



**BI-STATE DEVELOPMENT
BOARD OF COMMISSIONERS MEETING
OPEN SESSION MINUTES
FRIDAY, JUNE 24, 2016**

Board Members in Attendance

Missouri

Vernal Brown, (absent)
Constance Gully, Vice Chair
Aliah Holman, Secretary
Vincent C. Schoemehl, (via phone)
Vacant

Illinois

Michael S. Buehlhorn, Treasurer, (via phone)
David Dietzel, Chairman
Irma Golliday, (via phone)
Tadas Kicielinski
Jeffrey Watson, (via phone)

Staff in Attendance

John Nations, President & CEO
Barbara Enneking, General Counsel and Deputy Secretary
Shirley Bryant, Certified Paralegal
Jim Cali, Director of Internal Audit
Ray Friem, Executive Director, Metro Transit
Larry Jackson, Executive Vice President for Administration
Barbara Georgeff, Director of Executive Services
Linda Espy, Executive Assistant
Kent Swagler, Director, Corporate Compliance and Ethics
John Langa, Vice President, Economic Development
John Wagner, Project Manager, Economic Development
Richard Zott, Chief of Public Safety
Kathy Klevorn, Sr. Vice President & Chief Financial Officer
Mark Vago, Controller
Tamara Fulbright, Director, Treasury Services
Les Nations, Chief, MetroBus Operations
Mary Schmitt, Manager, Bus Operations Control
Edith Rowe, Transit Service Manager – Bus Dispatch
Felicia Isbell, Bus Operator
Michael Riley, Public Safety Officer
Dave Sanders, Strategic Business Development Manager
Lisa Burke, Temporary Executive Assistant
Mandi Myers, Compliance & Ethics Analysis & Training Specialist
Diana Wagner- Hilliard, Director, Workforce Diversity/EEO
Ted Zimmerman, Director, Marketing
Oliver Berman, Marketing Manager
Danielle Williams, Individual & Group Sales Supervisor
Melinda Schmidt, Intern
Tonya Lewis, Administrative Assistant
Ellen Vollmer, Intern
Loretta Sebourn, Sr. Graphic Designer
Michael Gibbs, Accountant, Business Enterprises
Jonathan Frederick, Director, Accounting & Budget

Patti Beck, Director, Communications
Dianne Williams, Vice President Communications & Marketing
Jerry Vallely, External Communications Manager
Kathy Brittin, Director, Risk Management Safety & Claims
Kerry Kinkade, Acting Vice President, Chief Information Officer
Charles Stewart, Vice President, Pension & Insurance
Virginia Alt-Hildebrandt, Executive Assistant
David Toben, Director, Benefits

Others in Attendance

Jeff White, Columbia Capital Management, LLC
Jason Terry
Gretchen Land
Philip Prouhet
Susan Holtzwagner, IRS

1. **Call to Order**
2:00 p.m. Chairman Dietzel called the Open Session Board Meeting to order at 2:00 p.m.
2. **Roll Call**
2:00 p.m. Roll call was taken.
3. **Minutes of April 22, 2016, Open Session Board Meeting**
2:00 p.m. The April 22, 2016, Open Session Board Meeting minutes were provided in the Board packet. A motion to approve the minutes was made by Commissioner Holman and seconded by Commissioner Kicielinski. **Motion passed unanimously.**
4. **Report of Treasurer**
2:01 p.m. No presentation was made. This agenda item was informational only. The Treasurer's Report was provided in the Board packet and will be kept at the office of the Deputy Secretary.
5. **Report of President**
2:01 p.m. John Nations, President & CEO, introduced Ray Friem, Executive Director Metro Transit, to make a special presentation to several employees for their extraordinary actions under very unusual circumstances. Mr. Friem commended the stellar efforts of Bi-State Development employees, both past and present, who have offered their assistance to those in need and who directly benefited the community and the Agency. He introduced Richard Zott, Chief of Public Safety, and Les Nations, Chief MetroBus Operations, to provide more detail surrounding the actions of the employees being recognized today.

Mr. Zott stated that on the morning of April 1, 2016, Bus Operator, Felicia Isbell, while driving the bus, overheard a conversation of a male passenger talking on a cell phone stating that he was going to kill someone that day. That conversation caused her grave concern so she contacted Edith Rowe, Transit Service Manager Bus Dispatch, and briefed her on the situation. Ms. Rowe then contacted Major Mike Riley, Public Safety Officer, and informed him of the conversation Ms. Isbell overheard. Due to the nature of the allegations, Major Riley immediately contacted federal partners in the St. Louis Federal Building. Working with the federal partners we were able to identify the intended victim, who was a federal employee with the Internal Revenue Service (**IRS**). The intended victim was taken into protective custody, and the person who intended to carry out this heinous act was arrested. Ms. Susan Holtzwagner, on behalf of the IRS, expressed her sincere appreciation and gratitude to everyone involved and made a special presentation to the BSD employees, recognizing that their quick action helped save not only the

intended victim's life, but possibly other potential innocent lives. Mr. Friem and Mr. Zott also acknowledged the extraordinary actions exhibited by Ms. Isbell, Ms. Rowe, and Major Riley, and presented each of them with proclamations and certificates of appreciation on behalf of the Agency and the Public Safety Department. Commissioner Dietzel offered his appreciation on behalf of the Board to Ms. Isbell, Ms. Rowe, and Major Riley.

Mr. Nations informed the Board that Linda Espy, Executive Assistant to Ray Friem, Executive Director Metro Transit, has done a tremendous job for the company since October 9, 1978. Ms. Espy has announced her retirement, effective June 30, 2016, and in recognition of her service, Mr. Friem was introduced to make a special acknowledgment of her service. Mr. Friem stated that Ms. Espy has been with the Agency for more than thirty-seven (37) years and has worked under a number of Executive Directors and Chief Operating Officers. She has been a very important part of Metro Transit and a tremendous help to him personally, practically running the Operations Committee for the better part of the last six (6) years. He congratulated her on her retirement, stating that he will truly miss her and wished her the very best going forward.

In continuing his President's report, Mr. Nations stated that in this past fiscal year, the Agency has accomplished significant achievements and received numerous awards and acknowledgements. The Internal Audit and the Procurement Departments were recognized for excellence in their practice and operations. The Finance Department was honored with three awards from the Government Finance Officers Association including the Distinguished Budget Award and the 20th consecutive Certificate of Achievement for Excellence in Financial Reporting. The Marketing and Communications Department has had an extremely successful year and was the recipient of several awards and accolades for their work, receiving 39 awards, some of which are on display in the Board Room. In addition to receiving an award for the 2016 Annual Report to the Region, several successful components of Bi-State Development rebranding efforts including print ads, the rebranding strategy and the "We Are Bi-State Development" won 9 awards. Marketing and Communication also received recognition for the "Live, Work, Play" campaign and billboards for creative designs of posters and websites. The "Next Stop" blog was a grand prize winner for social media at the American Public Transit Association Ad Wheel Awards. A complete list of all the honors and achievements was provided in a handout to the Board. Mr. Nations asked the Board to join him in congratulating the BSD award winning team for their hard work over the past 12 months.

6. Operations Committee Report

2:15 p.m. The May 17, 2016, Operations Committee Open Session Minutes were provided in the Board packet. At the request of Commissioner Buehlhorn, John Nations, President & CEO, presented this report. Mr. Nations stated that the Operations Committee met in Open Session on May 17, 2016, and the draft minutes of that meeting were in the Board packet at tab #6. Mr. Nations advised that the Committee was introducing three (3) items on the Consent Agenda for Board consideration and approval, as follows: Consent Agenda Item 9(a) – Sole Source Contract Modification With Jones Worley for Automated Fare Collection System Customer Education Services; Consent Agenda Item #9(b) Contract Award to Werremeyer, Incorporated for Development and Implementation of Marketing Activities for Bi-State Development and its Emerging Enterprises; and Consent Agenda Item #9(c) Contract Award – Ironhorse, Incorporated for Track Maintenance Service. Also on the agenda is Agenda Item #10, a Revision to Board Policy, Chapter 80, Agency Property, with the Committee's recommendation that the Chairman designate that the proposed policy revision not be tabled pursuant to Article VI (D) of the Board Policies, as it is in the best interest of BSD that this revision be approved at today's Board meeting. As an informational update, Ray Friem, Executive Director of Metro Transit, provided an overview of the Transit Operations FY16, Third Quarter Performance Report, and the Capital Projects update.

7. **Audit Committee Report**

2:16 p.m. The May 20, 2016, Audit Committee Open Session Minutes were provided in the Board packet. Commissioner Gully stated that the Audit Committee met in Open Session on May 20, 2016, and the draft minutes of that meeting were in the Board packet at tab #7. She reported that the Audit Committee had no items for approval on the Open Session Agenda. The Committee did review the Internal Audit Status Report; the Internal Audit Follow-Up Summary, Third Quarter of Fiscal Year 2016; and the Safekeeping Quarterly Accounts Audit ending December 31, 2015. The Committee also reviewed and approved the Fiscal Year 2017 Annual Audit Work Plan and Risk Assessment. Three additional items being presented for informational purposes only were Agenda Item #13 – Financial Statements, Third Quarter, Fiscal Year 2016; Agenda Item #14 – Performance Indicators, Third Quarter, Fiscal Year 2016; and Agenda Item #15 – Procurement Activity Report, Third Quarter, Fiscal Year 2016

8. **Adjustment of Consent Agenda**

2:18 p.m. There was no adjustment of the Consent Agenda.

9. **Consent Agenda Item(s): 9(a) Sole Source Contract Modification With Jones Worley for Automated Fare Collection System Customer Education Services (Operations Committee Recommends Approval) (Resolution #764); Contract Award to Werremeyer, Incorporated for Development and Implementation of Marketing Activities for Bi-State Development and Its Emerging Enterprises (Operations Committee Recommends Approval) (Resolution #762); Contract Award: Ironhorse, Incorporated for Track Maintenance Service (Operations Committee Recommends Approval) (Resolution #765).**

2:19 p.m. A motion to approve the Consent Agenda items was made by Commissioner Gully and seconded by Commissioner Holman. **Motion passed unanimously.**

10. **Revision to Board Policy, Chapter 80, Agency Property (Operations Committee Recommends Approval)**

2:20 p.m. The briefing paper regarding Revision to Board Policy, Chapter 80, *Agency Property* was provided in the Board packet. Commissioner Dietzel stated that no additional presentation was required and asked for a motion to approve this agenda item. A motion was made by Commissioner Holman and seconded by Commissioner Gully to approve the following: 1) Change the order of Sections 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) The proposed new Section 80.020 (*The Solicitation of Funds or Sale of Products on Agency Property*), allows 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; 5) in Section 80.030, make 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. **Motion passed unanimously. (Resolution #767)**

11. **Refunding of Certain Series 2009 and Series 2013 Cross County Bonds/Revised Fifth Amendment to Memorandum of Agreement**

2:21 p.m. The briefing paper regarding the Refunding of Certain Series 2009 and Series 2013 Cross County Bonds/Revised Fifth Amendment to Memorandum of Agreement (**MOA**) was provided in the Board packet. John Nations, President & CEO, introduced Kathy Klevorn, Sr. Vice President & Chief

Financial Officer, and Jeff White, Principal, Columbia Capital Management, LLC, to present an overview of Agenda Items #11 and #12.

Mr. White provided the overview stating that the Board previously approved the Fifth Amendment to the Memorandum of Agreement for the Series 2009 Bonds in September 2015; however, this MOA has not yet been executed. The Agency currently has two series of bonds outstanding related to the MetroLink Cross County Extension Project. The Agency's Series 2009 Bonds and the 2013A Bonds, based upon the current markets, could be refinanced to reduce the Agency's borrowing costs. In order to do this, the Agency must obtain approval from the City of St. Louis, and St. Louis County (the "Funding Partners") for any financing secured by Prop M, Prop M2, and Prop A receipts, including financing to reduce the Agency's borrowing costs. This current transaction has the opportunity to pick up a bit more refunding savings because of current market conditions. The request today is for the Board to broaden the ability to take advantage of these savings through the MOA. Upon approval from the Funding Partners, and should the market conditions continue to be favorable, Board approval is being sought to permit the refunding and refinancing of all the Series 2009 Bonds and a portion of the Series 2013 Bonds. If this transaction were executed in the market this week, the expected debt service savings would have been approximately \$15 million over the remaining life of the bonds in 2016 dollars. This is a very substantial opportunity to save the taxpayers of the City of St. Louis and St. Louis County some money to provide additional sales tax dollars for operations of transit and it's a good news story all around.

Commissioner Dietzel asked for a motion to approve both Agenda Items #11 and #12. A motion was made by Commissioner Schoemehl and seconded by Commissioner Buehlhorn to approve the following: Agenda Item #11 – Approval of the Revised Fifth Amendment to the MOA, permitting the Agency to proceed with a refunding of certain of its Series 2009 Bonds and Series 2013 Bonds for economic savings if the opportunity is presented (**Resolution #771**); and Agenda Item #12 – Approval of the resolution authorizing the refunding transaction; authorizing Agency staff to engage the professional team necessary to execute the financing; and it delegates to the Board's Executive Committee the final approvals for the financing subject to certain parameters, including that the financing produces a minimum savings level. (**Resolution #770**) **Motions passed unanimously.**

12. **Refunding of Certain Series 2009 and Series 2013 Cross County Bonds**
2:21 p.m. The briefing paper regarding the Refunding of Certain Series 2009 and Series 2013 Cross County Bonds was provided in the Board packet. This agenda item was discussed and approved during the discussion of agenda item #11 and no additional presentation was made. **Motion passed unanimously. (Resolution #770)**
13. **Financial Statements – Third Quarter, Fiscal Year 2016 (Presented to Audit Committee)**
2:25 p.m. The Financial Statements – Third Quarter, Fiscal Year 2016 report was provided in the Board packet. This report was presented and discussed extensively at the Audit Committee meeting and no additional presentation was made. This report was informational only, and no Board action was required. A copy of the report will be kept at the office of the Deputy Secretary.
14. **Performance Indicators – Third Quarter, Fiscal Year 2016 (Presented to Audit Committee)**
2:25 p.m. The Performance Indicators – Third Quarter, Fiscal Year 2016 report was provided in the Board packet. This report was presented and discussed extensively at the Audit Committee meeting and no additional presentation was made. This report was informational only, and no Board action was required. A copy of the report will be kept at the office of the Deputy Secretary.

- 15. Procurement Activity Report – Third Quarter, Fiscal Year 2016 (Presented to Audit Committee)**
2:25 p.m. The Procurement Activity Report – Third Quarter, Fiscal Year 2016 report was provided in the Board packet. This report was presented and discussed extensively at the Audit Committee meeting and no additional presentation was made. This report was informational only, and no Board action was required. A copy of the report will be kept at the office of the Deputy Secretary.
- 16. Unscheduled Business**
2:26 p.m. There was no unscheduled business.
- 17. Public Comment**
2:26 p.m. There was no public comment.
- 18. Call of Dates for Future Board Meetings**
2:27 p.m. The next Operations Committee meeting is scheduled for Tuesday, August 16, 2016, at 8:00 a.m.; the next Finance & Administration Committee meeting is scheduled for Friday, August 26, 2016, at 8:00 a.m.; the next Board meeting is scheduled for Friday, September 23, 2016, at 8:00 a.m.
- 18. Adjournment to 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).**
2:28 p.m. Pursuant to the requirements of Section 610.021(1); 610.021(12); 610.021(14); 610.021(16) and 610.021(17); of the Revised Statutes of Missouri, Chairman Dietzel requested a motion to allow the Board to go into closed session. A motion to go into Executive Session was made by Commissioner Gully and seconded by Commissioner Holman. A roll call vote was taken and the Commissioners present, Gully, Holman, Schoemehl, Buehlhorn, Dietzel, Golliday, Kicielinski, and Watson voted to approve this agenda item. **Motion passed unanimously and the Open Session meeting was adjourned.**