

**BI-STATE DEVELOPMENT
OPERATIONS COMMITTEE MEETING
OPEN SESSION MINUTES
MAY 17, 2016**

Committee Members in Attendance

Missouri

Vernal Brown (via phone)
Kelley Farrell (absent)

Illinois

Michael Buehlhorn, Chairman
Irma Golliday (absent)
Jeffrey Watson (absent)

Other Commissioners in Attendance

Tadas Kicieliniski (via phone)

Staff in Attendance

John Nations, President & CEO
Barbara Enneking, General Counsel and Deputy Secretary
Shirley Bryant, Certified Paralegal
Ray Friem, Executive Director Metro Transit
Larry Jackson, Executive Vice President for Administration
John Wagner, Project Manager, Economic Development
Kathy Klevorn, Sr. Vice President, Chief Financial Officer
Scott Grott, Chief MetroLink Operations
Fred Bakarich, Director, Engineering Systems
Dianne Williams, Vice President, Communications and Marketing
Patti Beck, Director, Communications
Kerry Kinkade, Acting Vice President, Chief Information Officer
Kathy Brittin, Director, Risk Management, Safety & Claims
Barbara Georgeff, Director of Executive Services
Ted Zimmerman, Director of Marketing
Andrew Ghiassi, Manager, Safety & Loss Control
John Meany, Safety Engineer II
Tom White, Director, Project Control
Sheila Hockel, Manager, Emergency Preparedness
Mark Vago, Controller
Matthew Hibbard, Social Media Communications Manager
Steve Lanham, Director, Financial System
Jonathan Frederick, Director, Accounting & Budget
Angela Mabry, Communications Manager

Others in Attendance

None

1. Call to Order

8:00 a.m. Chairman Buehlhorn called the Open Session Operations Committee Meeting to order at 8:00 a.m.

2. Roll Call

8:00 a.m. Roll call was taken.

3. Public Comment

8:00 a.m. There was no public comment.

8:00 a.m. Ray Friem, Executive Director Metro Transit, informed the Committee that the Risk Management Department has received an award from the local Emergency Planning Committee, and introduced Kathy Brittin, Director Risk Management, Safety and Claims to provide additional information. Ms. Brittin stated that the Local Emergency Planning Commission (**LEPC**) is made up of appointed members for the City of St. Louis Emergency Planning Commission, of which Bi-State Development (**BSD**) is a member. LEPC coordinates the emergency preparedness planning in the City of St. Louis and exists to help coordinate, plan, prepare, and train for disasters especially disasters involving hazardous materials. LEPC is a resource for citizens to learn about hazardous substances, emergency planning, as well as health and environmental risks in their neighborhoods. Risk Management received this industry award from Region 7, which is composed of the states of Missouri, Kansas, Iowa, and Nebraska, for outstanding achievement in planning, prevention and risk reduction in the community. Ms. Brittin acknowledged the efforts of Sheila Hockel, Manager of Emergency Preparedness; Andrew Ghiassi, Manager, Safety & Loss Control; and John Meany, Safety Engineer II, and congratulated them for this outstanding achievement.

John Nations, President & CEO, congratulated the team on their achievements, and Commissioner Buehlhorn thanked them on behalf of the Board for their efforts.

4. Minutes of January 19, 2016 Operations Committee

8:04a.m. The January 19, 2016, Open Session Operations Committee Meeting minutes were provided in the Committee packet. A motion to approve the minutes was made by Commissioner Kicielinski and seconded by Commissioner Brown. **Motion passed unanimously.**

5. Revision to Board Policy, Chapter 80 Agency Property

8:04 a.m. A briefing paper and attachments were provided in the Committee packet. Dianne Williams, Vice President Marketing and Communications, provided a brief overview. Board Policy, Chapter 80, *Agency Property*, as it is currently written, does not fully protect the Agency's right to control its property that has public access. The current policy does not restrict certain activities, including sales activities; nor does it permit the Agency to charge and collect fees for use of its facilities, as is authorized in Article III of the Compact. The proposed changes to Chapter 80 would also update the standards and guidelines for the posting of paid advertising. The Agency's practice has been to not allow any of its vehicles or facilities to become a public forum for the dissemination, debate, and/or discussion of public issues. The proposed changes would benefit the Public Safety Department's efforts to limit or restrict non-Agency activity in Metro customer transit venues. Additional protections and clarifications regarding the use of Agency property and facilities are necessary in order to prevent interference with safe and efficient Agency operations. Management's recommendations are as follows: 1) change the order

of Section 80.010 and 80.020 for a more logical flow between policies regarding distribution of literature and policies controlling sales activities; 2) change the title of the new Section 80.010 from *Distribution of Literature on Certain Agency Property* to *Expressive Activities on Agency Property* in order to include all forms of speech; 3) No longer provide a provision for outside organizations or individuals to poll, distribute material, or construct booths for the distribution of literature on Agency property as is found in the current Section 80.020 – *Distribution of Literature on Certain Agency Property*; 4) In the proposed new Section 80.020 (*The Solicitation of Funds or Sale of Products on Agency Property*), allow the Agency to reserve the exclusive right to sell, or to provide or authorize the sale or provision of, products or services on Agency property. The Policy, as written in the current Chapter 80.010, prohibits any sales activity on Agency property; and Section 80.030.5, makes minor changes to include new products. For example, the Agency currently prohibits advertising of tobacco products. The proposed change would also prohibit advertisements of e-cigarettes and vaporizers. It is further requested that the Committee recommend that the proposed revisions to Board Policy, Chapter 80 *Agency Property*, not be tabled pursuant to *Article VI(D)* of the Board Policies, as it is in the best interest of the Agency that this revision become effective upon approval at the June 24, 2016, Board meeting. A motion for the Committee to approve and refer to the Board for approval the proposed changes to Board Policy, Chapter 80, *Agency Property*, and that this proposed revision not be tabled and be approved at the June 24, 2016, Board meeting was made by Commissioner Brown and seconded by Commissioner Kicielinski. **Motion passed unanimously.**

6. Contract Award: Werremeyer Incorporated for Development and Implementation of Marketing Activities for BSD and Emerging Enterprises

8:09 a.m. The briefing paper regarding the contract award to Werremeyer Incorporated (**Werremeyer**) for Development and Implementation of Marketing Activities for BSD and Emerging Enterprises was provided in the Committee packet. Dianne Williams, Vice President Marketing and Communications, provided a brief overview. A solicitation was issued on March 21, 2016, to retain a firm that could provide full-service marketing and creative agency assistance in the development and implementation of marketing activities for Bi-State Development (**BSD**) and the emerging enterprises. Four (4) proposals were received and evaluated. After the technical evaluations, cost scores calculations and final combined scores were tabulated; the evaluation team determined that the proposal from Werremeyer provided the best value. Werremeyer's cost was deemed fair and reasonable in comparison with other proposals submitted, and they have provided exceptional creative services to BSD in the past.

Commissioner Kicielinski asked who was responsible for ensuring the billable hours for Werremeyer were verified and submitted properly. In response, Dianne Williams informed the Committee that the Marketing and Communications Department would be responsible and they are tenacious about making sure that the bills reflect the services provided and charges for said services are correctly documented and submitted.

A motion for the Committee to approve and refer to the Board for approval the request to authorize the President & CEO to enter into a three (3) year contract in the not to exceed amount of \$600,000; award monetary and administrative contract modifications as needed; and award two (2) option years in an amount not to exceed \$400,000 if certain criteria are met as stipulated in the briefing paper was made by Commissioner Brown and seconded by Commissioner Kicielinski. **Motion passed unanimously.**

7. Contract Award: Ironhorse, Incorporated for Track Maintenance Service

8:12 a.m. The briefing paper regarding the contract award for Ironhorse, Incorporated (**Ironhorse**) for Track Maintenance Service was provided in the Committee packet. Scott Grott, Chief MetroLink Operations, provided a brief overview. A Request for Proposal (**RFP**) was issued in March 2016 for qualified contractors to provide track maintenance services and routine and emergency repairs along the MetroLink alignment. Proposals were received from three (3) firms, and upon the completion of their technical and cost evaluations, Ironhorse was selected. Ironhorse's costs were deemed fair and reasonable in comparison with the other solicitations received. The on-call track maintenance contract has been in place since the inception of MetroLink, and Ironhorse is the incumbent on this project and the most qualified with the best proposal submitted. A motion for the Committee to approve and refer to the Board for approval the request to authorize the President & CEO to enter into a three (3) year time and material contract in a not to exceed amount of \$1,737,448.85; award monetary and administrative contract modifications as needed; and award two (2) option years in an amount not to exceed \$1,431,575.70 if certain criteria are met as stipulated in the briefing paper was made by Commissioner Brown and seconded by Commissioner Kicielinski. **Motion passed unanimously.**

8. Third Quarter Operations Report and Capital Projects Update

8:15 a.m. The Third Quarter Operations Report and Capital Projects Update was provided in the Committee packet. Ray Friem, Executive Director Metro Transit provided a brief overview. Ridership was down 4.2% and through the Third Quarter we are \$5.3 million behind budget. Expenses are down primarily due to lower diesel fuel costs and lower employee benefits costs. Fixed route service for both MetroLink and MetroBus was down for both the quarter and year-to-date. Ridership was strong in Fiscal Year 2014 and for the first seven (7) months of Fiscal Year 2015, but by February there was a drop in ridership that continued through every subsequent report. Ridership for all modes of transportation in Fiscal Year 2016 are universally lower than the previous year. The decline in ridership can be contributed to a number of events that included regional unrest, security concerns, and lower fuel prices. Ray Friem said this is not just an issue related to transit. He reported that parking revenue in the City of St. Louis is down, and there are not as many people coming into Downtown St. Louis. Mr. Nations noted that Uber began operating in the region in April of 2015, which may also have an as yet undetermined impact on transit, as it has had on taxi cabs. Service profiles are basically unchanged, however, loss of ridership triggers a lowering of the system efficiency numbers and passenger revenue hours. Call-A-Ride remains unaffected. Security activity shows custodial arrests are up for the quarter but summonses are down. Dispatch calls are up and valid service complaints are up for the quarter. The TIGER Grant Funding Partners have agreed to allow BSD to enter into a contract with HNTB, for the design services of the Boyle Street Station. Vehicle acquisitions for the Call-A-Ride vans are problematic primarily because the chassis deliveries are way behind schedule. We have been successful in keeping the vans operational but we are a year behind in our procurement schedule. BSD recently received concurrence from St. Clair County Transit District to proceed with bus procurement for the year.

Fred Bakarich, Director Engineering Systems, provided a brief update regarding the Eads Bridge Project. Work on the bridge is on track to be completed by June 3rd with a target date of June 13 for cut over. There is some Overhead Conductor Rail (**OCR**) work yet to be completed but the overall work on the bridge will be completed very soon. Some discussion followed regarding the final total cost to rehab the bridge. The Civic Transit Center was delayed for over a year in order

to resolve issues with the City of St. Louis regarding ADA compliance and access. Those concerns were resolved a few weeks ago, and a notice to proceed on this project was issued. Although there is some work to be completed on the Spruce Street Bridge, the major work was completed in time for the St. Louis Cardinals' opening day. Additional discussions followed regarding the TIGER Grant Project and the Union Station Tunnel Project.

Scott Grott, Chief MetroLink Operations, discussed the key capital maintenance projects, focusing primarily on the wood tie project, contact wire replacements, station edge replacements, and elevator rehabilitation.

Tom White, Director, Project Control, provided a brief update regarding the SmartCard Project. The integration between the vendors and the software installation has made good progress. Trapeze and the AVL System have been integrated and a test of the software on a bus to see how it interacts with the farebox system can now provide stop ID's and tie the transaction to that information. There were minor issues that needed to be resolved, and final development is expected to be completed soon. There have been some changes to the ticket purchasing websites to make them more customer friendly. The new hand-held inspection devices will be critical to the success of the project. These devices will be used by the fare enforcement officers for checking fares.

Commissioner Buehlhorn stated that after the SmartCard is fully operational, complaints will increase because of launching this new system and suggested that the complaints about the new SmartCard system be tracked separately from the other complaints. Some discussion followed regarding other transit agencies who implemented this type of system and overall every city said that during the first six (6) months of service the complaints went up tremendously, but then they reached a curve and started to decline as customers became more familiar with the changes. This report was informational only and no Committee action was required. A copy of the report will be kept at the office of the Deputy Secretary.

9. **Contract Modification – Automated Fare Collection System Customer Education Services 8:55 a.m.** The Briefing Paper regarding the contract modification for Automated Fare Collection System Customer Education Services was provided in the Committee packet. Ray Friem, Executive Director Metro Transit, informed the Committee that this service may be required in the next three months and since the Board does not meet again until September, 2016, management is requesting approval of this contract modification now. Tom White, Director Project Control, provided additional information regarding this contract modification. BSD entered into a sole source contract with Jones Worley in September, 2013 for SmartCard branding and customer education services. Jones Worley is uniquely qualified and St. Louis is the seventh transit property in the nation for which they have provided customer education services. The funds currently contracted were intended to last through September, 2016, at which time BSD planned to shift to a local PR firm for the rollout marketing strategy. The project team determined that Jones Worley would bring more value during the launch and implementation phases than another firm. Therefore, the funds set aside for the local firm will be used to extend Jones Worley's contract. The remaining work and additional contract amount requested for customer education and communication is \$250,000. A motion for the Committee to approve and refer to the Board for approval a sole source contract modification with Jones Worley, to be extended to July, 2018, with a total not to exceed amount of \$500,000 was made by

Commissioner Brown and seconded by Commissioner Kicielinski. **Motion passed unanimously.**

10. Unscheduled Business

9:00 a.m. There was no unscheduled business.

11. Call of Dates for Future Committee Meetings

9:00 a.m. The next Audit Committee meeting is scheduled for Friday, May 20, 2016, at 8:00 a.m.; the next Board meeting is scheduled for Friday, June 24, 2016, at 8:00 a.m.; the next Operations Committee meeting is scheduled for Tuesday, August 16, 2016, at 8:00 a.m.; and the next Finance & Administration Committee meeting is scheduled for Friday, August 26, 2016, at 8:00 a.m.

12. Executive Session - If such action is approved by a majority vote of the Bi-State Development'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).

9:00 a.m. Pursuant to the requirements of Section 610.021(1) of the Revised Statutes of Missouri, Chairman Buehlhorn requested a motion to allow the Committee to go into closed session. A motion to go into Executive Session was made by Commissioner Kicielinski and seconded by Commissioner Brown. A roll call vote was taken and the Commissioners present, Buehlhorn, Brown and Kicielinski voted to approve this agenda item. **Motion passed unanimously, and the Open Session meeting was adjourned.**