

**BI-STATE DEVELOPMENT
BOARD OF COMMISSIONERS MEETING
OPEN SESSION MINUTES
FRIDAY, APRIL 27, 2018**

Board Members in Attendance

Missouri

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

Illinois

Michael S. Buehlhorn, Vice-Chair
Derrick Cox
Irma Golliday, (via phone)
Jeffrey Watson, (via phone)
Justin Zimmerman, Secretary

Staff in Attendance

John Nations, President and Chief Executive Officer
Barbara Enneking, General Counsel and Deputy Secretary
Shirley Bryant, Certified Paralegal
Barbara Georgeff, Director of Executive Services
Kathy Klevorn, Sr. Vice President Chief Financial Officer
John Langa, Vice President Economic Development
Larry Jackson, Executive Vice President Administration
Jenny Nixon, Executive Director Tourism Innovation
Patti Beck, Director of Communications
Charles Stewart, Vice President, Pension & Insurance
Mark Vago, Controller
Diana Wagner-Hilliard, Director Workforce Diversity/EEO
Ken Franklin, Vice President Government Relations & Policy Initiatives
Kent Swagler, Director Corporate Compliance & Ethics
Tamara Fulbright, Director, Treasury Services
Diana Bentz, Vice President Organizational Effectiveness
Mary Lamie, Executive Director St. Louis Regional Freightway
Virginia Alt-Hildebrandt, Manager Administrative Services
Tom Dunn, Director Gateway Arch Riverboats
Jerry Vallely, External Communications Manager
Scott Grott, General Manager MetroLink
David Allen, Director Arts in Transit
Adam Schisler, Budget System Administrator
Daniel Hinrichs, Business Analyst
Cynthia Davis, Director Program Development & Grants
Amber Barbeau, Office Manager Tourism Innovation
Angela Staicoff, Sr. Internal Auditor
Dave Sanders, Sr. Director Marketing & Partnerships

Sarah Clarke, Director Gateway Arch Operations
Matthew Hibbard, Social Media Communications Manager
Ted Zimmerman, Vice President Communications & Marketing
Charles Priscu, Director Labor Relations
Kathy Brittin, Director Risk Management Safety & Claims
John Wagner, Director Research Institute
Jessica Mefford-Miller, Assistant Executive Director Transit Planning & System Development
Maryanne Coley, Retirement Plan Manager
Kerry Kinkade, Vice President – Chief Information Officer
Evan Glantz, Executive Assistant
Lisa Burke, Executive Assistant
Erick Dahl, Director St. Louis Downtown Airport

Others in Attendance

David Dietzel, former Bi-State Development Board Commissioner
Ken Sharkey, SCCTD
Tim Boyle, Arts in Transit
Jeff White, CCM
Lisa Stump, Lashly & Baer
Tom Curran, St. Louis County

1. Open Session Call to Order

8:04 a.m. Chair Gully called the Open Session Board Meeting to order at 8:04 a.m. Commissioner Gully welcome Derrick Cox, the newest Commissioner from Madison County, Illinois.

2. Roll Call

8:05 a.m. Roll call was taken.

3. Recognition of Former Commissioner David Dietzel

8:05 a.m. Commissioner Gully stated that it was a bittersweet day as she took a moment to recognize former Commissioner David Dietzel. He served as the Chair of the Bi-State Board of Commissioners and as a Board Commissioner for fifteen (15) years. A special Resolution was presented to Commissioner Dietzel on behalf of the Commissioners and employees of the Bi-State Development Agency, for his dedicated service and commitment to the economic growth and development of the Bi-State region. Commissioner Gully thanked Commissioner Dietzel for his leadership and support of the region.

John Nations, President & CEO, stated that on behalf of the entire Bi-State Development (**BSD**) staff he wanted to extend appreciation for all that Commissioner Dietzel has done for the Agency and this region. Commissioner Dietzel has set the record for tenure as Chairman of the Board and has worked closely with Mr. Nations and BSD staff during that time. BSD is a service organization and it is only as good as the people it attracts, and that starts at the top with the Board. Mr. Nations thanked Commissioner Dietzel for his service and for making this organization and region better. Commissioner Dietzel was presented with a lifetime transit pass.

In response, Commissioner Dietzel thanked everyone stating that it has been a pleasure working on the Board, the Bi-State staff are wonderful people, and he hopes for continued success for Bi-State and the Board.

4. Minutes of February 23, 2018, Open Session Board Meeting

8:07 a.m. The February 23, 2018, Open Session Board Meeting minutes were provided in the Board packet. A motion to approve the minutes was made by Commissioner Zimmerman and seconded by Commissioner Holman. **Motion passed unanimously.**

5. Report of Treasurer

8:08 a.m. The Treasurer's Report was provided in the Board packet. No presentation was made. This agenda item was informational only. A copy of the report will be kept at the office of the Deputy Secretary.

6. Report of President

8:08 a.m. John Nations, President & CEO, welcomed Derrick Cox, the new Commissioner from Madison County, Illinois. Mr. Nations also introduced a very important partner for Bi-State Development, the new Executive Director of the St. Clair County Transit District, Mr. Ken Sharkey, and added that St. Clair County is one of our great partners and we look forward to working with Mr. Sharkey. Mr. Sharkey thanked Mr. Nations and stated that he was looking forward to working with the Agency.

7. Operations Committee Report

8:09 a.m. Committee Chairman Buehlhorn reported that the Operations Committee met in Open Session on March 13, 2018, at 8:00 a.m., and that the draft minutes of that meeting were contained in the Board packet under Tab #7. He reported that two items were being introduced for Board consideration, with the Committee's recommendation of approval, as follows: 1) Consent Agenda Item #10(a) - Letter of Agreement Between Bi-State Development and The Jerry Costello Group, LLC for Consulting Services for the St. Louis Regional Freightway; and 2) Consent Agenda Item #10(b) – Appointment of Members to Arts in Transit, Inc. Board of Directors. Ray Friem, Executive Director Metro Transit and Jessica Mefford-Miller, Assistant Executive Director, Planning & System Development, Metro Transit provided an update regarding the Metro Reimagined Project. The FY18 2nd Quarter Operations Report and Capital Projects Update Cortex Presentation, Fare Collection Technology was also presented to the Committee by Ray Friem, Chris Poehler, Assistant Executive Director Engineering Systems, and Kerry Kinkade, Vice President Chief Information Officer. That concluded the report of the Operations Committee.

8. Audit, Finance & Administration Committee Report

8:10 a.m. Committee Chair Holman reported that the Audit, Finance & Administration Committee met in Open Session on March 27, 2018, at 8:00 a.m., and that the draft minutes of that meeting were contained in the Board packet under Tab #8. She reported that two items were being introduced for Board consideration, with the Committee's recommendation of approval, as follows: 1) Agenda Item #11 – Bi-State Development Operating and Capital Budget FY19 – FY21; and 2) Agenda Item #12 – Revisions to Board Policy, *Section 70.050, Employee's Pension and 401(k) Retirement Savings Plan*. Chair Holman added that the Committee was specifically recommending that the Policy not be tabled pursuant to *Section 10.020, Article VI(D)* of the Board Policies and requested the Board's final approval at today's meeting. Michael Gibbs,

Manager Financial Operations -Administration & Business Operations and Connie Welch, Manager Financial Operations – Transit presented the 2nd Quarter Financial Statement report and the 2nd Quarter Performance Indicators. The Committee also reviewed the 2nd Quarter Procurement Report, the Treasury – Safekeeping Quarterly Accounts Audit ending December 31, 2017; and the Pension Plan, 401(k) Retirement Savings Program and OPEB Trust Investment Performance Update – December 31, 2017. The Internal Audit Department’s (IAD) Quality Assessment Review (QAR), prepared by Crowe Horwath, the external audit firm, reported that IAD achieved the highest rating that the Institute of Internal Auditors can award. The December 2017 Treasury Report was also presented at the meeting. That concluded the report of the Audit, Finance & Administration Committee.

9. Adjustment of Consent Agenda

8:12 a.m. Commissioner Holman recused herself from voting on agenda item 10(b) Appointment of Members to Arts in Transit, Inc. Board of Directors because she has been appointed to the AIT Board of Directors. John Nations suggested that Consent Agenda Item 10(b) be voted on separately.

10. Consent Agenda Item(s)

8:12 a.m. Consent Agenda Item(s): 10(a) – Letter of Agreement Between Bi-State Development and The Jerry Costello Group, LLC for Consulting Services for the St. Louis Regional Freightway (Operations Committee Recommends Approval) (Resolution #889); 10(b) – Appointment of Members to Arts in Transit, Inc. Board of Directors (Operations Committee Recommends Approval) (Resolution #885).

A motion to approve Consent Agenda Item 10(a) was made by Commissioner Schoemehl and seconded by Commissioner Buehlhorn. **Motion passed unanimously.**

Commissioner Gully requested a motion to approve Consent Agenda Item 10(b) to appoint Commissioner Holman as a member of the Arts in Transit, Inc. Board of Directors. A motion to approve Consent Agenda Item 10(b), as requested by Commissioner Gully, was made by Commissioner Buehlhorn and seconded by Commissioner Zimmerman. Commissioners Gully, Schoemehl, Buehlhorn, Cox, Golliday, Watson and Zimmerman voted to approve this agenda item; Commissioner Holman abstained. **Motion passed unanimously.**

8:20 a.m. An amendment was necessary for Consent Agenda Item 10(b) to include approval of the entire slate of members for the Arts in Transit, Inc. Board of Directors, which also included business leader and developer, Tim Boyle; community leader and arts professional, Amanda Colon-Smith; sculptor and SIU-E professor, Thad Duhigg; and architect, Peter Tao. A motion to approve Consent Agenda Item 10(b) as amended was made by Commissioner Buehlhorn and seconded by Commissioner Zimmerman. Commissioners Gully, Schoemehl, Buehlhorn, Cox, Golliday, Watson and Zimmerman voted to approve this agenda item; Commissioner Holman abstained. **Motion passed unanimously.**

11. Bi-State Development Operating and Capital Budget FY2019 – FY2021 (Audit, Finance & Administration Committee Recommends Approval)

8:15 a.m. A briefing paper, together with the draft Bi-State Development Operating and Capital Budget Fiscal Year 2019 were provided in the Board packet. John Nations, President & CEO, informed the Board that Kathy Klevorn, Senior Vice President Chief Financial Officer will be retiring soon. Ms. Klevorn started her career with the Agency in 1988, her retirement is

bittersweet because she has been an invaluable member of the Agency staff. Ms. Klevorn was asked to provide, what will be her final update, regarding the Operating and Capital Budget FY19 – FY21.

Ms. Klevorn stated that the Bi-State Development (**BSD**) Budget for FY19 – FY21 was presented and discussed at the Audit, Finance and Administration Committee on March 27, 2018. The BSD budget in its entirety consists of six enterprises, two non-for-profits and three self-insurance funds with a combined operating expense of \$368.7 million. That represents a 2.1% increase compared to the FY18 budget for all of the consolidated entities. The three year capital program with all its enterprises is \$725.6 million. The Operating and Capital Budget placed emphasis on the delivery of quality goods and services related to public transportation, airport operation, and the tourism industry. All entities foster regional partnerships and economic development. The highlights of this budget include a slight increase in budget resources to build awareness for freight related economic development. A return to full operation of the Arch with the grand opening of the renovated Visitor's Center and Museum. In combination with the riverboats, the Arch is the major force in the tourism industry in the St. Louis region. Ms. Klevorn briefly discussed the community outreach through BSD's two non-for-profits, Arts In Transit and the Research Institute. The St. Louis Downtown Airport had three capital improvement projects, which included an increase in the turning radius of three intersections, the reconstruction of the access road, and replacement of the pavement markings. Of course, Metro Transit continued to provide award winning transit services at no additional increase in fares to our patrons. The budget provides consistent service delivery at a cost effective rate. The capital budget for transit is designed to build, maintain and replace BSD's core infrastructure critical to the operation of the system. The system investment is in excess of \$1.6 billion. That concluded the presentation.

Ms. Klevorn thanked the Financial Planning Department and the Program Development & Grants Departments under the direction of Mark Vago and Cynthia Davis for all the hard work that was put into completing this project. It required countless hours working with senior management and all levels of the organization to complete the 220 page budget that was presented to the Board. BSD will present this budget document to the GFOA and, hopefully, earn the Distinguished Budget Award again next year. The staff should be commended for all the work they have done. In closing, Ms. Klevorn requested the Board's approval of the Operating Capital Budget for FY19 through FY21.

Mr. Nations added that the budget presentation was discussed in great detail at the Audit Finance & Administration Committee and the Committee recommended approval.

Commissioner Holman thanked Kathy Klevorn and the entire team for the work done this year and all the assistance they have provided to her to help her get up to speed as the new Chair of the Audit, Finance & Administration Committee. Commissioner Gully also commended Kathy Klevorn, Mark Vago and their team, because she knows that this is not a simple undertaking and she appreciates their leadership and asked for a motion to approve the Operating and Capital Budget for FY19 - FY21. A motion to approve this Agenda Item as presented was made by Commissioner Holman and seconded by Commissioner Schoemehl. **Motion passed unanimously. (Resolutions #891, #890, #892, #893, #894, #895, #896, and #897)**

12. Revisions to Board Policy, Section 70.050, Employee's Pension and 401(k) Retirement Savings Plan (Audit, Finance & Administration Committee Recommends Approval)

8:20 a.m. A briefing paper regarding the Revisions to Board Policy, *Section 70.050, Employee's Pension and 401(k) Retirement Savings Plan* was provided in the Board packet. Charles Stewart, Vice President Pension & Insurance, provided a brief overview. This Agenda Item was presented and discussed at the Audit, Finance & Administration Committee meeting on March 27, 2018. After extensive discussions the Committee voted to recommend that the Board approve the amendments as presented and reappoint Jenny Nixon as the Chairperson of the Salaried Administrative Pension Committee for a one year term. The Committee also recommended that the Board designate that the proposed revisions to Board Policy, *Section 70.050, Employee's Pension and 401(k) Retirement Savings Plan*, not be tabled pursuant to *Article VI(D)* of the Board Policies, as it is in the best interest of the Agency that these revisions be approved at the Board meeting on April 27, 2018. A motion to approve this Agenda Item as presented and to not table this agenda item pursuant to *Article VI(D)* of the Board Policies, as it is in the best interest of the Agency that these revisions be approved at the Board meeting on April 27, 2018 was made by Commissioner Holman and seconded by Commissioner Buehlhorn. **Motion passed unanimously. (Resolution #900).**

13. Metro Reimagined Project Update (Presented at the Operations Committee)

8:22 a.m. A briefing paper regarding the Metro Reimagined Project Update was provided in the Board packet. John Nations, President & CEO, stated that this project has had a lot of public attention. As discussed extensively at the Operations Committee meeting, this is a months long effort in reexamining how MetroBus service is provided on the Missouri side of the river at this particular time. Jessica Mefford-Miller, Assistant Executive Director, Planning & System Development, Metro Transit provided a brief overview. Ms. Mefford-Miller stated that this Agenda Item was presented and discussed at the March 13, 2018 Operations Committee meeting. We are now just over a year into *Metro Reimagined*, our comprehensive operational analysis, which is a fresh look at the MetroBus system in Missouri. Transit agencies typically reevaluate their system including their network design, their service frequency, and the types of mobility options they are providing about every ten years. Metro Redefined, which happened in the fall of 2006, when the Blue Line MetroLink expansion was opened, was the last system wide service adjustment. So given the time that has passed, the changes in mobility needs, and the available technology and mobility options, it is time to reevaluate our system. We have engaged the assistance of TMD, a firm out of Carlsbad, California, who focuses on transportation network and transit network design and operations. They are working very closely, along with Metro's Planning and System Development team, to create this vision for the transit system. This began last April with a very in depth analysis of system operations and productivity. Market research was conducted, including focus groups and surveys to get public opinions about the Metro Transit system, operations, and the services provided. A great deal of peer research was conducted to gauge the state of their practice with respect to technology and mobility options. All of that information was taken, and a draft blueprint was crafted for the MetroBus system for the community served by MetroBus today moving forward. This is a fiscally constrained vision, so that means the plan that is being produced takes the resources currently available, as well as those resources that can reasonably be expected to attain for capital funding for things like vehicles, amenities and technology. This creates a vision that could be implemented within the next three years. Public presentations began in March. At the end of the public comment period all of the public comment received via phone, email, written form, mail, and court reported transcripts from the public meetings will be collated by geography and considered in our revision.

Some discussion followed regarding the inclusion of St. Clair County Transit in the Metro Reimagined proposals, the timeline for roll out for this service, and how best to address the difficult to serve areas.

This report was informational only and no Board action was required. A copy of this report will be kept at the office of the Deputy Secretary.

- 14. Financial Statements – Second Quarter, FY2018 (Presented to Audit, Finance & Administration Committee)**
8:40 a.m. John Nations, President & CEO, stated that this agenda item was discussed extensively at the Audit, Finance & Administration Committee meeting and the Committee recommended that this item be presented to the Board today for review. There was no additional information to provide for this agenda item as well as agenda items 15 and 16.
- 15. Performance Indicators – Second Quarter, FY2018 (Presented to Audit, Finance & Administration Committee)**
8:40 a.m. See Agenda Item #14.
- 16. Procurement Activity Report – Second Quarter FY2018 (Presented to Audit, Finance & Administration Committee)**
8:40 a.m. See Agenda Item #14.
- 17. Unscheduled Business**
8:40 a.m. There was no unscheduled business.
- 18. Public Comment**
8:41 a.m. There was no public comment.
- 19. Call of Dates for Future Board Meetings**
8:41 a.m. The Board was advised of the upcoming meetings, as follows:

Operations Committee:	Tuesday, May 15, 2018, 8:00 a.m.
Audit, Finance & Administration Committee:	Friday, May 18, 2018, 8:00 a.m.
Board Meeting:	Friday, June 22, 2018, 8:00 a.m.
- 20. Adjournment to Executive Session – If such action is approved by a majority vote of the Bi-State Development Agency’s Board of Commissioners who constitute a quorum, the Board may go into closed session to discuss legal, confidential, or privileged matters pursuant to Bi-State Development Board Policy Chapter 10, §10.080(D) Closed Records; Legal under §10.080(D)(1); Real Estate under §10.080(D)(2); Personnel under §10.080(D)(3); Health Proceedings under §10.080(D)(4); Employee Negotiations under §10.080(D)(5); Data Processing under §10.080(D)(6); Purchasing and Contracts under §10.080(D)(7); Proprietary Interest under §10.080(D)(8); Hotlines under §10.080(D)(9); Auditors under §10.080(D)(10); Security under §10.080(D)(11); Computers under §10.080(D)(12); Personal Access Codes under §10.080(D)(13); Personal Information under §10.080(D)(14); Insurance Information under §10.080(D)(15); Rail, Bus, or Facilities Safety and Accidents under §10.080(D)(16) or Protected By Law under §10.080(D)(17).**

8:42 a.m. Pursuant to the requirements of Section 10.080 (D) (1); (5); (7); (10); (11); (16) and (17) of the Bi-State Development Agency's Board Policy, Chapter 10, Chair Gully requested a motion to allow the Board to go into closed session. A motion to go into Executive Session was made by Commissioner Holman and seconded by Commissioner Buehlhorn. A roll call vote was taken and the Commissioners present, Gully, Holman, Schoemehl, Buehlhorn, Golliday, Zimmerman, Watson and Cox voted to approve this agenda item. **Motion passed unanimously, and the Open Session meeting was adjourned at 8:42 a.m.**

Deputy Secretary to the Board of Commissioners
Bi-State Development