Fiscal Year 2021

# Operating And Capital Budget

GOVERNMENT FINANCE OFFICERS ASSOCIATION

# *Distinguished Budget Presentation Award*

**PRESENTED TO**

## Bi-State Development Agency

**Missouri**

For the Fiscal Year Beginning

**July 1, 2019**

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 FY2021-FY2023 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.

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# COVID-19 Impact

Shortly after the FY 2021 budget document was completed, both the state of Missouri and Illinois reacted to respond to the risk posed to the health, safety and the wellbeing of their residents by the outbreak of the the COVID-19 pandemic. Restrictions were imposed on permitted size of gatherings and stay at home orders requiring that non-essential businesses and social service organizations cease non-essential activities and imposing other similar restrictions. Certain restrictions still remain in place and prior or additional restrictions can be imposed at any time.

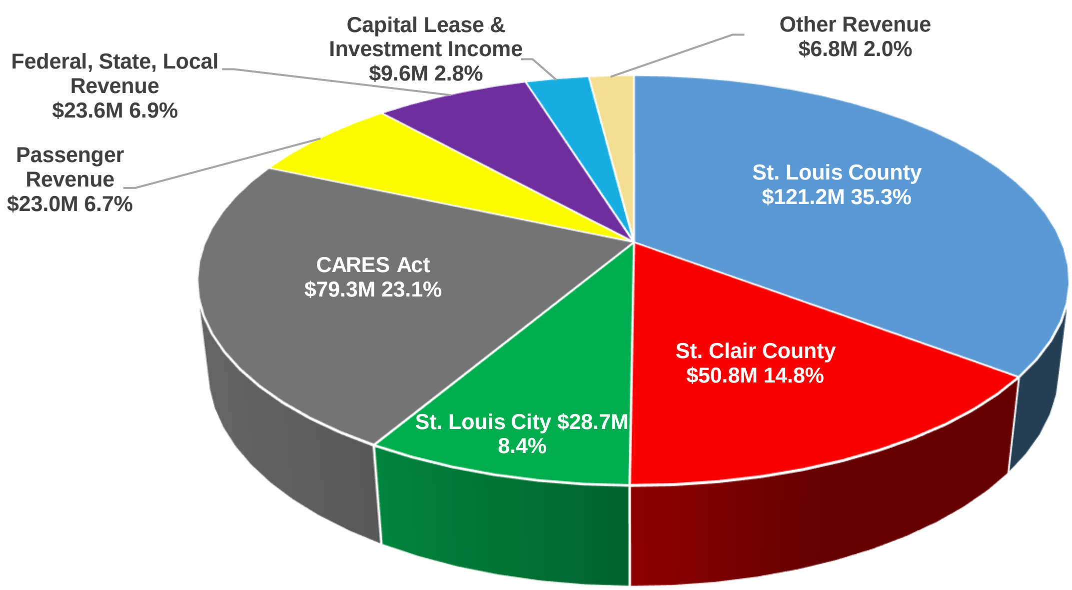
The Agency has experienced operational impacts from COVID-19. However starting June 15, 2020, MetroLink service was restored to 91% and MetroBus was restored to 71% of its base level of service hours. Call-A-Ride experienced a reduction in demand of approximately 50% during the last part of March through mid-May 2020. Demand has slowly increased since mid-May 2020. The Agency has been able to provide service for all of its ADA customers to date and expects that, as demand increases, it will have the resources needed to continue to serve this population.

The Agency temporarily stopped collecting fares for its transit service for MetroBus and Call-A-Ride (but not MetroLink) on March 21, 2020. On June 1, 2020, fare collection was resumed for MetroBus although the Agency continued the temporary suspension of paper transfers and two-hour passes and reduced the price of the MetroBus one-ride fare. Cash fares for Call-A-Ride are still being waived.

The impact of the COVID-19 pandemic on sales taxes is difficult to determine at this point. Due to a two-month lag between a retail sale and the Agency's receipt of the applicable sales taxes, the Agency has limited information on sales. Because sales tax receipts can vary significantly from one month to the next and because of certain "panic buying" in March 2020, it is difficult to determine the actual impact of the COVID-19 pandemic on retail sales. The Agency believes that proceeds of sales taxes have been impacted by a downturn in the local and national economy and may continue to be impacted for some time.

The Agency was apportioned $151,531,678 under the Coronavirus Aid, Relief, and Economic Security Act (the *"CARES Act"*) which will provide funding to reduce the impact of any operating deficit. This apportionment includes $9,132,279 for Madison County Illinois. Madison County operates under a different region of the FTA, so these funds have been transferred to the appropriate FTA region. The remaining allocation to Bi-State Development is $142,399,399. All net operating expenses (after subtracting fare revenues from the eligible operating expenses) may be reimbursed. The eligible expenses include driver and other operations worker salaries, fuel, supplies (including personal protective equipment and cleaning supplies) and administrative leave (defined as an administratively authorized absence from duty) for operations and maintenance employees. The CARES Act does not cap amounts that may be used to fund operating, capital, or planning expenses.

As a result of all of these factors, Bi-State Development adjusted the original FY2021 budget. For Transit, the majority of this adjustment was to revenue. Passenger revenue was reduced by 40%. Funding from three important funding partners that include St. Louis County, the City of St. Louis, and St. Clair County was reduced by 20%. During this time, the Federal Reserve reduced interest rates, so interest income was also reduced by approximately 20%. On the expense side, $7,500,000 was added to other operating expenses to cover expenses specifically related to COVID-19. The reductions in revenue and increases in expense will be funded by CARES Act reimbursements for operating expense. The estimated reimbursement for FY 2021 is $79,253,199. The pie chart below reflects the change in revenues sources.

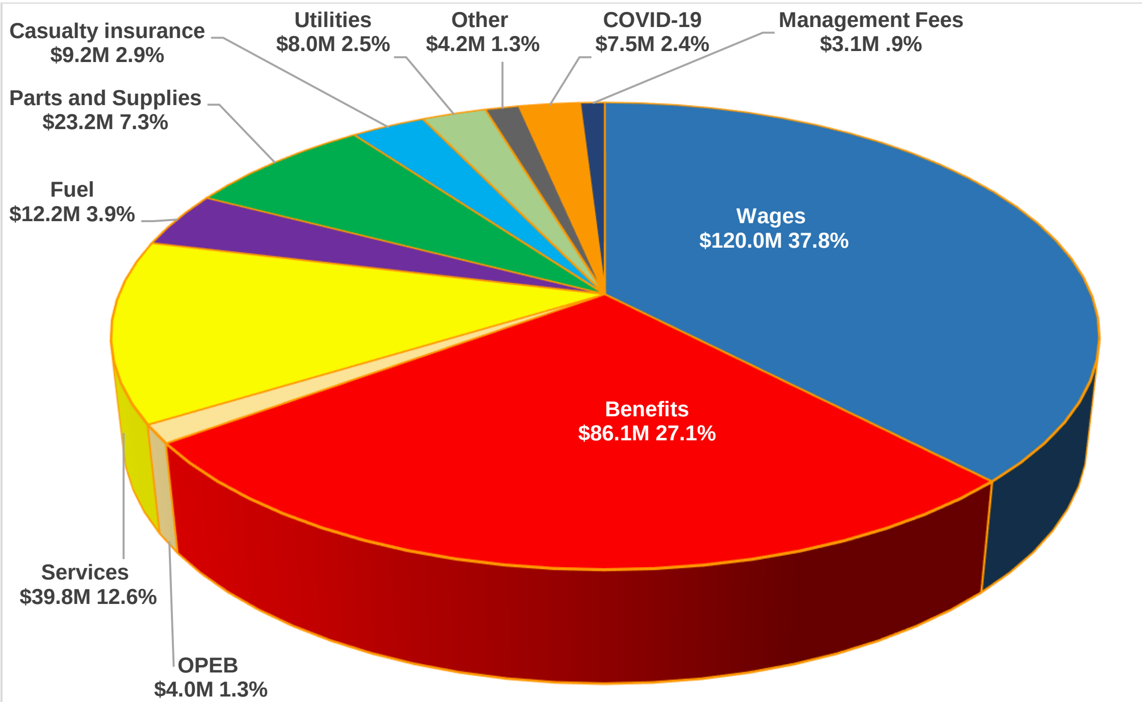


The statement of activity shown below provides a more detailed account for the changes from the original FY2021 budget to a new revised FY2021 budget reflecting the impacts of COVID-19.

| | Budget 2021 | Revised Budget 2021 | $ Change |
|---|---|---|---|
| Revenue: | | | |
| Passenger revenue | $ 38,413,335 | $ 23,048,001 | $ (15,365,334) |
| Grant, sales tax and contractual | 278,105,702 | 224,186,587 | (53,919,115) |
| CARES Act | - | 79,253,199 | 79,253,199 |
| Interest income | 12,117,554 | 9,648,804 | (2,468,750) |
| Other | 6,832,404 | 6,832,404 | - |
| | 335,468,995 | 342,968,995 | 7,500,000 |
| Expense: | | | |
| Wages and benefits | 210,175,917 | 210,175,917 | - |
| Services | 39,812,268 | 39,812,268 | - |
| Fuel and lubrications | 12,214,894 | 12,214,894 | - |
| Parts and supplies | 23,202,953 | 23,202,953 | - |
| Casualty insurance | 9,172,008 | 9,172,008 | - |
| Utilities | 7,958,502 | 7,958,502 | - |
| Other operating expenses (COVID) | 7,276,853 | 14,776,853 | 7,500,000 |
| **Total operating expenses** | **309,813,395** | **317,313,395** | **7,500,000** |
| Interest expense | 25,603,342 | 25,603,342 | - |
| Other non-operating expense | 2,092,503 | 2,092,503 | - |
| **Net income (deficit) before depreciation and transfers** | **(2,040,245)** | **(2,040,245)** | - |
| Depreciation | 75,870,925 | 75,870,925 | - |
| Net transfers | 2,779,378 | 2,779,378 | - |
| **Net income (deficit)** | **$ (80,690,548)** | **$ (80,690,548)** | **$ -** |

Numbers may not sum due to rounding.

The operating expense pie chart below provides the percentage of the total operating expense by category.




The adjusted total operating expense for FY 2021 is $317,313,395. When comparing the FY 2021 to FY 2020 total operating expense, it is important to reduce the FY 2021 budget by certain specific expenses. This allows for a fair comparison. The FY 2021 budget should be adjusted by $7.5 million in direct expenses related to COVID-19, $1.1 million in non-capitalized project increases, and $5.3 million in additional service and expense for St. Clair County. The net result is a total operating expense for FY 2021 of $303,400,504. This is a $4,939,920 or 1.66% increase from the total operating expense of $298,460,583 in FY 2020. The operating expense comparison shown on the next page provides a more detailed comparison.

| | Budget 2020 | Budget 2021 | $ Change | |
|---|---|---|---|---|
| Expense: | | | | |
| Wages and benefits | $ 204,403,044 | $ 210,175,917 | $ 5,772,873 | |
| Services | 35,359,081 | 39,812,268 | 4,453,187 | |
| Fuel and lubrications | 11,741,264 | 12,214,894 | 473,630 | |
| Parts and supplies | 25,277,253 | 23,202,953 | (2,074,300) | |
| Casualty insurance | 6,732,722 | 9,172,008 | 2,439,286 | |
| Utilities | 7,877,986 | 7,958,502 | 80,516 | |
| Other operating expenses | 7,069,233 | 14,776,853 | 7,707,619 | |
| **Total operating expenses** | **298,460,583** | **317,313,395** | **18,852,811** | |
| COVID Expense | | (7,500,000) | | |
| Non-Capitalized Project Increase | | (1,133,457) | | |
| SCCTD - Additional Service | | (5,279,434) | | |
| **Adjusted operating expense** | **$ 298,460,583** | **$ 303,400,504** | **$ 4,939,920** | **1.66%** |

Numbers may not sum due to rounding.

Other enterprises impacted by COVID-19 include the Gateway Arch, Riverfront Attractions, and the St. Louis Downtown Airport. The adjusted budget for the Gateway Arch includes a $2.9 million reduction in revenue for FY 2021. There will be some reduction in expense to offset the loss in revenue. The overall projected net deficit for FY 2021 is expected to be $1.9 million after depreciation. The National Park Service agreement allows for the use of other reserve funds in the event of a deficit. The adjusted FY 2021 Riverfront Attractions budget includes a $1 million reduction to revenue offset by a $500 thousand reduction in expense. The overall projection for FY 2021 is a deficit of $350 thousand after depreciation. The net effect on the FY 2021 St. Louis Downtown Airport budget is an additional reduction of $90 thousand. The total FY 2021 projected deficit is $1.2 million after depreciation. For the St. Louis Downtown Airport, CARES Act funding will provide additional funding of $75 thousand per year over the next three years and a one time additional $69 thousand that can be used to offset such deficits.

BI·STATE DEVELOPMENT

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

March 10, 2020

# Message from the President and Chief Executive Officer

It is my pleasure to present to the Board of Commissioners for approval the Bi-State Development Agency of the Missouri-Illinois Metropolitan District Fiscal Year (FY) 2021 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.

Metro Transit's FY 2021 operating budget continues to commit dollars to the important focus of safety and security. For the first time in six years, new contracts have been entered into with our law enforcement partners in the City of St. Louis, St. Louis County, and St. Clair County providing for policing services and access to secondary officers. In addition, a new contract security provider, G4S Secure Solutions, will provide personnel and resources to ensure a comprehensive, multi-layered approach to transit security. Safety and security infrastructure projects include the extension to the Central West End MetroLink Station and the launching of an Access Control pilot project that used new infrastructure to create better monitored and defined access points to five MetroLink stations.

In September, the Agency successfully completed the refunding of $196.8 million in bonds creating a net present value savings of $49.1 million. This refunding reduced debt service costs on an annual basis of approximately $2 million and allowed for $19.9 million to be set aside specifically for public safety infrastructure improvements.

A service redesign of the Missouri Metro Bus system also went into effect in September of 2019. This redesign provides transit users with more frequent service, faster and more direct trips, and better connections throughout the region. The new service redesign for the Illinois Bus system will roll out this summer. The introduction of a new look for transit's vehicles, printed schedules and signs provides the customer with more effective and easier to use resources.

The leadership of Bi-State Development and the Amalgamated Transit Union (ATU) Local 788 developed and approved a three-year labor agreement for the operators, mechanics, and employees represented by the union. The contract provides employees with a competitive benefits package and strengthens Metro's ability to retain and recruit talented team members.

The $380 million City/Arch/River project has been completed at the Gateway Arch. This includes upgrades to the museum, visitor's center, and assets along the riverfront and within the Jefferson Memorial National Park. Bi-State will continue to build upon this success by adding new programs and events for both the Gateway Arch and Riverfront Attractions to support the region's number one tourist attraction.

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. Recent improvements in lighting and access points at the airport are designed to reduce travel time and improve freight movement for airport manufacturers, nearby barge, trucking, and freight/logistics businesses.

St. Louis Regional Freightway provides assistance to manufacturing companies, logistics and multi-modal freight transportation companies, and their service providers. Its purpose is to 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.

Economic development opportunities through public-private partnerships are of great importance to the region. Transit Oriented Development (TOD) includes the recent opening of the $11 million senior apartment living complex adjacent to the Swansea MetroLink Station. Other proposed TOD projects near the Forest Park and North Hanley Stations, coupled with a second phase at the Swansea MetroLink Station, are now actively being pursued highlighting potential future economic growth that can be achieved around public transit assets.

The FY 2021 Capital and Operating budget continues a direction focused on the long term financial health of the Agency. Upon approval by the Bi-State Development Board of Commissioners, the FY 2021 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.

I would like to thank Commissioner Michael Buehlhorn for his dedicated and faithful service to the Board of Bi-State Development. I am also very pleased to welcome Terry Beach, the most recent appointment, to the Bi-State Board of Commissioners.

Our continuous effort to the improvement of safety and security is of utmost importance. We are committed to advancing public transit and economic development within this region. Through prudent financial management of our resources, we are devoted to provide an Agency that will exist to effectively serve the future generations of our communities.

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.

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## Executive Officers

**Taulby Roach**
President and 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**
Chief Audit Executive
*Internal Audit*

**Barbara Enneking**
General Counsel
*Legal and Compliance*


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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.

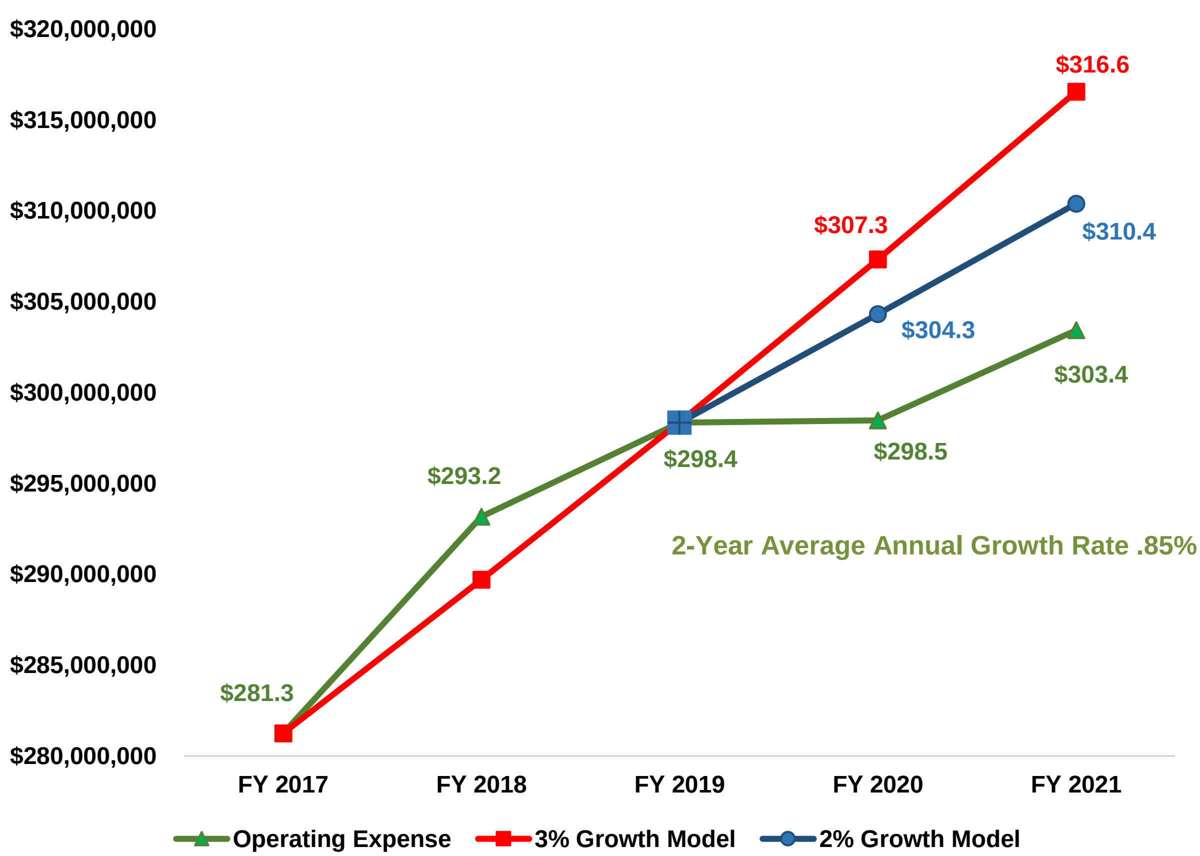
This section contains the Bi-State Development organizational chart for the Board of Commissioners, the President and Chief Executive Officer and his direct reports. Also in this section is a FY 2021 Consolidating Statement of Revenue and Expense, which shows each business unit, and a FY 2019 - FY 2021 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.

# Financial Direction

Financial responsibility and stability are of significant importance to the Agency's 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 FY 2020 budget established cost stabilization by keeping operating costs at the FY 2019 level for Metro Transit. This new direction emphasizes the Agency's stronger commitment to managing costs each year. The FY 2021 budget continues in this direction. The total Transit operating costs for FY 2021 are $309,813,395. St. Clair County Transit District will be adding approximately $4.5 million in additional fixed bus route service during FY 2021 for a total budget increase of $5.3 million. In addition, from FY 2020 to FY 2021, expenses in the amount of $1.1 million were added for non-capitalized projects. These non-capitalized project expenses are offset by revenue from grants and other assistance. For comparison purposes to the prior year budget, these items were deducted from the total operating costs and the remaining operating expenses are $303,400,504. This results in a $4.9 million or 1.66% increase from FY 2020 operating costs and an average growth rate of 0.85% over two years.

## Metro Transit System Cost Stabilization



In FY 2020, we implemented a new budget software, Tagetik, which provides user-friendly access and better reporting for our management team. This important tool is required to maintain proper monitoring and active management of cost control throughout the year. In addition, zero-based budgeting was introduced as the new method of budgeting. This method promotes the justification of costs from a base level of zero dollars for each expense. This allows the ability to better analyze costs for both necessity and return on investment.

Total Transit revenues for FY 2021 are projected to be $335,468,995. This is an increase of approximately $9.4 million from the FY 2020 budget. This includes contract revenue increases of $5.3 million from St. Clair County Transit District, $3.1 million from Missouri funding partners, and $1.1 million for non-capitalized projects.

The FY 2021 budget emphasizes two important goals for the Agency that produce financial benefits.

- ***Improve perception of safety for Metro Transit and the image of Bi-State Development***
- ***Create operational efficiencies by eliminating redundant or outdated processes and procedures***

Improving the perception of safety helps to restore customer confidence and has the potential to increase ridership on our system. Ridership has continued to decline system wide since the peak in FY 2014. Lower gas prices have impacted public transit ridership for several years nationwide. A return in ridership improves passenger revenue. Improving the perception of safety and the image of Bi-State restores and builds trust with our funding partners and customers.

Creating operational efficiencies promotes costs savings and creates accountability to ourselves as employees, our Board of Commissioners, our funding partners and customers. The cost savings provided from finding more efficient and effective ways of doing business within our day-to-day functions will assist in offsetting declining sales tax revenues. Promoting costs savings in all aspects of our business is imperative for the future of Bi-State.

The financial direction of the Agency is a directive of pure financial stewardship and accountability for dollars entrusted to provide safe, efficient, and effective service for our customers.

# Combining Statement of Revenue and Expense (By Enterprise)

| | Metro Transit | Gateway Arch | Riverfront Attractions | St. Louis Downtown Airport | St. Louis Regional Freightway | Executive Services | Health Self-Insurance Fund | Casualty Self-Insurance Fund | Workers Comp Self-Insurance Fund | Arts In Transit | Research Institute | Total BSD | Eliminations | Total After Eliminations |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Passenger revenue | $ 38,413,335 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 38,413,335 | $ - | $ 38,413,335 |
| Paratransit contract | 1,105,000 | - | - | - | - | - | - | - | - | - | - | 1,105,000 | - | 1,105,000 |
| Other operating revenue | 4,879,902 | 41,063 | 127,486 | 129,527 | - | 314,127 | - | - | - | 15,000 | - | 5,507,105 | (87,686) | 5,419,419 |
| Agency operating revenue | - | - | - | - | - | 4,848,439 | - | - | - | - | - | 4,848,439 | (4,393,443) | 454,996 |
| Arch ticket sales | - | 9,581,732 | - | - | - | - | - | - | - | - | - | 9,581,732 | - | 9,581,732 |
| Service/fee revenue | - | 277,806 | - | - | - | - | - | - | - | - | - | 277,806 | - | 277,806 |
| Sales discounts revenue | - | (143,725) | (33,523) | - | - | - | - | - | - | - | - | (177,248) | - | (177,248) |
| Not-for-profit (NFP) revenue | - | - | - | - | - | - | - | - | - | 125,778 | 7,821 | 133,599 | (94,510) | 39,089 |
| Regional freight fees | - | - | - | - | 500,000 | - | - | - | - | - | - | 500,000 | - | 500,000 |
| Aircraft parking | - | - | - | 141,943 | - | - | - | - | - | - | - | 141,943 | - | 141,943 |
| Leased acreage | - | - | - | 647,460 | - | - | - | - | - | - | - | 647,460 | - | 647,460 |
| Hangar rental | - | - | - | 539,574 | - | - | - | - | - | - | - | 539,574 | - | 539,574 |
| Aviation sale flowage fee | - | - | - | 170,020 | - | - | - | - | - | - | - | 170,020 | - | 170,020 |
| Airport concessions | - | - | - | 113,083 | - | - | - | - | - | - | - | 113,083 | - | 113,083 |
| Cruise revenue | - | - | 2,279,764 | - | - | - | - | - | - | - | - | 2,279,764 | - | 2,279,764 |
| Food and beverage revenue | - | - | 1,034,193 | - | - | - | - | - | - | - | - | 1,034,193 | - | 1,034,193 |
| Retail revenue | - | - | 128,232 | - | - | - | - | - | - | - | - | 128,232 | - | 128,232 |
| Employee health | - | - | - | - | - | - | 8,065,856 | - | - | - | - | 8,065,856 | - | 8,065,856 |
| Employer health | - | - | - | - | - | - | 30,295,877 | - | - | - | - | 30,295,877 | (30,465,877) | (170,000) |
| ISF-Casualty insurance revenue | - | - | - | - | - | - | - | 5,525,449 | - | - | - | 5,525,449 | (5,525,449) | - |
| ISF-Workers comp revenue | - | - | - | - | - | - | - | - | 8,465,121 | - | - | 8,465,121 | (8,465,121) | - |
| Total operating revenues | 44,398,237 | 9,756,876 | 3,536,152 | 1,741,607 | 500,000 | 5,162,566 | 38,361,733 | 5,525,449 | 8,465,121 | 140,778 | 7,821 | 117,596,340 | (49,032,086) | 68,564,254 |
| Total grants & assistance | 278,105,702 | - | - | - | - | - | - | - | - | - | - | 278,105,702 | - | 278,105,702 |
| Interest revenue | 12,117,554 | 157,500 | - | 15,000 | - | 52,500 | 22,500 | 270,000 | 196,250 | - | - | 12,831,304 | - | 12,831,304 |
| Pass through grant revenue | 847,502 | - | - | - | - | - | - | - | - | - | - | 847,502 | - | 847,502 |
| Total revenues | 335,468,995 | 9,914,376 | 3,536,152 | 1,756,607 | 500,000 | 5,215,066 | 38,384,233 | 5,795,449 | 8,661,371 | 140,778 | 7,821 | 409,380,848 | (49,032,086) | 360,348,762 |
| Wages and benefits | 210,175,917 | 2,948,628 | 1,659,478 | 1,105,250 | 187,493 | 2,595,302 | 828,528 | 628,930 | 253,948 | 22,159 | - | 220,405,631 | (24,859) | 220,380,772 |
| Services | 39,812,268 | 1,255,201 | 282,776 | 96,700 | 300,400 | 1,309,194 | 285,570 | 48,000 | 19,000 | 62,884 | 16,975 | 43,488,968 | (49,755) | 43,439,213 |
| Fuel, materials and supplies | 35,417,847 | 461,986 | 600,016 | 132,100 | 3,500 | 28,275 | 24,300 | 4,000 | 2,500 | 56,250 | 500 | 36,731,274 | (20,900) | 36,710,374 |
| Casualty and liability costs | 9,172,008 | 85,997 | 166,072 | 58,600 | - | 61,600 | - | 1,050,000 | 240,000 | - | - | 10,834,277 | (1,050,000) | 9,784,277 |
| Utilities | 7,958,502 | 143,401 | 88,810 | 171,000 | - | 3,646 | 4,860 | 1,000 | 500 | 650 | 500 | 8,372,869 | (346) | 8,372,523 |
| Leases, other and admin. charges | 7,276,853 | 2,132,068 | 358,642 | 125,080 | 54,000 | 388,847 | 32,715 | 3,800 | 527,700 | 10,602 | 15 | 10,910,322 | (4,479,779) | 6,430,543 |
| Health and welfare self-insurance | - | - | - | - | - | - | 37,208,260 | - | - | - | - | 37,208,260 | (30,465,877) | 6,742,383 |
| Casualty self-insurance | - | - | - | - | - | - | - | 5,795,449 | - | - | - | 5,795,449 | (4,475,449) | 1,320,000 |
| Workers comp self-insurance | - | - | - | - | - | - | - | - | 8,661,371 | - | - | 8,661,371 | (8,465,121) | 196,250 |
| Total operating expenses | 309,813,394 | 7,027,281 | 3,155,793 | 1,688,730 | 545,392 | 4,386,864 | 38,384,233 | 7,531,179 | 9,705,019 | 152,545 | 17,990 | 382,408,421 | (49,032,086) | 333,376,335 |
| Interest expense | 25,603,342 | 280,573 | - | - | - | - | - | - | - | - | - | 25,883,915 | - | 25,883,915 |
| Contributions to outside entities | 1,245,000 | 1,155,008 | - | - | - | - | - | - | - | - | - | 2,400,008 | - | 2,400,008 |
| Gain (loss) on disposition of assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Pass through grant expense | 847,502 | - | - | - | - | - | - | - | - | - | - | 847,502 | - | 847,502 |
| Total expenses | 337,509,238 | 8,462,862 | 3,155,793 | 1,688,730 | 545,392 | 4,386,864 | 38,384,233 | 7,531,179 | 9,705,019 | 152,545 | 17,990 | 411,539,846 | (49,032,086) | 362,507,760 |
| Net income (deficit) before depreciation and transfers | (2,040,243) | 1,451,514 | 380,359 | 67,877 | (45,392) | 828,202 | - | (1,735,730) | (1,043,648) | (11,767) | (10,169) | (2,158,998) | - | (2,158,998) |
| Depreciation and ammortization | 75,870,925 | 500,007 | 230,578 | 1,218,845 | - | - | - | - | - | - | 11,716 | 77,832,070 | | 77,832,070 |
| Net transfers | 2,779,378 | - | - | - | - | - | - | (1,735,730) | (1,043,648) | - | - | - | | - |
| Net income (deficit) | $ (80,690,546) | $ 951,507 | $ 149,781 | $ (1,150,968) | $ (45,392) | $ 828,202 | $ - | $ - | $ - | $ (11,767) | $ (21,885) | $ (79,991,068) | $ - | $ (79,991,068) |

Numbers may not sum due to rounding.

**Bi-State Development**
**Combined Statement of Revenue & Expense**
**FY 2019 - FY 2021**

| | Actual 2019 | Budget 2020 | Budget 2021 | $ Change | % Change |
|---|---|---|---|---|---|
| Operating Revenue: | | | | | |
| Passenger and service revenue | $ 58,228,613 | $ 57,269,441 | $ 58,086,019 | $ 816,578 | |
| Other | 6,330,295 | 7,632,246 | 7,119,168 | (513,078) | |
| Charges for services | 51,937,040 | 51,363,020 | 52,352,303 | 989,283 | |
| Total operating revenue | 116,495,948 | 116,264,707 | 117,557,490 | 1,292,783 | 1.1% |
| State and local | 236,463,037 | 248,135,622 | 256,380,950 | 8,245,328 | |
| Federal | 17,071,817 | 20,591,295 | 21,724,752 | 1,133,457 | |
| Total Grants & Contractural Revenue | 253,534,854 | 268,726,917 | 278,105,702 | 9,378,785 | 3.5% |
| Non-Operating Revenue: | | | | | |
| Interest Revenue | 15,631,900 | 12,821,978 | 12,831,304 | 9,326 | |
| Other non-operating revenue | 1,928,556 | 746,750 | 886,351 | 139,601 | |
| Total Non-Operating Revenue | 17,560,456 | 13,568,728 | 13,717,655 | 148,927 | 1.1% |
| Total revenues | 387,591,258 | 398,560,352 | 409,380,847 | 10,820,495 | 2.7% |
| Intercompany revenue eliminations | (49,157,916) | (47,553,069) | (49,032,086) | (1,479,017) | |
| Total revenue less eliminations | 338,433,342 | 351,007,283 | 360,348,761 | 9,341,478 | 2.7% |
| | | | | | |
| Operating Expense: | | | | | |
| Wages and benefits | 202,776,486 | 214,230,766 | 220,405,631 | 6,174,865 | |
| Services | 36,378,496 | 38,705,595 | 43,488,968 | 4,783,373 | |
| Fuel and lubricants | 11,339,150 | 11,845,928 | 12,307,679 | 461,751 | |
| Parts and supplies | 22,855,169 | 26,508,219 | 24,423,595 | (2,084,624) | |
| Casualty and liability costs | 8,757,495 | 8,213,260 | 10,834,277 | 2,621,017 | |
| Interfund administrative charges | 4,379,134 | 3,999,646 | 4,393,442 | 393,796 | |
| Utilities | 7,653,477 | 8,290,626 | 8,372,869 | 82,243 | |
| Leases and other expenses | 10,046,493 | 6,458,956 | 6,516,879 | 57,923 | |
| Health self-insurance claims | 34,030,049 | 38,642,978 | 37,208,260 | (1,434,718) | |
| Casualty & Work comp self ins. claims | 16,089,662 | 12,042,050 | 14,456,820 | 2,414,770 | |
| **Total operating expenses** | **354,305,610** | **368,938,024** | **382,408,420** | **13,470,396** | **3.7%** |
| Non-Operating Expense: | | | | | |
| Interest expense | 26,009,019 | 26,381,863 | 25,883,915 | (497,948) | |
| Contributions to outside entities | 2,552,895 | 2,443,395 | 2,400,008 | (43,387) | |
| Other non-operating expense | 1,812,967 | 746,750 | 847,502 | 100,752 | |
| Total Non-Operating Expense | 30,374,881 | 29,572,008 | 29,131,425 | (440,583) | -1.5% |
| Total expenses | 384,680,491 | 398,510,032 | 411,539,845 | 13,029,813 | 3.3% |
| Intercompany expense eliminations | (49,157,916) | (47,553,069) | (49,032,086) | (1,479,017) | |
| Total expense less eliminations: | 335,522,575 | 350,956,963 | 362,507,759 | 11,550,796 | 3.3% |
| **Net income (deficit) before depreciation and transfers** | **2,910,767** | **50,320** | **(2,158,998)** | **(2,209,318)** | **-4390.5%** |
| Depreciation | 78,658,653 | 76,131,430 | 77,832,070 | 1,700,640 | |
| Net transfers | - | - | - | - | |
| **Net income (deficit)** | **$ (75,747,886)** | **$ (76,081,110)** | **$ (79,991,068)** | **$ (3,909,958)** | **5.1%** |

# 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 2020 budget included 2,301 positions. For FY 2021, a budget of 2,309 positions is an increase of 8 positions from the FY 2020 budget. The FY 2021 budget plan was developed intent on streamlining processes and becoming more efficient.

## Metro Transit

A total of 2,230 positions are budgeted for the Metro Transit system enterprise in FY 2021.

### Metro Transit Operations

A net change of 11 additional 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 6 part-time operators compliment the 904 full-time positions planned to operate the new Metro Reimagined service introduced in the fall 2019. Six additional operators and support staff are budgeted in FY 2021.
- Rail Transportation: MetroLink operator counts remain consistent at 102.
- Paratransit Transportation: Operator and support positions will be increased by 14 as compared with the prior year modified budget.
- Maintenance of Way, Vehicle and Facility Maintenance: moved positions between departments but will remain unchanged for FY 2021.
- Engineering Services: Transfers to this department from grants and funding support will add 2 to this department.

### Metro Transit Administration

Metro Transit Administration will remain unchanged in the FY 2021 plan.

### Metro Organizational Effectiveness

Organizational Effectiveness is expected to remain unchanged after having restructured in FY 2020. Organizational Effectiveness includes Human Resources, Pension and Retiree Benefits, Risk Management, Labor Relations and Workforce Diversity and EEO.

## Internal Service Funds

Consists of Health, Casualty and Workers Compensation Self-Insurance funds. The FY 2021 budget count for Casualty Self-Insurance will also remain unchanged from FY 2020.

## Executive Services

FY 2021 reflects a net decrease of 1 due to attrition.

## Gateway Arch

The Gateway Arch will remain unchanged for FY 2021.

## St. Louis Downtown Airport

Staffing levels remain unchanged from the FY 2020 budget.

## Riverfront Attractions

Staffing levels decreased by one position through elimination of an approved vacancy.

## St. Louis Regional Freightway

St. Louis Regional Freightway will remain the same as FY 2020.

## Bi-State Development Employees by Division and Function

The following page contains tables of budgeted staff count for FY 2021. The tables compare total BSD personnel to the prior FY 2020 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 & Function

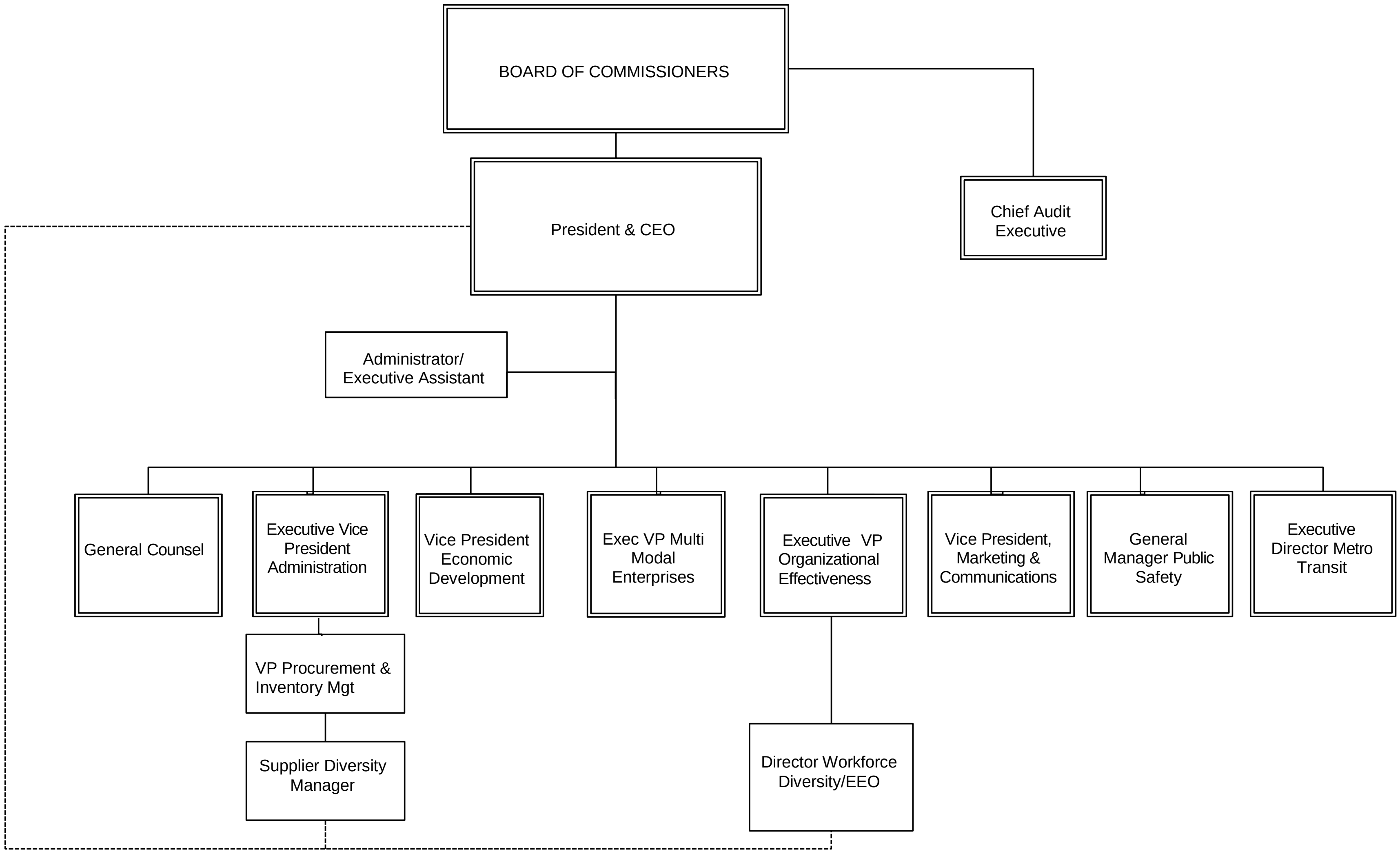
| | Budget 2019 | Budget 2020 | Budget 2021 | Variance FY20-FY21 |
|---|---|---|---|---|
| **Metro Transit Operations** | | | | |
| Security & MetroBus Operations | 1,077 | 1,048 | 1,045 | (3) |
| MetroLink Operations | 143 | 143 | 142 | (1) |
| Paratransit Operations | 246 | 233 | 247 | 14 |
| Vehicle and Facility Maintenance | 410 | 383 | 383 | - |
| Maintenance of Way | 125 | 136 | 136 | - |
| Service Planning | 37 | 38 | 37 | (1) |
| Engineering and New Systems | 19 | 15 | 17 | 2 |
| ADA Services | 7 | 6 | 6 | - |
| Safety | 9 | 7 | 7 | - |
| Emergency Mgmt Planning | 1 | 1 | 1 | - |
| Executive Director of Metro Transit | 2 | 2 | 2 | - |
| **Total Metro Transit Operations** | **2,076** | **2,012** | **2,023** | **11** |
| **Administration** | | | | |
| Executive Vice-President for Administration | 2 | 2 | 2 | - |
| Procurement Matls Mgmt & Supplier Diversity | 59 | 57 | 56 | (1) |
| Finance | | | | |
| Treasury | 6 | 6 | 6 | - |
| Controllers Group | 21 | 16 | 16 | - |
| Passenger Revenue | 36 | 34 | 35 | 1 |
| Finance Administration | 3 | 3 | 4 | 1 |
| Total Finance | **66** | **59** | **61** | **2** |
| Information Technology | 36 | 37 | 36 | (1) |
| **Total Administration** | **163** | **155** | **155** | **-** |
| **Organizational Effectiveness** | | | | |
| Human Resources | 18 | 16 | 16 | - |
| Pension and Retiree Benefits Rollup | 1 | 1 | 1 | - |
| Risk Management | 3 | 8 | 8 | - |
| Labor Relations | 5 | 2 | 2 | - |
| Workforce Diversity and EEO | 2 | 2 | 2 | - |
| Executive VP Organizational Effectiveness | - | 2 | 2 | - |
| **Total Organizational Effectiveness** | **29** | **31** | **31** | **-** |
| Marketing | 23 | 20 | 19 | (1) |
| Meridian Garage and Real Estate | 2 | 2 | 2 | - |
| **Total Metro Transit** | **2,293** | **2,220** | **2,230** | **10** |
| | | | | |
| Executive Services | 23 | 19 | 18 | (1) |
| Gateway Arch | 17 | 18 | 18 | - |
| St. Louis Downtown Airport | 12 | 12 | 12 | - |
| Riverfront Attractions | 11 | 12 | 11 | (1) |
| St. Louis Regional Freightway | 3 | 2 | 2 | - |
| Health Self Insurance SIF | 10 | 8 | 8 | - |
| Casualty Self Insurance SIF | 6 | 7 | 7 | - |
| Workers Comp Self Insurance SIF | 3 | 3 | 3 | - |
| Bi-State Development Research Institute | - | - | - | - |
| Arts In Transit (AIT) | - | - | - | - |
| **Total Bi-State Development** | **2,378** | **2,301** | **2,309** | **8** |

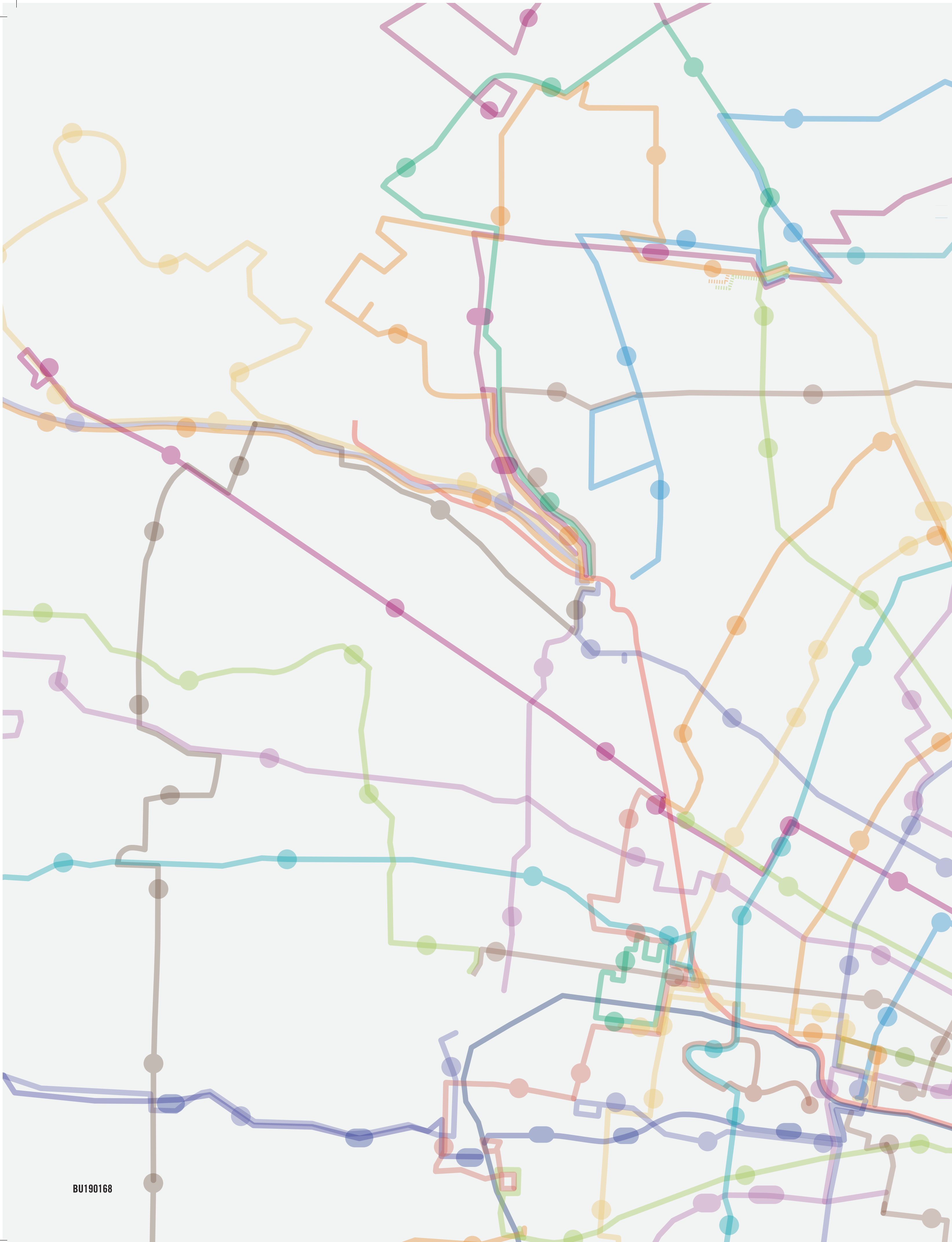
## Personnel by Paygroup

| | Budget 2019 | Budget 2020 | Budget 2021 | Variance FY20-FY21 |
|---|---|---|---|---|
| Bus Operators (FT) | 904 | 898 | 904 | 6 |
| Bus Operators (PT) | 28 | 18 | 6 | (12) |
| Light Rail Operators | 102 | 102 | 102 | - |
| Van Operators | 201 | 188 | 202 | 14 |
| **Total Operators** | **1,235** | **1,206** | **1,214** | **8** |
| 788 Clerical | 48 | 44 | 43 | (1) |
| 788 Service | 87 | 84 | 81 | (3) |
| 788 Maint | 326 | 310 | 316 | 6 |
| IBEW | 66 | 62 | 62 | - |
| Salaried | 616 | 595 | 593 | (2) |
| **Total Bi-State Development** | **2,378** | **2,301** | **2,309** | **8** |

# Board of Commissioners,

# President and Chief Executive Officer and Direct Reports





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# 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.

For FY 2021, senior management has focused on two primary goals for each enterprise, division and department to create their objectives and businesses enterprises to support. These goals are:

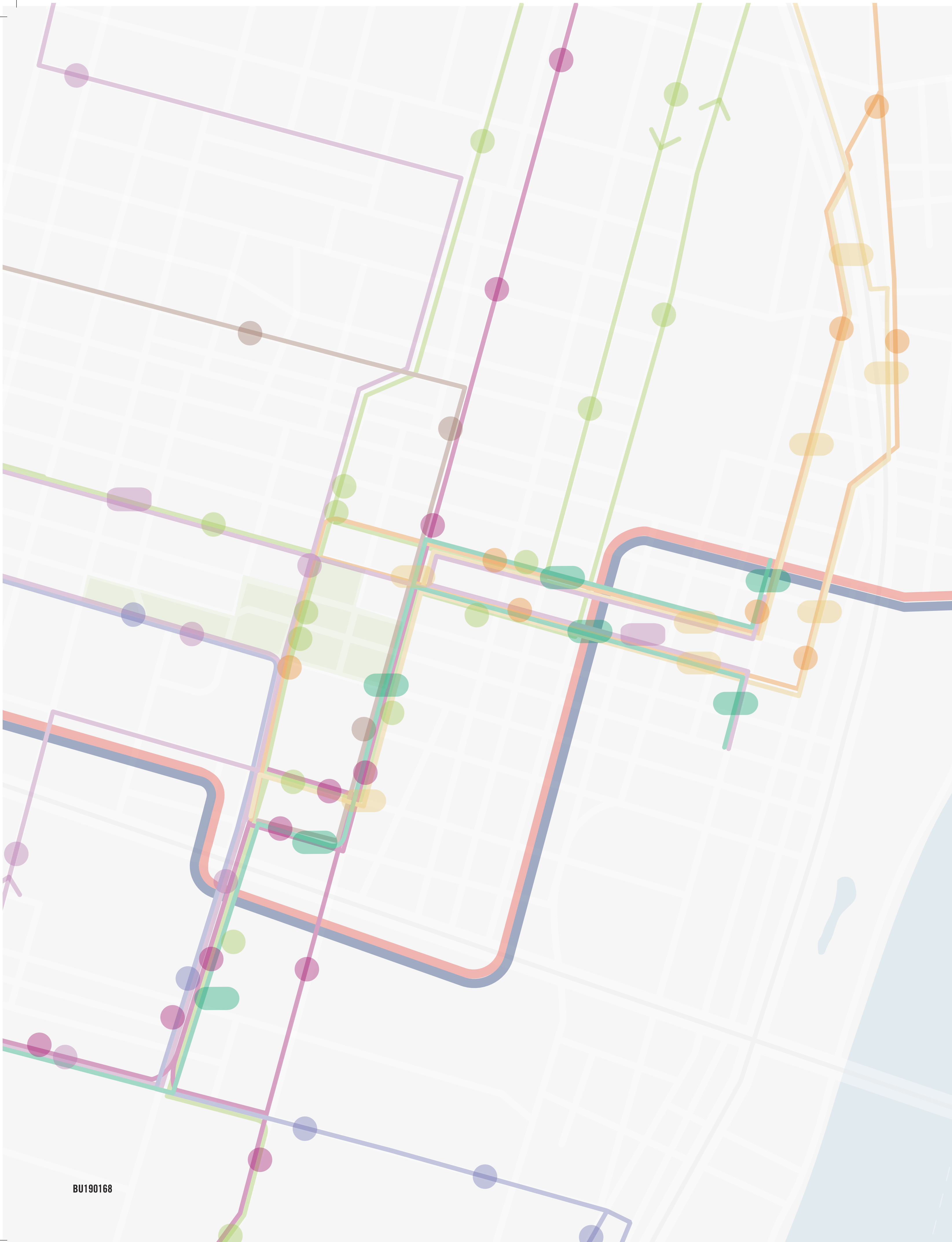
- ***Improve perception of safety for Metro Transit and the image of Bi-State Development***
- ***Create operational efficiencies by eliminating redundant or outdated processes and procedures***

The objectives and strategies 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 objectives and strategies 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 designed to 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. The executive team has an objective to 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.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## Metro Transit

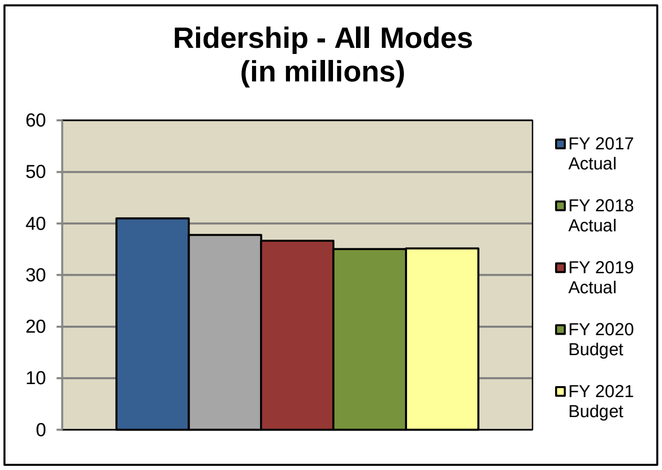
# Total System

### 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 2019 Actual):**

36.6 million passenger boardings
115,480 average weekday ridership
26.9 million revenue miles
1.8 million revenue hours
5.6 million diesel gallons consumed




**Service area (558 square miles):**

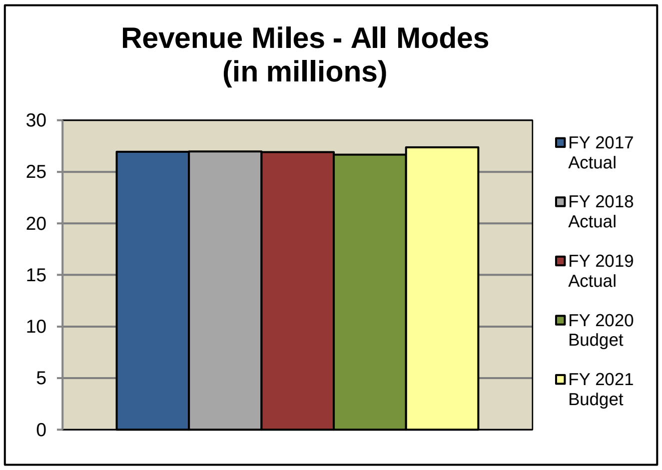
Missouri:
- City of St. Louis
- St. Louis County

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)



## Metro Transit

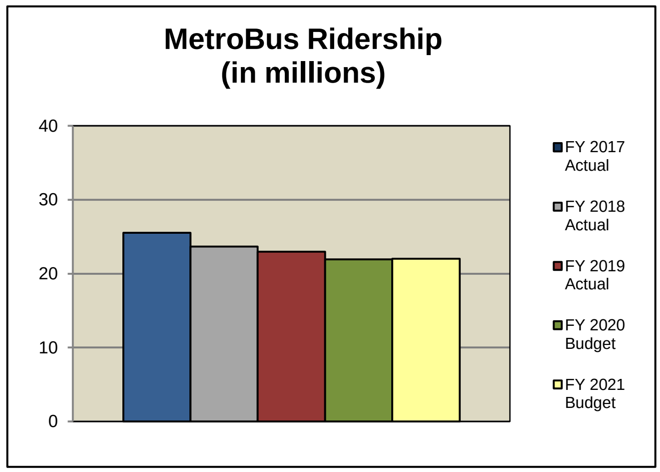
# MetroBus

### 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.

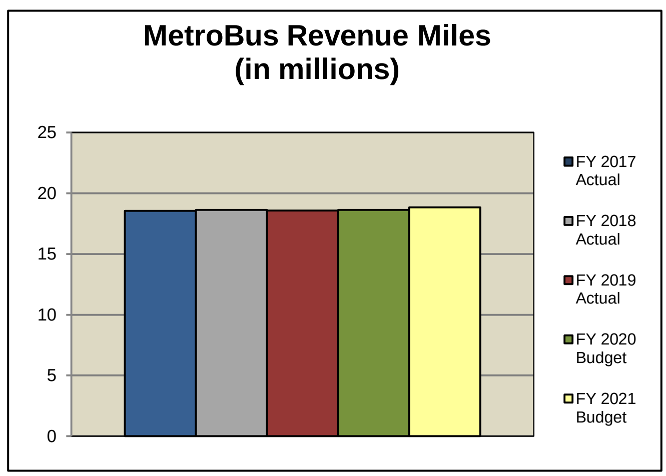
**Service levels (FY 2019 Actual)**:

23.0 million passenger boardings
72,590 average weekday ridership
18.6 million revenue miles
1.4 million revenue hours
397 buses (331 used at peak)
4.8 million diesel gallons consumed
84 bus routes




**Facilities:**

3 garages and 1 maintenance facility
6 MetroBus Transit Centers
27 free park and ride lots
(MO -17; IL -10)




**Development:**

Completed:

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

## Metro Transit

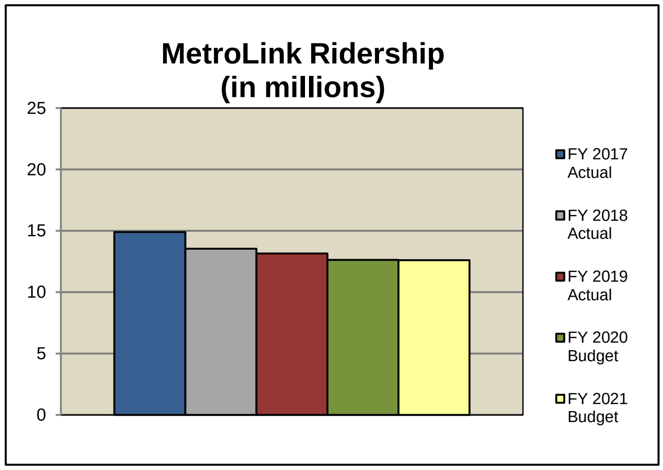
# MetroLink

### 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 2019 Actual)**:

13.2 million passenger boardings
41,140 average weekday ridership
3.1 million revenue miles
130,484 revenue hours
87 rail cars (57 used at peak)

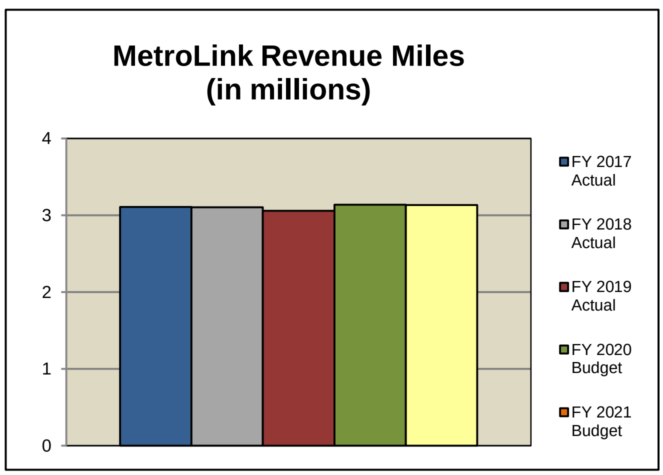



**Facilities:**

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

**Development:**

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



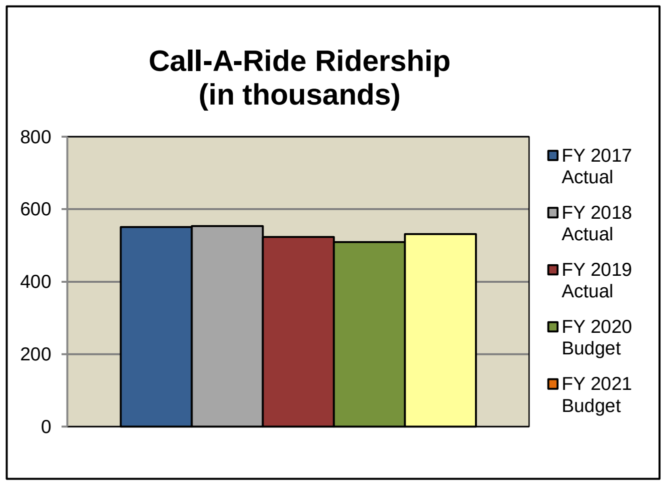
# Call-A-Ride

## 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 2019 Actuals)**:

523,437 passenger boardings
96.5% ADA passenger boardings
1,875 average weekday ridership
5.3 million revenue miles
288,334 revenue hours
602,062 reservation/assistance calls
0.7 million gallons of diesel consumed
124 vans (104 used at peak)

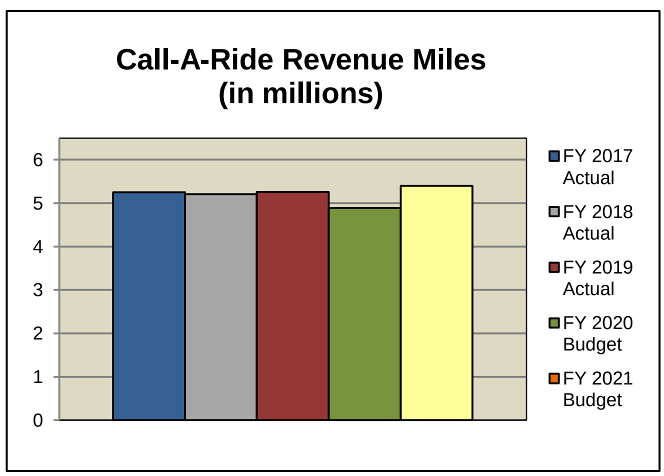



**Facilities:**

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 2021 Budget | FY 2020 Budget | FY 2019 Actual |
|---|---|---|---|---|
| **Passenger boardings:** | **System** | **35,152,421** | **35,063,606** | **36,642,276** |
| | MetroBus | 22,006,544 | 21,923,430 | 22,967,930 |
| | MetroLink | 12,614,589 | 12,631,014 | 13,150,909 |
| | Call-A-Ride | 531,288 | 509,163 | 523,437 |
| **Revenue miles:** | **System** | **27,371,766** | **26,666,119** | **26,900,896** |
| | MetroBus | 18,840,590 | 18,639,116 | 18,581,499 |
| | MetroLink | 3,133,901 | 3,139,039 | 3,056,815 |
| | Call-A-Ride | 5,397,275 | 4,887,965 | 5,262,582 |
| **Revenue hours:** | **System** | **1,825,056** | **1,799,263** | **1,814,977** |
| | MetroBus | 1,395,328 | 1,387,455 | 1,396,108 |
| | MetroLink | 133,338 | 133,577 | 130,484 |
| | Call-A-Ride | 296,390 | 278,231 | 288,384 |
| **Total miles:** | **System** | **30,153,627** | **29,632,356** | **30,080,666** |
| | MetroBus | 21,226,402 | 20,908,887 | 21,391,541 |
| | MetroLink | 3,171,175 | 3,176,343 | 3,091,802 |
| | Call-A-Ride | 5,756,049 | 5,547,126 | 5,597,323 |
| **Total hours:** | **System** | **1,959,099** | **1,947,481** | **1,950,470** |
| | MetroBus | 1,502,408 | 1,491,763 | 1,505,272 |
| | MetroLink | 135,710 | 135,951 | 132,792 |
| | Call-A-Ride | 320,981 | 319,767 | 312,406 |
| **Passenger revenue (excluding TMA and contractual)** | **System** | **$ 38,501,021** | **$ 38,248,801** | **$ 40,116,370** |
| | MetroBus | 23,609,336 | 23,514,673 | 24,657,757 |
| | MetroLink | 13,264,449 | 13,371,423 | 13,921,794 |
| | Call-A-Ride | 1,627,236 | 1,362,705 | 1,536,819 |
| **TMA (regional van services) & contractual Medicaid services** | | **$ 1,105,000** | **$ 2,006,000** | **$ 2,256,263** |
| **Operating expense by mode:** | **System** | **$ 309,813,394** | **$ 298,460,579** | **$ 285,095,432** |
| | MetroBus | 189,412,103 | 182,672,251 | 173,079,816 |
| | MetroLink | 90,585,605 | 88,334,916 | 83,654,354 |
| | Call-A-Ride | 29,815,685 | 27,453,412 | 28,361,261 |
| **Passenger boardings per revenue mile:** | **System** | **1.3** | **1.3** | **1.4** |
| | MetroBus | 1.2 | 1.2 | 1.2 |
| | MetroLink | 4.0 | 4.0 | 4.3 |
| | Call-A-Ride | 0.1 | 0.1 | 0.1 |
| **Operating expense:** | | | | |
| **Per revenue mile:** | **System** | **$ 11.32** | **$ 11.19** | **$ 10.60** |
| | MetroBus | 10.05 | 9.80 | 9.31 |
| | MetroLink | 28.91 | 28.14 | 27.37 |
| | Call-A-Ride | 5.52 | 5.62 | 5.39 |
| **Per revenue hour:** | **System** | **$ 169.76** | **$ 165.88** | **$ 157.08** |
| | MetroBus | 135.75 | 131.66 | 123.97 |
| | MetroLink | 679.37 | 661.30 | 641.11 |
| | Call-A-Ride | 100.60 | 98.67 | 98.35 |
| **Per passenger boarding** | **System** | **$ 8.81** | **$ 8.51** | **$ 7.78** |
| | MetroBus | 8.61 | 8.33 | 7.54 |
| | MetroLink | 7.18 | 6.99 | 6.36 |
| | Call-A-Ride | 56.12 | 53.92 | 54.18 |
| **Operating expense:** | | | | |
| **Per total mile:** | **System** | **$ 10.27** | **$ 10.07** | **$ 9.48** |
| | MetroBus | 8.92 | 8.74 | 8.09 |
| | MetroLink | 28.57 | 27.81 | 27.06 |
| | Call-A-Ride | 5.18 | 4.95 | 5.07 |
| **Per total hour:** | **System** | **$ 158.14** | **$ 153.25** | **$ 146.17** |
| | MetroBus | 126.07 | 122.45 | 114.98 |
| | MetroLink | 667.49 | 649.76 | 629.97 |
| | Call-A-Ride | 92.89 | 85.85 | 90.78 |
| **Farebox recovery:** | **System** | **12.4%** | **12.8%** | **14.1%** |
| | MetroBus | 12.5% | 12.9% | 14.2% |
| | MetroLink | 14.6% | 15.1% | 16.6% |
| | Call-A-Ride | 5.5% | 5.0% | 5.4% |
| **Subsidy per passenger boarding:** | **System** | **$ 7.44** | **$ 7.11** | **$ 6.31** |
| | MetroBus | 7.28 | 7.01 | 6.15 |
| | MetroLink | 5.88 | 5.68 | 4.99 |
| | Call-A-Ride | 50.73 | 47.05 | 46.62 |

# Bi-State Development
# Metro Transit System - Statement of Revenue & Expense
# Fy 2019 to FY 2021

| | Actual 2019 | Budget 2020 | Budget 2021 | $ Change | % Change |
|---|---|---|---|---|---|
| Operating Revenue: | | | | | |
| Passenger revenue | | | | | |
| Bus/rail revenue | $ 38,310,063 | $ 36,799,193 | $ 36,786,099 | $ (13,093) | |
| C-A-R revenue | 1,536,819 | 1,362,705 | 1,627,236 | 264,531 | |
| Total Passenger Revenue | 39,846,882 | 38,161,897 | 38,413,335 | 251,438 | 0.7% |
| TMA revenue | 605,802 | 30,000 | - | (30,000) | |
| Paratransit contracts | 1,650,460 | 1,976,000 | 1,105,000 | (871,000) | |
| Other operating revenue | 3,950,278 | 4,404,358 | 4,879,902 | 475,544 | |
| Total operating revenue | 46,053,422 | 44,572,255 | 44,398,237 | (174,018) | -0.4% |
| Non-Operating Revenue: | | | | | |
| Grant, sales tax and contractual | 253,534,854 | 268,726,917 | 278,105,702 | 9,378,785 | |
| Investment income | 7,665,364 | 4,301,875 | 3,868,750 | (433,125) | |
| Capital lease revenue | 7,257,758 | 7,737,353 | 8,248,804 | 511,451 | |
| Other misc non-operational revenue | 1,812,782 | 746,750 | 847,502 | 100,752 | |
| Total Non-Operating Revenue | 270,270,758 | 281,512,895 | 291,070,758 | 9,557,863 | 3.4% |
| Total revenues | 316,324,180 | 326,085,150 | 335,468,995 | 9,383,845 | 2.9% |
| | | | | | |
| Operating Expense: | | | | | |
| Compensation | 113,859,386 | 119,021,329 | 119,991,457 | 970,128 | |
| Benefits | 78,714,925 | 81,981,541 | 86,119,432 | 4,137,891 | |
| Other post-employment benefits | 2,496,947 | 3,400,174 | 4,065,028 | 664,854 | |
| Total Wages and Benefits | 195,071,258 | 204,403,044 | 210,175,917 | 5,772,873 | 2.8% |
| Services | 33,172,475 | 35,359,081 | 39,812,267 | 4,453,186 | |
| Fuel and lubrications | 11,275,070 | 11,741,264 | 12,214,894 | 473,630 | |
| Parts and supplies | 22,129,839 | 25,277,253 | 23,202,953 | (2,074,300) | |
| Casualty and liability costs | 8,455,433 | 6,732,722 | 9,172,008 | 2,439,286 | |
| Utilities | 7,524,758 | 7,877,986 | 7,958,502 | 80,516 | |
| Other operating expenses | 4,244,634 | 4,363,524 | 4,216,548 | (146,976) | |
| Management fees | 3,221,964 | 2,705,709 | 3,060,305 | 354,596 | |
| **Total operating expenses** | **285,095,432** | **298,460,583** | **309,813,394** | **11,352,810** | **3.8%** |
| Non-Operating Expense: | | | | | |
| Capital lease expense | 7,257,758 | 7,737,353 | 8,248,804 | 511,451 | |
| Interest expense | 18,463,582 | 18,357,196 | 17,354,538 | (1,002,658) | |
| Sheltered workshop | 1,145,940 | 1,288,387 | 1,245,000 | (43,387) | |
| Other misc non-oper. expense | 2,221,013 | 746,750 | 847,502 | 100,752 | |
| Total Non-Operating Expense | 29,088,293 | 28,129,686 | 27,695,845 | (433,842) | -1.5% |
| Total expenses | 314,183,724 | 326,590,270 | 337,509,239 | 10,918,969 | 3.3% |
| **Net income (deficit) before depreciation and transfers** | **2,140,456** | **(505,120)** | **(2,040,243)** | **(1,535,124)** | **303.9%** |
| Depreciation | 76,409,658 | 73,721,200 | 75,870,925 | 2,149,725 | |
| Net transfers | 2,529,554 | 2,755,241 | 2,779,378 | 24,137 | |
| **Net income (deficit)** | **$ (76,798,756)** | **$ (76,981,561)** | **$ (80,690,546)** | **$ (3,708,986)** | **4.8%** |

Numbers may not sum due to rounding.

## Metro Transit System - Detail of Grants, Sales Tax & Contractual Revenue

| | Actual 2019 | Budget 2020 | Budget 2021 | $ Change | % Change |
|---|---|---|---|---|---|
| **Missouri:** | | | | | |
| City of St. Louis 1/2 cent sales tax | $ 20,161,358 | $ 19,943,172 | $ 20,295,372 | $ 352,200 | |
| City of St. Louis 1/4 cent sales tax | 9,258,604 | 9,272,005 | 9,271,294 | (711) | |
| City of St. Louis Prop M2 sales tax | 8,522,818 | 7,366,734 | 7,440,401 | 73,667 | |
| **Total City of St. Louis** | **37,942,780** | **36,581,911** | **37,007,067** | **425,156** | **1.2%** |
| St Louis County 1/2 cent sales tax | 43,345,886 | 44,476,159 | 37,060,638 | (7,415,521) | |
| St Louis County 1/4 cent sales tax | 35,883,295 | 36,924,562 | 36,668,539 | (256,023) | |
| St Louis County Prop A sales tax | 65,896,105 | 70,754,134 | 80,950,066 | 10,195,932 | |
| **Total St. Louis County** | **145,125,286** | **152,154,855** | **154,679,243** | **2,524,388** | **1.7%** |
| **Missouri:** | | | | | |
| Other Local Match - MO | 134,292 | 775,000 | 782,550 | 7,550 | |
| Planning and demo reimbursement | 170,400 | 160,000 | 160,000 | - | |
| **Total Other Local MO** | **304,692** | **935,000** | **942,550** | **7,550** | **0.8%** |
| General Operating & Special MODOT | 729,797 | 776,000 | 783,750 | 7,750 | |
| **Total State Of Missouri** | **729,797** | **776,000** | **783,750** | **7,750** | **1.0%** |
| **Total Missouri local & state:** | **184,102,555** | **190,447,766** | **193,412,610** | **2,964,844** | **1.6%** |
| **Illinois:** | | | | | |
| St Clair County | 52,357,254 | 57,582,856 | 62,862,290 | 5,279,434 | |
| Other Local Match - IL | 3,228 | 105,000 | 106,050 | 1,050 | |
| **Total Illinois local & state** | **52,360,482** | **57,687,856** | **62,968,340** | **5,280,484** | **9.2%** |
| **Total local & state** | **236,463,037** | **248,135,622** | **256,380,950** | **8,245,328** | **3.3%** |
| **Federal:** | | | | | |
| Vehicle Maintenance | 16,000,000 | 16,000,000 | 16,000,000 | - | |
| Non-capitalized projects | 960,429 | 4,591,295 | 5,724,752 | 1,133,457 | |
| Other Federal | 111,388 | - | - | - | |
| **Total Federal:** | **17,071,817** | **20,591,295** | **21,724,752** | **1,133,457** | **5.5%** |
| **Total grants, sales tax & contractual revenue** | **$ 253,534,854** | **$ 268,726,917** | **$ 278,105,702** | **$ 9,378,785** | **3.5%** |

Numbers may not sum due to rounding.

# Metro Transit

## Priorities

Metro Transit's priority is to run a safe and secure system fully responsive to input from regional leadership, Metro customers, and the recent MetroLink security assessment. Metro works 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 by 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.

## Strategic Focus

In order to enhance our priority of running a safe and secure system, we have developed the following strategies to assist with this effort in FY 2021:

- Leverage technology to reduce accidents and injuries and use as a proactive prevention tool to assist with security and safety.
- Improve customer confidence and safety by establishing a new code of conduct on the system.
- Improve training programs by thorough investigation of accidents and incidents on routes and performing more ride checks with operators.
- Improve communication with our customers and employees to ensure safety concerns are reported to Public Safety promptly and accurately.

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## Assumptions

The FY 2021 budget projects a $2.0 million deficit before depreciation and net transfers, which represents non-cash items such as other post-employment benefit obligations, 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 2021 budget. Therefore, the FY 2021 budget is balanced, 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 implemented a service redesign outlined in "Metro Re-Imagined" in the fall of 2019. System revenue miles increased 1.8% from the FY 2020 budget. System revenue hours are consistent with the FY 2020 budget; the change is less than 1%.

**Passenger boardings** on MetroBus, MetroLink, and Call-A-Ride for FY 2021 show a combined system increase of less than 1.0% compared to the FY 2020 budget. The soft change 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 $38.4 million for FY 2021. This is a modest increase of $251,438 or 0.7% from the FY 2020 budget. The increase in passenger revenue is reflective of an annualized revenue that may meet or exceed FY 2020 budgeted revenue. The proposed budgeted revenue level is reflective of ongoing safety and security issues, lower fuel prices, and the 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 and new customer amenities are expected to help improve ridership trends. Bi-State Development continues to work with its funding partners, law enforcement partners, and civic and community groups to improve the safety and security of the system. These factors have been incorporated into the FY 2021 operating budget ridership projection with no plans for fare increases in this fiscal budget.

**Paratransit contracts** include Medicaid revenue and other contractual receipts related to trips provided by Paratransit Operations. The $1.1 million budgeted in FY 2021 is lower by 44.1% compared to the FY 2020 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 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 increase $475,544. This is the result of additional revenue from a new 5-year advertising contract and additional ATS contractual work.

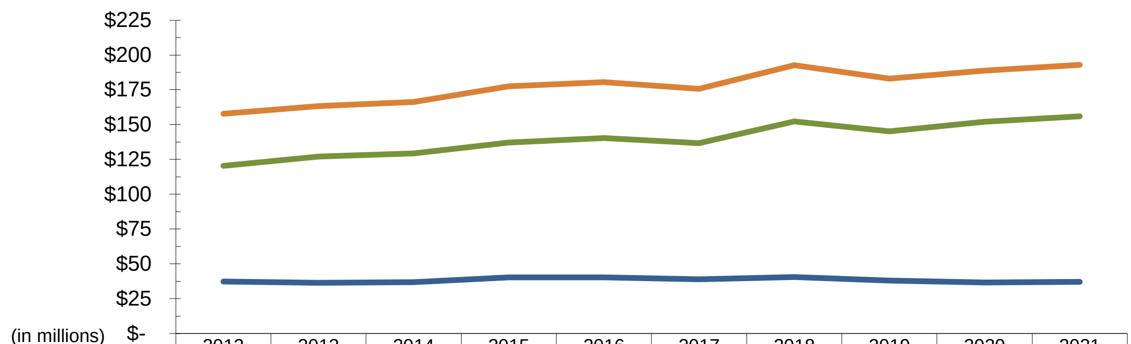
## Grants, Sales Tax, and Contractual Revenue

**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:

**Sales Tax Appropriations**




| | 2012 Actual | 2013 Actual | 2014 Actual | 2015 Actual | 2016 Actual | 2017 Actual | 2018 Actual | 2019 Actual | 2020 Budget | 2021 Budget |
|---|---|---|---|---|---|---|---|---|---|---|
| St. Louis County | 120.34 | 126.95 | 129.38 | 137.08 | 140.30 | 136.70 | 152.18 | 145.13 | 152.15 | 155.91 |
| St. Louis City | 37.34 | 36.45 | 36.91 | 40.36 | 40.29 | 39.00 | 40.51 | 37.94 | 36.59 | 37.01 |
| Total | 157.68 | 163.40 | 166.29 | 177.44 | 180.59 | 175.70 | 192.70 | 183.07 | 188.74 | 192.92 |

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 2021 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.

**State of Missouri revenue** for the FY 2021 budget is expected to increase by $7,750 to $783,750.

**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. St. Clair County is adding approximately $4.5 million in fixed route bus service in FY 2021. The total budget for FY 2021 is $62,862,290.

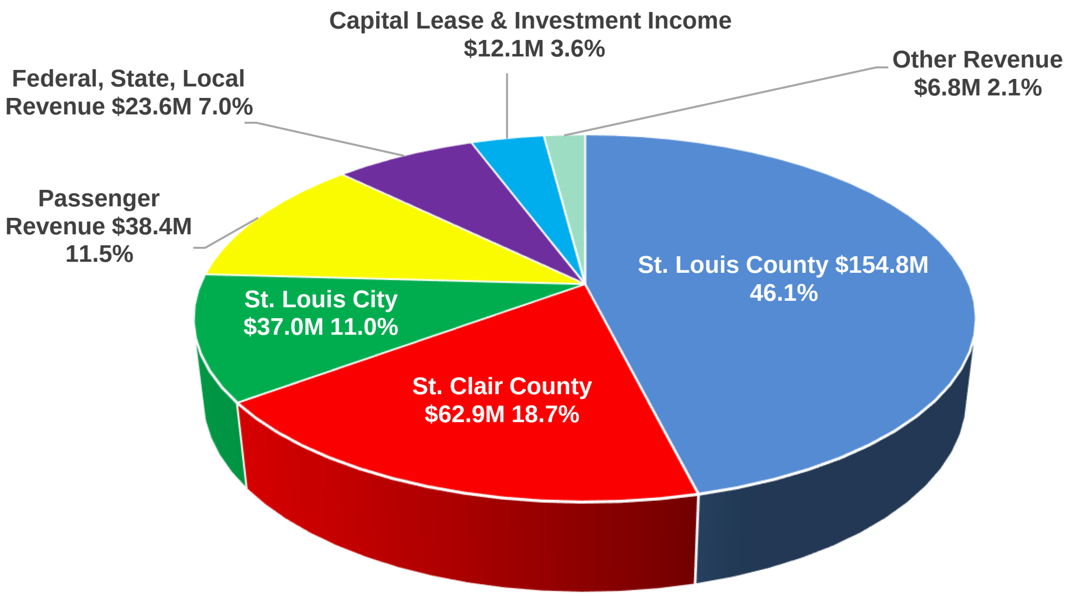
**Federal vehicle maintenance** represents federal capital formula funds that BSD chooses to program for vehicle maintenance per the Federal Transit Administration's guidelines. FY 2021 budget remains consistent with FY 2020 budget.

**Non-capital federal grant revenue** funding is expected to be $5.7 million for FY 2021. These funds are expected to be used for MetroLink right-of-way and tunnel structural repairs, system conduit rehabilitation and facilities parking lot repairs.

## Non-Operating Revenue

**Investment income** consists of interest earned on invested funds. The projected budget for FY 2021 is $3.9 million. This decrease over the prior year budget is a result of declining interest rates.

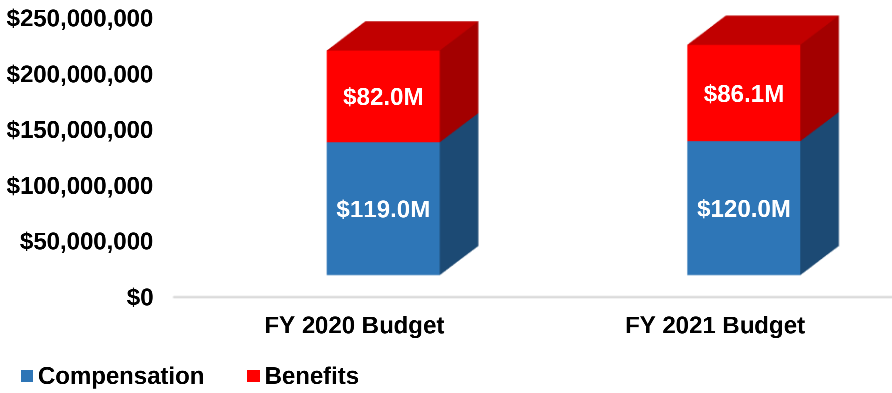
**Capital lease revenue** recognizes the revenue associated with capital leases. The revenue and expense offset. For FY 2021, these amounts are both $8.2 million.




## Expenses

**Wages & benefits including OPEB** are expected to be 2.8% higher than the FY 2020 budget. Operator staffing is planned to increase by 1.7% while other staffing will remain flat. Benefits increased 5% over the prior year. Workers compensation having the largest impact on costs.

**Comparison FY 2020 to FY 2021**




**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 2021, the unfunded portion of OPEB cost is budgeted at $4.1 million. This is an increase of 19.6% over the prior year.

**Services** are expected to increase 12.6%. The second is the recognition of an additional $1.1 million for non-capital projects. With the FY 2021 budget, efforts continue to shift dependence away from third party contracts to reduce outside services and contract expense. In addition, Metro is budgeting $8.3 million to address public safety concerns on the Metro transit system, up 9.5% from FY 2020**.** Contracts with our law enforcement partners will supplement these services.

**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.

**Fuel and lubrications** net expense for the FY 2021 budget is anticipated to increase 4% compared to the FY 2020 budget. Fuel usage throughout the system will slowly decline as newer more fuel efficient alternatives are introduced.

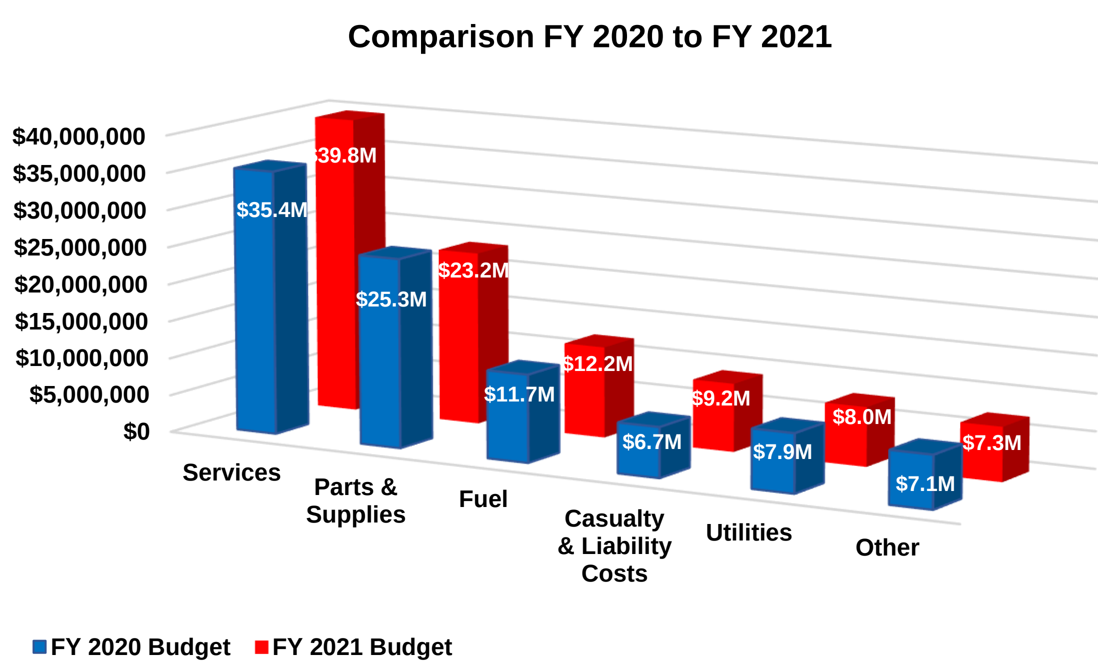
**Parts and supplies** expense is expected to decrease 8.2%. Life cycle fleet maintenance is the basis in determining revenue equipment parts needs each year. Enhanced inventory management and a continued emphasis on quality parts will drive cost savings.

**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 increase 36.2% over the previous year budget. Property lines are expected to increase 25% due to hard market conditions with other areas expecting to increase 10% also due to market drivers.

**Utilities**, including electric propulsion, are budgeted consistent with the prior year. The 2021 budget is in line with the cost needed to support expected activity.

**Other expenses** consist of taxes, leases, advertising, travel, and staff development. FY 2021 reflects a 3.4% decrease compared to the prior year budget. This reduction is due to a concerted effort to reduce cost and become more efficient. Most cost categories are slightly lower than the prior year levels with larger reductions focused on 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. An increase of 13.1% for FY 2021 is due to higher compensation costs and outside consulting costs in Executive Services.



## Non-Operating Expense

**Capital lease expense** recognizes the cost associated with capital leases. The expense is offset by a revenue amount. For FY 2021 these amounts are both $8.2 million.

**Interest on debt** results primarily from interest paid on bonds issued to finance the Cross County expansion. Interest expense is budgeted at $17.4 million in FY 2021.

**Sheltered workshop** expense includes 2% of the Missouri ½ cent (1973) sales tax. The FY 2021 budget is $1.3 million.

## 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 capital assets are predominately funded by federal grants. For FY 2021, depreciation is expected to be slightly below $76.0 million.

## Net Transfers

**Internal service fund administration fees** are charged by the Workers' Compensation and Casualty Self-Insurance Funds to Metro. These fees represent self-insurance administration costs in excess of claim amounts paid. The amount of the Self-Insurance Administration Fee for FY 2021 is $2.8 million.

**The following section displays operating costs for the departments that reside within Metro Transit. The departments that encompass transit operations include Bus Transportation, Rail Transportation, Paratransit Transportation, Vehicle Maintenance, Facility Maintenance, Maintenance of Way, Security, Planning & System Development, ADA Services, Safety, Emergency Preparedness, Engineering & New Systems, and are led by the Executive Director of Metro Transit within Transit Administration. The Executive Vice President of Administration manages Procurement & Inventory Management, Finance, Information Technology, and the Administration office. The Executive Vice President of Organizational Effectiveness leads the Human Resource department, Pension & Retiree Benefits, Risk Management, Labor Relations, Workforce Diversity & EEO, and the Office of Organizational Effectiveness. Real Estate, Marketing and Communications are also within Transit.**

## Transit Operations - Operating Expense by Department/Function

Numbers may not sum due to rounding.

| | Actual 2019 | Budget 2020 | Budget 2021 | Bdgt vs Bdgt $ Change | Bdgt vs Bdgt % Change |
|---|---|---|---|---|---|
| **Bus Transporation** | | | | | |
| Wages & benefits without OPEB | $ 82,030,787 | $ 83,887,628 | $ 84,623,759 | $ 736,131 | 0.9% |
| Other post-employment benefits | 962,688 | 1,448,767 | 1,156,836 | (291,931) | -20.2% |
| Services | 184,241 | 269,844 | 300,000 | 30,156 | 11.2% |
| Parts and supplies | 135,632 | 171,318 | 221,892 | 50,573 | 29.5% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 46,310 | 53,353 | 53,113 | (240) | -0.5% |
| Leases and other expense | 123,968 | 180,921 | 161,179 | (19,742) | -10.9% |
| **Operating expense** | **83,483,626** | **86,011,832** | **86,516,779** | **504,947** | **0.6%** |
| **Rail Transporation** | | | | | |
| Wages & benefits without OPEB | 12,867,765 | 13,546,698 | 13,284,126 | (262,572) | -1.9% |
| Other post-employment benefits | 152,314 | 252,753 | 201,822 | (50,930) | -20.2% |
| Services | 1,425 | 220 | - | (220) | -100.0% |
| Parts and supplies | 20,086 | 29,160 | 26,659 | (2,501) | -8.6% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 15,314 | 27,997 | 20,040 | (7,957) | -28.4% |
| Leases and other expense | 54,621 | 53,277 | 50,440 | (2,837) | -5.3% |
| **Operating expense** | **$ 13,111,526** | **$ 13,910,105** | **$ 13,583,087** | **$ (327,017)** | **-2.4%** |

## Transit Operations - Operating Expense by Department/Function

Numbers may not sum due to rounding.

| | Actual 2019 | Budget 2020 | Budget 2021 | Bdgt vs Bdgt $ Change | Bdgt vs Bdgt % Change |
|---|---|---|---|---|---|
| **Paratransit Transporation** | | | | | |
| Wages & benefits without OPEB | $ 14,048,554 | $ 14,256,421 | $ 15,051,844 | $ 795,423 | 5.6% |
| Other post-employment benefits | 31,516 | 68,574 | 54,756 | (13,818) | -20.2% |
| Services | 282,441 | 241,320 | 220,000 | (21,320) | -8.8% |
| Parts and supplies | 15,752 | 29,782 | 27,278 | (2,504) | -8.4% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 21,148 | 19,200 | 19,200 | - | 0.0% |
| Leases and other expense | 39,033 | 45,475 | 52,595 | 7,120 | 15.7% |
| **Operating expense** | **14,438,444** | **14,660,771** | **15,425,673** | **764,901** | **5.2%** |
| **Vehicle Maintenance** | | | | | |
| Wages & benefits without OPEB | 31,767,555 | 31,612,387 | 33,804,925 | 2,192,538 | 6.9% |
| Other post-employment benefits | 390,036 | 612,806 | 489,324 | (123,482) | -20.2% |
| Services | 3,228,229 | 3,470,600 | 3,773,324 | 302,725 | 8.7% |
| Fuel and lubrications | 12,812,396 | 12,391,214 | 12,176,313 | (214,901) | -1.7% |
| Parts and supplies | 17,142,243 | 18,951,919 | 17,312,925 | (1,638,993) | -8.6% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 122,455 | 156,734 | 155,583 | (1,151) | -0.7% |
| Leases and other expense | 132,275 | 185,388 | 229,141 | 43,753 | 23.6% |
| **Operating expense** | **65,595,190** | **67,381,047** | **67,941,535** | **560,488** | **0.8%** |
| **Facility Maintenance** | | | | | |
| Wages & benefits without OPEB | 5,281,412 | 4,483,923 | 4,662,331 | 178,408 | 4.0% |
| Other post-employment benefits | 69,648 | 86,778 | 69,292 | (17,486) | -20.2% |
| Services | 2,586,149 | 2,945,222 | 2,808,256 | (136,966) | -4.7% |
| Fuel and lubrications | (865) | 4,164 | 1,500 | (2,664) | -64.0% |
| Parts and supplies | 1,502,759 | 1,421,463 | 1,449,495 | 28,032 | 2.0% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 1,823,106 | 2,008,917 | 2,189,957 | 181,039 | 9.0% |
| Leases and other expense | 31,918 | 120,475 | 32,167 | (88,308) | -73.3% |
| **Operating expense** | **11,294,127** | **11,070,942** | **11,212,997** | **142,055** | **1.3%** |
| **Maintenance of Way** | | | | | |
| Wages & benefits without OPEB | 11,800,182 | 12,660,710 | 13,204,877 | 544,167 | 4.3% |
| Other post-employment benefits | 152,294 | 265,821 | 212,257 | (53,564) | -20.2% |
| Services | 6,533,749 | 8,554,886 | 7,032,106 | (1,522,780) | -17.8% |
| Parts and supplies | 1,680,591 | 1,729,361 | 1,567,475 | (161,886) | -9.4% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 4,818,848 | 5,021,377 | 4,945,372 | (76,005) | -1.5% |
| Leases and other expense | 29,993 | 27,338 | 25,761 | (1,577) | -5.8% |
| **Operating expense** | **$ 25,015,657** | **$ 28,259,492** | **$ 26,987,847** | **$ (1,271,645)** | **-4.5%** |

## Transit Operations - Operating Expense by Department/Function

Numbers may not sum due to rounding.

| | Actual 2019 | Budget 2020 | Budget 2021 | Bdgt vs Bdgt $ Change | Bdgt vs Bdgt % Change |
|---|---|---|---|---|---|
| **Security** | | | | | |
| Wages & benefits without OPEB | $ 5,603,373 | $ 5,261,266 | $ 5,627,999 | $ 366,733 | 7.0% |
| Other post-employment benefits | 56,491 | 95,287 | 76,086 | (19,201) | -20.2% |
| Services | 8,529,944 | 7,595,620 | 8,314,973 | 719,353 | 9.5% |
| Parts and supplies | 69,976 | 49,455 | 59,455 | 10,000 | 20.2% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 21,365 | 24,175 | 24,175 | - | 0.0% |
| Leases and other expense | 65,675 | 83,136 | 68,750 | (14,386) | -17.3% |
| **Operating expense** | **14,346,825** | **13,108,939** | **14,171,438** | **1,062,500** | **8.1%** |
| **Planning & System Development** | | | | | |
| Wages & benefits without OPEB | 2,846,839 | 3,088,775 | 3,053,317 | (35,458) | -1.1% |
| Other post-employment benefits | 41,478 | 61,230 | 48,892 | (12,338) | -20.2% |
| Services | 667,366 | 57,807 | 1,557,807 | 1,500,000 | 2594.9% |
| Parts and supplies | 73,633 | 311,752 | 311,752 | - | 0.0% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 3,614 | 6,066 | 6,066 | - | 0.0% |
| Leases and other expense | 19,217 | 30,792 | 30,792 | - | 0.0% |
| **Operating expense** | **3,652,147** | **3,556,422** | **5,008,626** | **1,452,204** | **40.8%** |
| **ADA Services** | | | | | |
| Wages & benefits without OPEB | 581,577 | 580,679 | 585,896 | 5,217 | 0.9% |
| Other post-employment benefits | 5,302 | 12,771 | 10,197 | (2,573) | -20.2% |
| Services | 47,361 | 29,000 | 28,996 | (4) | 0.0% |
| Parts and supplies | 9,365 | 19,600 | 12,600 | (7,000) | -35.7% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 15,707 | 26,812 | 20,337 | (6,475) | -24.2% |
| Leases and other expense | 150,555 | 173,164 | 168,156 | (5,008) | -2.9% |
| **Operating expense** | **809,866** | **842,026** | **826,182** | **(15,844)** | **-1.9%** |
| **Safety** | | | | | |
| Wages & benefits without OPEB | 718,907 | 651,719 | 657,530 | 5,811 | 0.9% |
| Other post-employment benefits | 8,157 | 13,671 | 10,917 | (2,755) | -20.2% |
| Services | 827,671 | 331,000 | 331,000 | - | 0.0% |
| Parts and supplies | 147,333 | 183,600 | 183,600 | - | 0.0% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 28,808 | 30,660 | 30,660 | - | 0.0% |
| Leases and other expense | 54,139 | 65,360 | 65,360 | - | 0.0% |
| **Operating expense** | **$ 1,785,014** | **$ 1,276,010** | **$ 1,279,066** | **$ 3,056** | **0.2%** |

## Transit Operations - Operating Expense by Department/Function

Numbers may not sum due to rounding.

| | Actual 2019 | Budget 2020 | Budget 2021 | Bdgt vs Bdgt $ Change | Bdgt vs Bdgt % Change |
|---|---|---|---|---|---|
| **Emergency Preparedness** | | | | | |
| Wages & benefits without OPEB | $ 12,220 | $ 116,188 | $ 103,668 | $ (12,520) | -10.8% |
| Other post-employment benefits | - | 2,586 | 2,065 | (521) | -20.2% |
| Services | - | - | - | - | 0.0% |
| Parts and supplies | 28,514 | 27,000 | 27,000 | - | 0.0% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 193 | 700 | 700 | - | 0.0% |
| Leases and other expense | 3,206 | 6,000 | 6,000 | - | 0.0% |
| **Operating expense** | **44,133** | **152,475** | **139,433** | **(13,041)** | **-8.6%** |
| **Engineering & New Systems** | | | | | |
| Wages & benefits without OPEB | 1,181,356 | 1,367,433 | 1,484,613 | 117,180 | 8.6% |
| Other post-employment benefits | 18,106 | 43,721 | 34,911 | (8,810) | -20.2% |
| Services | 526,538 | 2,295,358 | 4,360,200 | 2,064,842 | 90.0% |
| Parts and supplies | 12,928 | 40,240 | 37,000 | (3,240) | -8.1% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 7,136 | 10,146 | 7,000 | (3,146) | -31.0% |
| Leases and other expense | 79,136 | 124,196 | 111,600 | (12,596) | -10.1% |
| **Operating expense** | **1,825,198** | **3,881,095** | **6,035,325** | **2,154,230** | **55.5%** |
| **Operations Administration** | | | | | |
| Wages & benefits without OPEB | 364,115 | 342,455 | 347,856 | 5,400 | 1.6% |
| Other post-employment benefits | 4,868 | 8,184 | 6,535 | (1,649) | -20.2% |
| Services | 435,981 | 223,600 | 693,600 | 470,000 | 210.2% |
| Parts and supplies | 1,885 | 42,400 | 12,200 | (30,200) | -71.2% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 518 | 800 | 800 | 1 | 0.1% |
| Leases and other expense | 14,778 | 23,100 | 23,100 | - | 0.0% |
| **Operating expense** | **822,145** | **640,539** | **1,084,091** | **443,552** | **69.2%** |
| **Total Transit Operations** | **$ 236,223,898** | **$ 244,751,694** | **$ 250,212,080** | **$ 5,460,386** | **2.2%** |

# EVP - Administration - Operating Expense by Department/Function

Numbers may not sum due to rounding.

| | Actual 2019 | Budget 2020 | Budget 2021 | Bdgt vs Bdgt $ Change | Bdgt vs Bdgt % Change |
|---|---|---|---|---|---|
| **Procurement & Inventory Management** | | | | | |
| Wages & benefits without OPEB | $ 4,499,747 | $ 4,871,134 | $ 5,010,632 | $ 139,498 | 2.9% |
| Other post-employment benefits | 56,975 | 96,048 | 76,694 | (19,354) | -20.2% |
| Services | 87,166 | 43,401 | 43,750 | 349 | 0.8% |
| Parts and supplies | 246,270 | 293,103 | 292,907 | (196) | -0.1% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 1,027 | 2,943 | 2,943 | - | 0.0% |
| Leases and other expense | 31,941 | 41,857 | 42,046 | 189 | 0.5% |
| **Operating expense** | **4,923,126** | **5,348,486** | **5,468,972** | **120,486** | **2.3%** |
| **Finance** | | | | | |
| Wages & benefits without OPEB | 4,746,562 | 7,628,748 | 7,984,444 | 355,696 | 4.7% |
| Other post-employment benefits | 434,931 | 114,411 | 1,441,357 | 1,326,946 | 1159.8% |
| Services | 2,119,351 | 1,723,747 | 1,712,081 | (11,666) | -0.7% |
| Fuel and lubrications | 48,004 | (654,114) | 37,081 | 691,195 | -105.7% |
| Parts and supplies | (1,111,043) | 1,135,934 | 965,940 | (169,994) | -15.0% |
| Casualty and liability costs | 53,828 | 53,828 | 53,828 | 0 | 0.0% |
| Utilities | 4,877 | 5,772 | 5,772 | 0 | 0.0% |
| Leases and other expense | 4,246,507 | 2,994,751 | 3,384,601 | 389,850 | 13.0% |
| **Operating expense** | **10,543,016** | **13,003,077** | **15,585,105** | **2,582,028** | **19.9%** |
| **Information Technology** | | | | | |
| Wages & benefits without OPEB | 3,752,641 | 4,397,455 | 4,279,829 | (117,626) | -2.7% |
| Other post-employment benefits | 48,146 | 98,116 | 78,346 | (19,771) | -20.2% |
| Services | 4,362,392 | 4,530,223 | 5,364,491 | 834,268 | 18.4% |
| Parts and supplies | 375,262 | 495,090 | 386,156 | (108,934) | -22.0% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 473,486 | 353,433 | 349,240 | (4,193) | -1.2% |
| Leases and other expense | 116,527 | 104,359 | 109,395 | 5,036 | 4.8% |
| **Operating expense** | **9,128,454** | **9,978,677** | **10,567,456** | **588,780** | **5.9%** |
| **Executive VP Administration** | | | | | |
| Wages & benefits without OPEB | 327,350 | 328,673 | 334,575 | 5,902 | 1.8% |
| Other post-employment benefits | 4,660 | 7,807 | 6,234 | (1,573) | -20.2% |
| Services | 1,389 | 10,000 | 10,000 | - | 0.0% |
| Parts and supplies | 7,056 | 15,332 | 10,200 | (5,132) | -33.5% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 549 | 700 | 480 | (220) | -31.4% |
| Leases and other expense | 30,688 | 16,362 | 25,000 | 8,638 | 52.8% |
| **Operating expense** | **371,692** | **378,873** | **386,490** | **7,616** | **2.0%** |
| **Total EVP-Admininistration** | **$ 24,966,288** | **$ 28,709,113** | **$ 32,008,023** | **$ 3,298,910** | **11.5%** |

# EVP - Organizational Effectiveness - Operating Expense by Department/Function

Numbers may not sum due to rounding.

| | Actual 2019 | Budget 2020 | Budget 2021 | Bdgt vs Bdgt $ Change | Bdgt vs Bdgt % Change |
|---|---|---|---|---|---|
| **Human Resources** | | | | | |
| Wages & benefits without OPEB | $ 912,506 | $ 1,437,887 | $ 1,444,834 | $ 6,946 | 0.5% |
| Other post-employment benefits | 12,855 | 29,831 | 23,820 | (6,011) | -20.2% |
| Services | 434,917 | 367,000 | 406,220 | 39,220 | 10.7% |
| Parts and supplies | 63,530 | 49,800 | 49,800 | - | 0.0% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 2,091 | 3,000 | 3,000 | - | 0.0% |
| Leases and other expense | 61,969 | 263,500 | 224,280 | (39,220) | -14.9% |
| **Operating expense** | **1,487,868** | **2,151,018** | **2,151,953** | **935** | **0.0%** |
| **Pension & Retiree Benefits** | | | | | |
| Wages & benefits without OPEB | 6,077,785 | 6,887,174 | 6,995,055 | 107,881 | 1.6% |
| Other post-employment benefits | 2,826 | 3,386 | 2,704 | (682) | -20.2% |
| Services | 197,766 | 240,150 | 219,065 | (21,085) | -8.8% |
| Parts and supplies | - | 618 | 300 | (318) | -51.5% |
| Casualty and liability costs | 11,412 | - | - | - | 0.0% |
| Utilities | 548 | - | - | - | 0.0% |
| Leases and other expense | 8,985 | 14,152 | 11,880 | (2,272) | -16.1% |
| **Operating expense** | **6,299,321** | **7,145,480** | **7,229,003** | **83,524** | **1.2%** |
| **Risk Management** | | | | | |
| Wages & benefits without OPEB | 450,858 | 718,637 | 781,612 | 62,975 | 8.8% |
| Other post-employment benefits | 9,926 | 15,217 | 12,151 | (3,066) | -20.2% |
| Services | 129,581 | 525,500 | 687,500 | 162,000 | 30.8% |
| Parts and supplies | 1,392 | 7,550 | 4,550 | (3,000) | -39.7% |
| Casualty and liability costs | 8,366,837 | 6,639,000 | 9,077,090 | 2,438,090 | 36.7% |
| Utilities | 560 | 1,140 | 1,000 | (140) | -12.3% |
| Leases and other expense | 17,855 | 18,300 | 14,300 | (4,000) | -21.9% |
| **Operating expense** | **8,977,006** | **7,925,345** | **10,578,203** | **2,652,858** | **33.5%** |
| **Labor Relations** | | | | | |
| Wages & benefits without OPEB | 368,402 | 280,295 | 283,674 | 3,379 | 1.2% |
| Other post-employment benefits | 3,476 | 6,483 | 5,177 | (1,306) | -20.2% |
| Services | 554,050 | 542,310 | 545,180 | 2,870 | 0.5% |
| Parts and supplies | 4,002 | 652 | 4,490 | 3,838 | 588.7% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 1,127 | 2,100 | 2,100 | - | 0.0% |
| Leases and other expense | 1,856 | 4,100 | 4,220 | 120 | 2.9% |
| **Operating expense** | **$ 932,914** | **$ 835,940** | **$ 844,841** | **$ 8,900** | **1.1%** |

## EVP - Organizational Effectiveness - Operating Expense by Department/Function

Numbers may not sum due to rounding.

| | Actual 2019 | Budget 2020 | Budget 2021 | Bdgt vs Bdgt $ Change | Bdgt vs Bdgt % Change |
|---|---|---|---|---|---|
| **Workforce Diversity & EEO** | | | | | |
| Wages & benefits without OPEB | $ 234,238 | $ 237,717 | $ 250,436 | $ 12,719 | 5.4% |
| Other post-employment benefits | 3,282 | 5,319 | 4,247 | (1,072) | -20.2% |
| Services | 14,516 | 25,750 | 25,750 | - | 0.0% |
| Parts and supplies | 9,279 | 14,239 | 11,060 | (3,179) | -22.3% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 1,575 | 1,650 | 1,650 | - | 0.0% |
| Leases and other expense | 19,071 | 41,750 | 32,604 | (9,146) | -21.9% |
| **Operating expense** | **281,962** | **326,425** | **325,747** | **(678)** | **-0.2%** |
| **Executive VP Organizational Effectiveness** | | | | | |
| Wages & benefits without OPEB | 32,100 | 118,382 | 130,568 | 12,187 | 10.3% |
| Other post-employment benefits | 907 | 2,528 | 2,018 | (509) | -20.2% |
| Services | - | 25,000 | 30,000 | 5,000 | 20.0% |
| Parts and supplies | - | 1,000 | 1,000 | - | 0.0% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | - | - | - | - | 0.0% |
| Leases and other expense | 802 | 13,596 | 18,360 | 4,764 | 35.0% |
| **Operating expense** | **33,809** | **160,505** | **181,947** | **21,442** | **13.4%** |
| **Total EVP-Organizational Effectiveness** | **$ 18,012,881** | **$ 18,544,713** | **$ 21,311,694** | **$ 2,766,981** | **14.9%** |

## Real Estate & Meridian - Operating Expense

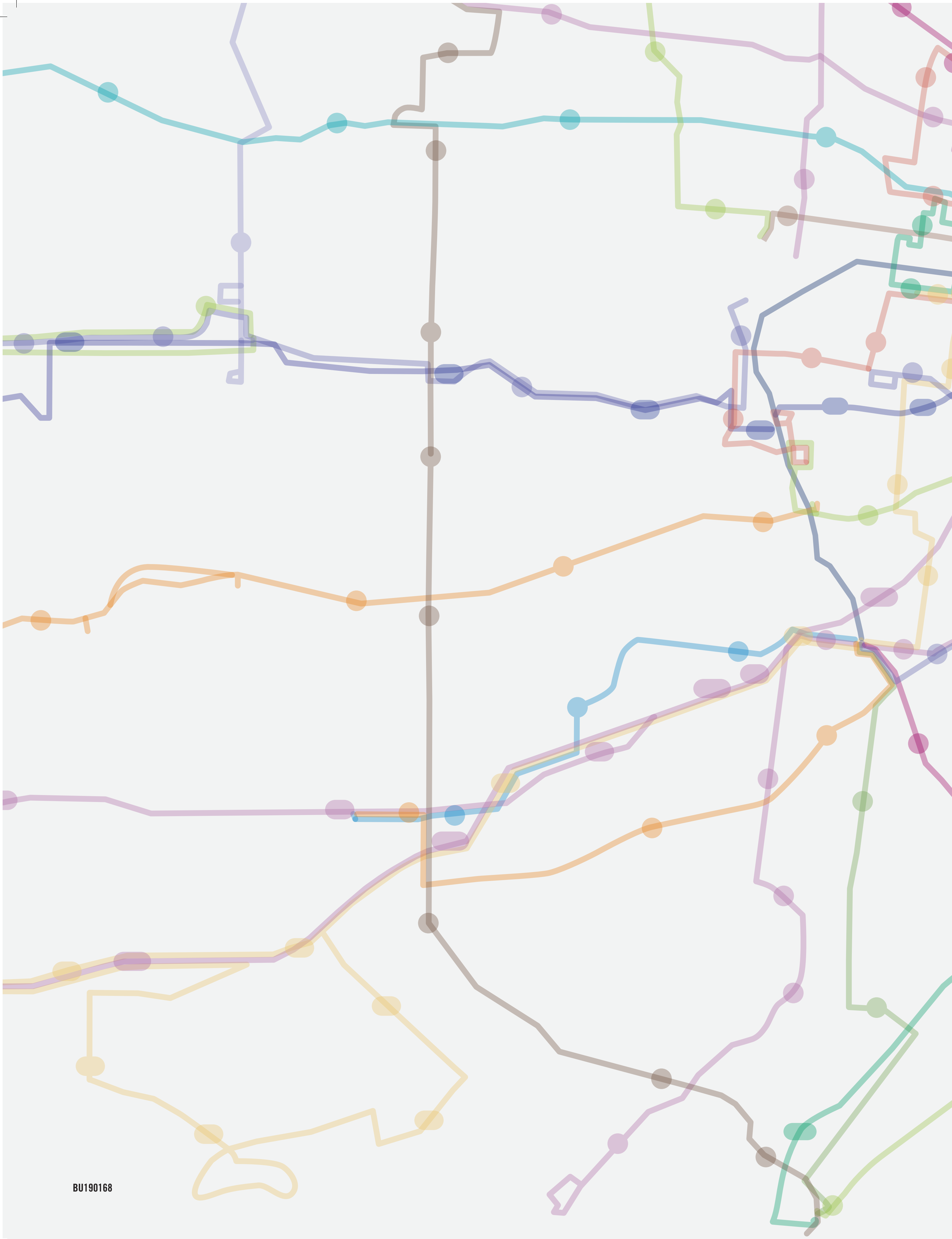
Numbers may not sum due to rounding.

| | Actual 2019 | Budget 2020 | Budget 2021 | Bdgt vs Bdgt $ Change | Bdgt vs Bdgt % Change |
|---|---|---|---|---|---|
| **Real Estate & Meridian** | | | | | |
| Wages & benefits without OPEB | $ 264,213 | $ 248,987 | $ 250,746 | $ 1,758 | 0.7% |
| Other post-employment benefits | 3,265 | 5,627 | 4,493 | (1,134) | -20.2% |
| Services | 387,899 | 375,356 | 404,356 | 29,000 | 7.7% |
| Parts and supplies | 5,097 | 10,418 | 10,277 | (141) | -1.4% |
| Casualty and liability costs | 23,357 | 39,894 | 41,090 | 1,196 | 3.0% |
| Utilities | 106,915 | 110,061 | 107,915 | (2,146) | -1.9% |
| Leases and other expense | 1,498,449 | 1,780,461 | 1,772,829 | (7,632) | -0.4% |
| **Total operating expense** | **$ 2,289,195** | **$ 2,570,804** | **$ 2,591,706** | **$ 20,902** | **0.8%** |

## Marketing & Communications - Operating Expense by Department/Function

| | Actual 2019 | Budget 2020 | Budget 2021 | Bdgt vs Bdgt $ Change | Bdgt vs Bdgt % Change |
|---|---|---|---|---|---|
| **Arts in Transit** | | | | | |
| Wages & benefits without OPEB | $ 129,686 | $ 15,856 | $ 22,432 | $ 6,576 | 41.5% |
| Other post-employment benefits | 1,503 | - | - | - | 0.0% |
| Services | 63,254 | 36,413 | 42,280 | 5,867 | 16.1% |
| Parts and supplies | 237 | 20,600 | 20,900 | 300 | 1.5% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 775 | 650 | - | (650) | -100.0% |
| Leases and other expense | 19,323 | 8,300 | 1,350 | (6,950) | -83.7% |
| **Operating expense** | **214,778** | **81,819** | **86,962** | **5,143** | **6.3%** |
| **Gateway Card Center** | | | | | |
| Wages & benefits without OPEB | 60,487 | 357,863 | 349,754 | (8,108) | -2.3% |
| Other post-employment benefits | 1,879 | 7,430 | 5,933 | (1,497) | -20.2% |
| Services | 39,095 | 1,648 | - | (1,648) | -100.0% |
| Parts and supplies | 19 | 773 | 500 | (273) | -35.3% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | - | 600 | 3,000 | 2,400 | 400.0% |
| Leases and other expense | 4,925 | 3,680 | 20,940 | 17,260 | 469.0% |
| **Operating expense** | **106,405** | **371,994** | **380,127** | **8,134** | **2.2%** |
| **Marketing Management** | | | | | |
| Wages & benefits without OPEB | 1,613,093 | 1,617,778 | 1,499,557 | (118,221) | -7.3% |
| Other post-employment benefits | 19,419 | 35,022 | 27,965 | (7,057) | -20.2% |
| Services | 930,003 | 898,107 | 901,334 | 3,227 | 0.4% |
| Parts and supplies | 103,474 | 225,095 | 195,541 | (29,554) | -13.1% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 6,710 | 9,000 | 8,400 | (600) | -6.7% |
| Leases and other expense | 609,288 | 645,444 | 590,005 | (55,439) | -8.6% |
| **Operating expense** | **3,281,987** | **3,430,446** | **3,222,803** | **(207,644)** | **-6.1%** |
| **Total Marketing & Communications** | **$ 3,603,170** | **$ 3,884,259** | **$ 3,689,892** | **$ (194,367)** | **-5.0%** |

Numbers may not sum due to rounding.



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Metro Transit
Organizational Units

# 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.

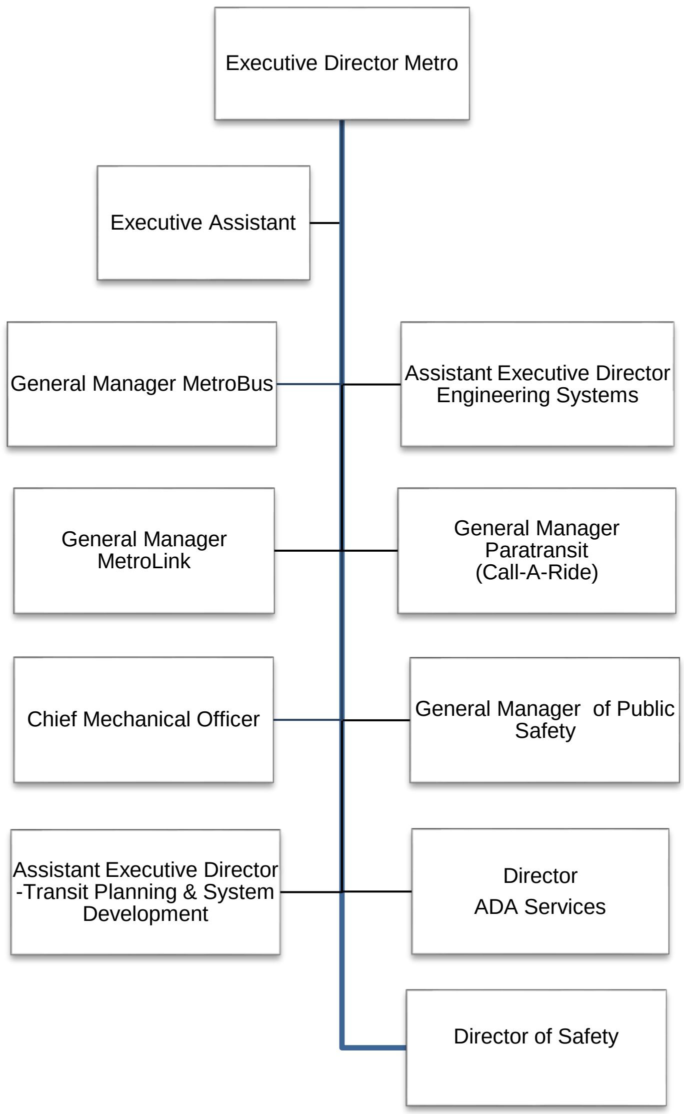
**Public Safety** is responsible for the safeguarding of Bi-State Development's customers, personnel, and property as well as fare enforcement. Bi-State Development utilizes certain employees, jurisdictional police officers, outside security service guards, and undercover police officers.

**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:



## Objectives and Strategies Action Plan: Metro Transit

Each department and enterprise has developed objectives and strategies to engage in the success of the Agency. The following action steps are designed to further the achievement of Bi-State Development's goals as outlined in the Strategic Plan section of this document which include improving the perception of system safety and the image of the Agency. Priorities include:

| **Objective:** | **Create a safer more secure transit system.** |
|---|---|

### MetroBus

*Strategy:*

- Reduce operator and passenger incidents and assaults by performing on-street safety checks at night.
- Reduce accidents by performing random check rides with newly trained employees.
- Reduce accidents and incidents on routes by investigating causes and developing training plan to address behaviors, patterns and anomalies.
- Monitor and reduce response time to accidents and incidents.

### MetroLink

*Strategy:*

- Ensure public and employee safety concerns are promptly and accurately reported to Public Safety.
- Manage one-call system to protect Metrolink underground utilities.
- Close-out 90% of defect reports within 24 hours.
- Improve customer safety at rail stations by improving better coordination with new police dispatch center project.

### Call-A-Ride

*Strategy:*

- Reduce accidents and incidents by investigating causes, identifying trends and developing training plan to address.
- Reduce accidents by performing semi-annual ride checks, followed by team meetings to communicate results and findings.
- Improve and reduce site inspection time keeping passengers safe while meeting the complementary origin to destination requirement.

### Vehicle Maintenance

*Strategy:*

- Implement camera system upgrade to include awareness monitors.
- Encourage vehicle maintenance department staff to ride bus and rail system, engage with passengers, and receive first hand feedback concerning mechanical concerns.

### Public Safety

*Strategy:*

- Develop a new program for the coordinated operation and supervision of the Operations Control Center (OCC).
- Upgrade the current CCTV program to improve the system from an “after the fact” recording tool to a more proactive tool that can help identify a potential threat that can be prevented before it unfolds.

## Safety

*Strategy:*

- Leverage technology to reduce accidents and employee injuries by 5%. Implement technological solutions system-wide to reduce accidents and injuries and track hazards to from which to conduct trend analysis.
- Develop a comprehensive Public Transportation Agency Safety Plan (PTASP) that encompasses Safety Management System (SMS) principles for all transportation modes and communicate responsibilities across multiple functions and business units to effectively manage safety.

## Engineering

*Strategy:*

- Introduce Crime Prevention through Environmental Design (CPTED) principles into the standard design and construction process.
- Modify Project Charters and Standard Specifications to include CPTED concepts.

## Planning and System Development

*Strategy:*

- Review MetroBus and MetroLink schedules to ensure safer operability
- Disseminate Research data to service as analysis hub for broader agency goals and metrics.
- Improve peripheral fare collection system equipment and declutter signage to better support customer safety.

## ADA Services

*Strategy:*

- Implement process for all program graduates to demonstrate competence alerting public safety or customer service resources regarding safety concerns on system.
- Improve process by which ADA customers can request reasonable modifications to service for Metro’s programs, services and activities.

*Performance Measurement:*

- Fewer accidents, assaults and incidents both passenger and vehicular. Improved safety record.

**Objective: Improving the image of the Agency by growing and sustaining ridership and developing and engaging team members.**

### MetroBus

*Strategy:*

- Implement a mentor program to monitor overall performance of new operators to provide positive development and operator training retention.
- Increase customer interaction with Metro employees at the Transit Centers and in Service areas.
- Reduce the number of missed trips, customer, late pull-outs or pass-ups by decreasing unauthorized absences through better training, and stronger processes and procedures designed to ensure a successful outcome.

### MetroLink

*Strategy:*

- Provide recertification training to employees.
- Ensuring operation of on-time and reliable MetroLink service by well trained personnel.

### Call-A-Ride

*Strategy:*

- Increase customer satisfaction by reducing any booking errors, shortening call time in queue, and increasing the number of rides scheduled and accepted.
- Expand employee training to include an annual refresher course, improve communications and be sensitive to employee morale issues.

### Vehicle Maintenance

*Strategy:*

- Improve esthetics of shelters, curbing and bollards, and cleanliness of restrooms.
- Reduce total roadcalls
- Engage in cross-training activities.

### Public Safety

*Strategy:*

- Establish training programs for employees and contractors.
- Establish a new code of conduct.

### Safety

*Strategy:*

- Reduce accidents (preventable and non-preventable) and employee injuries.
- Build a qualified Transit Safety Team to administer Metro's Public Transportation Agency Safety Plan. Ensure all team members are satisfying training and certification requirements through the FTA's Transit Safety and Security Program for all transportation mode and ensure all internal training requirements have been met to conduct business operations. Develop individual employee responsibility requirements and conduct one to one meeting through Metro's talent management software.

### Engineering

*Strategy:*

- Cross train employees.
- Support new capital projects as well as rehabilitation of infrastructure that daily impact our customer's lives.

## Planning and System Development

*Strategy:*

- Increase diversity of mobility service offerings.
- Pursue funding for strategic capital investments to further ADA compliance of bus stops.
- Establish cross-training to better integrate data analysis into Service Planning.
- Create teams to shape strategic ideas and programs across the Agency.

## ADA Services

*Strategy:*

- Work more closely with external stakeholders through more communication how effectively the utilization of the Fixed Route Services and ADA Paratransit provides access to the community.
- Work closely with outside Agencies to increase the number of clients for travel training.

*Performance Measurement:*

- Increase system ridership. Develop and engage employees. Create a team environment with good morale and low turnover.

## 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 2021 | FY 2020 | | FY 2019 |
|---|---|---|---|---|
| | Target | Projection | Target | Actual |
| Bus Transportation: | | | | |
| On-time performance | 91.0% | 93.0% | 91.0% | 92% |
| 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 | 0.6 |
| Customer complaints per 100,000 boardings | 15.0 | 13.5 | 15.0 | 14.4 |
| Rail Transportation: | | | | |
| On-time performance | 98.0% | 97.3% | 98.0% | 98.% |
| Accidents per 100,000 vehicle miles | 0.1 | 0.1 | 0.1 | 0.5 |
| Passenger injuries per 100,000 boardings | 0.5 | 0.2 | 0.5 | 0.2 |
| Customer complaints per 100,000 boardings | 1.8 | 1.6 | 1.8 | 2.1 |
| Paratransit Transportation: | | | | |
| On-time performance | 93.0% | 93.8% | 93.0% | 92.0% |
| Accidents per 100,000 vehicle miles | 1.5 | 0.9 | 1.5 | 1.1 |
| Passenger injuries per 100,000 boardings | 5.0 | 4.0 | 5.0 | 2.9 |
| Customer complaints per 100,000 boardings | 15.0 | 25.0 | 15.0 | 45.7 |
| Vehicle Maintenance: | | | | |
| Average revenue miles between incidents: | | | | |
| MetroBus roadcalls | 26,000 | 27,500 | 26,000 | 23,731 |
| MetroLink failures | 33,000 | 29,000 | 33,000 | 25,905 |
| Call-A-Ride roadcalls | 40,000 | 30,000 | 45,000 | 23,705 |
| 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% |

## Bi-State Development

# 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.

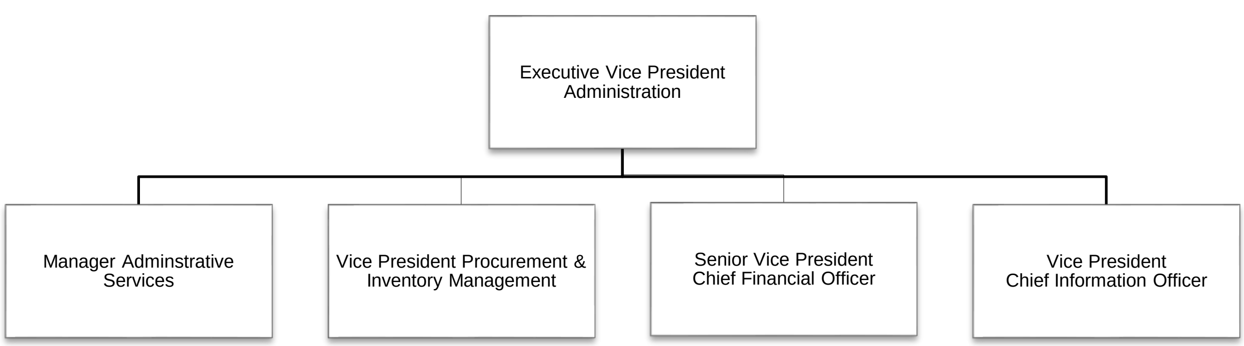
**Procurement, Information Technology, and Finance** are covered in their own sections in this document.

**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:



## Objectives and Strategies Action Plan: Finance

Each department and enterprise has developed objectives and strategies to engage in the success of the Agency. The following action steps are designed to further the achievement of Bi-State Development's goals as outlined in the Strategic Plan section of this document which include improving the perception of system safety and the image of the Agency. Finance priorities:

**Objective: Maximize current in-house automated technology capabilities to most efficiently complete accounting and budget functions.**

*Strategy:*

- Focus staff training to advance in-house technological expertise; thereby creating a skillset that will utilize financial system capacity to better support all financial activities.
- Network with other Oracle and Tagetik clients within the public transportation industry or government to understand how they are using these systems to streamline and improve all financial functions including monthly, quarterly and year-end closing and budget activities.

*Performance Measurement:*

- Staff is well trained. Financial functions become more efficient and department staff find technological advancement that will shorten the time it takes to complete monthly, quarterly and year-end close.

**Objective: Evaluate reporting requirements, business units and departmental functions for redundant and unnecessary activities.**

*Strategy:*

- Perform an inventory of all reporting requirements provided from the Finance Division.
- Research the effectiveness of its content and frequency of its distribution.
- Determine if duplicate financial functions are performed elsewhere within BSD.
- Analyze the cost of duplicate functions and the economy of scale by centralizing these functions.
- Identify processes and procedures that have not been evaluated and documented in the prior 5 years.
- Complete a work flow and evaluation of these processes and procedures to better evaluate enhancement opportunities.

*Performance Measurement:*

- Streamlined Agency better utilizing manpower, technology and time

**Objective: Create a succession plan for Finance.**

*Strategy:*

- Work with Human Resources and Organizational Effectiveness to create a successful long-term succession plan for the Finance Division.
- Develop and implement an on boarding plan for all Finance staff which includes job specific and division specific knowledge.
- Cross train staff as well as develop staff skillset for future promotion opportunities.

*Performance Measurement:*

- Department is more prepared to transition through periods of staff turnover preventing loss of historical knowledge, loss of efficiency and increased cost of inefficiency.

**Objective: Develop training materials and train all agency staff how to read and understand basic financial reporting tools.**

*Strategy:*

- Develop the training materials.
- Work with Human Resources and Organizational Effectiveness to create a training plan.
- Schedule and deliver training sessions.

*Performance Measurement:*

- Workforce that is better trained to understand the financial position of the Agency and their individual departments and divisions.

### Objectives and Strategies Action Plan: Information Technology

Each department and enterprise has developed objectives and strategies to engage in the success of the Agency. The following action steps are designed to further the achievement of Bi-State Development's goals as outlined in the Strategic Plan section of this document which include improving the perception of system safety and the image of the Agency. Information Technology priorities:

**Objective: Improve the effectiveness of safety related systems and procedures for Metro Transit.**

*Strategy:*

- Promote and support technology, process, and infrastructure improvements that allow deployment of systems and equipment that promote safety and public safety initiatives.
- Work with the Public Safety and Operations teams to identify key initiatives. Work together on prioritization and crafting of desired schedules.
- Share information on new technology or approaches that may enhance capabilities and results. Ensure that technology resources and needs are available to meet or exceed agreed on schedules. Assist with reporting of metrics and measures that assist in progressing Public Safety's mission.

*Performance Measurement:*

- Technology resources have been effectively deployed, maintained and operated to support the Agency-wide safety and security initiatives that support the provision of safe services.

**Objective: Improve the image of Bi-State Development by promoting technology solutions that improve our capabilities and effectiveness as an employer, partner, and supplier of services.**

*Strategy:*

- Work with our business partners to identify areas where improvements would be most impactful. Together, evaluate the value to the organization and potential impact for employees, partners, and customers.
- Ensure that technology resources and needs are available to meet or exceed agreed on schedules. Ensure stakeholders are included and informed on technology related efforts.
- Continue to upgrade our technology security plans, network design, and infrastructure to ensure we are meeting all relevant security standards and keeping our network and data secure.

*Performance Measurement:*

- Improvement in public image of BSD to our customers, business partners and stakeholders.
- Successful deployment of latest technology infrastructure in conjunction with our Public Safety Department.

**Objective: Create operational efficiencies by eliminating redundant or outdated processes and procedures.**

*Strategy:*

- Evaluate IT processes and assess them for effectiveness. Evaluate processes and procedures with our business partners. Look for cost reduction opportunities and internal process improvements. Promote changes that can improve efficiency and value. When approved, assist with implementation of changes.
- Review and right size our software licensing and maintenance costs using periodic assessment, evaluation of alternatives, and long term contracts when that makes sense.
- Ensure that we get competitive pricing on all new hardware and software purchases. When feasible, buy licenses or hardware in larger quantities to attain best discounts.

*Performance Measurement:*

- The cost of information technology related operations becomes more efficient.

**Objectives and Strategies Action Plan: Procurement**

Each department and enterprise has developed objectives and strategies to engage in the success of the Agency. The following action steps are designed to further the achievement of Bi-State Development's goals as outlined in the Strategic Plan section of this document which include improving the perception of system safety and the image of the Agency. Procurement priorities:

| | |
|---|---|
| **Objective:** | **Maximize current in-house automated technology capabilities to most efficiently complete the procure-to-pay process and ensure correct inventory counts.** |

*Strategy:*

- Implement the order acknowledgement process to streamline order processing and allow for vendor rating.
- Implement Level 3 reporting for high volume Pro-card business suppliers. The higher visibility increases the potential for negotiating agreements.
- Improve the MRP process within Materials Management in order to improve analysis and accuracy of inventories and streamline the process.
- Remove the requirement for a 10% retention on construction projects which makes it easier for DBE's and Primes to compete.

*Performance Measurement:*

- Technological functions create more efficient process that allow for more accurate and timely inventory level analysis as well as improved service levels thereby reducing stock outs. Payments to suppliers without retention speeds the process, reduces administrative efforts and allows for timely payment to DBE's. More detail in regards to what is being purchased on Pro-cards allows for spend analysis and contracting opportunities.

| | |
|---|---|
| **Objective:** | **Improved staff skillset through training improves image of the Agency.** |

*Strategy:*

- Focus staff training to advance in-house technological expertise; thereby creating a skillset that will utilize financial system capacity to better support all financial activities.

*Performance Measurement:*

Staff is well trained. Relationships with vendors improve as professionalism increases.

## 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 2021 | FY 2020 | | FY 2019 |
|---|---|---|---|---|
| | 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 2021 | FY 2020 | | FY 2019 |
|---|---|---|---|---|
| | 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 2021** | **FY 2020** | | **FY 2019** |
| | **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 2021 | FY 2020 | | FY 2019 |
|---|---|---|---|---|
| | **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 2021 | FY 2020 | | FY 2019 |
|---|---|---|---|---|
| | **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

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

| | FY 2021 | FY 2020 | | FY 2019 |
|---|---|---|---|---|
| | Target | Projection | Target | Actual |
| **Information Technology:** | | | | |
| System uptime | 98.8% | 99.0% | 98.8% | 99.5% |
| Information Technology % personnel turnover | <9% | 8.0% | <9% | 13.0% |
| Information Technology request turnaround (days per request) | < 4 | 3.7 | < 4 | 3.9 |
| **Office Services:** | | | | |
| In-house professional print jobs | >120 | 125 | >120 | 112 |

# 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.

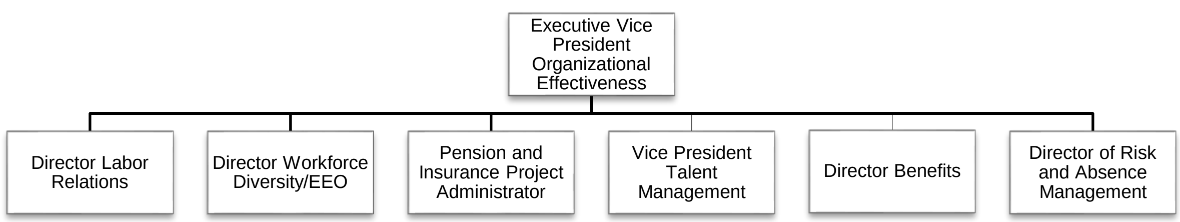
**Risk and Absence Management** is responsible for BSD self-insurance and insurance programs as well as the administration of workers' compensation, property and auto liability claims. The department administers federal drug and alcohol programs including random testing and is responsible for the monitoring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



## EVP - Organizational Effectiveness - Operating Expense by Department/Function

Numbers may not sum due to rounding.

| | Actual 2019 | Budget 2020 | Budget 2021 | Bdgt vs Bdgt $ Change | Bdgt vs Bdgt % Change |
|---|---|---|---|---|---|
| **Human Resources** | | | | | |
| Wages & benefits without OPEB | $ 912,506 | $ 1,437,887 | $ 1,444,834 | $ 6,946 | 0.5% |
| Other post-employment benefits | 12,855 | 29,831 | 23,820 | (6,011) | -20.2% |
| Services | 434,917 | 367,000 | 406,220 | 39,220 | 10.7% |
| Parts and supplies | 63,530 | 49,800 | 49,800 | - | 0.0% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 2,091 | 3,000 | 3,000 | - | 0.0% |
| Leases and other expense | 61,969 | 263,500 | 224,280 | (39,220) | -14.9% |
| **Operating expense** | **1,487,868** | **2,151,018** | **2,151,953** | **935** | **0.0%** |
| **Pension & Retiree Benefits** | | | | | |
| Wages & benefits without OPEB | 6,077,785 | 6,887,174 | 6,995,055 | 107,881 | 1.6% |
| Other post-employment benefits | 2,826 | 3,386 | 2,704 | (682) | -20.2% |
| Services | 197,766 | 240,150 | 219,065 | (21,085) | -8.8% |
| Parts and supplies | - | 618 | 300 | (318) | -51.5% |
| Casualty and liability costs | 11,412 | - | - | - | 0.0% |
| Utilities | 548 | - | - | - | 0.0% |
| Leases and other expense | 8,985 | 14,152 | 11,880 | (2,272) | -16.1% |
| **Operating expense** | **6,299,321** | **7,145,480** | **7,229,003** | **83,524** | **1.2%** |
| **Risk Management** | | | | | |
| Wages & benefits without OPEB | 450,858 | 718,637 | 781,612 | 62,975 | 8.8% |
| Other post-employment benefits | 9,926 | 15,217 | 12,151 | (3,066) | -20.2% |
| Services | 129,581 | 525,500 | 687,500 | 162,000 | 30.8% |
| Parts and supplies | 1,392 | 7,550 | 4,550 | (3,000) | -39.7% |
| Casualty and liability costs | 8,366,837 | 6,639,000 | 9,077,090 | 2,438,090 | 36.7% |
| Utilities | 560 | 1,140 | 1,000 | (140) | -12.3% |
| Leases and other expense | 17,855 | 18,300 | 14,300 | (4,000) | -21.9% |
| **Operating expense** | **8,977,006** | **7,925,345** | **10,578,203** | **2,652,858** | **33.5%** |
| **Labor Relations** | | | | | |
| Wages & benefits without OPEB | 368,402 | 280,295 | 283,674 | 3,379 | 1.2% |
| Other post-employment benefits | 3,476 | 6,483 | 5,177 | (1,306) | -20.2% |
| Services | 554,050 | 542,310 | 545,180 | 2,870 | 0.5% |
| Parts and supplies | 4,002 | 652 | 4,490 | 3,838 | 588.7% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 1,127 | 2,100 | 2,100 | - | 0.0% |
| Leases and other expense | 1,856 | 4,100 | 4,220 | 120 | 2.9% |
| **Operating expense** | **$ 932,914** | **$ 835,940** | **$ 844,841** | **$ 8,900** | **1.1%** |
| **Workforce Diversity & EEO** | | | | | |
| Wages & benefits without OPEB | $ 234,238 | $ 237,717 | $ 250,436 | $ 12,719 | 5.4% |
| Other post-employment benefits | 3,282 | 5,319 | 4,247 | (1,072) | -20.2% |
| Services | 14,516 | 25,750 | 25,750 | - | 0.0% |
| Parts and supplies | 9,279 | 14,239 | 11,060 | (3,179) | -22.3% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 1,575 | 1,650 | 1,650 | - | 0.0% |
| Leases and other expense | 19,071 | 41,750 | 32,604 | (9,146) | -21.9% |
| **Operating expense** | **281,962** | **326,425** | **325,747** | **(678)** | **-0.2%** |

| | | | | | |
|---|---|---|---|---|---|
| **Executive VP Organizational Effectiveness** | | | | | |
| Wages & benefits without OPEB | 32,100 | 118,382 | 130,568 | 12,187 | 10.3% |
| Other post-employment benefits | 907 | 2,528 | 2,018 | (509) | -20.2% |
| Services | - | 25,000 | 30,000 | 5,000 | 20.0% |
| Parts and supplies | - | 1,000 | 1,000 | - | 0.0% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | - | - | - | - | 0.0% |
| Leases and other expense | 802 | 13,596 | 18,360 | 4,764 | 35.0% |
| **Operating expense** | **33,809** | **160,505** | **181,947** | **21,442** | **13.4%** |
| **Total EVP-Organizational Effectiveness** | **$ 18,012,881** | **$ 18,544,713** | **$ 21,311,694** | **$ 2,766,981** | **14.9%** |

**Objectives and Strategies Action Plan: Organizational Effectiveness Division**

Each department and enterprise has developed objectives and strategies to engage in the success of the Agency. The following action steps are designed to further the achievement of Bi-State Development's goals as outlined in the Strategic Plan section of this document which include improving the perception of system safety and the image of the Agency. Organizational Effectiveness priorities:

| | |
|---|---|
| **Objective:** | **Organization/Department (Culture)/Leadership. Oversee and manage the following functional areas: Benefits, EEO, Labor Relations, Risk and Absence Management and Talent Management (Human Resources).** |

*Strategy:*

- Provide talent management services in the pursuit of excellence in all employee-oriented programs, while influencing positive management workforce relationships.
- Provide health, welfare and retirement programs that support the physical, mental and financial well-being of employees, retirees and their dependents.
- Identify and implement solutions to minimize and mitigate risks to protect BSD employees, customers, partners and assets.
- Research, develop and implement policies and procedures to minimize absenteeism.
- Build a diverse and high performing workforce while ensuring compliance with FTA Circular UMTA 4704.1A (Equal Employment Opportunity Guidelines) as well as all applicable laws, regulations and BSD policies and procedures.
- Negotiate and administer labor contracts, manage grievances and maintain data unique to union personnel.
- Administer and report on the BSD Health, Casualty, and Workers Compensation Self-insured Funds.

*Performance Measurement:*

- Timely, effective and efficient delivery of employee related services. Positive employee morale and relationships.

| | |
|---|---|
| **Objective:** | **Compliance (Governance): Ensure compliance with Federal and State laws and regulations and Agency policies and procedures. Manage risks on non-compliance.** |

*Strategy:*

- Improve reporting and transparency.
- Review and ensure proper controls are in place and are being followed.
- Educate and train on their responsibilities under compliance laws, policies and procedures.

*Performance Measurement:*

- Agency is in compliance with all Federal and State laws and regulations.

| | |
|---|---|
| **Objective:** | **Enhance Community Engagement: Align services with the needs and priorities of our customers in the community. Support all Agency customer initiatives that enhance our employee, retiree and dependent community as well as talent recruitment, retention and reward initiatives.** |

*Strategy:*

- Support all transit and company-wide initiatives.
- Serve on boards and participate in community based organization activities that enhance Metro's visibility and supports increased knowledge, builds skills and allows for networking that improves internal performance in role.
- Promote visibility of Metro.
- Create Operational Efficiencies (eliminate redundant or outdated processes & procedures)

*Performance Measurement:*

- Improved relationships with external organizations and public image.

| | |
|---|---|
| **Objective:** | **Leadership (People) Development. Build and nurture a diverse and high-performing workforce. Increase utilization of Talent Management System including creating individual development plans, conducting regular one-on-one meetings and completing performance appraisal process by all deadlines as outlined**. |

*Strategy:*

- Explore, analyze and implement cost efficiencies such as contract reviews, travel/training expenditures, staff analysis/consolidation and streamline core business practices to manage costs and reach financial stability.
- Prepare budget per published timeline.
- Conduct monthly reviews and analysis of cost center, budget and financial reports to manage costs.
- Evaluate and analyze all open positions (determine the need for new hires etc.) prior to filling positions.

*Performance Measurement:*

- Highly trained workforce delivering excellent service.

**Objective: Practice Sound Fiscal Stewardship: Practice a high standard of fiscal responsibility, be transparent about budget decisions and investments and prioritize resources. Close budget gap. Review expenses and cost center budgets, and ensure cost effective use of resources to project no growth for FY21 budget from FY20.**

*Strategy:*

- Explore, analyze and implement cost efficiencies such as contract reviews, travel/training expenditures, staff analysis/consolidation and streamline core business practices to manage costs and reach financial stability.
- Prepare budget per published timeline.
- Conduct monthly reviews and analysis of cost center, budget and financial reports to manage costs.
- Evaluate and analyze all open positions (determine the need for new hires etc.) prior to filling positions.

*Performance Measurement:*

- Highly efficient use of budget dollars.

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.

# Marketing and Communications

## Organizational overview:

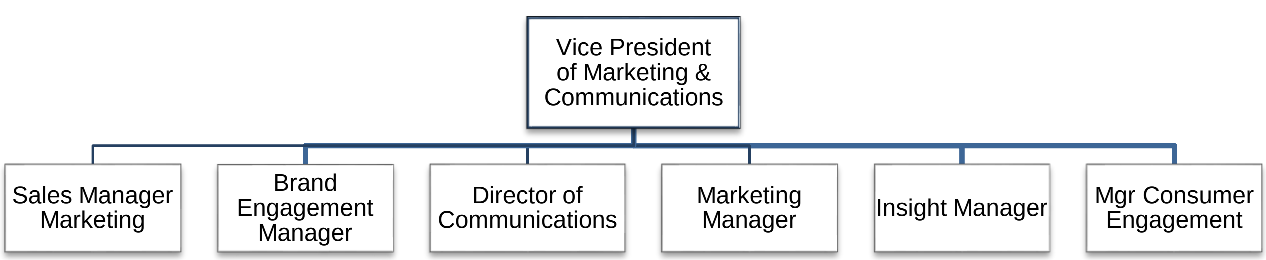
Marketing and Communications is responsible for developing and executing strategic and tactical marketing, sales, community outreach and public relations plans for Bi-State Development and its enterprises to advance understanding of and support for BSD's role in driving economic activity in the region.

**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:



## Goals and Objectives Action Plan: Marketing and Communication

Each department and enterprise has developed objectives and strategies to engage in the success of the Agency. The following action steps are designed to further the achievement of Bi-State Development's goals as outlined in the Strategic Plan section of this document which include improving the perception of system safety and the image of the Agency. Marketing priorities:

| | |
|---|---|
| **Objective:** | **Improve reputation and perception of safety and security on Metro Transit through driven marketing communications and engagement tactics; consistent messaging, highlight actionable and tangible progress.** |

*Strategy:*

- Development of an online public safety dashboard that serves as a central location for all messaging, information and digital material.

*Performance Measurement:*

- Dashboard complete.
- Research tools or methods designed to provide timely, data-based, actionable insights throughout FY21.
- Measure results of perceived transit environment/customer safety and security with research tools.

| | |
|---|---|
| **Objective:** | **Increase the amount of positive earned media.** |

*Strategy:*

- Assist the internal external adoption of our new safety and security message.
- Create opportunities for "constant communications" with media and partners by soliciting placement of Metro content.
- Build stronger relationships with regional media outlets and partnering organizations to effectively manage communications; and timely responses.
- Plan and execute engagement opportunities that stretch across Metro functions (i.e. Operations & Public Safety) and key rider groups (extra focus on Millennials and Generation Z) as well as stakeholders.

*Performance Measurement:*

- Number of "wins" for the organization through correcting erroneous news reports with accurate information increases.

**Objective: Drive and develop new content strategies that promote Metro Transit ridership. Maximize engagement with current and new riders highlighting new transit services and initiatives.**

*Strategy:*

- Create engaging messaging, by creation of collateral for multiple audiences (riders, general public, elected officials, regional stakeholders, and media) and progress media platforms (digital; print collateral; on-system signage; social media).
- Include ongoing consumer facing promotions that encourage new riders to try the system while also incentivizing existing riders to ride more frequently. Increased digital strategies coupled with consumer engagement and communications plans will promote use of the system.
- Develop and/or strengthen partnerships with organizations that can leverage transit awareness into increased ridership (ex: advisory group) Manage new tech rollouts from internal and external perspectives so outcome is more trust in our system.
- Improve MetroBus wayfinding (bus stop signage) project.
- Concentrate efforts on increasing transit usage of existing pass customers (employers and students).

*Performance Measurement:*

- Build metrics to determine impact of engagement efforts and increased ridership
- Create a wayfinding system that is user friendly and instills confidence in Metro, thus building ridership
- Provide measurements related to customer / public perception of safety, culture development and code of conduct awareness (Consumer Insights -research).
- Ridership increases.

**Objective: Improve internal communications to improve stakeholder engagement through broad support for St. Louis Regional Freightway, St. Louis Downtown Airport, Gateway Arch, Riverboats at the Gateway Arch.**

*Strategy:*

- Build strong relationships with regional media outlets and partner organizations to effectively manage communications; timely responses and updates while creating opportunities for “constant positive media stories” with media and partners by soliciting placement of BSD enterprise content.

*Performance Measurement*:

- Creation of regional partnerships that provide all-inclusive experiences and pricing, across BSD brands that bring customers to tourism & regional events / activities via public transit.
- Improved attendance and ridership.

## 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 2021 | FY 2020 | | FY 2019 |
|---|---|---|---|---|
| | Target | Projection | Target | Actual |
| Develop and execute strategic and tactical marketing and sales plans that meet business targets for transit | | | | |
| • Advertising Revenue | $1.7M | $1.5M | $1.5M | $1.4M |
| • MetroStore Sales | $2.2M | $2.1M | $2.2M | $1.6M |
| • U-Pass Sales | $4.6M | $4.1M | $4.6M | $3.9M |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# Transit Improvement Plan Assumptions

The three-year Transit Improvement Plan reflects known factors to estimate the financial position for BSD through 2023. Deficits projected for FY 2021 - FY 2023 represent the unfunded portion of OPEB obligations and other non-cash items. Service deployment of "Metro Reimagined" began in the fall of 2019 and will remain consistent throughout the three-year period. Major emphasis on safety, improved service delivery, and customer service are the building blocks for a bright future.

## Operating Revenue

**Passenger revenue** for FY 2021 - FY 2023 is projected to slow the decline previously experienced and maintain a leveling of revenue as reflecting the results of "Metro Reimagined". System service improvements, including electronic payment applications and Micro Transit services, 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.

**Paratransit contract** revenues are associated with Call-A-Ride operations primarily due to Missouri Medicaid customers. Revenue is expected to decline 44.1% in FY 2021, and stabilize through FY 2022 - FY 2023.

**Other operating revenue** consists of advertising on revenue vehicles, shelters and Metro Link stations, property rental, contracted maintenance for St. Clair ATS service, concessions, and miscellaneous other. For FY 2022 - FY 2023 other operating revenues are expected to slightly decline.

## Operating Expense

**Operating expenses adjusted** for newly budgeted projects expected to generate new revenue or funded by grants are projected to remain relatively flat for FY 2021 and be strictly managed to grow modestly during the remainder of the three year period. For FY 2022 - FY 2023 inflationary growth is estimated to be about 2%. 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 2021 - FY 2023 is expected to be one percent in St. Louis City and County. Sales tax revenues for operations are expected to require an additional $3 million for FY 2022 and FY 2023, to mitigate the lack of growth in all other revenues.

**State of Missouri revenue** for FY 2021 - FY 2023 is expected to grow minimally at 1.0% and the East-West Gateway Council of Governments reimbursement will remain level over all three years.

**St. Clair County revenue** for FY 2021 will increase. Illinois MetroBus is increasing fixed route bus service. This projection assumes continuation of this additional service and keeps MetroLink service at current levels. St. Clair County Transit District contracts for 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 control 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 2021 - FY 2023. 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** 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 2021 - FY 2023 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 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 2021 – FY 2023 are non-cash and represent annual unfunded GASB 45 and 68 reporting requirements related to OPEB obligations, pension, and 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
(in thousands)

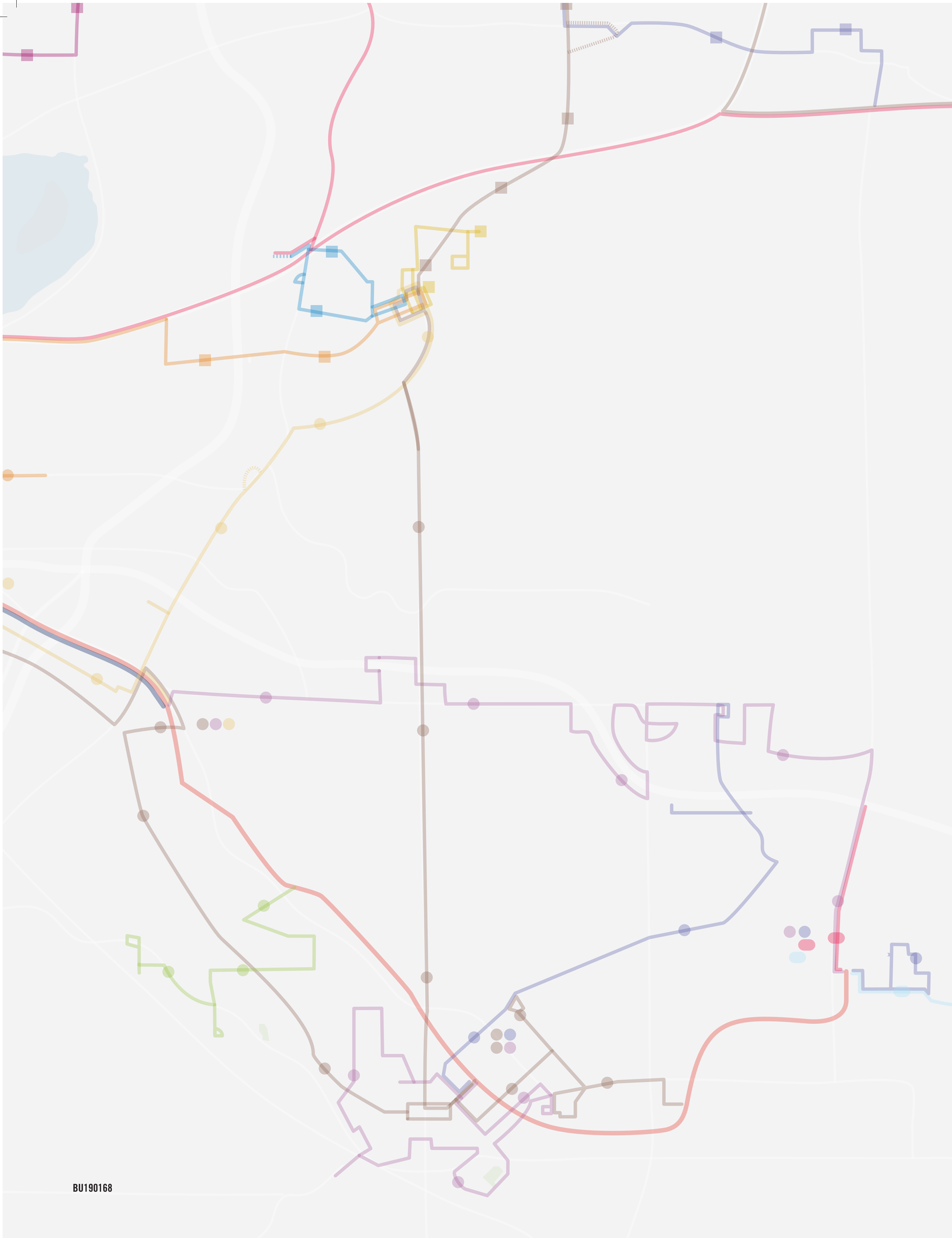
| | FY 2021 | FY 2022 | | FY 2023 | |
|---|---|---|---|---|---|
| | **Budget** | **Projection** | **Change** | **Projection** | **Change** |
| **Operating Revenue:** | | | | | |
| Passenger Revenue | $ 38,501 | $ 38,530 | 0.1% | $ 38,546 | 0.0% |
| Paratransit Contract | 1,105 | 1,105 | 0.0% | 1,105 | 0.0% |
| Other transit operating revenue | 4,792 | 4,317 | -9.9% | 4,317 | 0.0% |
| **Total operating revenues** | **44,398** | **43,952** | **-1.0%** | **43,969** | **0.0%** |
| | | | | | |
| **Non-Operating Revenue:** | | | | | |
| Total Grants & Assistance | 278,106 | 281,907 | 1.4% | 284,509 | 0.9% |
| Investment Income | 12,118 | 13,517 | 11.5% | 13,958 | 3.3% |
| Other misc. non-operating revenue | 848 | 856 | 1.0% | 865 | 1.0% |
| **Total non-operating revenues** | **291,071** | **296,279** | **1.8%** | **299,332** | **1.0%** |
| **Total revenues** | **335,469** | **340,232** | **1.4%** | **343,300** | **0.9%** |
| | | | | | |
| **Operating Expense:** | | | | | |
| Wages And Benefits | 210,176 | 214,379 | 2.0% | 217,595 | 1.5% |
| Services | 39,812 | 38,522 | -3.2% | 38,688 | 0.4% |
| Fuel & Lubrications | 35,418 | 35,925 | 1.4% | 35,851 | -0.2% |
| Other Expense | 24,407 | 24,147 | -1.1% | 24,279 | 0.5% |
| **Total operating expenses** | **309,813** | **312,974** | **1.0%** | **316,413** | **1.1%** |
| | | | | | |
| **Non-Operating Expense:** | | | | | |
| Interest on debt | 25,603 | 25,613 | 0.0% | 25,639 | 0.1% |
| Sheltered workshop | 1,245 | 1,319 | 5.9% | 1,332 | 1.0% |
| Other Non-Operating Expense | 848 | 856 | 1.0% | 865 | 1.0% |
| **Total non-operating expenses** | **27,696** | **27,788** | **0.3%** | **27,835** | **0.2%** |
| **Total expenses** | **337,509** | **340,762** | **1.0%** | **344,248** | **1.0%** |
| | | | | | |
| **Net income (deficit) before** | **(2,040)** | **(530)** | **-74.0%** | **(948)** | **78.8%** |
| Depreciation And Amortization | 75,871 | 76,064 | 0.3% | 75,271 | -1.0% |
| Net Transfers | 2,779 | 2,779 | 0.0% | 2,779 | 0.0% |
| **Net income (deficit)** | **$ (80,691)** | **$ (79,374)** | **-1.6%** | **$ (78,998)** | **-0.5%** |

Totals may not sum due to rounding.

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

| | FY 2021 | FY 2022 | | FY 2023 | |
|---|---|---|---|---|---|
| | **Budget** | **Projection** | **Change** | **Projection** | **Change** |
| **Local & State:** | | | | | |
| **Missouri:** | | | | | |
| City of St. Louis 1/2 cent sales tax | $ 20,295 | $ 20,498 | 1.0% | $ 20,703 | 1.0% |
| City of St. Louis 1/4 cent sales tax | 9,271 | 9,364 | 1.0% | 9,458 | 1.0% |
| City of St. Louis Prop M2 sales tax | 7,440 | 7,515 | 1.0% | 7,590 | 1.0% |
| **Total City of St. Louis** | **37,007** | **37,377** | **1.0%** | **37,751** | **1.0%** |
| St. Louis County 1/2 cent sales tax | 37,061 | 38,668 | 4.3% | 39,055 | 1.0% |
| St. Louis County 1/4 cent sales tax | 36,669 | 37,035 | 1.0% | 37,406 | 1.0% |
| St. Louis County Prop A 1/2 cent sales tax | 80,950 | 81,760 | 1.0% | 82,577 | 1.0% |
| **Total St. Louis County** | **154,679** | **157,463** | **1.8%** | **159,038** | **1.0%** |
| State of Missouri | 784 | 792 | 1.0% | 800 | 1.0% |
| Other local match - MO | 783 | 790 | 1.0% | 798 | 1.0% |
| Planning & demonstration reimb.-EWGCOG | 160 | 162 | 1.0% | 163 | 1.0% |
| **Total Missouri local & state** | **193,413** | **196,584** | **1.6%** | **198,550** | **1.0%** |
| **Illinois:** | | | | | |
| St. Clair County | 62,862 | 63,491 | 1.0% | 64,126 | 1.0% |
| Local Match (IL) Non-Cap Projects | 106 | 107 | 1.0% | 108 | 1.0% |
| **Total Illinois local & state** | **62,968** | **63,598** | **1.0%** | **64,234** | **1.0%** |
| **Total local & state** | **256,381** | **260,182** | **1.5%** | **262,784** | **1.0%** |
| **Federal:** | | | | | |
| Vehicle maintenance | 16,000 | 16,000 | 0.0% | 16,000 | 0.0% |
| Non-capital projects | 5,725 | 5,725 | 0.0% | 5,725 | 0.0% |
| **Total Federal** | **21,725** | **21,725** | **0.0%** | **21,725** | **0.0%** |
| **Total grants, sales tax, & contractual revenue** | **$ 278,106** | **$ 281,907** | **1.4%** | **$ 284,509** | **0.9%** |

Totals may not sum due to rounding.



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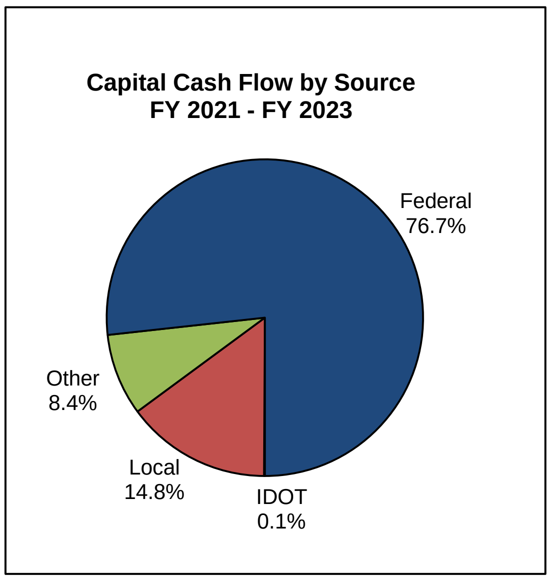
# Capital Revenue Assumptions FY 2021 – FY 2023

## 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. The new transportation law authorizes transit programs for FY 2016 – FY 2020, through September 30, 2020. The FAST Act provides steady and predictable funding over the next five years with an increase of $1 billion dollars per year to transit. The FAST Act also targets funding increases towards improving state of good repair and the bus program.




Under the FAST Act law, annual authorizations through the Section 5307 Urbanized Area Formula program are expected to increase by approximately 2% each year over FY 2016 authorized amounts. 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 are expected to increase by approximately 1.7% each year over FY 2016 authorized amounts. The Section 5339 Bus and Bus Facility formula program is maintained under the new transportation law and annual authorizations are expected to increase by approximately 2% each year over FY 2016 authorized amounts. 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 2021 – FY 2023 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 will be allocated on the basis of low-income persons residing in urbanized areas. Also, annual revenue from these formula based programs will be based on Bi-State Development's annual reporting of data to the National Transit Database.

Capital revenue assumptions in the FY 2021 – FY 2023 capital plan are conservative beyond FY 2021 based on two factors which will affect funding appropriations beyond September 30, 2020, which is the current expiration date of the FAST Act. Introduction of a new transportation law or extension of the current law will impact the Agency's federal formula allocations. Population, population density, and low-income population numbers are subject to change during the calendar year 2020 US census count, which will also impact the Agency's federal formula allocations.

Additional capital revenue assumptions in the FY 2021 – FY 2023 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 has been 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 2021 – FY 2023 capital budget totals $814.7 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 is being 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.

MAP-21 repealed the New Freedom Program (Section 5317) established under SAFETEA-LU and the New Freedom Program activities were merged into an existing Section 5310 Elderly and Disabled program creating the new Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities program. The original Section 5310 program was established in 1975 as a discretionary capital assistance program awarding grants to private nonprofit organizations to serve the transportation needs of seniors and persons with disabilities. Under SAFETEA-LU the Section 5317 New Freedom program was a formula grant program that provided funding for capital and operating expenses that support new public transportation services beyond those required by the Americans with Disabilities Act of 1990.Under the new Section 5310 program, funding supports "Traditional" capital projects and incorporates the New Freedom activities into the program. The 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 will 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 2021 – FY 2023 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. Currently, 98% of the 1/2 cent sales tax receipts will be used for operating purposes for FY 2021 - FY2023.

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

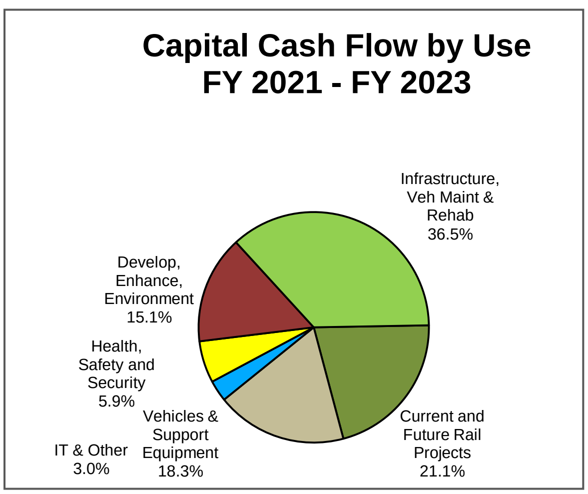
Other financing is made up of operating dollars used to match capital projects such as preventive maintenance of vehicles and facilities. From time to time, funding is also identified from sources other than local sales taxes.

# Capital Expenditure Assumptions FY 2021 – FY 2023

## Capital Expenditures

The capital expenditure program for FY 2021 – FY 2023 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 costing more than $5,000 and having a useful life of more than one year. Total capital expenditures planned for FY 2021 is $515.5 million. Total capital expenditures planned for the three-year capital program is $814.7 million. The FY 2021 – FY 2023 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 vehicle replacements; 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 2021 – FY 2023 capital expenditure program to support transit improvements throughout the 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 2021 - FY 2023 capital and operating budgets contain 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 $172.1 million for MetroLink infrastructure projects, $123.4 million for new development and environmental enhancements, $47.8 million for safety and security enhancements, $23.7 million for information technology improvements, and $0.6 million for program administration. Vehicles and supporting equipment needs assume $149.5 million; infrastructure and vehicle maintenance needs assume $297.5 million.

Peripheral equipment is planned to improve operating efficiencies, customer enhancements and support "smart bus" technology which includes automatic passenger counters, an automatic vehicle location system, closed circuit television (CFCTV) systems and collection program modernization. These improvements will meet regional intelligent transportation system architecture requirements.

Security program investments will be accomplished 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 CCTVs.

Investments at MetroLink stations and bus stops throughout the transit service area will create a more comfortable customer environment, improve the state of repair of customer-facing facilities, and address the American 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 shelters and benches at various bus stop locations throughout the system.

Technology investments in hardware and software are planned throughout the system over the next three years that will support Bi-State Development's premiere transit operations. A new operating and capital budgeting system and a new enterprise asset management (EAM) system were 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 2021 – FY 2023 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 2021 – FY 2023 capital budget. These non-recurring expenditures are intended to address an immediate capital need within the Metro transit system and may impact the operating budget after initial capitalization. Design and construction work began for rehabilitation and repair of Union Station Tunnel in Downtown St. Louis. Passenger amenity, technology and revenue vehicle replacement projects are budgeted in support of the Metro Reimagined initiative designed to increase customer satisfaction.

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.

Bi-State Development is continuing its commitment to create a more environmentally and economically sustainable transit system through investments in energy efficient lighting and equipment, and alternative propulsion systems. Metro's battery electric bus program is continuing through this capital budget cycle, with funds totaling $31.7 million planned for the purchase of 20 battery electric buses and necessary infrastructure for charging stations in FY 2021. Additional revenue vehicle replacements include battery electric technology based in part on the success of Metro's pilot programs.

During the FY 2021 – FY 2023 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 2021 - FY 2023.

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 2021 - FY 2023 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 combined total of $161 million in Federal State of Good Repair and local funds funds are planned over FY 2021 - FY 2023 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 transportation infrastructure and vehicles and to develop a transit asset management database to more efficiently manage all assets.

The three-year capital budget of $814.7 million addresses all major elements of Bi-State Development's Metro transit system improvements. Included within this plan are five significant non-routine capital expenditures. They include:

| | (in millions) |
|---|---|
| Light Rail Vehicle Upgrades | $ 214.1 |
| Union Station Tunnel Rehabilitation | 56.8 |
| Radio System Upgrades | 8.3 |
| Fiber Optic Repair | 10.0 |
| Rail CCTV Expansion | 7.1 |
| Total non-routine projects | $ 296.3 |

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, Job Access and Reverse Commute, Homeland Security, Congestion Mitigation & Air Quality, New Freedom, 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 2021 – FY 2023 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 2021 – FY 2023 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**
**Enhanced Mobility of Seniors and Individuals with Disabilities**

| | (in millions) |
|---|---|
| Jefferson County Community Partnership | .11 |
| Residential Options | .07 |
| Sub-total Enhanced Mobility of Seniors & Individuals with Disabilities agreements | $ .18 |

**FAST Act Funded Projects**
**Section 5310 New Freedom Type Projects**

| | (in millions) |
|---|---|
| Disability Resource Agency | .11 |
| Illinois Center for Autism | .04 |
| Paraquad | .20 |
| ITN St. Charles | .04 |
| ITNGateway | .08 |
| Sub-total Section 5310 New Freedom Type Projects | $ .47 |
| Total non-routine capital grant administration agreements | $ .65 |

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 2021 – FY 2023 capital program period and that directly affect the FY 2021 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. The FY 2021 – FY 2023 capital budget plans for a significant upgrade of the Union Station MetroLink Tunnel. This project is projected to cost $58 million. Full funding is planned through the FY 2021 – FY 2023 capital plan. This tunnel has experienced significant repairs over the past few years. The 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 2021 - FY 2023 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, non-revenue vehicles and paratransit vans currently are budgeted yearly based on the vehicle replacement plans.

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 project is the result of FCC regulations requiring changes in technology and operating frequency. The radio system upgrade will incorporate automatic vehicle location (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

Metro is committed to delivering an excellent customer experience through reliable, efficient service and safe, attractive and clean vehicles and facilities. Metro has made considerable investments in passenger facilities in recent years, including the opening of the North County Transit Center in 2016 and addition of the Cortex MetroLink Station and expansion of the Civic Center Transit Center in 2018. In the current capital and operating budget cycle, Metro is focusing considerable effort to improve the condition of existing transit facilities and assets. Capital projects included in this budget will improve several original MetroLink stations, introducing crime prevention through environmental design (CPTED), upgrade lighting, stairs, and passenger waiting areas, and use art and design to create unique spaces that are evocative of Metro Transit and the communities we serve. Many sations not scheduled for redesign will receive upgrades and repairs including parking lot resurfacing, new concrete at platform and passenger areas, new electrical systems, lighting and signage. These facilities impact Metro's operating budget by adding costs for cleaning, utilities, maintenance programs and the personnel resources necessary to sustain Metro's tremendous inventory of transit assets in a state of good repair.

## 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

Metro is working with partners across the region to explore opportunities for transit investment within the Northside-Southside and other important corridors. Any significant expansion of fixed-guideway transit would require federal capital support and increased local capital and operating support. In 2020, Metro is beginning to introduce alternative mobility solutions, including microtransit. It is too soon to estimate the impact of this new service paradigm on Metro's capital budet, however if Metro adopts microtransit or similar service at a wide scale, Metro's revenue vehicle requirements may diminish some over time.

## Significant Capital Improvement Projects and Operating Impacts Planned in FY 2021 – FY 2023

| Description | Capital Investment (in millions) | Annual Impact FY | Operating (in millions) |
|---|---|---|---|
| Replacement Rolling Stock | $ 102.0 | 2021-2023 | ($2.1) |

# Federal Programming Needs FY 2021 – FY 2023

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.

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. The new transportation law authorizes transit programs for FY 2016 – FY 2020, through September 30, 2020. The FAST Act provides steady and predictable funding over the next five years with an increase of $1 billion dollars per year to transit. The FAST Act re-introduces a discretionary bus program which was eliminated under the previous transportation law. The FAST Act also targets funding increases towards improving state of good repair and the bus 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 21$^{st}$ century (MAP-21).

Projects identified in Bi-State Development's FY 2021 – FY 2023 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 conducting planning studies that would result in the expansion of high-capacity transit across the St. Louis region. Under the FAST Act, Bi-State Development may 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 as well as bus rapid transit efforts.

# Metro Transit
# Capital Cash Flow Summary
# FY 2021 - FY 2023

| Sources of Funds | FY 2021 | FY 2022 | FY 2023 | TOTAL |
|---|---|---|---|---|
| Federal Formula Funds - New | $ 69,596,630 | $ 35,813,460 | $ 36,554,799 | $ 141,964,889 |
| Federal Formula Funds - Carryover | $ 86,938,906 | $ - | $ - | $ 86,938,906 |
| Fixed Guideway Funds - Carryover | $ 4,098,645 | $ - | $ - | $ 4,098,645 |
| State of Good Repair - New | $ 34,529,171 | $ 16,823,487 | $ 17,709,745 | $ 69,062,403 |
| State of Good Repair - Carryover | $ 91,922,425 | $ - | $ - | $ 91,922,425 |
| Bus and Bus Facility - New | $ 7,302,167 | $ 3,788,735 | $ 3,869,056 | $ 14,959,958 |
| Bus and Bus Facility - Carryover | $ 20,623,058 | $ - | $ - | $ 20,623,058 |
| Approved Federal Discretionary Funds | $ 60,532,531 | $ 11,218,381 | $ - | $ 71,750,912 |
| Planned Federal Discretionary Funds | $ 36,296,395 | $ 71,629,471 | $ 16,000,000 | $ 123,925,866 |
| IDOT Funding | $ 696,994 | $ - | $ - | $ 696,994 |
| Missouri Local Match | $ 81,912,640 | $ 17,581,352 | $ 12,367,353 | $ 111,861,345 |
| St. Clair County Transit District Funds | $ 6,187,583 | $ 735,112 | $ 1,916,047 | $ 8,838,741 |
| Other Financing | $ 14,891,306 | $ 49,173,102 | $ 4,000,000 | $ 68,064,408 |
| **Grand Total** | **$ 515,528,451** | **$ 206,763,100** | **$ 92,417,000** | **$ 814,708,551** |

# FY 2021 Capital Programs and Project

| | | |
|---|---|---|
| **Current and Future Rail Projects** | | |
| Track, Catenary, Alignment, Bridge, Tunnel, and Maintenance Projects | $ | 127,385,624 |
| | **$** | **127,385,624** |
| **Vehicles and Supporting Equipment** | | |
| Peripheral Equipment | $ | 6,995,811 |
| Peripheral Support | $ | 10,498,498 |
| Revenue Vehicles | $ | 68,619,254 |
| Support Vehicles | $ | 14,388,344 |
| | **$** | **100,501,907** |
| **New Development, Enhancement, Environmental Projects** | | |
| Community Development Projects | $ | 1,425,414 |
| Enhancement Projects | $ | 4,897,110 |
| Transit Development-Facility, Centers, Stations, Parking Lots, Loops, Other | $ | 34,832,919 |
| | **$** | **41,155,443** |
| **Information Technology Improvements** | | |
| Hardware and Software Data Systems | $ | 19,646,885 |
| Office Equipment | $ | 237,000 |
| | **$** | **19,883,885** |
| **Infrastructure, Vehicle Maintenance and Rehab Programs** | | |
| Existing Facilities - Maintenance and Rehab | $ | 16,231,140 |
| Maintenance Equipment - Fleet, Warehouse, Facilities, Storeroom | $ | 4,860,235 |
| Preventative Maintenance | $ | 20,000,000 |
| Vehicle Maintenance, Rehab, Overhaul Programs | $ | 147,738,709 |
| | **$** | **188,830,084** |
| **Health, Safety, and Security** | | |
| Health, Safety and Security Projects | $ | 37,276,941 |
| | **$** | **37,276,941** |
| **Program Administration** | | |
| Program Administration | $ | 494,570 |
| | **$** | **494,570** |
| **Grand Total** | **$** | **515,528,454** |

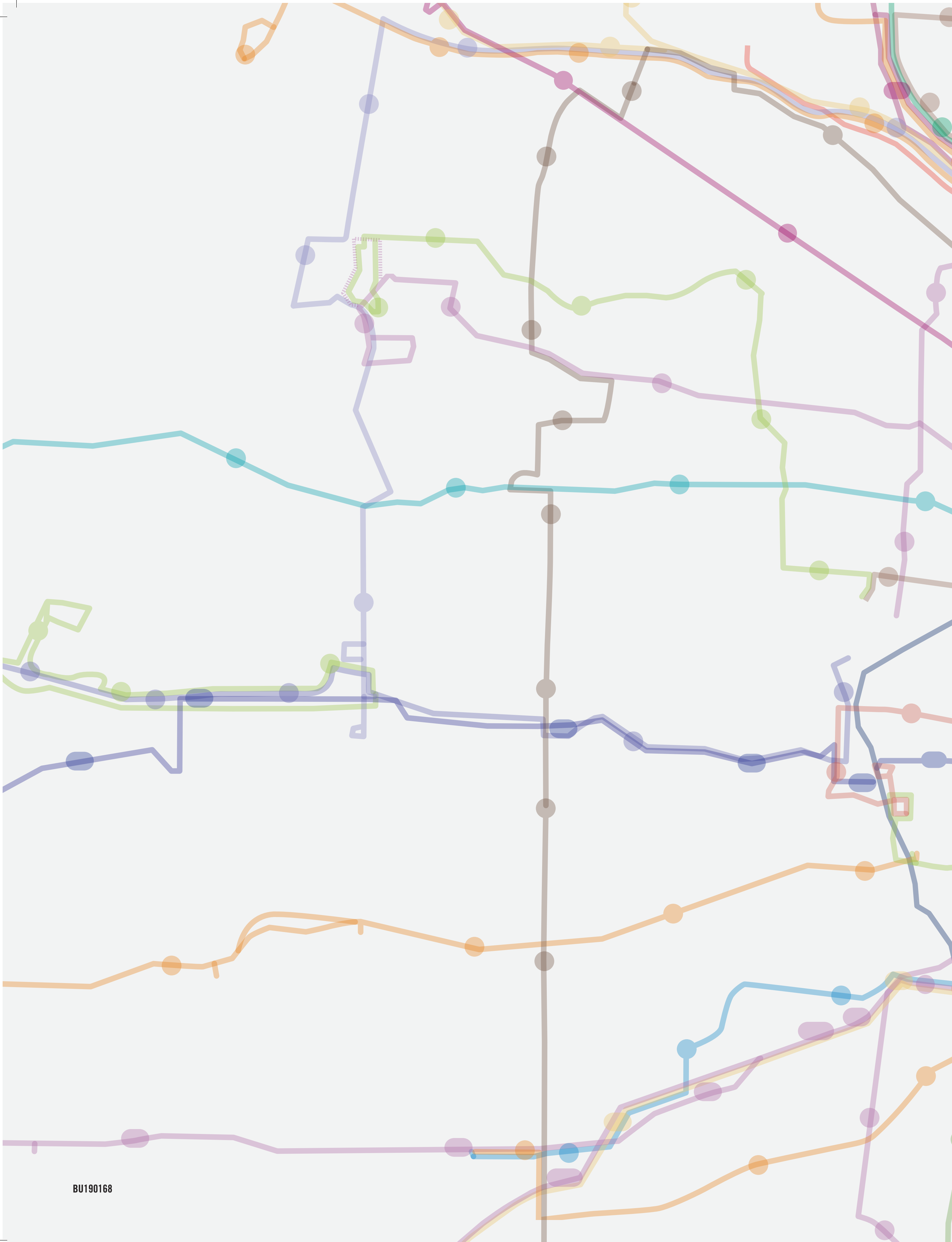
# FY 2021 - FY 2023 Capital Programs and Project

| | | |
|---|---|---|
| **Current and Future Rail Projects** | | |
| Track, Catenary, Alignment, Bridge, Tunnel, and Maintenance Projects | $ | 172,171,989 |
| | **$** | **172,171,989** |
| **Vehicles and Supporting Equipment** | | |
| Peripheral Equipment | $ | 7,495,811 |
| Peripheral Support | $ | 10,498,498 |
| Revenue Vehicles | $ | 111,956,852 |
| Support Vehicles | $ | 19,520,238 |
| | **$** | **149,471,399** |
| **New Development, Enhancement, Environmental Projects** | | |
| Community Development Projects | $ | 9,772,877 |
| Enhancement Projects | $ | 5,563,778 |
| Transit Development-Facility, Centers, Stations, Parking Lots, Loops, Other | $ | 108,069,101 |
| | **$** | **123,405,756** |
| **Information Technology Improvements** | | |
| Hardware and Software Data Systems | $ | 23,451,736 |
| Office Equipment | $ | 237,000 |
| | **$** | **23,688,736** |
| **Infrastructure, Vehicle Maintenance and Rehab Programs** | | |
| Existing Facilities - Maintenance and Rehab | $ | 18,021,015 |
| Maintenance Equipment - Fleet, Warehouse, Facilities, Storeroom | $ | 5,409,735 |
| Preventative Maintenance | $ | 60,000,000 |
| Vehicle Maintenance, Rehab, Overhaul Programs | $ | 214,085,560 |
| | **$** | **297,516,310** |
| **Health, Safety, and Security** | | |
| Health, Safety and Security Projects | $ | 47,809,795 |
| | **$** | **47,809,795** |
| **Program Administration** | | |
| Program Administration | $ | 644,570 |
| | **$** | **644,570** |
| **Grand Total** | **$** | **814,708,555** |

# Metro Transit

# Capital Cash Flow Summary
# FY 2021 - FY 2023

| Uses of Funds | FY2021 | FY2022 | FY2023 | TOTAL |
|---|---|---|---|---|
| Track, Catenary, Alignment, Bridge, Tunnel, and Maintenance Projects | $ 127,385,624 | $ 28,733,433 | $ 16,052,932 | $ 172,171,989 |
| Peripheral Equipment | $ 6,995,811 | $ 500,000 | $ - | $ 7,495,811 |
| Peripheral Support | $ 10,498,498 | $ - | $ - | $ 10,498,498 |
| Revenue Vehicles | $ 68,619,254 | $ 29,083,090 | $ 14,254,508 | $ 111,956,852 |
| Support Vehicles | $ 14,388,344 | $ 2,731,894 | $ 2,400,000 | $ 19,520,238 |
| Community Development Projects | $ 1,425,414 | $ 8,347,463 | $ - | $ 9,772,877 |
| Enhancement Projects | $ 4,897,110 | $ 333,334 | $ 333,334 | $ 5,563,778 |
| Transit Development-Facility, Centers, Stations, Parking Lots, Loops, Other | $ 34,832,919 | $ 72,861,182 | $ 375,000 | $ 108,069,101 |
| Hardware and Software Data Systems | $ 19,646,885 | $ 1,000,000 | $ 2,804,851 | $ 23,451,736 |
| Office Equipment | $ 237,000 | $ - | $ - | $ 237,000 |
| Existing Facilities - Maintenance and Rehab | $ 16,231,140 | $ 1,117,125 | $ 672,750 | $ 18,021,015 |
| Preventative Maintenance | $ 20,000,000 | $ 20,000,000 | $ 20,000,000 | $ 60,000,000 |
| Maintenance Equipment - Fleet, Warehouse, Facilities, Storeroom | $ 4,860,235 | $ 430,500 | $ 119,000 | $ 5,409,735 |
| Vehicle Maintenance, Rehab, Overhaul Programs | $ 147,738,709 | $ 32,017,225 | $ 34,329,626 | $ 214,085,560 |
| Health, Safety and Security Projects | $ 37,276,941 | $ 9,532,854 | $ 1,000,000 | $ 47,809,795 |
| Program Administration | $ 494,570 | $ 75,000 | $ 75,000 | $ 644,570 |
| **Grand Total** | **$ 515,528,454** | **$ 206,763,100** | **$ 92,417,001** | **$ 814,708,555** |




Gateway Arch

# 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:

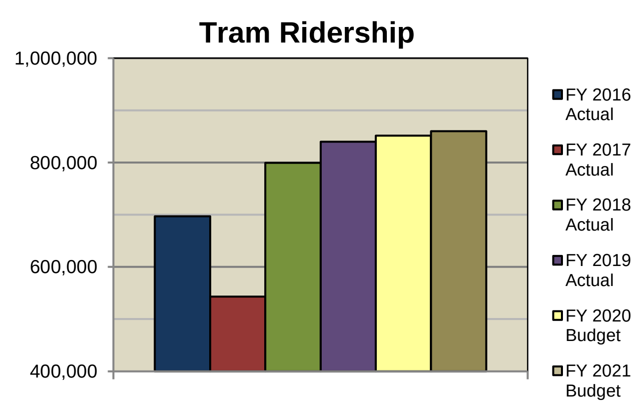
The Gateway Arch is a premier tourist destination in the Midwest and one of the most visited monuments in the United States. BSD's focus is to create a sustainable increase in visitation to Gateway Arch National Park and surrounding area through targeted marketing and capital improvements to meet the 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.

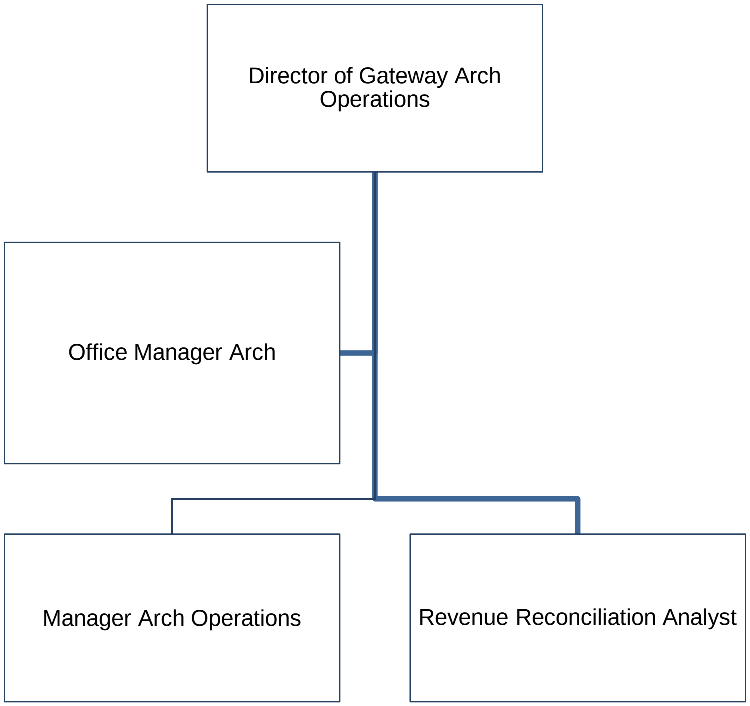



*Arch Store*
The Museum Store closed in 2015 and reopened in Spring 2016 as The Arch Store in the former Odyssey Theatre space.

## 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 & Expense

| | Actual 2019 | Budget 2020 | Budget 2021 | $ Change | % Change |
|---|---|---|---|---|---|
| Operating Revenue: | | | | | |
| Arch ticket sales | $ 8,758,026 | $ 9,364,770 | $ 9,581,732 | $ 216,962 | |
| Sales discounts revenue | (64,701) | (129,440) | (143,725) | (14,285) | |
| Service/fee revenue | 278,160 | 220,000 | 277,806 | 57,806 | |
| Other operating revenue | 51,930 | 36,134 | 41,063 | 4,929 | |
| Total operating revenues | 9,023,415 | 9,491,464 | 9,756,876 | 265,412 | 2.8% |
| Non-Operating Revenue: | | | | | |
| Interest revenue | 258,564 | 186,500 | 157,500 | (29,000) | |
| Total revenues | 9,281,979 | 9,677,964 | 9,914,376 | 236,412 | 2.4% |
| | | | | | |
| Operating Expense: | | | | | |
| Wages and benefits | 2,081,035 | 2,664,524 | 2,948,628 | 284,105 | |
| Services | 1,169,143 | 1,180,078 | 1,255,201 | 75,123 | |
| Fuel, materials and supplies | 302,825 | 456,969 | 461,986 | 5,017 | |
| Casualty and liability costs | 55,306 | 66,682 | 85,997 | 19,315 | |
| Utilities | 132,507 | 139,326 | 143,401 | 4,075 | |
| Leases, other and admin. charges | 1,653,020 | 1,922,862 | 2,132,068 | 209,206 | |
| **Total operating expenses** | **5,393,836** | **6,430,440** | **7,027,281** | **596,841** | **9.3%** |
| Non-Operating Expense: | | | | | |
| Interest expense | 293,257 | 287,314 | 280,573 | (6,741) | |
| Contributions to outside entities | 1,406,956 | 1,155,008 | 1,155,008 | - | |
| Gain (loss) on disposition of assets | (4,343) | - | - | - | |
| Other non-operating expense | (124,533) | - | - | - | |
| Total expenses | 6,965,173 | 7,872,762 | 8,462,862 | 590,100 | 7.5% |
| **Net income (deficit) before depreciation and transfers** | **2,316,806** | **1,805,202** | **1,451,514** | **(353,688)** | **-19.6%** |
| Depreciation and amortization | 767,191 | 636,150 | 500,007 | (136,144) | |
| Net transfers | 5,366 | - | - | - | |
| **Net income (deficit)** | **$ 1,544,249** | **$ 1,169,052** | **$ 951,507** | **$ (217,545)** | **-18.6%** |

Numbers may not sum due to rounding.

## Tourism Innovation

# Gateway Arch

### Strategic Focus

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 2018, the Gateway Arch Park Foundation, the National Park Service and others re-opened the Gateway Arch with renovations to the monument, the grounds, and the museum. Bi-State Development opened the permanent ticket operations office, which included nine points-of-sale in an entry-level ticket center and two points-of-sale in the main lobby near the trams for ticket adjustments. This project created better access to the Arch from the Old Courthouse and downtown St. Louis. This investment helps ensure that this national landmark remains a top destination for visitors from around the world.

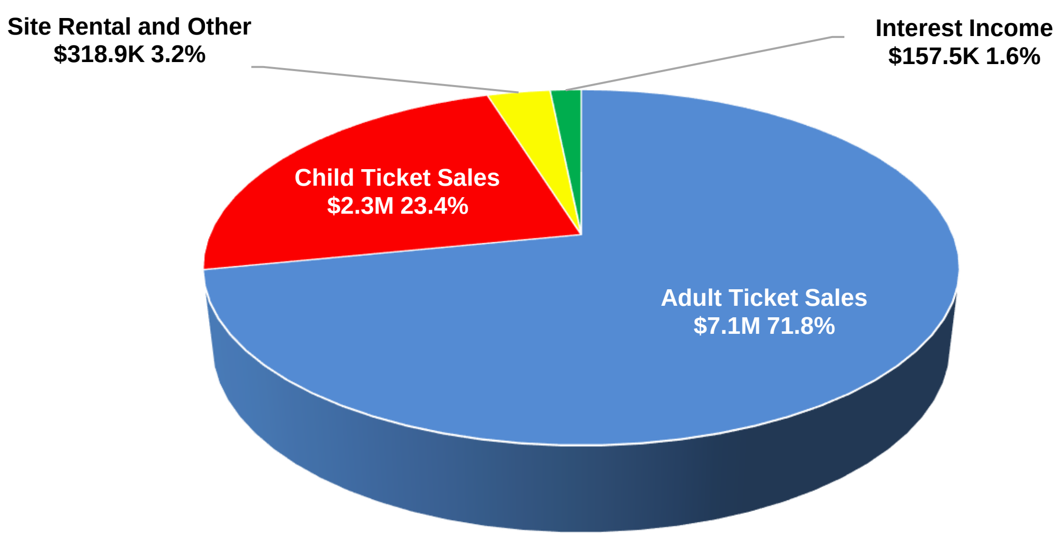
The strategic focus for management at the Gateway Arch in FY 2021 is to:

- Continue to build on the success of a variable pricing structure to further revenue growth.
- Continue to optimize on the new visitor experience.
- Foster staff excitement and ownership of the improved visitor experience and customer service philosophy.

## Revenue

**Arch ticket sales** are projected based on 860,120 tram passengers expected in FY 2021. This is 1% higher than the prior year. Beginning in January 2019, a variable pricing structure, common in the hospitality and tourism industry was introduced. Tram rates range from $12-$16 for adults and $8-$12 for children. A $3 National Park Entrance fee is included in the adult rate.

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




## Expense

**Wages and benefits including OPEB** are budgeted in FY 2021 10.7% higher. This increase allows the Gateway Arch to remain competitive in the part time and seasonal labor market and includes the addition of a Community Engagement Program Director.

**Services** increased by 6.4% over the FY 2020 budget. In FY 2021, the largest expenditure in this category is the cost of mechanics employed by the National Park Service, including the addition of the Tram Team Work Leader. Services include the following (in thousands):

| | |
|---|---|
| Mechanics employed by the National Park Service | $ 902 |
| Credit card fees, banking service charges | 235 |
| Legal and consulting | 17 |
| Internet web site maintenance and development | 33 |
| Maintenance services | 56 |
| Other (employment verification) | 12 |
| | $1,255 |

**Parts and supplies** are budgeted at $461,986, which is 1.1% higher than the prior year budget. The FY 2021 budgeted expense returns to a level needed to support additional revenue.

**Casualty and liability** costs are budgeted 29.0% higher than the FY 2020 budget as an increase in the casualty insurance premium is anticipated.

**Utilities** are primarily electricity costs that are $139,899 of the overall $143,401 utility budget. Utility costs are influenced to some degree by the severity of the weather, although much of the facility is underground.

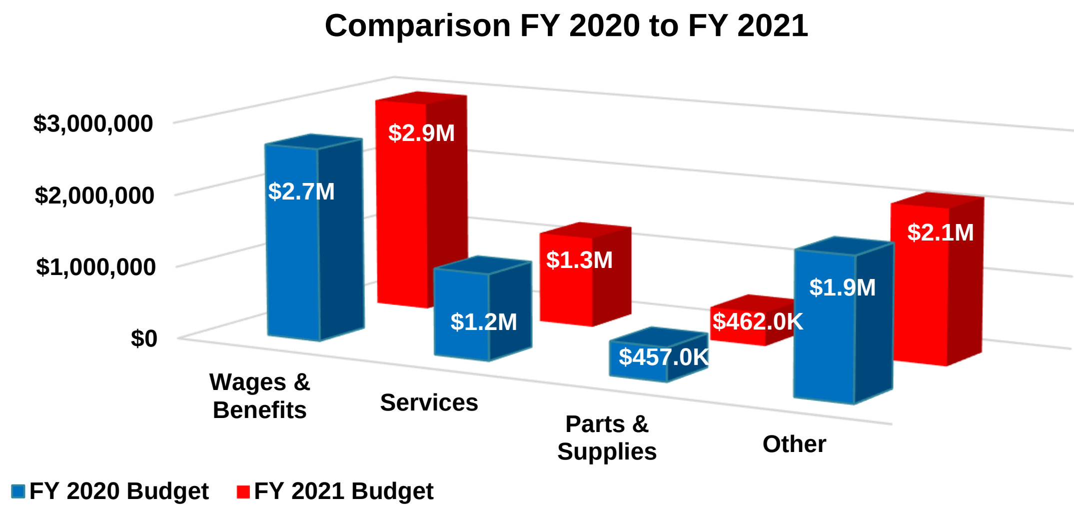
**Other expense** includes the following (in thousands):

| | |
|---|---|
| Management fee to Agency | $ 1,076 |
| Advertising and promotion | 977 |
| Travel, training, lease expense and other | 79 |
| | $ 2,132 |

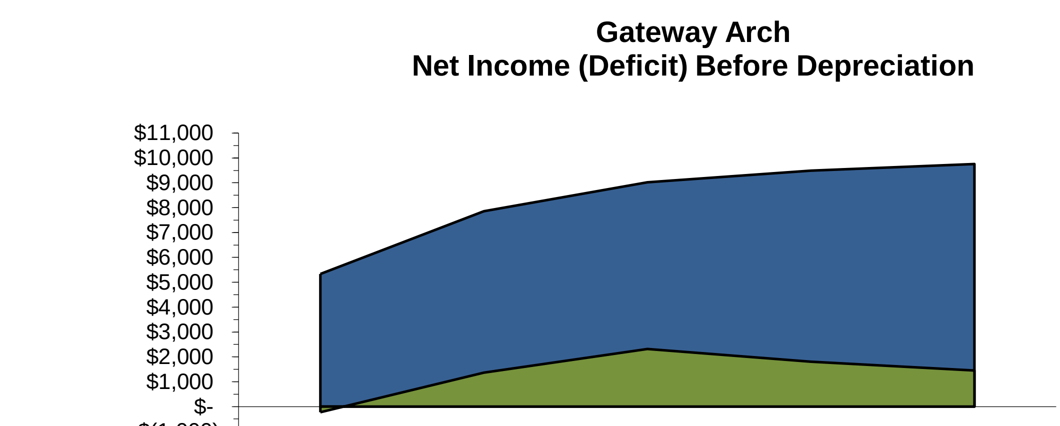
Other expense is budgeted in FY 2021 to be 10.9% higher primarily due to increased advertising and promotional efforts.

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

**Contributions to outside entities** 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 before depreciation** for FY 2021 is budgeted at $1,451,514. Budget estimates are more conservative and are 19.6% below the prior year. All income the Gateway Arch generates is held in the Jefferson National Expansion Memorial Beneficial Fund. The capital budget for FY 2021 is $3.9 million.




| (In thousands) | FY 2017 Actual | FY 2018 Actual | FY 2019 Actual | FY 2020 Budget | FY 2021 Budget |
|---|---|---|---|---|---|
| Revenue | $5,335 | $7,859 | $9,023 | $9,491 | $9,757 |
| Net income (deficit) before depreciation | ($228) | $1,365 | $2,317 | $1,805 | $1,452 |

## Objectives and Strategies Action Plan:  Gateway Arch

Each department and enterprise has developed objectives and strategies to engage in the success of the Agency.  The following action steps are designed to further the achievement of Bi-State Development's goals as outlined in the Strategic Plan section of this document which include improving the perception of system safety and the image of the Agency. Gateway Arch priorities:

| | |
|---|---|
| **Objective:** | **Continue to build on success of variable pricing structure to further revenue growth.** |

*Strategy:*

- Further optimize visitor experience by simplifying visitor-facing ticket purchase experience.
- Highlight "Value" days through digital marketing and communication.
- Grow group sales business by focusing on conventions and education groups.

*Performance Measurement:*

- Increase in sales.

| | |
|---|---|
| **Objective:** | **Optimize visitor experience at Gateway Arch National Park.** |

*Strategy:*

- Update and enhance digital communication to visitors and seek out visitor feedback to make continued improvements.
- Develop new guest service training and deploy program from operational management to frontline team members.
- Collaborate with park partners to provide a seamless visitor experience from pre-visit planning to post-visit interactions.

*Performance Measurement:*

- Improved customer experience as measured through less customer complaints and more positive customer feedback.

| | |
|---|---|
| **Objective:** | **Foster staff excitement and ownership of improved visitor experience and customer service philosophy.** |

*Strategy:*

- Empower team members to better address visitor needs by specific training on recovery techniques.
- Engage team members through motivational challenges and contests throughout the year.
- Work with partners and Gateway Arch Employee Association to create a deeper sense of community among team members and our partner agencies.

*Performance Measurement:*

- Highly motivated employees as measured through internal surveys.

## Performance Indicators – Gateway Arch

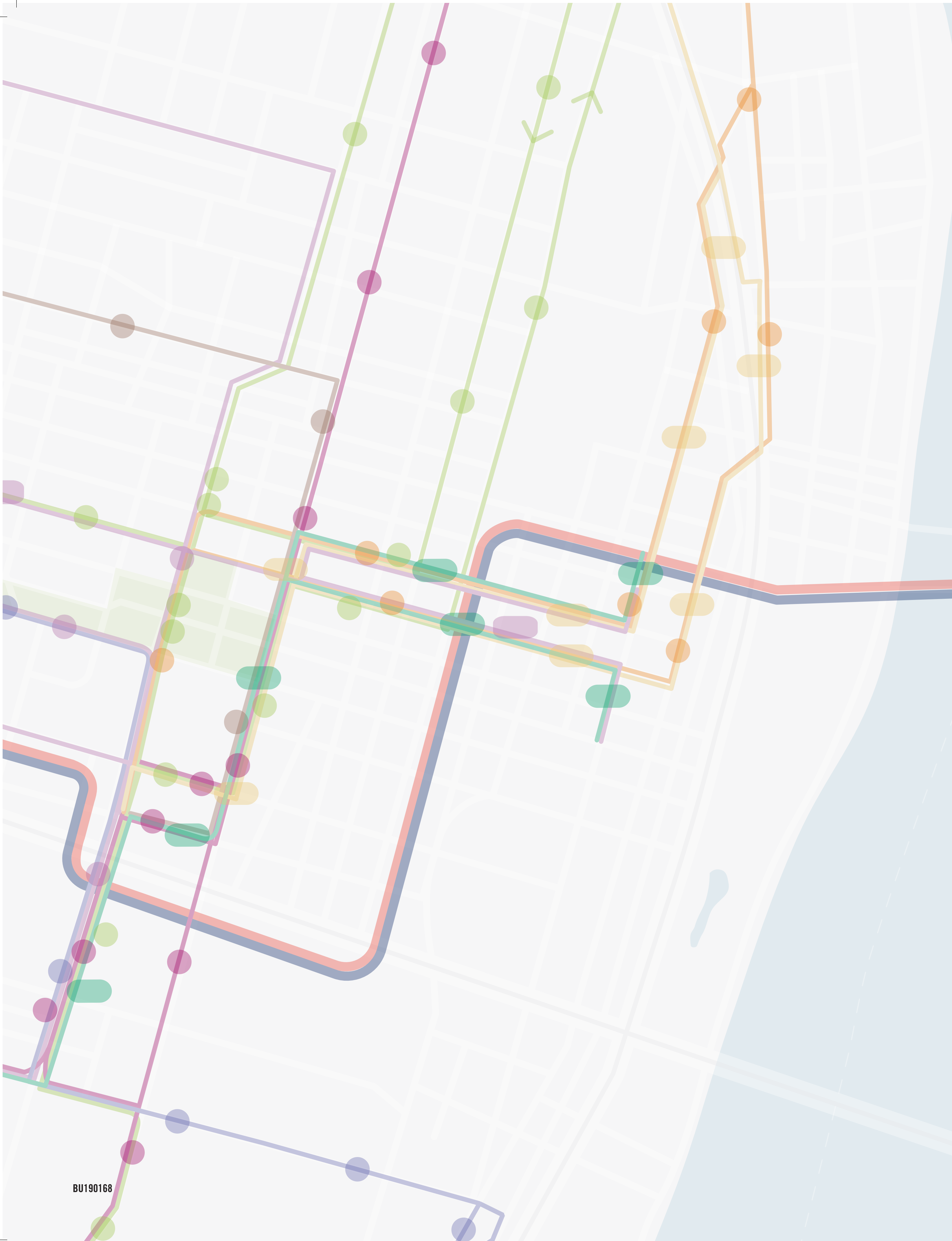
Progress in meeting the goals and objectives are measured through performance indicators. Following is a list of the performance indicators:

| Performance Indicators | | | | |
|---|---|---|---|---|
| | FY 2021 | FY 2020 | | FY 2019 |
| | Target | Projection | Target | Target |
| Tram ridership | 860,120 | 609,960 | 851,343 | 839,754 |
| Net Income (Deficit) before Depreciation (in thousands) | $1.4M | $(.7)K | $1.8M | $2.3M |
| Operating Expense Ratio | 72% | 92.3% | 67.8% | 67.8% |

# Gateway Arch
# FY 2021 - 2023 Capital Projects Summary
(in thousands)

| Sources of Funds: | FY 2021 | FY 2022 | FY 2023 | Total |
|---|---|---|---|---|
| Jefferson National Expansion Memorial Beneficial Fund | $ 3,850 | $ 5,300 | $ - | $ 9,150 |
| **Total Sources of Funds** | **$ 3,850** | **$ 5,300** | **$ -** | **$ 9,150** |

| Uses of Funds: | FY 2021 | FY 2022 | FY 2023 | Total |
|---|---|---|---|---|
| **JNEM Park Identifying Signage** | | | | |
| Directional signage design, fabrication and installation throughout the Jefferson National Expansion Memorial | $ 100 | $ - | $ - | $ 100 |
| **Tucker Theatre Repurposing** | | | | |
| Design and audio visual programming - Phase 1 | 50 | - | - | 50 |
| Design and audio visual programming - Phase 2 | 1,200 | 400 | | 1,600 |
| Tucker Theatre Repurposing - Phase 3 | 2,500 | 4,900 | | 7,400 |
| **Load Zone Exhibits** | | | | |
| Leak mitigation, additional contract to Load Zone Exhibits | - | - | - | - |
| **Total Uses of Funds** | **$ 3,850** | **$ 5,300** | **$ -** | **$ 9,150** |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## Tourism Innovation

# 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.

**Number of passengers yearly (FY 2019 Actual):**

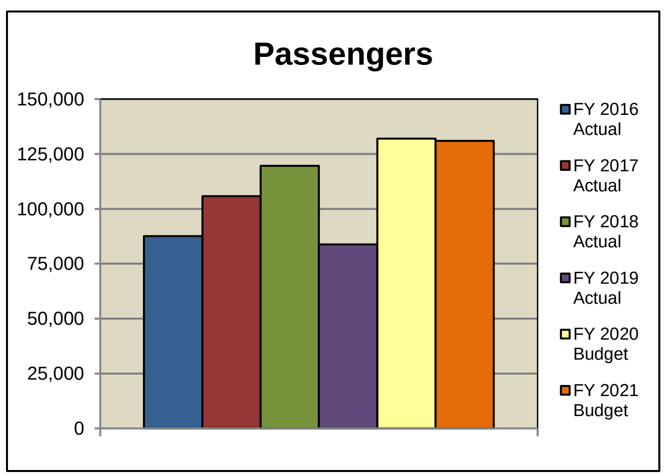
| | |
|---|---|
| Sightseeing | 70,506 |
| Dinner cruise | 6,732 |
| Charter/specialty cruise | 6,589 |

**Tom Sawyer Riverboat:**

| | |
|---|---|
| Passenger capacity | 350 |
| Year built | 1966 |

**Becky Thatcher Riverboat:**

| | |
|---|---|
| Passenger capacity | 300 |
| Year built | 1963 |



## Organization:  Riverfront Attractions

Director of
Gateway Arch Riverboats

- Executive Chef
- Marine Operations Manager
- Manager of Gateway Arch Riverboats

**Total Personnel:**

Full-Time - 11

Part-Time - Seasonal employee count varies throughout the year

# Riverfront Attractions
# Statement of Revenue & Expense

| | Actual 2019 | Budget 2020 | Budget 2021 | $ Change | % Change |
|---|---|---|---|---|---|
| Operating Revenue: | | | | | |
| Cruise revenue | $ 1,421,939 | $ 2,365,854 | $ 2,279,764 | $ (86,090) | |
| Food and beverage revenue | 626,248 | 1,021,807 | 1,034,193 | 12,386 | |
| Retail revenue | 75,998 | 140,023 | 128,232 | (11,791) | |
| Sales discounts revenue | (17,752) | (34,789) | (33,523) | 1,266 | |
| Other operating revenue | 96,724 | 131,958 | 127,486 | (4,472) | |
| Total operating revenues | 2,203,156 | 3,624,853 | 3,536,152 | (88,701) | -2.4% |
| Non-Operating Revenue: | | | | | |
| Total revenues | 2,203,156 | 3,624,853 | 3,536,152 | (88,701) | -2.4% |
| | | | | | |
| Operating Expense: | | | | | |
| Wages and benefits | 1,330,095 | 1,594,127 | 1,659,478 | 65,351 | |
| Services | 233,356 | 265,661 | 282,776 | 17,116 | |
| Fuel, materials and supplies | 395,815 | 619,553 | 600,016 | (19,537) | |
| Casualty and liability costs | 143,998 | 167,187 | 166,072 | (1,116) | |
| Utilities | 84,984 | 91,029 | 88,810 | (2,220) | |
| Leases, other and admin. charges | 147,793 | 350,523 | 358,642 | 8,119 | |
| **Total operating expenses** | **2,336,042** | **3,088,081** | **3,155,793** | **67,713** | **2.2%** |
| Non-Operating Expense: | | | | | |
| Total expenses | 2,336,042 | 3,088,081 | 3,155,793 | 67,713 | 2.2% |
| **Net income (deficit) before depreciation and transfers** | **(132,886)** | **536,772** | **380,359** | **(156,414)** | **-29.1%** |
| Depreciation and amortization | 236,966 | 249,463 | 230,578 | (18,886) | |
| Net transfers | 78 | - | - | - | |
| **Net income (deficit)** | **$ (369,930)** | **$ 287,309** | **$ 149,781** | **$ (137,528)** | **-47.9%** |

Numbers may not sum due to rounding.

## Tourism Innovation

# Riverfront Attractions

### Strategic Focus

The Riverfront Attractions, which include the Riverboats at the Gateway Arch, Paddlewheel Café, the gift shop, and the heliport, create a complete family and tourist destination. Bi-State Development (BSD) also offers an award winning Riverboat Education Program. The ability to provide these types of 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. A pricing strategy using "combo pricing" combines a reduced cruise fare with ticket purchases of other Arch attractions. With aggressive marketing strategies, partnerships and promotions, it is the goal of BSD to strive to increase awareness and revenues. In addition, the management of the Riverfront Attractions are working on the following goals in FY 2021:

- Increasing operational security, safety and emergency preparedness
- Increasing partnerships and community involvement
- Improving efficiency of operations through cross training opportunities

### Revenue

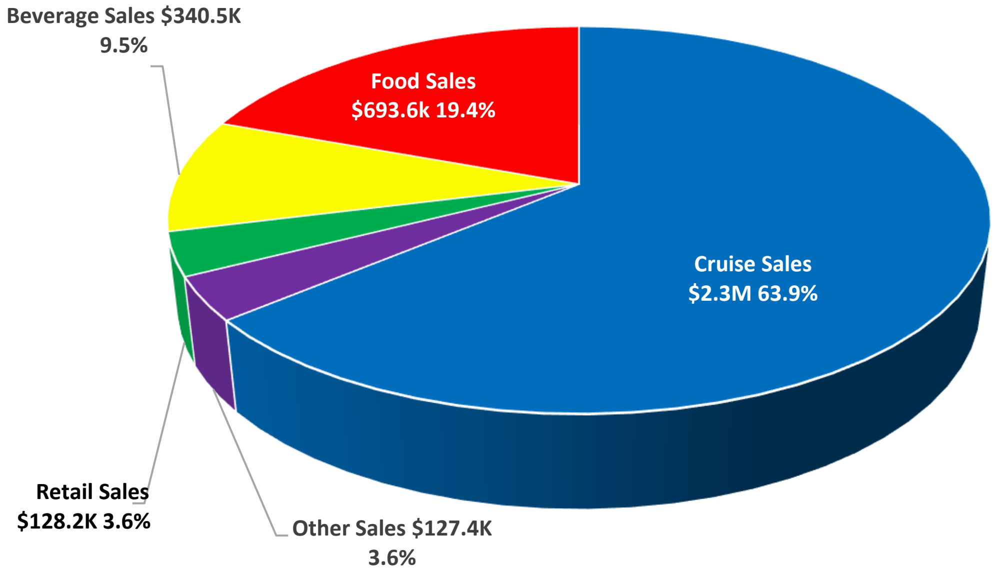
**Cruise revenue** is based on the FY 2021 budget of 131,000 passengers. Cruise revenue is projected at $2,279,764, which is 3.6% lower than the FY 2020 budget. Beginning in FY 2020, in conjunction with the Gateway Arch, the riverboats have been offering variable pricing, with an adult sightseeing ticket starting at $20 and a child ticket starting at $10. A base dinner cruise ticket is $49.

**Food revenue** includes food sold on dinner dance cruises, on board concessions and at the Paddlewheel Café. Food revenue is budgeted to increase by less than 1.0%.

**Beverage revenue** is generated from beverage sales on the various types of cruises and from the Paddlewheel Café. Beverage revenue is budgeted at 1.8% higher than the previous year budget.

**Retail revenue** is generated from gift shop sales. These revenues are 8.4% lower than the FY 2020 budget. Sales are tied to levels of passenger counts.

**Other miscellaneous revenue** includes revenues from helicopter tours and concessions and a contracted passenger cruise photography service. The FY 2021 budget projects these revenues to be in line with FY 2020 budgeted revenues.




## Expense

**Wages and benefits including OPEB** increased by 4.1% in the FY 2021 budget.

**Services** are budgeted to increase by 6.4% from the prior year. This increase is primarily due to an increase in entertainment aboard the cruises.

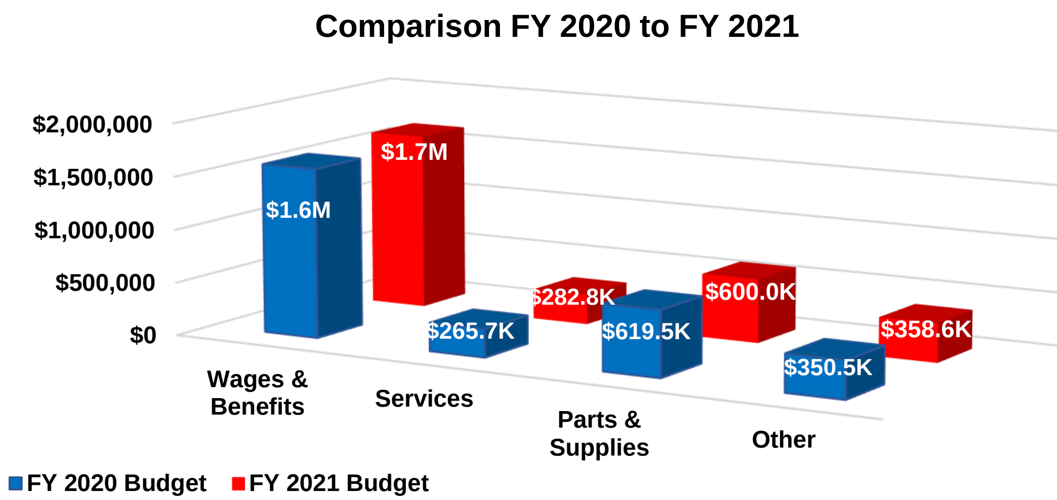
**Materials and supplies** are budgeted 2.0% lower than the previous budget. The FY 2021 budget for materials and supplies is a reflection of the expected change in revenue components related to the anticipated number of cruises and patrons.

**Fuel and lubrications** expense is budgeted 11.4% lower due to conservative fuel prices.

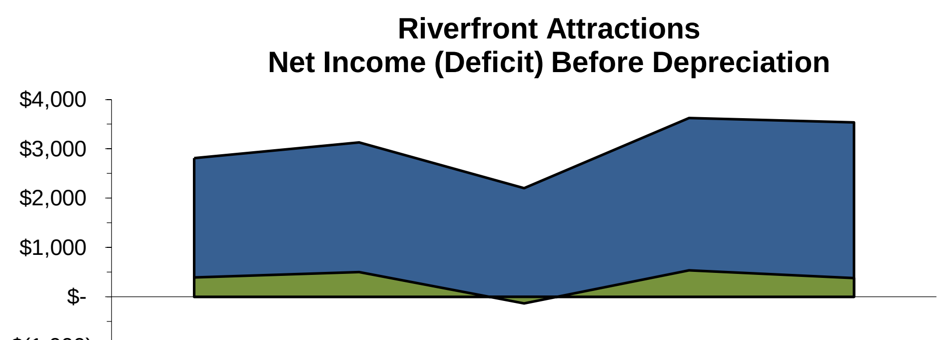
**Casualty and liability** costs are 1.0% less than budgeted costs in FY 2020.

**Utilities** are comprised of $53,045 for electricity, $4,218 for telephone, $10,628 for natural gas, $10,500 for waste removal, and $10,419 for water and sewer. Utilities are significantly impacted by the severity of weather, level of service, and days of operation.

**Other expense** is 2.3% higher than the prior year. Over the last two years, advertising costs have been budgeted to strengthen awareness of new programs and cruise themes available to the public. Advertising is budgeted at approximately $133,000 or 11.1% higher than FY 2020.




**Net income before depreciation** is budgeted at $380,359, which is lower than the FY 2020 budget by 29.1%. Raising Leonor K. Sullivan and reducing the impact of annual flooding, as well as the completion of the Arch project, will provide favorable conditions to expand operations, ultimately improving the profitability of this enterprise. Income generated in FY 2021 will assist in funding future Riverfront Attractions capital improvements.




| (In thousands) | FY 2017 Actual | FY 2018 Actual | FY 2019 Actual | FY 2020 Budget | FY 2021 Budget |
|---|---|---|---|---|---|
| Revenue | $2,812 | $3,130 | $2,203 | $3,625 | $3,536 |
| Net income (deficit) before depreciation | $393 | $502 | ($133) | $537 | $380 |

## Objectives and Strategies Action Plan: Riverboats at the Gateway Arch

Each department and enterprise has developed objectives and strategies to engage in the success of the Agency. The following action steps are designed to further the achievement of Bi-State Development's goals as outlined in the Strategic Plan section of this document which include improving the perception of system safety and the image of the Agency. Riverboats at the Gateway Arch priorities:

| **Objective:** | **Increase operational security and safety preparedness.** |
| --- | --- |

*Strategy:*

- Cross-train all three department's staff, primarily boat service staff and marine deck crew, to be better prepared to successfully handle emergency and safety related situations. Procedures will be emphasized to achieve this increased focus on safety and security.
- Expand initial training and ongoing refreshers in safety and security drills to be better equipped to fill in vital positions and to respond in emergency situations.
- Complete training with a full scale CCTA exercise coordinated with local law enforcement, first responders and industry partners.

*Performance Measurement:*

- All staff are trained to respond to a security crisis by de-escalating the threat and saving lives.

| **Objective:** | **Increase community involvement and partnerships.** |
| --- | --- |

*Strategy:*

- Partner with local, well respected and recognized companies and philanthropies to provide increased visibility to our 100,000 plus guests in exchange for credibility, products, service and monetary reimbursement.
- Grow our visibility and respect throughout the community while providing needed fund raising assistance and services to local charities.

*Performance Measurement:*

- Extend our marketing dollars with earned and shared media exposure through traditional and social means by gaining Riverfront Attractions services in trade for exposure.

| **Objective:** | **Improve efficiency of operation.** |
| --- | --- |

*Strategy:*

- Cross train boat service and deckhands to maximize staff skill-set and competency.
- Improve staff efficiency and utilization.

*Performance Measurement:*

- Improve efficiency of operation and profitability while maintaining well run operation.

## 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 2021 | FY 2020 | | FY 2019 |
| | Target | Projection | Target | Actual |
| Passengers | 131,000 | 125,139 | 131,950 | 83,949 |
| Cruises | 1,217 | 1,083 | 1,167 | 667 |
| Days of operation | 289 | 255 | 283 | 169 |
| Passengers per Cruise | 108 | 117 | 122 | 126 |
| Revenue per Passenger | $26.99 | $25.39 | $27.47 | $26.24 |
| City health inspection score | | | | |
| Becky Thatcher boat | 100 | 100 | 100 | 100 |
| Tom Sawyer boat | 100 | 100 | 100 | 100 |
| Main Galley | 100 | 100 | 100 | 100 |


St. Louis Downtown Airport

# 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.

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 2019):**

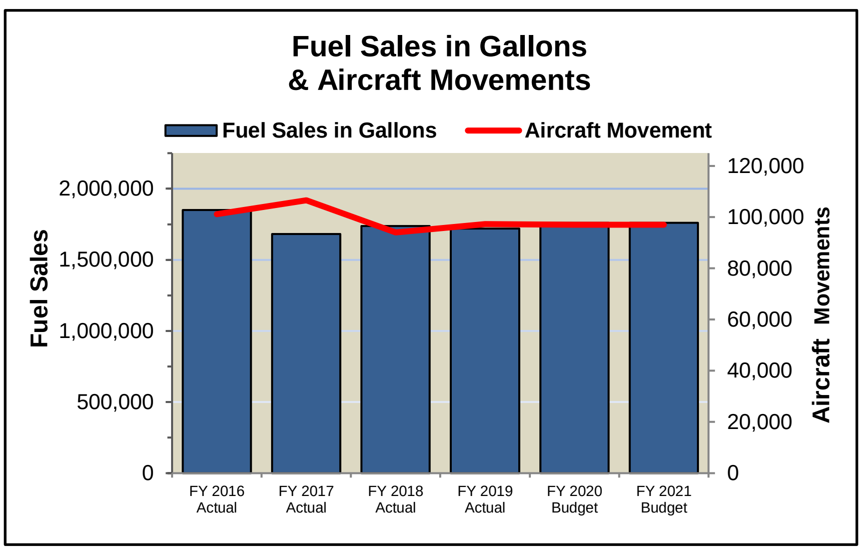
1.7 million gallons of fuel sold
97,348 aircraft movements
313 based aircraft (Mo. Avg.)
Location of Flight Training Dept. of St. Louis University

**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



# St. Louis Downtown Airport

## Strategic Focus

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 entire taxiway St. Louis Downtown Airport is a vital employment center for St. Clair County, Illinois.  For FY 2021, the strategic focus is to:

- Continue to optimize Airport operations to ensure a safe and efficient airport operating environment for the traveling public.
- Continue to keep airport properties leased and occupied.
- Foster staff ownership of improved airport services and a customer service philosophy.

Aircraft movements, or takeoffs and landings, are projected to be 98,455, a 1.5% increase over last year.  Airport activity varies because of the economy, special events and weather conditions.

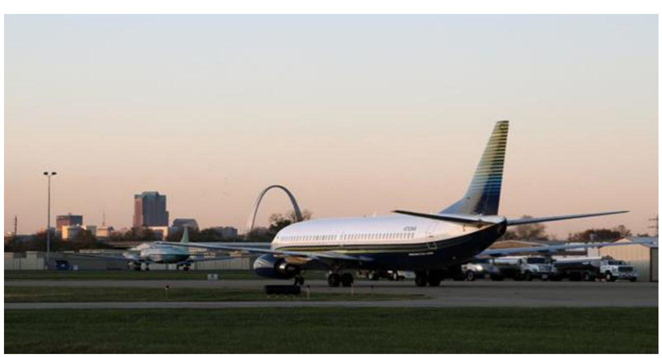
### Organization:

Director
St. Louis Downtown Airport

- Office Manager
- Chief Aircraft Rescue/Fire Fighting Service
- Airport Maintenance Manager - ARFF
- Safety Management Specialist

### Total Personnel:

Full-Time - 12
Part-Time - 5



# St. Louis Downtown Airport
# Statement of Revenue & Expense
# FY 2019 - FY 2021

| | Actual 2019 | Budget 2020 | Budget 2021 | $ Change | % Change |
|---|---|---|---|---|---|
| Operating Revenue: | | | | | |
| Aircraft parking | 120,751 | 134,649 | 141,943 | 7,294 | |
| Leased acreage | 577,537 | 615,660 | 647,460 | 31,800 | |
| Hangar rental | 530,897 | 533,347 | 539,574 | 6,227 | |
| Aviation sale flowage fee | 152,349 | 187,890 | 170,020 | (17,870) | |
| Airport concessions | 113,982 | 113,914 | 113,083 | (831) | |
| Other operating revenue | 137,290 | 189,676 | 129,527 | (60,149) | |
| Total operating revenues | 1,632,806 | 1,775,136 | 1,741,607 | (33,529) | -1.9% |
| Non-Operating Revenue: | | | | | |
| Interest revenue | 25,548 | 20,000 | 15,000 | (5,000) | |
| Total revenues | 1,658,354 | 1,795,136 | 1,756,607 | (38,529) | -2.1% |
| | | | | | |
| Operating Expense: | | | | | |
| Wages and benefits | 796,816 | 1,101,060 | 1,105,250 | 4,190 | |
| Services | 204,431 | 104,338 | 96,700 | (7,638) | |
| Fuel, materials and supplies | 67,797 | 166,678 | 132,100 | (34,578) | |
| Casualty and liability costs | 54,569 | 55,668 | 58,600 | 2,932 | |
| Utilities | 206,834 | 167,500 | 171,000 | 3,500 | |
| Leases, other and admin. charges | 142,536 | 112,255 | 125,080 | 12,825 | |
| **Total operating expenses** | **1,472,984** | **1,707,500** | **1,688,730** | **(18,770)** | **-1.1%** |
| Non-Operating Expense: | | | | | |
| Other non-operating expense | 1,904 | - | - | - | |
| Total expenses | 1,474,888 | 1,707,500 | 1,688,730 | (18,770) | -1.1% |
| **Net income (deficit) before depreciation and transfers** | **183,466** | **87,636** | **67,877** | **(19,759)** | **-22.5%** |
| Depreciation and amortization | 1,232,546 | 1,513,816 | 1,218,845 | (294,971) | |
| **Net income (deficit)** | **$ (1,049,080)** | **$ (1,426,180)** | **$ (1,150,968)** | **$ 275,212** | **-19.3%** |

Numbers may not sum due to rounding.

## Revenue

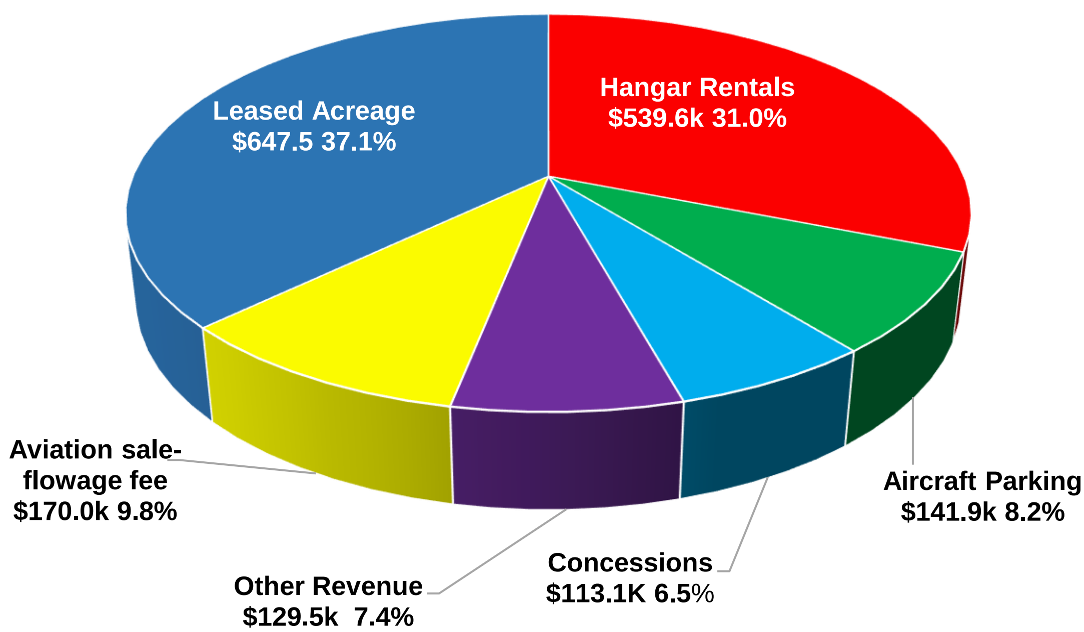
**Aircraft parking** revenue for FY 2021 is budgeted at $141,943, 5.4% higher than the FY 2020 budget.

**Leased acreage** revenue is airport land leased for private investment. Revenue is expected to be $647,460. This is a 5.2% increase from the previous year.

**Hangar rentals** are leased property for airframes and tenants. The projected revenue for FY 2021 is $539,574.

**Aviation fuel sale-flowage fee** revenues are budgeted in FY 2021 to decrease by 9.5%. The expected revenue for FY 2021 is $170,020.

**Concession fees** include crop income and rentals for the concourse. The FY 2021 budget is steady in comparison with the last two budget years at approximately $113,083 annually.



## Expense

**Wages and benefits including OPEB** are up slightly from the FY 2020 budget. When compared to actual wages in FY 2019, a favorable variance is shown due to unfilled positions net of allocated wages.

**Services** include the following (in thousands):

| | |
|---|---|
| Legal and consultants fees | $ 65 |
| Contract maintenance | 24 |
| Other | 8 |
| | $ 97 |

Services are budgeted in FY 2021 to be 7.3% lower than the FY 2020 budget. The FY 2021 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, the emergency phone system, firefighting truck inspection and maintenance and HVAC controls system support. Legal expenditures for FY 2021 are projected to be the same as FY 2020.

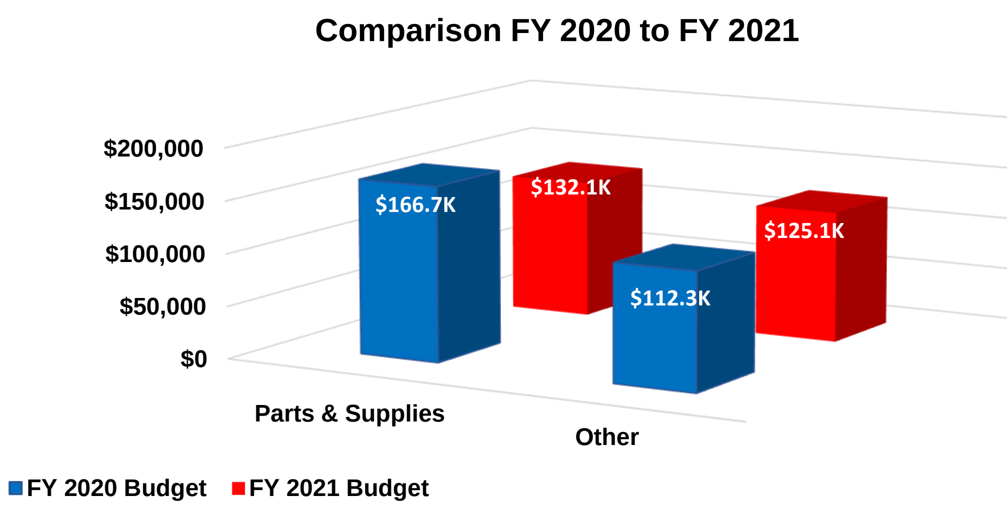
**Parts and Supplies** are budgeted in FY 2021 to be 20.7% lower than FY 2020 budget. These savings can be found in Aircraft Rescue and Firefighting (ARFF) supplies and vehicle and grounds repair parts.

**Casualty and liability** costs are budgeted to increase by 5.3% due to increases in premium rates resulting from a hard insurance market.

**Utilities** include electricity, gas, telephone, waste removal and water and are budgeted in FY 2021 to be 2.1% higher than the FY 2020 budget. The transition to LED lighting for the airport owned facilities has been completed. This improved visual lighting and provided cost savings.

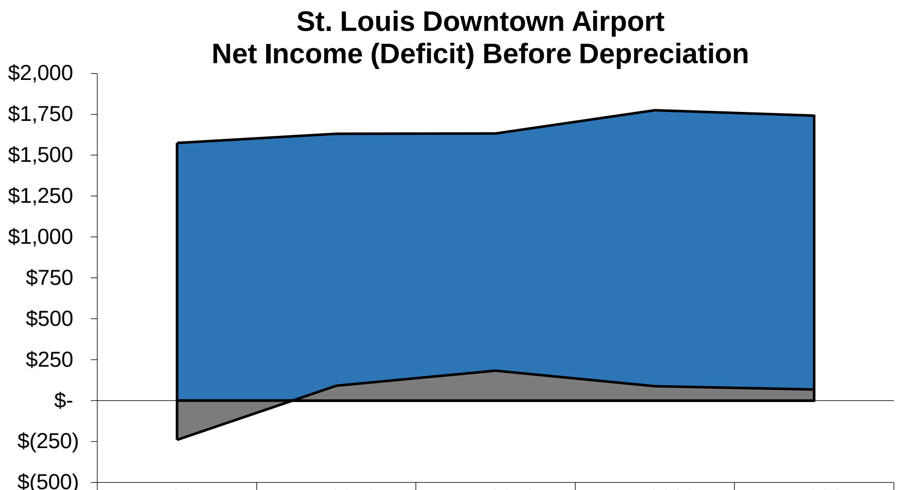
**Other expense includes the following (in thousands):**

| | |
|---|---|
| Management fees to the Agency | $ 88 |
| Travel, training, meetings, and dues | 17 |
| Other (including advertising) | 20 |
| | $ 125 |




## Income

**Net income before depreciation** is projected to be $67,877 for  FY 2021.




| (in thousands) | FY 2017 Actual | FY 2018 Actual | FY 2019 Actual | FY 2020 Budget | FY 2021 Budget |
|---|---|---|---|---|---|
| Revenue | $1,575 | $1,631 | $1,633 | $1,775 | $1,742 |
| Net income (deficit) before depreciation | ($240) | $91 | $183 | $88 | $68 |

## Objectives and Strategies Action Plan: St. Louis Downtown Airport

Each department and enterprise has developed objectives and strategies to engage in the success of the Agency. The following action steps are designed to further the achievement of Bi-State Development's goals as outlined in the Strategic Plan section of this document which include improving the perception of system safety and the image of the Agency. St. Louis Downtown Airport priorities:

| | |
|---|---|
| **Objective:** | **Continue to keep airport properties leased and occupied to accomplish financial objectives. Schedule expenditures to ensure budget compliance.** |

*Strategy:*

- Enforce the assessment of late fees for all past due invoices to encourage tenants to timely pay. Promoting timely payment will decrease defaults and potentially increase airport revenues.
- Coordinate monthly marketing conference call meeting with Jet Aviation to focus on advertising campaigns, local venue contacts, and how to collectively attract more aircraft into the airport. This will help build market awareness, foster positive relationships between Jet Aviation, the airport and airport users, and generate additional fuel flow fees.
- Engage with airport stakeholders in airport operations through one on one meetings to improve communication to encourage marketing efforts with their industry partners.

*Performance Measurement:*

- Increase revenue.

| | |
|---|---|
| **Objective:** | **Optimize Airport operations to ensure a safe and efficient airport operating environment for the traveling public.** |

*Strategy:*

- Develop new training and deploy programs that improve the operational management of airport services. This will help present the airport as well organized, professional, and as an organization our airport users can trust.
- Hire cross-trained employees who provide Airport Rescue and Fire Fighting duties as well as maintenance duties and structure work hours to minimize all overtime costs to only irregular operations, such as aircraft emergencies, snow events, etc.
- Enter into a service contract with the Village of Sauget Fire Department to backfill personal time off (PTO) to cover airline charter flights when necessary. This will decrease overtime pay and will foster regional partnerships.
- Decrease operational costs and reduce temporary, ineffective short-term fixes by better utilizing mandatory reports for United States Code of 14 Code Federal Regulations Part 139: Airport Certification as enforced by the Federal Aviation Administration
- Collaborate with IDOT, FAA and local agency safety personnel to maximize funding opportunities to support capital improvements.

*Performance Measurement:*

- Improved safety while remaining within resources.

| | |
|---|---|
| **Objective:** | **Foster staff ownership of improved airport services and customer service philosophy.** |

*Strategy:*

- Host quarterly meetings with tenants, community leaders and Airport employees to develop and implement tasks to improve airport efficiency thereby creating a sense of community among team members and our partner agencies. The goal of this strategy is to increase regional partnerships and engagement in the airport and build awareness.
- Improve airport efficiency, response and safety by having staff participate in quarterly planning, training and implementation meetings.

*Performance Measurement:*

- Improved relationships and morale with Airport staff.

## 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 2021 | FY 2020 | | FY 2019 |
|---|---|---|---|---|
| | Target | Projection | Target | Actual |
| Net income (deficit) before depreciation (in thousands) | $67.9 | $157.8 | $87.6 | $183.4 |
| Fuel sales in gallons (in thousands) | 1,786 | 1,800 | 1,760 | 1,720 |
| Aircraft movement | 98,455 | 100,052 | 97,000 | 97,348 |
| Based aircraft (monthly average) | 320 | 313 | 315 | 309 |

# St. Louis Downtown Airport
# FY 2021 - 2023 Capital Projects Summary

| Sources of Funds: | FY 2021 | FY 2022 | FY 2023 | Total |
|---|---|---|---|---|
| Federal Grants | $ 135,000 | $ 1,336,500 | $ 5,417,100 | $ 6,888,600 |
| State and Local | $ 7,500 | $ 524,250 | $ 550,950 | 1,082,700 |
| Airport Fund | $ 919,500 | $ 218,250 | $ 95,950 | 1,233,700 |
| **Total Sources of Funds** | **$ 1,062,000** | **$ 2,079,000** | **$ 6,064,000** | **$ 9,205,000** |

| Uses of Funds: | FY 2021 | FY 2022 | FY 2023 | Total |
|---|---|---|---|---|
| **Construction:** | | | | |
| SW Development Area | $ - | $ - | $ 969,000 | $ 969,000 |
| Gulfstream: Runup Enclosure, Taxiway, & Pad | | | 5,000,000 | 5,000,000 |
| Taxiway Bravo | 150,000 | 1,095,000 | | 1,245,000 |
| **Equipment and Facilities Replacements:** | | | | |
| Vehicles | 42,000 | 74,000 | 25,000 | 141,000 |
| Terminal Reconstruction | 850,000 | | | 850,000 |
| T-Hangars: Floors Replacements | 20,000 | 20,000 | 20,000 | 60,000 |
| **Land and Land Improvements:** | | | | |
| Pavement project - location dept. | | 390,000 | | 390,000 |
| Wildlife Hazard Management Plan | | | 50,000 | 50,000 |
| Vector Drive to Airflite Reconstruction | | 500,000 | | 500,000 |
| **Total Uses of Funds** | **$ 1,062,000** | **$ 2,079,000** | **$ 6,064,000** | **$ 9,205,000** |

St. Louis Regional Freightway

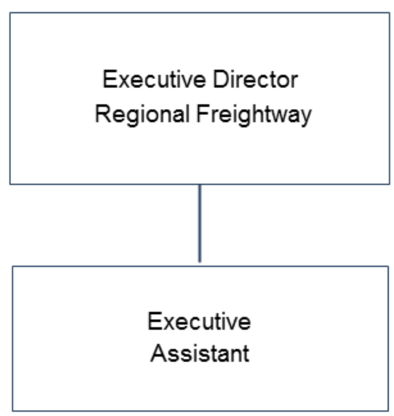
# St Louis Regional Freightway

## Strategic Focus

The St. Louis Regional 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. The strategic focus for FY 2021 is to:

- Increase national and global awareness of the St. Louis region as a world class logistics hub.
- Maximize infrastructure funding opportunities through public-private partnerships and improve multimodal capabilities.
- Promote industrial user real estate site and streamline the site selection process to help increase jobs in the manufacturing and logistics industries.

## Organization:




## Total Personnel:

Full-Time - 2


## St. Louis Regional Freightway
## Statement of Revenue & Expense

| | Actual 2019 | Budget 2020 | Budget 2021 | $ Change | % Change |
|---|---|---|---|---|---|
| Operating Revenue: | | | | | |
| Regional freight fees | $ - | $ 450,000 | $ 500,000 | $ 50,000 | |
| Other operating revenue | 19,405 | - | - | - | |
| Total operating revenues | 19,405 | 450,000 | 500,000 | 50,000 | 11.1% |
| Non-Operating Revenue: | | | | | |
| Interest revenue | 117 | - | - | - | |
| Total revenues | 19,522 | 450,000 | 500,000 | 50,000 | 11.1% |
| | | | | | |
| Operating Expense: | | | | | |
| Wages and benefits | 298,558 | 184,074 | 187,493 | 3,419 | |
| Services | 374,842 | 285,400 | 300,400 | 15,000 | |
| Fuel, materials and supplies | 1,544 | 3,500 | 3,500 | - | |
| Leases, other and admin. charges | 50,792 | 74,000 | 54,000 | (20,000) | |
| **Total operating expenses** | **725,736** | **546,974** | **545,393** | **(1,581)** | **-0.3%** |
| Non-Operating Expense: | | | | | |
| Other non-operating expense | (500) | - | - | - | |
| Total expenses | 725,236 | 546,974 | 545,393 | (1,581) | -0.3% |
| **Net income (deficit) before depreciation and transfers** | **(705,714)** | **(96,974)** | **(45,393)** | **51,581** | **-53.2%** |
| Net transfers | (2,047,596) | - | - | - | |
| **Net income (deficit)** | **$ 1,341,882** | **$ (96,974)** | **$ (45,393)** | **$ 51,581** | **-53.2%** |

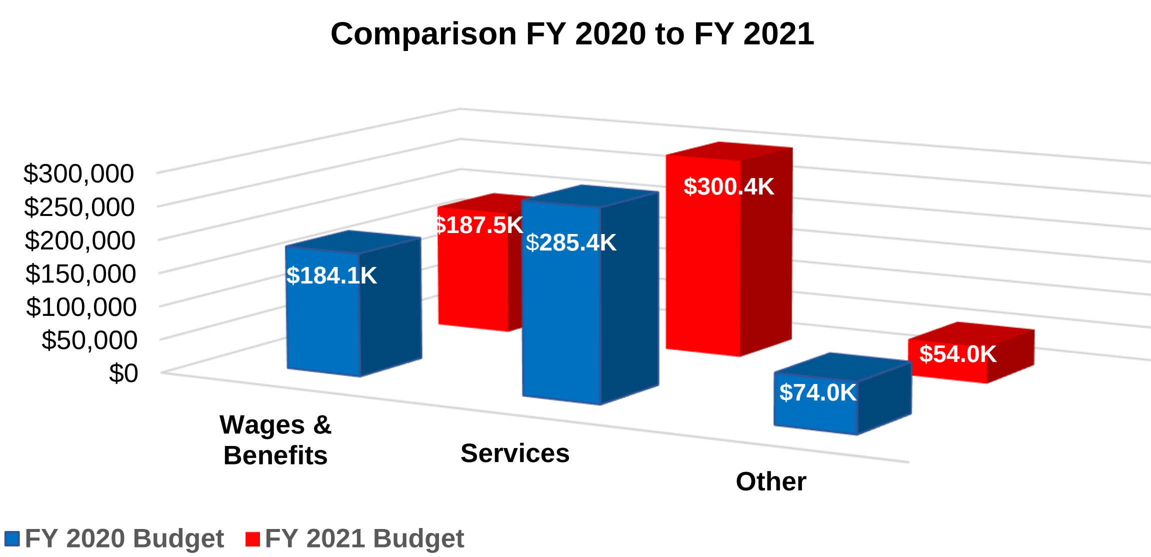
Numbers may not sum due to rounding.

## Revenue

In FY 2021, contributions and fees for service provided are expected to generate $500,000 in operating revenue. Funding will be provided by East-West Gateway Council of Governments and support from Madison County.

## Expense

Total FY 2021 operating expense is expected to be $545,393, resulting in a net deficit of $45,393. The majority of operating expense is for consulting services, compensation, and benefits. The Bi-State management fee for St. Louis Regional Freightway is being waived for the FY 2021 budget.




## Objectives and Strategies Action Plan: St. Louis Regional Freightway

Each department and enterprise has developed objectives and strategies to engage in the success of the Agency. The following action steps are designed to further the achievement of Bi-State Development's goals as outlined in the Strategic Plan section of this document which include improving the perception of system safety and the image of the Agency. St. Louis Regional Freightway priorities:

| | |
|---|---|
| **Objective:** | **Increase national and global awareness of the St. Louis region's world class logistics hub.** |

*Strategy:*

- Build strategic alliances and new partnerships with shippers and carriers that support existing freight businesses and help attract new businesses.

- Develop and leverage regional success stories and promote regional assets.
- Actively build regional ambassadors-a network of engagement, reciprocity and create a sense of “community” within the region.

*Performance Measurement:*

- Secured relationships with industry and regional stakeholders.

| | |
|---|---|
| **Objective:** | **Maximize infrastructure funding opportunities through public-private partnerships and improve multimodal capabilities.** |

*Strategy:*

- Develop and build consensus for a regional list of multimodal transportation and infrastructure projects with the East-West Gateway Council of Governments Board of Directors, Missouri and Illinois Departments of Transportation, all modes of transportation and manufacturing/logistics industries.
- Develop and help coordinate infrastructure funding strategies and advocacy plans with public and private sector leaders.

*Performance Measurement:*

- Coordinated regional and national infrastructure investment and support for priority project.

| | |
|---|---|
| **Objective:** | **Promote industrial user real estate site and streamline the site selection process to help increase jobs in the manufacturing and logistics industries.** |

*Strategy:*

- Develop and maintain TheFreightway.com website in a manner that continues to experience increased usage by the industrial real estate industry.
- Build strategic alliances and new partnerships with the local and national industrial real estate industry leaders.
- Develop and promote regional success stories and promote the region’s industrial real estate market.
- Actively build and inform regional ambassadors of the region’s industrial real estate market – a network of engagement, reciprocity, creating a sense of “community” within the region.

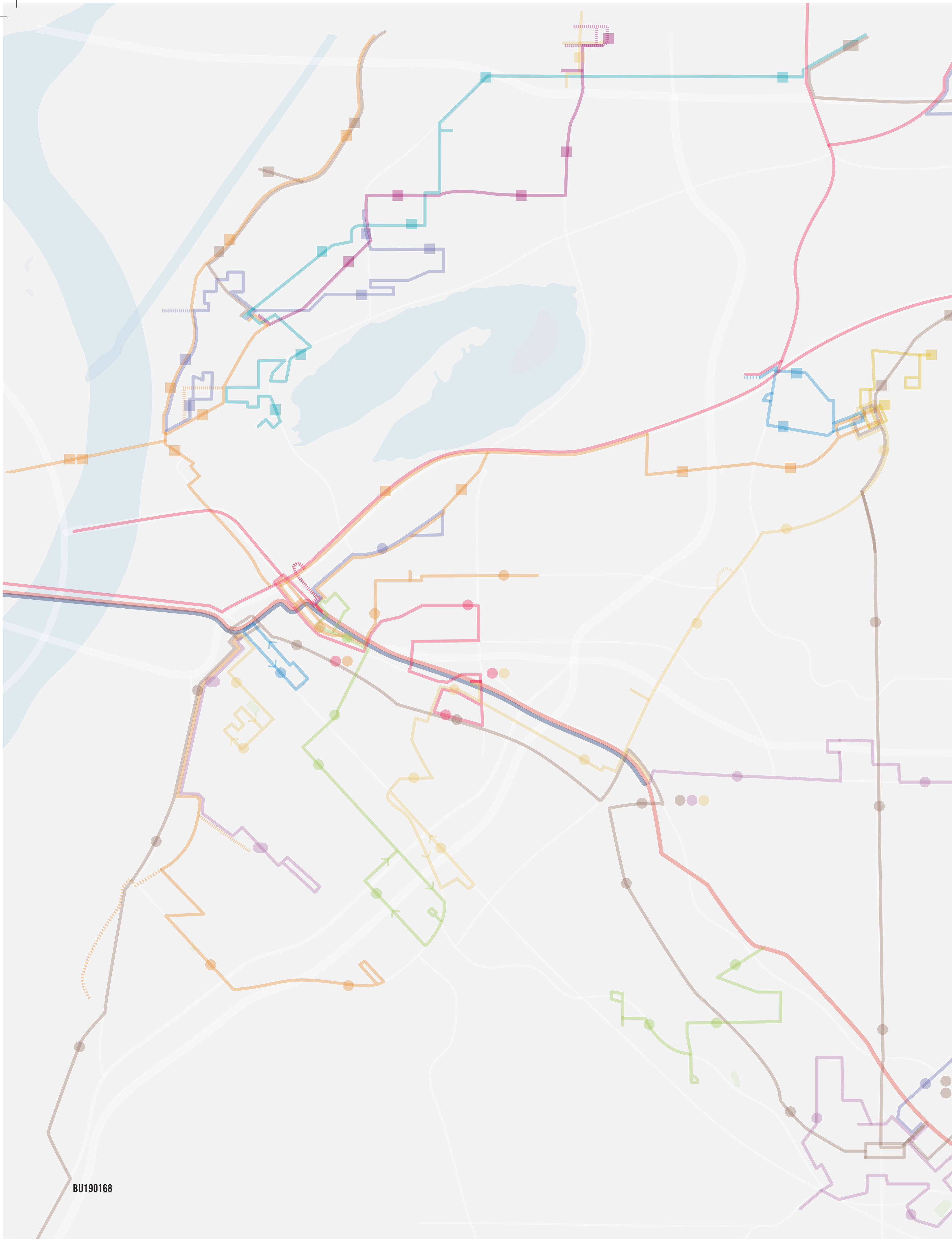
*Performance Measurement:*

Secured bi-partisan and federal support for the region’s multimodal infrastructure

## 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 2021 Target | FY 2020 Projection | FY 2020 Target | FY 2019 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 |



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# 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.

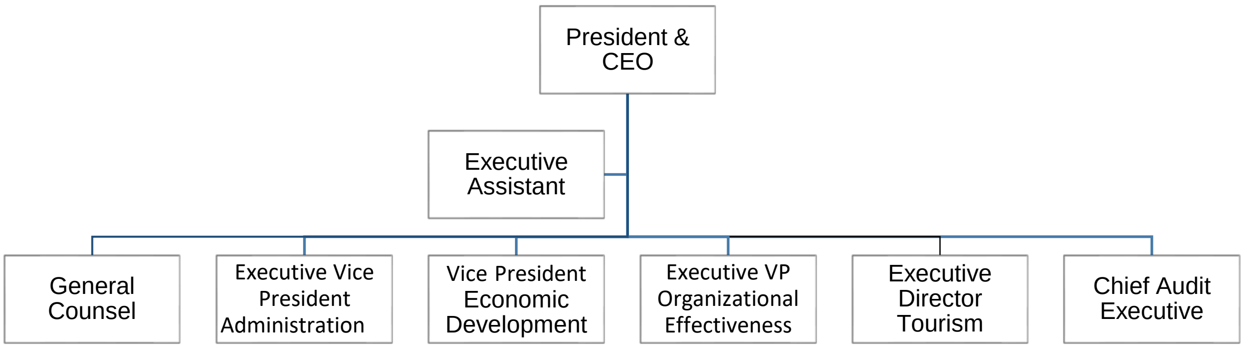
**Government Relations** establishes and maintains working relationships with government officials that support BSD's funding, legislative program, policies, and services.

**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 & Expense

| | Actual 2019 | Budget 2020 | Budget 2021 | $ Change | % Change |
|---|---|---|---|---|---|
| Operating Revenue: | | | | | |
| Admin Fees - Transit | $ 3,221,964 | $ 2,705,709 | $ 3,060,305 | $ 354,596 | |
| Admin Fees - Arch | 1,074,253 | 1,022,937 | 1,075,636 | 52,699 | |
| Admin Fees - Airport | 82,918 | 89,757 | 87,830 | (1,927) | |
| Admin Fees - Riverboats | - | 181,243 | 169,672 | (11,571) | |
| Admin Fee - National Park Svc | 437,924 | 457,309 | 454,996 | (2,313) | |
| Other operating revenue | 108,184 | 304,978 | 314,127 | 9,149 | |
| Total operating revenues | 4,925,243 | 4,761,933 | 5,162,566 | 400,633 | 8.4% |
| Non-Operating Revenue: | | | | | |
| Interest revenue | 87,784 | 80,000 | 52,500 | (27,500) | |
| Total revenues | 5,013,027 | 4,841,933 | 5,215,066 | 373,133 | 7.7% |
| | | | | | |
| Operating Expense: | | | | | |
| Wages and benefits | 2,998,389 | 2,372,950 | 2,595,302 | 222,352 | |
| Services | 1,060,990 | 1,009,615 | 1,309,194 | 299,579 | |
| Fuel, materials and supplies | 20,391 | 26,855 | 28,275 | 1,420 | |
| Casualty and liability costs | 48,188 | 50,000 | 61,600 | 11,600 | |
| Utilities | 2,422 | 5,300 | 3,646 | (1,654) | |
| Leases, other and admin. charges | 399,434 | 409,970 | 388,847 | (21,123) | |
| **Total operating expenses** | **4,529,814** | **3,874,689** | **4,386,864** | **512,174** | **13.2%** |
| Non-Operating Expense: | | | | | |
| Total expenses | 4,529,814 | 3,874,689 | 4,386,864 | 512,174 | 13.2% |
| **Net income (deficit) before depreciation and transfers** | **483,213** | **967,244** | **828,202** | **(139,042)** | **-14.4%** |
| Net transfers | 2,047,596 | - | - | - | |
| **Net income (deficit)** | **$ (1,564,383)** | **$ 967,244** | **$ 828,202** | **$ (139,042)** | **-14.4%** |

Numbers may not sum due to rounding.

# Executive Services

## Strategic Focus

The President and Chief Executive Officer leads Executive Services. Executive Services is a service enterprise that provides support to all Bi-State Development business operating units. These services are provided by executive management, as well as, the legal department, real estate and economic development department, tourism innovation administration, and the internal audit department.

## Revenue

**Metro management fee** is approximately 70% of Executive Services operating expenses. This assessment represents services provided by Executive Services to Metro. The FY 2021 administration fee for Transit is $3,060,305.

**Gateway Arch management fee** is calculated based on a formula negotiated with the National Park Service including 7% of total Arch revenues and 10% of revenue net of expenses. The Gateway Arch management fee is $1,075,636.

**St. Louis Downtown Airport management fee** is calculated at 5% of the Downtown Airport operating revenue and interest income. The St. Louis Downtown Airport administration fee is $87,830.

**Riverfront Attractions management fee** is approximately at 5% of Riverfront Attractions operating revenue. The management fee for FY 2021 is $169,672.

**The National Park Service fee** is calculated at 20% 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. The National Park Service administration fee is $454,996.

**St. Louis Regional Freightway, Bi-State Development Research Institute, and Arts In Transit, Inc.** are not being assessed a management fee in FY 2021.

## Expense

**Wages and benefits** were reduced in FY 2020 due to a restructuring of senior management and downsizing. FY 2021 labor and benefit costs are budgeted 9.4% higher than the FY 2020 budget. Internal Audit will contribute to this increase with two new staff auditors to address additional required safety audits.

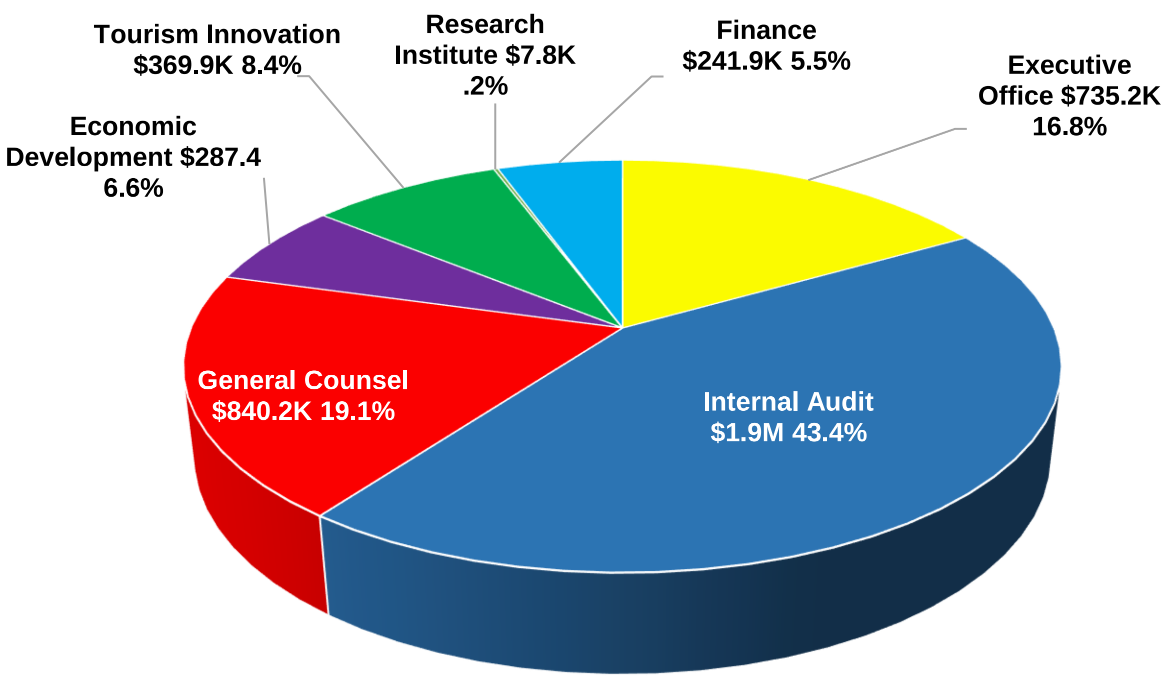
**Services** consist of fees for outside consultants, auditors, lawyers, and lobbyists and also services for establishing strategic partnerships and investment in Washington DC, Missouri and Illinois. In FY 2021 Executive Service will spend an additional $470,000 for required safety audits. Other service area costs have been reduced to partially offset this increase.

**Parts and supplies** include office supplies and equipment, training materials, and data processing supplies. The FY 2021 budget for office and data processing supplies only increased slightly.

**Utilities** consist of mobile device usage. Mobile device expenditures were also downsized from the FY 2020 budget of $5,300 to $3,646.

**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 2021. Professional dues and staff training for safety audits will add $59 thousand to this expense category.

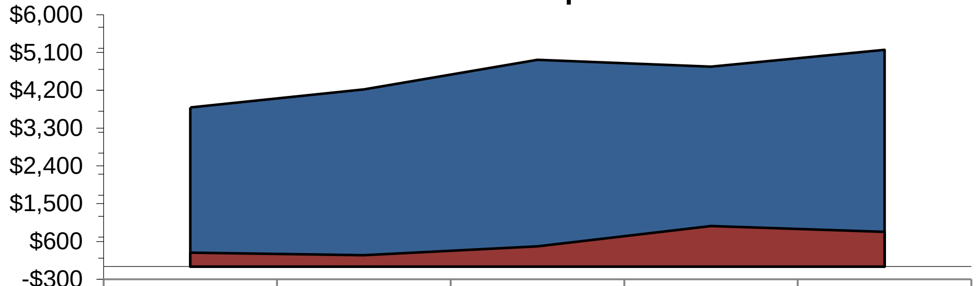
## Expense by Department




## Income

**Net income before depreciation** of $828,202 is more than double the FY 2019 actual results. Executive office staffing was reduced in FY 2019.

**Executive Services**
**Net Income Before Depreciation**




| | Actual 2017 | Actual 2018 | Actual 2019 | Budget 2020 | Budget 2021 |
|---|---|---|---|---|---|
| Revenue | $3,790 | $4,220 | $4,925 | $4,762 | $5,163 |
| Net income before depreciation | $333 | $272 | $483 | $967 | $828 |

**The following section displays operating costs for the departments that reside within Executive Services. The departments that encompass Executive Services are the Executive Office, Internal Audit, Strategic Initiatives, Governmental Affairs, General Counsel, Economic Development, Tourism Innovation, and Research Institute. In FY 2020, the departments for Strategic Initiatives and Governmental Affairs ceased.**

## Executive Services - Operating Expense by Department/Function

Numbers may not sum due to rounding.

| | Actual 2019 | Budget 2020 | Budget 2021 | Bdgt vs Bdgt $ Change | Bdgt vs Bdgt % Change |
|---|---|---|---|---|---|
| **Executive Office** | | | | | |
| Wages & benefits without OPEB | $ 484,211 | $ 562,530 | $ 444,049 | $ (118,481) | -21.1% |
| Other post-employment benefits | 7,181 | 4,400 | 4,400 | - | 0.0% |
| Services | 114,496 | 214,500 | 108,000 | (106,500) | -49.7% |
| Parts and supplies | 5,886 | 4,000 | 6,000 | 2,000 | 50.0% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | - | 1,200 | - | (1,200) | -100.0% |
| Leases and other expense | 192,864 | 240,300 | 172,800 | (67,500) | -28.1% |
| **Operating expense** | **804,638** | **1,026,930** | **735,249** | **(291,681)** | **-28.4%** |
| **Internal Audit** | | | | | |
| Wages & benefits without OPEB | 605,959 | 644,749 | 933,806 | 289,056 | 44.8% |
| Other post-employment benefits | 7,339 | 5,417 | 5,417 | - | 0.0% |
| Services | 102,764 | 230,000 | 820,276 | 590,276 | 256.6% |
| Parts and supplies | 3,413 | 8,000 | 10,675 | 2,675 | 33.4% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | - | - | - | - | 0.0% |
| Leases and other expense | 45,307 | 75,276 | 134,202 | 58,925 | 78.3% |
| **Operating expense** | **764,782** | **963,443** | **1,904,375** | **940,933** | **97.7%** |
| **Strategic Initiatives** | | | | | 0.0% |
| Wages & benefits without OPEB | 228,317 | - | - | - | 0.0% |
| Other post-employment benefits | 3,216 | - | - | - | 0.0% |
| Services | - | - | - | - | 0.0% |
| Parts and supplies | 423 | - | - | - | 0.0% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | - | - | - | - | 0.0% |
| Leases and other expense | 1,750 | - | - | - | 0.0% |
| **Operating expense** | **$ 233,706** | **$ -** | **$ -** | **$ -** | **0.0%** |

# Executive Services - Operating Expense by Department/Function

Numbers may not sum due to rounding.

| | Actual 2019 | Budget 2020 | Budget 2021 | Bdgt vs Bdgt $ Change | Bdgt vs Bdgt % Change |
|---|---|---|---|---|---|
| **Government Affairs** | | | | | |
| Wages & benefits without OPEB | $ 192,562 | $ - | $ - | $ - | 0.0% |
| Other post-employment benefits | 2,305 | - | - | - | 0.0% |
| Services | 403,997 | 218,500 | - | (218,500) | -100.0% |
| Parts and supplies | - | 700 | - | (700) | -100.0% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | - | - | - | - | 0.0% |
| Leases and other expense | 45,224 | 7,550 | - | (7,550) | -100.0% |
| **Operating expense** | **644,089** | **226,750** | **-** | **(226,750)** | **-100.0%** |
| **General Counsel** | | | | | |
| Wages & benefits without OPEB | 607,510 | 510,013 | 656,729 | 146,715 | 28.8% |
| Other post-employment benefits | 8,586 | 3,840 | 3,840 | - | 0.0% |
| Services | 99,831 | 83,560 | 113,863 | 30,303 | 36.3% |
| Parts and supplies | 7,313 | 7,100 | 5,600 | (1,500) | -21.1% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | - | - | - | - | 0.0% |
| Leases and other expense | 88,214 | 61,545 | 60,145 | (1,400) | -2.3% |
| **Operating expense** | **811,454** | **666,058** | **840,177** | **174,118** | **26.1%** |
| **Economic Development** | | | | | |
| Wages & benefits without OPEB | 281,104 | 241,644 | 189,815 | (51,829) | -21.4% |
| Other post-employment benefits | 3,607 | 1,857 | 1,857 | - | 0.0% |
| Services | 36,785 | 95,480 | 84,480 | (11,000) | -11.5% |
| Parts and supplies | - | 2,555 | 1,500 | (1,055) | -41.3% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 1,164 | 2,100 | 1,800 | (300) | -14.3% |
| Leases and other expense | 1,597 | 11,598 | 8,000 | (3,598) | -31.0% |
| **Operating expense** | **324,258** | **355,234** | **287,453** | **(67,782)** | **-19.1%** |
| **Tourism Innovation Administration** | | | | - | 0.0% |
| Wages & benefits without OPEB | 493,682 | 395,613 | 352,503 | (43,110) | -10.9% |
| Other post-employment benefits | 3,686 | 2,886 | 2,886 | - | 0.0% |
| Services | 4,952 | - | - | - | 0.0% |
| Parts and supplies | 3,356 | 3,500 | 3,500 | - | 0.0% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | 1,257 | 1,500 | 1,500 | - | 0.0% |
| Leases and other expense | 25,799 | 9,500 | 9,500 | - | 0.0% |
| **Operating expense** | **$ 532,732** | **$ 412,999** | **$ 369,889** | **$ (43,110)** | **-10.4%** |

# Executive Services - Operating Expense by Department/Function

Numbers may not sum due to rounding.

| | Actual 2019 | Budget 2020 | Budget 2021 | Bdgt vs Bdgt $ Change | Bdgt vs Bdgt % Change |
|---|---|---|---|---|---|
| **Research Institute** | | | | | |
| Wages & benefits without OPEB | $ 69,055 | $ - | $ - | $ - | 0.0% |
| Other post-employment benefits | 69 | - | - | - | 0.0% |
| Services | - | 7,475 | 7,475 | - | 0.0% |
| Parts and supplies | - | - | - | - | 0.0% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | - | 500 | 346 | (154) | -30.8% |
| Leases and other expense | 1,369 | - | - | - | 0.0% |
| **Operating expense** | **70,493** | **7,975** | **7,821** | **(154)** | **-1.9%** |
| **Financial Expenses** | | | | | |
| Wages & benefits without OPEB | - | - | - | - | 0.0% |
| Other post-employment benefits | - | - | - | - | 0.0% |
| Services | 133,999 | 160,100 | 175,100 | 15,000 | 9.4% |
| Parts and supplies | - | 1,000 | 1,000 | - | 0.0% |
| Casualty and liability costs | 48,188 | 50,000 | 61,600 | 11,600 | 23.2% |
| Utilities | - | - | - | - | 0.0% |
| Leases and other expense | - | 4,200 | 4,200 | - | 0.0% |
| **Operating expense** | **182,187** | **215,300** | **241,900** | **26,600** | **12.4%** |
| **General Events/Meetings** | | | | | |
| Wages & benefits without OPEB | - | - | - | - | 0.0% |
| Other post-employment benefits | - | - | - | - | 0.0% |
| Services | 164,166 | - | - | - | 0.0% |
| Parts and supplies | - | - | - | - | 0.0% |
| Casualty and liability costs | - | - | - | - | 0.0% |
| Utilities | - | - | - | - | 0.0% |
| Leases and other expense | (2,692) | - | - | - | 0.0% |
| **Operating expense** | **161,474** | **-** | **-** | **-** | **0.0%** |
| **Total Executive Services** | **$ 4,529,814** | **$ 3,874,689** | **$ 4,386,864** | **$ 512,174** | **13.2%** |

## Objectives and Strategies Action Plan: Internal Audit

Each department and enterprise has developed objectives and strategies to engage in the success of the Agency. The following action steps are designed to further the achievement of Bi-State Development's goals as outlined in the Strategic Plan section of this document which include improving the perception of system safety and the image of the Agency. Internal Audit's priorities:

**Objective: Improve the safety of Metro transit through the implementation of the new Public Transit Agency Safety Plan (PTSAP).**

*Strategy:*

- Begin implementation of the PTSAP July 2020, in accordance with Federal Transit Administration (FTA) regulations.
- Expand the number of safety and security audits Internal Audit performs in FY2021 to include new audits specifically for MetroBus and Call-A-Ride. These new audits will be designed in a similar fashion as the Safety and Security audits that have been performed for MetroLink as mandated by the FTA's State Safety Oversight (SSO) requirements.

*Performance Measurement:*

- New safety and security audits completed as mandated by the FTA.
- Public Transit Agency Safety Plan successfully launched and the system remains safe and secure.

**Objective: Improve operational efficiencies.**

*Strategy:*

- Perform an Agency-wide Risk Assessment of 120 auditable units. An auditable unit is defined as any particular topic, subject, project, department, division, process, and/or function that is deemed to be worthy of an audit.
- Develop an Annual Audit Work Plan that identifies key auditable units that will be the focus of an audit during the fiscal year from the results of the Agency-wide Risk Assessment.
- Track Management's progress made towards implementing audit recommendations that have been designed to improve operational efficiencies.

*Performance Measurement:*

- Completed audits identified in the Annual Audit Work Plan.
- Successfully track operational efficiencies identified in the audits to ensure implemented and savings achieved.

## Objectives and Strategies Action Plan: Economic Development and Real Estate

Each department and enterprise has developed objectives and strategies to engage in the success of the Agency. The following action steps are designed to further the achievement of Bi-State Development's goals as outlined in the Strategic Plan section of this document which include improving the perception of system safety and the image of the Agency. Economic Development and Real Estate priorities:

| | |
|---|---|
| **Objective:** | **Fiscally responsible management of all related real estate and economic development activities and projects.** |

*Strategy:*

- Manage the collective department's expenditures in a fiscally responsible manner while focusing on increasing revenues from BSD real estate assets.
- Achieve 5% savings on non-salary, foreseeable departmental expenses, year over year for budgets and actuals.
- Sale/lease/license non-revenue producing BSD real estate assets when and where possible, including the disposition of excess property for Transit Oriented Development (TOD) use creating some $2.1 million in sales for BSD in conjunction with the proposed North Hanley and DeBaliviere TODs.
- Work with community partners on revenue producing and cost containment initiatives. Successful examples include the $90,000 available annually to BSD for the next 40-years for bus stop and other transit upgrades that the City of St. Ann adopted in 2019 via a city-wide St. Ann TDD.

*Performance Measurement:*

- Secured relationships with industry and regional stakeholders.

| | |
|---|---|
| **Objective:** | **Delivery of Transit Oriented Development (TOD).** |

*Strategy:*

- Support and collaborate with private developers to gain TOD investment at BSD MetroLink stations resulting in additional revenue, ridership and rider security.
- Continue supporting the proposed DeBaliviere and North Hanley TOD projects through their approval process, and collaborate with developers on property adjacent to BSD MetroLink stations, including for additional TOD at Swansea and new TOD at UMSL South, both of which benefit increased ridership and rider security.
- Prepare and market TOD opportunities with and through public and private partners.

*Performance Measurement:*

- Transit Oriented Development Projects move forward boosting economic development in the region.

**Objective: Successful management of property and property disposition.**

*Strategy:*

- Work with public and private partners to create and complete capital events for BSD asset disposition.
- Manage BSD Board's annual excess property declarations, and dispose of excess properties where and when there is a viable buyer creating revenues in excess of disposition expenses.
- Update Chapter 40 of the BSD Board policies to streamline the property disposition process.
- Support FTA's on-going and triennial review requirements related to real estate disposition.
- Actively manage the Brentwood Meridian Garage and Headquarters costs centers, including specific review of budgets and expenditure items.
- Interface with regional utilities for easements, etc., across BSD properties, many of which produce a source of BSD revenue.
- Interface with BSD Accounts Payable for prompt payment of BSD real estate bills, and with BSD Accounts Receivable for prompt collections related to BSD's real estate assets.

*Performance Measurement:*

- No excess property inventory on disposal list.
- Well managed Meridian Garage.
- Produce income through utility easements.

**Objective: Ensure successful external collaboration to create income and ridership.**

*Strategy:*

- Support and collaborate with other BSD departments and community partners on projects and programs for BSD's rider centric direction.
- Leadership and support of BSD efforts for increased ridership and security through TOD projects, bus stop and shelter improvements and future transit services, such as NS/SS.
- Manage the "winding down" of the BSD Research Institute, including the pilot food kiosk project.
- Represent BSD in community engagement in support of regional transit success.
- Pursue and create revenue opportunities with private partners to make on-going use of BSD assets, such as the $50,000 annual contract with T-Mobile to put cellular services in our train tunnels, and the $18,000 annual contract with T-Mobile for antennas at the Civic Center MetroLink station.

*Performance Measurement:*

- Ridership increases.
- BSD Research Institute is discontinued.
- Produce additional income through property related leases and contracts.

**Objective: Provide economic development and real estate services support to all BSD Enterprises to maximize efficiencies of operation.**

*Strategy:*

- Provide focused, experienced economic development and real estate services that save BSD considerable time, legal and consultant fees, and avoid having to "reinvent the wheel" on a routine basis.
- Provide specific real estate focused review of St. Louis Freightways marketing materials.
- Support St. Louis Downtown Airport's real estate lease and sale needs.
- Support BSD Engineering's project property acquisition needs.
- Support BSD Operations and MOW's real estate requirements, in particular, involving easements.
- Support BSD Planning's bus shelter related real estate needs.
- Support St. Clair County Transit District's real estate needs.
- Support Metro Transit's vendor and concessionaire real estate and lease needs.

*Performance Measurement:*

- All enterprises successfully contribute to regional economic development opportunities.

## 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 2021 | FY 2020 | | FY 2019 |
|---|---|---|---|---|
| | 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 | Yes |
| **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% | 98% |
| BSD real estate accounts payable current | 100% | 100% | 100% | 100% |
| Manage BSD real estate assets to maximize value | Yes | Yes | Yes | Yes |


BU190168

# Health Self-Insurance Fund

## Strategic Focus

The Health Self-Insurance Fund (SIF) is focused on 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's cost control environment. This SIF provides management with greater visibility and enhanced financial reporting on $38.4 million in self-funded health and welfare insurance activities.

**Health Self Insurance Fund**
**Statement of Revenue & Expense**
**FY 2019 - FY 2021**

| | Actual 2019 | Budget 2020 | Budget 2021 | $ Change | % Change |
|---|---|---|---|---|---|
| Operating Revenue: | | | | | |
| Employee health | $ 7,816,993 | $ 8,162,546 | $ 8,065,856 | $ (96,690) | |
| Employer health | 29,023,490 | 31,624,673 | 30,295,877 | (1,328,796) | |
| Total operating revenues | 36,840,483 | 39,787,219 | 38,361,733 | (1,425,486) | -3.6% |
| Non-Operating Revenue: | | | | | |
| Interest revenue | 37,133 | 30,000 | 22,500 | (7,500) | |
| Total revenues | 36,877,616 | 39,817,219 | 38,384,233 | (1,432,986) | -3.6% |
| | | | | | |
| Operating Expense: | | | | | |
| Wages and benefits | 790,335 | 823,098 | 828,528 | 5,430 | |
| Services | 336,237 | 271,501 | 285,570 | 14,070 | |
| Fuel, materials and supplies | 33,158 | 34,300 | 24,300 | (10,000) | |
| Utilities | 4,979 | 5,450 | 4,860 | (590) | |
| Leases, other and admin. charges | 76,169 | 39,892 | 32,715 | (7,177) | |
| Health and welfare self-insurance | 34,030,049 | 38,642,978 | 37,208,260 | (1,434,718) | |
| **Total operating expenses** | **35,270,927** | **39,817,220** | **38,384,233** | **(1,432,987)** | **-3.6%** |
| Non-Operating Expense: | | | | | |
| Total expenses | 35,270,927 | 39,817,220 | 38,384,233 | (1,432,987) | -3.6% |
| **Net income (deficit) before depreciation and transfers** | **1,606,689** | **(1)** | **-** | **1** | **0.0%** |
| **Net income (deficit)** | **$ 1,606,689** | **$ (1)** | **$ -** | **$ 1** | **0.0%** |

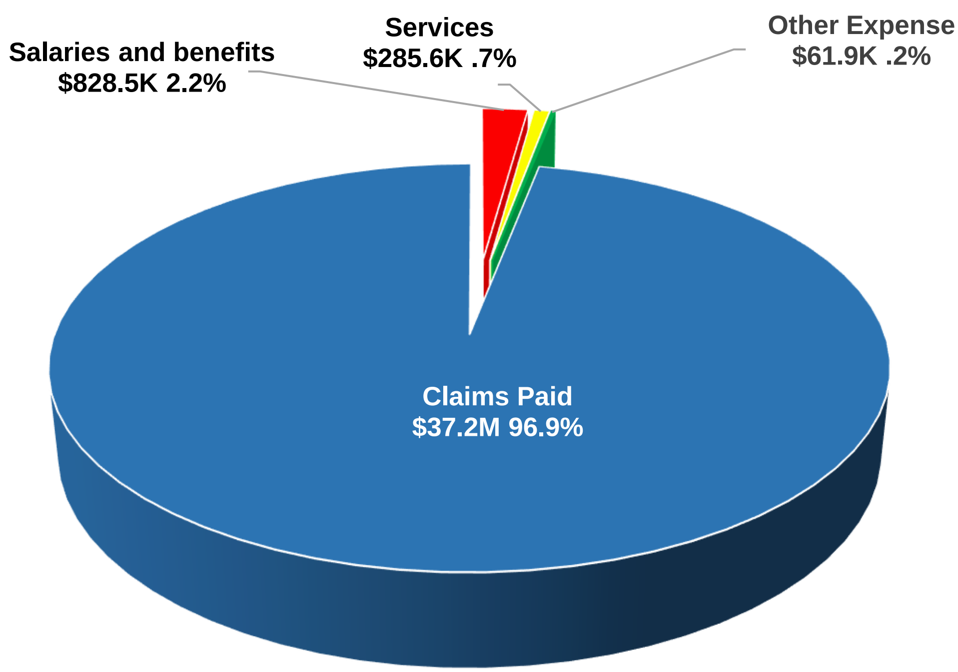
Numbers may not sum due to rounding.

## 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 and represents approximately 21% of the revenue 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 in FY 2021 are expected to decrease by approximately $1.4 million or 3.7%.



# Casualty Self-Insurance Fund

## Strategic Focus

The Casualty Self-Insurance Fund (SIF) at BSD is focused on managing premiums, reporting claims, and controlling cost. This SIF provides greater visibility and financial reporting for BSD's $7.5 million in self- funded risk activities.

**Casualty Self Insurance Fund**
**Statement of Revenue & Expense**
**FY 2019 - FY 2021**

| | Actual 2019 | Budget 2020 | Budget 2021 | $ Change | % Change |
|---|---|---|---|---|---|
| Operating Revenue: | | | | | |
| Casualty Insurance Revenue | $ 6,800,095 | $ 5,022,756 | $ 5,525,449 | $ 502,693 | |
| Total operating revenues | 6,800,095 | 5,022,756 | 5,525,449 | 502,693 | 10.0% |
| Non-Operating Revenue: | | | | | |
| Interest revenue | 220,017 | 270,000 | 270,000 | - | |
| Total revenues | 7,020,112 | 5,292,756 | 5,795,449 | 502,693 | 9.5% |
| | | | | | |
| Operating Expense: | | | | | |
| Wages and benefits | 709,462 | 687,341 | 628,930 | (58,411) | |
| Services | 46,780 | 42,000 | 48,000 | 6,000 | |
| Fuel, materials and supplies | 1,630 | 4,100 | 4,000 | (100) | |
| Casualty and liability costs | 881,050 | 915,000 | 1,050,000 | 135,000 | |
| Utilities | 1,992 | 2,266 | 1,000 | (1,266) | |
| Leases, other and admin. charges | 2,996 | 9,900 | 3,800 | (6,100) | |
| Casualty self-insurance | 6,572,473 | 5,292,756 | 5,795,449 | 502,693 | |
| **Total operating expenses** | **8,216,383** | **6,953,363** | **7,531,179** | **577,816** | **8.3%** |
| Non-Operating Expense: | | | | | |
| Total expenses | 8,216,383 | 6,953,363 | 7,531,179 | 577,816 | 8.3% |
| **Net income (deficit) before depreciation and transfers** | **(1,196,271)** | **(1,660,607)** | **(1,735,730)** | **(75,123)** | **4.5%** |
| Net Transfers | (1,593,504) | (1,660,607) | (1,735,730) | (75,123) | |
| **Net income (deficit)** | **$ 397,233** | **$ -** | **$ -** | **$ -** | **0.0%** |

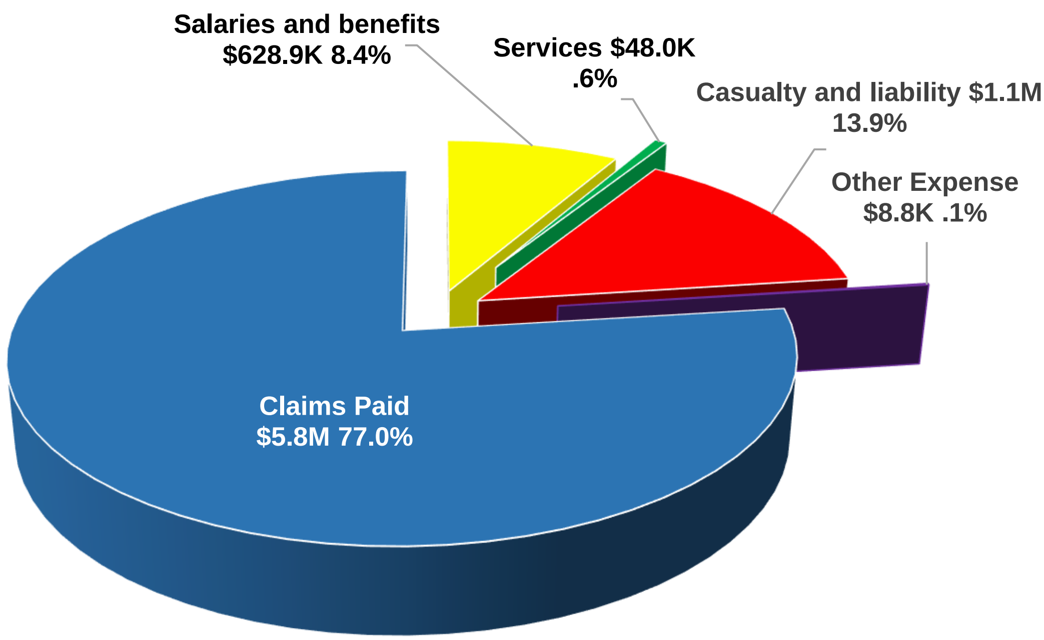
Numbers may not sum due to rounding.

## 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. Claims paid are expected to increase in FY 2021 by approximately $500 thousand or 9.5%.



# Workers Compensation Self-Insurance Fund

## Strategic Focus

The Workers' Compensation Self-Insurance Fund (SIF) is focused on managing premiums, reporting claims, and controlling cost. The SIF provides greater visibility and financial reporting for BSD's $9.7 million in self- funded activities.

**Workers' Compensation Self Insurance Fund**
**Statement of Revenue & Expense**
**FY 2019 - FY 2021**

| | Actual 2019 | Budget 2020 | Budget 2021 | $ Change | % Change |
|---|---|---|---|---|---|
| Operating Revenue: | | | | | |
| Workers' Comp. Insurance Revenue | $ 8,296,462 | $ 6,553,044 | $ 8,465,121 | $ 1,912,077 | |
| Total operating revenues | 8,296,462 | 6,553,044 | 8,465,121 | 1,912,077 | 29.2% |
| Non-Operating Revenue: | | | | | |
| Interest revenue | 195,390 | 196,250 | 196,250 | - | |
| Total revenues | 8,491,852 | 6,749,294 | 8,661,371 | 1,912,077 | 28.3% |
| | | | | | |
| Operating Expense: | | | | | |
| Wages and benefits | 366,410 | 384,692 | 253,948 | (130,744) | |
| Services | 38,791 | 25,250 | 19,000 | (6,250) | |
| Fuel, materials and supplies | 406 | 2,575 | 2,500 | (75) | |
| Casualty and liability costs | 222,189 | 226,000 | 240,000 | 14,000 | |
| Utilities | 559 | 618 | 500 | (118) | |
| Leases, other and admin. charges | 472,556 | 455,500 | 527,700 | 72,200 | |
| Workers comp self-insurance | 9,133,796 | 6,749,294 | 8,661,371 | 1,912,077 | |
| **Total operating expenses** | **10,234,707** | **7,843,929** | **9,705,019** | **1,861,090** | **23.7%** |
| Non-Operating Expense: | | | | | |
| Total expenses | 10,234,707 | 7,843,929 | 9,705,019 | 1,861,090 | 23.7% |
| **Net income (deficit) before depreciation and amortization** | **(1,742,855)** | **(1,094,635)** | **(1,043,648)** | **50,987** | **-4.7%** |
| Net transfers | (941,494) | (1,094,635) | (1,043,648) | 50,987 | |
| **Net income (deficit)** | **$ (801,361)** | **$ -** | **$ -** | **$ 101,974** | **0.0%** |

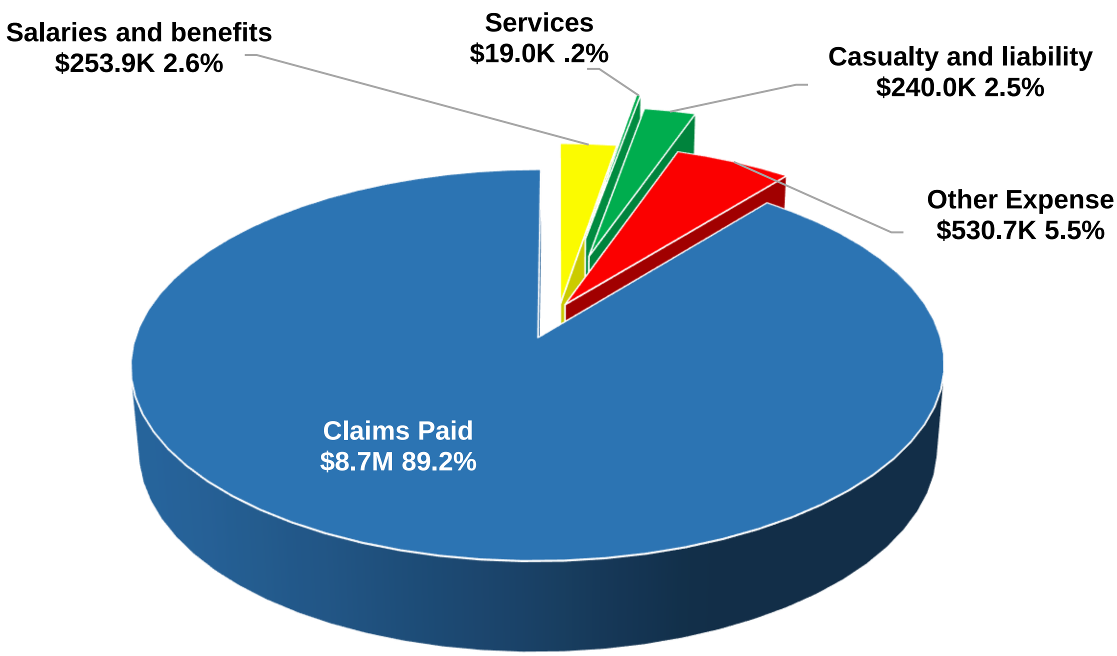
Numbers may not sum due to rounding.

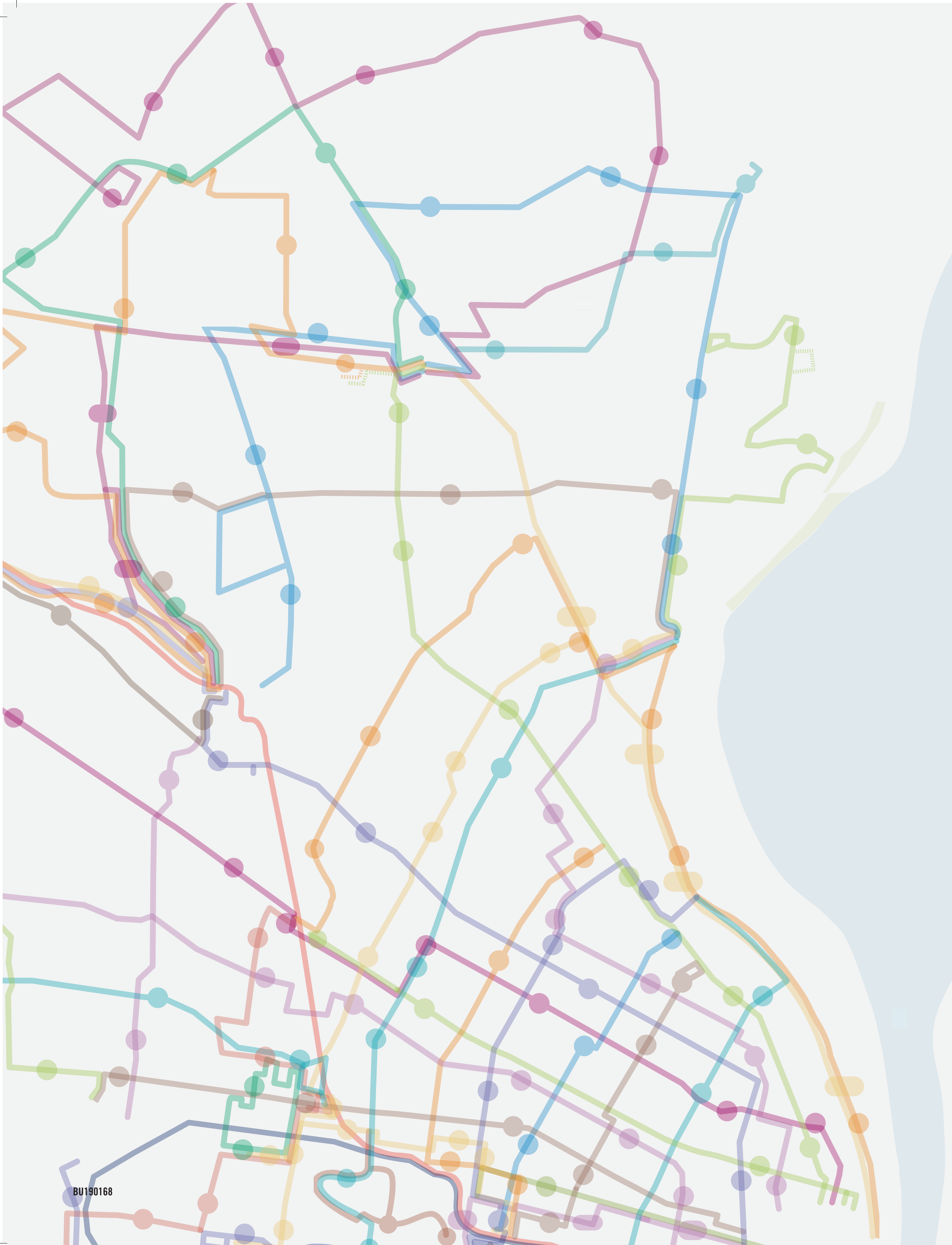
## Revenue

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. Claims paid in FY 2021 are expected to increase by approximately $1.9 million or 28.3%.

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# Bi-State Development Research Institute

## Strategic Focus

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.  The Research Institute plans, studies, and evaluates regional land use, public policy, economic and community development, and infrastructure investment including, but not limited to transit activities.

## Revenue

Revenue in the amount of $7,821 is budgeted for in-kind contributions.

## Expense

Total operating expense is budgeted at $17,990.  The operating expense includes legal and audit services, consulting fees associated with maintenance of way, and other miscellaneous office expenses.

Revenue less expense and depreciation results in a $21,885 deficit for the FY 2021 budget.

**Bi-State Development Research Institute**
**Statement of Revenue & Expense**

| | Actual 2019 | Budget 2020 | Budget 2021 | $ Change | % Change |
|---|---|---|---|---|---|
| Operating Revenue: | | | | | |
| Contributions- NFP | $ 22,776 | $ 100,000 | $ - | $ (100,000) | |
| In-Kind Donations (501c3) | 87,774 | 7,975 | 7,821 | (154) | |
| Total operating revenues | 110,550 | 107,975 | 7,821 | (100,154) | -92.8% |
| Non-Operating Revenue: | | | | | |
| Total revenues | 110,550 | 107,975 | 7,821 | (100,154) | -92.8% |
| | | | | | |
| Operating Expense: | | | | | |
| Wages and benefits | 69,028 | - | - | - | |
| Services | 77,980 | 96,160 | 16,975 | (79,185) | |
| Fuel, materials and supplies | - | 500 | 500 | - | |
| Utilities | 1,197 | 500 | 500 | - | |
| Leases, other and admin. charges | 21,420 | 15 | 15 | - | |
| **Total operating expenses** | **169,624** | **97,175** | **17,990** | **(79,185)** | **-81.5%** |
| Non-Operating Expense: | | | | | |
| Total expenses | 169,624 | 97,175 | 17,990 | (79,185) | -81.5% |
| **Net income (deficit) before depreciation and transfers** | **(59,074)** | **10,800** | **(10,169)** | **(20,969)** | **-194.2%** |
| Depreciation and transfers | 12,292 | 10,800 | 11,716 | 916 | |
| **Net income (deficit)** | **$ (71,366)** | **$ -** | **$ (21,885)** | **$ (21,885)** | |

Numbers may not sum due to rounding.

## Performance Indicators – Research Institute

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

| | FY 2021 | FY 2020 | | FY 2019 |
|---|---|---|---|---|
| | Target | Projection | Target | Actual |
| **BSD Research Institute** | | | | |
| Manage balanced budget and reporting requirements for Institute | Yes | Yes | Yes | Yes |
| Finalize past Institute projects | 1 | 2 | 2 | 3 |

# Arts In Transit, Inc.

## Strategic focus

Arts in Transit, Inc. (AIT) facilitates community engagement public art programs and projects that enhance the transit experience through creative place making and wayfinding. The strategic focus for FY 2021 is to:

- Improve 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.
- Improve the perception of Metro Transit services through AIT programs such as MetroLines (Poetry), MetroScapes (Visual), and Art In Motion (Bus Painting).

**Arts In Transit (AIT)**
**Statement of Revenue and Expense**
**FY 2019 - FY 2021**

| | Actual 2019 | Budget 2020 | Budget 2021 | $ Change | % Change |
|---|---|---|---|---|---|
| Operating Revenue: | | | | | |
| Contributions - NFP | $ 22,655 | $ - | $ 240 | $ 240 | |
| Awards - RAC and MAC | 17,117 | 30,000 | 38,849 | 8,849 | |
| In-Kind Donations (501c3) | 251,249 | 88,071 | 86,689 | (1,382) | |
| Other operating revenue | (9) | - | 15,000 | 15,000 | |
| Total operating revenues | 291,012 | 118,071 | 140,778 | 22,707 | 19.2% |
| Non-Operating Revenue: | | | | | |
| Total revenues | 291,012 | 118,071 | 140,778 | 22,707 | 19.2% |
| | | | | | |
| Operating Expense: | | | | | |
| Wages and benefits | 131,306 | 15,856 | 22,159 | 6,303 | |
| Services | 85,278 | 66,513 | 62,884 | (3,629) | |
| Fuel, materials and supplies | 1,037 | 20,600 | 56,250 | 35,650 | |
| Utilities | 775 | 650 | 650 | - | |
| Leases, other and admin. charges | 55,677 | 14,452 | 10,602 | (3,850) | |
| **Total operating expenses** | **274,073** | **118,071** | **152,545** | **34,474** | **29.2%** |
| Non-Operating Expense: | | | | | |
| Contributions to outside entities | - | - | - | - | |
| Total expenses | 274,073 | 118,071 | 152,545 | 34,474 | 29.2% |
| **Net income (deficit) before depreciation and transfers** | **16,939** | **-** | **(11,767)** | **(11,767)** | **0.0%** |
| **Net income (deficit)** | **$ 16,939** | **$ -** | **$ (11,767)** | **$ (11,767)** | **0.0%** |

Numbers may not sum due to rounding.

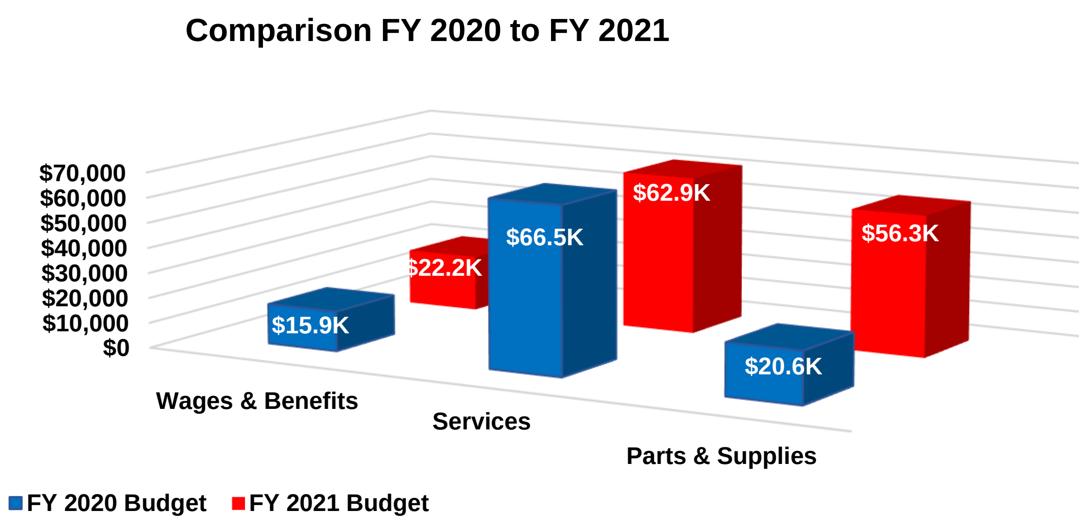
## Revenue

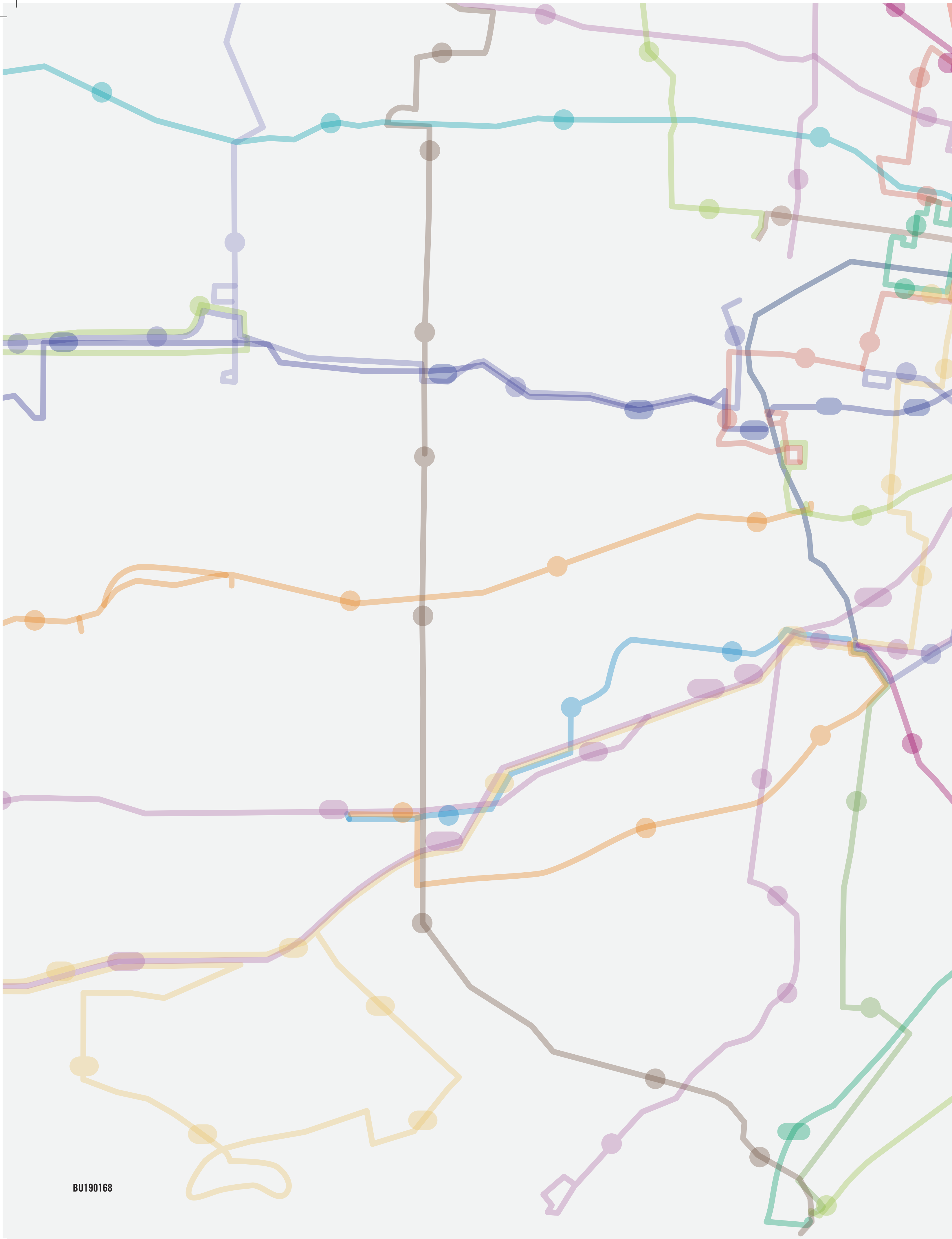
Arts in Transit revenue for FY 2021 is expected to be $140,778. Revenue is received from the Missouri Arts Council and the Regional Arts Commission. Revenue is also generated from the sale of MetroScapes posters and other artwork. In-Kind Contributions are from expertise and service contributions from BSD.

## Expense

Arts in Transit incurs expense from salaries and benefits, consulting fees, the use of outside services to assist in various art projects, and art materials and supplies. In FY 2021 expenses are projected to increase $34,474 or 29.2% primarily due to increased spending for materials and supplies.

Arts in Transit is projecting a net deficit of $11,767 in FY 2021.





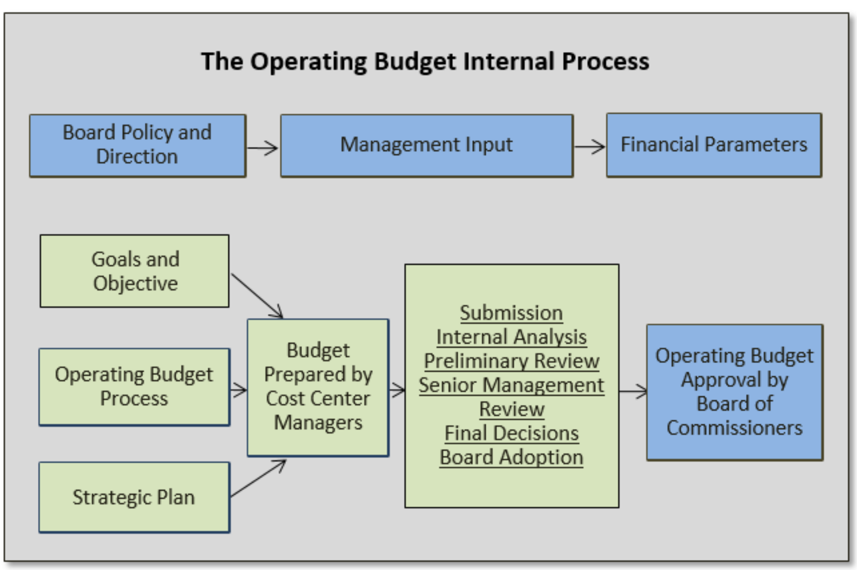
# The Budget Process

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.



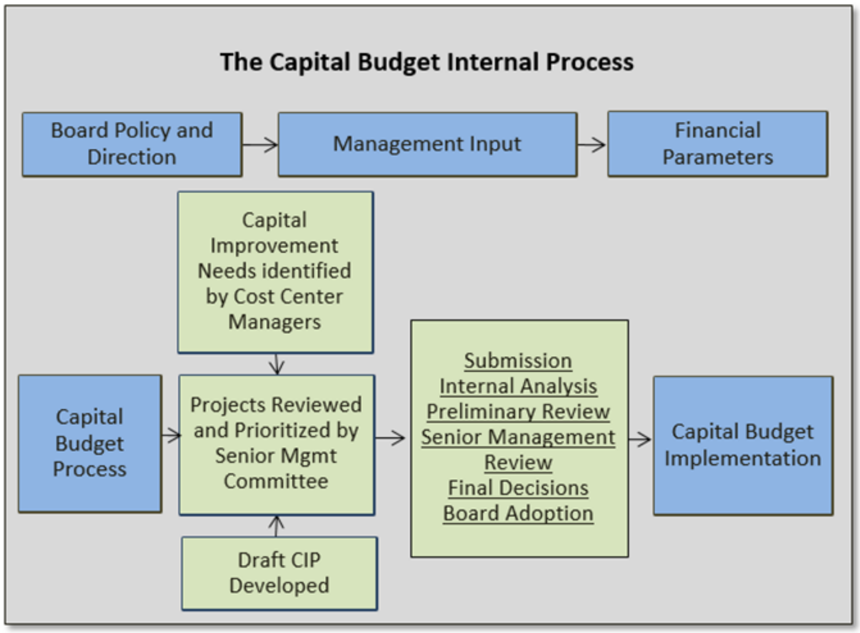
The cost center managers submit operating requests to the budget department using an online application. Bi-State Development's senior management reviews the preliminary operating budgets and sets parameters for the coming year. Through a series of meetings, cost center managers refine their preliminary 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.

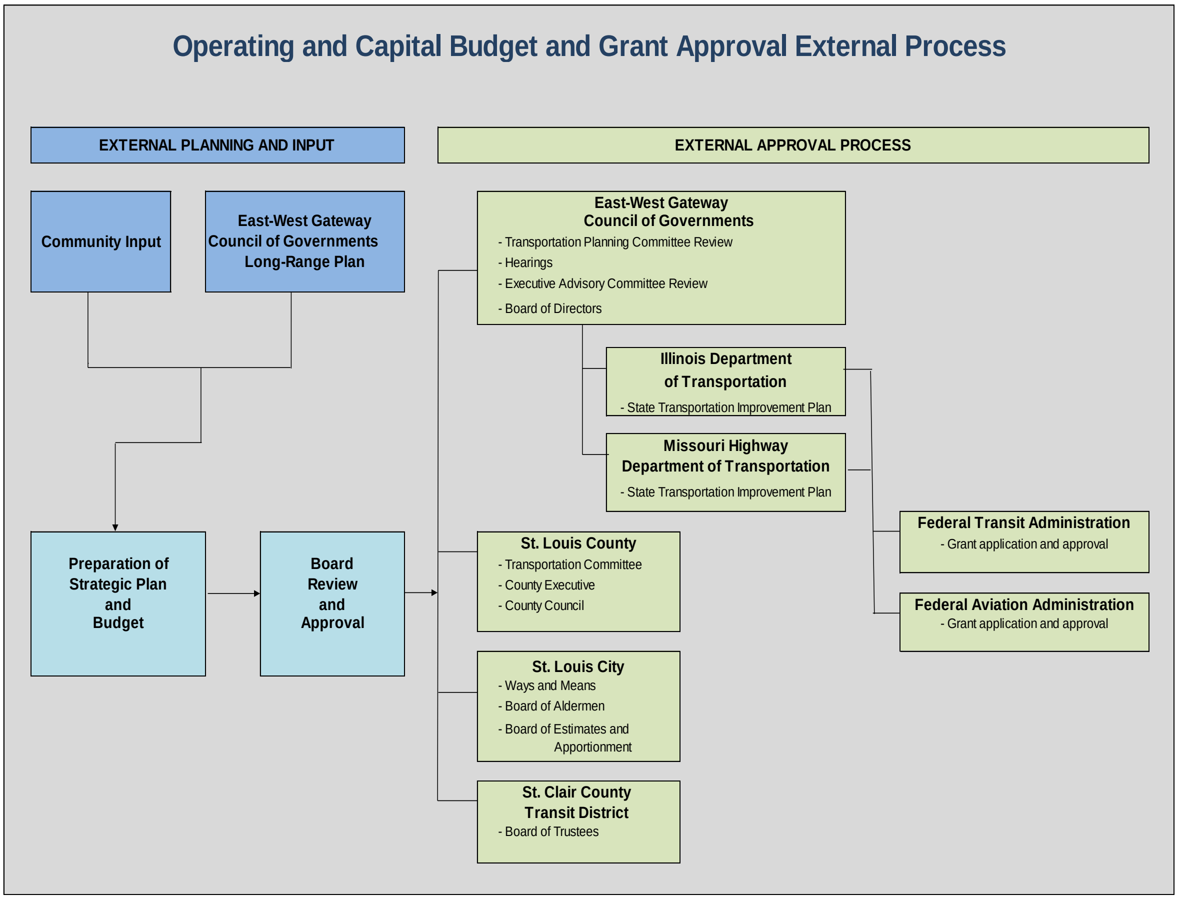



Cost center managers submit capital requests to the budget department. Senior management reviews these preliminary budgets and parameters are set for the coming year. Through a series of meetings with cost center managers, capital budget requests are refined and prioritized. Final decisions are then 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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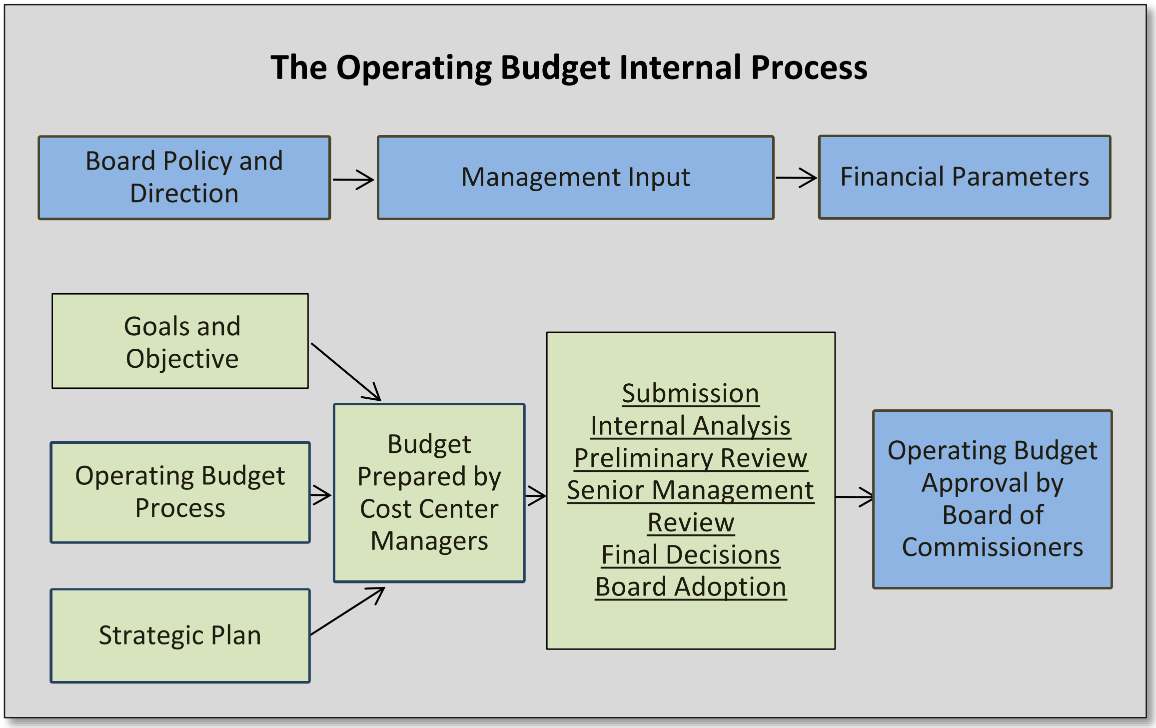
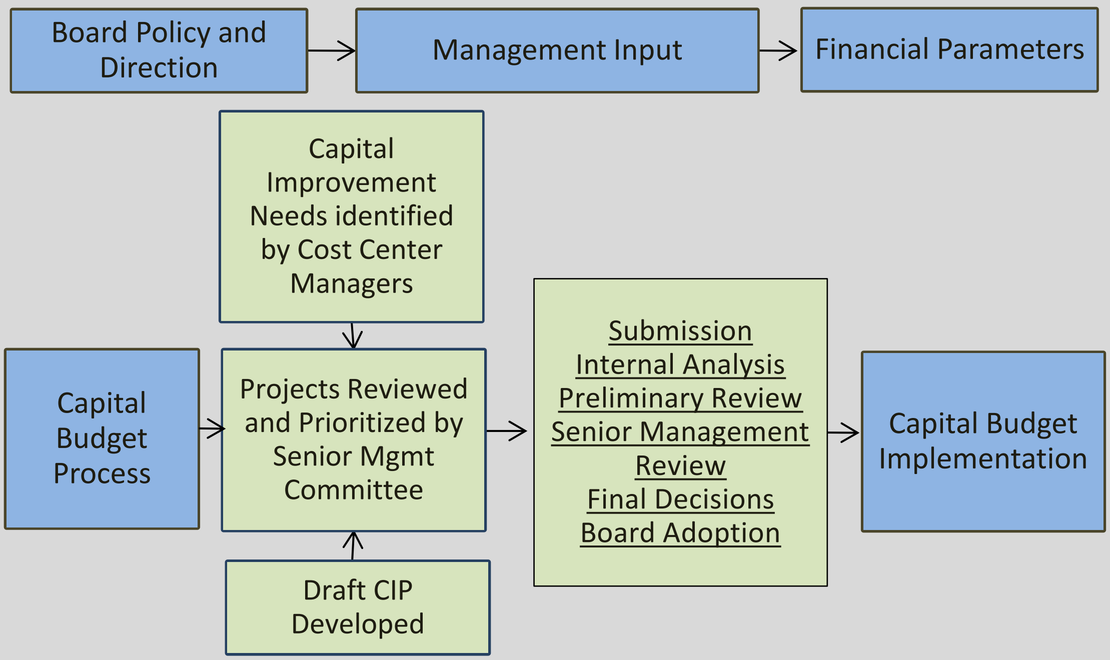
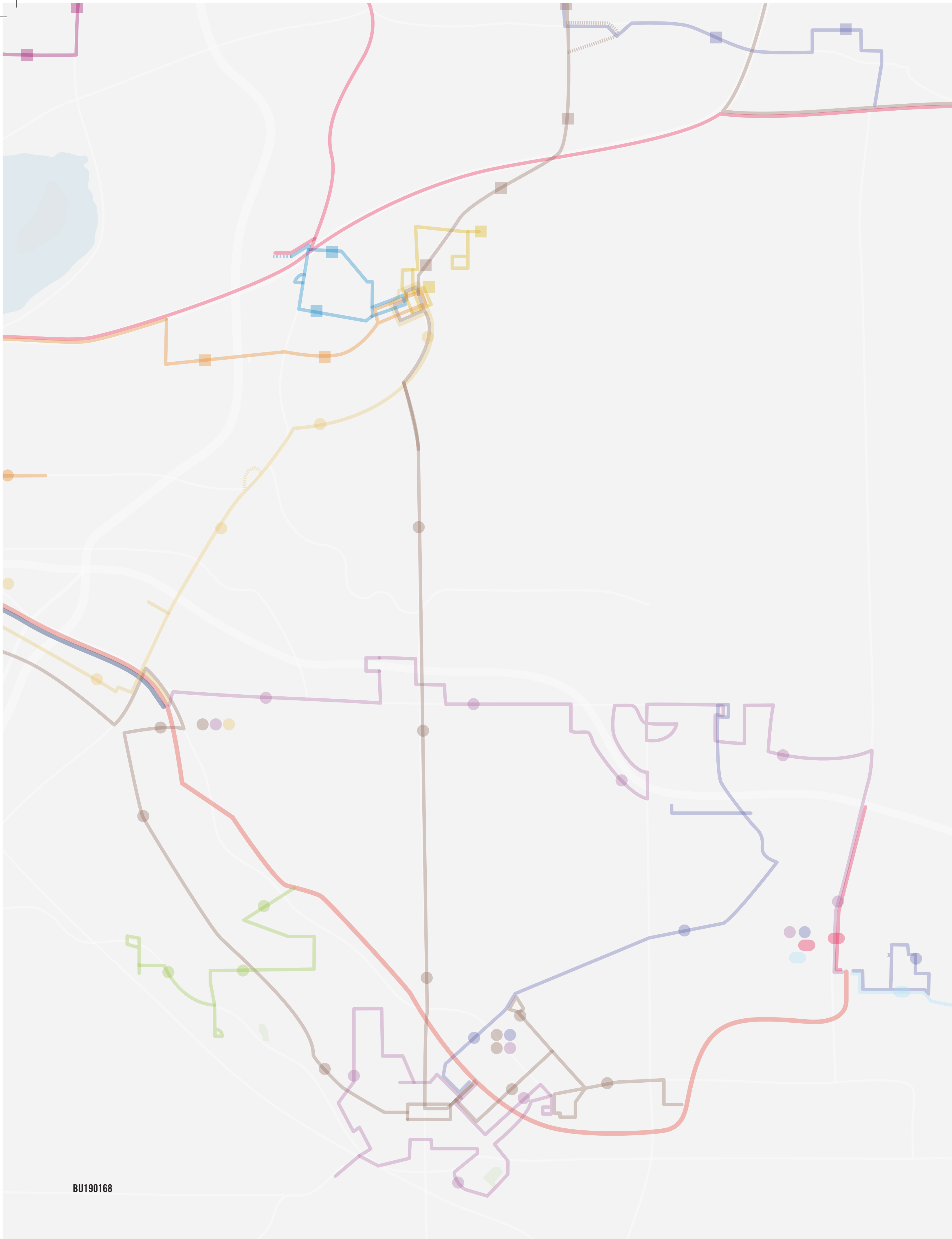

The Operating Budget Internal Process
Board Policy and Direction
Management Input
Financial Parameters
Goals and Objective
Operating Budget Process
Strategic Plan
Budget Prepared by Cost Center Managers
Submission
Internal Analysis
Preliminary Review
Senior Management Review
Final Decisions
Board Adoption
Operating Budget Approval by Board of Commissioners

## The Capital Budget Internal Process



# FY 2021 Operating Budget Calendar

| | |
|---|---|
| September 2019 | • Ready budget system<br>• Review expense and revenue drivers |
| October 2019 | • Division leaders submit goals and objectives<br>• Prepare baseline budget<br>• Budget "kick-off" information released<br>• Budget system opened to management |
| November 2019 | • Miles, hours, passengers and operator manpower received<br>• Position change forms received from division leaders<br>• Organizational leaders submit strategies, action steps and performance measures<br>• Managers submit and vice presidents approve budget requests |
| December 2019 | • Budget team reviews budget input at detail level<br>• Team leaders submit FY 2021 target performance indicator measures<br>• Reports prepared and transit overview discussed with President |
| January 2020 | • Bi-State Development budget reports discussed with President and Vice Presidents<br>• Budget changes made in the system by Budget Team<br>• Updated budget communicated to President and senior staff |
| February 2020 | • Review and analyze budget documents<br>• Transit Improvement Plan created<br>• Approved budget reports and documents prepared |
| March 2020 | • Budget book prepared<br>• PowerPoint budget presentation created<br>• Budget documents printed and sent to Board of Commissioners<br>• Budget presented to the Audit, Finance, and Administration Committee |
| April 2020 | • Budget presented to the Board of Commissioners for approval |
| May/June 2020 | • Complete the external budget approval process St. Louis County<br>• Complete the external budget approval process St. Louis City<br>• Completed the external budget approval process St. Clair County Transit<br>• Complete the exteral budget approval process EWGCG |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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.

The Department of Economic Development is currently engaged with the community on three Transit Oriented Development (TOD) proposed projects. The Forest Park/DeBaliviere TOD project proposes a $90 million, 285-unit, 30,000 square feet retail, apartment development that includes 350 parking spaces. The project will include investment on Bi-State's parking lot and kiss-n-ride properties as well as an adjacent private property along DeBaliviere. A North Hanley TOD proposes a 55-unit workforces housing development at an underutilize portion of the southwest corner of the North Hanley MetroLink parking lot.

BSD staff are also working with the City of Swansea and St. Clair County Transit District on the next phases of TOD development following the 2019 opening of the $11 million, 62-unit Metro Landing active adult project at the Swansea MetroLink station. The next phases will include opportunities for adjacent and on-site mixed-use development as the community works on creating a town center around the station area.

*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 397 vehicles planning to operate on 76 MetroBus routes in FY 2021.

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 a new system redesign in September 2019, Metro Reimagined, to improve frequency delivering shorter waits faster trips and better connections.

*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 2019, 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. The St. Louis Regional Freightway welcomed John Trent of the Georgia Ports Authority as keynote speaker for its spring Freight Industry Forum, which highlighted the new partnership being developed between The Freightway and the Port of Savannah. Currently, the Freightway is positioning the St. Louis region to be a key inland market and distribution center as nation-wide growth in the global container market continues.

# 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** | **2019** | **% Change** |
| St. Louis City | 319,294 | 300,576 | -5.86% |
| St. Louis County | 998,954 | 994,205 | -0.48% |
| St. Charles County | 360,485 | 402.022 | 11.52% |
| Jefferson County | 218,728 | 225,081 | 2.90% |
| Franklin County | 101,491 | 103,967 | 2.44% |
| St. Clair County | 270,056 | 259,686 | -3.84% |
| Madison County | 269,282 | 262,966 | -2.35% |
| Monroe County | 32,957 | 34,637 | 5.10% |
| **Total** | **2,571,247** | **2,583,140** | **0.46%** |
| **United States** | **308,745,538** | **328,239,523** | **6.31%** |

*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 St. Louis region is a global logistics hub and the largest freight hub among comparably sized Midwestern cities totaling 383 million tons of freight annually. The region is home to the second largest inland port, third largest rail hub at the crossroads of six Class I railroads, four interstates and two international cargo airports.

The region has much to offer including urban, suburban and rural communities at one of the lowest costs of living levels among the 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. Opening day for the new St. Louis Aquarium at Union Station was Christmas Day 2019. 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 St. Louis MLS team is a Major League Soccer expansion franchise that is expected to begin play in 2022. 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.

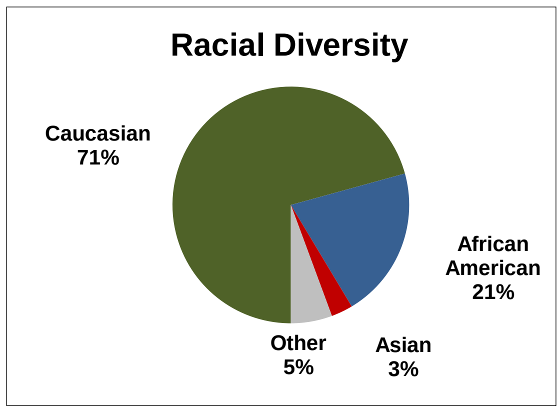
Bi-State Development is the transportation and economic development agency for the St. Louis Region. The City of St. Louis, St. Louis County, and St. Clair County in Illinois are served by BSD's MetroBus, MetroLink and Metro Call-A-Ride operations. Residents from Madison County, Illinois enjoy the benefits 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 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 associate 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 proportions 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-two percent of the region's residents are either Caucasian (71%) or African American (21%), while persons of Asian and other origin each make up about three percent (3.0%) 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 4.9 percent of the region's population.



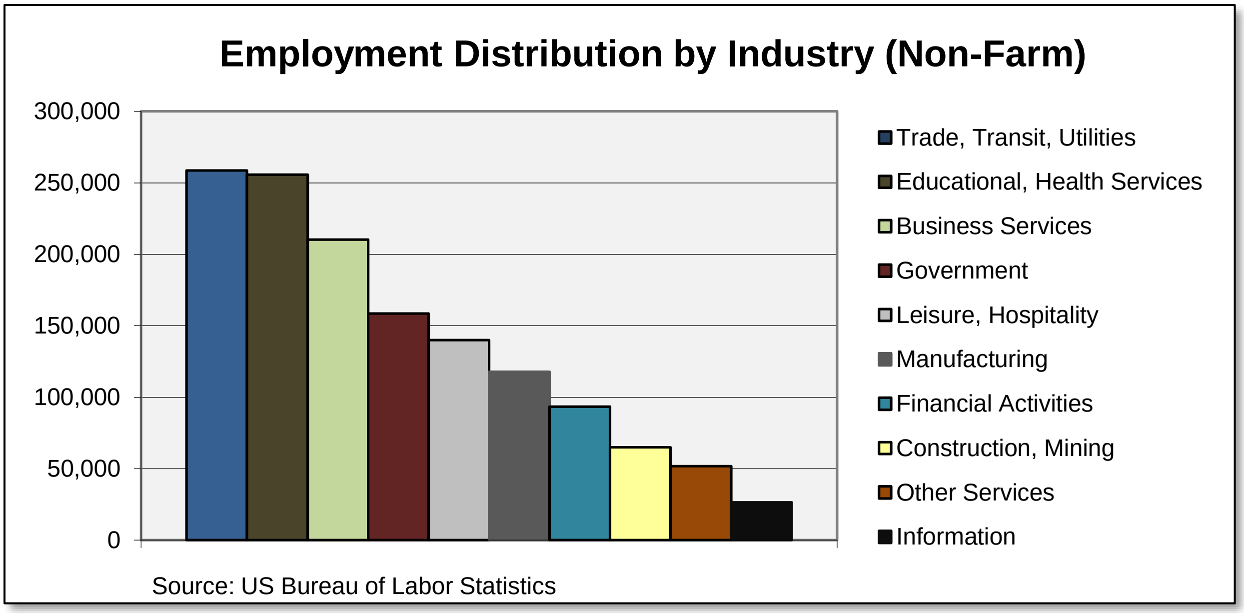

Seniors, age 65 and over, comprise 15.7% of the region's population. The "greying" of the regional workforce is a demographic challenge that policymakers and planners are working to address along with other workforce issues, such as the need to decrease racial disparity through increased access to quality education, workforce development and job opportunities.

## Regional Economy and Workforce

St. Louis' $161 billion-dollar regional economy includes more than 103,700 businesses employing more than 1.4 million people. Fifteen 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 $62,790 per year, and according to the State of Missouri, the gross domestic product of the region is $169.8 billion.

The region ranks fifth 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 $800 million last year.

The St. Louis region is home to a diverse industrial base. The area boasts more than 254 million

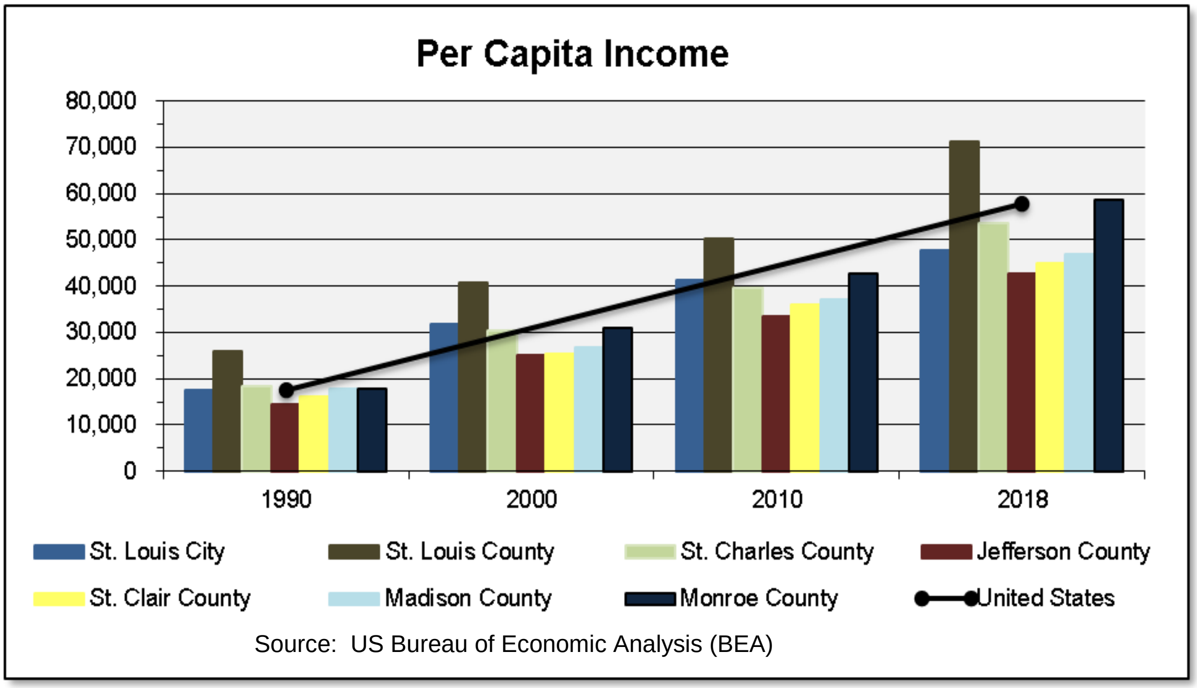



square feet of distribution and manufacturing space, as well as room for growth and expansion. More than 75 companies operate distribution facilities with over 250,000 square feet including some with 1 million square feet. Total non-farm employment is over 1.3 million. The trades, transit and utilities group remain 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.

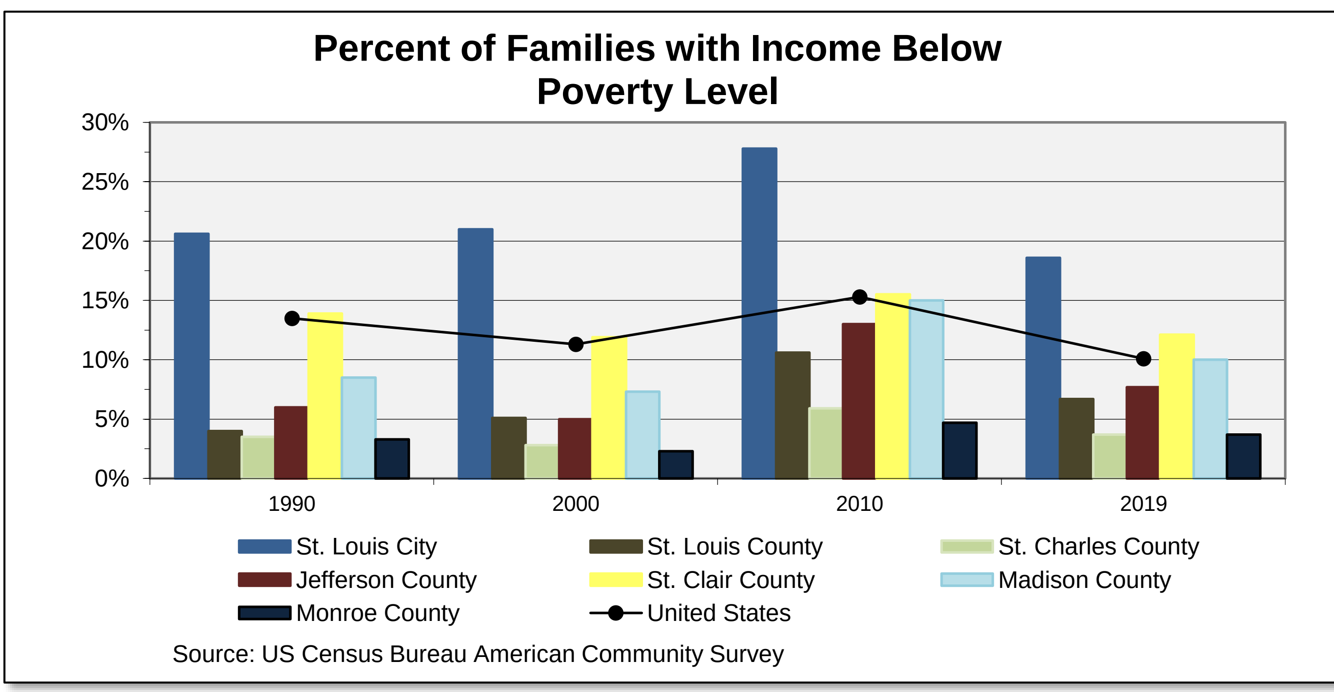
The region is ranked 10th highest in purchasing power in the country (EWG WWS, 2018) as a result of experiencing good real estate development prospects, benefiting from a low cost of doing business as well as living costs. St. Louis scored 3.62 out of 5.0 on perceived development and redevelopment opportunity. Source: 2020 Urban Land Institute Emerging Trends in Real Estate.

## Regional Income and Poverty

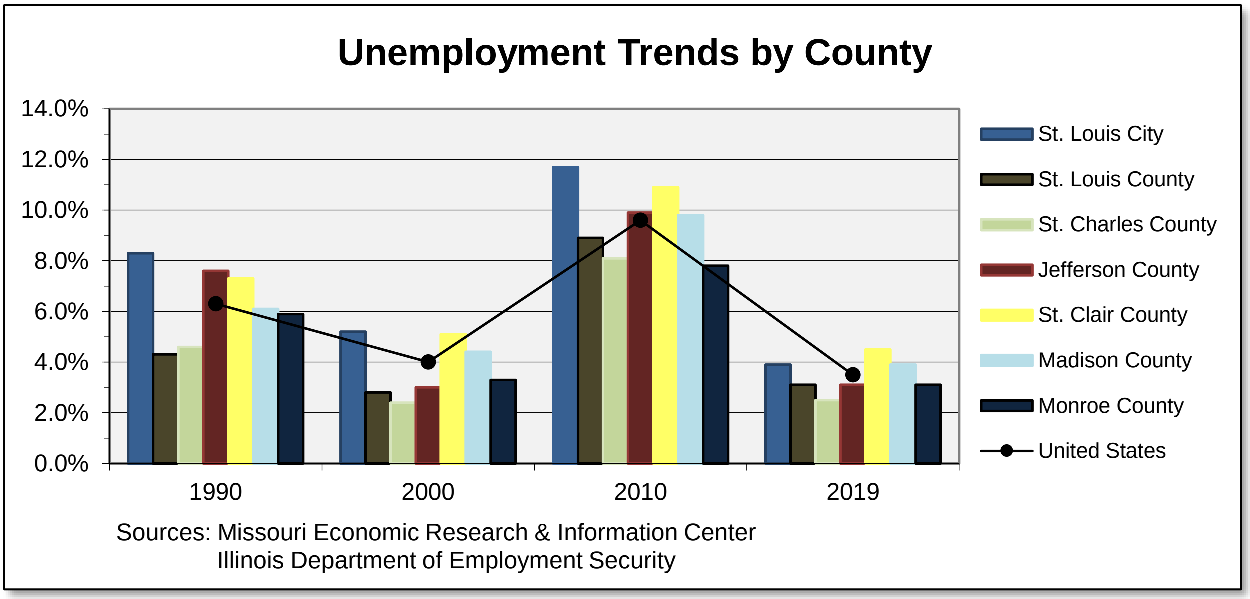
Income levels are relevant to BSD enterprises especially as it relates to public transit ridership. Public transit provides access to work and school for many low-income residents who cannot afford to own or maintain a car. Per capita income is derived by dividing the total income of all people, age 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 2018 U.S. Census Bureau, the national average of families living below the poverty level was 11.8%. 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 November 2019, the Missouri Economic Research and Information Center reported the national average unemployment rate was 3.5%. Within the bi-state area, the average unemployment rate was 3.3%. 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 out of the 50 urbanized areas with the most transit travel (ranked by unlinked passenger trips) 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 15.7% of the region's population. The City of St. Louis has more than 24.2% of its population living below the poverty level. Public transit is the most common mode of travel for households after single occupancy vehicles.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## FY 2019 - FY 2020 Overview

Bi-State Development achieved significant milestones in FY 2019 - 2020. 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.

### Business Events

- Bi-State Development announced that Taulby Roach was selected as its new President and Chief Executive Officer effect on January 1, 2019. Formerly the Chief Financial Officer at the St. Clair County Transit District, Mr. Roach brings to this position nearly three decades of experience in real estate, transportation, public policy, and infrastructure and development.

- In March 2019, Bi-State Development and Metro Transit joined Southwestern Illinois Development Authority (SWIDA) and Bywater Development Group to celebrate the grand opening of Metro Landing of Swansea – an $11 million senior apartment living complex adjacent to the Swansea MetroLink Station. This transit-oriented development features a three-story building with 62 affordable one- and two-bedroom apartments for older adults seeking an independent lifestyle by providing easy access to all of the benefits of the Metro Transit system.

- Bi-State Development joined the National Park Service to celebrate the completion of the CityArchRiver project in early FY 2019. This $380 million project transformed and upgraded critical tourism assets at the Gateway Arch and along the riverfront, including the museum, visitor's center and attractions within Jefferson Memorial National Park. The Bi-State Development team has complimented the completion of this project with new programs, events and features to strengthen regional tourism and re-establish the Gateway Arch as the bi-state area's premier tourist attraction.

- Metro Transit completed several new infrastructure projects to improve safety and security on the region's transit system. This includes construction of a 60-foot platform extension to the Central West End MetroLink Station, the system's busiest station, which is part of a $15.5 million project to improve transit services in the region's central corridor. Metro also launched an Access Control pilot project that used new infrastructure to create better monitored and defined access points to five MetroLink stations. Metro is currently in the planning stages for the redesign of five original MetroLink stations, which were constructed more than 27 years ago, to introduce new amenities and features that will provide a safer and more comfortable transit experience.

- In support of safety and security on Metro Transit, Bi-State Development has established contracts with all three law enforcement partners (City of St. Louis, St. Louis County and St. Clair County) for policing services on the transit system; two memorandums of understanding with St. Clair County and St. Louis City Sheriff's Department for access to secondary officers; and a contract with a new contracted security provider, G4S Secure Solutions. These resources and personnel are all part of a comprehensive, multi-layered approach to transit security.

- For the second year, the St. Louis Regional Freightway partnered with IMX (Inland Marine Expo) and The Waterways Journal for FreightWeekSTL 2019 in May 2019, which brought more than 1,500 industry leaders, experts and influencers together to share ideas and advance the nation's freight and logistics industries. Among the highlights from this year's conference were discussions around growth in the global container market, prospects for enhanced rail service to move more goods between the Midwest and East Coast, progress being made to bring Hyperloop service to Missouri, and the positive impact of these advancements for the St. Louis region.

- The St. Louis Regional Freightway welcomed John Trent of the Georgia Ports Authority as keynote speaker for its spring Freight Industry Forum, which highlighted the new partnership being developed between The Freightway and the Port of Savannah. This new partnership connects the bi-state area with the largest on-terminal rail facility in North America. The port identified the St. Louis region as a key inland market and distribution center, creating potential for stronger links with national and global supply chains.

- Metro Transit made significant progress in FY 2019 to improve transit services in the region, completing a series of public information meetings, public hearings and other community engagement to finalize its Metro Reimagined plan in July 2019 – a data-driven redesign of the MetroBus system that provides transit users with more frequency service, faster and more direct trips, and better connections throughout the region. The new service plan went into effect in September 2019.

- Bi-State Development announced that S&P Global Ratings affirmed the organization's AA+ bond rating, the second highest rating available, on bonds supporting the MetroLink light rail system. S&P Global Ratings affirmed this rating, with a stable outlook, on the organization's Series 2013 Combined Lien Mass Transit Sales Tax Revenue Appropriation Refunding Bonds and the 2009 Senior Lien Mass Transit Sales Tax Appropriation Bonds.

- In September 2019, Bi-State Development refunded $97.2 million Series 2009 Bonds and $99.6 million of the Series 2013A Bonds maturing in 2019, 2028, 2046, and 2048 carrying interest rates of 4.5% to 5%, as well as debt due on the Series 2013A bonds on October 1, 2019. BSD achieved a $49.1 million net present value benefit which equates to approximately $2.3 million annual savings in debt cost. The "Refunding Targets", which included a $20 million set aside for capital security improvements, were achieved.

- St. Louis Downtown Airport, the second busiest general aviation airport in the bi-state area and third busiest airport in Illinois, continues to be an economic engine, contributing more than $584 million to the regional economy. Recent infrastructure enhancements have improved lighting and access at the airport, and a project to redesign two roads near the airport – scheduled to be completed later this year – will reduce travel time for airport users and improve freight movement for airport manufacturers, and nearby barge, trucking and freight/logistics businesses.

- Metro Transit worked with the leadership at Amalgamated Transit Union (ATU) Local 788 to develop and approve in late 2019 a three-year labor agreement for the operators, mechanics and employees represented by the union. Over the course of the contract, ATU members will receive increases to wages and benefits totaling more than $26 million – which not only provides employees with a competitive benefits package, but also strengthens Metro's ability to retain and recruit talented team members.

### Community Engagement

- In partnership with St. Louis County, City of St. Louis and St. Clair County, Metro Transit launched its second year of the Gateway Go Card program, which provides area youth between 13 and 25 years old with the option to purchase transit fares at a 50 percent discount. The program was developed to make it easier for area youth to get to jobs, summer camps, recreational programs and other destinations around the region. The program uses a special version of the Metro Gateway Card smart card, and young people are able to load one-ride tickets, two-hour passes and monthly passes directly to their Gateway Go Card at half the normal price.

- Bi-State Development hosted its annual meeting in November 2018, bringing together more than 500 business and civic partners to highlight the accomplishments of BSD and its enterprises during the last year and chart the course for regional initiatives for the next 12 months.

- Metro Transit held a special reception at the North County Transit Center for more than 30 local young people who participated in the Hip-Hop Architecture Camp, a week-long program that blended architecture, hip-hop and urban planning to encourage creativity and introduce young people to the field of architecture. The reception highlighted 3D models developed by the campers on what new developments, amenities and services would be included in the vision of their ideal community around the North Hanley Transit Center.

- Metro Transit partnered with the St. Louis Blues and Fire Truck O 'Toys, a local non-profit organization that delivers toys to St. Louis area children's hospitals, on a special holiday toy drive. Thousands of new toys were collected and used to fill a St. Louis Blues-themed MetroBus that traveled to area hospitals in December to deliver toys to children.

- Metro Transit introduced new technology throughout FY2019 to make using the transit system easier, more convenient, safer and more comfortable for customers. Metro renewed its partnership with Noonlight to offer Metro riders access to their mobile public safety app for free, allowing them to instantly connect with law enforcement at a touch of a button. Metro also launched two new text numbers so customers can connect directly with Metro Transit Information and Metro Public Safety through their mobile device. In March 2019, Metro announced that Transit would be its official mobile app, which offers easy to access real-time bus information, trip-planning and transit information. Metro also launched a pilot program of a new mobile fare payment system, Metro Mobile, in spring 2019.

- Bi-State Development has once again partnered with the Urban Land Institute and the Public Policy Administration Program of the University of Missouri-St. Louis to offer a Chancellor's Certificate Program in Fundamentals of Economic Development. The classes are designed to help local government personnel, special taxing district staff, and elected and non-elected officials learn introductory economic and community development concepts. This is the fourth year the program has been offered.

### Awards and Acknowledgements

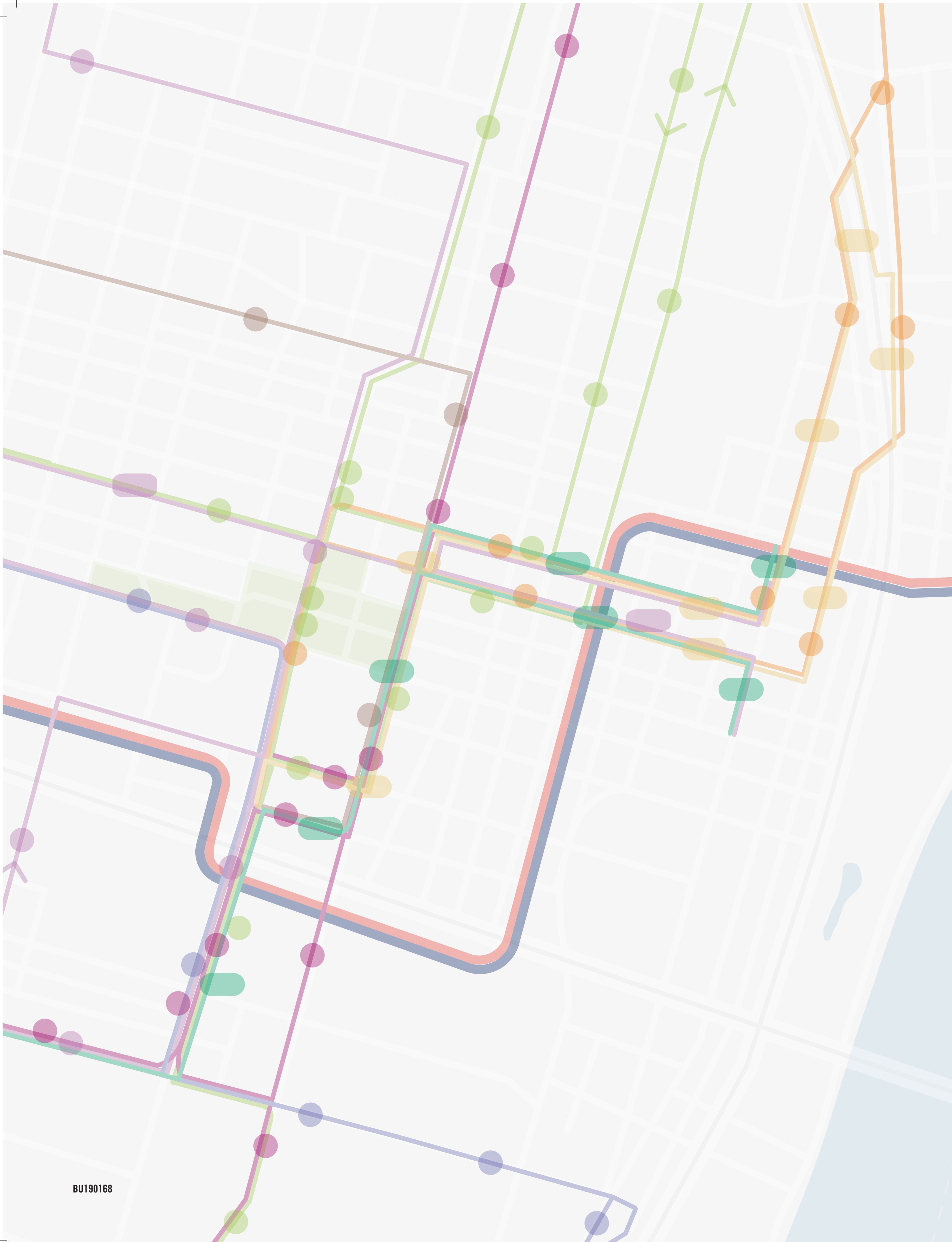
- Mary Lamie was named as one of St. Louis Small Business Monthly's 2019 Class of Wonder Women, for her work to build a better future for the region through the St. Louis Regional Freightway.

- The St. Louis Regional Freightway was named the 2019 Railroader of the Year by the St. Louis Railway Club, based on its role to maximize infrastructure investment through public-private partnerships and collaboration.

- Executive Director of Metro Transit, Jessica Mefford-Miller, was names as one of Progressive Railroading's 2019 Rising Stars, which highlights individuals under the age of 40 who are making a positive difference to the industry.

- The Government Finance Officers' Association of the U.S. and Canada awarded Bi-State Development the Certificate of Achievement for Excellence in Financial Reporting for the 24th consecutive year for its comprehensive annual financial report (CAFR).

- The Government Finance Officers' Association of the U.S. and Canada awarded Bi-State Development the Distinguished Budget Presentation Award for the 13th year in a row.



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# Bi-State Development Funds, Sources and Uses

The FY 2021 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 $14.7 million or 5.5%. 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 $.9 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 2021.

## Gateway Arch

The Gateway Arch Tram is expected to operate at a positive cash flow of $1.3 million or 6.1%. 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 $3.85 million These projects include the design and audio visual programming for the Tucker Theatre experience project for $3.75 million, and Jefferson National Expansion Memorial park identifying signage for $100 thousand. 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 2021. Revenue has begun to increase subsequent to the completion of the riverfront and Arch grounds construction.

## 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 2021 are expected to total $1.06 million. Out years include planned taxiway and land improvements and specific equipment replacements.

## St. Louis Regional Freightway

St. Louis Regional Freightway continues to move forward. Still in the building stage, a negative cash flow of $45 thousand is projected for FY 2021. 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 2021 budget.

## Self-Insurance Funds

The three Self-Insurance Funds have a combined source of funds of $53.6 million. The source of funds for Health, Casualty and Workers' Compensation funds are $38.4 million, $5.5 million and $9.7 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 2021 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 less than $1,000.

## Bi-State Development
## Capital and Operating Budget
## Projected Sources and Uses of Funds
## Fiscal Year 2021 and June 30, 2019 Balance
## (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*** | **$ 268,175** | **$ 4,832** | **$ 20,946** | **$ 14** | **$ 1,556** | **$ 16** | **$ 108** | **$ 73** | **$ 2,760** | **$ 9,886** | **$ 11,071** | **$ 319,437** |
| **Sources of funds:** | | | | | | | | | | | | |
| Operating revenue | 44,398 | 5,163 | 13,607 | 3,896 | 2,038 | - | - | - | - | - | - | 69,102 |
| State and local assistance | 318,248 | - | - | - | 8 | - | - | - | - | - | - | 318,256 |
| Federal assistance | 274,741 | - | - | - | 135 | - | - | - | - | - | - | 274,876 |
| Investment Income ** | 5,069 | 53 | 157 | - | 15 | - | - | - | - | - | - | 5,294 |
| Other | 5,944 | - | - | - | - | 500 | - | 15 | 38,362 | 5,525 | 9,705 | 60,051 |
| **Total Sources** | **648,400** | **5,216** | **13,764** | **3,896** | **2,196** | **500** | **-** | **15** | **38,362** | **5,525** | **9,705** | **727,579** |
| **Uses of funds:** | | | | | | | | | | | | |
| Wages and benefits *** | 210,176 | 2,595 | 2,949 | 1,659 | 1,105 | 187 | - | 22 | 829 | 629 | 254 | 220,405 |
| Services | 39,812 | 1,309 | 1,255 | 283 | 97 | 300 | 17 | 63 | 286 | 48 | 19 | 43,489 |
| Materials and supplies | 35,418 | 28 | 462 | 600 | 132 | 4 | 1 | 56 | 24 | 4 | 2 | 36,731 |
| Utilities and fuel | 7,959 | 4 | 143 | 89 | 171 | - | 1 | 1 | 5 | 1 | 1 | 8,375 |
| Casualty and liability costs | 9,172 | - | 86 | 166 | 59 | - | - | - | - | 1,050 | - | 10,533 |
| Other | 7,277 | 389 | 2,132 | 359 | 125 | 54 | - | 11 | 37,241 | 5,799 | 9,189 | 62,576 |
| Contributions to Others | 1,245 | - | 1,155 | - | - | - | - | - | - | - | - | 2,400 |
| 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 | - | - | 3,850 | 360 | 62 | - | - | - | - | - | - | 4,272 |
| Debt service (interest and principal) ** | 27,767 | - | 453 | - | - | - | - | - | - | - | - | 28,220 |
| **Total Uses** | **663,132** | **4,325** | **12,485** | **3,516** | **2,128** | **545** | **19** | **153** | **38,385** | **7,531** | **9,465** | **741,684** |
| **Ending available funds** | **$ 253,444** | **$ 5,722** | **$ 22,224** | **$ 394** | **$ 1,624** | **$ (30)** | **$ 90** | **$ (65)** | **$ 2,738** | **$ 7,880** | **$ 11,310** | **$ 305,332** |
| **Change in Balance** | **$ (14,731)** | **$ 890** | **$ 1,278** | **$ 380** | **$ 68** | **$ (46)** | **$ (18)** | **$ (138)** | **$ (22)** | **$ (2,006)** | **$ 239** | **$ (14,105)** |
| **Percent Change** | **-5.5%** | **18.4%** | **6.1%** | **> 100%** | **4.4%** | **<100%** | **-16.7%** | **-189.0%** | **-0.8%** | **-20.3%** | **2.2%** | **-4.4%** |

* Beginning balances are from the January 31, 2020 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 2018. 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

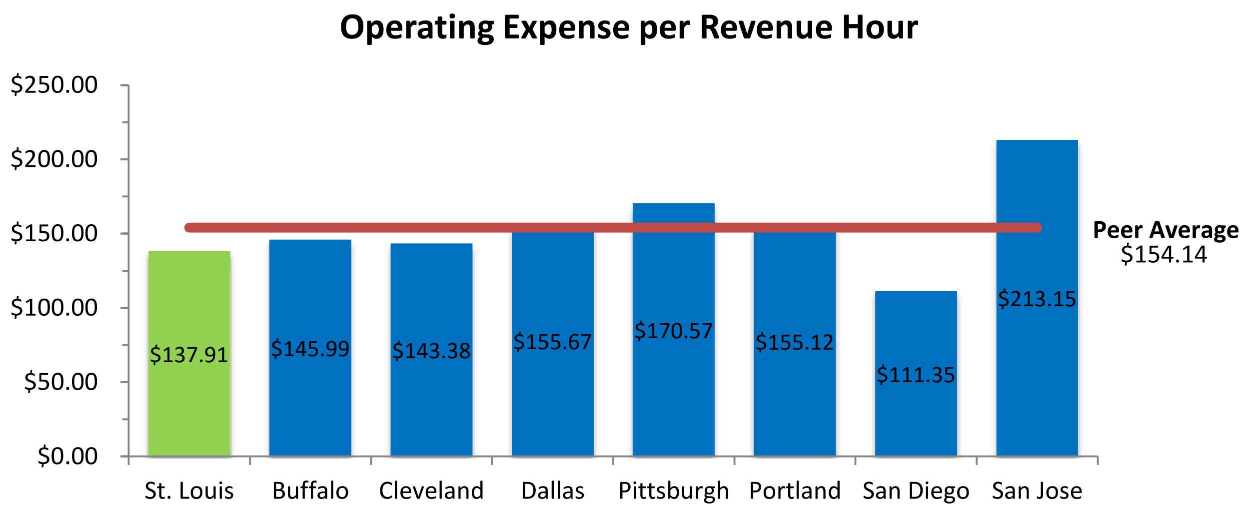
*Operational Efficiency*

- Farebox Recovery (Fare Revenue per Operating Expense)

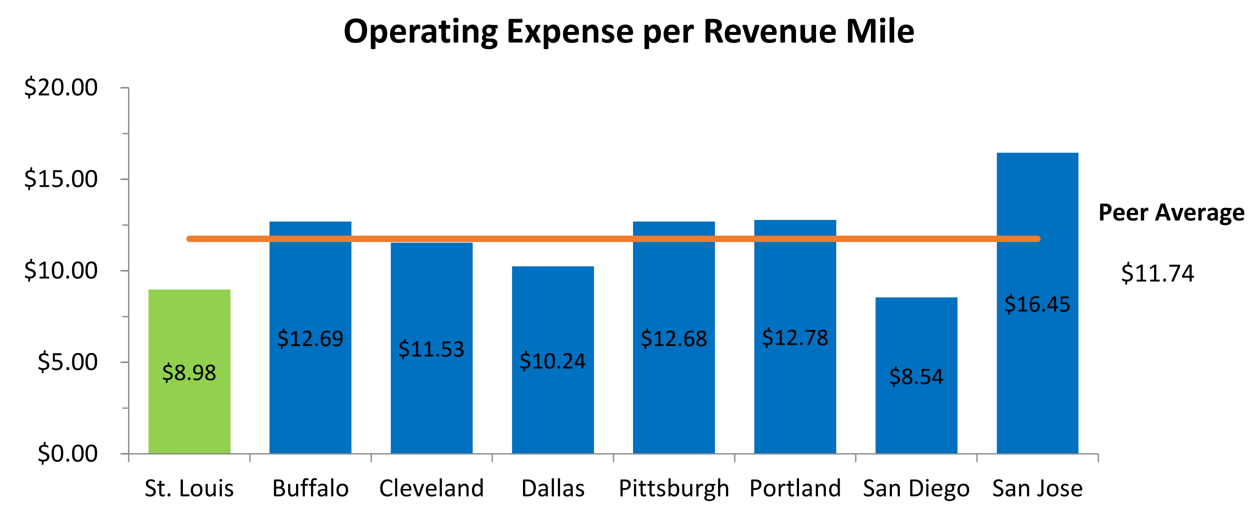
The following charts are prepared using 2018 National Transit Database system data, which is the latest data available at this writing. Most of these comparisons incorporate ridership and revenue related to ridership. Since 2017, ridership has continued to trend downward.

## Peer Performance Comparison

*Service Efficiency*



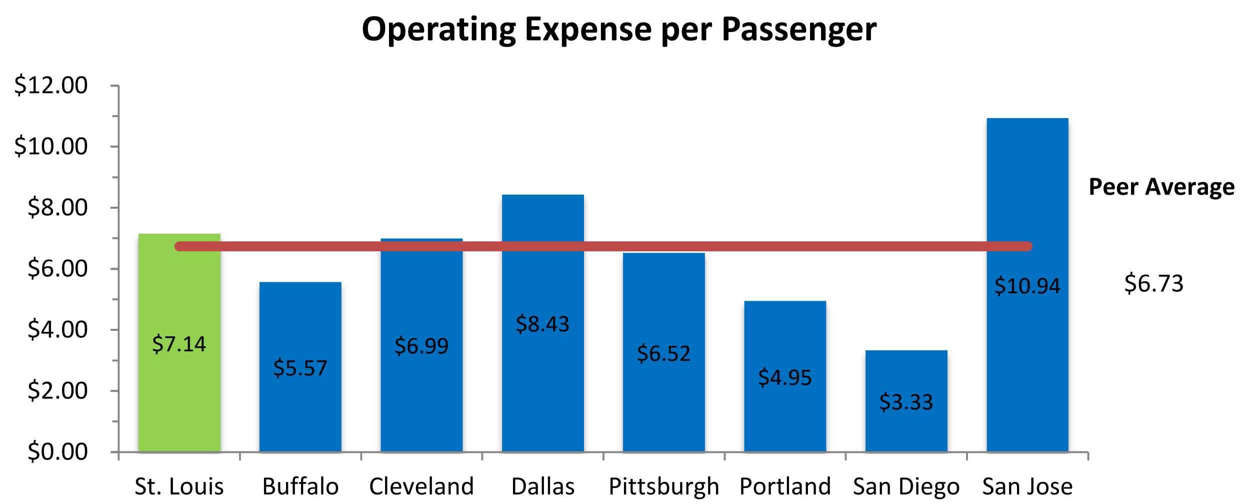

Operating Expenses are the costs associated with the operation of the transit agency and goods and services purchased for system operation. The cost efficiency performance ratio of operating expense per revenue hour shows Bi-State Development transit's cost per hour at 10.5% below the peer average and ranking the second most efficient of the peer group behind only San Diego



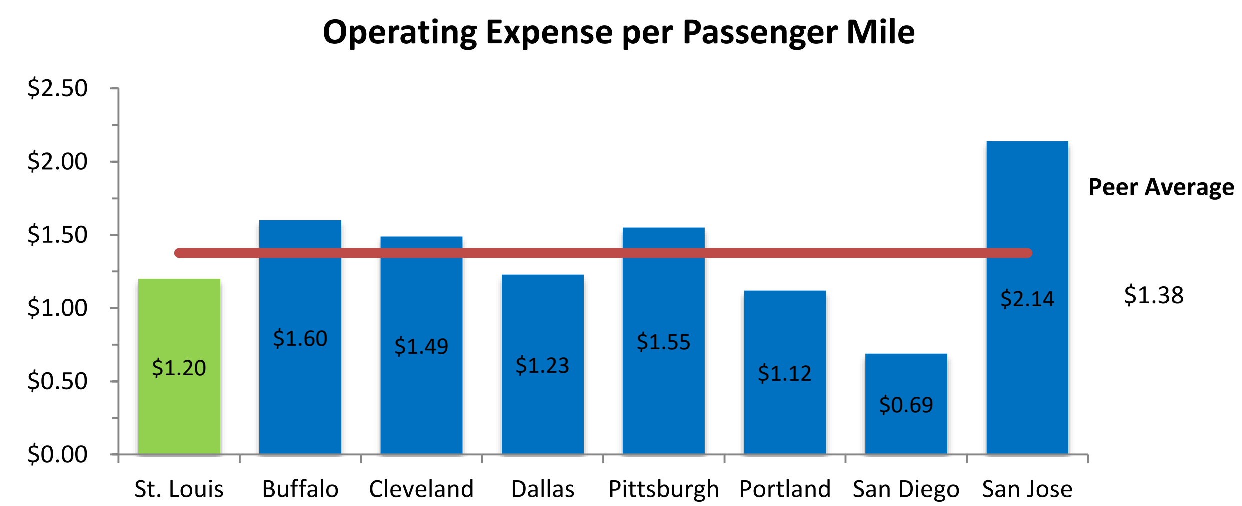

The performance ratio of operating expense per revenue mile has Bi-State Development transit's cost per mile ranking the second lowest of the peer group only behind San Diego and 23.5% below the peer average.

## Peer Performance Comparison

*Cost Effectiveness*



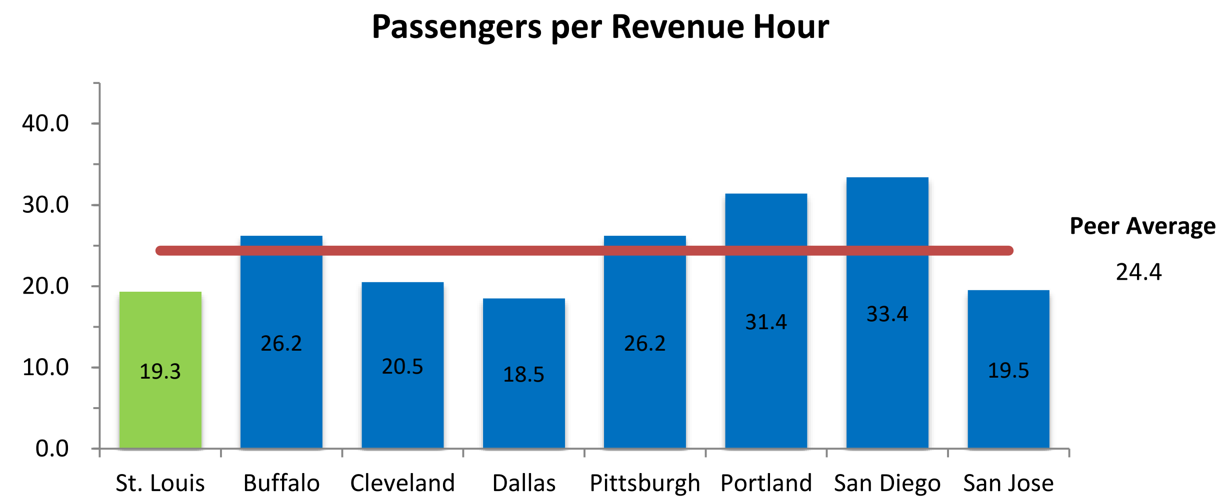

The cost effectiveness performance ratio of operating expense per passenger shows Bi-State Development transit consistent with the average expense for agencies within this peer group. BSD at $7.14 operating expense per passenger is ranked near the middle of the peer group and just above the peer average of $6.73.




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 $1.20 per passenger mile is 13.0% better than the peer average. BSD prides itself on controlling costs beginning with their effective preventive maintenance program.

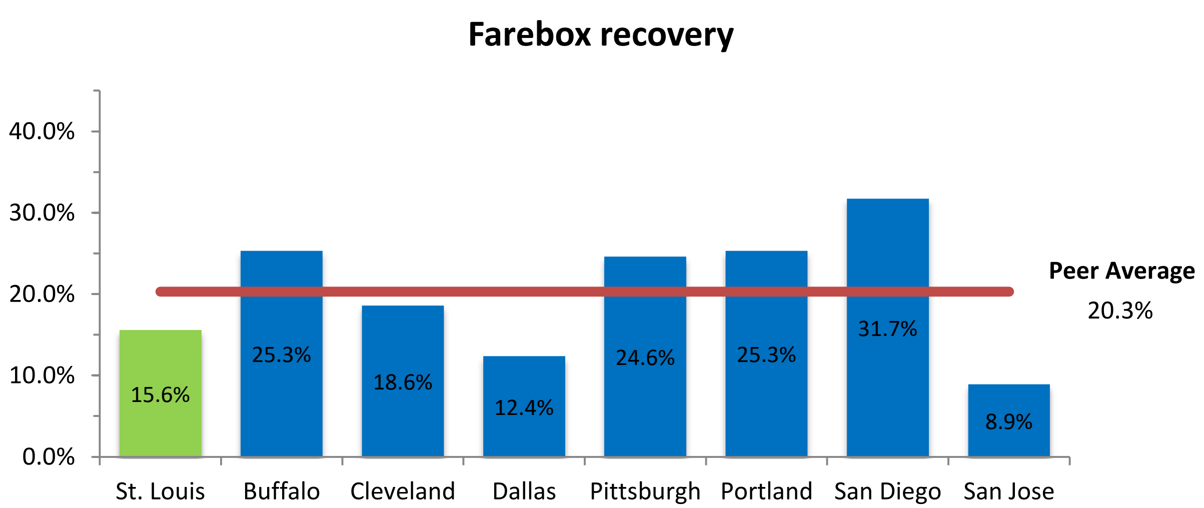
## Peer Performance Comparison

*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 15.6% 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 non-cash other post-employment benefit expenses.

Bi-State Development is required to adopt a balanced operating budget per Missouri Statute 70.370; 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.

## Proprietary Funds

Bi-State Development's proprietary 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, 2019, Bi-State Development's enterprise fund related money market funds and commodities accounts at fair value were $157,759,393. 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, 2019.

**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, 2019, 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, 2019, 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, 2019 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, 2019, more than 5 percent of Bi-State Development's investments were in the Federal Home Loan Bank and Federal Farm Credit Banks, totaling $25,514,778 and $29,926,357, 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, 2019, more than 5 percent of the OPEB trusts investments were in the Artisan Partners Fund ($2.2 million), Vanguard 500 Index Fund ($8.9 million), DFA Investment Dimensions ($2.3 million), Neuberger Berman Intl Fund ($4.3 million), Metropolitan West Funds ($7.1 million), Blackstone Hedged Equity ($3.6 million) and Blackstone Park Avenue ($3.4 million).

**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, 2019, 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 $332,588 for unrestricted funds.

**Cash Deposits**

At June 30, 2019, the carrying amounts of Bi-State Development's restricted and unrestricted deposits were $5,436,875 and the bank balances were $9,016,216 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, 2019, Bi-State Development's total bank balance was $9,016,216. 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, 2019, 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 | - | $ 7,378,802 | $ 7,378,802 | $ - | $ - | $ - | $ - |
| CDs | -/Aa2 | 4,604,016 | - | - | 4,604,016 | - | - |
| Money Market Funds | | | | | | | |
| & Other Broker Accounts | AAAm/Aaa-mf | 155,550,363 | 155,550,363 | - | - | - | - |
| Commodities Account | - | 2,209,030 | 2,209,030 | - | - | - | - |
| U.S. Treasury Bills | AA+/Aaa | 8,798,011 | - | 2,398,203 | 6,399,808 | - | - |
| U.S. Treasury Notes | AA+/Aaa | 14,452,873 | - | - | 14,452,873 | - | - |
| Government Agencies: | | | | | | | |
| FHLB Discount Notes | AA+/Aaa | 1,999,760 | - | 1,999,760 | - | - | - |
| FHLB Bonds | AA+/Aaa | 23,515,018 | - | 499,728 | 17,012,708 | 6,002,582 | - |
| FCB Bonds | AA+/Aaa | 29,926,357 | - | - | 13,973,344 | 15,953,013 | - |
| FNMA | AA+/Aaa | 13,561,018 | | 13,561,018 | | | |
| PEFCO Bonds | | 10,966,682 | - | - | - | 10,966,682 | - |
| Municipal Bonds | See Below | 6,430,581 | - | - | 1,248,382 | 5,182,199 | - |
| Investment Contracts: | | | | | | | |
| AIG | BBB+/Baa1 | 17,911,972 | - | - | - | - | 17,911,972 |
| Assured Guaranty | AA/A2 | 100,168,727 | - | - | - | - | 100,168,727 |
| Total | | $ 397,473,210 | $ 165,138,195 | $ 18,458,709 | $ 57,691,131 | $ 38,104,476 | $ 118,080,699 |

A breakdown of municipal bonds is as follows:

**Cash, Cash Equivalents and Investment Maturities**
**Municipal Bonds**

| | Credit Rating (S&P/Moody's) | Balance | Overnight | 2-90 days | 90-365 days | 1-5 years | +5 years |
|---|---|---|---|---|---|---|---|
| Massachusetts State | AA/Aa1 | $ 5,108,285 | $ - | $ - | $ 1,248,382 | $ 3,859,903 | $ - |
| Illinois State | BBB-/Baa3 | 504,720 | - | - | - | 504,720 | - |
| Nevada State | AA/Aa2 | 817,576 | - | - | - | 817,576 | - |
| Total | | $ 6,430,581 | $ - | $ - | $ 1,248,382 | $ 5,182,199 | $ - |

At June 30, 2019, 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 | $ 13,096 | $ 13,096 | $ - | $ - | $ - |
| **U.S. Equity** | | | | | | |
| Artisan Partners Mid Cap Funds | n/a | 2,229,489 | 2,229,489 | - | - | - |
| Vanguard 500 Index Fund | n/a | 8,890,168 | 8,890,168 | - | - | - |
| DFA Investment Dimensions Group | n/a | 2,323,809 | 2,323,809 | - | - | - |
| John Hancock Disciplined Fund | n/a | 4,459,441 | 4,459,441 | | | |
| **Non-U.S. Equity** | | | | | | |
| Neuberger Berman International | n/a | 4,332,716 | 4,332,716 | - | - | - |
| **Fixed Income** | | | | | | |
| Metropolitan West Funds | AA | 7,084,432 | 7,084,432 | - | - | - |
| **Hedge Funds** | | | | | | |
| Blackstone Hedged Equity Offshore Fund | n/a | 2,549,089 | - | - | 2,549,089 | - |
| Blackstone Hedged Equity Offshore Fund Limited, Series 3 | n/a | 922,704 | - | - | 922,704 | - |
| Blackstone Hedged Equity Offshore Fund Limited, Series 4 | n/a | 57,375 | - | - | 57,375 | - |
| Blackstone Hedged Equity Offshore Fund Limited, Series 7 | n/a | 31,771 | - | - | 31,771 | - |
| Blackstone Park Avenue Non-Taxable Fund L.P. | n/a | 3,407,056 | - | - | 3,407,056 | - |
| **Total** | | $ 36,301,146 | $ 29,333,151 | $ - | $ 6,967,995 | $ - |

## 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.

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 fair value of the swaps is estimated by a mathematical approximation of the market, derived from proprietary models as of a given date, and based on certain assumptions regarding past, present, and future market conditions, as well as certain financial information. The hedge agreement is reported at fair value, and amounts owed by BSD are included in deferred outflows of resources and amounts due to BSD are included in deferred inflows of resources on the Statements of Net Position.

### 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 2020 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 |
|---|---|
| 2020 | $ 1,851,018 |
| 2021 | 1,481,269 |
| 2022 | 1,390,591 |
| 2023 | 1,311,396 |
| 2024 | 1,285,795 |
| 2025-2029 | 4,098,572 |
| 2030-2034 | 1,285,751 |
| 2035-2039 | 656,053 |
| 2040-2044 | 584,096 |
| 2045-2049 | 378,424 |
| 2050-2054 | 170,774 |
| 2055-2059 | 170,774 |
| 2060-2064 | 170,774 |
| 2065-2069 | 170,774 |
| 2070-2074 | 170,774 |
| 2075-2079 | 170,774 |
| 2080-2084 | 170,774 |
| 2085-2089 | 170,774 |
| 2090-2094 | 170,774 |
| 2095-2099 | 157,707 |
| | $ 16,017,638 |

**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 2019, approximately $7.1 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 or Chief Financial 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, 2019 were as follows:

| | | 2019 |
|---|---|---|
| Unrestricted cash and cash equivalents | | |
| Cash on hand | $ | 332,588 |
| Cash deposits | | (492,001) |
| Cash equivalents | | 96,920,040 |
| Total unrestricted cash and cash equivalents | | 96,760,627 |
| Restricted cash and cash equivalents | | 66,641,848 |
| Total cash and cash equivalents | | 163,402,475 |
| Unrestricted investments | | 62,925,934 |
| Restricted investments | | 53,064,102 |
| Restricted investments held to pay capital lease | | 118,080,699 |
| Total restricted investments | | 171,144,801 |
| Total investments | | 234,070,735 |
| Total cash, cash equivalents and investments | $ | 397,473,210 |

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, 2019, Bi-State Development had $66.6 million in restricted cash and cash equivalents and $171.1 million in restricted investments, respectively.

Restricted cash, cash equivalents, and investments for Bi-State Development as of June 30, 2019 were the following:

**2019 Restricted cash, cash equivalents and investments**

| | Cash & Cash Equivalents | Investments | Total |
|---|---|---|---|
| Cross county debt service reserve | $ 13,199,089 | $ 32,857,366 | $ 46,056,455 |
| Arch debt service reserve, project fund | 759,778 | - | 759,778 |
| Regional Freightway | 15,000 | - | 15,000 |
| Self-insurance | 24,818,477 | 2,348,988 | 27,167,465 |
| Capital lease - collateral | 5,246 | 6,357,748 | 6,362,994 |
| Capital tower lease - collateral | 707,775 | 1,000,000 | 1,707,775 |
| National Park Service | 16,702,907 | - | 16,702,907 |
| Federal Transit Authority | 8,224,526 | 10,500,000 | 18,724,526 |
| Fuel hedge program | 2,209,050 | - | 2,209,050 |
| Total restricted cash and Investments | $ 66,641,848 | $ 53,064,102 | $ 119,705,950 |
| Restricted investments held to pay capital lease / leaseback liabilities | - | 118,080,699 | 118,080,699 |
| Total restricted cash, cash equivalents and investments | $ 66,641,848 | $ 171,144,801 | $ 237,786,649 |

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 2019, the collateral requirement is $6.3 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 capital projects under the Cooperative agreement between Bi-State Development and the National Park Service.

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 $727,142.

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 totaling $118.1 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. Since inception, this amount on deposit has significantly decreased.

## 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 for a competitive bid are applied as follows once the budget is adopted:

| | |
|---|---|
| Cost Center Managers | $ 100,000 and under |
| VP Procurement | $100,000 and over |
| Chief Executive Officer | $ 500,000 and under |
| Board of Commissioners | $500,000 and over |

### 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.

The accrued compensated absence liability for salaried employees' paid time off is $4.0 million on June 30, 2019, which is down slightly with prior year. The combined accrued compensation absence liability for sick and vacation time for bargaining unit employees increased to $11.9 million in FY 2019 from $11.8 million in the prior year.

**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 2019**

| | Injury, Damage and Personal Liabilities | Workers' Compensation | Employee Medical and Dental | Total Self-Insured Liabilities |
|---|---|---|---|---|
| Balance: | | | | |
| At beginning of fiscal year | $ 10,362,703 | $ 10,269,000 | $ 3,812,031 | $ 24,443,734 |
| Add: | | | | |
| Claims and changes in estimate | 5,171,637 | 9,133,796 | 36,079,731 | 50,385,164 |
| Less: | | | | |
| Claim payments | (5,404,425) | (6,640,796) | (36,160,238) | (48,205,459) |
| Balance: | | | | |
| At end of fiscal year | $ 10,129,915 | $ 12,762,000 | $ 3,731,524 | $ 26,623,439 |

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, 2019 are adequate to satisfy claims for events that have occurred through those respective dates. At June 30, 2019, Bi-State Development held $27.2 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, 2019 balance of $3.7 million for medical and dental liability is expected to be paid the following year. At June 30, 2019, management estimates approximately $13.6 million of the workers' compensation and casualty liabilities are payable within one year. Of the $13.6 million, $6.6 million relates to injury, damage, and personal liabilities and $7.0 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 $7,000,000 for the year ended June 30, 2019. 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 $10,105,925 and $258,261, respectively, for the year ended June 30, 2019. 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, 2019.

**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, 2019, 2,198 active and 1210 retiree union and salaried participants 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, 2019 was the following:

| | 2019 | |
|---|---|---|
| | Carrying Value | Fair Value |
| | *(in millions)* | |
| Financial liabilities | | |
| Total debt | $ 529.3 | $ 550.6 |

Debt, capital lease obligations and non-current liabilities at June 30, 2019, consisted of the following:

| | 2018 Beginning Balance | Additions | Reductions | 2019 Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Capital Lease Obligations | $ 110,822,945 | $ 7,257,754 | $ - | $ 118,080,699 | $ - |
| Mass Transit Sales Tax Appropriation | | | | | |
| Bonds, Series 2009 | 97,220,000 | - | - | 97,220,000 | - |
| Less: Unamortized debt discount | (151,686) | 7,116 | - | (144,570) | - |
| Mass Transit Sales Tax Appropriation | | | | | |
| Bonds, Series 2013A | 290,835,000 | - | (9,030,000) | 281,805,000 | 9,630,000 |
| Plus: Unamortized debt premium | 10,845,396 | - | (1,824,829) | 9,020,567 | - |
| Less: Unamortized debt discount | (818,539) | 28,452 | - | (790,087) | - |
| St. Louis County Missouri | | | | | |
| Series 2013B | 135,000,000 | - | - | 135,000,000 | - |
| Gateway Arch Revenue Bonds 2014 * | 7,355,046 | - | (159,693) | 7,195,353 | 166,171 |
| Net OPEB liability | 66,641,591 | 2,225,000 | (4,337,943) | 64,528,648 | - |
| Long Term Self-Insurance Liability | 24,443,734 | 50,385,164 | (48,205,459) | 26,623,439 | 17,284,011 |
| Net Pension Liability | 83,317,550 | 1,641,793 | - | 84,959,343 | - |
| Other Liabilities | 32,772,628 | 41,971,040 | (41,455,023) | 33,288,645 | 3,782,448 |
| Total | $ 858,283,665 | $ 103,516,319 | $ (105,012,947) | $ 856,787,037 | $ 30,862,630 |

## 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, 2019, 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 $26.0 million. The interest expense breakdown is as follows:

| | ($ in Millions) |
|---|---|
| • Series 2009 | $ 4.8 |
| • Series 2013 | 13.6 |
| • Series 2014 | .3 |
| • Capital lease/leaseback | 7.3 |
| Total | $26.0 |

The following chart shows projected debt service for Bi-State Development's bonds, based on mandatory principal maturities:

| 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 |
| 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 | 2,155,000 | 4,719,488 | 9,575,000 | 11,565,688 | - | 1,413,000 | 194,818 | 258,667 | 29,881,660 |
| 2025-2029 | 13,520,000 | 24,019,650 | 50,375,000 | 51,375,188 | - | 7,065,000 | 1,099,236 | 1,168,187 | 148,622,261 |
| 2030-2034 | 4,210,000 | 19,635,450 | 65,985,000 | 36,807,031 | - | 7,065,000 | 1,341,014 | 926,409 | 135,969,904 |
| 2035-2039 | 67,515,000 | 10,315,625 | 4,665,000 | 27,442,625 | - | 7,065,000 | 1,635,971 | 631,452 | 119,270,673 |
| 2040-2044 | 9,820,000 | 245,500 | 51,120,000 | 21,724,319 | - | 7,065,000 | 1,995,804 | 271,619 | 92,242,242 |
| 2045-2049 | - | - | 47,905,000 | 7,807,794 | - | 7,065,000 | 222,279 | 4,463 | 63,004,536 |
| 2050-2054 | - | - | 9,980,000 | 237,025 | 135,000,000 | 5,652,000 | - | - | 150,869,025 |
| | $ 97,220,000 | $ 78,007,614 | $ 281,805,000 | $ 208,533,168 | $ 135,000,000 | $ 48,042,000 | $ 7,195,353 | $ 4,368,505 | $ 860,171,638 |

* The Arch - Series 2014 Revenue Bonds are a direct placement with PNC Bank.

Note: The Series 2009 and 2013 bonds, refinanced in early FY 2020, will be shown as such in the next cycle. This information is based off the most recent CAFR

## 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, 2019, $26,910,000 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, 2019, $3,065,000 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 $6.3 million for June 30, 2019. 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 2019:

| | Capital Lease Obligation |
|---|---|
| Sublease balances, June 30, 2018 | $ 110,822,945 |
| Interest accrued in 2019 | 7,257,754 |
| Lease payments and reductions | - |
| Total sublease balances, June 30, 2019 | $ 118,080,699 |
| 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, 2019:

| | Payments |
|---|---|
| 2020 | $ - |
| 2021 | - |
| 2022 | - |
| 2023 | - |
| 2024 | 183,231,266 |
| 2025 | 34,310,350 |
| Total future lease payments | 217,541,616 |
| Less amount representing future interest | (99,460,917) |
| Net obligation at June 30, 2019 | $ 118,080,699 |

### Operating Lease Obligations

Bi-State Development leases office space and equipment under operating leases that expire between years 2020 and 2099. Rent expense was $1,408,473 and $868,489 for 2019 and 2018 respectively. Future minimum lease commitments as of June 30, 2019 are as follows:

| Fiscal Year | | Future Minimum Lease Payments |
|---|---|---|
| 2020 | $ | 1,517,475 |
| 2021 | | 1,487,311 |
| 2022 | | 1,487,311 |
| 2023 | | 1,495,015 |
| 2024 | | 1,505,801 |
| 2025-2029 | | 7,478,171 |
| 2030-2034 | | 7,111,965 |
| 2035-2039 | | 3,278,472 |
| 2040-2044 | | 61,500 |
| 2045-2049 | | 61,500 |
| 2050-2054 | | 61,500 |
| 2055-2059 | | 61,500 |
| 2060-2064 | | 61,500 |
| 2065-2069 | | 61,500 |
| 2070-2074 | | 61,500 |
| 2075-2079 | | 61,500 |
| 2080-2084 | | 61,500 |
| 2085-2089 | | 61,500 |
| 2090-2094 | | 61,500 |
| 2095-2099 | | 56,018 |
| | $ | 26,094,039 |

# 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.

**Alternative Mobility** – more flexible options to fixed route large bus and train service, operated by smaller vehicles.

**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.

**Arts In Transit, Inc.** – is a non-profit 501(c)(3) created to facilitate community engagement public art programs and projects that enhance the transit experience. This entity connects the region's art community to Metro Transit.

**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.

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

**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.

**Federal Vehicle Maintenance** – The Federal Transit Administration allows preventive maintenance activities to be funded by Formula 5307 funds.

**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 2021 ends on June 30, 2021. FY 2021 of the federal government extends from October 1, 2020, through September 30, 2021.

**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 –** Established in 1984, the Governmental Accounting Standards Board (GASB) is the independent, private-sector organization based in Norwalk, Connecticut, that establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles (GAAP).

**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. The fuel hedging program is designed to protect the annual budget from severe fluctuations in price.

**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.

**Metro Reimagined** – A system service redesign, implemented in September 2019, which will increase frequency on high-demand bus routes, deliver shorter wait times, faster trips and better connections.

**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.

**Microtransit** – is a form of demand responsive transit that offers flexible routing and/or flexible scheduling of small vehicles. Microtransit providers build routes so as to extend the efficiency and accessibility of the transit service.

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

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

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

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

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

**Operating expense** - See Expense (operating)

**Operating revenue** - See Revenue (operating)

**Operations** - Bi-State Development'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 a 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.

**St. Louis Downtown Airport** – A full-service aviation center offering an extensive line of general aviation services eight minutes from downtown St. Louis in Cahokia/Sauget, Illinois. This is an enterprise within the Bi-State Development Agency umbrella.

**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. This is a Bi-State Development enterprise.

**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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