Operating and Capital Budget

FISCAL YEAR 2020

BI·STATE DEVELOPMENT

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Bi-State Development Agency

Missouri

For the Fiscal Year Beginning

July 1, 2018

Christopher P. Morrill

Executive Director

In order to receive the Distinguished Budget Presentation Award, a government entity must publish a document that is of the very highest quality that reflects the guidelines established by the National Advisory Council on State and Local Budgeting and meets the Government Finance Officers Association (GFOA) best practices on budgeting.

A Distinguished Budget Presentation Award is valid for a period of one year. We believe our current Bi-State Development FY 2020 - 2022 Capital and Operating Budget continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

May 31, 2019

Message from the President and Chief Executive Officer

The Bi-State Development Agency of the Missouri-Illinois Metropolitan District presents to the Board of Commissioners for approval, the Fiscal Year (FY) 2020-2022 Capital and Operating Budget. Also included in this document is the federally required three-year Transportation Improvement Program identifying the operating and capital resources necessary to serve our regional stakeholders and to meet the St. Louis metropolitan area's transportation requirements.

The FY 2020 - FY 2022 Operating and Capital Budget has been carefully prepared to optimize the resources available furthering the mission of improving people's lives by delivering innovative, regional economic initiatives and public services through Metro Transit, Gateway Arch and Riverfront, St. Louis Downtown Airport, St. Louis Regional Freightway and other public-private nonprofit partnerships. The capital and operating budgets are presented by major business segment throughout this document.

Metro Transit's FY 2020 operating budget continues to put a major emphasis on safety and security. This budget aligns expenses with resources, "right-sizing" the transit system to operate within its current funding allocations while incorporating the recommendations of a new MetroBus service plan, called "Metro Reimagined." Scheduled for implementation in Fall 2019, Metro Reimagined focuses service on the changing mobility needs of residents in the region. The system redesign will increase frequency on high-demand bus routes while delivering shorter waits, faster trips and better connections. This follows the opening of the Cortex MetroLink Station in July 2018 which became the 38th MetroLink station on the light rail alignment. It is the first station to be built in more than a decade, and offers thousands of employees and visitors in the central corridor of St. Louis a new convenient transportation option.

The Gateway Arch opened the newly completed Visitor Center and Museum in July 2018. The FY 2020 budget anticipates a return to pre-construction visitation and tram ridership levels. Bi-State Development will focus on providing the highest quality visitor experience with emphasis on the improved tram tour and guest services. Riverfront Attractions also anticipates expanding service by more than 10 percent, projecting an increase of 15,000 riverboat passengers in FY 2020.

With close proximity to downtown St. Louis, the St. Louis Downtown Airport remains the airport of choice for professional sports teams, business and trade conferences, and serves as a major transfer point for patients and organ transplants for many of the region's medical centers. Twenty-six aviation businesses, employing approximately 1,400 employees in highly skilled positions, help support the region's economy. In FY 2019, the airport completed the first phase to relocate the primary taxiway and expand five taxiway intersections, allowing larger aircrafts to fully navigate. Operating budget revenues and expenses are projected to remain consistent with the prior year.

Launched in 2015, St. Louis Regional Freightway provides assistance to manufacturing, logistics and multi-modal freight transportation companies and their service providers. Its purpose is to further enhance the St. Louis region's standing as a premier international freight hub. St. Louis Regional Freightway has elevated attention for the unrivaled freight assets within the St. Louis Region. The FY 2020 – FY 2022 operating budget projects increases in funding that significantly narrow the gap between resources and outflows.

Our employees remain our greatest asset. Every day, Bi-State Development employees work to improve the quality of life for those who visit or reside in the St. Louis region, and at the same time, contributing to the overall success of the organization. Bi-State Development, its employees and enterprises regularly receive local and/or national recognition for outstanding achievements. The depth and expanse of Bi-State Development's many other notable accomplishments are detailed in the Highlights and Organization Profile section and the individual Enterprise sections immediately following.

I would like to thank the dedicated former Board of Commission members who have left after faithfully serving Bi-State Development beyond their required terms in office -- Jeffrey Watson, Vincent Schoemehl, and David Dietzel. I am very pleased to welcome the most recent appointments to the Board of Commissioners Derrick Cox, Rose Windmiller, Fred Pestello and Herbert Simmons.

The FY 2020 – FY 2022 Capital and Operating Budget outlines a financial plan to advance public transit in the community with a focus on improving the customer experience. Upon approval by the Bi-State Development Board of Commissioners, the FY 2020 – FY 2022 Capital and Operating Budget continues through a review and approval process that includes the St. Louis County Public Transportation Commission 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. Bi-State Development's Transportation Improvement Program will be incorporated into the region's list of transportation priorities and projects eligible for federal financial assistance, generated by the East-West Gateway Council of Governments, the Metropolitan Planning Organization.

Bi-State Development is looking forward to forging stronger relationships with our funding partners, professional police partners, private and public partners, taxpayers and the community. Bi-State Development will continue to carefully manage our resources, physical and financial, to the best of our abilities to assure that our organization will be here for future generations through continued and successful integration of transportation services and economic development within the region. That is our commitment to you.

Taulby A. Roach
President and Chief Executive Officer

Authority and Government

Bi-State Development was established on September 20, 1949, by an interstate compact passed by the state legislatures of Illinois and Missouri and approved by both governors. The compact was approved by the U. S. Congress and signed by President Harry S. Truman on August 31, 1950. A 10-member Board of Commissioners sets policy and direction for the organization. The governor of Missouri appoints five commissioners and the County Boards of St. Clair and Madison Counties in Illinois appoint five commissioners. All commissioners must be resident voters of their respective state and must reside within the Bi-State Metropolitan District. Each term is for five years and each serves without compensation.

Executive Officers

Taulby Roach
President & Chief Executive Officer

Larry Jackson
Executive Vice President
Administration

Jessica Mefford-Miller
Executive Director
Metro Transit

Charles Stewart
Executive Vice President
Organizational Effectiveness

Mary Lamie
Executive Vice President
Multi Modal Enterprises

James Cali
Director
Internal Audit

Barbara Enneking
General Counsel
Legal and Compliance

BI•STATE DEVELOPMENT

Gateway to growth. On both sides of the river.™

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Bi-State Development

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BSD Organizational Overview and Personnel

Bi-Statement Development is a dynamic and multi-faceted resource for economic development in the St. Louis bi-state region for Illinois and Missouri. BSD is uniquely empowered to provide real solutions to regional challenges with a model of efficiency and accountability.

This section contains the Bi-State Development organizational chart for the Board of Commissioners, the President and Chief Executive Officer and his direct reports. Also in this section is a FY 2020 Consolidating Statement of Revenue and Expense, which shows each business unit, and a FY 2018 - FY 2022 Combined Revenue and Expense Summary, which combines all business units together with eliminations for the respective periods. The section concludes with BSD personnel information that has a report by division and function and by pay group.

Highlights

A summary of the FY 2020 - FY 2022 Operating and Capital Budget for Bi-State Development is as follows:

- Operational Business and Component units expense (without depreciation and transfers) budget FY 2020 - FY 2022 (in millions):

	FY 2020	FY 2021	FY 2022
Executive Svc	3.9	4.0	4.1
Gateway Arch	7.9	8.1	8.3
Metro Transit	326.6	335.4	345.3
Airport	1.7	1.8	1.8
Riverfront Attractions	3.1	3.2	3.3
Freightway	0.5	0.6	0.6
Research Institute	0.1	0.0	0.0
AIT	0.1	0.1	0.1
Health SIF	39.8	41.8	43.9
Casualty Sif	7.0	7.2	7.4
WC SIF	7.8	8.1	8.3
Eliminations	(47.5)	(49.4)	(51.6)
	351.0	360.9	371.5

Proprietary funds and non-profit capital budget FY 2020 - FY 2022 (in millions):

	FY 2020	FY 2021	FY 2022
Gateway Arch	$ 0.7	$ 4.5	$ 3.1
Metro Transit	324.3	243.2	178.6
St. Louis Downtown Airport	0.4	2.1	6.1
Riverfront Attractions	0.4	0.0	0.0
Total	$ 325.8	$249.8	$ 187.8

Bi-State Development
Combining Statement of Revenue and Expense
FY 2020 Budget

	Metro Transit	Executive Services	Gateway Arch	St. Louis Downtown Airport	Riverfront Attractions	Research Institute	Arts In Transit	St. Louis Regional Freightway	Health Self-Insurance Fund	Workers Comp Self-Insurance Fund	Casualty Self-Insurance Fund	Total BSD	Eliminations	Total After Eliminations
Passenger revenue	$ 38,248,801	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 38,248,801	$ -	$ 38,248,801
TMA revenue	30,000	-	-	-	-	-	-	-	-	-	-	30,000	-	30,000
Paratransit contract	1,976,000	-	-	-	-	-	-	-	-	-	-	1,976,000	-	1,976,000
Other operating revenue	4,317,454	304,978	36,134	189,676	131,958	-	-	100,000	-	-	-	5,080,200	(86,904)	4,993,296
Agency operating revenue	-	4,456,955	-	-	-	-	-	-	-	-	-	4,456,955	(3,999,646)	457,309
Arch ticket sales	-	-	9,364,770	-	-	-	-	-	-	-	-	9,364,770	-	9,364,770
Service/fee revenue	-	-	220,000	-	-	-	-	-	-	-	-	220,000	-	220,000
Sales discount revenue	-	-	(129,440)	-	(34,789)	-	-	-	-	-	-	(164,229)	-	(164,229)
Not-for-profit (NFP) revenue	-	-	-	-	-	107,975	118,071	-	-	-	-	226,046	(96,046)	130,000
Regional freight fees	-	-	-	-	-	-	-	350,000	-	-	-	350,000	-	350,000
Aircraft parking	-	-	-	134,649	-	-	-	-	-	-	-	134,649	-	134,649
Leased acreage	-	-	-	615,660	-	-	-	-	-	-	-	615,660	-	615,660
Hangar rental	-	-	-	533,347	-	-	-	-	-	-	-	533,347	-	533,347
Aviation sale flowage fee	-	-	-	187,890	-	-	-	-	-	-	-	187,890	-	187,890
Airport concessions	-	-	-	113,914	-	-	-	-	-	-	-	113,914	-	113,914
Cruise revenue	-	-	-	-	2,365,854	-	-	-	-	-	-	2,365,854	-	2,365,854
Food and beverage revenue	-	-	-	-	1,021,807	-	-	-	-	-	-	1,021,807	-	1,021,807
Retail revenue	-	-	-	-	140,023	-	-	-	-	-	-	140,023	-	140,023
Employee health	-	-	-	-	-	-	-	-	8,162,546	-	-	8,162,546	-	8,162,546
Employer health	-	-	-	-	-	-	-	-	31,624,673	-	-	31,624,673	(31,794,673)	(170,000)
ISF - Casualty insurance revenue	-	-	-	-	-	-	-	-	-	-	5,022,756	5,022,756	(5,022,756)	-
ISF - Workers comp revenue	-	-	-	-	-	-	-	-	-	6,553,044	-	6,553,044	(6,553,044)	-
Total Operating revenues	**44,572,255**	**4,761,933**	**9,491,464**	**1,775,136**	**3,624,853**	**107,975**	**118,071**	**450,000**	**39,787,219**	**6,553,044**	**5,022,756**	**116,264,706**	**(47,553,069)**	**68,711,637**
Total grants & assistance	268,726,917	-	-	-	-	-	-	-	-	-	-	268,726,917	-	268,726,917
Interest revenue	12,039,228	80,000	186,500	20,000	-	-	-	-	30,000	196,250	270,000	12,821,978	-	12,821,978
Pass through grant revenue	746,750	-	-	-	-	-	-	-	-	-	-	746,750		746,750
Total Revenues	**326,085,150**	**4,841,933**	**9,677,964**	**1,795,136**	**3,624,853**	**107,975**	**118,071**	**450,000**	**39,817,219**	**6,749,294**	**5,292,756**	**398,560,351**	**(47,553,069)**	**351,007,282**
Wages and benefits	204,403,042	2,372,949	2,664,523	1,101,060	1,594,127	-	15,856	184,074	823,098	384,692	687,341	214,230,763	(15,856)	214,214,907
Services	35,359,081	1,009,615	1,180,078	104,338	265,661	96,160	66,513	285,400	271,501	25,250	42,000	38,705,596	(43,888)	38,661,708
Fuel, Materials and supplies	37,018,516	26,855	456,969	166,678	619,553	500	20,600	3,500	34,300	2,575	4,100	38,354,146	(35,152)	38,318,994
Casualty and liability costs	6,732,722	50,000	66,682	55,668	167,187	-	-	-	-	226,000	915,000	8,213,260	(915,000)	7,298,260
Utilities	7,877,986	5,300	139,326	167,500	91,029	500	650	-	5,450	618	2,266	8,290,625	(1,150)	8,289,475
Leases, other and admin. charges	7,069,232	409,970	1,922,862	112,255	350,524	15	14,452	74,000	39,892	455,500	9,900	10,458,601	(4,086,550)	6,372,051
Health and welfare self-insurance	-	-	-	-	-	-	-	-	38,642,978	-	-	38,642,978	(31,794,673)	6,848,305
Casualty self-insurance	-	-	-	-	-	-	-	-	-	-	5,292,756	5,292,756	(4,107,756)	1,185,000
Workers comp self-insurance	-	-	-	-	-	-	-	-	-	6,749,294	-	6,749,294	(6,553,044)	196,250
Total operating expenses	**298,460,579**	**3,874,689**	**6,430,440**	**1,707,499**	**3,088,080**	**97,175**	**118,071**	**546,974**	**39,817,219**	**7,843,929**	**6,953,363**	**368,938,019**	**(47,553,069)**	**321,384,950**
Interest expense	26,094,549	-	287,314	-	-	-	-	-	-	-	-	26,381,863	-	26,381,863
Contributions to outside entities	1,288,387	-	1,155,008	-	-	-	-	-	-	-	-	2,443,395	-	2,443,395
Gain (loss) on disposition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pass through grant expense	746,750	-	-	-	-	-	-	-	-	-	-	746,750		746,750
Total Expenses	**326,590,265**	**3,874,689**	**7,872,762**	**1,707,499**	**3,088,080**	**97,175**	**118,071**	**546,974**	**39,817,219**	**7,843,929**	**6,953,363**	**398,510,027**	**(47,553,069)**	**350,956,959**
Net Income (Deficit) before depreciation & transfers	**(505,116)**	**967,244**	**1,805,202**	**87,637**	**536,773**	**10,800**	**-**	**(96,974)**	**-**	**(1,094,635)**	**(1,660,607)**	**50,324**	**-**	**50,324**
Depreciation and amortization	73,721,200	-	636,150	1,513,816	249,463	10,800	-	-	-	-	-	76,131,430	-	76,131,430
Net transfers	2,755,241	-	-	-	-	-	-	-	-	(1,094,635)	(1,660,607)		-	-
Net Income (Deficit)	**$ (76,981,556)**	**$ 967,244**	**$ 1,169,052**	**$ (1,426,180)**	**$ 287,309**	**$ -**	**$ -**	**$ (96,974)**	**$ -**	**$ -**	**$ -**	**$ (76,081,106)**	**$ -**	**$ (76,081,106)**

(Sums may not equal Total due to rounding)

Bi-State Development
Combined Revenue & Expense Summary
FY 2018 - FY 2022

	FY 2018 Actual	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	2020 Budget vs. 2019 Proj $ Change	2020 Budget vs. 2019 Proj % Change	FY 2021 Budget	FY 2022 Budget
Operating revenue:								
Passenger and service revenue	$ 58,446,679	$ 59,716,577	$ 58,454,603	$ 57,269,441	$ (1,185,162)	-2.0%	$ 58,223,031	$ 59,197,576
Other	8,775,671	8,213,438	7,097,701	7,632,246	534,545	7.5%	7,625,741	7,712,317
Charges for services	50,902,421	46,115,643	49,714,412	51,363,019	1,648,607	3.3%	53,701,241	56,146,175
Total operating revenue:	**118,124,771**	**114,045,659**	**115,266,716**	**116,264,706**	**997,990**	**0.9%**	**119,550,014**	**123,056,068**
State and local	228,830,759	260,325,397	242,652,448	248,135,622	5,483,174	2.3%	255,382,541	263,080,803
Federal	18,087,809	20,271,773	18,483,706	20,591,295	2,107,589	11.4%	20,637,208	20,683,580
Total grants & contractual revenue	246,918,568	280,597,170	261,136,154	268,726,917	7,590,763	2.9%	276,019,749	283,764,383
Interest revenue	10,068,742	10,293,621	11,698,186	12,821,978	1,123,792	9.6%	13,929,564	15,805,280
Other non-operating revenue	(1,859,108)	725,000	404,787	746,750	341,963	84.5%	754,218	761,760
Total non-operating revenue	**255,128,202**	**291,615,791**	**273,239,127**	**282,295,645**	**9,056,517**	3.3%	**290,703,530**	**300,331,423**
Total revenue:	**373,252,973**	**405,661,450**	**388,505,844**	**398,560,351**	**10,054,507**	2.6%	**410,253,544**	**423,387,491**
Intercompany eliminations	(48,266,969)	(43,781,130)	(47,314,498)	(47,553,069)	(238,571)	-0.5%	(49,428,482)	(51,575,397)
Total revenue less eliminations:	**324,986,004**	**361,880,320**	**341,191,346**	**351,007,282**	**9,815,936**	**2.9%**	**360,825,062**	**371,812,094**
Operating expense:								
Wages and benefits	201,195,583	214,521,023	213,418,641	214,230,763	812,123	0.4%	221,256,262	228,537,358
Services	31,948,802	58,248,117	34,933,548	38,705,596	3,772,048	10.8%	39,070,155	39,528,006
Fuel and lubrications	10,384,442	11,641,631	11,731,288	11,845,928	114,640	1.0%	12,201,305	12,567,344
Parts & supplies	25,125,078	26,166,988	26,031,780	26,508,218	476,438	1.8%	27,303,465	28,122,570
Casualty and liability costs	7,997,897	9,225,396	8,736,131	8,213,260	(522,872)	-6.0%	8,448,328	8,701,778
Interfund administrative charges	3,740,849	4,704,032	4,274,362	3,999,646	(274,716)	-6.4%	4,065,521	4,132,831
Utilities	7,461,499	8,312,815	7,881,536	8,290,625	409,088	5.2%	8,539,345	8,795,524
Leases and other expenses	5,680,843	6,634,615	6,237,812	6,458,955	221,143	3.5%	6,565,438	6,674,260
Health self-insurance claims	38,683,903	33,775,704	36,581,324	38,642,978	2,061,655	5.6%	40,672,809	42,788,644
Casualty & work comp self-insurance claims	14,845,631	10,073,008	10,429,664	12,042,050	1,612,386	15.5%	12,427,329	12,842,851
Total operating expense	**347,064,526**	**383,303,329**	**360,256,086**	**368,938,019**	**8,681,933**	**2.4%**	**380,549,957**	**392,691,166**
Non-operating expense:								
Interest expense	25,731,120	26,115,312	25,938,808	26,381,863	443,056	1.7%	26,550,587	27,439,380
Contributions to outside entities	2,201,579	2,368,171	2,270,951	2,443,395	172,444	7.6%	2,490,929	2,539,632
Other non-operating expense	1,335,854	725,000	435,442	746,750	311,308	100.0%	754,218	761,760
Total non-operating expense	**29,268,553**	**29,208,483**	**28,645,201**	**29,572,008**	**926,807**	**3.2%**	**29,795,735**	**30,740,772**
Total expense:	**376,333,079**	**412,511,812**	**388,901,287**	**398,510,027**	**9,608,740**	**2.5%**	**410,345,692**	**423,431,938**
Intercompany eliminations	(48,266,969)	(43,781,130)	(47,314,498)	(47,553,069)	(238,571)	-0.5%	(49,428,482)	(51,575,397)
Total expense less eliminations:	**328,066,110**	**368,730,682**	**341,586,789**	**350,956,959**	**9,370,169**	**2.7%**	**360,917,210**	**371,856,541**
Income (deficit) before depreciation	**(3,080,106)**	**(6,850,363)**	**(395,443)**	**50,324**	**445,767**	**113%**	**(92,148)**	**(44,447)**
Depreciation	79,328,006	77,173,920	79,387,898	76,131,430	(3,256,468)	-4.1%	76,940,625	77,759,352
Net Income (deficit) before transfers	(82,408,112)	(84,024,283)	(79,783,341)	(76,081,106)	3,702,235	4.6%	(77,032,773)	(77,803,800)
Net transfers	-	-	-	-	-	-	-	-
Net income (deficit)	**$ (82,408,112)**	**$ (84,024,283)**	**$ (79,783,341)**	**$ (76,081,106)**	**$ 3,702,235**	**4.6%**	**$ (77,032,773)**	**$ (77,803,800)**

(Sums may not equal Total due to rounding)

Bi-State Development Personnel

Bi-State Development remains committed to maintaining a responsible position count. The organization went through a series of transitions and a reorganization during FY 2019. As a result of this, the FY 2019 position count was modified to reflect a different mix of full-time and part-time bus operators ultimately reducing the total operator count. FY 2019 budget included 2,387 positions. With movements between department/divisions and a number of other changes, the modified budget of 2,378 positions more closely aligns to operations today. For FY 2020, a budget of 2,301 positions is a decrease of 77 positions from the FY 2019 modified budget. The FY 2020 budget plan was developed intent on streamlining processes and becoming more efficient.

Metro Transit

A total of 2,008 positions are budgeted for the Metro Transit system enterprise in FY 2020.

Metro Transit Operations

A net change of 63 fewer positions are budgeted within Metro Transit Operations.

- Bus Transportation: Per the terms and conditions of the labor contract, Metro may utilize part-time operators to improve efficiency of operations. A budget of 18 part-time operators compliment the 898 full-time positions planned to operate the new Metro Reimagined service to be introduced in the fall 2019. Twenty-eight fewer operators and support staff are budgeted in FY 2020.
- Rail Transportation: MetroLink operator counts remain consistent at 102.
- Paratransit Transportation: Operator and support positions will be reduced by 13 as compared with the prior year modified budget.
- Maintenance of Way, Vehicle and Facility Maintenance moved positions between departments but ultimately downsized by 16 position combined.
- Engineering Services downsized by three positions from the FY 2019 modified budget.

Metro Transit Administration

Metro Transit Administration has a net decrease of four positions in the FY 2020 plan. Human Resources and Workforce Diversity were transferred to Organizational Effectiveness.

Metro Organizational Effectiveness

Organizational Effectiveness gained two additional positions from Safety as a result of a reorganization. They did not have a net increase in staff otherwise. Labor Relations was moved from Transit Operations to Organizational Effectiveness. Human Resources and Workforce Diversity were moved from Administration to this Division. Pension and Risk Management housed in the Internal Service Funds were moved to Organizational Effectiveness.

Internal Service Funds

Consists of Health, Casualty and Workers Compensation Self-Insurance funds. The FY 2020 budget count for Casualty Self-Insurance increased by one because a part-time position was converted to a full-time position. Management personnel in Health and Welfare Self-Insurance were moved to Organizational Effectiveness.

Executive Services

FY 2020 reflects a net decrease of 9 positions as the result of a downsizing of predominately management positions within the organization in February 2019.

Gateway Arch

The Gateway Arch added a Digital Media Specialist for an increase of one position to a total of 18 for FY 2020.

St. Louis Downtown Airport

Staffing levels remain consistent with FY 2020 budget.

Riverfront Attractions

Staffing levels increased by one to add a Sous-chef to accommodate expanded operations in FY 2020.

St. Louis Regional Freightway

St. Louis Regional Freightway reduced staff by one position in FY 2020.

Bi-State Development Employees by Division and Function

The following page contains tables of budgeted staff count for FY 2020 - FY 2022. The tables compare total BSD personnel to the prior FY 2019 modified budget.

Note:
In the Organizational Units section of this document, there are detailed organization charts for each division within Transit. The organization charts for the Gateway Arch, Riverfront Attractions, St. Louis Downtown Airport, Internal Service Funds and Executive Services are found in the respective sections of this document.

Bi-State Development Personnel
By Division and Function

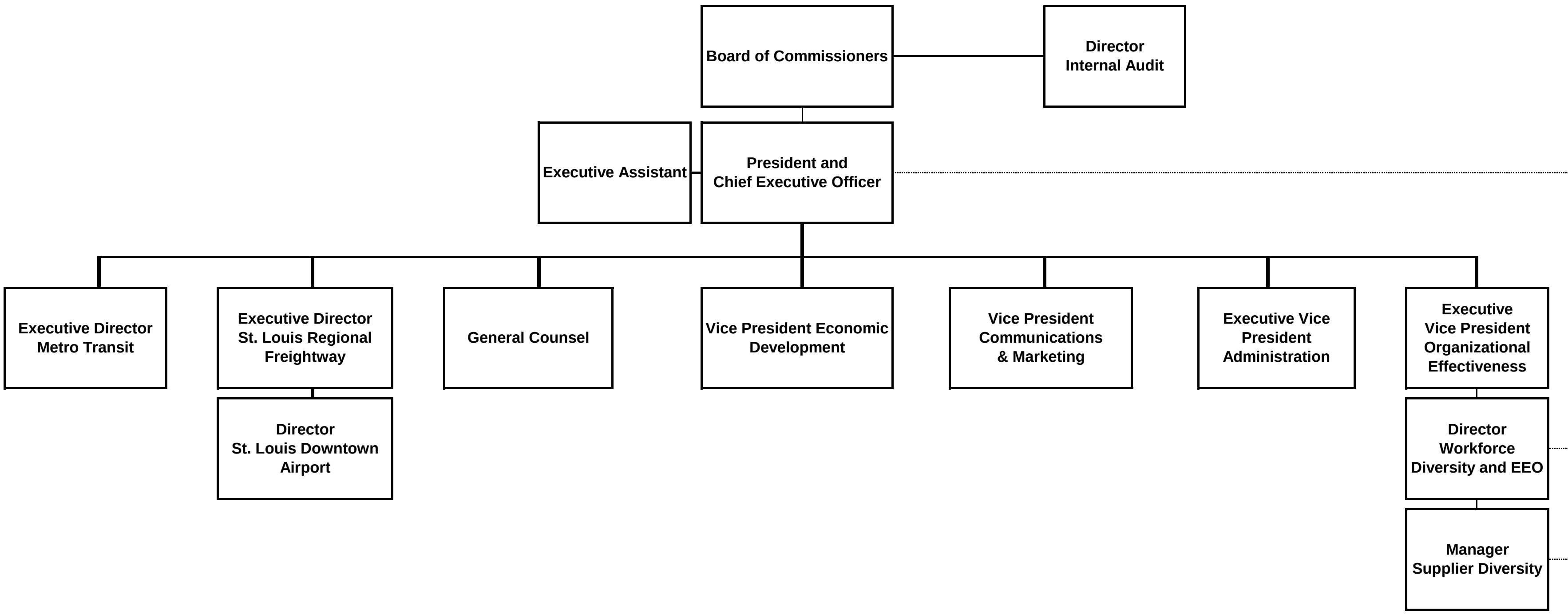
	Budget FY 2018	Budget FY 2019*	Budget FY 2020	Variance FY19 - FY20	Budget FY 2021	Budget FY 2022
Metro Transit						
Transit Operations						
Bus Transportation	997	1,016	988	(28)	988	988
Rail Transportation	142	143	143	-	143	143
Paratransit Transportation	247	246	233	(13)	233	233
Vehicle Maintenance	346	346	335	(11)	335	335
Maintenance of Way	124	125	136	11	136	136
Facility Maintenance	62	64	48	(16)	48	48
Security	61	61	61	-	61	61
Service Planning	39	37	37	-	37	37
Engineering and New Systems	15	14	11	(3)	11	11
ADA Services	7	7	6	(1)	6	6
Safety	8	9	7	(2)	7	7
Emergency Mgmt Planning	1	1	1	-	1	1
Executive Director Operations Administration	2	2	2	-	2	2
Total Operations	**2,051**	**2,071**	**2,008**	**(63)**	**2,008**	**2,008**
Administration				-		
Procurement	59	59	57	(2)	57	57
Finance				-		
Passenger Revenue	33	36	34	(2)	34	34
Controller	24	24	24	-	24	24
Capital Budgeting and Grants	5	5	4	(1)	4	4
Treasury	3	2	3	1	3	3
Finance Administration	3	4	3	(1)	3	3
Total Finance	68	71	68	(3)	68	68
Information Technology	36	36	37	1	37	37
Executive VP Administration & EEO	2	2	2	-	2	2
TotalAdministration	**165**	**168**	**164**	**(4)**	**164**	**164**
Organizational Effectiveness				-		
Pension and Retiree Benefits	1	1	1	-	1	1
Human Resources	14	18	16	(2)	16	16
Risk Management	2	3	8	5	8	8
Labor Relations	4	5	2	(3)	2	2
Workforce Diversity and EEO	2	2	2	-	2	2
Executive VP Organizational Effectiveness	0	0	2	2	2	2
Total Organizational Effectiveness	**23**	**29**	**31**	**2**	**31**	**31**
Marketing	**20**	**23**	**20**	**(3)**	**20**	**20**
Meridian and Real Estate	**2**	**2**	**2**	**-**	**2**	**2**
Total Metro Transit	**2,261**	**2,293**	**2,225**	**(68)**	**2,225**	**2,225**
Executive Services	18	23	14	(9)	14	14
Gateway Arch	17	17	18	1	18	18
St. Louis Downtown Airport	12	12	12	-	12	12
Riverfront Attractions	11	11	12	1	12	12
St. Louis Regional Freightway	2	3	2	(1)	2	2
Health & Welfare Self-Insurance	10	10	8	(2)	8	8
Casualty Self-Insurance	6	6	7	1	7	7
Workers Comp Self-Insurance	2	3	3	-	3	3
Total Bi-State Development	**2,339**	**2,378**	**2,301**	**(77)**	**2,301**	**2,301**

Personnel by Paygroup

	Budget FY 2018	Budget FY 2019*	Budget FY 2020	Variance FY19 - FY20	Budget FY 2021	Budget FY 2022
Bus Operators (FT)	835	904	898	(6)	898	898
Bus Operators (PT)	85	28	18	(10)	18	18
Light Rail Operators	102	102	102	0	102	102
Van Operators	200	201	188	(13)	188	188
Total Operators	**1,222**	**1,235**	**1,206**	**(29)**	**1,206**	**1,206**
Maintenance	321	326	310	(16)	310	310
Service	86	87	84	(3)	84	84
Clerical	50	48	44	(4)	44	44
IBEW	66	66	62	(4)	62	62
Salaried	592	614	595	(19)	595	595
Capital Salaried	2	2	0	(2)	0	0
Total Bi-State Development	**2,339**	**2,378**	**2,301**	**(77)**	**2,301**	**2,301**

* FY2019 is a modified budget. Unbudgeted changes were made in headcount and reorganization after budget approval.

Board of Commissioners,
President and Chief Executive Officer and Direct Reports



Strategic Plan

BU190168

Strategic Plan Overview

Bi-State Development serves as the parent organization for several enterprises: Metro Transit, Gateway Arch and Riverfront Attractions (combined Tourism Innovation), St. Louis Downtown Airport, and St. Louis Regional Freightway.

The strategic goals and objectives of each enterprise and department are summarized in corresponding sections of this budget document and are supported by strategic and business plans for each unit. Specific strategic documents include, but are not limited to, the system planning document “Metro Transit’s 30-year Long Range Plan “Moving Transit Forward, the St. Louis Downtown Airport Land Lease and Aviation Forecast, the St. Louis Regional Freightway Draft Operation Manual and the Bi-State Development/National Park Service Agreement.

These plans are a primary driver for annual operating and capital budgets. The annual operating and capital budgets reflect updated short-term goals and objectives that correspond to revenues and expenses needed to achieve the stated goals. The strategies, steps and performance measures of the enterprises are documented under the functions and activities of the “Organizational Units” section of this document.

This process aligns the work of Bi-State Development and its enterprises while defining the mechanisms which facilitate the organization’s overall mission. The strategic planning process also informs the Board of Commissioners, our employees, stakeholders and the community a renewed understanding of Bi-State Development activities, how Bi-State Development connects with the community and our authority and funding sources. The planning framework best articulates our goals and strategies moving forward, how they align with those of each enterprise, and serves as a roadmap for how goals will be achieved and how our progress is measured.

Strategic planning is an effective guide for day-to-day decisions and evaluating progress as an organization moves forward. This fall, the President & Chief Executive Officer, Executive and senior staffs have committed to elevating the strategic planning process ensuring our regional future. The executive team will review existing plans and practices and develop a more innovative forward thinking organization that encompasses a focus on customers, teamwork and recognition while expressing our commitment to our customers, stakeholders, partners and the region we serve.

Metro Transit
System Profile

BU190168

Metro Transit

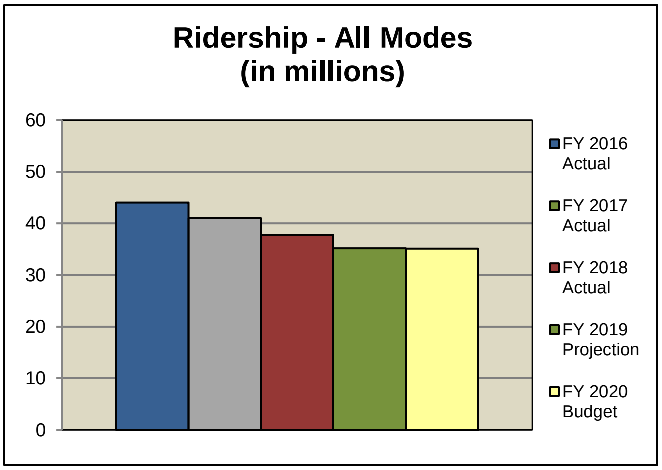
Total System

Overview:

Metro transit 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 2018 Actual):

37.8 million passenger boardings
119,308 average weekday ridership
26.9 million revenue miles
1.8 million revenue hours
5.3 million diesel gallons consumed



Service area (558 square miles):

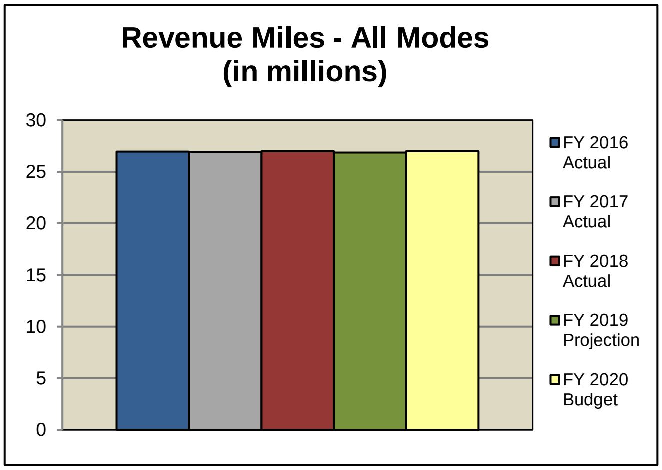
Missouri:
- City of St. Louis
- St. Louis County

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)



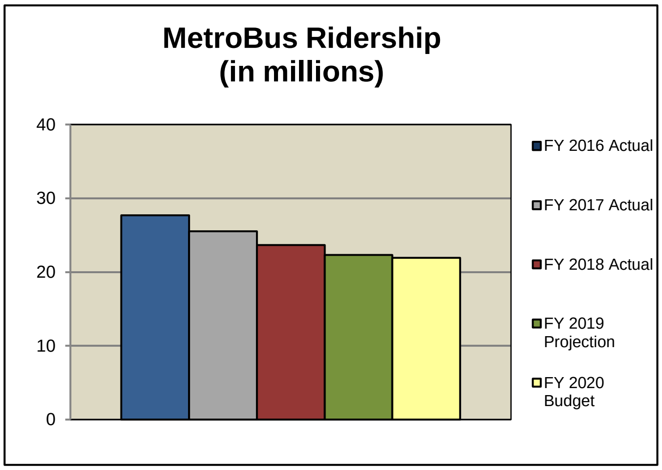
MetroBus

Overview:

Since 1963, Bi-State Development has continuously provided bus service in the Greater St. Louis Region. BSD currently operates 64 fixed bus routes in Missouri and 20 fixed bus routes in Illinois. Additional special bus service is offered in Illinois for all St. Louis Cardinals home baseball games and the Muny Opera.

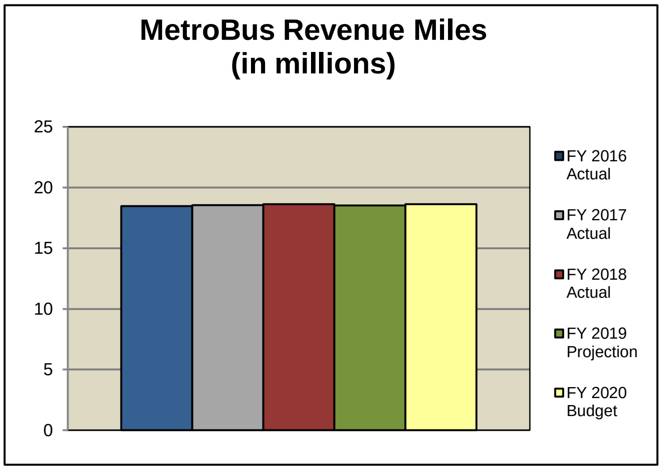
Service levels (FY 2018 Actual):

23.7 million passenger boardings
74,865 average weekday ridership
18.6 million revenue miles
1.4 million revenue hours
395 buses (318 used at peak)
4.6 million diesel gallons consumed
84 bus routes



Facilities:

3 garages and 1 maintenance facility
6 MetroBus Transit Centers
10 free park – ride lots



Development:

Completed:

North County Transit Center (2016)
Civic Center Transit Center Expansion (2017)

Metro Transit

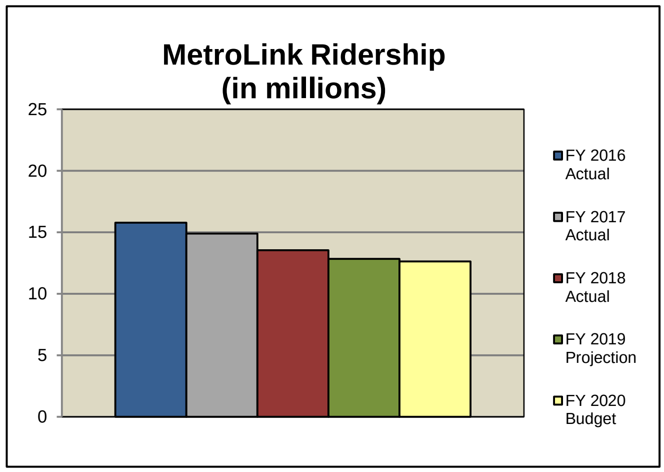
MetroLink

Overview:

Since 1993, Bi-State Development 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 2018 Actual):

13.5 million passenger boardings
42,568 average weekday ridership
3.1 million revenue miles
132,381 revenue hours
87 rail cars (68 used at peak)

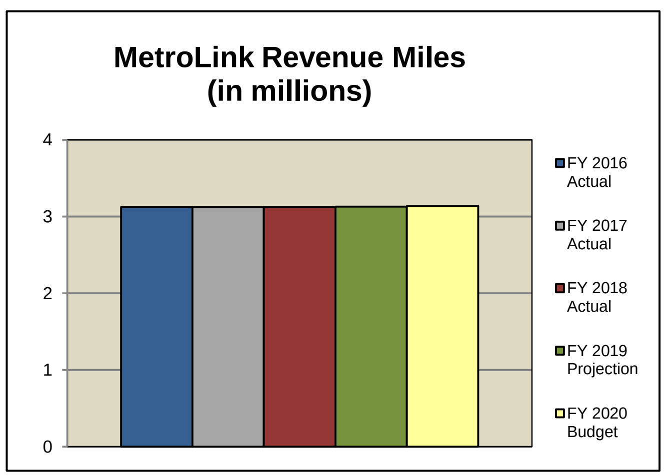


Facilities:

2 rail yards
2 maintenance facilities
38 stations
21 park and ride lots

Development:

- Cortex MetroLink Station
- MetroLink extension in St. Clair County
- Bywater Development Group partnership Project in Swansea, IL



Metro Transit

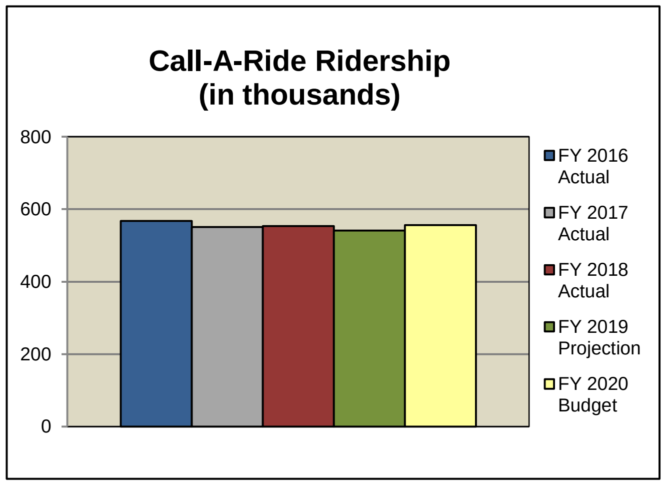
Call-A-Ride

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. This program is designed to ensure Bi-State Development meets the federal mandate of full ADA compliance.

Service levels (FY 2018 Actuals):

553,439 passenger boardings
96.5% ADA passenger boardings
1,875 average weekday ridership
5.2 million revenue miles
290,331 revenue hours
602,062 reservation/assistance calls
0.7 million gallons of diesel consumed
124 vans (104 used at peak)

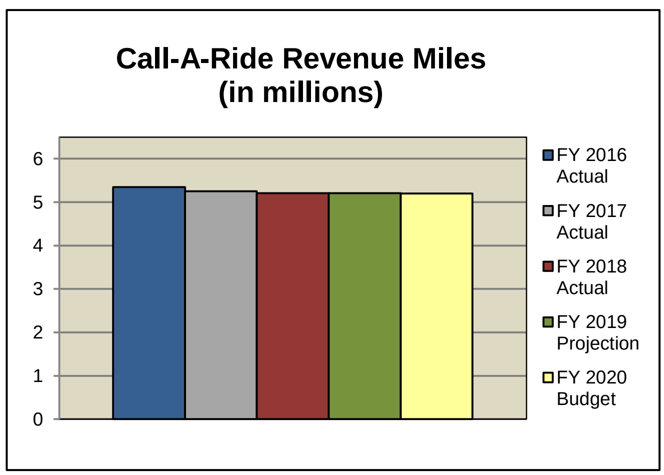


Facilities:

Paratransit maintenance facility at Main Shop

Development:

Trapeze gives CAR the ability to look at vehicles, manpower and ridership and produce a run pick that maximizes those resources.



Performance Indicators: Metro Transit

			FY 2020 Budget		FY 2019 Budget		FY 2018 Actual
Passenger boardings:	**System**		**35,063,606**		**36,638,196**		**37,771,423**
	MetroBus		21,923,430		22,811,150		23,667,541
	MetroLink		12,631,014		13,286,296		13,550,443
	Call-A-Ride		509,163		540,750		553,439
Revenue miles:	**System**		**26,666,119**		**27,186,394**		**26,956,939**
	MetroBus		18,639,116		18,831,803		18,641,250
	MetroLink		3,139,039		3,133,769		3,105,288
	Call-A-Ride		4,887,965		5,220,822		5,210,401
Revenue hours:	**System**		**1,799,263**		**1,863,078**		**1,823,084**
	MetroBus		1,387,455		1,432,499		1,400,373
	MetroLink		133,577		138,113		132,381
	Call-A-Ride		278,231		292,466		290,331
Passenger revenue (excluding TMA and contractual)	**System**	**$**	**38,248,801**	**$**	**39,296,855**	**$**	**40,570,274**
	MetroBus		23,514,673		24,076,558		24,947,722
	MetroLink		13,371,423		13,857,607		14,208,424
	Call-A-Ride		1,362,705		1,362,690		1,414,127
TMA (regional van services) & contractual Medicaid services		**$**	**2,006,000**	**$**	**3,543,702**	**$**	**3,545,720**
Operating expense by mode:	**System**	**$**	**298,460,579**	**$**	**318,341,587**	**$**	**277,919,487**
	MetroBus		182,672,251		181,251,989		170,676,996
	MetroLink		88,334,916		109,321,529		80,033,495
	Call-A-Ride		27,453,412		27,768,069		27,208,996
Passenger boardings per revenue mile:	**System**		**1.3**		**1.3**		**1.4**
	MetroBus		1.2		1.2		1.3
	MetroLink		4.0		4.2		4.4
	Call-A-Ride		0.1		0.1		0.1
Operating expense:							
Per revenue mile:	**System**	**$**	**11.19**	**$**	**11.71**	**$**	**10.31**
	MetroBus		9.80		9.62		9.16
	MetroLink		28.14		34.88		25.77
	Call-A-Ride		5.62		5.32		5.22
Per revenue hour:	**System**	**$**	**165.88**	**$**	**170.87**	**$**	**152.44**
	MetroBus		131.66		126.53		121.88
	MetroLink		661.30		791.54		604.57
	Call-A-Ride		98.67		94.94		93.72
Per passenger boarding	**System**	**$**	**8.51**	**$**	**8.69**	**$**	**7.36**
	MetroBus		8.33		7.95		7.21
	MetroLink		6.99		8.23		5.91
	Call-A-Ride		53.92		51.35		49.16
Farebox recovery:	**System**		**12.8%**		**12.3%**		**14.6%**
	MetroBus		12.9%		13.3%		14.6%
	MetroLink		15.1%		12.7%		17.8%
	Call-A-Ride		5.0%		4.9%		5.2%
Subsidy per passenger boarding:	**System**	**$**	**7.11**	**$**	**7.31**	**$**	**5.98**
	MetroBus		7.01		6.68		5.94
	MetroLink		5.68		6.98		4.64
	Call-A-Ride		47.05		42.07		40.42

Excluding $20 million in enhanced security

Metro Transit System
Statement of Revenue and Expense
FY 2018 - FY 2022

	FY 2018 Actual	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	FY 20 Budget vs. FY 19 Projection $ Change	% Change	FY 2021 Budget	FY 2022 Budget
Operating revenue:								
Passenger revenue								
Bus/rail revenue	$ 39,338,945	$ 37,934,164	$ 37,473,634	$ 36,886,096	$ (587,538)	-1.6%	$ 37,254,957	$ 37,627,507
C-A-R revenue	1,414,126	1,362,690	1,462,761	1,362,705	(100,056)	-6.8%	1,376,332	1,390,095
Total Passenger Revenue	**40,753,071**	**39,296,854**	**38,936,394**	**38,248,801**	**(687,594)**	**-1.8%**	**38,631,289**	**39,017,602**
TMA revenue	1,263,425	1,430,591	1,081,079	30,000	(1,051,079)	-97.2%	30,300	30,603
Paratransit contracts	2,282,295	2,113,111	1,791,530	1,976,000	184,470	10.3%	1,995,760	2,015,718
Other operating revenue	5,180,802	4,760,191	4,355,510	4,317,454	(38,056)	-0.9%	4,360,629	4,404,235
Total operating revenue	**49,479,593**	**47,600,747**	**46,164,514**	**44,572,255**	**(1,592,259)**	**-3.4%**	**45,017,977**	**45,468,157**
Non-Operating Revenue:								
Grants, sales tax & contractual	246,918,568	280,597,170	261,136,154	268,726,917	7,590,763	2.9%	276,019,749	283,764,383
Investment income	2,920,683	2,677,800	3,819,419	4,301,875	482,456	12.6%	4,775,081	5,300,340
Capital lease revenue	6,808,011	7,257,758	7,257,758	7,737,353	479,595	6.6%	8,278,968	9,533,193
Other misc non-operating rev	15,808,504	725,000	399,945	746,750	346,805	86.7%	754,218	761,760
Total Non-operating revenue	**272,455,766**	**291,257,728**	**272,613,276**	**281,512,895**	**8,899,619**	**3.3%**	**289,828,015**	**299,359,676**
Total Revenues	**321,935,359**	**338,858,475**	**318,777,790**	**326,085,150**	**7,307,360**	**2.3%**	**334,845,993**	**344,827,833**
Operating Expenses:								
Compensation	110,450,520	120,503,104	116,806,233	119,021,329	2,215,095	1.9%	122,559,054	126,235,826
Benefits	77,969,846	81,613,037	83,168,652	81,981,540	(1,187,113)	-1.4%	85,034,591	88,217,486
Other post-employment benefits	3,203,299	1,858,319	3,300,000	3,400,174	100,174	3.0%	3,502,179	3,607,244
Total Wages & Benefits	**191,623,665**	**203,974,459**	**203,274,886**	**204,403,042**	**1,128,156**	**0.6%**	**211,095,824**	**218,060,555**
Services	28,639,816	54,008,442	31,177,249	35,359,081	4,181,832	13.4%	35,712,673	36,069,800
Fuel and lubrications	10,322,191	11,558,548	11,640,789	11,741,264	100,474	0.9%	12,093,501	12,456,306
Parts and supplies	24,142,987	24,959,226	25,005,676	25,277,252	271,576	1.1%	26,035,571	26,816,638
Casualty and liability costs	6,822,023	7,882,994	7,334,464	6,732,722	(601,742)	-8.2%	6,934,704	7,142,745
Utilities	7,070,562	7,891,957	7,478,093	7,877,986	399,893	5.3%	8,114,326	8,357,756
Other operating expenses	3,238,793	4,486,575	4,309,267	4,363,523	54,256	1.3%	4,407,158	4,451,230
Management fees	2,808,000	3,579,386	3,006,257	2,705,709	(300,548)	-10.0%	2,732,766	2,760,094
Total Operating Expenses	**274,668,037**	**318,341,587**	**293,226,682**	**298,460,579**	**5,233,897**	**1.8%**	**307,126,523**	**316,115,123**
Non-Operating Expense:								
Capital lease expense	6,808,011	7,257,758	7,257,758	7,737,353	479,595	6.6%	8,278,968	9,533,193
Interest expense	18,623,606	18,563,763	18,388,617	18,357,196	(31,421)	-0.2%	17,990,052	17,630,251
Sheltered workshop	1,258,855	1,246,804	1,222,951	1,288,387	65,436	5.4%	1,301,271	1,314,284
Other misc non-oper. expense	1,749,279	725,000	900,143	746,750	(153,393)	-17.0%	754,218	761,760
Total Non-Operating Expenses	**28,439,751**	**27,793,325**	**27,769,469**	**28,129,686**	**360,217**	**1.3%**	**28,324,509**	**29,239,488**
Total Expenses	**303,107,788**	**346,134,912**	**320,996,152**	**326,590,265**	**5,594,114**	**1.7%**	**335,451,032**	**345,354,611**
Net Income (Deficit) Before Depreciation	**18,827,571**	**(7,276,437)**	**(2,218,362)**	**(505,116)**	**1,713,246**	**77.2%**	**(605,039)**	**(526,778)**
Depreciation	76,979,973	75,127,067	77,177,611	73,721,200	(3,456,411)	-4.5%	74,458,412	75,202,996
Net transfers	2,350,735	1,787,095	2,225,034	2,755,241	530,207	23.8%	2,893,003	3,037,653
Net Income (Deficit)	**$ (60,503,138)**	**$ (84,190,599)**	**$ (81,621,007)**	**$ (76,981,556)**	**$ 4,639,451**	**5.7%**	**$ (77,956,454)**	**$ (78,767,427)**

(Sums may not equal Total due to rounding)

Stabilization of Budget Total Operating Expense

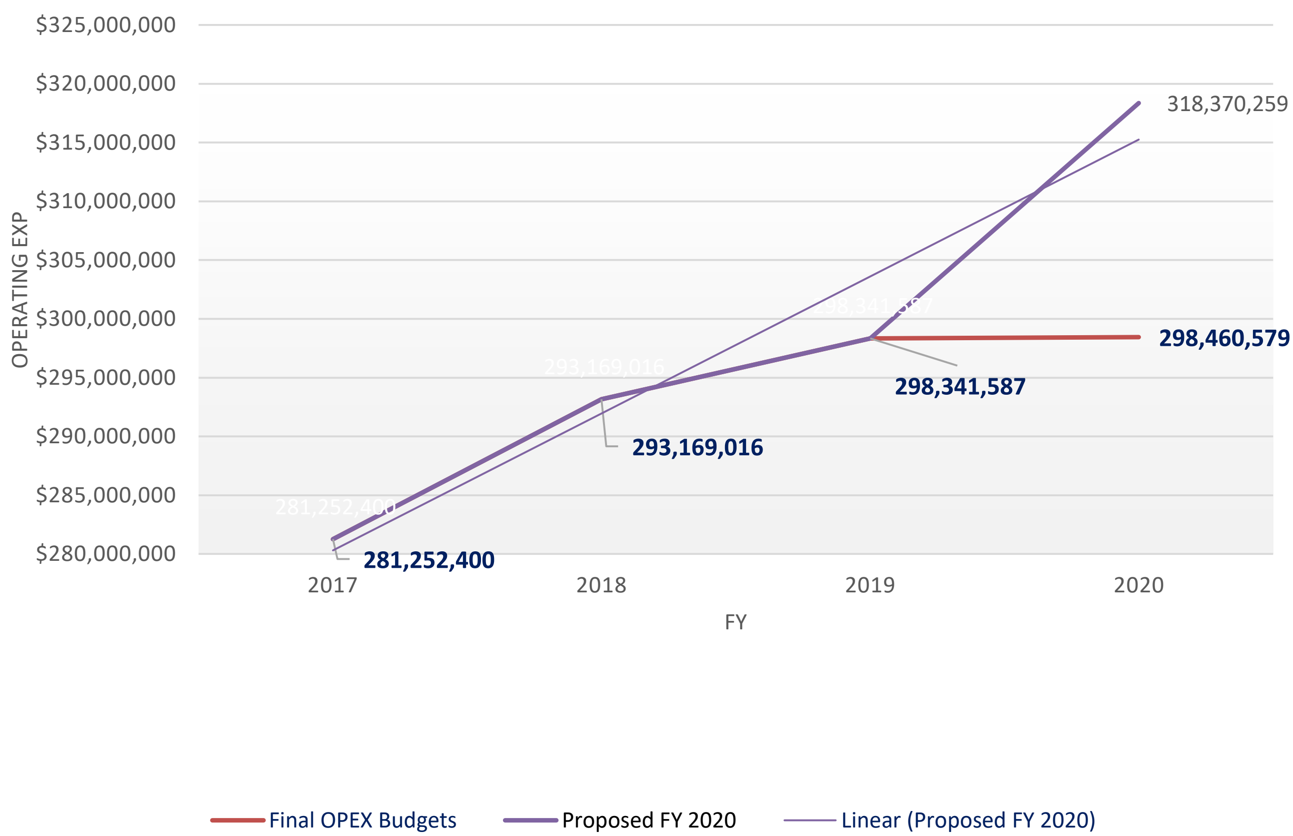
During FY 2019 the BSD team was tasked with taking a close look at operations and administration to address some significant changes related to budget growth. This process included significant cost savings, a series of transitions and reorganization to arrive at a trended FY 2020 budget that provides a level of stabilization.

The FY 2020 result:

- Wages & benefits projected to be .6% lower than FY 2019 budget
- Outside services and other contract expense decreased - shifting dependence away from third party contracts. This move is projected to save the organization $1.3 million
- Casualty and Liability expense is expected to decrease 8.2% over the FY 2019 projection and decrease 14.6% over the FY 2019 budget
- Executive Services reduced expenditures related to staffing and consultant fees saving nearly $1 million

Subsequent to this structured review of operating expenses, the FY budget of $298,460,579 represents a 3 year (FY 2017 to FY 2020) growth rate of 2.0%.

Metro Transit System
Stabilization of Budget Along Trend Line



Note: FY 2018 and FY 2019 exclude $20M each year for budgeted security services

Metro Transit System
Detail of Grants, Sales Tax & Contractual Revenue
FY 2018 - FY 2022

	FY 2018 Actual	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	FY 20 Budget vs. FY 19 Projection $ Change	% Change	FY 2021 Budget	FY 2022 Budget
Missouri:								
City of St. Louis 1/2 cent sales tax	$ 19,713,162	$ 19,626,357	$ 19,745,715	$ 19,943,172	$ 197,457	1.0%	$ 20,142,604	$ 20,344,030
City of St. Louis 1/4 cent sales tax	9,222,786	9,024,966	9,245,808	9,272,005	26,197	0.3%	9,364,725	9,458,372
City of St. Louis Prop M2 sales tax	6,587,869	10,197,855	10,419,708	7,366,734	(3,052,974)	-29.3%	7,440,401	7,514,805
Total City of St. Louis	**35,523,816**	**38,849,178**	**39,411,231**	**36,581,911**	**(2,829,320)**	**-7.2%**	**36,947,730**	**37,317,207**
St. Louis County 1/2 cent sales tax	43,232,040	42,713,844	44,035,801	44,476,159	440,358	1.0%	44,920,921	45,370,130
St. Louis County 1/4 cent sales tax	36,528,003	35,884,153	36,998,021	36,924,562	(73,459)	-0.2%	37,293,808	37,666,746
St. Louis County Prop A sales tax	58,868,753	63,913,247	65,525,935	70,754,134	5,228,199	8.0%	76,237,579	82,145,992
Total St. Louis County	**138,628,796**	**142,511,244**	**146,559,757**	**152,154,855**	**5,595,098**	**3.8%**	**158,452,308**	**165,182,867**
Other Local Match - MO	309,594	20,751,408	380,279	775,000	394,721	103.8%	782,750	790,578
Planning and demo reimbursement	171,300	160,000	106,667	160,000	53,333	50.0%	160,000	160,000
Total Other Local MO	**480,894**	**20,911,408**	**486,946**	**935,000**	**448,054**	**92.0%**	**942,750**	**950,578**
General Operating & Special MODOT	731,629	752,408	688,681	776,000	87,319	12.7%	783,760	791,598
Total State of Missouri	**731,629**	**752,408**	**688,681**	**776,000**	**87,319**	**12.7%**	**783,760**	**791,598**
Total Missouri local & state:	**175,365,135**	**203,024,238**	**187,146,616**	**190,447,766**	**3,301,150**	**1.8%**	**197,126,548**	**204,242,250**
Illinois:								
St. Clair County	53,464,388	57,201,159	55,517,499	57,582,856	2,065,357	3.7%	58,149,943	58,731,442
Other Local Match - IL	1,236	100,000	33,333	105,000	71,667	215.0%	106,050	107,111
Total Illinois local & state	**53,465,624**	**57,301,159**	**55,550,832**	**57,687,856**	**2,137,024**	**3.8%**	**58,255,993**	**58,838,553**
Total local & state	**228,830,759**	**260,325,397**	**242,697,448**	**248,135,622**	**5,438,174**	**2.2%**	**255,382,541**	**263,080,803**
Federal:								
Vehicle maintenance	16,000,000	16,000,000	16,000,000	16,000,000	-	0.0%	16,000,000	16,000,000
Non-capitalized projects	2,053,590	4,271,773	2,027,818	4,591,295	2,563,477	126.4%	4,637,208	4,683,580
Other Federal	34,218	-	410,888	-	(410,888)	-100.0%	-	-
Total Federal:	**18,087,809**	**20,271,773**	**18,438,706**	**20,591,295**	**2,152,589**	**11.7%**	**20,637,208**	**20,683,580**
Total grants, sales tax & contractual revenue	**$ 246,918,568**	**$ 280,597,170**	**$ 261,136,154**	**$ 268,726,917**	**$ 7,590,763**	**2.9%**	**$ 276,019,749**	**$ 283,764,383**

(Sums may not equal Total due to rounding)

Metro Operating - FY 2020 – FY 2022 Budget

Priorities

The priorities for the Metro operating budget are to run a safe secure system fully responsive to input from regional leadership, Metro customers, and the recent MetroLink security assessment. Metro plans to maintain and build ridership through a number of focused efforts to improve public perception through employee engagement, strategic planning, communications and marketing strategies that strengthen relationships with our customers and partners. Effective management of system resources will provide future stability and growth through repositioning Metro Transit as an innovative thought leader; building partnerships with businesses, communities, and private firms with the goal of integrating services into the fabric of the social, economic, and educational activities of the communities we serve.

Assumptions

The FY 2020 budget projects a $.5 million deficit before depreciation and net transfers, which represents non-cash items such as other post-employment benefit obligation, changes in pension liability and other expense items. Incoming cash from revenue and other operating sources are expected to fund planned cash expenses in the FY 2020 budget. Therefore, the FY 2020 BSD budget is balanced because cash inflow is equal to or greater than cash outflow.

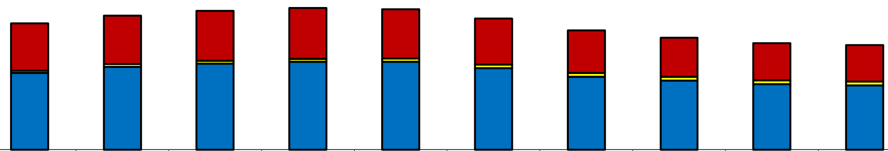
Service miles and hours for all three modes have route adjustments planned to increase efficiencies and accommodate passenger requirements. The Missouri MetroBus System plans to implement a service redesign outlined in "Metro Re-Imagined" in the fall 2019. Revenue miles are consistent with FY 2019 budget; the change is less than 1.0%. System revenue hours are also consistent with FY 2019 budget; the change is lower by only 2.0%.

Passenger boardings on MetroBus, MetroLink and Call-A-Ride for FY 2020 show a combined system decrease of 4.1% compared to FY 2019 budget. The decline in ridership is due to multiple factors including lower fuel costs, perceptions of security and changes in workforce transit patterns, including telecommuting.

Operating Revenue

Passenger revenue is budgeted at $38.2 million for FY 2020; a decline of $1.05 million (2.7%) compared to FY2019 budget and $0.7 million (1.8%) less than FY 2019 projected revenue. This decrease in passenger revenue is reflective of an anticipated decline in ridership during FY 2020. The proposed budgeted revenue decline is reflective of ongoing safety and security issues, lower fuel prices, and expansion of on-demand service options available within the community. Metro's service redesign and focus on the customer experience through improved safety and security measures, new customer amenities are expected to help improve ridership trends. Bi-State Development continues to work with its funding and law enforcement partners, civic and community groups to improve safety and security of the system. These factors have been incorporated into the FY 2020 operating budget ridership projection and plans no fare increase in this fiscal budget

Passenger Revenue

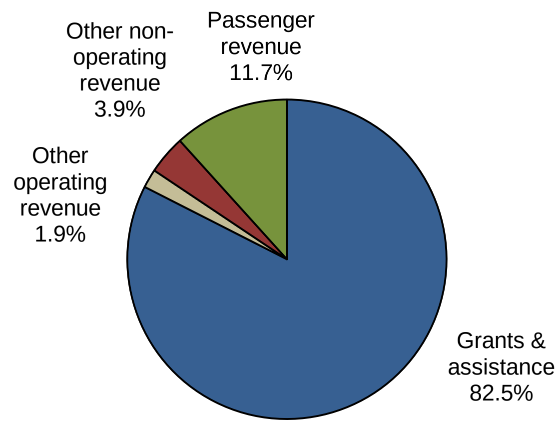


(in millions)	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Projection	2020 Budget
Rail	17.3	17.7	18.2	18.5	18.0	16.8	15.5	14.3	13.5	13.4
Paratransit	0.9	1.0	1.0	1.1	1.2	1.3	1.4	1.4	1.4	1.4
Bus	28.0	30.3	31.5	32.1	32.1	29.8	26.7	25.2	24.0	23.5

Paratransit contracts include Medicaid revenue and other contractual receipts related to trips provided by Paratransit Operations. The $2.0 million budgeted in FY 2020 is lower by 6.5% when compared to the FY 2019 budget. The reduction is due to two major factors. First, the Federal government has reduced Medicaid funding. Second, Medicaid has created applications that are more complicated due to the requirements of the Affordable Care Act. For this reason, more customers are opting instead to forego the paperwork and pay the minimum fare.

Other operating revenue includes advertising on revenue vehicles, bus shelters, and MetroLink stations; provided maintenance service and vending machine concessions; rental income and miscellaneous other revenue. Other operating revenues are expected to remain consistent with FY 2019.

Metro Transit
FY 2020 Revenue



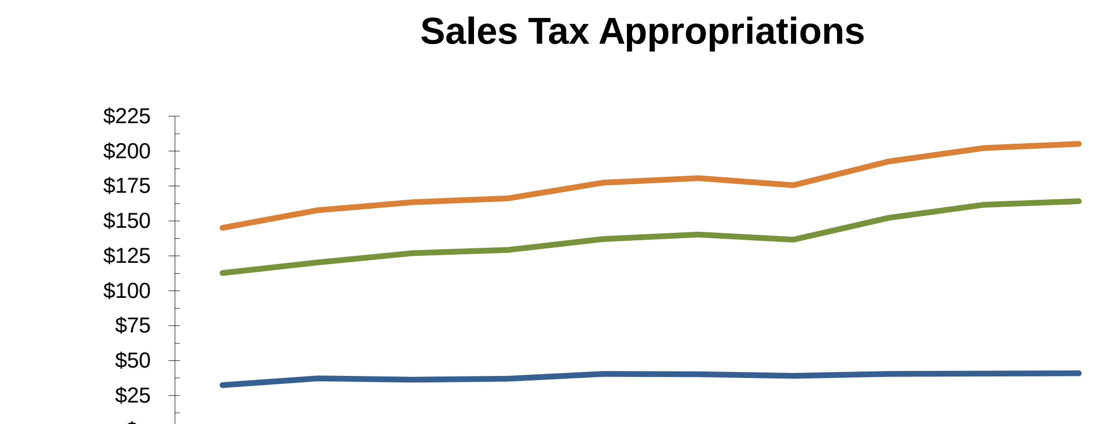
Other non-operating revenue includes investment income, capital lease revenue and contributions. Other operating revenue includes TMA revenue and paratransit contracts.

Grants, Sales Tax and Contractual Revenue

City of St. Louis and St. Louis County sales taxes include ½ cent sales tax (1973) for transportation and ¼ cent sales tax (1994) for light rail development, operation and maintenance and a ¼ cent sales tax (passed 1997, collected 2010) for system operating capital and future expansion. Only the ½ cent tax (1973) is subject to deductions for Tax Increment Financing (TIF). St. Louis City forwards to BSD all taxes collected net of TIF's.

St. Louis County voters passed Prop A, a ½ cent sales tax (2010) 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 operating, capital and debt service funding annually to cover for the service package requested.

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



	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Proj.	2020 Budget
St. Louis County	112.73	120.34	126.95	129.38	137.08	140.30	136.70	152.18	161.75	164.26
St. Louis City	32.50	37.34	36.45	36.91	40.36	40.29	39.00	40.51	40.59	40.99
Total	145.23	157.68	163.40	166.29	177.44	180.59	175.70	192.70	202.34	205.25

The chart above represents the growth in appropriation of sales tax from St. Louis City and County to BSD over a 10 year period. Slow growth in the local economy (1%) translates to relatively minimal growth in sales tax receipts for FY 2020 in St. Louis City and St. Louis County sales taxes. Budgeted sales tax receipts are allocated between operating needs, debt service requirements and capital programs. It is at the discretion of the President and Chief Executive Officer and Chief Financial Officer to change the distribution percentage of sales taxes between operating and capital should actual circumstances dictate a change from plan. In FY 2017, St. Louis County allocated 100% of ½ Cent Prop A funds (2010) to BSD while simultaneously reducing ½ cent sales taxes (1973) forwarded to BSD below 50%. In FY 2018 St. Louis County returned to the standard distribution of 50% to BSD for the St. Louis County 1973 ½ cent sales tax.

State of Missouri revenue for the FY 2020 budget is expected to increase from the FY 2019 budget *by* $23,600 to $776,000.

St. Clair County, Illinois revenue is based on a service agreement between St. Clair County Transit District and BSD. The District administers St. Clair County tax collections and Illinois Department of Transportation funding and contracts with BSD for services. The budget for FY 2020 is consistent with FY 2019.

Federal vehicle maintenance represents federal capital formula funds that BSD chooses to program for vehicle maintenance per the Federal Transit Administration's guidelines. FY 2020 budget remains consistent with FY 2019 budget.

Non-capital federal grant revenue anticipated funding is expected to be $4.6 million for FY 2020. These funds are expected to be used for MetroLink right-of-way and tunnel structural repairs, system conduit rehabilitation.

Non-Operating Revenue

Investment income consists of interest earned on invested funds. The projected budget for FY 2020 is $4.3 million. This increase over the prior year budget is a result of available funds and emerging interest rates.

Capital lease revenue recognizes the revenue associated with capital leases. The revenue and expense offset. For FY 2020, these amounts are both $7.7 million.

Expenses

Wages & benefits for FY 2020 are expected to be .6% lower than FY 2019 budget. Staffing is planned to be reduced by 3.0% which offsets inflationary increases. BSD is self-insured up to $600,000 for health costs. Reductions in staffing also lower medical costs which have grown significantly over the last two years based on a small number of high claims.

Other post-employment benefits 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 costs (included in benefits) and the unfunded portion. For FY 2020, the OPEB cost is expected to increase 3% over FY 2019 projection to $3.4 million.

Services is expected to decrease 35.0% from the FY 2019 Budget. The primary reason is that in FY 2020 the $20 million enhanced security program was removed from the budget as it was never funded. A decrease in outside services and other contract expense, shifting dependence away from third party contracts, is also saving $1.3 million. **Metro is budgeting an additional $1.7 million to address public safety concerns on the Metro transit system.**

Fuel hedging (realized gains/losses) helps neutralize the outcome of price spikes or drops in the budget. The fuel hedging program involves purchasing heating oil contracts up to 36 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. With fuel prices expected to increase this budget includes a fuel hedge gain expected of just under $1 million in FY 2020.

Fuel and lubrications net expense for the FY 2020 budget is anticipated to increase 9.5% compared to the FY 2019 budget. Fuel usage throughout the system will slowly decline as newer more fuel efficient buses are introduced to the system.

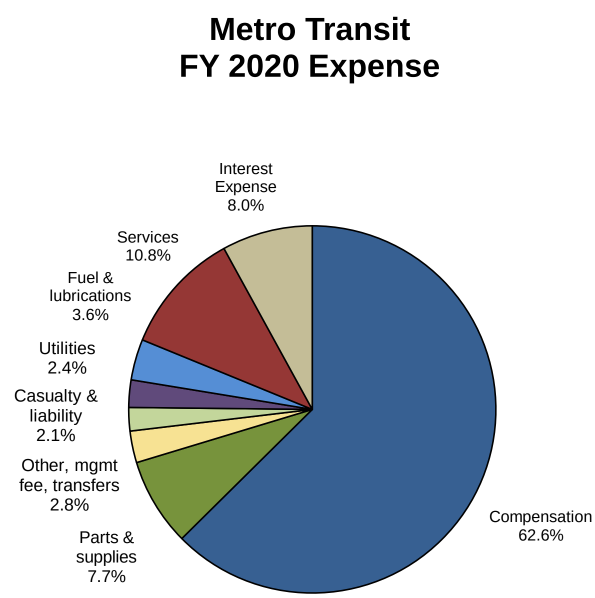
Parts and supplies expense is expected to increase 1.3% from FY 2019 budget and just over 1% from projection. Life cycle fleet maintenance is the basis in determining revenue equipment parts needs each year.

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. Casualty and liability expense is expected to decrease 8.2% over the FY 2019 projection and decrease 14.6% over the FY 2019 budget. Decreases in incurred losses are driving the lower cost.

Utilities, including electric propulsion, are budgeted consistent with the prior year FY 2019 projection. The 2020 budget is in line with the cost needed to support expected activity.

Other expenses consist of taxes, leases, advertising, travel and staff development. Other expenses for FY 2020 reflect a decrease compared to the FY 2019 projection and FY 2019 budget. This reduction is due to a concerted effort to reduce cost and become more efficient during the FY 2020 budget process. One of the major areas of reduction is travel and training.

Management fees are payments to Executive Services for providing services to Metro. Metro's fee is calculated at 70% of the Executive Services operating expenses. A savings of nearly $1 million from FY 2019 budget was the direct result of reducing expenditures within Executive Services related to staffing and consultant fees.



Non-Operating Expense

Capital lease expense recognizes the cost associated with capital leases. The expense is offset by a revenue amount. For FY 2020 these amounts are both $7.7 million.

Interest on debt results primarily from interest paid on bonds issued to finance the Cross County expansion. Interest expense is budgeted at $18.3 million in FY 2020.

Sheltered workshop expense is 2% of the Missouri ½ cent (1973) sales tax and is budgeted at $1.3 million in FY 2020.

Depreciation and Amortization

Depreciation in public transit systems is generally not funded by operating income. This differs from private industry, which must generate profits for purchase/replacement of property and equipment. Depreciation is presented as required by U.S. Generally Accepted Accounting Principles (US GAAP). Depreciation is not funded to provide equity for capital replacements because such capital assets are predominately funded by federal grants. For FY 2020, depreciation is expected to remain near the FY 2019 projections.

Net Transfers

Internal service fund administration fees in FY 2020 is charged to Metro by the Workers' Compensation and Casualty Self-Insurance Funds. These fees represent self-insurance administration costs that are in excess of claim amounts paid for which the funds are entitled to reimbursement. The amount of the Self-Insurance Administration Fee for FY 2020 is $2.8 million.

Metro Transit - Operating Expense

	FY 2018 Actual	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	20 Bdgt vs 19 Proj $ Change	% Change	FY 2021 Budget	FY 2022 Budget
By type of expense:								
Wages & benefits without OPEB	$ 188,420,366	$ 202,116,141	$ 199,974,886	$ 201,002,869	$ 1,027,983	0.5%	$ 207,593,645	$ 214,453,311
Other post-employment benefits	3,203,299	1,858,319	3,300,000	3,400,174	100,174	3.0%	3,502,179	3,607,244
Services	28,639,816	54,008,442	31,177,249	35,359,081	4,181,832	13.4%	35,712,673	36,069,800
Fuel & lubrications	10,322,191	11,558,548	11,640,789	11,741,264	100,474	0.9%	12,093,501	12,456,306
Parts & supplies	24,142,987	24,959,226	25,005,676	25,277,252	271,576	1.1%	26,035,571	26,816,638
Casualty & liability	6,822,023	7,882,994	7,334,464	6,732,722	(601,742)	-8.2%	6,934,704	7,142,745
Utilities	7,070,562	7,891,957	7,478,093	7,877,986	399,893	5.3%	8,114,326	8,357,756
Leases and other expense	3,238,793	4,486,575	4,309,267	4,363,523	54,256	1.3%	4,407,158	4,451,230
Agency fees	2,808,000	3,579,386	3,006,257	2,705,709	(300,548)	-10.0%	2,732,766	2,760,094
Total operating expense	**$ 274,668,037**	**$ 318,341,587**	**$ 293,226,682**	**$ 298,460,579**	**$ 5,233,897**	**1.8%**	**$ 307,126,523**	**$ 316,115,123**
By function:								
Transit Operations	$ 230,916,062	$ 258,920,712	$ 237,612,894	$ 244,348,395	$ 6,735,501	2.8%	$ 251,559,360	$ 259,005,019
Executive VP Administration	23,499,502	35,649,499	33,249,838	29,112,411	(4,137,427)	-12.4%	29,795,459	30,534,222
Executive VP Organizational Effectiveness	14,954,329	17,749,791	16,426,173	18,544,712	2,118,539	12.9%	19,194,522	19,872,021
Marketing & Communications	3,623,389	3,675,737	3,683,983	3,884,258	200,275	5.4%	3,972,217	4,063,831
Real Estate & Meridian	1,674,755	2,345,848	2,253,795	2,570,803	317,009	14.1%	2,604,964	2,640,030
Total operating expense	**$ 274,668,037**	**$ 318,341,587**	**$ 293,226,682**	**$ 298,460,579**	**$ 5,233,897**	**1.8%**	**$ 307,126,523**	**$ 316,115,123**

(Sums may not equal Total due to rounding)

Metro Transit Organizational Units

BU190168

Metro Transit

Operational overview:

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

Operations Administration provides overall management of the Metro transit operations functions.

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

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

Call-A-Ride 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 Metro's fleet management and transit asset management programs maintenance and cleaning of 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. Responsibilities of Metro Bus' Maintenance of Way include transfer centers, shelters, loops, and bus stops.

Facilities Maintenance is responsible for maintaining and cleaning the DeBaliviere, Brentwood, and Illinois bus operations facilities, paratransit facility and passenger transit centers.

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

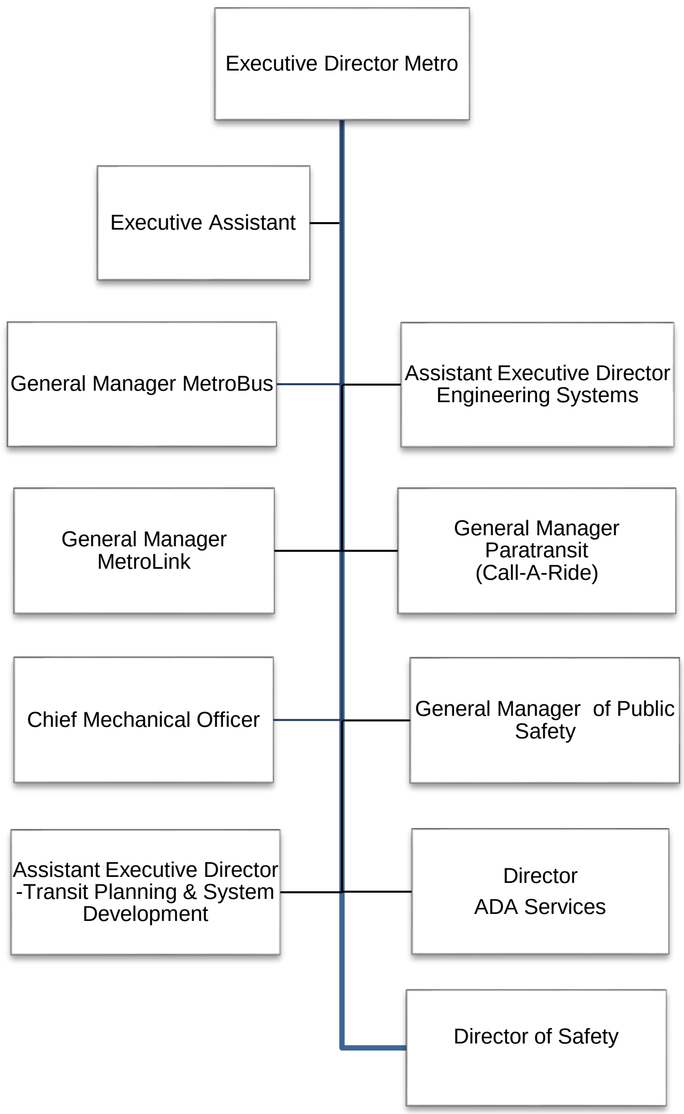
Public Safety is responsible for the safeguarding of Bi-State Development's customers, personnel, and property as well as fare enforcement. Bi-State Development utilizes certain employees, jurisdictional police officers, outside security service guards, and undercover police officers.

Planning & System Development designs fixed route service plans and other efficient and attractive mobility solutions across Metro Transit's service area, including MetroBus, MetroLink, and in FY 2020, microtransit solutions. These service plans are based on detailed analysis of operating schedules, service productivity, and other research regarding opportunities and trends in mobility. Metro's Customer Service Team communicates Metro's service options, provides trip planning assistance to customers, and supports the customer through engaging conversations across multiple media.

ADA Services administers and oversees compliance with transportation provisions of the Americans with Disabilities Act. The group administers and coordinates the ADA activities related to Metro's services and facilities. This includes certification of customers as eligible for ADA complementary paratransit service, monitoring of service to the disability community, and active participation 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.

Engineering designs, engineers, and constructs capital projects for the rail and bus systems. The Capital Projects Department manages the design and construction of projects that repair, upgrade or expand the MetroBus and MetroLink facilities. Capital projects are typically funded from federal grants. The Project Control Department tracks and monitors project schedules and budgets and provides quality assurance. All project documents are maintained within this department.

Organization:



Goals and Objectives Action Plan: Metro Transit

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

Goal: Reimagining Mobility - Deliver a high quality transit experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence. Mobility needs are rapidly evolving, while transit ridership is declining nationwide. Metro Transit has an opportunity to reposition itself and deliver a mobility network designed to give riders a stronger, faster and more convenient transit system, and a superior customer experience.

Objective: To create a transportation network that delivers the greatest mobility for the region's investment; matches solutions to markets; introduces more intensive service in corridors with strong market potential; and incorporates technology and flexible options that could include on-demand service, partnerships with transportation network companies, employer shuttles, bike share and regional vanpool/carpool programs.

This transformation of the Metro Transit system is based on placing the needs of customers and the community first, and delivering an experience focused on the needs and expectations of the customer. This also includes the introduction of new amenities and technology to improve service quality and capacity for van, bus, and rail systems enhance the transit experience. Actions already taken include launching a text-messaging service that provides customers with the opportunity to conveniently engage Metro Customer Service and Transit Information. Metro also launched a pilot to test the capabilities and feasibility of Wi-Fi on the MetroBus system, with a goal of making it available across the entire system.

Strategy	Action Steps	Performance Measurements
Through Metro Reimagined, a complete redesign of MetroBus service in the St. Louis region, Metro Transit is evolving to better meet the needs of its riders. A new service plan, developed after months of research, system analysis and community outreach, is scheduled to be implemented in Fall 2019.	• New, high-frequency MetroBus routes operating every 15 minutes or faster during the day • New local MetroBus service operating every 30-minutes, instead of 40-minute or 60-minute frequency many routes currently operate • Adding Sunday service to many MetroBus routes that currently do not operate on Sundays • New, innovative transportation options for areas where a 40-foot bus is not efficient or effective • Updated system and wayfinding signage, vehicle appearance, marketing and advertising campaigns, and other capital programs – all to be focused on an improved rider experience • In Spring 2019, a mobile ticketing pilot will launch with the intent of making the payment process easier while attracting a larger special event and tourism market • Metro will advance convenient fare payment solutions, including a permanent mobile payment program	• Increase ridership • Improve customer experience measured through reduced customer complaints

Goal: Creating a Safer System - Deliver a high quality transit experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence		
Objective: Enhancing the customer experience by creating a more comfortable and welcoming transit environment. Metro Transit and its law enforcement partners at the St. Louis County Police Department, St. Louis Metropolitan Police Department and St. Clair County Sheriff's Department are working together to deliver a comprehensive and coordinated security strategy that is effective and sustainable. It includes the integration of safety, security, and emergency management; and is responsive to input from regional leadership, Metro customers, and Phase I of the MetroLink Security Assessment, which was completed in February 2019. This new direction for security is focused on engaging customers and providing the presence they need to feel secure and comfortable on the system. Significant progress has been made over the last year, including: • Fall 2018, significant changes to deployment strategy were made that resulted in a substantial increase in Metro Public Safety patrols on MetroLink trains and platforms • Renewed relationships and dialogue with local and regional law enforcement entities • Metro Transit and its regional partners participated in Phase I of the MetroLink Security Assessment, and throughout the process, Metro took swift action to begin implementing recommendations -- even before the assessment was completed • The Metro Transit team collaborates weekly with police partners to create strategic, data-driven deployment strategies for law enforcement officers, Metro Public Safety and contractors • July 2018, a text messaging service was launched that allows customers to text directly with Metro Public Safety Dispatch 24 hours a day, 7 days a week to report any nuisance or illegal behavior • Metro is redefining the contract security program to provide a service that improves customer service, front-line surveillance and fare enforcement • An access control pilot program was implemented at three MetroLink Stations, and in Spring 2019, will be expanded to include two additional MetroLink Stations • Redesign (with an emphasis on crime prevention through environmental design - CPTED) has begun on five MetroLink Stations; capital funding for these enhancements is still required.		
Strategy	**Action Steps**	**Performance Measurements**
Creating a more secure system through partnering with law enforcement, engaging our customers and providing the security presence necessary to feel safe on the system	• Recruit new leadership and talent for key positions within the Public Safety team • Launch Phase 2 of the Metro Transit System Security Program, which will guide the development and implementation of a comprehensive system security program • Implement a refined contract security program through a new, competitively procured agreement • Complete the redesign of five MetroLink stations and plan to begin incremental construction and investment at these stations • Metro Transit and its police partners will implement an interoperable radio system	• Increase ridership • Improved customer experience measured through reduced customer complaints

<table>
<tr><td colspan="3">Goal: Launching a Rider-Centric Revolution - Deliver a high quality transit experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence.</td></tr>
<tr><td colspan="3">Objective: Metro Transit is recommitting itself to placing customers at the center of all of its operations, from design and service to construction and communication. Through this Rider-Centric Revolution, Metro Transit is changing the way it defines success, looking beyond performance and operational achievements, to empower the entire Metro Transit team to put the needs of customers and the communities they serve first. This process is critical for achieving and sustaining all of the goals outlined in this report.</td></tr>
<tr><th>Strategy</th><th>Action Steps</th><th>Performance Measurements</th></tr>
<tr><td>Transition Metro’s operating model toward continuous interaction with customers and the communities we serve. MetroBus Redefined created five distinct service areas, each led by a Service Area Manager, supported by assigned Transit Service Managers. Teams are empowered to monitor service and facilities, make recommendations for improvement; and are tasked with communicating with customers at transit centers and on routes, serving as a one-stop shop for customer needs and concerns, while also providing more and better support to our operators</td><td>• Engage employees in the Rider-Centric Revolution. Employees are providing feedback and regular progress reports.
• Cross-disciplinary leadership teams are focused on specific performance trends that are critical obstacles to transit operations, including absenteeism and employee retention. Metro Transit is engaging its workforce, the Amalgamated Transit Union (ATU) leadership, and community partners about solutions that reverse these trends.
• In Spring 2019, Metro Transit launched an employee ridership program encouraging employees to “own their transit system” by riding with customers and helping drive improvements to service.
• Overhaul transit employee training programs to more effectively develop, deliver and administer quality training programs that are focused on customer service and meeting critical needs. New content focused on customer service, communication, and de-escalation will be offered to all front-line employees.
• Develop a rebranding program to convey the essence and spirit of the Rider Centric Revolution. Program elements include updated system and wayfinding signage, vehicle appearance, marketing and advertising campaigns, and other capital programs; project-specific marketing and branding initiatives - all focused on an improved rider experience. Project-specific marketing and branding/communications initiatives will ensure regional stakeholders are aware of the exciting changes to Metro Transit services and operations, supporting reputation management and ridership growth initiatives.</td><td>• New partnerships and programming around existing and planned transit investments to improve infrastructure and service will help create revenue streams for capital and operations, and deepen Metro Transit’s community support.
• Increase ridership
• Improve customer experience measured through reduced customer complaints</td></tr>
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Goal: Deliver high quality transit experience		
Objective: Deliver quality capital projects on time and within budget		
Strategy	**Action Steps**	**Performance Measurements**
Skinker Bridge Rehabilitation	• Complete Preliminary Plans and Environmental clearances • Develop methodology for implementing repairs w/ minimal disruption to MetroLink service • Develop bid documents and be prepared to move into Construction Phase in early 2021	• Maintain design schedule (60%- 12/2019, 100% - 2/2020, Bid – 4/2020) • Receive operations approval of construction approach • Be able to start Construction Phase after 5/2020
MetroLink Station Enhancements	• Implement scoping of study • Complete preliminary design and environmental clearances • Complete final design • Develop bid documents and be prepared to move into Construction Phase	• Maintain design schedule (50% - 11/2019, 100% - 5/2020, Bid – 6/2020 • Successfully get design input from affected BSD staff • Successfully address external stakeholder concerns in project design • Complete comprehensive design meeting the goals of the project

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**
Create additional opportunities to engage with front line employees in a coaching format Provide front Line management staff with management and topic training	• Expand and continue to refine training opportunities • Contract training completed • Managers provide follow up and feedback regarding manager techniques	• Workforce organization plan developed for implementation in FY 2019 • Improvement in employee related performance metrics • Attendance Management Software installed in FY 2019

Objective: Implement Fleet Management and Replacement Strategies		
Strategy	**Action Steps**	**Performance Measurements**
Continue to transition vehicle purchases of buses and vans at regular intervals (bus 1/15th of fleet per year, van 1/5th of fleet per year) Finalize railcar replacement plan and make program goals and projected costs known to regional leadership	• Continue to follow bus replacement plan • Continue to follow van replacement plan. • Finalize plans and develop specifications for modernization of LRV 1 series vehicles, evaluate vs new replacement LRV's • Develop draft LRV replacement plan	• Bus and Rail Mean Distance Between Failures (MDBF) remains at statistically high levels • Rail and bus cost per mile grows at or below inflation rate • Reduction in CAR failures

Objective: Implement Regulatory Requirement for MAP-21		
Strategy	**Action Steps**	**Performance Measurements**
Purchase software to include rolling stock and the remaining agency assets into one system. Create a management group within VMD or MOW to ensure performance against MAP-21 requirements	• Install EAM data system and populate with information from existing databases on all MOW assets • Transfer requirements for preventative maintenance tracking to new system • Populate with from existing database on all rolling stock and communications systems	• Adherence to Map-21 reporting requirements for all agency assets (FTA findings) • Reduction in unplanned system MetroLink outages • Create long-term Financial Requirements Plan for MetroLink system including replacement of power, track, signal and station components

Performance Indicators – Metro Transit

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 2020	FY 2019		FY 2018
	Target	Projection	Target	Actual
Bus Transportation:				
On-time performance	91.0%	93.0%	91.0%	91%
Accidents per 100,000 vehicle miles	2.3	2.0	2.3	2.3
Passenger injuries per 100,000 boardings	1.3	1.2	1.3	1.3
Customer complaints per 100,000 boardings	15.0	13.5	15.0	15.0
Rail Transportation:				
On-time performance	98.0%	97.3%	98.0%	98.%
Accidents per 100,000 vehicle miles	0.1	0.1	0.1	0.1
Passenger injuries per 100,000 boardings	0.5	0.2	0.5	0.5
Customer complaints per 100,000 boardings	1.8	1.6	1.8	1.8
Paratransit Transportation:				
On-time performance	93.0%	93.8%	93.0%	95.0%
Accidents per 100,000 vehicle miles	1.5	0.9	1.5	1.5
Passenger injuries per 100,000 boardings	5.0	4.0	5.0	5.0
Customer complaints per 100,000 boardings	15.0	25.0	15.0	15.0
Vehicle Maintenance:				
Average revenue miles between incidents:				
MetroBus roadcalls	26,000	27,500	26,000	24,953
MetroLink failures	33,000	29,000	33,000	29,641
Call-A-Ride roadcalls	40,000	30,000	45,000	43.392
Maintenance of Way (MOW):				
MOW system reliability (on-time performance)	98.5%	98.5%	98.5%	98.5%
Elevator and escalator availability	98.0%	98.0%	98.0%	98.0%
On-time performance of equipment inspections	97.5%	95.0%	97.5%	97.5%
ADA Services:				
Percent of incoming calls answered	95.0%	96.4%	95.0%	95.0%
Labor Relations:				
Employee/retiree outreach				
Education events	30	30	30	30
Communications	6	6	6	6
Engineering:				
Project measurement:				
Permits and agreements secured as required	100%	100%	100%	100%
Managed according to policy and procedure	100%	100%	100%	100%
Monitor compliance to policy	100%	100%	100%	100%
Projects completed within budget	100%	100%	100%	100%
Projected completed on time	90%	85%	90%	90%

Transit Operations - Operating Expense

		FY 2018 Actual	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	20 Bdgt vs 19 Proj $ Change	20 Bdgt vs 19 Proj % Change	FY 2021 Budget	FY 2022 Budget
Bus Transportation	Wages & benefits without OPEB	$ 79,655,493	$ 82,638,860	$ 83,094,091	$ 83,887,628	$ 793,537	1.0%	$ 86,587,642	$ 89,396,786
	Other post-employment benefits	404,102	836,609	928,901	1,448,767	519,866	56.0%	1,492,219	1,536,986
	Services	212,310	221,481	199,252	269,843	70,591	35.4%	272,542	275,267
	Fuel & lubrications	-	-	-	-	- -		-	-
	Parts & supplies	197,225	230,082	185,338	171,319	(14,019)	-7.6%	176,459	181,752
	Utilities	33,046	36,720	37,704	53,353	15,649	41.5%	54,954	56,602
	Leases and other expense	160,317	165,212	128,906	180,921	52,015	40.4%	182,730	184,558
	Operating expense	**$ 80,662,494**	**$ 84,128,964**	**$ 84,574,193**	**$ 86,011,832**	**$ 1,437,639**	**1.7%**	**$ 88,766,545**	**$ 91,631,951**
Rail Transportation	Wages & benefits without OPEB	$ 12,974,750	$ 13,338,675	$ 12,786,157	$ 13,546,697	$ 760,540	5.9%	$ 13,977,798	$ 14,428,767
	Other post-employment benefits	65,539	136,440	148,450	252,753	104,303	70.3%	260,139	267,944
	Services	8,184	250	1,467	220	(1,247)	-85.0%	222	224
	Parts & supplies	22,449	28,169	29,765	29,160	(605)	-2.0%	30,035	30,936
	Utilities	14,616	31,980	19,764	27,997	8,233	41.7%	28,837	29,702
	Leases and other expense	31,503	80,850	62,124	53,277	(8,848)	-14.2%	53,809	54,347
	Operating expense	**$ 13,117,041**	**$ 13,616,364**	**$ 13,047,727**	**$ 13,910,104**	**$ 862,377**	**6.6%**	**$ 14,350,841**	**$ 14,811,921**
Paratransit Transportation	Wages & benefits without OPEB	$ 14,718,472	$ 14,638,362	$ 14,492,798	$ 14,256,421	$ (236,377)	-1.6%	$ 14,759,181	$ 15,248,870
	Other post-employment benefits	15,771	32,000	35,200	68,574	33,373	94.8%	71,654	73,803
	Services	194,290	211,500	257,715	241,320	(16,395)	-6.4%	243,733	246,170
	Parts & supplies	33,170	32,596	30,062	29,782	(280)	-0.9%	30,675	31,596
	Utilities	16,543	19,200	20,310	19,200	(1,110)	-5.5%	19,776	20,369
	Leases and other expense	9,087	44,450	24,902	45,475	20,572	82.6%	45,929	46,389
	Operating expense	**$ 14,987,333**	**$ 14,978,107**	**$ 14,860,988**	**$ 14,660,771**	**$ (200,216)**	**-1.3%**	**$ 15,170,949**	**$ 15,667,197**
Vehicle Maintenance	Wages & benefits without OPEB	$ 31,880,455	$ 31,950,900	$ 31,684,171	$ 31,612,387	$ (71,784)	-0.2%	$ 32,635,937	$ 33,696,260
	Other post-employment benefits	163,627	347,445	386,546	612,806	226,260	58.5%	631,146	650,081
	Services	3,356,957	3,308,085	3,178,879	3,470,600	291,721	9.2%	3,505,306	3,540,359
	Parts & supplies	19,012,616	17,847,904	19,079,409	18,951,918	(127,490)	-0.7%	19,520,476	20,106,090
	Utilities	165,600	128,135	104,817	156,734	51,917	49.5%	161,436	166,279
	Leases and other expense	204,120	175,493	130,139	185,387	55,248	42.5%	187,241	189,113
	Operating expense	**$ 66,627,281**	**$ 65,346,409**	**$ 67,020,450**	**$ 67,381,046**	**$ 360,596**	**0.5%**	**$ 69,404,491**	**$ 71,494,020**
Facility Maintenance	Wages & benefits without OPEB	$ 5,087,335	$ 5,371,545	$ 5,164,550	$ 4,483,923	$ (680,627)	-13.2%	$ 4,630,301	$ 4,780,847
	Other post-employment benefits	25,702	55,140	61,295	86,778	25,483	41.6%	89,398	92,079
	Services	2,672,996	2,332,283	2,293,725	2,945,222	651,497	28.4%	2,974,674	3,004,421
	Fuel & lubrications	2,640	3,100	169	4,164	3,995	2369.7%	4,289	4,418
	Parts & supplies	1,311,659	1,488,665	1,427,468	1,421,462	(6,006)	-0.4%	1,464,107	1,508,030
	Utilities	1,697,151	2,246,107	1,730,782	2,008,918	278,135	16.1%	2,069,185	2,131,261
	Leases and other expense	25,843	101,455	50,365	120,475	70,110	139.2%	121,680	122,897
	Operating expense	**$ 10,823,327**	**$ 11,598,296**	**$ 10,728,353**	**$ 11,070,942**	**$ 342,589**	**3.2%**	**$ 11,353,633**	**$ 11,643,952**
Maintenance of Way	Wages & benefits without OPEB	$ 11,455,044	$ 10,731,164	$ 11,604,699	$ 12,660,710	$ 1,056,011	9.1%	$ 13,069,080	$ 13,493,979
	Other post-employment benefits	66,086	119,914	135,943	265,821	129,878	95.5%	273,676	281,887
	Services	5,904,324	11,724,271	7,477,313	8,554,886	1,077,573	14.4%	8,640,435	8,726,840
	Fuel & lubrications	30	-	100	-	(100)	-100.0%	-	-
	Parts & supplies	1,879,322	1,703,192	1,770,832	1,729,361	(41,471)	-2.3%	1,781,242	1,834,680
	Utilities	4,577,133	4,844,369	4,869,570	5,021,376	151,806	3.1%	5,172,018	5,327,178
	Leases and other expense	87,291	96,250	47,432	27,338	(20,094)	-42.4%	27,611	27,887
	Operating expense	**$ 23,969,229**	**$ 29,219,160**	**$ 25,905,890**	**$ 28,259,492**	**$ 2,353,603**	**9.1%**	**$ 28,964,064**	**$ 29,692,451**
Security	Wages & benefits without OPEB	$ 5,595,420	$ 4,949,314	$ 5,490,551	$ 5,261,266	$ (229,285)	-4.2%	$ 5,434,188	$ 5,611,360
	Other post-employment benefits	24,615	44,020	49,042	95,287	46,245	94.3%	98,213	101,160
	Services	6,543,570	25,879,544	7,072,424	7,595,620	523,196	7.4%	7,671,576	7,748,292
	Casualty & liability	40	-	-	-	- -		-	-
	Fuel & lubrications	-	-	3	-	(3)	-100.0%	-	-
	Parts & supplies	199,962	139,281	103,983	49,455	(54,528)	-52.4%	50,939	52,467
	Utilities	21,771	33,600	24,785	24,175	(610)	-2.5%	24,900	25,647
	Leases and other expense	111,780	151,910	105,433	83,136	(22,297)	-21.1%	83,967	84,807
	Operating expense	**$ 12,497,118**	**$ 31,197,669**	**$ 12,846,221**	**$ 13,108,939**	**$ 262,718**	**2.0%**	**$ 13,363,784**	**$ 13,623,732**

Transit Operations - Operating Expense (Continued)

		FY 2018 Actual	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	20 Bdgt vs 19 Proj $ Change	20 Bdgt vs 19 Proj % Change	FY 2021 Budget	FY 2022 Budget
Planning & System Development	Wages & benefits without OPEB	$ 2,923,058	$ 3,081,724	$ 2,923,058	$ 3,088,775	$ 165,717	5.7%	$ 3,188,840	$ 3,293,058
	Other post-employment benefits	16,507	43,770	47,283	61,230	13,948	29.5%	63,032	64,923
	Services	650,991	298,722	558,087	57,807	(500,280)	-89.6%	58,385	58,969
	Fuel & lubrications	-	-	-	-	-	-	-	-
	Parts & supplies	139,934	192,484	108,544	311,752	203,209	187.2%	321,105	330,738
	Utilities	4,491	6,000	4,072	6,066	1,994	49.0%	6,248	6,435
	Leases and other expense	28,412	37,732	23,093	30,792	7,699	33.3%	31,100	31,411
	Operating expense	**$ 3,763,393**	**$ 3,660,432**	**$ 3,664,135**	**$ 3,556,422**	**$ (107,713)**	**-2.9%**	**$ 3,668,710**	**$ 3,785,534**
ADA Services	Wages & benefits without OPEB	$ 503,522	$ 626,199	$ 572,621	$ 580,679	$ 8,058	1.4%	$ 599,098	$ 618,463
	Other post-employment benefits	2,683	3,800	4,281	12,771	8,490	198.3%	13,139	13,534
	Services	153,680	35,718	42,946	29,000	(13,946)	-32.5%	29,290	29,583
	Parts & supplies	19,395	15,800	16,106	19,600	3,494	21.7%	20,188	20,794
	Utilities	17,114	16,720	17,121	26,812	9,690	56.6%	27,616	28,445
	Leases and other expense	149,789	216,413	172,824	173,164	340	0.2%	174,896	176,644
	Operating expense	**$ 846,182**	**$ 914,651**	**$ 825,899**	**$ 842,026**	**$ 16,127**	**2.0%**	**$ 864,227**	**$ 887,462**
Safety	Wages & benefits without OPEB	$ 769,790	$ 820,329	$ 784,360	$ 651,719	$ (132,640)	-16.9%	$ 672,530	$ 694,329
	Other post-employment benefits	4,074	8,400	9,321	13,671	4,350	46.7%	14,071	14,493
	Services	651,921	542,000	646,923	331,000	(315,923)	-48.8%	334,310	337,653
	Parts & supplies	195,301	257,500	175,526	183,600	8,074	4.6%	189,108	194,781
	Utilities	26,367	44,000	28,648	30,660	2,012	7.0%	31,580	32,527
	Leases and other expense	65,976	66,500	61,735	65,360	3,625	5.9%	66,014	66,674
	Operating expense	**$ 1,713,429**	**$ 1,738,729**	**$ 1,706,513**	**$ 1,276,011**	**$ (430,502)**	**-25.2%**	**$ 1,307,612**	**$ 1,340,457**
Emergency Preparedness	Wages & benefits without OPEB	$ 124,785	$ 116,627	$ 50,826	$ 116,188	$ 65,363	128.6%	$ 119,782	$ 123,608
	Other post-employment benefits	564	1,080	1,067	2,586	1,519	142.3%	2,658	2,738
	Services	-	-	-	-	-	-	-	-
	Parts & supplies	21,699	40,000	16,538	27,000	10,462	63.3%	27,810	28,644
	Utilities	676	900	432	700	268	62.1%	721	743
	Leases and other expense	220	15,000	5,290	6,000	710	13.4%	6,060	6,121
	Operating expense	**$ 147,945**	**$ 173,607**	**$ 74,153**	**$ 152,475**	**$ 78,322**	**105.6%**	**$ 157,032**	**$ 161,853**
Engineering & New Systems	Wages & benefits without OPEB	$ 863,884	$ 1,028,136	$ 952,573	$ 1,091,806	$ 139,233	14.6%	$ 1,121,572	$ 1,157,770
	Other post-employment benefits	5,350	10,200	11,521	36,037	24,516	212.8%	36,941	38,050
	Parts & supplies	(1,451)	30,935	19,970	30,935	10,965	54.9%	31,863	32,819
	Utilities	8,019	10,146	7,647	10,146	2,499	32.7%	10,450	10,764
	Leases and other expense	17,005	37,751	24,322	37,751	13,429	55.2%	38,128	38,510
	Operating expense	**$ 1,161,587**	**$ 1,651,039**	**$ 1,624,677**	**$ 3,477,797**	**$ 1,853,120**	**114.1%**	**$ 3,532,789**	**$ 3,594,684**
Operations Adminstration	Wages & benefits without OPEB	$ 379,213	$ 370,992	$ 365,515	$ 342,455	$ (23,060)	-6.3%	$ 352,621	$ 363,663
	Other post-employment benefits	2,088	3,900	4,343	8,184	3,841	88.4%	8,399	8,651
	Services	215,088	250,000	331,719	223,600	(108,119)	-32.6%	225,836	228,094
	Parts & supplies	1,321	42,381	17,727	42,400	24,673	139.2%	43,672	44,982
	Utilities	557	1,524	789	800	11	1.4%	824	849
	Leases and other expense	1,435	28,487	13,603	23,100	9,497	69.8%	23,331	23,564
	Operating expense	**$ 599,702**	**$ 697,283**	**$ 733,696**	**$ 640,539**	**$ (93,157)**	**-12.7%**	**$ 654,683**	**$ 669,804**
Transit Operations Total	**Wages & benefits without OPEB**	**$ 166,931,222**	**$ 169,662,829**	**$ 169,965,971**	**$ 171,580,655**	**$ 1,614,685**	**1.0%**	**$ 177,148,572**	**$ 182,907,760**
	Other post-employment benefits	**796,709**	**1,642,718**	**1,823,194**	**2,965,265**	**1,142,072**	**62.6%**	**3,054,687**	**3,146,327**
	Fuel & lubrications	**11,846,576**	**11,591,548**	**12,456,760**	**12,395,378**	**(61,382)**	**-0.5%**	**12,767,238**	**13,150,255**
	Parts & supplies	**23,032,601**	**22,048,990**	**22,981,267**	**22,997,745**	**16,477**	**0.1%**	**23,687,678**	**24,398,309**
	Utilities	**6,583,084**	**7,419,402**	**6,866,441**	**7,386,937**	**520,496**	**7.6%**	**7,608,546**	**7,836,802**
	Leases and other expense	**892,779**	**1,217,502**	**850,169**	**1,032,175**	**182,007**	**21.4%**	**1,042,496**	**1,052,921**
	Operating expense	**$ 230,916,062**	**$ 258,920,712**	**$ 237,612,894**	**$ 244,348,395**	**$ 6,735,501**	**2.8%**	**$ 251,559,360**	**$ 259,005,019**

(Sums may not equal Total due to rounding)

Administration Division

Organizational overview:

The Administration Division oversees and manages the following administrative functional areas: Procurement and Material Management, Supplier Diversity, Information Technology, and Finance.

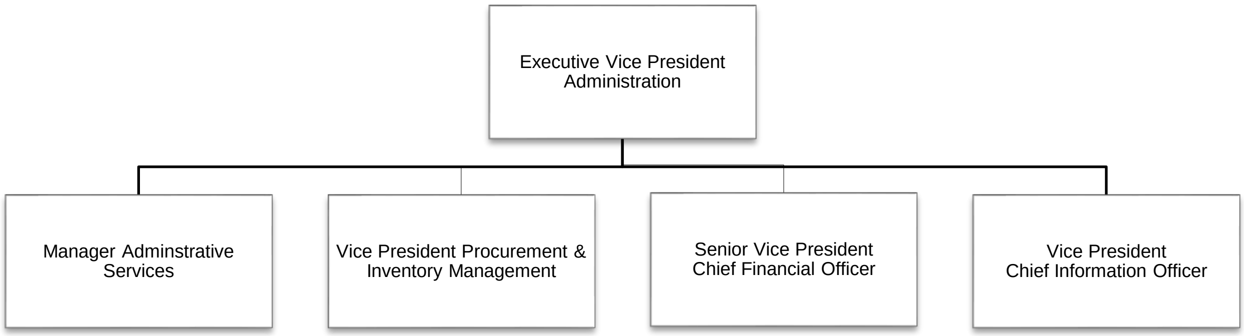
Procurement, Information Technology, and Finance are covered in their own sections in this document.

Finance Division is a diverse operation under the direction of the Chief Financial Officer. Finance is responsible for customary functions such as Treasury, Program Development and Grants, Accounting, Payroll, Accounts Receivable, Accounts Payable and Budgeting. Finance is also responsible for passenger revenue collection, passenger ticket sales and revenue equipment maintenance.

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

Procurement and Materials Management and Supplier Diversity 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.

Organization:



Operating Expense:

Executive Vice-President - Administration - Operating Expense

		FY 2018 Actual	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	20 Bdgt vs 19 Proj $ Change	20 Bdgt vs 19 Proj % Change	FY 2021 Budget	FY 2022 Budget
Procurement & Inventory Management	Wages & benefits without OPEB	$ 4,628,370	$ 4,908,842	$ 4,646,291	$ 4,871,134	$ 224,843	4.8%	$ 5,030,104	$ 5,194,568
	Other post-employment benefits	23,524	51,870	57,395	96,048	38,653	67.3%	98,940	101,908
	Services	47,488	42,137	75,398	43,401	(31,997)	-42.4%	43,835	44,274
	Fuel & lubrications	-	-	-	-	-	-	-	-
	Parts & supplies	139,675	360,804	334,864	293,103	(41,761)	-12.5%	301,896	310,953
	Casualty & liability	-	-	-	-	-	-	-	-
	Utilities	950	3,900	1,741	2,943	1,202	69.1%	3,031	3,122
	Leases and other expense	41,542	84,594	41,171	41,857	685	1.7%	42,275	42,698
	Operating expense	**$ 4,881,549**	**$ 5,452,146**	**$ 5,156,859**	**$ 5,348,486**	**$ 191,627**	**3.7%**	**$ 5,520,081**	**$ 5,697,523**
Finance	Wages & benefits without OPEB	$ 3,718,146	$ 12,406,170	$ 11,244,049	$ 7,904,376	$ (3,339,674)	-29.7%	$ 8,126,571	$ 8,386,089
	Other post-employment benefits	2,335,616	68,971	1,315,029	122,095	(1,192,934)	-90.7%	125,674	129,444
	Services	1,443,219	1,849,635	1,682,808	1,747,983	65,175	3.9%	1,765,463	1,783,118
	Parts & supplies	378,628	1,667,867	877,453	1,145,239	267,785	30.5%	1,179,596	1,214,984
	Utilities	5,629	5,965	4,962	5,772	811	16.3%	5,946	6,124
	Leases and other expense	3,368,026	3,975,682	3,920,737	3,081,197	(839,540)	-21.4%	3,112,009	3,143,129
	Operating expense	**$ 9,784,228**	**$ 19,995,290**	**$ 18,282,952**	**$ 13,406,375**	**$ (4,876,577)**	**-26.7%**	**$ 13,696,963**	**$ 14,026,044**
Information Technology	Wages & benefits without OPEB	$ 4,039,219	$ 4,253,850	$ 3,960,147	$ 4,397,456	$ 437,308	11.0%	$ 4,533,057	$ 4,677,624
	Other post-employment benefits	22,737	48,130	52,692	98,116	45,424	86.2%	100,835	103,860
	Services	3,567,630	4,445,629	4,265,355	4,530,223	264,868	6.2%	4,575,525	4,621,280
	Fuel & lubrications	-	-	-	-	-	-	-	-
	Parts & supplies	370,760	553,255	546,375	495,090	(51,285)	-9.4%	509,943	525,241
	Casualty & liability	-	-	-	-	-	-	-	-
	Utilities	385,607	342,272	484,715	353,433	(131,282)	-27.1%	364,036	374,957
	Leases and other expense	79,864	193,242	133,103	104,359	(28,744)	-21.6%	105,402	106,456
	Operating expense	**$ 8,465,816**	**$ 9,836,378**	**$ 9,442,388**	**$ 9,978,677**	**$ 536,289**	**5.7%**	**$ 10,188,798**	**$ 10,409,419**
Executive VP Administration	Wages & benefits without OPEB	$ 321,461	$ 321,616	$ 321,322	$ 328,673	$ 7,351	2.3%	$ 338,465	$ 349,083
	Other post-employment benefits	1,786	3,900	4,321	7,807	3,486	80.7%	8,013	8,254
	Services	1,769	5,393	1,798	10,000	8,202	456.2%	10,100	10,201
	Parts & supplies	13,393	14,885	9,570	15,332	5,761	60.2%	15,792	16,265
	Utilities	555	840	599	700	101	16.9%	721	743
	Leases and other expense	28,945	19,051	30,029	16,362	(13,667)	-45.5%	16,525	16,690
	Operating expense	**$ 367,909**	**$ 365,686**	**$ 367,639**	**$ 378,873**	**$ 11,235**	**3.1%**	**$ 389,616**	**$ 401,236**
Executive Vice President - Totals	**Wages & benefits without OPEB**	**$ 12,707,196**	**$ 21,890,478**	**$ 20,171,809**	**$ 17,501,638**	**$ (2,670,170)**	**-13.2%**	**$ 18,028,197**	**$ 18,607,365**
	Other post-employment benefits	**2,383,662**	**172,871**	**1,429,437**	**324,066**	**(1,105,371)**	**-77.3%**	**333,462**	**343,466**
	Fuel & lubrications	**(1,524,385)**	**(33,000)**	**(815,971)**	**(654,114)**	**161,857**	**19.8%**	**(673,737)**	**(693,950)**
	Casualty & liability	**59,349**	**54,000**	**53,885**	**53,828**	**(57)**	**-0.1%**	**55,443**	**57,106**
	Utilities	**392,741**	**352,977**	**492,016**	**362,848**	**(129,168)**	**-26.3%**	**373,734**	**384,946**
	Leases and other expense	**3,518,378**	**4,272,569**	**4,125,040**	**3,243,774**	**(881,266)**	**-21.4%**	**3,276,212**	**3,308,974**
	Operating expense	**$ 23,499,502**	**$ 35,649,499**	**$ 33,249,838**	**$ 29,112,411**	**$ (4,137,427)**	**-12.4%**	**$ 29,795,459**	**$ 30,534,222**

(Sums may not equal Total due to rounding)

Goals and Objectives Action Plan: Administration Division

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 achieve its goals and objectives as outlined in the strategic plan section of this document.

Strategies and action steps help Bi-State Development achieve its goals and objectives as outlined in the strategic plan overview

Procurement

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 BSD divisions as mirrored with bus maintenance	• Establish project teams • Evaluate current maintenance and material requirement plans • Develop process improvement recommendations • Implement recommendations • Currently implementing the EAM System	• 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. EAM implementation in process.

Goal: To be an effective and efficient publicly-supported organization that is viewed as a transparent and accountable steward of public funds.

Objective: Establish and manage a communications plan that improves public perception of Bi-State Development programs and credibility of management

Strategy	Action Steps	Performance Measurements
Improve transparency of Bi-State Development's DBE contracting and expenditures	• Reconfigure webpage for BSD DBE website to communicate DBE program goals, process, accomplishments, resources and upcoming events • Improve compliance monitoring and enforcement procedures and processes • Implement Small Business Strategies/Supportive Services	• Complete and implement redesign of website with program goals, processes, accomplishments, resources and upcoming events • Certification assistance available to interested parties • Achievement of DBE contract goals • Small Business Strategies/Supportive services

Finance and Accounting

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	• Develop more sophisticated cash flow analysis to enable funds to be invested longer term • Take advantage of rate increases • Take advantage of any administrative regulatory changes that may impact banking and investment	• High yield on investment
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

Objective: Implement cost reduction strategies		
Strategy	**Action Steps**	**Performance Measurements**
Identify cost saving opportunities on bank fees	• Automate bank processes	• Comparison of bank costs in previous year to current year
Improve and update technology related processes to improve efficiencies	• Automated costing based grants	• Implement 2020
Implement budget system	• In conjunction with IT, complete the testing and implementation of the new capital and operating budget system	• Finalized financial models • Run and test in parallel mode • Create report inventory • Go live early Fall 2019
Implement AP Processing improvement system/service	• In conjunction with IT, plan, design, procure and implement AP process improvement to include automated invoice scanning and imaging	• RFP issue January 2017 • Vendor selection Spring 2017 • Implementation 2017-2018 • Go live 2019
Achieve performance recognition in financial standards and reporting	• Maintain strict standards complying with all GAAP and GASB regulations • Maintain strict internal controls • Set high standards in reporting	• Clean external audit • Achieve Government Finance Offices Certificates in Financial Reporting • Achieve GFOA distinguished budget award
Goal: Decrease number of days to close		
Objective: Implement internal process improvements		
Strategy	**Action Steps**	**Performance Measurements**
Improve financial closing cycle	• Automate more JE's • Change status of JE's from manual to recurring • Review JE's to determine what entries are required from the materiality standpoint, acknowledging different business entities have different materiality rules	• Decrease close to 5 or less business days

Goal: Improve our business owners knowledge of their financial statements		
Objective: Implement internal process improvements		
Strategy	**Action Steps**	**Performance Measurements**
Meet with our business units monthly to review financials and answer questions	• Set up monthly after close meetings with business owners to go over their results	• Business owners will understand their statements better and have less reporting questions
Goal: Reconcile balance sheet accounts in current month		
Objective: Start reconciliation before month end and not during the close process		
Strategy	**Action Steps**	**Performance Measurements**
Start reconciliation process before month end	• Set up recurring JE's on or around the 20th of the month Start reconciliation process after recurring JE's are posted	• Reconciliations will be signed off and approved before the end of the current month.

Information Technology

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**
Support technology improvements in ticketing/fare buying options, reporting, and the transit rider experience	• Continue to assist leveraging Gateway smart card capabilities as possible to support selected passenger groups & initiatives. • Support launch of a Mobile Ticketing Pilot for special events • Continue acquisition and installation of equipment and software supporting fleet-wide vehicle internet connectivity	• Business promoted Gateway/Smart Card initiatives supported and accomplished. • Mobile Ticketing Pilot Accomplished • Funding and Project Plan defined for Vehicle WiFi. Procurement of equipment and implementation services complete or well underway

Improve transit system management and customer experience	• Lead and manage the Transit Operations Improvements (TOI) project • Publish and manage project tasks & schedule • Monitor vendor activities • Coordinate key business resources & milestones • Manage issues and work with project to determine resolutions • Monitor and control spending to budget	• Project schedule and status is communicated and known to stakeholders • Project progressed and near completion in FY20. Major milestones include User Acceptance Test of Operations Dispatch function. Go forward plan established based on UAT results • Progress on Operations Dashboards and KPI reporting with Tableau • Project budget met

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

Objective: Implement cost reduction strategies and internal process improvements

Strategy	Action Steps	Performance Measurements
Right size software licensing and maintenance costs	• Periodically assess licensing, vendor maintenance, and support for accuracy and value • Assess alternatives to support when warranted • Evaluate long term support as part of each new software purchase	• Adjustments to support processes that reflect changing licensing and needs • RFP evaluations that include long term support considerations and alternatives

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

Objective: Implement cost reduction strategies and internal process improvements

Strategy	Action Steps	Performance Measurements
Evaluate new technologies for value and usability	• Research new technology trends • Understand value, issues, and potential impacts • Discuss latest changes with peer organizations • Recommend and implement when appropriate	• Evaluations, white papers, and recommendations from Information Technology to business teams • New technologies and approaches in evidence within Bi-State Development

Improve Internal Processes and Systems	• Upgrade network to include next generation firewalls and network segmentation for critical security elements • Create and manage project tasks & schedule • Acquire necessary equipment and tools • Coordinate with business stakeholders to minimize impacts • Manage issues and work with to determine resolutions • Monitor and control spending to budget	• Project schedule and status is communicated and known to stakeholders • Project progresses and major milestones are met. In FY20 this includes: Next generation firewalls installed, configured, and operating. Network segmentation work defined and switch replacement, configuration well underway.
Improve Internal Processes and Systems	• Support Implementation of the Enterprise Asset Management project. • Provide technology support to project. • Assist in creation and updates to project tasks & schedule • Monitor vendor activities • Coordinate key business resources & milestones • Complete IT related work activities as needed	• Project progresses and major negotiated vendor milestones are met. • IT related tasks are completed as necessary to keep project on track. EAM software and mobile hardware deployed and in use.

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 2020	FY 2019		FY 2018
	Target	Projection	Target	Actual
Inventory Management:				
Accuracy of bus parts inventory	98.0%	98.0%	98.0%	98.07
Accuracy of rail parts inventory	98.0%	97.0%	98.0%	96.25
Bus parts inventory turnover	3.00	1.85	3.00	2.29
Rail parts inventory turnover	2.00	.88	2.00	1.03
Procurement:				
Percent of purchases competitively sourced	90.0%	90.0%	90.0%	90.0%

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 2020	FY 2019		FY 2018
	Target	Projection	Target	Actual
Treasury:				
Treasury Module closed within one working day after month end	100%	100%	100%	100%
All EFTs timely made without errors	100%	100%	100%	100%
Positive pay issue files transmitted in a timely manner	100%	100%	100%	100%
Monthly Treasurer's Report completed before Board deadline	100%	100%	100%	100%
	FY 2020	**FY 2019**		**FY 2018**
	Target	**Projection**	**Target**	**Actual**
Passenger Revenue:				
Percent of TVM refund claims processed within three days of receipt	100%	99%	100%	99%
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%	99%	100%	99%
Percent of working fund balances reconciled with general ledger	100%	100%	100%	100%
Number of farebox revenue audits performed	12	12	12	12

	FY 2020	FY 2019		FY 2018
	Target	**Projection**	**Target**	**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%

	FY 2020	FY 2019		FY 2018
	Target	**Projection**	**Target**	**Actual**
Controller's Group:				
GFOA Certificates of Achievement:				
Comprehensive Annual Financial Report	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%	95.0%	92.0%
Percent of supplier records to be maintained in supplier master file	100%	99%	100%	99%
Payroll errors as a percent of paychecks	<1%	<1%	<1%	<1%
Percent of employees using direct deposit	99.99%	99.99%	99.99%	99.99%

Performance Indicators – Information Technology

	FY 2020	FY 2019		FY 2018
	Target	Projection	Target	Actual
Information Technology:				
System uptime	98.8%	99.0%	98.8%	99.0%
Information Technology personnel turnover of percentage	<9%	6.1%	<9%	6.0%
IT request turnaround (days per request)	< 4	4	< 4	4.1
Office Services:				
In-house professional print jobs	>120	125	>120	112

Bi-State Development

Organizational Effectiveness Division

Organizational overview:

The Organizational Effectiveness Division oversees and manages the following administrative functional areas: Human Resources, Benefits, Risk and Absence Management, Workforce Diversity/EEO and Labor Relations.

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

Employee Benefits Department is responsible for health, welfare and retirement programs that support the physical, mental and financial well-being of employees, retirees and their dependents. The department advocates for a range of benefits including a self-funded Medical, Prescription Drug and Dental plan, Medicare Retiree Replacement Options and Health Reimbursement Account (HRA) subsidies, Employee Assistance Plan/Behavioral Health, Vision, Health and Dependent Care Flexible Spending Accounts, Basic and Supplemental/Dependent Life Insurance, Accidental Death and Dismemberment Insurance, Short and Long Term Disability Protection as well as management and technical support for three Defined Benefit Pension Plans and a 401(k) Program.

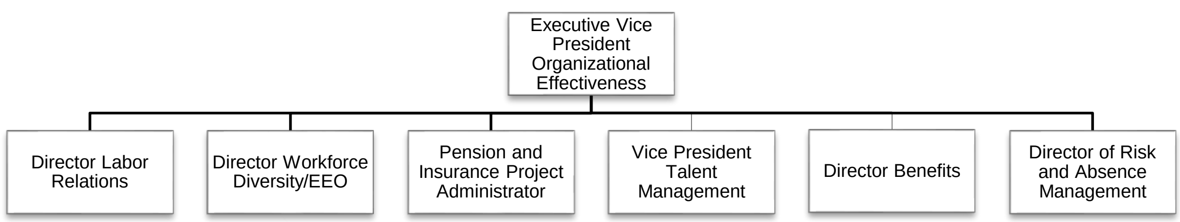
Risk and Absence Management is responsible for BSD self-insurance and insurance programs as well as the administration of workers' compensation, property and auto liability claims. The department administers federal drug and alcohol programs including random testing and is responsible for the monitoring and management of employee absences.

Workforce Diversity and EEO is responsible for the ongoing development and implementation, administration, monitoring and ensuring compliance with employment laws. At all times, Bi-State Development provides equal employment opportunity to all persons and BSD will not discriminate on the basis of race, color, creed, religion, national origin, sex, age, disability, genetic information, veteran status, sexual orientation, gender identity and any other protected class under federal, state and local laws. Bi-State Development implements its commitment to equal employment opportunity and diversity in all of its employment practices, including but not limited to: recruitment, hiring, promotions, discipline, transfers, compensation/rates of pay, training, benefits, terminations and other terms and conditions of employment.

Labor Relations is responsible for administering all collective bargaining agreements with the various bargaining units; whereby negotiating labor contracts, managing grievance processes, and maintaining data unique to union personnel. The Department also functions in both an advisor and confidant to Metro Transit leaders in the execution of their responsibilities in a manner consistent with those collective bargaining agreements, the agency policies, and applicable laws.

Self-Insurance Funds (SIF) have been established to bring greater visibility and transparency to self-funded health insurance programs, self-funded casualty claims and workers compensation costs. The Health SIF accounts for health plan related expenses such as medical, prescription drug and dental claims along with internal and external service expenses. The Casualty SIF accounts for claims, personal costs, external services and insurance premiums. The Workers Compensation SIF accounts for claims, insurance premiums and other claims related expenses

Organization:



Operating Expense:

Executive Vice-President - Organizational Effectiveness - Operating Expense									
		FY 2018 Actual	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	20 Bdgt vs 19 Proj $ Change	% Change	FY 2021 Budget	FY 2022 Budget
Human Resources	Wages & benefits without OPEB	$ 888,313	$ 1,430,617	$ 1,050,593	$ 1,437,887	$ 387,294	36.9%	$ 1,484,070	$ 1,532,302
	Other post-employment benefits	5,608	10,200	11,163	29,831	18,667	167.2%	30,709	31,630
	Services	421,823	369,000	348,452	367,000	18,548	5.3%	370,670	374,377
	Parts & supplies	25,755	31,829	60,740	49,800	(10,940)	-18.0%	51,294	52,833
	Casualty & liability	-	-	-	-	-	-	-	-
	Utilities	1,723	5,300	2,914	3,000	86	2.9%	3,090	3,183
	Leases and other expense	34,517	295,525	176,737	263,500	86,763	49.1%	266,135	268,796
	Operating expense	**$ 1,377,738**	**$ 2,142,471**	**$ 1,650,600**	**$ 2,151,018**	**$ 500,418**	**30.3%**	**$ 2,205,968**	**$ 2,263,122**
Pension & Retiree Benefits	Wages & benefits without OPEB	$ 4,778,022	$ 5,929,144	$ 5,746,549	$ 6,887,174	$ 1,140,625	19.8%	$ 7,224,142	$ 7,577,909
	Other post-employment benefits	982	1,900	2,154	3,386	1,232	57.2%	3,479	3,584
	Services	288,626	267,865	180,970	240,150	59,180	32.7%	242,551	244,977
	Parts & supplies	417	600	200	618	418	209.0%	637	656
	Utilities	659	-	319	-	(319)	-100.0%	-	-
	Leases and other expense	6,750	13,400	11,826	14,152	2,326	19.7%	14,294	14,436
	Operating expense	**$ 5,111,015**	**$ 6,212,909**	**$ 5,942,019**	**$ 7,145,480**	**$ 1,203,461**	**20.3%**	**$ 7,485,102**	**$ 7,841,561**
Risk Management	Wages & benefits without OPEB	$ 266,509	$ 252,904	$ 274,488	$ 718,637	$ 444,149	161.8%	$ 741,493	$ 765,480
	Other post-employment benefits	1,604	2,800	3,205	15,217	12,012	374.8%	15,658	16,128
	Services	101,417	67,500	74,010	525,500	451,490	610.0%	530,755	536,062
	Parts & supplies	7,060	6,350	4,026	7,550	3,524	87.5%	7,777	8,010
	Casualty & liability	6,709,486	7,794,300	7,253,443	6,639,000	(614,443)	-8.5%	6,838,170	7,043,315
	Utilities	1,903	1,500	825	1,140	315	38.1%	1,174	1,209
	Leases and other expense	9,731	19,150	10,724	18,300	7,576	70.6%	18,483	18,668
	Operating expense	**$ 7,097,710**	**$ 8,144,504**	**$ 7,620,721**	**$ 7,925,344**	**$ 304,623**	**4.0%**	**$ 8,153,510**	**$ 8,388,873**
Labor Relations	Wages & benefits without OPEB	$ 509,720	$ 496,644	$ 457,784	$ 280,295	$ (177,490)	-38.8%	$ 288,777	$ 297,904
	Other post-employment benefits	2,712	4,800	5,379	6,483	1,105	20.5%	6,659	6,858
	Services	553,773	429,500	444,093	542,310	98,217	22.1%	547,733	553,211
	Parts & supplies	365	652	4,082	652	(3,430)	-84.0%	672	692
	Casualty & liability	-	-	-	-	-	-	-	-
	Utilities	1,113	2,100	1,196	2,100	904	75.6%	2,163	2,228
	Leases and other expense	4,078	4,100	3,223	4,100	877	27.2%	4,141	4,182
	Operating expense	**$ 1,071,760**	**$ 937,796**	**$ 915,756**	**$ 835,940**	**$ (79,816)**	**-8.7%**	**$ 850,145**	**$ 865,075**
Workforce Diversity & EEO	Wages & benefits without OPEB	$ 230,935	$ 221,363	$ 228,029	$ 237,717	$ 9,688	4.2%	$ 245,049	$ 252,865
	Other post-employment benefits	1,349	2,940	3,244	5,318	2,075	64.0%	5,466	5,630
	Services	22,383	37,809	24,346	25,750	1,404	5.8%	26,008	26,268
	Parts & supplies	17,922	14,239	13,643	14,239	596	4.4%	14,666	15,106
	Utilities	1,568	1,650	1,466	1,650	184	12.5%	1,700	1,750
	Leases and other expense	21,947	34,110	23,110	41,750	18,640	80.7%	42,167	42,589
	Operating expense	**$ 296,105**	**$ 312,111**	**$ 293,839**	**$ 326,425**	**$ 32,586**	**11.1%**	**$ 335,056**	**$ 344,208**
Executive VP Organizational Effectiveness	Wages & benefits without OPEB	$ -	$ -	$ 3,233	$ 118,382	$ 115,148	3561.1%	$ 122,128	$ 126,070
	Other post-employment benefits	-	-	4	2,528	2,523	57087.8%	2,601	2,679
	Services	-	-	-	25,000	25,000	-	25,250	25,502
	Parts & supplies	-	-	-	1,000	1,000	-	1,030	1,061
	Utilities	-	-	-	-	-	-	-	-
	Leases and other expense	-	-	-	13,596	13,596	-	13,732	13,869
	Operating expense	**$ -**	**$ -**	**$ 3,238**	**$ 160,505**	**$ 157,267**	**4857.1%**	**$ 164,740**	**$ 169,181**
Executive Vice President - Totals	**Wages & benefits without OPEB**	**$ 6,673,499**	**$ 8,330,672**	**$ 7,760,677**	**$ 9,680,092**	**$ 1,919,415**	**24.7%**	**$ 10,105,659**	**$ 10,552,530**
	Other post-employment benefits	**12,256**	**22,640**	**25,149**	**62,763**	**37,614**	**149.6%**	**64,572**	**66,510**
	Fuel & lubrications	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Utilities	**6,967**	**10,550**	**6,721**	**7,890**	**1,169**	**17.4%**	**8,127**	**8,371**
	Leases and other expense	**77,022**	**366,285**	**225,620**	**355,398**	**129,778**	**57.5%**	**358,952**	**362,542**
	Operating expense	**$ 14,954,329**	**$ 17,749,791**	**$ 16,426,173**	**$ 18,544,712**	**$ 2,118,539**	**12.9%**	**$ 19,194,522**	**$ 19,872,021**

(Sums may not equal Total due to rounding)

Goals and Objectives Action Plan: Organizational Effectiveness Division

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 achieve its goals and objectives as outlined in the strategic plan section of this document.

Talent Management

Goal: To be an effective and efficient publicly-supported organization that is viewed as a transparent and accountable steward of public funds

Objective: Develop integrated process improvement solutions in the area of Talent Management to improve employee reporting, engagement and recruiting.

Strategy	Action Steps	Performance Measurements
Utilize software solutions to improve efficiencies; enhance and integrate TM processes; provide data analytics; and improve communication between managers, employees and potential recruits	• Continue implementation of two-year roadmap for the software implementation • Identify & utilize sourcing solutions and utilize technology to build a proactive approach to recruiting and sourcing	• On time implementation of each phase • Utilization of information provided by process integration. • Improved recruitment and retention.

Objective: Ensure compensation policies, procedures, and programs are aligned with organizational needs.

Strategy	Action Steps	Performance Measurements
Involve managers in accountability around compensation	• Complete compensation study in an inclusive and transparent manner • Integrate compensation efforts with other talent management functions	• New compensation structure in place; buy-in from management • Compensation solutions implemented • Feedback from internal business partners

Goal: Value all members of our staff and strive to help employees develop to their fullest potential		
Objective: Revamp performance management process.		
Strategy	**Action Steps**	**Performance Measurements**
Develop new approach to improve performance management through effective, timely, and ongoing dialogue between management and staff	• Complete design and implement approach for ongoing perf management and the appraisal • Develop communication and training plan for all salaried employees • Work with managers to develop SMART goals and appropriate measures to assess performance	• Implemented in time for 2019 performance appraisal process • Completed performance appraisals by company deadlines • Improvement in quality of goals • Feedback from internal business partners
Goal: Value all members of our staff and endeavor to help all of our employees develop to their fullest potential		
Objective: Partner with business units to support their people-related business needs		
Strategy	**Action Steps**	**Performance Measurements**
Build development programs and processes to address learning needs and to build bench strength	• Identify and implement solutions for professional development opportunities • Begin to design leadership programs and processes for high potential individuals • Identify resources for external leadership development • Integrate development efforts with other talent management functions	• Feedback from internal business partners • Participation level

Employee/Retiree Benefits

Goal: High value, affordable employee health and welfare benefits

Objective: Provide sustainable, best in class health and welfare benefits with the highest possible value through effective plan design and management to help attract, retain and reward employees, retirees and their dependents.

Strategy	Action Steps	Performance Measurements
Enhance employee voluntary benefit programs neutral to budget Renew employee life and disability benefit insurance contracts at competitive rates Implement an active employee re-enrollment in all benefits and launch enhanced employee engagement messaging Renew medical plan administration contract at competitive rates and with enhanced services	• Market voluntary benefit program to include Critical Illness, Off-The-Job Accident, Whole Life with a Long-Term Care Rider, and Individual Short Term Disability at competitive rates with high value coverage • Market employee basic life, optional life, accidental death and dismemberment and short/long term disability for salaried employees renewing at or below current rates • Market medical plan third party administration services	• Present voluntary benefit carrier recommendation in May 2019 keeping neutral to budget with an 18% targeted enrollment • Present life and disability carrier recommendation in August 2019 at no more than >5% increase • Present medical plan third party administration contract May 2020 at no more than >8% increase

Goal: Support a Healthy Workforce that Increases Presentism and Reduces Absenteeism

Objective: Create a culture of total well-being through sustainable programs that support employees, retirees and their dependents physical health, mental health and financial wellness

Strategy	Action Steps	Performance Measurements
Evaluate telemedicine opportunities to support access to primary and sub-acute care Evaluate mental health access needs and consider alternative providers such as tele-text health options Launch smart phone wellness app for both iPhone and Android	• Educate value of wellness program participation through campaigns • Engage union leadership and shop stewards in understanding well-being value proposition and ask for advocacy support • Consider participation goals by facility and incent accordingly • Review Healthy Savings requirements and consider increased incentive for spousal participation • Add services of Omada weight management product to address chronic conditions of diabetes and high blood pressure to compliment Naturally Slim program	• Increase Healthy Savings program participation by 5% over prior year • Implement a union leadership advocacy program • Initiate on-going reporting of key performance metrics beginning January 1, 2020 • Full launch of Omada weight management service during annual benefit Open Enrollment (targeted 8% utilization)

Goal: High value employee retirement benefits		
Objective: Enhance financial visibility, understanding of the company's retirement plans		
Strategy	**Action Steps**	**Performance Measurements**
Support plan trustees in improving funding for defined benefit pension plans Enhance pension education programs Increase enrollment and elective contributions to 401k	• Accurate and timely plan audits and valuations • Monthly and quarterly educational programs to include Social Security, Medicare and retirement readiness planning • Evaluate elective contribution auto-enrollment into the 401k plan for all eligible with escalated increases over time	• Delivery of clean audit Oct/Nov 2019 • Delivery of plan valuations in Nov 2019 • Increase 401k plan participation 3% from cal year 2019 to 2020 • Increase 401k total average deferral rate by participants to 8% by June 30, 2020

Risk & Absence Management

Goal: Identify and implement solutions to minimize and mitigate risk; protecting BSD employees, customers, partners and assets		
Objective: Insurance renewals		
Strategy	**Action Steps**	**Performance Measurements**
Minimize insurance renewal premium increases	• Complete insurance applications • Meet with underwriters	• Renewal Pricing
Goal: Compliance & accurate tracking, recording and documenting of absences. Review current process and identify areas of improvement.		
Objective: Improve compliance of absence management tracking		
Strategy	**Action Steps**	**Performance Measurements**
Handle all aspects of FMLA	• Establish and maintain a tracking report of all types of absences except PTO / Vacation • Identify areas to reduce absences	• Decrease absenteeism and extra board
Goal: Provide fair and equitable casualty claims service with integrity and professionalism.		
Objective: Settlement of high dollar / exposure claims		
Strategy	**Action Steps**	**Performance Measurements**
Negotiation, mediation and trial are means to settle high dollar claims	• Monitor and resolve claims using outside counsel to settle these claims	• Closure of high dollar / exposure claims

Goal: Workers' compensation claims resolution		
Objective: Aged claims		
Strategy	**Action Steps**	**Performance Measurements**
Close claims in timely manner	• Review business units processing of drug & alcohol tests • Communicate variances and train staff on proper process	• Proper paperwork on drug & alcohol tests • Meeting FTA drug & alcohol compliance reporting
Goal: Meet required regulations related to a drug-free workplace.		
Objective: Drug & Alcohol Policy		
Strategy	**Action Steps**	**Performance Measurements**
Ensure BSD's Drug & Alcohol policy is administered and followed	• Review business units processing of drug & alcohol tests • Communicate variances and train staff on proper process	• Proper paperwork on drug & alcohol tests • Meeting FTA drug & alcohol compliance reporting
Objective: DOT Medical Exams		
Strategy	**Action Steps**	**Performance Measurements**
Assume responsibility for DOT Medical Exams	• Review current program, improve for efficiency and consistency for all modes of service	• Improved process • Reduced absenteeism days

Labor Relations

Goal: Work with senior management to develop and implement a collaborative employee relations environment		
Objective: Improve channels for BU employees/representative to address issues before they arise to grievance level. Be proactive to address issues and concerns		
Strategy	**Action Steps**	**Performance Measurements**
Develop approaches to improve and implement labor management (LM) meetings for all bargaining units	• Continue monthly LM meeting to focus on resolving matters before escalation • Develop LM meetings where not currently happening. • Establish meeting or subcommittees for those bargaining units that do not have such process	• Potential reduction in middle level grievance • Improved morale • Build inclusions

Objective: Data management (Grievance and arbitration management)		
Strategy	**Action Steps**	**Performance Measurements**
Implement a more comprehensive grievance, arbitration tracking system	• Review and overhaul current tracking system • Identify and or obtain tracking mechanism (either with current HRIS system or with a new system) • Identify/create a complaint process vs. a grievance process	• Reduce untimely filling • Reduce manpower hours for erroneous filings • Accurately track grievance with pertinent labor data
Goal: Manages the research, training, and communication programs relating to labor relations		
Objective: Policy and Law compliance with all applicable bargaining unit contracts and their practices are consistent with contract language and the polices of BSD		
Strategy	**Action Steps**	**Performance Measurements**
Implement quarterly training on contract language Create work group with CAR for policy and work group overhaul	• Conduct round table discussion for inaccuracies and inconsistencies of practices • Work with various divisions on updates and revision of work rules/guidelines	• Reduction in technical oversight in disciplinary measure being issued • Guidelines and procedure consistence
Goal: Chief liaison for Bi-State Develop in collaboration with 3rd party during negotiations		
Objective: Facilitate contract negotiation season with all bargaining units making resolution by the expiration date		
Strategy	**Action Steps**	**Performance Measurements**
Ensure appropriate team meeting are occurring Address issues with contract language resolutions and provide processes for departments	• Ensure the needs of department are being presented • Assist department level management team with achieving managerial and labor goal	• Applicable contract language created to adequately manage and conduct appropriate business • Increased consistency

Workforce Diversity/EEO

Goal: Maintain EEO Program & Compliance		
Objective: Ensure program compliance with applicable Federal civil rights laws and regulations and to follow applicable FTA guidance.		
Strategy	**Action Steps**	**Performance Measurements**
Ensure compliance as specified Implement and adhere to all recommendations made by the FTA to EEO Hold meetings with the CEO and HR (separately) to review the EEO Program, and efforts to maintain compliance	• Monitor adherence to EEO guidelines • Provide reasonable accommodations as related to applicable laws • Train staff to maintain compliance • Monitor & respond to complaints	• Maintain good standing with EEO
Objective: Company compliance with all applicable employment laws related to Title VII, ADA, Equal Pay Act, Wage and Hour, FMLA, ADEA, GINA etc.,		
Strategy	**Action Steps**	**Performance Measurements**
Gain applicable training to remain current in the law and possible trends Develop and execute training related to compliance	• Establish multiple avenues for individuals to file complaints. • Work with Compliance to investigate and respond to any complaints from the Ethics Point Helpline • Investigate all internal complaints within 180 days • Respond to all complaints and charges • Conduct necessary ongoing training	• Maintain good standing

Internal Service Funds FY 2020 Strategic Initiatives

The Internal Service Funds (ISF) have been established to account for health, casualty and workers compensation related expenses due their size and significant impact to the organizations financial position. The ISF's develop their strategic plan based on the company's goals and objectives.

Health Self-Insurance Fund Goals and Objectives Action Plan

Goal: Bring Visibility, Accountability and Transparency for Self-Funded Health Plan Costs		
Objective: Build an effective and efficient publicly supported organization that is viewed as a transparent and accountable steward of public funds		
Strategy	**Action Steps**	**Performance Measurements**
Provide management & board with enhanced financial reporting Recommend enhancements to improve self-funded health plan costs	• Develop and implement processes, procedures and systems • Capture and report all expenses associated with the self-funded health plan	• Integration and alignment of annual employer and employee contribution rate setting with annual fiscal budget process • Provide quarterly reporting to the Board

Casualty Self-Insurance and Workers Compensation Self-Insurance Fund Goals and Objectives Action Plan

Goal: Build an effective and efficient publicly supported organization that is viewed as a transparent and accountable steward of public funds		
Objective: Accountability		
Strategy	**Action Steps**	**Performance Measurements**
Provide Management and the Board of Commissioners with greater visibility and enhanced financial reporting for the self-funded casualty activities	• Monitor all expenses and ensure proper reporting	• Provide quarterly financial reporting to the Board of Commissioners
Make recommendations to Management and the Board of Commissioners on enhancements to the casualty program and their administration to provide casualty at an acceptable cost	• Monitor budget and expenses • Develop claim reports to analyze trends	• Adequacy of budget • Work with Safety and Operations to address trends identified
Structure and implement the processes, procedures and the accounting and reporting systems necessary to capture and report all expenses associated with the self-funded casualty	• Integration of Risk Master - Claims Management System	• Target date to complete implementation is June 30, 2017

Marketing and Communications

Organizational overview:

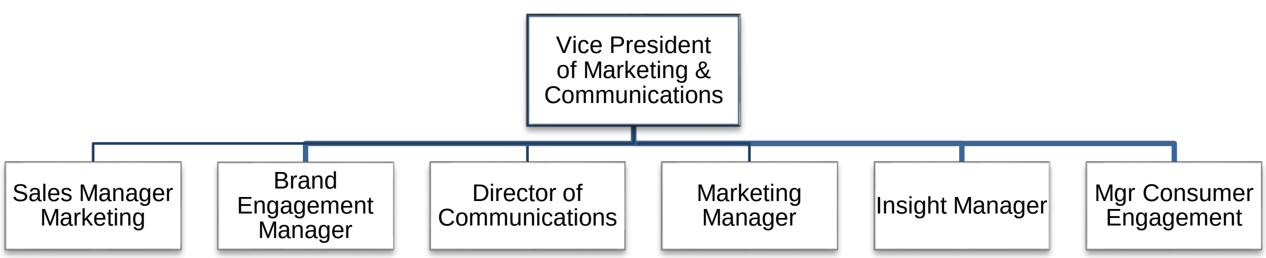
Marketing and Communications is responsible for developing and executing strategic and tactical marketing, sales, community outreach and public relations plans for Bi-State Development and its enterprises to advance understanding of and support for BSD's role in driving economic activity in the region.

Marketing develops and implements marketing, sales and graphic communication strategies and programs to support BSD and all its business units. Marketing is responsible for consumer engagement and consumer insights (a research component) both recently created to improve adoption of Metro's mobility services. In addition, Marketing operates MetroStore, BSD's "owned and operated" consignment pass sales location positioned at 8th & Pine to service regular transit users as well as tourism and corporate sales for transit.

Communications is responsible for the development and implementation of BSD messaging, programs, activities, materials, presentations and media relations designed to enhance public employee awareness, understanding and support for BSD's policies, plans, services and initiatives.

Consumer Engagement is influential in elevating public perception and adoption of Metro Transit services. The team executes marketing strategies that engage key consumer (Metro Transit) audiences. Strategies work to grow customer base(s) through programs that target consumer education and improving public adoption of existing / new products, services, and improved transit ridership while building advocacy.

Organization:



Operating Expense:

Marketing & Communications - Operating Expense

		FY 2018 Actual	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	20 Bdgt vs 19 Proj $ Change	20 Bdgt vs 19 Proj % Change	FY 2021 Budget	FY 2022 Budget
Arts In Transit	Wages & benefits without OPEB	$ 129,556	$ 125,244	$ 124,904	$ 15,856	$ (109,048)	-87.3%	16,453	16,947
	Other post-employment benefits	712	1,200	1,305	-	(1,305)	-100.0%	-	-
	Services	19,039	36,413	57,863	36,413	(21,450)	-37.1%	36,777	37,145
	Fuel & lubrications	-	-	-	-	-	-	-	-
	Parts & supplies	1,148	20,600	6,962	20,600	13,638	195.9%	21,218	21,855
	Casualty & liability	-	-	-	-	-	-	-	-
	Utilities	572	800	598	650	52	8.7%	670	690
	Leases and other expense	31,349	7,400	20,164	8,300	(11,864)	-58.8%	8,383	8,467
	Total operating expense	**$ 182,375**	**$ 191,657**	**$ 211,796**	**$ 81,819**	**$ (129,977)**	**-61.4%**	**$ 83,501**	**$ 85,103**
Gateway Card Center	Wages & benefits without OPEB	$ 96,945	$ 87,907	$ 43,637	$ 357,863	$ 314,225	720.1%	369,360	381,369
	Other post-employment benefits	371	720	793	7,430	6,638	837.3%	7,650	7,879
	Services	-	76,600	64,629	1,648	(62,981)	-97.5%	1,664	1,681
	Fuel & lubrications	-	-	-	-	-	-	-	-
	Parts & supplies	12	750	489	773	283	57.9%	796	820
	Casualty & liability	-	-	-	-	-	-	-	-
	Utilities	-	600	200	600	400	200.0%	618	637
	Leases and other expense	1,026	3,200	5,130	3,680	(1,450)	-28.3%	3,717	3,754
	Total operating expense	**$ 98,354**	**$ 169,777**	**$ 114,878**	**$ 371,994**	**$ 257,116**	**223.8%**	**$ 383,805**	**$ 396,139**
Marketing Management	Wages & benefits without OPEB	$ 1,621,080	$ 1,765,281	$ 1,649,803	$ 1,617,777	$ (32,025)	-1.9%	1,668,781	1,722,555
	Other post-employment benefits	8,194	15,620	17,283	35,022	17,739	102.6%	36,026	37,107
	Services	938,126	653,911	921,724	898,107	(23,617)	-2.6%	907,088	916,159
	Fuel & lubrications	-	-	-	-	-	-	-	-
	Parts & supplies	150,671	225,095	158,270	225,095	66,825	42.2%	231,848	238,803
	Casualty & liability	-	-	-	-	-	-	-	-
	Utilities	6,700	9,000	6,815	9,000	2,185	32.1%	9,270	9,548
	Leases and other expense	617,889	645,395	603,414	645,444	42,030	7.0%	651,898	658,417
	Total operating expense	**$ 3,342,659**	**$ 3,314,302**	**$ 3,357,310**	**$ 3,430,446**	**$ 73,136**	**2.2%**	**$ 3,504,911**	**$ 3,582,589**
Marketing & Communications - Total	**Wages & benefits without OPEB**	**$ 1,847,582**	**$ 1,978,433**	**$ 1,818,344**	**$ 1,991,496**	**$ 173,152**	**9.5%**	**$ 2,054,594**	**$ 2,120,870**
	Other post-employment benefits	**9,277**	**17,540**	**19,381**	**42,452**	**23,071**	**119.0%**	**43,676**	**44,986**
	Services	**957,165**	**766,924**	**1,044,216**	**936,168**	**(108,048)**	**-10.3%**	**945,530**	**954,985**
	Fuel & lubrications	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Parts & supplies	**151,831**	**246,445**	**165,721**	**246,468**	**80,747**	**48.7%**	**253,861**	**261,477**
	Casualty & liability	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Utilities	**7,272**	**10,400**	**7,613**	**10,250**	**2,637**	**34.6%**	**10,558**	**10,874**
	Leases and other expense	**650,263**	**655,995**	**628,708**	**657,424**	**28,716**	**4.6%**	**663,998**	**670,638**
	Total operating expense	**$ 3,623,389**	**$ 3,675,737**	**$ 3,683,983**	**$ 3,884,258**	**$ 200,275**	**5.4%**	**$ 3,972,217**	**$ 4,063,831**

(Sums may not equal Total due to rounding)

Goals and Objectives Action Plan: Marketing and Communication

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

Goal: Build an effective and efficient publicly supported organization that is viewed as a transparent and accountable steward of public funds		
Objective: Establish and execute communications, marketing and outreach plans that build public perception of Bi-State Development programs, enterprises and leadership		
Strategy	**Action Steps**	**Performance Measurements**
Execute strategic external public relations strategies and tactics to raise awareness and support for BSD goals, achievements and contributions to the region Continue to build external and internal awareness of BSD enterprises, recognized for effective economic development through world-class transit services, regional freight development, research, tourism and operation of the St. Louis Downtown Airport Create opportunities to engage constituents in conversations about BDS's role in regional vitality; its programs, enterprises and leadership	• Continue to develop and execute brand strategy for BSD, promoting all operating entities • Execute strategic media and marketing plans for key initiatives • Continue to build awareness for BSD brands as they contribution to the economic vitality of the region • Support and promote BSD and its enterprises • Support implementation of Metro Reimagined rollout • Identify opportunities to create and execute community events • Support Freight and Metro community meetings • Circulate Annual Report to the Region	• Maintain the high number of positive media reports about BSD and its enterprises • Create and promote digital newsletter for Metro customers • Continue updating website assets to reflect growth and impact of BSD enterprises • Share Annual Report with a greater number of constituents through print and electronic media • Increase executive thought leadership position on social media • Increase external website users and social media presence

Goal: Pursue revenue through ridership, advertising revenue and other funding partnerships		
Objective: Execute revenue enhancement strategies		
Strategy	**Action Steps**	**Performance Measurements**
Improve revenue by capitalizing on existing sales channels.	• Develop, execute and adjust as needed specific and trackable sales plan including sales channel categories, product strategies, program baseline and growth goals • Finishing creating CRM system • Continue to create and execute ongoing marketing and communication strategies, messages and collateral materials to support programs	• Consistent sales performance compared with FY 2019 total ridership and revenue • Extend frequency of communication with sales channels
Improve revenue through Tourism, Convention and Recreation markets.	• Develop and execute plan to target tourism and convention markets • Engage conference planners to create partnerships for opportunities such as packaging event with Metro tickets, creation of specialty passes, and co-marketing & social media programs • Work with Revenue to provide increased ease of access to the transit system	• Increased pass sales • Increased event ridership • Increased awareness through "Metro Reimagined" campaign.
Improve revenue through Special Event Passes	• Target special events easily accessed by transit system • Engage event planners to create partnerships for opportunities such as packaging event & Metro tickets, creation of specialty passes, and co-marketing and social media programs	• Increased pass sales • Increased event ridership • Increased awareness through "Metro Reimagined" campaign.
Improve revenue through advertising opportunities	• Maximize revenue from advertising contracts • Expand sales opportunities to sell unused inventory • Work with advertising partner to develop sales strategy targeting corporate clients with multi-year advertising and naming right programs	• Increased sales from advertising sales

Goal: Deliver a high quality transit experience that is recognized by its customers, industry peers and regional stakeholders for its excellence		
Objective: Improve the value of regional transit infrastructure and the quality of the transit experience through aesthetic enhancement		
Strategy	**Action Steps**	**Performance Measurements**
Support the regional transit system and through improved consumer engagement and insights.	• Host annual Art Bus events, MetroLines poetry competition, MetroScapes bus shelter poster competition, and other relevant community-based initiatives • Collaborate with Operations in the development of new Wayfinding and Signage strategies • Grass roots community engagement to help build ridership and community adoption of Metro transit services • Market Research – specifically supports new product development and improve the customer experience at Metro St. Louis	• Increased engagement through community events Art Bus paintings, MetroLines, and MetroScapes events • Improved public perception
Goal: Value all members of our staff and endeavor to help all of our employees develop their fullest potential		
Objective: Build employee awareness of and support for BSD enterprises, goals and achievements		
Strategy	**Action Steps**	**Performance Measurements**
Expand internal communications plans to improve employee knowledge and key talking points of the organization.	• Use employee feedback to address internal communications needs and better inform and engage BSD employees • Remain consistent with internal and external messaging • Continue to develop new features and functionality to the internal website • Manage electronic message boards at BSD facilities	• Increased employee engagement

Performance Indicators – Marketing and Communications Division

Progress in meeting the goals and objectives are measured through performance indicators. The following is a list of the performance indicators for Marketing and Communications:

	FY 2020	FY 2019		FY 2018
	Target	Projection	Target	Actual
Develop and execute strategic and tactical marketing and sales plans that meet business targets for transit				
• Advertising Revenue	$1.5M	$1.5M	$1.6M	$1.4M
• MetroStore Sales	$2.2M	$2.1M	$2.1M	$2.0M
• U-Pass Sales	$4.6M	$4.1M	$4.8M	$4.8M
• Transit Benefit Program Sales	$3.4M	$3.1M	$3.1M	$3.2M
Increase public awareness and support for company policies, plans, services and initiatives through growing effective social media.				
• Metro Facebook likes	17,980	17,000	18,000	15,500
• Metro Twitter followers	18,300	17,500	17,500	16,300
• Metro Instagram followers	4,080	3,800	3,800	3,300
• Bi-State Development Facebook	480	380	356	220
• Bi-State Development Twitter	1,030	850	827	600
• Bi-State Development LinkedIn	2,480	2,000	1,848	1,600
• St. Louis Regional Freightway Facebook	350	250	225	125
• St. Louis Regional Freightway Twitter	560	500	557	350

Metro Transit Improvement Plan

BU190168

Transit Improvement Plan Assumptions

The three-year Transit Improvement Plan reflects known factors to estimate the financial position for BSD through 2022. Deficits projected for FY 2020 – FY 2022 represent the unfunded portion of OPEB obligations and other non-cash items. Service deployment of "Metro Reimagined" will occur in the fall of 2019 and will remain consistent throughout the three-year period. BSD has a new "President and CEO" and management team in place working to build a stronger constituency for public transportation. Major emphasis on safety, improved service delivery and customer service are the building blocks for a bright future.

Operating Revenue

Passenger revenue for FY 2020 – FY 2022 is projected to increase 1.0% annually. System service improvements will create shorter waits, faster trips and better connections. Improvements with service delivery and safety will be a catalyst to attract riders to the system.

TMA revenue is expected to decline by nearly 98.0% in FY 2020 as a result of the loss of its primary contract with the Department of Mental Health. Revenue is not expected to recover substantially in FY 2021- FY 2022.

Paratransit contract revenues are associated with Call-A-Ride operations primarily due to Missouri Medicaid customers. Revenue is expected to decline slightly in FY 2020, stabilize and then grow modestly at 1.0% in FY 2021 - FY 2022.

Other operating revenue consists of advertising on revenue vehicles, shelters and MetroLink stations; property rental; contracted maintenance for St. Clair ATS service; concessions; and miscellaneous other. For FY 2020 – FY 2022, other operating revenues are expected to grow modestly at one percent.

Operating Expense

Operating expenses are projected to remain flat for FY 2020, and be strictly managed to grow modestly during the remainder of the three year period. For FY 2021- FY 2022, inflationary growth is estimated to be 2.9%. This represents normal inflationary pressure on wages and benefits, materials and parts, services, insurance and utilities.

Grants, Sales Tax and Contractual Revenue

Sales tax receipts remain the vehicle of choice for funding public transportation in the St. Louis region. The importance of public transportation to the St. Louis metropolitan region has been recognized since 1973 with the passage of a ½ cent sales tax in both St. Louis County and City. To introduce light rail to the region and provide for further expansion, a ¼ cent sales tax was passed in both St. Louis County and City in 1994. In 1997, the City of St. Louis passed an additional ¼ cent sales tax contingent upon a reciprocal tax in St. Louis County. In 2010, St. Louis County residents passed an additional ½ cent sales tax which allowed collection of both the 2010 ½ cent tax in the County and the 1997 ¼ cent sales tax within the City.

Each year, BSD requests an appropriation sufficient to fund capital improvement and replacements, debt service and operational costs in excess of passenger revenue. Sales tax revenues are not growing at the rate of inflation. Projected annual growth in sales taxes between FY 2020 – FY 2022 is approximately one percent in St. Louis City and County. Sales tax revenues for operations are expected to require an additional $5 million for FY 2021 and FY 2022, above the 1% annual growth projection, to mitigate the lack of growth in all other revenues. Since sales tax growth is lower than inflation, this three-year projection assumes that a greater proportionate share of sales taxes collected is required to fund the same service package in the future

State of Missouri revenue for FY 2020 – FY 2022 is expected to grow minimally at 1.0% and the East-West Gateway Council of Governments (EWGCOG) reimbursement will remain level over all three years.

St. Clair County revenue assumes continuation of St. Clair County, Illinois MetroBus and MetroLink service at current levels. St. Clair County Transit District contracts and pays 100% of the fully allocated cost of service provided to them by BSD. Resources received by St. Clair Transit District to fund public transportation in their District include a 1981 ¼ cent sales tax, a 1993 ½ cent sales tax and Downstate Illinois Department of Transportation Funding. BSD is committed to constrain expenses and projects St. Clair County resources will grow at approximately 1.0% annually.

Federal vehicle maintenance (Federal Formula Funds) is budgeted at $16 million for the period FY 2020 - FY 2022. 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 the investment in assets which the FTA expects Bi-State Development to keep in good condition. Most of transit's facilities are 20-plus years of age. The original MetroLink alignment exceeds 20 years as well.

Other non-capital projects Federal grant revenue represents projects that are eligible to be funded with Federal monies but are technically an operating cost per United States Generally Accepted Accounting Principles. An example, would be rail maintenance grinding which is a repair but costs millions of dollars. Between FY 2020 – FY 2022 BSD anticipates spending between $4-5 million annually on these type of projects. Federal assistance provides an average of 80% of the funding for these projects.

Non-Operating Revenue (Expense)

Investment income is projected to grow more quickly than the past decade as a result of a series of rate increases by the Federal Reserve. This line item also includes the revenue portion of the capital lease program which increases annually. Lease interest revenue offsets exactly lease interest expense related to this program.

Interest expenses increase overall because of the Capital lease program. The interest expense portion of the capital lease program grows annually. The capital lease expense is equally offset by capital lease interest revenue which is in investment income. Annual principal payments on bond debt reduce the amount of interest expense related to bond debt annually.

Deficit before Depreciation

Net deficits projected for FY 2020 – FY 2022 are non-cash and represent annual unfunded GASB 45 and 68 reporting requirements related to OPEB obligations, pension and also amortization of discounts/premiums on debt. 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, Sales Tax and Contractual Revenue detail.

Metro Transit
Transit Improvement Plan
Three-Year Financial Summary

(thousands)

	FY 2020	FY 2021		FY 2022	
	Budget	Projection	Change	Projection	Change
Operating revenue					
Passenger revenue	$ 38,249	$ 38,631	1.0%	$ 39,018	1.0%
TMA revenue	30	30	1.0%	31	1.0%
Paratransit contracts	1,976	1,996	1.0%	2,016	1.0%
Other	4,317	4,361	1.0%	4,404	1.0%
	44,572	**45,018**	**1.0%**	**45,468**	**1.0%**
Non-operating revenue					
Grants, sales tax and contractual revenue	268,727	276,020	2.7%	283,764	2.8%
Investment income	12,039	13,054	8.4%	14,834	13.6%
Other misc non-operating revenue	747	754	1.0%	762	1.0%
	281,513	**289,828**	**3.0%**	**299,360**	**3.3%**
Total revenue	**326,085**	**334,846**	**2.7%**	**344,828**	**3.0%**
Operating expense					
Wages & Benefits	204,403	211,096	3.3%	218,061	3.3%
Services	35,359	35,713	1.0%	36,070	1.0%
Fuels & Lubrications	11,741	12,094	3.0%	12,456	3.0%
Other Expense	46,957	48,225	2.7%	49,528	2.7%
Total Operating Expense	**298,461**	**307,127**	**2.9%**	**316,115**	**2.9%**
Non-operating expense					
Interest on debt	26,095	26,269	0.7%	27,163	3.4%
Sheltered workshop	1,288	1,301	1.0%	1,314	1.0%
Other non-operating expense	747	754	1.0%	762	1.0%
	28,130	**28,325**	**0.7%**	**29,239**	**3.2%**
Total Expense	**326,590**	**335,451**	**2.7%**	**345,355**	**3.0%**
Net income (deficit) before depreciation	**(505)**	**(605)**	**(19.8)%**	**(527)**	**12.9%**
Depreciation	73,721	74,458	1.0%	75,203	1.0%
Net transfer	2,755	2,893	5.0%	3,038	5.0%
Net income (deficit)	**$ (76,982)**	**$ (77,956)**	**(1.3)%**	**$ (78,767)**	**(1.0)%**

(Sums may not equal Total due to rounding)

Metro Transit
Transit Improvement Plan
Three-Year Grants, Sales Tax and Contractual Revenue Detail
(thousands)

	FY 2020	FY 2021		FY 2022	
	Budget	Projection	Change	Projection	Change
Local & state:					
Missouri:					
City of St. Louis 1/2 cent sales tax	$ 19,943	$ 20,143	1.0%	$ 20,344	1.0%
City of St. Louis 1/4 cent sales tax	9,272	9,365	1.0%	9,458	1.0%
City of St. Louis Prop M2 sales tax	7,367	7,440	1.0%	7,515	1.0%
Total City of St. Louis	36,582	36,948	1.0%	37,317	1.0%
St. Louis County 1/2 cent sales tax	44,476	44,921	1.0%	45,370	1.0%
St. Louis County 1/4 cent sales tax	36,925	37,294	1.0%	37,667	1.0%
St. Louis County Prop A 1/2 cent sales tax	70,754	76,238	7.7%	82,146	7.7%
Total St. Louis County	152,155	158,452	4.1%	165,183	4.2%
Other local match - MO	775	783	1.0%	791	1.0%
State of Missouri	776	784	1.0%	792	1.0%
Planning & demonstration reimbursement - EWGCOG	160	160	0.0%	160	0.0%
Total Missouri local & state:	**190,448**	**197,127**	3.5%	**204,242**	3.6%
Illinois:					
St. Clair County	57,583	58,150	1.0%	58,731	1.0%
State of Illinois	105	106	1.0%	107	1.0%
Total Illinois local & state:	**57,688**	**58,256**	1.0%	**58,839**	1.0%
Total local & state	**248,136**	**255,383**	2.9%	**263,081**	3.0%
Federal:					
Vehicle maintenance	16,000	16,000	0.0%	16,000	0.0%
Non-capital projects	4,591	4,637	1.0%	4,684	1.0%
Total Federal	**20,591**	**20,637**	0.2%	**20,684**	0.2%
Total Grants, sales tax and contractual revenue	**$ 268,727**	**$ 276,020**	2.7%	**$ 283,764**	2.8%

(Sums may not equal Total due to rounding)

Metro Transit
Capital Budget

BU190168

Metro Transit

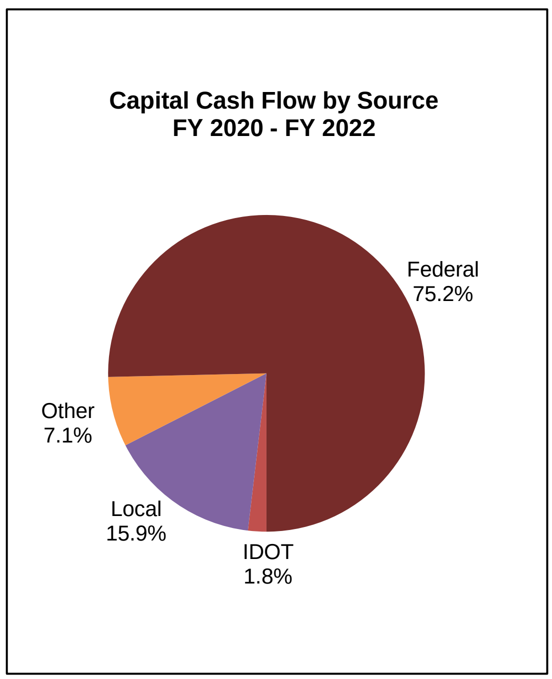
Capital Revenue Assumptions FY 2020 – FY 2022

Federal Funding

"Fixing America's Surface Transportation Act" (FAST Act)

The FAST Act is a five year bill signed into law by President Obama on December 4, 2015. The FAST Act became effective on October 1, 2015, and authorizes transit programs for FY 2016 – FY 2020, through September 30, 2020. If a new law is not passed prior to the end date of the FAST Act, generally operations are continued under an extension until a new law is passed. The FAST Act has provided steady and predictable funding with an increase of $1 billion dollars per year to transit. The FAST Act targets funding increases towards improving state of good repair and the bus program.

Under the FAST Act law, annual authorizations through Section 5307 Urbanized Area Formula program have increased by approximately 2% each year. Additionally, recipients are no longer required to expend 1% of the 5307 funding on associated transit improvements. Annual authorizations through the Section 5337 State of Good Repair program have increased by approximately 1.7% each year. The Section 5339 Bus and Bus Facility formula program is maintained under the current transportation law and annual authorizations have increased by approximately 2% each year. Additionally, the FAST Act re-introduces a discretionary bus program which was eliminated under the previous transportation law.



Annual capital revenue assumptions over the FY 2020 – FY 2022 capital budget period for Bi-State Development will be based on several factors. For urbanized areas (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.

The formula allocation also includes a percent of the Section 5307 funds that are allocated on the basis of low-income persons residing in urbanized areas. Also, annual revenue from these formula based programs are based on Bi-State Development's annual reporting of data to the National Transit Database.

Capital revenue assumptions in the FY 2020 – FY 2022 capital plan are conservative after FY 2020. This is based on two factors which will affect funding appropriations after September 30, 2020. The current expiration date of the FAST Act and the introduction of a new transportation law or extension of the current law will impact the Agency's federal formula allocations. Also, population, population density, and low-income population numbers are subject to change during the calendar year 2020 US census count and will also impact the Agency's federal formula allocations.

Additional capital revenue assumptions in the FY 2020 – FY 2022 capital plan include several discretionary funding programs. Under MAP-21 the Bus and Bus Facility discretionary program was repealed and in its place a new Bus and Bus Facility Formula program was created. Under the FAST Act, the Bus and Bus Facility Discretionary program was re-introduced, and includes a sub-program for technological changes or innovations to modify low or no emission vehicles and facilities. The FAST Act also continues federal highway funding for the Congestion Mitigation and Air Quality program and the Surface Transportation program. Funding under each of these programs is eligible for various public transportation purposes.

The FAST Act also continues the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities program which is a formula program to improve mobility for seniors and individuals with disabilities by removing barriers to transportation service and expanding transportation mobility options.

Bi-State Development's FY 2020 – FY 2022 capital budget totals $746.2 million. Funding is planned through the FAST Act programs mentioned above as well as previously authorized and apportioned programs under MAP-21 and SAFETEA-LU. Federal discretionary programs such as Congestion Mitigation & Air Quality (CMAQ) funds and Surface Transportation Program (STP) funds are continued under the FAST Act law and are planned in this capital program. In addition, the Bus and Bus Facility discretionary grant program was re-introduced under the FAST Act law and funding is planned for revenue rolling stock and facility rehabilitation and replacement.

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

MAP-21 was a two year bill signed into law by President Obama on July 6, 2012. MAP-21 became effective Oct. 1, 2012 and authorized transportation programs through the federal fiscal year ending September 30, 2014. MAP-21 was under a continuing resolution until December 4, 2015. Funding and programs authorized under MAP-21 will continue to be administered through their programmatic life.

Beginning with the FY 2013 apportionment, the Urbanized Area Formula funds have been apportioned based on UZA designations and population counts from the 2010 Census. This continues under the FAST Act.

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 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 Section 5310 program, funding supports “Traditional” capital projects and incorporates the New Freedom activities into the program. The FAST Act continues the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities program over the five-year authorization.

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 continue to be administered through their programmatic life.

Department of Homeland Security Transit Security Grant Program (TSGP)

The Transit Security Grant Program continues to be an important funding source for Bi-State Development. These funds provide for the critical hardening of Bi-State Development’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 2020 – FY 2022 period.

State Funding

Illinois Department of Transportation (IDOT)

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

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

Bi-State Development uses a combination of 1/2 cent and 1/4 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.

Funds generated by the 1/4 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 1/2 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 1/4 cent sales tax in the City of St. Louis that voters there approved in 1997.

St. Clair County (Illinois) Transit District

Funding to support capital projects affecting Illinois will be sought through the St. Clair County Transit District as available.

Other Financing

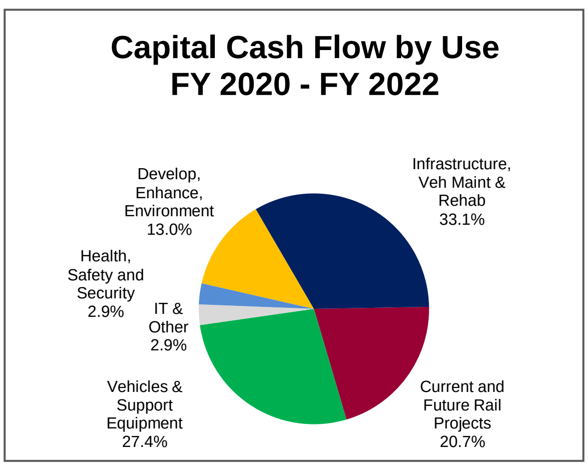
Other financing is made up of operating dollars used to match capital projects such as preventive maintenance of vehicles and facilities. From time to time, funding is also identified from sources other than local sales taxes.

Capital Expenditure Assumptions FY 2020 – FY 2022

Capital Expenditures

The capital expenditure program for FY 2020 – FY 2022 encompasses a wide range of initiatives over the next three years meeting Bi-State Development's (BSD) major capital projects and priorities and incorporates the federal program changes reflected in the current transportation law Fixing America's Surface Transportation Act (FAST Act).

A capital project is defined as one that costs more than $5,000 and has a useful life of more than one year. Total capital expenditures planned for FY 2020 is $324.3 million. Total capital expenditures planned for the three-year capital program is $746.2 million. The FY 2020 – FY 2022 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.



Under the FAST Act, the requirement to set aside one percent of Section 5307 Formula funds for associated transit improvements to enhance MetroBus and MetroLink facilities as a part of BSD's recurring capital activities has been repealed. However, carryover funding approved from prior transportation laws under SAFETEA-LU and MAP-21, are included in the FY 2020 – FY 2022 capital expenditure program to support transit improvements throughout the transit system. To support future transit enhancements, other capital funds will be designated for the Arts in Transit Program as directed by Board policy.

In July 2016, the Federal Transit Administration (FTA) issued a final rule requiring FTA grantees to develop management plans for their public transportation assets, including vehicles, facilities, equipment, and other infrastructure. The Transit Asset

Management (TAM) final rule requires transit agencies to develop a strategic approach to maintain and improve their capital assets. The FY 2020 - FY 2022 capital budget contains several funding strategies to ensure Bi-State Development achieves and maintains a state of good repair status for all its assets.

The three-year capital budget assumes approximately $151.6 million for MetroLink infrastructure projects, $3.0 million for freightway activities; $97.2 million for new development and environmental enhancements, $21.5 million for safety and security enhancements, $21.5 million for information technology improvements, and $.6 million for program administration. Vehicles and supporting equipment needs assume $203.7 million; infrastructure and vehicle maintenance needs assume $247.2 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 bus and light rail facilities including installation of upgraded public address systems and closed circuit televisions (CCTVs).

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 various MetroLink stations as well as continuing to improve access to bus stops and the installation of passenger benches at various bus stop locations throughout the system.

Various technological advancements are planned over the next three years to support Bi-State Development's premiere transit operations. Hardware and software upgrades will be implemented throughout the system. A new operating and capital budgeting system and a new enterprise asset management system will be implemented in FY 2020. The notable benefits of the implementation of these systems include more efficient budget planning, streamlined reporting, and increased asset visibility.

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.
All planned projects for the FY 2020 – FY 2022 capital budget are in support of the Federal Transit Administration's Transit Asset Management and State of Good Repair practices.

Non-Routine Capital Expenditures

There are a number of non-recurring capital expenditures planned in the FY 2020 – FY 2022 capital budget. These non-recurring expenditures are intended to address an immediate capital need within the Bi-State Development's Metro transit system and may impact the operating budget after initial capitalization. Construction of a new MetroLink station to serve the Cortex Innovation Community was completed in September 2018. Design work has begun for rehabilitation and repair of Union Station Tunnel in Downtown St. Louis. Information technology and revenue vehicle replacement projects are budgeted in support of the Metro Reimagined initiative designed to increase customer satisfaction levels.

Bi-State Development 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 2020 - FY 2022 capital program period, funds totaling $14.9 million are planned for expenditure to complete this project. A total of $2.3 million in expenditures is planned for the FY 2020 – FY 2022 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. Funds totaling $31.7 million are planned for the purchase of 20 battery electric buses and necessary infrastructure for charging stations in FY 2020.

During the FY 2020 – FY 2022 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 2020 - FY 2022.

Under the FAST Act, funding for the State of Good Repair Program which supports maintenance, replacement and rehabilitation of light rail infrastructure, facilities and equipment continues to be authorized. During the FY 2020 - FY 2022 capital investment program, projects will be administered and funds expended under the State of Good Repair Program as well as the previously authorized Fixed Guideway Modernization Program. A total of $119.6 million in Federal State of Good Repair funds are planned over FY 2020 - FY 2022 to support light rail facility and right-of-way improvements throughout the system, as well as rehabilitation and replacement of aged revenue and non-revenue equipment. As a part of Bi-State Development's overall state of good repair efforts, Bi-State Development continues to develop its transit asset management program which will further establish standards for the state of good repair of Bi-State Development's transportation infrastructure and vehicles and to develop a transit asset management database to more efficiently manage all assets.

As a part of Bi-State Development'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 $746.2 million addresses all major elements of Bi-State Development's Metro transit system improvements. Included within this plan are seven significant non-routine capital expenditures. They include:

	(in millions)
Light Rail Vehicle Upgrades	$ 135.9
Union Station Tunnel Rehabilitation	45.1
Battery-electric buses and infrastructure	31.7
Information Technology Upgrades	21.5
Radio System Upgrades	14.9
ML Station Security Enhancements	3.6
Fare collection system upgrade	3.2
Total non-routine projects	$ 255.9

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

Non-Routine Capital Grant Administration Agreements

The New Freedom program was introduced in SAFETEA-LU as a formula program. Under MAP-21 the program was 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 FAST Act continues the funding authorization for the Enhanced Mobility of Seniors and Individuals with Disabilities over the five year authorization and is planned during the FY 2020 – FY 2022 program period.

The East-West Gateway Council of Governments (EWGCOG) was identified as the designated recipient for New Freedom funds through SAFETEA-LU. Through a Memorandum of Understanding (MOU) Bi-State Development administers sub-recipient awards and agreements for any projects that were selected through a competitive application process for these programs. Under MAP-21 the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities responsibilities were assigned to co-designated recipients including Bi-State Development, East-West Gateway Council of Governments, Missouri Department of Transportation (MoDOT) and Illinois Department of Transportation (IDOT). Bi-State Development 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 FAST Act continues the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities funding program. It is expected that the co-designated recipients and their assigned responsibilities previously established under the prior authorization will be maintained and that funding will be administered as identified under the current MOU.

Bi-State Development will continue to administer funds remaining under the MAP-21 authorizations through the FY 2020 – FY 2022 program period. New funding appropriated under the FAST Act will also be administered through this program period.

While Bi-State Development is responsible for the administration of the grants and the reimbursement of expenditures generated by these partner agencies, Bi-State Development is not a direct recipient of these funds. Therefore, these projects and funds are not included in Bi-State Development's capital improvement program. Bi-State Development serves as administrator for the following sub-recipients:

MAP-21 Funded Projects
Section 5310 New Freedom Type Projects

	(in millions)
All About Family	.01
Jefferson County Community Partnership	.12
Residential Options	.07
Sub-total New Freedom Type Projects	$ .20

FAST Act Funded Projects
Enhanced Mobility of Seniors & Individuals with Disabilities

	(in millions)
Disability Resource Agency	.14
Illinois Center for Autism	.09
ITN St. Charles	.01
ITNGateway	.03
Sub-total Enhanced Mobility of Seniors & Individuals with Disabilities	$ .27
Total non-routine capital grant administration agreements	$ .47

Additionally, Bi-State Development, through St. Louis Regional Freightway, has partnered with the Terminal Railroad Association of St. Louis (TRRA) to support railroad equipment and infrastructure improvements. Bi-State Development will administer funds in the amount of $2.9 million that was awarded through the Congestion Mitigation & Air Quality discretionary program on behalf of TRRA.

FAST Act Funded Projects
Congestion Mitigation & Air Quality

	(in millions)
Terminal Railroad Association of St. Louis	$ 2.9

Impact of Capital Improvements on Operating Budget

Included in the capital budget is a three-year program designed to build, maintain or replace Bi-State Development's 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 2020 – FY 2022 capital program period and that directly affect the FY 2020 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. The bridge has been returned to a state of good repair and is reducing operating costs related to maintenance expenses. The FY 2020 – FY 2022 capital budget plans for a significant upgrade of the Union Station MetroLink Tunnel. This project is projected to cost $45.1 million. Full funding is planned through the FY 2020 – FY 2022 capital plan. This tunnel has experienced significant repairs over the past few years. The $45.1 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 2020 - FY 2022 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 26 buses. Procurement activities are currently underway to establish a paratransit vehicle purchase contract.

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. 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

Construction of a new MetroLink station in the central corridor of the St. Louis service area and the expansion of the current Central West End MetroLink Station will have a modest impact on operating costs beginning in FY 2020. The new MetroLink station serving the Cortex Innovation Community was completed in 2018. In conjunction with this project, the Central West End MetroLink Station was expanded. With the construction and expansion of these 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 Bi-State Development created twelve years ago to support better transfer options for customers connecting via bus-to-bus or bus-to-rail. Eight other centers have been built since 2002. They include Ballas, North Broadway, Clayton, Shrewsbury, Riverview and Meridian MetroBus Center, Downtown Transfer Center and North County. These centers provide improved transfers between bus routes in a safe and secure location. The maintenance contracts, utilities, additional positions, and landscaping have added approximately $160,000 annually for these facilities. Parking lot upgrades and ADA improvements at our MetroLink stations will decrease current maintenance efforts. 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 2020 – FY 2022

Description	Capital Investment (in millions)	Annual Impact FY	Operating (in millions)
Replacement Rolling Stock	$ 167.6	2020-2022	($3.5)
MetroLink Station at Boyle Avenue and Expansion of Existing Central West End MetroLink Station	$ 15.4	2020	tbd

Metro Transit

Federal Programming Needs FY 2020 – FY 2022

To meet the goals identified in the capital budget, adequate federal funding must be secured to support capital programs for the planned three-year fiscal period. This section describes the planned projects and identifies anticipated sources of funding which includes funds from the current transportation law Fixing America's Surface Transportation Act (FAST Act). Any delay or reduction in federal, state or local funding will necessitate modifications to the capital improvements contained in this capital program.

Programs authorized under the FAST Act will continue to address several important goals facing the transportation system today which includes improving safety, ensuring the state of good repair of the system and focusing on performance and program efficiency. It also emphasizes rehabilitation and replacement of aged infrastructure by furthering the asset management requirements and performance-based planning requirements established under the previous transportation law Moving Ahead for Progress in the 21st century (MAP-21).

Projects identified in Bi-State Development's FY 2020 – FY 2022 capital plan seek to meet the requirements detailed in the FAST Act 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. Bi-State Development'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 Bus and Bus Facility (new discretionary program under the FAST Act), Congestion Mitigation & Air Quality and Surface Transportation Program funds.

Bi-State Development 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. Additionally, through this capital budget period, Bi-State Development is currently conducting a pilot program for Transit Oriented Development (TOD). The TOD program will address ways to plan and attract development for a proposed MetroLink expansion to optimize service for under-served communities.

Under the FAST Act, Bi-State Development will seek funding under the Fixed Guideway Capital Investments Grant program which includes streamlined guidance for the New Starts and Small Starts programs as well as the Core Capacity program. These funding sources will support new or expanded fixed guideway systems, bus rapid transit efforts, and revenue vehicle replacement plans that include battery-electric bus purchases. These projects support recommendations of the new MetroBus service plan called “Metro Reimagined” that is scheduled for implementation in Fall 2019.

Metro Transit
Capital Cash Flow Summary
FY 2020 - FY 2022

Sources of Funds	**FY 2020** (New)	**FY2020** (Carryover)	**FY 2021**	**FY 2022**	**TOTAL**
Federal Formula Funds - New	$ 31,377,667		$ 68,721,043	$ 71,595,541	$ 171,694,251
Federal Formula Funds - Carryover	-	73,859,691	-	-	$ 73,859,691
Fixed Guideway Funds - Carryover	-	7,476,192	-	-	$ 7,476,192
State of Good Repair - New	35,178,085		38,915,155	35,016,305	$ 109,109,545
State of Good Repair - Carryover	-	10,515,075	-	-	$ 10,515,075
Bus and Bus Facility - New	5,312,968		7,874,245	8,211,652	$ 21,398,865
Bus and Bus Facility - Carryover	-	256,819	-	-	$ 256,819
Approved Federal Discretionary Funds	-	59,040,000	-	-	$ 59,040,000
Planned Federal Discretionary Funds	30,000,000		43,393,401	34,095,459	$ 107,488,860
IDOT Funding	3,349,903		-	-	$ 3,349,903
Missouri Local Match	53,478,246		43,364,361	21,712,440	$ 118,555,047
St. Clair County Transit District Funds	8,517,556		1,786,456	33,860	$ 10,304,610
Other Financing	5,944,012		39,171,182	8,000,000	$ 53,115,194
Grand Total	**$ 173,158,437**	**$151,147,777**	**$ 243,225,843**	**$ 178,665,257**	**$ 746,164,052**

FY2020 Capital Programs and Projects

Current and Future Rail Projects			
Freightway District	$	2,970,223	
Track, Catenary, Alignment, Bridge, Tunnel and Maintenance Projects		114,788,131	
			$ 117,758,354
Vehicles and Supporting Equipment			
Peripheral Equipment	$	5,995,811	
Peripheral Support		14,980,526	
Revenue Vehicles		49,118,696	
Support Vehicles		6,681,570	
			$ 76,776,603
New Development, Enhancement, Environmental Projects			
Community Development Projects	$	1,286,173	
Enhancement Projects		6,313,955	
Transit Development-Facility, Centers, Stations, Parking Lots, Loops, Other		3,682,833	
			$ 11,282,961
Information Technology Improvements			
Hardware and Software Data Systems	$	18,241,039	
Office Equipment		252,057	
			$ 18,493,096
Infrastructure, Vehicle Maintenance and Rehab Programs			
Existing Facilities - Maintenance and Rehab	$	12,152,062	
Maintenance Equipment - Fleet, Warehouse, Facilities, Storeroom		2,591,694	
Preventative Maintenance		20,000,000	
Vehicle Maintenance, Rehab, Overhaul Programs		50,518,674	
			$ 85,262,430
Health, Safety, and Security			
Health, Safety, and Security Projects	$	14,458,875	
			$ 14,458,875
Program Administration			
Program Administration	$	273,895	
			$ 273,895
Grand Total			**$ 324,306,214**

FY 2020 - FY 2022 Capital Programs and Projects

Current and Future Rail Projects				
Freightway District	$	2,970,223		
Track, Catenary, Alignment, Bridge, Tunnel and Maintenance Projects		151,635,611		
			$	**154,605,834**
Vehicles and Supporting Equipment				
Peripheral Equipment	$	5,995,811		
Peripheral Support		14,980,526		
Revenue Vehicles		167,613,424		
Support Vehicles		15,122,345		
			$	**203,712,106**
New Development, Enhancement, Environmental Projects				
Community Development Projects	$	9,633,636		
Enhancement Projects		6,313,955		
Transit Development-Facility, Centers, Stations, Parking Lots, Loops, Other		81,253,735		
			$	**97,201,326**
Information Technology Improvements				
Hardware and Software Data Systems	$	21,212,489		
Office Equipment		252,057		
			$	**21,464,546**
Infrastructure, Vehicle Maintenance and Rehab Programs				
Existing Facilities - Maintenance and Rehab	$	47,446,451		
Maintenance Equipment - Fleet, Warehouse, Facilities, Storeroom		3,888,866		
Preventative Maintenance		60,000,000		
Vehicle Maintenance, Rehab, Overhaul Programs		135,902,663		
			$	**247,237,980**
Health, Safety, and Security				
Health, Safety, and Security Projects	$	21,368,365		
			$	**21,368,365**
Program Administration				
Program Administration	$	573,895		
			$	**573,895**
Grand Total			**$**	**746,164,052**

Metro Transit
Capital Cash Flow Summary
FY 2020 - FY 2022

Uses of Funds	FY 2020	FY 2021	FY 2022	TOTAL
Track, Catenary, Alignment, Bridge, Tunnel, and Maintenance Projects	$ 114,788,131	$ 29,860,117	$ 6,987,363	$ 151,635,611
Freightway District	$ 2,970,223			$ 2,970,223
Peripheral Equipment	5,995,811			5,995,811
Peripheral Support	14,980,526			14,980,526
Revenue Vehicles	49,118,696	61,240,868	57,253,860	167,613,424
Support Vehicles	6,681,570	3,440,775	5,000,000	15,122,345
Community Development Projects	1,286,173		8,347,463	9,633,636
Enhancement Projects	6,313,955			6,313,955
Transit Development - Facility, Centers, Stations, Parking, Lots, Loops, Other	3,682,833	67,157,429	10,413,473	81,253,735
Hardware and Software Data Systems	18,241,039	1,971,450	1,000,000	21,212,489
Office Equipment	252,057			252,057
Existing Facilities - Maintenance and Rehab	12,152,062	5,667,725	29,626,664	47,446,451
Preventative Maintenance	20,000,000	20,000,000	20,000,000	60,000,000
Maintenance Equipment - Fleet, Warehouse, Facilities, Storeroom	2,591,694	1,067,882	229,290	3,888,866
Vehicle Maintenance, Rehab, Overhaul Programs	50,518,674	48,010,107	37,373,882	135,902,663
Health, Safety and Security	14,458,875	4,659,490	2,250,000	21,368,365
Program Administration	273,895	150,000	150,000	573,895
Grand Total	**$ 324,306,214**	**$243,225,843**	**$ 178,631,995**	**$ 746,164,052**

Gateway Arch

BU190168

Tourism Innovation

Gateway Arch

Overview:

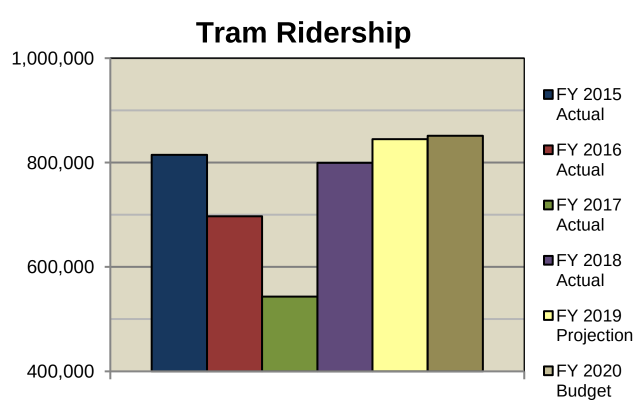
In 1962, as the construction of the Gateway Arch was beginning, National Park Service (NPS) officials recognized that existing funds were insufficient to construct a tram system to carry visitors to the top of the monument. Bi-State Development proposed its first major public transaction which was for the sale of revenue bonds to finance the Gateway Arch Tram Transportation System. Since its opening in 1967, BSD has overseen the tram system operation. Today, BSD employees also handle all aspects of ticketing, 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, BSD 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. BSD's focus is to create a sustainable increase in visitation to Gateway Arch National Park and surrounding area through targeted marketing and capital improvements to meet the demands of our visitors. BSD 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 all 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:

Tram Ride to the Top
New exhibits were implemented for both the North and South Trams in FY 2017.



Museum
The former Westward Expansion Museum opened in July 2018.

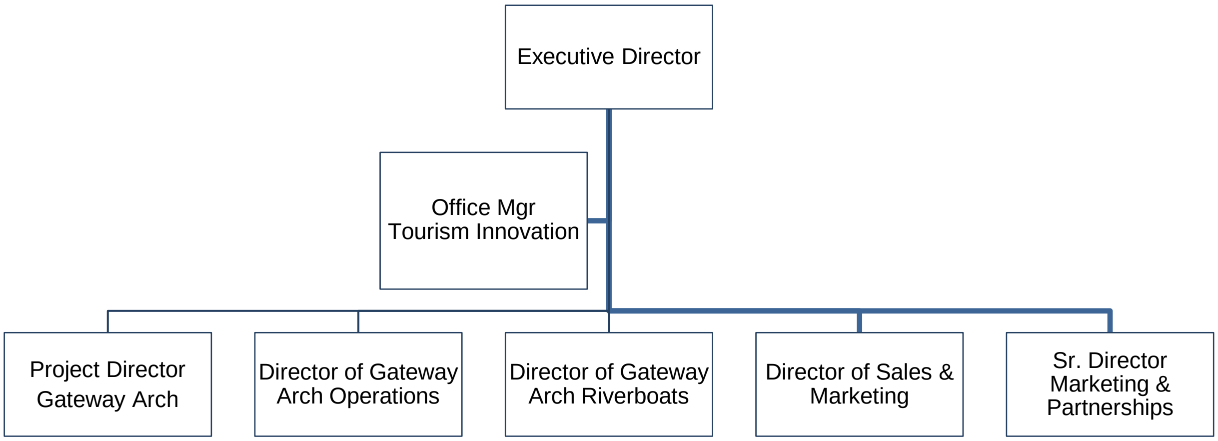
Tucker Theater
Features the film "Monument to the Dream" documenting construction of the Arch.

Arch Store
The Museum Store closed in 2015 and reopened in Spring 2016 as The Arch Store in the former Odyssey Theatre space.

Also on the St. Louis Riverfront:

Old Courthouse, Riverboats at the Gateway Arch, Helicopter tours, Laclede's Landing MetroLink station

Organization:



Total Personnel:

Full-Time - 18
Part-Time - Seasonal employee count varies throughout the year

Gateway Arch
Statement of Revenue and Expense
FY 2018 - FY 2022

	FY 2018 Actual	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	FY 20 Bgt vs. FY 19 Proj $ Change	FY 20 Bgt vs. FY 19 Proj % Change	FY 2021 Budget	FY 2022 Budget
Operating Revenue:								
Arch ticket sales	$ 7,981,286	$ 9,219,530	$ 8,702,892	$ 9,364,770	$ 661,878	7.6%	$ 9,645,713	$ 9,935,084
Sales discounts and allowances	(135,170)	(129,440)	(79,228)	(129,440)	(50,212)	-63.4%	(129,440)	(129,440)
Site rental and other revenues	22,935	188,471	261,819	256,134	(5,685)	-2.2%	259,935	263,850
ISF Health and Welfare	(9,532)	-	(3,632)	-	3,632		-	-
Total Operating Revenue	**7,859,518**	**9,278,561**	**8,881,851**	**9,491,464**	**609,613**	**6.9%**	**9,776,208**	**10,069,494**
Non-Operating Revenue:								
Investment income	110,181	127,938	175,991	186,500	$ 10,509	6.0%	207,015	229,787
Other non-operating revenue	303,389	-	-	-	-	-	-	-
Total Non-Operating Revenue	**413,569**	**127,938**	**175,991**	**186,500**	**10,509**	6.0%	**207,015**	**229,787**
Total All Revenue	**8,273,087**	**9,406,499**	**9,057,842**	**9,677,964**	**620,122**	**6.8%**	**9,983,223**	**10,299,281**
Operating Expenses:								
Compensation	1,584,485	1,753,129	1,672,280	1,952,430	280,150	16.8%	2,011,003	2,071,333
Benefits excluding OPEB	504,434	525,348	492,118	706,693	214,575	43.6%	731,655	757,555
Other post-employment benefits	5,411	12,000	5,219	5,400	181	3.5%	5,562	5,729
Services	1,028,719	1,138,843	1,268,296	1,180,078	(88,218)	-7.0%	1,215,480	1,251,944
Parts & supplies	320,870	443,660	308,007	456,969	148,962	48.4%	470,678	484,798
Casualty & liability	(44,526)	63,507	58,039	66,682	8,643	14.9%	68,683	70,743
Utilities	78,967	135,268	124,759	139,326	14,567	11.7%	143,506	147,811
Other expense	2,108,733	1,939,660	1,917,452	1,922,862	5,410	0.3%	1,980,547	2,039,964
Total Operating Expense	**5,587,092**	**6,011,416**	**5,846,169**	**6,430,440**	**584,271**	**10.0%**	**6,627,115**	**6,829,878**
Non-Operating Expense:								
Interest expense	299,503	293,791	292,432	287,314	(5,118)	-1.8%	281,568	275,936
Gain (loss) on disposal of fed asse	78,516	-	(4,343)	-	-	-	-	-
Contributions to outside entities	942,724	1,121,367	1,048,000	1,155,008	107,008	10.2%	1,189,658	1,225,348
Total Non-Operating Expense	**1,320,742**	**1,415,158**	**1,336,090**	**1,442,322**	**101,890**	**7.6%**	**1,471,226**	**1,501,284**
Total All Expense	**6,907,834**	**7,426,574**	**7,182,258**	**7,872,762**	**690,503**	**9.6%**	**8,098,341**	**8,331,162**
Net Income (Deficit) Before Depreciation & Amortization	**1,365,253**	**1,979,925**	**1,875,584**	**1,805,202**	**(70,381)**	**-3.8%**	**1,884,882**	**1,968,119**
Depreciation & amortization	729,098	378,716	642,163	636,150	(6,013)	**-0.9%**	655,235	674,892
Net transfers (in) out	5,958	-	-	-	-	**-**	-	-
Net Surplus (Deficit)	**$ 630,197**	**$ 1,601,209**	**$ 1,233,420**	**$ 1,169,052**	**$ (64,368)**	**-5.2%**	**$ 1,229,647**	**$ 1,293,227**

(Sums may not equal total due to rounding)

Tourism Innovation

Gateway Arch - FY 2020 Budget

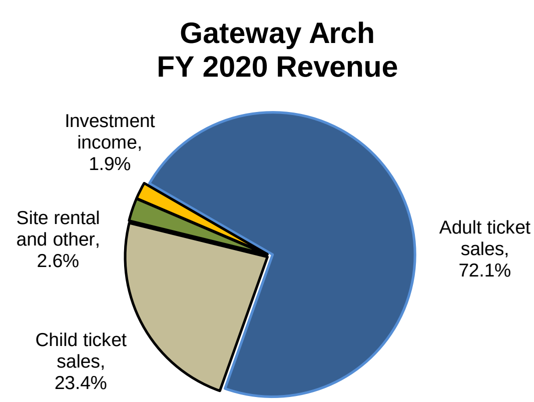
In late 2013, construction began at the Gateway Arch as part of the CityArchRiver Project. The motor generator sets located at the top of the Arch were replaced with a variable frequency drive system that will greatly upgrade the technology used to power the ATS going forward. This project (along with the Arch Visitors Center roof replacement) was funded with $7,656,000 of Arch Tram Revenue Bonds issued in December 2014. Concurrent construction occurred in the ATS exhibit areas, reinvigorating the *Tram Ride to the Top* experience with new audio visuals and a guest-oriented tour process. The new tour process required additional staff members and increased part-time expenses.

The new Gateway Arch visitor experience brand launched in February 2018 and included a redesigned website, responsive webstore and marketing collateral. The grand opening July 3, 2018 was planned to coincide with Fair Saint Louis and the July 4th celebration on the St. Louis Riverfront. In partnership with the Gateway Arch Park Foundation, the National Park Service and others, the renovations of the monument, grounds and museum were designed to create better access to the Arch from the Old Courthouse and downtown St. Louis, and ensure that this national landmark remains a top destination for visitors from around the world. The major infrastructure upgrade of the tram motor generator system, will also improve the experience for visitors traveling to the top of the Gateway Arch. These investments have delivered a positive impact to the region's tourism initiatives and the overall St. Louis regional economy.

In June 2018, BSD's permanent ticket operations office opened. The Gateway Arch's two ticketing locations include nine points-of-sale in an entry level Ticket Center and two points-of-sale in the main level lobby near the trams for ticket adjustments.

Revenue

Arch ticket sales in FY 2020 result from a budgeted 851,343 tram passengers. This projection is conservative taking into account decreased local convention business and a Federal government shutdown affected FY 2019. FY 2020 has a risk of a similar scenario occurring. Beginning January 2019 a variable pricing structure, common in the hospitality and tourism industry was introduced. Tram rates range from $12-$16 for adult and $8-$12 for children. A $3 National Park Entrance fee is included in the adult rate.



Site rental and other revenues have convenience fees charged to the online and individual phone ticket purchases and tram rental fees for events held at the Gateway Arch.

Expense

Wages and benefits including OPEB are budgeted in FY 2020 at 16.3% higher than the FY 2019 budget due to normal annual increases plus the addition of a Digital Media Specialist position. Additional tour guide hours are required for the new tram tour experience and additional ticket sales agents are needed to staff the 11 points-of-sale. FY 2020 budget is 22.8% higher than FY 2019 projection, which was impacted by the government shutdown.

Services increased 3.6% over the FY 2019 budget and decreased 7.0% when compared to FY 2019 projection. In FY 2019, some additional consulting services on the renovated Arch's expanded maintenance responsibilities occurred. The largest expenditure in this category is the cost of mechanics employed by the National Park Service. Services include the following (in thousands):

Mechanics employed by the National Park Service	$ 779
Credit card fees, banking service charges	259
Legal and consulting	38
Internet web site maintenance and development	33
Maintenance services	61
Other (employment verification)	10
	$1,180

Parts and supplies are budgeted at $456,969, which is 3.0% higher than the FY 2019 budget. The FY 2019 projection was also affected by the Federal government shutdown. It is lower than the FY 2020 Budget by 48.4%. The FY 2020 budgeted expense reflects a return to a level needed to support additional revenue.

Casualty and liability costs are budgeted in FY 2020 at 14.9% higher than the FY 2019 projection and 5.0% higher than the FY 2019 budget as an increase in the casualty insurance premium is anticipated.

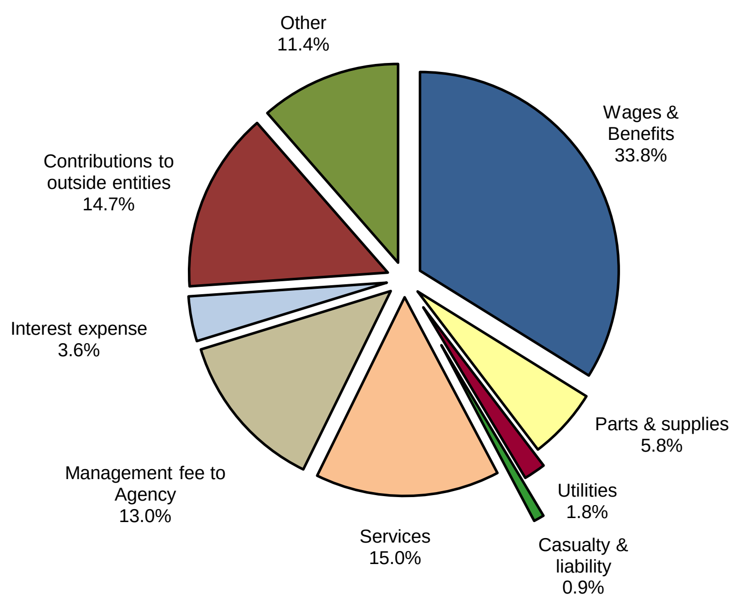
Utilities are primarily electricity costs that are $135,824 of the overall $139,326 utility budget in FY 2020. Utility costs are influenced to some degree by the severity of the weather although much of the facility is underground.

Other expense includes the following (in thousands):

Management fee to Executive Office	$ 1,022
Advertising and promotion	810
Travel, training, lease expense and other	91
	$ 1,923

Other expense is budgeted in FY 2020 to be 0.9% lower than the FY 2019 budget and just slightly higher than the FY 2019 projection. Costs are very consistent from year to year.

Gateway Arch
FY 2020 Expense



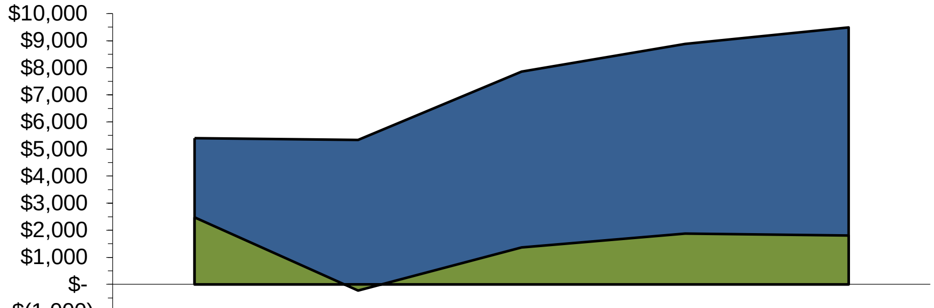
Interest expense is the interest on the $7.7 million Arch Tram Revenue Bond Issue in December 2014. The bond issue funded both the motor generator set replacement project and the Arch Visitor Center roof replacement project.

Contributions to outside entities in the FY 2020 projection are for operation and maintenance costs for the newly expanded Gateway Arch Visitor Center, including additional security operations by the National Park Service.

Net income (deficit) before depreciation for FY 2020 is budgeted 3.8% below FY 2019 projection and 8.8% below FY 2019 budget. Since the Arch operations was impacted by the Federal government shutdown in FY 2019; FY 2020 budget estimates are more conservative. Barring a repeat of disrupted operations, the new Arch experience is expected to draw additional visitors and tram riders to the park. All income the Gateway

Arch generates is held in the Jefferson National Expansion Memorial Beneficial Fund. The capital budget for FY 2020 is $0.7 million.

Gateway Arch
Net Income (Deficit) Before Depreciation



(In thousands)	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Projection	FY 2020 Budget
Revenue	$5,400	$5,335	$7,859	$8,881	$9,491
Net income (deficit) before depreciation	$2,476	($228)	$1,365	$1,876	$1,805

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'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: Leverage new experience to increase tram ridership and revenue to pre-construction levels		
Objective: Optimize tram process and capacity		
Strategy	**Action Steps**	**Performance Measurements**
Maximize tram efficiency and daily ridership	• Record and evaluate trip counts on a daily basis • Fill each trip to capacity, while still ensuring a positive visitor experience • Optimize tour process and timing throughout FY 2020 • Educate visitors on arrival time and tour length through staff communication, marketing efforts and digital signage	• Tram efficiency measures improve • Number of full trips increases • Customer feedback demonstrates satisfaction with flow through tram experience • All communications media (website, emails, social media, on-site signage, digital communications system, staff talking points) reflect arrival time and tour length
Objective: Boost ticket sales		
Strategy	**Action Steps**	**Performance Measurements**
Utilize new Gateway Arch brand to increase ticket sales	• Utilize digital advertising strategies to test markets during FY 2020 winter months • Continuously encourage advance and online ticket sales through all marketing mediums • Analyze online performance data to optimize marketing efforts	• Increased number of advance and online ticket sales • Utilize real-time digital dashboard to assess advertising and marketing activities relative to ticket sales data
Increase overall percentage of group sales	• Develop an enhanced sales plan for international travelers and emerging markets by end of FY 2020 • Re-engage educational groups to increase field trips and upsell to include the tram • Continue to collaborate with partners to complement curriculum in classrooms and assist with field trip funding	• Collaborate with Explore St. Louis and Missouri Division of Tourism on sales activities directed at international markets • Develop outreach plan to re-engage 4^{th} grade teachers to take advantage of NPS' Every Kid In A Park (EKIP) program • Explore partnership opportunities to identify potential funding sources for field trips
Increase conversion of on-site visitors	• Strategically stage greeters to welcome visitors and promote product offerings throughout FY 2020 • Educate visitors of options through on-site signage • Provide enhanced sales training for ticket sellers prior to peak season	• Increase number of tickets sold compared to number of visitors entering the facility • On-site signage and digital communications system reflects activities options for visitors • On-going communications and training for staff regarding increasing tickets sold on-site

Goal: Optimize renovated and new facility spaces for a quality visitor experience		
Objective: Create a seamless experience from the entry plaza to the tram lobby		
Strategy	**Action Steps**	**Performance Measurements**
Optimize digital communication to educate visitors	• Utilize website and its 'plan your visit' section by continuous updates based on visitor feedback • Ensure consistent and clear information is provided on gatewayarch.com (website and webstore) and partner websites and apps • Communicate desired visitor flow through digital signage within Arch facility	• Visitor feedback demonstrates satisfaction with overall visitor experience • Digital communications messages are consistent throughout all media (website, social media accounts, and on-site digital communications system)
Establish and refine new ticket center operations	• Develop and refine new policies and procedures and training materials for frontline staff and partners on an ongoing basis • Orient visitors with strategically placed greeters and lobby signage • Further refine queuing plan • Account for the safety and security of employees and resources	• All relevant policies and standard operating procedures (SOPs) as well as training materials are updated to reflect new ticket center operations • Staff greeter assignments are observed and adjusted to account for new visit flow • Initial queuing plan for new ticket center is implemented and adjusted as needed • Safety and security policies and procedures are updated in conjunction with NPS safety and security policies and procedures
Analyze new visitor flow throughout facility and adjust operations	• Review ticket center and facility hours with park partners to maximize daily tram ridership • Continue to observe visitor traffic patterns through new spaces, including security after ticketing and expanded museum	• Study visitor flow through direct observation to adjust ticketing and tram operations as needed

Goal: Foster an organizational culture that supports staff enrichment and puts visitors first		
Objective: Create staff excitement, ownership and buy-in of new visitor experience and brand		
Strategy	**Action Steps**	**Performance Measurements**
Ongoing training and communication of strategic plan, including brand, and department goals and objectives	• Continue to ensure the brand promise matches the experience through new employee orientation and ongoing employee training • Engage employees through motivational contests and challenges throughout year	• Offer on-going training opportunities that provide continually updated company information including visitor feedback • Through organization development initiatives, engage employees and provide on-going sources of motivation
Create a sense of ownership and community among staff and partners	• Host employee events to meet partners and experience new onsite offerings	• Initiate and participate in information sessions and social events with partners

Performance Indicators – Gateway Arch

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

Performance Indicators	FY 2020	FY 2019		FY 2018
	Target	Projection	Target	Actual
Tram ridership	851,343	844,773	921,953	799,576
Net Income (Deficit) before Depreciation (in thousands)	$1.8M	$1.9M	$2.0M	$1.4M
Operating Expense Ratio	67.8%	65.8%	64.8%	71.1%

Tourism Innovation

Gateway Arch
FY 2020 - 2022 Capital Projects Summary
(in thousands)

Sources of Funds:	FY 2020	FY 2021	FY 2022	Total
Jefferson National Expansion Memorial Beneficial Fund	$ 715	$ 4,500	$ 3,100	$ 8,315
Total Sources of Funds	**$ 715**	**$ 4,500**	**$ 3,100**	**$ 8,315**

Uses of Funds:	FY 2020	FY 2021	FY 2022	Total
JNEM Park Identifying Signage				
Directional signage design, fabrication and installation throughout the Jefferson National Expansion Memorial	$ 205	$ -	$ -	$ 205
Tucker Theatre Repurposing				
Design and audio visual programming - Phase 1	350	-	-	350
Design and audio visual programming - Phase 2		1,500	500	2,000
Tucker Theatre Repurposing - Phase 3	-	3,000	2,600	5,600
Load Zone Exhibits				
Leak mitigation, additional contract to Load Zone Exhibits	160	-	-	160
Total Uses of Funds	**$ 715**	**$ 4,500**	**$ 3,100**	**$ 8,315**

Riverfront
Attractions

BU190168

Riverfront Attractions

Overview:

The Riverboats at the Gateway Arch is the oldest excursion boat company to continuously operate on the Mississippi River. In July 2001, Bi-State Development 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 Riverboats at the Gateway Arch are a natural extension of the educational programs currently offered at the Gateway Arch National Park.

The Riverboats offer two primary public cruises. The one-hour sightseeing cruise departs up to seven times a day seasonally, with additional times added as needed to accommodate demand. The evening dinner cruise features dinner, live riverboat jazz-style music, and magnificent views of the St. Louis skyline. In addition, they offer popular Blues cruises, Brunch cruises, Kimmswick cruises, Lock & Dam cruises, Ocktoberfest cruises and many more specialty themed 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 Paddlewheel Café, gift shop, and a public use heliport barge offering helicopter tours.

Strategic focus:

The goal of the Riverboats is to compliment the unique entertainment and educational opportunities at the Gateway Arch while generating additional revenue. This requires the combined efforts of Bi-State Development and the National Park Service through creative and aggressive marketing strategies. In FY 2020, the Riverboats and the National Park Service will continue their National Award winning Riverboat Educational Programs with the goal of regaining passenger revenue after a period of major riverfront construction.

Number of passengers yearly (FY 2018 Actual):

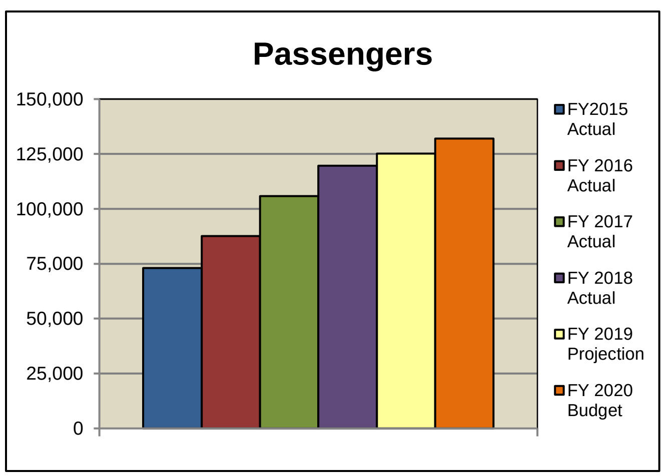
Sightseeing	99,258
Dinner cruise	11,959
Charter/specialty cruise	8,371

Tom Sawyer Riverboat:

Passenger capacity	350
Year built	1966

Becky Thatcher Riverboat:

Passenger capacity	300
Year built	1963



Organization: Riverfront Attractions

- Director
  Gateway Arch Riverboats
  - Chef
  - Marine Operations Manager
  - Manager
    Gateway Arch Riverboats

Total Personnel:

Full-Time - 12

Part-Time - Seasonal employee count varies throughout the year

Riverfront Attractions
Statement of Revenue and Expense
FY 2018 - FY 2022

	FY 2018 Actual	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	FY 20 Bgt vs. FY 19 Proj $ Change	FY 20 Bgt vs. FY 19 Proj % Change	FY 2021 Budget	FY 2022 Budget
Operating Revenue:								
Cruise	$2,009,626	$2,018,240	$2,077,653	$ 2,365,854	$ 288,201	13.9%	$2,436,830	$2,509,935
Food	604,250	592,790	572,682	687,440	114,758	20.0%	708,063	729,305
Beverage	295,791	264,863	301,432	334,367	32,935	10.9%	344,398	354,730
Retail	133,433	128,250	123,158	140,023	16,865	13.7%	144,224	148,550
Other	87,358	91,722	102,513	97,169	(5,344)	-5.2%	100,084	103,087
Total Operating Revenue	**3,130,458**	**3,095,865**	**3,177,439**	**3,624,853**	**447,414**	**14.1%**	**3,733,599**	**3,845,607**
Operating Expense:								
Compensation	972,021	1,039,968	1,000,872	1,071,829	70,957	7.1%	1,103,983	1,137,103
Benefits excluding OPEB	439,612	466,722	461,130	516,277	55,147	12.0%	534,828	554,088
Other post-employment benefits	5,488	11,120	4,800	6,021	1,221	25.4%	6,202	6,388
Services	256,751	279,489	288,749	265,661	(23,088)	-8.0%	273,631	281,839
Parts and supplies	522,498	499,000	525,740	543,963	18,223	3.5%	560,282	577,090
Fuel and lubrications	51,636	55,000	70,395	75,590	5,195	7.4%	77,858	80,193
Casualty and liability	141,693	159,227	148,177	167,187	19,011	12.8%	172,203	177,369
Utilities	98,456	84,904	96,419	91,029	(5,390)	-5.6%	93,760	96,573
Other expense	141,406	158,619	142,603	350,524	207,920	145.8%	361,039	371,870
Total Operating Expense	**2,629,561**	**2,754,049**	**2,738,884**	**3,088,080**	**349,196**	**12.7%**	**3,183,785**	**3,282,514**
Non-Operating Expense:								
Prior period adjustments	947	-	-	-	-	-	-	-
Total Non-Operating Expense	**947**	**-**	**-**	**-**	-	**-**	**-**	**-**
Total All Expense	**2,628,614**	**2,754,049**	**2,738,884**	**3,088,080**	349,196	**12.7%**	**3,183,785**	**3,282,514**
Net Income (Deficit) Before Depreciation	**501,845**	**341,816**	**438,555**	**536,773**	**98,218**	**22.4%**	**549,814**	**563,093**
Depreciation	255,543	262,793	253,353	249,463	(3,890)	-1.5%	256,947	264,656
Net Income (Deficit)	**$ 246,302**	**$ 79,022**	**$ 185,201**	**$ 287,309**	**$ 102,108**	**55.1%**	**$ 292,867**	**$ 298,437**

(Sums may not equal total due to rounding)

Riverfront Attractions – FY 2020 Budget

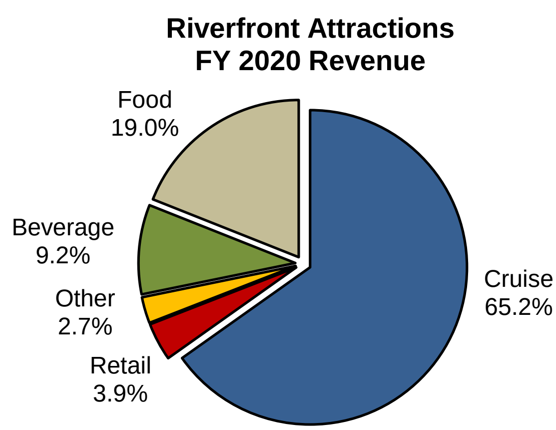
The Riverfront Attractions, which include the Riverboats at the Gateway Arch, Paddlewheel Café, gift shop, and the heliport, create a complete family and tourist destination. The ability to provide these additional offerings to guests has created cross-promotional marketing opportunities, which leverage the success of the Tram Ride to the Top and increase per capita revenues. In FY 2020, the Riverboats will be continuing the pricing strategy of "combo pricing" by reducing cruise fares 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, Paddlewheel Café and photography. With these partnerships and promotions, it is the goal of Riverfront Attractions to increase awareness and revenues of Bi-State Development (BSD) operations on the riverfront.

In FY 2020, the Riverboats, with the combined efforts and aggressive marketing strategies of BSD and the National Park Service, will continue to regain revenues and passenger counts after a major construction period at the Arch and along the riverfront. BSD will continue the award winning Riverboat Educational Program.

Revenue

The following summarizes revenue by category. Revenues are expected to increase due to the completion of Arch construction and the elevation of the street along the riverfront.

Cruise revenue is based on the FY 2020 budget of 131,950 passengers. Cruise revenue for FY 2020 is budgeted at $2,365,854, which is 13.9% higher than the FY 2019 projection. Revenues are expected to increase as a result of an increase in the number of planned cruises. In FY 2020, in conjunction with the Gateway Arch, the riverboats are offering variable pricing, with an adult sightseeing ticket starting at $19 and a child ticket starting at $9. A base dinner cruise ticket will be $49.



Food revenue includes food sold on dinner dance cruises, on board concessions and at the Paddlewheel Café. Food revenue is budgeted in FY 2020 to increase by 20.0% from the FY 2019 projection as more planned cruises, increased days of operation and catering will generate more passenger food demand.

Beverage revenue for FY 2020 is generated from beverage sales on the various types of cruises and from the Paddlewheel Café. Beverage revenue is budgeted at 10.9% higher than the FY 2019 projection based on the increase in passengers in FY 2020.

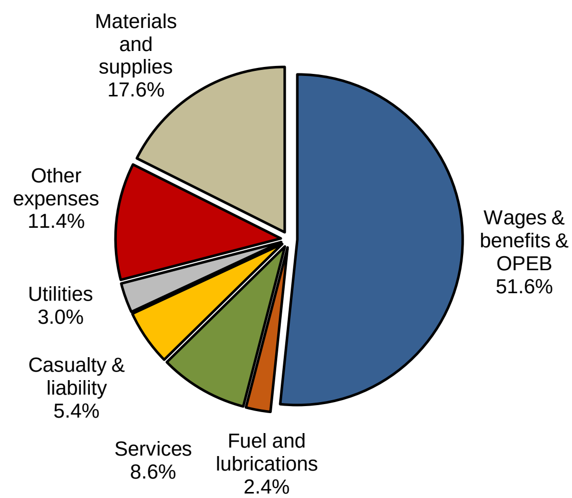
Retail revenue is generated from gift shop sales. These revenues are budgeted in FY 2020 at 13.7% higher than the FY 2019 projected retail revenue assuming higher passenger counts based on increased operations.

Other miscellaneous revenue in FY 2020 includes revenues from helicopter tours and concessions and a contracted passenger cruise photography service. The FY 2020 budget projects these revenues 6.0% higher than budget.

Expense

Wages and benefits including OPEB are budgeted in FY 2020 at 8.6% higher than the FY 2019 projection as a result of increasing staffing for a Sous-chef to accommodate higher demand.

Riverfront Attractions
FY 2020 Expense



Services in FY 2020 are budgeted to decrease 8.0% from the FY 2019 projection and 4.9% from the FY 2019 budget primarily due to lower contract maintenance expense. Capital repairs on the Tom Sawyer and mooring barge refurbishment should lower maintenance expense in FY 2020.

Materials and supplies are budgeted 3.5% higher than the FY 2019 projection and 9.0% higher than the FY 2019 budget. The FY 2020 budget for materials and supplies is predominantly impacted by higher costs to operate more cruises and serve more patrons.

Fuel and lubrications expense is budgeted, in FY 2020, 7.4% higher than the FY 2019 projection and 37.4% higher than the FY 2019 budget based on conservative fuel prices with expectations of more cruises.

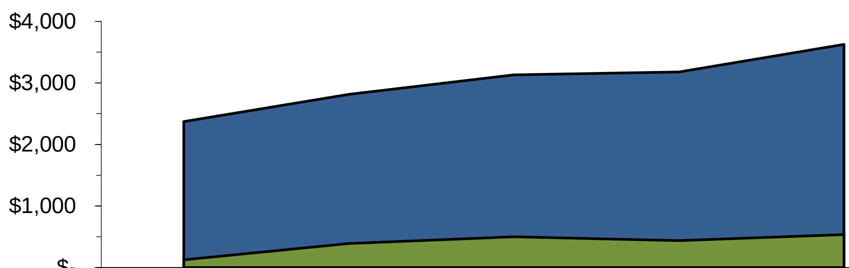
Casualty and liability costs are budgeted at 5.0% higher than the FY 2019 budget, and 12.8% greater than the FY 2019 projection. Increases in the price of insurance and more cruises are impacting this expense.

Utilities are comprised of $53,045 for electricity, $6,437 for telephone, $10,628 for natural gas, $10,419 for waste removal, and $10,500 for water and sewer. Utilities are significantly impacted by the severity of weather, level of service and days of operation.

Other expense is 145.8% higher than the FY 2019 projection and 121.0% higher than the FY 2019 budget because a 5.0% ($181,243) management fee to Executive Services is budgeted. This fee was waived for more than a decade as Riverfront Attractions struggled through years of flooding and construction along Leonor K Sullivan Boulevard. Riverfront Attractions anticipates a rebound in operation creating a stronger financial position to afford the management fee.

Net income (deficit) before depreciation is budgeted at $536,773, which is higher than the FY 2019 budget by 57.0% and FY 2019 projection by 22.4%. Raising Leonor K. Sullivan and reducing the impact of annual flooding as well as completion of the Arch project have created favorable conditions to expand operations ultimately improving the profitability of this enterprise. Income generated in FY 2020 will assist in funding future Riverfront Attractions capital improvements.

Riverfront Attractions
Net Income (Deficit) Before Depreciation



(In thousands)	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Proj	FY 2020 Budget
Revenue	$2,374	$2,812	$3,130	$3,177	$3,625
Net income (deficit) before depreciation	$124	$393	$502	$439	$537

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'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: Leverage rebrand of visitor experience and work to grow newly created cruise and dockside offerings while increasing local, repeat clientele.</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>Seek increasing revenue from all available sources</td><td>• Increase revenue opportunities by offering an increased variety of cruise, food, beverage and retail options to meet entertainment needs 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
• Increase involvement in community and tourism organizations to enhance awareness of the riverboats and dockside offerings
• Increase revenue producing opportunities for the newly renamed Paddlewheel Café
• Update and improve facilities</td><td>• Increased ticket sales on cruises offered
• Increased sales of food items
• Increased sales of beverage items
• Increased sales of retail items
• Increased cross sales of ticketed events at the Gateway Arch
• USCG Certification: Vessels meet all requirements; crew is properly trained; vessels comply with USCG regulations related to Americans with Disabilities Act
• 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</td></tr>
</table>

Goal: Deliver a high quality experience that is recognized by its customers, industry peers, and regional stakeholders for its excellence		
Objective: Improve service quality and make the guest experience as pleasant as possible		
Strategy	**Action Steps**	**Performance Measurements**
Understand and take steps to meet or exceed our customers' expectations	• Continue to insure safety and quality of food and service by exceeding Federal, State and local safety and health guidelines • Assess the degree to which product offerings match customer needs • Provide enhanced, ongoing customer service training for all staff	• 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 an anticipated higher number of visitors to the area

Performance Indicators – Riverfront Attractions

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

Gateway Arch Riverfront Attractions: Performance Indicators				
	FY 2020	**FY 2019**		**FY 2018**
	Target	**Projection**	**Target**	**Actual**
Passengers	131,950	125,139	116,755	119,588
Cruises	1,167	1,083	1006	1,019
Days of operation	283	255	252	273
Passengers per Cruise	122	117	116	117
Revenue per Passenger	$27.47	$25.39	$26.51	$26.18
City health inspection score				
Becky Thatcher boat	100	100	100	100
Tom Sawyer boat	100	100	100	100
Main Galley	100	100	100	100

Riverfront Attractions
FY 2020 - 2022 Capital Project Summary

(in thousands)

	FY 2020	FY 2021	FY 2022
Sources of Funds:			
Riverboat Renewal and Replacement Fund*	$ 360	$ -	$ -
Total Sources of Funds	**$ 360**	**$ -**	**$ -**
Uses of Funds:			
FY 2020 - Tom Sawyer 5-year USCG Inspection/Dry Docking (February 2020)	$ 175	$ -	$ -
FY 2020 - Mooring Barge Refurbishment	185	-	-
Total Uses of Funds	**$ 360**	**$ -**	**$ -**

* Executive Services will fund any cash shortfalls to the Riverboat Renewal and Replacement Fund concerning these projects.

St. Louis Downtown Airport

BU190168

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 St. Louis 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 annually.

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.

The Airports' 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.

Its primary goals are safety and security, infrastructure preservation and enhancement, and organizational excellence. These 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. 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 2018):

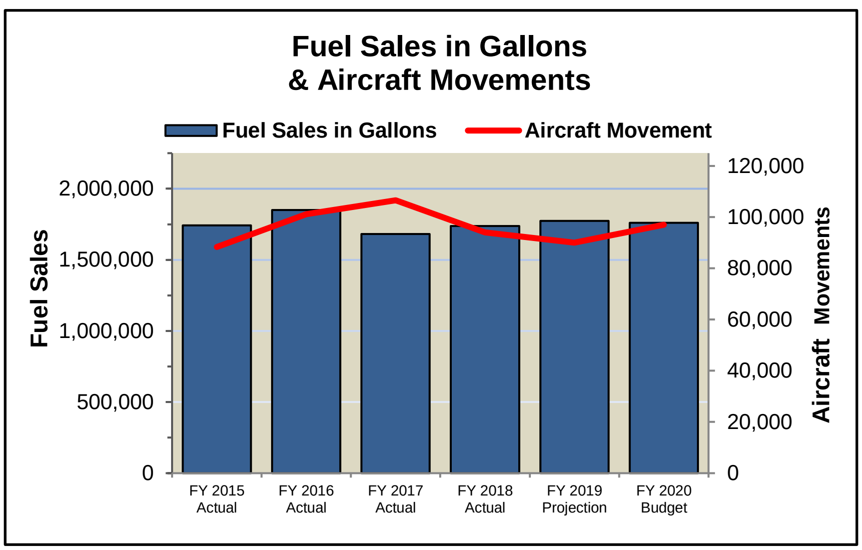
1.7 million gallons of fuel sold
94,034 aircraft movements
313 based aircraft (Mo. Avg.)
Location of Flight Training
Dept. of St. Louis University

Facilities:

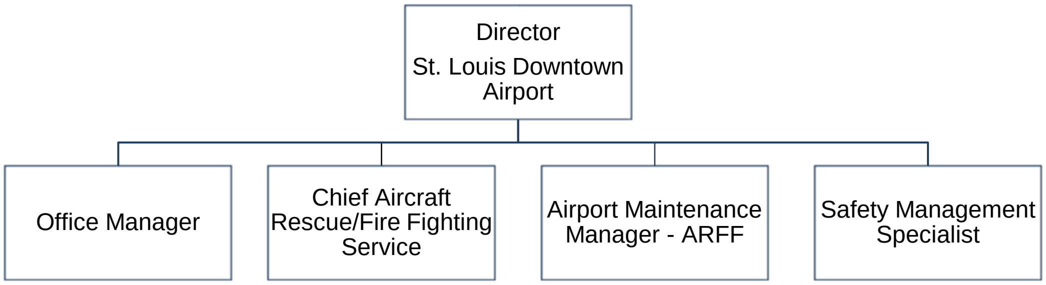
95 small, 42 mid and
21 large hangers
1,013 acres

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

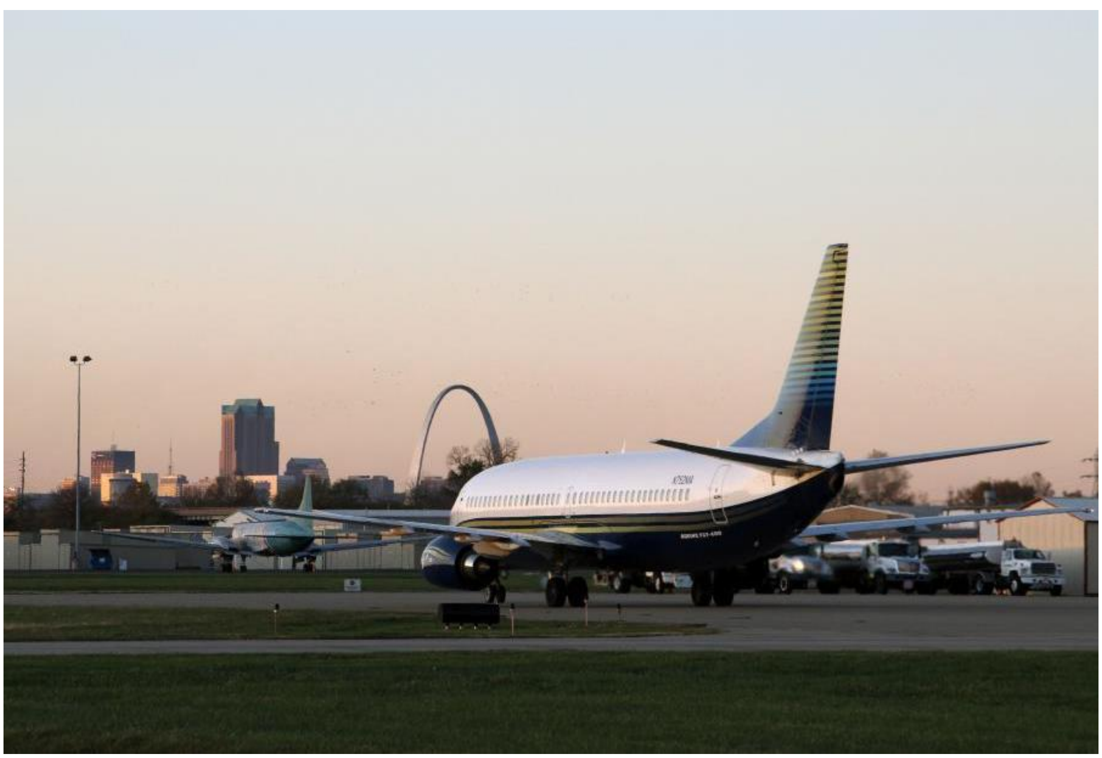


Organization:



Total Personnel:

Full-Time - 12
Part-Time - 5



St. Louis Downtown Airport
Statement of Revenue and Expense
FY 2018 - FY 2022

	FY 2018 Actual	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	FY 20 Bgt vs. FY 19 Proj $ Change	FY 20 Bgt vs. FY 19 Proj % Change	FY 2021 Budget	FY 2022 Budget
Operating Revenue:								
Aircraft parking	$ 148,117	$ 144,587	$ 131,818	$ 134,649	$ 2,831	2.1%	$ 138,688	$ 142,849
Leased acreage	321,991	550,743	568,451	615,660	47,209	8.3%	634,130	653,154
Hangar rentals	745,628	604,866	557,049	533,347	(23,702)	-4.3%	549,347	565,828
Aviation fuel sale-flowage fee	171,114	191,783	170,721	187,890	17,169	10.1%	193,527	199,333
Concession fees	114,870	117,144	115,672	113,914	(1,758)	-1.5%	117,331	120,851
Other revenues	129,253	163,912	143,507	189,676	46,169	32.2%	195,366	201,227
Total Operating Revenue	**1,630,973**	**1,773,035**	**1,687,218**	**1,775,136**	**87,918**	**5.2%**	**1,828,389**	**1,883,242**
Non-Operating Revenue:								
Investment income	10,400	2,875	18,266	20,000	1,734	9.5%	22,200	24,642
Total Non-Operating Revenue	**10,400**	**2,875**	**18,266**	**20,000**	**1,734**	9.5%	**22,200**	**24,642**
Total All Revenue	**1,641,372**	**1,775,910**	**1,705,484**	**1,795,136**	**89,652**	**5.3%**	**1,850,589**	**1,907,884**
Operating Expenses:								
Compensation	526,364	659,375	568,234	673,218	104,984	18.5%	711,625	732,974
Benefits excluding OPEB	390,431	384,609	382,822	420,228	37,406	9.8%	437,104	453,029
Other post-employment benefits	4,619	13,580	4,444	7,614	3,170	71.3%	7,842	8,078
Services	179,601	116,535	128,536	104,338	(24,198)	-18.8%	107,468	110,692
Parts & supplies	104,746	166,459	135,436	166,678	31,242	23.1%	171,678	176,829
Casualty & liability	50,797	44,668	51,384	55,668	4,284	8.3%	46,008	47,388
Utilities	202,123	185,741	170,558	167,500	(3,058)	-1.8%	172,525	177,700
Other expenses	120,030	112,149	112,200	112,255	55	0.0%	115,623	119,091
Total Operating Expense	**1,578,710**	**1,683,116**	**1,553,615**	**1,707,499**	**153,885**	**9.9%**	**1,769,874**	**1,825,782**
Non-Operating Expense:								
Other expense	(27,861)	-	-	-	-	-	-	-
Total Non-Operating Expense	**(27,861)**	**-**	**-**	**-**	**-**	-	**-**	**-**
Total Expense	**1,550,849**	**1,683,116**	**1,553,615**	**1,707,499**	**153,885**	**9.9%**	**1,769,874**	**1,825,782**
Net Income (Deficit) Before Depreciation & Amortization	**90,523**	**92,795**	**151,869**	**87,637**	**(64,233)**	**-42.3%**	**80,715**	**82,102**
Depreciation & amortization	1,358,441	1,392,603	1,303,562	1,513,816	210,254	16.1%	1,559,231	1,606,008
Net Income (Deficit)	**$ (1,267,918)**	**$ (1,299,808)**	**$ (1,151,693)**	**$ (1,426,180)**	**$ (274,486)**	**-23.8%**	**$ (1,478,516)**	**$(1,523,906)**

(Sums may not equal Total due to rounding)

St. Louis Downtown Airport – FY 2020 Budget

In FY 2020, the Airport plans to make improvements to the airfield surface mounted signs to aid in the safe navigation of aircraft on the property and meet new FAA regulations. This project will improve pilot awareness of the airport grounds. Helicopter activity is on the rise. The St. Louis Downtown Airport continues to market land and the services of our tenants as a way to increase our presence in the St. Louis market and bring more attention to the airport from the flying public.

The airport completed phase one of a multi-year project to relocate primary taxiway, Taxiway Bravo. Phase one included expanding five taxiway intersections to allow for larger aircraft to fully navigate the airport. In future years, the entire taxiway will be rebuilt and moved to increase the distance between the taxiway and the runway. This is an historical event for the airport. New wayfinding signs were installed. This was part of an overall branding initiative in conjunction with the Village of Sauget and the immediate area. Curtiss-Steinberg Road, the primary roadway into the airport, is also scheduled to be replaced and widened to accommodate more vehicle traffic. Gulfstream Aerospace Services Corp, a subsidiary of General Dynamics, located maintenance operations in the former Jet Aviation locations. This move gave Gulfstream additional support capabilities for its customers. St. Louis Downtown Airport is a vital employment center for St. Clair County, Illinois, generating more than 3,700 jobs and providing an annual regional economic impact of $584 million.

Aircraft movements, or takeoffs and landings, are projected to be 97,000 a 7.8% increase over last year. Airport activity varies because of the economy, special events and weather conditions.

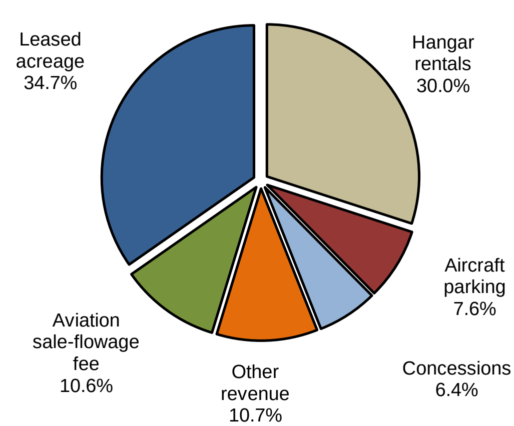
Revenue

Aircraft parking revenue for FY 2020 is budgeted at 6.9% below the FY 2019 budget and 2.1% above the FY 2019 projection.

Leased acreage revenue is airport land leased for private investment. FY 2020 budget reflects the change in lease to Gulfstream and ground rental on the tie downs.

Hangar rentals are leased property for airframes and tenants. FY 2020 budget reflects an increased vacancy rate, predominately in Hangar I.

St. Louis Downtown Airport
FY 2020 Revenue



Aviation fuel sale-flowage fee revenues are budgeted in FY 2020 to increase by 10.1% from the FY 2019 projection and return to revenue levels near FY 2019 budget.

Concession fees include crop income and rentals for the concourse from Jet Aviation. The FY 2020 budget is 1.5% less than the FY 2019 projection and is 2.8% lower than the FY 2019 budget.

Other revenues include reimbursements from tenants for contract security, utilities and trash removal services. The FY 2020 budget is 32.2% greater than the FY 2019 projection and 15.7% above the FY 2019 budget reflecting a potential higher reimbursement from tenants for the costs of utilities reimbursed from them.

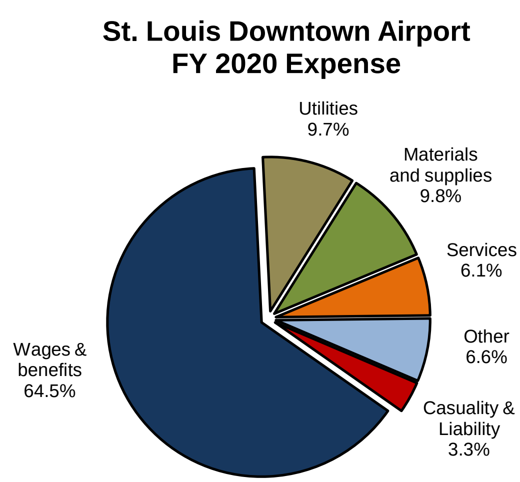
Expense

Wages and benefits including OPEB are budgeted 4.1% higher than the FY 2019 budget and 15.2% higher than FY 2019 projection. FY 2020 is impacted by higher medical expense. The large favorable variance compared to FY 2019 projection is due to vacancies.

Services include the following (in thousands):

Legal and consultants fees	$ 65
Contract maintenance	27
Other	12
	$ 104

Services are budgeted in FY 2020 to be 18.8% lower than the FY 2019 projection. The FY 2020 budget includes consulting fees for surveys, plots, and concurrent use agreements. Services also include legal fees for lease review and consultation, consultant fees for general engineering services, firehouse elevator and extinguisher maintenance, fire alarm maintenance, emergency phone system, and firefighting truck inspection and maintenance and HVAC controls system support. FY 2020 projects lower legal expenditures.



Parts and supplies are budgeted in FY 2020 at nearly the same level as FY 2019 budget. Lower spending in FY 2019 than planned yield a 23.1% savings when compared to the FY 2020 budget. These savings can be found in Aircraft Rescue and Firefighting (ARFF) supplies and vehicle and grounds repair parts.

Casualty and liability costs are budgeted to increase over both FY 2019 budget and projection due to rate increases.

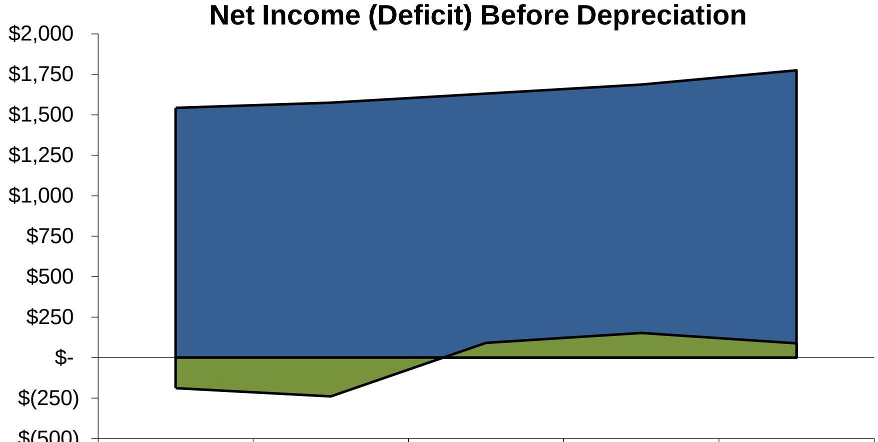
Utilities include electricity, gas, telephone, waste removal and water and are budgeted in FY 2020 to be 1.8% lower than the FY 2019 projection and 9.8% lower than the FY 2019 budget. The Airport completed the transition of airport owned facilities to LED lighting which improved visual lighting while decreasing expenses.

Other expense includes the following (in thousands):

Management fees to the Agency	$ 90
Travel, training, meetings, dues	20
Other	2
	$ 112

FY 2020 Other Expenses are budgeted level to FY 2019 budget and projection. The largest cost captured in the line item is management fees to the Agency.

St. Louis Downtown Airport
Net Income (Deficit) Before Depreciation



(in thousands)	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Projectio n	FY 2020 Budget
Revenue	$1,543	$1,575	$1,631	$1,687	$1,775
Net income (deficit) before depreciation	($189)	($240)	$91	$152	$88

Income

Net income (deficit) before depreciation normally provides cash flow to assist in funding capital improvements. The net income before depreciation of $87,637 budgeted in FY 2020 is $64,232 lower than FY 2019 projection. FY 2019 projection is favorably impacted by up to three vacancies and lower parts usage than anticipated. FY 2020 budget assumes filled positions.

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'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

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

Performance Indicators – St. Louis Downtown Airport

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

St. Louis Downtown Airport:				
	FY 2020	**FY 2019**		**FY 2018**
	Target	**Projection**	**Target**	**Actual**
Net income (deficit) before depreciation (in thousands)	$87.6	$151.9	$92.8	$90.5
Fuel sales in gallons (in thousands)	1,760	1,800	1,774	1,739
Aircraft movement	97,000	100,052	90,000	94,034
Based aircraft (monthly average)	315	313	320	313

St. Louis Downtown Airport
FY 2020 - 2022 Capital Projects Summary

Sources of Funds:

	FY 2020	FY 2021	FY 2022	Total
Federal Grants	$ 135,000	$ 1,336,500	$ 917,100	$ 2,388,600
State and Local	$ 7,500	$ 524,250	$ 50,950	$ 582,700
Airport Fund	$ 296,500	$ 218,250	$ 5,155,950	$ 5,670,700
Total Sources of Funds	**$ 439,000**	**$ 2,079,000**	**$ 6,124,000**	**$ 8,642,000**

Uses of Funds:

	Projects by Year			
	FY 2020	FY 2021	FY 2022	Total
Construction:				
(SW Development Area - north of runway 5 (350,000 sq. ft.)	$ -	$ -	$ 969,000	$ 969,000
Gulfstream: Run-up enclosure			2,500,000	2,500,000
Gulfstream: Run-up taxiway / Pad			2,500,000	2,500,000
Taxiway Bravo Relocation: Phase 0: Preliminary Engineering	150,000			150,000
Taxiway Bravo Relocation: Phase 2 - Drainage Improvements		1,095,000		1,095,000
Terminal: Roof Replacement - Elastic Paint	35,000			35,000
Terminal: Roof Replacement - Replace Windows	72,000			72,000
Terminal: Sewer - Replacement	120,000			120,000
Equipment and Facilities Replacements:				
Mx: ARFF / Operations vehicle	42,000			42,000
Mx: Maintenance utility vehicle		28,000		28,000
Mx: Replacement Paint Stripper			25,000	25,000
Mx: Tractor - 100 HP Front wheel assist		46,000		46,000
Terminal: AC Units on terminal			60,000	60,000
Thangars: Replace three (3) T-Hangar floors with new design	20,000			20,000
Thangars: Replace three (3) T-Hangar floors with new design			20,000	20,000
Thangars: Replace three (3) T-Hangar floors with new design		20,000		20,000
Land and Land Improvements:				
Pavement project - location dept.		390,000		390,000
Plans: Wildlife Hazard Management Plan			50,000	50,000
Reconstruct Vector Drive to Airflite		500,000		500,000
Total Uses of Funds	**$ 439,000**	**$ 2,079,000**	**$ 6,124,000**	**$ 8,642,000**

(Budget contingent on funding availability)

St. Louis Regional
Freightway

BU190168

St Louis Regional Freightway

Overview

Founded in 2014 as an enterprise of Bi-State Development, the St. Louis Regional Freightway was created as a public-private partnership to optimize the region's freight transportation network and further enhance the St. Louis region's standing as a World Class Logistics Hub. The Freightway coordinates regional freight development efforts, tightly connecting the private and public sectors to create the foundation for planning and marketing, while advocating the region's greatest freight and site selection strengths.

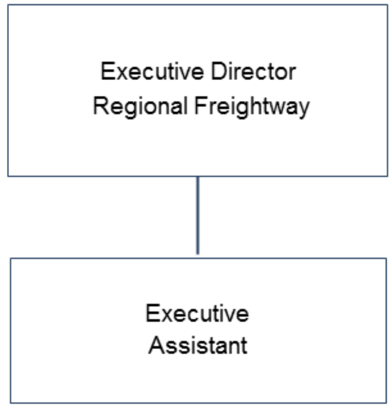
With the support from the East-West Gateway Council of Governments Board of Directors, leaders in manufacturing, logistics, industrial real estate, all modes of transportation, economic development and both the Illinois and Missouri Departments of Transportations, the Freightway optimizes the region's freight investments and markets regional freight opportunities. Through this public-private partnership funding sources for capital investments in freight-related infrastructure are identified and attracts and retains shippers and carriers for the St. Louis region.

Strategic Focus:

The strategy is to develop public-private partnerships within the freight industry to build awareness for freight related economic growth and planning. The Freightway plans to promote awareness through media stories about the region's logistic and multi-modal assets and the value they bring to the region, improve upon the website to include real estate and economic development opportunities, and continue to engage industry leaders to help drive economic development as it relates to the freight industry. The outcome will produce results that 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 on the roads, rails, rivers airports and pipelines, how to coordinate the work of a variety of jurisdictions and market the Greater St. Louis region's freight capacity to the nation.

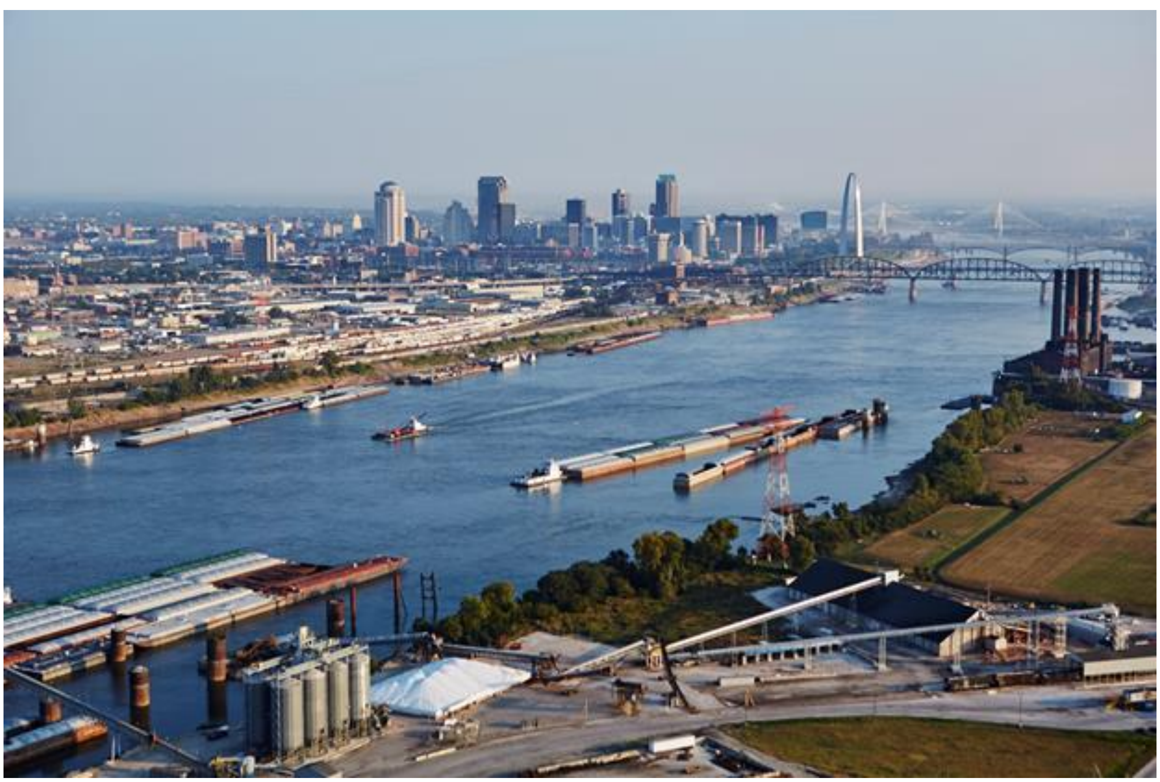
St. Louis Regional Freightway is moving full-speed ahead as the go-to source for marketing the St. Louis region's freight assets and for coordinating freight activity improvements in the region, including the updating, improvement and enhancement of the region's freight infrastructure. As part of its marketing efforts, the Freightway has developed relationships with freight partners throughout the country, including Kansas City, Memphis, Chicago and the Port of New Orleans and Plaquemines both located in southern Louisiana, Ports of Savannah, Norfolk and New York/New Jersey and is highlighting a 15-mile stretch of the Mississippi River in the St. Louis region, known as the 'Ag Coast of America', as it delivers the highest level of grain barge handling capacity anywhere along the river. The Freightway is also helping to strengthen the region's workforce. In partnership with local economic development, workforce development and transit leaders, manufacturing and logistics companies the Freightway is coordinating freight improvement projects that support workforce commute initiatives and transit services. The Freightway continues to partner with regional partners to recruit and train truck drivers and promote careers in the freight and logistics industries.

Organization:



Total Personnel:

Full-Time - 2



St. Louis Regional Freightway

Statement of Revenue and Expense

FY 2018 - FY 2022

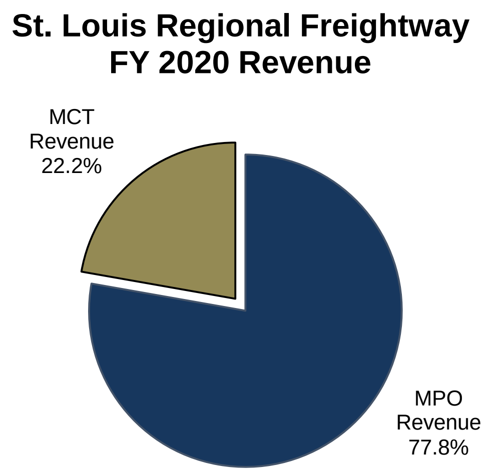
	FY 2018 Actual	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	FY 20 Bgt vs. FY 19 Proj $ Change	FY 20 Bgt vs. FY 19 Proj % Change	FY 2021 Budget	FY 2022 Budget
Operating Revenue:								
MPO Revenue **	$ 100,000	$ 220,000	$ -	$ 350,000	$ 350,000	n/a	$ 350,000	$ 350,000
MCT Revenue **	58,625	40,000	30,693	100,000	69,307	225.8%	100,000	100,000
Total Operating Revenue	**158,625**	**260,000**	**30,693**	**450,000**	**419,307**		**450,000**	**450,000**
Non-operating Revenue:								
Interest income	104	-	117	-	(117)	-100.0%	-	-
Prior year adjustment	-	-	500	-	(500)	-100.0%	-	-
Total Non-operating Revenue	**104**	**-**	**617**	**-**	**(617)**	**-100.0%**	**-**	**-**
Total Revenue	**158,729**	**260,000**	**31,310**	**450,000**	**418,690**		**450,000**	**450,000**
Operating Expense:								
Compensation	273,960	252,921	229,622	120,030	(109,592)	-47.7%	123,631	127,340
Benefits	126,879	104,472	107,668	62,038	(45,629)	-42.4%	65,100	67,401
Other post-employment benefits	2,271	4,040	1,793	2,006	213	11.9%	2,066	2,128
Services	399,458	570,000	378,037	285,400	(92,637)	-24.5%	293,962	302,781
Materials & supplies	2,576	3,500	3,156	3,500	344	10.9%	3,605	3,713
Other operating expense	132,371	106,800	88,169	74,000	(14,169)	-16.1%	76,220	78,507
Total Operating Expense	**937,515**	**1,041,733**	**808,445**	**546,974**	**(261,471)**	**-32.3%**	**564,584**	**581,869**
Non-operating Expense:								
Net transfers	500	-	-	-	-	-	-	-
Total Non-operating Expense	**500**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Expense	**938,015**	**1,041,733**	**808,445**	**546,974**	**(261,471)**	**-32.3%**	**564,584**	**581,869**
Net Income (Deficit)	**$ (779,286)**	**$ (781,733)**	**$ (777,134)**	**$ (96,974)**	**$ 680,160**	**87.5%**	**$ (114,584)**	**$ (131,869)**

**** FY 2020 budgeted revenues are subject to final approval from the governing boards of East-West Gateway Council of Governments and Madison County Transit.**

(Sums may not equal total due to rounding)

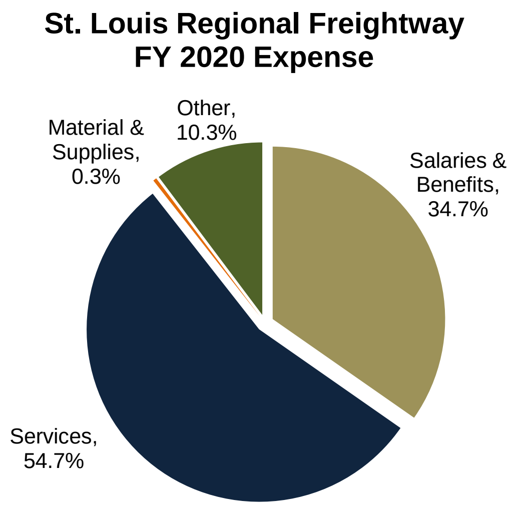
Revenue

In FY 2020, contributions and fees for service provided are expected to generate $350,000 in operating revenue. These funds are projected to come from East-West Gateway Council of Governments and other revenue fees. Other sources of revenue include support from Madison County.



Expense

Total FY 2020 budget operating expense is expected to be $546,974, resulting in net deficit of $96,974. The majority of operating expense is for compensation, benefits and outside consulting services. The Bi-State management fee for the St. Louis Regional Freightway is being waived for the FY 2020 - FY 2022 budgets.



St. Louis Regional Freightway 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'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: Build an effective and efficient publically-supported organization that is viewed as a transparent and accountable steward of public funds.		
Objective: Optimize the region's freight transportation network through public and private partnerships.		
Strategy	**Action Steps**	**Performance Measurements**
Execute a strategic plan that prioritizes regional infrastructure projects with freight industry and regional stakeholders and helps develop local, state and federal funding strategies to improve multimodal capabilities	• Develop relationships and collaborate with the freight industry and stakeholders to produce a list of multimodal infrastructure projects that is supported by the East-West Gateway Council of Governments (EWGCOG) and the Illinois and Missouri Departments of Transportation. • Develop and coordinate funding strategies with public and private sector leaders	• Developed and released the 2020 multimodal infrastructure priority list of projects. Community support included EWGCOG Board of Directors, leaders in manufacturing, logistics, industrial real estate, all modes of transportation, economic development and both the Illinois and Missouri Departments of Transportation (DOT). • Received U.S. DOT national recognition for setting bi-state multimodal infrastructure priorities through public-private partnerships.

	• development as it relates to the freight industry	• Secured bi-state, bi-partisan and federal support for the region's multimodal infrastructure including the $200 million Merchants Rail Bridge Replacement over the Mississippi River and the $600 million I-270 project from I-70 to Illinois Route 111 improvement project. • Coordinated regional and national infrastructure investment and support for both 2019 and 2020 priority projects.

Performance Indicators – St. Louis Regional Freightway

Progress in meeting the goals and objectives are measured through performance indicators. Following is a list of the performance indicators for St. Louis Regional Freightway

	FY 2020 Target	FY 2019 Projection	FY 2019 Target	FY 18 Actual
St. Louis Regional Freightway				
Brand strategy roll-out	100%	On Target	100%	Met
Committee, Industry Forum and Freight Summit attendees	100%	80%	80%	100%
Develop relationships with industry and regional stakeholders	100%	On Target	100%	Met
Execute infrastructure funding strategies and secure regional consensus for infrastructure priority list of projects	100%	On Target	100%	Met

Executive Services

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Bi-State Development

Executive Services

Overview

Executive Services is a service unit that supports the other Bi-State Development business enterprises including Metro, Tourism Innovation, St. Louis Downtown Airport, and St. Louis Regional Freightway. Executive Services is supported by management fee revenue collected from the other business units. Functional areas of Executive Services include:

Executive Office is responsible for the management of all Bi-State Development operating business units 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 BSD programs and operations, identifying problem areas and developing recommendations for improved control mechanisms or organizational performance.

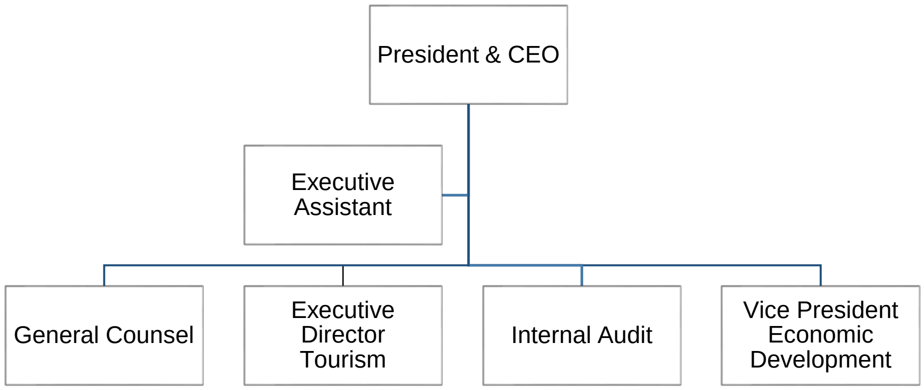
Government Relations establishes and maintains working relationships with government officials that support BSD's funding, legislative program, policies, and services.

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

Economic Development is responsible for identifying alternative sources of funding and partners for regional infrastructure and initiatives, including real estate development around transit stations, specifically Transit Oriented Development (TOD); and, managing BSD's Real Estate Group.

Tourism Innovation Administration provides management overview for the Gateway Arch Tram Systems and the Riverfront Attractions.

Organization:



Financial Summary:

Executive Services
Statement of Revenue and Expense
FY 2018 - FY 2022

	FY 2018 Actual	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	FY20 Bgt vs. FY19 Proj $ Change	FY20 Bgt vs. FY19 Proj % Change	FY 2021 Budget	FY 2022 Budget
Operating Revenue:								
Management fees:								
Metro	$2,808,000	$ 3,579,386	$ 3,446,257	$ 2,705,709	$ (740,548)	-21.5%	$2,786,880	$2,870,487
Gateway Arch	850,952	1,035,850	1,061,687	1,022,937	(38,750)	-3.6%	1,053,625	1,085,234
St. Louis Downtown Airport	81,896	88,796	85,274	89,757	4,483	5.3%	92,450	95,223
Riverfront Attractions	-	-	-	181,243	181,243	-	186,680	192,281
National Park Service	330,557	449,978	411,559	457,309	45,750	11.1%	471,028	485,159
Other operating revenue	148,681	296,095	206,882	304,978	98,096	47.4%	314,127	323,551
Total Operating Revenue	**4,220,087**	**5,450,105**	**5,211,659**	**4,761,933**	**(449,726)**	**-8.6%**	**4,904,790**	**5,051,935**
Non-Operating Revenue								
Investment income	43,883	46,000	69,464	80,000	10,536	15.2%	88,800	98,568
Other non-operating revenue	29,045	-	-	-	-	-	-	-
Total Non-Operating Revenue	**72,928**	**46,000**	**69,464**	**80,000**	**10,536**	**15.2%**	**88,800**	**98,568**
Total All Revenue	**4,293,015**	**5,496,105**	**5,281,123**	**4,841,933**	**(439,190)**	**-8.3%**	**4,993,590**	**5,150,503**
Operating Expense:								
Compensation	1,916,667	2,148,717	2,135,895	1,669,536	(466,359)	-21.8%	1,719,622	1,771,210
Benefits excluding OPEB	895,417	837,503	974,139	685,013	(289,125)	-29.7%	708,707	733,269
Other post-employment benefits	16,013	43,180	18,368	18,400	32	0.2%	18,952	19,521
Services	855,163	1,511,145	1,226,011	1,009,615	(216,396)	-17.7%	1,039,904	1,071,101
Parts and supplies	15,409	37,126	33,434	26,855	(6,579)	-19.7%	27,661	28,490
Casualty and liability	-	-	48,188	50,000	1,812	3.8%	51,500	53,045
Utilities	3,034	7,366	3,923	5,300	1,377	35.1%	5,459	5,623
Other expense	319,440	387,478	400,440	409,970	9,530	2.4%	422,269	434,937
Total Operating Expense	**4,021,143**	**4,972,515**	**4,840,398**	**3,874,689**	**(965,709)**	**-20.0%**	**3,994,073**	**4,117,196**
Net Income (Deficit) Before Depreciation	**271,871**	**523,590**	**440,725**	**967,244**	**526,519**	**119.5%**	**999,517**	**1,033,307**
Depreciation	-	1,941	408	-	(408)	-100.0%	-	-
Net Income (Deficit)	**$ 271,871**	**$ 521,649**	**$ 440,318**	**$ 967,244**	**$ 526,926**	**119.7%**	**$ 999,517**	**$1,033,307**

(Sums may not equal Total due to rounding)

Executive Services – FY 2020 Budget

Executive Services is a service enterprise that provides support to all BSD business operating units.

Revenue

Metro management fee is calculated at 70% of Executive Services operating expenses. This assessment represents services provided by Executive Services to Metro.

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.

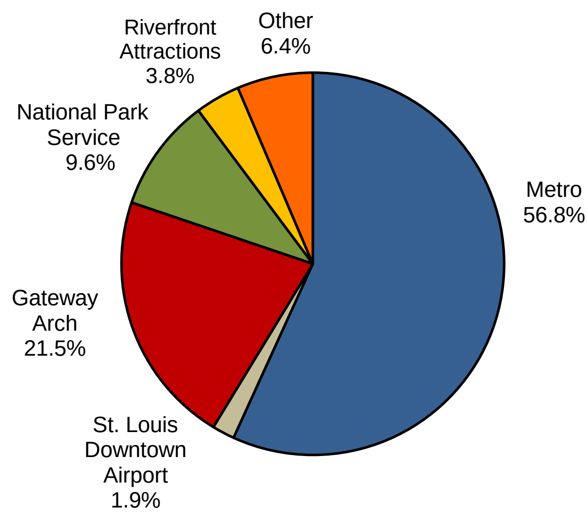
St. Louis Downtown Airport management fee is calculated at five percent of the Downtown Airport operating revenue and interest income.

Riverfront Attractions management fee is calculated at five percent of Riverfront Attractions operating revenue. This is the first year a management fee will be assessed to Riverfront Attractions since shortly after their purchase in 2001.

National Park Service is calculated at twenty percent of Arch entrance fees and movie admissions. The National Park Service charges a $3 entrance fee per adult ticket. Children 15 years old and younger and educational groups are exempt from the fee.

St. Louis Regional Freightway, Bi-State Development Research Institute, and Arts In Transit, Inc. are not being assessed a management fee in FY 2020.

Executive Services
FY 2020 Revenue



Expense

Compensation and benefits for FY 2020 have been reduced due to a restructuring of senior management and ultimate downsizing of staff. FY 2020 labor and benefit costs are budgeted more than 20% lower than either FY 2019 budget or projection. The new base will save $755 thousand as compared to FY 2019 projection.

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

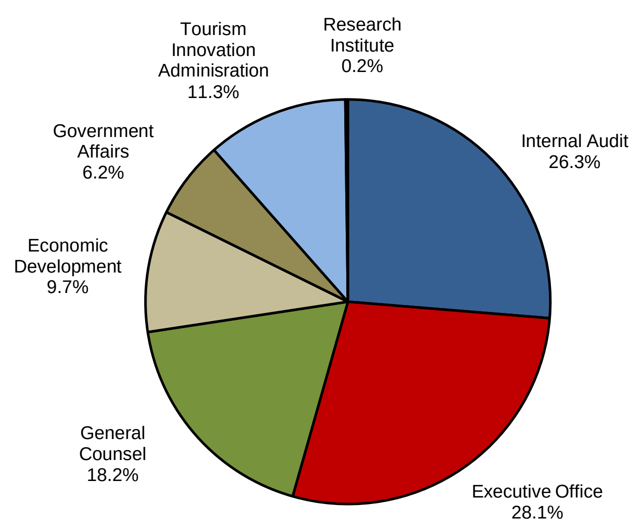
Services consist of fees for outside consultants, auditors, lawyers, and lobbyists and also services for establishing strategic partnerships and investment in Washington DC, Missouri and Illinois. In FY 2020, Executive Service plans less dependence on these outside services creating a 17.7% or $216.4 thousand savings in this expense category compared to FY 2019 projection.

Parts and supplies include office supplies and equipment, training materials, and data processing supplies. The FY 2020 budget for office and data processing supplies has been reduced nearly proportionately with the staff downsizing in Executive Service.

Utilities consist of mobile device usage. Mobile device expenditures were also downsized from the FY 2019 budget of $7,366 to $5,300 as a result of reduced staffing.

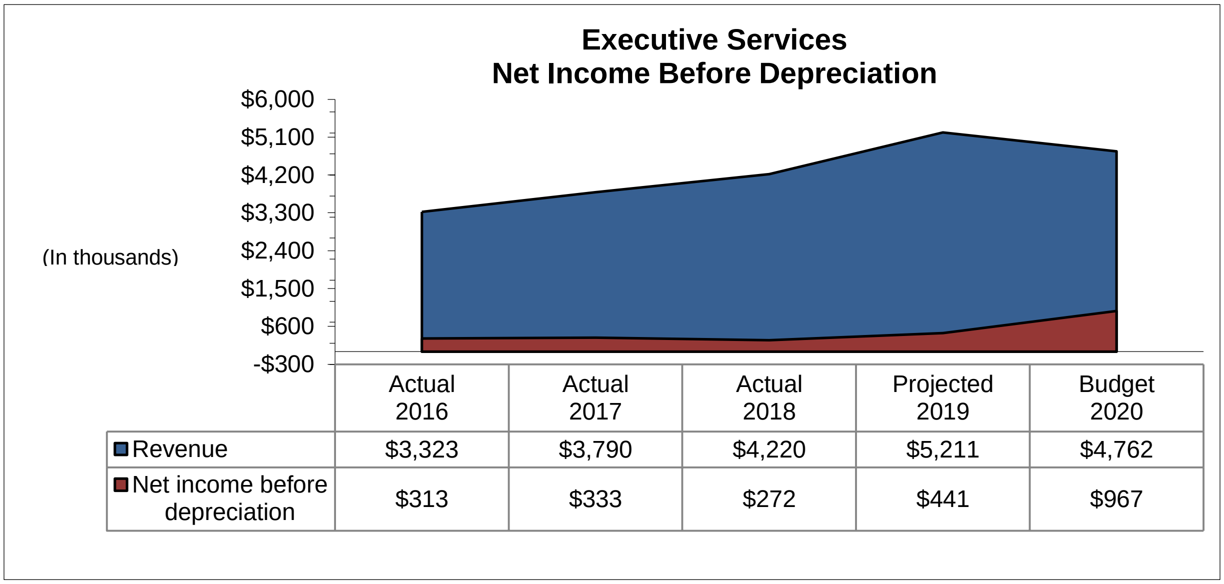
Other expense includes employee and commissioner travel, employee training and dues for regional, state, and national transportation and economic organizations. Travel and training costs are expected to be lower in FY 2020; however, a new annual $30 thousand fee for the operating cost of a LexisNexis computer-assisted legal research and filing system nets a modest increase in this expense category.

Executive Services
FY 2020 Expense By Department



Income

Net income (deficit) before depreciation of $967,244 is more than double the FY 2019 projection and 84.7% higher than FY 2019 Budget. The executive office staffing was reduced and FY 2020 budgeted also plans less dependence on outside consulting services.



	Actual 2016	Actual 2017	Actual 2018	Projected 2019	Budget 2020
Revenue	$3,323	$3,790	$4,220	$5,211	$4,762
Net income before depreciation	$313	$333	$272	$441	$967

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 the Bi-State Development 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 publicly-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**
Economic Development		
Continual improvement of BSD's economic development services, confirming program goals and continually updating and refining BSD's economic development direction	• BSD Board and CEO provide oversight for economic development efforts • Economic Development staff interacting with BSD engineering, planning, transit, grants, business enterprise, airport, legal, procurement, finance, marketing and communication on BSD projects • Economic Development staff interacting with local and national economic development groups for information and best practices • Manage BSD assets in a fiscally responsive manner, with an additional focus on revenue creation • Manage the operations and continue to support the operating requirements of the St. Louis Regional Freightway	• Purposed, short and long-term economic development projects/programs for the regional community (on-going) • Increased perception in the region as BSD being a key part of the community fabric (on-going) • Improved community and private partnerships for BSD and BSD projects (on-going) • Wise stewardship of public resources leveraging private investment

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 programs and credibility of management		
Strategy	**Action Steps**	**Performance Measurements**
Economic Development		
Support regional development via BSD's transit system and compact powers by leading the economic development component of TOD and economic development support for regional infrastructure	• Interface with public and private sector community partners on TOD planning, financing and development • Support regional efforts to secure large scale public infrastructure, such as those with the regional Freight District • Support econometric analysis for light rail expansion	• Increased square feet of private development. Increase private investment dollars around MetroLink stations • Planning and pre-development work on all 38 ML stations for potential TOD investments • Analyzing econometrics to areas of the region evaluating light rail expansion

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 programs and credibility of management		
Strategy	**Action Steps**	**Performance Measurements**
General Counsel		
Ensure BSD compliance with all applicable legal and regulatory compliance requirements	• Maintain company-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 requirement audits (April 2020) • Include results in annual State of the Agency report present to Board of Commissioners by March 2020
Maintain a company-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 and Ethics review and attestation	• Complete training plans for all new employees and transit operators by June 2020

	• Conduct annual employee Information Security Policy review and attestation • Conduct annual employee Records Retention and Disposal Policy review and attestation	
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 programs and credibility of management		
Strategy	**Action Steps**	**Performance Measurements**
General Counsel		
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 2020
Maintain a company-wide On-Line Policy and Procedure Management system	• Provide initial and recurring training to department policy owners • Track required reading and attestations to ensure completion within 30 days; escalate to management when required • Ensure all policies and procedures are reviewed for law, statute, and regulatory currency at least every two years	• Include results in annual State of the Agency report and present to Board of Commissioners by March 2020
Maintain a company-wide employee Online Learning Management System	• Provide initial and recurring training to department training managers • Provide overall system administrative management support to include automated learning content assignment and completion, importing training history, and on-line training course development • Track training completion across all department learning paths and curricula	• Include results in annual State of the Agency report and present to Board of Commissioners by March 2020
Manage the Agency Records Retention and		

Disposal Management program that provides public perception of BSD programs and credibility of management	• Issue and track all Legal Holds for Agency records associated with current or pending litigation; close when litigation has been adjudicated • Retain all Agency records in accordance with the Agency's Records Retention Schedule; destroy records when expired; • Maintain master records retention lists for all agency paper records; Conduct department electronic records audits at least every two years	• Include results in annual State of the Agency report and present to Board of Commissioners by March 2020
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 wide Risk Assessment of Auditable Units	• The Risk Assessment identified a total of 120 Auditable Units. An Auditable Unit is defined as any particular topic, subject, project, department, division, process or function that is deemed to be worthy of an audit	• Develop an Annual Audit Work Plan for the key audits to be performed during the fiscal year service to meet the Audit, Finance & Administration Committee's needs through quality assurance, audit strategy and audit follow-up; in addition, tracking Management's progress made towards implementing audit recommendations
Implement a new component within the Internal Audit Department to perform the FTA Safety & Security Audits, mandated by the Bi-State Safety Oversight Agency.	• State Safety Oversight Program Standards Manual (SSO Manual) provides the standards, procedures, and technical direction for the FTA Safety & Security Audits for Rail Fixed Guideway System (RFGS).	• Develop an Annual Audit Work Plan for the key audits to be performed during the calendar year to meet the BSD Safety Oversight Agency needs through quality assurance, audit strategy and audit follow-up; in addition, tracking Management's progress made towards implementing audit recommendations.

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**
Executive Office		
Execute the mission of the organization: To improve people's lives by delivering innovative, regional economic initiatives and public services through Metro Transit, Gateway Arch and Riverfront Attractions, St. Louis Downtown Airport, and St. Louis Regional Freightway	• Commitment to excellence • Commitment to customer-focused service for a safe, reliable, clean transportation service delivery • Develop relationships and collaborate with stakeholders • Develop and coordinate funding strategies with public and private sector leaders	• Increase ridership and customers through all enterprises • Increase in revenue • Develop as a partner in the economic vitality of the region • Be a regional decision maker
Execute strategic external communication BSD is accountable and transparent with regional resources.	• Property budget and manage resources • Annual external audit • Internal audits for oversight • FTA Safety and Security Audits an Triennial Reviews • Various other audits as required.	• Annual balanced budgets • Clean audits • Proper cash management
Execute strategic external public relations strategies to build partnerships with regional stakeholders and the public	• Respect and value relationships • Commit to access and community relationships • Commit to industry leadership	• Excellent relationships • Properly operated business with outstanding service delivery • Regional partnerships • Economic vitality

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 2020	FY 2019		FY 2018
	Target	Projection	Target	Actual
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%
Internal Audit:				
Internal & State Safety Audits:				
Internal Audits Planned	15	15	15	12
Internal Audits Completed	15	15	15	11
Internal Audit Recom Accepted Management	100	87	100	90
Audit Recom. Implemented	80	61	80	74
State Safety Audits Planned	11	8	8	6
State Safety Audits Completed	11	8	8	6
State Safety Audits Recom Accept	20	23	20	23
State Safety Audit Recom Implmtd	15	15	15	20
Economic Development:				
Transit Oriented Development (TOD) project efforts at 38 stations	100%	100%	100%	100%
Bus Rapid Transit pre-development support	Yes	Yes	Yes	Yes
Grow regional project/funding partnership	Yes	Yes	Yes	Yes
Create opportunities for use of Bi-State compact	Yes	Yes	Yes	Yes
Expand BSD Research Institute projects	Yes	Yes	Yes	No
Real Estate:				
BSD strategic property analysis	Yes	Yes	Yes	Yes
BSD Engineering, etc. departmental support	Yes	Yes	Yes	Yes
BSD real estate accounts receivable current	98%	98%	98%	95%
BSD real estate accounts payable current	100%	100%	100%	100%
Manage BSD real estate assets to maximize value	Yes	Yes	Yes	Yes

Executive Services - Operating Expenses - Summary								
	FY 2018 Actual	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	FY 20 Bgt vs. FY 19 Proj $ Change	% Change	FY 2021 Budget	FY 2022 Budget
By type of expense:								
Wages & benefits without OPEB	$ 2,812,085	$ 2,986,220	$ 3,110,034	$ 2,354,549	$ (755,485)	-24.3%	$ 2,428,329	$ 2,504,479
Other post-employment benefits	16,013	43,180	18,368	18,400	32	0.2%	18,952	19,521
Services	855,163	1,511,145	1,226,011	1,009,615	(216,396)	-17.7%	1,039,904	1,071,101
Parts & supplies	15,409	37,126	33,434	26,855	(6,579)	-19.7%	27,661	28,490
Casualty & liability	-	-	48,188	50,000	1,812	3.8%	51,500	53,045
Utilities	3,034	7,366	3,923	5,300	1,377	35.1%	5,459	5,623
Leases and other expense	319,440	387,478	400,440	409,970	9,530	2.4%	422,269	434,937
Operating expense	$ 4,021,143	$ 4,972,515	$ 4,840,398	$ 3,874,689	$ (965,709)	-20.0%	$ 3,994,073	$ 4,117,196
By function:								
Executive Office	$ 1,061,802	$ 1,260,889	$ 1,222,608	$ 1,026,930	$ (195,679)	-16.0%	$ 1,058,400	$ 1,090,848
Internal Audit	630,417	936,453	731,172	963,443	232,271	31.8%	993,009	1,023,495
Strategic Initiatives	171,022	162,958	221,417	-	(221,417)	-100.0%	-	-
Government Affairs	476,363	667,704	695,081	226,750	(468,331)	-67.4%	233,553	240,559
General Counsel	600,373	689,785	745,618	666,058	(79,560)	-10.7%	686,813	708,229
Economic Development	334,005	436,486	351,049	355,234	4,185	1.2%	366,230	377,572
Tourism Innovation	444,626	491,943	553,976	412,999	(140,977)	-25.4%	426,096	439,621
Research Institute	150,652	136,046	115,819	7,975	(107,844)	-93.1%	8,214	8,461
Financial Expenses	151,882	190,250	203,657	215,300	11,643	5.7%	221,759	228,412
Operating expense	$ 4,021,143	$ 4,972,515	$ 4,840,398	$ 3,874,689	$ (965,709)	-20.0%	$ 3,994,073	$ 4,117,196

(Sums may not equal Total due to rounding)

Executive Services - Operating Expense by Functional Area

		FY 2018	FY 2019	FY 2019	FY 2020	FY 20 Bgt vs. FY 19 Proj		FY 2021	FY 2022
		Actual	Budget	Projection	Budget	$ Change	% Change	Budget	Budget
Executive Office	Wages & benefits without OPEB	$582,336	$590,577	$615,871	$562,530	(53,341)	-8.7%	$580,068	$598,166
	Other post-employment benefits	3,246	12,400	4,773	4,400	(373)	-7.8%	4,532	4,668
	Services	251,602	412,000	385,020	214,500	(170,520)	-44.3%	220,935	227,563
	Parts & supplies	3,748	5,500	7,180	4,000	(3,180)	-44.3%	4,120	4,244
	Utilities	-	1,200	400	1,200	800	200.0%	1,236	1,273
	Leases and other expenses	220,870	239,212	209,364	240,300	30,936	14.8%	247,509	254,934
	Operating expense	**$ 1,061,802**	**$ 1,260,889**	**$ 1,222,608**	**$ 1,026,930**	**$ (195,679)**	-16.0%	**$ 1,058,400**	**$ 1,090,848**
Internal Audit	Wages & benefits without OPEB	521,981	624,098	580,353	644,749	64,396	11.1%	664,754	685,392
	Other post-employment benefits	3,066	10,200	4,037	5,417	1,380	34.2%	5,580	5,747
	Services	63,572	230,000	95,218	230,000	134,782	141.6%	236,900	244,007
	Parts & supplies	2,767	11,832	7,883	8,000	117	1.5%	8,240	8,487
	Leases and other expenses	39,031	60,323	43,680	75,277	31,596	72.3%	77,535	79,861
	Operating expense	**$ 630,417**	**$ 936,453**	**$ 731,172**	**$ 963,443**	**$ 232,271**	31.8%	**$ 993,009**	**$ 1,023,495**
Strategic Initiatives	Wages & benefits without OPEB	166,612	152,438	215,404	-	(215,404)	-100.0%	-	-
	Other post-employment benefits	930	1,420	865	-	(865)	-100.0%	-	-
	Services	-	3,000	1,000	-	(1,000)	-100.0%	-	-
	Parts & supplies	984	1,000	757	-	(757)	-100.0%	-	-
	Utilities	-	600	200	-	(200)	-100.0%	-	-
	Leases and other expenses	2,497	4,500	3,191	-	(3,191)	-100.0%	-	-
	Operating expense	**$ 171,022**	**$ 162,958**	**$ 221,417**	**$ -**	**$ (221,417)**	-100.0%	**$ -**	**$ -**
Government Affairs	Wages & benefits without OPEB	158,275	178,982	202,530	-	(202,530)	-100.0%	0	-
	Other post-employment benefits	993	1,560	889	-	(889)	-100.0%	0	-
	Services	287,027	466,245	445,203	218,500	(226,703)	-50.9%	225,055	231,807
	Parts & supplies	56	1,180	648	700	52	8.0%	721	743
	Utilities	-	600	200	-	(200)	-100.0%	-	-
	Leases and other expenses	30,011	19,137	45,611	7,550	(38,061)	-83.4%	7,777	8,010
	Operating expense	**$ 476,363**	**$ 667,704**	**$ 695,081**	**$ 226,750**	**$ (468,331)**	-67.4%	**$ 233,553**	**$ 240,559**
General Counsel	Wages & benefits without OPEB	537,485	529,635	573,022	510,013	(63,009)	-11.0%	526,087	542,681
	Other post-employment benefits	3,047	9,200	3,901	3,840	(61)	-1.6%	3,955	4,074
	Services	45,338	110,800	94,197	83,560	(10,637)	-11.3%	86,067	88,649
	Parts & supplies	3,719	8,150	10,120	7,100	(3,020)	-29.8%	7,313	7,532
	Leases and other expenses	10,784	32,000	64,378	61,545	(2,833)	-4.4%	63,391	65,293
	Operating expense	**$ 600,373**	**$ 689,785**	**$ 745,618**	**$ 666,058**	**$ (79,560)**	-10.7%	**$ 686,813**	**$ 708,229**
Economic Development	Wages & benefits without OPEB	268,778	315,183	295,342	241,644	(53,698)	-18.2%	249,232	257,064
	Other post-employment benefits	877	4,600	1,950	1,857	(93)	-4.8%	1,913	1,970
	Services	52,671	95,475	43,828	95,480	51,652	117.9%	98,345	101,295
	Parts & supplies	72	3,464	1,729	2,555	826	47.8%	2,632	2,711
	Utilities	1,279	2,166	1,403	2,100	697	49.7%	2,163	2,228
	Leases and other expenses	10,328	15,598	6,797	11,598	4,801	70.6%	11,946	12,304
	Operating expense	**$ 334,005**	**$ 436,486**	**$ 351,049**	**$ 355,234**	**$ 4,185**	1.2%	**$ 366,230**	**$ 377,572**
Tourism Innovation Administration	Wages & benefits without OPEB	429,298	470,735	516,949	395,613	(121,335)	-23.5%	408,188	421,176
	Other post-employment benefits	2,328	3,800	1,890	2,886	996	52.7%	2,972	3,061
	Services	4,221	-	4,952	-	(4,952)	-100.0%	-	-
	Parts & supplies	3,605	3,900	4,417	3,500	(917)	-20.8%	3,605	3,713
	Utilities	1,501	1,800	1,386	1,500	114	8.2%	1,545	1,591
	Leases and other expenses	3,674	11,708	24,382	9,500	(14,882)	-61.0%	9,785	10,079
	Operating expense	**$ 444,626**	**$ 491,943**	**$ 553,976**	**$ 412,999**	**$ (140,977)**	-25.4%	**$ 426,096**	**$ 439,621**
Research Institute	Wages & benefits without OPEB	147,320	124,571	110,563	-	(110,563)	-100.0%	-	-
	Other post-employment benefits	1,526	-	62	-	(62)	-100.0%	-	-
	Services	463	7,475	2,492	7,475	4,983	200.0%	7,699	7,930
	Parts & supplies	458	1,000	333	-	(333)	-100.0%	-	-
	Utilities	253	1,000	333	500	167	50.0%	515	530
	Leases and other expenses	632	2,000	2,036	-	(2,036)	-100.0%	-	-
	Operating expense	**$ 150,652**	**$ 136,046**	**$ 115,819**	**$ 7,975**	**$ (107,844)**	-93.1%	**$ 8,214**	**$ 8,461**
Financial Expenses	Services	150,268	186,150	154,103	160,100	5,997	3.9%	164,903	169,850
	Parts & supplies	-	1,100	367	1,000	633	172.7%	1,030	1,061
	Casualty & liability	-	-	48,188	50,000	1,812	3.8%	51,500	53,045
	Leases and other expenses	1,615	3,000	1,000	4,200	3,200	320.0%	4,326	4,456
	Operating expense	**$ 151,882**	**$ 190,250**	**$ 203,657**	**$ 215,300**	**$ 11,643**	5.7%	**$ 221,759**	**$ 228,412**

(Sums may not equal Total due to rounding)

BU190168

Health Self-Insurance Fund

Overview

The Health Self-Insurance Fund (SIF) encompasses expenses related to providing medical, prescription drug and dental employee benefit programs. These self-funded benefit programs are a significant expense category for Bi-State Development (BSD). A self-insurance fund has been established to account for health plan related expenses such as medical, prescription drug and dental claims along with internal and external service expenses incurred to administer these programs on a cost-reimbursement basis.

The Health SIF provides the Board of Commissioners and Management with greater visibility and enhanced financial reporting for BSD's $39.8 million self-funded health and welfare insurance activities which include, managing benefits and enrollment, monitoring claims, managing third party health related contracts, proposing cost controlling measures and the in-house wellness program. The wellness program is an active part of BSD cost control environment.

Financial Statements

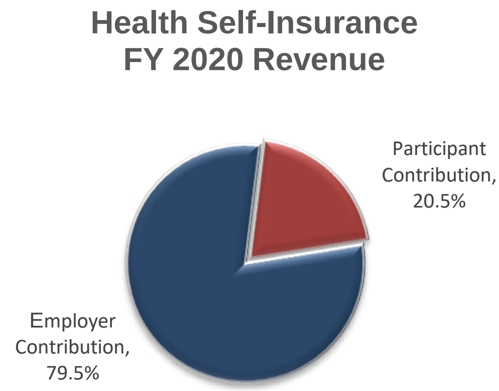
Health Self-Insurance Fund
Statement of Revenue and Expense
FY 2018 - FY 2022

	FY 2018	FY 2019	FY 2019	FY 2020	FY 20 Bgt vs. FY 19 Proj		FY 2021	FY 2022
	Actual	Budget	Projection	Budget	$ Change	% Change	Budget	Budget
Operating Revenue:								
Employee contribution	$ 7,115,185	$ 7,624,564	$ 7,616,112	$ 8,162,546	$ 546,434	7.2%	$ 8,570,675	$ 8,999,207
Employer contribution	31,313,222	27,568,071	27,932,308	31,624,673	3,692,365	13.2%	33,205,906	34,866,202
Total Operating Revenue	**38,428,408**	**35,192,635**	**35,548,420**	**39,787,219**	**4,238,799**	**11.9%**	**41,776,581**	**43,865,409**
Non-operating Revenue:								
Interest Income	-	-	24,558	30,000	5,441	22.2%	33,750	37,500
Total Non-operating Revenue	**-**	**-**	**24,558**	**30,000**	**5,441**	**22.2%**	**33,750**	**37,500**
Total Revenue	**38,428,408**	**35,192,635**	**35,572,978**	**39,817,219**	**4,244,240**	11.9%	**41,810,331**	**43,902,909**
Operating Expense:								
Compensation	542,885	560,261	560,313	507,225	(53,087)	-9.5%	522,442	538,115
Benefits	307,338	291,388	278,017	298,537	20,520	7.4%	309,259	319,014
Other post-employment benefits	4,785	10,000	4,434	17,336	12,902	291.0%	17,856	18,391
Services	244,508	441,675	295,544	271,501	(24,043)	-8.1%	279,646	288,036
Materials & supplies	19,509	55,400	27,061	34,300	7,239	26.8%	35,329	36,389
Utilities	4,964	2,980	3,892	5,450	1,558	40.0%	5,614	5,782
Other operating expense	30,917	55,227	69,353	39,892	(29,461)	-42.5%	41,089	42,322
Health and welfare	38,686,029	33,775,704	36,680,873	38,642,978	1,962,105	5.3%	40,599,096	42,654,860
Total Operating Expense	**39,840,935**	**35,192,635**	**37,919,487**	**39,817,219**	**1,897,733**	**5.0%**	**41,810,331**	**43,902,909**
Net Income (Deficit)	**$ (1,412,527)**	**$ (0)**	**$ (2,346,508)**	**$ (0)**	**$ 2,346,508**	**100.0%**	**$ -**	**$ -**

(Sums may not equal Total due to rounding)

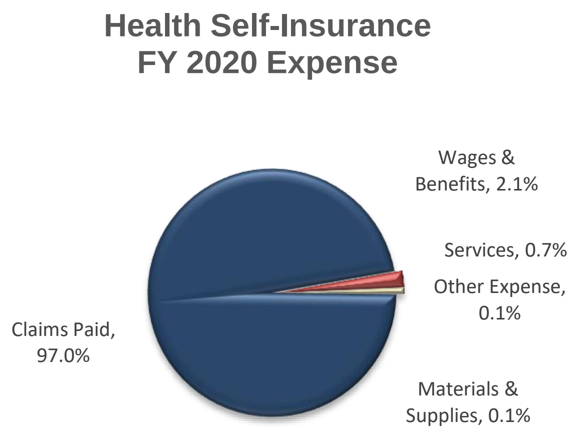
Revenue

Revenue for the Health SIF is generated by charges for services provided to other business units within BSD and to related parties. The majority of revenue is remitted from BSD business units who pay for the company portion of health plan costs for each units' respective employees. Other funding comes from the employee and pensioner contributed portion of health related benefits provided by the fund.



Expense

The majority of total operating expense for the Health SIF consists of claims paid for medical, prescription and dental. Other operating expenses include: compensation for staff to operate the programs, consultant fees, third party administrator fees and premiums for excess insurance coverage. Claims paid are the largest single expense for the self-insurance fund and represent claims paid on a cash basis



Casualty Self-Insurance Fund

Overview

The Casualty Self-Insurance Fund (SIF) at BSD includes the in-house Casualty Claims personnel and some Risk Management personnel. The expenses are personnel costs, services, claims, insurance premiums and other claim related expenses. The fund's inaugural year was FY 2017. The Executive Vice-President of Organizational Effectiveness is responsible for the Casualty Self-Insurance Fund. The Executive Vice-President oversees the Director of Risk Management, the Manager Casualty Claims and the Casualty Claims Department.

The Casualty Self-Insurance Fund reports on BSD's $7 million self-funded risk activities. The fund is primarily responsible for managing premiums, reporting claims and controlling cost.

Financial Statements

Casualty Self-Insurance Fund
Statement of Revenue and Expense
FY 2018 - FY 2022

	FY 2018	FY 2019	FY 2019	FY 2020	FY 20 Bgt vs. FY 19 Proj		FY 2021	FY 2022
	Actual	Budget	Projection	Budget	$ Change	% Change	Budget	Budget
Operating Revenue:								
Casualty revenues	$ 4,699,937	$ 5,385,000	$ 6,496,788	$ 5,022,756	$ (1,474,032)	-22.7%	$ 5,175,025	$ 5,328,642
Admin fees	1,380,749	597,292	1,321,790	1,660,607	$ 338,817	25.6%	1,710,425	1,761,738
Total Operating Revenue	**6,080,687**	**5,982,292**	**7,818,578**	**6,683,363**	**(1,135,215)**	**-14.5%**	**6,885,450**	**7,090,380**
Non-operating Revenue:								
Interest Income	79,547	46,000	151,830	270,000	118,170	77.8%	303,750	337,500
Total Non-operating Revenue	**79,547**	**46,000**	**151,830**	**270,000**	**118,170**	**77.8%**	**303,750**	**337,500**
Total Revenue	**6,160,233**	**6,028,292**	**7,970,408**	**6,953,363**	**(1,017,045)**	-12.8%	**7,189,200**	**7,427,880**
Operating Expense:								
Compensation	339,992	360,153	377,129	415,192	38,063	10.1%	427,648	440,477
Benefits	225,387	204,839	233,893	257,958	24,065	10.3%	267,283	273,664
Other post-employment benefits	3,113	6,000	2,771	14,191	11,420	412.2%	14,617	15,055
Services	5,695	57,500	23,980	42,000	18,020	75.1%	43,259	44,557
Materials & supplies	3,121	4,100	2,844	4,100	1,256	44.2%	4,223	4,350
Casualty & liability	815,301	850,000	870,700	915,000	44,300	5.1%	942,450	970,724
Utilities	1,244	2,200	1,975	2,266	291	14.7%	2,334	2,404
Other operating expense	2,515	8,500	5,829	9,900	4,071	69.8%	10,197	10,504
Casualty claims	5,621,104	4,535,000	4,290,407	5,292,756	1,002,349	23.4%	5,477,189	5,666,145
Total Operating Expense	**7,017,472**	**6,028,292**	**5,809,526**	**6,953,363**	**1,143,836**	**19.7%**	**7,189,200**	**7,427,880**
Net Income (Deficit)	**$ (857,239)**	**$ (0)**	**$ 2,160,881**	**$ (0)**	**$ (2,160,881)**	**-100.0%**	**$ (0)**	**$ -**

(Sums may not equal Total due to rounding)

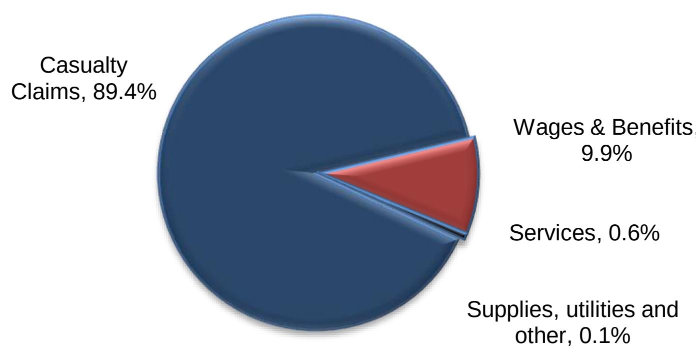
Revenue

Revenue for the SIF is generated by charges for services provided to other business units within BSD. As insurance claims are incurred, the affected business unit within BSD is charged for the incurred claim and offsetting revenue is generated within the SIF. The incurred amount charged to each business unit represents the claim amount and insurance premiums. There is a secondary charge to the business units for administrative services provided. The secondary fee covers personnel compensation and general office expenses to operate the fund.

Expense

Total operating expense for the self-insurance fund consists of compensation for staff to operate the programs, consultant fees, premiums for excess insurance coverage, office supplies and claims paid. Claims paid are the largest single expense for the self-insurance fund and represents claims paid on a cash basis.

Casualty Self Insurance
FY 2020 Expense



Workers Compensation Self-Insurance Fund

Overview

The Workers' Compensation Self-Insurance Fund (SIF) at BSD includes in-house Workers' Compensation claims personnel and a portion of Risk Management personnel. The expenses are claims, insurance premiums and other claim related expenses. The fund's inaugural year was FY 2017. The Executive Vice-President Organizational Effectiveness is responsible for the Worker's Compensation Self-Insurance Fund. The Executive Vice-President oversees the Director of Risk Management, the Manager of Workers' Compensation Claims and the Workers' Compensation Claims Department.

The SIF provides greater visibility and financial reporting for BSD's $7.8 million self-funded activities. The fund is primarily responsible for managing premiums, reporting claims and controlling cost.

Financial Statements

Workers Compensation Self-Insurance Fund
Statement of Revenue and Expense
FY 2018 - FY 2022

	FY 2018	FY 2019	FY 2019	FY 2020	FY 20 Bgt vs. FY 19 Proj		FY 2021	FY 2022
	Actual	Budget	Projection	Budget	$ Change	% Change	Budget	Budget
Operating Revenue:								
Workers Comp revenues	$ 7,774,076	$ 5,538,008	$ 7,669,205	$ 6,553,044	$ (1,116,161)	-14.6%	$ 6,749,635	$ 6,952,124
Admin fees	988,102	1,189,803	1,006,502	1,094,635	88,133	8.8%	1,108,865	1,142,131
Total Operating Revenue	**8,762,178**	**6,727,811**	**8,675,707**	**7,647,679**	**(1,028,028)**	**-11.8%**	**7,858,500**	**8,094,255**
Non-operating Revenue:								
Interest Income	95,934	135,250	180,783	196,250	15,467	8.6%	220,000	243,750
Total Non-operating Revenue	**95,934**	**135,250**	**180,783**	**196,250**	**15,467**	**8.6%**	**220,000**	**243,750**
Total Revenue	**8,858,112**	**6,863,061**	**8,856,490**	**7,843,929**	**(1,012,560)**	-11.4%	**8,078,500**	**8,338,005**
Operating Expense:								
Compensation	222,462	226,128	219,121	232,181	13,060	6.0%	239,146	246,320
Benefits	147,565	376,165	212,164	144,576	(67,589)	-31.9%	149,798	153,381
Other post-employment benefits	1,653	3,660	1,643	7,936	6,293	383.1%	8,174	8,419
Services	5,993	35,500	16,646	25,250	8,604	51.7%	26,008	26,788
Materials & supplies	1,124	2,500	1,172	2,575	1,403	119.8%	2,652	2,732
Casualty & liability	212,610	225,000	225,179	226,000	821	0.4%	232,780	239,763
Utilities	331	600	524	618	94	17.8%	637	656
Other operating expense	403,433	455,500	374,003	455,500	81,497	21.8%	469,165	483,240
Workers compensation	9,224,526	5,538,008	6,139,257	6,749,294	610,037	9.9%	6,950,140	7,176,706
Total Operating Expense	**10,219,697**	**6,863,061**	**7,189,710**	**7,843,929**	**654,219**	**9.1%**	**8,078,500**	**8,338,005**
Net Income (Deficit)	**$ (1,361,584)**	**$ 0**	**$ 1,666,780**	**$ 0**	**$ (1,666,780)**	**-100.0%**	**$ 0**	**$ -**

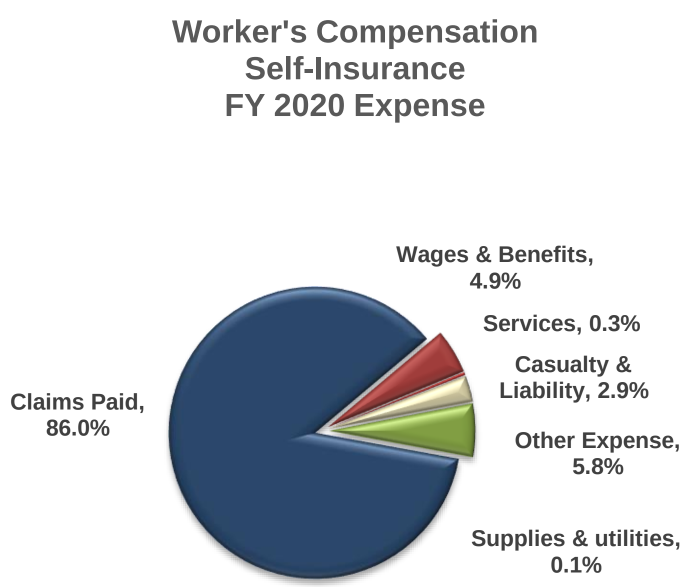
(Sums may not equal Total due to rounding)

Revenue

Revenue for the SIF is generated by charges for services provided to other business units within BSD. As insurance claims are incurred, the affected business unit within BSD is charged for the incurred claim and an offsetting revenue is generated within the SIF. The incurred amount charged to each business unit represents the claim amount and insurance premiums. There is a secondary charge to the business units for administrative services provided. The secondary fee covers personnel compensation and general office expenses to operate the fund.

Expense

Total operating expense for the internal service funds consist of compensation for staff to operate the programs, consultant fees, premiums for excess insurance coverage, office supplies and claims paid. Claims paid are the largest single expense for the self-insurance fund and represents claims paid on a cash basis.



Non-Profits

BU190168

Bi-State Development Research Institute

Overview

The Bi-State Development Research Institute is a 501(c)(3) non-profit corporation under the organizational umbrella of Bi-State Development. 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 Research Institute is a non-profit organization that is available to research and develop data and information for local programs, public infrastructure and public/private real estate improvements for BSD.

Strategic Focus

The primary goal the 501(c)(3) Institute is able to pursue is:

- Plan, study and evaluate regional land use, public policy, economic and community development and infrastructure investment, including, but not limited to transit activities.

Bi-State Development Research Institute
Statement of Revenue and Expense
FY 2018 - FY 2022

	FY 2018 Actual	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	FY20 Bgt vs. FY19 Proj $ Change	FY20 Bgt vs. FY19 Proj % Change	FY 2021 Budget	FY 2022 Budget
Operating Revenue:								
Awards- Research	$ 278,512	$ 84,000	$ 31,151	$ 100,000	$ 68,849	221.0%	$ 8,221	$ 8,221
In-Kind Contributions (501c3)	195,116	136,046	133,567	7,975	$ (125,592)	-94.0%	7,975	7,975
Total Operating Revenue	**473,628**	**220,046**	**164,718**	**107,975**	(56,743)	-34.4%	**16,196**	**16,196**
Non-Operating Revenue:						-		
Other Misc Non-Operating Rev	2,571	-	-	-	-	-	-	-
Total Non-operating revenue	**2,571**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Revenue	**476,199**	**220,046**	**164,718**	**107,975**	**(56,743)**	-34.4%	**16,196**	**16,196**
Operating Expense:								
Compensation	41,722	83,587	41,807	-	(41,807)	-100.0%	-	-
Benefits	16,616	40,984	27,125	-	(27,125)	-100.0%	-	-
Services	213,966	22,475	40,580	96,160	55,580	137.0%	9,616	9,904
Parts & supplies	1,704	1,000	-	500	500	-	515	530
Utilities	1,247	1,000	795	500	(295)	-37.1%	515	530
Other operating expenses	47,878	41,102	30,019	15	(41,087)	-136.9%	-	-
Total Operating Expense	**323,134**	**190,148**	**140,326**	**97,175**	**(54,234)**	-38.6%	**10,646**	**10,964**
Total Non-Operating Expense	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Total Expense	**323,134**	**190,148**	**140,326**	**97,175**	**(43,151)**	-30.8%	**10,646**	**10,964**
Net Income (Deficit) Before Depreciation & Amortization	**153,065**	**29,898**	**24,392**	**10,800**	**(13,592)**	-55.7%	**5,550**	**5,232**
Depreciation and amortization	4,950	10,800	10,800	10,800	-	0.0%	10,800	10,800
Net Income (Deficit)	**$ 148,115**	**$ 19,098**	**$ 13,592**	**$ -**	**$ (13,592)**	-100.0%	**$ (5,250)**	**$ (5,568)**

Research Institute – FY 2020 Budget

In FY 2019, the BSD Research Institute completed the Missouri Foundation for Health grant pilot project for fresh food access in food deserts whereby the project vendor, the Link Market, used kiosks purchased through the grant to provide fresh food access at the BSD Wellston and North Hanley MetroLink stations. In addition, the Betty Jean Kerr People's Health Center mobile screening van and FTA grant funded Rides2Wellness mobile health clinic programs provided basic health screening for our ridership and the community at the BSD North County Transit Center, the Riverview Bus Transfer Center and the Grand, DeBaliviere, Civic Center, North Hanley, Wellston and Rock Road MetroLink stations.

In FY 2020 the Research Institute will focus on repurposing the remaining FTA Rides2Wellness grant to continue mobile medical clinic basic health screening service for our ridership and the community at a number of the BSD Metro Transit Centers, as well as working with the Betty Jean Kerr People's Health Center on similar mobile screening service. This continued rider-centric focus will also include the Research Institute potentially working with mobile fresh food providers to continue providing fresh food access at several of the BSD MetroLink and Metro Transit Centers that are within food deserts areas.

Revenue

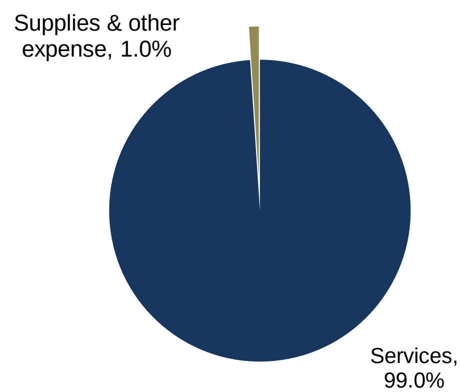
Amounts from prior grants and awards of $100,000 are budgeted in FY 2020 to offset expected service costs for Maintenance of Way (MOW). In addition an amount of $7,975 is budgeted for in-kind contributions.

Expense

Total operating expense is budgeted at $97,175. The operating expense includes consulting and costs associated with MOW, legal fees, and other miscellaneous expenses.

Revenue less expense results in $0 net income for the FY 2020 Budget.

Total Operating Expense



BSD Research Institute 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'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: Build an effective and efficient publicly-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 economic development opportunities

Strategy	Action Steps	Performance Measurements
Leverage public transit resources using Research Institute resources	• Continuation of ridership and community access to healthy foods and medical screenings at numerous MetroLink and MetroBus facilities through a mobile, not fixed unit, framework.	• Daily reach and deployment of mobile healthy food and medical screening units across the Metro Transit system.
Manage Institute to have it poised to support Bi-State Development's larger Metro Transit goals.	• Continue daily operations and reporting requirements of the Institute, including repurposing remaining funds from the FTA Rides2 Wellness grant.	• Engage new service provider to complete FTA Rides2Wellness grant project.

Performance Indicators – Research Institute

Progress in meeting the goals and objectives are measured through performance indicators.

	FY 2020	FY 2019		FY 2018
	Target	Projection	Target	Actual
BSD Research Institute				
Manage balanced budget and reporting requirements for Institute	Y	N/A	N/A	N/A
Finalize past Institute projects	2	N/A	N/A	N/A

Arts In Transit, Inc.

Overview

Arts in Transit, Inc. (AIT) facilitates community engagement public art programs and projects that enhance the transit experience through creative place making and wayfinding. Connecting to the region’s art community helps Metro Transit to benefit from the creation and integration of excellent art and design.

Leveraging Arts In Transit improves consumer engagement and ridership across the Metro system through creative initiatives that allow our team to engage with families, community groups and constituents through art projects that can be integrated into our facilities and rolling fleet. This tactic creates building blocks between community and art.

Strategic focus

In FY2020, AIT is increasing its efforts and activity around community engagement; helping to improve the perception of Metro Transit services through AIT programs such as MetroLines (Poetry), MetroScapes (Visual) and Art In Motion (Bus Painting). These programs will be integrated into Metro Transit’s Consumer Engagement efforts which focus on gaining ridership, creating grass root conversations with current and potential customers.

Arts In Transit, Inc.
Statement of Revenue and Expense
FY 2018 - FY 2022

	FY 2018 Actual	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	FY 20 Bgt vs. FY 19 Proj $ Change	FY 20 Bgt vs. FY 19 Proj % Change	FY 2021 Budget	FY 2022 Budget
Operating Revenue:								
Contributions - not for profit	$ 9,250	$ -	$ 15,345	$ -	$ (15,345)	-100.0%	$ -	$ -
Art Council awards	32,000	60,000	23,500	30,000	6,500	27.7%	30,900	31,827
In-kind contributions (501c3)	218,685	191,657	191,657	88,071	(103,586)	-54.0%	90,713	93,435
Total Operating Revenue	**259,935**	**251,657**	**230,502**	**118,071**	**(112,431)**	**-48.8%**	**121,613**	**125,262**
Operating Expense:								
Compensation	37,693	84,999	84,744	14,560	(70,184)	-82.8%	14,997	15,447
Benefits	16,635	40,517	40,557	1,296	(39,261)	-96.8%	1,335	1,375
Other post-employment benefits	-	1,200	636	-	(636)	-100.0%	-	-
Services	119,131	66,513	89,920	66,513	(23,407)	-26.0%	68,508	70,564
Materials & supplies	1,148	23,100	9,358	20,600	11,242	120.1%	21,218	21,855
Utilities	572	800	598	650	52	8.7%	670	690
Other operating expense	68,177	7,650	56,582	14,452	(42,130)	-74.5%	14,886	15,333
Total Operating Expense	**243,356**	**224,779**	**282,394**	**118,071**	**(164,323)**	**-58.2%**	**121,613**	**125,262**
Net Income (Deficit)	**$ 16,580**	**$ 26,878**	**$ (51,892)**	**$ (0)**	**$ 51,892**	**100.0%**	**$ (0)**	**$ (0)**

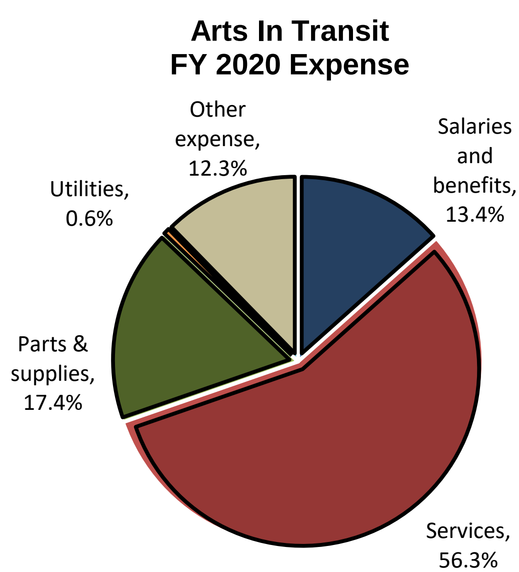
(Sums may not equal total due to rounding)

Revenue

Revenue for Arts In Transit is received from the Missouri Arts Council and the Regional Arts Commission. Revenue is also generated from the sale of MetroScapes posters and other artwork. In-Kind Contributions revenue is from expertise and service contributions from BSD.

Expense

Arts in Transit incurs expense from salaries, and benefits, consulting fees, art material and supplies and the use of outside services to assist in the various art projects. The FY 2020 budget scaled back expenses to align with reductions from in-kind resources.



Arts In Transit 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'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: Deliver a high quality transit experience that is recognized by its customers, industry peers and regional stakeholders for its excellence		
Objective: Improve the value of regional transit infrastructure and the quality of the transit experience through aesthetic enhancement		
Strategy	**Action Steps**	**Performance Measurements**
Support the regional transit system and the community aesthetic through an effective Arts In Transit program	• Monitor and maintain artworks existing in the collection.	• Maintain public awareness of Metro Arts In Transit program • Continual success at repairing Artwork

Budget Process

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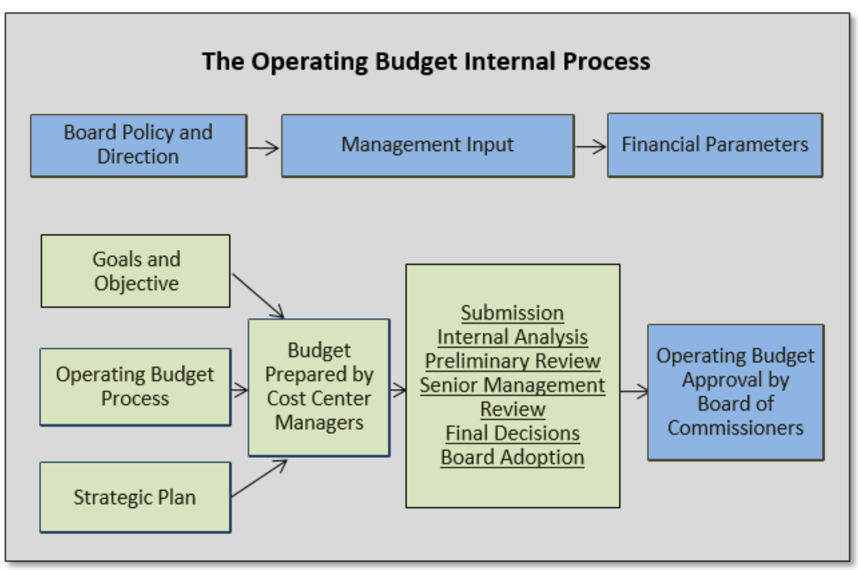
The Budget Process

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. Non-cash expenditures per United States Generally Accepted Accounting Principles (US GAAP) or Government Accounting Standards Boards (GASB) Pronouncements are not required to be funded to balance the budget. These expenditures include Other Post-Employment Benefits, pension adjustments in net pension liability per GASB 68 and depreciation and amortization of assets. The budget is a financial and strategic plan for the upcoming year developed in accordance with Bi-State Development policies. It seeks to optimize resources and maintain consistency with defined organizational objectives and BSD's Strategic Plan.

The preparation and eventual approval of the three-year operating and 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's cost center managers imparting objectives for the upcoming budget year. Included in the message is the state of Bi-State Development's expected financial condition for the coming year and details of procedures to follow in preparation of the budget.



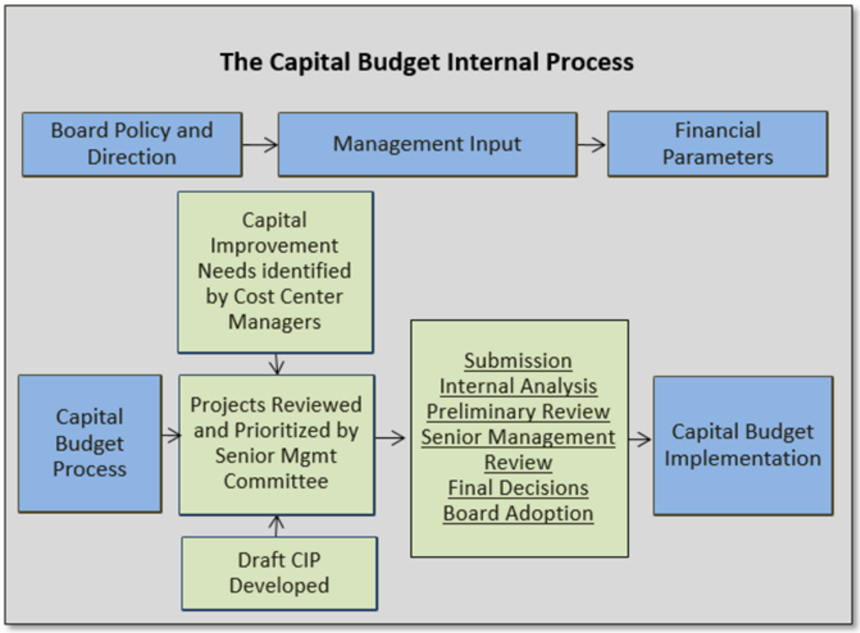
The cost center managers submit operating requests to the budget department using an online application. Bi-State Development's senior management reviews the preliminary operating budgets and sets parameters for the coming year. Through a series of meetings, cost center managers refine their preliminary operating budget requests per management's parameters, goals and objectives. Final decisions are then made by Bi-State Development's President and Chief Executive Officer, which 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, Bi-State Development'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, Bi-State Development contracts with the St. Clair County Transit District for funds for operations. Budgets for the Bi-State Development Research Institute and Arts In Transit, Inc. are approved by their respective boards.   The Gateway Arch, BSD personnel and the National Park Service work together to prepare a budget that is approved by the National Park Service.

Capital Budget Internal Preparation

The preparation and eventual approval of the three year capital budget is both an internal and external process. Each year the capital budget process begins with a meeting of Bi-State Development'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 BSD's cost center managers is communicated regarding the capital improvement objectives for the upcoming capital budget cycle. Projects for all enterprises 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. Projects sponsored by the FAA for the Airport and National Park Service for the Arch are also incorporated as appropriate. Internally, operating plans are formulated, as is a Transportation Improvement Program, which documents all federal transit grants for which Bi-State Development plans to apply.

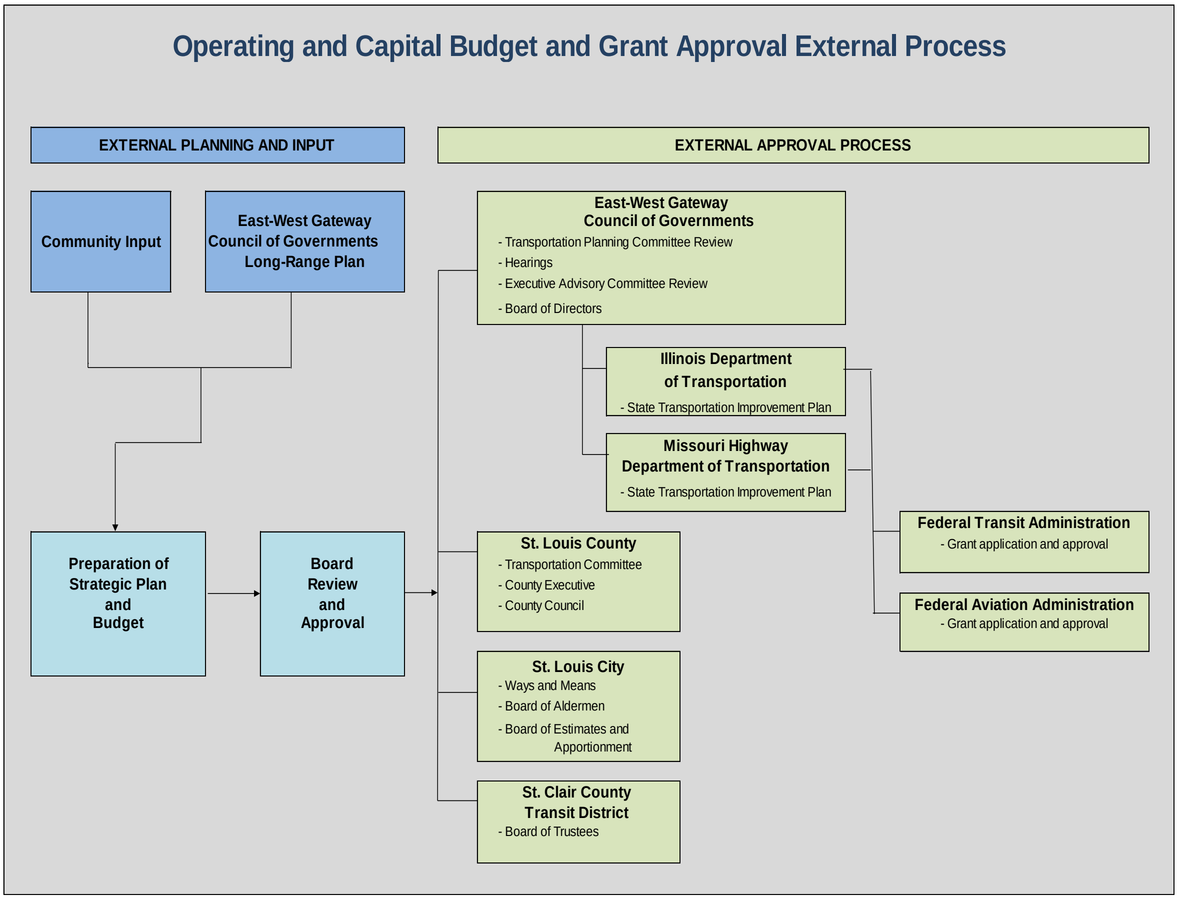


Cost center managers submit capital requests to the budget department. Senior management reviews these preliminary budgets and parameters are set for the coming year. Through a series of meetings with cost center managers, capital budget requests are refined and prioritized. Final decisions are then made by BSD's President and Chief Executive Officer and senior management to allow the budget document to be prepared and presented to the Board. The Board of Commissioners approval 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, Bi-State Development'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, Bi-State Development contracts with the St. Clair County Transit District (District) for funds for operations and capital acquisition. Bi-State Development, with approval of the District, applies for grants from the Illinois Department of Transportation. Budgets for the Bi-State Development Research Institute and Arts In Transit, Inc. are approved by their respective boards. The National Park Service approves the Arch budget and the FAA approves related capital projects for the Airport.

East-West Gateway has a rigorous review process for the TIP, an important part of BSD'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

Organizational hierarchy changes can occur after the budget has been approved by the Board of Commissioners. These reporting changes can involve a single employee or multiple departments being reassigned to a different managerial structure. Managerial reassignments can be within the same company or a change in the company to which an employee or department is reporting.

If managerial and reporting changes do occur, the Finance Division in cooperation with the affected divisions/departments will transfer only the appropriate budget dollars, related labor and expenses. The budget transfers under these circumstances will be a dollar for dollar transfer from the old reporting structure to the new reporting structure. Overall, there will be no changes, deletions or additions to total revenue, expense or net income (deficit) for BSD overall. Any budget transfers affected by hierarchy changes will be presented to the Board in an informational briefing paper.

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.

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FY 2020 Operating Budget Calendar

September 2018	• Ready budget system • Review expense and revenue drivers
October 2018	• Division leaders submit goals and objectives • Prepare baseline budget • Budget "kick-off" information released • Budget system opened to management
November 2018	• Miles, hours, passengers and operator manpower received • Position change forms received from division leaders • Organizational leaders submit strategies, action steps and performance measures • Managers submit and vice presidents approve budget requests
December 2018	• Budget team reviews budget input at detail level • Team leaders submit FY 2020 target performance indicator measures • Reports prepared and transit overview discussed with President
January 2019	• Bi-State Development budget reports discussed with President and Vice Presidents • Budget changes made in the system by Budget Team • Updated budget communicated to President and senior staff
February 2019	• Approved budget reports and documents prepared
March 2019	• Review and analyze budget documents
April 2019	• Budget book prepared • Transit Improvement Plan created
May 2019	• PowerPoint budget presentation created • Budget documents printed and sent to Board of Commissioners • Budget presented to the Audit, Finance, and Administration Committee
June 2019	• Budget presented to the Board of Commissioners for approval

Organization &
Community Profile

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Bi-State Development Profile

Organizational History and Enterprise Overview

Bi-State Development was established on September 20, 1949, by an interstate compact passed by the state legislatures in Illinois and Missouri, and then approved by the governors of the two states. The Compact, approved by the United States Congress and signed by President Harry S. Truman on August 31, 1950, created an organization that has broad powers in seven counties (St. Louis City, St. Louis, St. Charles and Jefferson Counties in Missouri and St. Clair, Madison and Monroe Counties in Illinois). The Compact gives BSD 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. Funding is received from local, state and federal sources through grant, contract and sales tax revenue. BSD does not have taxing authority but is authorized to collect fees from the operation of its facilities. For nearly seven decades, BSD has been uniquely empowered to initiate and realize regional economic development.

Today, BSD is organized as a one parent organization with five business enterprises: Metro Transit, Gateway Arch, Riverfront Attractions, St. Louis Downtown Airport, and St. Louis Regional Freightway. BSD maintains three self-insurance funds designed to highlight the significant business activity and expense associated with health, casualty and worker's compensation self-insurance

History	
1949	Bi-State Development Agency was created.
1950	Interstate Compact approved by U.S. Congress and President Truman.
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 (trams) 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.
2006	Cross County MetroLink line opened.
2010	St. Louis County approved Prop A ½ cent sales tax.
2013	Missouri voters passed Proposition P, a 3/16 cent sales tax to fund improvements for trails and parks in the region as well as additional funding to the Gateway Arch grounds.
2014	Bi-State Research Institute was formed. BSD tasked to lead the Regional Freight District. Gateway Arch Parking Facility discontinued operations.
2016	St. Louis Regional Freightway was launched and the Historic Eads Bridge rehabilitation project was completed.
2018	Gateway Arch renovation project completed

Regional Infrastructure Development

One of Bi-State Development's first projects was the 1953 construction of a 600-foot wharf in Granite City, Illinois. BSD issued $1.5 million in revenue bonds for the cost of construction. The wharf and its facilities were used for mooring, loading and unloading barges, the handling of commodities to be transported by barges and transit storage. BSD contracted with Granite City Terminals Company to run the southern end of the wharf. The port was sold to America's Central Port (formerly Tri-City Regional Port) on April 15, 1975 for $730,000. In the early 1960's, BSD participated in an exhaustive study of the St. Louis County sewer problem that contributed to creation of the Metropolitan St. Louis Sewer District. In 2016, BSD celebrated the completion of the first full-scale rehabilitation of the historic Eads Bridge. The 142-year-old structure is the oldest bridge still in operation across the Mississippi River and the $48 million comprehensive rehabilitation project was necessary to extend the life of the bridge for another 75 years so it can continue to carry vehicles, pedestrians and MetroLink trains across the river, providing a critical link between downtown St. Louis, Missouri, and East St. Louis, Illinois. It is the only connection for MetroLink between the two states, carrying 300 MetroLink trains each day. Today, BSD is leading the region's effort to replace the Merchants (TRRA) Bridge over the Mississippi River.

St. Louis Downtown Airport

By 1961, Lambert International Airport was becoming so crowded that a secondary St. Louis airport was essential. Realizing an additional airfield was crucial to the continuing economic growth in St. Louis, the region looked to BSD for a solution. An agreement was reached that BSD would assist in reopening Parks Metropolitan Airport in Cahokia, Illinois. BSD acquired the airport property for $3.4 million in 1965, reopened it as the Bi-State Parks Airport and invested in airport improvements. In July 1999, the Board of Commissioners renamed it the St. Louis Downtown Airport. Today, St. Louis Downtown Airport, is the third busiest airport in Illinois and second busiest in the St. Louis region. It generates more than 3,700 jobs and provides a regional economic impact of $584 million.

Tourism Innovation: Gateway Arch and Riverfront Attractions

October 2015 marked the 50th Anniversary of the completion of the Gateway Arch and of BSD's partnership with the National Park Service. In the early 1960's, BSD was asked to fund and operate the Gateway Arch tram system that would carry visitors to the top of the Gateway Arch. A $3.3 million revenue bond issue was completed in July 1962, and a unique partnership with the Gateway Arch and National Park Service began. Today, BSD continues to operate the trams and other services as a cooperative effort with the National Park Service. Renewing the agreement with the National Park Service in 2014 allowed BSD to move forward with other important capital projects at the Arch. BSD issued $7.6 million in bonds to replace the tram system motor generator sets and a portion of the Visitor's Center/Museum roof completed in 2017. In 2018, the National Park Service announced the decision to officially change the name of the Jefferson National Expansion Memorial to simply the Gateway Arch. The public opening of the renovated national park in July 2018 unveiled a new museum and concessions operated by BSD.

Bi-State Development extended its presence on the St. Louis riverfront at the foot of the Jefferson National Expansion Memorial in July 2001 when it purchased the Becky Thatcher and Tom Sawyer Riverboats preserving the long history of riverboat cruising in St. Louis. The riverboat business is a continuation of the Streckfus Steamers Company, which was founded in

1891. BSD riverfront attractions also include the operation of a barge heliport. Gateway Helicopter Tours operates from a barge on the riverfront and has daytime flight tours of several scenic locations around the region.

Metro Transit

Metro was founded in 1963 when BSD purchased and consolidated 15 privately owned transit operations by using a $26.5 million bond issue to sustain efficient and reliable bus service in the region. Today, BSD provides three modes of public transportation services in the St. Louis region: MetroBus, bus operations; MetroLink, light rail operations; and Metro Call-A-Ride, paratransit operations. The MetroBus fleet consists of 395 vehicles planning to operate on 76 MetroBus routes in FY 2020.

BSD 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 on the Blue Line through Clayton south to Shrewsbury, Missouri. The MetroLink light rail system operates 87 vehicles over 46 miles of track, serving 38 stations and 21 Park and Ride lots.

In 1987, Metro Call-A-Ride began demand response service to fill a need for alternative transportation service to customers with physical or cognitive disabilities who are unable to independently use regular fixed route bus or light rail service. BSD has created programs to educate and certify all paratransit users. BSD 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. The Metro Call-A-Ride fleet has 123 vans which primarily provide curb-to-curb van service for Americans with Disabilities Act (ADA) eligible customers.

Today, East-West Gateway Council of Governments, the region's metropolitan planning organization, is involved in consideration of several MetroLink expansion options for the future while Metro Transit continues to implement its long-range plan with projects like the North County Transit Center (completed 2016), the Civic Center Transit Center expansion (completed 2017) and construction of a new MetroLink station to serve the Cortex Innovation Community (completed 2018). Metro Transit launched the Metro Reimagined planning process; a comprehensive, full-scale analysis of the MetroBus system yielded a framework for phased improvements. Metro Reimagined service design improvements will be launched September 2019.

St. Louis Regional Freightway

In 2014, BSD was selected by the region's elected leadership to lead a new regional freight district partnership aimed at optimizing the region's freight transportation infrastructure in BSD's seven county region and Franklin County. The St. Louis Regional Freightway is a public-private partnership to optimize the region's freight transportation network. The cooperative effort will determine how the region manages the movement of freight on the roads, rails, rivers, airport and pipelines. Freightway activities will boost the St. Louis region's competitive position among its peer cities 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.

The Freightway has produced a list of priority infrastructure projects in support of regional goals that has been unanimously approved by the chief elected officials of the region including the replacement of the Merchants Bridge; has launched a website that serves as the point of contact regarding regional logistics capabilities and site selection for potential employers and developers; and hosted numerous regional meetings on critical freight and logistics opportunities engaging local partners and potential partners throughout the Midwest and into the Gulf of Mexico. In May 2018, the Freightway in partnership with Inland Marine Expo and the Institute for Trade and Transportation Studies held St. Louis Freight Week, showcasing the region's freight assets, raising St. Louis' profile as a global freight hub and introducing St. Louis' assets to shippers and carriers.

Community Profile

The St. Louis bi-state region (the region) is a Midwestern leader in the start-up economy, educational institutions, freight movement and tourism and home to more than 2.8 million residents. Located at the confluence of the Mississippi and Missouri Rivers, St. Louis is recognized globally by the iconic image of the Gateway Arch on the downtown riverfront.

St. Louis Region Population by County			
Region	**2010**	**2017**	**% Change**
St. Louis City	319,294	314,294	-1.6%
St. Louis County	998,954	999,539	.1%
St. Charles County	360,485	385,115	6.8%
Jefferson County	218,728	222,639	1.8%
Franklin County	101,491	102,413	.9%
St. Clair County	270,056	264,433	-2.1%
Madison County	269,282	266,153	-1.2%
Monroe County	32,957	33,739	2.4%
Total	**2,571,247**	**2,588,325**	**0.7%**
United States	**308,745,538**	**323,127,513**	**4.7%**

www.census.gov

Centrally located, the St. Louis region is a convenient destination from anywhere in the country. Transportation access includes four major interstates, St. Louis Lambert International Airport, several regional airports, Greyhound Bus and Amtrak. The region is also a national transportation hub and the largest freight hub among comparatively sized Midwestern cities totaling 383 million tons of freight annually. The region is home to the third largest inland port and sits at the crossroads of six Class I railroads.

The region has much to offer including urban, suburban and rural communities at one of the lowest cost of living levels among the top 20 largest cities in the United States, diverse housing stock, and great cultural, academic and recreational amenities.

St. Louis' Forest Park, site of the 1904 World's Fair, is home to many of the region's cultural and educational institutions including the St. Louis Art Museum, St. Louis Zoo, St. Louis Science Center and Missouri History Museum. Additionally, the park houses the 12,000-seat outdoor Municipal Amphitheatre (the MUNY), America's oldest and largest outdoor musical theater. The region also boasts five state parks and hundreds of county and municipal parks. Grand Center is now the center of a thriving arts district, and two professional sports teams, St. Louis Cardinals baseball and St. Louis Blues hockey, play in downtown St. Louis. The Gateway Arch just completed major renovations inside and outside the iconic landmark. The premier tourist destination in the Midwest, The Arch attracts over 2 million visitors annually.

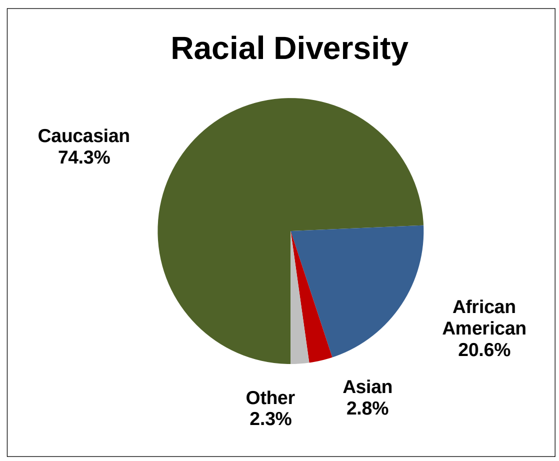
Bi-State Development is the transportation and economic development agency for the St. Louis Region. The City of St. Louis, St. Louis County, and St. Clair County in Illinois are served by BSD's MetroBus, MetroLink and Metro Call-A-Ride operations. Residents from Madison County, Illinois enjoy the benefits of the Metro transit system through coordinated services with Madison County Transit. 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. The bi-state region also boasts a robust greenway system and miles of on-road dedicated bike lanes supporting those who choose to bike to work or simply for recreation or exercise.

Demographics and Workforce

Long known for its educational excellence, the St. Louis region is home to some of the top educational institutions in the world. More than 12 universities and four-year colleges, including Washington University, Saint Louis University and the University of Missouri - St. Louis are located in the St. Louis region. Additionally, 18 two-year and community colleges enhance the quality and skills of the regional workforce and enrich its intellectual creativity and strength.

The region ranks highly in the rate of people earning associates degrees, bachelor's degrees, and advanced degrees. This trend in educational attainment positions the region to attract businesses and improve economic outcomes. The bi-state region has one of the highest proportion of its population engaged in the workforce at 76.3%, ranking 16th out of 50 US cities. The region also has the 10th largest proportion of middle class jobs in the US. 59.2% of jobs earn between two-thirds and two times the national median wage. (EWG WWS, 2019)

Ninety-five percent of the region's residents are either Caucasian (74%) or African American (21%), while persons of Asian and other origin each make up about two percent of the region's population. Per the U.S. Census Bureau, the Hispanic population can identify with any race and therefore are included in any of the racial categories shown on the chart. The population in the bi-state area can be described as slow-growth. A notable exception is an increase in the foreign born population. Immigrants make up 4.5 percent of the region's population, a share which is growing by 2.1% annually.



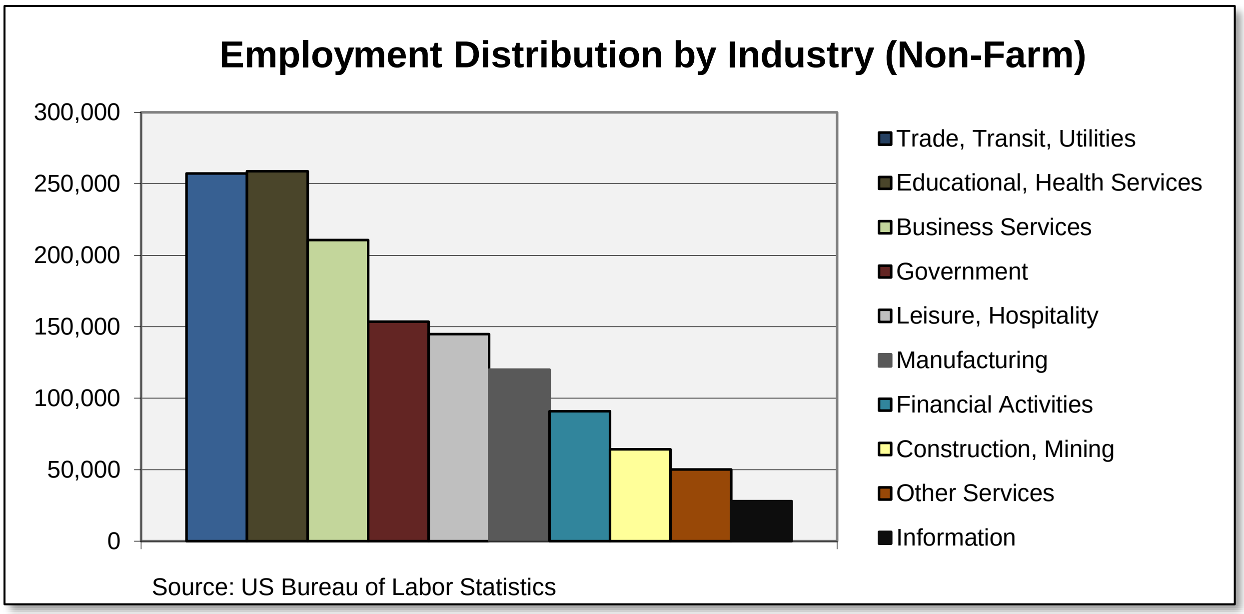
Seniors, age 65 and over, comprise 13.6% of the region's population. The "greying" of the regional workforce is a demographic challenge that policymakers and planners are working to address along with other workforce issues, such as the need to decrease racial disparity through increased access to quality education, workforce development and job opportunities.

Regional Economy and Workforce

St. Louis' $141 billion dollar regional economy includes more than 150,000 businesses employing more than 1.3 million people. Eighteen Fortune 1000 companies and some of the largest private firms in the nation, and an increasing number of small-to-medium enterprises and startups are located throughout the region. The median household income is approximately $55,500 per year, and according to the State of Missouri, the gross domestic product of the region is $150 billion.

The region ranks third in the Midwest for start-up businesses, spurred by growth in the Cortex Innovation Community and several other innovation and start-up hubs throughout the region. Venture capital investment is amongst the highest in the Midwest, with over $285 million last year. The new MetroLink station opened in Cortex in July 2018 alongside the development of several new buildings in the district, positioning our innovation community to continue to grow and attract talent.

The St. Louis region is home to a diverse industrial base. The area boasts more than 250 million square feet of distribution and manufacturing space, as well as room for growth and expansion. More than 75 companies operate distribution facilities with over 250,000 square feet including some with 1 million square feet. Total non-farm employment slightly decreased 0.2% year over year to 1.3 million. The trades, transit and utilities group still remains the top employment

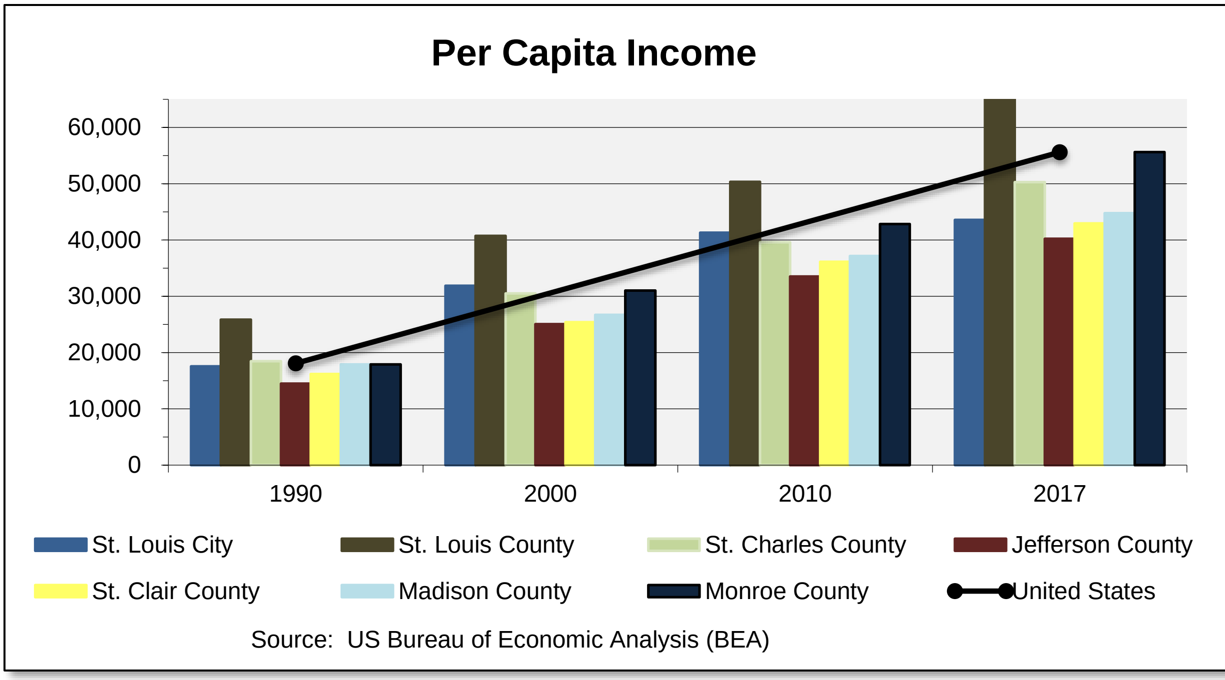


producer with educational and health services close behind. The largest employers in the region include BJC HealthCare, Wal-Mart Stores Inc., Washington University, SSM Healthcare, Mercy Healthcare, Boeing Defense Space & Security, Scott Air Force Base and Schnucks.

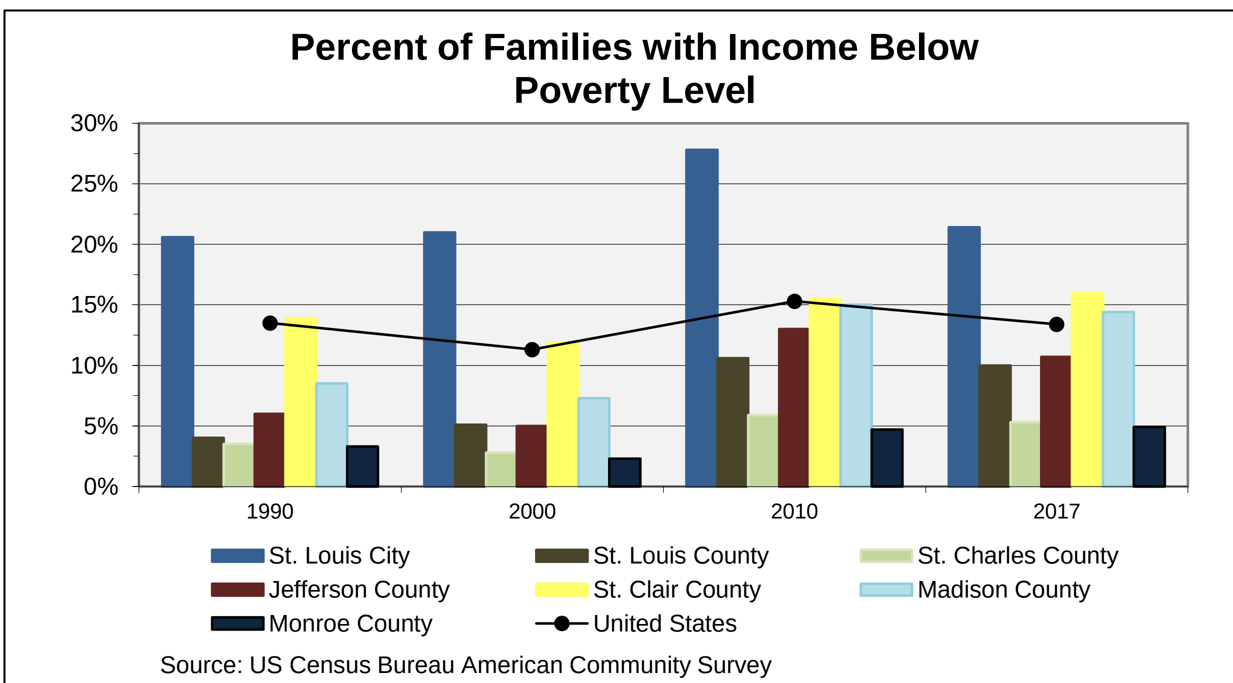
The region is ranked 10th highest in purchasing power in the country (EWG WWS, 2018) as a result of experiencing good real estate development prospects, benefiting from a low cost of doing business as well as living costs. St. Louis scored 3.92 out of 4.0 on perceived development and redevelopment opportunity, ranking 8th in the country. Source: 2018 Urban Land Institute Emerging Trends Report.

Regional Income and Poverty

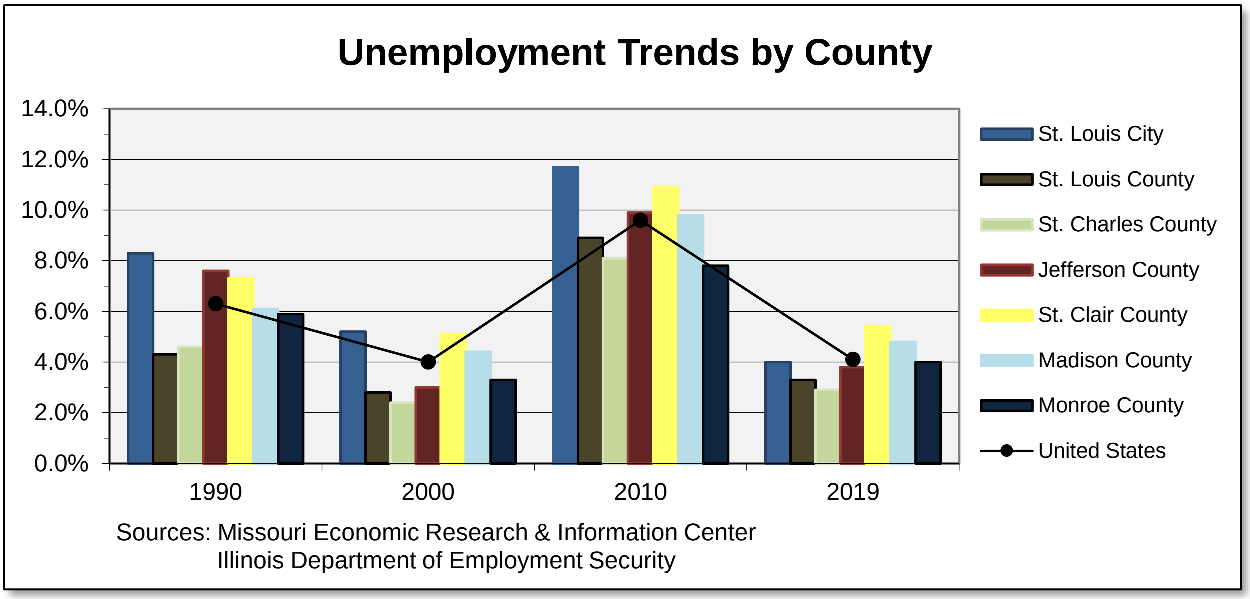
Income levels are relevant to BSD enterprises especially as it relates to public transit ridership. Public transit provides access to work and school for many low income residents who cannot afford to own or maintain a car. Per capita income is derived by dividing the total income of all people, age 16 and over, in a geographic area by the total population in that area.



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 2017 U.S. Census Bureau, the national average of families living below the poverty level was 13.4%. The following chart depicts that the BSD region includes poverty level trends and economic disparities that are both better and worse than the national average. These trends may be influenced by socio-economic factors relating to environment and education and the lasting effects of long-term fluctuating unemployment rates.



In February 2019, the Missouri Economic Research and Information Center reported the national average unemployment rate was 4.1%. Within the bi-state area, the average unemployment rate was 3.8%. But as the graph below displays unemployment rates do vary by county.



Mobility

Ease of mobility is a key factor to the success of any community. Excellent transportation access to work, school, sporting venues, entertainment, and medical centers attract business, people and visitors to the region. Once here, public transit provides MetroBus, MetroLink and demand response service. Bike commuting has increased through a dockless bike / e-scooter share program in the City as well as neighboring County municipalities.

Metro Transit is ranked 23rd in public transportation ridership providing an alternative to the automobile. Additionally public transportation provides a rich service for the elderly and disadvantaged by improving their mobility and quality of life. Seniors account for over 16.1% of the region's population. The City of St. Louis has more than 21% of its population living below the poverty level. Public transit is the most common mode of travel for households after single occupancy vehicles.

Year in Review

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FY 2018 - FY 2019 Overview

Bi-State Development achieved significant milestones in FY 2018 - 2019. The organization continued to assert its role as regional leader with broad powers to cross local, county and state boundaries to drive regional economic vitality.

- The new Cortex MetroLink Station was recognized with the Development of the Year award in October 2018. Chief of Metro Transit Jessica Mefford-Miller accepted the award at the City of St. Louis Mayor's Business Celebration Luncheon. The awards are presented to businesses within the city for their unique commitment or achievements to the community.

- BSD won a First Place award in the 2019 American Public Transportation Association (APTA) AdWheel Awards competition for the Metro St. Louis Forest Park Trolley Campaign. Marketing Manager Oliver Berman accepted the award at the APTA AdWheel Awards Marketing & Communications Workshop in New Orleans in February.

- BSD was awarded the 2018 Healthiest Employers: Working for Wellness in St. Louis Award by the St. Louis Business Journal. The award highlights companies and nonprofit organizations that commit to making wellness a priority and proactively shaping the health of their employees.

- The CityArchRiver Project, now known as the Gateway Arch Park Foundation, received a Leadership in Planning and Design Innovation award. The $380 million project revitalized the Gateway Arch grounds and St. Louis Riverfront. BSD was one of the six core partners on the massive Gateway Arch project.

- Gateway Arch Park Foundation Museum and Visitor Center was voted number six among the top 10 winners in the Best New Attraction category as part of the 2019 USA Today 10 Best Reader's Choice Awards at the 10BEST.com website.

- The St. Louis Regional Freightway received the Gateway Globe Award for Logistics and Infrastructure on November 1. The award honors those who are connecting the St. Louis region to the world by promoting global networks, embracing cultural differences, creating welcoming policies, and fostering global business opportunities. The award was presented by the World Affairs Council.

- BSD's Research Institute received an Arcus Award for Achievement for Public Policy on March 1. The St. Louis Regional Chamber presented the award and honors companies, organizations and institutions who make St. Louis a more attractive place to live, work and invest.

- The BSD Research Institute received the Community Development Award from North County Incorporated May 18. The Research Institute received the recognition for its tireless work to help improve the quality of life for Metro riders and residents.

- The Bike Share Working Group was recognized by East-West Gateway Council of Governments with the Outstanding Local Government Achievement Award.

In addition to the accomplishments discussed, over the past year, BSD, its enterprises and employees received numerous awards including:

- The St. Louis Chapter of Women in Transportation (WTS) International presented Executive Director of the St. Louis Regional Freightway **Mary Lamie** with the Woman of the Year Award. The award recognizes her contributions she has made to the transportation and engineering industries throughout her career, and her current work with the St. Louis.

- Former Gateway Arch Riverboats Director **Thomas (Tom) Dunn** received the 2019 Hall of Fame Award. The award, which was presented by the Saint Louis Attractions Association, is the highest honor reserved for individuals who have made and sustained noteworthy contributions that have impacted the Tourism and Hospitality industry. Tom retired in the latter part of 2018.

- BSD Executive Director of Tourism Innovation **Jenny Nixon** received the Spirit of St. Louis Individual Award. The award, which was presented by the St. Louis Attractions Association, is given annually to honor an individual who has gone the extra mile and put forth exemplary effort in helping to further the goals, objectives, and the spirit of the tourism and hospitality industry – 2018.

- Director of Light Rail Operations **Martin Gulley** was featured in the January - March 2018 issue of the I Am EStL The Magazine. Martin talked about the vast responsibility MetroLink employees have transporting passengers. The magazine celebrates the city's status as the birth place of amazing public servants and others who are respected, admired and have reached the highest levels in their respective fields of work.

- Metro Public Safety Officer **Anthony Anderson** received The Leadership Triology Award for successfully completing The Leadership Triology program. The award was presented by the FBI's Supervisor Leadership, Command Leadership and Executive Leadership Institutes. FBI-LEEDA offers management training for law enforcement professionals to help improve law enforcement management practices.

- **Sarah Clarke**, Director of Gateway Arch Operations received the 2018 Spirit of St. Louis Individual Award from the Saint Louis Attractions Association. The award is given annually to honor an individual who has gone the extra mile and put forth exemplary effort in helping to further the goals, objectives and spirit of the Tourism and Hospitality industry.

- Social Media Manager **Matthew Hibbard** was selected for the 2018 APTA Emerging Leaders Program. The program is a professional development program for individuals who are starting their careers in the public transportation industry. Matthew is just one of 25 individuals from around the country chosen for this program.

- BSD Wellness Manager **Tiffany Hilmes** was recognized as one of the top 100 winners of the 2018 Well-Being 100 Awards. Nominees were honored for the innovative approach and vision for their wellness programs, company culture, expertise, population health initiatives, feedback process, metrics tracked and technological prowess to well-being programs. Recipients were praised in excellence that covered more than 27 categories, including Smoking Cessation, Disease Prevention and Management, Sleep Health and more. The awards were presented by The Corporate Health & Wellness Association.

- BSD Supplier Diversity Program Manager **Francoise (Fran) Lyles-Wiggins** was awarded the MOKAN Public Sector Executive of the Year Award in November at MOKAN's

Construction Contractors 44th Annual Award Dinner. The award is presented to a person or organization in the public sector for their dedication and commitment to diversity in the workplace, as well as the inclusion of minority and women owned business enterprises.

- Marketing and Communications Division was awarded a 2018 Communicator Award of Excellence for its multi-platform marketing promotion – Ride to Work With Fredbird, featuring social media, video and media relations elements. The Communicator Awards are presented by the Academy of Interactive & Visual Arts.

- Marketing and Communications Division received the Hermes Creative Award – GOLD: Bi-State Development - Elevating the Region – A Catalyst for Growth Branded Video.

- Marketing and Communications Division received a 2018 Telly Award – Silver for General-Corporate Image for Branded Content: Catalyst – Inspire, Invest, Ignite, and a 2018 Telly Award – Bronze for General-Public Interest/Awareness for Branded Content: Grow the Freightway. The Telly Awards honor excellence in video and television across all screens.

- The Procurement Department received recognition/certification from the National Institute for Government Purchasing, Inc. (NIGP) for the Outstanding Agency Accreditation Achievement Award. The award recognizes agencies that lead the public procurement profession through the implementation of best practices. BSD is among 143 out of 2,500 agencies that have attained the distinction in 2018 and 2019.

- Procurement was awarded the 2018 Annual Achievement of Excellence in Procurement (AEP) Award from the National Procurement Institute (NPI) for the sixth consecutive year. 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.

- Finance Division received awards from the Government Finance Officers Association (GFOA) of the United States and Canada for the most recent years.
  - Received a Certificate of Achievement for Excellence in Financial Reporting for the 23nd consecutive year. BSD received the award for its Comprehensive Annual Financial Report (CAFR). The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. A Certificate of Achievement is valid for a period of one year.
  - Received its 12th Distinguished Budget Presentation Award for the FY 2019 operating and capital budget. The award recognizes the high standards of preparation of state and local governmental budgets.

Appendix

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Bi-State Development Funds, Sources and Uses

The FY 2020 budget sources and uses of cash report is detailed by operating business unit. The report shows the beginning balances, sources and uses of those funds and the final ending balances. The report includes the dollar and percent change in balances from the beginning to the end of the period. On the following page is combined Operating and Capital report. Below is a discussion of the changes in cash by business unit.

Metro Transit

Metro transit funds are expected to decrease by approximately $11.6 million or 5.1%. This decrease is primarily related to debt service interest and principal payments. The capital projects planned for Metro transit are extensive and 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

Sources of funds from operating revenue are greater than expenses that will create an increase of $1.0 million. Any available funds in Executive Services are used at the direction of the President and Chief Executive Officer and the Board of Commissioners. There is no capital activity planned for the Executive Services in FY 2020.

Gateway Arch

The Gateway Arch Tram is expected to operate at a positive cash flow of $1.6 million or 11.0%. The additional funds can be attributed to the completed renovation of the Arch grounds and its positive impact on tourism. The Arch Trams have several capital projects totaling $715 thousand. These projects include the design and audio visual programming for the Tucker Theatre experience project for $350 thousand, Jefferson National Expansion Memorial park identifying signage for $205 thousand and $160 thousand Leak Mitigation improvements. The funding for these projects will come from the Jefferson National Expansion Memorial capital improvement fund.

Riverfront Attractions

The Riverfront Attractions is planned to have operating income and a positive cash flow in FY 2020. Revenue has begun to increase subsequent to the completion of the riverfront and Arch grounds construction. The capital project planned for FY 2020 is for the riverboat Tom Sawyer 5-year hull inspection and overhaul. The source of funds is the Riverboat Renewal and Replacement Fund.

St. Louis Downtown Airport

The St. Louis Downtown Airport is expected to operate with a positive cash flow. The federal source of funds, state, local and the airport funds will provide funding for the capital expenditures.

Capital projects for FY 2020 are expected to total $439 thousand dollars. Out years include planned taxiway and land improvements.

St. Louis Regional Freightway

St. Louis Regional Freightway continues to move forward. Still in the building stage, a negative cash flow of $97 thousand is projected for FY 2020. The President and Chief Executive Officer of Bi-State Development and the Executive Director of St. Louis Regional Freightway will pursue regional support to fund the deficit through private sector partners. There is no capital spending in the FY 2020 budget.

Self-Insurance Funds

The three Self-Insurance Funds have a combined source of funds of $52.5 million. The source of funds for Health, Casualty and Workers' Compensation funds are $39.8 million, $5.0 million and $7.6 million respectively. The use of funds is equal to the source of funds resulting in a breakeven operating cash flow. There is no Self-Insurance Funds capital spending in the FY 2020 budget.

Bi-State Development Component Units

The two remaining BSD component units, BSD Research Institute and Arts In Transit, Inc. have minimal impact on BSD's overall cash flow activities. The combined total for these business units result in a negative cash flow of $53 thousand.

Bi-State Development

Capital and Operating Budget

Projected Sources and Uses of Funds

Fiscal Year 2020

(in thousands)

	Metro Transit	Executive Services	Gateway Arch Tram	Riverfront Attractions	St. Louis Downtown Airport	St. Louis Regional Freightway	BSD Research Institute	Arts In Transit, Inc.	Health Self-Insurance Fund	Casualty Self-Insurance Fund	Workers Comp Self-Insurance Fund	Total
Beginning available funds*	**$ 227,436**	**$ 6,159**	**$ 14,921**	**$ 21**	**$ 1,613**	**$ 17**	**$ 128**	**$ 74**	**$ 2,674**	**$ 10,933**	**$ 10,331**	**$ 274,307**
Sources of funds:												
Operating revenue	41,817	4,762	10,206	3,985	2,072	-	-	-	-	-	-	62,842
State and local assistance	313,473	-	-	-	8	-	-	-	-	-	-	313,481
Federal assistance	273,607	-	-	-	135	-	-	-	-	-	-	273,742
Investment Income **	4,302	80	187	-	20	-	-	-	-	-	-	4,589
Other	5,944	-	-	-	-	450	100	30	39,787	5,023	7,648	58,982
Total Sources	**639,143**	**4,842**	**10,393**	**3,985**	**2,235**	**450**	**100**	**30**	**39,787**	**5,023**	**7,648**	**713,636**
Uses of funds:												
Wages and benefits ***	201,003	2,373	2,664	1,594	1,101	184	-	-	822	687	385	210,813
Services	35,359	1,009	1,180	265	104	285	96	67	272	42	25	38,704
Materials and supplies	37,019	27	457	620	167	4	1	20	34	4	3	38,356
Utilities and fuel	7,878	5	139	91	151	-	-	-	5	2	1	8,272
Casualty and liability costs	6,733	-	67	167	45	-	-	-	40	915	226	8,193
Other	7,816	410	1,923	350	112	74	-	-	38,614	3,373	7,008	59,680
Contributions to Others	1,288	-	1,155	-	-	-	-	-	-	-	-	2,443
Capital Projects - Metrolink	117,758	-	-	-	-	-	-	-	-	-	-	117,758
New revenue & support vehicles	126,319	-	-	-	-	-	-	-	-	-	-	126,319
Facilities new and rehab	26,027	-	-	-	227	-	-	-	-	-	-	26,254
Construction - land improvement	-	-	-	-	150	-	-	-	-	-	-	150
Capital projects, equipment,	54,202	-	-	-	-	-	-	-	-	-	-	54,202
and other capital	-	-	715	360	62	-	-	-	-	-	-	1,137
Debt service (interest and principal) **	29,364	-	453	-	-	-	-	-	-	-	-	29,817
Total Uses	**650,766**	**3,824**	**8,753**	**3,447**	**2,119**	**547**	**97**	**87**	**39,787**	**5,023**	**7,648**	**722,098**
Ending available funds	**$ 215,814**	**$ 7,177**	**$ 16,561**	**$ 559**	**$ 1,728**	**$ (80)**	**$ 131**	**$ 18**	**$ 2,674**	**$ 10,933**	**$ 10,331**	**$ 265,845**
Change in Balance	**$ (11,622)**	**$ 1,018**	**$ 1,640**	**$ 538**	**$ 115**	**$ (97)**	**$ 3**	**$ (56)**	**$ -**	**$ -**	**$ -**	**$ (8,462)**
Percent Change	**-5.1%**	**16.5%**	**11.0%**	**> 100%**	**7.1%**	**<100%**	**2.3%**	**-75.7%**	**-**	**-**	**-**	**-3.1%**

* Beginning balances are from the January 31, 2019 balance sheet for each enterprise.

** Excludes capital lease-leaseback activities.

*** Excludes non-cash pension and OPEB activity.

Metro Transit Peer Performance Comparison

Peer Groups

The following analysis compares Metro's transit performance to a select group of peers. This peer group includes transit agencies with similar service characteristics including regional demographics, system size and modes of transportation.

The BSD's transit peer group includes the follow systems:

Buffalo	Niagara Frontier Transportation Authority (NFT Metro)
Cleveland	The Greater Cleveland Regional Transit Authority (GCRTA)
Dallas	Dallas Area Rapid Transit (DART)
Pittsburgh	Port Authority of Allegheny County (Port Authority)
Portland	Tri-County Metropolitan Transportation District of Oregon (Tri-Met)
San Diego	San Diego Metropolitan Transit System (MTS)
San Jose	Santa Clara Valley Transportation Authority (VTA)

Performance Indicators

Performance was measured against six performance criteria as reported by the Federal Transportation Administration (FTA) in their National Transit Database (NTD) for 2017. The following performance measures were reviewed:

Service Efficiency

- Operating Expense per Revenue Hour
- Operating Expense per Revenue Mile

Cost Effectiveness

- Operating Expense per Passenger
- Operating Expense per Passenger Mile

Service Effectiveness

- Passengers per Revenue Hour

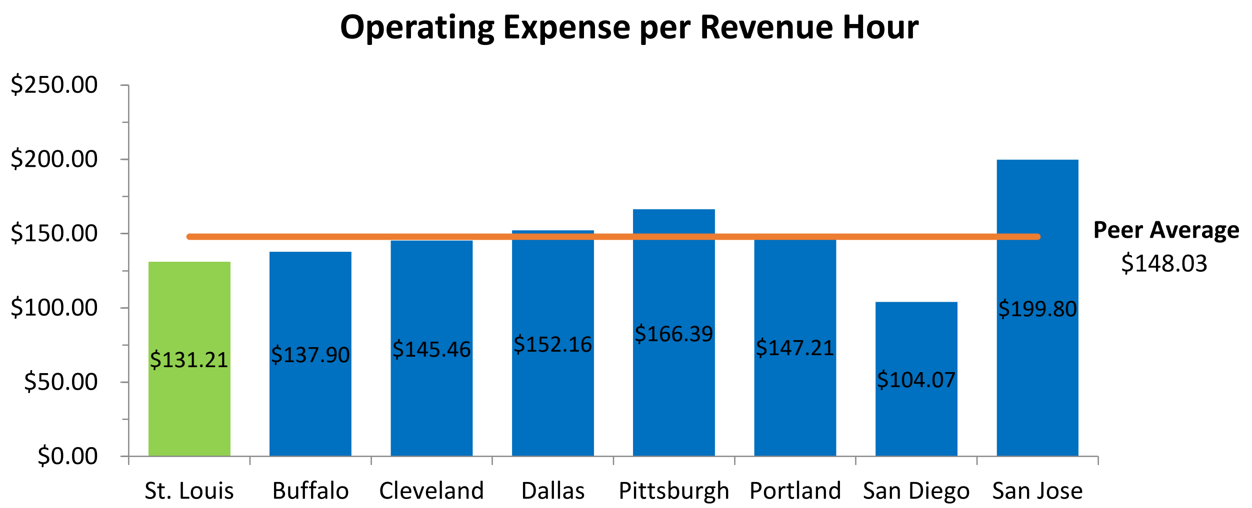
Operational Efficiency

- Farebox Recovery (Fare Revenue per Operating Expense)

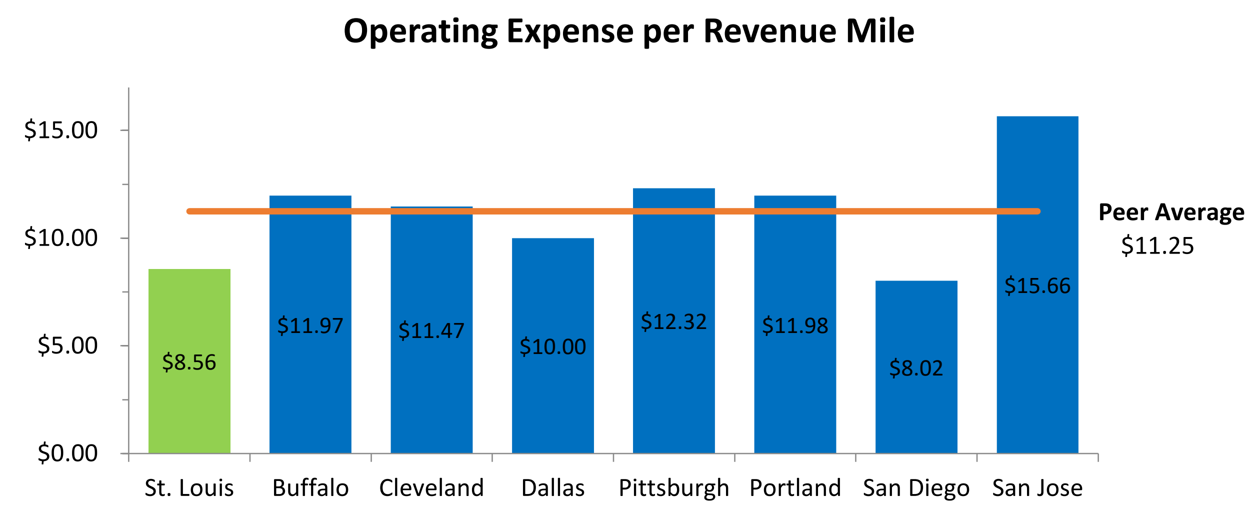
The following charts are prepared using 2017 National Transit Database system data, which is the latest data available at this writing. Most of these comparisons incorporate ridership and revenue related to ridership. Since 2017, ridership has continued to trend downward.

Peer Performance Comparison

Service Efficiency



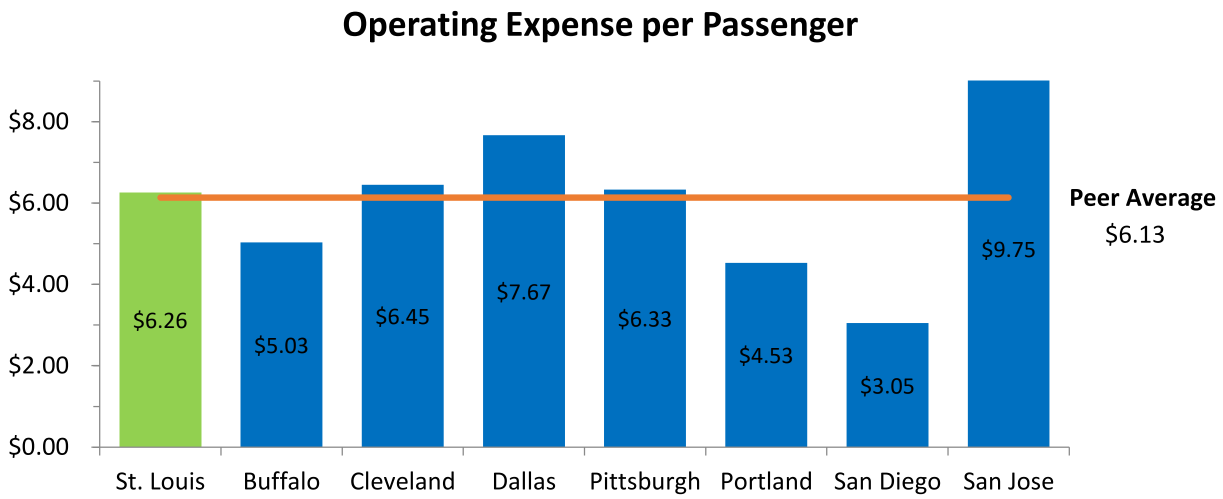
Operating Expenses are the costs associated with the operation of the transit agency and goods and services purchased for system operation. The cost efficiency performance ratio of operating expense per revenue hour shows Bi-State Development transit's cost per hour at 11.4% below the peer average and ranking the second most efficient of the peer group behind only San Diego.



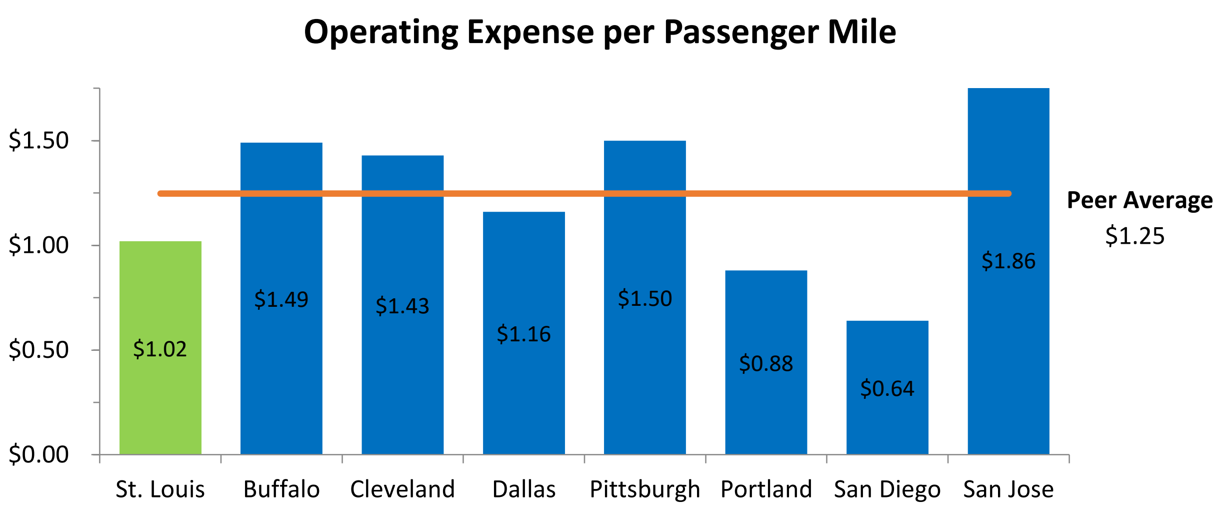
The performance ratio of operating expense per revenue mile has Bi-State Development transit's cost per mile ranking the second lowest of the peer group only behind San Diego and 23.9% below the peer average.

Peer Performance Comparison

Cost Effectiveness



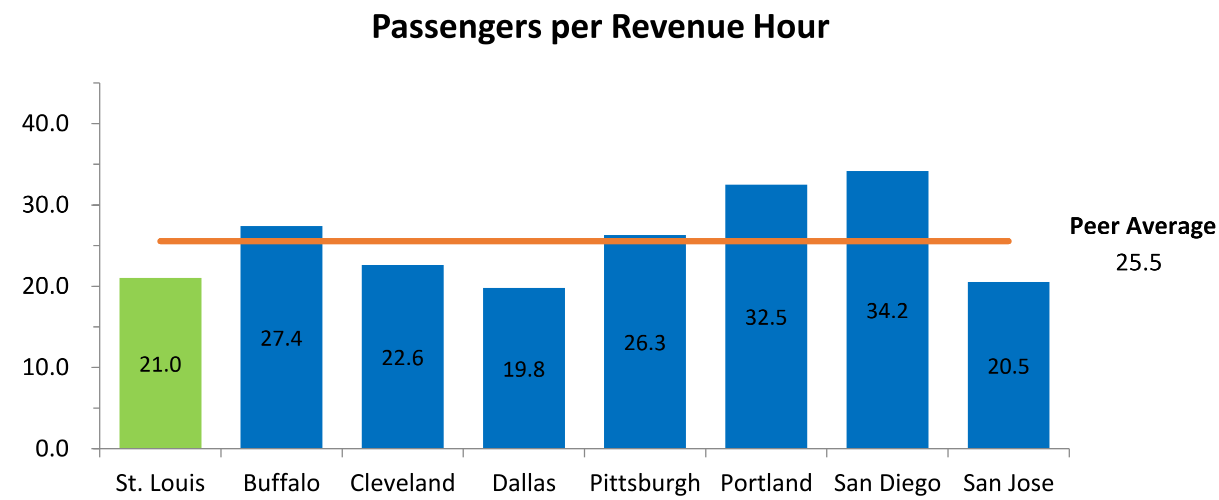
The cost effectiveness performance ratio of operating expense per passenger shows Bi-State Development transit consistent with the average expense for agencies within this peer group. BSD at $6.26 operating expense per passenger is ranked near the middle of the peer group and just above the peer average of $6.13.



The performance ratio of operating expense per passenger mile has Bi-State Development transit ranked behind San Diego and Portland. BSD transit's operating cost of $1.02 per passenger mile is 18.4% better than the peer average. BSD prides itself on controlling costs beginning with their effective preventive maintenance program.

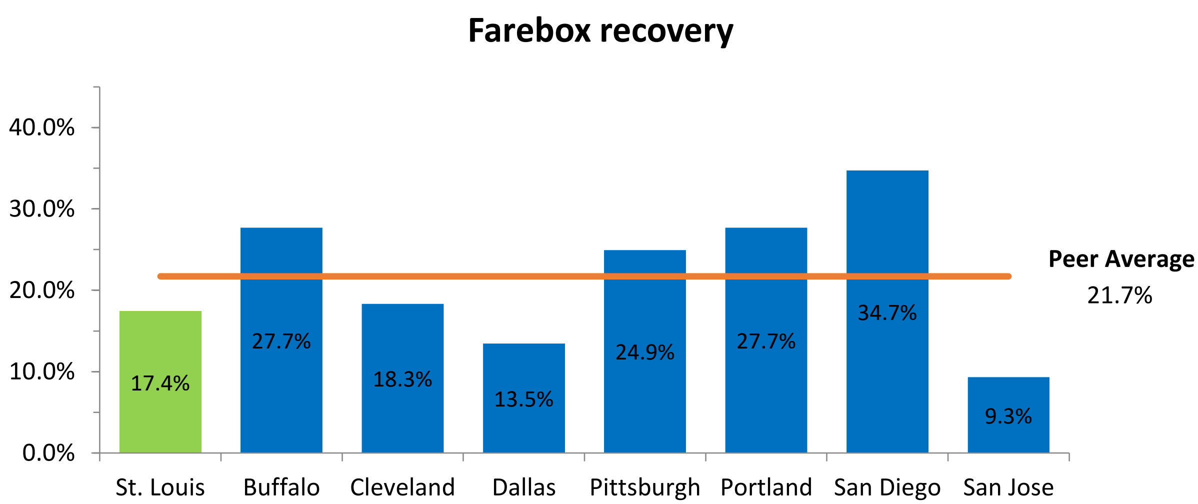
Peer Performance Comparison

Service Effectiveness



Passenger per revenue hour indicates the system is widely used and a higher quotient is more desirable. Service effectiveness as measured by the performance ratio of passengers per revenue hour shows Bi-State Development transit below the peer average. The Bi-State Development service area population and low residential and employment density affects this performance indicator. BSD remains committed to serve the St. Louis region with an affordable and efficient transit system.

Operational Efficiency



Farebox recovery is a measurement of how much of operating costs are covered by passenger revenue. A higher percentage ensures the transit system will be less dependent on other revenue sources. Bi-State Development transit's system farebox recovery of 17.4% is below the peer average, but exceeds Dallas and San Jose. Declining trends in ridership have contributed to Metro’s lower farebox recovery percentage.

Financial Policies, Fund Balances, Debt Obligations

All fiscal policies apply to all operations of Bi-State Development.

Planning and Budgeting Policies

Balanced Budget

Each year the President and Chief Executive Officer 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 Bi-State Development 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 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 Bi-State Development's policy to employ an Internal Auditor who will 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 Bi-State Development's enterprises with internal Bi-State Development rules and regulations. The Internal Audit Department shall, at all reasonable times, have access to the accounts, books, and records of Bi-State Development. The Internal Audit Department may interview the President and CEO and other employees of Bi-State Development as necessary.

External Audit

It is the policy of Bi-State Development to submit its books and records to an 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 is responsible. These functions include: Executive Services, St. Louis Regional Freightway, Gateway Arch Tram System, Riverfront Attractions, St. Louis Downtown Airport, Bi-State Development Research Institute, Arts In Transit, Inc. and Metro Transit.

Additionally, Bi-State Development evaluated whether there were any potential component units, which should be included in these financial statements based on the following criteria: financial accountability, access to resources, responsibility for debts and deficits, and fiscal independence. Bi-State Development did not have any component units. The City of St. Louis, Missouri, the Missouri counties of St. Louis, St. Charles and Jefferson, the Illinois counties of Madison, St. Clair, and Monroe and the States of Illinois and Missouri have limited decision making authority over Bi-State Development and have limited responsibility for Bi-State Development's debts or deficits except as provided in the Memorandum of Agreement.

Bi-State Development has two blended component units. Both units are qualified 501(c)3 non-profit entities. The two entities are the Bi-State Development Research Institute and Arts In Transit, Inc.

Basis of Accounting

Bi-State Development follows the accrual basis of accounting and uses the economic resources measurement focus for all of its enterprise funds 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 GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows and outflows of resources; 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 internal 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 fund balances and changes therein are segregated for the purpose of carrying on the specific activities or attaining certain objectives in accordance with Board or external special regulations, restrictions or limitations.

All funds used in accounting for the financial operations of Bi-State Development are enterprise funds or fiduciary funds. For financial reporting purposes, Bi-State Development is considered a single enterprise fund in which all subsidiary enterprise funds are combined and interfund transactions are eliminated. Bi-State Development is required to adopt an overall balanced operating budget; however, it is not required to adopt legally enforceable budgets and does not adopt such budgets.

Fiduciary funds are used to account for assets held in trust by the government for the benefit of individuals or other entities.

Enterprise Funds

Bi-State Development'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;
- St. Louis Regional Freightway Fund – operates and develops freight and freight related business opportunities in the St. Louis bi-state region;
- 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;
- Bi-State Development Research Institute Fund – generates economic opportunities for Bi-State Development in the region;
- Arts In Transit, Inc. Fund – plans, funds and acquires artwork for the transit alignment to enhance the ridership experience;
- Transit System (Metro) Fund – owns, operates and maintains the St. Louis metropolitan area mass transportation system which includes MetroBus, MetroLink and Metro Call-A-Ride services.

The Internal Service Fund is used to report activities and accumulate and allocate costs of services that are provided to Bi-State Development's various enterprises. This fund accounts for payroll and risk management, which includes self-insurance general liability and worker's compensation. Bi-State Development's internal service funds are used for operations serving other funds or departments within Bi-State Development.

The three components of Bi-State Development’s self-insurance funds are as follows:

- Health Self-Insurance Fund – operates the self-funded health programs and charges for services to other operating units within Bi-State Development;
- Casualty Self-Insurance Fund – operates the self-funded risk insurance programs and charges for services to other operating units within Bi-State Development;
- Workers Compensation Self-Insurance Fund – operates the self-funded workers’ compensation insurance program and charges for services to other operating units within Bi-State Development.

Fiduciary Funds

Fiduciary funds are used to account for assets held by Bi-State Development 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 Investment Policies

Bi-State Development’s policies direct the investment of all operating, self-insurance restricted, capital and debt service funds of all entities of the organization not expressly controlled by Revenue Bond Trustees. The preservation of funds is the first consideration in determining the investment of Bi-State Development’s cash. Thereafter, the highest yield consistent with safety is required, provided the maturities are short enough to maintain operational liquidity. Banks and other financial institutions are selected for investments only on a competitive basis. The number of demand-deposit, non-interest bearing accounts is kept to the minimum for operational efficiency and safety.

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

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 agreements, and triple AAA rated money market funds. 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, collateralized certificates of deposit, and banker's acceptances to five million dollars 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. The investment policies are specific to each transaction.

As of June 30, 2018, Bi-State Development's enterprise fund related money market funds and commodities accounts at fair value were $119,248,595. Bi-State Development's investments in U.S. Treasury and Government Agency securities all had ratings of AA+ from S&P and Aaa from Moody's as of June 30, 2018.

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. As of June 30, 2018, Bi-State Development's investment safekeeping agent held, in Bi-State Development's name, all of Bi-State Development's non-lease or bond related investments in treasury securities or government agency securities. As of June 30, 2018, collateral for repurchase agreements was held by Bi-State Development's agent. Bi-State Development's investment policy specifies that collateral for repurchase agreements with a term of longer than 14 days be placed in joint custody with Bi-State Development at the Federal Reserve Bank or other third party custodian. No repurchase agreements in effect at June 30, 2018 had a term of longer than 14 days.

Concentration of Credit Risk

Bi-State Development maintains an investment policy that establishes thresholds for holdings of individual securities. As of June 30, 2018, more than 5 percent of Bi-State Development's investments were in the Federal Home Loan Bank and Federal Farm Credit Banks, totaling $32,032,744 and $42,949,709, respectively.

Concentration of credit risk is the risk associated with the magnitude of investment in any one issuer. The Other Post-Employment Benefit Fiduciary Trust Committee maintains an investment policy that establishes thresholds for holdings of individual securities. As of June 30, 2018, more than 5 percent of the OPEB trusts investments were in the Artisan Partners Fund ($1,782,516), Vanguard 500 Index Fund ($7,591,819), DFA Investment Dimensions ($2,415,432), Neuberger Berman Intl Fund ($3,676,455), Harbor International Fund ($3,481,845), Metropolitan West Funds ($6,518,939), Blackstone Hedged Equity ($1,892,038) and Blackstone Park Avenue ($3,337,866).

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. Due to the short duration of the majority of Bi-State Development's non-lease or bond related investments at June 30, 2018, interest rate risk is not deemed significant to Bi-State Development.

Cash and Cash Equivalents

All highly liquid investments readily convertible into cash with original maturities of 90 days or less are treated as cash equivalents.

Cash on Hand

Cash on hand, which includes petty cash, working funds (including funds in ticket vending machines) and undeposited receipts, was $444,830 for unrestricted funds.

Cash Deposits

At June 30, 2018, the carrying amounts of Bi-State Development's restricted and unrestricted deposits were $5,345,602 and the bank balances were $8,227,834 respectively.

Investments

Bi-State Development's investments consist of collateralized repurchase agreements; Triple A rated money market funds, collateralized certificates of deposit, commodities guaranteed, investment contracts, municipal bonds, and U.S. Treasury and U.S. Government Agency securities.

As of June 30, 2018, Bi-State Development's total bank balance was $8,227,834. Bank balances are insured by FDIC insurance for balances up to $250,000 per financial institution. Any balances over the FDIC limit are collateralized with securities held in a joint custody account at the Federal Reserve Bank, or with securities held in a segregated account with a third party custodian.

As of June 30, 2018, Bi-State Development had the following maturities of cash, cash equivalents and investments:

	Credit Rating (S&P/Moody's)	Balance	Overnight	2-90 days	90-365 days	1-5 years	+5 years
Cash	-	5,331,576	5,331,576	-	-	-	-
CDs	-/Aa2	4,529,985	-	-	4,529,985	-	-
Money Market Funds							
& Other Broker Accounts	AAAm/Aaa-mf	116,702,021	116,702,021	-	-	-	-
Commodities Account	-	2,546,574	2,546,574	-	-	-	-
U.S. Treasury Bills	AA+/Aaa	25,792,439	-	11,461,883	14,330,556	-	-
U.S. Treasury Notes	AA+/Aaa	9,375,733	-	4,894,543	4,481,190	-	-
Government Agencies:							
FHLB Discount Notes	AA+/Aaa	10,469,775	-	8,984,610	1,485,165	-	-
FHLB Bonds	AA+/Aaa	21,562,969	-	499,889	10,143,831	10,919,249	-
FCB Bonds	AA+/Aaa	42,949,709	-	7,983,568	11,419,210	23,546,931	-
PEFCO Bonds		10,635,489	-	-	-	10,635,489	-
Municipal Bonds	See Below	7,911,361	310,000	1,191,630	-	6,269,024	140,707
Investment Contracts:							
AIG	BBB+/Baa1	16,796,502	-	-	-	-	16,796,502
Assured Guaranty	AA/A2	94,026,443	-	-	-	-	94,026,443
Total		$ 368,630,576	$ 124,890,171	$ 35,016,123	$ 46,389,937	$ 51,370,693	$ 110,963,652

A breakdown of municipal bonds is as follows:

	Credit Rating (S&P/Moody's)	Balance	Overnight	2-90 days	90-365 days	1-5 years	+5 years
Florida Hurricane Catastroph	AA/Aa3	310,000	310,000	-	-	-	-
Illinois State	BBB-/Baa3	490,082	-	-	-	490,082	-
Massachusetts State	AA/Aa1	4,989,590	-	-	-	4,989,590	-
Nevada State	AA/Aa2	789,352	-	-	-	789,352	-
City of Newton Kansas	AA/A1	140,707	-	-	-	-	140,707
Washington State	AA+/Aa1	1,191,630	-	1,191,630	-	-	-
Total		$ 7,911,361	$ 310,000	$ 1,191,630	$ -	$ 6,269,024	$ 140,707

At June 30, 2018, Bi-State Development's fiduciary activities had the following cash and investment maturities:

	S&P Credit Rating	Balance	Overnight	Less Than One Year	1-5 years	+ 5 years
Money Market	n/a	$ 1,517,551	$ 1,517,551	$ -	$ -	$ -
U.S. Equity						
Artisan Partners Mid Cap Funds	n/a	1,781,516	1,781,516	-	-	-
Vanguard 500 Index Fund	n/a	7,591,819	7,591,819	-	-	-
DFA Investment Dimensions Group	n/a	2,415,432	2,415,432	-	-	-
Non-U.S. Equity						
Neuberger Berman International	n/a	3,676,455	3,676,455	-	-	-
Harbor International Fund	n/a	3,481,845	3,481,845	-	-	-
Fixed Income						
Metropolitan West Funds	AA	6,518,939	6,518,939	-	-	-
Hedge Funds						
Blackstone Hedged Equity Offshore Fund Limited, Series 1	n/a	1,892,038	-	-	1,892,038	-
Blackstone Hedged Equity Offshore Fund Limited, Series 4	n/a	204,874	-	-	204,874	-
Blackstone Park Avenue Non-Taxable Fund L.P.	n/a	3,337,866	-	-	3,337,866	-
Total		$ 32,418,335	$ 26,983,557	$ -	$ 5,434,778	$ -

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 utilizes commodity hedging to reduce the volatility in fuel costs. Hedging techniques are traditionally used to limit exposure to price fluctuations. Management recognizes that fluctuations in fuel prices could have an overall negative impact on Bi-State Development’s financial affairs. Accordingly, futures contracts are used to manage this exposure.

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. The fuel hedge is an effective hedge. GASB 53 requires the gain or loss on the sale of derivative instruments to be recorded in the statement of revenues, expenses and changes in net position. The change in fair value of the derivative is recorded as a deferred inflow/outflow, as appropriate. The investment in derivative instruments is recorded in the statement of net position as part of current assets or liabilities and other non-current assets or liabilities, as appropriate. The hedging instruments affected are weekly fuel hedge contracts with a speculative 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.

Revenue Policies

Operating Revenues

Operating revenues generally result from providing services in connection with 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 are as follows:

- Executive Services Fund – interfund charges for management services;
- St. Louis Regional Freightway Fund – contributions and reimbursement of expenses related to operating costs;
- Gateway Arch Tram System Fund – charges to tourists for admissions to attractions at the Jefferson National Expansion Memorial and rentals;
- Gateway Arch Riverfront Attractions Fund – charges to tourists for riverboat excursions along the Mississippi, memorabilia sales and heliport and bicycle rentals;

- St. Louis Downtown Airport Fund – charges to customers for aviation and runway services provided, including hangar rentals and fuel;
- Arts In Transit, Inc. Fund – contributions for bus paintings, art services and donations;
- Bi-State Development Research Institute Fund – contributions for services and donations;
- Transit System (Metro) Fund – fares charged to passengers for public transportation, advertising, and rentals:
- Health Self-Insurance Fund – charges for medical, dental, prescription and other health related services to other Bi-State Development business units:
- Casualty Self-Insurance Fund – charges for casualty and risk related services to other Bi-State Development business units:
- Workers' Compensation Self-Insurance Fund – charges for worker's compensation and other related services to other Bi-State Development business units.

Establishing Fares and Fees

- **Transit System -** Passenger fares require approval by the Board of Commissioners and 30-day public notice prior to implementation.
- **Business Enterprises –** Ticket price increases require approval by the Board of Commissioners. For the Gateway Arch National Park, the National Park Service must approve any increase to ticket prices.

Transit Passenger Fares & Revenue Recognition

Farebox revenues are recognized at the time services are purchased and revenue passes through the bus farebox and MetroLink ticket vending machines. 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.

Operating Leases of a Lessor

Bi-State Development is engaged in leasing airport hangar space, along with various other buildings and properties, to tenants under operating leases that expire between years 2019 and 2099. The approximate future minimum lease receipts in each of the five succeeding years and thereafter under non-cancelable operating leases are as follows:

Fiscal Year	Future Minimum Lease Receipts
2019	1,799,869
2020	1,443,583
2021	1,370,004
2022	1,300,056
2023	1,287,030
2024-2028	4,178,242
2029-2033	1,427,693
2034-2038	763,550
2039-2043	607,187
2044-2048	394,590
2049-2053	170,744
2054-2058	170,774
2059-2063	170,774
2064-2068	170,774
2069-2073	170,774
2074-2078	170,774
2079-2083	170,774
2084-2088	170,774
2089-2093	170,774
2094-2098	157,707
	$ 16,266,448

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; sales tax appropriations, grants, and assistance (local, state, federal).

Sales Tax Revenue

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 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 or the Bond Trustee, as applicable. Typically there is a two month lag from the date of sale tax collected by business owners and remission to the State of Missouri and the receipt of cash by Bi-State Development.

Sales Tax Appropriations

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, 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 Statements of Revenues, Expenses and Changes in Net Position of Bi-State Development.

Prop M is a ¼ cent sales tax that was established and is restricted to public transit use and is forwarded to Bi-State Development based upon annual appropriations from the City of St. Louis and St. Louis County.

Prop A is a ½ cent sales tax levied in St. Louis County and a corresponding additional ¼ cent sales tax levied in St. Louis City.

In addition, the City of St. Louis passed Proposition 1 on April 4, 2017. This is a 1/2 cent sales tax for economic development purposes related to MetroLink expansion, neighborhood revitalization, workforce development, public safety and an upgrade to the city's infrastructure. The 50 percent portion of this tax allotted to MetroLink expansion is for the potential North/South alignment and other future expansion and not for on-going operational costs.

Grant Assistance and Contractual Revenue

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 revenue. Capital grants and assistance that are restricted to use for payments of debt service or acquisitions of capital assets are recorded as capital contributions in the statement of revenues, expenses and changes in net position.

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 safety enhancements.

Capital and Operating Assistance Grants

Bi-State Development 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 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.
- **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.

Capital Improvement Grants

- **Federal Aviation Administration** - 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, the Illinois Department of Aeronautics, and the Illinois Department of Transportation (IDOT). The St. Louis Downtown Airport provides additional funds from operating revenues.

Contract Revenue

- **Illinois Transit Service -** Bi-State Development contracts with the St. Clair County Transit District to provide public 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.

- **Gateway Arch National Park 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 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 Development is required to transfer to the United States Government all remaining assets from the operations of the Tram after discharge of all liabilities.

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 2018, approximately $9.7 million of sales tax funds were restricted for capital projects. If additional capital projects are required and immediate, additional operating funds may be restricted by order of the President and Chief Executive Officer.

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 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.

Net Position

GASB requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These net position classifications are defined as follows:

- **Net investment in capital assets** - This component consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings or debt-related deferred inflows or outflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

- **Restricted net position** - This component consists of external constraints placed on net position imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted net position** - This component of net position consists of amounts that do not meet the definition of “restricted” or “net investment in capital assets."

Bi-State Development typically utilizes restricted sources of funding first and then unrestricted sources of funding for its programs.

Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments are presented on the statements of net position as either restricted or unrestricted cash and cash equivalents and investments.

Deposits and investments are segregated based upon GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, as amended by GASB Statement No. 40.

Balances of cash, cash equivalents, and investments as of June 30, 2018 were as follows:

Cash on hand	$ 444,830
Cash deposits	1,002,435
Cash equivalents	61,701,931
Total unrestricted cash and cash equivalents	63,149,196
Restricted cash and cash equivalents	61,895,678
Total cash and cash equivalents	125,044,874
Unrestricted investments	80,251,085
Restricted investments	52,511,672
Restricted investments held to pay capital lease	110,822,945
Total restricted investments	163,334,617
Total investments	243,585,702
Total cash, cash equivalents and investments	$ 368,630,576

Restricted Cash, Cash Equivalents and Investments

Assets are considered restricted when they are subject to constraints that are either externally imposed or imposed by law through constitutional provisions or enabling legislation. As of June 30, 2018, Bi-State Development had $61.9 million in restricted cash and cash equivalents and $163.3 million in restricted investments, respectively.

Restricted cash, cash equivalents, and investments for Bi-State Development as of June 30, 2018 were the following:

2018 Restricted cash, cash equivalents and investments

	Cash & Cash Equivalents	Investments	Total
Cross county debt service reserve	$ 16,241,935	$ 28,898,363	$ 45,140,298
Arch debt service reserve, project fund	1,102,827	-	1,102,827
Self-insurance	20,975,275	5,820,131	26,795,406
Capital lease - collateral	-	6,878,335	6,878,335
Capital tower lease - collateral	670,226	996,382	1,666,608
National Park Service	11,868,657	-	11,868,657
BSD Research Institute grant projects	81,248	-	81,248
Federal Transit Authority	8,408,936	9,918,461	18,327,397
Fuel hedge program	2,546,574	-	2,546,574
Total restricted cash and Investments	$ 61,895,678	$ 52,511,672	$ 114,407,350
Restricted investments held to pay capital lease / leaseback liabilities	-	110,822,945	110,822,945
Total restricted cash, cash equivalents and investments	$ 61,895,678	$ 163,334,617	$ 225,230,295

Cross county debt service reserve funds: The trustee holds the debt service and the debt service reserve funds in restricted trustee accounts determined by the bond indenture. The debt service funds are used to pay current principal and interest on debt. The debt service reserve fund represents the highest annual debt service required over the life of the bond. The debt service reserve fund protects the bondholder in the event of impairment.

Arch debt service reserve, and project funds: In December 2014, Bi-State Development issued taxable arch tram revenue bonds. The financing funded the cost of new motor generator sets and a portion of the cost of the visitor center roof, a cost of issuance fund, and a debt service reserve fund. These trustee accounts are restricted per the bond indenture.

Self-insurance funds: These are funds used to pay claims incurred by Bi-State Development's self-insurance plan. The funds are used for workers' compensation, casualty, and medical and dental claims. Funds withheld from employees' wages for the flexible spending account program are also restricted in this category. The funds are restricted based upon the vendor contracts and obligations.

Capital lease collateral funds: In February 2011, Bi-State Development cured a technical default on the C1 and C2 tranches of the 2001 LRV lease. The transaction required Bi-State Development to purchase collateral. Each year an evaluation of the supplemental collateral is performed to establish the requirement. For 2018, the collateral requirement is $6.7 million and is restricted under the contract agreement.

Capital tower lease collateral funds: The FTA has remitted funds to Bi-State Development which will be used to pay capital lease obligations in the future.

National Park Service funds: Funds are reserved for NPS projects, which include a drainage project, exhibit rehabilitation, and the motor generator sets. The Jefferson National Expansion Memorial Beneficial fund and a $500,000 emergency fund are also restricted under the current contract with the NPS.

Bi-State Development Research Institute grant projects: Funds are reserved for a Missouri of Foundation of Health grant funded project, which include the construction of kiosks and establishment of multiple food outlets located along the MetroLink alignment.

Federal Transit Authority funds: The FTA initially funded $18.0 million of the debt service reserve on the 2010 debt. When the debt was paid off on August 1, 2013, the funds were designated and restricted to be used for the Illinois MetroLink upgrade project by the FTA. Interest earned on the funds is $164,356.

Fuel hedge program funds: These funds are restricted for use in conducting the fuel hedging program.

Restricted investments held to pay capital lease / leaseback liabilities: In 2001, Bi-State Development entered into transactions to lease multiple LRVs. Bi-State Development received a prepayment equivalent to the net present value of the headlease obligations totaling approximately $120.0 million. Approximately $93.6 million was deposited with AIG, to partially meet Bi-State Development's rent obligations under the sublease and to set aside funds to enable Bi-State Development to exercise its repurchase option.

Expense Policies

Operating Expenses

Operating expenses include the cost of delivering services, administrative expenses, and depreciation expenses on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Expenditure Controls

Bi-State Development 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	$ 500,000 and under

Materials and Supplies

Metro 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.

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 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 acquisition value.

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.

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

Compensated Absences

Substantially all employees receive compensation for vacations, holidays, illness, and certain other qualifying absences. The number of days compensated in the various categories of absence is based generally on length of service. Compensated absences, which have been earned but not paid, are shown as accrued within our financial statements.

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 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.

Fiscal Year 2018

	Injury, Damage and Personal Liabilities	Workers' Compensation	Employee Medical and Dental	Total Self-Insured Liabilities
Balance:				
At beginning of fiscal year	$ 8,633,241	$ 7,378,000	$ 2,428,000	$ 18,439,241
Add:				
Claims and changes in estimate	6,280,381	9,224,527	39,764,677	55,269,585
Less:				
Claim payments	(4,550,919)	(6,333,527)	(38,380,646)	(49,265,092)
Balance:				
At end of fiscal year	$ 10,362,703	$ 10,269,000	$ 3,812,031	$ 24,443,734

Bi-State Development management believes that the estimated liabilities for unsettled injury claims, workers' compensation benefits, and employee medical and dental insurance claims at June 30, 2018 are adequate to satisfy claims for events that have occurred through those respective dates. At June 30, 2018, Bi-State Development held $26.8 million in cash, cash equivalents, and investments that are Board restricted for payment of these claims.

The lag payout of medical and dental claims average approximately eight weeks; therefore, all of the June 30, 2018 balance of $3.8 million for medical and dental liability is expected to be paid the following year. At June 30, 2018, management estimates approximately $9.4 million of the workers' compensation and casualty liabilities are payable within one year. Of the $9.4 million, $3.5 million relates to injury, damage, and personal liabilities and $5.9 million relates to workers' compensation.

Bi-State Development is also the defendant in several lawsuits arising from matters other than workers' compensation and personal injury litigation. These matters principally relate to environmental cleanup, breach of contract, and alleged violations of equal protection and credit protection requirements. In the opinion of management, including its General Counsel, the ultimate resolution of these matters is not likely to have a material effect on Bi-State Development's financial position.

Other Non-Current Liabilities

The classification of other non-current liabilities for Bi-State Development (BSD) includes various types of commitments which are due in longer than one year. There are FTA funds committed for future rehabilitation of MetroLink light rail cars. There is also the long term portion of accrued sick time. Since sick time is allowed by union contract to be carried forward and applied in future periods, seventy-five percent of the balance is classified as long term. The short term portion of accrued sick leave is recorded in other current liabilities.

There is also an amount due to St. Clair County Transit District (SCCTD) for additional funds contributed from SCCTD to BSD which were used for additional collateral related to 2001 Light Rail Vehicle leases. The combined funds from BSD and SCCTD used for the additional collateral are returnable in the future under certain conditions. If the funds are returned to BSD in part or in full, then BSD would refund the pro rata portion of the returned collateral to SCCTD.

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 Development 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's financial position or results of operations.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Bi-State Development's pension plans (Salaried Plan and Union Plans) and additions to/deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Bi-State Development has sponsored three defined-benefit pension plans; one Salaried plan and two Union plans. All three plans are single employer 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 funding the actuarially determined contribution each year. 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 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 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 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'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

The Salaried Plan was closed to new entrants effective July 1, 2013 and all subsequently hired salaried employees are eligible for an enhanced defined contribution 401k plan.. As of January 1, 2014, the Salaried Plan became a 3% contributory single employer defined benefit pension plan for salaried employees who remained in the plan and did not freeze their accrued benefit.

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 10 years of credited service may retire and receive reduced benefits. The Salaried Plan also provides death and disability benefits coordinated with Bi-State Development's Long Term Disability program.

Union Plans

All Bi-State Development full-time employees who are included in one of the collective bargaining units recognized by Bi-State Development 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 of the Missouri-Illinois Metropolitan District and Division 788 Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan and Agreement (788 ATU Plan)
- Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Locals No. 2 and Local No. 309 of the International Brotherhood of Electrical Workers Employees' Pension Plan and Agreement (IBEW Plan)

Beginning April 1, 2015, the Bi-State Development Agency Division 788 ATU Operations Pension Plan and Bi-State Development Agency Division 788 ATU Clerical Pension Plan merged after a vote by the union membership and acceptance by the respective administrative pension committees to create the Bi-State Developments Agency Division 788 ATU Pension Plan. The combined 788 ATU Plan is being presented and any prior years' data shown as combined is based upon the total of the two individual plans. Despite the merger, both plans have grandfathered in the benefit structures for their respective employees.

The 788 ATU Plan members hired on or after April 1, 2015 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 hired prior to April 1, 2015 are eligible for full retirement benefits at (a) age 65 or (b) the completion of 25 years of credited service. Former 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.

For the 788 ATU and Clerical Plan, the retirement benefit is $40 times the years of credited service up to 25 years. A participant with more than twenty-five years of service receives a retirement benefit of $55 times years of credited service.

Eligible IBEW Plan members who retire after December 31, 2013 are eligible for full retirement benefits at (a) age 65 with 10 or more years of credited service or (b) the completion of 25 years of credited service. The IBEW defined benefit pension plan was closed to new employees effective January 1, 2014. Newly hired employees are eligible for a defined contribution plan or the National Electric Benefit Funds pension plan. For the IBEW plan, the retirement benefit is $60 times the years of credited service.

All Union employees are required to make plan contributions by payroll deduction each week. If a union employee leaves the employment of Bi-State Development 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.

All three pension plans do not include cost of living adjustments for pension plan benefit payments.

The Union Plans' benefit terms can only be changed through the negotiation of a labor contract and the approval of the Board of Commissioners. The Salaried Plan benefits can be changed with the approval of the Board only.

Funding Policy, Annual Pension Cost and Actuarial Assumptions

For the Salaried Plan, Bi-State Development contributes the actuarial determined contribution less the amount contributed by the employees. Employer contributions to the Salaried Plan were $7,635,000 for the year ended June 30, 2018. For the Union Plans, Bi-State Development has agreed within each collective bargaining agreement to fund a portion of the actuarial determined contribution (ADC) to the plans. Employer contributions for the ATU and IBEW Plans were $9,858,772 and $450,640, respectively, for the year ended June 30, 2018. Pension expense is determined by an actuarial report prepared by an independent third party actuary. Contribution rates are approved by the respective pension committees and the Board of Commissioners.

For the 788 ATU employees hired after April 1, 2016 and IBEW plans, Bi-State Development funds 70% of the ADC. For the 788 ATU employees hired prior to April 1, 2016, Bi-State Development funds 68% of the ADC. The remaining percentages of each plan's ADC are funded from the employee contributions.

The Union Plans' measurement date and fiscal year end is March 31, 2018, and the Salaried Plan's is May 31, 2018.

Other Post-Employment Benefits

In addition to pensions, Bi-State Development 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, 2018, 2,185 union and salaried retirees met those requirements. There is not a separate GAAP based audited set of financial statements for OPEB.

For budgeting purposes, Bi-State Development 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 employment with ten years of full time 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.

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 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.

Debt

The fair value of Bi-State Development's total debt is estimated based on the quoted market prices for similar issues or by discounting expected cash flows at the rates currently offered to Bi-State Development for debt of the same remaining maturities, as advised by Bi-State Development's bankers.

Total debt at fair value as of June 30, 2018 was the following:

	Carrying Value	Fair Value
	(in millions)	
Financial liabilities		
Total debt	$ 540.3	$ 566.3

Debt, capital lease obligations and non-current liabilities at June 30, 2018, consisted of the following:

	2017 Beginning Balance	Additions	Reductions	2018 Ending Balance	Due Within One Year
Capital Lease Obligations	$ 104,014,934	$ 6,808,011	$ -	$ 110,822,945	$ -
Mass Transit Sales Tax Appropriation Bonds, Series 2009	97,220,000	-	-	97,220,000	-
Less: Unamortized debt discount	(158,802)	-	7,116	(151,686)	-
Mass Transit Sales Tax Appropriation Bonds, Series 2013A	299,110,000	-	(8,275,000)	290,835,000	9,030,000
Plus: Unamortized debt premium	12,949,542	-	(2,104,146)	10,845,396	-
Less: Unamortized debt discount	(846,991)	-	28,452	(818,539)	-
St. Louis County Missouri Series 2013B	135,000,000	-	-	135,000,000	-
Gateway Arch Revenue Bonds 2014	7,508,514	-	(153,468)	7,355,046	159,693
Net OPEB liability	68,760,324	1,023,762	(3,142,495)	66,641,591	-
Long Term Self-Insurance Liability	18,439,241	55,269,585	(49,265,092)	24,443,734	13,242,519
Net Pension Liability	99,093,400	-	(15,775,850)	83,317,550	-
Other Liabilities	32,482,175	80,744,380	(80,453,927)	32,772,628	3,882,849
Total	$ 873,572,337	$ 143,845,738	$ (159,134,410)	$ 858,283,665	$ 26,315,061

Mass Transit Sales Tax Appropriation Bonds

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 of $213,454 mature in fiscal year 2040. 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 ($1.6 million), for the underwriter’s discount ($.45 million), and for other costs of issuance ($.55 million). The total cost of the bond insurance policy is being amortized over the 30 year term of the bonds. At June 30, 2018, the remaining balance was $1.2 million.
- 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, however, the remaining balance was eliminated with the bond refunding on August 1, 2013.

Series 2013

On August 1, 2013, Bi-State Development issued its $381.2 million par Series 2013A Bonds. The bonds were issued at a premium of approximately $23.2 million and a discount of $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 costs of issuance of approximately $1.7 million.

The bonds were issued at fixed rate coupons ranging from 3.0 percent to 5.0 percent, and matures from 2014 through Fiscal Year 2054. The effective true interest cost for the bonds is 4.44 percent.

A unique feature of the deal was the participation of St. Louis County, which at closing loaned Bi-State Development Prop A ½ cent sales tax funds (Series 2013B Subordinate Bonds), which had been retained by the County for future transit capital projects. The County has also agreed to provide future Prop A funds to Bi-State Development to allow for optional retirement of the Series 2013 Bonds. The County's participation in the project brought the effective yield to approximately 3.7 percent. As of June 30, 2017, the County has loaned Bi-State Development $135.0 million of Prop A funds.

Series 2014

On December 3, 2014, Metro closed on the Series 2014 Taxable Arch Tram Revenue Bonds. These bonds have a par value of $7,656,000 and a 30-year term. The initial fixed rate term is 10 years with a fixed interest rate of 4.016%. The annual debt service requirement is approximately $454,000 and the cost of issuance was $156,000. The bond proceeds were used as follows:

- Replace the tram motors of the visitor transportation system located within the Gateway Arch, consisting of trains, stairs, elevators and associated exhibits, generators, loading areas, and electrical, communication and other accessory equipment or devices;
- Improve a portion of the visitors' center roof located at the Jefferson National Expansion Memorial;
- Pay costs of issuance with respect to the Taxable Arch Tram Revenue Bonds.

The total interest expense for the year was $25.7 million. The interest expense breakdown is as follows:

• Series 2009	$ 4,782,842
• Series 2013	13,807,306
• Series 2014	299,503
• Capital lease/leaseback	6,808,011
• Tower lease	41,209

Projected Debt Service by Fiscal Year									
	Senior Bonds				Subordinate Bonds				Total
	Series 2009		Series 2013A		Series 2013B		Arch -Series 2014		Principal and
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Interest
2019	$ -	$ 4,767,975	$ 9,030,000	$ 14,140,812	$ -	$ 1,413,000	$ 159,693	$ 293,791	$ 29,805,271
2020	-	4,767,975	9,630,000	13,674,312	-	1,413,000	166,171	287,314	29,938,772
2021	-	4,767,975	10,445,000	13,172,438	-	1,413,000	172,911	280,573	30,251,897
2022	-	4,767,975	10,855,000	12,639,937		1,413,000	179,925	273,559	30,129,396
2023	-	4,767,976	11,270,000	12,086,812	-	1,413,000	187,224	266,261	29,991,273
2024-2028	13,650,000	22,295,474	48,715,000	53,139,935	-	7,065,000	1,056,385	1,211,037	147,132,831
2029-2033	6,235,000	19,876,862	62,720,000	40,012,060	-	7,065,000	1,288,738	978,684	138,176,344
2034-2038	56,385,000	13,413,125	16,665,000	28,675,781	-	7,065,000	1,572,198	695,226	124,471,330
2039-2043	20,950,000	1,014,751	41,010,000	23,309,000	-	7,065,000	1,918,003	349,420	95,616,174
2044-2048	-	-	60,515,000	11,585,864	-	7,065,000	653,798	26,430	79,846,092
2049-2053	-	-	9,980,000	237,027	-	7,065,000	-	-	17,282,027
2054	-	-	-	-	135,000,000	353,250	-	-	135,353,250
	$ 97,220,000	$ 80,440,088	$ 290,835,000	$ 222,673,978	$ 135,000,000	$ 49,808,250	$ 7,355,046	$ 4,662,295	$ 887,994,657

Conduit Debt Obligations

From time to time, Bi-State Development 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 Development as they are to be repaid by a party other than Bi-State Development. 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 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 provided funds to refund a portion of the Series 1998 A bonds on July 1, 2009 through July 1, 2028. As of June 30, 2018, $28,925,000 remain outstanding.

St. Clair County Metrolink Extension Project Refunding Revenue Bonds, Series 2014 – The $4,160,000 Series 2014 Bonds, issued on December 4, 2014 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 2027. The Series 2014 bonds provide funds to refund the Series 2004 Bonds which refunded the Series 1998 A bonds on July 1, 2004 through July 1, 2008. As of June 30, 2018, $3,345,000 remain outstanding.

Leases

Capital Leases

In 2001, Bi-State Development entered into transactions to lease thirty-four of its Series 2000 and Series 3000 LRVs. There are only two Series 2001 Lease/Leaseback tranches remaining: C1 dated August 30, 2001 and C2 dated November 30, 2001. The C1 and C2 tranches involved transactions for twenty-three (23) and four (4) LRVs, respectively. The required collateral was $6.9 million and $6.4 million for June 30, 2018 and 2017, respectively. The collateral amount will be returned in entirety to Bi-State Development (and the SCCTD) at the end of the lease. It is expected that as the lease termination date approaches, the collateral amount will be reduced.

The following table highlights pertinent information on the subleases for 2018:

	Capital Lease Obligation
Sublease balances, June 30, 2017	$ 104,014,934
Interest accrued in 2018	6,808,011
Lease payments and reductions	-
Total sublease balances, June 30, 2018	$ 110,822,945
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, 2018:

	Payments
2019	$ -
2020	-
2021	-
2022	-
2023	-
2024-2025	217,541,616
Total future lease payments	217,541,616
Less amount representing future interest	(106,718,671)
Net obligation at June 30, 2018	$ 110,822,945

Operating Lease Obligations

Bi-State Development leases office space and equipment under operating leases that expire between years 2019 and 2099. Rent expense was $868,489 for 2018. Future minimum lease commitments as of June 30, 2018 are as follows:

Fiscal Year	Future Minimum Lease Payments
2019	1,550,257
2020	1,517,475
2021	1,487,311
2022	1,487,311
2023	1,495,015
2024-2028	7,532,243
2029-2033	7,128,050
2034-2038	4,701,816
2039-2043	61,500
2044-2048	61,500
2049-2053	61,500
2054-2058	61,500
2059-2063	61,500
2064-2068	61,500
2069-2073	61,500
2074-2078	61,500
2079-2083	61,500
2084-2088	61,500
2089-2093	61,500
2094-2098	61,500
2099	6,818
	$ 27,644,296

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.

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 in response to ADA legislation.

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

Administration - Bi-State Development's human resources, marketing and communications, procurement and material management, information technology and finance.

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. Generally, Bi-State Development 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 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 to prepare and adopt an annual operating budget. A balanced operating budget shall be defined as one where cash sources are greater or equal to the cash usage. (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.

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

Capital assets – An asset purchased $5,000 or greater 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, all investments readily convertible into cash with original maturity of 90 days 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, salaries, overtime and benefits 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 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's employee evaluation and development program.

EAM – Enterprise Asset Management. The optimal lifecycle management of the physical assets of an organization.

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.

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 service supporting the other Bi-State Development 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.

FAST ACT – Fixing America's Surface Transportation Act. The surface transportation law that authorizes funding for various transportation programs. The law was signed by President Obama on December 4, 2016 and became effective October 1, 2016 and is effective for five years, through September 30, 2020. It replaces MAP-21.

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's accounting, budget, grants, passenger revenue and treasury cost centers.

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

Fiscal year (FY) - The fiscal year for Bi-State Development ends on June 30 of each year. FY 2018 ends on June 30, 2018. FY 2018 of the federal government extends from October 1, 2017, through September 30, 2018.

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

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 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, the tram system and ticketing operation managed by Bi-State Development under contract with the National Park Service.

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

GAAP or Generally Accepting Accounting Principles (US) - A collection of commonly-followed accounting rules and standards for financial reporting.

Governmental Accounting Standards Board 45: *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* - This pronouncement establishes standards for the measurement, recognition, and display of other post-employment benefits expense/expenditures and related liabilities (assets) and note disclosures.

Governmental Accounting Standards Board 68: *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* – This pronouncement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures of pensions.

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

Hedging - An investment position intended to 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 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.

Media Exposures - Potential audience reached based on print media circulation, unique social media viewers, and broadcast audience size.

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

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

MetroScapes - An Arts in Transit program that publishes local artists' images for use in Metro bus shelters and a limited edition of posters. Posters are offered for sale at the MetroStore.

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's vehicle operator and maintenance, security, custodial, service planning, and customer service cost centers.

Organizational unit - A major administrative unit of Bi-State Development 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 Bi-State Development 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 Riverboats and bike rentals, operated by Bi-State Development, and a heliport owned by Bi-State Development 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'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 Bi-State Development locations. Also includes reported violent crime and property crime even if there was no arrest.

Self-Insurance Funds - Self-insurance programs operated by Bi-State Development that includes medical and dental, casualty insurance and workers' compensation insurance.

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 one-half cent sales tax (City of St. Louis and St. Louis County) when received by Bi-State Development 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'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.

TIP - Transit Improvement Program, a planning document prepared by Bi-State Development 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'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 of 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).

Tourism Innovation - The division responsible for the sales, marketing and operation of the Gateway Arch and Gateway Riverfront Attractions.

Tranche - one of a number of related securities offered as part of the same transaction.

Transit Asset Management (TAM) is a model that uses asset condition to help prioritize funding to achieve or maintain transit networks in a state of good repair.

Transit System - The Bi-State Development 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 Bi-State Development 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
AMBAC	American Municipal Bond Assurance Corporation
APC	Automatic Passenger Counter
APTA	American Public Transportation Association
ARC	Actuarially Recommended Contribution
ArcGIS	Collection of software products that runs on standard desktop computers to create, import, edit, query, map, analyze and publish geographic information.
ArcGIS Server	ArcGIS Server delivers dynamic maps and GIS data and services via the Web.
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. Metro is contracted by SCCTD for maintenance of the ATS vehicles
ATU	Amalgamated Transit Union
AVL	Automated Vehicle Locator
BJC	Barnes Jewish Christian Healthcare Centers
BRT	Bus Rapid Transit
BSD	Bi-State Development
CAD/AVL	Computer Aided Dispatch / Automated Vehicle Location
CAFR	Comprehensive Annual Financial Report
CCC	Cross County Collaborative
CCTV	Closed Circuit Television (Cameras)
CID	Community Improvement District
CIP	Capital Improvement Program
CMAQ	Congestion Mitigation&Air Quality

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
ERS	Evaluated Receipt Settlement
ESGR	Employer Support of the Guard and Reserve
EWGCOG	East-West Gateway Council of Governments
FAA	Federal Aviation Administration
FASB	Financial Accounting Standards Board
FAST Act	Fixing America's Surface Transportation Act
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
HPS	High Pressure Sodium
IBEW	International Brotherhood of Electrical Workers
IDOT	Illinois Department of Transportation
IDS	Intrusion Detection System
ISF	Internal Service Fund
IT	BSD'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
PAPIs	Precision Approach Indicators
P3	Public-Private Partnership
RAC	Regional Arts Commission
RCGA	Regional Chamber and Growth Association
RFP	Request for Proposal
ROMIS	Rail Operations Management Information System
RTC	Resolution Trust Corporation
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)
SIF	Self-Insured Fund
SMSA	Standard Metropolitan Statistical Area
SOP	Standard Operating Procedures

SSM	Sisters of St. Mary Healthcare
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
TDD	Transportation Development District
TEA-21	Transportation Equity Act for the 21st Century
TFLEX	Transit Finance Learning Exchange
TIF	Tax Increment Financing
TIGER	Transportation Investment Generating Economic Recovery - supplemental discretionary grant program managed by the DOT.
TIP	Transportation Improvement Program
TMA	Transportation Management Association
TOD	Transit Oriented Development
TSA	Transportation Security Administration
TSGP	(Department of Homeland Security) Transit Security Grant Program
TVM	Ticket Vending Machines
UMSL	University of Missouri - St. Louis
USCG	United States Coast Guard
USO	United Services Organization
Wash-U	Washington University
YTD	Year to Date

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