

**BI-STATE DEVELOPMENT
OPERATIONS COMMITTEE MEETING
OPEN SESSION MINUTES
AUGUST 16, 2016**

Committee Members in Attendance

Missouri

Vernal Brown, (absent)
Vacant

Illinois

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

Other Commissioners in Attendance

David Dietzel
Tadas Kicielinski
Aliah Holman, (via phone)
Constance Gully (via phone @ 8:02 a.m.)

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
Barbara Georgeff, Director of Executive Services
Kathy Klevorn, Sr. Vice President, Chief Financial Officer
Mark Vago, Controller
Jenny Nixon, Executive Director Tourism Innovation
Patti Beck, Director, Communications
Dianne Williams, Vice President, Communications and Marketing
Scott Grott, Chief MetroLink Operations
Richard Zott, Chief of Public Safety
Ted Zimmerman, Director of Marketing
Kathy Brittin, Director, Risk Management, Safety & Claims
Fred Bakarich, Director, Engineering Systems
Chance Baragary, Manager Gateway Arch Construction
Kerry Kinkade, Vice President, Chief Information Officer
Matthew Hibbard, Social Media Communications Manager
Andrew Ghiassi, Manager, Safety & Loss Control
Jerry Vallely, External Communications Manager
Virginia Alt-Hildebrandt, Executive Assistant
Charles Stewart, Vice President Pension & Insurance
Jessica Mefford-Miller, Chief Transit Planning & System Development

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.

John Nations, President & CEO, informed the Board that the Transit Division was recognized by the Federal Government in a case study in the Federal Register on page 48,958. The case study stated in part "...within the trade literature one recent case study from the Bi-State Development Agency in St. Louis presents results from a transit asset management program that has altered bus maintenance and replacement practices..."; it then highlights the transit division's accomplishments such as extending the longevity, the mean distance between failures, the savings, and the long term strategy for the Asset Management Program.. It says, "...these actions all go beyond what is required by the Transit Asset Management Rule but provides a useful real world illustration to the point that the implementing action associated with an Asset Management Program is not an additional cost but instead opportunities for significant life cycle cost savings. Case studies of this type provide compelling evidence of the benefit of Transit Asset Management." Mr. Nations stated that Ray Friem and his team do a great job and it is really nice when they are recognized around the country and especially by one of our most important funding partners, the Federal Government, for the tremendous job they do. Mr. Nations congratulated Mr. Friem and his team for this well-deserved recognition.

****8:02 a.m. Commissioner Gully joined the meeting by phone.**

Ray Friem, Executive Director Metro Transit stated that the entire vehicle maintenance team is to be commended for building on what was started fifteen (15) years ago into something that is recognized by every level of government. People throughout the country are trying to study and adopt this program. In conclusion, he added that he is very excited and honored to be in charge of the Maintenance Department.

4. Minutes of May 17, 2016 Operations Committee

8:04 a.m. The May 17, 2016, Open Session Operations Committee Meeting minutes were provided in the Committee packet. A motion to approve the minutes was made by Commissioner Dietzel and seconded by Commissioner Kicielinski. **Motion passed unanimously.**

5. Contract Award: Pavlov Advertising for Development and Implementation of Marketing Activities

8:05 a.m. The briefing paper regarding the Contract Award for Pavlov Advertising for Development and Implementation of Marketing Activities was provided in the Committee packet. Dianne Williams, Vice President, Communications & Marketing, provided a brief overview. Bi-State Development (**BSD**) issued a solicitation on April 18, 2016 to retain a full-service

marketing and creative agency to assist in the development and implementation of marketing activities. Of the six (6) proposals received, Pavlov Advertising was selected. Pavlov provided the Agency with the best value, and the cost was fair and reasonable in comparison with the other proposals submitted. Management recommends that the Operations Committee forward this agenda item to the Board to authorize the President & CEO to enter into a three (3) year contract with Pavlov Advertising for \$400,000 per year, in the not to exceed amount of \$1,200,000; award monetary and administrative contract modifications as needed; and award two one-year options in an amount not to exceed \$400,000 per year if funding is available, the performance of the contract is satisfactory, the exercise of the 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 better than prices available in the market or that the option is the more advantageous offer at the time the option is executed. A motion to approve the contract award to Pavlov Advertising for development and implementation of marketing activities as stipulated in the briefing paper was made by Commissioner Dietzel and seconded by Commissioner Kicielinski. **Motion passed unanimously.**

6. Design and Construction Agreement for Jefferson National Expansion Memorial Signage Design, Fabrication, and Installation

8:04 a.m. The briefing paper regarding the Design and Construction Agreement for Jefferson National Expansion Memorial (**JNEM**) Signage, Design, Fabrication, and Installation was provided in the Committee packet. Chance Baragary, Manager Gateway Arch Construction, provided a brief overview. The National Park Service (**NPS**) created a sign program and had signage designed, but installation was halted when the City-Arch-River (**CAR**) project began. Now that the **CAR** project is nearing completion, the **NPS** wants to move forward with the previously designed signage plan. The expected total cost of this project is \$590,000 and the funds are available in the **JNEM** Beneficial Fund to offset these costs. Management recommended that the Committee approve and refer to the Board for approval the Design and Construction Agreement for the **JNEM** Signage Design, Fabrication, and Installation. A motion was made by Commissioner Gully and seconded by Commissioner Kicielinski to approve this agenda item as presented in the briefing paper and forward to the Board for final approval. **Motion passed unanimously.**

7. Design and Construction Agreement for Jefferson National Expansion Memorial Tucker Theater Repurposing

8:07 a.m. The briefing paper regarding the Design and Construction Agreement for Jefferson National Expansion Memorial (**JNEM**) Tucker Theater Repurposing was provided in the Committee packet. Chance Baragary, Manager Gateway Arch Construction, provided a brief overview. Renovation of the Tucker Theater, located in the Gateway Arch Ticketing Lobby is not in the scope of the City-Arch-River (**CAR**) projects currently underway. The National Park Service (**NPS**) wants to use this space to create an additional attraction to provide an alternative for those who do not ride the tram and supplement the experience of those who do. The expected cost of this newly created experience is \$8,000,000 and the funds are available in the **JNEM** Beneficial Fund. This business initiative, made possible by this project, is expected to be self-sufficient, and should recoup the initial capital investment and generate a profit. Larry Jackson, Executive Vice President for Administration, clarified that the approval requested was regarding an intergovernmental agreement with the **NPS** for design and construction for the project. Management recommends Committee approval and referral to the Board to approve the Design and Construction Agreement for the **JNEM** Tucker Theater Repurposing. A motion was made by

Commissioner Kicielinski and seconded by Commissioner Dietzel to approve this agenda item as presented in the briefing paper. **Motion passed unanimously.**

8. 4th Quarter Operations Report and Capital Projects Update

8:10 a.m. The 4th Quarter Operations Report and Capital Projects Update was provided in the Committee packet. Ray Friem, Executive Director Metro Transit provided a brief overview of the Financials, Ridership Comparison, Year-To-Date Service Profiles and System Efficiencies, Security Activity, and Service Quality Indicators. Revenue for FY16 missed the budgeted goal by \$7.7 million, the FY16 actuals were approximately \$7 million short of the FY15 actuals. Expenses for FY16 were below budget by approximately \$21 million, as a result of lower than anticipated costs for labor, lower healthcare costs and diesel fuel. Ridership loss continued in the 4th quarter of FY16 with MetroLink down 3.5%, MetroBus down 8.4%, Call-A-Ride down 5.1% and the System down 6.6%. Year-to-Date MetroLink was down 5.4%, MetroBus down 7%, and Call-A-Ride down 1.6%. Ridership for the system was down 6.3% in FY16 compared to FY15. Ridership loss is not just a Bi-State Development problem, ridership is down nationally by approximately 5.5% to 6% for bus and 1.5% to 2% for rail. Larger systems like New York and Chicago, where transit is a way of life, show less ridership loss. The Service Plan for FY16 called for stable service levels, and these goals were met primarily due to a small increase in year-over-year service miles while achieving a slight reduction in service hours. The loss of ridership has had a significant impact on modal and system efficiency statistics. Passengers per revenue mile were down across the system, but more significantly for MetroBus and MetroLink. Passengers per revenue hour were also down, particularly on fixed route operations. Management will continue to monitor these performance indicators and may make recommendations for adjustments in the future. Valid security complaints continued to increase in FY16. A large portion of the complaints is due to an increase in actual complaints presented, and some of the increase was attributed to better data tracking and follow up of complaints. Summonses were down for the quarter due to a change in the Missouri State procedures which prohibit Metro's Public Safety Department and the contracted Securitas Officers from issuing a summons for a violation of MetroLink rules committed in Missouri. Metro's Security is now required to obtain a separate law enforcement identifier number, known as an ORI. In the past, Metro Security used the ORI number of the St. Louis County Police Department. All the Service Quality Indicators continue to be top of the industry in quality achievements. Metro's Transit Information and Customer Service Call Center experienced significantly less call volume in 2016 primarily due to real time system information applications. Call volume was also impacted by customer use of social media and email as a means of communicating with the Agency. Vehicle maintenance was completed at 100% for FY 2016. In conclusion, Mr. Friem discussed the key capital projects status for FY 2016. 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. Unscheduled Business

8:36 a.m. There was no unscheduled business.

10. Call of Dates for Future Committee Meetings

8:36 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.; the next Business Services & Economic Development Committee meeting is scheduled for Friday, October 14, 2016, at 8:00 a.m.; and the next Operations Committee meeting is scheduled for Tuesday, October 18, 2014, at 8:00 a.m.

11. **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).**

8:40 a.m. Pursuant to the requirements of Section 610.021(1), 610.021(9), 610.021(12) and 610.021(14) 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 Dietzel. A roll call vote was taken and the Commissioners present, Buehlhorn, Dietzel, Kicielinski, Holman and Gully voted to approve this agenda item. **Motion passed unanimously, and the Open Session meeting was adjourned.**

Deputy Secretary to the Board of Commissioners
Bi-State Development