

**BI-STATE DEVELOPMENT  
AUDIT COMMITTEE MEETING  
OPEN SESSION MINUTES  
OCTOBER 23, 2015**

**Committee Members in Attendance**

**Missouri**

Constance Gully, Chair  
Kelley Farrell  
Vincent C. Schoemehl

**Illinois**

David Dietzel  
Jeffrey Watson (absent)

**Other Commissioners in Attendance**

Vernal Brown

**Staff in Attendance**

John Nations, President & CEO  
Barbara Enneking, General Counsel and Deputy Secretary  
Shirley Bryant, Certified Paralegal  
Jim Cali, Director Internal Audit  
Rita Marion, Sr. Administrative Assistant  
Kathy Klevorn, Sr. Vice-President and Chief Financial Officer  
Patti Beck, Director of Communications  
Mark Vago, Controller  
Kathy Brittin, Director Risk Management, Safety & Claims  
Angie Staicoff, Internal Auditor  
Kelli Fitzpatrick, Internal Auditor, Part-Time  
Tammy Fulbright, Director Treasury Services  
Antwuan Donley, Internal Audit Department Intern  
Sheila Hockel, Manager Emergency Preparedness  
Jerry Vallely, External Communications Manager  
Larry Jackson, Vice President Procurement, Inventory Management & Supplier Diversity  
Jessica Mefford-Miller, Chief Transit Planning & System Development  
Kerry Kinkade, Acting Vice President Chief Information Officer  
Barbara Georgeff, Executive Assistant to the President & CEO

**Others in Attendance**

Scott Nickerson, Crowe Horwarth

1. **Call to Order**  
**8:03 a.m.** Chair Gully called the Open Session Audit Committee Meeting to order at 8:03 a.m.
2. **Roll Call**  
**8:03 a.m.** Roll call was taken.
3. **Public Comment**  
**8:03 a.m.** There was no public comment.

4. **Minutes of Prior Open Session Audit Committee Meeting**  
**8:03 a.m.** The May 22, 2015, Open Session Audit Committee Meeting minutes were provided in the Committee packet. A motion to approve the minutes was made by Commissioner Schoemehl and seconded by Commissioner Dietzel. **Motion passed unanimously.**
  
5. **Treasury - Safekeeping Quarterly Accounts Audit, Ending March 31, 2015 and June 30, 2015**  
**8:04 a.m.** The briefing paper regarding the Treasury Safekeeping Quarterly Accounts Audit - Ending March 31, 2015 and June 30, 2015 was provided in the Committee packet. Jim Cali, Director of Internal Audit, provided a brief overview. In accordance with the FY15 Internal Audit Plan and Board Policy requirements, the Internal Audit Department (**IAD**) performed a quarterly audit of the Treasury Safekeeping Accounts. Based on that analysis, it was determined that the Safekeeping Accounts exist, and the respective balances have been fairly presented in the Treasurer's Report dated March 31, 2015 and June 30, 2015. 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.
  
6. **Internal Audit Status Reports – 4<sup>th</sup> Quarter FY15, and 1<sup>st</sup> Quarter FY16**  
**8:04 a.m.** The briefing paper regarding the Internal Audit Status Report for the 4<sup>th</sup> Quarter FY15 and 1<sup>st</sup> Quarter FY16 was provided in the Committee packet. Jim Cali, Director of Internal Audit, provided a brief overview. The Internal Audit Department (**IAD**) Status Report provides a summary of the **IAD**'s quarterly activity pertaining to the Annual Audit Plan. Of the thirty two (32) planned audits, twenty eight (28) have been completed, three (3) are in process and one (1) is on hold; and two (2) additional special investigations were completed during the previous fiscal year. 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.  
  
Chair Gully requested that future charts for the Audit Status Reports include the date completed and the target date for comparison purposes.
  
7. **Internal Audit Follow Up Summary – 4<sup>th</sup> Quarter FY15**  
**8:05 a.m.** The briefing paper regarding the Internal Audit Follow Up Summary – 4<sup>th</sup> Quarter FY15 was provided in the Committee packet. Jim Cali, Director of Internal Audit, provided a brief overview. The most important part of this audit is the follow-up of the implementation of the recommendations and to date no recommendations are past due. Management made great accomplishments in this last quarter to close out a number of outstanding recommendations. Even during the headquarters relocation, management continued to work on meeting the timetable to implement the recommendations. 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.
  
8. **Unscheduled Business**  
**8:06 a.m.** John Nations, President & CEO, informed the Committee that the briefing paper regarding the 2012 - 2015 Title VI Program was originally prepared for the Executive Session, but it was determined that this should actually be on the Open Session Agenda. Mr. Nations asked Ray Friem, Executive Director Metro Transit, to provide an update on the Title VI Program. Mr. Friem and Jessica Mefford-Miller, Chief Transit Planning & System Development, provided a brief overview. Because Bi-State Development (**BSD**) receives federal funding, it is bound by the regulations under Title VI of the Civil Rights Act of 1964. **BSD**/Metro Transit has a legal obligation to ensure that its customers have equal access to its transit system and facilities. The FTA requires **BSD**/Metro Transit to submit a Title VI Program (the "**Program**") triennially to show that Metro Transit complies with the Program requirements. This Program must be approved by the Board prior to submission to the FTA. The Program documents Metro Transit's approach to planning and programming of transit service, capital projects, communication of non-discrimination policies in the provision of transit services, passenger

amenities, changes in transit service, fare policy, and fare changes for a three (3) year period, which currently covers October 2012 - October 2015. Metro Transit collects and maintains data showing demographic information for the three county service areas. This data is used to identify areas of transit need and likely service productivity, and to detect any disparate impacts of proposed service changes or policies on protected groups. Metro Transit tries to synthesize the demographic data it gathers into a planning tool called the Transit Need Index, that helps identify geographic concentrations of transit need and likely transit riders. Metro Transit is also required to evaluate the English language proficiency of its service area and develop and implement plans for accommodating populations that are not English proficient. Public involvement policies and public involvement efforts in the period covered by the Program are required to be documented. Each major construction project is required to be evaluated for environmental justice considerations. Annual on-board passenger surveys of both bus and rail customers are conducted. These findings help identify the proportion of minority and low income riders using the transit system; and to determine whether a perception of service inequity exist.

Commissioner Schoemehl inquired as to whether Title VI would have an impact on any decisions made about future MetroLink lines. In response, Ms. Mefford-Miller assured the Committee that the Title VI requirements would definitely have an impact on decisions made regarding the transit system and its facilities.

A motion for the Committee to approve and refer to the Board for approval the 2012-2015 Title VI Program was made by Commissioner Schoemehl and seconded by Commissioner Dietzel. **Motion passed unanimously.**

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

**8:10 a.m.** The next Board meeting is scheduled for Friday, November 20, 2015, at 8:00 a.m.

**10. 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).**

**8:10 a.m.** Pursuant to the requirements of Section 610.021(1), 610.021(2), 610.021(3), 610.021(9), 610.021(12), 610.021(13), 610.021(14), 610.021(16) and 610.021(17) of the Revised Statutes of Missouri, Chair Gully requested a motion to allow the Board to go into closed session. A motion to go into Executive Session was made by Commissioner Schoemehl and seconded by Commissioner Dietzel. A roll call vote was taken and the Commissioners present, Gully, Farrell, Schoemehl, Dietzel, and Brown voted to approve this agenda item. **Motion passed unanimously, and the Open Session meeting was adjourned.**