

**BI-STATE DEVELOPMENT
BOARD OF COMMISSIONERS MEETING
OPEN SESSION MINUTES
SEPTEMBER 25, 2015
(Note: Not recorded due to recorder malfunction)**

Board Members in Attendance

Missouri

Vernal Brown
Kelley Farrell
Constance Gully, Vice Chair
Aliah Holman, Secretary
Vincent C. Schoemehl (absent)

Illinois

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

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
Kathy Klevorn, Sr. Vice President, Chief Financial Officer
Larry Jackson, Vice-President, Procurement, Inventory Management & Supplier Diversity
Jenny Nixon, Senior Vice President Business Enterprises
Melva Pete, Vice President Human Resources
Mary Lamie, Executive Director Freight District
Barbara Georgeff, Executive Assistant to President & CEO
Kent Swagler, Director Corporate Compliance and Ethics
John Langa, Vice President Economic Development
John Wagner, Project Manager Economic Development
Kent Swagler, Director Corporate Compliance & Ethics
Michael Breihan, President ATU 788
Diana Wagner-Hilliard, Director Workforce Diversity/EEO
Mark Vago, Controller
Scott Grott, Chief MetroLink Operations
Tamara Fulbright, Director Treasury Services
Chance Baragary, Manager Gateway Arch Construction
Tracy Beidleman, Director Program Development & Grants
Charles Stewart, Vice President, Pensions & Insurance
Kathy Brittin, Director Risk Management, Safety & Claims
Jerry Vallely, External Communications Manager
Charles Priscu, Director Labor Relations
Kerry Kinkade, Vice President Chief Information Officer
Kyra Nichols, Administrative Assistant
Michael S. Jennings, Manager IT ERP Systems
Nick Hudson, Desktop Support
Matt Tharp, Desktop Support

Others in Attendance

Adam Pope, Columbia Capital
Tom Curran, St. Louis County Executive's Office
Kim Cella, Citizen for Modern Transit (CMT)
Ken Brostron, Lashly & Baer

1. Call to Order

9:34 a.m. Commissioner Gully called the Open Session Board Meeting to order at 9:34 a.m.

2. Roll Call

9:34 a.m. Roll call was taken.

3. Minutes of Prior Open Session Board Meeting

9:34 a.m. The June 26, 2015, Open Session Board Meeting minutes were provided in the Board packet. A motion to approve the minutes was made by Commissioner Buehlhorn and seconded by Commissioner Holman. **Motion passed unanimously.**

4. Report of Treasurer

9:34 a.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

9:35 a.m. John Nations, President & CEO, gave special recognition to Larry Jackson and his staff for getting the Headquarters moved to the new location. St. Louis City and St. Louis County approved the appropriations for Transit Services for Fiscal Year 2016, for which the Agency is appreciative of the support of both jurisdictions. Mr. Nations discussed an article that compared transit companies around the country and their efforts to control costs. That article reinforced the work Metro Transit has been doing in the St. Louis region in controlling costs, thanks to the efforts of Ray Friem, Executive Director Metro Transit and his staff. The TIGER Grant for the new MetroLink Station at Cortex was finalized last week, and the Agency will be moving ahead with that project. The North County Transit Project is proceeding and is expected to be completed in January or February 2016. The Ferguson Commission Report was released last week recognizing the importance of transit, the need to expand service, and develop a plan statewide to fund transit, because a good economic plan requires addressing transportation.

6. Finance & Administration Committee Report

9:39 a.m. The August 28, 2015 Finance & Administration Committee minutes were included in the Board packet. Commissioner Kicielinski stated that the Finance & Administration Committee met in Open Session on August 28, 2015, and the draft minutes of that meeting were included in the Board packet at tab #6. He advised that several items were being presented on the Consent Agenda for Board consideration: Consent Agenda Item #8(a) – Contract Award to Arrowhead Industries LLC for Alstom Model 5F Power Operated Switch Machines; Consent Agenda Item #8(b) – Contract Award to Flow International Corporation for Water Jet Cutting Machine; Consent Agenda Item #8(c) – Contract Award for General Legal Counsel Services; and Consent Agenda Item #8(d) – Sole Source Award to Four Nines Technologies for Transit Asset Management Phase II Software Selection and Implementation Oversight. The Committee also discussed and recommended for approval the potential refunding of Series 2009 Cross County Bonds, Fifth Amendment to Memorandum of Agreement; Amendments #23 and #24 to the Pension Plan for Salaried Employees; and Amendment #1 to the 401(k) Retirement Savings Program to be presented for Board consideration and approval today under Agenda Items #9 and #10 respectively.

The June 2015 Treasury Report was presented and discussed at the Committee meeting. Scott Nickerson with Crowe Horwath, the external auditors, presented the 2015 External Audit Update report to the Committee. Kathy Brittin, Director of Risk Management, Claims & Safety, provided an update regarding the Insurance Programs and Claims, Safety and Emergency Preparedness activities. Charles Stewart, Vice President Pensions & Insurance, provided an update regarding the Pension Plans and 401(k) investment performance as of June 30, 2015; and the 2014 Pension Plan Audit update. The Financial Statements, Performance Indicators, and the Quarterly Procurement Activity Report for the 4th Quarter, FY2015 were also presented at the Committee meeting and will be presented today under Agenda items #12, #13 and #14, respectively.

7. Adjustment of Consent Agenda

9:40 a.m. There was no adjustment of the Consent Agenda.

8. Consent Agenda Item(s): (a) Contract Award to Arrowhead Industries LLC for Alstom Model 5F Power Operated Switch Machines (Finance & Administration Committee Recommends Approval) (Resolution #712); (b) Contract Award to Flow International Corporation for Water Jet Cutting Machine (Finance & Administration Committee Recommends Approval) (Resolution #707); (c) Contract Award for General Legal Counsel Services (Finance & Administration Committee Recommends Approval) (Resolution #708); (d) Sole Source Contract Award to Four Nines Technologies for Transit Asset Management Phase II Software Selection and Implementation Oversight (Finance & Administration Committee Recommends Approval) (Resolution #709).

9:40 a.m. A motion to approve the Consent Agenda items was made by Commissioner Brown and seconded by Commissioner Holman. **Motion passed unanimously.**

9. Potential Refunding of Series 2009 Cross County Bonds/Fifth Amendment to Memorandum of Agreement (Finance & Administration Committee Recommends Approval)

9:41 a.m. The briefing paper regarding the potential refunding of Series 2009 Cross County Bonds, Fifth Amendment to Memorandum of Agreement with St. Louis County and the City of St. Louis was provided in the Board packet. John Nations, President & CEO, advised the Board that this agenda item was presented and discussed at the August 28, 2015 Finance & Administration Committee meeting, at which time the Committee voted to recommend that the Board approve the Fifth Amendment to the MOA. This proposed action would provide Bi-State Development (**BSD**) the flexibility to refund its Series 2009 Bonds at any time, subject to the requirement that the refinancing meets certain debt service savings thresholds. A motion to approve the Fifth Amendment to the MOA, permitting BSD to proceed with a refunding of its Series 2009 Bonds for economic savings if the opportunity is presented was made by Commissioner Kicielinski and seconded by Commissioner Brown. **Motion passed unanimously. (Resolution #710)**

10. Amendments #23 and #24 to Pension Plan for Salaried Employees and Amendment #1 to 401(k) Retirement Savings Plan (Finance & Administration Committee Recommends Approval)

9:42 a.m. The briefing paper regarding Amendments #23 and #24 to Pension Plan for Salaried Employees and Amendment #1 to 401(k) Retirement Savings Plan was provided in the Board packet. Barbara Enneking, General Counsel, provided a brief overview stating that these items were brought to the attention of the Salaried Pension Committee to correct certain administrative difficulties. These administrative issues were reviewed and discussed by the Salaried Pension Committee at several meetings. It was determined that corrective amendments to the Salaried Plan and the 401(k) Plan were needed to decrease administrative complexity and clarify certain eligibility rules. The Finance & Administration Committee approved a recommendation to forward this matter to the Board for consideration and approval. A motion to approve Amendments #23 and #24 of the Pension Plan for

Salaried Employees, and Amendment #1 of the 401(k) Retirement Savings Plan was made by Commissioner Buehlhorn and seconded by Commissioner Holman **Motion passed unanimously. (Resolution #711)**

- 11. Sole Source Contract Award to Conference Technologies, Inc. for Jefferson National Expansion Memorial (JNEM) Gateway Arch Exhibit Rehabilitation**
9:44 a.m. The briefing paper regarding the sole source contract award to Conference Technologies, Inc. for Jefferson National Expansion Memorial (JNEM) Gateway Arch Exhibit Rehabilitation was provided in the Board packet. John Nations, President & CEO, informed the Board that this agenda item was not presented to a Committee; however, due to the critical nature of keeping the Arch Project on schedule, this item was added to the agenda for Board consideration and approval. At the request of Mr. Nations, Jenny Nixon, Sr. Vice President Business Enterprises, provided some additional background information regarding this sole source contract award. Ms. Nixon commended Chance Baragary, Manager Gateway Arch Construction, for his efforts in trying to get additional contractors to submit bids. The scope of work on this project is largely audio visual and highly specialized, and normal general contractors were not interested in bidding. As a result only one bid was received from Conference Technologies, Inc. Because this bid exceeds \$100,000, it requires Board approval. Management recommends that the Board approve the request to award a contract for exhibit installation for the JNEM Gateway Arch Exhibit Rehabilitation Project for an amount not to exceed \$2,580,000 which includes a 10% contingency for potential changes in scope and unforeseen conditions. A motion to approve the sole contract source award to Conference Technologies, Inc. was made by Commissioner Holman and seconded by Commissioner Buehlhorn. **Motion passed unanimously. (Resolution #713)**
- 12. Financial Statements, FY 2015, Fourth Quarter (Presented to Finance & Administration Committee)**
9:48 a.m. The Financial Statements, FY2015, Fourth Quarter Report was provided in the Board packet. This agenda item was reviewed extensively at the Finance and Administration 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.
- 13. Performance Indicators, FY 2015, Fourth Quarter (Presented to Finance & Administration)**
9:48 a.m. The Performance Indicators, FY2015, Fourth Quarter Report was provided in the Board packet. This agenda item was reviewed extensively at the Finance and Administration 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. Procurement Report, FY 2015, Fourth Quarter**
9:49 a.m. The Procurement Report FY2015, Fourth Quarter Report was provided in the Board packet. This agenda item was reviewed extensively at the Finance & Administration 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. Unscheduled Business**
9:49 a.m. John Nations, President & CEO, stated that Bi-State Development was selected to head the Freight District (the “**District**”); and he was pleased to introduce Mary Lamie, the new Executive Director for the District. Ms. Lamie has a very distinguished history in the public sector and her career included more than two decades with the Illinois Department of Transportation. Mr. Nations added that he was delighted to have her join the senior management team.

16. Public Comment

9:50 a.m. There was no public comment.

17. Call of Dates for Future Board Meetings

9:50 a.m. The Business Services & Economic Development Committee meeting is scheduled for Friday, October 16, 2015; the Operations Committee meeting is scheduled for Tuesday, October 20, 2015; the Audit Committee meeting is scheduled for Friday, October 23, 2015; and the next Board meeting is scheduled for Friday, November 20, 2015.

18. 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 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).

9:50 a.m. Pursuant to the requirements of Section 610.021(1), 610.021(2), 610.021(14), and 610.021(16) of the Revised Statutes of Missouri, Commissioner Gully requested a motion to allow the Board to go into closed session. A motion to go into Executive Session was made by Commissioner Golliday and seconded by Commissioner Buehlhorn. A roll call vote was taken and the Commissioners present, Brown, Farrell, Gully, Holman, Buehlhorn, Golliday, Kicielinski, and Watson voted to approve this agenda item. **Motion passed unanimously and the Open Session meeting was adjourned.**