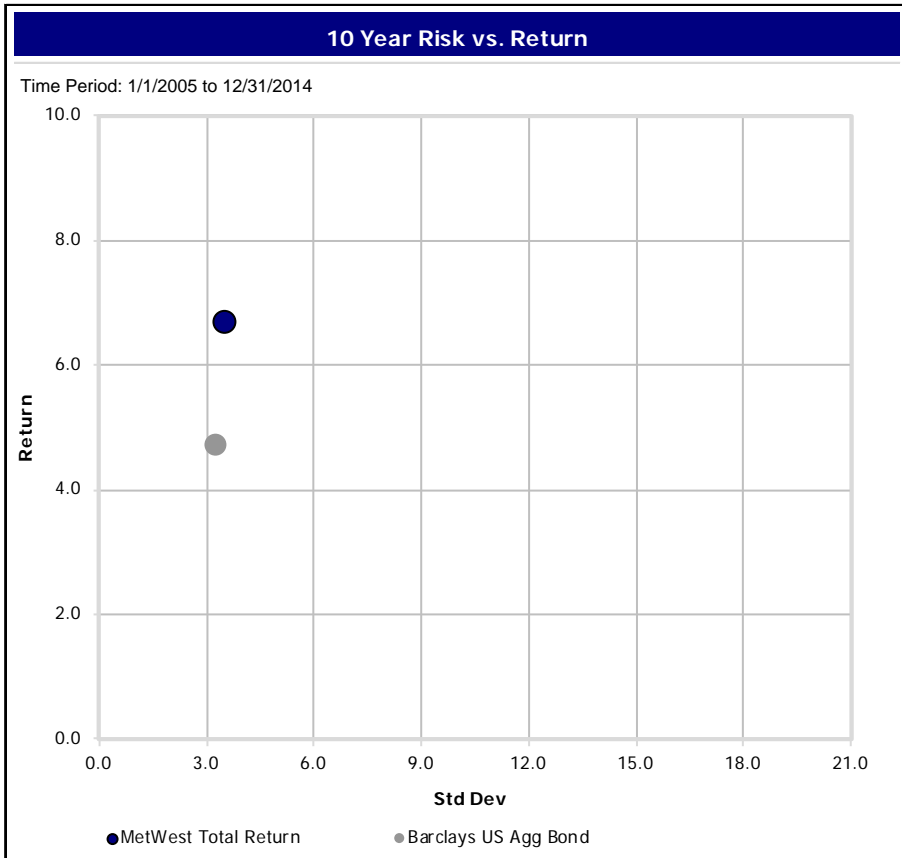
Note: All data provided by the investment manager.



# MetWest Total Return

As of 12/31/2014

Returns (%)														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
MetWest Total Return	5.4	3.3	7.2	6.5	-1.3	17.3	11.7	5.5	11.5	0.5	6.0	5.9	7.0	6.7
Barclays US Agg Bond	4.3	2.4	4.3	7.0	5.2	5.9	6.5	7.8	4.2	-2.0	6.0	2.7	4.4	4.7



# Fixed Income Overview: Dodge & Cox Income

As of 12/31/2014

Portfolio Characteristics	Dodge & Cox Income	Barclays US Agg Bond
Duration	3.9 yrs	5.6 yrs
Average Maturity	7.2 yrs	7.7 yrs
Average Quality	--	AA
Yield to Maturity	2.6%	2.3%

Maturity Breakdown	Dodge & Cox Income	Barclays US Agg Bond
0-1 Years	5%	0%
1-3 Years	17%	24%
3-5 Years	33%	21%
5-10 Years	29%	40%
10-20 Years	6%	3%
20+ Years	10%	11%

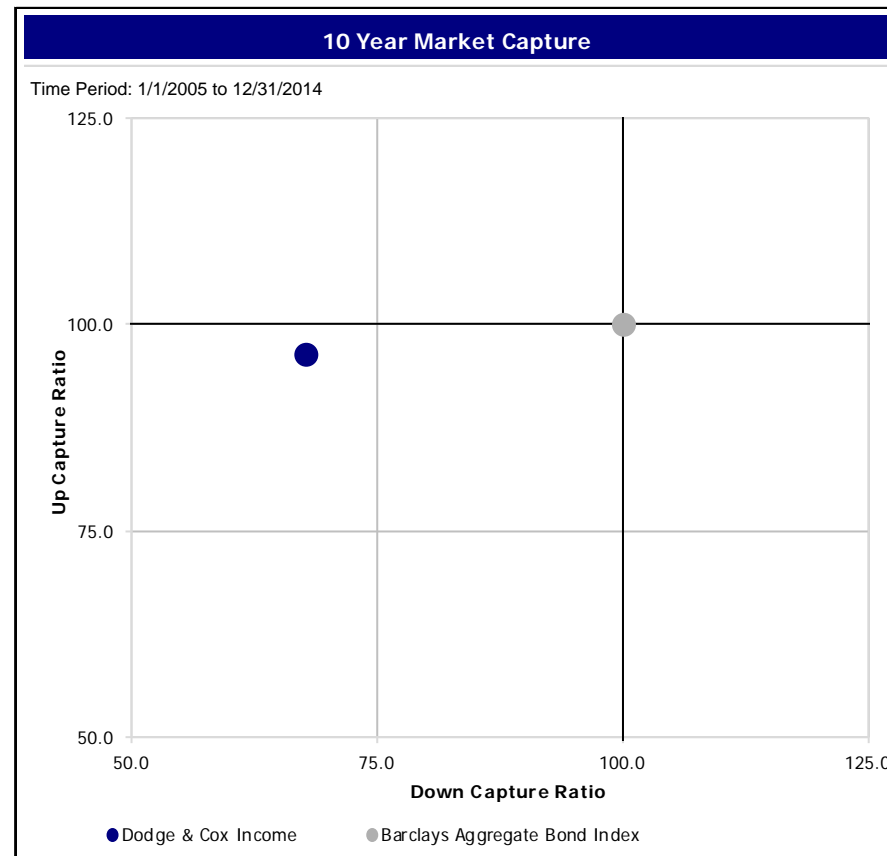
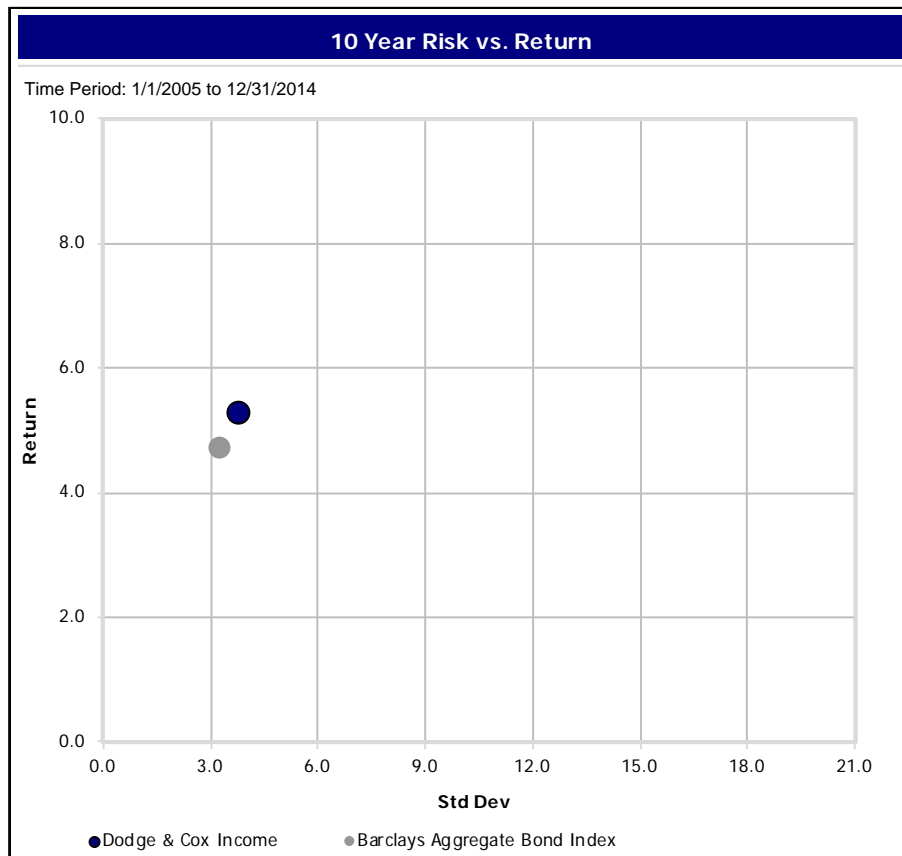
Sector Allocation	Dodge & Cox Income	Barclays US Agg Bond
Cash	3%	0%
U.S. Treasury	11%	36%
Direct Agency	7%	3%
Agency Mortgages	29%	29%
Non-Agency Mortgages	5%	0%
CMBS	0%	2%
Asset-Backed	7%	1%
Investment Grade Corp.	23%	19%
Non-Investment Grade Corp.	16%	0%
Municipals	0%	1%
Non-U.S.	0%	9%
Other	0%	0%

Quality Breakdown	Dodge & Cox Income	Barclays US Agg Bond
AAA	53%	72%
AA	1%	5%
A	10%	12%
BBB	26%	12%
Below Investment Grade	11%	0%
Other	0%	0%

# Dodge & Cox Income

As of 12/31/2014

Returns (%)														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Dodge & Cox Income	3.6	2.0	5.3	4.7	-0.3	16.1	7.2	4.8	7.9	0.6	5.5	4.6	5.2	5.3
Barclays Aggregate Bond Index	4.3	2.4	4.3	7.0	5.2	5.9	6.5	7.8	4.2	-2.0	6.0	2.7	4.4	4.7



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## Appendix: Investment Manager Fee Review

# Investment Manager Fees

Style	Fund	Market Value (\$,M)	Management Fee	Projected Annual Fee (\$)	Average Expense Ratio for Style
Large Cap Value Equity	Dodge & Cox Stock	\$15.3	0.52%	\$79,386	0.96%
Large Cap Core Equity	Piedmont Strategic Core	\$8.1	0.65%	\$52,722	1.00%
Large Cap Growth Equity	Argent Large Cap Growth	\$14.9	0.55%	\$82,214	1.02%
Mid Cap Growth Equity	Artisan Mid Cap	\$6.5	0.96%	\$62,641	1.09%
Mid Cap Value Equity	Vaughan Nelson Value Opportunity	\$6.3	1.02%	\$64,496	1.13%
International Equity	EuroPacific Growth Fund	\$11.2	0.49%	\$54,638	1.10%
International Equity	Harbor International	\$10.5	0.74%	\$78,059	1.10%
Emerging Markets Equity	DFA Emerging Markets Value	\$5.6	0.57%	\$32,157	1.39%
Real Estate	Principal US Real Estate	\$4.1	1.15%	\$46,923	1.09%
Hedge Fund	BlueCrest AllBlue Fund	\$3.8	2.00%	\$75,191	1.77%
Hedge Fund	HBK Master Fund II	\$3.6	1.50%	\$54,605	1.77%
Hedge Fund	Och-Ziff OZ Overseas Fund II	\$3.8	2.00%	\$75,660	1.77%
Fixed Income	MetWest Total Return	\$11.2	0.46%	\$51,416	0.72%
Fixed Income	Dodge & Cox Income	\$9.6	0.40%	\$38,428	0.72%
Money Market	First American Prime Obligation	\$3.8	0.00%	\$0	0.13%
<b>Total</b>		<b>\$118.4</b>	<b>0.72%</b>	<b>\$848,533</b>	<b>1.04%</b>

Notes: Fees shown use actual portfolio market values as of December 31.  
Hedge Fund managers also have an incentive fee structure.  
Average expense ratio shown using Morningstar peer group data.

# Endnotes

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OPEB Retirement Trust

Fourth Quarter 2014 Performance Report

Scott R. Meggenberg  
Michael S. Patock, CAIA

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— Manager Performance Review

— Retirement Program Fee Analysis



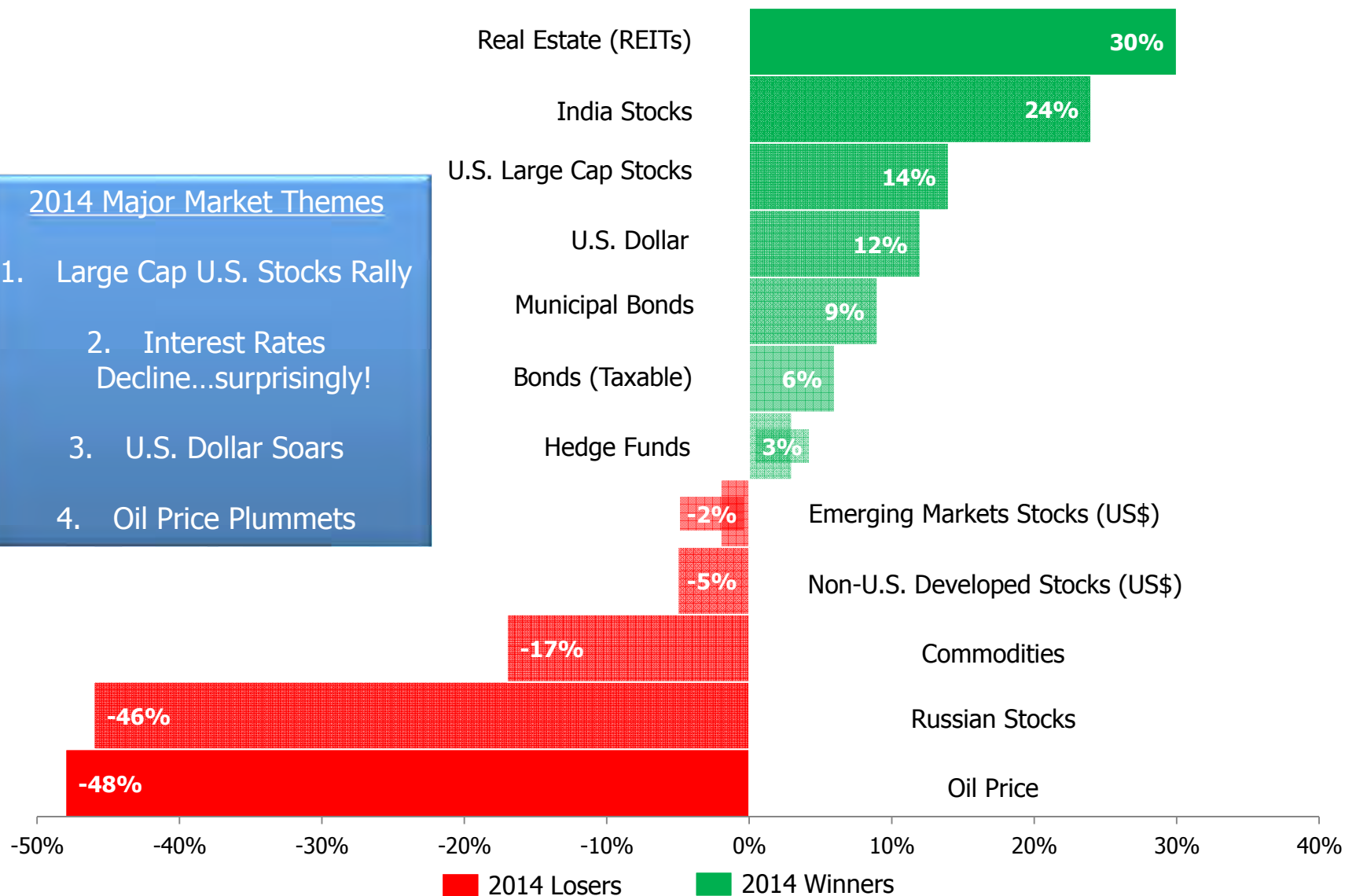
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## Fourth Quarter 2014 Capital Markets Exhibits

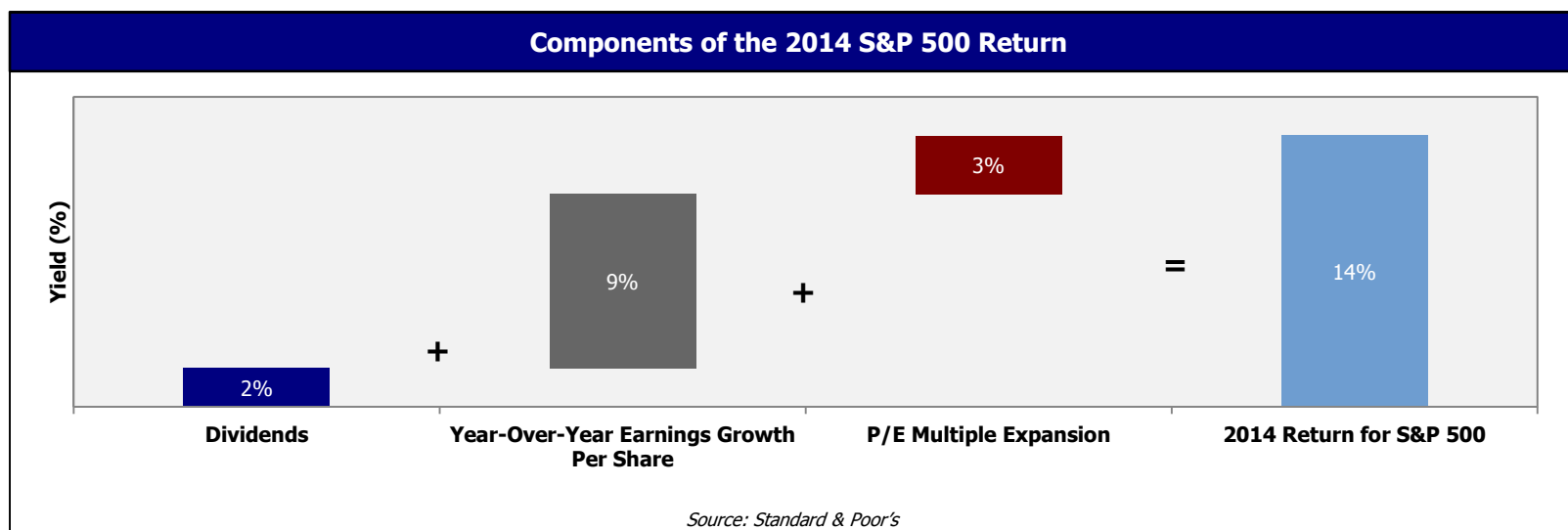
# 2014: Winners and Losers (Rates of Return)

## 2014 Major Market Themes

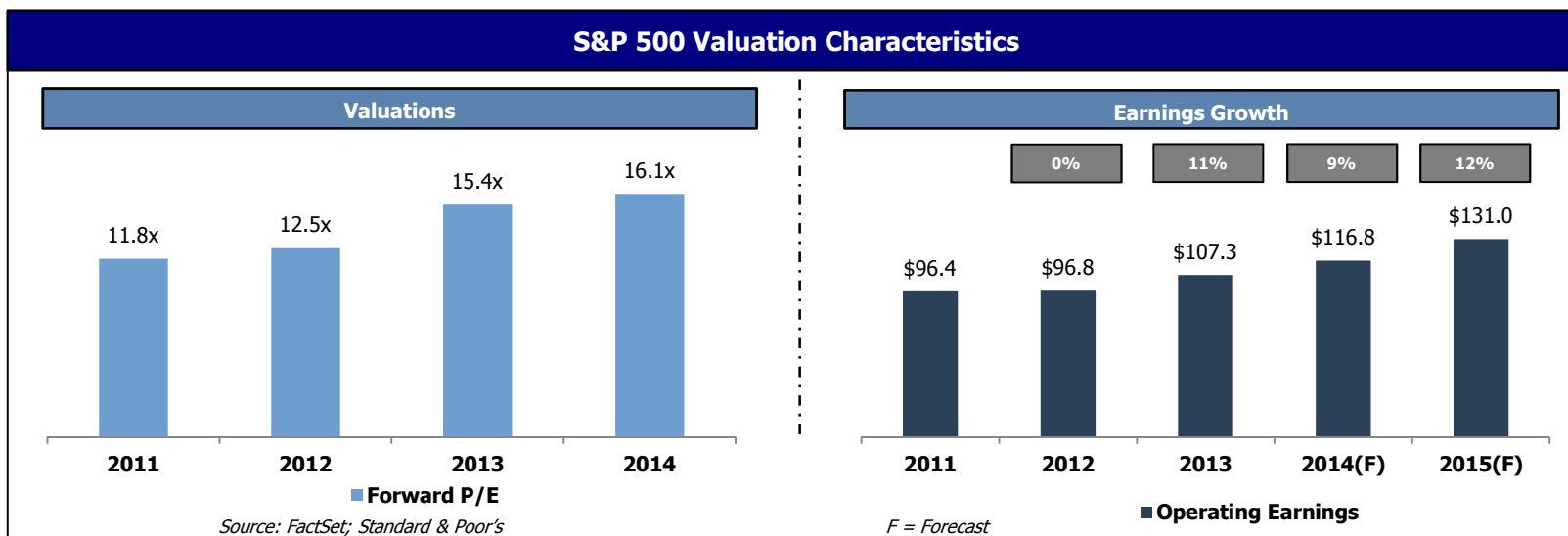
1. Large Cap U.S. Stocks Rally
2. Interest Rates Decline...surprisingly!
3. U.S. Dollar Soars
4. Oil Price Plummets



# Strong Earnings Drive Large Cap Returns

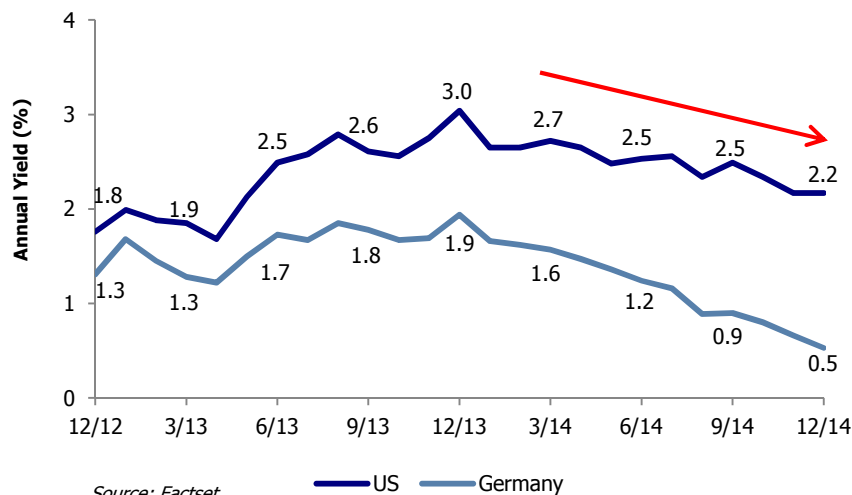


Note: Assumes dividends reinvested in S&P 500 Index on ex-dividend dates. Dividends, earnings growth and changes in P/E multiples combine to drive the return of the stock market.

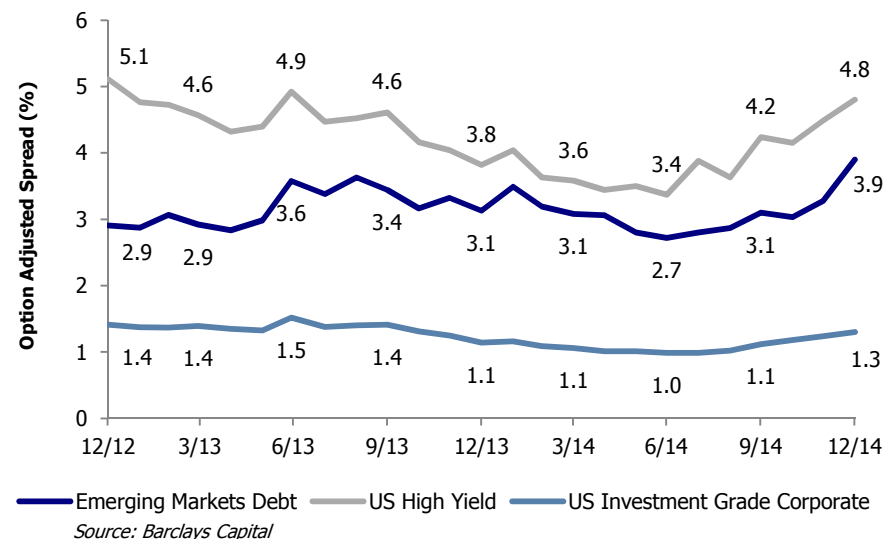


# Biggest Surprise in 2014: Interest Rates Decline Globally

**10-Year Treasury Bond Yields**



**Credit Spreads Widen in 2014**



## Observations

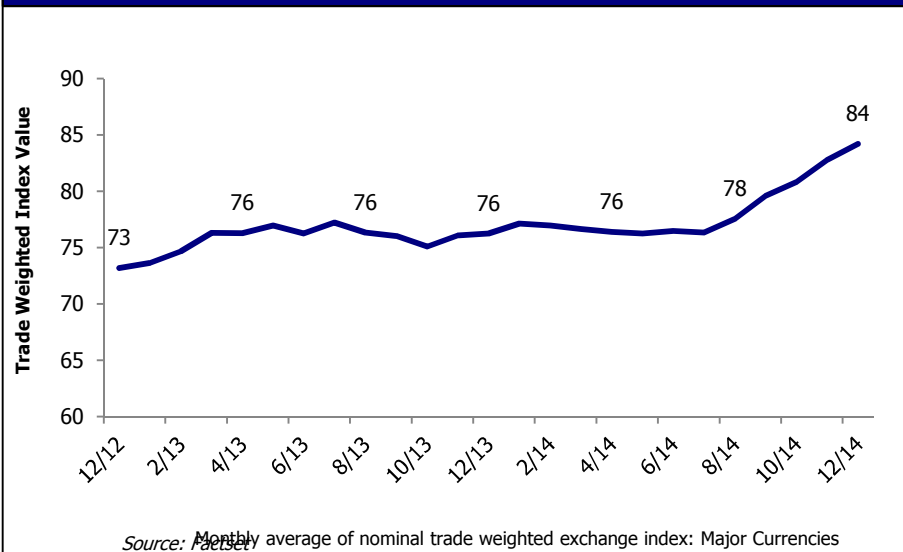
- ❑ A flight to quality and continued high demand for US Treasuries pushed rates lower even as the Fed buyback program concluded.
- ❑ Yields on lower quality sovereign bonds (U.K., Italy, Spain) fell below those of US Treasuries.
- ❑ Credit spreads began to widen in the fourth quarter from a historically tight range mid-year.
- ❑ Inflation remains low allowing central banks flexibility to stimulate economic growth.
- ❑ Federal Open Market Committee forecasts\* for the Fed Funds Rate, by end of year:

2014	2015	2016	2017	Long Run
0.13%	1.13%	2.50%	3.63%	3.75%

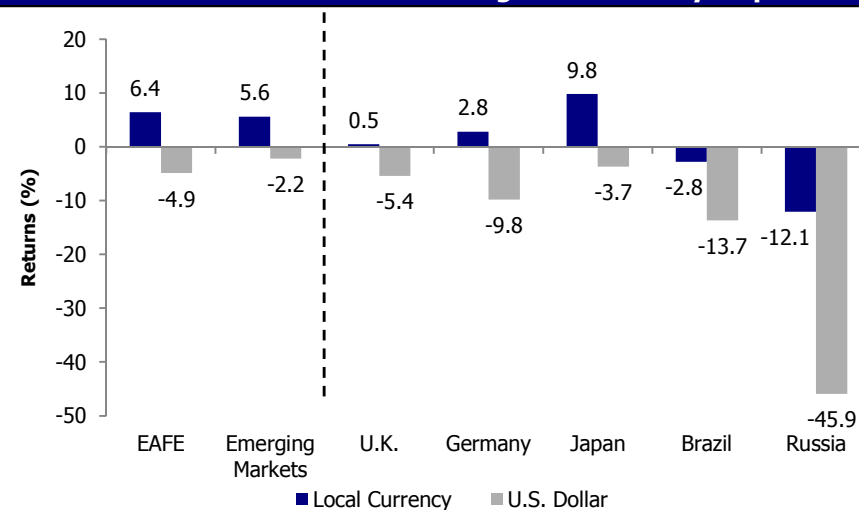
\* Forecasts of 17 FOMC participants, midpoints of central tendency.

# U.S. Dollar Appreciates

## U.S. Dollar Index



## 2014 Stock Market Returns: Negative Currency Impact



## U.S. Imports and Exports: 2013 (\$ in Billions)

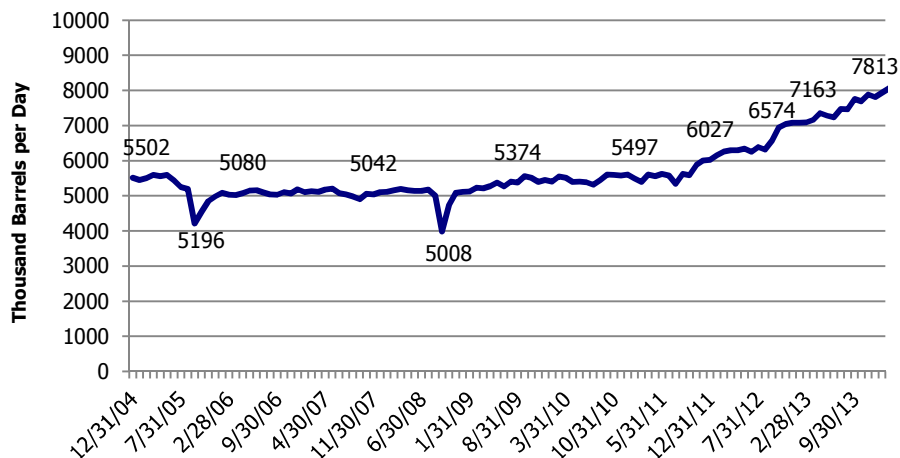


## Observations

- Strong economic growth and the prospect of rising interest rates in the U.S. pushed the U.S. dollar higher creating wide dispersion in many markets between local currency and U.S. dollar returns.
- The stronger dollar combined with a more financially stable U.S. consumer is expected to have a positive impact on those markets from which the U.S. imports goods and services.
- In local currency terms, non-U.S. equity market performance was only slightly below long-term averages. However, for U.S. dollar based investors, these returns were negative.

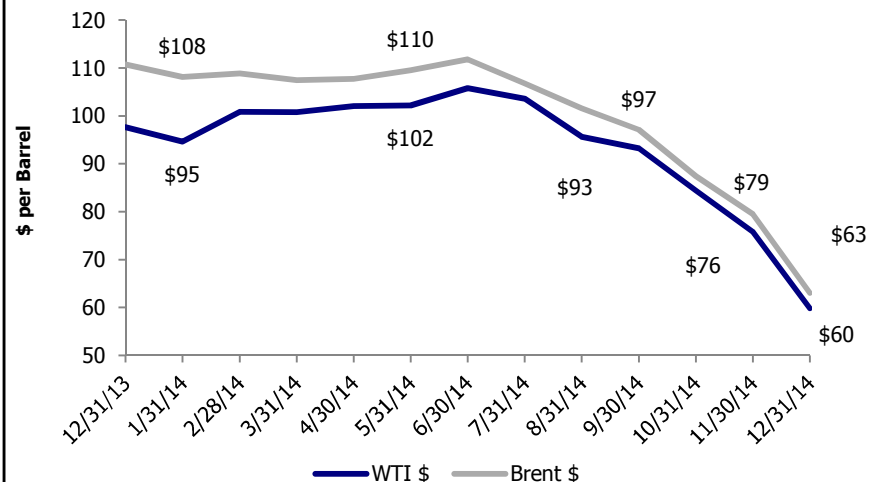
# Oil Prices Plummet in 2014

**United States Field Production of Crude Oil**

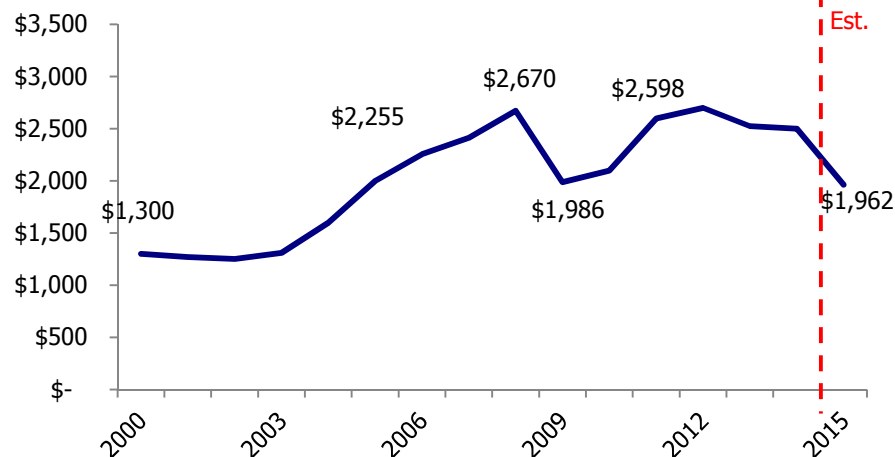


Source: U.S. Energy Information Administration

**Spot Crude Oil Prices**



**Avg. Annual Household Exp. On Gasoline**

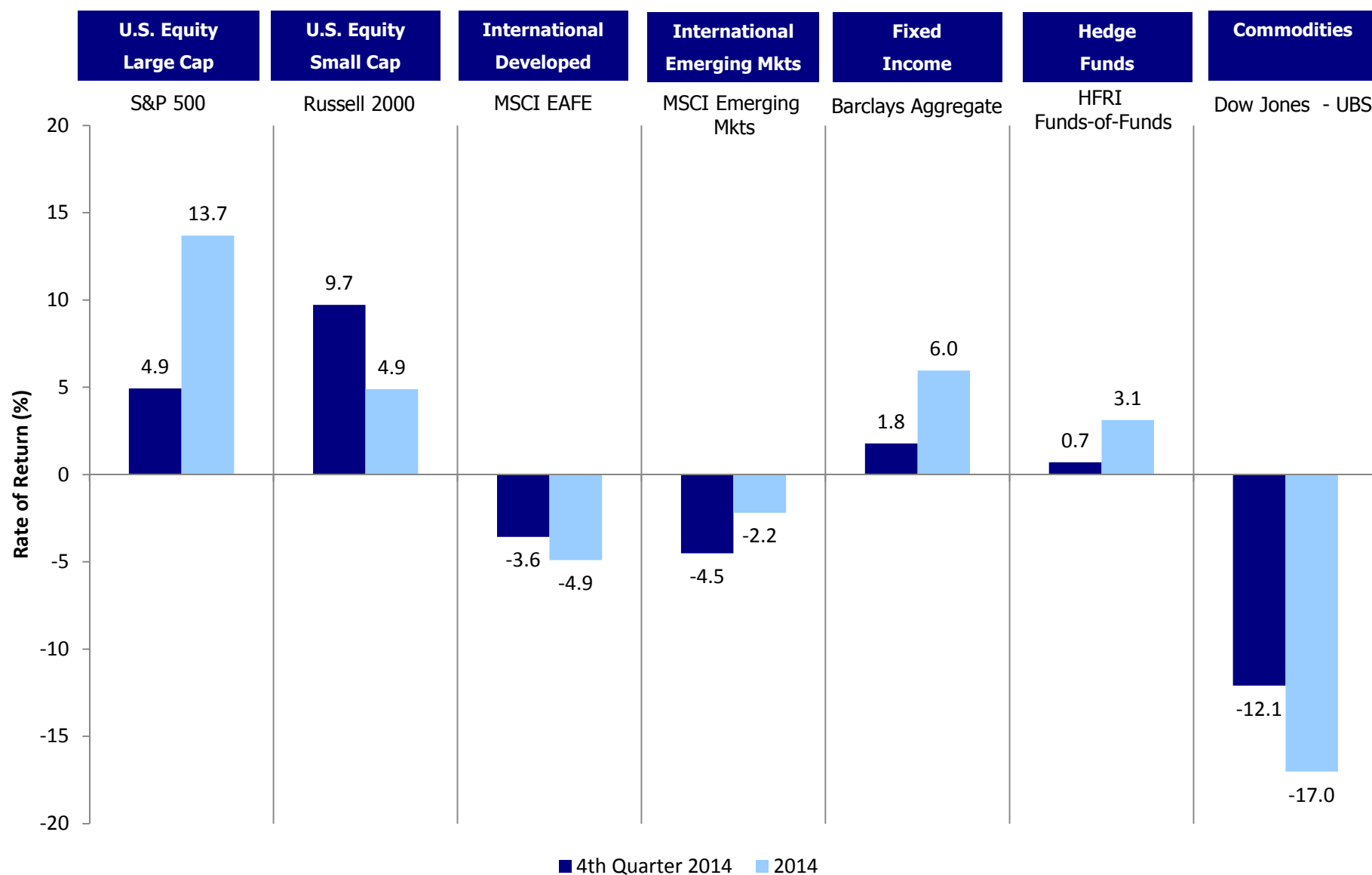


Source: U.S. Energy Information Administration

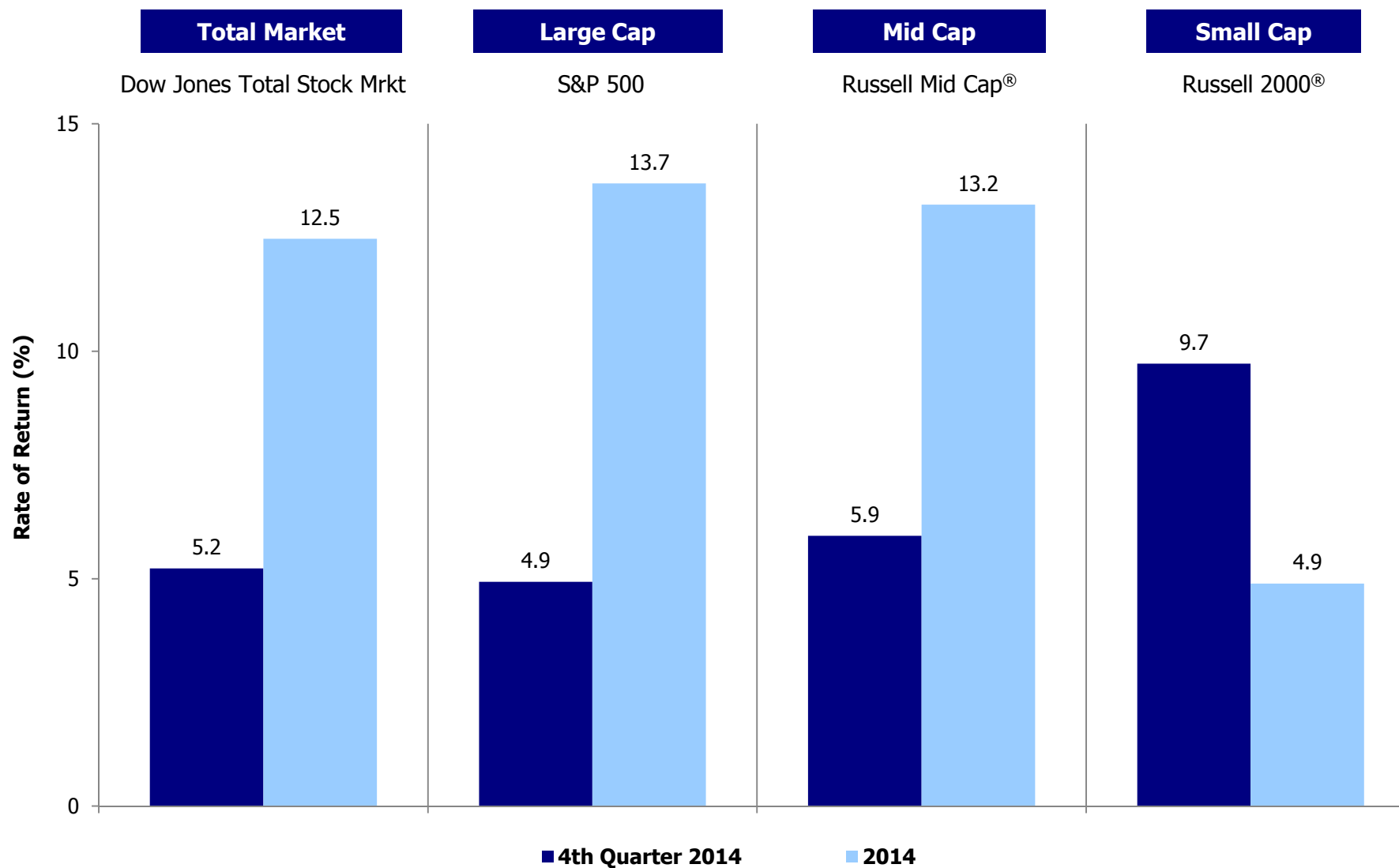
**Are Oil Price Declines a Positive or Negative?**

Pros	Cons
Estimated \$600 annual savings per household on gas should provide significant boost to GDP	Slows investment in U.S. energy infrastructure which has been additive to U.S. economy
Tempers inflationary forces of improving labor market	Potential to dislocate credit markets (Energy represents approximately 15% of high yield indices)
	Acts as deflationary force in markets struggling with deflation (Continental Europe, Japan)

# Asset Class Returns



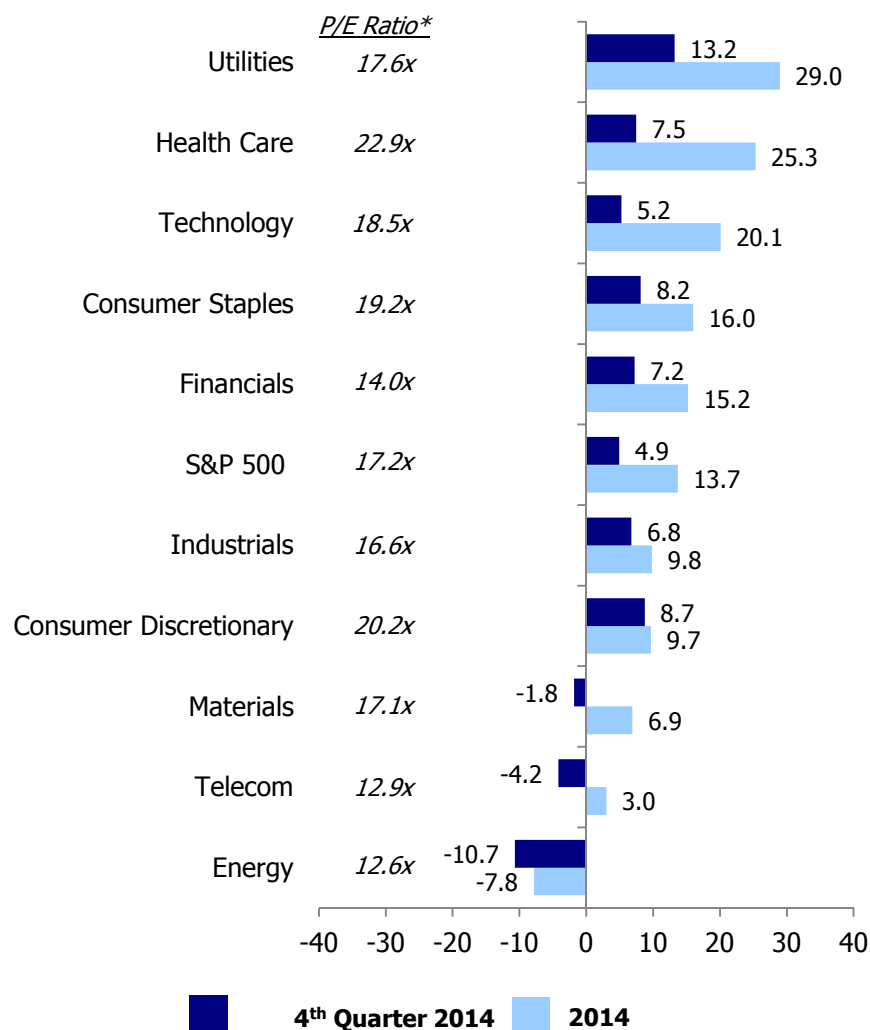
# U.S. Equity Market Performance





# S&P 500 Scorecard

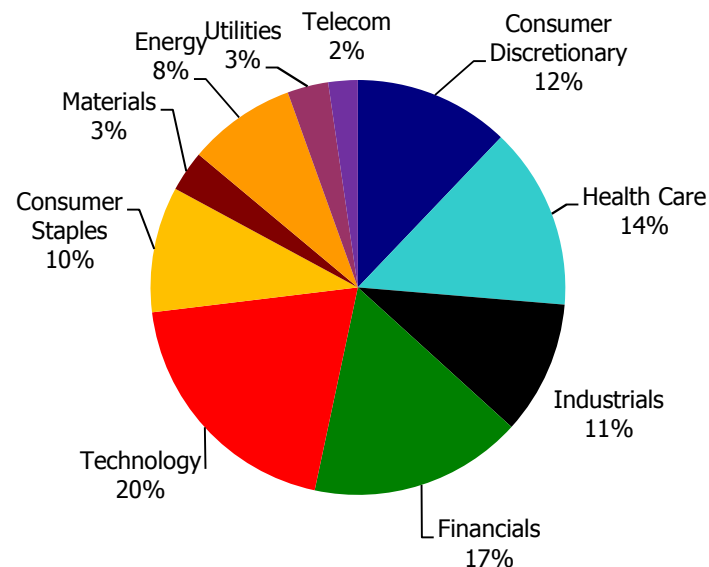
## S&P Sector Returns



Source: FactSet

\* Trailing 12 month P/E as of 12/31/2014.

## Sector Weights



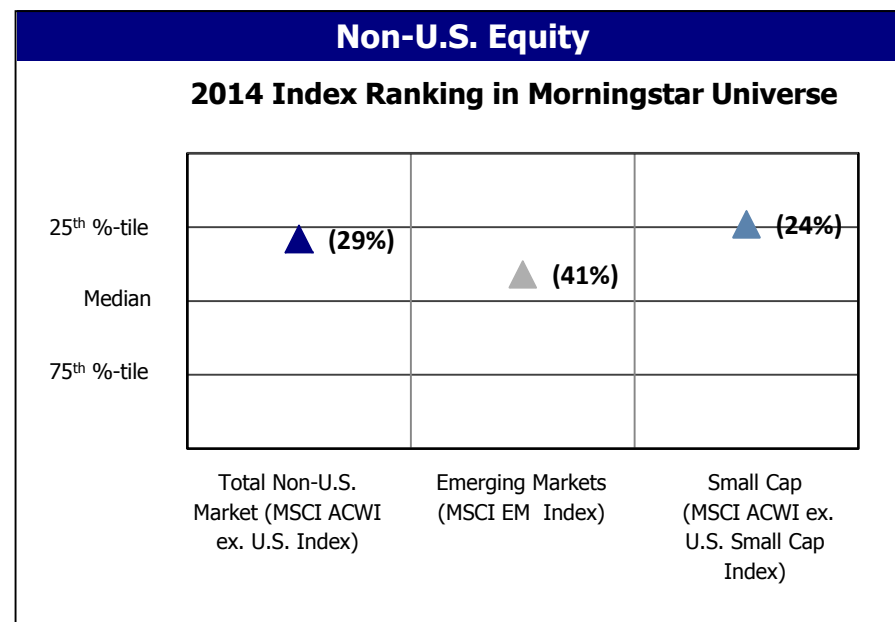
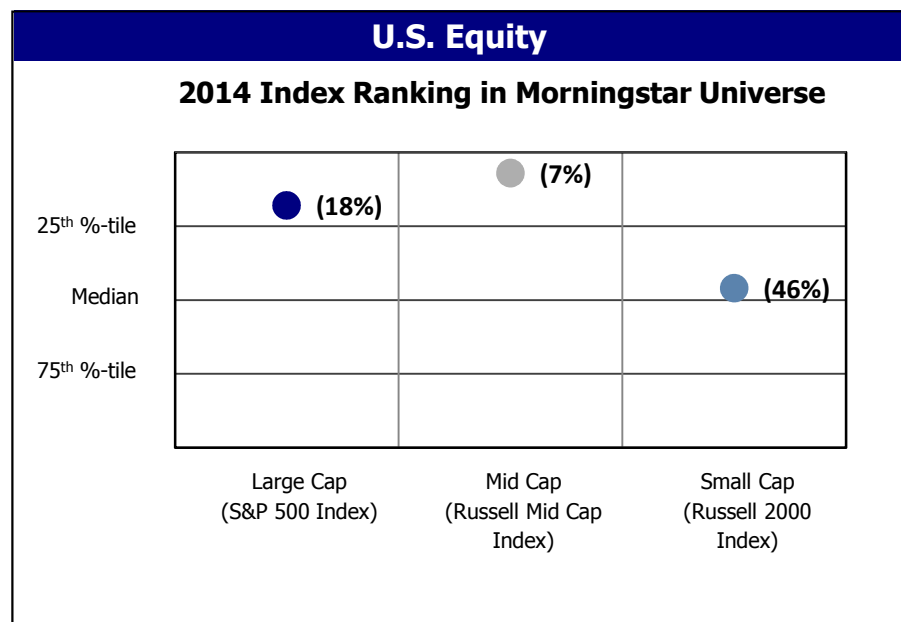
Source: Standard & Poor's

## Top Five S&P 500 Index Holdings

Name	Sector	% of S&P	2014 Return	2014 Contribution to Return	2013 Return	2013 Contribution to Return
1. Apple, Inc.	Technology	3.3%	+40.6%	+1.21%	+8.1%	0.00%
2. Exxon Mobil	Energy	2.5%	-6.1%	-0.16%	+20.1%	+0.56%
3. Microsoft Corp.	Technology	1.9%	+27.5%	+0.47%	+44.3%	+0.71%
4. Johnson & Johnson	Health Care	1.7%	+17.3%	+0.27%	+34.6%	+0.58%
5. General Electric Co.	Industrials	1.5%	-6.7%	-0.12%	+37.9%	+0.61%

Source: Morningstar Direct

# Difficult Year for Active Management

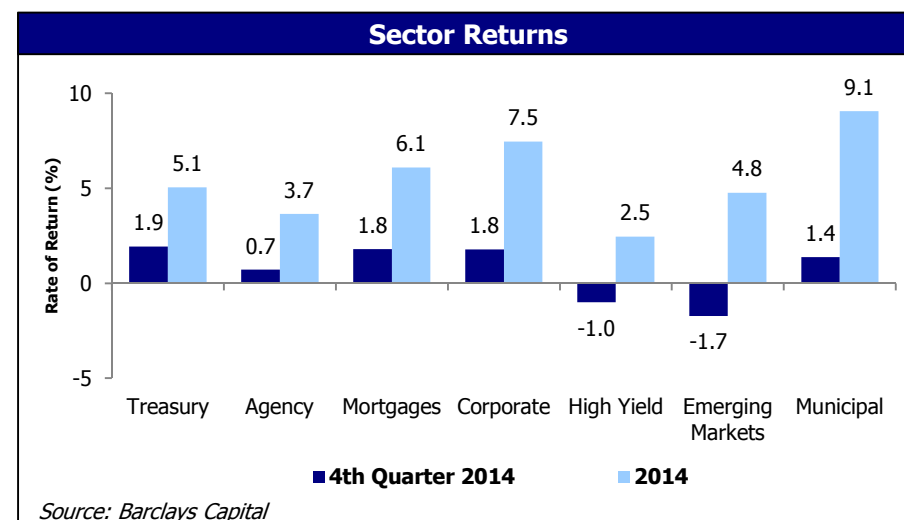
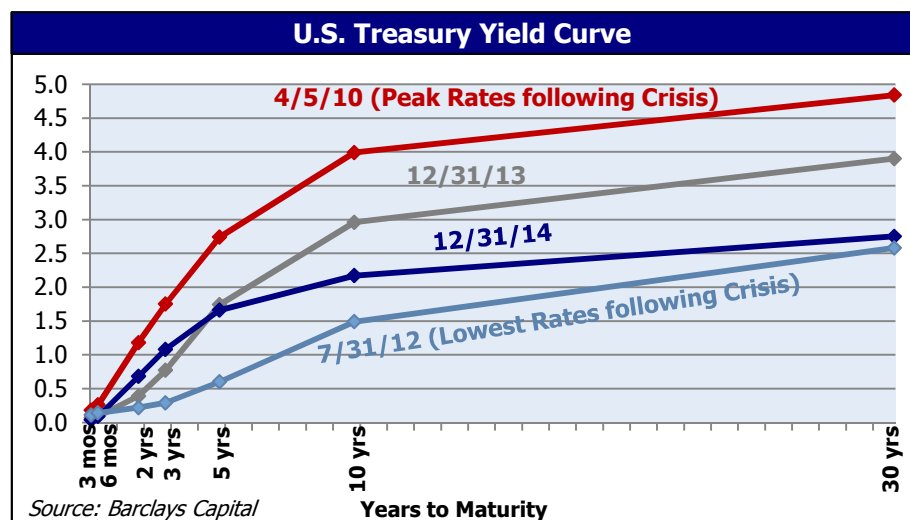
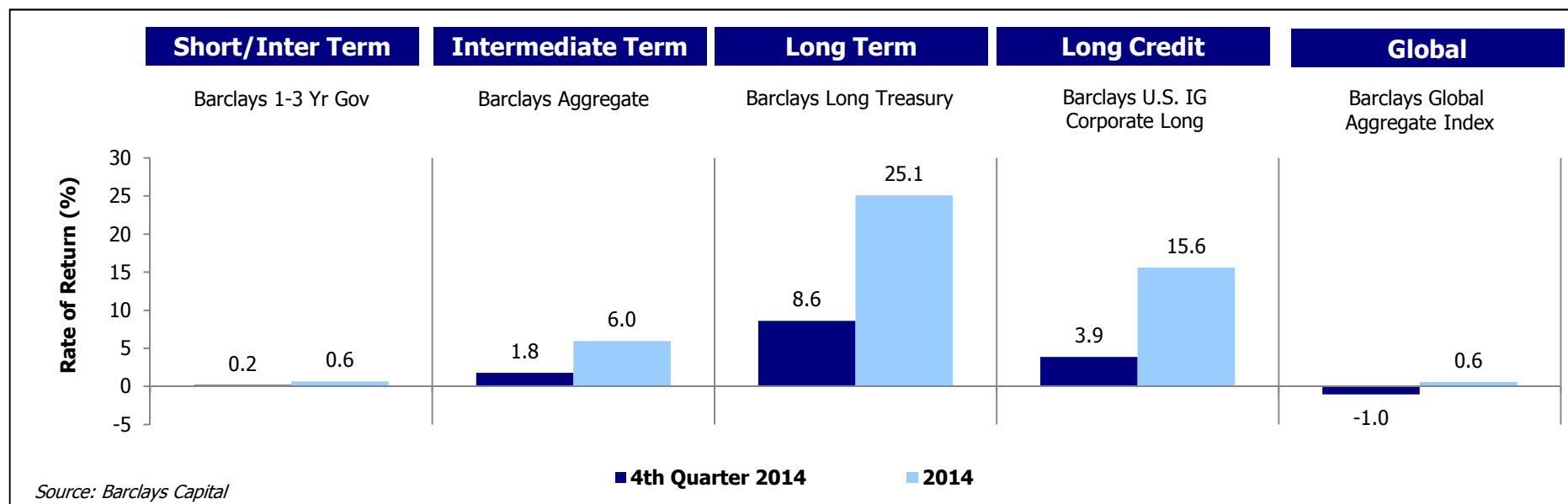


Note: Each figure shown above represents the index ranking within its respective asset class universe.

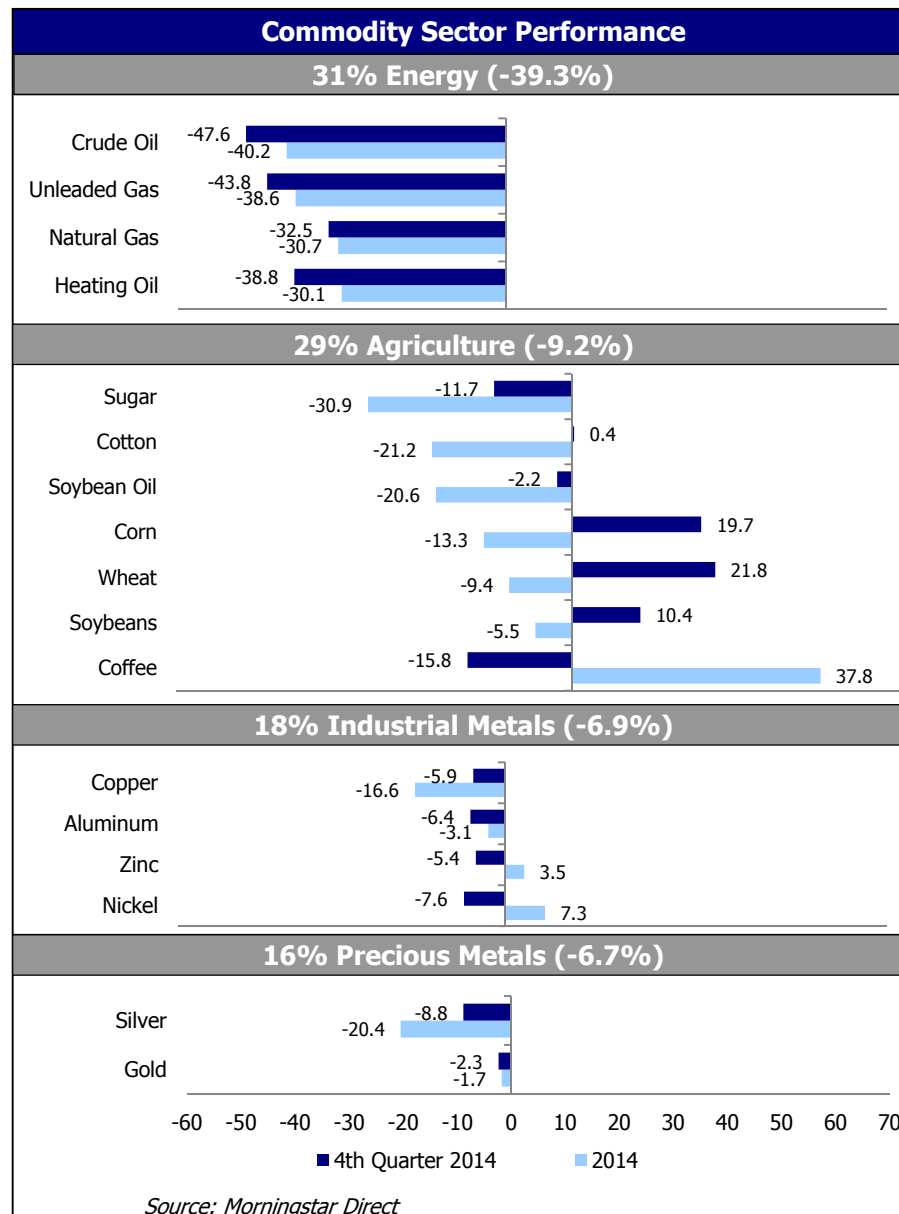
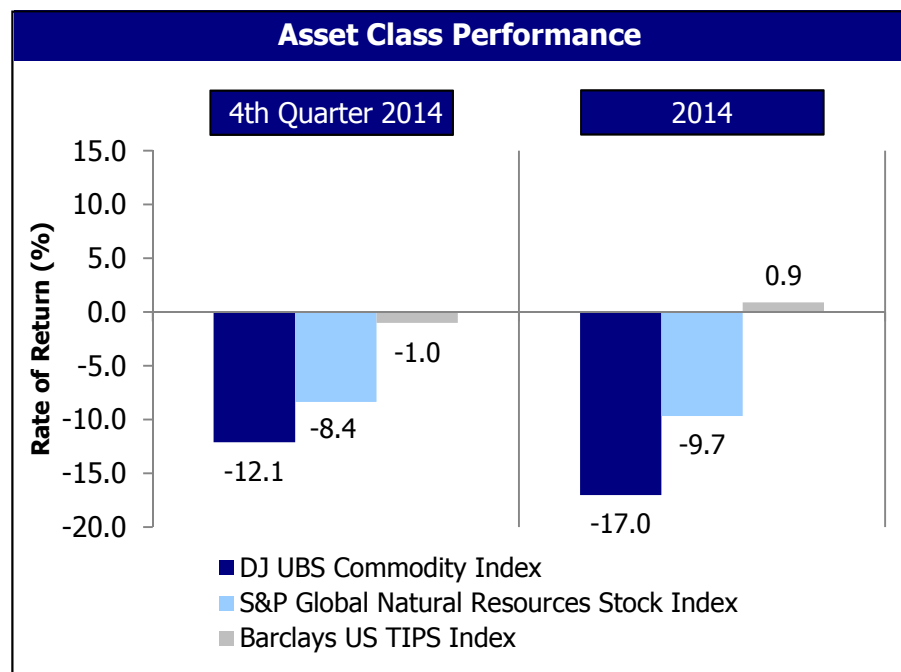
## Reasons Cited for Poor Active Management Results

- ❑ A fairly narrow market existed as only 30% of the stocks in the S&P 1500 Index posted gains exceeding the Index itself. (Source: Fortune.com)
- ❑ Five mega cap stocks (Apple, Berkshire Hathaway, Johnson & Johnson, Microsoft, and Intel) accounted for 20% of the gains in the S&P 500 Index making it difficult for large cap managers to keep pace if they were not at least equally weighted in those names. (Sources: Financial Times, Leuthold Group)
- ❑ Rapid shifts occurred in market and sector direction, which tended to favor short-term traders. (Source: Fiscal Times)
- ❑ A disconnect existed between the U.S. economy and stock market confounding many active managers as the least cyclical sectors (healthcare and utilities) performed the best despite declining unemployment and solid GDP growth. (Source: Fortune.com)

# Fixed Income Markets



# Inflation Hedging Performance



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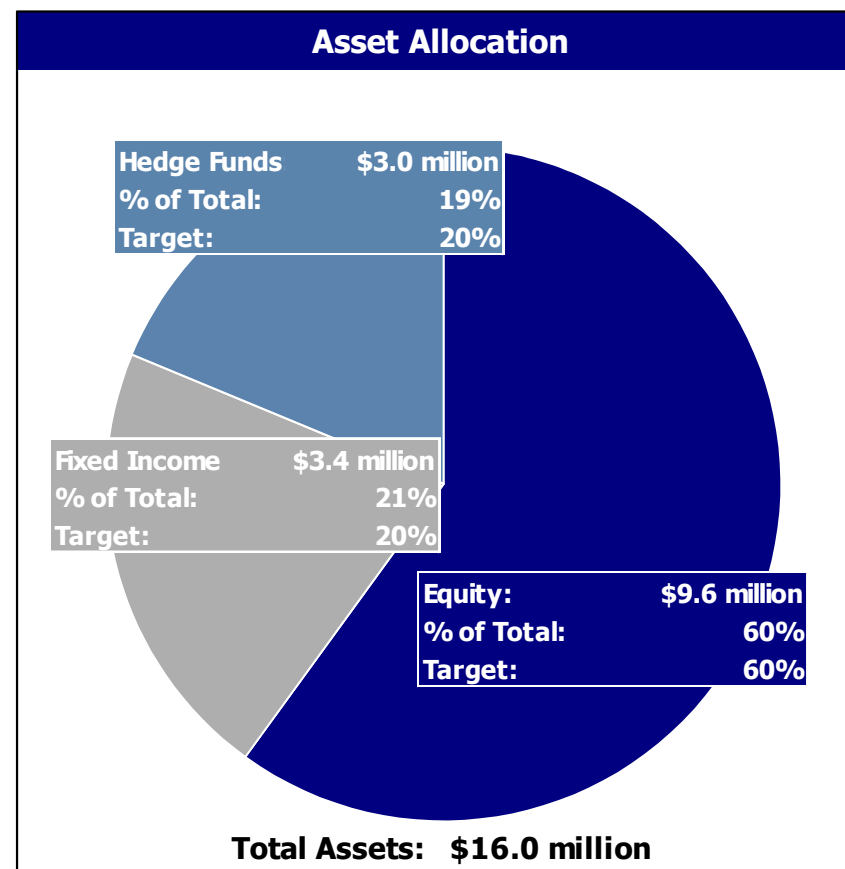
# Performance Report

# Metro St. Louis OPEB Trust

## As of December 31, 2014

YTD Activity (\$, millions)	
<b>Beginning Value (1/1/14):</b>	<b>\$12.8</b>
Contributions:	\$2.6
Withdrawals:	\$0.0
Investment Earnings:	\$0.6
<b>Ending Value (12/31/14):</b>	<b>\$16.0</b>

Note: Totals may not add to 100% due to rounding.



# Asset Allocation Overview

## As of December 31, 2014

	Current Allocation	Target Allocation	+/- Target
<b><u>Domestic Equity</u></b>			
Vanguard Institutional Index	26%	24%	2%
DFA Targeted Value Small Cap Value	6%	6%	0%
Artisan Mid Cap Fund	6%	6%	0%
<b>Total Domestic Equity</b>	<b>38%</b>	<b>36%</b>	<b>2%</b>
<b><u>International Equity</u></b>			
Neuberger Berman International	11%	12%	-1%
Harbor International Growth	11%	12%	-1%
<b>Total International Equity</b>	<b>22%</b>	<b>24%</b>	<b>-2%</b>
<b><u>Hedge Funds</u></b>			
Barlow Partners	8%	10%	-2%
Blackstone Partners	11%	10%	1%
<b>Total Opportunistic</b>	<b>19%</b>	<b>20%</b>	<b>-1%</b>
<b><u>Fixed Income</u></b>			
TCW MetWest Low Duration	21%	20%	1%
Cash	0%	0%	0%
<b>Total Fixed Income</b>	<b>21%</b>	<b>20%</b>	<b>1%</b>
<b>Total Portfolio</b>	<b>100%</b>	<b>100%</b>	<b>--</b>

Notes: Totals may not add to 100% due to rounding.

Cash balance equals \$11,738 as of December 31, 2014.

Barlow Partners was redeemed in January 2015. Proceeds from redemption will be deployed to Blackstone beginning February 2015.

# Portfolio Manager Allocations

## As of December 31, 2014

<u>Equity Manager Structure</u>		
	Value	Growth
U.S. Large Cap	<b>Vanguard</b> <b>S&amp;P 500 Index</b> <b>\$4.1 million</b> <b>26% of Total</b>	
U.S. Mid/ Small Cap	<b>DFA Targeted Value</b> <b>Small Cap Value</b> <b>\$1.0 million</b> <b>6% of Total</b>	<b>Artisan</b> <b>Mid Cap Growth</b> <b>\$1.0 million</b> <b>6% of Total</b>
Int'l Large Cap	<b>Neuberger Berman</b> <b>International Equity</b> <b>\$1.8 million</b> <b>11% of Total</b>	<b>Harbor<sup>(1)</sup></b> <b>International Equity</b> <b>\$1.7 million</b> <b>11% of Total</b>
<b>Total Equity = 60% of Total</b>		

<u>Fixed Income Manager Structure</u>	
<b>TCW MetWest</b> <b>Low Duration</b> <b>\$3.4 million</b> <b>21% of Total</b>	<b>Cash</b> <b>\$0.0 million</b> <b>0% of Total</b>
<b>Total Fixed Income = 21% of Total</b>	

<u>Alternative Manager Structure</u>	
<b>Barlow</b> <b>Partners</b> <b>\$1.2 million</b> <b>8% of Total</b>	<b>Blackstone</b> <b>Partners</b> <b>\$1.7 million</b> <b>11% of Total</b>
<b>Total Alternatives = 19% of Total</b>	

Notes: Totals may not add to 100% due to rounding.  
 Cash balance equals \$11,738 as of December 31, 2014.  
<sup>(1)</sup> Subadvised by Northern Cross team.



# Asset Class Performance Review

## Periods Ended December 31, 2014

Asset Class	Quarter	2014	Five Years	Since Inception	Inception Date
<b>Domestic Equity</b>	<b>-0.1%</b>	<b>10.4%</b>	--	<b>10.4%</b>	<b>1/1/2014</b>
<i>Russell 3000 Index</i>	<i>0.8%</i>	<i>10.7%</i>	--	<i>10.7%</i>	
<b>International Equity</b>	<b>-1.6%</b>	<b>-4.3%</b>	--	<b>-4.3%</b>	<b>1/1/2014</b>
<i>MSCI EAFE Index</i>	<i>-3.6%</i>	<i>-4.9%</i>	--	<i>-4.9%</i>	
<b>Hedge Funds</b>	<b>2.2%</b>	<b>5.7%</b>	--	<b>5.7%</b>	<b>1/1/2014</b>
<i>HFRI Fund of Funds Composite Index</i>	<i>0.9%</i>	<i>3.4%</i>	--	<i>3.4%</i>	
<b>Fixed Income</b>	<b>0.1%</b>	<b>1.6%</b>	--	<b>1.6%</b>	<b>1/1/2014</b>
<i>ML 1-3 Year Treasury Index</i>	<i>0.2%</i>	<i>0.6%</i>	--	<i>0.6%</i>	
<b>Total Portfolio</b>	<b>1.9%</b>	<b>4.1%</b>	--	<b>4.1%</b>	<b>1/1/2014</b>
<b><i>Total Portfolio Benchmark<sup>(1)</sup></i></b>	<b><i>1.8%</i></b>	<b><i>3.3%</i></b>	--	<b><i>3.3%</i></b>	

<sup>(1)</sup> The Total Portfolio Benchmark is a market value weighted benchmark comprised of the Russell 3000 Index, MSCI EAFE Index, HFRI Fund of Funds Composite Index, and the ML 1-3 Year Treasury Index.

# Manager Performance Review

## Periods Ended December 31, 2014

Asset Class	Quarter	2014	Five Years	Ten Years	Since Inception	Inception Date
<b>U.S. Equity</b>						
<b>Vanguard S&amp;P 500 Index Fund</b>	<b>4.9%</b>	<b>13.6%</b>	<b>15.4%</b>	<b>7.6%</b>	<b>13.6%</b>	<b>1/1/2014</b>
<i>S&amp;P 500 Index</i>	<i>4.9%</i>	<i>13.7%</i>	<i>15.5%</i>	<i>7.7%</i>	<i>13.7%</i>	
<b>Artisan Mid Cap Growth Fund</b>	<b>5.6%</b>	<b>5.7%</b>	<b>17.5%</b>	<b>10.5%</b>	<b>5.7%</b>	<b>1/1/2014</b>
<i>Russell 2000 Growth Index</i>	<i>10.1%</i>	<i>5.6%</i>	<i>16.8%</i>	<i>8.5%</i>	<i>5.6%</i>	
<b>DFA Targeted Value Fund</b>	<b>3.8%</b>	<b>2.9%</b>	<b>16.2%</b>	<b>8.3%</b>	<b>2.9%</b>	<b>1/1/2014</b>
<i>Russell 2000 Value Index</i>	<i>9.4%</i>	<i>4.2%</i>	<i>14.3%</i>	<i>6.9%</i>	<i>4.2%</i>	
<b>Non U.S. Equity</b>						
<b>Neuberger Berman Int'l Equity Fund</b>	<b>0.8%</b>	<b>-1.9%</b>	<b>7.6%</b>	<b>5.3%</b>	<b>-1.9%</b>	<b>1/1/2014</b>
<i>MSCI EAFE Index</i>	<i>-3.6%</i>	<i>-4.9%</i>	<i>5.3%</i>	<i>4.4%</i>	<i>-4.9%</i>	
<b>Harbor International Fund</b>	<b>-4.1%</b>	<b>-6.8%</b>	<b>5.5%</b>	<b>7.4%</b>	<b>-6.8%</b>	<b>1/1/2014</b>
<i>MSCI EAFE Index</i>	<i>-3.6%</i>	<i>-4.9%</i>	<i>5.3%</i>	<i>4.4%</i>	<i>-4.9%</i>	
<b>Hedge Funds</b>						
<b>Barlow Partners</b>	<b>1.7%</b>	<b>2.4%</b>	<b>4.8%</b>	<b>5.2%</b>	<b>2.4%</b>	<b>1/1/2014</b>
<i>HFRI Fund of Funds Strategic Index</i>	<i>0.9%</i>	<i>3.0%</i>	<i>3.5%</i>	<i>3.4%</i>	<i>3.0%</i>	
<b>Blackstone Hedged Equity</b>	<b>2.6%</b>	<b>8.9%</b>	<b>8.4%</b>	<b>5.7%</b>	<b>8.9%</b>	<b>1/1/2014</b>
<i>HFRI FoF Composite Index</i>	<i>0.9%</i>	<i>3.4%</i>	<i>3.3%</i>	<i>3.0%</i>	<i>3.4%</i>	
<b>Fixed Income</b>						
<b>TCW MetWest Low Duration</b>	<b>0.1%</b>	<b>1.6%</b>	<b>4.6%</b>	<b>3.3%</b>	<b>1.6%</b>	<b>1/1/2014</b>
<i>ML 1-3 Year Treasury Index</i>	<i>0.2%</i>	<i>0.6%</i>	<i>1.1%</i>	<i>2.5%</i>	<i>0.6%</i>	

Note: Performance prior to manager's inception is illustrative.

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## Investment Manager Overview

# Vanguard 500 Index

As of 12/31/2014

## Portfolio Statistics

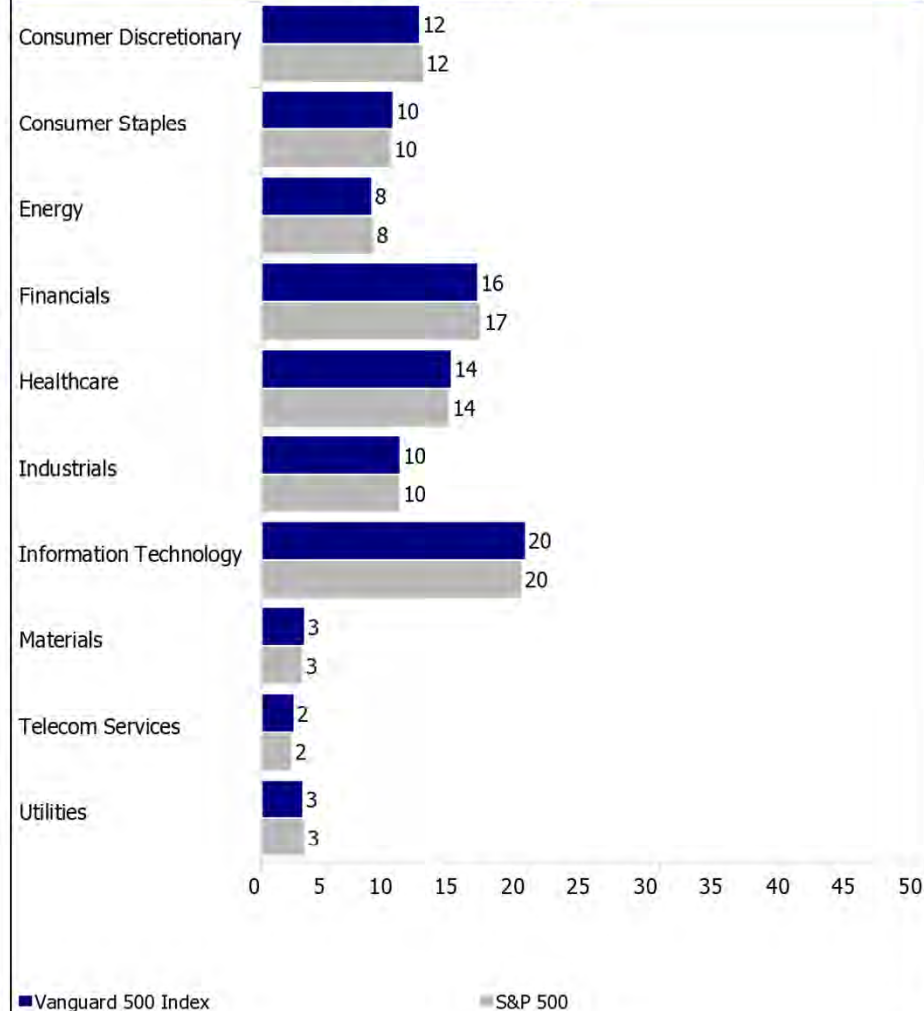
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	132.2	131.9
P/E Ratio	18.7	18.7
P/B Ratio	2.7	2.7
Dividend Yield (%)	1.9	1.9

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Apple Inc	Information Technology	3.9	40.0
Microsoft Corp	Information Technology	2.1	27.2
Exxon Mobil Corporation	Energy	2.1	-6.0
Johnson & Johnson	Health Care	1.7	17.2
General Electric Co	Industrials	1.4	-6.7
Wells Fargo & Co	Financials	1.4	23.7
Berkshire Hathaway Inc Class B	Financials	1.3	26.6
Procter & Gamble Co	Consumer Staples	1.3	15.0
JPMorgan Chase & Co	Financials	1.2	9.7
Verizon Communications Inc	Telecommunication Services	1.1	-0.4

## Sector Allocation (%)



Source: Morningstar Direct

# Vanguard 500 Index

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Large Blend



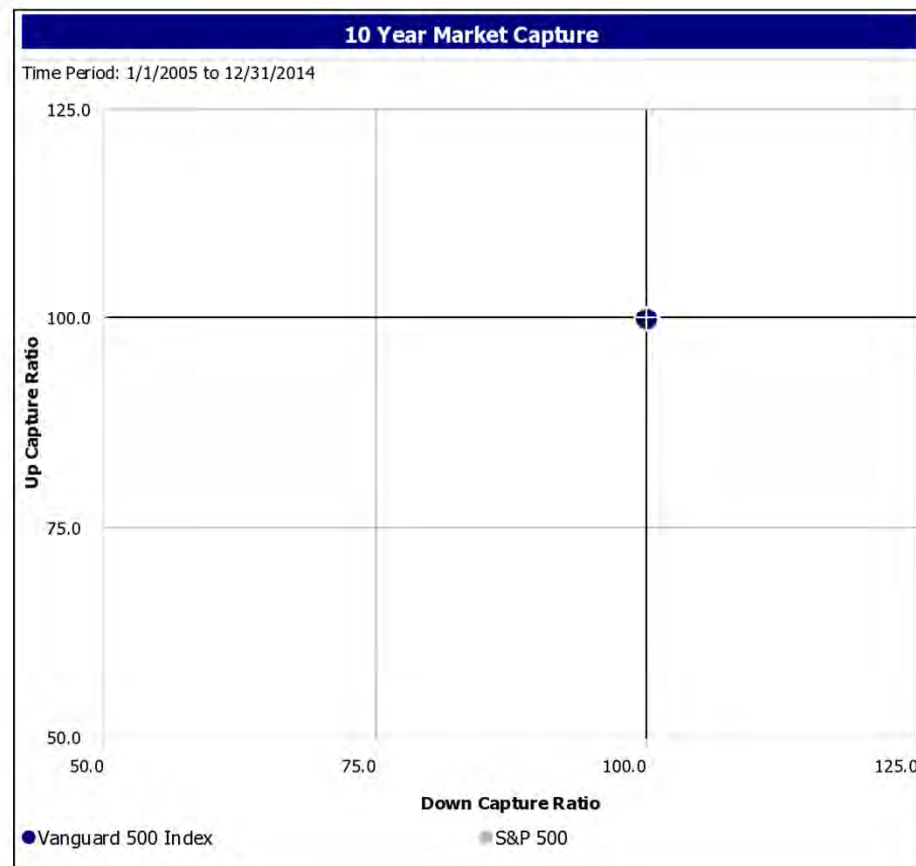
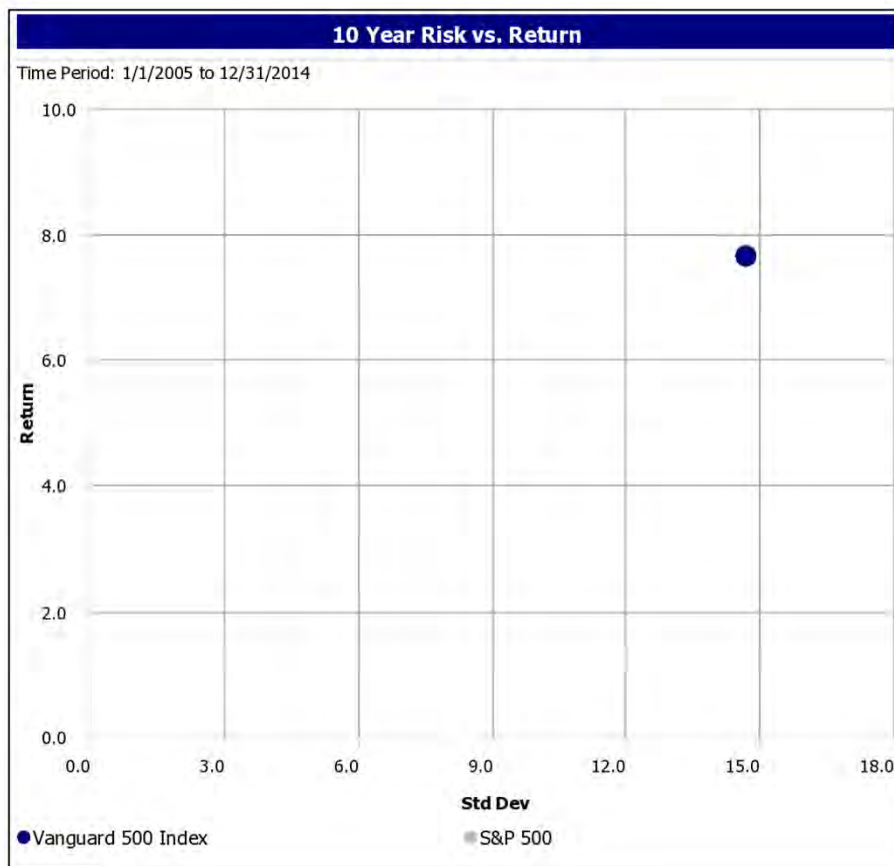
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Vanguard 500 Index	4.9	13.6	13.6	15.4	7.7
Peer group percentile	32	18	18	19	26
S&P 500	4.9	13.7	13.7	15.5	7.7
Peer group percentile	31	18	18	19	26
25th Percentile	5.2	13.2	13.2	15.1	7.7
50th Percentile	4.5	11.6	11.6	14.1	7.1
75th Percentile	3.3	9.3	9.3	12.8	6.5

Source: Morningstar Direct

# Vanguard 500 Index

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Vanguard 500 Index	4.9	15.7	5.5	-37.0	26.6	15.1	2.1	16.0	32.3	13.6	13.6	20.4	15.4	7.7
S&P 500	4.9	15.8	5.5	-37.0	26.5	15.1	2.1	16.0	32.4	13.7	13.7	20.4	15.5	7.7



Source: Morningstar Direct



# Artisan Mid Cap

As of 12/31/2014

## Portfolio Statistics

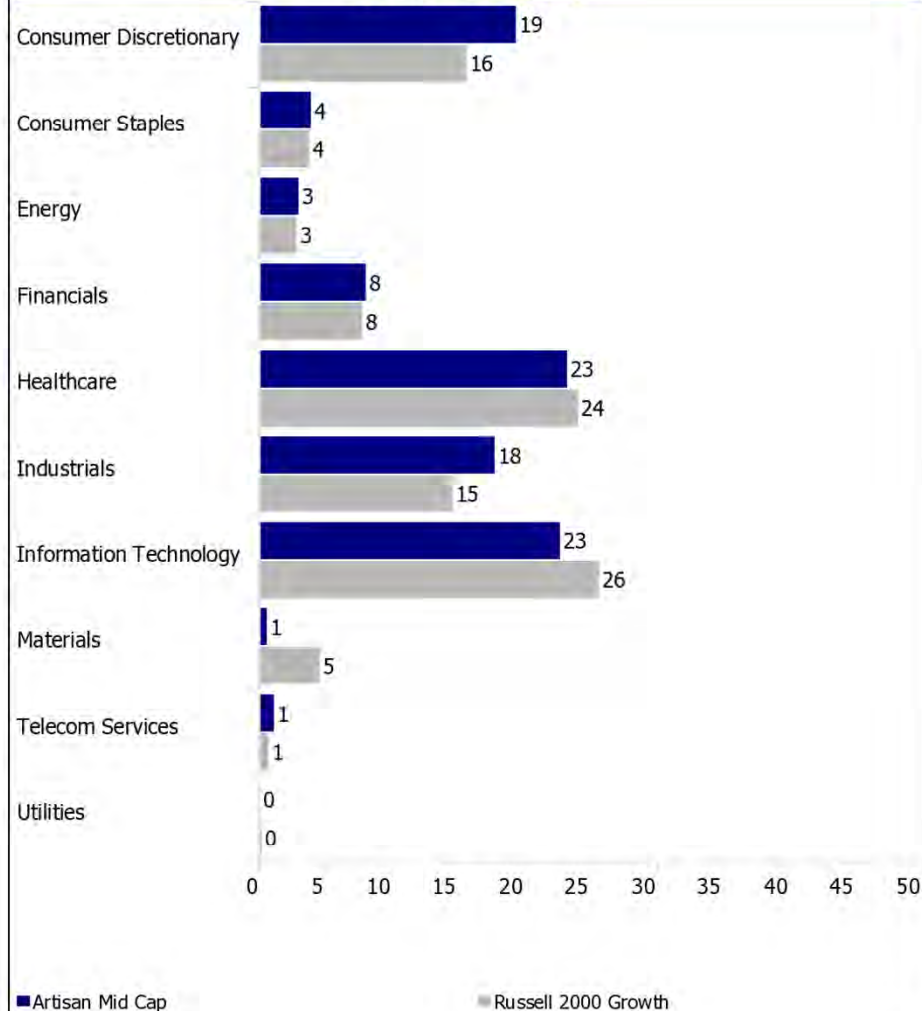
As of Date: 12/31/2014

	Manager	Index
Market Cap (\$,B)	15.6	2.1
P/E Ratio	32.4	25.5
P/B Ratio	4.9	4.0
Dividend Yield (%)	0.5	0.6

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Regeneron Pharmaceuticals Inc	Health Care	4.3	49.1
IHS Inc Class A	Industrials	4.0	-4.9
Applied Materials Inc	Information Technology	3.8	43.2
Illumina Inc	Health Care	3.3	66.9
Ametek Inc	Industrials	3.3	0.6
Discover Financial Services	Financials	3.0	18.7
LKQ Corp	Consumer Discretionary	2.7	-14.5
Workday Inc Class A	Information Technology	2.7	-1.9
Chipotle Mexican Grill Inc Class A	Consumer Discretionary	2.5	28.5
Fortune Brands Home & Security Inc	Industrials	2.5	0.1

## Sector Allocation (%)

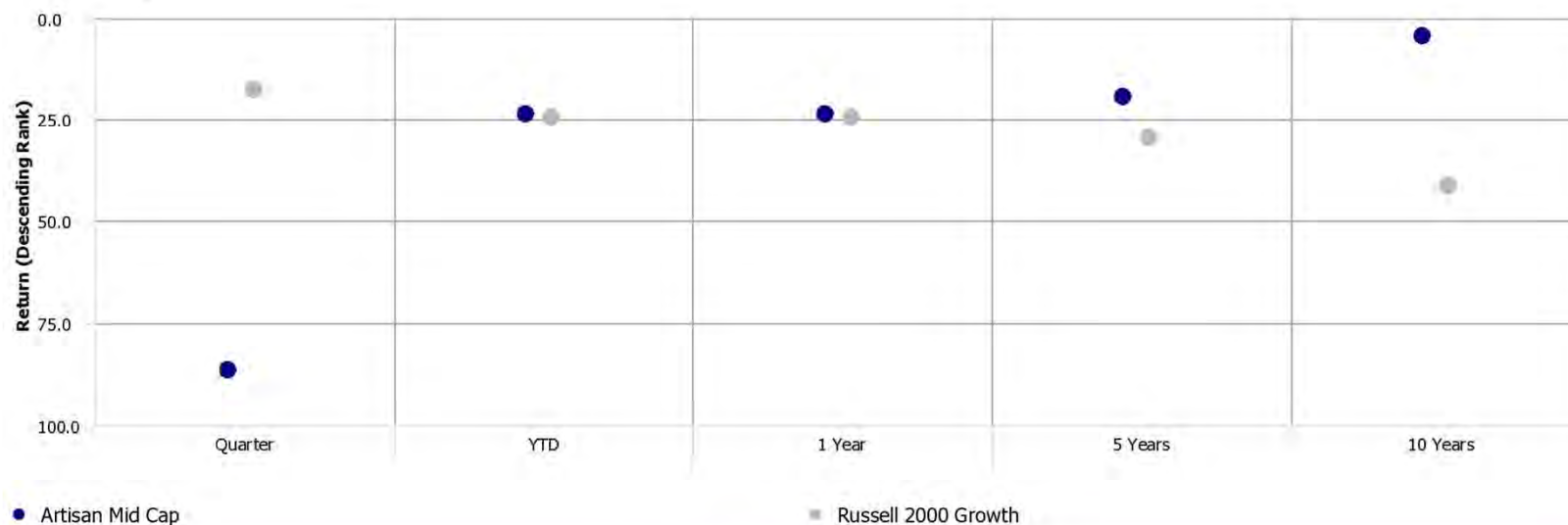


Source: Morningstar Direct

# Artisan Mid Cap

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Small Growth



Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Artisan Mid Cap	5.6	5.7	5.7	17.5	10.5
Peer group percentile	86	23	23	19	4
Russell 2000 Growth	10.1	5.6	5.6	16.8	8.5
Peer group percentile	17	24	24	29	41
25th Percentile	9.6	5.5	5.5	17.0	9.0
50th Percentile	8.0	3.0	3.0	15.5	8.3
75th Percentile	6.6	0.0	0.0	14.2	7.5

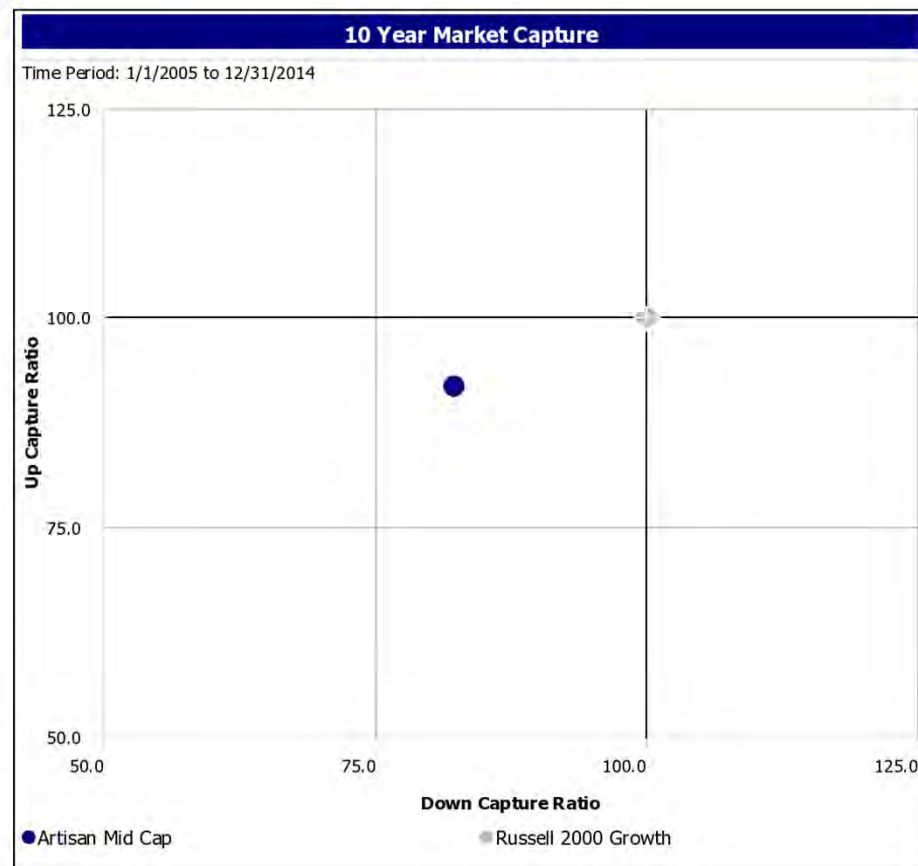
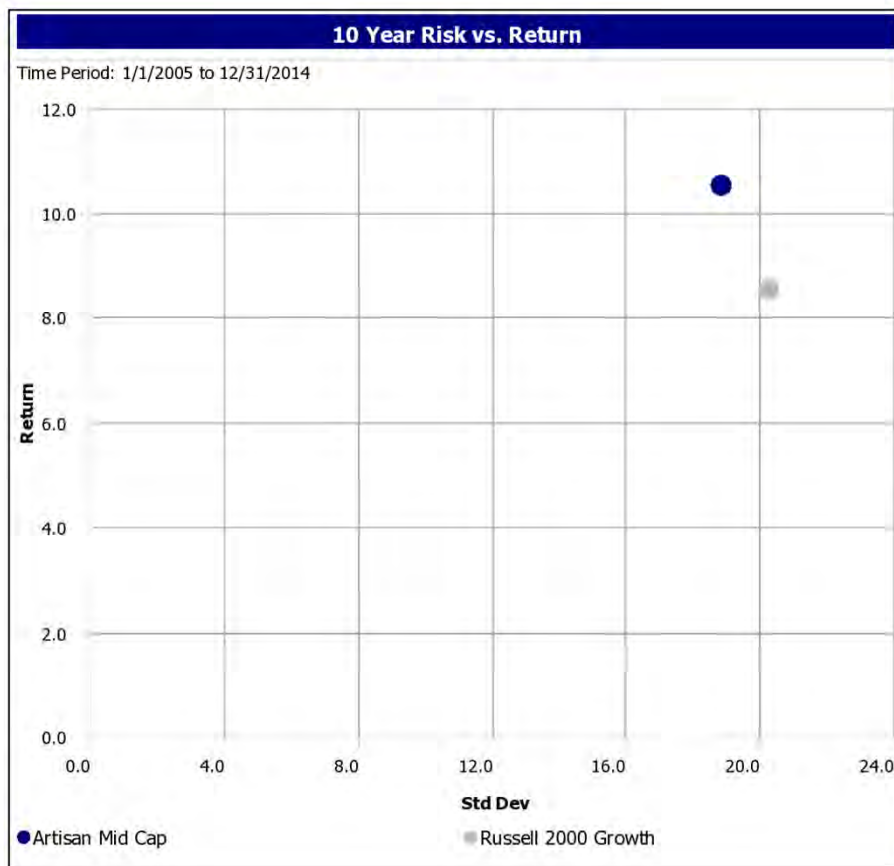
Source: Morningstar Direct



# Artisan Mid Cap

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Artisan Mid Cap	9.1	9.6	21.2	-44.1	50.3	31.6	-2.1	19.5	37.4	5.7	5.7	20.2	17.5	10.5
Russell 2000 Growth	4.2	13.3	7.0	-38.5	34.5	29.1	-2.9	14.6	43.3	5.6	5.6	20.1	16.8	8.5



Source: Morningstar Direct





# DFA US Targeted Value

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Small Value



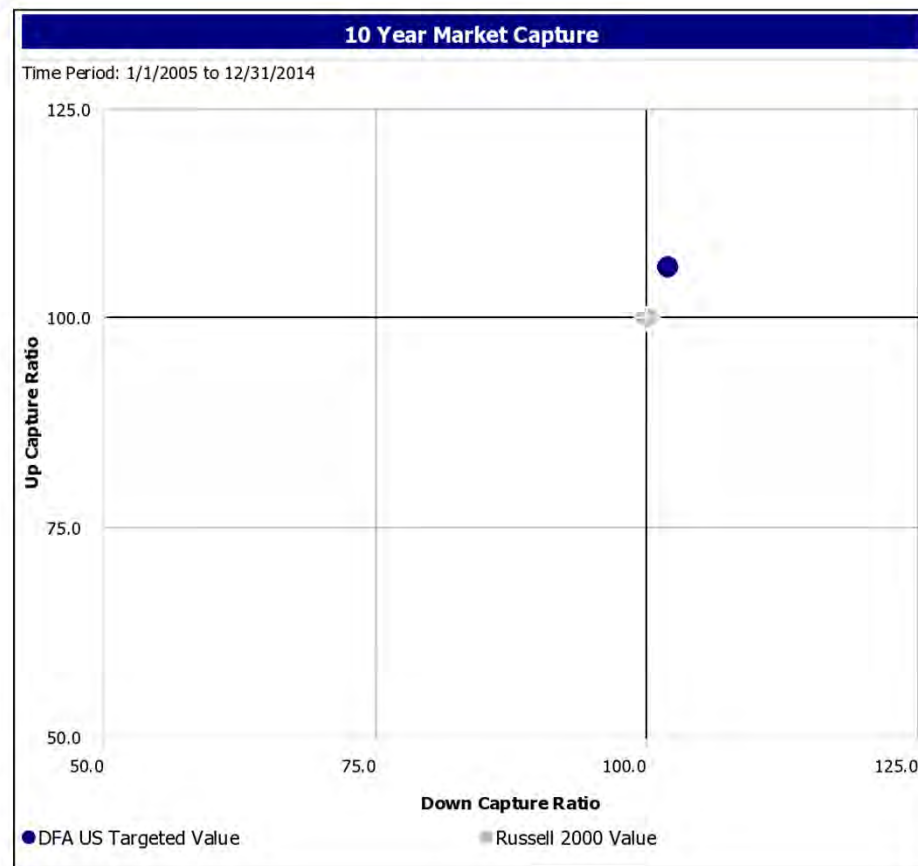
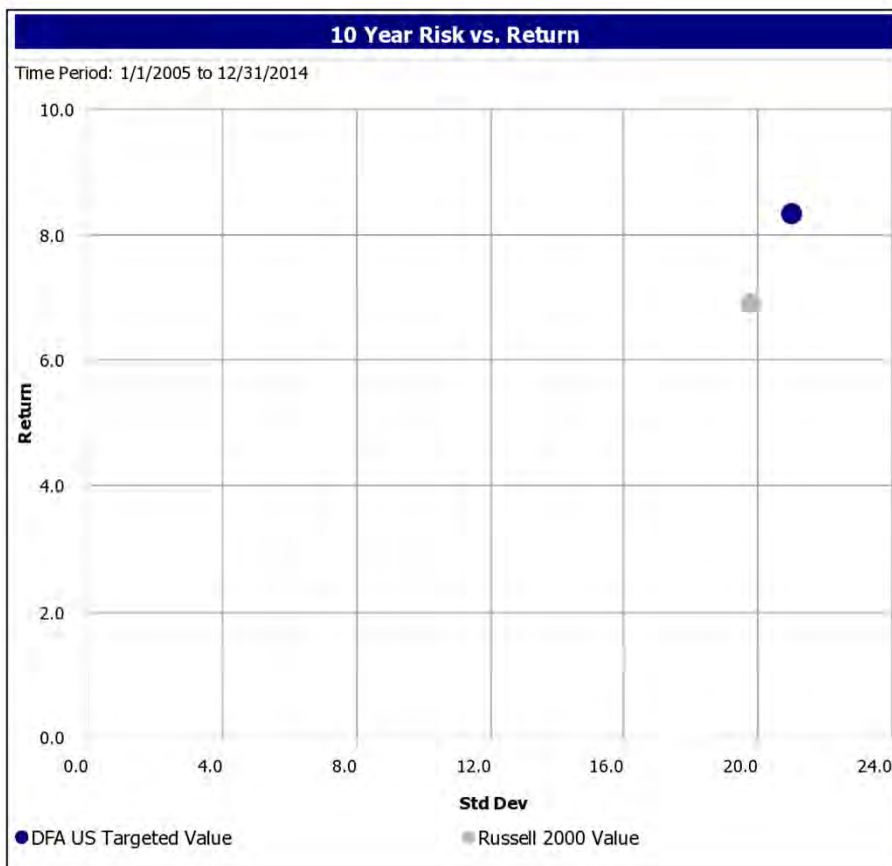
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
DFA US Targeted Value	3.8	2.9	2.9	16.2	8.3
Peer group percentile	82	66	66	12	25
Russell 2000 Value	9.4	4.2	4.2	14.3	6.9
Peer group percentile	19	50	50	53	74
25th Percentile	8.6	5.8	5.8	15.4	8.3
50th Percentile	6.9	4.2	4.2	14.4	7.6
75th Percentile	5.2	2.0	2.0	13.0	6.8

Source: Morningstar Direct

# DFA US Targeted Value

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
DFA US Targeted Value	9.3	19.7	-8.2	-33.8	31.9	29.0	-6.3	19.2	43.0	2.9	2.9	20.6	16.2	8.3
Russell 2000 Value	4.7	23.5	-9.8	-28.9	20.6	24.5	-5.5	18.1	34.5	4.2	4.2	18.3	14.3	6.9



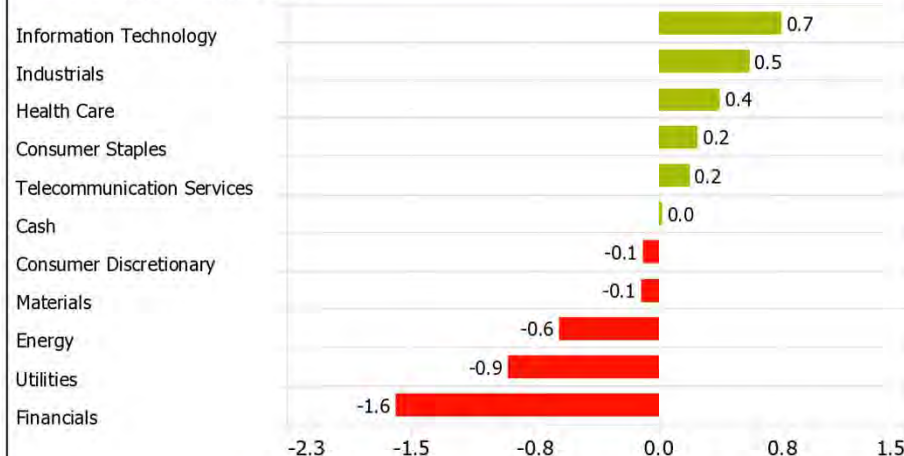
Source: Morningstar Direct

# DFA US Targeted Value

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Avis Budget Group Inc	0.7	64.1	0.4
Tesoro Corp	0.4	29.4	0.3
Energy XXI Ltd	-0.1	-87.5	0.3
Civeo Corp	-0.1	-83.3	0.2
Newfield Exploration Co	0.3	10.1	0.2

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Cliffs Natural Resources Inc	0.3	-71.7	-0.3
Genworth Financial Inc	0.6	-45.3	-0.3
GameStop Corp Class A	0.5	-29.0	-0.2
Office Depot Inc	-0.2	62.1	-0.2
First Solar Inc	0.8	-18.4	-0.1

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	13.4	5.1	0.8	10.7	6.7	0.7	0.1	-0.2	-0.1
Consumer Staples	3.0	16.7	0.5	2.6	8.3	0.2	0.0	0.2	0.2
Energy	10.2	-30.7	-3.1	6.9	-37.9	-2.6	-1.8	1.2	-0.6
Financials	24.9	6.6	1.7	39.6	9.9	3.9	-0.8	-0.8	-1.6
Health Care	6.4	20.8	1.3	4.9	17.0	0.8	0.2	0.2	0.4
Industrials	17.2	3.2	0.5	13.3	-1.6	-0.2	-0.2	0.8	0.5
Information Technology	14.7	11.0	1.6	10.4	6.6	0.7	0.1	0.7	0.7
Materials	7.8	-2.5	-0.2	4.6	-5.2	-0.3	-0.3	0.2	-0.1
Telecommunication Services	1.3	16.0	0.2	0.7	-1.8	0.0	0.0	0.2	0.2
Utilities	0.6	29.2	0.1	6.4	22.1	1.3	-0.9	0.0	-0.9
Cash	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Attribution Total	100.0	3.3	3.3	100.0	4.5	4.5	-3.7	2.4	-1.2

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct



# Neuberger Berman International Equity

As of 12/31/2014

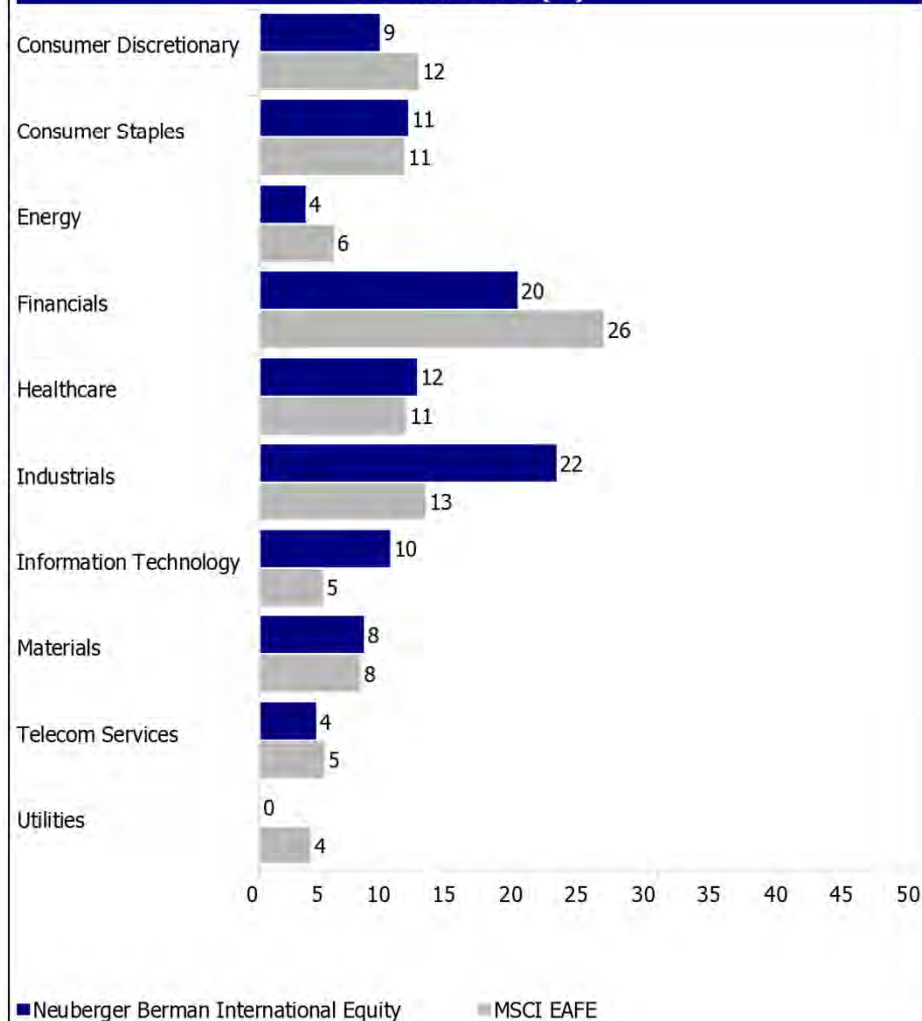
## Regional Allocation (%)

	Manager	Index
North America	9.6	0.2
Latin America Emerging	1.0	0.0
United Kingdom	18.7	21.1
Europe Developed	44.8	44.0
Europe Emerging	0.0	0.0
Africa/Middle East	3.7	0.6
Japan	15.1	21.2
Australia/New Zealand	1.7	8.2
Asia Developed	3.9	4.7
Asia Emerging	1.6	0.0

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
State Str Instl Invt Tr Treas Mmkt Fd Inst		2.9	
Check Point Software Technologies Ltd	Information Technology	2.2	21.8
Synergy Health PLC	Health Care	2.0	63.9
Sodexo	Consumer Discretionary	1.8	-1.2
Reed Elsevier PLC	Consumer Discretionary	1.8	17.8
Toyota Motor Corp	Consumer Discretionary	1.7	5.1
Keyence Corp	Information Technology	1.7	5.0
Bunzl PLC	Industrials	1.7	15.2
Sundrug Co., Ltd.	Consumer Staples	1.7	-7.2
ASML Holding NV	Information Technology	1.6	16.2

## Sector Allocation (%)

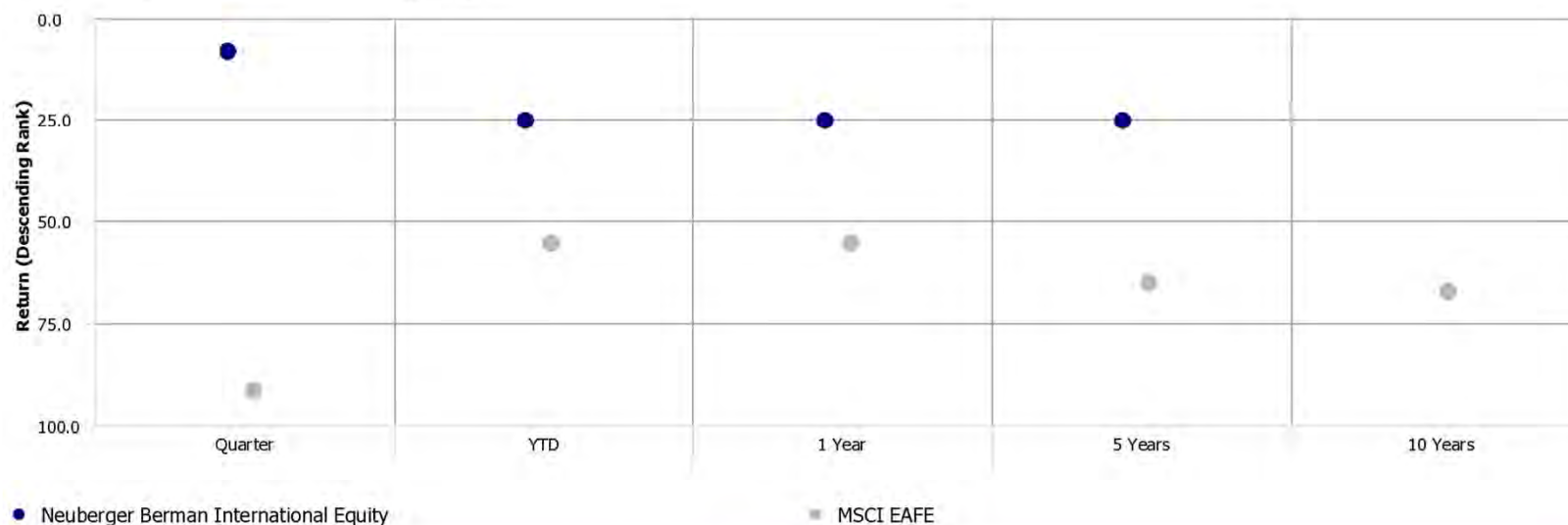


Source: Morningstar Direct

# Neuberger Berman International Equity

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Foreign Large Growth



Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Neuberger Berman International Equity	0.8	-1.9	-1.9	7.6	
Peer group percentile	8	25	25	25	
MSCI EAFE	-3.6	-4.9	-4.9	5.3	4.4
Peer group percentile	91	55	55	65	67
25th Percentile	-0.9	-2.0	-2.0	7.6	6.3
50th Percentile	-1.6	-4.5	-4.5	6.0	5.3
75th Percentile	-2.5	-6.2	-6.2	4.9	4.2

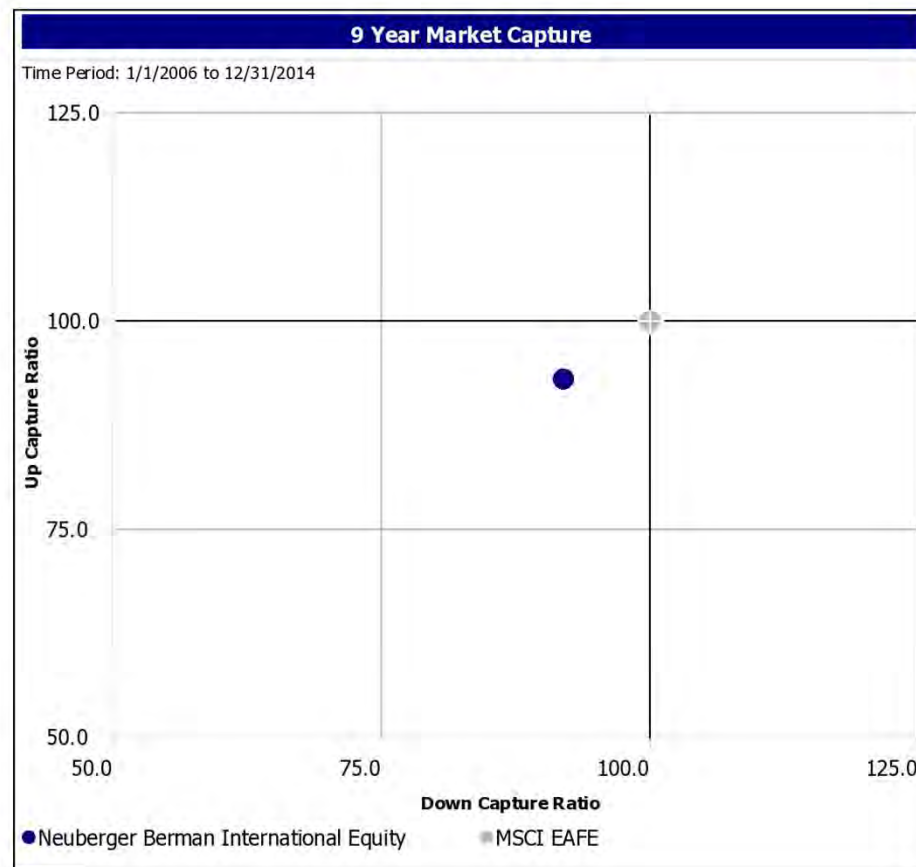
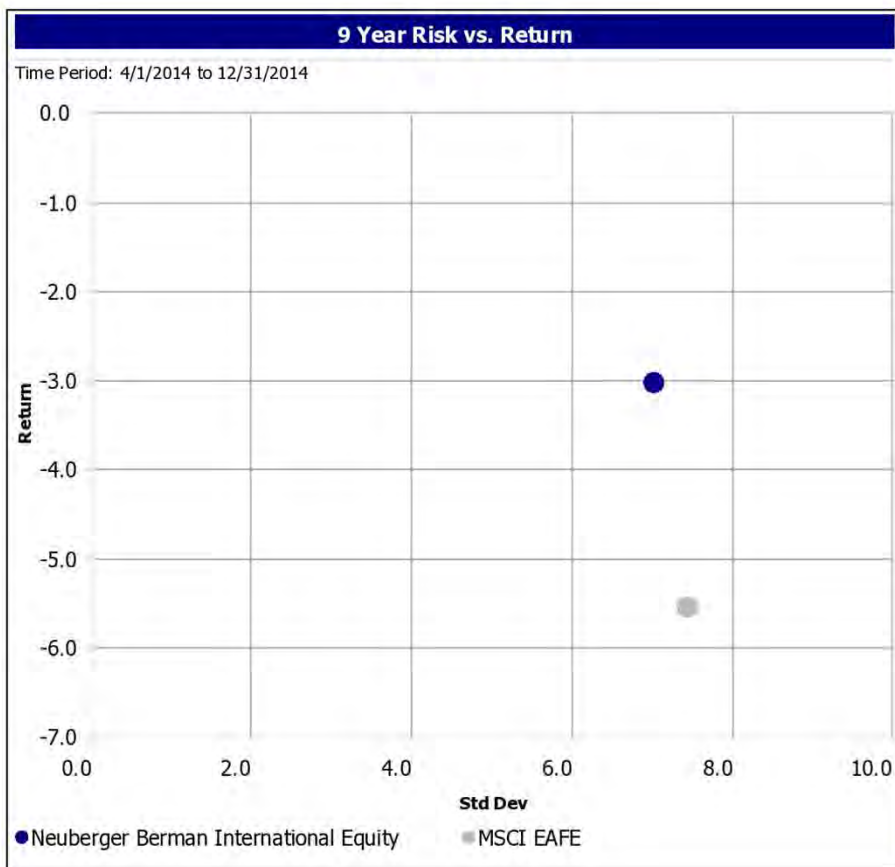
Source: Morningstar Direct



# Neuberger Berman International Equity

As of 12/31/2014

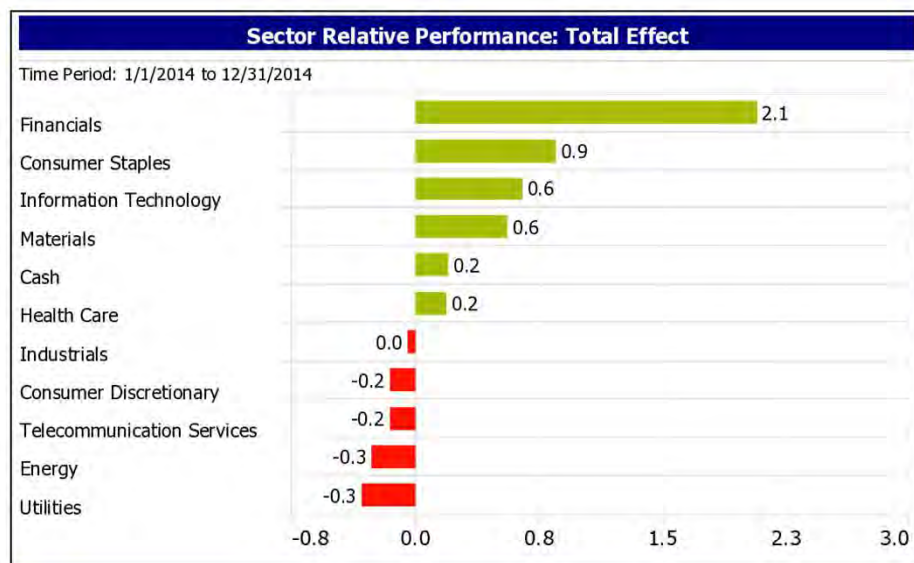
	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Neuberger Berman International Equity		23.2	3.8	-45.7	37.0	18.6	-11.7	18.8	18.0	-1.9	-1.9	11.2	7.6	
MSCI EAFE	13.5	26.3	11.2	-43.4	31.8	7.8	-12.1	17.3	22.8	-4.9	-4.9	11.1	5.3	4.4



Source: Morningstar Direct

# Neuberger Berman International Equity

As of 12/31/2014



Top 5 Stock Relative Performers			
	Relative Weights*	Return	Active Return
Synergy Health PLC	1.4	64.5	0.7
Alimentation Couche-Tard Inc	0.6	53.6	0.6
Givaudan SA	1.5	28.9	0.6
PICC Property and Casualty Co Ltd H Shares	1.0	39.2	0.6
Check Point Software Technologies Ltd	1.8	21.8	0.4

Bottom 5 Stock Relative Performers			
	Relative Weights*	Return	Active Return
RPS Group PLC	1.1	-39.7	-0.4
Arkema	1.0	-41.5	-0.4
Prosafe SE	0.7	-57.4	-0.4
SLC Agricola SA	0.8	-38.7	-0.4
Gerresheimer AG	1.1	-21.5	-0.4

Contribution/Attribution Detail									
Time Period: 1/1/2014 to 12/31/2014									
	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	11.1	-5.5	-0.6	11.8	-4.7	-0.6	-0.1	-0.1	-0.2
Consumer Staples	9.9	6.6	0.6	11.0	-2.4	-0.2	0.0	0.9	0.9
Energy	2.9	-31.5	-1.5	6.8	-18.4	-1.2	0.3	-0.5	-0.3
Financials	17.5	5.6	1.0	25.6	-5.5	-1.4	0.1	2.0	2.1
Health Care	10.7	8.2	0.9	10.6	6.4	0.6	0.0	0.2	0.2
Industrials	22.7	-6.2	-1.5	12.6	-7.7	-1.0	-0.3	0.3	0.0
Information Technology	8.5	3.3	0.3	4.5	-0.5	0.0	0.3	0.4	0.6
Materials	9.9	-3.5	-0.2	8.0	-10.7	-0.9	-0.1	0.6	0.6
Telecommunication Services	4.0	-9.9	-0.3	5.1	-4.5	-0.2	0.0	-0.2	-0.2
Utilities	0.0	0.0	0.0	3.8	4.2	0.1	-0.3	0.0	-0.3
Cash	2.8	0.0	0.0	0.0		0.0	0.2	0.0	0.2
Attribution Total	100.0	-1.2	-1.2	100.0	-4.8	-4.8	0.1	3.5	3.6

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct

# Harbor International

As of 12/31/2014

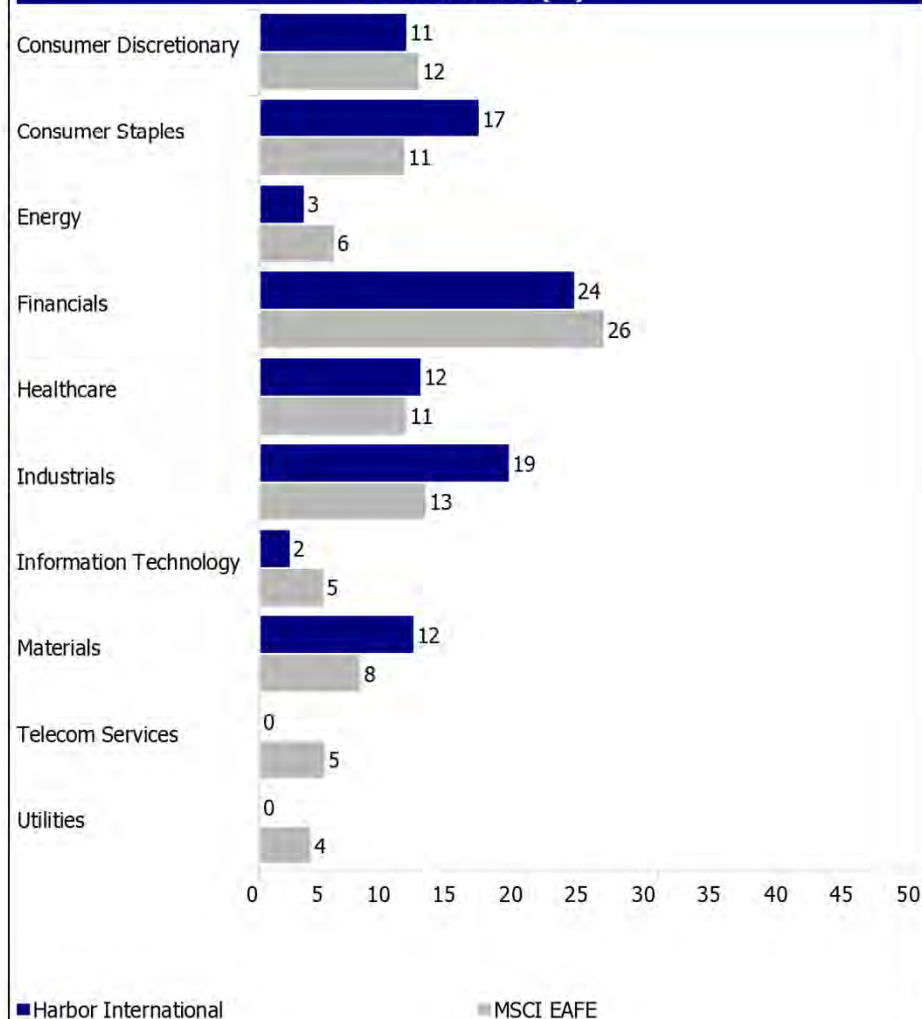
## Regional Allocation (%)

	Manager	Index
North America	2.7	0.0
Latin America Emerging	1.5	0.0
United Kingdom	15.3	21.4
Europe Developed	67.6	44.8
Europe Emerging	0.0	0.0
Africa/Middle East	0.0	0.6
Japan	9.1	21.1
Australia/New Zealand	0.0	7.7
Asia Developed	2.8	4.4
Asia Emerging	0.9	0.0

## Top Ten Holdings

	Sector	% of Portfolio	YTD Return
Banco Bilbao Vizcaya Argentaria SA	Financials	2.8	-22.3
Roche Holding AG Dividend Right Cert.	Health Care	2.8	-0.3
Novo Nordisk A/S Class B	Health Care	2.7	16.6
Lloyds Banking Group PLC	Financials	2.7	-9.5
Anheuser-Busch Inbev SA	Consumer Staples	2.6	10.9
Novartis AG	Health Care	2.6	19.2
Schneider Electric SE	Industrials	2.5	-12.9
AXA SA	Financials	2.5	-13.0
Fanuc Corp	Industrials	2.4	-8.3
Rolls-Royce Holdings PLC	Industrials	2.3	-34.1

## Sector Allocation (%)



Source: Morningstar Direct



# Harbor International

As of 12/31/2014

Peer Group: Open End Funds - U.S. - Foreign Large Blend



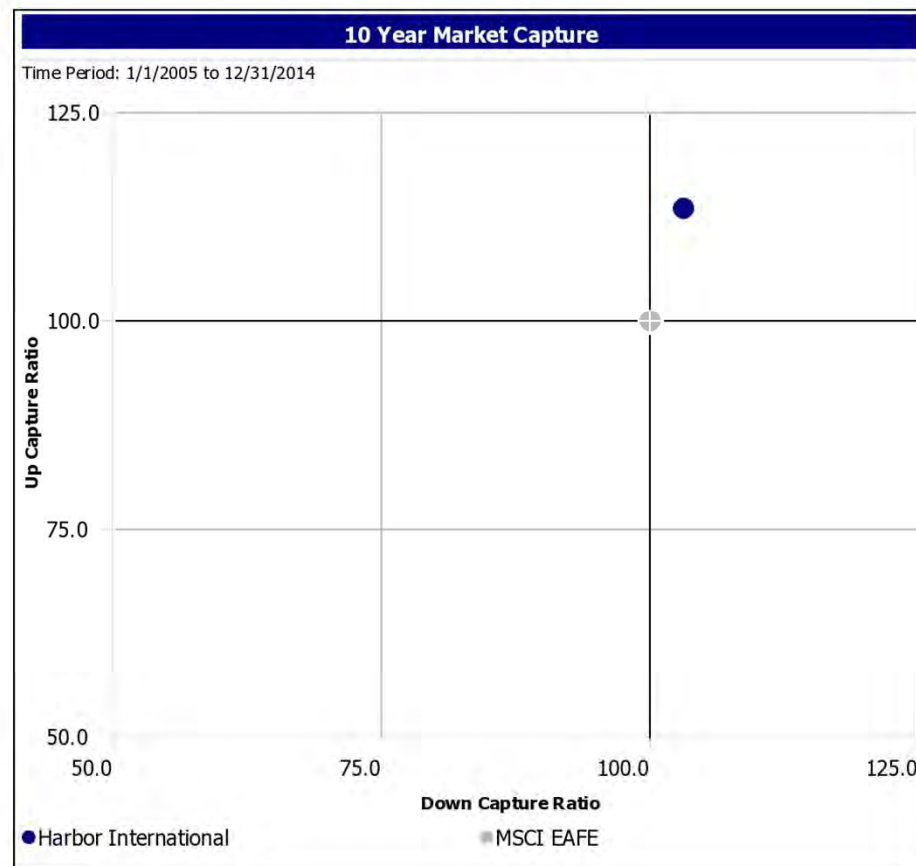
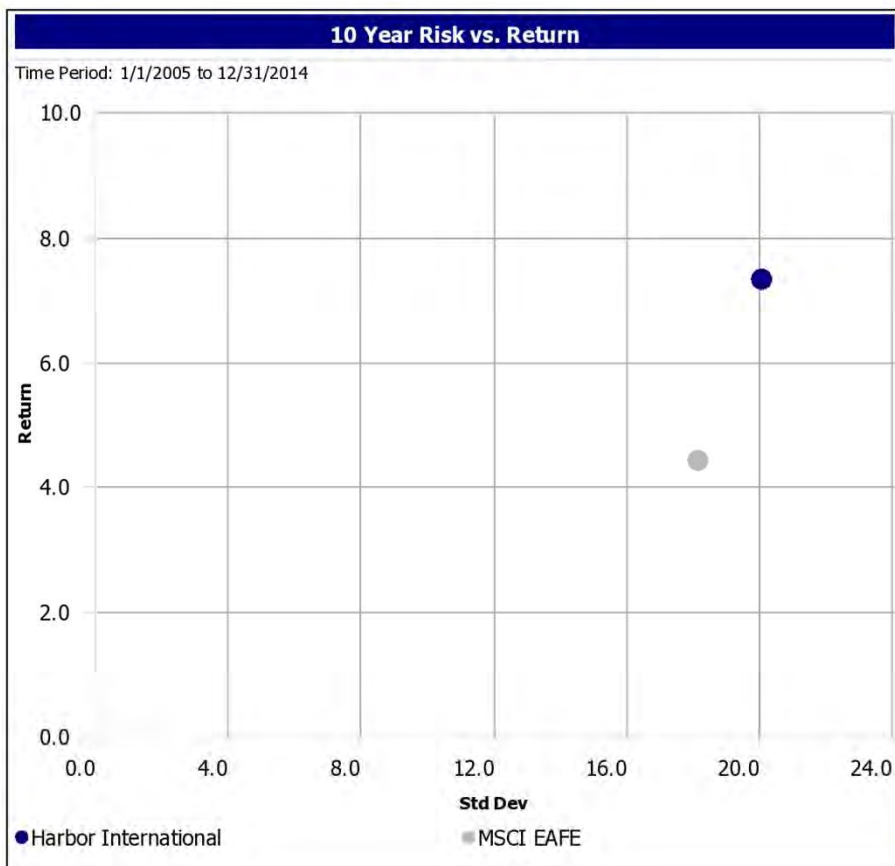
Trailing Returns (%)					
	Quarter	YTD	1 Year	5 Years	10 Years
Harbor International	-4.1	-6.8	-6.8	5.5	7.4
Peer group percentile	68	78	78	39	9
MSCI EAFE	-3.6	-4.9	-4.9	5.3	4.4
Peer group percentile	51	45	45	45	46
25th Percentile	-2.2	-3.4	-3.4	6.1	5.5
50th Percentile	-3.5	-5.4	-5.4	5.1	4.3
75th Percentile	-4.2	-6.6	-6.6	4.2	3.4

Source: Morningstar Direct

# Harbor International

As of 12/31/2014

	Returns (%)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Harbor International	20.8	32.7	21.8	-42.7	38.6	12.0	-11.1	20.9	16.8	-6.8	-6.8	9.6	5.5	7.4
MSCI EAFE	13.5	26.3	11.2	-43.4	31.8	7.8	-12.1	17.3	22.8	-4.9	-4.9	11.1	5.3	4.4



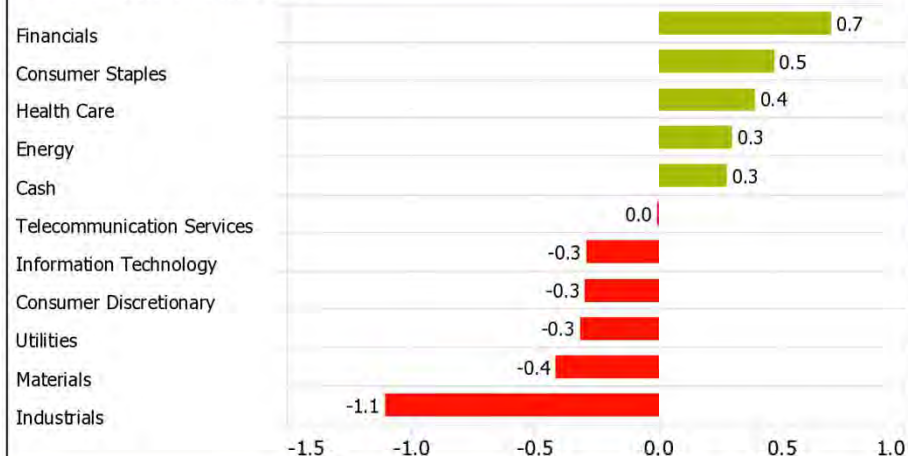
Source: Morningstar Direct

# Harbor International

As of 12/31/2014

## Sector Relative Performance: Total Effect

Time Period: 1/1/2014 to 12/31/2014



## Top 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Intesa Sanpaolo	1.2	20.7	0.5
SMC Corp	1.6	6.3	0.2
United Overseas Bank Ltd	1.1	13.9	0.2
Cheung Kong Holdings Ltd	1.1	15.4	0.2
Taiwan Semiconductor Manufacturing Co Ltd ADR	0.7	17.8	0.2

## Bottom 5 Stock Relative Performers

	Relative Weights*	Return	Active Return
Rolls-Royce Holdings PLC	2.0	-34.2	-0.6
Freeport-McMoRan Inc	1.7	-35.8	-0.5
Banco Bilbao Vizcaya Argentaria SA	2.2	-22.4	-0.4
BG Group PLC	1.3	-36.2	-0.3
SAP SE	1.7	-16.8	-0.3

## Contribution/Attribution Detail

Time Period: 1/1/2014 to 12/31/2014

	Portfolio Weights	Portfolio Return	Portfolio Contribution	Index Weights	Index Return	Index Contribution	Allocation Effect	Selection Effect	Active Return
Consumer Discretionary	11.2	-7.7	-0.9	11.8	-4.7	-0.6	0.1	-0.4	-0.3
Consumer Staples	15.6	0.2	0.0	11.0	-2.4	-0.2	0.1	0.4	0.5
Energy	3.3	-22.4	-0.8	6.8	-18.4	-1.2	0.5	-0.2	0.3
Financials	23.6	-2.7	-0.5	25.6	-5.5	-1.4	0.0	0.7	0.7
Health Care	10.5	10.7	1.0	10.6	6.4	0.6	0.0	0.4	0.4
Industrials	17.7	-12.7	-2.4	12.6	-7.7	-1.0	-0.2	-0.9	-1.1
Information Technology	3.0	-7.3	-0.2	4.5	-0.5	0.0	-0.1	-0.2	-0.3
Materials	11.3	-12.6	-1.4	8.0	-10.7	-0.9	-0.2	-0.2	-0.4
Telecommunication Services	0.0		0.0	5.1	-4.5	-0.2	0.0	0.0	0.0
Utilities	0.0		0.0	3.8	4.2	0.1	-0.3	0.0	-0.3
Cash	3.7	0.0	0.0	0.0		0.0	0.3	0.0	0.3
Attribution Total	100.0	-5.1	-5.1	100.0	-4.8	-4.8	0.1	-0.4	-0.3

\*Manager's average stock weight - Index's average stock weight = Relative Weights.

Source: Morningstar Direct

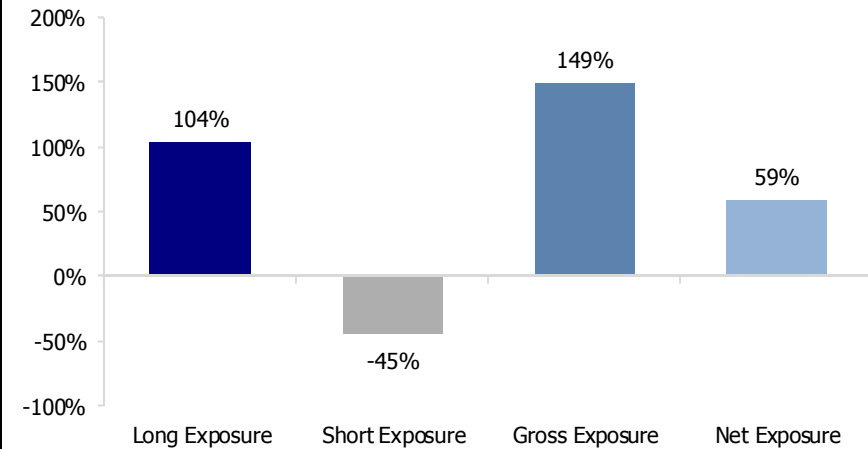
# Hedge Fund-of-Funds Overview: Barlow Partners Offshore

As of 9/30/2014

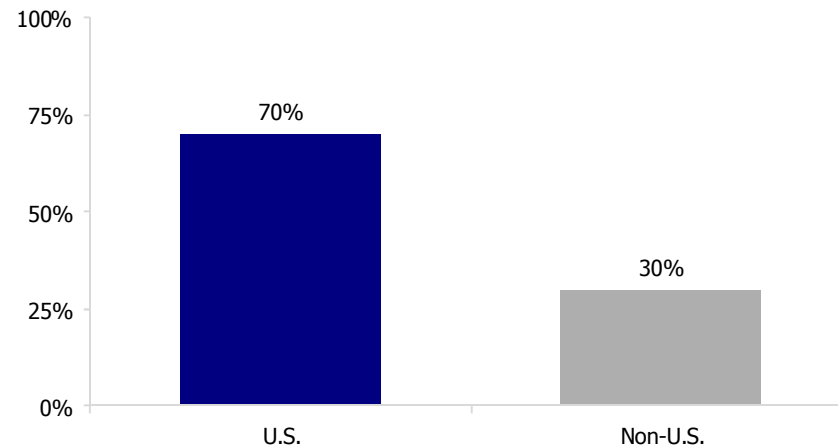
## Organizational Overview

Strategy Type	Equity Long/Short Hedge Fund-of-Funds
Location of Headquarters	New York, NY
Year Founded	1994
Firm Assets Under Management (\$, B)	\$0.7
Fund Assets Under Management (\$, B)	\$0.4

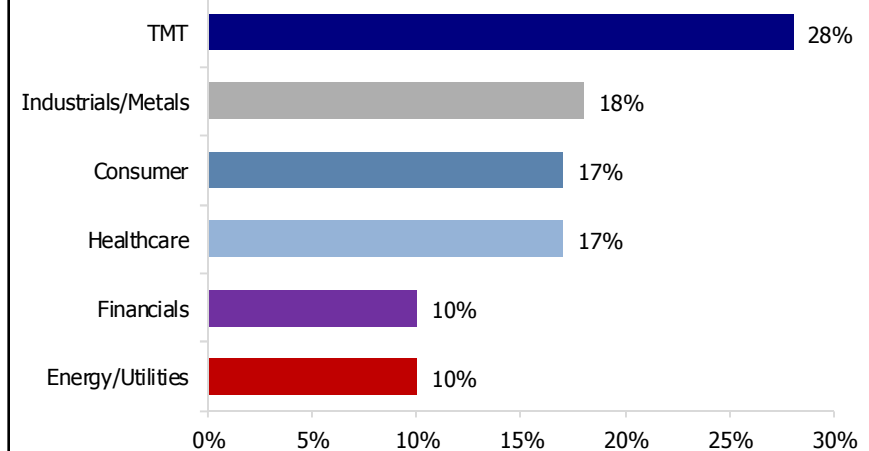
## Fund Exposure



## Geographic Exposure



## Strategy Exposure

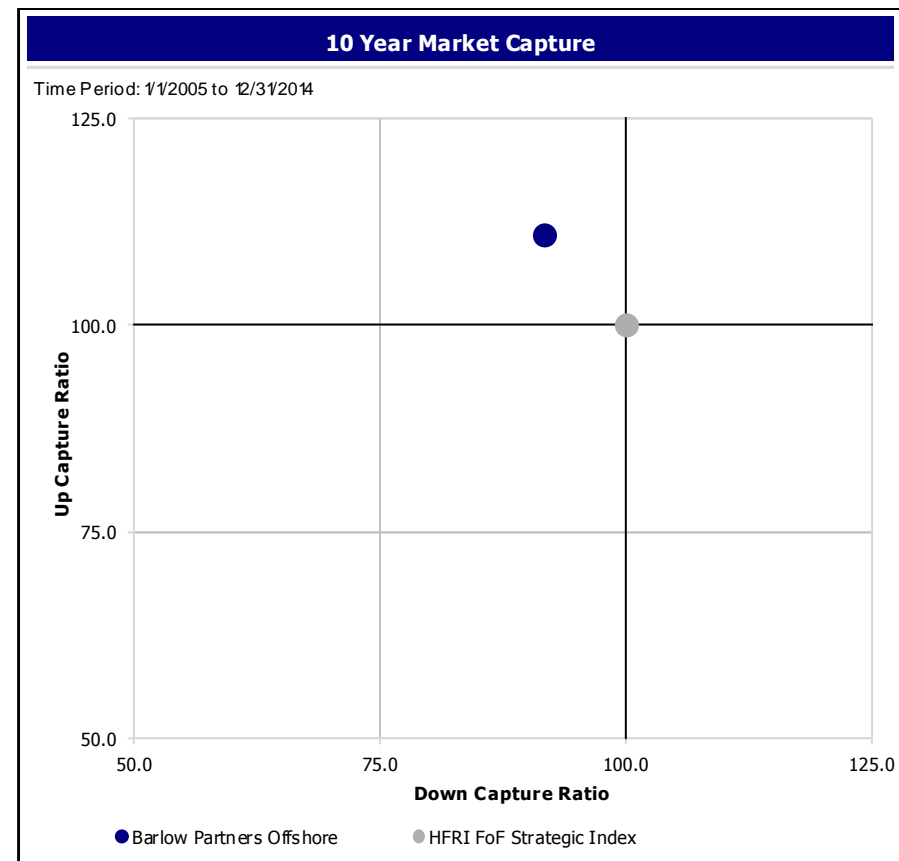
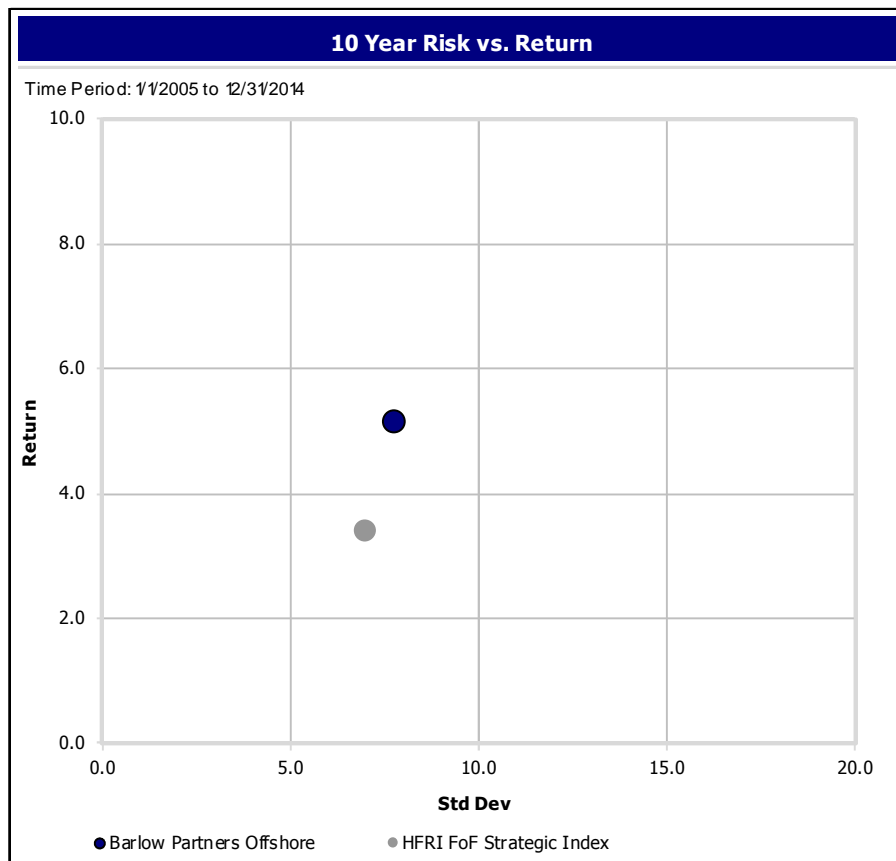


Note: All data provided by the investment manager.

# Barlow Partners Offshore

As of 12/31/2014

Returns (%)														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Barlow Partners Offshore	9.2	11.2	11.1	19.2	-25.5	19.1	6.3	-1.8	4.8	13.0	2.4	6.6	4.8	5.2
HFRI FoF Strategic Index	8.3	10.3	11.8	12.8	-25.2	13.2	6.3	-7.3	5.8	10.5	3.0	6.4	3.5	3.4





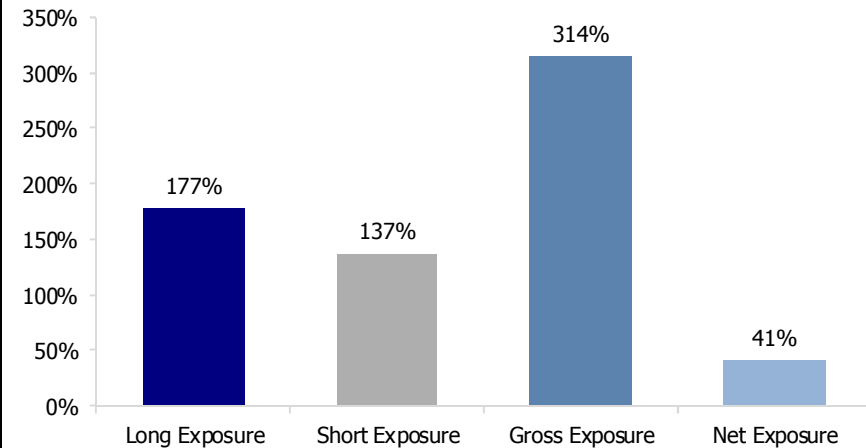
# Hedge Fund-of-Funds Overview: Blackstone Partners

As of 9/30/2014

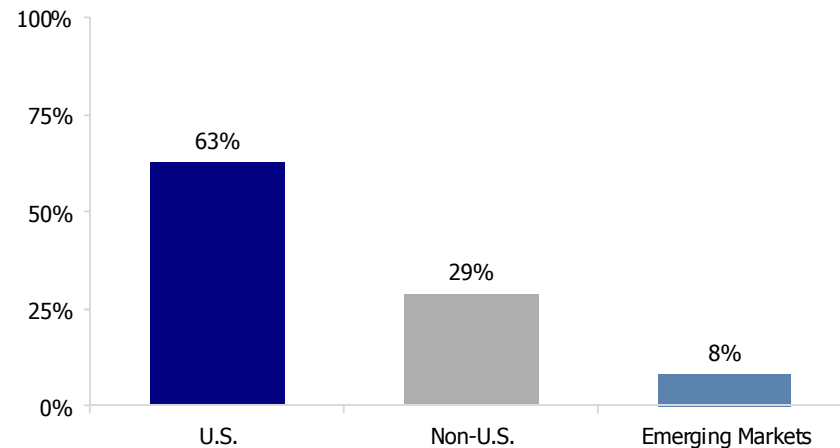
## Organizational Overview

Strategy Type	Multi-Strategy Hedge Fund-of-Funds
Location of Headquarters	New York, NY
Year Founded	1985
Firm Assets Under Management (\$, B)	\$64.0
Fund Assets Under Management (\$, B)	\$16.9

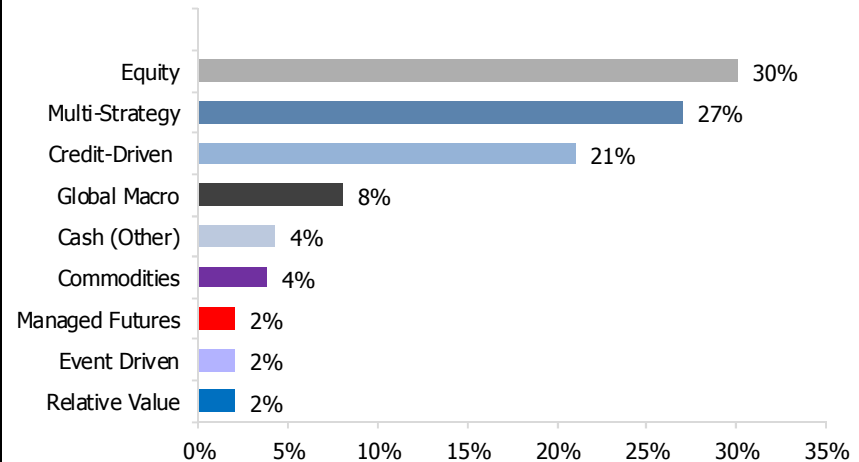
## Fund Exposure



## Geographic Exposure



## Strategy Exposure

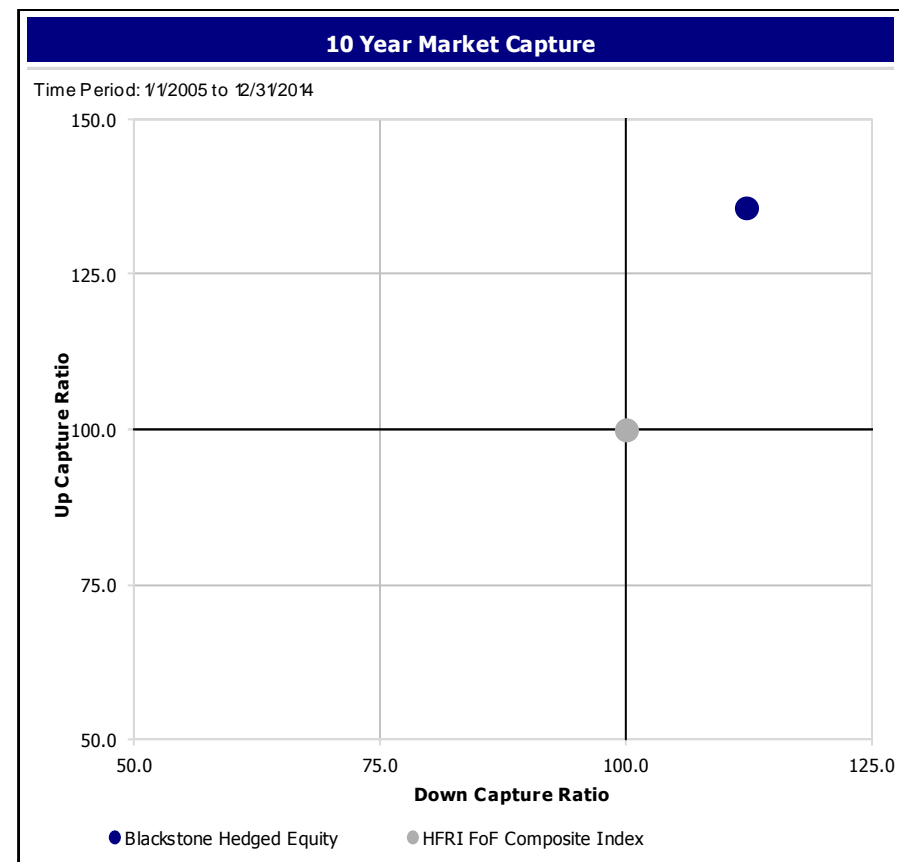
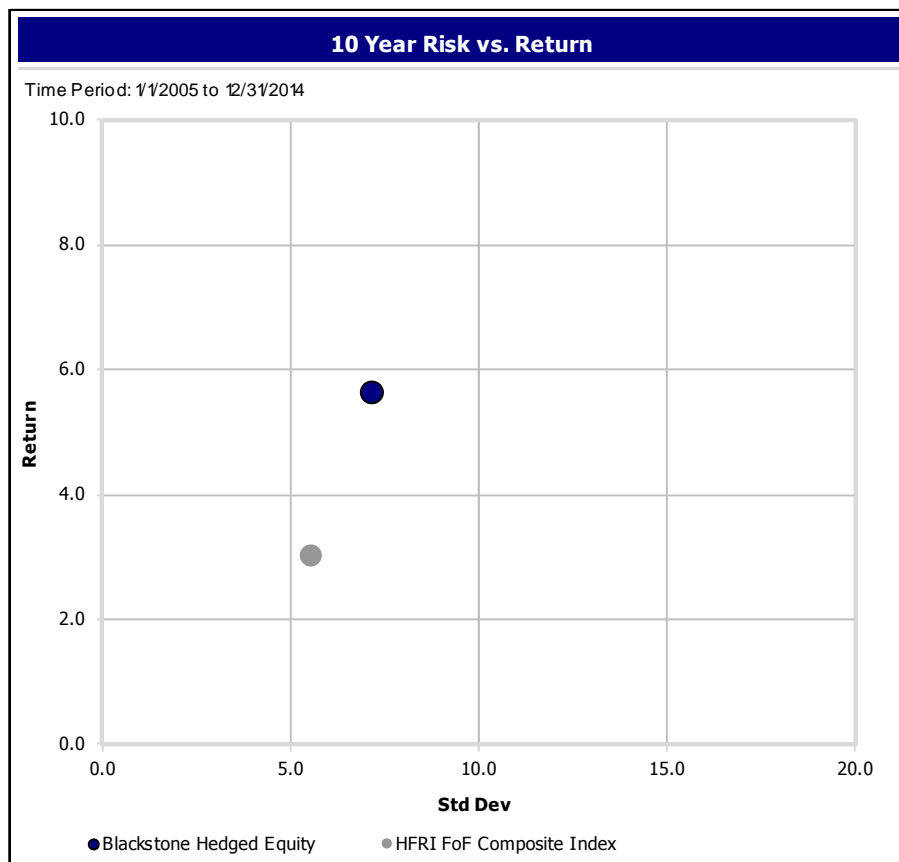


Note: All data provided by the investment manager.

# Blackstone Hedged Equity

As of 12/31/2014

Returns (%)														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
Blackstone Hedged Equity	9.4	11.8	7.5	12.9	-24.6	13.1	6.8	-1.0	10.2	17.9	8.9	12.3	8.4	5.7
HFRI FoF Composite Index	6.9	7.5	10.4	10.3	-21.4	11.5	5.7	-5.7	4.8	9.0	3.4	5.7	3.3	3.0



# Fixed Income Overview: Metropolitan West Low Duration Bond

As of 12/31/2014

Portfolio Characteristics	Metropolitan West Low Duration Bond	ML U.S. 1-3 Year Treasury Index
Duration	0.9 yrs	1.9 yrs
Average Maturity	3.7 yrs	1.9 yrs
Average Quality	n/a	AAA
Yield to Maturity	1.8%	0.7%

Maturity Breakdown	Metropolitan West Low Duration Bond	ML U.S. 1-3 Year Treasury Index
0-1 Years	27%	0%
1-3 Years	28%	100%
3-5 Years	25%	0%
5-10 Years	15%	0%
10-20 Years	2%	0%
20+ Years	2%	0%

Sector Allocation	Metropolitan West Low Duration Bond	ML U.S. 1-3 Year Treasury Index
Cash	19%	0%
U.S. Treasury	1%	100%
Direct Agency	4%	0%
Agency Mortgages	11%	0%
Non-Agency Mortgages	18%	0%
CMBS	13%	0%
Asset-Backed	15%	0%
Investment Grade Corp.	17%	0%
Non-Investment Grade Corp.	2%	0%
Municipals	1%	0%
Non-U.S.	0%	0%
Other	0%	0%

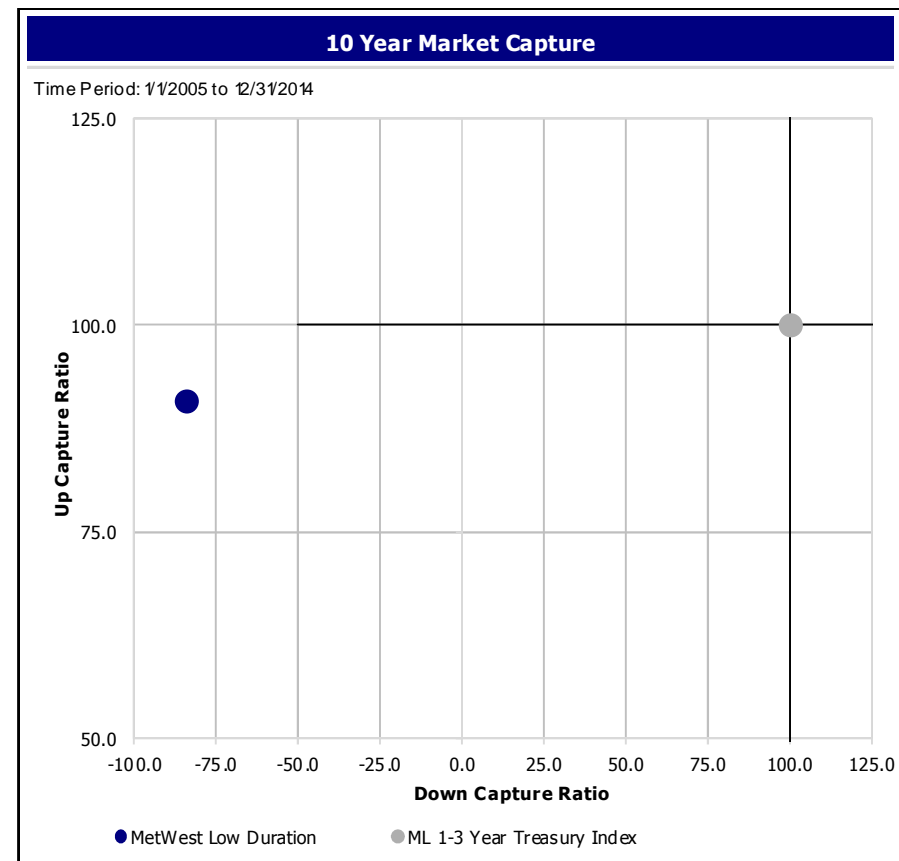
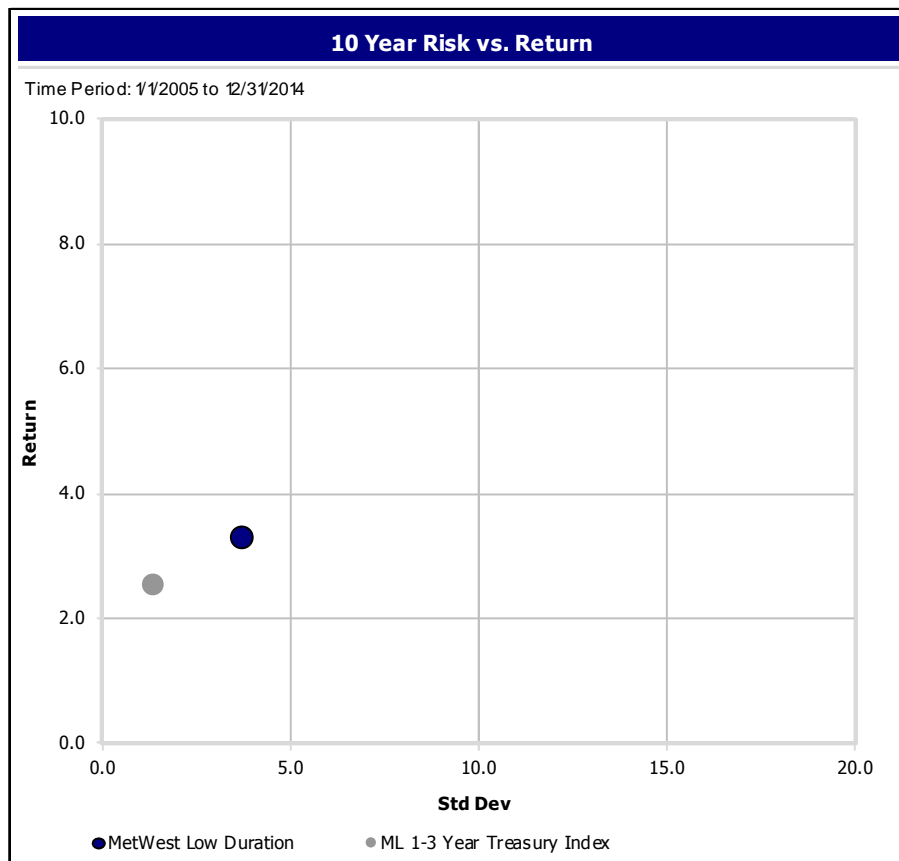
Quality Breakdown	Metropolitan West Low Duration Bond	ML U.S. 1-3 Year Treasury Index
AAA	60%	100%
AA	6%	0%
A	15%	0%
BBB	11%	0%
Below Investment Grade	8%	0%
Other	1%	0%

Note: All data provided by the investment manager.

# MetWest Low Duration

As of 12/31/2014

Returns (%)														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	3Yrs (A)	5Yrs (A)	10Yrs (A)
MetWest Low Duration	3.4	3.0	6.3	2.7	-14.6	15.3	10.6	1.2	7.9	2.0	1.6	3.8	4.6	3.3
ML 1-3 Year Treasury Index	0.9	1.7	4.0	7.3	6.6	0.8	2.3	1.6	0.4	0.4	0.6	0.5	1.1	2.5



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## Appendix: Investment Manager Fee Review

# OPEB Retirement Trust Investment Program Fee Summary

Style	Fund	Market Value (\$,M)	Management Fee	Projected Annual Fee (\$)	Average Expense Ratio for Style
Large Cap Core Equity	Vanguard 500 Index Fund	\$4.1	0.05%	\$2,043	1.00%
Mid Cap Growth Equity	Artisan Mid Cap Fund	\$1.0	1.22%	\$12,369	1.12%
Small Cap Value Equity	DFA Targeted Value SCV	\$1.0	0.37%	\$3,545	1.19%
International Equity	Neuberger Berman International	\$1.8	0.85%	\$15,441	1.12%
International Equity	Harbor International	\$1.7	0.74%	\$12,487	1.12%
Hedge Funds	Barlow Partners	\$1.2	1.00%	\$12,489	1.70%
Hedge Funds	Blackstone Partners	\$1.7	0.80%	\$13,907	1.70%
Fixed Income	TCW MetWest Low Duration	\$3.4	0.37%	\$12,570	0.70%
Money Market	Fidelity Prime Money Market	\$0.0	0.18%	\$37	0.13%
<b>Total</b>		<b>\$16.0</b>	<b>0.53%</b>	<b>\$84,887</b>	<b>1.11%</b>

# Endnotes

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