BI-STATE DEVELOPMENT AGENCY

OPERATING & CAPITAL BUDGET

FISCAL YEAR 2016

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PRESENTED TO

Bi-State Development d.b.a. Metro

Missouri

For the Fiscal Year Beginning

July 1, 2014

Executive Director

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Treasurer

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Jeffery Watson

Irma Golliday

Missouri

Constance Gully
Vice Chair

Aliah Holman
Secretary

Vernal Brown

Vincent C.
Schoemehl, Jr.

Kelley F. Farrell

Authority and Government

The Board is comprised of five members from Illinois and five from Missouri. In Illinois, the Chairman of the Board of both St. Clair and Madison Counties appoint their representatives. Missouri Board members are appointed by the Governor of Missouri. The commissioners are required to be resident voters of their respective states and must reside within the Bi-State Metropolitan District. Each term is for five years and each serves without compensation.

Executive Officers

John M. Nations
President & Chief Executive Officer

Raymond A. Friem
Chief Operating Officer
Transit Operations

Kathy S. Klevorn
Senior Vice President
Chief Financial Officer

Jennifer S. Nixon
Senior Vice President
Business Enterprises

Barbara A. Enneking
General Counsel

Melva R. Pete
Vice President
Human Resources

John R. Langa
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Economic Development

Debra Erickson
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Information Systems Management

Larry B. Jackson
Vice President
Procurement, Inventory Management

Dianne H. Williams
Vice President
Marketing

Charles A. Stewart
Vice President
Pension & Insurance

Bi-State Development Agency
707 N. First Street St. Louis, Missouri 63102-2595

March 14, 2015

Message from the President

The Bi-State Development Agency (BSDA) of the Missouri-Illinois Metropolitan District presents to the Board of Commissioners for approval the Fiscal Year (FY) 2016 Operating and Capital Budget. Included in this document is the federally required three-year Transportation Improvement Plan (TIP), which identifies operating and capital resources necessary to serve our regional stakeholders and meet the St. Louis metropolitan area's transportation requirements. BSDA's TIP will be incorporated in the region's list of priorities and projects eligible for federal financial assistance that will be developed by the East-West Gateway Council of Governments (EWGCOG), the region's Metropolitan Planning Organization (MPO).

The Bi-State Development Agency was created by Compact between the State of Illinois and Missouri and ratified by Congress in 1949. The purpose of this compact was to create an organization with broad powers across state and other geopolitical boundaries. Over the course of the last several years, the Agency has incorporated economic development within its vision statement and promoted economic activity within the region.

The Bi-State Development Research Institute; a 501(c)(3) non-profit corporation was developed to focus on two primary goals: (1) real estate acquisition and conveyance in support of Transit-Oriented Development ("TOD") and (2) regional economic development and to plan, study and evaluate regional land use, public policy, economic and community development and infrastructure investment, including, but not limited to transit activities.

BSDA has actively partnered with other regional organizations in the economic landscape of the St. Louis region. As an example, the Agency is a member of CityArchRiver 2015, a public-private partnership created to revitalize downtown St. Louis. Current projects include the extensive renovation of the Arch grounds and riverfront. CityArchRiver members include the National Park Service, Missouri Department of Transportation, the City of St. Louis along with several other prominent organizations. This project is being completed in conjunction with the 50th anniversary of the St. Louis Gateway Arch. The Arch grounds and St. Louis riverfront renovations are a critical step in helping a slumbering downtown region. The Arch will house a new museum entrance with greater visibility from the downtown business district. The Arch entrance will be bridged to downtown and the Old Courthouse by a dramatic green space that will extend over Highway 44 between Chestnut and Market. The new Park Over the Highway will allow visitors to seamlessly walk without obstacle from the Old Courthouse, downtown restaurants, hotels and parking structures to the largest monument in the Western Hemisphere. In December 2014, BSDA completed a $7.6 million bond issuance for part of the renovation. The funds will be used to rebuild the mechanical motor generator sets of the Arch Tram System and interior roof in the Arch facilities.

As part of the transformation, the Gateway Arch Parking Facility on the northern Arch grounds was closed in December 2014 and will be converted to the North Gateway Park. The park will be seven acres well suited for festivals, concerts and community events and include a Lewis and Clarks Explorer's Garden for children. The North Gateway Park will extend from Memorial Drive on the west to Leonor K Sullivan Boulevard on the east. Leonor K Sullivan Blvd. is also under construction and is being raised to reduce flooding and allow greater usage for pedestrians and bicyclists. During the extended construction period, BSDA expects Arch operations and Riverfront Attractions to be impacted.

Other new economic initiatives include the creation of a St. Louis regional freight district. The freight district is another combined regional effort which includes the East-West Gateway Council of Governments, St. Louis Regional Chamber and the Leadership Council of Southwestern Illinois. Shipments of freight are expected to grow substantially across the United States in the next couple decades and St. Louis area civic and business leaders are taking steps to make sure the region remains competitive. The Bi-State Development Agency has been tasked by the region to oversee the newly created regional freight district.

Metro was successful at winning a $10 million Transportation Investment Generating Economic Recovery (TIGER) grant to build a new MetroLink station for the Cortex innovation district between Boyle Avenue and Sarah Street. Cortex, a 200-acre premier hub for bio-science and technology research strategically is located between the medical schools of St. Louis University and Washington University in the Central Corridor. It is also the future home of a new IKEA store currently under construction. The funding is a big win for the region as the station is essential for achieving Cortex's goal to be an international standard for innovation communities. It is expected to be an important magnetic amenity to the district and continue to appeal to the workforce that prefers an urban environment. This mean more jobs and economic opportunities for the St. Louis area.

Metro Transit System, the largest entity under the BSDA umbrella, has several other capital projects underway that are currently (or will) provide construction job opportunities within the St. Louis region. One of the largest, renovation of the historic Eads Bridge, is a $40 million multi-year project that reached the 50 percent completion point March 2015. Dedicated in 1874, both the construction and design of Eads Bridge set precedents in bridge building. It was the world´s first alloy steel bridge; the first to use tubular cord members; and the first to depend entirely upon the use of the cantilever in the building of the superstructure. The Eads Bridge was an engineering marvel and became an iconic image of the city of St. Louis from the time of its erection. The current project is a comprehensive rehabilitation of the main spans of the bridge including structural steel repairs, track superstructure replacement, removal and replacement of track, ties, rail, and walkway, removal of abandoned utilities, removal of the existing coating system, and application of a corrosion protection painting system.

The Bi-State Development Agency sees the North County region within St. Louis County as one of its fastest growing markets. Plans are underway to develop and invest in a North County Transit Center in Ferguson, Missouri. The project's first phase includes 10 MetroBus bays, two Metro Call-A-Ride bays, free parking, restrooms, digital signage and a climate controlled waiting area. The second phase of the project will include a dedicated vehicle dispatch center and full-service maintenance facility. When complete, the Transit Center will generate jobs and economic activity.

Bi-State continues to be a leader. The Agency, its transit oriented economic development endeavors and nationally recognized maintenance program was recently featured on the cover Mass Transit magazine. BSDA Procurement Division was awarded the 18th Annual Achievement of Excellence in Procurement (AEP) Award from the National Procurement Institute (NPI). The AEP Award is earned by public and non-profit organizations that obtain a high application score based on standardized criteria, innovation, professionalism, e-procurement, productivity, and leadership attributes of the procurement function. The Agency is only one of 23 special districts in the U.S. and just one of two agencies in Missouri to receive this award. The Finance Division was awarded the Certificate of Achievement for Excellence in Financial Reporting for the 18th consecutive year and the Distinguished Budget Presentation Award for the eighth year both from the Government Finance Officers Association of the United States and Canada.

The St. Louis Downtown Airport continues to provide an economic impact to the St. Louis region. Located just three miles from the Gateway Arch and downtown St. Louis, it is the second busiest airport in the region. A single month of activity at the airport can see 8,500 takeoffs and landings. Professional sports teams, political and business leaders, entertainers, and hundreds of general aviation pilots fly in and out of the airport, which generates more than 3,700 jobs for the region and provides a regional economic impact of $584 million. The St. Louis Downtown Airport is experiencing dramatic growth in charter operations with a nearly 480% increase in total charter operations since 2012. Larger aircraft, such as the Boeing 737-800 and 757-200, are serving the airport, the airport is planning for larger taxiways, higher stressed ramps, and increased man hours.

The FY 2016 Operating and Capital Budget, as prepared, outlines a prudent financial plan to build strong organizations always with an eye on improving the customer experience. The operating and capital budgets are presented by business segment, unit and division as appropriate. The operating budget is also presented in a consolidated format which mirrors financial statement requirements presented in the Comprehensive Annual Financial Reports (CAFR). Upon approval by the Agency's Board of Commissioners, the FY 2016 capital and operating budgets continue through a vetting process that includes the St. Louis County Public Transportation Commission for recommendation before advancing to the County Executive in St. Louis County and the Ways and Means Committee of the Board of Aldermen in the City of St. Louis.

The FY 2016 Operating and Capital Budget has been prepared to effectively and efficiently allocate resources to accomplish regional transportation goals:

- BSDA's Transit System operating expenses before depreciation - $285.5 million
- Three-year Transit System capital funding plan:

o Local funds	$	155.2 million
o Federal and State funds		464.4 million
Total	$	619.6 million

- Executive Services operating expenses before depreciation - $ 4.1 million

- Business Enterprises and Other operating revenue budget :

o Gateway Arch	$	6.0 million
o Riverfront Attractions		2.5 million
o St. Louis Downtown Airport		1.5 million
o Regional Freight Partnership		0.4 million
Total	$	10.4 million

- Business Enterprise & Other capital funding budget :

o Gateway Arch	$	10.1 million
o St. Louis Downtown Airport		11.3 million
Total	$	21.4 million

In Fiscal Year 2016, Bi-State Development Agency is looking forward to developing more business opportunities and growth in the region. We will continue to manage our resources, physical and financial, to the best of our abilities to assure that the Agency will be here for future generations and that it continues to play an important role in regional economic development.

I would also like to thank three dedicated former Board of Commissioners who leave us after faithfully serving the Agency beyond their required terms in office, Hugh Scott III and Kevin Cahill from Missouri and Fonzy Coleman from Illinois. I am pleased to welcome Vernal Brown (Missouri) and Irma Golliday (Illinois), recent appointments to the Board of Commissioners. Mr. Scott's replacement has not been named at this time.

John M. Nations
President and CEO

Executive Summary

2015 Financial Overview

Regional economic recovery continues in 2015 and employment trends remain positive and trending upward. A series of large-scale, private-sector expansions in the St. Louis region are adding thousands of jobs to the local economy. This equates to the fastest job growth in 15 years. According to Denny Coleman, CEO of the St. Louis Economic Development Partnership, the local economic development agency, “Manufacturing has come back and financial services have continued to grow. The only downturn has been in government services, but as the economy has turned around and more tax dollars come in, we expect that to get better." This translates to growth in sales tax receipts for the region, a positive for Metro. Interest rates are expected to remain low through 2015 and the recent drop in gas and oil prices has put money back in consumers’ pockets.

The Transit System's income statement has been positively impacted by improved sales tax receipts and our financial results are expected to be better than budget. With the reduction in gas prices, Metro has seen some transit riders return to using automobiles. Transit ridership is not seeing the same growth in FY 2015 as it has been experienced over the last five years. Ridership was also impacted by recent events in Ferguson, Missouri. Articulated buses were introduced to the system on the Grand Line to mitigate overcrowding on Metro's most popular bus route. The transit system remains focused on delivering an excellent product to its constituents. Major emphasis is placed on a routine vehicle replacement program, world class maintenance, and the introduction of customer amenities including a new fare collection system and MetroBus Automated Passenger Count (APC) technology.

As projected, construction on the Arch grounds and St Louis riverfront area related to the CityArchRiver project is temporarily impacting ongoing operations of the Gateway Arch and Riverfront Operations. The biggest transformation in 50 years, once complete, is expected to have a very positive economic impact from tourism for the Arch, Riverfront and the St. Louis Region. The largest impact of construction on our riverboats is now behind us and a rebound is expected in spring and early summer of 2015. The Arch Parking Garage ceased operation in December 2014 and demolition has begun.

St. Louis Downtown Airport activity varies because of weather, special events and the economy. Activity is expected to remain at or below prior year levels. A lease restructuring with a primary tenant has impacted operating revenue. Operating expenses remain favorable and the Airport is expected to meet its 2015 financial goals.

Agency Awards and Recognition:

- The Gateway Arch Riverboats celebrated its 50th anniversary.

- The Gateway Arch brochure wins Best Brochure in the Midwest Region Award for its layout, design, content and visitor appeal.

- TripAdvisor named St. Louis as one of its top world and U.S. destinations for 2014. St. Louis was ranked 23 because of its influence by Westward Expansion and Blues music.

- The Missouri Division of Tourism honored the Gateway Arch Sales and Marketing Department with the Pathfinder Award. The team was recognized for its achievements in reaching new visitors in specific niche markets.

- The Government Finance Officers Association awarded BSDA with the Certificate of Achievement for Excellence in Financial Reporting for the 19th consecutive year.

- MetroLink wins 3rd Place overall and received the 2014 Rail Transit Team Achievement Award at the 22nd Annual APTA International Rail Rodeo in Montreal, Canada.

- BSDA/Metro's Procurement Department earned the Achievement of Excellence in Procurement (AEP) Award , presented by the National Procurement Institute. BSDA is one of only three government agencies in Missouri and one of only 31 special districts in the U.S. to receive the award.

- The National Safety Council partnered with BSDA/Metro to recognize full-time MetroBus and Metro Call-A-Ride Van Operators whose safe driving records included ten or more years with no preventable accidents, and who had excellent attendance.

- BSDA/Metro was awarded the Fit-Friendly Worksites Platinum Award, the highest level of recognition presented by the American Heart Association.

- BSDA/Metro won the 2014 Healthiest Employers Award, presented by the St. Louis Business Journal.

- BSDA/Metro received the 2014 Show-Me Safety Award, a statewide award which recognizes a group or individual for a particular event that helps promote safe driving in Missouri.

- BSDA/Metro received the 2014 Green Business Challenge Award, presented by the St. Louis Regional Chamber. The challenge encourages area companies to adopt sustainable business practices that can help the region's green economy, reduce environmental impact and improve bottom lines.

Major Events/Milestones During Fiscal Year 2015:

July 2014

- BSDA/Metro broke ground on the new North County Transit Center.

- BSDA/Metro announced the name and design for the Gateway Smart Card.

August 2014

- BSDA/Metro and the Missouri Public Transit Association (MPTA) were co-hosts for the 2014 MPTA Conference held in St. Louis.

September

- The Agency secured a $10.3 million TIGER grant from the U.S. Department of Transportation to build a new MetroLink station in the Central Corridor of St. Louis.

- The East-West Gateway Council of Governments selected BSDA to lead a new regional freight district.

- BSDA/Metro and American Red Cross partnered to raise awareness about Emergency Preparedness Month.

October 2014

- The MetroLink fleet logged more than 100 million miles.

- The Agency teamed up with Operation Lifesaver to help educate customers and motorists about rail safety during the national safety campaign, See Tracks? Think Train.

- Metro transit provided extra MetroLink service and security for the National League Championship Series games.

November 2014

- BSDA/Metro and the St. Louis Convention and Visitors Commission partnered to treat area commuters to the Holiday Magic Train, featuring decorations and musical performances throughout the holiday season.

December 2014

- As project manager of the Eads Bridge rehabilitation project, the Agency marked the halfway point of renovations to the 140-year-old structure. This $40.2 million full-scale rehabilitation of the truss and supporting superstructure of the historic Eads Bridge is needed to upgrade and preserve a critical piece of the region's $1.8 billion transit infrastructure.

January 2015

- The Bi-State Development Agency announced the relocation of its headquarters to the Metropolitan Square Building at 211 North Broadway in downtown St. Louis. The move is planned for summer 2015.

- Original works of art created by 10 St. Louis area artists have been selected for MetroScapes, a Metro Arts in Transit program that showcases local art at Metro transit locations.

February 2015

- The Bi-State Development Agency (BSDA) announced the appointments of Vernal Brown and Irma Golliday to the BSDA Board of Commissioners. Brown, a resident of St. Louis County, was appointed to the BSDA Board by Missouri Governor Jay Nixon and replaces Commissioner Kevin Cahill. Golliday, a resident of East St. Louis, Ill., was appointed to the BSDA Board by St. Clair County Board Chairman Mark Kern and replaces Commissioner Fonzy Coleman.

2016 Preview

Metro Transit

Metro Transit plans to maintain current service levels in FY 2016. Revenue projections include modest growth in sales taxes and fares due to the expectation that ridership will increase by one percent. Expense projections incorporate the impact of the settled labor contracts. While fuel trends are expected to move upward from today's low, they will remain consistent with fuel expenditures over the last two years. Metro is experiencing an uptick in insurance costs as a result of some recent claims. The operating budget is projected to remain within four percent of the 2015 budget.

The FY 2016 capital budget includes a continuation of active infrastructure projects toward completion such as the Eads Bridge renovation, fare collection project, North County Transit Center, and a new MetroLink station. The three-year capital program is inclusive of all known replacement and renovation initiatives as well as the strategic regional vision of future proposed transportation improvements.

St. Louis Gateway Arch and Riverfront Attractions

In FY 2016, virtually all areas of the Jefferson National Expansion Memorial will be undergoing major renovations as part of the CityArchRiver 2015 construction. The museum under the Arch will be closed for renovations. The theatre will be replaced with a new retail space and all other areas of the visitor center will be renovated in phases, further limiting the capacity of the facility and the amenities available to visitors. The Arch Transportation System will receive a major upgrade and exhibit areas will be redesigned and upgraded with the newest exhibit technology. Notwithstanding construction and reconfiguration activities at the Arch, operating revenues are projected to increase in 2016 based on price restructuring. Arch tram operating income trends upward from 2015 and long-term results are expected to be very positive. Capital projects related to the Arch Transportation Center Motor Generator Sets and Load Zones are being completed in tandem with the CityArchRiver renovation.

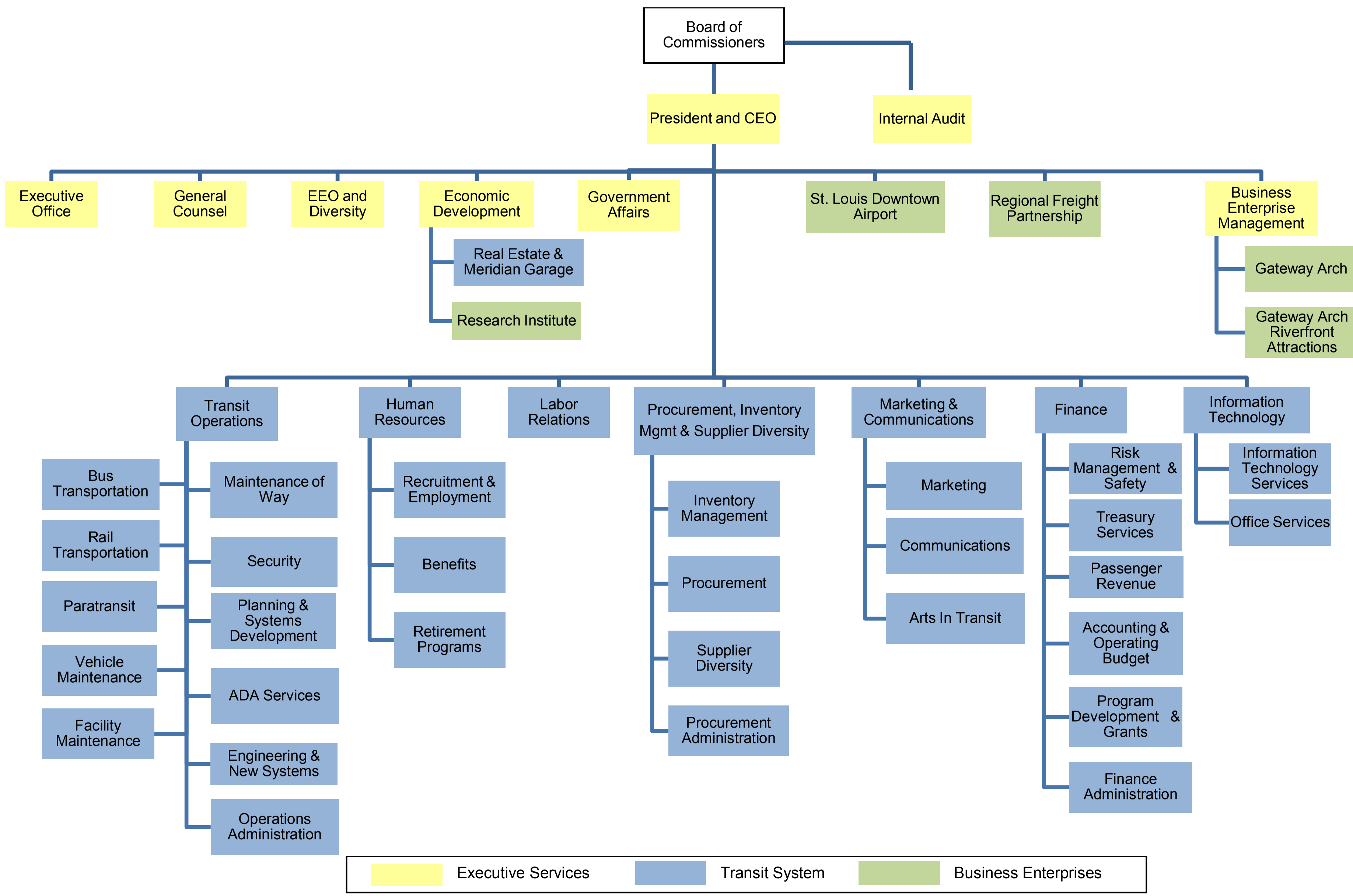
The south portion of the Leonor K. Sullivan riverfront road opens by 2015 and the Gateway Arch Riverboats operations will benefit from better access. Business Enterprises plans to combine efforts with the National Park Service to aggressively market the Riverfront experience. The number of passengers is expected to increase over FY 2015 returning to historical activity levels.

St. Louis Downtown Airport

The economic impact the St. Louis Downtown Airport makes on the region is estimated at $584 million as cited by the Illinois Department of Transportation. FY 2016 St. Louis Downtown Airport revenues are conservatively projected at $1.5 million as hangar rentals and leased acreage are impacted by renegotiated lease agreements. A slight operating loss is projected. The $11.3 million in the capital budget is contingent on local funding sources and successful competition for federal funds. Reconstruction and improvements to taxiways and land acquisition make up the majority of the capital spending. The source of funds to support the capital expenditures will be through Federal Grants, Illinois State and Local Grants and the Airport Fund.

Regional Freight Partnership

Regional leaders have asked the Bi-State Development Agency to establish and lead a new freight district for the bi-state area. The Agency's newest venture will focus on coordinating and expanding the road, rail, river and runway freight network in and out of St. Louis. In the start-up year, revenues are expected to more than expenses. In FY 2016, the Freight District will begin to identify business opportunities in the region.


Board of Commissioners
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General Counsel
EEO and Diversity
Economic Development
Real Estate & Meridian Garage
Research Institute
Government Affairs
St. Louis Downtown Airport
Regional Freight Partnership
Business Enterprise Management
Gateway Arch
Gateway Arch Riverfront Attractions
Transit Operations
Bus Transportation
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Vehicle Maintenance
Facility Maintenance
Maintenance of Way
Security
Planning & Systems Development
ADA Services
Engineering & New Systems
Operations Administration
Human Resources
Recruitment & Employment
Benefits
Retirement Programs
Labor Relations
Procurement, Inventory Mgmt & Supplier Diversity
Inventory Management
Procurement
Supplier Diversity
Procurement Administration
Marketing & Communications
Marketing
Communications
Arts In Transit
Finance
Risk Management & Safety
Treasury Services
Passenger Revenue
Accounting & Operating Budget
Program Development & Grants
Finance Administration
Information Technology
Information Technology Services
Office Services
Executive Services
Transit System
Business Enterprises

Bi-State Development Personnel

Bi-State Development remains committed to maintaining a personnel position count at a responsible level. The total organization for the FY 2016 budget includes 2,256 positions which is an increase of eight compared to the budget for FY 2015. The breakdown by division consists of 2,199 positions for the Transit System, 18 in Executive Services and 39 for Business Enterprises.

Transit System

The Transit System budget of 2,199 positions is an increase of 12 compared to the budget for FY 2015. Further breakdown is discussed in the paragraphs that follow.

Transit Operations

Position count includes full-time and part-time bus operator personnel. In FY 2016, Metro continues the use of part-time bus operators that were restored in 2009, through the 788 Amalgamated Transit Union contract. The number of part-time bus operators in FY 2016 is 84, remaining at FY 2015 budget levels. The average number of full-time operators budgeted in FY 2016 is 792, which is up three from last year's budget and five from the FY 2014 budget. The bus operator position counts are included in the Bus Transportation function as displayed on the Personnel by Division and Function table.

MetroLink operator position count related to light rail vehicle for the FY 2016 budget remains the same as the FY 2015 at 102. This is an increase of three from the FY 2014 Budget.

Paratransit Transportation operations were able to reduce staff in FY 2016 by two through efficiencies of software upgrades and organizational structure changes.

Vehicle Maintenance increased one position that will assist in Transit Operations systems administration.

Security is adding two public safety officers to patrol MetroLink stations adding visibility and reducing undercover police expense to offset the additional officers. In total transit operations is adding four full-time positions and reducing outside expense to help offset the additional personnel.

Procurement, Material Management & Supplier Diversity

The Materials Management area has requested two Material Handler positions. This will increase the number of Material Handler positions to 24. The positions are needed to handle the increased number of parts due to the addition of various series of buses and cover vacation and sick leave.

Information Technology

The Information Technology Applications Development area has requested an ERP Analyst for the Financial Systems team to support the current workload and future projects. The addition of

Oracle e-Business suite modules and added support requirements has created the need. A Manager of IT Operations position has been approved and added since the last budget.

Marketing & Communications

The Marketing group is creating a Community Outreach department to enhance the relationships between the Agency and the public. A Director of Community Engagement and Development position has been added to the FY 2016 Budget along with a Communications Program Coordinator transferred from another Marketing department. A Website Content Coordinator is being added to the Communications department.

Labor Relations

Labor Relations has hired a Manager of Labor Relations and an Absence Management Specialist.

Business Enterprises

The Arch Parking Facility discontinued operations in FY 2015. As a result the FY 2016 budget was reduced by five positions.

In FY 2015, the Bi-State Development Agency was selected to lead a new Regional Freight Partnership. The freight partnership is discussed in further detail in a separate section later in this report. The FY 2016 freight budget consists of four new positions including an Executive Director.

Bi-State Development Agency Employees by Division and Function

On the following page is a table comparing the number of BSDA's personnel in the FY 2016, FY 2015 and FY 2014 budgets.

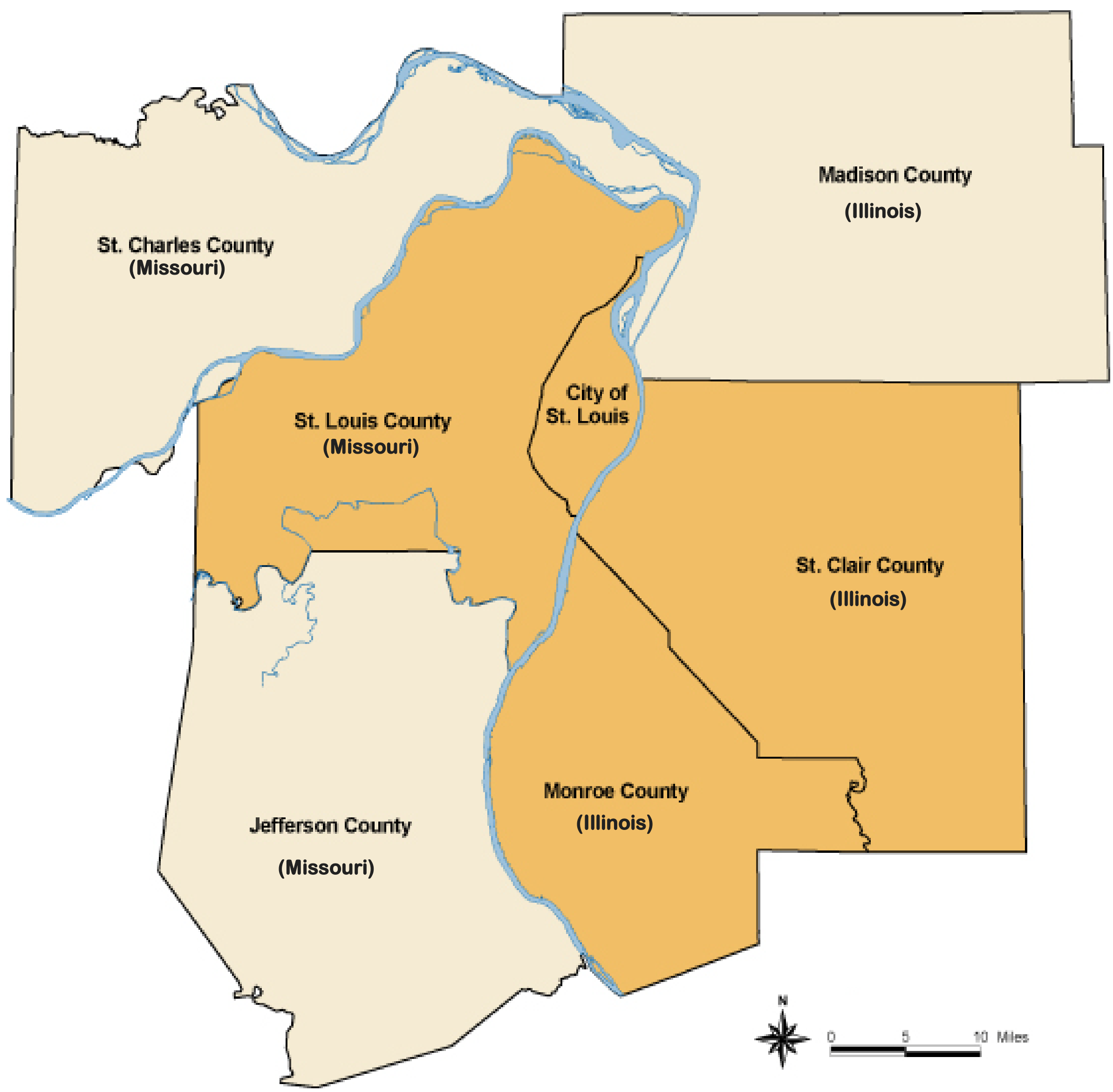
Note:
In the Organizational Units section of this document, you will find detailed organizational charts for the FY 2016 budget for all Transit divisions. The organizational charts for the Gateway Arch, Riverfront Attractions, St. Louis Downtown Airport, and Executive Services may be found in those respective sections of this document.

Bi-State Development Agency Personnel by Division & Function

	FY 2016 Budget	FY 2015 Budget	Change	FY 2014 Budget
Transit System				
Transit Services				
Bus Transportation	948	945	3	943
Rail Transportation	141	141	-	138
Paratransit Transportation	247	249	(2)	249
Vehicle Maintenance	343	342	1	339
Maintenance of Way	149	149	-	149
Facility Maintenance	32	32	-	32
Security	41	39	2	34
ADA Services	7	7	-	7
Service Planning	39	39	-	39
Engineering and New Systems	17	17	-	18
Operations Administration	2	2	-	2
Total Operations	**1,966**	**1,962**	**4**	**1,950**
Finance				
Passenger Revenue	33	33	-	33
Risk Management and Safety	20	21	(1)	21
Accounting & Operating Budget	23	23	-	23
Capital Budgeting and Grants	5	5	-	5
Treasury	2	2	-	2
Finance Administration	3	3	-	3
Total Finance	**86**	**87**	**(1)**	**87**
Procurement	**59**	**57**	**2**	**57**
Information Technology	**46**	**44**	**2**	**43**
Human Resources	**17**	**17**	**-**	**17**
Labor Relations	**4**	**2**	**2**	**2**
Marketing	**19**	**16**	**3**	**15**
Meridian and Real Estate	**2**	**2**	**-**	**2**
Total Transit System	**2,199**	**2,187**	**12**	**2,173**
Executive Services	**18**	**21**	**(3)**	**21**
Business Enterprises				
Gateway Arch	12	12	-	12
St. Louis Downtown Airport	11	11	-	12
Gateway Arch Parking Facility	-	5	(5)	6
Riverfront Attractions	12	12	-	12
Regional Freight Partnership	4	-	4	-
Total Business Enterprises	**39**	**40**	**(1)**	**42**
Total Bi-State Development Agency	**2,256**	**2,248**	**8**	**2,236**

Bi-State Development Agency of the Missouri – Illinois Metropolitan District

Jurisdiction Authority Area



Current Transit Service Area

Bi-State Development Agency Profile

Organizational History and Significant Events

Bi-State Development Agency (BSDA) was established on September 20, 1949, by an interstate compact passed by the state Legislatures of Illinois and Missouri, and then approved by the Governors of the two states. The compact was approved by the United States Congress and signed by President Harry S. Truman on August 31, 1950. The compact created an organization that has broad powers with the ability to plan, construct, maintain, own and operate bridges, tunnels, airports and terminal facilities, plan and establish policies for sewage and drainage facilities and other public projects, and issue bonds and exercise such additional powers as conferred upon it by the legislatures of both states. Bi-State Development Agency does not have the power to tax. Funding is received from local, state and federal sources. However, it is authorized to collect fees from the operation of its facilities.

In the first years of existence, the BSDA participated in, or conducted several studies which included a comprehensive plan for development of the Missouri-Illinois Metropolitan District, sponsored a survey of chemical and biological pollution of the Mississippi River, and an exhaustive study of the St. Louis County sewer problem that led to a new sewer law which created the Metropolitan St. Louis Sewer District. Bi-State Development Agency also sponsored a coordinated interstate highway planning action related to surveying highways and expressways. The most significant project undertaken in the early years was the construction of a 600-foot wharf at Granite City, Illinois in 1953.

History	
1949	Bi-State Development Agency created and approved by states of Illinois and Missouri.
1950	Interstate compact approved by US Congress.
1953	Granite City Dock bonds issued.
1962	Gateway Arch Transportation System bonds issued.
1963	Purchased 15 local transit systems.
1964	Purchased Parks Airport (St. Louis Downtown Airport).
1967	Gateway Arch Transportation System opened (Arch opened in 1965).
1986	Gateway Arch Parking Facility opened
1988	Call-A-Ride begins demand response service
1993	MetroLink opened. St. Clair County in Illinois approved sales tax to fund future MetroLink corridor.
1994	City of St. Louis and St. Louis County approved ¼ cent sales tax for regional transit improvements.
1997	City of St. Louis passed ¼ cent sales tax contingent on St. Louis County passage.
1999	Received Outstanding Achievement for Light Rail award from APTA.
2001	St. Clair County Illinois MetroLink extension opened. Purchased Tom Sawyer and Becky Thatcher riverboats.
2002	First of nine MetroBus transfer centers and garages opened.
2003	MetroLink opened Illinois Shiloh-Scott extension.
2004	Bus Transit Access Center opened.
2006	Cross County MetroLink branch opened.
2010	St. Louis County approved Prop A ½ cent sales tax.
2012	Restoration of the historic Eads bridge began.
2013	Missouri voters passed Proposition P, a 3/16 cent sales tax ,to help fund updating and expanding of Gateway Arch park grounds and riverfront attractions.
2014	Gateway Arch Parking Facility discontinued operations
2014	Selected to lead a new Regional Freight Partnership
2014	Bi-State Research Institute was formed

Today, the Bi-State Development Agency is organized into several Business Entities and the Transit System. They include Gateway Arch Tram System, St. Louis Downtown Airport, Riverfront Attractions, Regional Freight Partnership and Bi-State Research Institute. The Transit System Division is comprised of three modes of public transportation which includes MetroBus, bus operations; MetroLink, light rail operations; and Call-A-Ride, demand response operations.

The diversified Business Enterprises Division began in 1962, when Bi-State Development Agency was asked to fund and operate the tram system that would carry visitors to the top of the Gateway Arch Monument. A $3.3 million revenue bond issue was completed in July 1962, and the relationship with the Gateway Arch and National Park Service began.

An agreement was reached in October 1962 where BSDA would assist in the re-opening of Parks Metropolitan Airport at Cahokia, Illinois. After a series of approvals and resolutions, the Agency purchased the Airport in 1964 for $3.4 million, and later renamed it St. Louis Downtown Airport.

In July 2001, Bi-State Development Agency purchased the Becky Thatcher and Tom Sawyer Riverboats to preserve the St. Louis Riverfront experience. Since 2001, the Riverfront Attractions have expanded to include the Arch View Café, a gift shop, bike rentals, concessions and a heliport barge from which helicopter tours over downtown St. Louis are provided.

The Transit Division began in 1963 when the Bi-State Development Agency purchased and consolidated 15 privately owned transit operations using a $26.5 million bond issue. Today BSDA is best known for providing three modes of mass transportation services in the Greater St. Louis Region: MetroBus, MetroLink and Call-A-Ride

In 1987, BSDA's Call-A-Ride began demand response service to fill a need for alternative transportation service to customers with disabilities and those who were unable to use regular fixed route bus or light rail service. Since then, Bi-State Development Agency has created programs to educate and certify all paratransit users. BSDA also spearheaded the regional Transportation Management Association (TMA), which consists of private for-profit and non-profit transportation providers working together to provide regional paratransit services.

Bi-State Development Agency expanded into light rail transportation in July 1993. The original 17 mile corridor was constructed between Lambert International Airport in Missouri and Fifth and Missouri Streets in East St. Louis, Illinois. MetroLink doubled in length with the 2001 expansion to Southwestern Illinois College in Illinois and the 2003 expansion to Shiloh, Illinois, home of Scott Air Force Base. The most recent light rail expansion occurred in August 2006 when the Cross County extension was completed. This expansion added another eight miles through Clayton south to Shrewsbury, Missouri. Today, MetroLink operates 46 miles of alignment with 37 stations and 20 Park and Ride lots.

In 2014, the BSDA was selected to lead a new regional freight partnership aimed at optimizing the region's freight transportation infrastructure. The actions to be undertaken by the Regional Freight Partnership will boost St. Louis' competitive position among its peers in becoming not only a premier multimodal freight center in the Midwest region through job and economic growth, but also a freight center with global reach ready to compete in international markets.

Community Profile

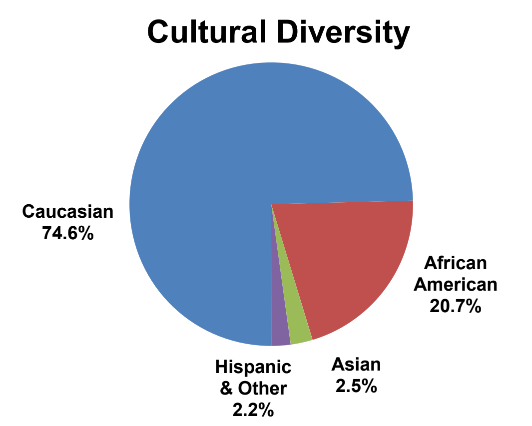
Population and Culture

The most recent census data estimates approximately 2.5 million people live in the Greater St. Louis region served by the Bi-State Development Agency (BSDA). Overall, the Greater St. Louis region is experiencing minimal growth with a continuing shift in population from the City of St. Louis to St. Louis County to the suburban Missouri communities. This is creating a growing need for public transportation outside the City of St. Louis.

Estimated Population Comparison

Region	2010	2013	% Change
St. Louis City	319,294	318,416	-0.3%
St. Louis County	998,954	1,001,444	0.2%
St. Charles County	360,485	373,495	3.6%
Jefferson County	218,728	221,396	1.2%
St. Clair County	270,056	266,955	-1.1%
Madison County	269,282	267,225	-0.8%
Monroe County	32,957	33,493	1.6%
Total	**2,469,756**	**2,482,424**	**0.5%**
United States	**308,747,716**	**315,091,138**	**2.1%**

Today, the Transit System service area includes the City of St. Louis, St. Louis County, and portions of St. Clair and Monroe Counties in Illinois. Residents from Madison County in Illinois enjoy the benefits of the Transit System through coordinated services with the local services in that area. Other communities such as St. Charles and Jefferson Counties in Missouri may access Metro Transit Centers and park-and-ride lots near the borders of these communities.



Source: US Census Bureau

The Greater St. Louis region is a community with much to offer. In the region, you will find the cosmopolitan atmosphere of a large city commingling with an energetic urban lifestyle. TripAdvisor named St. Louis as one of its top U.S. destinations for 2014. St. Louis was listed, in the top 25, because of its influence by Westward Expansion and Blues music.

Three professional sports teams – Cardinals baseball, Rams football and Blues hockey – play in downtown St. Louis. The Mississippi riverfront district includes Laclede's Landing which features restaurants, entertainment and a casino, the Gateway Arch, Bi-State Development Agency Headquarters and National Park complex. Union Station is a national historic landmark housing a hotel, restaurants and special shops. The Delmar Loop is a vibrant, diverse six-block entertainment and shopping district. Historic Soulard features an open-air farmers' market and beautifully restored homes around the In-Bev Anheuser-Busch brewery. The Hill is home to Italian neighborhoods, shops and restaurants. The Central West End is famous for its eateries, antique shops and grand old homes.

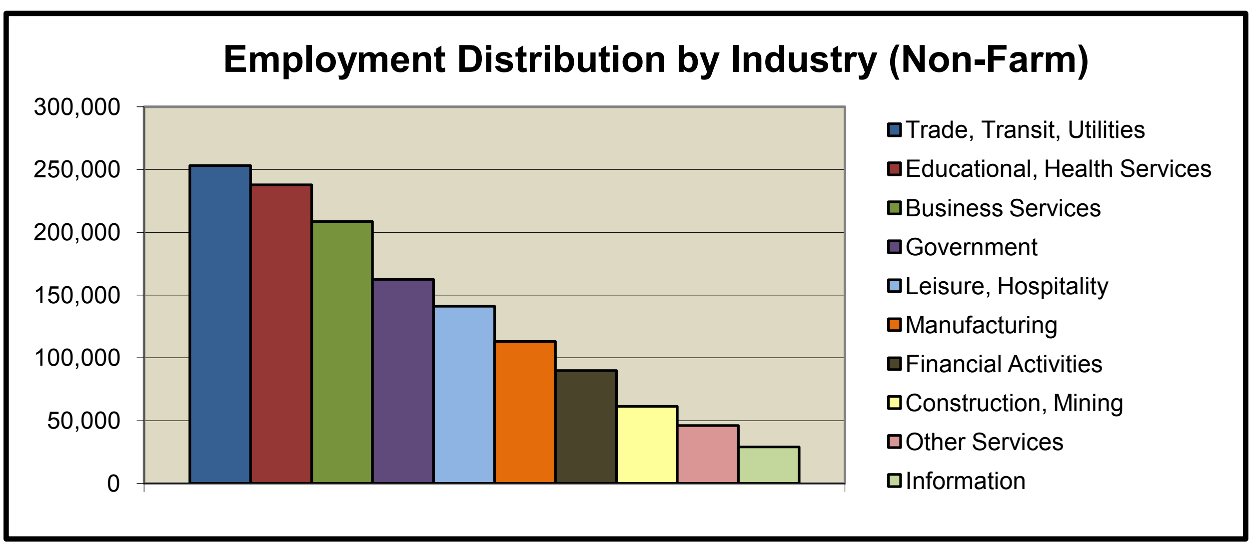
St. Louis' famous Forest Park was site of the 1904 World's Fair. It is frequented by runners, bicyclists, and picnickers and hosts some of the region's favorite cultural and educational institutions including the St. Louis Art Museum, St. Louis Zoo, St. Louis Science Center and Missouri History Museum. Additionally, the 12,000-seat outdoor Municipal Opera amphitheatre, known as "the Muny," offers summer theater productions in Forest Park. The bi-state region boasts five state parks and hundreds of neighborhood parks making it a beautiful place to visit.

Long known for its educational excellence, St. Louis is home to some of the top educational institutions in the world. More than twelve universities and four-year colleges, including Washington University, Saint Louis University and the University of Missouri-St. Louis are located in the greater St. Louis region. Additionally, eighteen two-year and community colleges enhance the quality and skills of the region's work force and enrich its intellectual creativity and strength.

Centrally located, St. Louis is a convenient destination from anywhere in the country. Transportation access includes four major interstates, Lambert St. Louis International Airport, several regional airports, Greyhound Bus and Amtrak. Once in St. Louis, a major part of the region is served by BSDA's MetroBus, MetroLink and Call-A-Ride Operations. The same attractions, cultural institutions and negotiability that make the St. Louis region a great place to visit also make it a great place to live.

Employment by Industry

The Greater St. Louis region is home to a very diverse industrial base. Total non-farm employment increased 1.3% year over year to 1.3 million. The trades, transit and utilities area still remains the top employment producer with educational and health services close behind. The five largest employers in the region include BJC HealthCare, Boeing Defense Space & Security, Washington University, Scott Air Force Base and SSM Healthcare.

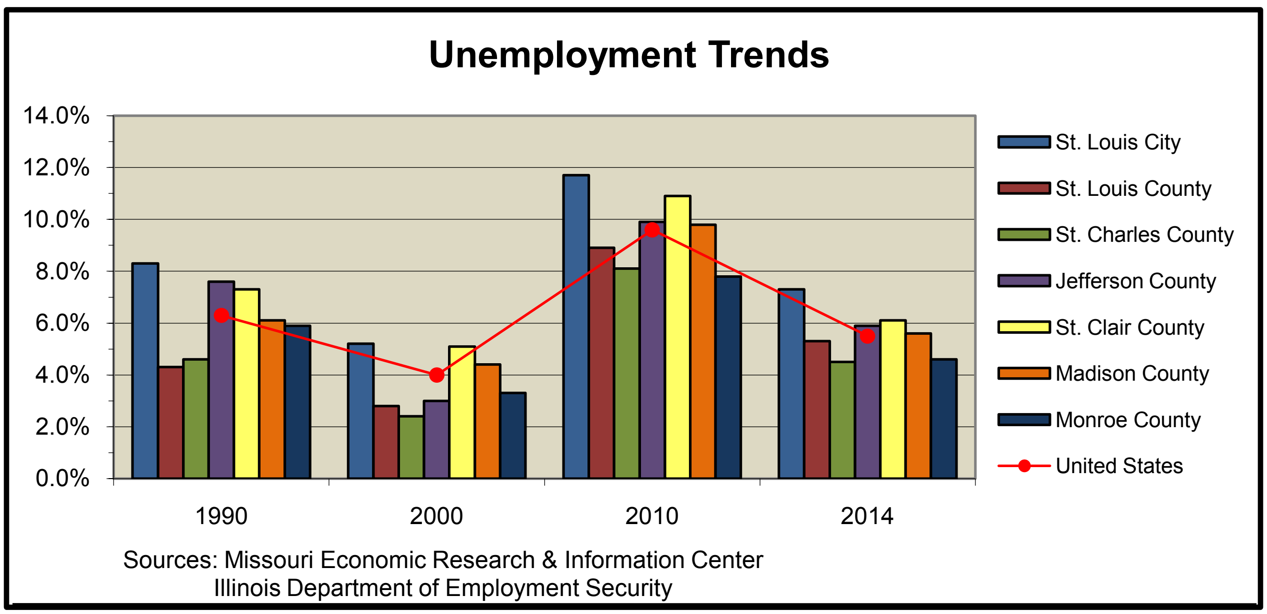


Source US Bureau of Labor Statistics - Dec 2014

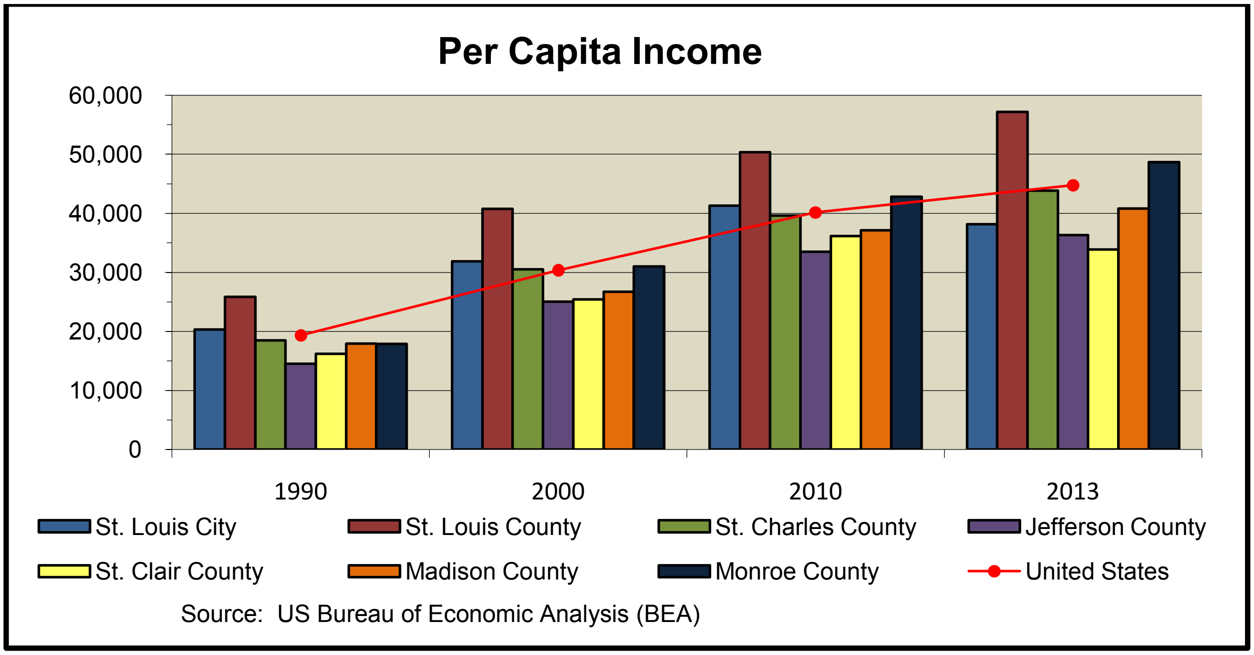
Economic Trends

In 2014, the economy in the Greater St. Louis region closely followed improving national trends. In December 2014, The Missouri Economic Research and Information Center reported the national average unemployment rate was 5.5%. Within the bi-state area, the average unemployment rate was 5.6%. The City of St. Louis and St. Clair County in Illinois generally track worse than the national unemployment statistics. In 2014, the City of St. Louis reported an 7.3% unemployment rate while St. Clair and Madison Counties in Illinois reported 6.1% and 5.6%, respectively.

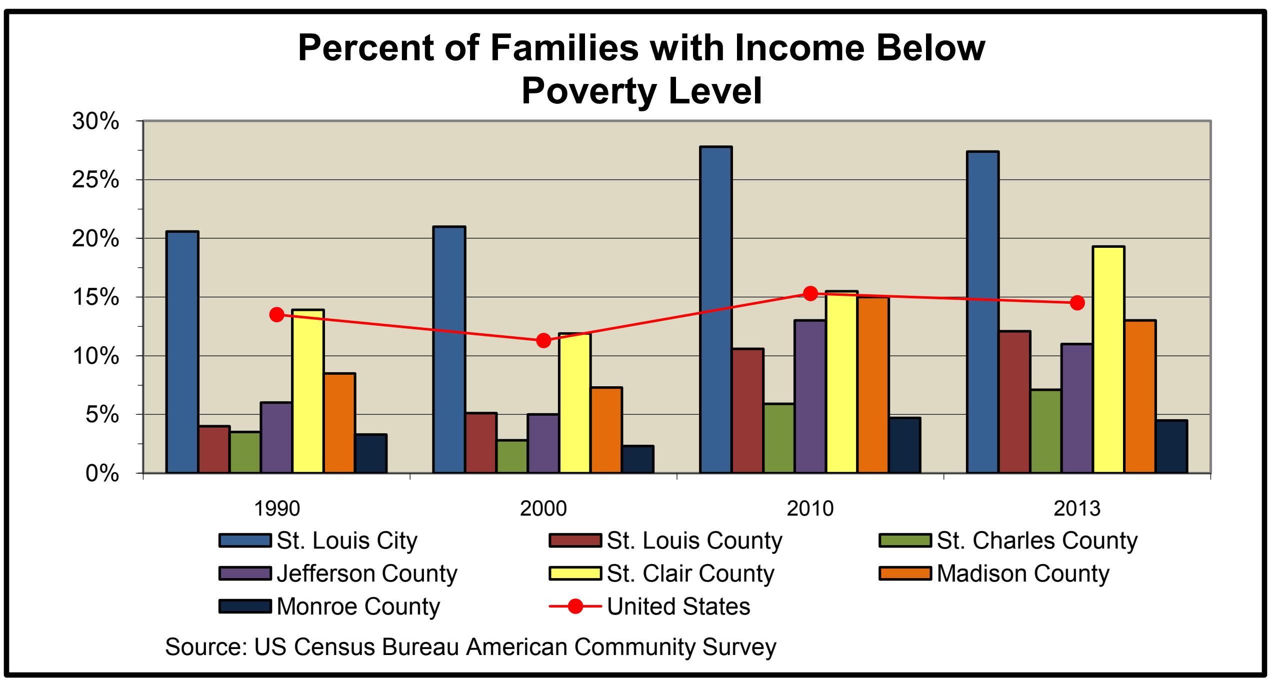
The graph below displays the unemployment rates in the bi-state area. Since a significant portion of the Transit System's ridership is composed of business commuters, unemployment clearly impacts Bi-State Development Agency's operations.



Other statistics which have a direct correlation to Bi-State Development Agency operations are per capita income and poverty levels. Per Capita Income is defined as the income computed for every man and woman in a geographic area age 16 and over. This statistic is derived by dividing the total income of all people age 16 and over in a geographic area by the total population in that area. According to the chart on the next page, St. Louis County has exceeded national trends for per capita income over the last 20 plus years, with St. Charles county and Madison county in Illinois touching on the national average. The City of St. Louis, Jefferson county, as well as, St. Clair and Monroe counties in Illinois are currently below the defined per capita income level.



The poverty thresholds are the same for all parts of the country. They are not adjusted for region, state or local variations in the cost of living. According to the 2013 US Census Bureau, the national average of families living below the poverty level was 14.5%. Shown on the chart below the Bi-State region includes poverty level trends that are both better and worse than the national average. The City of St. Louis has nearly double the national average. These trends may be influenced by socioeconomic factors relating to environment and education and the lasting effects of long-term high unemployment.



Strategic Plan Overview - Transit Operations

Purpose of Strategic Plan

The purpose of the strategic plan is to provide the Board of Commissioners and stakeholders with a comprehensive summary of the Bi-State Development Agency (BSDA) plan and vision to improve the region's quality of life by providing excellent public transportation and promoting economic development across the bi-state region. BSDA public transit meets the region's needs through safe, reliable, accessible, customer-focused service in a fiscally responsible manner.

Long-term Strategic Plan

Bi-State Development Agency's management team and community leaders recognized the need to develop a comprehensive long term strategic plan for public transportation in the Greater St. Louis Region. A cooperative planning process was begun involving BSDA management, East West Gateway Council of Governments (EWGCOG), community leaders and users of public transportation. Following numerous meetings with all stakeholders and diligent transportation research, a comprehensive strategic long range plan named "Moving Transit Forward" was developed and approved by EWGCOG and BSDA's Board of Commissioners on February 24, 2010.

"Moving Transit Forward" offers options EWGCOG, the region's planning agency, can use when deciding next steps for public transit in the Greater St. Louis Region. As EWGCOG makes those decisions on public transit service, Bi-State Development Agency will implement and operate those services.

The "Moving Transit Forward" plan was developed to document a fiscally responsible, community-driven vision for restoring, enhancing, and expanding the Metro Transit System and will:

- Promote regional economic development
- Strengthen the Metro Transit System as a vital regional asset
- Provide quality public transit access to more people
- Improve service to low-income, elderly, and disabled residents
- Include projects that are cost-effective

With the adoption of the long-term plan, the region can confidently proceed with implementation of the long-term plan.

Strategic Alignment

Vision

The Bi-State Development Agency is a dynamic and multi-faceted resource for economic development in the St. Louis region. With deep expertise in planning and implementation, the Bi-State Development Agency is uniquely empowered to provide regional solutions to regional challenges within a model of efficiency and accountability. Through proven leadership, the Bi-State Development Agency fulfills the promise of its Charter to improve the economy and improve lives.

Mission

To improve the quality of life throughout the St. Louis Bi-State region through excellence in planning, implementation and operation of enterprises that foster economic development for the benefit of its citizens and the nation.

Core Values

Bi-State Development Agency's core values below impact every aspect of our organization and guide the work behaviors, decision making, and interpersonal interactions of all employees.

***Safety & Security* –** The safety and security of our customers, general public, and employees is our most important priority.

***Customer Focus* –** We strive not only to meet but exceed our customers' needs and expectations.

***Character* –** We value and practice honesty, integrity, respect, courtesy, teamwork, trust, directness and accountability. We are receptive to other viewpoints and committed to the success of others.

Leadership – We are committed to forward motivation; to having the courage and vision to operate in new and transformative ways.

***Ethical Practices* –** We adhere to our Code of Ethics and other Bi-State Development Agency standards of conduct and behavior. We practice and enforce these standards throughout the Agency and in all our dealings with the public.

***Collaboration* –** We believe in bringing the best public and private interests together to share institutional knowledge, insights, experience and resources to shape truly impactful regional solutions.

***Communication* –** We are committed to providing clear and accurate information and being transparent at all times.

***Recognition of Employee Contributions* –** We recognize our employees who create, innovate, consistently support the day-to-day business requirements, and contribute to the success of the Bi-State Development Agency.

Innovation – We leverage our legacy of expertise in planning and implementation to close the gap between regional needs and solutions.

Goals and Objectives

To achieve the coordinated strategic plan, Bi-State Development Agency has identified four primary organization level goals. These goals will guide the strategic initiatives of the organization through FY 2016. With each new year, these goals will be evaluated for change. Each goal is broken down into key objectives that contribute to the accomplishment of the goal.

	Goal		Objective
1	Build an effective and efficient publically-supported organization that is viewed as a transparent and accountable steward of public funds	A	Establish and manage communications plan that improves public perception of Bi-State Development Agency programs and credibility of management
		B	Establish a planning, policy, financial, and operational framework for developing and delivering Metro Transit service, projects, and programs over the next 10 years, and introduce potential service concepts that could be implemented over the next 10-30 years
2	Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources	A	Implement internal process improvements
		B	Implement cost reduction strategies
		C	Implement revenue enhancement strategies
		D	Identify and implement shared services programs with other entities where beneficial
		E	Deliver quality capital projects on time and within budget
3	Value all members of our staff and endeavor to help all of our employees develop to their fullest potential	A	Continue to develop a safety conscious culture throughout Bi-State Development Agency, its customers, and business partners
		B	Invest in employee development
		C	Strengthen the labor – management working relationship
		D	Provide timely, honest feedback on performance through EADS program
4	Deliver a high quality transit experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence	A	Efficiently and effectively operate service sectors
		B	Improve service quality and capacity for Metro van, bus, and rail systems
		C	Implement innovative technologies
		D	Improve transit security of Metro van, bus, and rail systems

Linking Strategic Plan to Budgets - The strategic plan is the primary driver for annual operating and capital budgets. The annual operating and capital budgets reflect updated short-term goals and objectives identified in the strategic plan by quantifying expected revenues and expense needed to meet the short-term goals. The Company's organizational units play a vital role in achieving these goals. The strategies, steps and performance measures of the organizational units are documented under the functions and activities of the "Organizational Units" section of this document.

Transit Key Performance Metrics

Our success in meeting our strategic goals and objectives is measured by key performance indicators. These metrics relate to elements of the transit system that directly influence our customers or the financial and operational measures that impact our bottom line. Management's goal is to develop business and information systems that provide critical management information regarding leading indicators to key personnel so preventive or corrective action can be taken as soon as possible. Lagging indicators are also monitored in order to measure historical results for further analysis and comparison. Key system performance indicators comparing the FY 2016 targets to previous years are as follows:

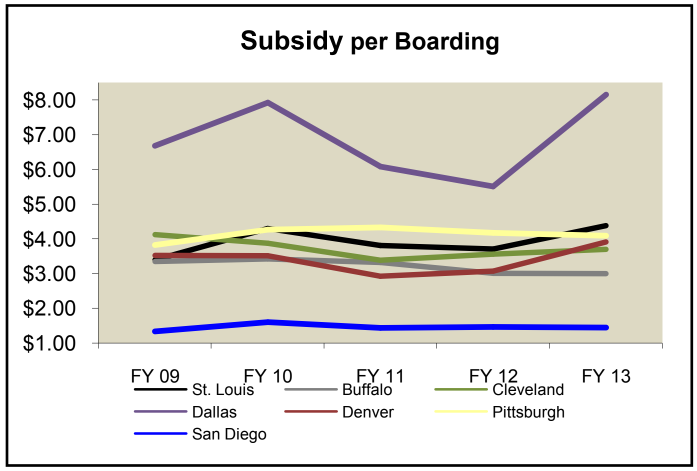
Key Performance Indicators	FY 2016 Target	FY 2015 Projection	FY 2015 Target	FY 2014 Actual
Customer Measures				
Passenger Boardings (millions)	48.7	48.2	48.2	48.2
Average Weekday Ridership (thousands)	151.5	151.2	150.0	151.8
Passenger Injuries per 100,000 Boardings	1.0	1.2	1.1	1.3
Customer Complaints per 100,000 Boardings	10.3	9.6	10.0	10.6
Business Measures				
Farebox Recovery	19.0%	19.8%	19.5%	20.2%
Operating Expense per Revenue Hour	$155.94	$147.09	$147.75	$141.51
Operating Expense per Passenger Boarding	$5.87	$5.58	$5.68	$5.31
Subsidy per Passenger Boarding	$4.53	$4.26	$4.35	$4.03
Operating Measures				
Passenger Boardings per Revenue Mile	1.8	1.8	1.7	1.8
Passenger Boardings per Revenue Hour	26.6	26.4	26.0	26.7
Vehicle Accidents per 100,000 Vehicle Miles	1.9	1.8	2.0	1.6
Unscheduled Absenteeism	3.6%	3.5%	3.6%	3.2%
On-Time Performance	94.7%	94.2%	94.7%	93.9%

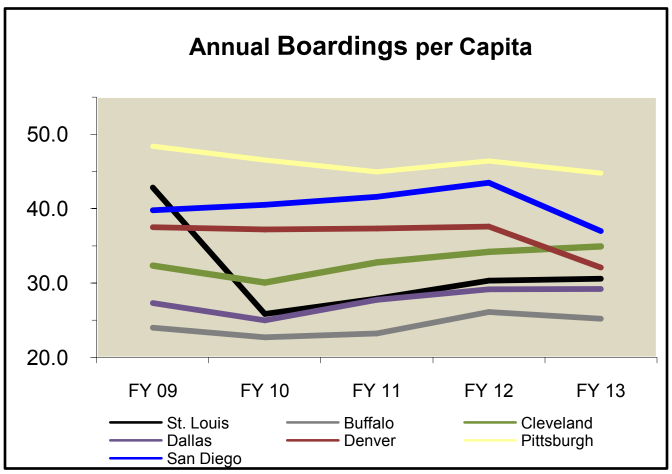
The above key performance indicators represent the entire Metro Transit System. Indicators by mode of transportation can be found in the "Transit System" section and organizational group indicators are detailed within the "Organizational Units" section.

Peer Performance

The following graphs depict performance metrics of Bi-State Development Agency's Transit System compared to peer transit agencies in the United States from FY 2009 through FY 2013. The source of this data is the Federal Transit Administration National Transit Database.

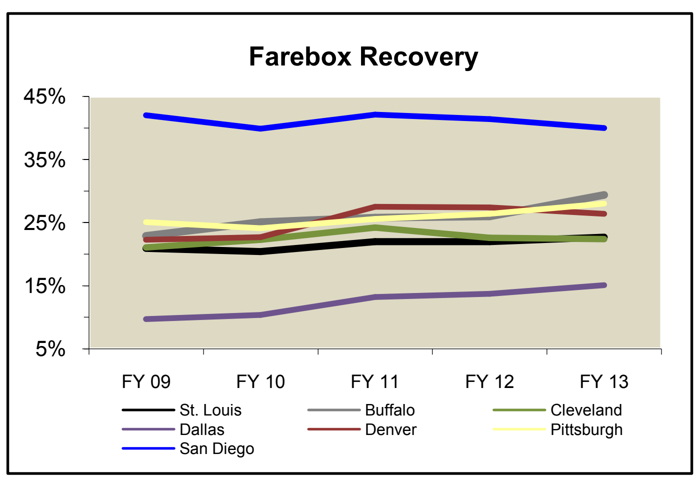
Subsidy per boarding measures how much outside funding assistance is required per passenger trip. The Bi-State Development Agency has minimized this growth through increasing ridership, cost containment and a modest fare increases in FY 2013 and FY 2015. BSDA has also seen an increase in other operating revenue, which helps offset the subsidy per boarding.





St. Louis experienced system downsizing in FY 2010 that was reversed a year later. The Annual Boardings per Capita chart trends the downturn in passenger ridership and its continued rebound. The return of services is reflected in the upswing in boardings mainly through the return of core ridership. Continued service improvements throughout the system are contributing to ridership numbers.

Bi-State's farebox recovery has remained average compared to its peer transit agencies. A combination of ridership growth and periodic fare increases correlate to stable farebox recovery with limited growth. Farebox recovery ratio is passenger revenue as a percent of total operating expenses. As in subsidy per passenger, we are maintaining steady rates as a result of increased passengers and containing operating costs.



The Budget Process and Stakeholder Interface

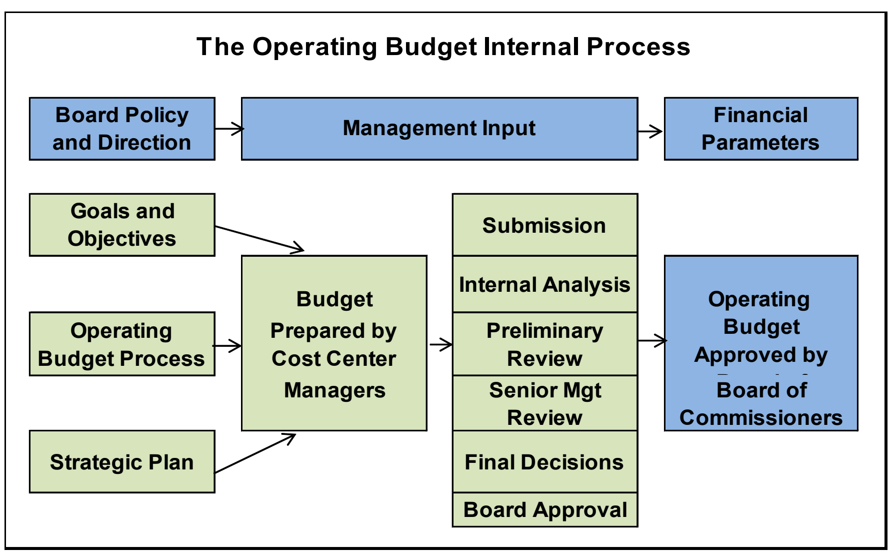
The Compact between the States of Missouri and Illinois, adopted in 1949, requires Bi-State Development Agency of the Missouri-Illinois Metropolitan District to prepare and adopt an annual budget. Such a budget must set forth proposed expenditures to be undertaken during the budget year for administration, operations, maintenance, debt service and capital projects. In addition, the budget identifies the anticipated income funding options for financing the proposed expenditures. The transit system is required to present a balanced budget where revenues equal expenses. Other Post Employment Benefit expense and depreciation and amortization of capital assets are not required to be covered by annual revenues to be considered a balance budget. The budget is a financial and strategic plan for the upcoming year developed in accordance with Agency policies. It seeks to optimize resources and maintain consistency with defined organizational objectives and the Agency's Strategic Plan.

The preparation and eventual approval of the annual operating and the tri-annual capital budgets are both an internal and external process.

Operating Budget Internal Preparation

Each year the budget begins with a budget message to Bi-State Development Agency's cost center managers imparting objectives for the upcoming budget year, including indications of the Agency's expected financial condition for the coming year and details of procedures to be followed in preparation of the budget.

The cost center managers submit operating requests to the budget department using an online application. Bi-State Development Agency's senior management reviews these preliminary operating budgets and sets parameters for the coming year. Through a series of meetings, cost center managers refine their preliminary operating budget requests per management's parameters, goals and objectives. Final decisions are then made by the Agency's President and CEO to allow the operating budget document to be prepared and presented to the Board. The Board of Commissioners approval completes the internal process.



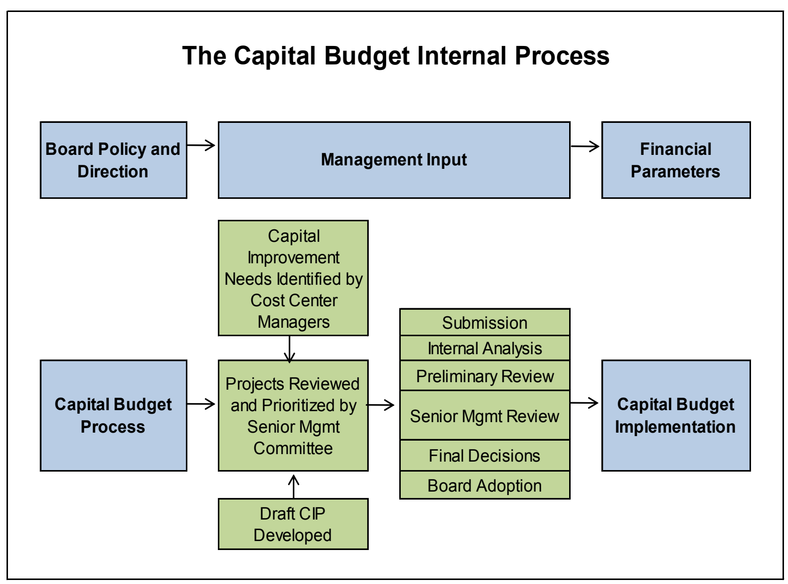
Operating Budget External Review and Approval Process

Each of the Transit System's funding jurisdictions has a separate operating budget approval process. In St. Louis County, the Agency's operating budget is reviewed and recommended by the Public Transportation Commission and advanced to the County Executive. The County Executive submits a funding bill to the County Council, which debates and acts upon the bill. In the City of St. Louis, the Ways and Means Committee of the Board of Aldermen reviews the bill prior to adoption of funding ordinances by the Board. Subsequently, the Board of Estimates and Apportionment authorizes payments. In Illinois, the Agency contracts with the St. Clair County Transit District for funds for operations.

Capital Budget Internal Preparation

The preparation and eventual approval of the tri-annual capital budget is both an internal and external process. Each year the capital budget process begins with a meeting of Agency's Senior Managers who serve as the Capital Improvement Program Prioritization Committee. Projected federal, state and local revenue sources covering three fiscal years are discussed and the budget message to the Agency's cost center managers is communicated regarding the Agency's capital improvement objectives for the upcoming capital budget cycle. Projects are solicited from the cost center managers. Projects from the region's long-range plan formulated by the East-West Gateway Council of Governments, the federally recognized St. Louis Metropolitan Planning Organization, are incorporated as appropriate. Internally, operating plans are formulated, as is a Transportation Improvement Program (TIP), which documents all federal transit grants for which the Agency plans to apply.

Cost center managers submit capital requests to the budget department. Senior management reviews these preliminary budgets and parameters are set for the coming year. Through a series of meetings with cost center managers, capital budget requests are refined and prioritized. Final decisions are then made by Bi-State Development Agency's President and CEO to allow the budget document to be prepared and presented to the Board. The approval of the Board of Commissioners' completes the internal process.



Capital Budget External Review and Approval Process

The capital budget is then considered under an external review and approval process. Each of the Transit System's funding jurisdictions has a separate approval process. In St. Louis County, the Bi-State Development Agency's capital budget is reviewed and recommended by the Public Transportation Commission and advanced to the County Executive. The County Executive submits a bill to the County Council, which debates and acts upon the bill. In the City of St. Louis, the Ways and Means Committee of the Board of Aldermen reviews the bill prior to adoption of funding ordinances by the Board. Subsequently, the Board of Estimates and Apportionment authorizes payments. In Illinois, the Agency contracts with the St. Clair County Transit District (District) for funds for operations and capital acquisition. Bi-State Development Agency, with approval of the District, applies for grants from the Illinois Department of Transportation.

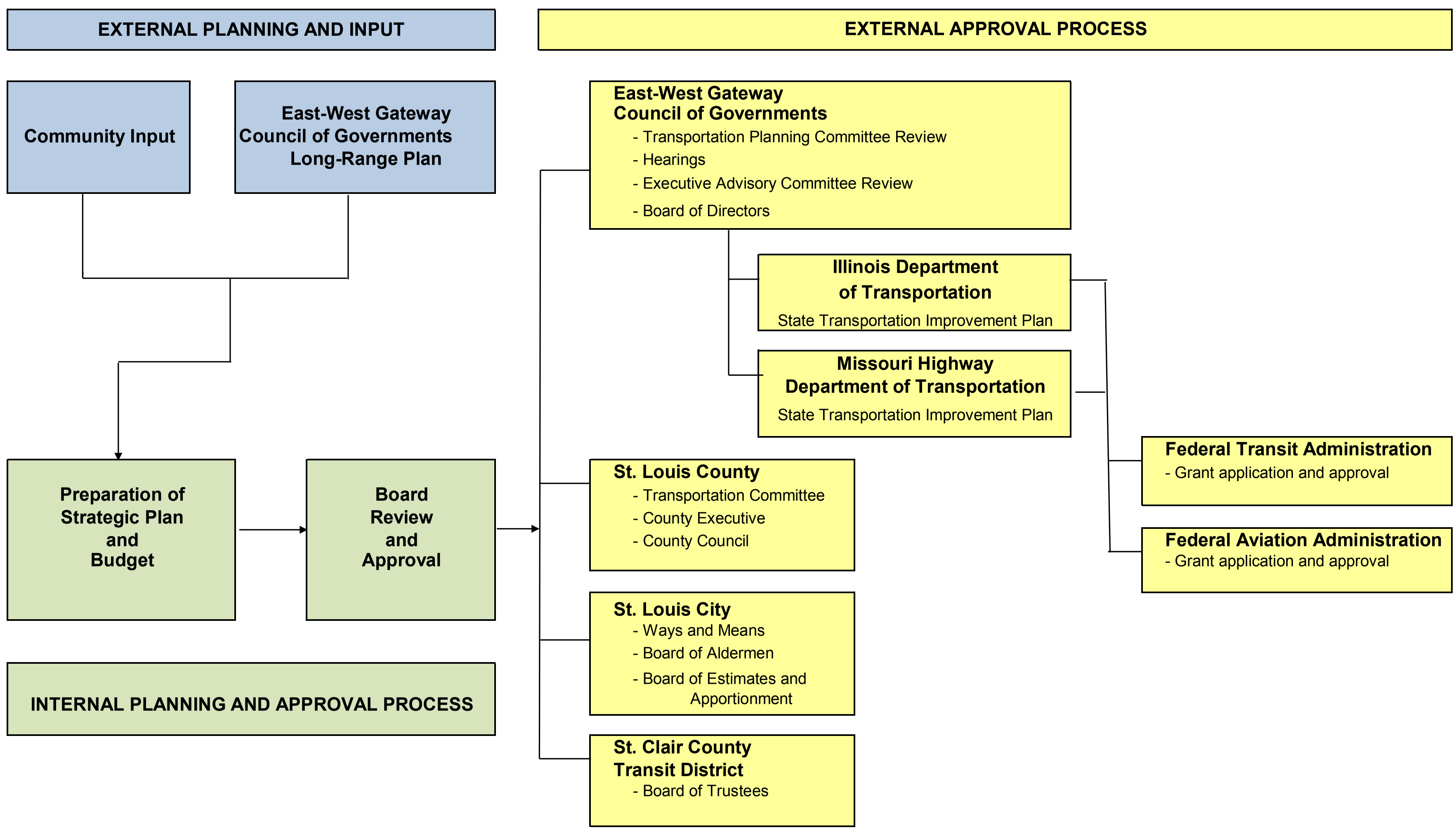
East-West Gateway has a rigorous review process for the TIP, an important part of Bi-State Development Agency's overall budget. That process includes public hearings and committee review prior to consideration for approval by its Board of Commissioners. After Council approval, the TIP is forwarded to the Illinois Department of Transportation and the Missouri Highway and Transportation Commission for review and inclusion in each state's Transportation Improvement Program. Final review by the Federal Transit Administration is required for grant application and receipt of federal funds.

Operating and Capital Budget Amendment Process

A budget amendment for either the operating or capital budget is deemed necessary when a shortfall requiring the identification of additional funds is created by a significant event that could not have been reasonably foreseen at the time of budget adoption. Additionally, an amendment may be necessary due to local, state or federal government action. Presentation of the amendment to the Board of Commissioners is necessary, identifying proposed changes along with the justification and funding mechanism. Adoption by a majority of the Board formally amends the budget.

The budget and grant approval process is illustrated on the next page.

Operating and Capital Budget and Grant Approval External Process



FY 2016 Operating Budget Calendar

Sep 2014	•09.01-30 - Budget Team to update system and request various projections •09.19 - Operating Baseline Budget assumptions approved
Oct 2014	•10.02 - Baseline Budget completed and presented to Senior Staff •10.14 - "Budget Kick-off meeting" conducted •10.28 - Budget key performance indicators reviewed and updated •10.31 - Miles, hours, passengers, passenger revenue and operator manpower schedules completed. •10.31 - Medical, Dental and Pension projections submitted.
Nov 2014	•11.04 - Vice Presidents' new position forms submitted to budget •11.05- Sales tax revenue, interest revenue & interest expense projections received •11.06 - Managers submit/lock all budget requests in budget system •11.13 - Vice Presidents approve submitted budget requests
Dec 2014	•12.08 - Budget summary reports and assumptions sent to President for reveiw •12.08 - Vice Presidents submit division goals & objectives for FY 2016 •12.12 - Organizational Leaders submit updated strategies, action steps and performance measures •12.16 - Organizational Leaders submit FY 2016 Target Performance indicator measures •12.17-30 - Budgets reviewed with cost center managers and appropriate changes made
Jan 2015	•01.07 - Internal analysis reports prepared and sent to President & Vice Presidents •01.12-16 - Budgets reviewed with President and Vice Presidents •01.19-27 - Changes incorporated into Budget System & reports prepared
Feb 2015	•02.05- Transit Improvement Plan assumptions written •02.09-20 - Annual budget documents finalized
Mar 2015	•03.12-18 - PowerPoint presentation created •03.19 - Budget documents mailed to Board of Commissioners •03.27 - Operating & Capital Budget document presented at the Special Board Meeting Workshop
Apr 2015	•04.24 - Operating & Capital Budget document to the Board of Commissioners for approval

Financial Policies, Fund Balances, Debt Obligations

All fiscal policies apply to all operations of Bi-State Development Agency (BSDA).

Planning and Budgeting Policies

Balanced Budget

Each year the President and Chief Executive Officer (CEO) prepares an annual budget for the forthcoming fiscal year that will be presented to the Board of Commissioners. The President and CEO will work with the Board in setting strategic objectives, update the Agency's long range planning document, and prepare both operating and capital budgets. The operating budget shall include proposed expenditures for current operations during the ensuing fiscal year and the method of financing such expenditures. The capital budget shall include capital expenditures during the ensuing fiscal year and the proposed method of financing such expenditures.

Basis of Budgeting

Bi-State Development budgets expenses on the ***accrual basis of accounting*** that is consistent with accounting policy whereby revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

Balanced Budget Guideline

For purposes of the transit operating budget, a balanced budget shall be where revenues equal expenditures except for depreciation, amortization and unfunded other post-employment benefit expenses.

Bi-State Development is required to adopt a balanced operating budget; however, it is not required to adopt legally enforceable budgets and does not adopt such budgets.

Audit Policies

Internal Audit

It is the policy of the Agency to employ an Internal Auditor who shall report directly to the Board of Commissioners. The Internal Auditor shall supervise and direct the staff of the Internal Audit Department. The Internal Audit Department shall provide independent, objective analysis and recommendations to assist the President and CEO and management in effectively discharging their administrative responsibilities. The Internal Audit Department shall perform routine audits of compliance of Agency divisions with internal Agency rules and regulations. The Internal Audit Department shall at all reasonable times have access to the accounts, books, and records of the Agency, and the Internal Audit Department may interview the President and CEO and other employees of the Agency as necessary.

External Audit

It is the policy of the Agency to submit its books and records to annual audit by a qualified recognized CPA firm. The firm shall have broad experience in auditing large local government and/or agencies in compliance with relevant federal rules and regulations such as the Single Audit Act.

Accounting Policies

Financial Reporting Entity

The basic financial statements encompass all proprietary functions for which Bi-State Development Agency is responsible. These functions include: Executive Services, Gateway Arch Tram System, Regional Freight District, Gateway Arch Riverfront Attractions, St. Louis Downtown Airport, Metro Transit System, Arts In Transit Inc and Bi-State Development Research Institute. Beginning in July 2015, the financial statements will also encompass proprietary functions for Internal Service Funds for self insured risks related to health related, worker's compensation and general liability costs.

Additionally, Bi-State Development Agency evaluated whether there were any potential component units which should be included in financial statements based on the following criteria: financial accountability, access to resources, responsibility for debts and deficits, and fiscal independence.

Basis of Accounting

Bi-State Development Agency follows the accrual basis of accounting and uses the economic resources measurement focus for all of its enterprise funds, internal service and fiduciary funds. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred regardless of the timing of related cash flows.

Estimates and Assumptions

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fund Accounting

Bi-State Development maintains its accounting records on the basis of funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts. Cash and other financial resources, together with all related liabilities and residual equities balances and changes therein are segregated for the purpose of carrying on the specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The fund financial statements provide information about the agency's finances, including fiduciary resources. The emphasis of fund financial statements in FY 2016 is on proprietary funds. There are two types of proprietary funds: enterprise funds and internal service funds. Bi-State Development Agency has both fund types in the FY 2016 budget. Fiduciary funds are used to account for assets held in trust by the government for the benefit of individuals or other entities.

For financial reporting purposes, Bi-State Development Agency enterprise funds are considered a single enterprise fund in which all subsidiary enterprise funds are combined and interfund transactions are eliminated.

Proprietary Funds

Enterprise Funds

Bi-State Development Agency's enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Enterprise funds operate by creating a cash flow to pay for the services by issuing fees and charges.

The business purposes of the various enterprise funds of Bi-State Development are as follows:

- **Executive Services Fund** - performs certain developmental activities and acts as the administrative head of Bi-State Development;
- **Gateway Arch Tram System Fund** - operates and maintains the transportation system within the Gateway Arch in accordance with a cooperative agreement with the National Park Service and the United States Government;
- **Gateway Arch Riverfront Attractions Fund** – owns, operates and maintains both the Tom Sawyer and Becky Thatcher Riverboats docked along the Mississippi River just below the Gateway Arch;
- **St. Louis Downtown Airport Fund** – owns, operates and maintains the St. Louis Downtown Airport and an adjacent business park located in Cahokia, Illinois; and
- **Arts In Transit Inc. –** works to enhance the transit system by commissioning temporary and permanent public art works by local, regional and national artists. Project venues include MetroLink stations and vehicle interiors, MetroBus centers, bus shelters and bus exteriors.
- **Bi-State Research Institute** – the organization will conduct studies in the bi-state regional to evaluate land use, public policy, economic and community development and infrastructure investment, including, but not limited to public transit.

- **Regional Freight District** – the partnership will identify opportunities to create a freight district environment in the bi-state region. The goal will be to produce results that will strengthen the St. Louis region by increasing job growth and improving the local economy. The cooperative effort will focus on managing regional freight movement, coordinating the work of various jurisdictions and marketing the overall Greater St. Louis region's freight capacity to the nation.
- **Metro Transit System Fund** – owns, operates and maintains the St. Louis metropolitan area mass transportation system which includes MetroBus, MetroLink and Metro Call-A-Ride services.

Internal Service Fund

The Internal Service Fund will be used to report activities and accumulate and allocate costs of services that are provided to Bi-State's various functions. This fund will account for payroll and risk management, which includes self-insurance general liability and worker's compensation. These services predominantly benefit the enterprise functions, so they have been predominantly included within business activities in the Agency-wide financial statements.

Fiduciary Fund

Fiduciary funds are used to account for assets held by Bi-State Development Agency as a trustee or as an agent for others and which the assets cannot be used to support its own programs. The key fiduciary fund is the trust fund for the Bi-State Development Agency Other Post Employment Benefit Trust.

Cash and Cash Equivalents

When beneficial, Bi-State Development Agency pools all cash for investment purposes. Each fund has equity in the pooled amount. Investment earnings are allocated to each individual fund on the basis of their investment or equity in the pooled amount. All highly liquid investments readily convertible into cash with original maturities of 90 days or less are treated as cash equivalents. Cash equivalents are recorded at cost, which approximates fair value.

Bi-State Development Agency Operating Revenues and Expenses

Operating revenues and expenses generally result from providing services in connection with Bi-State Development Agency's ongoing operations. Revenues are recorded as income in a manner consistent with the timing of the provided service. The principal operating revenues of the various funds of Bi-State Development Agency are as follows:

- **Executive Services Enterprise Fund** – interfund charges for management services.
- **Gateway Arch Tram System Enterprise Fund** – charges to tourists for admissions to attractions at the Jefferson National Expansion Memorial and rentals.
- **Gateway Arch Riverfront Attractions Enterprise Fund** – charges to tourists for riverboat excursions along the Mississippi, memorabilia sales and heliport and bicycle rentals.

- **St. Louis Downtown Airport Enterprise Fund** – charges to customers for aviation and runway services provided, including hangar rentals and fuel.
- **Arts In Transit Inc. Enterprise Fund** – contributions and donations to establish and develop artwork projects.
- **Bi-State Research Institute Enterprise Fund** – fees for services provided and contributions.
- **Freight District Enterprise Fund** – fees for services provided.
- **Metro Transit System Fund** – fares charged to passengers for public transportation, advertising, and rentals.

Operating expenses include the cost of personnel wages and benefits, services, materials, utilities and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Expenditure Controls

Bi-State Development Agency utilizes several different methods for controlling expenditures. A tiered approval system is utilized to secure management approval on various levels of expenditures. The approval tiers are applied as follows once the budget is adopted:

Supervisors	$5,000 and under
Managers	$10,000 and under
Directors	$25,000 and under
Vice Presidents	$100,000 and under
Chief Executive Officer	Unlimited

Additional expenditure control tools utilized include purchase orders, procurement cards, and work orders for project related expenditures, service contracts and labor contracts. Monitoring tools utilized include budget variance reports by cost center, and quarterly performance indicator reports.

Materials and Supplies

Metro Transit inventories of materials and supplies are recorded at cost, using the weighted-average method and are expensed when inventories are consumed in operations. The Gateway Arch Riverboats gift shop and food inventory counts are completed midyear to accommodate seasonality and maritime regulations. Purchases made between the midyear inventory count and fiscal year end are expensed as incurred. The St. Louis Downtown Airport inventory of firefighting chemicals is recorded at cost, using the first-in-first-out method to expense as the chemicals are used.

Depreciation and Amortization

Depreciation of capital assets is calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives by categories are as follows:

	Years
Airport runways, airframe and related facilities	15-25
Buildings and improvements	15-40
Gateway Arch tram facilities	15-25
Riverboats and barges	15-20
Light rail structures and improvements	12-30
Autos and trucks	5-10
Buses, vans, light rail and other revenue vehicles	3-25
Furniture, fixtures, computers and other equipment	3-10

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are recorded at cost, when acquired or constructed. Capital assets are defined under Bi-State Development Agency policy as assets with an initial, individual cost of more than $5,000 and an estimated useful life of one year or more. Improvements to existing plant and equipment, which extend the useful lives of the related assets, are also capitalized. Donated capital assets are recorded at their fair value at the time of donation.

Expenditures for maintenance and repairs are charged to expense as incurred. When capital assets are retired or otherwise disposed of, the cost of the assets and the related accumulated depreciation are removed from the accounts, and gains or losses on disposals are recorded. Prorated shares of the proceeds from the sale of property and equipment, which were acquired with federal or state funds, are returned to the United States Department of Transportation – Federal Transit Administration or the related state Department of Transportation.

Investments Policies

Bi-State Development Agency's investments are made in accordance with investment policies specific to their restriction. Unrestricted investments are made in accordance with Bi-State Development Agency's general investment policy.

When beneficial, Bi-State Development Agency pools unresticted funds for investment purposes. For pooled investments, investment earnings are allocated proportionately according to each fund's equity in the investment. Bi-State Development Agency's investments consist of collateralized repurchase agreements; Triple A rated money market funds, collateralized certificates of deposit, investment contracts, municipal bonds, and U.S. Treasury and U.S. Government Agency securities. Investments maturing in less than one year are carried at amortized cost, which approximates fair value. Investments maturing in over one year are bought with the intention to hold to maturity and are also carried at amortized cost.

Interest Rate Risk

Interest rate risk is the risk that the fair value of an investment will decline as interest rates increase, and if it is sold before its maturity a loss will result. Bi-State Development's investment policy specifies that all funds may be invested in maturities that match anticipated obligations to a maximum of five years. The policy is not applicable to restricted investments or collateral securities related to lease finance obligations or bond indentures, for which investment maturities are generally matched to specific debt amortization requirements.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counter-party, Bi-State Development will not be able to recover its investments or collateral securities that are in possession of an outside party. Bi-State Development's investment policy specifies that all investments be delivered to Bi-State Development's securities safekeeping agent and held in the name of Bi-State Development. The policy is not applicable to restricted investments or collateral securities related to lease finance obligations or bond indentures, which generally are held in trust according to specific provisions of the lease agreement or bond indenture.

Credit Risk

Credit risk is the risk that the financial counterparty will fail to meet its defined obligations. Bi-State Development's investment policy authorizes the unlimited purchase of direct obligations of the U.S. Government or its agencies repurchase and reverse repurchase agreements, commercial paper, banker's acceptances, and money market funds. Repurchase and reverse repurchase agreements are entered into only with pre-approved credit-worthy banks or dealers, and a written repurchase agreement is completed for each bank or dealer. Repurchase agreements are collateralized with direct obligations of the U.S. Government or its agencies and sponsored enterprises. Securities are held in segregated customer accounts, or at the Federal Reserve. Bi-State Development's investment policy limits investments in commercial paper, negotiable (uncollateralized) certificates of deposit, and banker's acceptances to the top two ratings issued by nationally recognized credit rating organizations, and further limit these instruments to five million per issuer. The policy also stipulates that money market funds have over $500 million in assets and carry the highest rating issued by a nationally recognized credit rating organization. The policy is not applicable to restricted investments, or collateral securities related to lease finance obligations or bond indentures. Provisions of the lease agreements or bond indentures stipulate that financial counterparties must maintain the highest rating issued by a nationally recognized credit rating organization. If the counterparty does not maintain the required credit rating it must collateralize the investment with securities carrying the highest rating issued by a nationally recognized credit rating organization.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counter-party, Bi-State Development will not be able to recover its investments or collateral securities that are in possession of an outside party. Bi-State Development's investment policy specifies that all investments be delivered to Bi-State Development's securities safekeeping agent and held in the name of Bi-State Development. The policy is not applicable to restricted investments or collateral securities related to lease finance obligations or bond indentures, which generally are held in trust according to specific provisions of the lease agreement or bond indenture.

Self-Insurance Liability

Self-insurance liabilities for workers' compensation, employee medical and dental insurance claims, and public liability and property damage claims are recognized when incurred and on the basis of the estimated cost to Bi-State Development Agency upon resolution.

Workers' compensation benefits are awarded as determined by the appropriate governmental authority in each state in which Bi-State Development operates. Estimated liabilities for injury and damage claims and medical and dental insurance claims are charged to the appropriate operations expenses in the year the claim events occur; estimated liabilities for outstanding claims are made by management, as needed.

Self-insured liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These liabilities include an amount for claims that have incurred, but not reported.

Since self-insured claims depend on complex factors such as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are evaluated on a case-by-case basis and are re-evaluated periodically to take into consideration historical experience of recently settled claims, the frequency of claims, and other economic and social factors.

Pension Plans

Bi-State Development Agency sponsors four defined-benefit pension plans; one Salaried plan and three Union plans. It is the policy of Bi-State Development's Board of Commissioners to see that each pension plan is funded to the fullest extent feasible through a combination of investments and contributions. Each plan is administered by an Administrative Pension Committee comprised of Trustees who are selected, at least in part, by the Board. Under Sections 70.050 A and B of its Collected Board Policies, the Board maintains authority over the appointment of the Trustees on the Salaried Employees Administrative Pension Committee, and over one-half of the Trustees on the three Pension Committees that administer the plans for the employees who are represented by the Amalgamated Transit Union (ATU) and the International Brotherhood of Electrical Workers (IBEW). The ATU and the IBEW select the remaining Trustees on those three Committees.

Required contributions and benefit provisions are established and amended by the Administrative Pension Committees. The Administrative Pension Committees are authorized to administer their respective plans' assets, determine eligibility for benefits under the plan and to construe the plans' terms.

There are separate audited financial statements for each of the four pension plans. The independent audit firm who performs the work is hired by each respective Administrative Pension Committee. Like many other governments and public entities in Missouri, Bi-State Development Agency's pension plans are monitored by the Joint Committee on Public Employee Retirement (JCPER), a permanent oversight body created by the Missouri General Assembly in 1983.

Salaried Plan

All Bi-State Development Agency full-time salaried employees hired prior to June 30, 2013 were eligible to participate in the Pension Plan for Salaried Employees (Salaried Plan). The Salaried Plan was closed to new entrants effective July 1, 2013. After July 1, all new hired salaried employees were put in a 401k plan. Active employees had the option to exit the plan and begin participation in the 401k or remain grandfathered into the pension plan. An additional change to the plan July 1 returned the normal retirement age to 60 from 65.

As of January 1, 2014, the Salaried Plan became a 3% contributory single employer defined benefit pension plan for salaried employees who elected to remain in the plan.

Employees who retire after attaining the normal service retirement age as defined in the plan, provided the employees have five years of credited service, are entitled to normal retirement benefits, payable monthly for life, based upon final average monthly earnings and years of credited service. Final employee average monthly earnings are the employee's average monthly earnings for the three consecutive plan years preceding cessation of employment producing the highest average. Participants who have attained age 55 and completed ten years of credited service may retire and receive reduced benefits. The Salaried Plan also provides death and disability benefits. The amortization period for the Salaried Plan is closed.

Union Plans

All Bi-State Development Agency full-time employees who are included in one of the collective bargaining units recognized by Bi-State are required to participate in an applicable Union Plan. The Union Plans are contributory single employer defined benefit pension plans. Participants must satisfy minimum age and service requirements for retirement and are eligible for a deferred vested pension if they leave the service of Bi-State Development with at least 10 years credited service. The Union Plans are as follows:

- Bi-State Development Agency Missouri-Illinois Metropolitan District and Division 788 Amalgamated Transit Union, AFL-CIO Employees' Pension Plan and Agreement (788 O&M Plan)

- Bi-State Development Agency Missouri-Illinois Metropolitan District and Division 788, Clerical Unit, Amalgamated Transit Union, AFL-CIO Employees' Pension Plan and Agreement (788 Clerical Plan)
- Bi-State Development Agency Missouri-Illinois Metropolitan District and Locals No. 2 and No. 309 of the International Brotherhood of Electrical Workers Employees' Pension Plan and Agreement (IBEW Plan)

The 788 O&M Plan members are eligible for full retirement benefits at (a) age 65, (b) the completion of 25 years of credited service or (c) age 55 with 20 or more years of credited service. Participants who have attained age 55 with 15 years of credited service may retire with reduced benefits.

Under the 788 Clerical Plan, members are eligible for full retirement benefits at (a) age 65 or (b) the completion of 25 years of credited service. Participants in the 788 Clerical Plan are eligible for reduced retirement benefits at (a) age 62 with 10 or more years credited service or (b) age 54 to 62 with 15 years or more of service.

The IBEW Plan members are eligible for full retirement benefits at (a) age 65 with 12 or more years of credited service or (b) the completion of 25 years of credited service.

IBEW employees also closed their defined benefit pension plan to new employees effective January 1, 2014. The defined benefit plan remains for eligible active employees, while new hired employees are directed to a defined contribution plan or the National Electric Benefit Funds pension plan.

All participating union employees are required to make plan contributions by payroll deduction each week. If a union employee leaves the employment of Bi-State Development Agency prior to being eligible to receive a monthly benefit, he or she is eligible for a refund of contributions. Upon retirement, employees are entitled to a monthly pension benefit, payable for life. The Union Plans also provide survivor and disability benefits.

Funding Policy, Annual Pension Cost and Actuarial Assumptions

For the Salaried Plan, Bi-State Development Agency contributes the actuarially recommended contribution (ARC) less the amount contributed by the employees. For the Union Plans, Bi-State Development Agency has agreed within each collective bargaining agreement, to fund a portion of the ARC. For the 788 O&M and IBEW plans, Bi-State Development funds 70% of the ARC. For the 788 Clerical Plan, Bi-State Development funds 68% of the ARC. The remaining percentages of each plan's ARC are funded from the employee contributions. Following is Bi-State Development agency's annual pension cost for the current year and related information for each plan.

Other Post-Employment Benefits

In addition to the pension benefits described above, Bi-State Development Agency provides other post-employment health care benefits to all employees who meet retirement requirements and provide an employee share of premiums for health coverage. The benefits for union retirees are determined by contractual agreement and the benefits for salaried retirees represent a voluntary payment. As of June 30, 2014 and 2013, 1,365 and 1,264 union and salaried retirees, respectively, met those requirements. There is not a separate GAAP based audited set of financial statements for OPEB.

For budgeting purposes, Bi-State Development Agency budgets OPEB costs in two categories. The annual normal OPEB costs are budgeted as retiree medical expense. This portion is funded on a pay-as-you-go basis. The current year portion of the OPEB unfunded liability is accrued and shown as OPEB expense in the financial statements.

OPEB benefits include medical and pharmaceutical coverage along with basic life coverage for an employee retiring from active service with ten years of credited service. Contributions from retirees are required and are dictated by Board policy or union contract for the medical/pharmacy benefit. Basic life insurance is non-contributory for the retiree.

Hedging Policy

Bi-State Development will engage only in financial hedge transactions that are consistent with prudent risk management practices related to Bi-State Development's principal business. The hedge is a financial tool used to reduce the risk associated with buying diesel fuel, electricity and natural gas as well as financial lending or borrowing activities.

Bi-State Development has adopted GASB 53 to account for their investment in oil future contracts to hedge against the volatility in diesel fuel prices. Because the fuel hedge is an effective hedge as defined by GASB 53, the accumulated unrealized gain (loss) on the fuel hedge is reported on the Statements of Net Position as an investment and a deferred inflow/outflow. The hedging instruments affected are weekly fuel hedge contracts with a notional amount of 42,000 gallons each with an index of New York Harbor Heating Oil #2 as listed on the NYMEX.

Basis risk -- Bi-State Development is exposed to basis risk on its fuel hedge contracts because the future fuel purchases are based on a pricing point different from the pricing point at which the future contracts are expected to settle (New York Harbor Heating Oil #2). There is no termination or interest rate risk.

Debt Policies

Legal Debt Limits

Currently, Bi-State Development is not subject to legal debt limits. Bi-State Development is not required to obtain voter approval to issue debt or refinance bonds.

Bi-State Development Agency Debt

Debt may be incurred only by the specific authority of the Board of Commissioners. Notwithstanding funds specifically identified by Board Policy to be exempt, all funds under such debt resolutions or indentures of trust shall be controlled by the investment policies set forth in such documents.

Bi-State Development may not enter into a debt or financing arrangement unless the transaction is in full compliance with all state and federal laws.

Reserve Funds

Reserve funds may be required by the financial markets. These reserves may be funded by cash and securities, insurance, or surety bonds, but shall not be accessed unless there are insufficient funds to make the principal and interest payments as due. For financial planning purposes, reserve projections shall be based on the maximum annual debt service or 10% of principal outstanding on projected debt.

Legal Security Structure

Bi-State Development shall establish a legal security structure of liens, agreements, pledged revenues, and other covenants which will be sufficient to secure credit enhancement from a financial institution with a rating of "AA" or better from Standards and Poor's and a rating of "Aa" or better from Moody's.

Debt Coverage Ratios

Certain debt service coverage ratios are required to access the financial markets. For financial planning purposes, long-term and short-term debt, sales tax revenues, operating revenues, interest income, less operating expenses (excluding debt service and depreciation), for the prior twelve months, must be sufficient to cover maximum annual debt service and financing lease payments. The same calculation for future years must be sufficient to cover maximum annual debt service and lease payments, including payments on any debt to be issued, varying with each financing.

Revenue Policies

Revenue Diversification

As is the case with other large U.S. mass transit systems, the fares paid by Bi-State Development Agency passengers cover only a portion of the cost to operate the Metro transit system. Consequently, the Agency seeks to broaden and diversify its sources of revenue when possible. Bi-State Development operates a number of enterprises, each a separate business entity with its own assets and liabilities, including separate and distinct cash reserves. Various subsidies and grants received for transit operations, including monies from federal, state and local sources, are not comingled with those of other operating units. Revenues, subsidies, or grants received for other operating units are not used for transit operations.

Operating Revenues

Operating revenues are recorded in the accounting period in which they become earned and measurable.

- **Transit System -** Passenger fares, bus and shelter advertising, real property rental income, and miscellaneous non-capital project billings.
- **Executive Services** - Management fees from each operating unit.
- **Gateway Arch Tram System** - Passenger ticket sales and site rental for special receptions.
- **Gateway Arch Parking Facility** - Daily and monthly parking and special event parking fees.
- **Riverfront Attractions** - Riverboat cruise fee revenues, food, beverage and gift shop sales associated with riverboat cruises, bicycle rentals, helicopter tours and concession revenues.
- **St. Louis Downtown Airport** - Aircraft parking, leased acreage, hangar rentals, aviation fuel sales, concession revenues, and other revenues for security, utilities and trash removal.
- **Arts In Transit Inc. Enterprise Fund** – contributions and donations to establish and develop artwork projects.
- **Bi-State Research Institute Enterprise Fund** – fees for services provided and contributions.
- **Freight District Enterprise Fund** – fees for services provided.

Establishing Fares and Fees

- **Transit System -** Passenger fares require approval by the Board of Commissioners and 30-day public notice prior to implementation.
- **Non-Transit Business Enterprises –** Service fares require approval by the Board of Commissioners.

Transit Passenger Fares

Farebox revenues are recognized at the time services are purchased and revenue passes through the bus farebox and MetroLink tickets. Sales of monthly passes, ten two-hour passes, 30-day passes and other tickets types are also recorded as revenue at the time of purchase. Sales of University passes, Universal passes and Student Tickets, which are valid for a specific academic term, are recorded initially as unearned revenue. These unearned revenues are recognized as operating revenue monthly. The amount recognized in each month is determined by calculating a daily weighted average proration factor. The weighted average proration factor is calculated by considering total number of students, employees, and days specified in the contract.

Non-Operating Revenues

Non-operating revenues are recorded in the accounting period in which they become earned and measurable. There are primarily three sources of non-operating income; grants, assistance (local, state, federal), and sales tax appropriations.

Sales Taxes

Missouri state and local sales taxes are imposed on the purchase price of tangible personal property and taxable services sold. These taxes are forwarded to the State of Missouri Department of Revenue either monthly or quarterly depending on the sales volume of the vendor. The Missouri Department of Revenue distributes the local sales tax collected back to the applicable city and county. The Missouri sales tax subsidies to Bi-State Development Agency are generated from a portion of the local City of St. Louis and St. Louis County sales taxes collected. These funding jurisdictions distribute the sales tax subsidies via an appropriation process to Bi-State Development Agency or the Bond Trustee, as applicable. Revenue is recognized on the accrual basis as it is earned.

Grants and Assistance

All capital grants and assistance are recorded in the accounting period in which they become earned and measurable. Unrestricted, irrevocable operating assistance grants are recorded as non-operating income. Capital grants and assistance, which are restricted to use for payments of debt service or acquisitions of capital assets, are credited directly to fund equity (capital grants and assistance).

Capital projects are defined as expenditures or projects with an estimated useful life of one year or more and a total cost of at least $5,000. Types of capital projects include construction of new transit facilities, purchase of rolling stock or support equipment and enhancements to the transit system for passenger comfort and safety. More information on grants and capital projects may be found in the Transit Capital Budget section of this document.

Federal Aviation Administration Capital Improvement Grants

Capital improvement projects for airport engineering and construction costs at the St. Louis Downtown Airport are funded by capital improvement grants from the Federal Aviation Administration and the Illinois Department of Aeronautics. The terms and conditions of capital grants require that a portion of the project costs be funded locally.

Capital and Operating Assistance Grants

Bi-State Development Agency receives federal and state capital assistance grants for undertaking of urban mass transportation capital improvement projects. Additionally, beginning in fiscal year 1999, a portion of the capital assistance grants may be used for fleet maintenance. The terms of the capital assistance grants require that a portion of the project costs be funded locally. The local share of the capital assistance grants has been funded by grants from the State of Illinois and by application of local Missouri sales tax appropriations. Bi-State Development Agency receives the following type of assistance grants:

- **Federal Transit Administration -** Bi-State Development is the recipient of several Federal Transit Administration Assistance Grants awarded by the United States Department of Transportation under the Federal Transit Act of 1964, as amended.
- **State of Missouri** - In 1996, the Governor of the State of Missouri approved temporary transit operating assistance grant funding through the Missouri Department of Transportation. Bi-State Development began receiving this assistance in July 1996. The grant was renewed for FY 2015.
- **Illinois Department of Transportation Grants** - IDOT is authorized under provisions of Illinois Revised Statutes, Chapter 127, Section 49 through 51 and Illinois Revised Statues, Chapter 127, Section 701 (Illinois Acts) to provide capital assistance to Bi-State Development. Bi-State Development uses a portion of the Illinois capital assistance grants to meet local share requirements on certain federal transit administration capital improvement projects.

Sales Tax Appropriations

There are three local Missouri sales taxes that fund Bi-State Development. The Missouri Legislature has authorized certain cities and counties to levy a ½ cent sales tax to be used for transportation purposes. Missouri law does not require that revenues from the ½ cent sales tax be paid directly to Bi-State Development Agency, but authorizes the collecting agencies to appropriate such revenues for transportation purposes. A minimum of 2% of any appropriation for public mass transportation must be passed through to the St. Louis Office of the Developmentally Disabled Resources Board (City Board) and the Productive Living Board for the Developmentally Disabled (County Board). Sales tax receipts that are passed through to the City and County Boards are recorded as operating assistance, and the corresponding expense is recorded as a contribution to outside entities in the Combined Statements of Revenues, Expenses and Changes in Net Position of Bi-State Development Agency.

There is a ¼ cent sales tax restricted to mass transit use. These funds are based upon annual appropriations from the City of St. Louis and St. Louis County. The bond trustee receives these funds, deducts debt service payments, and then forwards the remaining amount to Bi-State Development. There is a ¼ cent sales tax restricted to mass transit use and is forwarded to Bi-State Development

There is also an additional St. Louis County ½ cent sales tax known as Prop A. The passing of the County proposition triggered a reciprocal tax in City of St. Louis of ¼ cent. This City tax collection is referenced as Prop M2.

Illinois Service

Bi-State Development Agency contracts with the St. Clair County Transit District to provide public mass transportation services for the Illinois Counties of St. Clair and Monroe. The contract specifies the amount of services to be provided and the method of reimbursement for operating costs associated with the services provided in these counties.

Financial Reserve Policies

Restricted Funds Policies

During the annual capital budget process, the total capital funding amount needed for projects during the upcoming year is determined. After the needs are determined, a sufficient percentage of incoming funding is then required to be restricted to meet these capital funding needs. The percent restricted is stated in the annual budget document and dictates how the funds are handled. For FY 2016, 3.0% of St. Louis County and City of St. Louis Prop M funds, 30.0% of City of St. Louis Prop M2 funding and for St. Louis County Prop A 8.0% are restricted for capital. If additional capital projects are required and immediate, additional operating funds may be restricted by order of the CEO and/or CFO.

The portion of the sales tax receipts which is restricted for capital expenditures, for improvements to properties used in providing public mass transportation, for parts inventory, or for debt related payments is recorded as a restricted asset in the sales tax capital accounts, with a corresponding credit to capital grants and assistance. The restricted asset balance is reduced as funds are expended for the authorized purposes.

Bi-State Development Agency has restricted funds, which are recorded in the Sales Tax Capital Account, for the purchase or construction of new transportation equipment or facilities. Temporary advances for operating purposes are allowed from the fund, to be repaid when federal, state or local operating assistance is received.

Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments of Bi-State Development Agency are presented on the combined statements of net position as restricted cash and cash equivalents and restricted investments.

Operating Agreement

Gateway Arch Cooperative Agreement

According to a cooperative agreement (Agreement) dated May 14, 1962, as amended, with the United States Government acting through the National Park Service, Bi-State Development agreed to construct and operate a transportation system (Tram) in the Gateway Arch. The agreement was renewed on January 31, 2014. Bi-State Development Agency is to receive a monthly management fee based upon the current month's operating results. The United States Government retains legal title to the Tram. Upon the future termination of the Agreement, Bi-State is required to transfer to the United States Government all remaining assets from the operations of the Tram after discharge of all liabilities.

Bi-State previously operated a parking facility for the National Park Service which discontinued operations in FY 2015. Bi-State Development Agency is not directly financially responsible for the demolition of the parking structure. A final accounting of all activities is being determined.

Commitments and Contingencies

Expenditures financed by state and federal grants are subject to audit by the granting agencies to verify compliance with conditions of the grants. Management believes that Bi-State is in compliance with the terms of such grants and that no significant liability will arise from audits previously performed or to be performed.

In the ordinary course of business, a number of claims and lawsuits arise from individuals seeking compensation for personal injury, death, and/or property damage resulting from accidents occurring in the operation of the system. In addition, Bi-State Development has been named as a defendant in a number of lawsuits relating to personnel and contractual matters. Management does not believe that the outcome of these claims will have a material adverse effect on Bi-State Development's financial position. However, in the event of an unfavorable outcome in one or more of these matters, the impact could be material to Bi-State Development Agency's financial position or results of operations.

Conduit Debt Obligations

From time to time, Bi-State Development Agency has been associated with the issuance of Industrial Development Bonds and Special Facility Revenue Bonds to provide financial assistance for the acquisition and construction of facilities deemed to be in the public interest.

Special Facility Revenue Bonds

For the construction of the second phase of the MetroLink system, Bi-State Development utilized funds provided by the proceeds from two special revenue bond issuances. These bonds are not general obligations of Bi-State as they are to be repaid by a party other than Bi-State. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The following is a description of the two special facility revenue bond issuances:

St. Clair County MetroLink Extension Project Refunding Revenue Bonds, Series 2014 – The $4,160,000 Series 2014 Bonds, issued December 4, 2014, are special limited obligations of the Agency payable strictly out of District sales tax, and are not general obligations of Bi-State Development Agency. These bonds refund the Series 2004 Bonds, issued April 15, 2004 which refunded a portion of the Series 1998 A bonds. The bonds mature serially in varying amounts through 2027.

St. Clair County MetroLink Extension Project Refunding Revenue Bonds, Series 2006 – The $39,155,000 Series 2006 Bonds, issued December 20, 2006 are special, limited obligations of Bi-State Development, payable solely from revenue and other sources provided in the indenture, and are not general obligations of Bi-State Development. These bonds mature serially in varying amounts through 2028. The Series 2006 bonds provide funds to refund a portion of the Series 1998 A bonds on July 1, 2009 through July 1, 2028. As of June 30, 2014 and 2013, $36,060,000 and $37,645,000 remain outstanding.

Financing Instruments, Obligations and Debt

Finance Obligations Under Lease

In 2001, Bi-State Development entered into transactions to lease thirty-four of its Series 2000 and Series 3000 LRVs. The Series 2001 Lease/Leaseback consisted of three tranches: F1 and C1 dated August 30, 2001 and C2 dated November 30, 2001. The F1, C1 and C2 tranches involved transactions for seven (7), twenty-three (23) and four (4) LRVs, respectively.

On June 10, 2009, Bi-State Development terminated the agreement with AIG F1 payment obligation and deposited securities sufficient to meet its obligations under the sublease. Upon early termination of the F1 Tranche in December 2009, the securities were sold and the proceeds used as part of the required termination payment. The St. Clair County Transit District (SCCTD, one of Bi-State Development's funding partners), which participated in the lease, contributed approximately 70% of the termination payment of the F1 Tranche. The collateral is marked to market annually in January.

Under the various lease transactions still outstanding, Bi-State Development maintains the right to continued use and control of the assets through the end of the leases and is required to insure and maintain the assets. Therefore, all of the leases discussed above have been recorded as capital leases for accounting purposes.

All the leases mentioned are recorded as capital leases for accounting purposes. The following table highlights pertinent information on the subleases for 2014:

	Capital Lease Obligation
Sublease balances, 6/30/13	$ 84,088,710
Interest accrued in 2014	5,402,205
Lease payments and reductions	(3,472,844)
Total sublease balances, 6/30/14	$ 86,018,071
Purchase option dates	January 2025
Sublease termination dates	January 2025

The following is a schedule by fiscal year of future lease payments and purchase option payments, to the extent they are exercised, and interest expense for the above transactions as of June 30, 2014:

	Payments
2015	$ -
2016	-
2017	-
2018	-
2019	-
2020 - 2024	-
2025	217,541,618
Total future lease payments	217,541,618
Less amount representing interest	(131,523,547)
Net obligation at June 30, 2014	$ 86,018,071

Long-Term Debt

Mass Transit Sales Tax Appropriation Bonds

Series 2013

On August 1, 2013, Bi-State Development issued $381.2 million in the Series 2013A bonds. Bonds were issued with a premium of approximately $23.2 million and some were offered and sold at a discount of approximately $1.0 million. The bond proceeds were used to:

- refund all of Bi-State Development's Cross County Bonds, with the exception of the Series 2009 Bonds;
- establish a Debt Service Reserve Fund (DSRF) in the amount of $26.5 million;
- pay cost of issuance of approximately $1.7 million.
- $75 million for St. Louis County 2013B

The bonds were issued at coupons ranging from 3.0 percent to 5.0 percent with a true effective cost of 4.44%. In July 2014, St. Louis County approved the appropriation of the second loan advance. This increased the Series 2013B loan to $105 million. The interest for the Series 2013B loan is between 1.04-1.06%. Due to the loan advance, the debt service reserve fund requirement was reduced to approximately $25 million.

Series 2009

In October 2009, Bi-State Development issued $97.2 million in Mass Transit Sales Tax Appropriation Bonds. The transaction closed on November 9, 2009. A total of $97.2 million in fixed rate serial and term bonds were issued at an average rate of 4.97%. The bonds were issued at a discount and mature in fiscal year 2040. The discount amount of $213,454 is being recognized over the 30 year term of the bonds. The bond proceeds were used as follows:

- Approximately $75.0 million was used to refund the remaining $75.0 million of the $100.0 million par Series 2002A Variable Rate Bonds.
- Approximately $9.9 million was used to terminate (net) two interest rate swaps Bi-State Development had in connection with the Series 2002A Variable Rate Bonds.
- Approximately $9.1 million was used to create a Debt Service Reserve Fund for the bonds.
- The balance of approximately $2.5 million was used to purchase a bond insurance policy ($1.6 million), for the underwriters discount ($.45 million), and for other costs of issuance ($.55 million). The total cost of the bond issuance policy is being amortized over the 30 year term of the bonds.
- The deferred amount of refunding was approximately $0.8 million. This amount was being amortized over the original remaining life of the Series 2002A Bonds, but the remaining balance was eliminated with the bond remarketing on August 1, 2014.

Series 2014

In December 2014, Bi-State Development closed on the Series 2014 Taxable Arch Revenue bonds. These bonds have a par value of $7,656,000 and a thirty year term. The initial fixed rate term is 10 years with a fixed interest rate of 4.016%. The bond proceeds are to be used as follows:

- Approximately $156 thousand was used for the cost of issuance.
- Approximately $2.5 million will be used to fund half of the cost to replace the interior roof over the Arch visitor's center.
- Approximately $5 million will be used to fund the cost to replace the Arch motor generator sets.

Bi-State Development Agency Financial Summary

Combined Revenue and Expenses

The following is the combined Bi-State Development Agency (BSDA) operating budget summary, comparing FY 2016 budget, FY 2015 projection and budget, and FY 2014 actual. By applying Bi-State Development Agency's planning and budgeting financial policies, this report consolidates the Transit System, Business Enterprises and Executive Services major revenues, expenditures and other non-operating funds to show the BSDA entity Net surplus/(deficit); however, it does not show interfund eliminations, which have zero impact on Net surplus/(deficit), as shown in our Comprehensive Annual Financial Report.

Below is the operating revenue detail for Bi-State Development Agency Combined.

Bi-State Development Agency
Combined Operating Revenue Summary
Fiscal Year Ending June 30, 2016

	FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
	Budget	Projection	Budget	$ Change	% Change	Actual
Operating revenue:						
Transit System						
Passenger revenue	$ 54,249,049	$ 53,102,124	$ 53,484,992	$ 1,146,925	2.2%	$ 51,670,441
TMA revenue	1,452,546	1,421,800	1,431,720	30,746	2.2%	1,365,196
Paratransit contracts	3,234,919	3,231,626	3,980,425	3,293	0.1%	3,216,567
Other operating revenue	5,243,593	4,944,760	4,845,957	298,833	6.0%	4,804,651
Total operating revenue	64,180,107	62,700,310	63,743,095	1,479,798	2.4%	61,056,856
Executive Services						
Management fees	4,145,121	3,926,350	3,911,310	218,771	5.6%	3,824,056
Gateway Arch						
Ticket sales/discounts	5,954,816	5,374,253	5,467,518	580,564	10.8%	5,646,858
Site rental/other	28,799	39,152	40,199	(10,353)	-26.4%	35,594
Total operating revenue	5,983,615	5,413,404	5,507,717	570,211	10.5%	5,682,452
St. Louis Downtown Airport						
Aircraft parking	139,410	137,261	133,214	2,149	1.6%	140,470
Leased acreage	172,677	241,538	435,287	(68,861)	-28.5%	435,668
Hangar rental	810,212	836,943	820,355	(26,731)	-3.2%	798,448
Aviation sale flowage fee	177,365	171,313	177,365	6,053	3.5%	172,480
Airport Concessions	115,159	144,957	128,730	(29,798)	-20.6%	134,198
Other operating revenue	90,254	93,206	90,287	(2,951)	-3.2%	109,235
Total operating revenue	1,505,078	1,625,217	1,785,239	(120,139)	-7.4%	1,790,500
Gateway Arch Parking Facility						
Garage parking receipts - daily/special	-	990,560	1,180,978	(990,560)	-100.0%	1,181,484
Garage parking receipts - monthly	-	83,650	121,200	(83,650)	-100.0%	103,365
Other operating revenue	-	80,563	65,850	(80,563)	-100.0%	92,387
Total operating revenue	-	1,154,773	1,368,027	(1,154,773)	-100.0%	1,377,236
Riverfront Attractions						
Cruise revenue	1,557,615	761,603	863,150	796,012	104.5%	1,377,952
Food and beverage revenue	759,828	461,334	614,180	298,494	64.7%	839,490
Retail revenue	76,930	46,500	62,330	30,430	65.4%	90,803
Other operating revenue	83,360	81,981	71,440	1,379	1.7%	122,786
Total operating revenue	2,477,733	1,351,418	1,611,100	1,126,315	83.3%	2,431,032
Regional Freight Partnership						
Regional Freight Fees	450,000	-	-	450,000	-	-
BSD Research Institute						
Not-For-Profit (NFP) Revenue	5,000	-	-	5,000	-	-
Total Operating revenues *	**$ 78,746,655**	**$ 76,171,471**	**$ 77,926,487**	**$ 2,575,183**	**3.4%**	**$ 76,162,132**

Below is the operating expenses, non-operating revenue and expense and a breakdown of operating expense by division.

Bi-State Development Agency
Combined Expense & Net Income (Loss) Summary
Fiscal Year Ending June 30, 2016

	FY 2016 Budget	FY 2015 Projection	FY 2015 Budget	16 Bgt vs. 15 Proj $ Change	16 Bgt vs. 15 Proj % Change	FY 2014 Actual
Operating expense:						
Wages and benefits w/o OPEB	$ 188,960,090	$ 175,703,315	$ 178,698,019	$ 13,256,775	7.5%	$ 165,579,542
OPEB	7,969,479	9,848,657	9,981,849	(1,879,178)	-19.1%	9,147,000
Wages and benefits	196,929,569	185,551,972	188,679,868	11,377,598	6.1%	174,726,542
Services	35,134,740	34,028,816	34,064,756	1,105,924	3.2%	35,042,649
Fuel and lubrications	18,577,865	18,930,226	19,842,853	(352,360)	-1.9%	18,173,151
Parts & supplies	24,347,230	21,573,100	22,723,222	2,774,131	12.9%	20,386,946
Casualty and liability costs	5,716,909	4,946,554	5,216,197	770,355	15.6%	5,287,167
Interfund administrative charges	3,751,560	3,521,870	3,523,481	229,690	6.5%	3,390,295
Utilities	8,974,962	8,502,599	8,897,504	472,363	5.6%	7,964,527
Leases and other expenses	5,093,007	3,847,819	4,167,373	1,245,188	32.4%	3,047,835
Total operating expenses *	**298,525,842**	**280,902,956**	**287,115,253**	**17,622,887**	**6.3%**	**268,019,111**
Operating income (loss)	**(219,779,188)**	**(204,731,484)**	**(209,188,765)**	**(15,047,704)**	**-7.3%**	**(191,856,980)**
Non-operating revenue/(expense):						
State and local assistance	214,095,901	208,207,596	203,136,522	5,888,305	2.8%	199,909,859
Federal assistance	20,742,875	18,021,795	20,130,055	2,721,080	15.1%	20,876,636
Total grants & assistance	234,838,776	226,229,391	223,266,577	8,609,385	3.8%	220,786,495
Interest revenue	6,688,435	6,298,198	5,943,796	390,237	6.2%	5,685,708
Interest expense	(26,516,362)	(27,266,064)	(27,006,783)	749,702	2.7%	(28,773,662)
Contributions from (to) outside entities	(1,165,016)	(6,624,637)	(1,726,134)	5,459,621	82.4%	(2,482,236)
Other non-operating revenue (expense)	-	176,395	-	(176,395)	-100.0%	54,407
Gain (loss) on disposition of assets	(426,079)	(149,747)	-	(276,332)	-184.5%	(451,363)
Total nonoperating revenues (expenses)	**213,419,754**	**198,663,536**	**200,477,456**	**14,756,217**	**7.4%**	**194,819,349**
Net Income before depreciation	**(6,359,434)**	**(6,067,948)**	**(8,711,310)**	**(291,486)**	**-4.8%**	**2,962,370**
Depreciation and amortization	78,065,817	72,412,493	73,064,710	5,653,324	7.8%	69,778,223
Net income (loss)	**$ (84,425,251)**	**$ (78,480,441)**	**$ (81,776,020)**	**(5,944,810)**	**-7.6%**	**$ (66,815,853)**
*** Operating expense by Division**						
Transit System	285,539,634	268,757,774	273,986,101	16,781,860	6.2%	255,695,851
Executive Services	4,130,543	3,350,076	3,867,873	780,467	23.3%	3,239,118
Gateway Arch	4,547,852	4,135,870	4,288,314	411,982	10.0%	3,805,267
St. Louis Downtown Airport	1,539,866	1,442,414	1,472,222	97,452	6.8%	1,576,446
Gateway Arch Parking Faciltiy	-	1,164,726	1,211,328	(1,164,726)	-100.0%	1,304,727
Riverfront Attractions	2,467,221	2,051,147	2,289,414	416,074	20.3%	2,397,702
Regional Freight Partnership	295,727	-	-	295,727	-	-
BSD Research Institute	5,000	949	-	4,051	426.9%	-
Total Bi-State Development Agency	**$ 298,525,842**	**$ 280,902,956**	**$ 287,115,253**	**$ 17,622,887**	**6.3%**	**$ 268,019,111**

* Does not include intercompany eliminations.

Bi-State Development Agency Funds, Sources and Uses

The FY 2016 budget sources and uses of cash report is detailed by division and contains the operating and capital beginning funds and the sources and uses of those funds to arrive at the ending balances. The report includes the dollar and percent change in balances from the beginning to the end of the period. Following is a discussion on those changes in balances by division.

Transit System

Metro Transit System operating funds are expected to decrease by approximately $7.4 million. This decrease is primarily related to debt service interest and principal payments. The capital projects planned for Transit are extensive and are detailed in the capital section of the annual budget book. The funding for these projects will come from local sales tax money, which has been restricted for capital expenditures, and federal funding.

Executive Services

Operating revenue is less than expenses which will create a shortage of funds of $151 thousand. Any available funds in Executive Services are used at the direction of the CEO and the Board. There is no capital activity planned for the Executive Services in FY 2016.

Gateway Arch

The Gateway Arch tram system is expected to operate at a positive cash flow of $203 thousand. Capital funding at the Gateway Arch is expected to decrease 51.1% in FY 2016. The Arch Trams has several capital projects totaling $10.1 million, creating negative cash flow in capital funding. These projects include an Arch Transportation System (ATS) and Motor Generator Set Replacement construction ($5.0 million); ATS Load Zone and Exhibit Rehabilitation project ($4.2 million) and ATS Motor Generator Set Replacement design $600 thousand). The funding for these projects will come from the 2014 Series Arch Tram Revenue Bonds, Exhibit Rehabilitation Project Account and Jefferson National Expansion Memorial capital improvement fund.

Riverfront Attractions

The Riverfront Attractions is planned to have operating income in FY 2016. The riverfront and arch grounds construction hindered riverboat operations last year and will still affect passenger numbers in FY 2016. Despite construction issues Riverfront Attractions is planning to produce $55 thousand in operating cash flow. There are no capital project planned for FY 2016.

St. Louis Downtown Airport

The St. Louis Downtown Airport is expected to operate at a loss in FY 2016. Capital spending planned in FY 2016 results in a negative operating and capital funds flow. Funds will drop $705 thousand for the year. Capital projects are expected to total $11.3 million dollars. These will be primarily funded through federal, state and local grants.

Regional Freight Partnership

The Bi-State Development Agency was selected to lead a new regional freight partnership aimed at optimizing the region's freight transportation infrastructure. This entity is still in the formative stages and FY 2016 will be its first full year of operations. During this period we see no capital spending and a minimal cash flow.

Bi-State Development Agency
Operating and Capital Budget
Projected Sources and Uses of Funds
Fiscal Year 2016
(in thousands)

	Transit System		Executive Services		Gateway Arch Tram		Riverfront Attractions		St. Louis Downtown Airport		Regional Freight Partnership		Totals	
	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital
Beginning available funds	**$53,950**	**$156,000**	**$3,043**	**$0**	**$1,166**	**$17,742**	**$255**	**$0**	**$375**	**$346**	**$0**	**$0**	**$58,789**	**$174,088**
Sources of funds:														
State and local assistance	214,096	122,725	-	-	-	-	-	-	-	1,618	-	-	214,096	124,343
Passenger and service fees	64,180	-	3,847	-	4,992	992	2,473	5	1,286	219	-	-	76,778	1,216
Federal assistance	20,743	314,616	-	-	-	-	-	-	-	9,000	-	-	20,743	323,616
Other (adm. fees, interest & misc.)	680	-	3	-	14	-	-	-	-	-	450	-	1,147	-
Total Sources	**299,699**	**437,341**	**3,850**	**-**	**5,006**	**992**	**2,473**	**5**	**1,286**	**10,837**	**450**	**-**	**312,764**	**449,175**
Uses of funds:														
Wages and benefits	182,662	-	2,456	-	1,893	-	1,200	-	853	-	249	-	189,313	-
Services	32,622	-	1,151	-	979	-	222	-	115	-	40	-	35,129	-
Materials and supplies	23,428	-	28	-	241	-	520	-	130	-	2	-	24,349	-
Utilities and fuel	27,161	-	8	-	128	-	176	-	217	-	1	-	27,691	-
Casualty and liability costs	5,425	-	-	-	54	-	174	-	65	-	-	-	5,718	-
Other	8,332	-	358	-	1,201	-	131	-	111	-	3	-	10,136	-
Capital Projects - Metrolink	-	131,936	-	-	-	-	-	-	-	-	-	-	-	131,936
New revenue & support vehicles	-	127,767	-	-	-	-	-	-	-	-	-	-	-	127,767
Capital projects, equipment, and other capital	-	- 205,863	-	-	-	10,065	-	5	-	11,337	-	-	-	227,270
Debt service	27,438	-	-	-	307	-	-	-	-	-	-	-	27,745	-
Total Uses	**307,068**	**465,566**	**4,001**	**-**	**4,803**	**10,065**	**2,423**	**5**	**1,491**	**11,337**	**295**	**-**	**320,081**	**486,973**
Ending available funds	**$46,581**	**$127,775**	**$2,892**	**$0**	**$1,369**	**$8,669**	**$305**	**$0**	**$170**	**($154)**	**$155**	**$0**	**$51,472**	**$136,290**
Change in Balance	**($7,369)**	**($28,225)**	**($151)**	**$0**	**$203**	**($9,073)**	**$50**	**$0**	**($205)**	**($500)**	**$155**	**$0**	**($7,317)**	**($37,798)**
Percent Change	**-13.7%**	**-18.1%**	**-5.0%**	**-**	**17.4%**	**-51.1%**	**19.6%**	**-**	**-54.6%**	**-144.5%**	**-**	**-**	**-12.4%**	**-21.7%**

(Totals may not sum due to rounding.)

Transit System

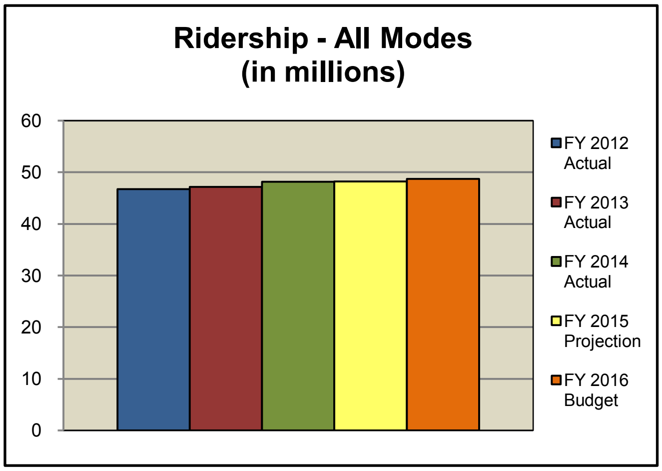
Total System

Overview:

The Transit System provides services in three modes - bus, light rail, and demand response using service names of MetroBus, MetroLink and Call-A-Ride, respectively.

Service levels (FY 2014 Actuals):

48.2 million passenger boardings
151,787 average weekday ridership
27.0 million revenue miles
1.8 million revenue hours
1.4 million customer calls answered
5,634,101 diesel gallons consumed

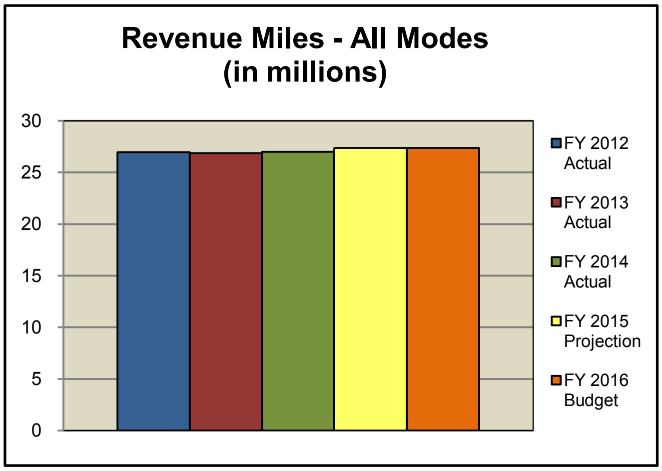


Service area (558 square miles):

Missouri:
City of St. Louis
St. Louis County
Illinois:
St. Clair County
Madison County
Monroe County

Union contracts:

Amalgamated Transit Union, Division 788:
Bus/Rail Operations and Maintenance
Clerical Unit
Demand Response
The International Brotherhood of Electrical Workers:
Local No. 2 (Missouri)
Local No. 309 (Illinois)



Websites:

www.metrostlouis.org
www.MovingTransitForward.org
www.nextstopstl.org
www.facebook.com/STLMetro
www.tripfinder.metrostlouis.org
www.twitter.com/STLMetro
www.bi-state.org
www.artsintransit.org

Transit System

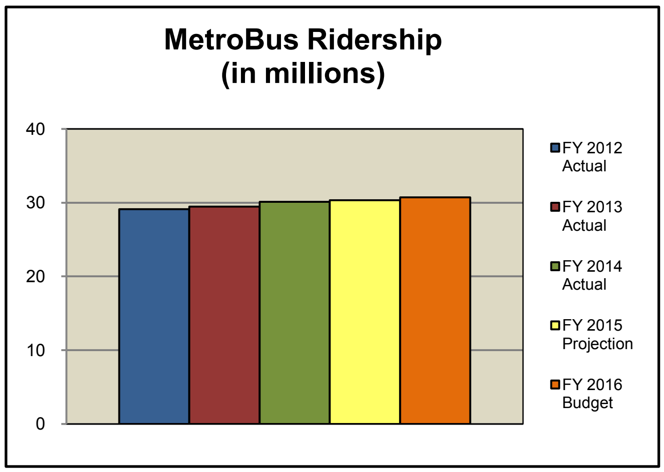
MetroBus

Overview:

Since 1963, the Bi-State Development Agency (BSDA) has continuously provided bus service in the Greater St. Louis Region. BSDA currently operates 59 fixed bus routes in Missouri and 17 fixed bus routes in Illinois. Special bus service is provided in Missouri for New Year's Eve and Mardi Gras festivities. Additional special bus service is offered in Illinois for all St. Louis Cardinals home baseball games, St. Louis Rams home football games and the Muny Opera.

Service levels (FY 2014 Actuals):

30.1 million passenger boardings
95,911 average weekday ridership
18.5 million revenue miles
1.4 million revenue hours
383 buses (314 used at peak)
4,883,541 diesel gallons consumed
76 bus routes at the end of FY 2014



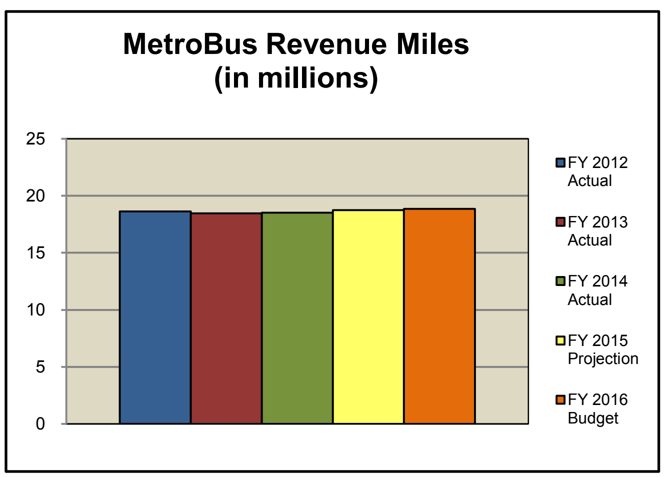
Facilities:

3 garages and 1 maintenance facility
13 free park – ride lots

Development:

Completed:
- Brentwood Meridian (June 2007)
- Catalan Bus Loop Improvements (2008)
- Maplewood Bus Loop (2009)
- Delmar Transit Plaza (2009)
- North Hanley Parking Lots & Bus Loops
- St. Charles Rock Road Park n Ride (2010)
- Scott Avenue Transit Plaza (2012)

Construction In Progress:
- North County Transit Center (July 2014)
- Downtown Transfer Center



Transit System

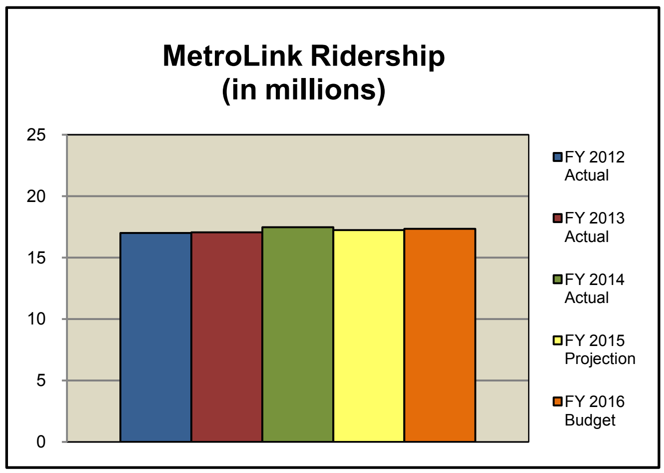
MetroLink

Overview:

Since 1993, the Bi-State Development Agency has provided light rail service in the Greater St. Louis Region. The MetroLink system covers 38 miles from Lambert International Airport in Missouri to Scott Air Force Base in Illinois. In addition the Cross County extension, which opened in 2006, covers 8 miles from Forest Park south to Shrewsbury, Missouri. The overall alignment serves St. Louis County, the City of St. Louis in Missouri and St. Clair County in Illinois.

Service levels (FY 2014 Actuals):

17.5 million passenger boardings
53,900 average weekday ridership
3.1 million revenue miles
132,922 revenue hours
87 rail cars (50 used at peak)

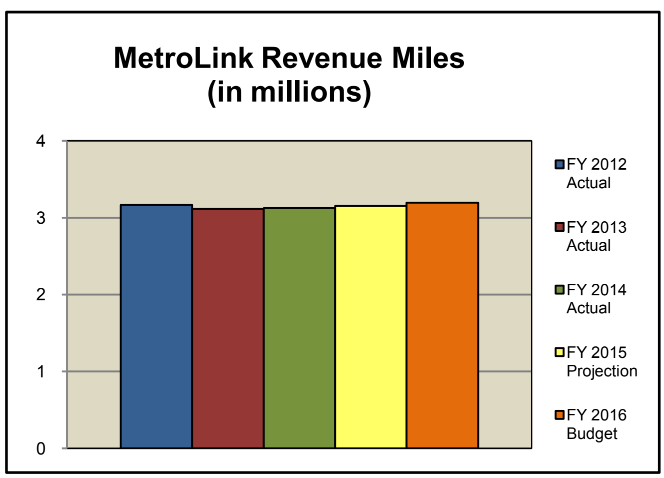


Facilities:

2 rail yards
2 maintenance facilities
37 stations
20 free park – ride lots

Development:

Original alignment, July 1993 (17 miles)
St. Clair corridor, May 2001 (17.5 miles)
Shiloh-Scott Station, June 2003 (3.5 miles)
Cross County, August 2006 (8.0 miles)
Illinois Bike Trail Extension dedicated, Fall 2011
Renovation of the Grand Station, August 2012



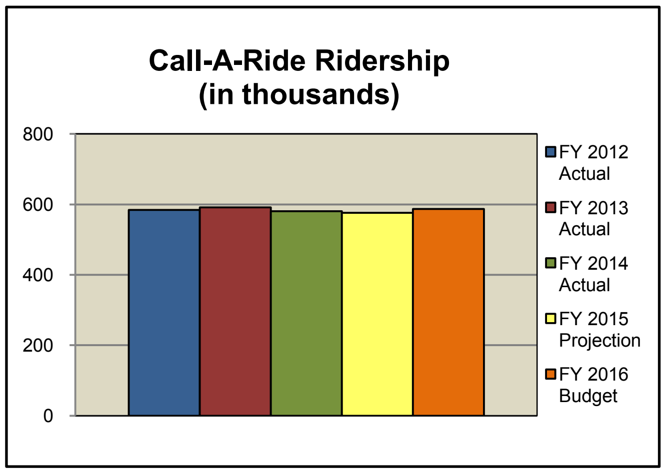
Call-A-Ride

Overview:

Since FY 1987, Call-A-Ride has provided alternative transportation to residents who have limited access to MetroBus or MetroLink service and/or disabled residents who are unable to use these services. Another important function of the Call-A-Ride organization is scheduling and dispatching paratransit vehicles operated by other members of the Transportation Management Association which coordinates paratransit operations in eastern Missouri. These programs are designed to ensure the Bi-State Development Agency meets the federal mandate of full ADA compliance.

Service levels (FY 2014 Actuals):

580,562 passenger boardings
94.6% ADA passenger boardings
1,976 average weekday ridership
5.3 million revenue miles
311,539 revenue hours
561,041 reservation/assistance calls
750,560 gallons of diesel consumed
116 vans (97 used at peak)

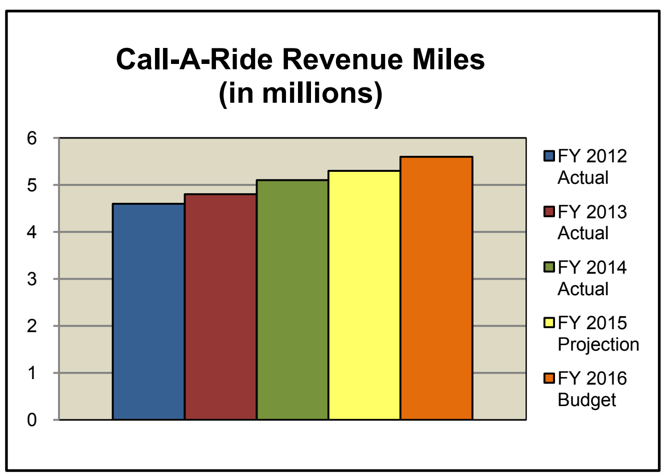


Facilities:

Paratransit maintenance facility at Main Shop

Development:

ADA Training Center, February 2004



Performance Indicators: Transit System

		FY 2016	FY 2015		FY 2014
		Budget	Projection	Budget	Actual
Passenger boardings:	**System**	**48,679,022**	**48,185,763**	**48,205,970**	**48,170,065**
	MetroBus	30,751,987	30,367,268	30,123,895	30,123,181
	MetroLink	17,340,669	17,242,298	17,489,485	17,466,322
	Call-A-Ride	586,366	576,197	592,590	580,562
Revenue miles:	**System**	**27,370,402**	**27,348,959**	**27,855,908**	**26,971,985**
	MetroBus	18,861,573	18,749,689	19,090,410	18,529,084
	MetroLink	3,195,254	3,155,330	3,185,054	3,127,483
	Call-A-Ride	5,313,575	5,443,940	5,580,444	5,315,418
Revenue hours:	**System**	**1,831,090**	**1,827,213**	**1,854,329**	**1,806,973**
	MetroBus	1,386,686	1,379,909	1,396,337	1,362,512
	MetroLink	135,165	133,408	134,702	132,922
	Call-A-Ride	309,239	313,896	323,290	311,539
Passenger revenue	**System**	**$ 54,249,049**	**$ 53,102,124**	**$ 53,484,992**	**$ 51,670,441**
(excluding TMA and	MetroBus	34,010,186	33,156,590	33,239,155	32,056,360
contractual)	MetroLink	19,083,718	18,829,283	19,238,434	18,478,294
	Call-A-Ride	1,155,145	1,116,251	1,007,403	1,135,787
TMA (regional van services) & contractual Medicaid services		**$ 4,687,465**	**$ 4,653,426**	**$ 5,412,145**	**$ 4,581,763**
Operating expense by mode:	**System**	**$ 285,539,634**	**$ 268,757,774**	**$ 273,986,101**	**$ 255,695,851**
	MetroBus	178,619,814	168,146,186	172,428,917	156,872,723
	MetroLink	80,607,607	74,004,700	75,203,573	73,645,742
	Call-A-Ride	26,312,213	26,606,888	26,353,611	25,177,386
Passenger boardings per	**System**	**1.8**	**1.8**	**1.7**	**1.8**
revenue mile:	MetroBus	1.6	1.6	1.6	1.6
	MetroLink	5.4	5.5	5.5	5.6
	Call-A-Ride	0.1	0.1	0.1	0.1
Operating expense:					
Per revenue mile:	**System**	**$ 10.43**	**$ 9.83**	**$ 9.84**	**$ 9.48**
	MetroBus	9.47	8.97	9.03	8.47
	MetroLink	25.23	23.45	23.61	23.55
	Call-A-Ride	4.95	4.89	4.72	4.74
Per revenue hour:	**System**	**$ 155.94**	**$ 147.09**	**$ 147.75**	**$ 141.51**
	MetroBus	128.81	121.85	123.49	115.13
	MetroLink	596.36	554.72	558.30	554.05
	Call-A-Ride	85.09	84.76	81.52	80.82
Per passenger boarding	**System**	**$ 5.87**	**$ 5.58**	**$ 5.68**	**$ 5.31**
	MetroBus	5.81	5.54	5.72	5.21
	MetroLink	4.65	4.29	4.30	4.22
	Call-A-Ride	44.87	46.18	44.47	43.37
Farebox recovery:	**System**	**19.0%**	**19.8%**	**19.5%**	**20.2%**
	MetroBus	19.0%	19.7%	19.3%	20.4%
	MetroLink	23.7%	25.4%	25.6%	25.1%
	Call-A-Ride	4.4%	4.2%	3.8%	4.5%
Subsidy per passenger boarding:	**System**	**$ 4.53**	**$ 4.26**	**$ 4.35**	**$ 4.03**
	MetroBus	4.58	4.33	4.51	4.03
	MetroLink	3.42	3.08	3.09	3.05
	Call-A-Ride	34.78	36.04	33.53	33.41

Metro Transit System
Budget Summary
Fiscal Year Ending June 30, 2016

	FY 2016 Budget	FY 2015 Projection	FY 2015 Budget	FY16 Bgt vs. FY15 Proj $ Change	FY16 Bgt vs. FY15 Proj % Change	FY 2014 Actual
Operating Revenue:						
Passenger Revenue						
Bus/Rail Revenue	$ 53,093,904	$ 51,985,873	$ 52,477,589	$ 1,108,031	2.1%	$ 50,534,654
C-A-R Revenue	1,155,145	1,116,251	1,007,403	38,894	3.5%	1,135,787
Total Passenger Revenue	**54,249,049**	**53,102,124**	**53,484,992**	**1,146,925**	**2.2%**	**51,670,441**
TMA Revenue	1,452,546	1,421,800	1,431,720	30,746	2.2%	1,365,196
Other Operating Revenue	5,243,593	4,944,760	4,845,957	298,833	6.0%	4,804,651
Paratransit Contracts	3,234,919	3,231,626	3,980,425	3,293	0.1%	3,216,567
Total Operating Revenue	**64,180,107**	**62,700,310**	**63,743,095**	**1,479,798**	**2.4%**	**61,056,856**
Operating Expenses:						
Compensation & Benefits	182,307,816	169,687,703	172,210,686	12,620,113	7.4%	159,611,102
Other post-employment benefits (OPEB)	7,695,879	9,522,118	9,619,849	(1,826,239)	-19.2%	8,811,053
Services	32,621,836	31,638,028	31,450,951	983,807	3.1%	32,376,875
Fuel and Lubrications	18,466,981	18,847,168	19,744,018	(380,188)	-2.0%	18,069,340
Parts & Supplies	23,427,877	20,882,387	21,851,499	2,545,490	12.2%	19,612,351
Casualty and Liability Costs	5,424,602	4,641,616	4,882,761	782,986	16.9%	5,014,763
Utilities	8,554,145	8,031,389	8,418,887	522,756	6.5%	7,511,547
Other Operating Expenses	3,942,592	2,707,366	3,007,449	1,235,226	45.6%	2,138,821
Agency Fees	3,097,907	2,800,000	2,800,000	297,907	10.6%	2,550,000
Total Operating Expenses	**285,539,634**	**268,757,774**	**273,986,101**	**16,781,860**	**6.2%**	**255,695,851**
Operating Income (Loss)	**(221,359,527)**	**(206,057,464)**	**(210,243,007)**	**(15,302,062)**	**-7.4%**	**(194,638,995)**
Non-Operating Revenue (Expense):						
Grants & Assistance	234,838,776	226,229,391	223,266,577	8,609,385	3.8%	220,761,529
Investment Income	680,500	664,275	304,375	16,225	2.4%	270,721
Capital Lease Revenue	5,990,757	5,619,853	5,619,853	370,904	6.6%	5,402,198
Capital Lease Expense	(5,990,757)	(5,619,853)	(5,619,853)	(370,904)	-6.6%	(5,402,198)
Interest Expense	(20,218,140)	(21,315,261)	(21,386,930)	1,097,120	5.1%	(23,371,464)
Sheltered Workshop	(1,207,516)	(1,200,019)	(1,134,134)	(7,497)	-0.6%	(1,133,071)
Contributions (to) From Outside Entities	42,500	(56,217)	43,000	98,717	175.6%	(928,907)
Other Misc Non-Operating Revenue	(426,079)	26,648	-	(452,727)	-1698.9%	(485,166)
Total Non-Operating Revenues	**213,710,041**	**204,348,818**	**201,092,888**	**9,361,223**	**4.6%**	**195,113,642**
Net Income (Deficit) Before Depreciation & Amortization	**(7,649,486)**	**(1,708,647)**	**(9,150,119)**	**(5,940,839)**	**-347.7%**	**474,647**
Depreciation and Amortization	76,034,218	70,184,019	70,895,333	5,850,198	8.3%	67,489,065
Net Transfers	-	(12,702)	-	12,702	100.0%	(46,697)
Net Surplus (Deficit)	**$ (83,683,704)**	**$ (71,879,964)**	**$ (80,045,452)**	**$ (11,803,739)**	**-16.4%**	**$ (66,967,721)**

Metro Transit System
Detail of Grants and Assistance
Budget Summary

	FY 2016	FY 2015		FY16 Bgt vs. FY15 Proj		FY 2014
	Budget	Projection	Budget	$ Change	% Change	Actual
Missouri subsidies:						
City of St. Louis 1/2 cent sales tax	$ 18,756,937	$ 18,571,225	$ 17,236,670	$ 185,712	1.0%	$ 17,188,886
City of St. Louis 1/4 cent sales tax	8,818,212	8,747,739	7,979,599	70,473	0.8%	8,275,026
City of St. Louis Prop M2 sales tax	7,020,678	6,951,165	6,410,830	69,513	1.0%	6,366,105
Total City of St. Louis	**34,595,827**	**34,270,129**	**31,627,099**	**325,698**	**1.0%**	**31,830,017**
St. Louis County 1/2 cent sales tax	39,586,633	38,819,097	38,335,872	767,536	2.0%	36,917,112
St. Louis County 1/4 cent sales tax	34,932,767	34,105,139	32,991,808	827,628	2.4%	32,397,042
St. Louis County Prop A sales tax	49,991,893	48,772,579	48,056,087	1,219,314	2.5%	47,190,203
Total St. Louis County	**124,511,293**	**121,696,815**	**119,383,767**	**2,814,478**	**2.3%**	**116,504,356**
Other Local Match - MO	600,000	818,617	510,000	(218,617)	-26.7%	1,089,621
Planning and demo reimbursement	160,000	160,000	160,000	-	0.0%	160,000
Total Other Local MO	**760,000**	**978,617**	**670,000**	**(218,617)**	**-22.3%**	**1,249,621**
General Operating & Special Asst. MODOT	270,150	355,723	409,522	(85,573)	-24.1%	487,066
Total State of Missouri	**270,150**	**355,723**	**409,522**	**(85,573)**	**-24.1%**	**487,066**
Total Missouri local & state subsidies:	**160,137,270**	**157,301,284**	**152,090,388**	**2,835,986**	**1.8%**	**150,071,061**
Illinois subsidies:						
St. Clair County	52,018,796	48,428,838	49,122,299	3,589,958	7.4%	46,806,797
Other Local Match - IL	1,939,835	2,477,474	1,923,835	(537,639)	-21.7%	3,007,036
Total Illinois local & state subsidies:	**53,958,631**	**50,906,312**	**51,046,134**	**3,052,319**	**6.0%**	**49,813,833**
Total local & state subsidies:	**214,095,901**	**208,207,596**	**203,136,522**	**5,888,305**	**2.8%**	**199,884,893**
Federal assistance:						
Vehicle maintenance subsidy	16,000,000	13,000,000	16,000,000	3,000,000	23.1%	16,000,000
CMAQ grant	-	-	-	-		13,750
Non-capitalized project subsidy	4,742,875	4,469,373	4,130,055	273,502	6.1%	4,853,604
Other Federal assistance	-	552,422	-	(552,422)	-100.0%	9,282
Total Federal assistance:	**20,742,875**	**18,021,795**	**20,130,055**	**2,721,080**	**15.1%**	**20,876,636**
Total grants & assistance	**$ 234,838,776**	**$ 226,229,391**	**$ 223,266,577**	**$ 8,609,385**	**3.8%**	**$ 220,761,529**

Transit Operating - FY 2016 Budget

Priorities

The short-term priorities for the Transit operating budget are to maintain and build ridership, effectively manage resources of the system and provide future stability and growth.

Assumptions

The FY 2016 budget projects a $7.7 million deficit before depreciation, which is within the unfunded other post employment benefit (OPEB) obligation. Government Accounting Standards Board (GASB) ruling number 45 requires the accruing of other post-employment benefits. GASB 45 dictates recording the OPEB liability and expenses, but leaves the method of funding to the discretion of the entity. Bi-State Development Agency currently funds the annual normal cost portion of this obligation using "pay as you go" methodology. Furthermore, for the past five years BSDA has made an annual contribution of $3.0 million to its OPEB trust.

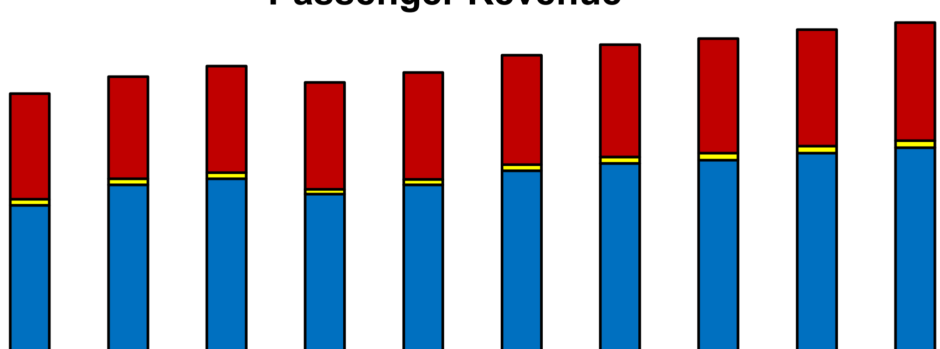
Service miles and hours for all three modes are planned with minimal increased levels for route adjustments and efficiencies and to accommodate passenger requirements.

Passenger boardings on MetroBus, MetroLink and Call-A-Ride show a 1.0% growth compared to FY 2015 budget and an expected 1.0% increase over the FY 2015 projection.

Operating Revenue

Passenger revenue is budgeted at $54.2 million for FY 2016 which is a $0.8 million or 1.4% increase from the 2015 budget. The anticipated increase in passenger revenue is due to the expected growth in ridership. The increase in ridership is anticipated as people utilize service efficiencies in routes and scheduling and take advantage of the reliable transit service.

Passenger Revenue

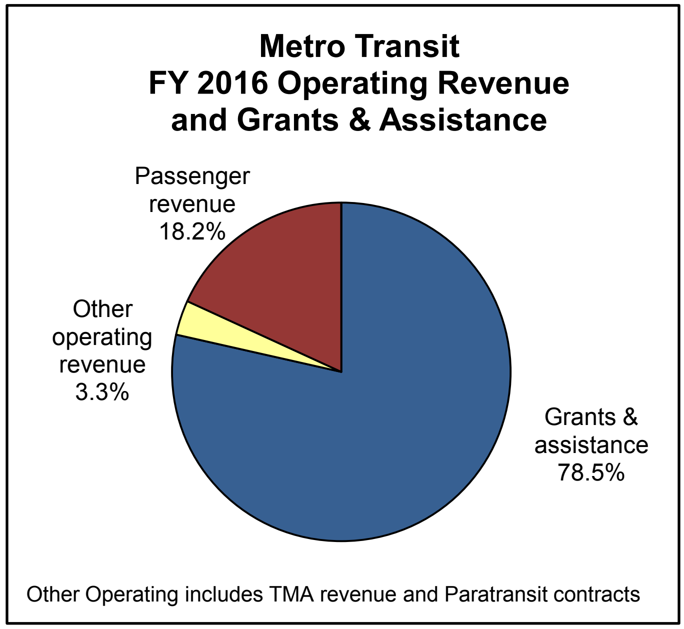


(in millions)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Projection	2016 Budget
Rail	17.1	16.5	17.2	17.3	17.3	17.7	18.2	18.5	18.8	19.1
Paratransit	1.0	1.0	1.0	0.8	0.9	1.0	1.0	1.1	1.1	1.2
Bus	24.7	28.0	29.0	26.5	28.0	30.3	31.5	32.0	33.2	34.0

TMA revenue is received from Transit Management Association participants. The TMA is a network of social service agencies, funding agencies, and transportation service providers who coordinate services and share costs to achieve efficiencies in operations. FY 2016 will mark the 17th year of the TMA. The FY 2016 budget of $1.5 million a 2.2% increase compared to the FY 2015 projection and a 6.4% increase over FY 2014 actual.

Paratransit contracts include Medicaid and dialysis revenue, and other contractual receipts related to trips provided by Paratransit Operations. A 18.7% decrease is expected compared to the FY 2015 budget and flat compared to the FY 2015 projection.

Other operating revenue includes advertising on revenue vehicles, bus shelters, and MetroLink stations; provided maintenance service and vending machine concessions; rental income and other revenue. Other operating revenues are expected to increase 8.2% to $5.2 million compared to the FY 2015 budget.



Expenses

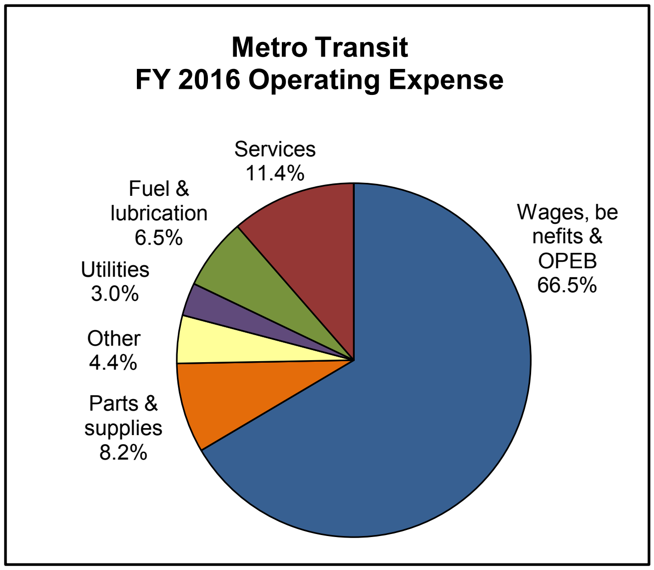
Wages & benefits budgeted for FY 2016 is expected to be 6.1% higher than FY 2015 budget. This budget reflects service enhancements to mitigate overcrowding on bus routes and wage rate adjustments. The FY 2016 budget reflects an increase in benefit costs for medical and pension/401k.

Other post-employment benefits (OPEB) arose from the implementation of GASB Statement No. 45, Accounting and Financial Reporting for Employers for Post-employment Benefit Plans Other Than Pension. Total OPEB consists of pay-as-you-go retiree medical payments, contributions to the OPEB trust and the unfunded portion. As the pay-as-you-go expenses increase, the unfunded portion decreases. For FY 2016, the unfunded, OPEB cost is expected to be 20.0% lower than the FY 2015 budget level due to policy change in retiree medical benefits.

Services increased 3.7% from the FY 2015 budget and 3.1% from the FY 2015 projection. These increases are primarily due to maintenance and custodial services. Increase in Marketing's Gateway Card Center temporary help also contributed to the rise in expense.

Fuel hedging (realized) helps neutralize the outcome of a rise in the price of diesel fuel. The fuel hedging program involves purchasing heating oil contracts up to 18 months into the future. In times of rising prices, hedging contracts rise in value at time of sale and generate a savings that slows the effect of the market increase on the financial statements. The projected realized gain on the hedging program is $1.9 million in FY 2016. However, it is important to note that if diesel fuel prices drop BSDA would book a loss on the hedging.

Fuel & lubrications net expense for the FY 2016 budget is anticipated to decrease 6.5% compared to the FY 2015 budget and 2.0% compared to the FY 2015 projection. Decreases from current diesel prices are driving these changes.



Parts & supplies expense is expected to increase 12.2% between FY 2016 and FY 2015 projection and a 7.2% increase from FY 2015 budget. Revenue and non-revenue vehicle parts and tires are the main factors for the changes. Increase from FY 2015 projection is due to the purchase smart card stock. Using life cycle fleet maintenance, equivalent revenue equipment parts have been budgeted in FY 2016 when compared to the prior year budget. BSDA plans to continue its award-winning predictive vehicle maintenance program.

Casualty and liability expense is dependent on a variety of factors including the insurance market, passenger boardings, the number of miles driven, population density of the service area and the number of accidents, injuries and claims. There is an 11.1% increase over the FY 2015 budget and a 16.9% increase from the FY 2015 projection. The increase is related to higher self insurance costs due to some recent property damage claims and increased property insurance costs.

Utilities, including electric propulsion, are budgeted to increase 1.6% compared to the FY 2015 budget. This increase is primarily due to the higher anticipated cost of electric and greater telephone expenses.

Other expenses for FY 2016 reflect an increase of 31.1% compared to the FY 2015 budget. Other expenses consist of taxes, leases, advertising, travel, staff development and other expenses. The increase in the FY 2015 budget is due to the increase in leases and rents as a result of a move to a leased facility.

Agency fees are payments to Executive Services for providing management services to the Transit System. For FY 2016, Transit's portion, calculated at 75% of the Executive Services operating expenses is $3.1 million.

Grants and Assistance

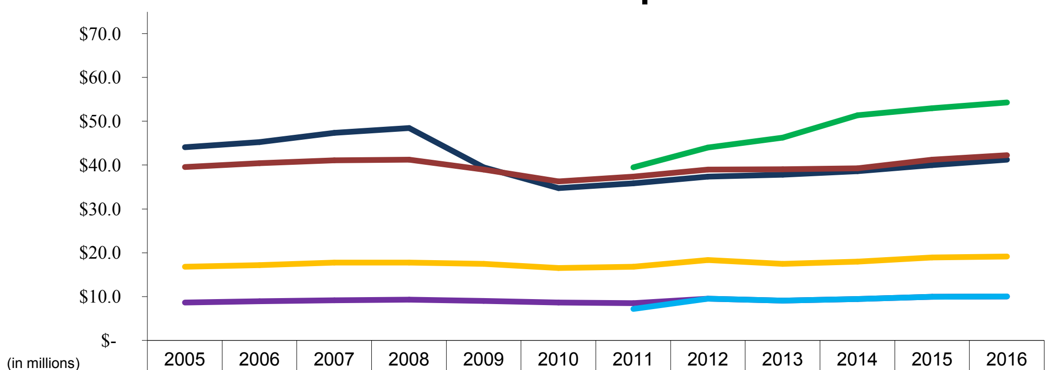
City of St. Louis and St. Louis County sales taxes include ½ cent for transportation and ¼ cent for light rail development, operation and maintenance. The Prop M ¼ cent levy began in the middle of FY 1995. Only the ½ cent tax is subject to deductions for Tax Increment Financing

(TIF). St. Louis City forwards to BSDA all taxes collected net of TIF's. St. Louis County appropriates a portion of the ½ cent tax and all of the ¼ cent tax to Bi-State Development Agency.

St. Louis County voters passed Prop A, a ½ cent sales tax and the City of St. Louis activated Prop M2, a ¼ cent sales tax to fund service restoration, enhancements and future expansion. St. Louis County appropriates a portion of the Prop A ½ cent tax for annual operating, capital and debt service while St. Louis City appropriates all of the Prop M2 ¼ cent sales tax to Bi-State Development Agency.

Sales tax receipts (after TIF reductions) appropriated to BSDA:

Sales Tax Receipts



	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Proj	2016 Budget
County 1/2 cent	44.10	45.30	47.40	48.48	39.50	34.78	35.82	37.37	37.86	38.66	40.02	41.24
County 1/4 cent	39.61	40.42	41.11	41.26	38.97	36.28	37.41	38.97	39.07	39.30	41.26	42.29
County Prop A							39.50	44.00	46.30	51.42	53.01	54.34
City 1/2 cent	16.84	17.20	17.77	17.74	17.45	16.52	16.78	18.32	17.47	18.00	18.95	19.14
City 1/4 cent	8.66	8.90	9.18	9.27	9.01	8.61	8.51	9.51	9.11	9.46	9.93	10.03
City Prop M2							7.21	9.51	9.11	9.46	9.93	10.03

Slow growth in the local economy translates to relatively minimal growth in sales tax receipts for FY 2016 in the St. Louis City and a moderate growth for the St. Louis County sales taxes. Budgeted sales tax receipts are allocated between operating needs and capital programs.

State of Missouri assistance is expected to increase for FY 2016 with their annual appropriation of $270 thousand.

St. Clair County, Illinois assistance is based on a service agreement between St. Clair County Transit District and BSD. The St. Clair County Transit District administers St. Clair County tax collections and Illinois Department of Transportation subsidies and contracts with BSD for services. This assistance is expected to increase 5.8% compared to the FY 2015 budget to reflect St. Clair County Transit District's portion of increased transit service and operating expenses.

Federal vehicle maintenance assistance represents federal capital formula funds that the Agency chooses to program for vehicle maintenance per the Federal Transit Administration's guidelines. BSDA is planning to use $16 million of their 5307 Federal Formula Funds in the FY 2016 operating budget for preventive maintenance.

Non-Capital Federal assistance grants anticipated funding is expected to be $4.7 million for FY 2016 to be used for right-of-way MetroLink structural repairs, rail tie replacement and various Missouri projects.

Non-Operating Revenue (Expense)

Investment income, which includes interest earned on invested funds, is expected to increase in FY 2016 compared to the prior year budget due to re-financing and interest on debt service funds.

Capital lease revenue and expense recognize the revenue and expense associated with capital leases. The revenue and expense offset exactly. For FY 2016, these amounts are $6.0 million in both revenue and expense.

Interest on debt results primarily from interest paid on bonds issued to finance the Cross County expansion. Refinancing of debt in FY 2015 is leading to favorable results and less expense.

Sheltered workshop expense is 2% of the 1974 Missouri ½ cent sales tax and is budgeted at $1.2 million in FY 2016. This expense increased 0.6%, when compared to the FY 2015 projection.

Depreciation and Amortization

Depreciation and amortization in public transit systems is generally not funded by operating income, which is different than private industry that must generate profits for purchase/replacement of property and equipment. Depreciation is presented as required by generally accepted accounting principles. Depreciation is not funded to provide equity for capital replacements because such capital assets are predominately funded by federal grants. For FY 2016, depreciation is expected to increase 8.3% and 7.2% compared to the FY 2015 projection and FY 2015 budget respectively as a result of the purchase on communications equipment, revenue equipment and buses and capital improvements to bridges and tunnels.

Transit Company - Operating Expense

	FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
	Budget	Projection	Budget	$ Change	% Change	Actual
By type of expense:						
Wages & benefits without OPEB	**$ 182,307,816**	**$ 169,687,703**	**$ 172,210,686**	$ 12,620,113	7.4%	$ 159,611,102
Other post-employment benefits	**7,695,879**	**9,522,118**	**9,619,849**	(1,826,239)	-19.2%	8,811,053
Services	**32,621,836**	**31,638,028**	**31,450,951**	983,807	3.1%	32,376,875
Fuel & lubrications	**18,466,981**	**18,847,168**	**19,744,018**	(380,188)	-2.0%	18,069,340
Parts & supplies	**23,427,877**	**20,882,387**	**21,851,499**	2,545,490	12.2%	19,612,351
Casualty & liability	**5,424,602**	**4,641,616**	**4,882,761**	782,986	16.9%	5,014,763
Utilities	**8,554,145**	**8,031,389**	**8,418,887**	522,756	6.5%	7,511,547
Leases and other expense	**3,942,592**	**2,707,366**	**3,007,449**	1,235,226	45.6%	2,138,821
Agency fees	**3,097,907**	**2,800,000**	**2,800,000**	297,907	10.6%	2,550,000
Total operating expense	**$ 285,539,634**	**$ 268,757,774**	**$ 273,986,101**	**$ 16,781,861**	**6.2%**	**$ 255,695,851**

By function:						
Transit Operations	**$ 225,272,887**	**$ 214,454,943**	**$ 217,244,525**	$ 10,817,945	5.0%	$ 204,496,730
Engineering and New Systems	**5,083,914**	**5,737,364**	**6,456,259**	(653,449)	-11.4%	6,498,090
Human Resources *	**11,870,260**	**12,491,445**	**13,031,660**	(621,185)	-5.0%	9,610,661
Labor Relations	**762,287**	**498,527**	**529,197**	263,761	52.9%	947,777
Procurement, Inventory Management	**5,552,029**	**5,120,082**	**5,166,284**	431,947	8.4%	4,464,056
Finance **	**23,332,827**	**19,596,417**	**20,313,624**	3,736,411	19.1%	18,995,835
Information Technology	**9,184,373**	**7,782,749**	**7,840,714**	1,401,624	18.0%	7,630,783
Marketing & Communications	**3,614,453**	**2,413,012**	**2,730,823**	1,201,441	49.8%	2,374,562
Real Estate & Meridian	**866,603**	**663,236**	**673,014**	203,367	30.7%	677,356
Total Transit System	**$ 285,539,634**	**$ 268,757,774**	**$ 273,986,101**	**$ 16,781,861**	**6.2%**	**$ 255,695,851**

* Human Resources includes $8.9 million of retiree benefits

** Includes Risk Management and Passenger Revenue in addition to traditional finance functions

(Sums may not equal Total due to rounding)

Transit Operations

Operational overview:

Transit Operations manages three modes of public transportation in the St. Louis metropolitan area and associated support functions including the following:

Bus Transportation includes MetroBus activities related to bus operations management, bus operators and operator training.

Rail Transportation includes MetroLink activities related to light rail operations management, light rail operators and operator training.

Paratransit includes all Call-A-Ride activities related to paratransit operations management, van operators, operator training, passenger scheduling, and paratransit programs. Paratransit also operates the Green Line van service in the Washington University campus area.

Vehicle Maintenance is responsible for maintaining and cleaning all revenue and non-revenue vehicles. Vehicles maintained include buses, light rail cars, vans, and support vehicles. In addition to development and management of predictive, preventative, and condition-based maintenance programs, this function also operates a heavy repair facility, which includes a body and paint shop, engine overhaul shop, radiator shop, transmission overhaul shop, and radio communications maintenance shop. Also included are the vehicle maintenance management, vehicle maintenance training, maintenance analysis, and product development groups.

Facilities Maintenance is responsible for maintaining and cleaning the DeBaliviere, Brentwood, and Illinois bus operations facilities, the paratransit facility, and Bi-State Development Agency headquarters.

Maintenance of Way is responsible for the inspection, maintenance, and repair of assets along the MetroBus and MetroLink routes.

MetroBus responsibilities include transfer centers, shelters, loops, and bus stops.

MetroLink responsibilities cover all rail systems including communications, signals, and traction power right-of-way including light rail stations, light rail maintenance facilities, tunnels, structures, track, and rail right-of-way.

Security is responsible for the safeguarding of Bi-State Development Agency’s customers, personnel, and property as well as fare enforcement. The Bi-State Development Agency utilizes certain employees, jurisdictional police officers, outside security service guards, and undercover police officers.

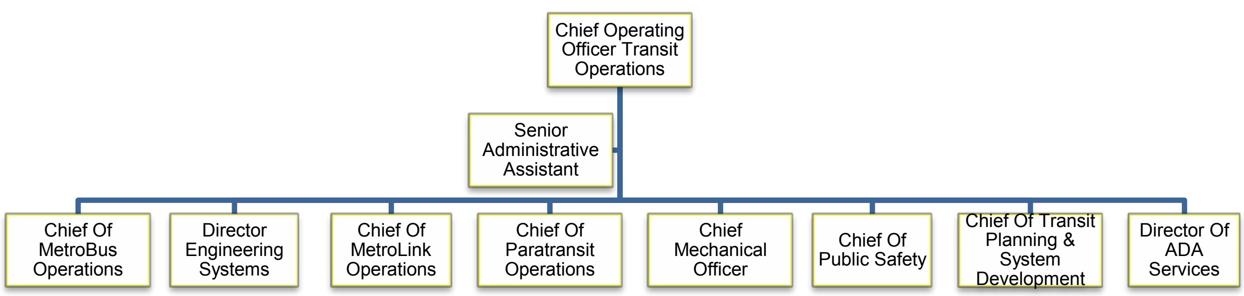
Planning & Systems Development plans for efficient and effective routes and operating schedules for bus and light rail service, reports on passenger boardings and service miles and hours, operates the transit call center, and researches service opportunities and trends.

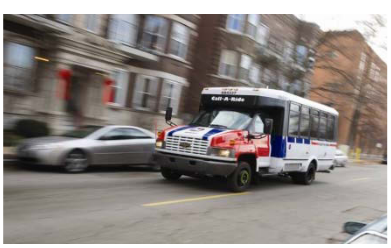
ADA Services administers and oversees compliance with transportation provisions of the Americans with Disabilities Act. The group also administers and coordinates the ADA activities related to Bi-State Development Agency's Call-A-Ride paratransit service including certification of customers as eligible for ADA complementary paratransit service, monitors service to the disability community, and actively participates in community outreach. A Travel Training Program designed to train disabled customers in the use of transit's fixed route bus and light rail service is managed by the department.

Operations Administration provides overall management of the Transit Operations functions.

Engineering and New Systems design, engineer, and construct projects for the Transit Operations. See their separate section for further detail.

Organization:





Goals and Objectives Action Plan: Transportation Operations

The following strategies and action steps help Bi-State Development Agency define its goals and objectives as outlined in the Strategic Plan section of this document.

Goal: Deliver a high quality transit experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence		
Objective: Improve service quality and capacity for van, bus, and rail systems		
Strategy	**Action Steps**	**Performance Measurements**
Continue a program of enhancing bus stops in compliance with ADA standards and optimizing bus stop spacing	• Create an amenity component of bus stop improvement program • Optimize bus stop spacing, locate new bus stops more accessible / proximal to ridership generators • Encourage customers to submit requests for improvements and new bus stop locations	• Integrate bus stop amenity improvement plan in "Moving Transit Forward" long-range plan • Created / released communications plan for accessibility programs
Objective: Implement innovative technologies		
Strategy	**Action Steps**	**Performance Measurements**
Implement automated fare collection system using smart card technology	• Convert existing infrastructure to smart card technology. • Train staff on technology • Perform pilot program testing • Roll out new system	• Enhance ridership information • Reduce fare evasion • Eliminate paper transfers
Objective: Improve transit security of van, bus, and rail		
Strategy	**Action Steps**	**Performance Measurements**
Engage independent security specialist to evaluate existing combination of internal personnel, local police, and security contractors and analyze security deployment options	• Recommendations to senior management & Board Operations Committee in review process	• Development of FY 2016 Legislative Agenda

Goal: Build an effective and efficient publically-supported organization that is viewed as a transparent and accountable steward of public funds		
Objective: Establish a planning, policy, financial, and operational framework for developing and delivering transit service, projects, and programs over the next 10 years, and introduce potential service concepts that could be implemented over the next 10-30 years		
Strategy	**Action Steps**	**Performance Measurements**
Develop expanded, modern communications mechanism to engage employees and customers in conversations about services, needs, wants, etc.	• Establish e-mail and cell phone outreach programs for customers and employees • Expand the use of live chat media opportunities	• Maintain customer and employee contact database • Maintain communication mechanism for transit customers including service updates • Ongoing customer contacts

Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplemental existing resources		
Objective: Implement internal process improvements		
Strategy	**Action Steps**	**Performance Measurements**
Develop standards and system to accommodate electronic storage and archiving of procurement contract files	• Evaluate current file management practices and establish format for electronic archival • Transition new contracts and solicitations to new standards	• Review of requirements completed and management recommendation submitted for approval (ongoing) • Process in place and in use for new solicitations and contracts

Objective: Identify and implement shared services programs with other entities where beneficial		
Strategy	**Action Steps**	**Performance Measurements**
Manage the preventative, and break down repair activities for the City of St. Louis Fire Department in order to maximize our building and system resources while developing a positive relationship with the City of St. Louis and their Fire Department	• Review all current procedures and training necessary for the successful repair and maintenance of fire trucks and ancillary equipment. • Prepare work areas, recruit and train mechanic and supervisory personnel, prepare inventory and set up procurement and accounting systems in order to maintain auditable systems. • Schedule and complete inspection, grief and breakdown repair of fire trucks and systems	• Contract Renewed by City through FY 2016

Performance Indicators – Transit Operations

Progress in meeting the goals and objectives are measured through performance indicators. Following is a list of the performance indicators for the Transit Operations:

	FY 2016	FY 2015		FY 2014
	Target	Projection	Target	Actual
Bus Transportation:				
On-time performance	91.0%	91.2%	91.0%	91.5%
Accidents per 100,000 vehicle miles	2.3	2.2	2.3	2.2
Passenger injuries per 100,000 boardings	1.2	1.5	1.2	1.7
Customer complaints per 100,000 boardings	15.0	14.0	15.0	11.8
Rail Transportation:				
On-time performance	98.0%	97.5%	98.0%	97.0%
Accidents per 100,000 vehicle miles	0.1	0.1	0.1	0.1
Passenger injuries per 100,000 boardings	0.6	0.6	0.7	0.5
Customer complaints per 100,000 boardings	1.7	1.7	1.8	1.5
Paratransit Transportation:				
On-time performance	95.0%	94.0%	95.0%	93.3%
Accidents per 100,000 vehicle miles	1.5	1.5	1.8	0.8
Passenger injuries per 100,000 boardings	5.0	6.0	4.5	6.7
Customer complaints per 100,000 boardings	15.0	17.5	15.0	18.1
Vehicle Maintenance:				
Average revenue miles between incidents:				
MetroBus roadcalls	22,000	21,000	22,000	19,958
MetroLink failures	30,000	28,500	30,000	27,196
Call-A-Ride roadcalls	50,000	49,000	50,000	47,459
Maintenance of Way (MOW):				
MOW system reliability (on-time performance)	98.6%	98.0%	98.5%	97.5%
Elevator and escalator availability	98.0%	98.0%	97.0%	99.4%
On-time performance of equipment inspections	98.0%	94.0%	95.0%	96.3%
ADA Services:				
Percent of incoming calls answered	95.0%	94.9%	95.0%	95.3%

Transit Operations - Operating Expense

		FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
		Budget	Projection	Budget	$ Change	% Change	Actual
Transit Operations	Wages & benefits without OPEB	**$ 150,020,830**	$ 140,000,619	$ 140,411,102	$ 10,020,211	7.2%	$ 133,183,108
	Other post-employment benefits	**6,659,833**	8,263,977	8,324,791	(1,604,144)	-19.4%	7,668,267
	Services	**20,761,285**	19,866,402	19,975,381	894,882	4.5%	19,557,083
	Fuel & lubrications	**18,466,981**	18,847,168	19,744,018	(380,188)	-2.0%	18,069,340
	Parts & supplies	**19,820,433**	19,405,692	19,992,983	414,740	2.1%	18,427,425
	Utilities	**7,837,900**	7,265,753	7,822,037	572,146	7.9%	6,784,928
	Leases and other expense	**1,705,627**	805,330	974,213	900,296	111.8%	806,580
	Operating expense	**$ 225,272,887**	**$ 214,454,943**	**$ 217,244,525**	**$ 10,817,945**	**5.0%**	**$ 204,496,730**
Bus Transportation	Wages & benefits without OPEB	**72,960,152**	68,364,309	68,411,780	4,595,843	6.7%	62,913,481
	Other post-employment benefits	**3,534,367**	4,351,366	4,417,959	(816,999)	-18.8%	4,010,846
	Services	**227,681**	194,921	227,681	32,760	16.8%	166,041
	Parts & supplies	**286,600**	203,806	280,014	82,794	40.6%	167,714
	Utilities	**35,844**	28,803	35,604	7,041	24.4%	23,027
	Leases and other expense	**210,047**	99,676	129,147	110,371	110.7%	58,697
	Operating expense	**$ 77,254,692**	**$ 73,242,906**	**$ 73,502,185**	**$ 4,011,786**	**5.5%**	**$ 67,339,806**
Rail Transportation	Wages & benefits without OPEB	**11,944,875**	10,978,221	11,135,929	966,654	8.8%	11,351,956
	Other post-employment benefits	**570,424**	697,823	713,029	(127,400)	-18.3%	672,134
	Services	**4,750**	2,747	4,750	2,003	72.9%	4,092
	Parts & supplies	**23,520**	23,382	22,879	138	0.6%	16,553
	Utilities	**29,340**	22,086	29,340	7,254	32.8%	14,639
	Leases and other expense	**111,300**	69,009	111,300	42,291	61.3%	19,976
	Operating expense	**$ 12,684,209**	**$ 11,793,268**	**$ 12,017,227**	**$ 890,941**	**7.6%**	**$ 12,079,384**
Paratransit Transportation	Wages & benefits without OPEB	**13,621,150**	12,720,259	13,461,845	900,891	7.1%	12,320,685
	Other post-employment benefits	**138,036**	173,883	172,546	(35,847)	-20.6%	152,335
	Services	**167,400**	135,696	166,500	31,704	23.4%	124,504
	Parts & supplies	**34,422**	31,719	32,400	2,703	8.5%	19,766
	Utilities	**22,800**	19,356	22,800	3,444	17.8%	15,776
	Leases and other expense	**47,800**	32,744	45,300	15,056	46.0%	35,315
	Operating expense	**$ 14,031,608**	**$ 13,113,657**	**$ 13,901,391**	**$ 917,951**	**7.0%**	**$ 12,668,382**
Vehicle Maintenance	Wages & benefits without OPEB	**29,047,037**	26,575,137	26,622,505	2,471,900	9.3%	25,364,493
	Other post-employment benefits	**1,431,044**	1,778,091	1,788,805	(347,047)	-19.5%	1,643,428
	Services	**2,774,504**	2,916,160	2,631,635	(141,656)	-4.9%	2,180,070
	Fuel & lubrications	**18,464,599**	18,845,481	19,741,713	(380,883)	-2.0%	18,067,278
	Parts & supplies	**16,164,192**	16,000,973	16,329,502	163,220	1.0%	15,035,631
	Utilities	**23,220**	64,105	109,284	(40,885)	-63.8%	18,392
	Leases and other expense	**261,603**	164,816	163,579	96,788	58.7%	119,533
	Operating expense	**$ 68,166,199**	**$ 66,344,762**	**$ 67,387,022**	**$ 1,821,436**	**2.7%**	**$ 62,428,825**
Facility Maintenance	Wages & benefits without OPEB	**2,625,726**	2,599,202	2,439,612	26,524	1.0%	2,576,601
	Other post-employment benefits	**130,336**	163,989	162,920	(33,652)	-20.5%	151,835
	Services	**2,527,632**	2,076,663	2,195,271	450,969	21.7%	1,719,991
	Fuel & lubrications	**2,382**	1,662	2,305	720	43.3%	1,930
	Parts & supplies	**925,951**	939,309	897,472	(13,358)	-1.4%	908,972
	Utilities	**2,740,629**	2,641,759	2,913,054	98,870	3.7%	2,451,576
	Leases and other expense	**583,821**	62,622	34,891	521,199	832.3%	24,921
	Operating expense	**$ 9,536,477**	**$ 8,485,206**	**$ 8,645,525**	**$ 1,051,271**	**12.4%**	**$ 7,835,827**
Maintenance of Way	Wages & benefits without OPEB	**11,849,291**	11,826,979	10,991,182	22,311	0.2%	11,924,151
	Other post-employment benefits	**537,630**	696,352	672,037	(158,723)	-22.8%	674,245
	Services	**7,417,361**	7,248,420	7,114,826	168,941	2.3%	7,609,591
	Parts & supplies	**2,113,574**	1,935,452	2,036,581	178,121	9.2%	2,131,781
	Utilities	**4,915,117**	4,431,029	4,635,635	484,088	10.9%	4,214,964
	Leases and other expense	**129,250**	98,853	129,250	30,397	30.7%	211,390
	Operating expense	**$ 26,962,222**	**$ 26,237,086**	**$ 25,579,511**	**$ 725,136**	**2.8%**	**$ 26,766,219**
Security	Wages & benefits without OPEB	**3,797,547**	3,291,890	3,536,671	505,657	15.4%	3,233,303
	Other post-employment benefits	**115,782**	147,172	144,727	(31,391)	-21.3%	122,523
	Services	**7,185,450**	6,916,597	7,161,000	268,853	3.9%	6,987,138
	Parts & supplies	**38,249**	40,376	33,558	(2,127)	-5.3%	21,267
	Utilities	**33,600**	30,553	33,600	3,047	10.0%	24,421
	Leases and other expense	**62,366**	73,073	70,366	(10,707)	-14.7%	86,424
	Operating expense	**$ 11,232,993**	**$ 10,499,662**	**$ 10,979,922**	**$ 733,332**	**7.0%**	**$ 10,475,077**
Planning & System Development	Wages & benefits without OPEB	**3,110,963**	2,769,780	2,831,348	341,183	12.3%	2,608,621
	Other post-employment benefits	**178,701**	218,733	223,376	(40,032)	-18.3%	200,629
	Services	**222,100**	199,959	239,609	22,141	11.1%	602,654
	Parts & supplies	**167,535**	189,021	295,381	(21,486)	-11.4%	88,420
	Utilities	**19,200**	15,899	26,400	3,301	20.8%	6,019
	Leases and other expense	**46,241**	20,976	36,781	25,265	120.4%	20,568
	Operating expense	**$ 3,744,740**	**$ 3,414,367**	**$ 3,652,895**	**$ 330,373**	**9.7%**	**$ 3,526,911**
ADA Services	Wages & benefits without OPEB	**748,371**	573,793	674,909	174,578	30.4%	554,257
	Other post-employment benefits	**8,161**	16,666	10,201	(8,505)	-51.0%	17,890
	Services	**23,480**	28,268	23,500	(4,788)	-16.9%	43,351
	Parts & supplies	**26,605**	21,675	26,500	4,930	22.7%	34,079
	Utilities	**16,626**	10,820	15,120	5,806	53.7%	14,747
	Leases and other expense	**222,428**	165,050	222,828	57,378	34.8%	145,319
	Operating expense	**$ 1,045,671**	**$ 816,273**	**$ 973,058**	**$ 229,398**	**28.1%**	**$ 809,642**
Operations Administration	Wages & benefits without OPEB	**315,718**	301,049	305,322	14,669	4.9%	335,560
	Other post-employment benefits	**15,354**	19,902	19,192	(4,548)	-22.9%	22,401
	Services	**210,927**	146,971	210,609	63,956	43.5%	119,653
	Parts & supplies	**39,784**	19,979	38,697	19,805	99.1%	3,242
	Utilities	**1,524**	1,343	1,200	181	13.5%	1,365
	Leases and other expense	**30,770**	18,512	30,770	12,258	66.2%	84,437
	Operating expense	**$ 614,076**	**$ 507,755**	**$ 605,790**	**$ 106,321**	**20.9%**	**$ 566,658**

Engineering & New Systems Development

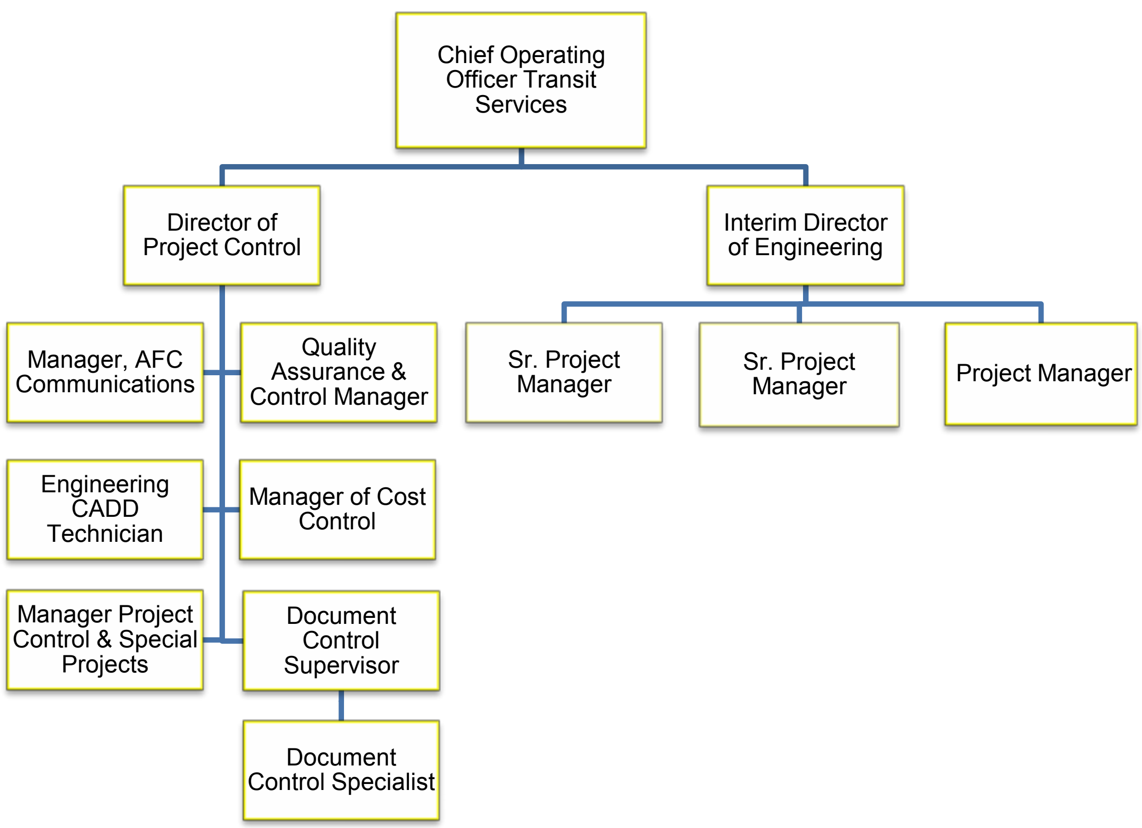
Operational overview:
Engineering and New Systems design, engineer, and construct capital projects of the rail and bus systems. Capital projects are typically funded from capital grants. Engineering & New Systems include:

New Systems Development is responsible for the design and engineering of emerging transit technologies including:

Capital Projects manage the design and construction of projects that repair, upgrade or expand the MetroLink and MetroBus facilities.

Project Controls track and monitor project schedules and budgets and provides quality assurance. All project documents are maintained within this department.

Organization:
Engineering is currently reporting to the Transit Operations Chief Operating Officer. The distinctive operations of the Engineering department justifies separate coverage from transit operations for budgeting purposes.



Goals and Objectives Action Plan: Engineering and New Systems Development

The Organizational Unit develops its Strategic Plan based on the Company's Goals and Objectives. This Strategic Plan is detailed into strategies and action steps that help Bi-State Development Agency achieve its goals and objectives as outlined in the Strategic Plan section of this document.

Goal: **Deliver a high quality transit experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence**		
Objective**: Improve service quality and capacity for van, bus, and rail systems; Deliver quality capital projects on time and within budget**		
Strategy	**Action Steps**	**Performance Measurements**
Implement the new Fare Collection System	• Finalize Vendor Integrated Software for the Smart Card system • Final software installed in production environment • Perform Final Acceptance Testing • Implement customer information program	• All software tested and deployed to field equipment (August 2015) • System wide testing of Smart card system (September 2015) • Install Trapeze software to integrate with farebox with the AVL system (August 2015) • Start full scale smart card roll out (October 2015)
Completion of the Eads Bridge Rehabilitation Project	• Abide by the requirements and restrictions of the ARRA Program	• Achieve 100% completion of the project (March 2016) • Exhaust all ARRA funds by June 30, 2015
Downtown Transfer Center	• Schematic Design & Design Development • Procure Construction Services • Construct Project	• Award Construction Contract (Award of construction contract pending resolution of ADA issues • Complete Construction - construction anticipated to complete approximately 15 – 18 months following award
North County Transfer Center	• Construct Project, Phase I	• Complete Construction – January 2016
Illinois Slopes II	• NTP issued and construction commences July 2013. • Continue implementation	• Complete Construction (June 2016)
Ewing Wall Rehabilitation	• Issue Part 2, Design Build RFP • Complete Design Build competition • Negotiate Design Build Contract and issue NTP • Implement	• Complete Design Build negotiations by May 2015 • Complete project May 2016

Strategy	Action Steps	Performance Measurements
Downtown Tunnel Repairs	• Develop design RFP • Issue and award design contract • Complete preliminary design and obtain NEPA approval • Complete final design • Implementation	• Issue design RFP July 2015 • Award design contract September 2015 • Complete preliminary design and obtain NEPA approvals by January 2016 • Complete final design by May 2016
Boyle Street Station and Interlocking	• Obtain NEPA approval • Complete grant contract execution • Develop design RFP • Issue and award design contract • Complete design • Implementation	• Obtain NEPA approval by March 2015 • Grant contract execution by May 2015 • Issue design RFP June 2015 • Complete design May 2016 • Complete construction October 2018

Performance Indicators - Engineering & New Systems Development

Progress in meeting the goals and objectives are measured through performance indicators. Following is a list of the performance indicators.

	FY 2016	FY 2015		FY 2014
	Target	Projection	Target	Actual
New Systems Operating:				
Project Measurement:				
Permits and agreements secured as required	100%	100%	100%	100%
Managed according to policy and procedure	100%	100%	100%	100%
Managed using standardized engineering process	100%	100%	100%	100%
Monitor compliance to policy	100%	100%	100%	100%
Projects completed within budget	100%	100%	100%	100%
Projects completed on-time	90%	80%	90%	80%

Engineering and New Systems - Operating Expense

		FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
		Budget	Projection	Budget	$ Change	% Change	Actual
Engineering & New Systems	Wages & benefits without OPEB	**$ 1,405,491**	$ 1,056,253	$ 1,278,761	$ 349,238	33.1%	$ 1,236,798
	Other post-employment benefits	**58,773**	69,940	73,466	(11,167)	-16.0%	63,810
	Services	**3,530,578**	4,557,230	5,015,527	(1,026,653)	-22.5%	5,104,543
	Parts & supplies	**31,440**	22,376	30,874	9,065	40.5%	14,272
	Casualty & liability	**-**	-	-	-	-	-
	Utilities	**12,400**	10,875	12,400	1,525	14.0%	11,976
	Leases and other expense	**45,233**	20,690	45,231	24,543	118.6%	66,690
	Operating expense	**$ 5,083,914**	**$ 5,737,364**	**$ 6,456,259**	**$ (653,449)**	**-11.4%**	**$ 6,498,090**

Human Resources

Operational overview:

The Human Resources Division provides services in the areas of talent acquisition and management, compensation and benefits, staff training and development. The Human Resources Division also provides coaching and consulting in the areas of organizational effectiveness and workforce diversity. The division endeavors to provide these services and the pursuit of excellence in all employee-oriented programs, while influencing positive management-workforce relationships.

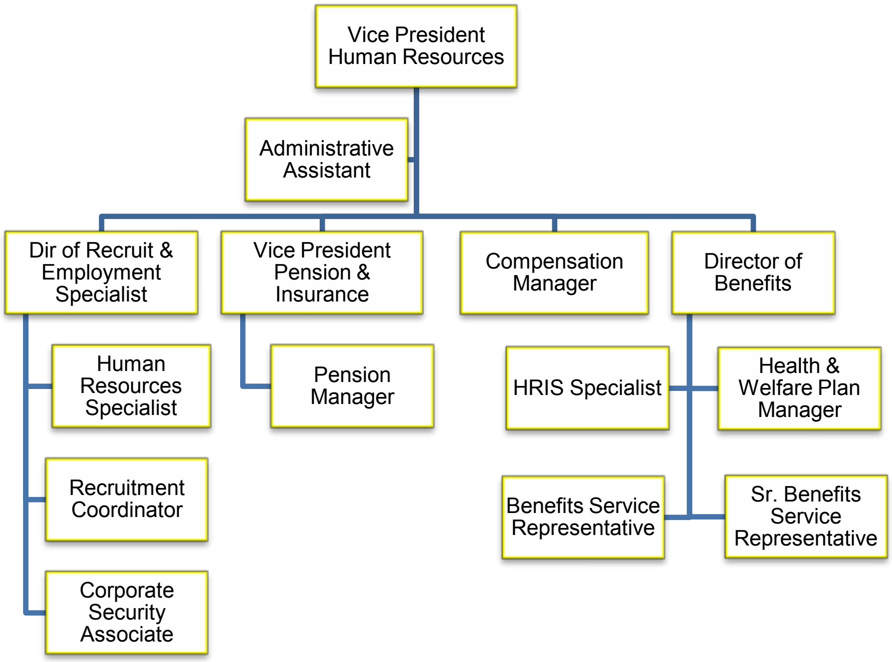
Human Resources Management includes the staff of the Vice President of Human Resources, employee relations and performance management, compensation, human resources data maintenance, and the three specialty areas that follow:

Talent Acquisition and Management is responsible for finding, acquiring, assessing, and hiring long-term and temporary candidates to fill positions that are required to meet Bi-State Development Agency's workforce staffing requirements.

Benefits department develops and administers employee benefit plans for both active employees and retirees. The department advocates for a range of health benefits including Medical with Specific Claim Stop Loss Insurance, Medicare Retiree Replacement Options, Dental, Prescription Drug, Employee Assistance Plan/Behavioral Health, Vision, Health and Dependent Care Flexible Spending Accounts, Basic and Supplemental/Dependent Life, Accidental Death and Dismemberment, Short and Long Term Disability, Pension Disability, and the administration of retirement programs related to four Defined Benefit Pension Plans and a 401K program.

Training and Organizational Development provides staff development programs that include leadership development, supervisory training, succession planning and employee relations coaching.

Organization:



Goals and Objectives Action Plan: Human Resources

The Human Resources Organizational Unit develops its Strategic Plan based on the Company's Goals and Objectives. This Strategic Plan is arranged into strategies and action steps that help Bi-State Development achieve its goals and objectives as outlined in the Strategic Plan Overview.

Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources		
Objective: Implement cost reduction strategies		
Strategy	**Action Steps**	**Performance Measurements**
Reduce costs and impact on productivity associated with absenteeism	• Implementation of a structured absence management program	• Implemented Absence Management program (FMLA, STD and other leaves of absence) in partnership with case management vendor

Goal: Value all members of our staff and endeavor to help all of our employees develop to their fullest potential		
Objective: Implement a competitive Compensation System that supports effective recruitment, retention, motivation and recognition of a skilled, and diverse workforce.		
Strategy	**Action Steps**	**Performance Measurements**
Conduct a Compensation and Classification study of all salaried positions, in partnership with experienced compensation consultants.	• Develop a competitive compensation program that recognizes and rewards desired performance and contributes to the overall success of Metro. • Establish a compensation philosophy that maintains a competitive market position	• Implementation of a new Compensation and Classification System by June 2015.
Objective: Implement A Performance Management System that provides valuable feedback and drives performance that supports the Bi-State Development's Goal and Objectives		
Strategy	**Action Steps**	**Performance Measurements**
Evaluate current BSD employee measurement and feedback systems and develop approach to improve performance management	• Develop or Re-design the Agency's performance management system	• New Performance Management System implemented by June 2015.

Performance Indicators – Human Resources

Progress in meeting the goals and objectives are measured through performance indicators. Following is a list of the performance indicators for the Human Resources unit:

	FY 2016	FY 2015		FY 2014
	Target	Projection	Target	Actual
Human Resources Management				
Implement programs that re-balance the employer/employee cost ratio	100%	On Target	100%	Met
Executive Dashboard provided quarterly 45 days following close of prior period	100%	On Target	100%	Met
Benefits				
Medical Benefits Expense	$30,525,481	$25,824,754	$27,730,171	$22,368,684
Percent Variance to Budget	+/- 10.0%	- 6.9%	+/- 10.0%	-18.7%
Prescription Drug Plan performance:				
Plan cost per member per month (Paid Basis)	$82.95	$80.00	$82.95	$76.70
Generic fill rate	79%	79%	79%	78%
Home delivery utilization rate	4.0%	3.9%	4.0%	3.9%

Human Resources - Operating Expense

		FY 2016 Budget	FY 2015 Projection	FY 2015 Budget	16 Bgt vs. 15 Proj $ Change	16 Bgt vs. 15 Proj % Change	FY 2014 Actual
Human Resources	Wages & benefits without OPEB	**$ 10,652,685**	$ 11,237,460	$ 11,926,284	$ (584,775)	-5.2%	$ 8,498,118
	Other post-employment benefits	**77,258**	96,046	96,573	(18,787)	-19.6%	95,291
	Services	**945,965**	1,053,172	861,164	(107,207)	-10.2%	944,088
	Parts & supplies	**37,589**	18,672	22,779	18,917	101.3%	21,069
	Utilities	**4,330**	2,222	2,160	2,108	94.9%	1,834
	Leases and other expense	**152,432**	83,873	122,700	68,559	81.7%	50,263
	Operating expense	**$ 11,870,260**	**$ 12,491,445**	**$ 13,031,660**	**$ (621,185)**	**-5.0%**	**$ 9,610,661**
Benefits*	Retiree Benefits	**9,632,392**	10,355,859	10,943,129	$ (723,467)	-7.0%	7,532,899
	Other post-employment benefits	**27,420**	39,614	34,275	(12,193)	-30.8%	40,681
	Services	**712,150**	784,479	714,300	(72,329)	-9.2%	690,487
	Parts & supplies	**3,000**	578	-	2,422	418.9%	7,712
	Utilities	**730**	788	720	(58)	-7.3%	665
	Leases and other expense	**29,177**	16,771	28,145	12,406	74.0%	17,579
	Operating expense	**$ 10,404,869**	**$ 11,198,088**	**$ 11,720,569**	**$ (793,219)**	**-7.1%**	**$ 8,290,023**
Training & Development	Wages & benefits without OPEB	**-**	-	-	-	-	-
	Services	**55,000**	27,500	55,000	27,500	100.0%	-
	Parts & supplies	**17,759**	8,802	17,604	8,957	101.8%	1,865
	Utilities	**1,200**	720	1,440	480	66.7%	-
	Leases and other expense	**71,305**	34,903	69,805	36,403	104.3%	-
	Operating expense	**$ 145,264**	**$ 71,925**	**$ 143,849**	**$ 73,340**	**102.0%**	**$ 1,865**
Human Resources Management	Wages & benefits without OPEB	**1,020,294**	881,601	983,156	138,693	15.7%	965,219
	Other post-employment benefits	**49,838**	56,432	62,298	(6,594)	-11.7%	54,610
	Services	**178,815**	241,193	91,864	(62,378)	-25.9%	253,601
	Parts & supplies	**16,830**	9,292	5,175	7,538	81.1%	11,492
	Utilities	**2,400**	714	-	1,686	236.0%	1,168
	Leases and other expense	**51,950**	32,200	24,750	19,750	61.3%	32,683
	Operating expense	**$ 1,320,127**	**$ 1,221,433**	**$ 1,167,242**	**$ 98,694**	**8.1%**	**$ 1,318,773**

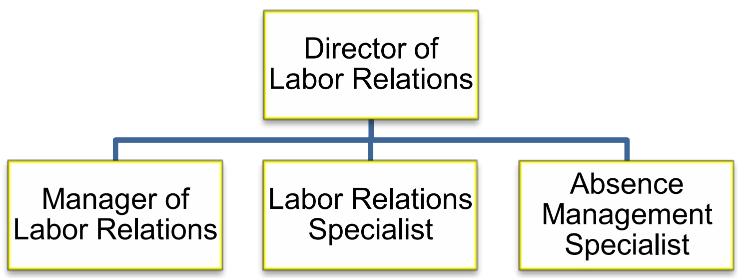
***The Benefits function includes all current period retiree expense while future other post-employment benefits are allocated to each BSDA cost center**

Labor Relations

Operational overview:
The Labor Relations division endeavors to help provide positive management-workforce relationships.

> **Labor Relations** is responsible for maintaining relationships with bargaining units, negotiating labor contracts, managing grievance processes, and maintaining data unique to union personnel.

Organization:



Goals and Objectives Action Plan: Labor Relations

The Labor Relations Organizational Unit develops its Strategic Plan based on the Company's Goals and Objectives. This Strategic Plan is arranged into strategies and action steps that help Bi-State Development Agency achieve its goals and objectives as outlined in the Strategic Plan Overview.

Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources		
Objective: Implement cost reduction strategies		
Strategy	**Action Steps**	**Performance Measurements**
Reduce costs and impact on productivity associated with absenteeism	• Implementation of a structured absence management program • Add an absence management specialist	• Established attendance program review committee including Labor Relations and facilities management for bus, rail and van in 2014 • Maintain Absence Management program (FMLA, STD and other leaves of absence).

Goal: Value all members of our staff and endeavor to help all of our employees develop to their fullest potential		
Objective: Strengthen the labor – management working relationship		
Strategy	**Action Steps**	**Performance Measurements**
Maintain a positive working relationship with union management to ensure an open communication process for resolving work related issues.	• Develop a joint complaint and grievance review committee with Local 788 to address issues for operations and maintenance • Develop and implement grievance/arbitration training for first line supervisors in operations and maintenance	• Joint Committee formed by Sep 2015 • Training completed by Dec 2015 • Reduction in number of work related issues

Performance Indicators – Labor Relations

Progress in meeting the goals and objectives are measured through performance indicators. Following is a list of the performance indicators for Labor Relations.

	FY 2016	FY 2015		FY 2014
	Target	Projection	Target	Actual
Labor Relations				
Employee/Retiree Outreach				
Education events	30	32	30	32
Communications	6	6	6	6
Reduce labor grievances by 15%	175	205	144	205

Labor Relations - Operating Expense

		FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
		Budget	Projection	Budget	$ Change	% Change	Actual
Labor Relations	Wages & benefits without OPEB	**398,240**	240,540	191,893	157,700	65.6%	361,895
	Other post-employment benefits	**8,613**	15,072	10,767	(6,458)	-42.9%	19,041
	Services	**350,748**	241,008	325,969	109,740	45.5%	563,866
	Parts & supplies	**586**	412	569	174	42.2%	257
	Utilities	**-**	610	-	(610)	-100.0%	1,236
	Leases and other expense	**4,100**	885	-	3,215	363.1%	1,483
	Operating expense	**$ 762,287**	**$ 498,527**	**$ 529,197**	**$ 263,761**	**52.9%**	**$ 947,777**

Procurement & Inventory Management

Descriptions of organization:

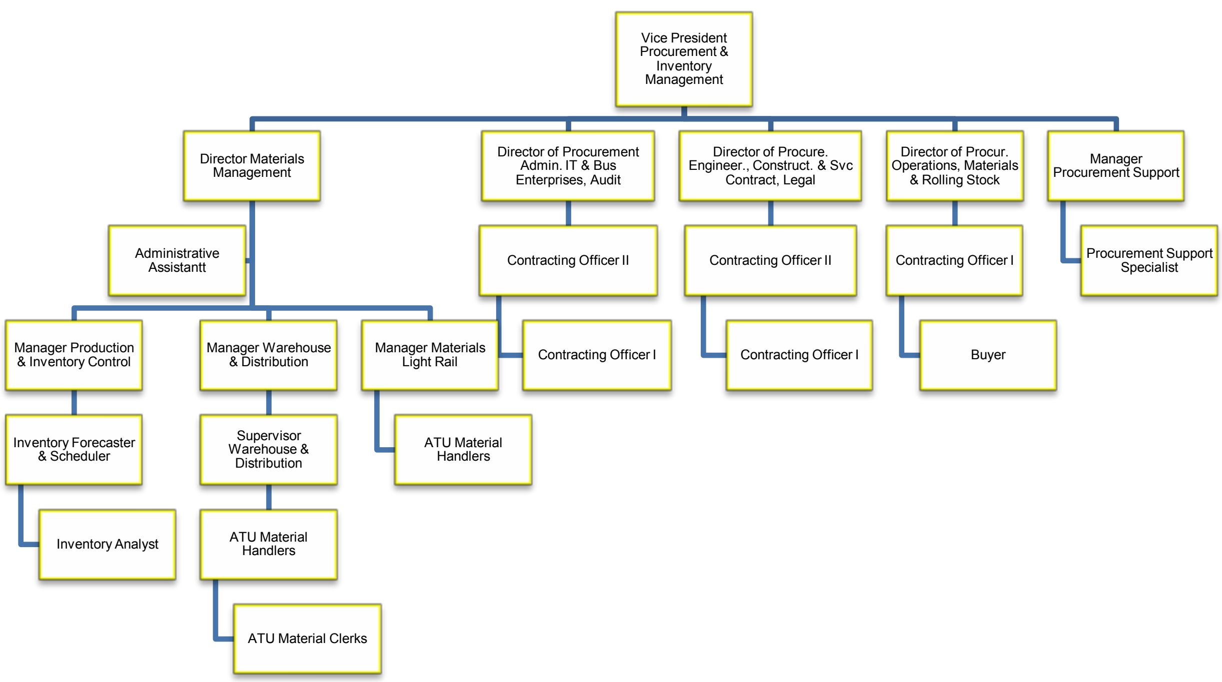
The Procurement and Inventory Management Division consists of the following units that are responsible for delivering on a timely basis the best value product or service, while maintaining the public's trust and fulfilling public policy goals.

Inventory Management is responsible for managing and safeguarding the transit inventory of repair parts and supplies required for efficient day-to-day operations. The department also interprets maintenance and operations plans and forecasts materials requirements to support the needs of the organization.

Procurement is responsible for purchasing and/or contracting all equipment, goods, and services that Bi-State Development Agency (BSDA) requires for operations and expansion. The department is also responsible for ensuring compliance with all federal, state, and local laws and regulations and BSDA Board policy requirements relating to procurement.

Procurement Administration provides overall management of the procurement and inventory management functions.

Organization:



Goals and Objectives Action Plan: Procurement and Inventory Management

The Organizational Unit develops a Strategic Plan based on the Company's Goals and Objectives. This Strategic Plan is set into strategies and action steps that help Bi-State Development Agency achieve its goals and objectives as outlined in the Strategic Plan section of this document.

Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources		
Objective: Implement cost reduction strategies		
Strategy	**Action Steps**	**Performance Measurements**
Improve MetroLink warehouse and materials management processes	• Identify and categorize parts and supplies • Identify ML critical spares • Evaluate inventory item attributes • Implement recommendations	• Parts identification completed for all operating systems • Process recommendations and implementation schedule completed
Objective: Implement internal process improvements		
Strategy	**Action Steps**	**Performance Measurements**
Improve equipment and parts availability and supplier performance	• Develop and implement supplier performance measurement program	• Performance measurement program in place and scorecards are created and reviewed with key suppliers
Implement planned maintenance process in partnership with maintenance for all Agency divisions as mirrored with bus maintenance	• Establish project teams • Evaluate current maintenance and material requirement plans • Develop process improvement recommendations • Implement recommendations	• Project teams established and operating • Process improvement recommendations and implementation schedule for ML rail operations completed • Process improvement recommendations and implementation schedule for MOW completed

Performance Indicators – Procurement and Inventory Management

Progress in meeting the goals and objectives are measured through performance indicators. Following is the list of the performance indicators for the organization:

	FY 2016	FY 2015		FY 2014
	Target	Projection	Target	Actual
Inventory Management:				
Accuracy of bus parts inventory	98.0%	97.5%	98.0%	97.7%
Accuracy of rail parts inventory	98.0%	96.5%	98.0%	95.4%
Bus parts inventory turnover	3.00	2.50	3.00	1.89
Rail parts inventory turnover	1.00	0.80	1.00	0.72
Procurement:				
Percent of purchases competitively sourced	90.0%	90.0%	90.0%	88.4%

Procurement, Inventory Management - Operating Expense

		FY 2016 Budget	FY 2015 Projection	FY 2015 Budget	16 Bgt vs. 15 Proj $ Change	16 Bgt vs. 15 Proj % Change	FY 2014 Actual
Procurement, Inventory Management	Wages & benefits without OPEB	**$ 4,872,948**	$ 4,444,413	$ 4,450,921	$ 428,535	9.6%	$ 4,225,659
	Other post-employment benefits	**224,963**	278,584	281,204	(53,620)	-19.2%	254,373
	Services	**45,371**	31,329	42,059	14,042	44.8%	18,024
	Parts & supplies	**324,357**	279,783	289,358	44,575	15.9%	(86,668)
	Utilities	**4,980**	4,429	5,820	551	12.4%	3,197
	Leases and other expense	**79,409**	81,546	96,921	(2,136)	-2.6%	49,471
	Operating expense	**$ 5,552,029**	**$ 5,120,082**	**$ 5,166,284**	**$ 431,947**	**8.4%**	**$ 4,464,056**
Inventory Management	Wages & benefits without OPEB	**3,159,755**	2,875,759	2,825,203	$ 283,996	9.9%	2,525,047
	Other post-employment benefits	**148,033**	180,881	185,042	(32,848)	-18.2%	158,879
	Services	**2,500**	263	-	2,237	850.0%	3,197
	Parts & supplies	**309,367**	270,521	274,783	38,846	14.4%	(93,154)
	Utilities	**1,500**	1,170	1,500	330	28.2%	979
	Leases and other expense	**25,598**	23,239	21,710	2,360	10.2%	16,795
	Operating expense	**$ 3,646,754**	**$ 3,351,833**	**$ 3,308,238**	**$ 294,921**	**8.8%**	**$ 2,611,743**
Procurement	Wages & benefits without OPEB	**1,133,353**	1,027,821	1,078,733	105,532	10.3%	1,083,380
	Other post-employment benefits	**47,887**	61,434	59,859	(13,547)	-22.1%	59,152
	Services	**15,914**	12,845	15,450	3,069	23.9%	11,895
	Parts & supplies	**-**	-	-	-	-	2,323
	Leases and other expense	**-**	3,707	-	(3,707)	-100.0%	$ 1,512
	Operating expense	**$ 1,197,154**	**$ 1,105,806**	**$ 1,154,042**	**$ 91,347**	**8.3%**	**1,158,262**
Supplier Diversity	Wages & benefits without OPEB	**220,822**	199,275	206,681	21,547	10.8%	247,716
	Other post-employment benefits	**12,617**	13,985	15,771	(1,368)	-9.8%	12,688
	Services	**1,030**	500	1,000	530	106.0%	-
	Parts & supplies	**4,145**	2,063	3,900	2,082	100.9%	2,941
	Utilities	**2,640**	2,473	3,480	167	6.8%	1,481
	Leases and other expense	**33,200**	37,572	54,600	(4,372)	-11.6%	11,890
	Operating expense	**$ 274,454**	**$ 255,868**	**$ 285,432**	**$ 18,586**	**7.3%**	**$ 276,716**
Procurement Administration	Wages & benefits without OPEB	**359,017**	341,558	340,303	17,459	5.1%	369,516
	Other post-employment benefits	**16,426**	22,283	20,533	(5,857)	-26.3%	23,654
	Services	**25,927**	17,721	25,609	8,206	46.3%	2,932
	Parts & supplies	**10,845**	7,198	10,675	3,647	50.7%	1,222
	Utilities	**840**	786	840	54	6.8%	737
	Leases and other expense	**20,611**	17,028	20,611	3,583	21.0%	19,274
	Operating expense	**$ 433,668**	**$ 406,575**	**$ 418,572**	**$ 27,093**	**6.7%**	**$ 417,335**

Finance

Operational overview:

The Finance Division, under the direction of the CFO, is a diverse operation. Finance is responsible for customary functions such as Treasury, Program Development and Grants, Accounting, Payroll, Accounts Receivable and Accounts Payables. However, it is also responsible for passenger revenue collection, passenger ticket sales, risk management, and in-house claims department and safety.

Risk Management, Claims and Safety is responsible for the Agency-wide self insurance and insurance programs as well as the administration of workers' compensation, property and auto liability claims. The risk and safety staff investigates accidents and oversees all elements of employee and facility safety, identifies hazards and develops recommendations to reduce or eliminate problems. The department administers federal drug and alcohol programs including random testing, coordinates emergency response planning with federal, state and local authorities, provides training for local emergency first responders, reviews contracts and agreements and oversees contractor safety programs. It is also responsible for the agency-wide health and wellness initiatives.

Treasury is responsible for cash management including cash receipts, disbursements, banking relations, investments and commodities hedging programs. The department is also responsible for debt and structured lease administration and financial disclosures. The department works closely with the Chief Financial Officer structuring short-term and long-term financing.

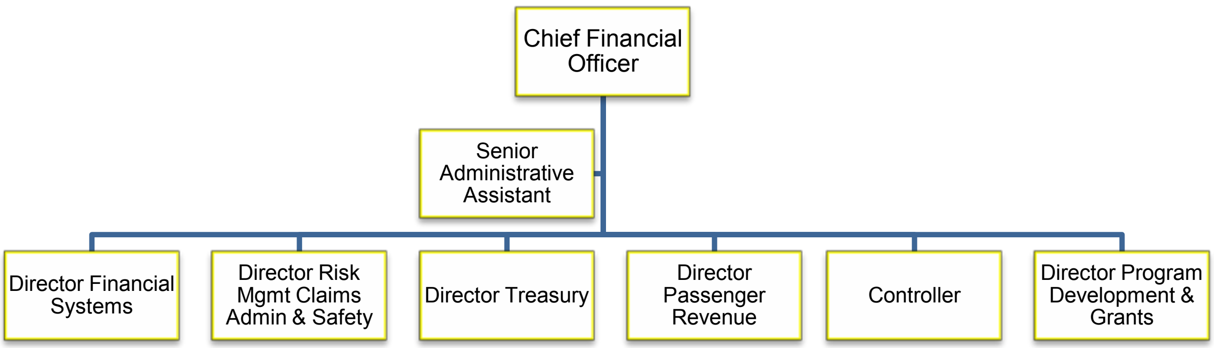
Passenger Revenue is responsible for the overall management and maintenance of fare collection and bus headsign equipment in addition to Ticket Vending Machines and Validation equipment employed on the MetroLink alignment. The department is in charge of the collection and processing of Bi-State Development revenues and ensures that adequate controls surrounding the accounting and handling of bus and light rail transit passenger fares are in place and consistently practiced. The department manages pass distribution, lock box program, special-event ticketing programs and is responsible for timely and accurate revenue reporting.

Controller's Group is responsible for coordinating, planning, and reporting on the financial activities of Bi-State Development. The department sets financial policies, and oversees the activities of the Accounting, Budgeting, Payroll and Accounts Payable sections. The department coordinates the activities of the external auditor, and is responsible for all external financial reporting. The department provides analytical support to management and prepares detailed indicators reports measuring the performance of the Bi-State Development Agency.

Program Development and Grants Department is responsible for the development and administration of all federal, state and local grants. The department is responsible for the coordination of all sub-recipient grant relations, coordinating the development and ranking of internal grant requests and grant applications with federal, state and local authorities, as well as the municipal planning organization.

Finance Administration provides overall management of all financial functions.

Organization:



Goals and Objectives Action Plan: Finance

Strategies and action steps help Bi-State Development Agency (BSDA) achieve its goals and objectives as outlined in the Strategic Plan Overview.

Goal: Build an effective and efficient publically-supported organization that is viewed as a transparent and accountable steward of public funds		
Objective: Establish and manage communications plan that improves public perception of Bi-State Development programs and credibility of management		
Strategy	**Action Steps**	**Performance Measurements**
Expand public outreach efforts in safety, security and emergency management	• Public service announcement through bus and LRV poster program and literature about safety, security and emergency preparedness • Provide safety, security and emergency preparedness information for new Metro website • Perform MetroLink station blitzes to remind customers to "Stop, Look, and Live" before crossing the MetroLink railroad tracks.	• Safety, Security and Emergency Preparedness posters on MetroBus and MetroLink • MetroLink evacuation poster and brochure available • Safety, Security and Emergency Preparedness information posted to website

Goal: Deliver a high quality transit experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence		
Objective: Efficiently and effectively operate service sectors		
Strategy	**Action Steps**	**Performance Measurements**
Continue six year trend to reduce accidents and injuries (Risk Management and Safety)	• Design training module to address broken switches and red signal violations (i.e., human factors)	• Red signal violation and broken switch training module completed • Wellness training program in place • Healthcare representative residing on-site • Agency accident and injury metrics

Goal: Value all members of our staff and endeavor to help all of our employees develop to their fullest potential		
Objective: Continue to develop a safety conscious culture throughout BSDA, its customers, and business partners		
Strategy	**Action Steps**	**Performance Measurements**
Improve employee health while maintaining or reducing medical plan costs	• Develop and implement an incentive based, wellness oriented medical plan to complement the health & wellness initiative	• Continue wellness initiatives • Evaluate and track employee participation in premium-based incentive plan • Instill health and wellness as a cultural norm

Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources		
Objective: Implement internal process improvements		
Strategy	**Action Steps**	**Performance Measurements**
Increase income from investments	• Finish the implementation of the Treasury module to include all cash and investments for reporting purposes • From the new reporting, develop more sophisticated cash flow analysis to enable funds to be invested longer term	• Reporting that forecasts maturities to help better manage a laddered portfolio • From the improved cash flow analysis, put non-operating funds to work in investment vehicles that provide a better return

Strategy	Action Steps	Performance Measurements
Identify opportunities to reimburse cost of staff training and administrative time through grant resources	• Identify grant funds to support front-line employee training for emergency preparedness and security awareness - e.g., Homeland Security, FTA, Public Education and Enforcement Research Study • Identify grant funds to support administrative effort to procure and manage grant funded projects	• Identify sources of revenue to support Bi-State Development's capital and eligible operating needs • Maintain line of communication with funding sources to identify agency needs and identify available resources to support capital needs
Provide project management and coordination for the FTA funded state of good repair program	• Develop Transit Asset Management Plan and design and implement Transit Asset Software to support Bi-State Development oversight of all assets, asset condition and capital and operating costs	• Transit Asset Management Software design by Q1 FY 2016; implementation in late FY 2016
Objective: Implement cost reduction strategies		
Strategy	**Action Steps**	**Performance Measurements**
Improve bank fee analysis process	• Create more efficient reporting in preparation for the upcoming Bank RFP	• Cost savings on bank fees and improved contract pricing on RFP
Strategy	**Action Steps**	**Performance Measurements**
Evaluate alternatives and cost containment measures for Other Post Employment Benefits (OPEB) in order to utilize for collective bargaining activities	• Engage financial consultant to provide guidance on how to reduce the unfunded liabilities • Establish a baseline cost and examine the true cost of retiree health care benefits • Survey current market strategies • Evaluate each strategy's cost implications	• Identify and evaluate the all inclusive costs associated with the self funded health care program.

Performance Indicators - Finance

Progress in meeting the goals and objectives are measured through performance indicators. Following is a list of the performance indicators for the Finance Division areas:

	FY 2016	FY 2015		FY 2014
	Target	Projection	Target	Actual
Risk Management:				
Lost work days due to employee injury	2,200	2,250	2,200	1,987
Employee injuries	190	205	180	191
MetroBus preventable accidents per 100,000 miles	0.80	0.85	0.75	0.85
Call-A-Ride preventable accidents per 100,000 miles	0.80	0.66	0.90	0.82
Passenger injuries per 100,000 boardings	0.90	1.10	1.00	1.00
Liability & WC subrogation recoveries	$375,000	$350,000	$350,000	$326,287
Treasury:				
Percent of months in which:				
Yield on working capital funds equal 90-day T-Bill	100%	75%	83%	75%
Yield on long term investments exceed one year T-Bill by ten basis points	100%	92%	100%	100%
Treasury Module closed within three working days after month end	100%	100%	100%	92%
All EFTs timely made with no errors	100%	100%	100%	100%
Positive pay issue files transmitted in a timely manner	100%	99%	99%	99%
Monthly Treasurer's Report completed before Board deadline	100%	100%	100%	100%
Passenger Revenue:				
Percent of TVM refund claims processed within three days of receipt	100%	98%	100%	97%
Percent of special events staffed with ticket sales where TVMs are unable to handle demand	100%	100%	100%	100%
Percent of pass/ticket distributions to third party vendors meeting deadline	100%	100%	100%	100%
Percent of month-end journal entries meeting closing schedule	100%	100%	100%	100%
Percent of working fund balances reconciled with general ledger	100%	100%	100%	100%
Number of farebox revenue audits performed	12	12	12	12

	FY 2016 Target	FY 2015 Projection	FY 2015 Target	FY 2014 Actual
Program Development and Grants:				
Percent of annual formula, & discretionary funded grant applications submitted on time	100%	100%	100%	100%
Percent of FTA/FEMA-DHS/IDOT milestone progress reports submitted on time (within 30 days after the end of the quarter or as required)	100%	100%	100%	100%
Percent of federal grants closed within 90 days of all grant activity and expenditure of all federal funds	100%	100%	100%	100%
Controller's Group:				
GFOA Certificates of Achievement:				
1.) Comprehensive Financial Report	Yes	Yes	Yes	Yes
2.) Budget Presentation	Yes	Yes	Yes	Yes
Percent of months in which the general ledger was closed within 7 days or less	100%	100%	100%	100%
Percent of invoices paid within supplier payment terms	95.0%	92.0%	89.0%	90.0%
Percent of supplier records to be maintained in supplier master file	100.0%	99.0%	99.0%	100.0%
Payroll errors as a percent of paychecks	0%	0%	0.05%	0%
Percent of employees using direct deposit	100%	99.98%	100%	99.98%

Finance - Operating Expense

		FY 2016 Budget	FY 2015 Projection	FY 2015 Budget	16 Bgt vs. 15 Proj $ Change	16 Bgt vs. 15 Proj % Change	FY 2014 Actual
Finance	Wages & benefits without OPEB	$ 7,769,084	$ 7,248,407	$ 7,529,129	$ 520,677	7.2%	$ 7,173,025
	Other post-employment benefits	371,135	456,683	463,918	(85,548)	-18.7%	425,607
	Services	3,022,275	2,745,538	2,740,717	276,736	10.1%	2,739,827
	Fuel & lubrications	-	-	-	-	-	-
	Parts & supplies	2,444,392	526,082	772,927	1,918,309	364.6%	466,331
	Casualty & liability	5,406,024	4,622,708	4,864,761	783,316	16.9%	4,995,870
	Utilities	74,015	146,029	64,050	(72,014)	-49.3%	44,338
	Leases and other expense	1,147,996	1,050,969	1,078,121	97,027	9.2%	600,838
	Agency fees	3,097,907	2,800,000	2,800,000	297,907	10.6%	2,550,000
	Operating expense	**$ 23,332,827**	**$ 19,596,417**	**$ 20,313,624**	**$ 3,736,411**	**19.1%**	**$ 18,995,835**
Risk Management, Claims & Safety	Wages & benefits without OPEB	2,214,271	2,070,009	2,209,205	144,262	7.0%	2,043,706
	Other post-employment benefits	90,590	111,009	113,238	(20,418)	-18.4%	103,222
	Services	1,028,400	988,664	945,140	39,736	4.0%	1,095,856
	Parts & supplies	311,302	175,649	264,814	135,653	77.2%	189,296
	Casualty & liability	5,346,024	4,566,047	4,806,761	779,977	17.1%	4,941,443
	Utilities	68,050	140,682	58,650	(72,632)	-51.6%	38,772
	Leases and other expense	665,007	623,117	611,388	41,890	6.7%	362,369
	Operating expense	**$ 9,723,645**	**$ 8,675,177**	**$ 9,009,196**	**$ 1,048,468**	**12.1%**	**$ 8,774,664**
Treasury	Wages & benefits without OPEB	287,866	282,362	304,294	5,504	1.9%	239,882
	Other post-employment benefits	12,179	16,512	15,224	(4,333)	-26.2%	12,393
	Services	730,250	432,675	634,000	297,575	68.8%	343,821
	Fuel & lubrications	-	-	-	-	-	-
	Parts & supplies	1,600	856	1,500	744	86.9%	809
	Casualty & liability	60,000	56,662	58,000	3,338	5.9%	54,426
	Utilities	-	-	-	-	-	-
	Leases and other expense	29,900	25,639	24,200	4,261	16.6%	(82,559)
	Agency fees	3,097,907	2,800,000	2,800,000	297,907	10.6%	2,550,000
	Operating expense	**$ 4,219,702**	**$ 3,614,706**	**$ 3,837,218**	**$ 604,996**	**16.7%**	**$ 3,118,772**
Passenger Revenue	Wages & benefits without OPEB	2,552,099	2,327,675	2,357,785	224,424	9.6%	2,290,492
	Other post-employment benefits	131,238	158,808	164,047	(27,570)	-17.4%	147,128
	Services	1,034,615	1,014,082	926,697	20,533	2.0%	980,694
	Parts & supplies	2,070,195	295,147	444,233	1,775,047	601.4%	241,952
	Utilities	5,215	4,844	4,800	371	7.7%	5,398
	Leases and other expense	306,584	308,174	303,370	(1,590)	-0.5%	270,127
	Operating expense	**$ 6,099,945**	**$ 4,108,730**	**$ 4,200,932**	**$ 1,991,215**	**48.5%**	**$ 3,935,791**
Controller's Group	Wages & benefits without OPEB	1,990,006	1,752,889	1,815,489	237,117	13.5%	1,721,978
	Other post-employment benefits	99,175	121,289	123,969	(22,114)	-18.2%	110,692
	Services	26,250	118,941	31,600	(92,691)	-77.9%	133,307
	Parts & supplies	32,518	33,266	32,741	(748)	-2.2%	22,669
	Leases and other expense	36,225	26,993	29,833	9,232	34.2%	16,689
	Operating expense	**$ 2,184,174**	**$ 2,053,378**	**$ 2,033,632**	**$ 130,796**	**6.4%**	**$ 2,005,336**
Program Development & Grants	Wages & benefits without OPEB	322,617	414,654	431,169	(92,037)	-22.2%	452,716
	Other post-employment benefits	19,075	24,082	23,843	(5,007)	-20.8%	25,266
	Services	2,260	44,185	2,000	(41,925)	-94.9%	178,884
	Parts & supplies	8,477	5,790	8,288	2,687	46.4%	5,682
	Leases and other expense	83,980	46,515	83,980	37,465	80.5%	25,263
	Operating expense	**$ 436,409**	**$ 535,225**	**$ 549,280**	**$ (98,816)**	**-18.5%**	**$ 687,811**
Finance Administration	Wages & benefits without OPEB	402,225	400,818	411,186	1,407	0.4%	424,251
	Other post-employment benefits	18,878	24,984	23,597	(6,106)	-24.4%	26,906
	Services	200,500	146,992	201,280	53,508	36.4%	7,266
	Parts & supplies	20,300	15,374	21,352	4,926	32.0%	5,921
	Utilities	750	503	600	247	49.2%	169
	Leases and other expense	26,300	20,531	25,350	5,769	28.1%	8,949
	Operating expense	**$ 668,952**	**$ 609,201**	**$ 683,365**	**$ 59,751**	**9.8%**	**$ 473,462**

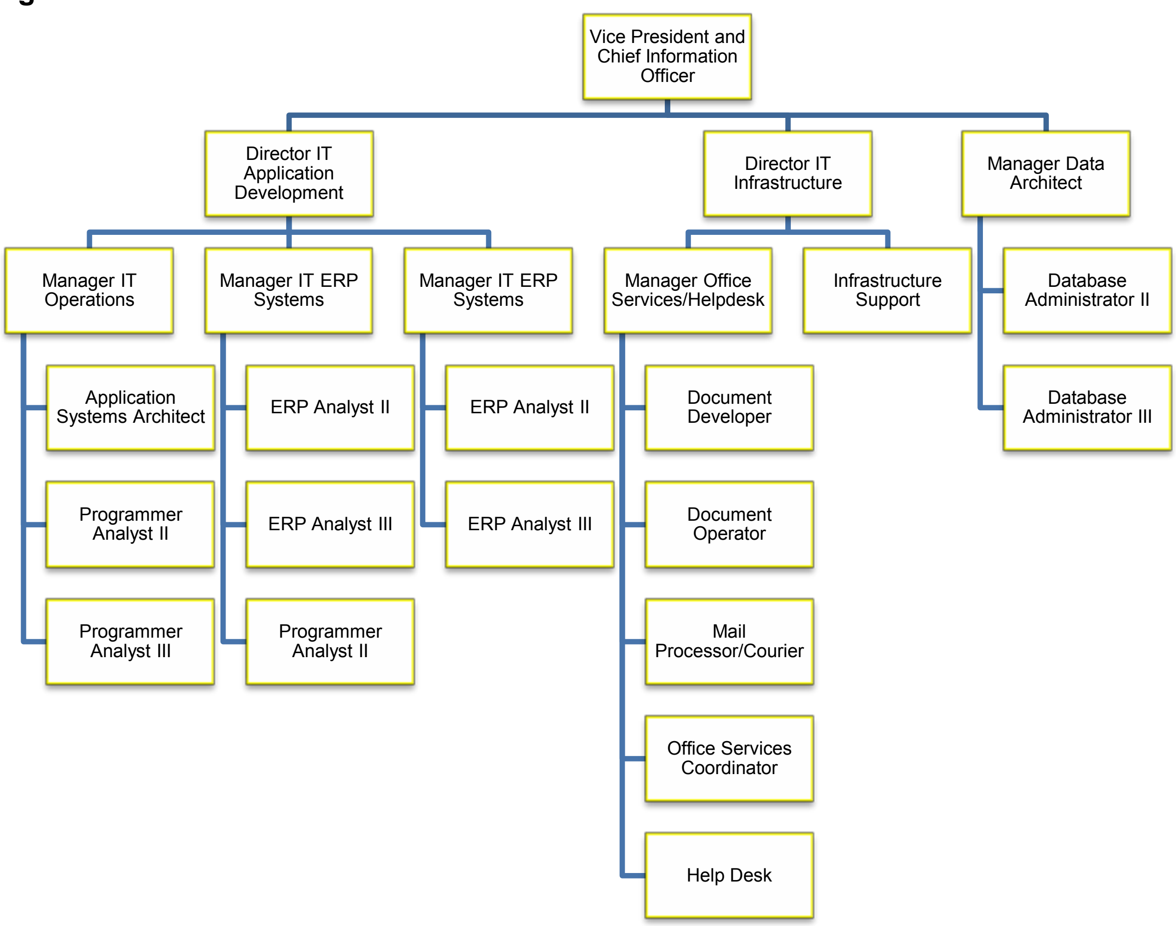
Information Technology

Organizational overview:
The Information Technology division is responsible for providing efficient, reliable, cost-effective and responsive technology services and dedicated support to all technology users throughout Bi-State Development.

Information Technology is responsible for developing, operating, and maintaining information and telecommunications systems; designing, programming, and purchasing software that supports all business processes within the company; providing help-desk support for computer-dependent employees; designing and maintaining both internet and intranet websites; supporting customers, employees, and the general public.

Office Services is responsible for in-house publishing, mail delivery services, and copying services.

Organization:



Goals and Objectives Action Plan: Information Technology

The following strategies and action steps help Bi-State Development achieve its goals and objectives as outlined in the Strategic Plan section of this document.

Strategy	Action Steps	Performance Measurements
Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources		
Objective: Implement cost reduction strategies		
Implement IT tasks for Fare Collection project per schedule and within budget	• Completion by Jan 2016 • Budget: See Fare Collection Project	• Deadlines met • Budget met
Complete Transit Operations Improvements project per schedule and within budget	Completion By: • OPS-Core, OPS-Sign In Terminal – Apr 2016 • OPS-Web, OPS-IVR – Dec 2016 • Viewpoint – Apr 2017 • Budget: $4.5M	• Deadlines met • Budget met

Performance Indicators – Information Technology

Progress in meeting the goals and objectives are measured through performance indicators. Following is a list of the performance indicators:

	FY 2016 Target	FY 2015 Projection	FY 2015 Target	FY 2014 Actual
Information Technology:				
Information Technology personnel turnover	<10%	18%	<10%	0%
Office Services:				
System uptime	98.8%	98.9%	98.7%	98.8%

Information Technology - Operating Expense

		FY 2016 Budget	FY 2015 Projection	FY 2015 Budget	16 Bgt vs. 15 Proj $ Change	16 Bgt vs. 15 Proj % Change	FY 2014 Actual
Information Technology	Wages & benefits without OPEB	**$ 5,145,947**	$ 3,838,358	$ 4,757,122	$ 1,307,589	34.1%	$ 3,411,226
	Other post-employment benefits	**221,541**	243,525	276,926	(21,985)	-9.0%	197,949
	Services	**2,632,571**	2,581,472	1,800,192	51,099	2.0%	2,907,972
	Parts & supplies	**494,262**	428,368	485,618	65,894	15.4%	511,958
	Utilities	**528,820**	513,512	432,720	15,308	3.0%	560,633
	Leases and other expense	**161,232**	177,513	88,136	(16,280)	-9.2%	41,046
	Operating expense	**$ 9,184,373**	**$ 7,782,749**	**$ 7,840,714**	**$ 1,401,624**	**18.0%**	**$ 7,630,783**

Marketing and Communications

Organizational overview:

Marketing and Communications is responsible for developing and executing strategic and tactical marketing, sales, community outreach and public relations plans for the Bi-State Development Agency and its Divisions and Enterprises.

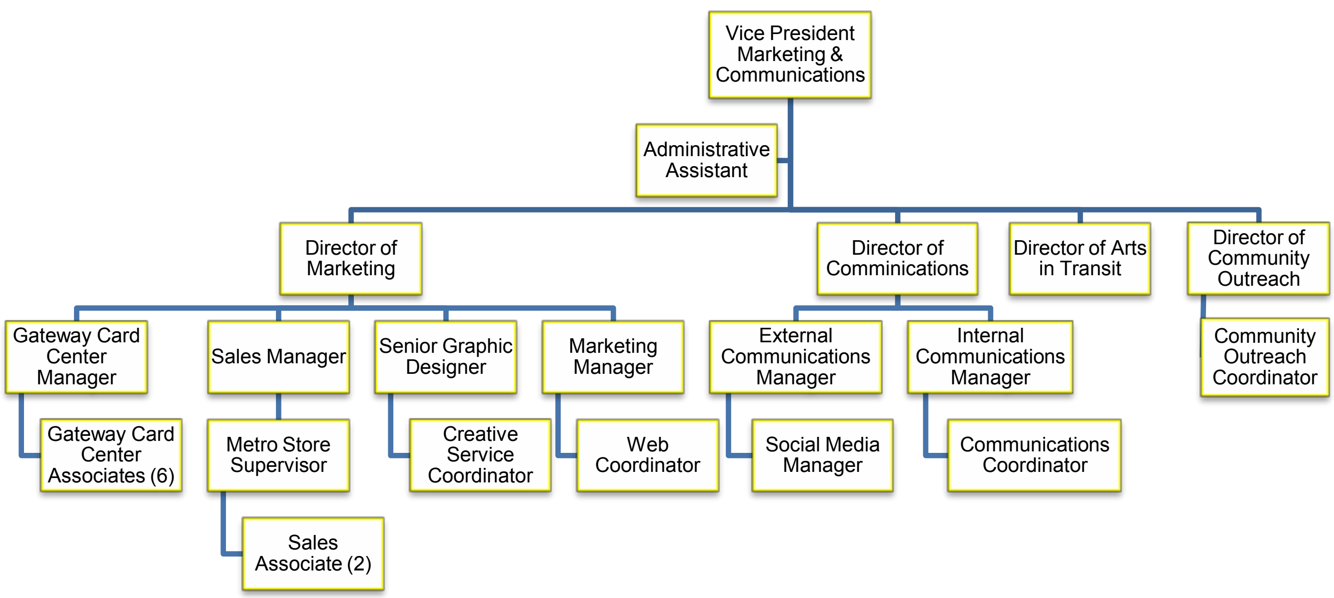
Marketing develops and implements marketing, sales and graphic communication strategies and programs to support the Agency and all its business units. Marketing is responsible for the Gateway Card customer education function that supports transit's new fare collection system, and for MetroStore, the Bi-State Development Agency's "owned and operated" consignment location positioned to generate tourism and corporate sales for transit.

Communications is responsible for the development and implementation of messages, programs, activities, materials, presentations and media relations designed to enhance employee and public awareness, understanding and support for Bi-State Development Agency's policies, plans, services and initiatives.

Community Outreach executes proactive strategic programs to build relationships with civic, business and community groups in order to advance understanding of the Bi-State Development Agency's role in driving economic activity in the region.

Arts in Transit (AIT) develops and implements art and design projects that enhance the aesthetic and ambient environment of the Metro transit system and the region. In addition AIT supports collaborative public art projects including bus painting, displays of poetry and art competitions.

Organization:



Goals and Objectives Action Plan: Marketing and Communications

The following strategies and action steps are designed to further the achievement of the Bi-State Development Agency's goals and objectives as outlined in the Strategic Plan section of this document.

Goal: Build an effective and efficient publically supported organization that is viewed as a transparent and accountable steward of public funds		
Objective: Establish and manage communications plan that improves public perception of the Bi-State Development Agency programs and credibility of management		
Strategy	**Action Steps**	**Performance Measurements**
Execute strategic external public relations strategies and tactics to raise awareness and support for Bi-State Development goals, achievements and contributions to the region. Continue to build awareness of BSDA and all its Divisions as an effective public organization; recognized for excellence in transit service delivery and for effective economic development engagement.	• Promote awareness about BSDA commitment to excellence by promoting media stories about agency initiatives and leaders, emphasizing the value they bring to the region • Circulate Annual Report to a wider audience through business publications • Create BSDA Annual Meeting to promote collaboration regarding regional economic development • Increase website assets to reflect all Bi-State Development Agency enterprises and serve its varied customers • Support implementation of Smart Card roll out • Assist with the launch and promotion of the regional freight district • Promote the BSDA Research Institute • Partner with Operations to create a new "Wayfinding" strategy for transit.	• Roll-out of brand strategy for Bi-State Development and operating entities, including brand identities for the parent organization and its enterprises. • Increase positive media reports about the Agency • Publish in Business Journal and Illinois Business Journal and use electronic and hard copies to push to greater number of constituents • Host first annual BSDA Economic Development event • Increased awareness of BSDA economic development enterprises • Increase external website users and social media presence

Goal: Value all members of our staff and endeavor to help all of our employees develop their fullest potential		
Objective: Invest in employee development		
Strategy	**Action Steps**	**Performance Measurements**
Develop and execute internal communications plans that improve employee knowledge and engagement	• Develop new features and add functionality to MetroWeb • Manage electronic message boards at Metro facilities • Ensure consistency between internal/external messaging • Survey employees to assess internal communications use and effectiveness, and to uncover other internal communications needs.	• Establish benchmarks for measurement of employee engagement by Summer 2015

Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources		
Objective: Implement revenue enhancement strategies		
Strategy	**Action Steps**	**Performance Measurements**
Drive revenue through Commuter Advantage Program sales..	• Establish and execute specific and trackable sales plan including client categories, program baseline & growth goals • Create Customer Relationship Management (CRM) system • Implement product strategy • Update collateral materials • Adjust program as needed.	• Improved monthly average revenue over FY 2015 actual • Improved monthly average pass sales over FY 2015 • Reach FY 2016 Corporate participation goal
Drive revenue through Tourism, Convention and Recreation markets.	• Continue sales strategy of establishing multi-day passes appealing to the tourism marketplace • Continue to use MetroStore to increase both corporate and tourism-related sales • Continue development of pass distribution partnerships • Create and execute marketing & communications plan specifically for this market • Distribute collateral materials & digital platform	• Pass sales • Downtown & Forest Park Shuttle Ridership

Drive revenue through Special Event Passes	• Develop and execute plan to target special events easily accessed by transit system • Engage event planners to create partnership opportunities such as packaging event & Metro tickets, creation of specialty passes, marketing & social media programs	• Pass Sales • Special event ridership • Increased Marketing & Social Media awareness for "Take Metro to the..." campaigns.
Drive revenue through improved advertising opportunities	• Develop sales strategy targeting corporate clients with multi-year advertising and naming right programs • Maximize revenue through closer management of existing advertising contracts • Expand sales opportunities of unused inventory	• Indirect Revenue - Increased sales from advertising contracts • Direct Revenue - Trackable sales by Marketing department

Goal: Build an effective and efficient publically supported organization that is viewed as a transparent and accountable steward of public funds.

Objective: Establish a planning, policy, financial and operational framework for developing and delivering transit service, projects, and programs over the next 10 years, and introduce potential service concepts that could be implemented over the next 10-30 years.

Strategy	Action Steps	Performance Measurements
Create opportunities to engage business and civic organizations in conversations about opportunities to enhance regional vitality; and support the regional aesthetic environment through and effective public art program – Arts in Transit.	• In addition to the annual event, create and execute a series of opportunities designed to engage community and organizational leaders throughout the region • Host annual Art Bus, Poetry in Motion, Bus Shelter Poster events and other relevant community-based arts programs • Secure grants and sponsorships to support the Arts in Transit program	• Increased participation in community events • Represent Bi-State Development Agency at business to business events • Increase number and amount of grants

Performance Indicators – Marketing and Communications

Progress in meeting the goals and objectives are measured through performance indicators. The following is a list of the performance indicators for marketing, communications, and community outreach:

	FY 2016	FY 2015		FY 2014
	Target	Projection	Target	Actual
Increase public awareness and support for Agency policies, plans, services and initiatives through effective media relations.				
• Media reports accomplishing that goal:	2,400	2,000	1,500	2,384
• Estimated media exposures:	440,000,000	308,000,000	N/A	436,658,187
• $ value of comparable advertising:	$4.3M	$3.4M	N/A	$4.3M
Increase public awareness and support for Agency policies, plans, services and initiatives through growing effective social media.				
• Facebook likes	4,250	4,000	3,450	3,306
• Twitter followers	15,250	12,750	11,000	8,803
• Instagram followers	1,500	1,100	350	200
Develop and execute strategic and tactical marketing and sales plans that meet business targets for transit				
• Advertising Revenue	$1.4M	$1.1M	$1.3M	$1.3M
• MetroStore Sales	$2.6M	$2.5M	$2.4M	$2.8M
• Transit Benefit Program corporate participants	130	120	178	113
• Transit Benefit Program passes purchased: (monthly average)	5,800	5,500	6,500	5,103
Arts in Transit grants and other revenue:	$75,000	$35,000	$40,000	$30,000
Community events participation:	75	45	35	39

Marketing & Communications - Operating Expense

		FY 2016 Budget	FY 2015 Projection	FY 2015 Budget	16 Bgt vs. 15 Proj $ Change	16 Bgt vs. 15 Proj % Change	FY 2014 Actual
Marketing & Communications	Wages & benefits without OPEB	**$ 1,814,703**	$ 1,403,757	$ 1,445,784	$ 410,946	29.3%	$ 1,282,673
	Other post-employment benefits	**63,044**	84,423	78,804	(21,379)	-25.3%	72,213
	Services	**886,784**	320,136	417,943	566,648	177.0%	290,562
	Parts & supplies	**261,242**	191,737	238,390	69,505	36.3%	256,953
	Utilities	**9,200**	8,570	9,200	630	7.4%	6,833
	Leases and other expense	**579,480**	404,388	540,702	175,092	43.3%	465,329
	Operating expense	**$ 3,614,453**	**$ 2,413,012**	**$ 2,730,823**	**$ 1,201,441**	**49.8%**	**$ 2,374,562**
Arts In Transit	Wages & benefits without OPEB	100,687	85,099	50,584	15,588	18.3%	132,643
	Other postemployment benefits	2,500	5,411	3,125	(2,910)	-53.8%	9,617
	Services	46,000	20,796	30,000	25,205	121.2%	27,301
	Parts & supplies	20,587	1,398	1,890	19,189	1372.8%	662
	Utilities	800	706	800	94	13.4%	729
	Taxes, leases & other	2,400	1,471	2	929	63.2%	3,773
	Operating expense	**172,974**	**114,880**	**86,401**	**58,094**	**50.6%**	**174,725**
Gateway Card Center	Wages & benefits without OPEB	70,272	20,759	-	49,514	238.5%	-
	Other postemployment benefits	0	1,014	-	(1,014)	-100.0%	-
	Services	209,500	10,651	-	198,849	1867.0%	-
	Parts & supplies	750	696	-	54	7.7%	-
	Taxes, leases & other	3,200	5	-	3,195	63900.0%	-
	Operating expense	**283,722**	**33,125**	**-**	**250,598**	756.5%	**-**
Marketing Manage Management	Wages & benefits without OPEB	1,643,743	1,297,899	1,395,200	345,844	26.6%	1,150,030
	Other postemployment benefits	60,543	77,998	75,679	(17,455)	-22.4%	62,595
	Services	631,284	288,690	387,943	342,594	118.7%	263,261
	Parts & supplies	239,906	189,643	236,500	50,262	26.5%	256,290
	Utilities	8,400	7,864	8,400	536	6.8%	6,104
	Taxes, leases & other	573,880	402,912	540,700	170,968	42.4%	461,555
	Operating expense	**3,157,756**	**2,265,007**	**2,644,422**	**892,749**	39.4%	**2,199,836**

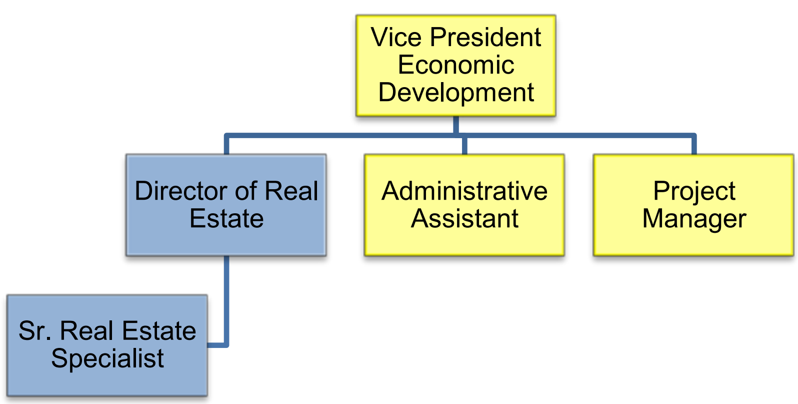
Economic Development and Real Estate

Operational Overview:

Economic Development is responsible for working with regional public partners and private developers to increase public and private investment adjacent and proximate to Bi-State Development Agency (BSDA) infrastructure and systems assets; working with regional partners on identifying and funding large-scale public infrastructure, including the establishment of a region-wide freight district; monetizing BSDA assets, where possible, to support BSDA budgeting and project requirements; establishment and operation of the Bi-State Development Research Institute, a 501c(3) organization that works in conjunction and in support of BSDA; supporting the region's effort for job creation and socio-economic fabric improvement; and, managing BSDA's Real Estate group.

Real Estate acquires and conveys property for Bi-State Development Agency transit and additional public projects and services made eligible through the BSDA Organizational Compact; manages and administrates leases, licenses and contracts related to BSDA real property assets; and provides an annual excess properties report to the BSDA Board per BSDA Board Policy.

Organization:



Transit company
Executive Services company

Goals and Objectives Action Plan: Economic Development and Real Estate

The following strategies and action steps help BSDA achieve its goals and objectives as outlined in the Strategic Plan section of this document.

Goal: Build an effective and efficient publically-supported organization that is viewed as a transparent and accountable steward of public funds		
Objective: Establish and manage departmental plan that improves public-perception of Bi-State Development programs and credibility of management		
Strategy	**Action Steps**	**Performance Measurements**
Continual improvement of BSDA's economic development services, confirming program goals and continually updating and refining BSDA's economic development direction	• BSDA Board and CEO provide oversight for economic development efforts • Economic Development staff interacting with BSDA engineering, planning, transit, grants, business enterprise, legislative, finance, marketing and communication on BSDA projects • Economic Development staff interacting with local and national economic development groups for information and best practices • Complete the establishment of the 501c (3) for economic development purposes	• Thoughtful, short and long-term economic development projects/programs for the regional community (on-going) • Increased perception in the region as BSDA being a key part of the community fabric (on-going) • Improved community and private partnerships for BSDA and BSDA projects (on-going)
Support regional development via BSDA's transit system and compact powers by leading the economic development component of TOD and economic development support for regional infrastructure.	• Interface with BSDA planning staff regarding TOD • Interface with community partners on TOD planning/ finance/ development • Interface with property owners and planning staff on BRT • Focus regional efforts to secure large scale public infrastructure, such as the new Freight District	• Ongoing TOD, improving quality of transit station experience • Work on all 37 Metrolink stations for potential TOD improvements • Initiate economic development related to BRT • On-going work for high speed rail and bridge improvements for the greater St. Louis region

Objective: Establish and manage departmental plan that improves public-perception of Bi-State Development programs and credibility of management (cont.)		
Strategy	**Action Steps**	**Performance Measurements**
Continual improvement of BSDA's real estate services by supporting BSDA's real estate requirements in a professional and fiduciary manner	• Interface with engineering, transit, planning, grants operations, finance, business enterprises, economic development, legal and communications on projects • Interface with the community and community partners on BSDA projects and initiatives • Interface with FTA on property conveyance and systems licensing issues	• Ongoing offers, negotiations on properties and assets that support BSDA's efforts • Maintaining individual real estate certifications • Performing appraisals in a timely fashion for the acquisition or deposition of property • Annual excess property report to the BSDA Board

Performance Indicators – Economic Development and Real Estate

Progress in meeting the goals and objectives are measured through performance indicators. Following is a list of the performance indicators:

	FY 2016	FY 2015		FY 2014
	Target	Projection	Target	Actual
Economic Development (also found under Executive Services)				
Transit Oriented Development (TOD) project efforts at 37 stations	100%	100%	100%	100%
Bus Rapid Transit pre-development support	Yes	Yes	Yes	Yes
Grow regional project/funding partnership	Yes	Yes	Yes	Yes
Establish Freight District within BSDA	Yes	No	No	No
Create opportunities for use of Bi-State compact	Yes	Yes	Yes	Yes
Create 501c (3) for program leveraging	Yes	Yes	Yes	No
Real Estate:				
BSDA strategic property analysis	Yes	Yes	Yes	Yes
Engineering department support	Yes	Yes	Yes	Yes
BSDA leases accounts receivable current	98%	95%	95%	90%
BSDA leases accounts payable current	100%	100%	100%	100%
Operations department support	Yes	Yes	Yes	Yes

Economic Development and Real Estate - Operating Expense

		FY 2016 Budget	FY 2015 Projection	FY 2015 Budget	16 Bgt vs. 15 Proj $ Change	16 Bgt vs. 15 Proj % Change	FY 2014 Actual
Economic Development & Real Estate	Wages & benefits without OPEB	**$ 227,889**	$ 217,896	$ 219,690	$ 9,992	4.6%	$ 238,601
	Other post-employment benefits	**10,719**	13,869	13,399	(3,149)	-22.7%	14,503
	Services	**446,260**	241,740	272,000	204,520	84.6%	250,910
	Parts & supplies	**13,575**	9,264	18,000	4,311	46.5%	755
	Casualty & liability	**18,578**	18,908	18,000	(330)	-1.7%	18,893
	Utilities	**82,500**	79,389	70,500	3,111	3.9%	96,571
	Leases and other expense	**67,082**	82,171	61,425	(15,089)	-18.4%	57,122
	Operating expense	**$ 866,603**	**$ 663,236**	**$ 673,014**	**$ 203,367**	**30.7%**	**$ 677,356**

Transit Improvement Plan Assumptions

The three-year Transit Improvement Plan reflects known factors currently in existence to estimate net income/(deficit) before depreciation and were prepared using the FY 2016 Budget as the basis, identifying the company goals and objectives and applying the TIP assumptions to complete the plan. Deficits projected for FY 2017 through FY 2019 represent the unfunded portion of OPEB obligations.

Operating Revenue

Passenger revenue for FY 2017 through FY 2019 reflects consistent service levels as planned in the FY 2016 budget. Passenger revenue projections include a 3.0% increase in 2017 as a result of a fare increase and smart card technology. Core ridership increase and system efficiencies in 2018 yields a 2.5% increase. Planned regional development, plus a fare increase allows a 3.0% growth in passenger revenue in FY 2019.

TMA revenue to be received from Transit Management Association participants is expected to grow at 3.0% annually for FY 2017 through FY 2019.

Paratransit contract revenues are associated with Call-A-Ride operations primarily due to Missouri Medicaid customers. These revenues are expected to increase 1.5% for the three year period FY 2017 through FY 2019. The modest increase is due to less customers using Medicaid due to complicated application process and opting to pay minimum fare.

Other operating revenue consists of advertising on revenue vehicles, shelters and MetroLink stations; property rental; contracted maintenance for St. Clair ATS service and the City of St. Louis fire truck maintenance; concessions; and other revenue. For FY 2017 through FY 2019, other operating revenues are expected to increase 3.0% annually.

Operating Expense

Operating expenses are projected to increase at the rate of 3.0% for FY 2017 through FY 2019. Moderate inflation demands will increase wages, materials and parts, services and utilities costs.

Grants and Assistance

City of St. Louis ½ cent sales tax assumes a modest growth of 1.0% in FY 2017 through FY 2019.

St. Louis County ½ cent sales tax assumes that the county will continue to appropriate to the Bi-State Development Agency 50.0% of collections for FY 2017 through FY 2019. Tax receipts from St. Louis County are projected to increase 2.5% in FY 2017, FY 2018 and FY 2019 from regional development and a strengthened economy.

City of St. Louis and St. Louis County 1/4 cent sales tax (Prop M) incorporates the regional plan for funding MetroLink. This sales tax is pledged for bond debt (principal and interest) requirement. Prop M sales tax receipts from the City of St. Louis are projected to increase 1.0% annually for the TIP period. St. Louis County Prop M sales tax receipts are projected to increase 2.5% for the TIP period.

St. Louis County ½ cent sales tax (Prop A) assumes that St. Louis County will appropriate between 64.0% and 65.0% of projected Proposition A sales tax receipts to fund Metro operations, capital and debt requirements between FY 2017 and FY 2019. Revenues from this sales tax are projected to increase 2.5% annually. Per an agreement with St. Louis County, remaining tax receipts can be borrowed at mutually advantageous rates to accelerate debt repayment of the 2013 bonds.

City of St. Louis ¼ cent sales tax (Prop M2) tax receipts from the City of St. Louis are projected to increase 1.0% from FY 2017 through FY 2019.

All sales taxes must support operation and capital requirements of the system. Prop M, Prop M2 and Prop A sales tax receipts must also support principal and interest expense (debt service) on bonds in addition to the operating and capital requirements. Approximately $8.2 million annually is required to be reserved for local match to attract federal funding for capital projects.

State of Missouri revenue and the EWGCOG reimbursement for FY 2017 through FY 2019 are expected to remain at the FY 2016 budget level.

St. Clair County revenue assumes continuation of St. Clair County, Illinois MetroBus and MetroLink service at the same levels as used in the FY 2016 budget. The projected increase will change at the 3.0% rate as overall operating expenses from FY 2017 through FY 2019.

State of Illinois revenue for the non-capital soil erosion and other non-capital projects are expected to inflate at approximately 3.0% from FY 2017 through FY 2019.

Federal vehicle maintenance (Federal Formula Funds) is budgeted at $16 million for FY 2017 through FY 2019. Using these funds for operations may result in transit deferring capital spending in future years. If deferring capital replacement and rehabilitation spending is required, it could be detrimental to our investment in assets which the FTA expects Bi-State Development Agency to keep in good condition. Examples of projects that should be funded with 5307 money include technology and infrastructure. Most of transit's facilities are 20-plus years of age.

Federal assistance JARC – the Job Access Reverse Commute dollars are anticipated to fund new route initiatives.

Other non-capital projects Federal assistance is projected at approximately $3.8 million in FY 2016 and increasing to $4.4 million in FY 2019.

Federal non-capital Grants administration is $228 thousand in FY 2016 and remains at or near that level through FY 2019.

Non-Operating Revenue (Expense)

Investment income is projected to increase 3.0% annually. Rates are expected to remain low; however, an increase in the amount available to investment accounts for the modest growth year over year.

Interest on debt decreased in FY 2016 levels as a result of refinancing. For FY 2017 through FY 2019 interest expense is expected to remain unchanged.

Deficit before Depreciation

Net deficits projected for FY 2017 through FY 2019 represent annual unfunded OPEB obligations. Actual deficits may differ from these projections due to adverse economic conditions or unexpected expenditures.

Transit Improvement Plan Financial Summary

The following pages include a three year Statement of Revenue and Expenses and a three year Statement of Grants and Assistance detail.

Transit System
Transit Improvement Plan
Three Year Financial Summary

(Dollars in thousands)

	FY 2016	FY 2017		FY 2018		FY 2019	
	Budget	Projection	Change	Projection	Change	Projection	Change
Operating revenue:							
Passenger revenue	$ 54,249	$ 55,900	3.0%	$ 57,322	2.5%	$ 59,068	3.0%
TMA revenue	1,453	1,497	3.0%	1,542	3.0%	1,589	3.0%
Paratransit contracts	3,235	3,283	1.5%	3,333	1.5%	3,383	1.5%
Other	5,244	5,402	3.0%	5,565	3.0%	5,731	3.0%
	64,180	**66,083**	**3.0%**	**67,762**	**2.5%**	**69,771**	**3.0%**
Operating expense	**285,540**	**293,964**	**3.0%**	**302,638**	**3.0%**	**311,567**	**3.0%**
Operating income (loss)	**(221,360)**	**(227,881)**	**(2.9)%**	**(234,876)**	**(3.1)%**	**(241,796)**	**(2.9)%**
Non-operating revenue (expense):							
Grants & assistance	234,839	241,325	2.8%	247,653	2.6%	253,564	2.4%
Investment income	681	701	3.0%	722	3.0%	744	3.0%
Interest on debt	(20,218)	(20,135)	(0.4)%	(19,990)	(0.7)%	(19,776)	(1.1)%
Sheltered workshop	(1,208)	(1,232)	2.0%	(1,258)	2.1%	(1,288)	2.4%
Other non-operating revenue/expense	(384)	(393)	2.5%	(403)	2.5%	(412)	2.5%
	213,710	**220,266**	**3.1%**	**226,725**	**2.9%**	**232,831**	**2.7%**
Net income (deficit) before depreciation	**$ (7,649)**	**$ (7,615)**	**0.4%**	**$ (8,151)**	**(7.0)%**	**$ (8,966)**	**(10.0)%**

Totals may not sum due to rounding.

Transit System
Transit Improvement Plan
Three Year Grants and Assistance Detail

(Dollars in thousands)

	FY 2016	FY 2017		FY 2018		FY 2019	
	Budget	Projection	Change	Projection	Change	Projection	Change
Local & state subsidies:							
Missouri subsidies:							
City of St. Louis 1/2 cent sales tax	$ 18,757	$ 18,945	1.0%	$ 19,142	1.0%	$ 19,343	1.0%
City of St. Louis 1/4 cent sales tax	8,818	8,923	1.2%	8,995	0.8%	9,036	0.5%
City of St. Louis Prop M2 sales tax	7,021	7,091	1.0%	7,178	1.2%	7,267	1.2%
Total City of St. Louis	34,596	34,959	1.0%	35,316	1.0%	35,645	0.9%
St. Louis County 1/2 cent sales tax	39,587	40,592	2.5%	41,623	2.5%	42,872	3.0%
St. Louis County Prop M 1/4 cent sales tax	34,933	35,783	2.4%	36,550	2.1%	37,295	2.0%
St. Louis County Prop A 1/2 cent sales tax	49,992	52,487	5.0%	54,907	4.6%	56,554	3.0%
Total St. Louis County	124,511	128,862	3.5%	133,079	3.3%	136,721	2.7%
Other local match - MO	600	618	3.0%	637	3.0%	656	3.0%
State of Missouri	270	278	3.0%	287	3.0%	295	3.0%
Planning & demonstration reimbursement - EWGCOG	160	160	0.0%	160	0.0%	160	0.0%
Total Missouri local & state subsidies:	**160,137**	**164,877**	**3.0%**	**169,478**	**2.8%**	**173,477**	**2.4%**
Illinois subsidies:							
St. Clair County	52,019	53,590	3.0%	55,221	3.0%	56,902	3.0%
State of Illinois	1,940	1,975	1.8%	1,975	0.0%	2,013	1.9%
Total Illinois local & state subsidies:	**53,959**	**55,564**	**3.0%**	**57,196**	**2.9%**	**58,915**	**3.0%**
Total local & state subsidies	**214,096**	**220,442**	**3.0%**	**226,674**	**2.8%**	**232,392**	**2.5%**
Federal assistance:							
Vehicle maintenance	16,000	16,000	0.0%	16,000	0.0%	16,000	0.0%
JARC West County reverse commute expres	567	456	(19.6)%	437	(4.1)%	523	19.6%
Non-capital projects- other	3,854	4,100	6.4%	4,300	4.9%	4,400	2.3%
Non-capital grants administration	228	235	3.0%	242	3.0%	249	3.0%
Total federal assistance	**20,743**	**20,884**	**0.7%**	**20,979**	**0.5%**	**21,172**	**0.9%**
Total grants & assistance	**$ 234,839**	**$ 241,325**	**2.8%**	**$ 247,653**	**2.6%**	**$ 253,564**	**2.4%**

Capital Revenue Assumptions
FY 2016 – FY 2018

Federal Funding

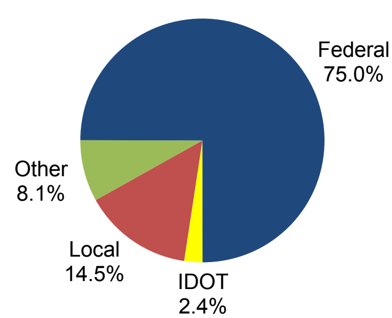
"Moving Ahead for Progress in the 21st Century" (MAP-21)

MAP-21 is a two year bill signed into law by President Obama on July 6, 2012. MAP-21 became effective Oct. 1, 2012 and authorizes transportation programs through the federal fiscal year ending September 30, 2014. MAP-21 is currently under a continuing resolution through May 31, 2015. The Consolidated and Further Continuing Appropriations Act, 2015 signed by President Obama on December 16, 2014 provides $11.008 billion in new budget authority including a full fiscal year's funding of $8.595 billion for the Federal Transit Administration programs. For the purposes of this three-year capital plan, the FY 2016 – FY 2018 planned revenue assumes the transportation law will remain in effect under the congressional continuing resolution process or full reauthorization of the law.

MAP-21 supports many of the Agency's capital program goals, including safety, state of good repair, performance, and program efficiency. MAP-21 also improves the efficiency of administering grant programs by eliminating and consolidating several programs. Through funding apportioned under MAP-21, the Agency's capital program is planned primarily through the Section 5307 Urbanized Area Formula program which consolidates the Job Access and Reverse Commute (JARC) program activities; Section 5337 State of Good Repair Formula Program which replaces the Fixed Guideway Modernization program, and a new Section 5339 Bus and Bus Facility Formula program, which formulizes previous bus discretionary funds.

Beginning with the FY 2013 apportionment under MAP-21, the Urbanized Area Formula funds will be apportioned based on UZA designations and population counts from the 2010 Census. For UZAs with populations of 200,000 or more, the formula is based on a combination of bus revenue vehicle miles, bus passenger miles, bus operating costs, fixed guideway vehicle revenue miles, and fixed guideway route miles, as well as population and population density. In addition, under

Capital Cash Flow by Source FY 2016 - FY 2018



MAP-21 a new factor in computing the Formula allocation includes a percent of the section 5307 funds that will be allocated on the basis of low-income persons residing in urbanized areas.

MAP-21 repealed the New Freedom Program (Section 5317) established under SAFETEA-LU and the New Freedom Program activities were merged into an existing Section 5310 Elderly and Disabled program creating the new Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities program. The original Section 5310 program was established in 1975 as a discretionary capital assistance program awarding grants to private nonprofit organizations to serve the transportation needs of seniors and persons with disabilities. Under SAFETEA-LU the Section 5317 New Freedom program was a formula grant program that provided funding for capital and operating expenses that support new public transportation services beyond those required by the Americans with Disabilities Act of 1990. Under the new Section 5310 program, funding supports "Traditional" capital projects and incorporates the New Freedom activities into the program.

The Agency's FY 2016 – FY 2018 capital budget totals $619.6 million. Funding is planned through the MAP-21 programs as well as previously authorized and apportioned programs under SAFETEA-LU. Federal discretionary programs such as Congestion Mitigation & Air Quality (CMAQ) funds and Surface Transportation Program (STP) funds are continued under the MAP-21 law and are planned in this capital program. Under the MAP-21 transportation law, capital projects are planned with an 80% federal investment and 20% local match. In the case of revenue vehicles and facilities which seek to meet Clean Air regulations and ADA compliance, MAP-21 authorizes an 85% federal investment with a 15% local match.

Safe, Accountable, Flexible and Efficient Transportation Equity Act - A Legacy for Users (SAFETEA–LU)

SAFETEA-LU was signed into law on August 10, 2005 and authorized a total of $52.6 billion in guaranteed funding for Federal transit programs for FY 2005 through FY 2009. SAFETEA-LU was structured to increase investments in public transit through common sense transit solutions. The law expired September 30, 2009 and remained in effect under a series of continuing resolutions until its final expiration on September 30, 2012. Funding and programs authorized under SAFETEA-LU will continue to be administered through their programmatic life.

The Agency's primary funding through SAFETEA-LU is from the 5307 Urbanized Area Formula program and the Fixed Guideway Modernization program. In most cases, capital formula and fixed guideway dollars are used to fund 80% of capital projects with a 20% local match. Formula funds apportioned to urbanized areas are based on population, population density, and other criteria. Fixed Guideway Modernization funds allocated by formula to urbanized areas are based on systems with exclusive or controlled rights-of-way that have been in operation for at least seven years.

Other programs authorized under SAFETEA-LU include Section 5309 Capital Investment discretionary funding such as Bus and Bus Facilities, Bus Livability, State of Good Repair and Clean Fuels programs for bus purchases, construction or rehabilitation of related facilities, and projects that support reduced emissions activities. In addition, several formula based regional programs were established through SAFETEA-LU including the New Freedom and Job Access Reverse Commute (JARC) programs. Programs and funding authorized under SAFETEA-LU will continue until fully implemented and funds expended.

The American Recovery and Reinvestment Act, 2009 (ARRA); (The Recovery Act) [Pub. L. 111-5]; was signed into law on February 17, 2009 and includes $8.4 billion for transit capital improvements. The goals of the statute include the preservation or creation of jobs and promotion of an economic recovery, as well as the investment in transportation, environmental protection and other infrastructure that will provide long-term economic benefits.

Funds appropriated through the ARRA for public transportation have been apportioned for three different programs: Transit Capital Assistance, Fixed Guideway Infrastructure Investment, and Capital Investment Grants (New/Small Starts). The Agency has received an allocation of funding through the Transit Capital Assistance program under the Section 5307 Urbanized Area Formula program for $45,792,022 [$4,130,901 was passed through to Madison County Transit District based on their reporting of regional transportation data to the National Transit Database (NTD)]. The Agency also received ARRA funds through the Fixed Guideway Infrastructure Investment/Modernization program for $1,289,449.

As a result of the ARRA funding, the Agency has obligated $42,950,570 in additional 5307 Urbanized Area Formula and 5309 Fixed Guideway Modernization funds to implement critical regional projects that have been deferred due to funding. Fixed Guideway funding through this revenue source has been expended 100%. Funding through the 5307 Formula program is ongoing and will be expended through FY 2016.

Department of Homeland Security Transit Security Grant Program (TSGP)

The Transit Security Grant Program continues to be an important funding source for the Agency. These funds provide for the critical hardening of the Agency's assets by enhancing various security measures as well as providing funding to support front-line employee training and bus and rail response and recovery drills to address potential terrorist threats. The capital budget includes projects and planned applications throughout the FY 2016 – FY 2018 period.

State Funding

Illinois Department of Transportation (IDOT)

IDOT funds are used to support various capital projects located in Illinois. The Agency also uses Illinois funds for a share of the cost of capital projects that benefit Illinois but are located in Missouri.

Missouri Department of Transportation (MoDOT)

Funding to support capital projects will be sought through MoDOT as available.

Local and Other Funding

Missouri Local Sales Tax Funds

The Agency uses a combination of ½ cent and ¼ cent local sales tax capital funds generated by St. Louis City and County as the local match to Federal funding for bus and non-bus capital projects located in the City and County. Currently, 98% of the ½ cent sales tax receipts will be used for operating purposes for FY 2016 - FY 2018.

Funds generated by the ¼ cent sales tax approved as "Proposition M" in August 1994 are applied first to cover debt service requirements of the Cross County bond issuance. After covering debt service requirements, a portion of the remaining funds may be used as the local match to fund specified capital projects located in Missouri as approved by St. Louis City and County.

Proposition A was authorized through a referendum passed in St. Louis County on April 6, 2010. Proposition A provides an additional ½ cent sales tax to fund public transit capital and operating needs for the St. Louis region. Prop A's passage in the County also triggered a ¼ cent sales tax in the City of St. Louis that voters there approved in 1997.

St. Clair County (Illinois) Transit District

The St. Clair County Transit District will provide funds for specific projects related to their Transit District.

Other Financing

Other financing is made up of operating dollars used to match capital projects such as preventive maintenance of vehicles and facilities. From time to time, funding is also identified from sources other than local sales taxes.

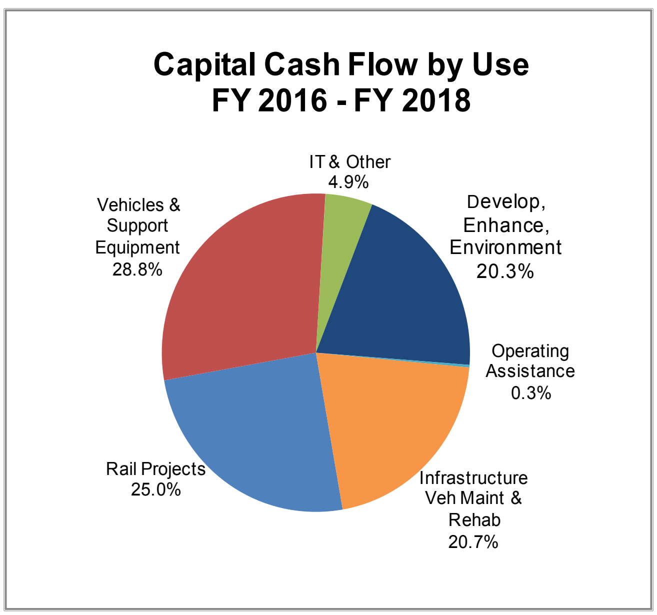
Transit System

Capital Expenditure Assumptions
FY 2016 – FY 2018

Capital Expenditures

The capital expenditure program for FY 2016 – FY 2018 encompasses a wide range of initiatives over the next three years meeting the Agency's major capital projects and priorities and incorporates the federal program changes reflected in the new transportation law Moving Ahead for Progress in the 21st Century (MAP-21).

A capital project is defined as costing more than $5,000 and having a useful life of more than one year. Total capital expenditures planned for FY 2016 is $465.5 million. Total capital expenditures planned for the three-year capital program is $619.6 million. The FY 2016 – FY 2018 capital expenditure program includes both recurring and non-recurring capital expenditures. The recurring capital expenditures are those that are included in almost every budget and will have no significant impact on the operating budget. These recurring investments include bus and paratransit revenue rolling stock replacements; various security upgrades; hardware and software upgrades to support advances in technology; and preventive maintenance along the MetroLink Right-of-Way and at MetroBus stations. Federal Formula funds will be allocated to the vehicle maintenance program throughout this capital budget period.



One Percent of planned FY 2016 - FY 2018 Section 5307 Formula funds will be used to provide associated transit improvements to enhance MetroBus and MetroLink facilities as a part of the Agency's recurring capital activities. As part of the redefined FTA enhancement program under MAP-21, public art activities are no longer eligible under the Urbanized Area Formula 1% enhancement program; however one percent of remaining funds authorized under SAFETEA-LU as well as other capital funds will be designated for the Arts in Transit Program as directed by Board policy.

The three-year capital budget assumes approximately $154.9 million for MetroLink infrastructure projects, $1.6 million for JARC operating assistance, $9.9 million for safety and security enhancements, and $19.1 million for information technology improvements. Vehicles and supporting equipment needs assume $178.4 million; infrastructure and vehicle maintenance needs assume $128.5 million.

Peripheral equipment is planned to improve operating efficiencies, customer enhancements and support “smart bus” technology which includes automatic passenger counters, an automated vehicle locator system, closed circuit TV systems, additional ticket vending machines, and a farebox upgrade for “smart card” capability. These improvements will meet regional Intelligent Transportation System architecture requirements.

Various security upgrades will be met through this capital program period including additional cameras and digital recording devices on light rail vehicles, buses and paratransit vehicles and in various MetroLink tunnels and bridges. In addition, various security enhancements will be implemented at the transit's bus and light rail facilities.

Upgrades at various MetroLink stations and bus stops throughout the transit service area will serve to address the Americans with Disabilities Act (ADA) requirements. ADA improvements include the upgrade of tactile warning strips at all MetroLink stations as well as improved access to bus stops and the installation of passenger benches at various bus stop locations throughout the system. In addition, a Travel Training program is planned to continue to support persons with disabilities in using the fixed guideway and bus systems.

Various technological advancements are planned over the next three years to support the Agency's premiere transit operations. Hardware and software upgrades will be implemented throughout the system.

Associated Transit Improvement projects will be undertaken to provide increased passenger amenities including upgrades to passenger shelters, signage and other station improvements. The Arts in Transit Department works closely with community groups and organizations in the development of these projects.

Major facility improvements planned over the next three years include the replacement of 15-20 year-old major components such as heating, ventilation and air conditioning systems, elevators, escalators, electrical systems and doors. In addition, MetroLink infrastructure projects over the next three years include bridge and tunnel repairs, surface and alignment of the mainline track, substations and catenary insulators.

Non-Routine Capital Expenditures

There are a number of non-recurring capital expenditures planned in the FY 2016 - FY 2018 capital budget. These non-recurring expenditures are intended to address an immediate capital need within the Agency's transit system and may impact the operating budget after initial capitalization. The non-recurring capital expenditures include major enhancements of the system infrastructure including the construction of a new bus transfer center in Downtown and new bus transfer center and maintenance facility in the North County portions of the service area. These planned improvements total $42.5 million.

Additionally, the Agency continues to upgrade its interoperable communications system to be compliant with FCC regulations and to enable communications with first responders within the region. These improvements total $34 million. During this FY 2016 - FY 2018 capital program period, funds totaling $23.7 million are planned for expenditure to complete this project. A total of $10.9 million in expenditures is planned for the FY2016 – FY1018 capital program year to support the continued upgrade of the fare collection system and smart card program. Total investment in this project is $29.5 million.

During the FY 2016 – FY 2018 capital program period, $48 million will be allocated to the vehicle maintenance program through Federal Formula funds. A total of $16 million in Federal Formula funds annually will be allocated to the program for FY 2016 - FY 2018.

Under MAP-21 the Fixed Guideway program was eliminated and a new formula program known as State of Good Repair has been authorized. During the FY 2016 - FY 2018 capital investment program projects will continue to be administered and funds expended under the previously authorized Fixed Guideway program. In addition, funds totaling $18 million dollars have been returned to the capital budget from the Agency's debt service reserve fund and applied to fixed guideway eligible projects. A total of $85 million in federal State of Good Repair funds are planned over this FY 2016 - FY 2018 to support light rail facility and right-of-way improvements throughout the system. As a part of the Agency's overall state of good repair efforts, the Agency continues to develop its' Transit Asset Management program which will further establish standards for the state of good repair of the Agency's transportation infrastructure and vehicles; and to develop a Transit Asset Management database to more efficiently manage all assets.

As a part of the Agency's adopted Long Range Transit Plan, bus rapid transit (BRT) is planned to support several transit corridors. Through an alternatives analysis study funded in a previous capital year, the study is expected to lead to future design and construction of the selected corridors. These transportation efforts are being planned and coordinated with the region's metropolitan planning organization.

The three-year capital budget of $619.6 million addresses all major elements of the Agency. Included within this plan are eight significant non-routine capital expenditures. They include:

	(in millions)
Integrated Fare System Upgrade	$ 29.5
Radio Replacement	34.0
MetroLink Right-of-Way Improvements	50.0
Union Station Tunnel Rehabilitation	35.0
Downtown Transfer Center	7.1
North County Bus Transfer Center\Maintenance Facility	35.4
Light Rail Vehicle Upgrades	32.0
Information Technology Upgrades	4.7
Total non-routine projects	$ 227.7

Funding for all programs will be derived from Federal Formula, Fixed Guideway, State of Good Repair, Bus and Bus Facility, Discretionary, Surface Transportation Program, Job Access and Reverse Commute, Homeland Security, Congestion Mitigation & Air Quality New Freedom and Enhanced Mobility of Seniors and Individuals with Disabilities funds appropriately matched by local sources of funding. This plan is progressive and when effectively implemented will ensure that the Agency is on target to meet the needs of the community.

Non-Routine Capital Grant Administration Agreements

In FY 2005, the Agency assumed the grant administration responsibilities of the region's JARC and New Freedom funding. The JARC funding was previously administered as a competitive grant program awarded directly to the Agency. As a part of the SAFETEA-LU authorization the JARC funding was changed to a formula program. Under MAP-21 the JARC program has been eliminated and the JARC related activities are now incorporated as a part of eligible activities under the Federal Urbanized Area Formula funding. The New Freedom program was introduced in SAFETEA-LU as a formula program. Under MAP-21 the program has been eliminated and the activities are now incorporated as eligible activities in a new formula program known as the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities.

The East-West Gateway Council of Governments (EWGCOG) was identified as the designated recipient for JARC and New Freedom funds through SAFETEA-LU. Through a memorandum of understanding the Agency administers sub-recipient awards and agreements for any projects selected through a competitive application process for these programs. Under MAP-21 the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities will be allocated to co-designated recipients including the Bi-State Development Agency, East-West Gateway Council of Governments, Missouri Department of Transportation (MoDOT) and Illinois Department of Transportation (IDOT).

The Agency will manage sub-recipient awards and agreements for the “New Freedom” type projects; the State DOT’s will manage the “traditional” 5310 program activities; and, EWGCOG will administer the application process and the development of the Coordinated Human Services Transportation Plan.

The Agency will continue to administer funds remaining under the SAFETEA-LU authorization through the FY 2016 – FY 2018 program period. The funds identified under MAP-21 will also be administered through this program period.

While the Agency is responsible for the administration of the grants and the reimbursement of expenditures generated by these partner agencies, the Agency is not a direct recipient of these funds. Therefore, these projects and funds are not included in the Agency’s capital improvement program. The Agency serves as administrator for the following subrecipients:

SAFETEA-LU Funded Projects
Job Access and Reverse Commute

	(in millions)
Independence Center	.18
Madison County Transit District	.02
St. Clair County Transit District	.05
OATS, Inc,	.19
Challenge Unlimited	.08
Jefferson County Developmental Disabilities Resource Board	.11
Sub-total JARC agreements	$ 0.63

MAP-21 Funded Projects
Enhanced Mobility of Seniors and Individuals with Disabilities

	(in millions)
Paraquad	.38
ITN St. Charles	.12
Disability Resource Association	.29
Touchette Regional Hospital	.03
Challenge Unlimited	.34
Jefferson County Developmental Disabilities Resource Board	.31
Sub-total Enhanced Mobility of Seniors & Individuals with Disabilities agreements	$ 1.47
Total non-routine capital grant administration agreements	$ 2.10

Impact of Capital Improvements on Operating Budget

Included in the capital budget is a three-year program designed to build, maintain or replace the Bi-State Development Agency's (Agency) core infrastructure critical to the operation of the system. The effect of these projects on the operating budget is as varied as the projects. The capital budget provides the funding to implement necessary improvements and upgrades to the system infrastructure as well as various expenditures for asset replacements that occur on an infrequent basis and have an expected long term useful life. The operating budget provides the funding to support everyday maintenance and resources necessary to support those maintenance efforts. This section addresses the expected operating budget impact of significant, current active capital projects or those planned to begin during the FY 2016 – FY 2018 capital program period and that directly affect the FY 2016 operating budget period.

Current and Future Rail Projects

Track, catenary, alignment, bridge, tunnel and maintenance projects generally have the effect of stabilizing maintenance activity in the operating budget by avoiding expense peaks and valleys. One very important project is the Eads Bridge rehabilitation project, along the original MetroLink alignment. This project is currently funded and rehabilitation efforts are on-going through early FY 2016. The Eads Bridge rehabilitation project will return the bridge to a state of good repair and reduce operating related maintenance expenses. In addition, the capital budget plans for a significant upgrade of the Union Station MetroLink Tunnel. This project is projected to cost $35 million. Full funding is planned through the FY 2016 capital plan. This tunnel has experienced significant repairs over the past three years. The $35 million capital investment in this infrastructure is expected to reduce operating expenditures related to the tunnel by 15%. Additional light rail bridge and tunnel upgrades are planned through the FY 2016 - FY 2018 capital period to bring a number of infrastructures and facilities back to a state of good repair.

Vehicles and Supporting Equipment

Timely replacement of vehicles that have met their useful life will ensure that operating expenses remain stable. Revenue vehicles currently on order include 47 buses and 37 paratransit vehicles.

Capital expenditures are planned for upgrades to peripheral equipment including the fare collection system replacement, which is currently underway. This project is expected to improve efficiency of operations by improving equipment reliability and labor related repairs. Initially, parts will be under warranty as well. Smartcard technology will likely increase the cost of supplies as materials related to card production are higher than paper related to tickets. Customer services during the transition will also increase. Estimated first year operating cost increases may be over $1 million.

A multi-year radio system replacement project is underway with design and planning of optimal sites for location of new radio towers being planned. This $34 million project is the result of FCC regulations requiring changes in technology and operating frequency to be in place by 2016. The radio system upgrade will incorporate Automated Vehicle Locator (AVL) technology. The addition of AVL should result in operating savings of more than $500,000 annually. If the radio project were not undertaken, the operational issues that would result from losing operating radio frequency would be unacceptable.

Transit Development - Facility, Centers, Stations, Parking Lots, Loops, Other

Design is underway for the expansion of a downtown bus transfer center and a transfer center in the North County portion of our service area. With the construction of these two new facilities there are expected operating costs to add additional positions as well as maintenance contracts and utilities. These projects continue the hub and spoke system the Agency created ten years ago to support better transfer options for customers connecting via bus-to-bus or bus-to-rail. Seven other centers have been built since 2002. They include Ballas, North Broadway, Clayton, Civic Center at 14th and Spruce, Shrewsbury, Riverview and Meridian MetroBus Center. These centers permit improved transfers between bus routes in a safe and secure location. Those maintenance contracts, utilities, additional positions, and landscaping have added $160,000 annually for these facilities.

Parking lot upgrades and ADA improvements at our MetroLink stations will decrease current maintenance efforts. A new maintenance facility is planned to support state of good repair needs for revenue vehicles operating from the planned North County Transfer Center. Additional manpower and utility costs will impact the operating budget.

Information Technology Improvements

Investments to improve Customer Service Information and Operations Management are planned over the three-year period. Additional technology upgrades will include a number of enhancements to the systems that will improve our customer relations and system management efforts without increasing manpower costs.

Long Range Capital and Operating Budget Impacts

An alternative analysis to consider possible Bus Rapid Transit (BRT) corridors was funded in a previous capital year. The preferred corridor(s) is expected to be identified through this analysis. As a part of long range capital planning, funding will be sought to support the system improvements and equipment needs to build and operate the selected BRT corridor(s). Capital and operating costs will be determined based on outcomes of the alternatives analysis and design of the BRT corridors.

Significant Capital Improvement Projects and Operating Impacts Planned in FY 2016 – FY 2018

Description	Capital Investment (in millions)	Annual Impact FY	Operating $
North County Transfer Center	$5.4	2016	$0.3
Downtown Transfer Center Expansion	$7.1	2017	-
North County Maintenance Facility	$30.0	2017	$0.3
MetroLink Station Parking Lot Improvements	$1.4	2016	($0.3)
Radio/CAD/AVL Upgrades	$34.0	2016	($0.5)
Replacement Rolling Stock	$132.0	2016-2018	($3.0)

Transit System

Federal Programming Needs
FY 2016 – FY 2018

To meet the goals identified in the capital budget, appropriate federal funding must be secured to support capital programs for the planned three-year fiscal period. This section describes the planned projects and identifies the anticipated sources of funding and the fiscal year in which grant funds must be obligated. Any delay or reduction in federal, state or local funding will necessitate modifications to the capital improvements contained in this capital program.

MAP-21 is a two year bill signed into law by President Obama on July 6, 2012. MAP-21 became effective Oct. 1, 2012 and authorizes transportation programs through the federal fiscal year ending September 30, 2014. MAP-21 is currently under a continuing resolution through May 31, 2015. The Consolidated and Further Continuing Appropriations Act, 2015 signed by President Obama on December 16, 2014 provides $11.008 billion in new budget authority including a full fiscal year's funding of $8.595 billion for the Federal Transit Administration programs. This three-year capital plan assumes the transportation law will remain in effect through congressional reauthorization or continuing resolution process.

MAP-21 continues to addresses several important goals facing the transportation system today including improving safety, ensuring the state of good repair of the system and focusing on performance and program efficiency. MAP-21 also emphasizes rehabilitation and replacement of aged infrastructure by establishing new asset management requirements and performance-based planning requirements.

Projects identified in the Agency's FY 2016 – FY 2018 capital plan seek to meet the requirements detailed in the MAP-21 authorization and guidance. Planned replacement of rolling stock, including buses and paratransit vehicles that meet EPA clean air standards and are equipped with ADA complaint lifts and equipment will ensure the safety and security of our traveling customers throughout the region. The Agency's planned projects to rehabilitate rail right-of-way, tunnels and bridges will ensure the state of good repair of our light rail system. Federal funding to support these significant capital upgrades are planned from Urbanized Area Formula, State of Good Repair and Bus & Bus Facility formula funds as well as discretionary sources including Congestion Mitigation & Air Quality and Surface Transportation Program funds.

The Agency is continuing its efforts to meet the goals of the Long Range Transit plan by completing a corridor study which will lead to the identification and selection of preferred corridors for the development of bus rapid transit. Under MAP-21 the Agency will seek funding under the Fixed Guideway Capital Investments program which includes streamlined guidance for the New Starts and Small Starts programs as well as a new Core Capacity program. These funding sources will support new or expanded fixed guideway systems as well as bus rapid transit efforts.

Transit System Transportation Improvement Plan
FY 2016 - FY 2018
Capital Cash Flow Summary

Sources of Funds	FY 2016	FY 2017	FY 2018	TOTAL
Federal Formula Funds - New	$ 33,271,595	$ 33,604,311	$ 33,940,354	$ 100,816,260
Federal Formula Funds - Carryover	94,939,000	-	-	94,939,000
Fixed Guideway Funds - Carryover	31,990,296	-	-	31,990,296
State of Good Repair - New	14,467,414	14,612,088	14,758,210	43,837,712
State of Good Repair - Carryover	41,009,578	-	-	41,009,578
Bus and Bus Facility - New	3,151,380	3,182,893	3,214,722	9,548,995
Bus and Bus Facility - Carryover	9,163,691	-	-	9,163,691
Approved Federal Discretionary Funds	58,251,693	-	-	58,251,693
Planned Federal Discretionary Funds	53,933,368	11,000,000	10,000,000	74,933,368
IDOT Funding	12,368,892	1,695,545	763,660	14,828,097
Missouri Local Sales Tax Capital Funding	3,334,754	-	-	3,334,754
Missouri Local Prop M Sales Tax Funding	63,050,409	8,929,206	10,100,419	82,080,034
St. Clair County Transit District Funds	4,236,474	194,174	8,666	4,439,314
Other Financing	42,398,241	4,040,243	4,059,328	50,497,812
Grand Total	**$ 465,566,785**	**$ 77,258,460**	**$ 76,845,359**	**$ 619,670,604**

FY 2016 Capital Programs and Projects

Current and Future Rail Projects		
Track, Catenary, Alignment, Bridge, Tunnel, and Maintenance Projects	131,936,382	
		131,936,382
Operating Assistance		
Job Access/Reverse Commute Service	1,595,201	
		1,595,201
Vehicles and Supporting Equipment		
Peripheral Equipment	10,963,816	
Peripheral Support	22,961,310	
Revenue Vehicles	88,526,469	
Support Vehicles	5,315,714	
		127,767,309
New Development, Enhancement, Environmental Projects		
Community Development Projects	8,354,919	
Enhancement Projects	7,036,578	
Transit Development-Facility, Centers, Stations, Parking Lots, Loops, Other	98,841,449	
		114,232,946
Information Technology Improvements		
Hardware and Software Data Systems	15,471,148	
Office equipment	465,820	
		15,936,968
Infrastructure, Vehicle Maintenance and Rehab Programs		
Existing Facilities - Maintenance and Rehab	10,196,613	
Maintenance Equipment - Fleet, Warehouse, Facilities, Storeroom	3,474,772	
Preventative Maintenance	20,000,000	
Vehicle Maintenance, Rehab, Overhaul Programs	31,184,023	
		64,855,408

FY 2016 Capital Programs and Projects

Health, Safety, and Security		
Health, Safety and Security Projects	8,192,409	
		8,192,409
Program Administration		
Program Administration	1,050,162	
		1,050,162
	Grand Total	**465,566,785**

FY 2016 - FY 2018 Capital Programs and Projects

Current and Future Rail Projects		
Track, Catenary, Alignment, Bridge, Tunnel, and Maintenance Projects	154,847,023	
		154,847,023
Operating Assistance		
Job Access/Reverse Commute Service	1,595,201	
		1,595,201
Vehicles and Supporting Equipment		
Peripheral Equipment	14,939,316	
Peripheral Support	22,961,310	
Revenue Vehicles	132,017,104	
Support Vehicles	8,488,214	
		178,405,944
New Development, Enhancement, Environmental Projects		
Community Development Projects	8,354,919	
Enhancement Projects	8,053,406	
Transit Development-Facility, Centers, Stations, Parking Lots, Loops, Other	109,254,922	
		125,663,247
Information Technology Improvements		
Hardware and Software Data Systems	18,521,148	
Office Equipment	633,820	
		19,154,968
Infrastructure, Vehicle Maintenance and Rehab Programs		
Existing Facilities - Maintenance and Rehab	31,185,117	
Maintenance Equipment - Fleet, Warehouse, Facilities, Storeroom	5,116,772	
Preventative Maintenance	60,000,000	
Vehicle Maintenance, Rehab, Overhaul Programs	32,216,611	
		128,518,500

FY 2016 - FY 2018 Capital Programs and Projects

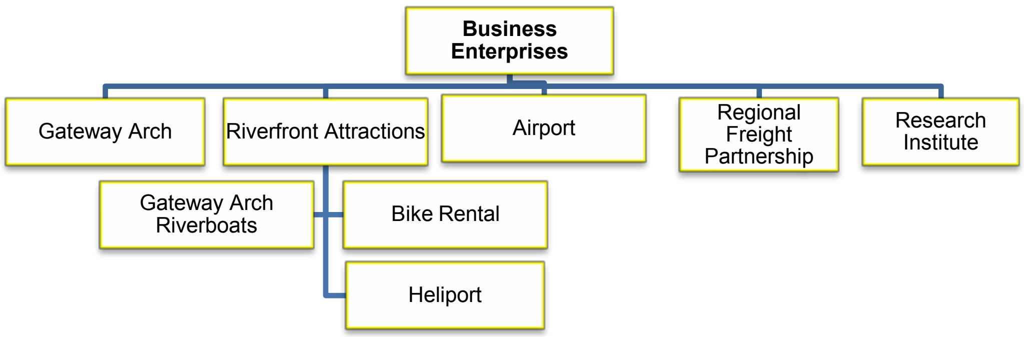
Health, Safety, and Security		
Health, Safety and Security Projects	9,935,559	
		9,935,559
Program Administration		
Program Administration	1,550,162	
		1,550,162
	Grand Total	**619,670,604**

Transit System Transportation Improvement Plan
FY 2016 - FY 2018
Capital Cash Flow Summary

Uses of Funds	FY 2016	FY 2017	FY 2018	TOTAL
Track, Catenary, Alignment, Bridge, Tunnel, and Maintenance Projects	$ 131,936,382	$ 20,008,541	$ 2,902,100	$ 154,847,023
Job Access/Reverse Commute Service	1,595,201	-	-	1,595,201
Peripheral Equipment	10,963,816	3,975,500	-	14,939,316
Peripheral Support	22,961,310	-	-	22,961,310
Revenue Vehicles	88,526,469	21,135,387	22,355,248	132,017,104
Support Vehicles	5,315,714	3,172,500	-	8,488,214
Community Development Projects	8,354,919	-	-	8,354,919
Enhancement Projects	7,036,578	496,590	520,238	8,053,406
Transit Development - Facility, Centers, Stations, Parking, Lots, Loops, Other	98,841,449	-	10,413,473	109,254,922
Hardware and Software Data Systems	15,471,148	2,050,000	1,000,000	18,521,148
Office Equipment	465,820	168,000	-	633,820
Existing Facilities - Maintenance and Rehab	10,196,613	2,327,354	18,661,150	31,185,117
Preventative Maintenance	20,000,000	20,000,000	20,000,000	60,000,000
Maintenance Equipment - Fleet, Warehouse, Facilities, Storeroom	3,474,772	1,642,000	-	5,116,772
Vehicle Maintenance, Rehab, Overhaul Programs	31,184,023	1,032,588	-	32,216,611
Health, Safety and Security Projects	8,192,409	1,000,000	743,150	9,935,559
Program Administration	1,050,162	250,000	250,000	1,550,162
Grand Total	**$ 465,566,785**	**$ 77,258,460**	**$ 76,845,359**	**$ 619,670,604**

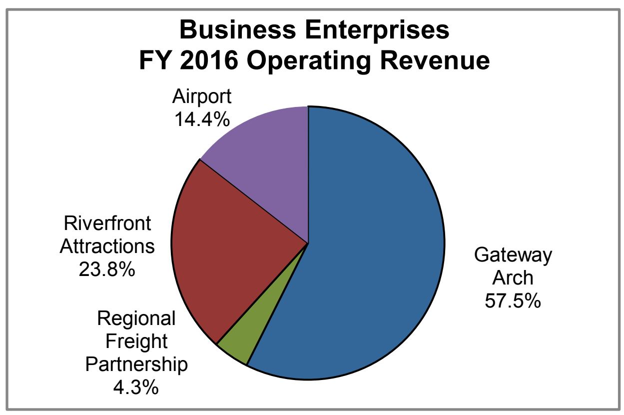
Business Enterprises

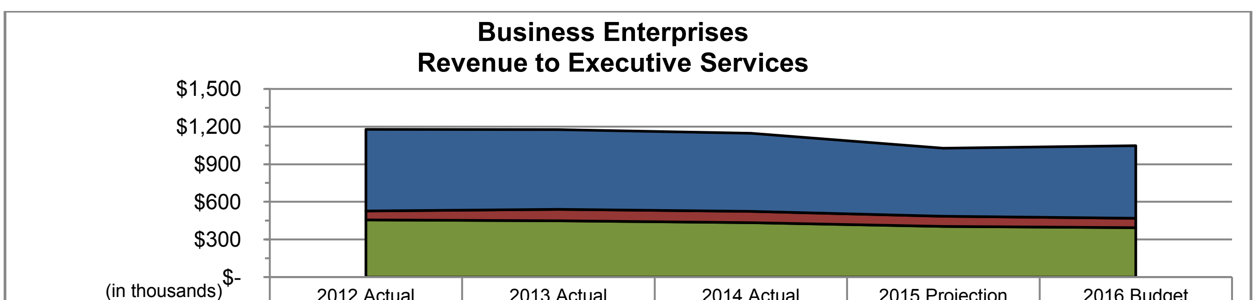
The Business Enterprise Operating Units function as a stand-alone, revenue-generating and business development entity. The Business Enterprises division includes the Gateway Arch Tram ticketing and reservation systems, the Gateway Arch Riverfront Attractions, the St. Louis Downtown Airport, and two new companies; the Regional Freight Partnership and the Research Institute. Each of these companies operates separate from Bi-State's Transit System from managerial, financial and policy standpoints.



The graph to the right summarizes the sources of Business Enterprise's operating revenues. The largest provider of revenue is the Gateway Arch, which is expected to provide 57.5% of those revenues in FY 2016.

Business Enterprises reimburses Executive Services for various administrative services. The chart below shows the payments made over the past several years, as well as, estimated future payments.





(in thousands)	2012 Actual	2013 Actual	2014 Actual	2015 Projection	2016 Budget
Gateway Arch	650	635	622	542	578
Airport	71	91	90	81	75
Ticket Center (NPS)	456	449	434	404	394
Total	1,177	1,175	1,146	1,027	1,047

Business Enterprises
Operating Budget Summary
Fiscal Year Ending June 30, 2016
(Dollars in thousands)

	FY 2016 Budget							
	Gateway Arch		St. Louis	Regional				
	Tram Operations	Riverfront Attractions	Downtown Airport	Freight Partnership	Research Institute	FY 2016 Total	FY 2015 Budget	Percent change
Operating revenue:								
Business Enterprises operations revenue	$ 5,984	$ 2,478	$ 1,505	$ 450	$ 5	$ 10,421	$ 10,272	1.5%
Other revenue	-	-	-	-	-	-	-	
	5,984	**2,478**	**1,505**	**450**	**5**	**10,421**	**10,272**	**1.5%**
Operating expense:								
Wages & benefits excluding OPEB	1,894	1,200	853	250	-	4,197	4,063	3.3%
Other post-employment benefits (OPEB)	52	44	48	-	-	144	200	-28.0%
Services	979	222	115	40	5	1,362	1,710	-20.4%
Fuel & lubrications	-	83	26	-	-	109	97	12.4%
Parts & supplies	241	520	130	2	-	893	848	5.3%
Casualty & liability	54	174	65	-	-	292	333	-12.3%
Utilities	128	93	191	1	-	412	471	-12.5%
Taxes, leases & other	622	131	36	4	-	793	815	-2.7%
Agency fees	578	-	75	-	-	654	723	-9.7%
	4,548	**2,467**	**1,540**	**296**	**5**	**8,856**	**9,261**	**-4.4%**
Operating income (loss)	**1,436**	**11**	**(35)**	**154**	**-**	**1,566**	**1,011**	**54.9%**
Non-operating revenue (expense):								
Investment income	14	-	0.3	-	-	15	17	**-15.0%**
Interest on debt	(307)	-	-	-	-	(307)	-	
Contributions from (to) other entities	-	-	-	-	-	-	(635)	**-100.0%**
	(293)	**-**	**0.3**	**-**	**-**	**(293)**	**(618)**	**52.6%**
Net income (deficit) before depreciation	**1,143**	**11**	**(34)**	**154**	**-**	**1,273**	**393**	**223.9%**
Depreciation & amortization	(152)	(315)	(1,562)	-	-	(2,030)	(2,167)	-6.3%
Net surplus (deficit)	**$ 991**	**$ (305)**	**$ (1,597)**	**$ 154**	**$ -**	**$ (757)**	**$ (1,774)**	**-57.3%**

Gateway Arch

Overview:

In 1962, as the construction of the Gateway Arch was beginning, National Park Service officials recognized that existing funds were insufficient to construct a tram system to carry visitors to the top of the monument. Bi-State Development Agency (BSDA) proposed its first major public transaction which was for the sale of revenue bonds to finance the Gateway Arch Tram Transportation System. Since its opening in 1967, Bi-State has overseen the tram system operation. Today, BSDA employees also handle all aspects of ticketing and reservations and provide marketing support for the monument in partnership with the National Park Service. With the December 2014 bond issuance to fund additional capital projects at the Arch, BSDA and NPS have extended the agreement for another 30 years.

Strategic focus:

The Gateway Arch is a premier tourist destination in the Midwest and one of the most visited monuments in the United States. Our focus is to create a sustainable increase in visitation to the Gateway Arch, Jefferson National Expansion Memorial and surrounding area through targeted marketing and capital improvements to meet the demands of our visitors. Bi-State Development Agency is partnering with the National Park Service and other organizations to leverage and enhance the unique entertainment and educational products at the Gateway Arch, with the goal of creating a higher perceived value to our visitors. The Gateway Arch hosts more than 2.3 million visitors each year and generates more than $100 million of direct and peripheral economic benefit for the St. Louis Region.

Attractions:

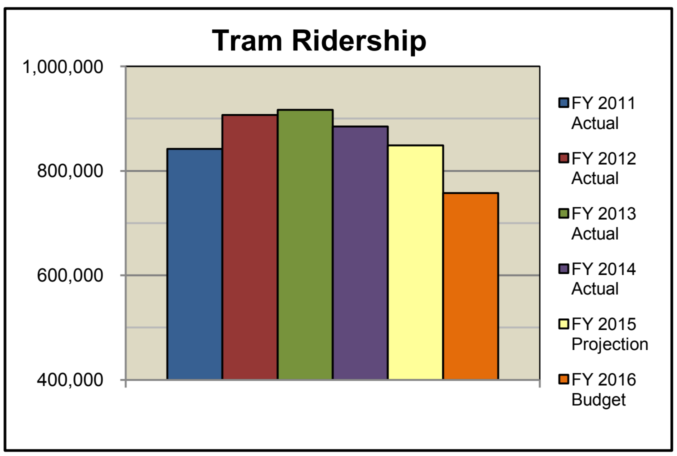
Journey to the Top
New exhibits will be implemented for both the North and South Trams in FY 2016.

Westward Expansion Museum
The Westward Expansion Museum is closed and will be renovated and reopened in 2017.

Odyssey Theatre
This theatre will be permanently closed and repurposed as retail in 2015.

Tucker Theater
Features the film "Monument to the Dream" recapping construction of the Arch.

Museum Stores include museum gift shop and nostalgic recreation of 1870's general store.

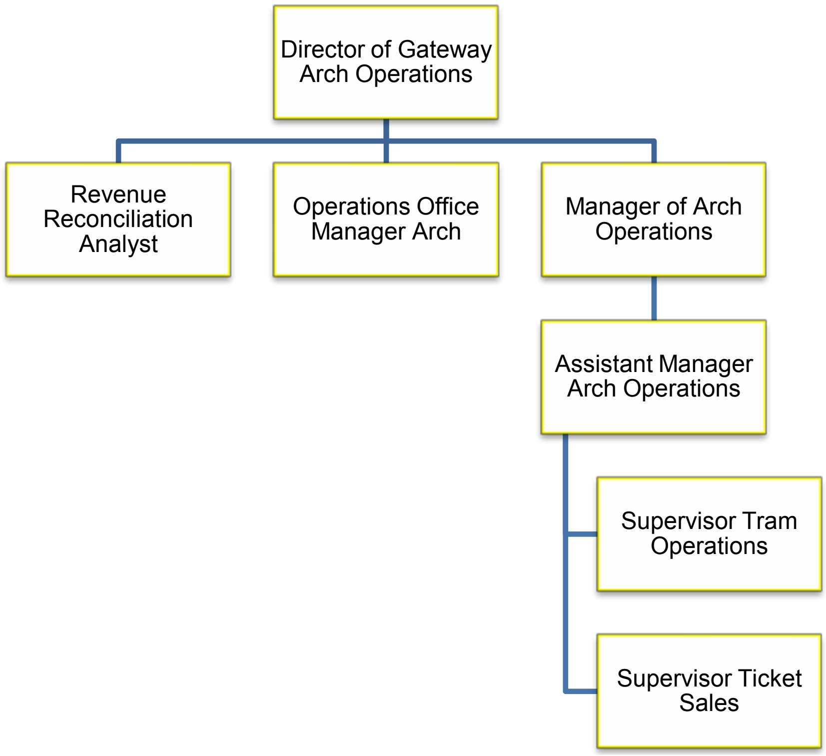


Also on the St. Louis Riverfront:
Old Courthouse, Gateway Arch Riverboats, helicopter tours, Laclede's Landing MetroLink station

Website: www.gatewayarch.com

Gateway Arch

Organization:



Total Personnel:

Full-Time - 12

Part-Time - Seasonal employee count varies throughout the year

Gateway Arch
Operating Budget Summary
Fiscal Year Ending June 30, 2016

	FY 2016	FY 2015		FY16 Bgt vs. FY15 Proj		FY 2014
	Budget	Projection	Budget	$ Change	% Change	Actual
Operating revenue:						
Arch ticket sales	$ 6,042,614	$ 5,453,635	$ 5,544,898	$ 588,979	10.8%	$ 5,725,315
Sales discounts and allowances	(87,798)	(79,383)	(77,380)	(8,416)	-10.6%	(78,457)
Site rental and other revenues	28,799	39,152	40,199	(10,353)	-26.4%	35,594
Total operating revenue	**5,983,615**	**5,413,404**	**5,507,717**	**570,211**	**10.5%**	**5,682,452**
Operating expense:						
Compensation	1,391,344	1,184,248	1,245,469	207,096	17.5%	1,047,848
Benefits excluding OPEB	502,189	412,021	472,093	90,168	21.9%	440,192
OPEB	52,000	55,639	65,000	(3,639)	-6.5%	59,540
Services	979,257	904,442	932,950	74,814	8.3%	878,476
Materials and supplies	241,133	202,564	246,033	38,569	19.0%	113,618
Utilities	127,613	113,733	116,965	13,880	12.2%	127,144
Casualty & liability	53,566	50,926	53,566	2,640	5.2%	46,937
Other expenses	1,200,751	1,212,298	1,156,238	(11,547)	-1.0%	1,091,512
Total operating expenses	**4,547,852**	**4,135,870**	**4,288,314**	**411,982**	**10.0%**	**3,805,267**
Operating income (loss)	**1,435,763**	**1,277,534**	**1,219,403**	**158,228**	**12.4%**	**1,877,185**
Non-operating revenue (expense):						
Investment income	14,293	10,303	14,293	3,990	38.7%	9,753
Interest expense	(307,465)	(330,951)	-	23,486	7.1%	-
Contributions to outside entities	-	(5,366,801)	(630,000)	5,366,801	100.0%	(420,259)
Other non-operating expense	-	-	-	-		202
Total non-operating revenue (expense)	**(293,172)**	**(5,687,448)**	**(615,707)**	**5,394,277**	**94.8%**	**(410,303)**
Net income (loss) before depreciation	**1,142,591**	**(4,409,914)**	**603,696**	**5,552,505**	**125.9%**	**1,466,881**
Depreciation & amortization	151,874	380,825	323,970	(228,951)	-60.1%	391,669
Net transfers (in) out	-	(112,298)	-	112,298	100.0%	(123,223)
Net income (loss)	**$ 990,717**	**$ (4,678,441)**	**$ 279,726**	**$ 5,669,158**	**121.2%**	**$ 1,198,435**

Business Enterprises

Gateway Arch - FY 2016 Budget

On October 28, 2015, the Gateway Arch will celebrate the 50th anniversary of the placement of the final piece of the Arch. Throughout FY 2016 virtually all areas of the Jefferson National Expansion Memorial (JNEM) will be undergoing major renovations as part of the CityArchRiver 2015 construction. The Gateway Arch staff will be heavily involved both by managing portions of the construction and providing visitor service solutions to accommodate visitors during this challenging time.

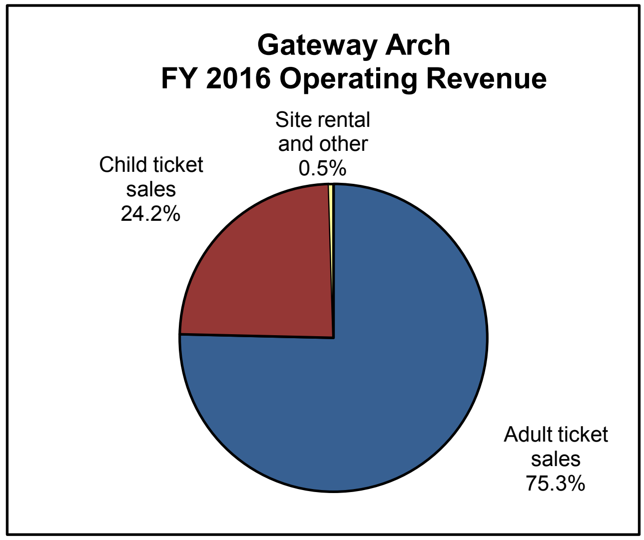
For the duration of FY 2016, the museum under the Arch will be closed for renovations. The Odyssey Theatre will be replaced with a new retail space and all other areas of the Visitor Center will be renovated in phases, further limiting the capacity of the facility and the amenities available to visitors. To address the capacity issue and reduce time spent in queues for security / building entry, the Gateway Arch Visitor Center will require a timed-ticket for entry. By securing their entry time with a timed-ticket, visitors can spend more time enjoying attractions in downtown St. Louis instead of standing in line to enter the Arch.

The Gateway Arch will be operating two additional ticketing locations with five points-of-sale at the Old Courthouse and three points-of-sale in a ticket booth near the entrance to the Arch. Operating multiple locations and ensuring that all visitors to the facility have an entry ticket will increase expenses and require additional staff.

In January and February 2016, the Arch Transportation System (ATS) will receive a major upgrade. The motor generator set will be replaced with a variable frequency drive system that will greatly upgrade the technology used to power the ATS. This project along with the Arch Visitors Center roof replacement will be funded with $7,656,000 of Arch Tram Revenue Bonds issued in December 2014. Concurrent construction will occur in the ATS exhibit areas, reinvigorating the *Journey to the Top* experience with new audio visuals and a guest-oriented tour process. The entire facility will be closed to the public to accommodate these construction projects as well as critical life-safety related projects throughout the Gateway Arch Visitor Center.

Upon completion of the ATS upgrades and the *Journey to the Top* exhibits in March 2016, the pricing for the tram will increase from $7 for an adult ticket to $10 and a child ticket will increase from $5 to $10.

Revenue



Arch ticket sales in FY 2016 result from a budgeted 757,685 tram passengers which is 10.7% lower than the 848,532 passengers projected for FY 2015. FY 2016 will experience Arch grounds construction and trams shut down in January and February for the motor generator replacement project. The current tram fares are $7.00 for adults and $5.00 for children but are budgeted to increase in March 2016 to $10 for an adults and $10 for a child ticket.

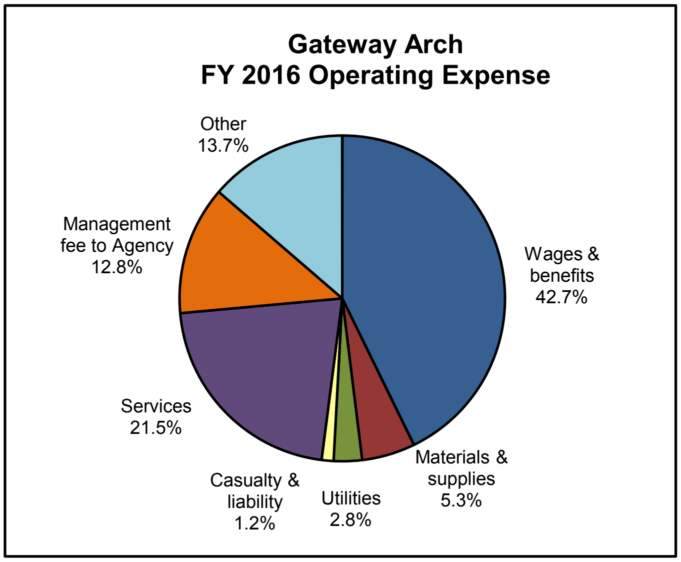
Site rental and other revenues represent convenience fees charged on the online and individual phone ticket purchases. There are no site rental revenues budgeted in FY 2016.

Expense

Wages and benefits including OPEB are budgeted in FY 2016 at 17.5% higher than the FY 2015 projection due to a higher number of seasonal and part-time hours planned. Changes to the Arch campus will require additional staffing for visitor orientation and guidance.

Services increased 8.3% over the FY 2015 projection and 5.0% over the FY 2015 budget primarily due to National Park Service maintenance mechanics services, website development and maintenance and other maintenance services. Services include the following (in thousands):

Mechanics employed by the National Park Service to service and repair the Gateway Arch transportation system	$ 693
Credit card fees, banking service charges	162
Legal	40
Internet web site maintenance and development	30
Maintenance Services	43
Other	11
	$ 979



Materials and supplies are budgeted at $241,133, which is $19.0% greater than the FY 2015 projection. The increase is in ticket stock, computer equipment, furniture and fixtures, and tram repair parts.

Utilities are primarily electricity costs which are $124,213 of the overall $127,613 utility budget in FY 2016.

Casualty and liability cost is budgeted in FY 2016 at 5.2% greater than the FY 2015 projection due to anticipated inflationary increases in all policies.

Other expense includes the following (in thousands):

Management fee to the Agency	$ 578
Advertising and promotion	575
Travel, training, lease expense and other	48
	$ 1,201

Other expense is budgeted in FY 2016 to be 0.7% lower than the FY 2015 projection due to lower advertising expenses and 3.8% higher than the FY 2015 budget because of higher agency management fees which are based on higher revenues.

Interest expense is the interest for the $7,656,000 Arch Tram Revenue Bond Issue from December 2014. The bond issue will fund the motor generator set replacement and the Arch visitor center roof replacement projects.

Contributions to outside entities includes a $5,366,801 projection for FY 2015 and is primarily the Arch visitors center roof replacement project. The FY 2015 budget included contributions to the National Park Service for the following (in thousands):

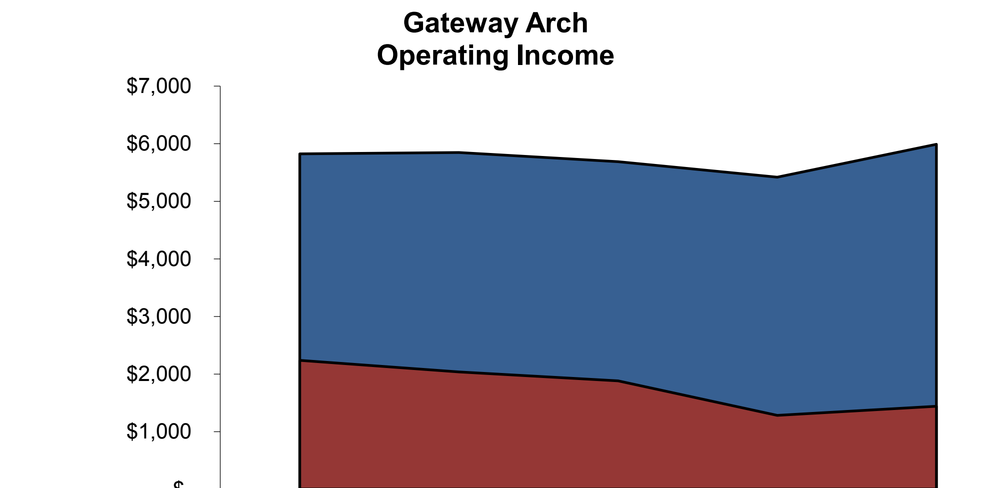
Arch Staining Remediation	$ 300
CityArchRiver redesign project	300
Arch Bike Trail Improvements	30
	$ 630

For FY 2016 there are no contributions to outside entities budgeted.

Income

Operating Income for FY 2016 is $158,228 greater than the FY 2015 projection due to the tram fare increase in March 2016.

Net income before depreciation is budgeted at $1,142,591 for FY 2016. The FY 2015 Projection is net of the $5,366,801 contribution to the Jefferson National Expansion Memorial Beneficial Fund (JNEMBF) for capital projects, primarily the Arch visitor center roof replacement project. Any income the Gateway Arch generates is held in the JNEMBF to fund capital improvements. The capital budget for FY 2016 is $10,065,000.



(In thousands)	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Projection	FY 2016 Budget
Operating revenue	5,818	5,841	5,682	5,413	5,984
Operating Income	2,233	2,032	1,877	1,278	1,436

Gateway Arch Goals and Objectives Action Plan

The following goals and objectives are consistent with the four primary organization level goals used to achieve Bi-State Development Agency's Strategic Plan. Progress in attaining these goals and objectives are measured through performance indicators. A list of performance indicators follows the Goals and Objectives Action Plan.

<table>
<tr><td colspan="3">Goal: Maintain a high quality experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence during a period of major reconstruction in and around the Gateway Arch.</td></tr>
<tr><td colspan="3">Objective: Improve service quality</td></tr>
<tr><th>Strategy</th><th>Action Steps</th><th>Performance Measurements</th></tr>
<tr><td>Understand our customers' expectations and take steps to exceed them</td><td>• Due to limited capacity and amenities available to visitors, the Gateway Arch Visitor Center will require a timed-ticket for entry
• Update the Arch Tram Transportation System by replacing the Motor Generator Sets
• Redesign "Journey to the Top" load zones to focus on park themes, lower maintenance costs, and improved pre-boarding processes</td><td>• Reduce time spent in queues for security / building entry
• Increase reliability of Arch Tram Transportation System
• Enhance the customer experience of the product
• Increase efficiency of the "Journey to the Top" experience and improve customer satisfaction with the overall experience</td></tr>
<tr><td colspan="3">Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources</td></tr>
<tr><td colspan="3">Objective: Implement revenue enhancement strategies</td></tr>
<tr><th>Strategy</th><th>Action Steps</th><th>Performance Measurements</th></tr>
<tr><td>Increase ticket sales</td><td>• Add two additional ticketing locations with five points-of-sale at the Old Courthouse and three points-of-sale in a ticket booth near the Arch entrance
• Increase revenue opportunities through advance ticket sales by expanding existing partnerships and establishing new relationships
• Track the effectiveness of advertising promotions</td><td>• Minimize visitor complaints related to limited capacity and new ticketing locations.
• Continue partnerships with the St. Louis Convention and Visitors Commission and area hotels to sell packages, which increase exposure and pre-visit buying opportunities
• Determine the most effective promotions strategies through system tracking and evaluation</td></tr>
</table>

Objective: Identify and implement shared services programs with other entities where beneficial		
Strategy	**Action Steps**	**Performance Measurements**
Work closely with local communities and organizations to ensure the success of all as we are a regional cooperative partner that supports regional economic development	• Maximize public relations and public awareness opportunities	• Partner with the NPS to coordinate and promote activities • Coordinate financial resources and strategic partnerships for CityArchRiver 2015 projects

Objective: Deliver quality capital projects on time and within budget		
Strategy	**Action Steps**	**Performance Measurements**
Aggressively pursue and complete capital projects	• As determined from guest research and in conjunction with the National Park Service General Management Plan, address key guest experience issues through capital investments	• Design, construct, and install Arch Load Zone and lobby exhibits to improve the guest experience • Complete Arch Tram Transportation System Motor Generator study, design, and bid review

Gateway Arch: Performance Indicators

	FY 2016	FY 2015		FY 2014
	Target	Projection	Target	Actual
Operating income ($ in thousands)	$1,436	$1,278	$1,219	$1,877
Tram ridership	757,685	848,532	857,266	885,165

Business Enterprises

Gateway Arch
FY 2016 Capital Project Summary

(in thousands)

Sources of Funds:

Exhibit Rehabilitation Project Account	$ 4,165
2014 Series Arch Tram Revenue Bonds - PNC	5,000
Jefferson National Expansion Memorial Beneficial Fund	900
Total Sources of Funds	**$ 10,065**

Uses of Funds:

ATS Load Zone and Exhibit Rehabilitation Project Redesign and implement updated exhibits in both sides of the Arch Journey to the Top experience, the Arch lobby, and two MetroLink stations. The new lobby designs will focus on better efficiency in the operating process, more integration with NPS themes, and easier-to-maintain / more durable exhibits. The design will complement the other upgrades and enhancements related to the CityArchRiver 2015 project. The MetroLink station updates will provide welcoming locations for visitors to the vicinity of the Arch.	$ 4,165
Arch Transportation System (ATS) Motor Generator (MG) Set Replacement Design Services This project includes all remaining design and engineering related to the integration and construction oversight for the replacement of the MG sets for the ATS and additional safety options.	600
Arch Transportation System (ATS) Motor Generator (MG) Set Replacement Construction All parts, labor, and construction services for the replacement of the MG sets for the ATS with Variable Frequency Drives. Budgeted amount includes all options for related safety and structural improvements in the Gateway Arch legs and mechanical areas.	5,000

Uses of Funds (continued):

Gateway Arch Visitor Facility Distributed Antenna System

Design, procure, and install a centralized, modular Distributed Antenna System capable of providing commercial cellular services and Radio-Frequency based services throughout the Gateway Arch underground facility.	300
Total Uses of Funds	**$ 10,065**

Business Enterprises

Riverfront Attractions

Overview:

The Gateway Arch Riverboats is the oldest excursion boat company to continuously operate on the Mississippi River. In July 2001, Bi-State Development Agency purchased the Becky Thatcher and Tom Sawyer riverboat operation to preserve the riverboats as a part of the overall St. Louis Riverfront experience. Through on board narrations by National Park Service rangers, the Gateway Arch Riverboats are a natural extension of the educational programs currently offered at the Jefferson National Expansion Memorial.

The Gateway Arch Riverboats offer two primary public cruises. The one-hour sightseeing cruise departs five times a day seasonally, with additional times added as needed to accommodate demand. The evening dinner cruise features dinner, live riverboat style-jazz music, and magnificent views of the St. Louis skyline. In addition, they offer popular Blues cruises, Brunch cruises, Lock & Dam cruises and Ocktoberfest cruises. The Gateway Arch Riverboats are also utilized for corporate/convention functions, weddings, reunions, fundraisers, and special events.

The Gateway Arch Riverboats also operate the Arch View Café, gift shop, bike rentals and a public use heliport barge offering helicopter tours. The bike rental concessions will not be in operation in FY 2016 due to the Arch riverfront construction but will return in FY 2017.

Strategic focus:

The goal of the Gateway Arch Riverboats is to complement the unique entertainment and educational opportunities at the Gateway Arch while generating additional revenue. This requires the combined efforts of the Bi-State Development Agency and the National Park Service through creative and aggressive marketing strategies. The Riverboats and the National Park Service will continue their National Award winning Riverboat Educational Programs. In FY 2016, our goal is to retain passenger revenue during major riverfront construction.

Number of passengers yearly (FY 2014 Actual):

Sightseeing	101,947
Dinner cruise	10,175
Charter cruise	8,601

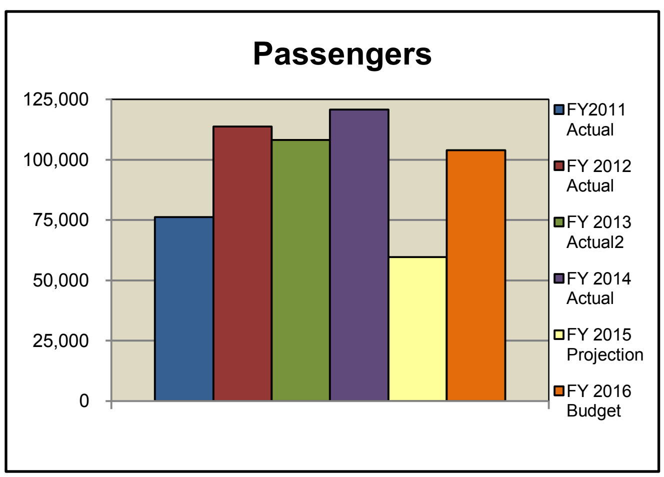
Tom Sawyer Riverboat:

Passenger capacity	350
Year built	1966

Becky Thatcher Riverboat:

Passenger capacity	300
Year built	1963

Website: www.gatewayarchriverboats.com



Riverfront Attractions

Organization:

- Director of Gateway Arch Riverboats
  - Chef
    - Lead Cook
  - Marine Operations Manager
  - Manager of Gateway Arch Riverboats

Total Personnel:

Full-Time -	12
Part-Time -	Seasonal employee count varies throughout the year

Riverfront Attractions
Operating Budget Summary
Fiscal Year Ending June 30, 2016

	FY 2016 Budget	FY 2015 Projection	FY 2015 Budget	FY16 Bgt vs. FY15 Proj $ Change	FY16 Bgt vs. FY15 Proj % Change	FY 2014 Actual
Operating revenue:						
Cruise	$ 1,557,615	$ 761,603	$ 863,150	$ 796,012	92.2%	$ 1,377,952
Food	544,662	329,892	438,750	214,770	49.0%	622,438
Beverage	215,166	131,443	175,430	83,723	47.7%	217,052
Retail	76,930	46,500	62,330	30,430	48.8%	90,803
Other	83,360	81,981	71,440	1,379	1.9%	122,786
Total operating revenue	**2,477,733**	**1,351,418**	**1,611,100**	**1,126,315**	**69.9%**	**2,431,032**
Operating expense:						
Compensation	798,423	652,931	701,378	145,491	20.7%	822,837
Benefits excluding OPEB	401,897	343,348	359,224	58,549	16.3%	367,354
OPEB	44,000	49,685	55,000	(5,685)	-10.3%	57,914
Services	222,080	219,882	213,033	2,198	1.0%	219,575
Materials and supplies	520,461	328,106	470,311	192,355	40.9%	496,493
Fuel & lubrications	83,000	58,352	70,000	24,648	35.2%	76,993
Utilities	92,845	88,192	99,228	4,653	4.7%	80,906
Casualty & liability	173,715	159,659	173,715	14,055	8.1%	135,563
Other expenses	130,800	150,991	147,525	(20,191)	-13.7%	140,067
Total operating expense	**2,467,221**	**2,051,147**	**2,289,414**	**416,074**	**18.2%**	**2,397,702**
Operating income (loss)	**10,512**	**(699,729)**	**(678,314)**	**710,241**	**104.7%**	**33,330**
Net income(loss) before depreciation	**10,512**	**(699,729)**	**(678,314)**	**710,241**	104.7%	**33,330**
Depreciation & amortization	315,412	263,625	238,689	51,787	21.7%	252,235
Net income (loss)	**$ (304,900)**	**$ (963,354)**	**$ (917,003)**	**$ 658,454**	**71.8%**	**$ (218,905)**

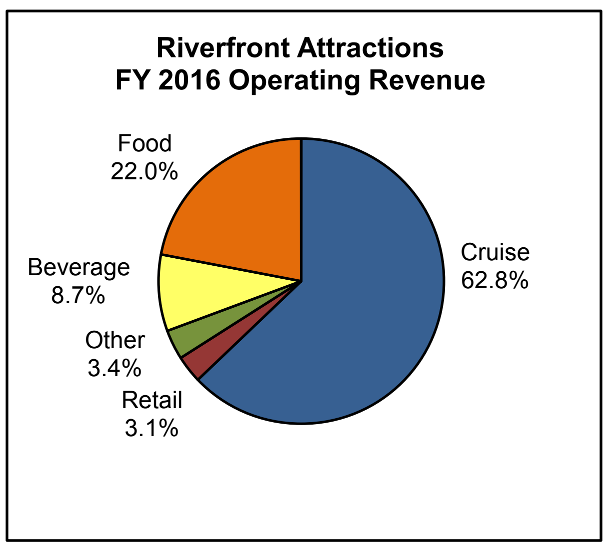
Totals may not sum due to rounding

Riverfront Attractions – FY 2016 Budget

The Riverfront Attractions, which include the Gateway Arch Riverboats, Arch View Café, gift shop, bike rental concession, and the heliport, create a complete family and tourist destination. The ability to provide these additional offerings to guests has created cross-promotional marketing opportunities, which leverage the success of the Gateway Arch Journey to the Top and increase per capita revenues. In FY 2016, the Gateway Arch Riverboats will be continuing the pricing strategy of "combo pricing" by reducing cruise fares by $3 in combination with the ticket purchases of other Arch attractions. This "combo pricing" will increase passenger volume and thus greater exposure to other revenue generators such as the Gift Shop, Arch View Café and photography. With these partnerships and promotions, it is the goal of the Riverfront Attractions to increase awareness and revenues of Bi-State Development Agency's operations on the riverfront.

In FY 2016, the Gateway Arch Riverboats, with the combined efforts and aggressive marketing strategies of the Bi-State Development Agency and the National Park Service, will continue their efforts to maximize revenues and passenger counts during this major construction period at the Arch and along the riverfront. We will also continue the award winning Riverboat Educational Program.

Revenue



Cruise revenue is based on the FY 2016 budget of 103,910 passengers. Cruise revenue for FY 2016 is budgeted at $1,557,615, which is 80.5% higher than the FY 2015 budget. The FY 2016 Riverboats passenger counts and revenues are budgeted with 18 cruising days lost to high water of the Mississippi River. The CityArchRiver construction reduced the maximum allowable high water level mark by 8 feet resulting in 37 lost cruising days through the first six months of FY 2015. An adult sightseeing ticket can be purchased for $18.00 and the child sightseeing fare is $8.00. A base dinner cruise ticket is $46.00 for adults.

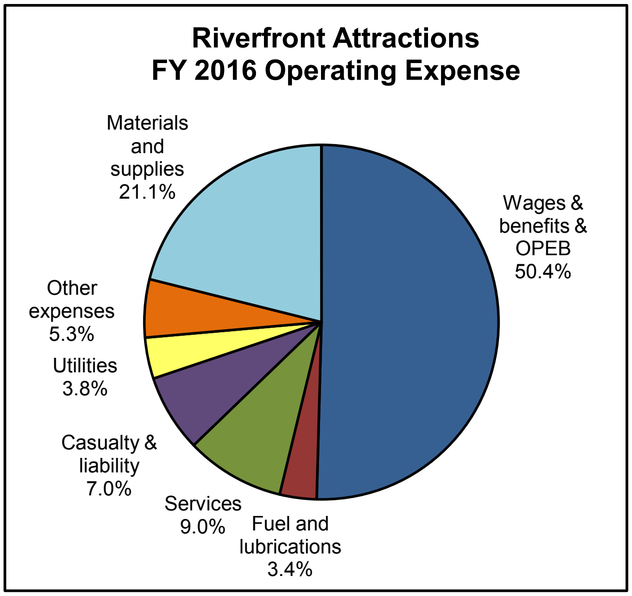
Food revenue includes food sold on dinner dance cruises and at the concession stands on the dock and boats. Food revenue is budgeted in FY 2016 to increase by 24.1% from the FY 2015 budget and is 49.0% higher than the FY 2015 projection.

Beverage revenue for FY 2016 is generated from beverage sales on the various types of cruises and from the Arch View Café. Beverage revenue is budgeted at 22.7% higher than the FY 2015 budget and 47.7% higher than the FY 2015 projection.

Retail revenue is generated from gift shop sales. These revenues are budgeted 23.4% higher than the FY 2015 budget and 48.8% higher than the FY 2015 projection.

Other miscellaneous revenue in FY 2016 includes revenues from helicopter tours and concessions and a contracted passenger cruise photography service.

Expense



Wages and benefits including OPEB are budgeted in FY 2016 at 19.0% higher than the FY 2015 projection as a result of higher seasonal and part-time wages due to more passengers and more cruising days.

Services in FY 2016 are budgeted to increase 1.0% from the FY 2015 projection and 11.5% from the FY 2015 budget primarily due to higher entertainment and National Park Service interpretive services offset by lower boat dry docking maintenance services.

Materials and supplies are budgeted 40.9% higher than the FY 2015 projection and 10.7% higher than the FY 2015 budget. The FY 2016 budget materials and supplies include the following (in thousands):

Cost of food	$ 283
Cost of beverages	76
Cost of retail shop items	52
Other marine operations supplies	42
Food and beverage service supplies	34
Office supplies, other	33
	$ 520

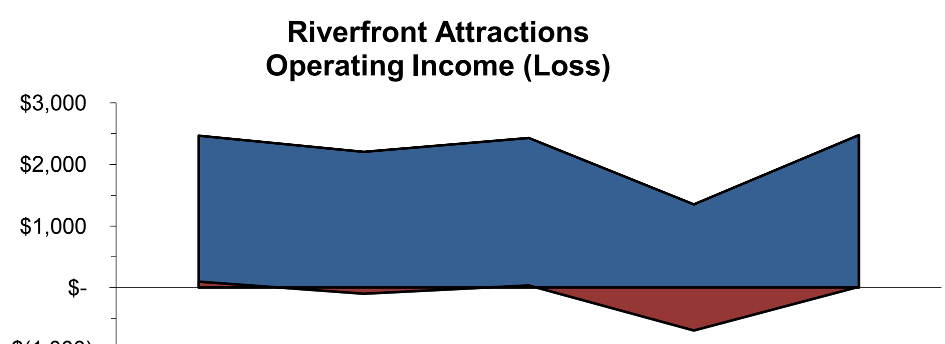
Fuel and lubrications expense is budgeted to increase 35.2% in FY 2016 from the FY 2015 projection and 18.6% from the FY 2015 budget due to more cruises and related fuel usage in FY 2015.

Utilities are comprised of $55,645 for electricity, $9,600 for telephone, $10,000 for natural gas, $8,400 for waste removal, and $9,200 for water and sewer.

Casualty and liability costs are budgeted at the same level as the FY 2015 Budget, but 8.1% greater than the FY 2015 projection which has lower self-insured losses for property and casualty.

Other expense is 13.7% lower than the FY 2015 projection, and 11.4% less than the FY 2015 budget and includes $110,000 in advertising fees. Following the practice since FY 2008, a 5% management fee to the Bi-State Development Agency is being waived in the FY 2016 budget.

Net income (loss) before depreciation is budgeted with an income of $10,512 due to increased revenue from more passengers and cruises as FY 2016 will benefit from the completion of the section of Leonor K. Sullivan Blvd allowing easier access to the Riverboats. If the river, weather, and economic conditions are more favorable, then any income generated in FY 2016 will assist in funding future Riverfront Attractions capital improvements.



(In thousands)	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Proj	FY 2016 Budget
Operating revenue	2,468	2,205	2,431	1,351	2,478
Operating income (loss)	95	(102)	33	(700)	11

Riverfront Attractions Goals and Objectives Action Plan

The following goals and objectives are consistent with the four primary organization level goals used to achieve Bi-State Development Agency's Strategic Plan. Progress in attaining these goals and objectives are measured through performance indicators. A list of performance indicators follows the Goals and Objectives Action Plan.

Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources

Objective: Implement revenue enhancement strategies

Strategy	Action Steps	Performance Measurements
Seek increasing revenue from all available sources	• Increase revenue opportunities by offering variety of cruise, food, beverage, retail options to meet entertainment need of Riverfront visitors • Continue availability of vessels for revenue service through on-going compliance with United States Coast Guard (USCG) regulations • Increase community awareness of operation through continued involvement in regional Homeland Security drills • Develop and implement programmable-based and seasonal event offerings • Develop a working relationship with the various partners involved with the reconstruction of the St. Louis Riverfront to insure that our guests are provided a pleasant and safe experience.	• Increased attendance on cruises offered • Increased sales of food items • Increased sales of beverage items • Increased sales of retail items • Increased cross sales of other riverfront partners (i.e. increased carriage rides) • USCG Certification: Vessels meet all requirements; crew is properly trained; vessels comply with USCG regulations related to Americans with Disabilities Act • Press release to local media about Homeland Security preparedness • Participation in U.S. Coast Guard harbor safety drills • Participate in Transportation Safety Administration drills • Lower cost of supplies • Lower equipment replacement costs • Improved maintenance support • Improved rental equipment quality • Better product mix to meet guest demands • Work with heliport concessionaire to develop and implement seasonal trip offerings • Provide easy access for our guests to riverboat venues during riverfront reconstruction

Goal: Deliver a high quality experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence		
Objective: Improve service quality		
Strategy	**Action Steps**	**Performance Measurements**
Understand and take steps to meet or exceed our customers' expectations despite the challenges presented by the reconstruction of the St. Louis Riverfront	• Continue to insure safety and quality of food and service by exceeding Federal, State and local safety and health guidelines • Given changes due to riverfront reconstruction, assess the degree to which product offerings match client needs	• High scores from Food and Drug Administration with regard to training of employees and safety/health inspections • High scores from City of St. Louis Health Department with regard to training of employees and safety/health inspections • Reduced number of guest food and service complaints • Conduct email-based product assessment with previous and current clients • Maintain the ability to make scheduling and operational changes to adapt to the challenges presented during reconstruction to meet quality and financial goals

Gateway Arch Riverfront Attractions: Performance Indicators

	FY 2016 Target	FY 2015 Projection	FY 2015 Target	FY 2014 Actual
Passengers	103,910	59,647	67,900	120,723
Cruises	917	530	675	932
Days of operation	272	129	188	248
Passengers per Cruise	113	113	145	129
Revenue per Passenger	$22.36	$21.28	$22.68	$19.12
City health inspection score				
Becky Thatcher boat	100	100	100	100
Tom Sawyer boat	100	100	100	100
Main Galley	100	98	100	95

Riverfront Attractions
FY 2016 Capital Project Summary

(in thousands)

Sources of Funds:

Riverboat Renewal and Replacement Fund	$ 5
Total Sources of Funds	**$ 5**

Uses of Funds:

Copy Machine

Scheduled replacement of copy machine at Riverboat office barge.	$ 5
Total Uses of Funds	**$ 5**

St. Louis Downtown Airport

Overview:

Purchased in 1964 for $3.4 million, today the St. Louis Downtown Airport is a full-service aviation center offering an extensive line of general aviation services just eight minutes from downtown St. Louis in Cahokia/Sauget, Illinois. As the primary general aviation reliever airport for Lambert International Airport, St. Louis Downtown Airport is the busiest Illinois airport outside the Chicago area and provides a $584 million economic impact to the St. Louis region.

Strategic focus:

St. Louis Downtown Airport supports the National Aviation System Plan and the St. Louis region through its mission, which is to provide world-class airport facilities and services to the public. St. Louis Downtown Airport does this by providing the best possible infrastructure with the highest-quality benchmark services provided through our employee team and airport tenant businesses.

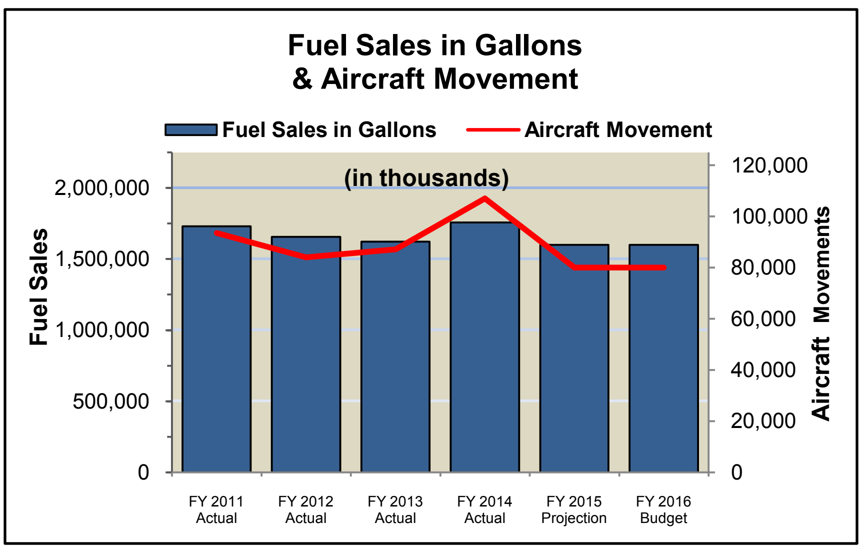
Our vision is to set the standard for reliever airports and continue to be the general aviation "airport of choice" for people traveling to and from downtown St. Louis and the Bi-State region. This vision is reflected in our motto, "A World Class Reliever Airport Serving Downtown St. Louis and the People of the Bi-State Region."

Our primary goals are safety and security, infrastructure preservation and enhancement, and organizational excellence. Our goals support the "National Plan of Integrated Airport Systems" by providing the general aviation flying public with a safe, secure, convenient, and well-equipped facility and by providing the local community with over 3,731 high-paying jobs and acting as a catalyst for economic growth and development in the region. Our short term goals include improving economic performance by increasing land lease revenue, fuel flowage revenue, transient aircraft operations and enhancing airport services and capabilities.

Operations (FY 2014):
1.8 million gallons of fuel sold
106,996 aircraft movements
321 based aircraft
Location of Flight Training Dept., St. Louis University

Facilities:
95 small, 42 mid and 21 large hangers
1,013 acres

Airport recognition:
Busiest general aviation airport in St. Louis region
Busiest airport in Illinois outside Chicago
Two hangars named to National Register of Historic Places
Illinois 2009 Reliever Airport of Year



Website:
www.stlouisdowntownairport.com

Downtown Airport

Organization:

Total Personnel:

Full-Time - 11
Part-Time - 2

St. Louis Downtown Airport
Operating Budget Summary
Fiscal Year Ending June 30, 2016

	FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
	Budget	Projection	Budget	$ Change	% Change	Actual
Operating revenue:						
Aircraft parking	$ 139,410	$ 137,261	$ 133,214	$ 2,149	1.6%	$ 140,470
Leased acreage	172,677	241,538	435,287	(68,861)	-28.5%	435,668
Hangar rentals	810,212	836,943	820,355	(26,731)	-3.2%	798,448
Aviation fuel sale - flowage fee	177,365	171,313	177,365	6,053	3.5%	172,480
Concession fees	115,159	144,957	128,730	(29,798)	-20.6%	134,198
Other revenues	90,254	93,206	90,287	(2,951)	-3.2%	109,235
Total operating revenue	**1,505,078**	**1,625,217**	**1,785,239**	**(120,139)**	**-7.4%**	**1,790,500**
Operating expense:						
Compensation	490,317	484,897	517,368	5,420	1.1%	483,755
Benefits excluding OPEB	362,943	338,389	351,605	24,553	7.3%	392,348
OPEB	48,000	53,154	60,000	(5,154)	-9.7%	52,362
Services	115,301	79,043	75,249	36,258	45.9%	137,713
Materials and supplies	130,200	118,007	91,950	12,193	10.3%	124,488
Fuel & lubrications	26,300	23,529	27,250	2,771	11.8%	25,621
Utilities	190,660	178,376	166,327	12,284	6.9%	148,548
Casualty & liability	65,026	57,598	65,026	7,428	12.9%	56,653
Other expenses	111,119	109,421	117,447	1,698	1.6%	154,958
Total operating expense	**1,539,866**	**1,442,414**	**1,472,221**	**97,451**	**6.8%**	**1,576,446**
Operating income (loss)	**(34,787)**	**182,803**	**313,018**	**(217,591)**	**-119.0%**	**214,054**
Nonoperating revenue (expense):						
State and local assistance	-	-	-	-	-	24,965
Investment income	334	248	334	87	34.9%	192
Other income (expense)	-	-	-	-		8,640
Total nonoperating revenue (expense)	**334**	**248**	**334**	**87**	**34.9%**	**33,797**
Net income (loss) before depreciation	**(34,453)**	**183,051**	**313,352**	**(217,504)**	**-118.8%**	**247,851**
Depreciation & amortization	1,562,377	1,576,681	1,604,286	(14,305)	-0.9%	1,633,001
Net income (loss)	**$ (1,596,830)**	**$ (1,393,630)**	**$ (1,290,934)**	**$ (203,199)**	**-14.6%**	**$ (1,385,151)**

Totals may not sum do to rounding

St. Louis Downtown Airport – FY 2016 Budget

As the aerial front door to downtown St. Louis and the primary general aviation reliever for Lambert International Airport, St. Louis Downtown Airport makes an annual economic impact to the region of approximately $584 million. In FY 2016, the Airport is proposing continued airport master planning efforts in preparation for future expansion and pavement rehabilitation projects.

Aircraft movements, or takeoffs and landings, are projected to be 86,412 in FY 2015 and 90,000 in FY 2016. Aircraft movements have been adversely impacted nationwide because of contraction in industry activity due to economic conditions.

Revenue

Aircraft parking revenue for FY 2016 is budgeted at 4.7% above the FY 2015 budget and 1.6% above the FY 2015 projection.

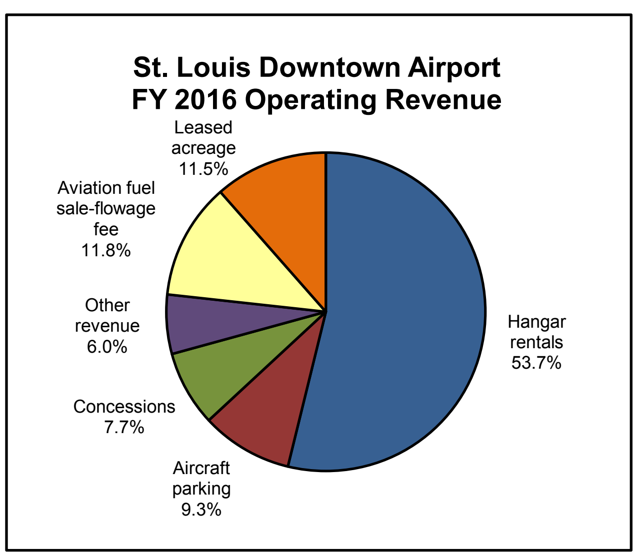
Leased acreage revenue is airport land leased for private investment or farm income and is budgeted in FY 2016 to be significantly lower than the FY 2015 budget and slightly below the FY 2015 projection because of reclassifying the acreage for hangar rentals from leased acreage to hangar rental.

Hangar rentals in FY 2016 are budgeted at 1.2% less than the FY 2015 budget and 3.2% less than the FY 2015 projection. Hangar rentals have declined due to Jet Aviation, Inc. having a new lease with lower rent and also vacating a hangar.

Aviation fuel sale-flowage fee revenues are budgeted to increase by 3.5% from the FY 2015 projection and the same levels as the FY 2015 budget.

Concession fees include crop income, rentals for the concourse from Jet Aviation and the restaurant, and rental space in the administrative building. The FY 2016 budget is 20.6% lower than the FY 2015 projection and 10.5% lower than the FY 2015 budget primarily due to lower terminal restaurant rental income.

Other revenues include reimbursements from tenants for contract security, utilities and trash removal services. The FY 2016



budget is at the same level as the FY 2015 budget and 3.2% lower than the FY 2015 projection as a result of lower revenue from After Hours ARFF Services billing.

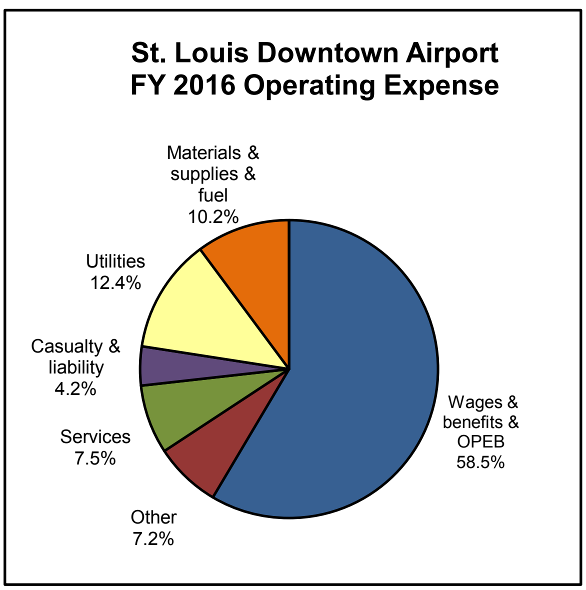
Expense

Wages and benefits including OPEB are budgeted at 2.8% higher than the FY 2015 projection and 3.0% lower than the FY 2015 budget due to the timing of a position pay increase.

Services include the following (in thousands):

Legal and consultants fees	$ 77
Contract maintenance	27
Other	11
	$ 115

Services are budgeted 53.2% higher than the FY 2015 budget due to legal fees for lease review and consultation. Other key items in the FY Service 2016 budget are consultant fees for general services, firehouse elevator and extinguisher maintenance, fire alarm maintenance, emergency phone system, and firefighting truck inspection and maintenance and HVAC controls system support.



Materials, supplies and fuel are budgeted in FY 2016 to be higher than the FY 2015 projection by 10.6% and 31.3% greater than the FY 2015 budget due to Aircraft Rescue and Firefighting (ARFF) supplies and vehicle repair parts.

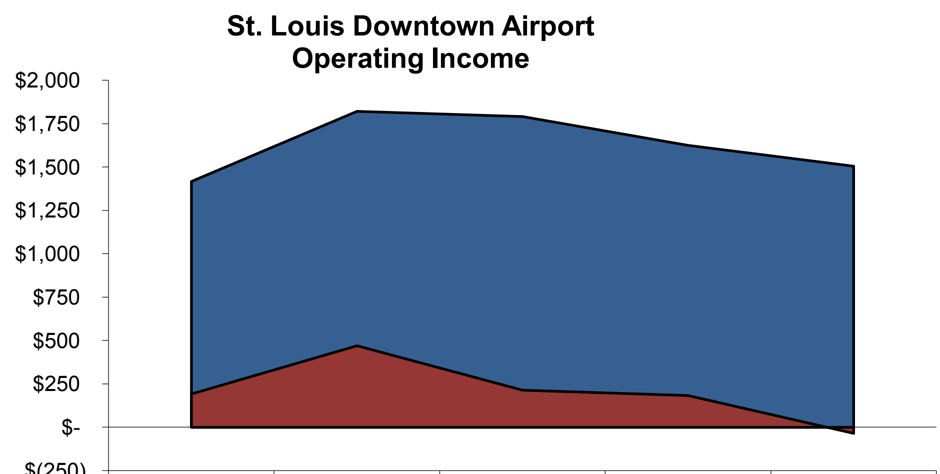
Utilities include electricity, gas, telephone, waste removal and water and are budgeted in FY 2016 to be 6.9% higher than the FY 2015 projection and 14.6% higher than the FY 2015 budget as rate increases are expected.

Casualty and liability costs are budgeted at 12.9% above the FY 2015 projection due to the increase in casualty costs.

Other expense includes the following (in thousands):

Management fees to the Agency	$ 75
Travel, training, meetings, dues	24
Other	12
	$ 111

The FY 2016 budget is 1.6% lower than the FY 2015 projection. The FY 2016 budget reflects lower training and dues and subscription expenses.



(in thousands)	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Proj.	FY 2016 Budget
Operating revenue	1,417	1,821	1,791	1,625	1,505
Operating Income	192	470	214	183	(35)

Income

Net income (loss) before depreciation normally provides cash flow to assist in funding capital improvements. The net loss before depreciation of $34,453 budgeted in FY 2016 is 118.8% lower than the FY 2015 projection.

St. Louis Downtown Airport Goals and Objectives Action Plan

The following goals and objectives are consistent with the four primary organization level goals used to achieve Bi-State Development Agency's Strategic Plan. Progress in attaining these goals and objectives are measured through performance indicators. A list of performance indicators follows the Goals and Objectives Action Plan.

Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources		
Objective: Implement revenue enhancement strategies		
Strategy	**Action Steps**	**Performance Measurements**
Ensure cost-effective and efficient use of resources for revenue enhancement	• Promote the Airport's Commercial Airport Operating Certificate and Aircraft Rescue and Firefighting (ARFF) capabilities to attract new customers and increase revenues • Continue to increase revenue through airport tenant business growth and expansion • Increase transient aircraft operations by promoting aviation group activities and local events	• Increased operations by large aircraft charter operators such as those carrying professional sports teams resulting in increased fuel sales • Personnel training, customer education, and safety inspections which result in a positive safety-awareness environment • Continued construction of new facilities on existing leased parcels that are not fully developed • Conversion of existing option-to-lease agreements to lease agreements • Local aviation organizations conduct more flying events at the airport (e.g., Experimental Aircraft Association conducts more Young Eagle rallies, Parks College hosts flying competitions, the Greater St. Louis Air & Space Museum conducts additional special events) • Transient aviation organizations select the airport and the St. Louis region for their annual conventions

Objective: Deliver quality capital projects on time and within budget		
Strategy	**Action Steps**	**Performance Measurements**
Aggressively pursue funding, and deliver quality capital projects	• Maintain and enhance Airport infrastructure and services through continued capital investments in infrastructure and equipment	• Improve runway safety areas and reduce wildlife strike hazards through improved storm water drainage • Conduct environmental assessments and other planning efforts necessary to rehabilitate aging pavements and improve the airport's ability to efficiently handle large charter aircraft • Enhance airport security through improved perimeter fencing • Maintain and improve the airport vehicle and equipment inventory through timely replacement and additions • Continued construction of public infrastructure (parking lots, ramps, taxi lanes, and roadways) on public airport property • Expand airport property available for expansion and growth of new tenant facilities

St. Louis Downtown Airport: Performance Indicators

	FY 2016	FY 2015		FY 2014
	Target	Projection	Target	Actual
Operating income ($ in thousands)	$(35)	$183	$313	$214
Fuel sales in gallons (thousands)	1,774	1,776	1,774	1,758
Aircraft movement	90,000	86,412	90,000	106,996
Based aircraft	320	319	320	321

St. Louis Downtown Airport
FY 2016 Capital Project Summary

(in thousands)

Sources of Funds:

Federal Grants	$ 9,000
Airport Fund	719
Illinois State and Local Grants	1,618
Total Sources of Funds	**$ 11,337**

Uses of Funds:

Construction:		
Reconstruct Taxiway B, Phase 1	$4,500	
Improve 4-way Intersection	900	$5,400
Equipment and Facilities Replacements:		
Rapid Intervention Vehicle	500	500
Land and Land Improvements:		
Land Acquisition	4,000	
Rehabilitate and Resurface Parking Lot	312	
Taxiway B Northside Environmental Assessment	125	
Taxiway B Northside Drainage Improvements	1,000	5,437
Total Uses of Funds		**$ 11,337**

Regional Freight Partnership
FY 2016 Budget

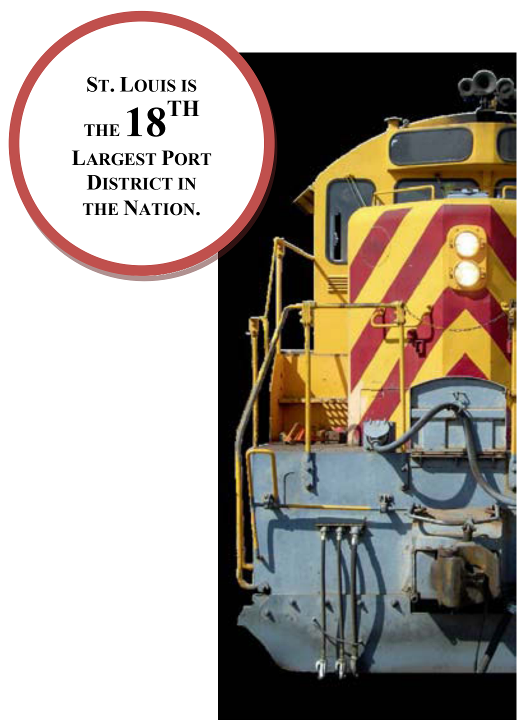
Since the Bi-State Development Agency was established in 1949, the region has turned to it to provide solutions to regional issues: among them, a sewage study that led to the creation of the Metropolitan Sewer District, followed by stabilizing the region's fragmented public transit system.

Most recently, regional leaders have asked BSDA to establish and lead a new freight district for the bi-state area. The Agency's newest venture will focus on coordinating and expanding the freight network in and out of St. Louis — by road, rail, river and runway. BSDA is proud to lead this new regional effort with partners such as the East-West Gateway Council of Governments, St. Louis Regional Chamber, Leadership Council of Southwestern Illinois, St. Louis Development Corporation, City of St. Louis, St. Clair, St. Charles and Madison counties, Illinois Department of Transportation, Missouri Department of Transportation and Terminal Railroad.

In FY 2016, the partnership will begin to identify opportunities to create a freight district environment in the bi-state region. The goal will be to produce results that will strengthen the St. Louis region by increasing job growth and improving the local economy. The cooperative effort will determine how the region manages the movement of freight, how to coordinate the work of a variety of jurisdictions and how to market the Greater St. Louis region's freight capacity to the nation.

In FY 2016, contributions and fees for service provided are expected to generate $450,000 in operating revenue. These funds are projected to come from East-West Gateway Council of Governments, St. Louis Regional Chamber, and the Leadership Council of Southwestern Illinois.

Total operating expense is expected of $295,727, resulting in net surplus before depreciation of $154,273. The majority of operating expense is for personnel costs and outside services. The Bi-State management fee is being waived in the inaugural year of the Freight Partnership.



Research Institute– FY 2016 Budget

The Bi-State Development Research Institute is a 501(c)(3) non-profit corporation under the organizational umbrella of the Bi-State Development Agency (BSDA) of the Missouri-Illinois Metropolitan District (District). The Board of Commissioners granted approval to establish the Institute on March 28, 2014. The Board subsequently approved the organization's Bylaws on May 23, 2014.

The Mission Statement of the Institute is:

The Institute is a non-profit organization dedicated to the study, planning and evaluation of regional public policy, land use, economic development and infrastructure investment - all within the Compact powers of the Bi-State Development Agency.

The primary goals of the 501(c)(3) Institute are to:

1. Focus on real estate acquisition and conveyance in support of Transit-Oriented Development ("TOD") and regional economic development; and
2. Plan, study and evaluate regional land use, public policy, economic and community development and infrastructure investment, including, but not limited to transit activities; and
3. Insure that the Institute is self-sustaining and able to fiscally support itself; that is serve as a conduit for charitable donations supporting Institute goals and specific community support, such as providing transit tickets for deserving youth and as a fund raising conduit for events.

In FY 2016, contributions and consulting fees are expected to generate $5,000 in revenue. Operating expenses include legal fees and outside services and are budgeted at $5,000. The FY 2016 budget revenues and expenses result in a break even outcome.

The responsibilities of the Executive Director for the Research Institute will be filled with existing BSDA staff until a time the position is filled permanently.

Executive Services

Descriptions of organization:

Executive Services is a service company that supports the other Bi-State Development Agency companies including Transit System, Gateway Arch, Riverfront Attractions, St. Louis Downtown Airport, Regional Freight Partnership, and Research Institute and is supported by management fee revenue collected from each of the other companies. Functional areas of Executive Services include:

Executive Office is responsible for the management of the Agency in support of the goals and objectives of the Board of Commissioners.

Internal Audit performs internal audits and assists with independent outside audits. Internal Audit plans and conducts audits of Agency programs and operations, identifying problem areas and developing recommendations for improved control mechanisms or organizational performance.

Government Affairs establishes and maintains working relationships with government officials that support the Agency's funding, legislative program, policies, and services.

General Counsel is responsible for managing and coordinating the Agency's legal activities; ensuring corporate compliance with all laws and regulations; maintaining agency record retention and information security; and providing employee compliance and ethics training.

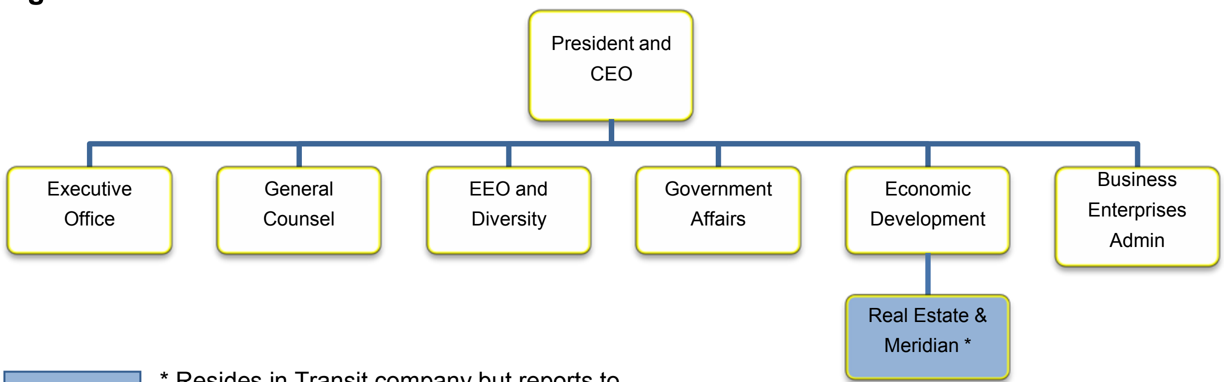
Workforce Diversity and EEO is responsible for monitoring and promoting positive and fair employment practices to ensure a diverse workforce in a discrimination/harassment free environment.

Economic Development is responsible for identifying alternative sources of funding and partners for Agency initiatives, including real estate development around transit stations and Bus Rapid Transit initiatives promoting regional infrastructure via the Bi-State Development Agency charter in support of job creation and new private investment; and, managing Bi-State's Real Estate group.

Business Enterprises Administration provides management overview for the Business Enterprises companies and explores business opportunities.

Executive Services

Organization:



* Resides in Transit company but reports to Economic Development in Executive Services

Financial Summary:

Executive Services
Operating Budget Summary
Fiscal Year Ending June 30, 2016

	FY 2016	FY 2015		FY16 Bgt vs. 15 Proj		FY 2014
	Budget	Projection	Budget	$ Change	% Change	Actual
Operating revenue:						
Management fees:						
Transit System	$ 3,097,907	$ 2,800,000	$ 2,800,000	$ 297,907	10.6%	$ 2,550,000
Gateway Arch	578,382	541,712	521,029	36,670	6.8%	622,472
Gateway Arch Parking	-	98,889	113,173	(98,889)	-100.0%	128,287
National Park Service	393,561	404,478	387,829	(10,917)	-2.7%	433,761
Airport	75,271	81,271	89,279	(6,000)	-7.4%	89,535
Total operating revenue	**4,145,121**	**3,926,350**	**3,911,310**	**218,771**	**5.6%**	**3,824,056**
Operating expense:						
Compensation & Benefits	2,455,635	2,195,623	2,424,513	260,013	11.8%	2,025,677
Other post-employment benefits (OPEB)	129,600	150,840	162,000	(21,240)	-14.1%	145,532
Services	1,151,267	690,336	904,210	460,931	66.8%	817,661
Parts & supplies	27,644	19,140	24,922	8,504	44.4%	13,428
Utilities	8,499	6,455	7,200	2,044	31.7%	5,563
Other expense	357,899	287,683	345,028	70,216	24.4%	231,258
Total operating expenses	**4,130,543**	**3,350,076**	**3,867,873**	**780,467**	**23.3%**	**3,239,118**
Operating income (loss)	**14,578**	**576,274**	**43,437**	**(561,696)**	**-97.5%**	**584,938**
Nonoperating revenue (expense)						
Investment income	2,550	2,324	2,649	226	9.7%	1,891
Total nonoperating revenue (exp)	**2,550**	**2,324**	**2,649**	**226**	**9.7%**	**1,891**
Net income (loss) before depreciation & amortization	**17,128**	**578,598**	**46,086**	**(561,470)**	**-97.0%**	**586,829**
Depreciation & amortization	1,937	2,433	2,433	(496)	-20.4%	2,433
Net surplus (deficit)	**$ 15,191**	**$ 576,166**	**$ 43,654**	**$ (560,974)**	**-97.4%**	**$ 584,396**

Executive Services – FY 2016 Budget

Executive Services is a service company that represents Bi-State Development Agency's headquarters and provides support for the six Bi-State Development Agency operative companies (Transit System, Gateway Arch, Riverfront Attractions, and St. Louis Downtown Airport, Regional Freight Partnership and Research Institute).

Revenue

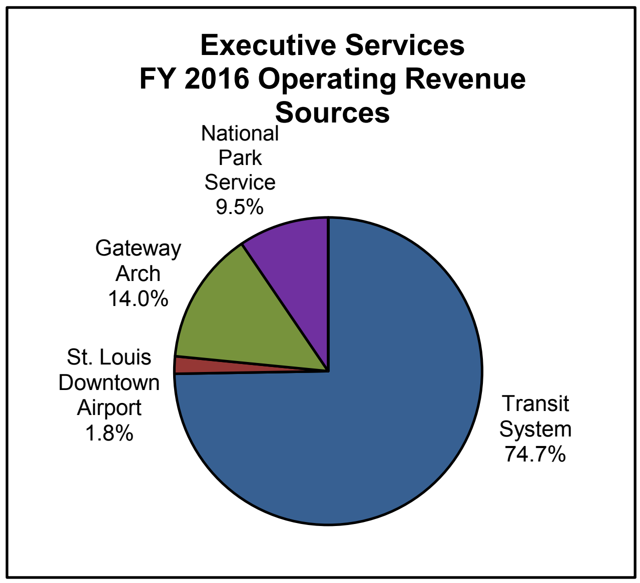
Transit System management fee is calculated at 75% of Executive Services operating expenses. This assessment represents services provided by Executive Services to the Metro Transit System.

Gateway Arch management fee is calculated based on a formula negotiated with the National Park Service including seven percent of total Arch revenues and ten percent of revenue net of expenses.

Gateway Arch Parking Facility management fee is not applicable in FY 2016 as the facility was closed in December 2014.

Riverfront Attractions management fee was initiated in FY 2004. Because of extensive hull repairs in FY 2014 and 2015, the fee was waived and will continue to be waived for FY 2016.

St. Louis Downtown Airport management fee is calculated at five percent of the Downtown Airport operating revenue and interest income.



National Park Service management fee is calculated at twenty percent of Arch entrance fees. The National Park Service charges a $3 entrance fee per adult ticket. Children 15 years and younger are exempt from that fee. Revenue from the Arch movies is not applicable in FY 2016 as the movies have been discontinued.

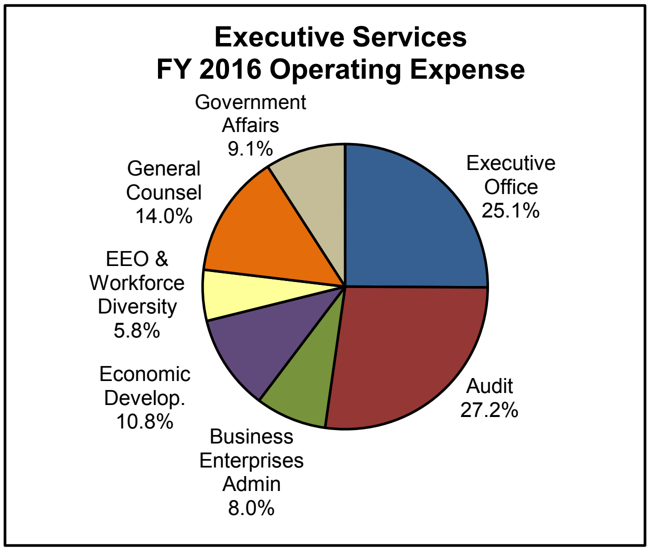
Regional Freight Partnership is not assessed a management fee in FY 2016 as the innovative partnership moves forward.

Research Institute does not have a management fee in FY 2016. The Institute's Board of Directors will meet in December 2015 to discuss as part of the Institute's plan evaluation.

Expense

Compensation and benefits for the FY 2016 budget increased from the FY 2015 budget by only 1.3% due to three fewer budgeted positions offset by increases in medical costs and salary adjustments.

Other post-employment benefits (OPEB) are primarily retiree medical expenses related to the implementation of GASB Statement No. 45.

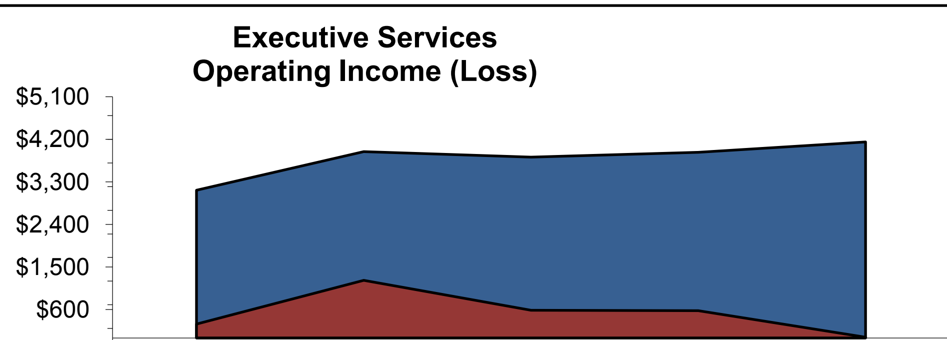


Services primarily consist of fees for outside consultants, auditors, lawyers, lobbyists and temporary help. Consulting has increased for outside internal audit contracts and is offset somewhat by one less hired internal audit position. Consulting was also impacted by increased financial audit fees.

Parts and supplies include office supplies and equipment, training materials, and data processing supplies.

Utilities consist of mobile device usage.

Other expense includes employee and commissioner travel, employee training and dues for regional, state, and national transportation and economic organizations.



(In thousands)	Actual 2012	Actual 2013	Actual 2014	Projected 2015	Budget 2016
Operating revenue	3,124	3,940	3,824	3,926	4,145
Operating income (loss)	293	1,218	585	576	15

Executive Services

Executive Services Goals and Objectives Action Plan

The following goals and objectives are consistent with the four primary organization level goals used to achieve Bi-State Development Agency's Strategic Plan. Progress in attaining these goals and objectives are measured through performance indicators. A list of performance indicators follows the Goals and Objectives Action Plan.

Goal: To be an effective and efficient publically-supported organization that is viewed as a transparent and accountable steward of public funds.		
Objective: Establish and manage communications plan that improves public perception of Bi-State Development Agency programs and credibility of management		
Strategy	**Action Steps**	**Performance Measurements**
Economic Development		
Continual improvement of BSDA's economic development services, confirming program goals and continually updating and refining BSDA's economic development direction	• BSDA Board and CEO provide oversight for economic development efforts • Economic Development staff interacting with BSDA engineering, planning, transit, grants, business enterprise, legislative, finance, marketing and communication on BSDA projects • Economic Development staff interacting with local and national economic development groups for information and best practices • Complete the establishment of the 501c (3) for economic development purposes	• Thoughtful, short and long-term economic development projects/programs for the regional community (on-going) • Increased perception in the region as BSDA being a key part of the community fabric (on-going) • Improved community and private partnerships for BSDA and BSDA projects (on-going)
Support regional development via BSDA's transit system and compact powers by leading the economic development component of TOD and economic development support for regional infrastructure.	• Interface with BSDA planning staff regarding TOD • Interface with community partners on TOD planning/ finance/ development • Interface with property owners and planning staff on BRT • Focus regional efforts to secure large scale public infrastructure, such as the new Freight District	• Ongoing TOD, improving quality of transit station experience • Work on all 37 Metrolink stations for potential TOD improvements • Initiate economic development related to BRT • On-going work for high speed rail and bridge improvements for the greater St. Louis region

Strategy	Action Steps	Performance Measurements
Continual improvement of BSDA's real estate services by supporting BSDA's real estate requirements in a professional and fiduciary manner	• Interface with engineering, transit, planning, grants operations, finance, business enterprises, economic development, legal and communications on projects • Interface with the community and community partners on BSDA projects and initiatives • Interface with FTA on property conveyance and systems licensing issues	• Ongoing offers, negotiations on properties and assets that support BSDA's efforts • Maintaining individual real estate certifications • Performing appraisals in a timely fashion for the acquisition or deposition of property • Annual excess property report to the BSDA Board
General Counsel		
Ensure Agency compliance with all applicable legal and regulatory compliance requirements	• Maintain agency-wide corporate compliance requirements list; • Conduct semi-annual department requirements audits; revise when laws/ regulations change • Research and update all applicable federal, state, and local laws and regulations • Ensure reporting and auditing open action items are closed	• Complete semi-annual requirements audits (October 2015 and April 2016) • Include results in annual State of the Agency report present to Board of Commissioners by March 2016
Maintain an agency-wide employee compliance and ethics training program	• Conduct training for new employees • Conduct training for existing transit operators during refresher training • Conduct annual employee Code of Conduct review and attestation	• Complete training for all bus operators by June 2016 • Complete Code of Conduct attestation by February 2016
Maintain an agency-wide employee compliance fraud helpline incident reporting system	• Assign investigations for all incident reports • Track incident reports to closure • Ensure incident reports are thoroughly documented	• Close all incident reports within 30 days for at least 90% of all new incident reports • Include results in annual State of the Agency report and present to Board of Commissioners by March 2016

EEO and Diversity		
Improve transparency of the Agency's DBE contracting and expenditures	• Determine data to be displayed on the BSDA website • Redesign BSDA DBE website to better communicate program goals, process, accomplishments, and data • Implement Small Business component of DBE program • Improve compliance monitoring and enforcement procedures and processes	• Completed and implemented redesign of website with DBE performance information • DBE training and certification assistance available to interested parties • Small Business program implemented and operating per our program document • Achievement of DBE and workforce contract goals

Goal: Ensure cost-effective and efficient use of resources and aggressively pursue funding partnerships to supplement existing resources

Objective: Implement internal process improvements

Strategy	Action Steps	Performance Measurements
Internal Audit		
Perform an Agency wide Risk Assessment	• Perform a detailed review of the current "process control memos	• Use the results of the Risk Assessment to develop the FY 2015 Annual Audit Program
Integrate more technology in the performance of internal audits	• Obtain more training on the use of the Oracle data base and data mining software	• Audit reports will incorporate audit findings based upon a more detail analysis of business processes

Objective: Implement revenue enhancement strategies

Strategy	Action Steps	Performance Measurements
Executive Office		
Address federal, state, and local policies to include better transit funding, planning, & infrastructure	• Identify the uses of the current transit sales tax revenue collections • Prepare detailed financial reports showing the uses of the transit sales tax revenue for road construction, road maintenance, TIF's, debt service and public transit operations	• Publish a quarterly report of transit sales tax collections and expenditures

Performance Indicators – Executive Services

Progress in meeting the goals and objectives are measured through performance indicators. Following is a list of the performance indicators.

	FY 2016	FY 2015		FY 2014
	Target	Projection	Target	Target
Executive Office and General Counsel:				
Timely preparation of Board Resolutions	Yes	Yes	Yes	Yes
Timely preparation of Board Minutes	Yes	Yes	Yes	Yes
Respond to all Sunshine Law requests within 3 days	100%	100%	100%	100%
Ensure Agency-wide legal and regulatory compliance	100%	100%	100%	100%
Close 90% of new Compliance and Fraud incident reports within 30 days	100%	100%	100%	100%
Government Affairs:				
Actively participate in regional and national transit organizations	Yes	Yes	Yes	Yes
Actively participate in regional economic development and transportation planning	Yes	Yes	Yes	Yes
Internal Audit:				
Audits planned	35	10	21	19
Audits completed	35	10	20	13
Audit recommendations accepted by Management	25	10	60	17
Audit recommendations implemented	25	10	44	17
Economic Development:				
Transit Oriented Development (TOD) project efforts at 37 stations	100%	100%	100%	100%
Bus Rapid Transit pre-development support	Yes	Yes	Yes	Yes
Grow regional project/funding partnership	Yes	Yes	Yes	Yes
Establish Freight District within BSDA	Yes	No	No	No
Create opportunities for use of Bi-State compact	Yes	Yes	Yes	Yes
Create 501c (3) for program leveraging	Yes	Yes	Yes	No
Real Estate (also found under Transit company)**:**				
BSDA strategic property analysis	Yes	Yes	Yes	Yes
Engineering department support	Yes	Yes	Yes	Yes
BSDA leases accounts receivable current	98%	95%	95%	90%
BSDA leases accounts payable current	100%	100%	100%	100%
Operations department support	Yes	Yes	Yes	Yes

Executive Services - Operating Expenses - Summary

	FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
	Budget	Projection	Budget	$ Change	% Change	Actual
By type of expense:						
Wages & benefits without OPEB	**$ 2,455,635**	$ 2,195,623	$ 2,424,513	$ 260,013	11.8%	$ 2,025,677
Other post-employment benefits	**129,600**	150,840	162,000	(21,240)	-14.1%	145,532
Services	**1,151,267**	690,336	904,210	460,931	66.8%	817,661
Fuel & lubrications	**1,584**	1,131	1,584	453	40.1%	1,015
Parts & supplies	**26,059**	18,009	23,338	8,051	44.7%	12,413
Utilities	**8,499**	6,455	7,200	2,044	31.7%	5,563
Leases and other expense	**357,899**	287,683	345,028	70,216	24.4%	231,258
Operating expense	**$ 4,130,543**	**$ 3,350,076**	**$ 3,867,873**	**$ 780,467**	**23.3%**	**$ 3,239,118**

	FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
	Budget	Projection	Budget	$ Change	% Change	Actual
By function:						
Executive Office	**$ 1,036,781**	$ 809,495	$ 910,820	$ 227,286	28.1%	$ 730,129
Internal Audit	**1,121,648**	811,651	946,394	309,997	38.2%	928,182
Government Affairs	**376,542**	315,173	439,529	61,369	19.5%	191,651
General Counsel	**577,269**	527,451	579,945	49,817	9.4%	453,521
Economic Development	**447,272**	392,877	431,412	54,395	13.8%	425,503
Business Enterprises Administration	**332,357**	301,033	324,637	31,323	10.4%	368,410
Workforce Diversity and EEO	**238,675**	192,395	235,136	46,280	24.1%	141,723
Operating expense	**$ 4,130,543**	**$ 3,350,076**	**$ 3,867,873**	**$ 780,467**	**23.3%**	**$ 3,239,118**

Totals may not sum due to rounding.

Executive Services - Operating Expense by Functional Area

		FY 2016	FY 2015		16 Bgt vs. 15 Proj		FY 2014
		Budget	Projection	Budget	$ Change	% Change	Actual
Executive Office	Wages & benefits without OPEB	**563,328**	465,404	448,977	97,924	21.0%	501,167
	Other post-employment benefits	**28,690**	37,634	35,862	(8,944)	-23.8%	36,970
	Services	**204,500**	114,184	201,500	90,316	79.1%	22,590
	Fuel & lubrications	**156**	78	156	78	100.0%	-
	Parts & supplies	**5,500**	3,029	4,700	2,471	81.6%	2,962
	Utilities	**1,200**	761	1,200	439	57.7%	204
	Leases and other expense	**233,407**	188,405	218,425	45,002	23.9%	166,236
	Operating expense	**1,036,781**	**809,495**	**910,820**	**227,286**	**28.1%**	**730,129**
Internal Audit	Wages & benefits without OPEB	**523,012**	532,489	630,612	(9,477)	-1.8%	426,320
	Other post-employment benefits	**21,513**	28,272	26,891	(6,759)	-23.9%	29,324
	Services	**524,193**	218,790	248,308	305,403	139.6%	449,052
	Parts & supplies	**9,258**	5,973	9,066	3,285	55.0%	2,571
	Leases and other expense	**43,672**	26,128	31,518	17,544	67.1%	20,915
	Operating expense	**1,121,648**	**811,651**	**946,394**	**309,997**	**38.2%**	**928,182**
Government Affairs	Wages & benefits without OPEB	**135,043**	64,711	130,290	70,332	108.7%	-
	Other post-employment benefits	**9,460**	5,845	11,825	3,615	61.9%	-
	Services	**215,330**	226,044	275,267	(10,713)	-4.7%	184,103
	Parts & supplies	**1,171**	580	1,160	591	101.9%	48
	Utilities	**600**	300	600	300	100.0%	-
	Leases and other expense	**14,937**	17,694	20,387	(2,757)	-15.6%	7,500
	Operating expense	**376,542**	**315,173**	**439,529**	**61,369**	**19.5%**	**191,651**
General Counsel	Wages & benefits without OPEB	**441,881**	435,655	448,775	6,226	1.4%	378,021
	Other post-employment benefits	**26,688**	31,113	33,360	(4,425)	-14.2%	27,021
	Services	**80,400**	31,727	59,530	48,673	153.4%	21,193
	Parts & supplies	**2,000**	4,159	1,000	(2,159)	-51.9%	2,257
	Utilities	**1,800**	979	1,800	821	83.8%	1,209
	Leases and other expense	**24,500**	23,818	35,480	682	2.9%	23,819
	Operating expense	**577,269**	**527,451**	**579,945**	**49,817**	**9.4%**	**453,521**
Economic Development	Wages & benefits without OPEB	**290,384**	271,977	277,758	18,408	6.8%	277,356
	Other post-employment benefits	**18,443**	21,199	23,054	(2,756)	-13.0%	24,515
	Services	**122,100**	89,625	115,000	32,475	36.2%	116,249
	Parts & supplies	**3,345**	1,809	3,300	1,536	84.9%	3,706
	Utilities	**2,499**	2,716	1,800	(217)	-8.0%	2,232
	Leases and other expense	**10,500**	5,551	10,500	4,949	89.2%	1,444
	Operating expense	**447,272**	**392,877**	**431,412**	**54,395**	**13.8%**	**425,503**
Business Enterprises Administration	Wages & benefits without OPEB	**298,743**	272,855	287,537	25,888	9.5%	331,182
	Other post-employment benefits	**18,203**	19,176	22,754	(973)	-5.1%	19,536
	Services	**-**	410	-	(410)	-100.0%	11,177
	Fuel & lubrications	**1,428**	1,053	1,428	375	35.6%	1,015
	Parts & supplies	**800**	540	800	260	48.2%	762
	Utilities	**1,800**	1,698	1,800	102	6.0%	1,917
	Leases and other expense	**11,383**	5,302	10,318	6,081	114.7%	2,821
	Operating expense	**332,357**	**301,033**	**324,637**	**31,323**	**10.4%**	**368,410**
Workforce Diversity and EEO	Wages & benefits without OPEB	**203,244**	152,531	200,565	50,712	33.2%	111,630
	Other post-employment benefits	**6,604**	7,602	8,254	(999)	-13.1%	8,166
	Services	**4,743**	9,556	4,605	(4,813)	-50.4%	13,297
	Parts & supplies	**3,985**	1,920	3,312	2,065	107.6%	107
	Utilities	**600**	-	-	600	-	-
	Leases and other expense	**19,500**	20,786	18,400	(1,286)	-6.2%	8,523
	Operating expense	**238,675**	**192,395**	**235,136**	**46,280**	**24.1%**	**141,723**

Glossary

501(c)3 - is an American tax-exempt nonprofit organization.

Accounting system - The total set of records and procedures which are used to record, classify and report information on the financial statements and operations of an entity.

Accrual basis accounting - The method of accounting under which revenues are recognized when earned and expenses are recognized at the time the liability is incurred (whether or not cash is received at that time or disbursements are made at that time).

AAP - Annual Audit Program - Internal Audit annual review of current company processes.

ACL (data mining) - A software used to automate audit testing procedures. The technical audit term for using this type of audit software is called data mining, because the software is programmed by the individual auditor to find certain patterns and/or discrepancies in the data being tested.

ADA - The Americans with Disabilities Act of 1990 – A federal act which prohibits discrimination against people with disabilities thereby promoting access to jobs, public accommodations, telecommunications, and public services, including public transit. Both operating and capital programs have been initiated by Bi-State Development Agency in response to ADA legislation.

ADA paratransit service - Call-A-Ride van service provided to ADA-eligible passengers.

Administration - Bi-State Development Agency's human resources, communications, purchasing, material management, information technology, finance and ADA services cost centers.

Aircraft movement - Takeoff or landing recorded by the St. Louis Downtown Airport tower. Movements when the tower is closed are not included.

Airport fuel sales - Number of gallons of aviation fuel delivered to the fixed base operators.

Amortization - the allocation of a lump sum amount to different time periods, particularly for loans and other forms of finance, including related interest or other finance charges.

Appropriation - A law enabling and limiting availability of funds from a funding jurisdiction. Bi-State Development Agency disbursements may not exceed appropriations. Generally, Bi-State Development Agency budgets precede appropriation.

Arch tram ridership - Number of adult and child tickets sold.

ATS - Alternative Transportation Service, paratransit service provider in St. Clair County, IL. Bi-State Development Agency is contracted by SCCTD for maintenance of the ATS vehicles.

Average weekday ridership - Average passenger boardings for weekday service. Excludes Saturdays, Sundays, and scheduled holidays.

Balanced budget - The Approved Organizational Compact between the states of Missouri and Illinois requires Bi-State Development Agency to prepare and adopt an annual operating budget. A balanced operating budget shall be defined as revenues to equal expenditures except for depreciation and OPEB expenses. (see also Operating Budget)

Based aircraft - Number of aircraft stored in owned or leased hangars or outside ramps at St. Louis Downtown Airport at end of each month.

Benefits - Fringe benefit expenses including health, life, and disability insurance; social security; vacations; holidays; sick leave; Paid Time Off (PTO); unemployment; workers' compensation, and employer's 401(k) contribution.

Board of Commissioners - Ten-member board that sets policy and direction for the Agency. The governor of Missouri appoints five commissioners and the County Boards of St. Clair and Madison Counties in Illinois appoint five.

Bond - A debt investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed interest rate.

Business Enterprises - Bi-State Development Agency operating companies other than Transit System; includes Gateway Arch, Gateway Arch Parking Facility, Gateway Arch Riverboats, and St. Louis Downtown Airport.

Call-A-Ride - Bi-State Development Agency service name for demand-response van service.

Capital assets - Assets of a material value and having a useful life of more than one year. Also called fixed assets.

Capital budget - A component of the annual budget that serves as a guide for efficiently and effectively undertaking capital projects. The capital budget includes the Capital Improvement Program (CIP).

Capital Improvement Program (CIP) - A plan of major capital projects. It includes the funds required for the completion of the projects and the sources for funding these projects.

Capital project - Projects with an estimated useful life of 1-year or more and a total cost of at least $5,000.

Cash equivalent - Per Bi-State Development Agency, all investments readily convertible into cash with original maturity of 3 months or less.

CMAQ grant - A federal Congestion Mitigation/Air Quality grant program designed to support transportation projects that contribute to air quality improvements and provide congestion relief.

Compensation - The cost of wages and salaries including overtime for the performance of work.

Complaint - Passenger or general public dissatisfaction expressed to Customer Service by phone call, letter or email for which there is no immediate, satisfactory explanation; includes operator behavior, service, equipment maintenance or suitability, or other concerns.

Continuing resolution - Legislation that allows a government organization to operate while its budget is still yet to be approved.

Cross County - MetroLink corridor extending through Clayton, Missouri and ending at Shrewsbury, Missouri, adding eight miles and nine stations to the system.

Cost center - An operating unit within Bi-State Development Agency for which an annual budget is approved by the Board of Commissioners.

Customer complaint - See complaint.

Deadhead - The time and distance in which a transit vehicle is traveling toward a yard, shop, or the start of a run but is not in revenue service.

Debt Service Fund - A fund used to account for resources set apart for the payment of principal, interest, and any service charges on long-term debt.

Depreciation - The decrease in value of assets and/or the allocation of the cost of assets to periods in which the assets are used.

DMH - Missouri Department of Mental Health, which subsidizes Call-A-Ride paratransit passenger trips.

EADS - Employee Accountability and Development System, Bi-State Development Agency's employee evaluation and development program.

EEO - Equal Employment Opportunity

Economic Stimulus Funds - Funds created when the government changes its fiscal policy of spending and taxation in order to bolster and revive an economy that is in a recession. By spending money on state and federal infrastructure, the government hopes to provide jobs, and jump-start the failing economy.

Engineering & New System Development (ENSD) - Bi-State Development Agency's engineering, construction, and rail and facilities management cost centers.

EWGCOG - The East-West Gateway Council of Governments is designated by federal, state, and local officials as the Metropolitan Planning Organization (MPO) for the greater St. Louis region. The MPO is responsible for carrying out the urban transportation planning process in this region.

Executive Services - A Bi-State Development Agency service supporting the other Bi-State Development Agency companies.

Expense (operating) - Excludes depreciation, amortization, debt expense and sheltered workshop expense. Allocations by mode are based on a management-developed model.

Failure - Call A Ride and MetroBus: Revenue service interruption whereby a vehicle is unable to complete the assigned run and must be removed from service because of a mechanical, wheelchair lift, or other equipment failure. Road hazard tire failures, vandalism, accidents, and other failures not related to maintenance of vehicles are not reported. MetroLink revenue service interruption whereby a train is delayed by five minutes or more or removed from service because of a mechanical reason.

Fair value - Unbiased estimate of the potential market price.

Farebox recovery - Passenger revenue as a percent of operating expense.

Fares - The amount charged to passengers for use of various services provided by Bi-State Development Agency.

Federal Discretionary Funds - Programs funds allocated for specific projects. Each program has its own eligibility and selection criteria that are established by law, by regulation, or administratively.

Federal Formula Fund - Is a grant program created by the Congress to distribute funding to states using a specific formula for the distribution of the funds. The formula tells the recipient of the funding how much aid the agency qualifies for.

Finance - Bi-State Development Agency's accounting, budget, grants, passenger revenue, risk management, safety, and treasury cost centers.

Fiscal policies - guidelines providing a framework for the financial responsibilities associated to the operation of Bi-State Development Agency.

Fiscal year (FY) - The fiscal year for Bi-State Development Agency ends on June 30 of each year. FY 2015 ends on June 30, 2015. FY 2015 of the federal government extends from October 1, 2014, through September 30, 2015.

Fixed asset - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery and furniture.

Fixed guideway funds - Provides grants for new and expanded rail, bus rapid transit, and ferry systems that reflect local priorities to improve transportation options in key corridors.

Fixed guideway system – Any transit service that uses and occupies a separate right–of-way or rails for the exclusive use of public transportation and other high occupancy vehicles or uses a fixed catenary system.

Fixed route service - MetroBus and MetroLink vehicles that operate according to fixed schedules and routes.

Fleet size – Number of revenue vehicles at the end of the reporting period.

FTA - (Federal Transit Administration) – The federal agency that helps cities and communities provide mobility to their citizens. Through its grant programs, FTA provides financial & planning assistance to help plan and build public transit systems. Since 1988, the only FTA funding available to Bi-State Development Agency has been for capital projects.

Fund - A fiscal and accounting entity which is comprised of a self-balancing set of accounts which reflect all assets, liabilities, equity, revenue and expenditures (or expenses) necessary to disclose financial position and the results of operations. Funds are established as individual entities in order to segregate financial records for the purpose of legal compliance, different natures of the activities performed, measurement of different objectives, and to facilitate management control.

Fund accounting - An accounting system emphasizing accountability rather than profitability, used by non-profit organizations and governments.

Fund balance - Refers to the excess of current assets over current liabilities.

Gateway Arch - Jefferson National Expansion Memorial and park grounds operated by the National Park Service in downtown St. Louis. In reference to Bi-State Development Agency, the tram system and ticketing operation managed by Bi-State Development Agency under contract with the National Park Service.

Gateway Arch Riverboats - Becky Thatcher and Tom Sawyer riverboats owned and operated by Bi-State Development Agency adjacent to the Gateway Arch park grounds.

General Agency - See Executive Services.

General Fund - It is the principal operating fund for Bi-State Development Agency.

Hedging - An investment position intended reduce any substantial losses/gains suffered by an individual or an organization

Half cent sales tax - One-half of a cent sales tax collected in St. Louis City and St. Louis County, enacted in 1973, to be used for transportation purposes

IDOT - Illinois Department of Transportation.

Infrastructure - Basic installations and facilities (e.g., roads, bridges) upon which the continuance and growth of a community depend.

IT - Information technology including hardware and software management and office services.

JARC - Job Access and Reverse Commute Program - FTA grant program to provide funding for local programs that offer job access and reverse commute services to provide transportation for low income individuals who may live in the city core and work in suburban locations.

Liability - Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

Management fee - Assessment by Executive Services to other Bi-State Development Agency companies to finance Executive Services company expenses.

MAP-21 (Moving Ahead for Progress in the 21st Century Act) - The surface transportation law that authorizes funding for various transportation programs. The law was signed by President Obama on July 6, 2012 and became effective October 1, 2012 and is effective for two years, through September 30, 2014. It replaces SAFETEA-LU.

MetroBus - Bi-State Development Agency service name for bus service.

MetroLink - Bi-State Development Agency service name for light rail service.

New Freedom - FTA formula grant program that aims to provide additional tools to overcome existing barriers facing Americans with disabilities seeking integration into the work force and full participation in society.

New Start - FTA grant program that is the primary funding option for local “guideway” transit projects, such as rapid rail, light rail, commuter rail, people movers, and exclusive facilities for buses and other high-occupancy vehicles (such as bus rapid transit).

OATS, Inc. - A not-for-profit 501(c)3 corporation providing specialized public transportation for senior citizens, people with disabilities and the rural general public in 87 Missouri counties.

On-time performance - MetroBus and MetroLink: Automated passenger counters record early and late departures for selected MetroBus routes and MetroLink runs compared to published schedules. A trip is considered "on-time" if the vehicle departs within the time frame of 59 seconds before schedule or arrives within 4:59 minutes after schedule. Deleted from the results are no-shows or extreme weather days. Call-A-Ride: Appointments are made giving the passenger an estimated arrival time. A trip is considered on time if arrival for the appointment is within 20 minutes before or after the appointment time.

Operating budget - The portion of the budget pertaining to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, travel, fuel, and capital outlay.

Operating expense - See Expense (operating)

Operating revenue - See Revenue (operating)

Operations - Bi-State Development Agency's vehicle operator and maintenance, security, custodial, service planning, and customer service cost centers.

Organizational unit - A major administrative unit of Bi-State Development Agency with overall management responsibility for an operation or a group of related operations within a functional area.

Paraquad - A St. Louis center for independent living for people with disabilities.

Parking facility vehicle transactions - Number of vehicles exiting the facility excluding monthly parkers.

Passenger boardings - Includes original revenue vehicle boardings and all transfers based on MetroBus farebox counts, MetroLink ridership modeling using Automatic Passenger Counter (APC) technology, and actual Call-A-Ride passengers.

Passenger injury - Physical harm or alleged physical harm to a passenger or bystander involved in an Agency accident. One vehicle accident may result in multiple injuries.

Peer - City which management considers to be comparable to St. Louis. Certain cities report more than one agency in which case the agency results have been combined.

Per capita income - income computed for every man and woman in a geographic area age 16 and over.

Performance indicators - Specific quantitative and qualitative measures of work performed as an objective of the department or cost center.

Performance measurements - See Performance Indicators

Peripheral equipment - Computer input/output devices

Prop A - One-half of a cent sales tax collected in St. Louis County, enacted in 2010, primarily used to fund transit operating activity with the remainder applied to capital.

Prop M - One-quarter of a cent sales tax collected in St. Louis City and County used for mass transit development and operations.

Prop M2 - One-quarter of a cent sales tax collected in St. Louis City, approved in 1997 and began collecting in 2010 with the passage of the St. Louis County Prop A tax, used for operations and capital development.

Restricted funds - Grants or donations that require that the funds be used in a specific way or for a specific purpose.

Revenue (operating) - The term designates an increase to a fund's assets which does not increase a liability, represent a repayment of an expenditure already made, represent a cancellation of certain liabilities or represent an increase in contributed capital.

Revenue bond - a special type of bond distinguished by its guarantee of repayment solely from revenues generated by a specified revenue-generating entity associated with the purpose of the bonds.

Revenue hours - Time that MetroBus/Call-A-Ride vehicles or MetroLink trains operate in passenger service including special service and layover/recovery time.

Revenue miles - Distance that MetroBus/Call-A-Ride vehicles or MetroLink trains operate in passenger service including special service.

Revenue recovery - Passenger revenue, Transit Management Association revenue, and paratransit contractual revenue as a percent of expense.

Reverse commute - City-to-suburb commute. This phrase refers to the fact that most riders commute from the suburbs to the city.

Ridership - Transit System: Total passenger boardings. Gateway Arch tram: Number of adult and child tickets sold. Riverboats: Number of cruise tickets sold to adults and children.

Riverfront attractions - Includes the Gateway Arch Riverboats and bike rentals, operated by Bi-State Development Agency, and a heliport owned by Bi-State Development Agency but operated under a lease agreement with a helicopter tour company.

Roadcall - MetroBus or Call-A-Ride revenue service interruption whereby the vehicle is delayed because of mechanical, tire, farebox, wheelchair or other equipment failure. A delay is not counted as a roadcall unless the delay is five minutes or more for MetroBus or fifteen minutes or more for Call-A-Ride.

SAFETEA-LU - Safe, Accountable, Flexible, and Efficient Transportation Equity Act – A Legacy for Users was signed into law August 10, 2005 for federal transit programs for FY 2005 through FY 2009. The law was extended under a series of continuing resolutions until its' final expiration on September 30, 2012.

SCORE - (Systems Connectivity Opportunity Responsiveness Efficiency) – Bi-State Development Agency's state of the art business information system that brings a new level of integration of automation between business functions.

Security incident - Primarily disorderly conduct, fare evasion, trespassing, drunkenness and other arrests at Agency locations. Also includes reported violent crime and property crime even if there was no arrest.

Service hours - see total hours

Service miles - see total miles

Sheltered workshop - Vocational programs designed to provide work for persons with mental retardation/developmental disabilities. Two percent of the Missouri ½ cent sales tax (City of St. Louis and St. Louis County) when received by Bi-State Development Agency is forwarded to support these programs.

Single Audit Act - provides audit requirements for ensuring all non-Federal entities that expend $500,000 or more of Federal awards in a year are expended properly

Smart card - Pocket-sized card with embedded integrated circuits which can process data to be used for transit fare collection.

STIP - State Transportation Improvement Program - A statewide prioritized listing/program of transportation projects covering a period of four years that is consistent with the long-range statewide transportation plan metropolitan transportation plans and transportation improvement plans (TIPs), and is required for projects to be eligible for funding.

STP - Surface Transportation Program; provides funds for projects that include road maintenance and construction, public transit projects, bridge improvements, traffic flow improvement projects, and bicycle and pedestrian projects.

Straight-line method - the purchase or acquisition price of an asset subtracted by the salvage value divided by the total productive years the asset can be reasonably expected to benefit the company

Strategic plan - Comprehensive summary of Bi-State Development Agency's plan and vision to improve quality of life through public transportation.

Subsidy per passenger - Operating subsidies related to transit operations divided by passenger boardings.

TIF - Tax increment financing which creates tax incentives for business redevelopment. TIF programs may reduce sales tax receipts for Bi-State Development Agency.

TIP - Transit Improvement Program, a planning document prepared by Bi-State Development Agency for review and approval by state Departments of Transportation and the Federal Transit Administration to enable grant applications and receipt of federal funds.

TMA - Transit Management Association, which coordinates paratransit operations in the region using Bi-State Development Agency's reservation and dispatching system.

TOD - Transit Oriented Development, is the growing trend in creating vibrant, livable communities. Also known as Transit Oriented Design, it is the creation of compact, walkable communities centered around high quality train systems. This makes it possible to live a higher quality life without complete dependence on a car for mobility and survival.

Total hours - Revenue hours plus deadhead hours (e.g., from the facility to the start of a revenue trip).

Total miles - Revenue miles plus deadhead miles (e.g., from the facility to the start of a revenue trip).

Tranche - one of a number of related securities offered as part of the same transaction.

Transit System - The Bi-State Development Agency company that provides transit services under service names MetroBus, MetroLink, and Call-A-Ride.

Trapeze - Trapeze Software, a major software provider specializing in transportation systems.

TRIP - Transit in the Park - (Paul S. Sarbannes) - Program goals are to conserve natural, historical, and cultural resources; reduce congestion and pollution; improve visitor mobility and accessibility; enhance visitor experience; and ensure access to all, including persons with disabilities through alternative transportation projects.

TVM - Ticket Vending Machines located at each MetroLink station

Unscheduled absenteeism - Operator, mechanic and facility support sick time and unauthorized leave as a percent of current staffing, excluding overtime.

Vehicle accident - Incident in which an Agency vehicle makes physical contact with another vehicle, a fixed object or a person. It also includes derailments or leaving the road.

Vehicle miles - For MetroBus and Call-A-Ride, total miles and vehicle miles are the same. For MetroLink, total mileage for each car of a two-car train is included.

Vehicle transactions - Number of vehicles exiting the Gateway Arch Parking Facility.

UZA - A Census-designated urban area with 50,000 residents or more (Urbanized Area).

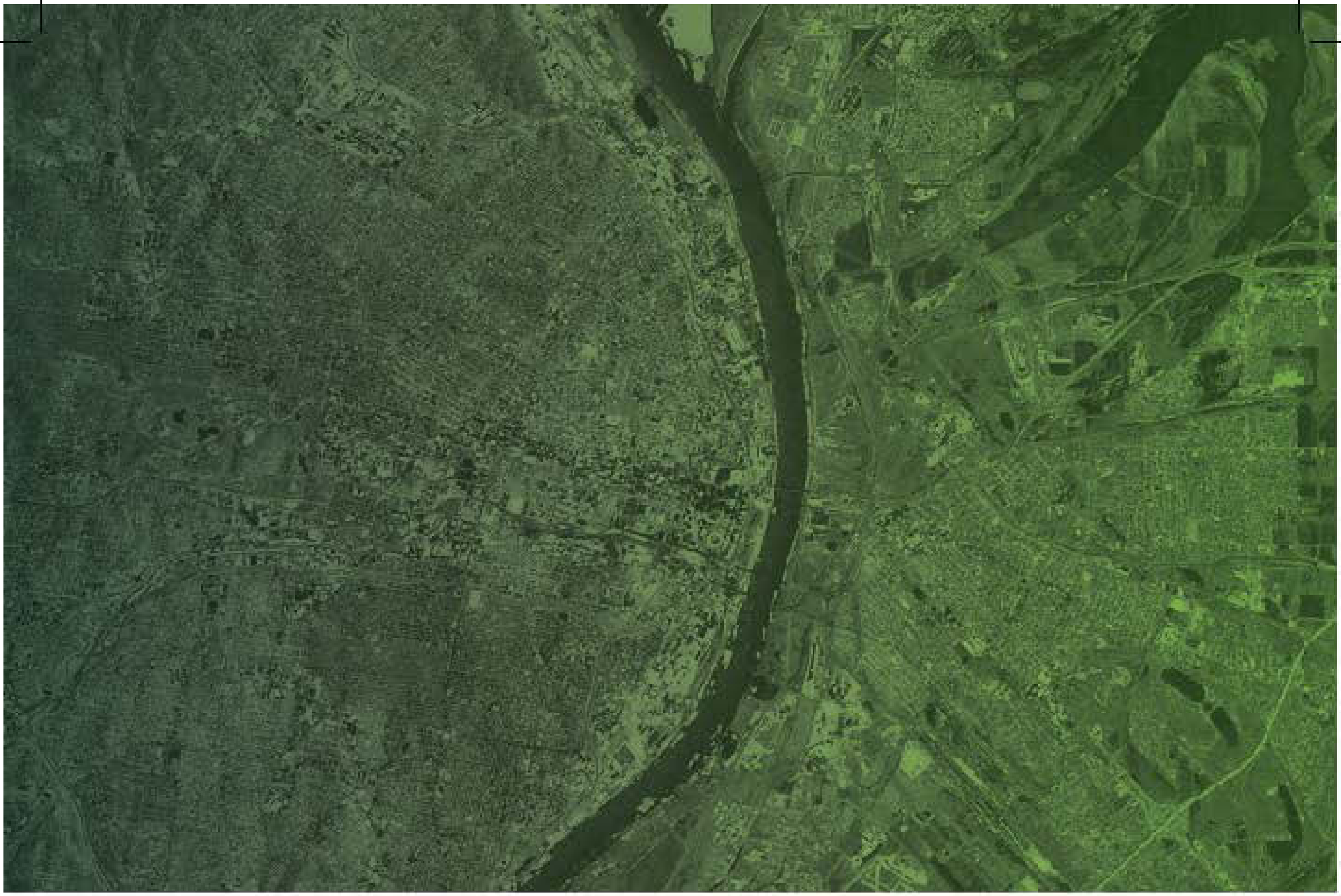
Glossary of Acronyms

ADA	Americans with Disabilities Act
AFL-CIO	American Federation of Labor and Congress of Industrial Organizations
AIG	American International Group
AIT	Arts In Transit, Inc.
AMBAC	American Municipal Bond Assurance Corporation
APC	Automatic Passenger Counter
APTA	American Public Transportation Association
ARC	Actuarially Recommended Contribution
ARFF	Aircraft Rescue and Firefighting
ARRA	American Recovery and Reinvestment Act of 2009
ATS	Alternative Transportation Service, paratransit service provider in St. Clair County, IL. Bi-State Development Agency is contracted by SCCTD for maintenance of the ATS vehicles
ATU	Amalgamated Transit Union
AVL	Automated Vehicle Locator
BJC	Barnes Jewish Childrens Healthcare centers
BRT	Bus Rapid Transit
CAD/AVL	Computer Aided Dispatch / Automated Vehicle Location
CAFR	Comprehensive Annual Financial Report
CCC	Cross County Collaborative
CCTV	Closed Circuit Television (Cameras)
CIP	Capital Improvement Program
CMAQ	A federal Congestion Mitigation/Air Quality grant program designed to support transportation projects that reduce traffic congestion
CMS	Constant Maturity Swap
DBE	Disadvantaged Business Enterprise
DHS	Department of Homeland Security
DMH	Department of Mental Health
DOT	United States Department of Transportation

EADS	Employee Accountability and Development System
EEO	Equal Employment Opportunity
ESGR	Employer Support of the Guard and Reserve
EWGCOG	East-West Gateway Council of Governments
FAA	Federal Aviation Administration
FASB	Financial Accounting Standards Board
FCC	Federal Communications Commission
FEMA	Federal Emergency Management Agency
FSA	Financial Security Assurance Company (now Assured Guaranty)
FTA	Federal Transit Administration
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIC	Guaranteed Investment Contract
GIS	Geographic Information System
HCMS	Human Capital Management System
IBEW	International Brotherhood of Electrical Workers
IDOT	Illinois Department of Transportation
IDS	Intrusion Detection System
IT	(Bi-State Development Agency's) Information Technology Division
JARC	Job Access and Reverse Commute Program
LIBOR	London Interbank Offering Rate
LOC	Letter of Credit
LRV	Light Rail Vehicle
MAC	Missouri Arts Council
MAP-21	Moving Ahead for Progress in the 21st Century Act
MoDOT	Missouri Department of Transportation
MOW	Maintenance of Way
MPO	Metropolitan Planning Organization

MTIA	Major Transportation Investment Analysis
NOFA	Notice of Funding Availability
NPS	National Park Service
NTD	National Transit Database
O&M	Operations and Maintenance
OATS	Older Adults Transportation Service
OPEB	Other Post-Employment Benefits
PTO	Paid Time Off
RAC	Regional Arts Commission
RCGA	Regional Chamber and Growth Association
RFP	Request for Proposal
ROMIS	Rail Operations Management Information System
SAFETEA-LU	Safe, Accountable, Flexible and Efficient Transportation Equity Act - A Legacy for Users
SCADA	Supervisory Control and Data Acquisition
SCCTD	St. Clair County Transit District (Illinois)
SCORE	Systems Connectivity Opportunity Responsiveness Efficiency (Business System)
SLU	St. Louis University
SMSA	Standard Metropolitan Statistical Area
SOP	Standard Operating Procedures
STP	Surface Transportation Program
STIP	State Transportation Improvement Program
STRIP	Separate Trading of Registered Interest and Principal Securities
TAM	Transit Asset Management
TAMP	Transit Asset Management Plan
TIF	Tax Increment Financing
TIGER	Transportation Investment Generating Economic Recovery - supplemental discretionary grant program managed by the DOT
TIP	Transportation Improvement Program/Plan
TMA	Transportation Management Association

TSA	Transportation Security Administration
TSGP	(Department of Homeland Security) Transit Security Grant Program
TVM	Ticket Vending Machines
UMSL	University of Missouri - St. Louis
UZA	Urbanized Area
YTD	Year to Date



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