



# Board of Commissioners

## Open Meeting

Friday, June 24, 2022 at 8:30 AM

Board Room

Headquarters - Board Room, 6th Floor

One Metropolitan Square, 211 N. Broadway, Suite 650

St. Louis, Missouri 63102



## Board of Commissioners, Open Meeting - June 24, 2022 @ 8:30 AM

### Notice of Meeting and Agenda

- |  |             |                      |
|--|-------------|----------------------|
| 1. Call to Order   | Approval    | Chair<br>Windmiller  |
| 2. Roll Call   | Quorum      | M. Bennett           |
| 3. Public Comment  | Information | Chair<br>Windmiller  |
| A. Public Comment(s) Received - 5  |             |                      |
| 4. Approval of the Minutes of the April 22, 2022, Board of Commissioners, Open Meeting               | Approval    | Chair<br>Windmiller  |
| A. Draft Minutes - April 22, 2022 - Board of Commissioners, Open Meeting - 6                         |             |                      |
| 5. Approval of the Minutes of the May 9, 2022, Special Meeting, Board of Commissioners, Open Meeting | Approval    | Chair<br>Windmiller  |
| A. Draft Minutes - May 9, 2022 - Board of Commissioners, Special Meeting - 14                        |             |                      |
| 6. Report of the President   | Information | T. Roach             |
| 7. Report of the Operations Committee  | Information | Chair<br>Windmiller  |
| A. Draft Minutes - June 10, 2022 - Operations Committee, Open Meeting - 17                           |             |                      |
| 8. Report of the Audit, Finance & Administration Committee   | Information | Commissioner Beach   |
| A. Draft Minutes - June 10, 2022 - Audit, Finance & Administration Committee, Open Meeting - 24      |             |                      |
| 9. Report of the Safety & Security Committee   | Information | Commissioner Simmons |
| A. Draft Minutes - May 5, 2022 - Safety & Security Committee, Open Meeting - 31                      |             |                      |
| 10. Adjustment of the Consent Agenda   | Approval    | Chair<br>Windmiller  |
| 11. Consent Agenda   | Approval    | Chair<br>Windmiller  |
| A. Contract Award: Financial Advisory Services (Resolution #1212)                                    |             |                      |
| 1. Briefing Paper - 36   |             |                      |
| 2. Resolution #1212 - 39   |             |                      |
| B. Collected Board Policies, Chapter 30 – Audit, Finance, and Budget (Resolution #1213)              |             |                      |
| 1. Briefing Paper - 42   |             |                      |
| 2. Current Board Policy - Chapter 30 - Audit, Budget & Finance - 43                                  |             |                      |

3. Redlined Version - Chapter 30 - Audit Finance Budget, with Proposed Revisions - 71		
4. Clean Copy - Chapter 30 - Audit Finance Budget, with Proposed Revisions - 99		
5. Resolution #1213 - 127		
12. Law Enforcement Services Agreement between Bi-State Development Agency and St. Clair County, Illinois for services provided by the St. Clair County, Illinois Sheriff's Department (Resolution #1214)	Approval	K. Scott
A. Briefing Paper - 130		
B. Law Enforcement Services Agreement with St Clair County Sheriff 2022-2023 - 131		
C. Exhibit A (FY 2022 - 2023) - 142		
D. Resolution #1214 - 143		
13. Cooperation Agreement - Operation and Maintenance of Cortex MetroLink Plaza and Bike Path Located within the Brickline Greenway (Resolution #1215)	Approval	C. Stewart
A. Briefing Paper - 146		
B. Cortex Station OM Agreement - Bi-State-Cortex-GRG - 148		
C. Resolution #1215 - 166		
14. Contract Award: Audit Services - Bi-State Development (BSD) Pension Plans and 401(k) Retirement Savings Program (Resolution #1216)	Approval	T. Curran
A. Briefing Paper - 169		
B. Resolution #1216 - 171		
15. Collected Board Policies, Chapter 50 - Purchasing Revisions (Resolution #1217)	Approval	T. Curran
A. Briefing Paper - 174		
B. Current Chapter 50 - Purchasing - 176		
C. Red-lined Version - Chapter 50 - Purchasing, with Proposed Revisions - 186		
D. Clean Copy - Chapter 50 - Purchasing, with Proposed Revisions - 197		
E. Resolution #1217 - 207		
16. Approval of Slate of Officers 2022-2023 Board of Commissioners	Approval	Chair Windmiller
A. Draft Minutes - May 25, 2022 - Nominating Committee Meeting - 210		
17. Gateway Riverboat Kitchen Roof and HVAC Repairs	Information	M. Lamie
A. Briefing Paper - 212		
18. Northside-Southside Corridor Plan	Information	T. Roach
A. Northside Southside Program Review - 214		

B. Northside Southside map - 218

19. Unscheduled Business	Approval	Chair Windmiller
20. Call for the Dates of Future Board & Committee Meetings	Information	M. Bennett
21. Adjournment to Executive Session If such action is approved by a majority vote of The Bi-State Development Agency's Board of Commissioners who constitute a quorum, the Board may go into closed session to discuss legal, confidential, or privileged matters pursuant to Bi-State Development Board Policy Chapter 10, Section 10.080 (D) Closed Records: Legal under §10.080(D)(1); and Auditors under §10.080(D)(10).	Approval	Chair Windmiller
22. Reconvene to Open Session	Approval	Chair Windmiller
23. Adjournment	Approval	Chair Windmiller

Name: Tanner Tucker

Representing: Self

Topic: Abandoned Bus Shelters

Comments: This comment is for the Friday, June 24 Commissioners Meeting.

President Roach and Members of the Board,

The Metro Reimagined Service Plan of 2019 brought the promise of more frequent service along fewer routes, the elimination of which brought hardship to many families in the region. While many long-standing routes were removed, the promise of more frequent service never came to fruition due to the pandemic's ongoing effects to the workforce and decreased ridership overall. Bi-State Development and Metro continued down the path of Metro Reimagined but failed to return to those abandoned routes and remove the infrastructure left behind. Bus shelters, many decaying or with broken glass, continue to remind neighborhoods of the service many relied on. Even in higher trafficked areas, the [99] Downtown Trolley route still has bus stops peppering the City of St. Louis' Downtown and Downtown West Neighborhoods. While no longer used for passenger traffic, these eyesores now confuse tourists and residents alike. The most egregious offense of these remaining structures is the updated advertising. While the busses no longer come, the structure advertising signage is still updated on a regular basis. It's insulting that while these routes may not have been good enough for the riders that relied on them, the advertising income is still worth keeping the structure.

I ask that this board adopt a resolution and contract with a vendor to dismantle these structures as soon as possible. Let those of us in neighborhoods with unused structures reclaim our sidewalks and not have to stare at pointless advertising.

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This e-mail was sent from the public comment form on [bistatedev.org](http://bistatedev.org)

**BI-STATE DEVELOPMENT  
BOARD OF COMMISSIONERS MEETING  
(Virtual Meeting)  
OPEN SESSION MINUTES  
April 22, 2022 at 8:30 AM**

**Board Members in Attendance via Zoom**

**Missouri**

Rose Windmiller, Chair  
Fred Pestello, Secretary – Absent  
Vernal Brown  
Nate Johnson – Absent  
Sam Gladney

**Illinois**

Herbert Simmons, Treasurer  
Irma Golliday  
Derrick Cox  
Terry Beach  
Debra Moore

**Staff in Attendance via Zoom**

Taulby Roach, President and Chief Executive Officer  
Brenda Deertz, Director Executive Services  
Barbara Enneking, General Counsel and Deputy Secretary  
Myra Bennett, Manager of Board Administration  
Kevin Scott, General Manager Security  
Patti Beck, Sr. Director Media and Public Relations  
Tammy Fulbright, Executive Vice President and Chief Financial Officer  
Tom Curran, Executive Vice President Administration

**Others in Attendance**

Erin Stumpf, ASL Interpreter  
Rebecca Pursley, ASL Interpreter

1. **Open Session Call to Order**  
**8:30 a.m.** Chair Windmiller called the Open Session of the Bi-State Development Agency, Board of Commissioners Meeting to order at 8:30 a.m.
2. **Roll Call**  
**8:30 a.m.** Roll call was taken, as noted above.
3. **Proclamation Presentation – Former Commissioner Justin Zimmerman**  
**8:32 a.m.** Chair Windmiller stated that the Board would like to take a moment for a special recognition for outgoing Commissioner, Justin Zimmerman. She thanked Mr. Zimmerman for taking time out of his busy schedule to attend the meeting in person. She stated that she and the Board appreciate his contributions to the Board and to Bi-State Development. Chair Windmiller

noted that Mr. Zimmerman joined the Board in March 2017, and for nearly five years, he helped make Bi-State Development and its diverse enterprises better with his constructive input, valuable guidance and constant support of the Bi-State Development leadership, its team members, and its customers. She noted that he served in various offices, most recently as Vice Chair, and was active on several Board committees. Chair Windmiller stated that it was evident that Mr. Zimmerman cared about this organization and about improving the quality of life in our region, and she thanked him for his service. She stated that, on behalf of your fellow Board members, Taulby Roach and she would like to present a special Resolution in recognition of all that Mr. Zimmerman has done as a Commissioner at Bi-State Development.

President/CEO Roach stated that Mr. Zimmerman's help and input has been invaluable to the organization. He noted that he appreciated discussions and input from Mr. Zimmerman regarding financial matters for the organization, and he is proud of the financial trajectory of the Agency. Mr. Roach noted Mr. Zimmerman's ethics and integrity, and thanked him for his participation in Agency-wide events, noting the importance of being in touch with the frontline workers.

Commissioner Cox stated that Mr. Zimmerman served in his position with honor, and he thanked him for the help he gave him, when he was a new Commissioner. Commissioner Simons stated that Mr. Zimmerman extended his knowledge and was always willing to help. Commissioner Brown thanked Mr. Zimmerman for his help, and stated that he will be missed.

Mr. Zimmerman thanked everyone for the kind words, and stated that he took pride in his role as a Commissioner. He thanked Mr. Roach, the Executive staff and the frontline workers for all they do for the organization, and he thanked the Madison County officials for giving him the opportunity to serve on this Board. He stated that he always tried to do what was right for the region and for the Agency.

#### **4. Public Comment**

**8:40 a.m.** Myra Bennett, Manager of Board Administration, noted that one public comment was received. She read the public comment as follows:

Name: Maurice Minor

Topic: Quality control

Comments: "Beyond the multiple issues I've experienced, in this case, what is the customer service policy for failure of service? I have experienced repeated failure of service: non notification on the app when trains are late, busses not showing but being told opposite by information, etc. When riders pay and the service is substandard, what is the policy for accountability? I've lost time and money trying to get to and from home; doing what is asked as a paying rider. I've used social media to address these issues and spoken with Natalie who directed me here."

#### **5. Approval of the Minutes of the February 18, 2022, Board of Commissioners, Open Meeting**

**8:41 a.m.** The minutes from the February 18, 2022, Board of Commissioners, Open Meeting, were provided in the Board packet. A motion to approve the minutes, as presented was made by Commissioner Gladney and seconded by Commissioner Cox.

**The motion passed unanimously.**

**6. Report of the President**

**8:41 a.m.** President and Chief Executive Officer, Taulby Roach, stated that today, he will be asking for approval of the FY23 Budget. He reported that he has met with all of the officials on the Missouri side of the River, and they are supportive of the proposed budget. He stated that Tammy Fulbright, Executive Vice President and Chief Financial Officer, and Chuck Stewart, Executive Director Metro Transit, have been meeting with officials from Illinois, and those talks seem to be going well.

President/CEO Roach noted that the Agency is moving forward with the Secure Platform Plan. He reported that \$10.7 million in private funding has been secured, and design of the project is the next step. Mr. Roach stated that Kevin Scott, General Manager Security, has been named as project manager for the Secure Platform Plan, noting Mr. Scott's leadership ability and the progress that he has made regarding the Agency's Security needs.

Mr. Roach stated that he would like to formally thank all of those who assisted with the incident on April 17<sup>th</sup>. He noted the excellent Police work of the Metro Police Department and the Agency's Security Staff.

Mr. Roach noted that he and staff will be meeting with the FTA, Regional Administrator on May 2<sup>nd</sup> and 3<sup>rd</sup>; which will include discussion of all training and facility and station improvements being made by the Agency.

Commissioner Simmons voiced support in the appointment of Mr. Kevin Scott as Project Manager for the Safe Platform Plan, noting the professionalism he brings. Commissioner Cox stated that he agrees with Commissioner Simmons, stating that there needs to be a "face" behind the project. Commissioner Cox posed questions regarding the time frame for completion of the project, stating that the public is tired of hearing that things are getting better, and wants to know when they will see something. President/CEO Roach noted that the first step was to get the funding in place, and now that this has been achieved, we are moving forward. He noted that this is a huge project, and will take some time. He stated that the design of the project will most likely be a "phased" project, over different sections of the system, and the Agency will be sending out a Request for Proposals in the near future. Mr. Roach noted that this project will change the fundamental design of each station. He reported that the most recent quarterly statistic reports have been made available online, and he commended Kevin Scott for the discernable differences that have been made within the security structure. Mr. Roach encouraged the Commissioners to talk with the Security team and Police partners regarding the progress that has been made, and regarding any concerns they may have. He stated that although great progress has been made, the security team works with the ethic, "We can always get better." Commissioner Cox asked when the public will start to see physical changes to the system. It was noted that the gating system will be placed for bid in approximately 10-12 months, and it will take approximately 18-24 months to put the project into place. It was also noted that the project also includes security camera upgrades and a new fare system. Commissioner Moore asked if this is a project that can be expedited. President/CEO Roach stated that it might be possible to speed the process, once the specific design has been chosen. He reported that the funding is in place, so we will not have to wait regarding that aspect. Commissioner Cox stated that the funding has been in place for months, and posed questions as to why there has been no progress at this point. Commissioner Simmons stated that he agrees with Commissioner Cox that this project must be priority, but added that, with Kevin Scott being named project manager, he is confident that we will see movement. Chair Windmiller asked if a timeline for the project could be provided at the next

meeting, as well as continuing updates regarding the various phases of the project. Mr. Roach stated that this information will be provided to the Commissioners at the next meeting.

**7. Report of the Operations Committee**

**8:59 a.m.** Chair Windmiller reported that a virtual meeting of the Operations Committee was held on March 18, 2022, at 8:30 a.m., and she noted that the draft minutes of that meeting are included in the meeting materials, under Item #7.

She stated that the Operations Committee is introducing four (4) items on the Consent Agenda for consideration, under Item #11, with the Committee's recommendation of approval. Those items include Item #11:

- A. On the Way with ADA: Fixed Route Incentive Program (Resolution #1195)
- B. Contract Modification: Union Station Tunnel Rehabilitation Consultant Services (Resolution #1196)
- C. Single Bid Contract Award – Downtown Tunnel Repairs (Resolution #1197)
- D. Northside-Southside MOA (Resolution #1198)

Chair Windmiller reported that, at the March Committee meeting, Taulby Roach informed the Committee of ongoing contract renewal negotiations with the St. Clair County Transit District, and an Operations Report, including a Workforce Update, was provided by Charles Stewart, Interim Executive Director Metro Transit.

**8. Report of the Audit, Finance, & Administration Committee**

**9:00 a.m.** Commissioner Beach reported that a virtual meeting of the Audit, Finance, & Administration Committee was held on March 18, 2022, immediately following the Operations Committee Meeting, and he noted that the draft minutes of that meeting are included in meeting materials under Item #8.

He stated that the AFA Committee is introducing two (2) items for consideration today, with the Committee's recommendation of approval:

Item 12. Contract Authorization – Third Party Oracle Support (Resolution #1200)

Item 13. Bi-State Development FY2023 Operating Budget and FY2023-2025 Capital Budget (Resolution #1201, including authorization of grant applications, Resolution #1202 through Resolution #1208)

Commissioner Beach stated that several informational items were also presented to the Committee at the March meeting, including:

- FY 2022 External Audit – Client Service Plan from Rubin Brown
- Treasurer's Report
- Treasury Safekeeping Report - December 31, 2021
- Quarterly Financial Statements
- Procurement Report
- Pension Plans, 401(k) Retirement Savings Program and OPEB Trust Investment Performance Update as of December 31, 2021

**9. Report of the Safety & Security Committee**

**9:02 a.m.** Commissioner Simmons reported that a virtual meeting of the Safety and Security Committee was held on March 10, 2022, at 8:30 a.m., and he noted that the draft minutes of that meeting are included in the Board Packet today under Item #9.

He stated that the Committee is introducing one (1) item on the Consent Agenda for consideration today, with the Committee's recommendation of approval. That item is:

Item #11 E. License Monitoring Program (Resolution #1199)

Commissioner Simmons stated that, at the March Committee meeting, an update was also provided by Kevin Scott regarding the Chestnut Health program, and Taulby Roach and Darren Curry provided an update regarding St. Clair County Camera Feeds and Bandwidth.

**10. Adjustment of Consent Agenda**

**9:03 a.m.** Chair Windmiller asked if there are any adjustments to the Consent Agenda. Commissioner Gladney stated that he will be abstaining from the vote on Item 11. B and 11. C. Chair Windmiller noted that, with Commissioner Gladney's abstentions, there will not be a quorum participating in the vote for those two items; therefore, she stated that she will remove those two items from the Consent Agenda, to be voted on by the Board at a future meeting.

**11. Consent Agenda Items**

**9:04 a.m.** Consent Agenda Items:

- A. On the Way with ADA: Fixed Route Incentive Program (Resolution #1195)
- D. Northside-Southside MOA (Resolution #1198)
- E. License Monitoring Program (Resolution #1199)

A motion to approve the Consent Agenda Items: Item A., Item D. and Item E., as referenced in the Committee Reports and as outlined on the agenda, was made by Commissioner Beach and seconded by Commissioner Brown.

**The motion passed unanimously.**

**12. Contract Authorization – Third Party Oracle Support (Resolution #1200)**

**9:05 a.m.** A briefing paper was included in the meeting materials, regarding a request that the Board of Commissioners authorize the President and CEO to enter into a one-year contract, including four optional, renewal years, with Spinnaker Support, for a five-year total, not-to-exceed amount of \$923,070 (\$184,614 per year) for the provision of Oracle support services. Tom Curran, Executive Vice-President Administration, gave an overview of this item, noting that the Agency released a Request for Proposals for Third Party Oracle Support Services, and three proposals were received in response to the solicitation. A selection committee including representatives from Administration, Benefits, Engineering, Finance, Information Technology, Procurement and Talent Management heard presentations from the vendors and scored each firm's proposal according to the technical evaluation requirements. He reported that, as a result of the review, Spinnaker Support is the highest ranking firm. Mr. Curran noted that this item was presented to the Audit, Finance & Administration Committee at the March 18<sup>th</sup> meeting, with a recommendation that the item be forwarded to the Board of Commissioners for approval of the highest ranking firm.

Commissioner Simmons made a motion to approve this item, as presented. The motion was seconded by Commissioner Moore.

**The motion passed unanimously.**

**13. Bi-State Development FY2023 Operating Budget and FY2023-2025 Capital Budget (Resolution #1201, including grant authorizations, Resolution #1202 through Resolution #1208)**

**9:07 a.m.** A briefing paper was included in the meeting materials, regarding a request that the Board of Commissioners approve: the Bi-State Development FY 2023 Operating Budget; the Bi-State Development FY 2023 – FY 2025 Capital Budget; the three-year Transportation Improvement Plan; Grant resolutions required to apply for federal and state funding necessary to support the Bi-State Development’s projects and programs; and Authorization of management to seek grants and/or appropriations from federal programs, the City of St. Louis, St. Louis County, and the states of Missouri and Illinois. Tammy Fulbright, Executive Vice-President and Chief Financial Officer, gave a brief overview. Chair Windmiller noted that a full presentation of the proposed budget was presented to the Board at the March 18, 2022, Audit, Finance and Administration Committee meeting. Commissioner Simmons asked if the results of the ongoing negotiations with the St. Clair County Transit District will influence the proposed budget figures. Ms. Fulbright stated that, the negotiations may result in some line item changes, but should not significantly impact the overall budget.

Commissioner Beach made a motion to approve this item, as presented. The motion was seconded by Commissioner Cox.

**The motion passed unanimously.**

**14. Law Enforcement Services Agreement with St. Louis County Police Department for Security Services (Resolution #1210)**

**9:09 a.m.** A briefing paper was included in the meeting materials, regarding a request that the Board of Commissioners authorize the President and CEO to execute a Law Enforcement Services Agreement with the St. Louis County Police Department, for an initial eighteen (18) month term in the amount of \$461,879 per month, with an option for an additional one (1) year term. Kevin Scott, General Manager Security, gave an overview of this item noting that the current contract expires June 30, 2022. He noted that there is one difference from the current contract. He reported that the first term option is for a period of 18 months, and the second term is for a period of one year (January 2024 – December 2024). He noted that the reason for the change, is to adjust the timeframe so that all three of the Agency’s Police partners will be working on the same contract expiration period. Commissioner Cox asked if this contract is for the same number of officers, as the current contract. Mr. Scott noted that the number of officers were increased last year, and the proposed contract calls for the same number of officers. Commissioner Windmiller asked the implications if the contract is not approved by the deadline. Mr. Scott indicated that, in the past, they would continue to operate under the current contract, until an agreement was reached. Commissioner Simmons asked if there has been any movement regarding the communications issue. Mr. Scott indicated that there has not.

Commissioner Cox made a motion to approve this item, as presented. The motion was seconded by Commissioner Brown.

**The motion passed.** (Commissioner Simmons voted nay.)

**15. Unscheduled Business**

**9:13 a.m.** There was no unscheduled business.

**16. Operations Report**

**9:14 a.m.** President/CEO Roach noted that Charles Stewart, Executive Director Metro Transit, was unable to be in attendance at today's meeting. Mr. Roach gave a brief summary of the Operations Report noting a 15%, year over year, increase in ridership, noting that this tracks what other transit systems are seeing relating to recovery. He noted that the numbers are running favorable to the budget at this time, but indicated that typically, there is a change towards the end of the budget year. Mr. Roach gave a summary of missed trips, as well as a workforce update stating that the Agency is still seeing some continuing loss of employees to other agencies, such as utility companies. He noted that the Agency continues to increase recruitment activities and incentives. Commissioner Moore asked if the Agency is working on recruitment through area colleges and high schools. Mr. Roach stated that we are working with colleges and high schools in both Illinois and Missouri. Commissioner Windmiller asked the minimum age for recruitment. He noted the minimum age is eighteen. Commissioner Gladney asked if it would be possible when breaking down the ridership numbers, to break-out the numbers for sporting events. He noted that special events are taken into consideration in evaluating the numbers, and it would help to identify trends in ridership.

**17. Call for the Dates for Future Meetings**

**9:27 a.m.** Myra Bennett, Manager of Board Administration, stated that she will be contacting the Board Members to schedule a Special Meeting, in order to address the two items that were postponed under the Consent Agenda. She noted the following upcoming meetings:

Safety & Security Committee Meeting:	Thursday	May 5, 2022	8:30 AM
Operations Committee Meeting:	Friday	June 10, 2022	8:30 AM
Audit, Finance & Administration:	Friday	June 10, 2022	following OPS
Board of Commissioners Meeting:	Friday	June 24, 2022	8:30 AM

**18. Adjournment to Executive Session for the purpose of discussing legal, confidential, or privileged matters, as permitted under Bi-State Development Board Policy, Chapter 10, Section 10.080; (D) (1) – Legal and (D) (11) - Security.**

**9:28 a.m.** Chair Windmiller asked for a motion to move into Executive Session for the purpose of discussing legal, confidential, or privileged matters, as permitted under Bi-State Development Board Policy, Chapter 10, Section 10.080; (D) (1) – Legal and (D) (11) Security. The motion was made by Commissioner Brown and was seconded by Commissioner Moore.

The poll of the Board being as follows:

Rose Windmiller – Yea  
Vernal Brown – Yea  
Sam Gladney – Yea

Herbert Simmons – Yea  
Irma Golliday – Yea  
Derrick Cox – Yea

Terry Beach – Yea  
Debra Moore – Yea

**The motion passed unanimously.**

The Board of Commissioners moved into Executive Session at approximately 9:29 a.m.

**19. Reconvene to Open Meeting**

**10:08 a.m.** Chair Windmiller noted that the Board has reconvened to the Open Meeting.

Commissioner Moore made a motion to approve the minutes from the February 18, 2022, Board of Commissioners, Executive Session, as presented, as a closed record. The motion was seconded by Commissioner Golliday. The poll of the Board being as follows:

Rose Windmiller – Yea  
Vernal Brown – Yea  
Sam Gladney – Yea

Herbert Simmons – Yea  
Irma Golliday – Yea  
Derrick Cox – Yea  
Terry Beach – Yea  
Debra Moore – Yea

**The motion passed unanimously.**

Commissioner Golliday made a motion to approve the Executive Session Consent Agenda, Item A., as outlined on the agenda, as presented. The motion was seconded by Commissioner Brown. The poll of the Board being as follows:

Rose Windmiller – Yea  
Vernal Brown – Yea  
Sam Gladney – Yea

Herbert Simmons – Yea  
Irma Golliday – Yea  
Derrick Cox – Yea  
Terry Beach – Yea  
Debra Moore – Yea

**The motion passed unanimously.**

**20. Adjournment**

**10:10 a.m.** Chair Windmiller asked if there was any further business, and being none, Commissioner Cox made a motion to adjourn the meeting. The motion was seconded by Commissioner Beach. Unanimous vote in favor taken. The motion passed, and the meeting was adjourned at approximately 10:10 a.m.

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Deputy Secretary to the Board of Commissioners  
Bi-State Development

**BI-STATE DEVELOPMENT  
BOARD OF COMMISSIONERS SPECIAL MEETING  
(Virtual Meeting)  
OPEN SESSION MINUTES  
May 9, 2022  
8:30 AM**

**Board Members Participating**

**Missouri**

Rose Windmiller, Chair  
Fred Pestello, Secretary – Absent  
Vernal Brown  
Nate Johnson – Absent  
Sam Gladney

**Illinois**

Herbert Simmons, Treasurer  
Terry Beach  
Derrick Cox – Absent  
Irma Golliday  
Debra Moore – Absent

**Staff Participating**

Taulby Roach, President and Chief Executive Officer  
Barbara Enneking, General Counsel and Deputy Secretary  
Myra Bennett, Manager of Board Administration  
Brenda Deertz, Director Executive Services  
Chris Poehler, Assistant Executive Director Engineering Systems  
Mary Lamie, Executive Vice President of Multi Modal Enterprises  
Kevin Scott, General Manager Security  
Charles Stewart, Executive Director Metro Transit

**Others Participating**

Erin Stumpf, ASL Interpreter

**1. Open Session Call to Order**

**8:30 a.m.** Chair Windmiller called the Open Session of the Special Meeting of the Bi-State Development Agency, Board of Commissioners to order at 8:30 a.m.

**2. Roll Call**

**8:30 a.m.** Roll call was taken, as noted above.

**3. Adjustment of the Consent Agenda**

**8:31 a.m.** Commissioner Windmiller reported that the two (2) items on the Consent Agenda were recommended for approval by the Operations Committee at their March 18, 2022 meeting, and the items were placed on the Consent Agenda at the last Board Meeting, April 22, 2022. She stated that, unfortunately, a vote to approve the two items could not be taken at that meeting, due to a lack of a quorum. She asked if there are any adjustments to the Consent Agenda. No adjustments were noted.

**4. Consent Agenda**

**A. Contract Modification - Union Station Tunnel Rehabilitation Consultant Services (Resolution #1196)**

**B. Single Bid Contract Award – Downtown Tunnel Repairs (Resolution #1197)**

**8:31 a.m.** Being no adjustments to the Consent Agenda, Commissioner Brown made a motion to approve the consent agenda Items A. and B., as presented, and as outlined on the agenda. The motion was seconded by Commissioner Golliday.

**The motion passed unanimously.**

**5. Security Services Agreement with Great Rivers Greenway (Resolution #1210)**

**8:32 a.m.** A briefing paper was included in the meeting materials, regarding a request that the Board of Commissioners authorize the President/CEO to enter into a Security Services Agreement with Great Rivers Greenway (GRG) for security patrols of the Mississippi Greenway from Chouteau to the Biddle Street Trailhead. Kevin Scott, General Manager Security, gave an overview of this item, noting that he and his staff have been working with the Riverboats at the Gateway Arch (Riverboats) on an enhanced security strategy, which yielded an internal agreement, wherein two (2) Security Specialists are being detached to the Riverboats (effective May 6, 2022), on a full-time basis, for overall safety enrichment for our Agency staff and customers (Phase 1). He noted that Phase I does not need Board approval, as it is an internal operation. Mr. Scott reported that, during the buildout of Phase 1, the Agency was approached by Great Rivers Greenway and asked to provide an expanded security conceptual proposal, building off of the internal agreement with the Riverboats, which would offer a cost sharing partnership, providing expanded security patrols on the GRG Mississippi Greenway from Chouteau to the Biddle Street Trailhead, to meet the following needs: 1) Increased security measures at the Riverboats and the adjacent Mississippi Greenway, 2) Physical deterrence for criminal activity which has proliferated in the focused area, and 3) Visibility of uniformed security engagement. Mr. Scott reported that the Agency has provided a scope of work, which would expand total security personnel to four (4): three (3) Security Specialists and one (1) Security Specialist Team Leader, for supervisory oversight, at a total cost of \$315,279.68 annually. This cost includes the cost of Phase 1 for the Riverboat Security, which is already in place. He noted that Great Rivers Greenway agrees to reimburse Bi-State Development for half of the annual cost, and he reported that these are newly created security positions, which will not pull security resources from the BSD transit system.

Commissioner Simmons asked why this item did not come before the Safety & Security Committee. Mary Lamie, Executive Vice President, Multimodal Enterprises, noted that the Agency did not have all of the details of the agreement worked out with GRG in time for the Committee meeting. Mr. Scott stated that is why the Agency is asking to expedite the item, and President/CEO Roach noted that GRG had not committed to the costs at the time the Committee meeting was held. Commissioner Simmons asked for clarification of the Agency's cost. Mr. Scott noted that the Agency would be responsible for half of the costs, which would be \$157,639.84. Commissioner Beach further clarified that half of the cost is for the security for the Riverboats, and the other half of the cost is for security services for GRG. Mr. Scott noted that this is correct. Commissioner Beach stated that he is in support of regional collaboration; however, supplying security for an outside organization, may be stepping outside of our zone. Commissioner Simmons stated that he feels that this agreement should have come before the

Safety & Security Committee for approval, and since there are a number of Commissioners not in attendance at today's meeting, he cannot support this initiative, as this time, and will be voting no, if a vote is taken at today's meeting.

Commissioner Windmiller noted that, due to the number of Commissioners participating in today's Special Meeting, all of those participating would have to vote in favor of the item in order for it to be approved. Chair Windmiller asked if there needed to be a separate vote to approve Phase I, related specifically to the Riverboats at today's meeting. She also questioned why GRG did not contract with another agency for these services. President/CEO Roach stated that a vote is not needed to approve the additional security for the Riverboats, as this is an internal function which is contained in the Operating Budget. He further noted that, with regard to the GRG security needs, Mr. Scott felt as though our Agency could provide better security, through the use of the Agency's corporate security team, rather than through a third party company. Chair Windmiller stated that for the past few years, the Riverboats have been a financial drain to the Agency, and stated that she would like clarification as to why we are working with GRG on their security issue. She asked if GRG was receiving a better deal by contracting with our Agency, versus an outside vendor. President/CEO Roach clarified that the GRG trail leads to the Riverboats, and there have been security issues. He stated that the Agency proposed to partner with GRG, to share these costs, as the trail leads to the Riverboat area. He noted that GRG asked the Agency to provide security a little further north, than was originally proposed. Mr. Roach stated that he never wants the Board of Commissioners to feel as though we are rushing an item through, and the Agency just saw this as an opportunity to partner with GRG, to ensure a professional, cohesive security service. Ms. Lamie stated that GRG was originally not in a position to offer security; however, they could through this agreement. Commissioner Golliday recommended that this item be tabled until the next Safety & Security Committee meeting, for further discussion. Chair Windmiller agreed to remove this item from consideration at today's meeting, for further discussion at the next Safety & Security Committee meeting. Additional discussion held regarding the additional security that has been put in place for the Riverboats, noted as Phase I. It was agreed that the security for the Riverboats is an internal, executive decision, which does not need Board approval.

## **6. Adjournment**

**8:55 a.m.** Chair Windmiller asked if there was any further business, and being none, Commissioner Simmons made a motion to adjourn the meeting. The motion was seconded by Commissioner Johnson. Unanimous vote in favor taken. The motion passed, and the meeting was adjourned at approximately 8:55 a.m.

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Deputy Secretary to the Board of Commissioners  
Bi-State Development

**BI-STATE DEVELOPMENT  
OPERATIONS COMMITTEE MEETING  
OPEN SESSION MINUTES  
(Virtual Meeting)  
June 10, 2022 at 8:30 AM**

**Operations Committee Members participating via Zoom**

Rose Windmiller, Chair  
Derrick Cox – Absent  
Irma Golliday – Absent  
Vernal Brown  
Terry Beach

**Other Commissioners participating via Zoom**

Herbert Simmons  
Fred Pestello – Absent  
Nate Johnson  
Sam Gladney  
Debra Moore

**Staff participating via Zoom**

Taulby Roach, President and Chief Executive Officer  
Brenda Deertz, Director of Executive Services  
Barbara Enneking, General Counsel and Deputy Secretary  
Myra Bennett, Manager of Board Administration  
Thomas Curran, Executive Vice President – Administration  
Charles Stewart, Interim Executive Director Metro Transit / Executive VP Organizational Effectiveness  
Kevin Scott, General Manager Security

**Others participating via Zoom**

Tera Briggs, ASL Interpreter  
Loretto Freeman, ASL Interpreter

1. **Open Session Call to Order**  
**8:30 a.m.** Chair Windmiller called the Open Session of the Operations Committee Meeting to order at 8:30 a.m.
2. **Roll Call**  
**8:30 a.m.** Roll call was taken, as noted above.
4. **Approval of the Minutes of the March 18, 2022 Operations Committee, Open Meeting**  
**8:32 a.m.** Chair Windmiller noted that the minutes of the March 18, 2022, Operations Committee, Open Meeting were provided in the Committee packet. A motion to approve the

minutes was made by Commissioner Brown and seconded by Commissioner Simmons. **The motion passed unanimously.**

*It was noted that Item #3 – Public Comment had inadvertently been overlooked.*

**3. Public Comment**

**8:32 a.m.** Chair Windmiller asked Myra Bennett, Manager of Board Administration, if any speaker cards have been received for today's meeting. Ms. Bennett noted that one public comment was received, and read the correspondence, as noted below:

Name: Shannon Villa

Representing: Self and the general public and transit users

Topic: Unacceptable 70 Grand Service, Detours During Special Events That Defeat Purpose of Transit

Comments: I have 2 areas of concern regarding MetroBus operations:

1. 70 Grand Poor Operations After 6pm All Days Leading to Upwards of 2 hours gap in service and buses up to 1 hour or more behind schedule
2. Detours during times of heavy traffic- Affected Route 90 Hampton in Forest Park and 34 Earth City around the Hollywood Casino Amphitheatre

1. 70 Grand poor operations after 6pm every day is of primary concern. As you are well aware, the 70 Grand has historically been Metro's heaviest ridership and most productive bus line as a total route, per hour of service, and per mile of service. The route seems to have ample running time to allow for nearly 100% on-time performance. However, and especially after the reduction of the route to 30 minute frequencies after about 6pm daily, this route has suffered tremendously amounting to as much as 2 hours of time between buses. BOC attempts to try to make buses get back on schedule with very little success and the times they do make a bus run "Special" or "Drop-off only" there is not always a bus following within 5 to even 10 minutes, doing many times requires a very long wait for riders bypassed due to a bus going "Special" or "Drop-off only." Last night on Thursday 6/2 I have a specific example when this should not have been done, leading to a 1 hour and 47 minute gap at Loughborough Commons northbound. The operator made to "Special" to Broadway-Taylor TC was actually rightfully hesitant to Special himself knowing there would be passengers missed.

I believe there needs to be a dedicated mobile TSM for the 70 Grand and since I know TSMs don't have laptops they should use <https://www.transsee.ca/routelist?a=stlouis> from a mobile device to see where buses are at, schedule adherence, and service gaps. The TSM would then be able to adjust service as needed as well as notify riders at key stops of service delays or cuts in service. An alternative would be to divide 70 Grand into 2 segments with a 70N and 70S, as you would guess 1 route would run from Grand Station north to Broadway-Taylor TC and 1 route would run from Grand Station south to Loughborough Commons. 1 bus would be needed for each. There would also be a 70 that would run the entire route end to end. 70N and 70 buses can be run with 60 foot buses while the 70S would have to be a 40 foot bus due to being unable

to recharge at Broadway-Taylor TC. Resource requirements would remain at 3 buses after 6pm although a 4th bus can be added for improved frequency or as a strategic bus to fill in service gaps as needed.

2. Detours during times of heavy traffic- Affected Routes 90 Hampton and 34 Earth City  
These routes are routinely detoured without notice to passengers with no alert on the Metro website or Transit app, and no notice at affected stops. As you know, with a workforce shortage, the Forest Park Trolley has ceased operations ever since 2020. The route was created to allow for reliable 90 Hampton service to bypass Forest Park on weekends during the day until about 7pm. With the discontinued route, 90 Hampton buses are being routinely detoured away from Forest Park. Exact detours are not always followed with most operators using Forest Park Parkway versus the prescribed use of Lindell to Skinker and vice-versa for northbound trips. However, with this change passengers have no reliable service in Forest Park particularly during high demand days like last weekend with the African Arts Festival at the World's Fair Pavilion. I attended this and had to wait for 90 Hampton buses outside the park. 34 Earth City also is frequently detoured due to traffic in the area of the Hollywood Casino Amphitheatre. Detouring around high traffic areas while keeping a bus on-time causes riders to be stranded or have to walk to another stop which in many cases is over 30 min away. My suggestion is to not detour buses around heavy traffic as it skips stops most key for riders both for dependent riders and riders Metro wants to attract.

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This e-mail was sent from the public comment form on [bistatedev.org](http://bistatedev.org)

**Chair Windmiller noted that the Board would postpone Item #5 until later in the meeting, as Kevin Scott, General Manager Security, the presenter for that item, was encountering technical difficulties. The Committee proceeded to Item #6.**

**6. Cooperation Agreement for the Operation and Maintenance of Cortex MetroLink Plaza and Bike Path Located within the Brickline Greenway**

**8:38 a.m.** A briefing paper was provided in the meeting materials, requesting that the Committee accept, and refer to the Board of Commissioners for approval, a Cooperation Agreement for the Operation and Maintenance of Cortex MetroLink Plaza and Bike Path Located within the Brickline Greenway, with Cortex and the Great Rivers Greenway District. Chuck Stewart, Executive Director Metro Transit, provided an overview of this issue.

Commissioner Simmons asked if there is a specific dollar amount associated with this agreement. Mr. Stewart stated that he does not have a figure at this point; however, he could provide that information prior to the Board of Commissioners meeting. Chair Windmiller expressed concerns regarding approving this item, without the dollar amount attached. Mr. Stewart noted that the primary reason for the agreement is to outline the specifics regarding maintenance of the Plaza and Bike Path. Commissioner Moore asked if the Committee should defer this item, until all of the information is provided. Chair Windmiller expressed the same concern, but posed questions regarding whether deferment of this item would delay maintenance. Mr. Stewart noted that this agreement has already been delayed; however, Barbara Enneking, General Counsel, noted that the cooperative agreement will allow Cortex to provide landscaping maintenance of the Plaza, since Cortex is already maintaining the adjacent Cortex Commons; therefore, decreasing the cost

to the Agency for greenscaping services. Commissioner Gladney asked Ms. Enneking if the Committee could approve the outline and framework for the agreement without the dollar amount. Ms. Enneking stated that, due to the concerns noted, this item could be deferred to the June 24<sup>th</sup> Board of Commissioners Meeting. Chair Windmiller asked if the item would need to go back to the Committee, before proceeding to the Board. Ms. Enneking stated that, since the agreement has been presented today to the Committee, it could go forward to the Board for approval at its next Board meeting in two weeks, once the additional information is provided to the Board.

A motion to postpone this item until the June 24<sup>th</sup> Board of Commissioners Meeting to allow time for staff to provide additional information, was made by Commissioner Simmons and seconded by Commissioner Moore.

**The motion passed. (This item will be postponed until the June 24<sup>th</sup> Board of Commissioners Meeting.)**

5. **Law Enforcement Services Agreement between Bi-State Development Agency and St. Clair County, Illinois for Services Provided by the St. Clair County, Illinois Sheriff's Department 8:48 a.m.** A briefing paper was included in the meeting materials, presenting to the Operations Committee, for discussion, acceptance, and referral to the Board of Commissioners for approval, a Law Enforcement Services Agreement between Bi-State Development and St. Clair County, Illinois for law enforcement services provided by the St. Clair County, Illinois Sheriff's Department. Kevin Scott, General Manager of Security, gave an overview of this item, outlining the details of the agreement, including staffing, costs, and time frames for the different terms. Mr. Scott noted that there is a variation in the time frame for the terms, in order to align the expiration of terms of all three of the law enforcement agreements (St. Louis City, St. Louis County, and St. Clair County). Chair Windmiller asked if the three law enforcement agreements line up financially. Mr. Scott stated that there are different pay rates, based upon the pay rates for each agency. Commissioner Simmons asked if there is a percentage increase. Mr. Scott reported that there is a 3.8% increase, not including fringe benefits. Commissioner Simmons asked if the Agency has influence with the scheduling of Police staff. Mr. Scott stated that the Agency does have influence regarding scheduling of Police, and the Agency works closely with its Police partners regarding these matters. Chair Windmiller asked if the alignment of the three contracts is something that will help logistically, or if it will be used in negotiation of contracts. Mr. Scott stated that aligning the contracts will help logistically. He noted that there are different costs, based on each department's pay scale, and the Agency will use the alignment of the contracts in order to look at the cost impacts, as well as logistical impacts. Chair Windmiller asked that Mr. Scott provide additional information at the June 24<sup>th</sup> Board of Commissioners Meeting, regarding how these agreements are currently structured.

A motion to approve this agenda item, as presented, was made by Commissioner Simmons and was seconded by Commissioner Moore.

**The motion passed unanimously.**

7. **Unscheduled Business 8:59 a.m.** There was no unscheduled business.

## 8. Operations Report

**8:59 a.m.** An operations report for Metro Transit was included in the Committee packet. Charles Stewart, Executive Director Metro Transit, addressed the concerns noted by Shannon Villa under Public Comments, reporting that Mr. Villa has previously voiced concerns to the Agency. He noted the following written response to Mr. Villa's concerns:

Mr. Villa,

Thank you for your feedback, and your patience as we investigated the specific incidents in your comments.

Regarding the #70-Grand, we are unfortunately still experiencing some missed trips – corrective actions that should help improve the specific issue of some missed evening trips on #70-Grand, which as you note is a very important route in our network. We do have managerial resources assigned to the #70 and although we cannot have a manager solely stationed or floating between bus stops only on this route, there are absolutely personnel dedicated to monitoring the #70. We are continuing to explore creative solutions to the workforce issues we're facing that impact this and other routes, and so we welcome you sharing your experiences to help us improve.

As for the recent experiences you report regarding detours of the #90 and #34, we do work closely with partners around the region when there are events that create reroutes of our service. We strive to keep this information as up-to-date as possible and to communicate it in a timely manner to our customers. Our standard practice is for rider alerts to be posted electronically, and if we are given enough notice by the external partner, we will get rider alert signage posted at the impacted bus stops. We appreciate you calling attention to these particular cases and are looking into resolving any inefficiencies that may have occurred, since we want to get information out to customers as soon as we can.

Mr. Stewart provided an update to the Committee regarding ridership and status as it relates to the workforce shortage. He noted anticipated adjustments to be made to the system on June 13<sup>th</sup>, stating that some services will be added back into the system, and some services will be moved to adjust to ridership needs. Mr. Stewart noted that a group has been convened to address retention of employees, and reported recruitment activities being implemented to attract new employees.

Commissioner Gladney posed questions regarding the number of applicants versus the number of new hires and trainees, asking if there are stringent requirements that are filtering out potential hires. Mr. Stewart reported that the Agency is losing many potential employees during the scrutiny of the background checks, and are losing approximately half of the new hires after they obtain their CDL's. He stated that competition is intense, and many will leave for other positions. Mr. Stewart stated that the Agency is working with the unions in its efforts to attract new employees, with enhanced recruitment and a focus on retention. Commissioner Brown asked if the new hires go through an orientation process with the union, and Mr. Stewart noted that the union is involved in the orientation process. Commissioner Moore asked if new hires are required to reimburse the Agency for hiring incentives received, if they leave the organization. Mr. Stewart noted that there are time frames involved for the new hires to receive the incentive pay. Commissioner Moore asked the number of new hires the Agency has lost, and Mr. Stewart

stated that he would get that information for the Commissioners. Commissioner Moore asked if the Agency is seeing more success in certain types of recruitment activities. Mr. Stewart noted that the Agency seems to have the most success at the job fairs held by the Agency itself, as when job fairs are held with multiple employers, it faces the issue of increased competition for the prospective employees. Commissioner Simmons posed questions relating to the recent employee awards that were given, asking if this was only advertised internally, or if these activities are noted to the public, and asked if Commissioners could be made aware of these events, in advance, so that they could attend and show their support. Mr. Stewart stated that he would address these issues. Chair Windmiller thanked Mr. Stewart for the monthly reports, but asked if the Board could be provided with figures for the year, to get a better overview of the recruitment and retention efforts. She also posed questions as to why the Agency is losing approximately 60% of the new recruits. Mr. Stewart reported that many of the new hires that leave, begin demonstrating absences early on, then just stop reporting for work. Commissioner Brown asked the hiring age for drivers. Mr. Stewart stated that employees must be 21 in order to receive their CDL; however, the Agency is also recruiting individuals 18 and older, who may be able to be placed in a different positions, but later move forward into an operator position. Commissioner Gladney stated that it may be appropriate to look into some type of incentive for new hires, once they obtain their CDL, to increase retention, since this is the time many of them leave the organization. Mr. Stewart stated that he will look into this suggestion.

**9. President/CEO Report**

**9:24 a.m.** Bi-State Development President/CEO, Taulby Roach, addressed the committee, noting that an update regarding the expansion of MetroLink will be provided at the June 24<sup>th</sup> Board of Commissioners Meeting. Mr. Roach noted that the FY2023 Budget is moving through the Ways and Means Committee for the City of St. Louis, and will be addressed at the St. Louis County Council meeting on Tuesday. He reported that Tammy Fulbright and Chuck Stewart are working out details of budget negotiations with St. Clair County.

Commissioner Simmons posed questions regarding the North/South MetroLink connection, asking if there have been any deviations from the original alignment. Mr. Roach noted that there have been some adjustments to the alignment, based upon the changing needs of the St. Louis region. He noted that the original study was completed in 2018, and there have been changes to the region since that time, including development of the new Soccer Stadium; therefore, some adjustments to the 2018 study were needed. Commissioner Simmons also posed questions relating to the budget negotiations with St. Clair County, asking if an agreement will be reached by the deadline. Mr. Roach stated that there are some issues yet to be quantified; however, he is hopeful that an agreement will be reached before the deadline.

**10. Call of Dates for Future Board and Committee Meetings**

**9:30 a.m.** Myra Bennett, Manager of Board Administration, advised the Committee of upcoming meetings, as follows:

Tentative schedule:

Board of Commissioners Meeting:	Friday, June 24, 2022	8:30 AM
Safety & Security Meeting:	Thursday, August 11, 2022	8:30 AM
Operations/Audit, Finance, Administration:	Friday, August 19, 2022	8:30 AM

**11. Adjournment**

**9:31 a.m.** Chair Windmiller asked if there was any further business, being none, Commissioner Moore made a motion to adjourn the meeting. The motion was seconded by Commissioner Gladney. Unanimous vote in favor taken. The motion passed, and the meeting was adjourned at approximately 9:31 a.m.

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Deputy Secretary to the Board of Commissioners  
Bi-State Development

**BI-STATE DEVELOPMENT  
AUDIT, FINANCE & ADMINISTRATION COMMITTEE MEETING  
OPEN SESSION MINUTES  
(Virtual Meeting)  
June 10, 2022**

**Immediately following Operations Committee Meeting**

**Audit, Finance & Administration Committee Members participating via Zoom**

Terry Beach, Chair  
Herbert Simmons  
Fred Pestello – Absent  
Nate Johnson  
Sam Gladney

**Other Commissioners participating via Zoom**

Rose Windmiller  
Derrick Cox – Absent  
Irma Golliday – Absent  
Vernal Brown  
Debra Moore

**Staff participating via Zoom**

Taulby Roach, President and Chief Executive Officer  
Brenda Deertz, Director of Executive Services  
Barbara Enneking, General Counsel  
Myra Bennett, Manager of Board Administration  
Thomas Curran, Executive Vice President – Administration  
Tammy Fulbright, Executive Vice President, Chief Financial Officer  
Crystal Messner, Chief Audit Executive  
Charles Stewart, Executive Vice President Organizational Effectiveness

**Others participating via Zoom**

Tera Briggs, ASL Interpreter  
Loretto Freeman, ASL Interpreter

**1. Open Session Call to Order**

**9:32 a.m.** Chair Beach called the Open Session of the Audit, Finance & Administration Committee Meeting to order at 9:32 a.m.

**2. Roll Call**

**9:32 a.m.** Roll call was taken, as noted above.

**3. Public Comment**

**9:32 a.m.** Myra Bennett, Manager of Board Administration, noted that no public comments were received for today's meeting.

**4. Minutes of the March 18, 2022 Audit, Finance & Administration Committee, Open Meeting**

**9:32 a.m.** The minutes of the March 18, 2022 Audit, Finance & Administration Committee, Open Meeting were provided in the Committee packet. A motion to approve the minutes, as presented, was made by Commissioner Windmiller and seconded by Commissioner Moore.

**The motion passed unanimously.**

**5. Contract Award: Audit Services - Bi-State Development (BSD) Pension Plans and 401(k) Retirement Savings Program**

**9:33 a.m.** A briefing paper was included in the meeting materials, presenting to the Audit, Finance & Administration Committee, for discussion, acceptance, and referral to the Board of Commissioners for approval, authorization that the President & CEO enter into a five-year contract for Audit Services for BSD's Pension Plans and 401(k) Retirement Savings Program with UHY LLP in the not-to-exceed amount of \$302,445.00. Tom Curran, Executive Vice President – Administration, gave an overview of this item, noting that Solicitation 22-SB-305074-CG – Audit Services for BSD's Pension Plans and 401(k) Retirement Savings Program was issued on January 26, 2022; however, in response to the solicitation, only one (1) sealed bid was received from UHY LLP. He noted that the single bid was forwarded to the Benefits Department for review. Mr. Curran noted that it found that UHY's sealed bid was responsive and demonstrated responsibility by conforming to the terms and conditions listed in the solicitation including the submission requirements of certifications and representations, identified in the solicitation. He reported that, due to UHY being the only firm that participated in submitting pricing, the sealed bid method is being converted to a negotiated procurement.

A motion to accept this agenda item, as presented, and recommend it to the Board of Commissioners for approval, was made by Commissioner Brown and seconded by Commissioner Windmiller.

**The motion passed. (Chair Beach abstained from the vote.)**

**6. Contract Award: Financial Advisory Services**

**9:36 a.m.** A briefing paper was included in the meeting materials regarding a request that the Committee accept, and forward to the Board of Commissioners for approval, authorization that the President & CEO enter into a 5-year contract for Financial Advisory Services with Columbia Capital Management, LLC in the not-to-exceed amount of \$400,000.00. Tom Curran, Executive Vice President of Administration, gave an overview of this item, noting that, in response to Solicitation 22-RFP-313158-CG - Financial Advisory Services, issued on February 25, 2022, only one (1) sealed proposal was received from Columbia Capital Management, LLC, and the single proposal was forwarded to the Finance Department for review. Mr. Curran stated that a review of the sealed proposal received from Columbia Capital Management affirmed that the

technical proposal met the minimum requirements, qualifications and experience in accordance with the scope of work described within the solicitation, and was found to be fair and reasonable.

A motion to accept this agenda item, as presented, and recommend it to the Board of Commissioners for approval, was made by Commissioner Moore and seconded by Commissioner Brown.

**The motion passed unanimously.**

**7. Collected Board Policies, Chapter 50 - Purchasing Revisions**

**9:30 a.m.** A briefing paper was included in the meeting materials regarding a request that the Committee accept, and forward to the Board of Commissioners for approval, a request to incorporate revisions to the *Collected Board Policies of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District, Chapter 50*, as outlined in the meeting materials. Tom Curran, Executive Vice President of Administration, gave an overview of this item, noting that the proposed revisions provide updates to expenditure thresholds that require Board of Commissioners approval, the addition of specific language addressing single bid situations, and clean-up of spelling and title errors. Mr. Curran clarified the proposed threshold changes for the Committee.

Commissioner Simmons stated that he would like to review the threshold changes in more detail. Commissioner Moore indicated that she agrees with Commissioner Simmons, in that she would like more understanding of the impetus for what appears to be significant changes to the policy. Chair Beach stated that he feels that it makes sense to discuss this in greater detail; however he also noted that he understands that there have been major changes in the market, and given the current market conditions, it may make sense to increase the policy thresholds. President/CEO Roach stated that there is no hurry to approve the revisions. Mr. Curran stated that most contracts are over the proposed \$1,000,000 threshold, and would still require Board approval. He also noted that he had contracted similar transit agencies regarding their policies and can share that information with the Board. Chair Beach stated that he personally does not have an issue with the proposed threshold increases; however, he would like the Committee to consider postponement of this item, until the next meeting, so that additional information can be provided to the Board. Commissioner Windmiller asked how many contracts have exceeded the current \$500,000 threshold, and Mr. Curran indicated that approximately 20 contracts have exceeded that amount. Mr. Curran stated that he can provide more specific information regarding this issue, prior to the Board meeting on June 24<sup>th</sup>. Commissioner Windmiller stated that this would be helpful.

A motion to postpone this agenda item, until the June 24<sup>th</sup> Board of Commissioners meeting, was made by Commissioner Simmons and was seconded by Commissioner Windmiller.

**The motion passed unanimously. (This item will be postponed until the June 24<sup>th</sup> Board of Commissioners Meeting.)**

**8. Board Policies, Chapter 30 – Audit, Finance, and Budget**

**9:48 a.m.** A briefing paper was included in the meeting materials regarding a request that the Committee accept, and forward to the Board of Commissioners for approval, a request to incorporate revisions to the *Collected Board Policies of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District, Chapter 30*, as outlined in the meeting materials. Crystal

Messner, Chief Audit Executive, gave an overview of this item, noting that revisions to three Sections of Chapter 30, have been presented for consideration. She noted the following proposed revisions:

- For Section 30.005 Audit Committee Charter, the changes noted are primarily to reference best auditing standards, versus the reference to Government Auditing Standards, and to correct titles especially as it relates to the Chief Audit Executive.
- For Section 30.010 Annual Audit includes a reference to hedging and correct reference to other titles.
- For Section 30.020 Internal Audit, the changes noted are to correct the reference to internal audit and other titles especially as it relates to the Chief Audit Executive.

A motion to accept this agenda item, as presented, and recommend it to the Board of Commissioners for approval, was made by Commissioner Brown and was seconded by Commissioner Moore.

**The motion passed unanimously.**

**9. Draft - Internal Audit Policies and Procedures Manual Revision 4**

**9:50 a.m.** A briefing paper was included in the meeting materials regarding a request that the Committee review and approve the revised Internal Audit Department Policy and Procedures Manual, as outlined in the meeting materials. Crystal Messner, Chief Audit Executive, gave an overview of this item, noting that the Internal Audit Department conducts an annual review of its Policy and Procedures Manual to ensure the following:

- Aligning professional standards to the most recent version of the Institute of Internal Auditor's (IIA) International Professional Practices Framework;
- Adjusting work paper guidance on electronic files;
- Adjusting templates with newest versions;
- Adjusting the Internal Safety Audit Process to reference the standalone operating procedure; and
- Making basic editorial changes.

Ms. Messner stated that staff is recommending that the Audit, Finance and Administration Committee approve the proposed revisions to the Internal Audit Department Policy and Procedures Manual.

A motion to accept this agenda item, as presented, was made by Commissioner Gladney and was seconded by Commissioner Windmiller.

**The motion passed unanimously.**

**10. IAD Audit Follow-Up Summary – 3rd Qtr. – FY2022**

**9:52 a.m.** A briefing paper was included in the meeting materials regarding this item. Crystal Messner, Chief Audit Executive, gave an overview of this item, noting that an Audit Follow-Up Executive Summary Report, has been provided as a comprehensive overview, highlighting the current implementation status of recommendations issued in prior audit reports. She noted that each Recommendation has been reviewed, and its status has been classified as follows:

- Completed – The recommendation has been implemented.
- Outstanding – The recommendation has not yet been implemented, and/or the implementation date has not occurred yet.
- Overdue – The recommendation remains outstanding past the established implementation date.

Ms. Messner stated that this report should be used to determine the timeliness and the completeness of the implementation of corrective action for each item. She noted that, currently 72% have been Completed, 18% are Outstanding, and 10% are Overdue. Commissioner Windmiller asked when the Overdue items would be completed. Ms. Messner noted overlap of some of the items. She noted that these are often FTA guided, and the team is working together to get these items resolved. Commissioner Simmons asked if staff shortages contribute to this issue. It was noted that staff shortages make the process more difficult.

It was noted that this item was presented as information only, and no action by the Committee is needed.

**11. Internal Audit Status Report – 3rd Quarter FY2022**

**9:58 a.m.** A briefing paper was included in the meeting materials regarding this item. Crystal Messner, Chief Audit Executive, gave an overview of this item, noting that the Internal Audit Department has provided the Committee with a summary of the IAD's quarterly activity pertaining to the Annual Audit Plan. Ms. Messner reported that, continuing the efforts for proper succession planning and organizational alignment, on April 18, 2022, IAD welcomed Bob Goeckner as our new Internal Auditor. She also noted that, due to unforeseen circumstances within the Payroll Department, the Payroll Audit planned for FY2022 will be moved to next fiscal year. Instead, IAD began the System and Physical Access Audits earlier than expected on April 1, 2022.

It was noted that this item was presented as information only, and no action by the Committee is needed.

**12. Internal Audit State Safety Oversight Status Report – 1st Qtr. – Calendar Year 2022**

**9:59 a.m.** A briefing paper was included in the meeting materials regarding this item. Crystal Messner, Chief Audit Executive, gave an overview of this item, noting that this is the first year that the Agency has been early in submitting the SSO report. She reported that the Agency received approval of the report in February 2022. Ms. Messner noted that the following audit activities were proposed by Internal Audit during the 1st Quarter:

- Finalize the 2021 State Safety Oversight Internal Audit Report and submit to Bi-State Safety Oversight (BSSO) for approval;
- Create and implement a standalone Internal Safety and Security Management procedure;
- Submit 2021 SSO Internal Audit Corrective Action Plans (CAPs);
- Conduct follow-ups on nine (9) Internal SSO Audits' CAPs that are ready for closure;
- Monitor the progress on the 22 open CAPs from the 2021 non-compliance areas, including Supervisory Control and Data Acquisition (SCADA) Assessment CAPs;
- Collaborate with Kensington Consulting to plan and schedule the 2022 Internal Safety and Security Audits;

- Collaborate with Safety to create a CAP Advisory Committee to ensure progress on all SSO and SCADA CAPs; and,
- Participate in other audit activities for BSSO.

Ms. Messner reported that all of the First Quarter proposed activities were accomplished, and that the Internal Safety and Security Management Audit Standard Operating Procedure was successfully created and implemented on January 1, 2022.

This item was presented as information only.

**13. Quarterly Financial Statements and**

**14. Treasurer's Report**

**10:02 a.m.** Quarterly Financial Statements and Treasurer's Report were included in the meeting materials. Tammy Fulbright, Executive Vice President, Chief Financial Officer, gave a brief overview of these items, including a review of revenues and expenses for each of the Agency's Enterprises. She noted ongoing supply chain issues. In addition, Ms. Fulbright noted that the Arch is doing rather well, and the fuel hedge has resulted in gains of approximately \$2.9 million, year to date.

These items were presented for information only.

**15. Treasury Safekeeping Accounts Audit ending March 31, 2022**

**10:07 a.m.** A briefing paper was included in the meeting materials regarding this item. Crystal Messner, Chief Audit Executive, gave an overview of this item reporting that, in applying the GASB Statement No. 72 Fair Value Measurement and Application, IAD performed an examination of each bank/safekeeping custodian's account confirmations as compared with the fair values for each investment presented in the Treasurer's Report dated March 31, 2022. Ms. Messner stated that IAD has determined that the Safekeeping Accounts exist, and the respective balances and credit ratings reported in the Treasurer's Report as of March 31, 2022 are fairly presented.

This item was presented as information only.

**16. Procurement Report**

**10:08 a.m.** A Procurement Report was included in the meeting materials regarding this item. Thomas Curran, Executive Vice President Administration, noted that three reports are contained in the Third Quarter Procurement Report, including: 1) Procurement Activity and Non-Competitive Procurement Trend Report, 2) Procurement Card Transactions Report, and 3) Contract Modifications Report. Mr. Curran noted that Third Quarter FY 2022 Non-Competitive Procurements total \$3,189,268 or 8.4% of the total Purchase Order Commitment volume of \$38,072,694. He reported that Non-Competitive Procurements total \$9,024,405, or 8.4% of the total Procurement Spend of \$107,998,497, during the last twelve months.

This item was presented as information only.

**17. Unscheduled Business**

**10:10 a.m.** There was no unscheduled business.

**18. President/CEO Report**

**10:10 a.m.** President/CEO Taulby Roach stated that he has no report, at this time.

**19. Call of Dates for Future Board and Committee Meetings**

**10:10 a.m.** Myra Bennett, Manager of Board Administration, advised the Committee of upcoming meeting, as follows:

Tentative schedule:

Board of Commissioners Meeting:	Friday, June 24, 2022	8:30 AM
Safety & Security Meeting:	Thursday, August 11, 2022	8:30 AM
Operations/Audit, Finance, Administration:	Friday, August 19, 2022	8:30 AM

**20. Adjournment**

**10:10 a.m.** Chair Beach asked if there was any further business, and being none, Commissioner Brown made a motion to adjourn the meeting. The motion was seconded by Commissioner Simmons. Unanimous vote in favor taken. The motion passed, and the meeting was adjourned at approximately 10:10 a.m.

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Deputy Secretary to the Board of Commissioners  
Bi-State Development

**BI-STATE DEVELOPMENT  
SAFETY AND SECURITY COMMITTEE MEETING  
(VIRTUAL MEETING VIA ZOOM)  
OPEN SESSION MINUTES  
May 5, 2022  
8:30 AM**

**Committee Members Participating via Zoom**

Rose Windmiller  
Vernal Brown  
Fred Pestello – Absent

Herbert Simmons, Chair  
Derrick Cox  
Irma Golliday

**Other Commissioners Participating via Zoom**

Sam Gladney  
Nate Johnson – Absent

Terry Beach  
Debra Moore

**Staff Participating via Zoom**

Taulby Roach, President and Chief Executive Officer  
Brenda Deertz, Director of Executive Services  
Barbara Enneking, General Counsel and Deputy Secretary  
Myra Bennett, Manager of Board Administration  
Charles Stewart, Executive Director Metro Transit  
Kevin Scott, General Manager Security  
Andrew Ghaissi, General Manager Safety, Chief Safety Officer  
Scott Streckfuss, SCADA Systems Specialist, Maintenance of Way  
Tim Nittler, Senior Director Capital Projects

**Others Participating via Zoom**

Loretto Freeman, ASL Interpreter

**1. Open Session Call to Order**

**8:30 a.m.** Chair Simmons called the Open Session of the Bi-State Development Agency, Safety & Security Committee Meeting to order at 8:30 a.m.

**2. Roll Call**

**8:30 a.m.** Roll call was taken, as noted above.

**3. Public Comment**

**8:31 a.m.** Myra Bennett, Manager of Board Administration, noted that no public comments were submitted for today's meeting.

**4. Approval of the Minutes of the March 10, 2022, Safety & Security Committee, Open Meeting**

**8:32 a.m.** The minutes of the March 10, 2022, Safety & Security Committee, Open Meeting, were provided in the Committee packet, for Board review. A motion to approve the minutes was made by Commissioner Windmiller and seconded by Commissioner Brown. **The motion passed unanimously.**

**5. Design Solicitation Authorization for Professional Engineering Services – MetroLink Secure Platform Plan**

**8:32 a.m.** A briefing paper was provided in the meeting materials, regarding a request that the Committee authorize design solicitation for professional engineering services for the MetroLink Secure Platform Plan (SPP). A presentation regarding this item was provided by Kevin Scott, General Manager Security. He noted that the Safe Platform Plan was developed to create centralized, highly secure customer entrances on platforms that marry security focused access control with enhanced Fare Media and Closed Circuit Television technology, complementing security personnel deployments. He noted that in 2017, Metro Transit issued a Task Order to their General Engineering consultant (Jacobs Engineering) to explore installing fencing and gates at MetroLink stations, and Jacobs Engineering developed preliminary concepts and an initial cost estimate, presented in a report titled “System Barrier Study Report.” Mr. Scott reported that, in the fall of 2021, Metro Transit issued Task Orders to their current general engineering consultant (WSP) to further the conceptual designs, investigate barrier and fencing types, as well as perform an Emergency Egress Study to ensure passenger safety was accounted for once the additional barriers and fencing were installed. He noted that the work products for these Tasks Orders included 10% level concepts, which encompassed building code compliant egress requirements. He stated that this work was completed in December, 2021.

Mr. Scott noted that the SPP project will take MetroLink from being an open system to a completely closed system. He provided a PowerPoint presentation, noting the timeline milestones for the project. He stated that, if authorization is granted by the Committee, the Request for Proposals (RFP) will be released today, and it is anticipated that the review of the proposals will be completed by June 14<sup>th</sup>. Mr. Scott stated that he will be requesting that the Board of Commissioners hold a Special Meeting on August 11<sup>th</sup>, in order to seek Board approval of a bid for the design work, and he anticipates that a “kick-off” meeting will be held on August 22<sup>nd</sup>.

Andrew Ghaissi, General Manager Safety, Chief Safety Officer, gave an overview of the highlights of the scope of work. Mr. Scott reviewed the project leadership organizational chart, and he noted that the Board of Commissioners will be kept informed of every aspect of the project. He noted that a blog has been created on the Agency’s internal portal, and the Commissioners have been granted access to that information. Mr. Ghaissi provided an overview of the project working groups and their tasks.

Commissioner Cox asked the cost of the original Jacobs Engineering study. President/CEO Roach stated that he does not have that exact figure, but will get that information for the Board. Commissioner Cox stated that he just wants to ensure that the study does not go to waste. He stated he would like to see this project move forward as quickly as possible and asked if there is a way to expedite the process. Mr. Scott noted that staff is working as quickly as possible; however, the Agency has a procurement process it must follow, with specific deadlines set forth

in the policy. Commissioner Cox asked why it appears that nothing is moving forward in the month of July. Mr. Scott explained the procurement process and deadlines, and noted that this is why he will be requesting a Special Meeting to be held on August 11<sup>th</sup>. Commissioner Simmons noted that the Board will appreciate any efforts to speed the process. Commissioner Beach thanked Mr. Scott and staff for the presentation, noting that the Design Scope of Work, Highlights, provides the media and public with the overall intent of the project and what the project encompasses. Mr. Scott noted that all technology related to the project must be integrated, as the project proceeds, and staff must ensure that all technology works in concert with one another. Commissioner Moore asked if there are revenue relationships that will need to be addressed, as the project moves forward. Mr. Roach noted that funding has been secured for the project. He stated that the Agency is now shifting from the political/funding aspects of the project to the actual design phase. He noted that the rail system consists of over 46 miles of track with 38 stations, and he stated that this is a huge project, noting that new fare media will also be involved. Mr. Roach reported that these multiple layers will require time. Chair Simmons posed questions regarding the private funding for the project. Mr. Roach reported that the majority of the funds have already been accepted; however, some funding will be contributed over time. He noted that the commitments and signatures have been received, and approximately 45% of the funding is already in the Agency's possession.

Commissioner Windmiller thanked Kevin Scott and his team for the information provided, noting that more planning on the front end of the project will make for a better outcome in the end, and she agreed that the Agency must ensure that this is an integrated system. She asked if the RFP includes design and construction, or if the construction phases will consist of a separate RFP process. Mr. Scott noted that the current request is for design phase only. Chair Simmons posed questions regarding funding of the project, and if any shortfalls are anticipated. President/CEO Roach stated that the Agency has used the Jacob's study in the financial planning of the project. He noted that with the current construction market, the budget is tight; however, he feels secure in the original estimates. Chair Simmons noted that it is his understanding that the issue of the radio system remains unresolved. He stated that the WSP report noted that this is a very important element in the security program, and he stated that this is a primary concern for him. Mr. Scott assured Chair Simmons that the Agency continues to work with its law enforcement partners on this issue, and he is not losing sight of that issue. Chair Simmons stated that the Agency must get the radio communications issue resolved. Commissioner Golliday asked if the SPP project will result in increased fares for our ridership. Mr. Roach stated that this is not contemplated at this time. He also noted that, if this is considered at some point, the Agency must do outreach to the public for input regarding fares, and any increase would require the approval of the Board of Commissioners. He stated that this is an issue that may be considered in the next several years.

A motion to approve the item as submitted was made by Commissioner Cox and seconded by Commissioner Windmiller. **The motion passed unanimously.**

**6. Update: CCTV Upgrades and Police Department Feeds**

**9:18 a.m.** A presentation regarding this item was provided by Scott Streckfuss, SCADA Systems Specialist, Maintenance of Way. He noted that CCTV Phase I, Project 2487, has a total budget of \$6,201,570.00, and includes three steps in the project. He stated that the first step is the Genetec video management system which will allow users to view live and export recorded video, alert users on video analytic alarms so they can respond to incidents quickly and effectively, while also including several administrative safeguards and maintenance capabilities. He noted that the

procurement requisition for equipment to be installed at Ewing initiated on April 29, 2022, and product delivery is expected by August 29, 2022, with installation scheduled for completion by September 18, 2022. Mr. Streckfuss stated that the second part of the project is the New Real-Time Camera Center and Public Safety Dispatch Center at Metro Bus Central Facility. He reported that construction of this project began on March 3, 2022, and is scheduled for completion by June 30, 2022. He stated that the target opening date for the Real-Time Camera Center and Public Safety Dispatch is January 2, 2023. Mr. Streckfuss stated that the third part of the project is the Network Upgrade of the XTRAN Operational Technology network to transport the live viewing and recording of modern CCTV cameras and an upgraded SCADA system. He noted that the XTRAN equipment was ordered on February 1, 2022 for Ewing, Emerson Park, College, and Memorial Hospital. He reported that product delivery is expected by May 23, 2022, and installation is scheduled for completion by June 13, 2022. Mr. Streckfuss stated that this part of the network upgrade will also provide increased bandwidth to SCC911 center sites. He noted that procurement requisition for the remaining XTRAN hardware was placed on May 2, 2022, in four parts, providing network hardware for a Core, Phase I, Phase II, and Cross County ring network. He stated that product delivery is expected by September 13, 2022, with installation scheduled for completion by November 13, 2022.

Chair Simmons asked when equipment will arrive for the St. Clair County project, and Mr. Streckfuss stated that the equipment should be delivered on May 23, 2022. Commissioner Moore asked if the projects noted have been taken into consideration, with the overall SPP project. Mr. Scott stated that the noted upgrades are a function of the SPP project and the overall security enhancements. He stated that he has ensured that these upgrades will be compatible with the SPP project. Commissioner Cox asked how these cameras compare to ones used by government entities. Mr. Scott stated that this system is line with best practices, and includes real time viewing, and includes an upgrade from analog to digital. Commissioner Cox noted that these improvements will be completed prior to the SPP project, and noted that the Agency may want to note these improvements to the media, to show the steps that are already being taken. Mr. Scott stated that Marketing and Communications will be releasing this information, as it is very important. Chair Simmons stated that communication is essential.

Mr. Streckfuss gave an update regarding the SCADA system upgrades, noting that the contract notice to proceed was given on April 22, 2022, and a detailed project schedule is currently under development. He reported that the project will be completed by December 30, 2024, to support the testing and operation of the Mid America Airport extension.

(This item was provided as information only.)

**7. Unscheduled Business**

**9:30 a.m.** There was no unscheduled business.

**8. President/CEO Report**

**9:30 a.m.** President/CEO Taulby Roach stated that the report given today regarding SPP, and the fundamental structure in the slide presentation, is what the Board of Commissioners can expect to see on a regular basis, as requested by Chair Windmiller. He noted that, if there is any area in that report that the Commissioners would like to see modified, to please let him know. Mr. Roach stated that support of Kevin Scott and his team is absolutely critical to the success of this project.

President/CEO Roach stated that the FTA Regional Administrator was in St. Louis on Monday and Tuesday. He reported that the SPP Report, as well as a full Security Report, was given to the Administrator and he was very supportive of the concepts moving forward, especially with regard to how these steps can lead to increased ridership. He noted that a report was also given to the Administrator regarding our Operator Assault Working Group, as the goal is to not only protect our customers, but also our Operators and frontline employees. He noted that FTA was very supportive of this concept as well, and committed to trying to secure additional funding for security and training. Mr. Roach noted that the Agency has released the most recent quarterly statistics for safety and security, and that data is available on the Agency website.

**9. Call for the Dates of Future Board & Committee Meetings**

**9:33 a.m.** Myra Bennett, Manager of Board Administration noted the following upcoming meetings:

Special Meeting – Board of Commissioners	Monday, May 9, 2022	8:30 AM
Operations Committee Meeting:	Friday, June 10, 2022	8:30 AM
Audit, Finance & Administration Committee:	Friday, June 10, 2022	Following OPS
Board of Commissioners Meeting:	Friday, June 24, 2022	8:30 AM

**10. Motion to move Executive Session**

**9:34 a.m.** Chair Simmons noted that the only item for consideration for the Executive Session agenda is the Approval of the Minutes of the March 10, 2022, Safety & Security Committee, Executive Session. He stated that, if there are no corrections to the minutes, and no discussion is needed, the Board could proceed to a vote, without going into Executive Session.

A motion to approve the minutes of the March 10, 2022, Safety & Security Committee, Executive Session, as presented as a closed record, was made by Commissioner Cox and seconded by Commissioner Windmiller. A roll call vote was taken as follows:

Rose Windmiller – Yea  
Vernal Brown – Yea  
Sam Gladney – Yea

Herbert Simmons – Yea  
Derrick Cox – Yea  
Irma Golliday – Yea  
Debra Moore – Yea  
Terry Beach – Yea

**The motion passed unanimously.**

**11. Adjournment**

**9:35 a.m.** Chair Simmons asked if there was any further business; being none, Commissioner Golliday made a motion to adjourn the meeting. The motion was seconded by Commissioner Brown. Unanimous vote in favor was taken. The motion passed, and the meeting was adjourned at approximately 9:35 a.m.

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Deputy Secretary to the Board of Commissioners  
Bi-State Development

**Bi-State Development Agency  
Board of Commissioners  
Open Session Agenda Item  
June 24, 2022**

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**From:** Taulby Roach, President and Chief Executive Officer  
**Subject:** **Contract Award: Financial Advisory Services**  
**Disposition:** Approval  
**Presentation:** Thomas Curran, Executive Vice President – Administration;  
Tammy Fulbright, Executive Vice President/Chief Financial Officer

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**Objective:**

To present to the Board of Commissioners for approval, a request to authorize the President & CEO to award a contract to Columbia Capital Management, LLC for Financial Advisory Services for the Bi-State Development (BSD) Bond Program.

**Background:**

Bi-State Development's Finance/Treasury Division is responsible for improving the financial foundation of Bi-State Development and promoting strategic initiatives of fiscal responsibility with the agency's financial activities related to many different aspects of its existing and contemplated bond indebtedness program and other financial operations.

Solicitation 22-RFP-313158-CG - Financial Advisory Services was issued on February 25, 2022. The request for proposals was advertised in BSD's iSupplier Portal, the agency's web-based communication tool structured to allow interested bidders/proposers full and open access to view, communicate, and submit bids/proposals on active solicitations.

**Analysis:**

In response to the solicitation, one (1) sealed proposal was received from Columbia Capital Management, LLC. The single proposal was forwarded to the Finance Department for review.

A review of the sealed proposal received from Columbia Capital Management affirmed that the technical proposal met the minimum requirements, qualifications and experience in accordance with the scope of work described within the solicitation.

- Columbia Capital Management is a municipal advisor registered with the SEC (File Number: 867-00262) and the MSRB (ID: K0183) and is a registered investment adviser (RIA) with the SEC (IARD/CRD Number: 112773).
- Columbia Capital Management is in compliance with all filing requirements of the Municipal Securities Rulemaking Board Rule G-37, and affirms that Columbia's officers and employees have not made any contributions or undertaken any actions in violation of Rule G-37.
- Columbia Capital Management is an independent financial and investment advisor, providing advisory services to state, regional, special district and local bond issuers across the country. The firm maintains a broad-based municipal financial advisory practice, including:

*Board Policy Chapter 50.010.E - Purchasing requires Board approval of non-competitive procurements exceeding \$100,000.*

- Strategic financial advisory services
- Debt transaction advisory services
- Economic development advisory services
- Investment management, including investment of bond proceeds
- Derivatives advisory services
- Financial modeling, capital planning and long-range financial planning services
- Project-based advisory services
- Public-Private Partnership (P3) advisory services
- Post-issuance compliance services

The Contracting Officer conducted a survey of potential sources that chose not to submit a proposal. Three firms responded:

<b>Firm</b>	<b>Contact</b>	<b>Method of Communication</b>	<b>Reason for non-participation</b>
White-Coleman Law Firm	Dorothy Coleman	Email/Telephone	The firm decided to submit a proposal for Bond Counsel instead of Financial Advisory Services.
Sage View Advisor Group	Greg Koehler	Email	Registration was not completed in order to gain access to review/submit a proposal.
Springstead Inc.	Lauren Sunny	iSupplier On-Line Discussion	Springstead acquired by Baker Tilley; Lauren requested Springstead be removed from notifications. Invite sent to Baker Tilley, no response regarding participation.

Columbia Capital Management's cost proposal was compared to the firm's previous cost proposal submitted under contract 17-RFP-104180-SG Financial Advisory Services. Based on the below analysis, Columbia Capital Management's cost proposal is determined to be fair and reasonable.

<b>Services</b>	<b>22-RFP-313158-CG</b>	<b>17-RFP-104180-SG/CG</b>
	Fixed Rate Credit Enhanced Fee (basis points)	Fixed Rate Fee (basis points)
Bonds	0.075% - 0.075%	0.045% - 0.045%
Investment Advisory Services - Construction/Debt Service Reserve Funds	0.09%	0.09%
Revenue Anticipation (Annual)	0.10% - 0.10%	0.10% - 0.10%
Grant Anticipation (Annual)	0.10% - 0.10%	0.10% - 0.10%
IRB, TIFS, TDD or other special assessment district bonds	0.30% -0.50%	0.25% -0.50%
Average Hourly Rate for Key Personnel (Account Manager, Lead Manager, Financial Advisor, Analytical Support)	\$295.00	\$262.50

**Funding Source:**

Operational Funds

**Previous Action:**

The Audit, Finance and Administration Committee recommended this item for approval at the June 10, 2022 meeting.

**Board Action Required:**

Management recommends that the Board of Commissioners approve a request that the President & CEO enter into a 5-year contract for Financial Advisory Services with Columbia Capital Management, LLC in the not-to-exceed amount of **\$400,000.00.**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE  
BI-STATE DEVELOPMENT AGENCY  
OF THE MISSOURI - ILLINOIS METROPOLITAN DISTRICT  
AWARDING A SINGLE BID CONTRACT TO COLUMBIA CAPITAL MANAGEMENT, LLC  
FOR FINANCIAL ADVISORY SERVICES**

**PREAMBLES:**

*Whereas*, The Bi-State Development Agency of the Missouri-Illinois Metropolitan District (the "Agency"/ "BSD") is a body corporate and politic, created by an interstate compact between the States of Missouri and Illinois, acting by and through its Board of Commissioners (the "Board of Commissioners"); and

*Whereas*, the Agency is authorized by Mo. Rev. Stat. §§ 70.370 et seq. and 45 Ill. Comp. Stat. 100/1 et seq. (jointly referred to herein as the "Compact") to acquire by gift, purchase or lease, sell or otherwise dispose of, and to plan, construct, operate and maintain, or lease to others for operation and maintenance, airports, wharves, docks, harbors, and industrial parks adjacent to and necessary and convenient thereto, bridges, tunnels, warehouses, grain elevators, commodity and other storage facilities, sewage disposal plants, passenger transportation facilities, and air, water, rail, motor vehicle and other terminal or parking facilities; to contract and to be contracted with; and to perform all other necessary and incidental functions; and

*Whereas*, Board Policy Chapter 50, §50.010 (E)(1)(b), requires Board approval of all Non-competitive ("sole source or single bid") Procurements exceeding \$100,000; and

*Whereas*, Solicitation 22-RFP-313158-CG - Financial Advisory Services was issued on February 25, 2022, and the request for proposals was advertised in BSD's iSupplier Portal; and

*Whereas*, in response to the solicitation, one (1) proposal was received from Columbia Capital Management, LLC, and the proposal was forwarded to the Finance Department evaluation team for review; and

*Whereas*, upon review and evaluation of the proposal received from Columbia Capital Management, LLC, it was determined that the technical proposal met the minimum requirements, qualifications and experience in accordance with the scope of work described within the solicitation; and

*Whereas*, Columbia Capital Management's cost proposal was compared to the firm's previous cost proposal submitted under contract 17-RFP-104180-SG Financial Advisory Services, and based on the analysis, Columbia Capital Management's cost proposal was determined to be fair and reasonable; and

*Whereas*, it is feasible, necessary and in the public interest for the Agency to authorize the President & CEO to enter into a 5-year contract for Financial Advisory Services with Columbia Capital Management, LLC in the not-to-exceed amount of \$400,000.00, in accordance with the terms and conditions described herein.

**NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

Section 1.        Findings. The Board of Commissioners hereby finds and determines those matters set forth in the preambles hereof as fully and completely as if set out in full in this Section 1.

Section 2.        Approval of the Sole Source Contract. The Board of Commissioners hereby authorizes the President & CEO to enter into a 5-year contract for Financial Advisory Services with Columbia Capital Management, LLC in the not-to-exceed amount of \$400,000.00, under and pursuant to this Resolution and the Compact for the authorized Agency purposes set forth in the preambles hereof and subject to the conditions hereinafter provided.

Section 3.        Actions of Officers Authorized. The officers of the Agency, including, without limitation, the President and CEO, and Vice President of Procurement are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Resolution and the Contract and the execution of such documents or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 4.        Severability. It is hereby declared to be the intention of the Board of Commissioners that each and every part, section and subsection of this Resolution shall be separate and severable from each and every other part, section and subsection hereof and that the Board of Commissioners intends to adopt each said part, section and subsection separately and independently of any other part, section and subsection. In the event that any part, section or subsection of this Resolution shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, sections and subsections shall be and remain in full force and effect, unless the court making such finding shall determine that the valid portions standing alone are incomplete and are incapable of being executed in accordance with the intent of this Resolution.

Section 5.        Rights under Resolution Limited. No rights shall be conferred by this Resolution upon any person or entity other than the Agency and Columbia Capital Management, LLC.

Section 6.        Governing Law. The laws of the State of Missouri shall govern this Resolution.

Section 7.        No Personal Liability. No member of the Board of Commissioners, officer, employee or agent of the Agency shall have any personal liability for acts taken in accordance with this Resolution.

Section 8.        Payment of Expenses. The Executive Vice President and CFO is hereby authorized and directed to pay or cause to be paid all costs, expenses and fees incurred in connection with or incidental to this Resolution and the Contract.

Section 9.        Effective Date. This Resolution shall be in full force and effect from and after its passage and approval.

**ADOPTED** by the Board of Commissioners of The Bi-State Development Agency of the Missouri-Illinois Metropolitan District this 24<sup>th</sup> day of June, 2022.

***In Witness Whereof***, the undersigned has hereto subscribed her signature and caused the Seal of the Agency to be affixed.

**THE BI-STATE DEVELOPMENT AGENCY OF THE  
MISSOURI-ILLINOIS METROPOLITAN DISTRICT**

By \_\_\_\_\_  
Title \_\_\_\_\_

[SEAL]

ATTEST:

By \_\_\_\_\_  
Deputy Secretary to the Board of Commissioners

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**From:** Taulby Roach, President and Chief Executive Officer  
**Subject:** **Board Policies, Chapter 30 – Audit, Finance, and Budget**  
**Disposition:** Approval  
**Presentation:** Crystal Messner, Chief Audit Executive

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**Objective:**

To present to the Board of Commissioners for approval, a request to incorporate revisions to the Collected Board Policies of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District, Chapter 30, Audit, Finance, and Budget.

**Background:**

Sections of Bi-State’s Audit, Finance, and Budget policies, found in Chapter 30 of the Collected Board Policies of the Bi-State Development Agency, have been updated at various times throughout the years. At this time, the following sections are presented with changes for consideration:

- a. 30.005 Audit Committee Charter
- b. 30.010 Annual Audit
- c. 30.020 Internal Audit

For Section 30.005 Audit Committee Charter, the changes noted are primarily to reference best auditing standards, versus the reference to Government Auditing Standards, and to correct titles especially as it relates to the Chief Audit Executive.

For Section 30.010 Annual Audit includes a reference to hedging and correct reference to other titles.

For Section 30.020 Internal Audit, the changes noted are to correct the reference to internal audit and other titles especially as it relates to the Chief Audit Executive.

**Previous Action:**

The Audit, Finance and Administration Committee recommended this item for approval at the June 10, 2022 meeting.

**Board Action Requested:**

It is requested that the Board of Commissioners approve a request to incorporate revisions to the *Collected Board Policies of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District, Chapter 30* as shown in the Attachments. In addition, it is requested that the Chair of the Board of Commissioners designate that the proposed revision to Board Policies, Chapter 30 – Audit, Finance, and Budget, not be tabled pursuant to Article VI (D) of the Board Policies, as it is in the best interest of the Agency that these revised Board Policies be approved at the Board Meeting on June 24, 2022.

**Attachments**

- Attachment 1 – Current – Board Policy, Chapter 30 – Audit, Finance and Budget
- Attachment 2 – Redlined – Board Policy, Chapter 30 – Audit, Finance and Budget
- Attachment 3 – Clean Copy – Board Policy, Chapter 30 – Audit, Finance and Budget

**COLLECTED BOARD POLICIES**  
**OF THE**  
**BI-STATE DEVELOPMENT AGENCY**  
**OF THE**  
**MISSOURI-ILLINOIS METROPOLITAN DISTRICT**

**Chapter 30 Audit, Finance and Budget**

<u>Section</u>	<u>Page</u>
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**Section 30.005      Audit Committee Charter** (added 03/25/11, rev. 09/23/11)

A.      **GENERAL** (revised 09/23/11). The purpose of the Audit Charter is to assist the Board of Commissioners, through its Audit Committee, in fulfilling its fiduciary oversight responsibilities as follows:

- (1) Audit Committee management and Reporting Responsibilities
- (2) External Audit of the Financial Statements
- (3) Internal Audit Process
- (4) System of Risk Management
- (5) Processes for Monitoring Compliance with Laws and Regulations and the Ethics Policy, Code of Conduct and Fraud Policy
- (6) Special Investigations and Whistleblower Mechanism

Source: Information to develop this Charter is from *The AICPA Audit Committee TOOLKIT: Government Organizations*

B. AUTHORITY. The Audit Committee (“committee”) has the authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to perform the following functions, which are numbered according to the purposes listed above.

1. Audit Committee Management and Reporting Responsibilities

- Each member of the Committee should be appointed by the Chairman of The Bi-State Development Agency (“Bi-State”) Board of Commissioners.
- At least one member of the Committee should have financial experience.
- The Committee should review this Charter annually, reassess the adequacy of the Charter, and recommend any proposed changes to the Board of Commissioners. It should consider changes that are necessary as a result of new laws, regulations, or accounting and auditing standards, including *Government Auditing Standards* (Yellow Book) issued by the Comptroller General of the United States.
- The Committee should meet at least four times per year, and at additional times when necessary. These meetings may be combined with regularly scheduled meetings, or may be held more frequently as circumstances may require. The Committee may ask members of management or others to attend the meetings and provide pertinent information as necessary.
- Conduct executive sessions with the independent auditors, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Director of Internal Audit, General Counsel, outside counsel, Director of Accounting and Budget, and anyone else as desired by the Committee.
- The Committee shall be authorized to hire professional consultants as necessary.
- Review and concur on the appointment, replacement, reassignment, or dismissal of the Director of Internal Audit.
- Oversee the appointment of the independent auditors to be engaged for external reporting, and establish the related audit fees.
- If the audit organization provides any non-audit services, determine that the audit organization has considered and documented its consideration of how providing these non-audit services does not violate the requirements that the audit organization (a) not provide services that involve performing management functions or making management decisions, and (2) not audit their own work, as stipulated in *Government Auditing Standards*.
- Review and evaluate the performance of the independent auditors.
- Review with the full Board of Commissioners any proposed discharge of the independent auditors.
- Review with the full Board of Commissioners any proposed discharge of the independent auditors.
- Review with the independent auditor, the CFO, the Director of Accounting and Budget and the Director of Internal Audit, the audit scope and plan of the internal auditors and the independent auditors. Address the coordination of audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.

- The Committee should evaluate the independent auditors and internal auditors.
- The Committee should review its effectiveness.
- Create an agenda for the ensuing year, or review and approve the agenda submitted by the Director of Internal Audit.

## 2. External Audit of the Financial Statements

- Review with management and the independent auditor the effect of any regulatory and accounting initiatives, such as related organizations financing structures, derivatives, or securities lending.
- Review with the independent auditor that performs the financial statement audit:
  - a. All critical accounting policies and practices used by Bi-State.
  - b. All alternative treatments of financial information within generally accepted accounting principles that have been discussed with Bi-State's management, the ramifications of each alternative, and the preferred treatment.
- Review all significant written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
- Review with management and the independent auditors:
  - a. The Bi-State Development Agency's annual financial statements, related footnotes, and management's discussion and analysis;
  - b. The independent auditor's audit of the financial statements and their report thereon;
  - c. The independent auditors' judgments about the quality, not just the acceptability, of Bi-State's accounting principles as applied in its financial reporting;
  - d. The independent auditors' single audit of the federal awards administered by Bi-State and their reports thereon;
  - e. Any significant changes required in the independent auditors' audit plan;
  - f. Any serious difficulties or disputes with management encountered during the audit. Matters required to be discussed by Statement on Auditing Standards (SAS) No. 61, *Communication With Audit Committees* (AICPA, *Professional Standards*, vol. 1, AU Sec. 380), as amended; U.S. Government Accountability Office's *Government Auditing Standards*; and the U.S. Office of Management and Budget's Circular A-133 related to the conduct of the audits.
- Review with the General Counsel and the Director of Internal Audit legal and regulatory matters that, in the opinion of management, may have a material

impact on the financial statements and compliance with federal, state, and local laws and regulations.

### 3. Internal Audit Process

- Review with management the policies and procedures with respect to Bi-State management's use of expense accounts, public monies, and public property, including for example, their use of Bi-State's vehicles. Consider the results of any review of these areas by the Internal Auditor or the independent auditors.
- Consider, with management, the rationale for employing audit firms other than the principal independent auditors for services that Bi-State or the independent auditor determines would not be appropriate for the principal independent auditor to perform.
- Review with management and the Director of Internal Audit:
  - a. Significant findings on internal audits during the year and management's responses thereto.
  - b. Any difficulties the internal audit team encountered in the course of their audits, including any restrictions on the scope of their work on access to required information.
  - c. Any changes required in the scope of their internal audits.
  - d. The Internal Audit Department budget and staffing.
  - e. The Internal Audit Department charter.
  - f. The Internal Audit Department's compliance with applicable standards (for example, *Government Auditing Standards*, or the Institute of Internal Auditors' (IIA's) Standards for the Professional Practice of Internal Auditing).

### 4. System of Risk Management

Inquire of management, the Internal Audit Department, and the independent auditors about significant risks or exposures facing Bi-State; assess the steps management has taken or proposes to take to minimize such risks to Bi-State; and periodically review compliance with such steps.

Inquire of the CEO and CFO regarding the fiscal health of Bi-State, as well as the financial status of Bi-State in relation to its adopted budget.

Review with the independent auditors and Director of Internal Audit:

- a. The adequacy of Bi-State's internal controls including computerized information system controls and security;
- b. Any related significant findings and recommendations of the independent auditors and internal auditors together with management's responses thereto.

5. Organization's Processes for Monitoring Compliance with Laws and Regulations and the Ethics Policy, Code of Conduct and Fraud Policy

- a. Periodically review Bi-State's code of conduct to ensure that it is adequate and up to date.
- b. Review with the Director of Internal Audit and General Counsel the results of their review of compliance monitoring with the code of conduct.

**Section 30.010                      Annual Audit**

A. Policy (revised 5/22/09). It is the policy of the Agency to submit its books and records to annual audit by a nationally recognized CPA firm. The firm selected 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. The firm, and any principal/s of the firm, shall have no direct or indirect personal or financial interest in the fiscal affairs of the Agency, or of any officer of the Agency. The Agency shall not engage any firm, or any lead or concurring audit partner connected with that firm's provision of audit services to the Agency, for a contract term in excess of five (5) consecutive years.

B. Reporting. This firm reports its findings and conclusions to the entire Commission each year and may meet with the Audit Committee at any time during the year. Upon receipt of the final management letter, the President & CEO will promptly forward a response to the Audit Committee indicating the status of each recommendation or finding.

**Section 30.020                      Internal Audit**

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

B. Work Plan. The Internal Auditor shall be responsible for preparing an annual Audit Work Plan. Additionally, Commissioners and Senior Managers shall identify potential areas for review by the Internal Audit Department. Upon completion of the Audit Work Plan, the Internal Auditor shall present the Plan to the Audit Committee for their review and approval pursuant to these Board Policies.

C. Special Reviews. From time to time the President & CEO may assign to the Internal Auditor special reviews designed to assure continuous quality improvement of Agency operations.

### **Section 30.030                      Annual Budget**

A.     General. Each year the President & CEO shall prepare an annual budget for the forthcoming fiscal year that will be presented to the Board of Commissioners. The President & CEO will work with the Board in setting strategic objectives, update the Agency's long range planning document, and prepare both an operating and capital budget. 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.

B.     Approval. The President & CEO will present the annual budget at a regularly scheduled meeting of the Board of Commissioners. The Board of Commissioners shall approve annual operating and capital budgets prior to the beginning of the ensuing fiscal year.

### **Section 30.040                      Banking and Investment (rev. 06/23/06, 11/19/10, 09/28/12)**

A.     General. This policy directs the investment of all operating, self-insurance restricted, capital and debt service funds of all entities of the Bi-State Development Agency not expressly controlled by Revenue Bond Trustees.

The preservation of funds is the first consideration in determining the investment of Agency 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, which meet the criteria below, will be selected for investments only on a competitive basis. The number of demand deposit non-interest bearing accounts will be kept to the minimum for operational efficiency and safety.

Notwithstanding the following authorized investments, it is the Board's intent to have the majority of the available funds invested in local institutions provided the institutions meet the minimum credit standings set out below and yields are competitive.

The Board also directs management to refrain from investing Agency funds in any financial institutions or businesses that conduct business with governments deemed unacceptable by the Federal Government through executive order or enacted legislation.

#### **B.     Authorized investment categories (revised 4/24/09 and 11/19/10)**

1.     Demand Deposit, Negotiable Order Withdrawal (NOW), Bank Money Market, Certificate of Deposit and Savings Accounts - issued by local banks or thrifts where the account or investment is either collateralized with direct obligations of the U.S. Government or its instrumentality's, or covered by FDIC insurance, or other AAA rated surety.
2.     Negotiable Certificates of Deposit - provided that the institution maintains a Fitch rating of B or better and / or a Moody's Investor Services short-

term rating of P-1. The institutions selected will have a minimum of \$100 million in combined capital and unimpaired surplus.

3. Bankers Acceptances - provided that the institution maintains a Fitch rating of B or better and / or a Moody's Investor Services short-term rating of P-1. The institutions selected will have a minimum of \$100 million in combined capital and unimpaired surplus.
4. Direct Obligations of the United States Government, U.S. Government Agencies or U.S. Government Instrumentality's.
5. Commercial Paper - Commercial paper at the time of purchase shall have ratings of A-1 by Standard and Poors Rating Services and P-1 by Moody's Investors Services. Commercial paper of firms doing business within the St. Louis metropolitan region may have ratings of A-2 by Standard and Poors Rating Services and P-2 by Moody's Investor Services.
6. Repurchase Agreements (revised 11/19/10) - Repurchase agreements (repos) are acceptable, using any of the securities listed in paragraphs B-4 above as collateral. Also, the firm with whom the repo is executed must be a credit acceptable bank, or broker-dealer. A credit acceptable bank or broker-dealer is defined as one whose senior debt rating is A- by one of the three nationally recognized ratings agencies (Standard & Poor's, Moody's, or Fitch). Banks in the Agency's service area that do not have a Standard & Poor's, Moody's or Fitch rating, may also be authorized repo counterparties, provided that they meet the "well capitalized" standard, as defined by the Federal Deposit Insurance Corporation. A written repurchase agreement, substantially modeled on, but in no case less restrictive than, the Securities Industry and Financial Markets Association's "Master Repurchase Agreement", shall be completed for each repo counterparty. Such agreements shall be updated periodically, but no less than once every five years. In all cases, repo collateral shall have a market value of 102% of the dollars invested, plus accrued interest. If the repo term is longer than an overnight maturity, the collateral must be delivered to a third party custodian, and priced-to-market weekly to assure correct collateral value coverage.

The Director of Treasury Services shall obtain approval from the Chief Financial Officer before authorizing a repo counterparty. Before approval, documentation shall be furnished that the authorized counterparty meets the required criteria. The Director of Treasury Services will also monitor continued compliance with the criteria. The current authorized repo counterparties are:

Bank of America  
Merrill Lynch Capital Markets

UMB Bank  
Commerce Bank  
U.S. Bank  
Jefferson Bank & Trust

7. Money Market Funds - Acceptable funds shall be institutional money market funds having over \$500 million in net assets and be rated AAA by Standard and Poor's, Moody's and/or Fitch rating services.
8. Reverse Repurchase Agreement - A reverse repurchase Agreement or short-term borrowing (180 days or less), using securities in the Agency's portfolio as collateral, is acceptable. However, the firm with whom the borrowing is executed must meet the same requirements as stated previously for repurchase agreements. Also, the borrowed funds may be used to purchase other securities as an investment arbitrage. In this case, the new investment maturity date must match (+/- one week) the maturity date of the reverse repo, and those instruments must be delivered into the Agency's safekeeping account and held there until maturity. The Board shall be notified of all such transactions through the Treasurer's monthly report.

C. Banking Services. Banks will be negotiated with periodically for demand deposits and other banking services for the greater advantage to the Agency. Any two of the following may open bank accounts, subject to the approval of the Board of Commissioners through a confirming motion at the next meeting of the Board of Commissioners:

Chair, Board of Commissioners	President & CEO
Vice Chair, Board of Commissioners	Chief Financial Officer
Treasurer, Board of Commissioners	

The Treasurer, President & CEO and Internal Audit will monitor the potential for conflict of interest.

D. Investment Performance. Management will provide the Treasurer of the Board of Commissioners with a monthly list of deposits, investments, yields, monthly summary of the prior 12 months' funds experience, and the average amount of non-interest bearing deposits at each institution.

E. Investment Transaction Criteria: (revised 4/24/09)

1. Safekeeping Accounts - Securities purchased are delivered against payment and held in a custodian safekeeping account. Tri-party custodian agreements maintained with third party trust companies as well as the Federal Reserve Bank are acceptable. Hold-In-Custody repurchase agreements for fourteen days or less will be processed through special transaction control accounts. These accounts will be audited quarterly by

Internal Audit and the results reported through the Treasurer, to the Board of Commissioners.

2. Maturity Limitations - To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow requirement, no funds shall be invested for more than five years from the date of settlement. The weighted average maturity of the portfolio shall at no time exceed eighteen months.

For Securities that are subject to redemption (call) before final maturity, the final maturity date shall be used both for compliance with the five year limitation and in calculating the weighted average maturity.

3. Diversification –

- a. Unlimited investment in the following:

- U.S. Government obligations
- U. S. Government Agency obligations
- U. S. Government Instrumentality obligations
- Repurchase Agreements – secured by the 3 U. S. obligations noted immediately above.
- Money Market Funds – Institutional money market funds having over \$500 million in net assets and rated AAA by Standard & Poor's, Moody's and/or Fitch rating services.

- b. Investments not to exceed \$5.0 million par value from any one issuer:

- Bankers Acceptances
- Commercial Paper
- Negotiable Certificates of Deposit

- c. All investments must be paid for before they may be sold.

F. Authorized Individuals. (Rev. 01/04/08) The following individuals are authorized to conduct investment transactions for the Agency:

Chief Financial Officer  
Director of Treasury Services

Treasury Specialist  
Debt Analyst

G. Agency Debt. Agency debt may be incurred only by the specific authority of the Board of Commissioners through special action. Notwithstanding Sections B or E above, all funds under such debt resolutions or indentures of trust shall be controlled by the investment set forth in such documents.

**H. Check Signatories (rev. 01/04/08)**

**1. All General Operating Funds Including Self-insurance Fund**

- a. Under \$501 for insurance settlement drafts - One signature from the following:

Claims Adjuster	Manager of Claims
Supervisor of Claims	Director of Risk Management

- b. Under \$7,500 - One signature from the following:

Treasurer, Board of Commissioners (including facsimile signature)  
or in the event of a vacancy in the Treasurer's position,  
Secretary, Board of Commissioners (including facsimile signature)  
President & CEO                      Director of Treasury Services  
Chief Financial Officer            Director of Passenger Revenue  
Controller                          Treasury Specialist

- c. \$7,501 to \$100,000 - Two signatures from the following:

Treasurer, Board of Commissioners (including facsimile signature)  
or in the event of a vacancy in the Treasurer's position,  
Secretary, Board of Commissioners (including facsimile signature)  
President & CEO                      Treasury Specialist  
Chief Financial Officer            Director of Treasury Services  
Controller

- d. \$100,001 to \$500,000 - Two signatures from the following:

Chair, Board of Commissioners	Treasurer, Board of Commissioners
President & CEO	Director of Treasury Services
Chief Financial Officer	Treasury Specialist
	Controller

- e. \$500,001 to \$1,000,000 - Two signatures from the following:

Chair, Board of Commissioners	Treasurer, Board of Commissioners
President & CEO	Director of Treasury Services
Chief Financial Officer	Controller

- f. \$1,000,001 and above - Two signatures, one each from Group A and Group B:

<u>GROUP A</u>	<u>GROUP B</u>
Treasurer, Board of Commissioners President & CEO	Chair, Board of Commissioners Vice Chair, Board of Commissioners Secretary, Board of Commissioners

2. Employee Medical Self Insurance Account

- a. Under \$25,000 -- Approved Officer of Service Provider (including facsimile signature)
- b. \$25,001 to \$100,000 - Two Signatures, one each from Group A and Group B:

<u>GROUP A</u>	<u>GROUP B</u>
Approved Officer of Service Provider (including facsimile signature)	President & CEO Chief Financial Officer Director of Treasury Services Treasury Specialist Controller

- c. \$100,001 to \$500,000 - Two signatures, one each from Group A and Group B:

<u>GROUP A</u>	<u>GROUP B</u>
Approved Officer of Service Provider	Treasurer, Board of Commissioners President & CEO Chief Financial Officer Director of Treasury Services Controller Treasury Specialist

- d. \$500,001 to \$1,000,000 – Two signatures, one each from Group A and Group B:

<u>GROUP A</u>	<u>GROUP B</u>
Approved Officer of Service Provider	Treasurer, Board of Commissioners President & CEO Chief Financial Officer Director of Treasury Services Controller

I. Wire Transfer Authority (rev. 01/04/08)

1. Wire Transfers and Automated Clearing House Transactions (ACH) are authorized for the transfer of funds between checking, investment and

savings accounts, payment of services, equipment, construction in process, a well as payroll related expenditures that are authorized by and in the name of the Bi-State Development Agency.

2. Wire Transfer and Automated Clearing House Transactions (ACH) authority is limited to the below listed individuals. Wire transfers of a non-repetitive nature require the authority of any two of the below listed individuals:

Chief Financial Officer	Treasury Specialist
Director of Treasury Services	Controller
Manager of Accounts Payable	Debt Analyst

3. Authorization to create new repetitive Wire Transfers and Automated Clearing House Transactions (ACH) requires approval of any two of the following:

President & CEO  
 Chief Financial Officer  
 Chair, Vice Chair, Treasurer, Secretary, Board of Commissioners

J. Authorized Signatories for the Release of Pledged Collateral:

Chief Financial Officer	Director of Treasury Services
Treasury Specialist	Debt Analyst

K. Authorized Signatories for Self Insurance Related Letters of Credit Requests for Letters of Credit must be submitted to the Treasury Section. Treasury personnel will obtain the Letter of Credit and submit the application to one of the following for authorization.

\$49,999 and Below	-	Chief Financial Officer
\$99,990 and Below	-	President & CEO
\$100,000 and Above	-	Chair, Vice Chair, Treasurer of the Board of Commissioners

L. Authorized Agency Bank Accounts: (revised 8/15/07, 09/28/12)

<u>Bank</u>	<u>Account Numbers</u>	<u>Funds (Purpose)</u>
Bank of America	XXXXXXXXXXXX90 -	Operating (Payroll)
-	XXXXXXXXXXXX91 -	Transit Pass Revenue
-	XXXXXXXXXXXX21 -	Transit Operating, Sales Tax, & Internally Restricted
-	XXXXXXXXXXXX34 -	Transit Farebox Revenue

-	XXXXXXXXXXXX58 -	Arch Garage Operations & Maintenance
-	XXXXXXXXXXXX48 -	Transit MetroLink Revenue
-	XXXXXXXXXXXX62 -	Regular Self Insurance
-	XXXXXXXXXXXX96 -	Investment Transitory
-	XXXXXXXXXXXX17-	Transit Revenue (TVM credit card)
-	XXXXXXXXXXXX46-	Call-A-Ride Revenue
-	XXXXXXXXXXXX13-	Accounts Payable EFT
-	XXXXXXXXXXXX39-	Accounts Payable
-	XXXXXXXXXXXX26-	Regular Self Insurance Claims
Jefferson Bank & Trust	XXXXXXXXXXXX15 -	Non-Transit Repo
J.P. Morgan Chase	XXXXXXXXXXXX66-	Cigna Medical Self Insurance Claims (funded by Metro, admin. By Cigna)
PNC	XXXXXXXXXXXX74- XXXXXXXXXXXX66-	Arch Revenue Riverboat Revenue
UMB Bank	XXXXXXXXXXXX25 - XXXXXXXXXXXX28 -	Arch Garage Revenue Transit Operating
Regions Bank -	XXXXXXXXXXXX41 -	Airport Revenue
US Bank -	XXXXXXXXXXXX24 -	Metroride Store Revenue

## **Section 30.050                      Financial Reporting** (revised 09/25/09)

A.     Policy. It is the policy of the Agency to prepare the financial results of each operating company as required by specific agreement, but not less than quarterly. Financial statements for the Board of Commissioners shall be prepared quarterly, and include the following statements:

1.       Transmittal letter of noteworthy variations, including disclaimer
2.       Balance Sheet
3.       Statement of Revenue, Expense Income (Loss)
4.       Cash Receipts and Disbursement Schedule
5.       Capital Expenditures for Active Projects
6.       Statement of Cash Flows
7.       Aged Receivables

### **Disclaimer:**

The following disclaimer shall be included in each transmittal letter of noteworthy variance:

“These interim financial statements are not in conformity with U.S. Generally Accepted Accounting Principles (U.S. GAAP) due to the following reasons: Depreciation is not shown as an operating expense, but as other non-operating expense; capital contributions and total net assets are now shown on the Statement of Revenue, Expense, Income (Loss); and there are no accompanying footnote disclosure requirements or Management Discussion and Analysis (MD & A) sections included.”

## **Section 30.060                      Risk Management** (revised 2/25/2000 and 08/20/2021)

A.     General. One of the Agency's primary objectives is to provide safe, reliable, and cost-effective transportation services while complying with federal, state, and local laws. In support of that objective, the Agency will develop and maintain an effective, integrated risk management program. This policy applies to all exposures to risk of loss that are fortuitous and result from external causes. These exposures include, but are not limited to, fires, collisions, theft, windstorm, construction accidents, workers' compensation claims, and auto or general liability claims as well as associated lawsuits against the Agency.

B.     Authority and Responsibility. The Director of Risk Management is responsible for recommending the overall direction of the Agency's risk management program as specified in the Agency's Management Policies & Procedures.

C.     Self-Insurance (revised 08/20/21). The Agency will self-insure those routine risks associated with its core transit operations. Risk exposures above the self-insured retention will be covered by excess insurance if such excess insurance is available and affordable.

D. Third Party Administrator (revised 08/20/21). The Agency will contract with a third party adjusting firm to assist in administering claims handling (TPA). The Risk Management Department will monitor the TPA and hold quarterly claims reviews. An annual audit will be performed.

E. Insurance. Primary property and liability insurance will be purchased for unique or special risks of loss, for major construction projects, and when required by law or by contract. A Broker of Record will perform the insurance marketing function under the direction of the Director of Risk Management.

F. Self-Insurance Fund (revised 08/20/21). The Agency will maintain asset accounts, referred to as “Self-Insurance Funds”, as authorized by the Board of Commissioners on October 1, 1982, to support liabilities accrued as a result of its self-insured losses. The Chief Financial Officer of the Agency will maintain the Self-Insurance Fund, complying with prudent business practices and all applicable governmental pronouncements, and determine the amount of annual funding required. The fund is subject to following guidelines:

1. The current balance will be sufficient to pay estimated judgments, settlements, losses, and expenses for a three (3) year time period.
2. The amounts held in the Self Insurance Funds shall be used solely for the purpose of paying such liabilities and expenses.
3. The Chief Financial Officer, with concurrence of the President & CEO, is authorized to borrow amounts from the Self Insurance Funds to pay expenses of the Transit System in anticipation of routine operating subsidies and capital grants. All amounts borrowed from the Self Insurance Funds shall be reimbursed to such Fund as soon as possible with normal Agency revenues such as Farebox revenue, sales tax revenues, interest earnings and operating subsidy funds. The Board of Commissioners is to be notified, in writing, of any borrowing, outlining the amount borrowed.

G. Excess Judgment Fund (revised 08/20/21). The Agency will maintain an additional asset account, referred to as the “Excess Judgment Fund”, as authorized by the Board of Commissioners on July 7, 1989, to provide supplemental cash flow to the Self-Insurance Funds, in the event of a large or catastrophic loss that is greater than 50% of the Agency’s Self-Insured retention amount for that year. In addition, this fund will provide temporary or emergency funds for property losses that are equal or greater than \$500,000 and where the insurer has delayed payment or is questioning coverage under its policy. The Chief Financial Officer of the Agency will maintain the Excess Judgment Fund, complying with prudent business practices and all applicable governmental pronouncements. The fund is subject to following guidelines:

1. The goal is to attain and maintain a \$5,000,000 fund balance.
2. A minimum of \$250,000 shall be appropriated annually by the Board as part of the budget process until the fund goal of \$5,000,000 is reached.

3. Interest earned by monies in the fund shall inure exclusively to the fund on a cash basis until the fund goal of \$5,000,000 is reached.
4. Monies appropriated to the fund shall be deposited in the account at the beginning of the Fiscal Year, or as received from the funding jurisdictions.
5. This unencumbered balance of this fund may be used as collateral for short-term debt obligations.
6. The Chief Financial Officer, with concurrence of the President & CEO, is authorized to borrow amounts from the Excess Judgment Fund to pay expenses of the Transit System in anticipation of routine operating subsidies and capital grants. All amounts borrowed from the Excess Judgment Fund shall be reimbursed to such Fund as soon as possible with normal Agency revenues such as farebox revenue, sales tax revenues, interest earnings and operating subsidy funds. The Board of Commissioners is to be notified, in writing, of any borrowing, outlining the amount borrowed.

H. Claim Settlement Authorization (revised 08/20/21). The Board of Commissioners must approve defense settlements exceeding the Missouri sovereign immunity limit for any one person in a single accident or occurrence. The Claim Settlement Authorization, based upon the Missouri sovereign immunity limit, shall be adjusted annually as published by the Missouri Department of Insurance. Authorization granted by the Board of Commissioners is deemed to include an additional contingency amount, equal to 20% of the actual authorization granted, for extraordinary use by the President & CEO. This additional authorization may be granted by the President & CEO as trial approaches or during the actual trial. For settlement amounts over \$100,000 and up to the sovereign immunity limit, the President & CEO will approve and must notify and receive acknowledgement from the Board of Commissioner's Chair and Vice Chair. Settlements from \$20,000 to \$100,000 will require the approval of the Director of Risk Management who must notify and receive acknowledgement from the Agency's General Counsel.

I. Litigation Management and Board Notification (revised 08/20/21). In addition to requests for settlement, authorization, the Board of Commissioners will be notified by management about large claims or lawsuits that may significantly impact the Agency's financial stability, its assets, or its public image.

1. The Director of Risk Management will regularly provide informational briefs to the Board on claims and lawsuits that fall into the following classifications:
  - a. Fatalities & severely disabling injuries.
  - b. Jury verdict range or settlement range is expected to exceed \$100,000.
  - c. Other unusual or sensitive claims which may be of particular interest to the Commissioners.
  - d. Final results on claims where the Board has extended settlement authorization.

2. The briefing to the Board will contain:
  - a. Facts & background of the case.
  - b. Summary of injuries & special damages.
  - c. Assessment of liability and expected outcome.
  - d. Litigation history and status if in suit.
  - e. Opinion of legal counsel (if assigned).
  - f. Recommendations and strategy for an appropriate resolution.
3. The Director of Risk Management will maintain a written litigation management program, attorney billing guidelines, and procedures for selecting and retaining defense counsel as specified in more detail in the Agency's Management Policies & Procedures.

J. Review of Agency Contracts and Documents. The Director of Risk Management, in consultation with the Agency's General Counsel as needed, will review Agency contracts, leases, agreements, easements or other documents that transfer risk, specify indemnity obligations, or require specific insurance from one or more of the parties.

#### **Section 30.070                      Hedging** (effective 2/23/2001; revised 11/20/15; revised 06/25/21)

A. General. Because of the nature of its responsibilities to the St. Louis Metropolitan region, the Bi-State Development Agency (Agency) manages financial risks attributed to the price variability of fuel usage. This risk can be managed effectively through the use of hedging techniques. The purpose of this policy is to generally outline how the Agency will manage these risks, what techniques will be employed, and the general guidelines to be followed.

B. Definition. A hedge is a financial tool used to reduce the risk associated with normal business activities of buying fuel. The purpose of this hedging program is not to make or lose money but to manage risk. This program is not an investment and should not be construed as such. Realized gains or losses will be considered as an element of fuel cost. A hedging program will:

- a. seek to decrease the volatility of fuel cost;
- b. seek to increase the likelihood that actual net fuel cost will remain below the budgeted cost;
- c. seek to increase the certainty of future fuel cost;
- d. seek to attain a lower overall cost of fuel in the long-term;
- e. seek to manage year-over-year changes in fuel cost.

#### C. Program Infrastructure.

- a. Instruments. The agency will maintain a futures account with a Futures Commission Merchant (Broker, which may be a separate entity from the Advisor. The Agency, through the management and direction of an

Advisor, acquires, holds, and disposes of fuel futures contracts in the operation of its program. The high correlation between the movement of the price that the Agency pays for its fuel and the movement of the value of the futures contracts produces the program's effectiveness as a hedge. Due to the liquidity of the futures contracts purchased, these contracts do not require an investment grade rating.

- b. **Maximum Hedge Ratio.** The Agency's volume of fuel consumption is predictable and without significant variability over time. Given this, the maximum hedge ratio will be limited to 95% of forecasted consumption.
- c. **Maximum Hedge Maturity.** To allow the establishment of cost certainty in current and future budget periods, the maximum maturity of the futures contracts taken in conjunction with the program is 36 months forward from the acquisition date.
- d. **Exiting Market Conditions.** The advisor will exit the futures contracts evenly through time to coincide with the fuel supply contract pricing mechanism. This even liquidation of futures hedges through time and the even purchase of fuel via the Agency's fuel supply process assures the effectiveness of the hedging process. Based on the difference between the hedge price (entry price) and the settlement price (exit price), there will be a realized gain/loss associated with the hedge that will appear in the futures account. Futures contracts will be held to maturity (exited when the corresponding fuel is purchased) and, in the normal operation of the program, there will be no interim trading or early exit allowed. Exceptions to this include situations where the volume of forecasted fuel consumption decreases in which case the hedge position may be adjusted to comply with the Maximum Hedge Ratio.

D. **Physical Supply.** The physical supply of fuel will be purchased according to the Agency's procurement policies, and will be priced according to the fuel supply contract.

E. **Strategy.** The Strategy is how the program's objectives are achieved. The strategy will utilize a process:

- a. that addresses market opportunities and market risks;
- b. that examines fundamental and technical market factors in the hedge decision-making process;
- c. that holds the risk of exceeding budget at or below an acceptable level;
- d. that uses historical pricing ranges as pricing parameters;
- e. that is continuously applied through time;
- f. that will take advantage of the inherent "dollar cost averaging" properties of a continuous hedging program;
- g. that mitigates transaction timing risk by making more numerous smaller volume transactions.

These things will be accomplished by the advisor executing the appropriate transactions at the appropriate times to create the desired effect within the constraints of the policy.

F. Risk Management. The Agency will engage only in financial hedge transactions that are related to the Agency's principal business, including the operation of diesel buses and vans. The Agency will only trade specific contracts as necessary to hedge for the pricing of fuel/energy costs, as related to these areas of business, and as advised by the Advisor.

G. Execution, Reporting and Oversight.

- a. The advisor will be responsible for the day to day execution of the program including the execution of transactions, generating reports on the program's status and results, and monitoring the program and the energy markets. The advisor will generate periodic updates on the status and results of the program.
- b. The Treasury Department will provide the Board of Commissioners with a summary of its activity through the quarterly Treasurer's Report.
- c. A Hedge Committee will oversee the activities of this program. The Committee shall include Chief Financial Officer, Director of Treasury, Assistant Executive Director Transit Assets, and the Vice President of Procurement, Inventory Management & Supplier Diversity. The role of the Hedge Committee will be to determine whether a proposed hedging strategy, transaction or group of transactions is consistent with this Hedge Policy and review the performance of the hedging activity on a periodic basis. The Hedge Committee will meet no less than quarterly, and meeting minutes and Committee decisions will be documented and approved by the Committee.

**Section 30.080 Debt Issuance and Administration** (revised 6/26/09)

A. The Agency. The Bi-State Development Agency of the Missouri-Illinois Metropolitan District (the "**Agency**") is a body corporate and politic created and existing by reason of a joint compact (the "**Compact**") between the States of Missouri and Illinois (Sections 70.370 *et seq.* of the Revised Statutes of Missouri, as amended, and Illinois Compiled Statutes, Chapter 45, Act 100, as amended) and approved by the United States Congress and the President.

B. Powers to Issue Debt. *RSMo Section 70.373; 45 ILCS 110/1 Ratified by Congress January 7, 1959; further amended and ratified by Congress January 3, 1985*

1. *To borrow money for any of the authorized purposes of the Agency and to issue the negotiable notes, bonds or other instruments in writing of the Agency in evidence of the sum or sums to be borrowed;*
2. *To issue negotiable refunding notes, bonds or other instruments in writing for the purpose of refunding, extending or unifying the whole or any part of its valid indebtedness from time to time outstanding, whether evidenced by notes, bonds or other instruments in writing;*

3. *To provide that all negotiable notes, bonds or other instruments shall be payable, both as to principal and interest, out of the revenues collected for the use of any facility or combination of facilities owned and operated by the Agency, or out of any other resources of the Agency, and may be further secured by a mortgage or deed of trust upon any property owned by the Agency. All notes, bonds or other instruments in writing issued by the Agency as herein provided shall mature in not to exceed thirty years from the date thereof, shall bear interest at a rate not exceeding fourteen percent per annum, and shall be sold for not less than ninety-five percent of the par value thereof. The Agency shall have the power to prescribe the details of such notes, bonds or other instruments in writing, and of the issuance and sale thereof, and shall have power to enter into covenants with the holders of such notes, bonds or other instruments in writing, not inconsistent with the powers herein granted to the Agency, without further legislative authority;*
4. *To issue bonds for industrial, manufacturing or commercial facilities located within the Bi-State metropolitan district upon the security of the revenue to be derived from such facilities; and, or upon any property held or to be held by it.*

C. Revenue Bonds.

**I. General Management Policies**

The Agency will provide for a periodic review of its financial performance, and review its performance relative to the financial policies outlined herein. These financial policies will be taken into account during the capital planning, budgeting and fare-setting process.

- A. In recognition of periodic changes in the cost of providing service to system users, service costs and fees will be reviewed annually and adjusted commensurately.
- B. The Agency will present any proposed adjustments to existing fares, rates, fees and charges at public meetings, and will consider recommendations and input from the public as it relates to such proposed changes.
- C. All Agency funds will be invested according to the Investment Policies of the Agency.
- D. Necessary appropriations for annual debt service requirements will be routinely included in the Agency's annual budget.
- E. The Agency will maintain proactive communication with the investment community, including rating agencies, credit enhancers and investors, to ensure future capital market access at the lowest possible rates.
- F. The Agency may appoint a special committee of local financial experts to assist management as it develops financial plans.

G. Fund co-mingling and inter-fund borrowing.

The transit system is presently comprised of the following funds:

- Revenue Fund
- Operating Fund
- Internally Restricted Fund (Special Sales Tax Capital Fund)
- Sales Tax Capital Fund
- Prop M Fund
- Self Insurance Fund
- Stabilization Fund

The Agency maintains one bank depository account for operational and working capital purposes, which is comprised of the Operating, Internally Restricted, Sales Tax Capital, and Stabilization Funds. While these funds are co-mingled in a single bank account, specific accounting is maintained on the Agency's books at the fund level.

Transit operations have little seasonality and are generally consistent throughout the year. The annual appropriation process for state, local and federal formula funding, which combined provides approximately 75% of the Agency's funding, commences after the fiscal year begins. Local appropriations are subject to the legislative process, and Federal appropriations can be delayed up to 12 months. Consequently, Agency staff is authorized to transfer (borrow) funds within the groups identified above in order to maintain operational liquidity and adequate working capital.

In the event the above funds are exhausted, temporary operating deficits may be funded by unencumbered Self Insurance and Prop M Funds. Staff shall inform the Board any time the local funding jurisdictions fail to provide funds within ninety days of the beginning of the fiscal year. Management shall recommend a course of action up to and including service interruption for the jurisdiction in question.

Furthermore, the Agency utilizes the Transit Operating Fund (Accounts Payable Account) as the single disbursement account for the payment of both transit and business enterprise obligations. Liability accounts shall be maintained for the recording of all payments made by Transit for Business Enterprises, and Business Enterprises shall reimburse Transit, in the following month, for any such payments.

## **I. Financial Management Policies**

The Agency utilizes a comprehensive planning process to determine its long-term capital needs. The Agency evaluates each capital project in relation to established federal, state and local grants and assistance programs and levels of reserves, current rate structure, expected asset life/replacement timeline, and available revenue sources to ensure that adequate financial resources are available to support the Agency's financial obligations. The Agency's Debt and Financial Management, Investment, and Swap Policies are integrated into the decision-making framework utilized in the budgeting and capital improvement planning process. As such the following policies outline the Agency's approach to debt management:

- A. The Agency will evaluate financing for each capital project on a case-by-case basis. The Agency will seek to pay for all capital projects from current revenues, federal grants and assistance programs and available reserves prior to or in combination with the use of debt.
- B. The Agency will seek to issue debt only in the case where there is an identified source of repayment. Bonds will be issued to the extent that (i) projected fixed revenues are sufficient to pay for the proposed debt service together with all existing debt service covered by such fixed revenues, or (ii) additional projected revenues have been identified as a source of repayment in an amount sufficient to pay for the proposed debt.
- C. Debt issuance for a capital project will not be considered unless such issuance has been incorporated into the capital improvement plan (Long Range Financial Plan).
- D. The Agency may designate a pool of qualified investment banking firms (or underwriters). The pools may be used for designating underwriting syndicates for a period extending through April 30, 2014. The Finance Division may terminate or extend the pools at any time prior to this date. The Finance Division may also periodically update the pools of underwriters, including the addition of firms that may submit their qualifications after the initial deadline. In addition, the Finance Division may request additional information or additional qualifications at any time from firms in the pools of underwriters. Expiration of the underwriting pool will not affect any previously designated syndicate(s) with which there are active negotiations for a bond sale.

## **II. Debt and Capital Management Policies**

The following policies formally establish parameters for evaluating, issuing, and managing the Agency's debt. The policies outlined below are not intended to serve as a list of rules to be applied to the Agency's debt issuance process, but rather to serve as a set of guidelines to promote sound financial management.

In issuing debt, the Agency objectives will be to:

- 1. Achieve the lowest cost of capital;
- 2. Maintain high credit ratings and access to credit enhancement;
- 3. Preserve financial flexibility.

## **III. Standards for Use of Debt Financing**

When appropriate, the Agency will use long-term debt financing to: achieve an equitable allocation of capital costs/charges between current and future system users; to provide more manageable rates in the near and medium term; and to minimize rate volatility.

- A. For growth related projects, debt financing will be utilized, as needed, to better match the cost of anticipated facility needs with timing of expected new connections to the system.
- B. The Agency shall not construct or acquire a facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility throughout its expected life.
- C. Capital projects financed through debt issuance will not be financed for a term longer than the expected useful life of the project.
- D. Lease Agreements and Installment Sale Agreements shall be considered as an alternative to long-term debt. Although these forms of alternative financing are subject to annual appropriation, they shall be considered as long-term fixed rate debt for the purposes of this policy until maturity.

## **V. Financing Criteria**

Each debt issuance should be evaluated on an individual basis within the framework of the Agency's Long Range Financing Plan, as well as within the context of the Agency's overall financing objectives and current market conditions.

The Agency will evaluate alternative debt structures (and timing considerations) to ensure the most cost-efficient financing under prevailing market conditions.

- A. Credit Enhancement – The Agency will consider the use of credit enhancement on a case-by-case basis. Only when clearly demonstrable savings can be realized shall credit enhancement be utilized.
- B. Cash-Funded Reserve vs. Surety – The Agency may purchase a surety policy or replace an existing cash-funded Debt Service Reserve Fund when deemed prudent and advantageous.
- C. Call Provisions – In general, the Agency's securities should include optional call provisions. The Agency will generally avoid the sale of non-callable long-term fixed rate bonds, absent careful evaluation of the value of the call option.
- D. Additional Bonds Test/Rate Covenants - The amount and timing of debt will be planned to comply with the additional bonds tests and rate covenants outlined in the appropriate legal and financing documents, and these policies.
- E. Short-Term Debt – The Agency may utilize short-term borrowing to serve as a bridge for anticipated revenues, construction financing or future bonding capacity.

- F. Use of Variable Rate Debt - The Agency will not issue variable interest rate debt unless: the proposed debt is converted to a fixed rate or hedged (for an interim period or to maturity) by use of a put-type mode, swap agreement or hedging mechanism (e.g., interest rate cap); outstanding un-hedged variable rate debt, including any proposed new variable debt, does not exceed the Agency's "hedge position" (defined herein) in aggregate; or, interest is capitalized during the expected term that bonds will be outstanding in a variable rate mode. For this purpose, the Agency's hedge position will be calculated as the Agency's cash reserves multiplied by 125%. Notwithstanding the above, the Agency will refrain from issuing new variable rate debt (including synthetic variable rate debt), whether hedged or un-hedged, which exceeds 20 percent of the Agency's aggregate debt outstanding.
- G. Use of Swaps & Derivatives - The use of any swap agreement in conjunction with the issuance or management of debt instruments will be governed by the Agency's Swap Policy. The use of swaps to create synthetic fixed rate debt should generally be considered only such synthetic fixed rate debt would result in a 20% reduction in debt service vs. traditional fixed rate bonds.
- H. Investment of Bond Proceeds - Bond proceeds will be invested in accordance with the permitted investment language outlined in the bond documents for each transaction, unless further restricted or limited in the Agency's Investment Policy. The preservation of funds, notwithstanding, the Agency will seek to maximize investment earnings within the investment parameters set forth in each respective bond indenture. The reinvestment of bond proceeds will be incorporated into the evaluation of each financing decision; specifically addressing arbitrage/rebate position, and evaluating alternative debt structures and refunding savings on a "net" debt service basis, where appropriate.

## **VI. Refinancing Outstanding Debt**

The Agency shall have the responsibility to evaluate potential refunding opportunities presented by underwriting and/or financial advisory firms. The Agency will consider the following issues when analyzing potential refinancing opportunities:

- A. Debt Service Savings – The Agency shall establish a target savings level equal to 3% (current refunding) to 5% (advance refunding) of par refunded on a netpresent value (NPV) basis. These figures should serve only as a guideline, the Agency must evaluate each refunding opportunity on a case-by-case basis, and must take into consideration: the time to maturity, size of the issue, current interest rate environment, annual cash flow savings, and the value of the call option. Economic savings resulting from a refunding will generally be structured to occur on a level basis over the life of the refunding bonds. The decision to take all savings upfront or on a deferred basis must be explicitly approved by the Agency's Finance and Audit Committee and Board of Commissioners.

- B. Restructuring - The Agency may seek to refinance a bond issue on a non- economic basis in order to restructure debt, mitigate irregular debt service payments, accommodate revenue shortfalls, release reserve funds, comply with and/or eliminate rate/bond covenants, or terminate a swap.
- C. Term/Final Maturity – The Agency may consider the extension of the final maturity of the refunding bonds in order to achieve a necessary outcome, provided that such extension is permissible under the Agency’s Compact and Federal tax law. The term of the bonds should not extend beyond the reasonably expected useful life of the asset being financed. The Agency may also consider shortening the final maturity of the bonds. The remaining useful life of the assets and the concept of inter-generational equity should guide these decisions.
- D. Escrow Structuring - The Agency shall utilize the least costly securities available in structuring each escrow. A certificate will be required from a third party agent who is not acting as a broker-dealer, stating that the securities were purchased through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Series Securities (SLGS), and that the price paid was reasonable and within Federal guidelines. The Agency retains the right to use SLGS at any time in structuring its escrows.

When evaluating the economic viability of an economic versus legal defeasance, the Agency shall take into consideration both the financial impact on a net present value basis as well as the rating/credit impact. The Agency shall take all necessary steps to optimize its escrows and to avoid negative arbitrage in any refunding.

## **VII. Method of Issuance**

The Agency will determine, on a case-by-case basis, whether to sell its bonds competitively or through negotiation.

- A. Competitive Sale – In a competitive sale, the Agency’s bonds shall be awarded to the bidder providing the lowest true interest cost (“TIC”), as long as the bid adheres to requirements set forth in the official notice of sale.
- B. Negotiated Sale – Due to the unique nature of the Agency’s funding arrangements, the Agency recognizes that many of its transactions are best sold through negotiation. In consideration of a negotiated sale, the Agency shall assess the following circumstances that weigh toward the use of a negotiated sale:
  - 1. Issuance of variable rate or taxable bonds;
  - 2. Complex structure or credit considerations (such as non-rated bonds), which requires a strong pre-marketing effort;
  - 3. Significant par value, which may limit the number of potential bidders;

4. Unique/ proprietary financing mechanism (such as a financing pool), or specialized knowledge of financing mechanism or process;
  5. Market volatility, such that the Agency would be better served by flexibility in the timing of its sale in a changing interest rate environment;
  6. When an Underwriter has identified new financing opportunities or presented alternative structures that financially benefit the Agency;
  7. As a result of an Underwriter's familiarity with the project/financing, which enables the Agency to take advantage of efficiency and timing considerations.
- C. Private Placement – From time to time the Agency may elect to issue debt on a private placement basis. Such method shall generally be considered only if it is demonstrated to result in cost savings or provide other advantages relative to other methods of debt issuance, or if it is determined that access to the public market is unavailable and timing considerations require that a financing be completed.
- D. Conduit Issuance – The Agency may elect to enter into financing agreements with other issuers, including but not limited to the City of St. Louis, St. Louis County, and the Missouri Development Finance Board, to permit debt to be issued on the Agency's behalf. The Agency will consider this approach if such an arrangement is expected to produce lower borrowing costs, enhance the flexibility of the Agency, or provide other operational efficiencies.

### **VIII. Market Communication, Debt Administration and Reporting Requirements**

Rating Agencies and Investors – The Chief Financial Officer shall be responsible for maintaining the Agency's relationships with Moody's Investors Service, Standard & Poor's Ratings- Services, Fitch Ratings or any other nationally-recognized rating service. The Agency may, from time to time, choose to deal with fewer than all of these agencies as circumstances dictate.

In addition to general communication, the Chief Financial Officer shall: (1) meet with Credit Analysts at least once each fiscal year, and (2) prior to each competitive or negotiated sale, offer conference calls with Agency analysts in connection with the planned sale.

- A. Board Communication – The Chief Financial Officer shall include in an annual report to the Finance and Audit Committee and the Board of Commissioners feedback from rating agencies and/or investors regarding the Agency's financial strengths and weaknesses and recommendations for addressing any weaknesses.
- B. Continuing Disclosure – The Agency shall remain in compliance with Rule 15c2-12 or any successor rule or regulation by filing its annual financial statements and other financial and operating data for the benefit of its bondholders within 270 days of the close of the fiscal year. The inability to make timely filings must be disclosed and would be a negative reflection on the Agency. While also relying on a timely audit and preparation of the Agency's annual report, the Chief Financial

Officer will ensure the Agency's timely filing with each Nationally Recognized Municipal Securities Information Repository.

- C. **Record-Keeping** – A copy of all debt-related records shall be retained at the Agency's offices. At minimum, these records shall include all official statements, bid documents, bond documents / transcripts, resolutions, trustee statements, leases, and title reports for each Agency financing (to the extent available). To the extent possible, the Agency shall retain an electronic copy of each document - preferably in Adobe Acrobat-compatible or CD-ROM format.
- D. **Arbitrage Rebate** – The use of bond proceeds and their investments must be monitored to ensure compliance with all Internal Revenue Code arbitrage rebate requirements. The Chief Financial Officer shall ensure that all bond proceeds and investments are tracked in a manner which facilitates accurate calculation; and, if rebate is due, such payments are made.

### **Section 30.090                      Donation and Gift Policy** (NEW effective 11/19/21)

A. **Policy.** It is the policy of the Agency that gifts and donations to the Agency are welcomed and encouraged. Gifts and donations are valued as expressions of individual support for the Agency's mission and help to enhance its services, programs and facilities by supplementing federal, state, or contractual support.

B. **Types of Gifts.** The Agency accepts the following types of gifts and donations: cash, tangible personal property, publicly traded and recognizable securities, real estate, bequests, trust funds and annuities.

C. **Use of Gifts.** The President and CEO or Board of Commissioners will carefully consider the needs of the Agency and will use a gift where it determines it is most needed, so that all donations may directly and indirectly support the public purposes of the Agency. The Agency may choose not to accept a gift if the donor wishes to place limitations or restrictions on its use or disposal. The Agency may refuse any gift that does not sufficiently benefit the Agency, is in conflict with the Agency's mission, puts the reputation of the Agency at risk, or is prohibited by law.

D. **Acceptance of Gifts.** The President and CEO may accept any gift or donation of the types described in Section B on behalf of the Agency. Other types of gifts and donations will be evaluated on a case-by-case basis by the Board of Commissioners

When processing each gift, the Agency will follow generally accepted accounting principles. The Agency takes no responsibility for valuing gifts for tax purposes or for the tax consequences to the donor.

All accepted gifts and donations become the property of the Agency. The Agency reserves the right to sell or otherwise dispose of non-monetary gifts, if the Board of Commissioners or President and CEO, determines that such sale or disposition is advisable or necessary.

E.     Documentation. The Agency will retain a written receipt of each donation and gift identifying the name of the donor, the amount and the date of the donation or gift, and the nature of restriction on the gift, if any. The Agency will acknowledge each donation by letter, thanking the donor. Donors who make a significant financial or material donation will receive a contemporaneous written acknowledgement of the donation from the Agency.

**COLLECTED BOARD POLICIES**  
**OF THE**  
**BI-STATE DEVELOPMENT AGENCY**  
**OF THE**  
**MISSOURI-ILLINOIS METROPOLITAN DISTRICT**

**Chapter 30 Audit, Finance and Budget**

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**Section 30.005 Audit Committee Charter** (added 03/25/11, rev. 09/23/11 and rev. 06/24/22)

A. GENERAL (revised 09/23/11). The purpose of the Audit Charter is to assist the Board of Commissioners, through its Audit Committee, in fulfilling its fiduciary oversight responsibilities as follows:

- (1) Audit Committee management and Reporting Responsibilities
- (2) External Audit of the Financial Statements
- (3) Internal Audit Process
- (4) System of Risk Management
- (5) Processes for Monitoring Compliance with Laws and Regulations and the Ethics Policy, Code of Conduct and Fraud Policy
- (6) Special Investigations and Whistleblower Mechanism

Source: Information to develop this Charter is from *The AICPA Audit Committee TOOLKIT: Government Organizations*

B. AUTHORITY. The Audit Committee (“committee”) has the authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to perform the following functions, which are numbered according to the purposes listed above.

1. Audit Committee Management and Reporting Responsibilities (rev. 06/24/22)

- Each member of the Committee should be appointed by the Chairman of The Bi-State Development Agency (“Bi-State”) Board of Commissioners.
- At least one member of the Committee should have financial experience.
- The Committee should review this Charter annually, reassess the adequacy of the Charter, and recommend any proposed changes to the Board of Commissioners. It should consider changes that are necessary as a result of new laws, regulations, or accounting and auditing standards, including ~~Government Auditing Standards (Yellow Book) issued by the Comptroller General of the United States; best auditing practices.~~
- The Committee should meet at least four times per year, and at additional times when necessary. These meetings may be combined with regularly scheduled meetings, or may be held more frequently as circumstances may require. The Committee may ask members of management or others to attend the meetings and provide pertinent information as necessary.
- Conduct executive sessions with the independent auditors, Chief Executive Officer (CEO), Chief Financial Officer (CFO), ~~Chief Audit Executive (CAE) Director of Internal Audit~~, General Counsel, outside counsel, ~~Director of Accounting and Budget~~, and anyone else as desired by the Committee.
- The Committee shall be authorized to hire professional consultants as necessary.
- Review and concur on the appointment, replacement, reassignment, or dismissal of the ~~Director of Internal Audit~~ Chief Audit Executive.
- Oversee the appointment of the independent auditors to be engaged for external reporting, and establish the related audit fees.
- If the audit organization provides any non-audit services, determine that the audit organization has considered and documented its consideration of how providing these non-audit services does not violate the requirements that the audit organization (a) not provide services that involve performing management functions or making management decisions, and ~~(2) (b) not audit their own work, as stipulated in Government Auditing Standards by best auditing practices.~~
- Review and evaluate the performance of the independent auditors.
- ~~Review with the full Board of Commissioners any proposed discharge of the independent auditors.~~
- The Committee should evaluate the independent auditors and internal auditors.
- The Committee should review its effectiveness.
- Create an agenda for the ensuing year, or review and approve the agenda submitted by the ~~Director of Internal Audit~~ Chief Audit Executive.

2. External Audit of the Financial Statements (rev. 06/24/22)

- Review with management and the independent auditor the effect of any regulatory and accounting initiatives, such as related organizations financing structures, derivatives, or securities lending.
- Review with the independent auditor that performs the financial statement audit:
  - a. All critical accounting policies and practices used by Bi-State.
  - b. All alternative treatments of financial information within generally accepted accounting principles that have been discussed with Bi-State's management, the ramifications of each alternative, and the preferred treatment.
- Review all significant written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
- Review with management and the independent auditors:
  - a. The Bi-State Development Agency's annual financial statements, related footnotes, and management's discussion and analysis;
  - b. The independent auditor's audit of the financial statements and their report thereon;
  - c. The independent auditors' judgments about the quality, not just the acceptability, of Bi-State's accounting principles as applied in its financial reporting;
  - d. The independent auditors' single audit of the federal awards administered by Bi-State and their reports thereon;
  - e. [The independent auditors' examination of the effectiveness of any hedging activities](#);
  - f. Any significant changes required in the independent auditors' audit plan;
  - g. Any serious difficulties or disputes with management encountered during the audit. Matters required to be discussed by Statement on Auditing Standards (SAS) No. 61, *Communication With Audit Committees* (AICPA, *Professional Standards*, vol. 1, AU Sec. 380), as amended; U.S. Government Accountability Office's *Government Auditing Standards*; and the U.S. Office of Management and Budget's Circular A-133 related to the conduct of the audits.
- Review with the General Counsel and the ~~Director of Internal Audit~~ **Chief Audit Executive** legal and regulatory matters that, in the opinion of management, may have a material impact on the financial statements and compliance with federal, state, and local laws and regulations.

### 3. Internal Audit Process [\(rev. 06/24/22\)](#)

- Review with management the policies and procedures with respect to Bi-State management's use of expense accounts, public monies, and public property, including for example, their use of Bi-State's vehicles. Consider the results of any review of these areas by the Internal Auditor or the independent auditors.

- Consider, with management, the rationale for employing audit firms other than the principal independent auditors for services that Bi-State or the independent auditor determines would not be appropriate for the principal independent auditor to perform.
- Review with management and the ~~Director of Internal Audit~~ Chief Audit Executive:
  - a. Significant findings on internal audits during the year and management's responses thereto.
  - b. Any difficulties the internal audit team encountered in the course of their audits, including any restrictions on the scope of their work on access to required information.
  - c. Any changes required in the scope of their internal audits.
  - d. The Internal Audit Department budget and staffing.
  - e. The Internal Audit Department charter.
  - f. The Internal Audit Department's compliance with applicable standards (for example, *Government Auditing Standards*, or the Institute of Internal Auditors' (IIA's) Standards for the Professional Practice of Internal Auditing).

4. System of Risk Management (rev. 06/24/22)

Inquire of management, the Internal Audit Department, and the independent auditors about significant risks or exposures facing Bi-State; assess the steps management has taken or proposes to take to minimize such risks to Bi-State; and periodically review compliance with such steps.

Inquire of the Chief Executive Officer and ~~Chief Financial Officer~~ regarding the fiscal health of Bi-State, as well as the financial status of Bi-State in relation to its adopted budget.

Review with the independent auditors and ~~Director of Internal Audit~~ Chief Audit Executive:

- a. The adequacy of Bi-State's internal controls including computerized information system controls and security;
- b. Any related significant findings and recommendations of the independent auditors and internal auditors together with management's responses thereto.

5. Organization's Processes for Monitoring Compliance with Laws and Regulations and the Ethics Policy, Code of Conduct and Fraud Policy (rev. 06/24/2022)

- a. Periodically review Bi-State's code of conduct to ensure that it is adequate and up to date.

- b. Review with the ~~Director of Internal Audit~~ Chief Audit Executive and General Counsel the results of their review of compliance monitoring with the code of conduct.

#### **Section 30.010      Annual Audit**

A. Policy (revised 5/22/09 and 6/24/22). It is the policy of the Agency to submit its books and records to annual audit by a nationally recognized CPA firm. The firm selected 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 and examining any hedging activities. The firm, and any principal/s of the firm, shall have no direct or indirect personal or financial interest in the fiscal affairs of the Agency, or of any officer of the Agency. The Agency shall not engage any firm, or any lead or concurring audit partner connected with that firm's provision of audit services to the Agency, for a contract term in excess of five (5) consecutive years.

B. Reporting. This firm reports its findings and conclusions to the entire Commission each year and may meet with the Audit Committee at any time during the year. Upon receipt of the final management letter, the President & Chief Executive Officer will promptly forward a response to the Audit Committee indicating the status of each recommendation or finding.

#### **Section 30.020 Internal Audit (rev. 06/24/22)**

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A. Policy. It is the policy of the Agency to employ ~~an Internal Auditor~~ a Chief Audit Executive who shall report directly to the Board of Commissioners. The ~~Internal Auditor~~ Chief Audit Executive 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 & Chief Executive Officer and management in effectively discharging their administrative responsibilities. The Internal Audit Department shall perform routine audits of compliance of Agency divisions with internal Agency rules and regulations. The Internal Audit Department shall at all reasonable times have access to the accounts, books and records of the Agency, and the Department may in relation to such interview the President & Chief Executive Officer and other employees of the Agency.

B. Work Plan. The ~~Internal Auditor~~ Chief Audit Executive shall be responsible for preparing an annual Audit Work Plan. Additionally, Commissioners and Senior Managers shall identify potential areas for review by the Internal Audit Department. Upon completion of the Audit Work Plan, the ~~Internal Auditor~~ Chief Audit Executive shall present the Plan to the Audit Committee for their review and approval pursuant to these Board Policies.

C. Special Reviews. From time to time the President & Chief Executive Officer may assign to the ~~Internal Auditor~~ Chief Audit Executive special reviews designed to assure continuous quality improvement of Agency operations.

#### **Section 30.030      Annual Budget**

A. General. Each year the President & CEO shall prepare an annual budget for the

forthcoming fiscal year that will be presented to the Board of Commissioners. The President & CEO will work with the Board in setting strategic objectives, update the Agency's long range planning document, and prepare both an operating and capital budget. 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.

B. Approval. The President & CEO will present the annual budget at a regularly scheduled meeting of the Board of Commissioners. The Board of Commissioners shall approve annual operating and capital budgets prior to the beginning of the ensuing fiscal year.

**Section 30.040      Banking and Investment (rev. 06/23/06, 11/19/10, 09/28/12)**

A. General. This policy directs the investment of all operating, self-insurance restricted, capital and debt service funds of all entities of the Bi-State Development Agency not expressly controlled by Revenue Bond Trustees.

The preservation of funds is the first consideration in determining the investment of Agency 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, which meet the criteria below, will be selected for investments only on a competitive basis. The number of demand deposit non-interest bearing accounts will be kept to the minimum for operational efficiency and safety.

Notwithstanding the following authorized investments, it is the Board's intent to have the majority of the available funds invested in local institutions provided the institutions meet the minimum credit standings set out below and yields are competitive.

The Board also directs management to refrain from investing Agency funds in any financial institutions or businesses that conduct business with governments deemed unacceptable by the Federal Government through executive order or enacted legislation.

**B.      Authorized investment categories (revised 4/24/09 and 11/19/10)**

1.      Demand Deposit, Negotiable Order Withdrawal (NOW), Bank Money Market, Certificate of Deposit and Savings Accounts - issued by local banks or thrifts where the account or investment is either collateralized with direct obligations of the U.S. Government or its instrumentality's, or covered by FDIC insurance, or other AAA rated surety.
2.      Negotiable Certificates of Deposit - provided that the institution maintains a Fitch rating of B or better and / or a Moody's Investor Services short-term rating of P-1. The institutions selected will have a minimum of \$100 million in combined capital and unimpaired surplus.
3.      Bankers Acceptances - provided that the institution maintains a Fitch rating of B or better and / or a Moody's Investor Services short-term rating of P-1. The institutions selected will have a minimum of \$100 million in combined

capital and unimpaired surplus.

4. Direct Obligations of the United States Government, U.S. Government Agencies or U.S. Government Instrumentality's.
5. Commercial Paper - Commercial paper at the time of purchase shall have ratings of A-1 by Standard and Poors Rating Services and P-1 by Moody's Investors Services. Commercial paper of firms doing business within the St. Louis metropolitan region may have ratings of A-2 by Standard and Poors Rating Services and P-2 by Moody's Investor Services.
6. Repurchase Agreements (revised 11/19/10) - Repurchase agreements (repos) are acceptable, using any of the securities listed in paragraphs B-4 above as collateral. Also, the firm with whom the repo is executed must be a credit acceptable bank, or broker-dealer. A credit acceptable bank or broker-dealer is defined as one whose senior debt rating is A- by one of the three nationally recognized ratings agencies (Standard & Poor's, Moody's, or Fitch). Banks in the Agency's service area that do not have a Standard & Poor's, Moody's or Fitch rating, may also be authorized repo counterparties, provided that they meet the "well capitalized" standard, as defined by the Federal Deposit Insurance Corporation. A written repurchase agreement, substantially modeled on, but in no case less restrictive than, the Securities Industry and Financial Markets Association's "Master Repurchase Agreement", shall be completed for each repo counter party. Such agreements shall be updated periodically, but no less than once every five years. In all cases, repo collateral shall have a market value of 102% of the dollars invested, plus accrued interest. If the repo term is longer than an overnight maturity, the collateral must be delivered to a third party custodian, and priced-to-market weekly to assure correct collateral value coverage.

The Director of Treasury Services shall obtain approval from the Chief Financial Officer before authorizing a repo counterparty. Before approval, documentation shall be furnished that the authorized counterparty meets the required criteria. The Director of Treasury Services will also monitor continued compliance with the criteria. The current authorized repo counterparties are:

Bank of America  
Merrill Lynch Capital Markets

UMB Bank  
Commerce Bank  
U.S. Bank  
Jefferson Bank & Trust

7. Money Market Funds - Acceptable funds shall be institutional money market funds having over \$500 million in net assets and be rated AAA by Standard and Poor's, Moody's and/or Fitch rating services.
8. Reverse Repurchase Agreement - A reverse repurchase Agreement or short-term borrowing (180 days or less), using securities in the Agency's portfolio as collateral, is acceptable. However, the firm with whom the borrowing is executed must meet the same requirements as stated previously for repurchase agreements. Also, the borrowed funds may be used to purchase other securities as an investment arbitrage. In this case, the new investment maturity date must match (+/- one week) the maturity date of the reverse repo, and those instruments must be delivered into the Agency's safekeeping account and held there until maturity. The Board shall be notified of all such transactions through the Treasurer's monthly report.

C. Banking Services. Banks will be negotiated with periodically for demand deposits and other banking services for the greater advantage to the Agency. Any two of the following may open bank accounts, subject to the approval of the Board of Commissioners through a confirming motion at the next meeting of the Board of Commissioners:

Chair, Board of Commissioners	President & CEO
Vice Chair, Board of Commissioners	Chief Financial Officer
Treasurer, Board of Commissioners	

The Treasurer, President & CEO and Internal Audit will monitor the potential for conflict of interest.

D. Investment Performance. Management will provide the Treasurer of the Board of Commissioners with a monthly list of deposits, investments, yields, monthly summary of the prior 12 months' funds experience, and the average amount of non-interest bearing deposits at each institution.

E. Investment Transaction Criteria: (revised 4/24/09)

1. Safekeeping Accounts - Securities purchased are delivered against payment and held in a custodian safekeeping account. Tri-party custodian agreements maintained with third party trust companies as well as the Federal Reserve Bank are acceptable. Hold-In-Custody repurchase agreements for fourteen days or less will be processed through special transaction control accounts. These accounts will be audited quarterly by

Internal Audit and the results reported through the Treasurer, to the Board of Commissioners.

2. Maturity Limitations - To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow requirement, no funds shall be invested for more than five years from the date of settlement. The weighted average maturity of the portfolio shall at no time exceed eighteen months.

For Securities that are subject to redemption (call) before final maturity, the final maturity date shall be used both for compliance with the five year limitation and in calculating the weighted average maturity.

3. Diversification –
  - a. Unlimited investment in the following:
    - U.S. Government obligations
    - U. S. Government Agency obligations
    - U. S. Government Instrumentality obligations
    - Repurchase Agreements – secured by the 3 U. S. obligations noted immediately above.
    - Money Market Funds – Institutional money market funds having over \$500 million in net assets and rated AAA by Standard & Poor's, Moody's and/or Fitch rating services.
  - b. Investments not to exceed \$5.0 million par value from any one issuer:
    - Bankers Acceptances
    - Commercial Paper
    - Negotiable Certificates of Deposit
  - c. All investments must be paid for before they may be sold.

F. Authorized Individuals. (Rev. 01/04/08) The following individuals are authorized to conduct investment transactions for the Agency:

Chief Financial Officer	Treasury Specialist
Director of Treasury Services	Debt Analyst

G. Agency Debt. Agency debt may be incurred only by the specific authority of the Board of Commissioners through special action. Notwithstanding Sections B or E above, all funds under such debt resolutions or indentures of trust shall be controlled by the investment set forth in such documents.

**H. Check Signatories (rev. 01/04/08)**

**1. All General Operating Funds Including Self-insurance Fund**

- a. Under \$501 for insurance settlement drafts - One signature from the following:

Claims Adjuster	Manager of Claims
Supervisor of Claims	Director of Risk Management

- b. Under \$7,500 - One signature from the following:

Treasurer, Board of Commissioners (including facsimile signature) or in the event of a vacancy in the Treasurer's position, Secretary, Board of Commissioners (including facsimile signature)	
President & CEO	Director of Treasury Services
Chief Financial Officer	Director of Passenger Revenue
Controller	Treasury Specialist

- c. \$7,501 to \$100,000 - Two signatures from the following:

Treasurer, Board of Commissioners (including facsimile signature) or in the event of a vacancy in the Treasurer's position, Secretary, Board of Commissioners (including facsimile signature)	
President & CEO	Treasury Specialist
Chief Financial Officer	Director of Treasury Services
	Controller

- d. \$100,001 to \$500,000 - Two signatures from the following:

Chair, Board of Commissioners	Treasurer, Board of Commissioners
President & CEO	Director of Treasury Services
Chief Financial Officer	Treasury Specialist
	Controller

- e. \$500,001 to \$1,000,000 - Two signatures from the following:

Chair, Board of Commissioners	Treasurer, Board of Commissioners
President & CEO	Director of Treasury Services
Chief Financial Officer	Controller

- f. \$1,000,001 and above - Two signatures, one each from Group A and Group B:

<u>GROUP A</u>	<u>GROUP B</u>
Treasurer, Board of Commissioners President & CEO	Chair, Board of Commissioners Vice Chair, Board of Commissioners Secretary, Board of Commissioners

2. Employee Medical Self Insurance Account

- a. Under \$25,000 -- Approved Officer of Service Provider (including facsimile signature)
- b. \$25,001 to \$100,000 - Two Signatures, one each from Group A and Group B:

<u>GROUP A</u>	<u>GROUP B</u>
Approved Officer of Service Provider (including facsimile signature)	President & CEO Chief Financial Officer Director of Treasury Services Treasury Specialist Controller

- c. \$100,001 to \$500,000 - Two signatures, one each from Group A and Group B:

<u>GROUP A</u>	<u>GROUP B</u>
Approved Officer of Service Provider	Treasurer, Board of Commissioners President & CEO Chief Financial Officer Director of Treasury Services Controller Treasury Specialist

- d. \$500,001 to \$1,000,000 – Two signatures, one each from Group A and Group B:

<u>GROUP A</u>	<u>GROUP B</u>
Approved Officer of Service Provider	Treasurer, Board of Commissioners President & CEO Chief Financial Officer Director of Treasury Services Controller

I. Wire Transfer Authority (rev. 01/04/08)

1. Wire Transfers and Automated Clearing House Transactions (ACH) are authorized for the transfer of funds between checking, investment and

savings accounts, payment of services, equipment, construction in process, a well as payroll related expenditures that are authorized by and in the name of the Bi-State Development Agency.

2. Wire Transfer and Automated Clearing House Transactions (ACH) authority is limited to the below listed individuals. Wire transfers of a non-repetitive nature require the authority of any two of the below listed individuals:

Chief Financial Officer	Treasury Specialist
Director of Treasury Services	Controller
Manager of Accounts Payable	Debt Analyst

3. Authorization to create new repetitive Wire Transfers and Automated Clearing House Transactions (ACH) requires approval of any two of the following:

President & CEO  
 Chief Financial Officer  
 Chair, Vice Chair, Treasurer, Secretary, Board of Commissioners

J. Authorized Signatories for the Release of Pledged Collateral:

Chief Financial Officer	Director of Treasury Services
Treasury Specialist	Debt Analyst

K. Authorized Signatories for Self Insurance Related Letters of Credit Requests for Letters of Credit must be submitted to the Treasury Section. Treasury personnel will obtain the Letter of Credit and submit the application to one of the following for authorization.

\$49,999 and Below	-	Chief Financial Officer
\$99,990 and Below	-	President & CEO
\$100,000 and Above	-	Chair, Vice Chair, Treasurer of the Board of Commissioners

L. Authorized Agency Bank Accounts: (revised 8/15/07, 09/28/12)

<u>Bank</u>	<u>Account Numbers</u>	<u>Funds (Purpose)</u>
Bank of America	XXXXXXXXXX90 -	Operating (Payroll)
-	XXXXXXXXXX91 -	Transit Pass Revenue
-	XXXXXXXXXX21 -	Transit Operating, Sales Tax, & Internally Restricted
-	XXXXXXXXXX34 -	Transit Farebox Revenue

-	XXXXXXXXXXXX58 -	Arch Garage Operations & Maintenance
-	XXXXXXXXXXXX48 -	Transit MetroLink Revenue
-	XXXXXXXXXXXX62 -	Regular Self Insurance
-	XXXXXXXXXXXX96 -	Investment Transitory
-	XXXXXXXXXXXX17-	Transit Revenue (TVM credit card)
-	XXXXXXXXXXXX46-	Call-A-Ride Revenue
-	XXXXXXXXXXXX13-	Accounts Payable EFT
-	XXXXXXXXXXXX39-	Accounts Payable
-	XXXXXXXXXXXX26-	Regular Self Insurance Claims
Jefferson Bank & Trust	XXXXXXXXXXXX15 -	Non-Transit Repo
J.P. Morgan Chase	XXXXXXXXXXXX66-	Cigna Medical Self Insurance Claims (funded by Metro, admin. By Cigna)
PNC	XXXXXXXXXXXX74- XXXXXXXXXXXX66-	Arch Revenue Riverboat Revenue
UMB Bank	XXXXXXXXXXXX25 - XXXXXXXXXXXX28 -	Arch Garage Revenue Transit Operating
Regions Bank -	XXXXXXXXXXXX41 -	Airport Revenue
US Bank -	XXXXXXXXXXXX24 -	Metroride Store Revenue

### **Section 30.050      Financial Reporting** (revised 09/25/09)

A. Policy. It is the policy of the Agency to prepare the financial results of each operating company as required by specific agreement, but not less than quarterly. Financial statements for the Board of Commissioners shall be prepared quarterly, and include the following statements:

1. Transmittal letter of noteworthy variations, including disclaimer
2. Balance Sheet
3. Statement of Revenue, Expense Income (Loss)
4. Cash Receipts and Disbursement Schedule
5. Capital Expenditures for Active Projects
6. Statement of Cash Flows
7. Aged Receivables

#### **Disclaimer:**

The following disclaimer shall be included in each transmittal letter of noteworthy variance:

“These interim financial statements are not in conformity with U.S. Generally Accepted Accounting Principles (U.S. GAAP) due to the following reasons: Depreciation is not shown as an operating expense, but as other non-operating expense; capital contributions and total net assets are now shown on the Statement of Revenue, Expense, Income (Loss); and there are no accompanying footnote disclosure requirements or Management Discussion and Analysis (MD & A) sections included.”

### **Section 30.060      Risk Management** (revised 2/25/2000 and 08/20/2021)

A. General. One of the Agency's primary objectives is to provide safe, reliable, and cost-effective transportation services while complying with federal, state, and local laws. In support of that objective, the Agency will develop and maintain an effective, integrated risk management program. This policy applies to all exposures to risk of loss that are fortuitous and result from external causes. These exposures include, but are not limited to, fires, collisions, theft, windstorm, construction accidents, workers' compensation claims, and auto or general liability claims as well as associated lawsuits against the Agency.

B. Authority and Responsibility. The Director of Risk Management is responsible for recommending the overall direction of the Agency's risk management program as specified in the Agency's Management Policies & Procedures.

C. Self-Insurance (revised 08/20/21). The Agency will self-insure those routine risks associated with its core transit operations. Risk exposures above the self-insured retention will be covered by excess insurance if such excess insurance is available and affordable.

D. Third Party Administrator (revised 08/20/21). The Agency will contract with a third party adjusting firm to assist in administering claims handling (TPA). The Risk Management Department will monitor the TPA and hold quarterly claims reviews. An annual audit will be performed.

E. Insurance. Primary property and liability insurance will be purchased for unique or special risks of loss, for major construction projects, and when required by law or by contract. A Broker of Record will perform the insurance marketing function under the direction of the Director of Risk Management.

F. Self-Insurance Fund (revised 08/20/21). The Agency will maintain asset accounts, referred to as “Self-Insurance Funds”, as authorized by the Board of Commissioners on October 1, 1982, to support liabilities accrued as a result of its self-insured losses. The Chief Financial Officer of the Agency will maintain the Self-Insurance Fund, complying with prudent business practices and all applicable governmental pronouncements, and determine the amount of annual funding required. The fund is subject to following guidelines:

1. The current balance will be sufficient to pay estimated judgments, settlements, losses, and expenses for a three (3) year time period.
2. The amounts held in the Self Insurance Funds shall be used solely for the purpose of paying such liabilities and expenses.
3. The Chief Financial Officer, with concurrence of the President & CEO, is authorized to borrow amounts from the Self Insurance Funds to pay expenses of the Transit System in anticipation of routine operating subsidies and capital grants. All amounts borrowed from the Self Insurance Funds shall be reimbursed to such Fund as soon as possible with normal Agency revenues such as Farebox revenue, sales tax revenues, interest earnings and operating subsidy funds. The Board of Commissioners is to be notified, in writing, of any borrowing, outlining the amount borrowed.

G. Excess Judgment Fund (revised 08/20/21). The Agency will maintain an additional asset account, referred to as the “Excess Judgment Fund”, as authorized by the Board of Commissioners on July 7, 1989, to provide supplemental cash flow to the Self-Insurance Funds, in the event of a large or catastrophic loss that is greater than 50% of the Agency’s Self-Insured retention amount for that year. In addition, this fund will provide temporary or emergency funds for property losses that are equal or greater than \$500,000 and where the insurer has delayed payment or is questioning coverage under its policy. The Chief Financial Officer of the Agency will maintain the Excess Judgment Fund, complying with prudent business practices and all applicable governmental pronouncements. The fund is subject to following guidelines:

1. The goal is to attain and maintain a \$5,000,000 fund balance.
2. A minimum of \$250,000 shall be appropriated annually by the Board as part of the budget process until the fund goal of \$5,000,000 is reached.

3. Interest earned by monies in the fund shall inure exclusively to the fund on a cash basis until the fund goal of \$5,000,000 is reached.
4. Monies appropriated to the fund shall be deposited in the account at the beginning of the Fiscal Year, or as received from the funding jurisdictions.
5. This unencumbered balance of this fund may be used as collateral for short-term debt obligations.
6. The Chief Financial Officer, with concurrence of the President & CEO, is authorized to borrow amounts from the Excess Judgment Fund to pay expenses of the Transit System in anticipation of routine operating subsidies and capital grants. All amounts borrowed from the Excess Judgment Fund shall be reimbursed to such Fund as soon as possible with normal Agency revenues such as farebox revenue, sales tax revenues, interest earnings and operating subsidy funds. The Board of Commissioners is to be notified, in writing, of any borrowing, outlining the amount borrowed.

H. Claim Settlement Authorization (revised 08/20/21). The Board of Commissioners must approve defense settlements exceeding the Missouri sovereign immunity limit for any one person in a single accident or occurrence. The Claim Settlement Authorization, based upon the Missouri sovereign immunity limit, shall be adjusted annually as published by the Missouri Department of Insurance. Authorization granted by the Board of Commissioners is deemed to include an additional contingency amount, equal to 20% of the actual authorization granted, for extraordinary use by the President & CEO. This additional authorization may be granted by the President & CEO as trial approaches or during the actual trial. For settlement amounts over \$100,000 and up to the sovereign immunity limit, the President & CEO will approve and must notify and receive acknowledgement from the Board of Commissioner's Chair and Vice Chair. Settlements from \$20,000 to \$100,000 will require the approval of the Director of Risk Management who must notify and receive acknowledgement from the Agency's General Counsel.

I. Litigation Management and Board Notification (revised 08/20/21). In addition to requests for settlement, authorization, the Board of Commissioners will be notified by management about large claims or lawsuits that may significantly impact the Agency's financial stability, its assets, or its public image.

1. The Director of Risk Management will regularly provide informational briefs to the Board on claims and lawsuits that fall into the following classifications:
  - a. Fatalities & severely disabling injuries.
  - b. Jury verdict range or settlement range is expected to exceed \$100,000.
  - c. Other unusual or sensitive claims which may be of particular interest to the Commissioners.
  - d. Final results on claims where the Board has extended settlement authorization.

2. The briefing to the Board will contain:
  - a. Facts & background of the case.
  - b. Summary of injuries & special damages.
  - c. Assessment of liability and expected outcome.
  - d. Litigation history and status if in suit.
  - e. Opinion of legal counsel (if assigned).
  - f. Recommendations and strategy for an appropriate resolution.
3. The Director of Risk Management will maintain a written litigation management program, attorney billing guidelines, and procedures for selecting and retaining defense counsel as specified in more detail in the Agency's Management Policies & Procedures.

J. Review of Agency Contracts and Documents. The Director of Risk Management, in consultation with the Agency's General Counsel as needed, will review Agency contracts, leases, agreements, easements or other documents that transfer risk, specify indemnity obligations, or require specific insurance from one or more of the parties.

#### **Section 30.070      Hedging** (effective 2/23/2001; revised 11/20/15; revised 06/25/21)

A. General. Because of the nature of its responsibilities to the St. Louis Metropolitan region, the Bi-State Development Agency (Agency) manages financial risks attributed to the price variability of fuel usage. This risk can be managed effectively through the use of hedging techniques. The purpose of this policy is to generally outline how the Agency will manage these risks, what techniques will be employed, and the general guidelines to be followed.

B. Definition. A hedge is a financial tool used to reduce the risk associated with normal business activities of buying fuel. The purpose of this hedging program is not to make or lose money but to manage risk. This program is not an investment and should not be construed as such. Realized gains or losses will be considered as an element of fuel cost. A hedging program will:

- a. seek to decrease the volatility of fuel cost;
- b. seek to increase the likelihood that actual net fuel cost will remain below the budgeted cost;
- c. seek to increase the certainty of future fuel cost;
- d. seek to attain a lower overall cost of fuel in the long-term;
- e. seek to manage year-over-year changes in fuel cost.

#### C. Program Infrastructure.

- a. Instruments. The agency will maintain a futures account with a Futures Commission Merchant (Broker, which may be a separate entity from the Advisor. The Agency, through the management and direction of an

Advisor, acquires, holds, and disposes of fuel futures contracts in the operation of its program. The high correlation between the movement of the price that the Agency pays for its fuel and the movement of the value of the futures contracts produces the program's effectiveness as a hedge. Due to the liquidity of the futures contracts purchased, these contracts do not require an investment grade rating.

- b. **Maximum Hedge Ratio.** The Agency's volume of fuel consumption is predictable and without significant variability over time. Given this, the maximum hedge ratio will be limited to 95% of forecasted consumption.
- c. **Maximum Hedge Maturity.** To allow the establishment of cost certainty in current and future budget periods, the maximum maturity of the futures contracts taken in conjunction with the program is 36 months forward from the acquisition date.
- d. **Exiting Market Conditions.** The advisor will exit the futures contracts evenly through time to coincide with the fuel supply contract pricing mechanism. This even liquidation of futures hedges through time and the even purchase of fuel via the Agency's fuel supply process assures the effectiveness of the hedging process. Based on the difference between the hedge price (entry price) and the settlement price (exit price), there will be a realized gain/loss associated with the hedge that will appear in the futures account. Futures contracts will be held to maturity (exited when the corresponding fuel is purchased) and, in the normal operation of the program, there will be no interim trading or early exit allowed. Exceptions to this include situations where the volume of forecasted fuel consumption decreases in which case the hedge position may be adjusted to comply with the Maximum Hedge Ratio.

D. **Physical Supply.** The physical supply of fuel will be purchased according to the Agency's procurement policies, and will be priced according to the fuel supply contract.

E. **Strategy.** The Strategy is how the program's objectives are achieved. The strategy will utilize a process:

- a. that addresses market opportunities and market risks;
- b. that examines fundamental and technical market factors in the hedge decision-making process;
- c. that holds the risk of exceeding budget at or below an acceptable level;
- d. that uses historical pricing ranges as pricing parameters;
- e. that is continuously applied through time;
- f. that will take advantage of the inherent "dollar cost averaging" properties of a continuous hedging program;
- g. that mitigates transaction timing risk by making more numerous smaller volume transactions.

These things will be accomplished by the advisor executing the appropriate transactions at the appropriate times to create the desired effect within the constraints of the policy.

F. Risk Management. The Agency will engage only in financial hedge transactions that are related to the Agency's principal business, including the operation of diesel buses and vans. The Agency will only trade specific contracts as necessary to hedge for the pricing of fuel/energy costs, as related to these areas of business, and as advised by the Advisor.

G. Execution, Reporting and Oversight.

- a. The advisor will be responsible for the day to day execution of the program including the execution of transactions, generating reports on the program's status and results, and monitoring the program and the energy markets. The advisor will generate periodic updates on the status and results of the program.
- b. The Treasury Department will provide the Board of Commissioners with a summary of its activity through the quarterly Treasurer's Report.
- c. A Hedge Committee will oversee the activities of this program. The Committee shall include Chief Financial Officer, Director of Treasury, Assistant Executive Director Transit Assets, and the Vice President of Procurement, Inventory Management & Supplier Diversity. The role of the Hedge Committee will be to determine whether a proposed hedging strategy, transaction or group of transactions is consistent with this Hedge Policy and review the performance of the hedging activity on a periodic basis. The Hedge Committee will meet no less than quarterly, and meeting minutes and Committee decisions will be documented and approved by the Committee.

**Section 30.080 Debt Issuance and Administration** (revised 6/26/09)

A. The Agency. The Bi-State Development Agency of the Missouri-Illinois Metropolitan District (the "**Agency**") is a body corporate and politic created and existing by reason of a joint compact (the "**Compact**") between the States of Missouri and Illinois (Sections 70.370 *et seq.* of the Revised Statutes of Missouri, as amended, and Illinois Compiled Statutes, Chapter 45, Act 100, as amended) and approved by the United States Congress and the President.

B. Powers to Issue Debt. *RSMo Section 70.373; 45 ILCS 110/1 Ratified by Congress January 7, 1959; further amended and ratified by Congress January 3, 1985*

1. *To borrow money for any of the authorized purposes of the Agency and to issue the negotiable notes, bonds or other instruments in writing of the Agency in evidence of the sum or sums to be borrowed;*
2. *To issue negotiable refunding notes, bonds or other instruments in writing for the purpose of refunding, extending or unifying the whole or any part of its valid indebtedness from time to time outstanding, whether evidenced by notes, bonds or other instruments in writing;*

3. *To provide that all negotiable notes, bonds or other instruments shall be payable, both as to principal and interest, out of the revenues collected for the use of any facility or combination of facilities owned and operated by the Agency, or out of any other resources of the Agency, and may be further secured by a mortgage or deed of trust upon any property owned by the Agency. All notes, bonds or other instruments in writing issued by the Agency as herein provided shall mature in not to exceed thirty years from the date thereof, shall bear interest at a rate not exceeding fourteen percent per annum, and shall be sold for not less than ninety-five percent of the par value thereof. The Agency shall have the power to prescribe the details of such notes, bonds or other instruments in writing, and of the issuance and sale thereof, and shall have power to enter into covenants with the holders of such notes, bonds or other instruments in writing, not inconsistent with the powers herein granted to the Agency, without further legislative authority;*
4. *To issue bonds for industrial, manufacturing or commercial facilities located within the Bi-State metropolitan district upon the security of the revenue to be derived from such facilities; and, or upon any property held or to be held by it.*

C. Revenue Bonds.

**I. General Management Policies**

The Agency will provide for a periodic review of its financial performance, and review its performance relative to the financial policies outlined herein. These financial policies will be taken into account during the capital planning, budgeting and fare-setting process.

- A. In recognition of periodic changes in the cost of providing service to system users, service costs and fees will be reviewed annually and adjusted commensurately.
- B. The Agency will present any proposed adjustments to existing fares, rates, fees and charges at public meetings, and will consider recommendations and input from the public as it relates to such proposed changes.
- C. All Agency funds will be invested according to the Investment Policies of the Agency.
- D. Necessary appropriations for annual debt service requirements will be routinely included in the Agency's annual budget.
- E. The Agency will maintain proactive communication with the investment community, including rating agencies, credit enhancers and investors, to ensure future capital market access at the lowest possible rates.
- F. The Agency may appoint a special committee of local financial experts to assist management as it develops financial plans.

G. Fund co-mingling and inter-fund borrowing.

The transit system is presently comprised of the following funds:

- Revenue Fund
- Operating Fund
- Internally Restricted Fund (Special Sales Tax Capital Fund)
- Sales Tax Capital Fund
- Prop M Fund
- Self Insurance Fund
- Stabilization Fund

The Agency maintains one bank depository account for operational and working capital purposes, which is comprised of the Operating, Internally Restricted, Sales Tax Capital, and Stabilization Funds. While these funds are co-mingled in a single bank account, specific accounting is maintained on the Agency's books at the fund level.

Transit operations have little seasonality and are generally consistent throughout the year. The annual appropriation process for state, local and federal formula funding, which combined provides approximately 75% of the Agency's funding, commences after the fiscal year begins. Local appropriations are subject to the legislative process, and Federal appropriations can be delayed up to 12 months. Consequently, Agency staff is authorized to transfer (borrow) funds within the groups identified above in order to maintain operational liquidity and adequate working capital.

In the event the above funds are exhausted, temporary operating deficits may be funded by unencumbered Self Insurance and Prop M Funds. Staff shall inform the Board any time the local funding jurisdictions fail to provide funds within ninety days of the beginning of the fiscal year. Management shall recommend a course of action up to and including service interruption for the jurisdiction in question.

Furthermore, the Agency utilizes the Transit Operating Fund (Accounts Payable Account) as the single disbursement account for the payment of both transit and business enterprise obligations. Liability accounts shall be maintained for the recording of all payments made by Transit for Business Enterprises, and Business Enterprises shall reimburse Transit, in the following month, for any such payments.

## **I. Financial Management Policies**

The Agency utilizes a comprehensive planning process to determine its long-term capital needs. The Agency evaluates each capital project in relation to established federal, state and local grants and assistance programs and levels of reserves, current rate structure, expected asset life/replacement timeline, and available revenue sources to ensure that adequate financial resources are available to support the Agency's financial obligations. The Agency's Debt and Financial Management, Investment, and Swap Policies are integrated into the decision-making framework utilized in the budgeting and capital improvement planning process. As such the following policies outline the Agency's approach to debt management:

- A. The Agency will evaluate financing for each capital project on a case-by-case basis. The Agency will seek to pay for all capital projects from current revenues, federal grants and assistance programs and available reserves prior to or in combination with the use of debt.
- B. The Agency will seek to issue debt only in the case where there is an identified source of repayment. Bonds will be issued to the extent that (i) projected fixed revenues are sufficient to pay for the proposed debt service together with all existing debt service covered by such fixed revenues, or (ii) additional projected revenues have been identified as a source of repayment in an amount sufficient to pay for the proposed debt.
- C. Debt issuance for a capital project will not be considered unless such issuance has been incorporated into the capital improvement plan (Long Range Financial Plan).
- D. The Agency may designate a pool of qualified investment banking firms (or underwriters). The pools may be used for designating underwriting syndicates for a period extending through April 30, 2014. The Finance Division may terminate or extend the pools at any time prior to this date. The Finance Division may also periodically update the pools of underwriters, including the addition of firms that may submit their qualifications after the initial deadline. In addition, the Finance Division may request additional information or additional qualifications at any time from firms in the pools of underwriters. Expiration of the underwriting pool will not affect any previously designated syndicate(s) with which there are active negotiations for a bond sale.

## **II. Debt and Capital Management Policies**

The following policies formally establish parameters for evaluating, issuing, and managing the Agency's debt. The policies outlined below are not intended to serve as a list of rules to be applied to the Agency's debt issuance process, but rather to serve as a set of guidelines to promote sound financial management.

In issuing debt, the Agency objectives will be to:

- 1. Achieve the lowest cost of capital;
- 2. Maintain high credit ratings and access to credit enhancement;
- 3. Preserve financial flexibility.

## **III. Standards for Use of Debt Financing**

When appropriate, the Agency will use long-term debt financing to: achieve an equitable allocation of capital costs/charges between current and future system users; to provide more manageable rates in the near and medium term; and to minimize rate volatility.

- A. For growth related projects, debt financing will be utilized, as needed, to better match the cost of anticipated facility needs with timing of expected new connections to the system.
- B. The Agency shall not construct or acquire a facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility throughout its expected life.
- C. Capital projects financed through debt issuance will not be financed for a term longer than the expected useful life of the project.
- D. Lease Agreements and Installment Sale Agreements shall be considered as an alternative to long-term debt. Although these forms of alternative financing are subject to annual appropriation, they shall be considered as long-term fixed rate debt for the purposes of this policy until maturity.

#### **V. Financing Criteria**

Each debt issuance should be evaluated on an individual basis within the framework of the Agency's Long Range Financing Plan, as well as within the context of the Agency's overall financing objectives and current market conditions.

The Agency will evaluate alternative debt structures (and timing considerations) to ensure the most cost-efficient financing under prevailing market conditions.

- A. Credit Enhancement – The Agency will consider the use of credit enhancement on a case-by-case basis. Only when clearly demonstrable savings can be realized shall credit enhancement be utilized.
- B. Cash-Funded Reserve vs. Surety – The Agency may purchase a surety policy or replace an existing cash-funded Debt Service Reserve Fund when deemed prudent and advantageous.
- C. Call Provisions – In general, the Agency's securities should include optional call provisions. The Agency will generally avoid the sale of non-callable long-term fixed rate bonds, absent careful evaluation of the value of the call option.
- D. Additional Bonds Test/Rate Covenants - The amount and timing of debt will be planned to comply with the additional bonds tests and rate covenants outlined in the appropriate legal and financing documents, and these policies.
- E. Short-Term Debt – The Agency may utilize short-term borrowing to serve as a bridge for anticipated revenues, construction financing or future bonding capacity.

- F. Use of Variable Rate Debt - The Agency will not issue variable interest rate debt unless: the proposed debt is converted to a fixed rate or hedged (for an interim period or to maturity) by use of a put-type mode, swap agreement or hedging mechanism (e.g., interest rate cap); outstanding un-hedged variable rate debt, including any proposed new variable debt, does not exceed the Agency's "hedge position" (defined herein) in aggregate; or, interest is capitalized during the expected term that bonds will be outstanding in a variable rate mode. For this purpose, the Agency's hedge position will be calculated as the Agency's cash reserves multiplied by 125%. Notwithstanding the above, the Agency will refrain from issuing new variable rate debt (including synthetic variable rate debt), whether hedged or un-hedged, which exceeds 20 percent of the Agency's aggregate debt outstanding.
- G. Use of Swaps & Derivatives - The use of any swap agreement in conjunction with the issuance or management of debt instruments will be governed by the Agency's Swap Policy. The use of swaps to create synthetic fixed rate debt should generally be considered only such synthetic fixed rate debt would result in a 20% reduction in debt service vs. traditional fixed rate bonds.
- H. Investment of Bond Proceeds - Bond proceeds will be invested in accordance with the permitted investment language outlined in the bond documents for each transaction, unless further restricted or limited in the Agency's Investment Policy. The preservation of funds, notwithstanding, the Agency will seek to maximize investment earnings within the investment parameters set forth in each respective bond indenture. The reinvestment of bond proceeds will be incorporated into the evaluation of each financing decision; specifically addressing arbitrage/rebate position, and evaluating alternative debt structures and refunding savings on a "net" debt service basis, where appropriate.

## **VI. Refinancing Outstanding Debt**

The Agency shall have the responsibility to evaluate potential refunding opportunities presented by underwriting and/or financial advisory firms. The Agency will consider the following issues when analyzing potential refinancing opportunities:

- A. Debt Service Savings – The Agency shall establish a target savings level equal to 3% (current refunding) to 5% (advance refunding) of par refunded on a netpresent value (NPV) basis. These figures should serve only as a guideline, the Agency must evaluate each refunding opportunity on a case-by-case basis, and must take into consideration: the time to maturity, size of the issue, current interest rate environment, annual cash flow savings, and the value of the call option. Economic savings resulting from a refunding will generally be structured to occur on a level basis over the life of the refunding bonds. The decision to take all savings upfront or on a deferred basis must be explicitly approved by the Agency's Finance and Audit Committee and Board of Commissioners.

- B. Restructuring - The Agency may seek to refinance a bond issue on a non- economic basis in order to restructure debt, mitigate irregular debt service payments, accommodate revenue shortfalls, release reserve funds, comply with and/or eliminate rate/bond covenants, or terminate a swap.
- C. Term/Final Maturity – The Agency may consider the extension of the final maturity of the refunding bonds in order to achieve a necessary outcome, provided that such extension is permissible under the Agency’s Compact and Federal tax law. The term of the bonds should not extend beyond the reasonably expected useful life of the asset being financed. The Agency may also consider shortening the final maturity of the bonds. The remaining useful life of the assets and the concept of inter-generational equity should guide these decisions.
- D. Escrow Structuring - The Agency shall utilize the least costly securities available in structuring each escrow. A certificate will be required from a third party agent who is not acting as a broker-dealer, stating that the securities were purchased through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Series Securities (SLGS), and that the price paid was reasonable and within Federal guidelines. The Agency retains the right to use SLGS at any time in structuring its escrows.

When evaluating the economic viability of an economic versus legal defeasance, the Agency shall take into consideration both the financial impact on a net present value basis as well as the rating/credit impact. The Agency shall take all necessary steps to optimize its escrows and to avoid negative arbitrage in any refunding.

## **VII. Method of Issuance**

The Agency will determine, on a case-by-case basis, whether to sell its bonds competitively or through negotiation.

- A. Competitive Sale – In a competitive sale, the Agency’s bonds shall be awarded to the bidder providing the lowest true interest cost (“TIC”), as long as the bid adheres to requirements set forth in the official notice of sale.
- B. Negotiated Sale – Due to the unique nature of the Agency’s funding arrangements, the Agency recognizes that many of its transactions are best sold through negotiation. In consideration of a negotiated sale, the Agency shall assess the following circumstances that weigh toward the use of a negotiated sale:
  - 1. Issuance of variable rate or taxable bonds;
  - 2. Complex structure or credit considerations (such as non-rated bonds), which requires a strong pre-marketing effort;
  - 3. Significant par value, which may limit the number of potential bidders;

4. Unique/ proprietary financing mechanism (such as a financing pool), or specialized knowledge of financing mechanism or process;
5. Market volatility, such that the Agency would be better served by flexibility in the timing of its sale in a changing interest rate environment;
6. When an Underwriter has identified new financing opportunities or presented alternative structures that financially benefit the Agency;
7. As a result of an Underwriter's familiarity with the project/financing, which enables the Agency to take advantage of efficiency and timing considerations.

C. Private Placement – From time to time the Agency may elect to issue debt on a private placement basis. Such method shall generally be considered only if it is demonstrated to result in cost savings or provide other advantages relative to other methods of debt issuance, or if it is determined that access to the public market is unavailable and timing considerations require that a financing be completed.

D. Conduit Issuance – The Agency may elect to enter into financing agreements with other issuers, including but not limited to the City of St. Louis, St. Louis County, and the Missouri Development Finance Board, to permit debt to be issued on the Agency's behalf. The Agency will consider this approach if such an arrangement is expected to produce lower borrowing costs, enhance the flexibility of the Agency, or provide other operational efficiencies.

## **VIII. Market Communication, Debt Administration and Reporting Requirements**

Rating Agencies and Investors – The Chief Financial Officer shall be responsible for maintaining the Agency's relationships with Moody's Investors Service, Standard & Poor's Ratings Services, Fitch Ratings or any other nationally-recognized rating service. The Agency may, from time to time, choose to deal with fewer than all of these agencies as circumstances dictate.

In addition to general communication, the Chief Financial Officer shall: (1) meet with Credit Analysts at least once each fiscal year, and (2) prior to each competitive or negotiated sale, offer conference calls with Agency analysts in connection with the planned sale.

A. Board Communication – The Chief Financial Officer shall include in an annual report to the Finance and Audit Committee and the Board of Commissioners feedback from rating agencies and/or investors regarding the Agency's financial strengths and weaknesses and recommendations for addressing any weaknesses.

B. Continuing Disclosure – The Agency shall remain in compliance with Rule 15c2-12 or any successor rule or regulation by filing its annual financial statements and other financial and operating data for the benefit of its bondholders within 270 days of the close of the fiscal year. The inability to make timely filings must be disclosed and would be a negative reflection on the Agency. While also relying on a timely audit and preparation of the Agency's annual report, the Chief Financial

Officer will ensure the Agency's timely filing with each Nationally Recognized Municipal Securities Information Repository.

- C. **Record-Keeping** – A copy of all debt-related records shall be retained at the Agency's offices. At minimum, these records shall include all official statements, bid documents, bond documents / transcripts, resolutions, trustee statements, leases, and title reports for each Agency financing (to the extent available). To the extent possible, the Agency shall retain an electronic copy of each document - preferably in Adobe Acrobat-compatible or CD-ROM format.
- D. **Arbitrage Rebate** – The use of bond proceeds and their investments must be monitored to ensure compliance with all Internal Revenue Code arbitrage rebate requirements. The Chief Financial Officer shall ensure that all bond proceeds and investments are tracked in a manner which facilitates accurate calculation; and, if rebate is due, such payments are made.

#### **Section 30.090      Donation and Gift Policy** (NEW effective 11/19/21)

A. **Policy.** It is the policy of the Agency that gifts and donations to the Agency are welcomed and encouraged. Gifts and donations are valued as expressions of individual support for the Agency's mission and help to enhance its services, programs and facilities by supplementing federal, state, or contractual support.

B. **Types of Gifts.** The Agency accepts the following types of gifts and donations: cash, tangible personal property, publicly traded and recognizable securities, real estate, bequests, trust funds and annuities.

C. **Use of Gifts.** The President and CEO or Board of Commissioners will carefully consider the needs of the Agency and will use a gift where it determines it is most needed, so that all donations may directly and indirectly support the public purposes of the Agency. The Agency may choose not to accept a gift if the donor wishes to place limitations or restrictions on its use or disposal. The Agency may refuse any gift that does not sufficiently benefit the Agency, is in conflict with the Agency's mission, puts the reputation of the Agency at risk, or is prohibited by law.

D. **Acceptance of Gifts.** The President and CEO may accept any gift or donation of the types described in Section B on behalf of the Agency. Other types of gifts and donations will be evaluated on a case-by-case basis by the Board of Commissioners.

When processing each gift, the Agency will follow generally accepted accounting principles. The Agency takes no responsibility for valuing gifts for tax purposes or for the tax consequences to the donor.

All accepted gifts and donations become the property of the Agency. The Agency reserves the right to sell or otherwise dispose of non-monetary gifts, if the Board of Commissioners or President and CEO, determines that such sale or disposition is advisable or necessary.

E. Documentation. The Agency will retain a written receipt of each donation and gift identifying the name of the donor, the amount and the date of the donation or gift, and the nature of restriction on the gift, if any. The Agency will acknowledge each donation by letter, thanking the donor. Donors who make a significant financial or material donation will receive a contemporaneous written acknowledgement of the donation from the Agency.

**COLLECTED BOARD POLICIES**  
**OF THE**  
**BI-STATE DEVELOPMENT AGENCY**  
**OF THE**  
**MISSOURI-ILLINOIS METROPOLITAN DISTRICT**

**Chapter 30 Audit, Finance and Budget**

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**Section 30.005 Audit Committee Charter** (added 03/25/11, rev. 09/23/11 and rev. 06/24/22)

A. GENERAL (revised 09/23/11). The purpose of the Audit Charter is to assist the Board of Commissioners, through its Audit Committee, in fulfilling its fiduciary oversight responsibilities as follows:

- (1) Audit Committee management and Reporting Responsibilities
- (2) External Audit of the Financial Statements
- (3) Internal Audit Process
- (4) System of Risk Management
- (5) Processes for Monitoring Compliance with Laws and Regulations and the Ethics Policy, Code of Conduct and Fraud Policy
- (6) Special Investigations and Whistleblower Mechanism

Source: Information to develop this Charter is from *The AICPA Audit Committee TOOLKIT: Government Organizations*

B. AUTHORITY. The Audit Committee (“committee”) has the authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to perform the following functions, which are numbered according to the purposes listed above.

1. Audit Committee Management and Reporting Responsibilities (rev. 06/24/22)

- Each member of the Committee should be appointed by the Chairman of The Bi-State Development Agency (“Bi-State”) Board of Commissioners.
- At least one member of the Committee should have financial experience.
- The Committee should review this Charter annually, reassess the adequacy of the Charter, and recommend any proposed changes to the Board of Commissioners. It should consider changes that are necessary as a result of new laws, regulations, or accounting and auditing standards, including best auditing practices.
- The Committee should meet at least four times per year, and at additional times when necessary. These meetings may be combined with regularly scheduled meetings, or may be held more frequently as circumstances may require. The Committee may ask members of management or others to attend the meetings and provide pertinent information as necessary.
- Conduct executive sessions with the independent auditors, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Audit Executive (CAE), General Counsel, outside counsel, and anyone else as desired by the Committee.
- The Committee shall be authorized to hire professional consultants as necessary.
- Review and concur on the appointment, replacement, reassignment, or dismissal of the Chief Audit Executive.
- Oversee the appointment of the independent auditors to be engaged for external reporting, and establish the related audit fees.
- If the audit organization provides any non-audit services, determine that the audit organization has considered and documented its consideration of how providing these non-audit services does not violate the requirements that the audit organization (a) not provide services that involve performing management functions or making management decisions, and (b) not audit their own work, as stipulated by best auditing practices.
- Review and evaluate the performance of the independent auditors.
- Review with the independent auditor, the Chief Financial Officer, and the Chief Audit Executive, the audit scope and plan of the internal auditors and the independent auditors. Address the coordination of audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
- The Committee should evaluate the independent auditors and internal auditors.
- The Committee should review its effectiveness.
- Create an agenda for the ensuing year, or review and approve the agenda submitted by the Chief Audit Executive.

2. External Audit of the Financial Statements (rev. 06/24/22)

- Review with management and the independent auditor the effect of any regulatory and accounting initiatives, such as related organizations financing structures, derivatives, or securities lending.
- Review with the independent auditor that performs the financial statement audit:
  - a. All critical accounting policies and practices used by Bi-State.
  - b. All alternative treatments of financial information within generally accepted accounting principles that have been discussed with Bi-State's management, the ramifications of each alternative, and the preferred treatment.
- Review all significant written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
- Review with management and the independent auditors:
  - a. The Bi-State Development Agency's annual financial statements, related footnotes, and management's discussion and analysis;
  - b. The independent auditor's audit of the financial statements and their report thereon;
  - c. The independent auditors' judgments about the quality, not just the acceptability, of Bi-State's accounting principles as applied in its financial reporting;
  - d. The independent auditors' single audit of the federal awards administered by Bi-State and their reports thereon;
  - e. The independent auditors' examination of the effectiveness of any hedging activities;
  - f. Any significant changes required in the independent auditors' audit plan;
  - g. Any serious difficulties or disputes with management encountered during the audit. Matters required to be discussed by Statement on Auditing Standards (SAS) No. 61, *Communication With Audit Committees* (AICPA, *Professional Standards*, vol. 1, AU Sec. 380), as amended; U.S. Government Accountability Office's *Government Auditing Standards*; and the U.S. Office of Management and Budget's Circular A-133 related to the conduct of the audits.
- Review with the General Counsel and the Chief Audit Executive legal and regulatory matters that, in the opinion of management, may have a material impact on the financial statements and compliance with federal, state, and local laws and regulations.

### 3. Internal Audit Process (rev. 06/24/22)

- Review with management the policies and procedures with respect to Bi-State management's use of expense accounts, public monies, and public property, including for example, their use of Bi-State's vehicles. Consider the results of any review of these areas by the Internal Auditor or the independent auditors.

- Consider, with management, the rationale for employing audit firms other than the principal independent auditors for services that Bi-State or the independent auditor determines would not be appropriate for the principal independent auditor to perform.
- Review with management and the Chief Audit Executive:
  - a. Significant findings on internal audits during the year and management's responses thereto.
  - b. Any difficulties the internal audit team encountered in the course of their audits, including any restrictions on the scope of their work on access to required information.
  - c. Any changes required in the scope of their internal audits.
  - d. The Internal Audit Department budget and staffing.
  - e. The Internal Audit Department charter.
  - f. The Internal Audit Department's compliance with applicable standards (for example, *Government Auditing Standards*, or the Institute of Internal Auditors' (IIA's) Standards for the Professional Practice of Internal Auditing).

#### 4. System of Risk Management (rev. 06/24/22)

Inquire of management, the Internal Audit Department, and the independent auditors about significant risks or exposures facing Bi-State; assess the steps management has taken or proposes to take to minimize such risks to Bi-State; and periodically review compliance with such steps.

Inquire of the Chief Executive Officer and Chief Financial Officer regarding the fiscal health of Bi-State, as well as the financial status of Bi-State in relation to its adopted budget.

Review with the independent auditors and Chief Audit Executive:

- a. The adequacy of Bi-State's internal controls including computerized information system controls and security;
- b. Any related significant findings and recommendations of the independent auditors and internal auditors together with management's responses thereto.

#### 5. Organization's Processes for Monitoring Compliance with Laws and Regulations and the Ethics Policy, Code of Conduct and Fraud Policy (rev. 06/24/2022)

- a. Periodically review Bi-State's code of conduct to ensure that it is adequate and up to date.
- b. Review with the Chief Audit Executive and General Counsel the results of their review of compliance monitoring with the code of conduct.

### **Section 30.010                      Annual Audit**

A.     Policy (revised 5/22/09 and 6/24/22). It is the policy of the Agency to submit its books and records to annual audit by a nationally recognized CPA firm. The firm selected 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 and examining any hedging activities. The firm, and any principals of the firm, shall have no direct or indirect personal or financial interest in the fiscal affairs of the Agency, or of any officer of the Agency. The Agency shall not engage any firm, or any lead or concurring audit partner connected with that firm's provision of audit services to the Agency, for a contract term in excess of five (5) consecutive years.

B.     Reporting. This firm reports its findings and conclusions to the entire Commission each year and may meet with the Audit Committee at any time during the year. Upon receipt of the final management letter, the President & Chief Executive Officer will promptly forward a response to the Audit Committee indicating the status of each recommendation or finding.

### **Section 30.020 Internal Audit (rev. 06/24/22)**

A.     Policy. It is the policy of the Agency to employ a Chief Audit Executive who shall report directly to the Board of Commissioners. The Chief Audit Executive 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 & Chief Executive Officer and management in effectively discharging their administrative responsibilities. The Internal Audit Department shall perform routine audits of compliance of Agency divisions with internal Agency rules and regulations. The Internal Audit Department shall at all reasonable times have access to the accounts, books and records of the Agency, and the Department may in relation to such interview the President & Chief Executive Officer and other employees of the Agency.

B.     Work Plan. The Chief Audit Executive shall be responsible for preparing an annual Audit Work Plan. Additionally, Commissioners and Senior Managers shall identify potential areas for review by the Internal Audit Department. Upon completion of the Audit Work Plan, the Chief Audit Executive shall present the Plan to the Audit Committee for their review and approval pursuant to these Board Policies.

C.     Special Reviews. From time to time the President & Chief Executive Officer may assign to the Chief Audit Executive special reviews designed to assure continuous quality improvement of Agency operations.

### **Section 30.030                      Annual Budget**

A.     General. Each year the President & CEO shall prepare an annual budget for the forthcoming fiscal year that will be presented to the Board of Commissioners. The President & CEO will work with the Board in setting strategic objectives, update the Agency's long range planning document, and prepare both an operating and capital budget. 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.

B. Approval. The President & CEO will present the annual budget at a regularly scheduled meeting of the Board of Commissioners. The Board of Commissioners shall approve annual operating and capital budgets prior to the beginning of the ensuing fiscal year.

#### **Section 30.040            Banking and Investment (rev. 06/23/06, 11/19/10, 09/28/12)**

A. General. This policy directs the investment of all operating, self-insurance restricted, capital and debt service funds of all entities of the Bi-State Development Agency not expressly controlled by Revenue Bond Trustees.

The preservation of funds is the first consideration in determining the investment of Agency 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, which meet the criteria below, will be selected for investments only on a competitive basis. The number of demand deposit non-interest bearing accounts will be kept to the minimum for operational efficiency and safety.

Notwithstanding the following authorized investments, it is the Board's intent to have the majority of the available funds invested in local institutions provided the institutions meet the minimum credit standings set out below and yields are competitive.

The Board also directs management to refrain from investing Agency funds in any financial institutions or businesses that conduct business with governments deemed unacceptable by the Federal Government through executive order or enacted legislation.

#### **B.     Authorized investment categories (revised 4/24/09 and 11/19/10)**

1.     Demand Deposit, Negotiable Order Withdrawal (NOW), Bank Money Market, Certificate of Deposit and Savings Accounts - issued by local banks or thrifts where the account or investment is either collateralized with direct obligations of the U.S. Government or its instrumentality's, or covered by FDIC insurance, or other AAA rated surety.
2.     Negotiable Certificates of Deposit - provided that the institution maintains a Fitch rating of B or better and / or a Moody's Investor Services short-term rating of P-1. The institutions selected will have a minimum of \$100 million in combined capital and unimpaired surplus.
3.     Bankers Acceptances - provided that the institution maintains a Fitch rating of B or better and / or a Moody's Investor Services short-term rating of P-1. The institutions selected will have a minimum of \$100 million in combined capital and unimpaired surplus.
4.     Direct Obligations of the United States Government, U.S. Government Agencies or U.S. Government Instrumentality's.

5. Commercial Paper - Commercial paper at the time of purchase shall have ratings of A-1 by Standard and Poors Rating Services and P-1 by Moody's Investors Services. Commercial paper of firms doing business within the St. Louis metropolitan region may have ratings of A-2 by Standard and Poors Rating Services and P-2 by Moody's Investor Services.
6. Repurchase Agreements (revised 11/19/10) - Repurchase agreements (repos) are acceptable, using any of the securities listed in paragraphs B-4 above as collateral. Also, the firm with whom the repo is executed must be a credit acceptable bank, or broker-dealer. A credit acceptable bank or broker-dealer is defined as one whose senior debt rating is A- by one of the three nationally recognized ratings agencies (Standard & Poor's, Moody's, or Fitch). Banks in the Agency's service area that do not have a Standard & Poor's, Moody's or Fitch rating, may also be authorized repo counterparties, provided that they meet the "well capitalized" standard, as defined by the Federal Deposit Insurance Corporation. A written repurchase agreement, substantially modeled on, but in no case less restrictive than, the Securities Industry and Financial Markets Association's "Master Repurchase Agreement", shall be completed for each repo counter party. Such agreements shall be updated periodically, but no less than once every five years. In all cases, repo collateral shall have a market value of 102% of the dollars invested, plus accrued interest. If the repo term is longer than an overnight maturity, the collateral must be delivered to a third party custodian, and priced-to-market weekly to assure correct collateral value coverage.

The Director of Treasury Services shall obtain approval from the Chief Financial Officer before authorizing a repo counterparty. Before approval, documentation shall be furnished that the authorized counterparty meets the required criteria. The Director of Treasury Services will also monitor continued compliance with the criteria. The current authorized repo counterparties are:

Bank of America  
Merrill Lynch Capital Markets

UMB Bank  
Commerce Bank  
U.S. Bank  
Jefferson Bank & Trust

7. Money Market Funds - Acceptable funds shall be institutional money market funds having over \$500 million in net assets and be rated AAA by Standard and Poor's, Moody's and/or Fitch rating services.
8. Reverse Repurchase Agreement - A reverse repurchase Agreement or short-term borrowing (180 days or less), using securities in the Agency's portfolio as collateral, is acceptable. However, the firm with whom the borrowing is executed must meet the same requirements as stated previously for repurchase agreements. Also, the borrowed funds may be used to purchase other securities as an investment arbitrage. In this case, the new investment maturity date must match (+/- one week) the maturity date of the reverse repo, and those instruments must be delivered into the Agency's safekeeping account and held there until maturity. The Board shall be notified of all such transactions through the Treasurer's monthly report.

C. Banking Services. Banks will be negotiated with periodically for demand deposits and other banking services for the greater advantage to the Agency. Any two of the following may open bank accounts, subject to the approval of the Board of Commissioners through a confirming motion at the next meeting of the Board of Commissioners:

Chair, Board of Commissioners	President & CEO
Vice Chair, Board of Commissioners	Chief Financial Officer
Treasurer, Board of Commissioners	

The Treasurer, President & CEO and Internal Audit will monitor the potential for conflict of interest.

D. Investment Performance. Management will provide the Treasurer of the Board of Commissioners with a monthly list of deposits, investments, yields, monthly summary of the prior 12 months' funds experience, and the average amount of non-interest bearing deposits at each institution.

E. Investment Transaction Criteria: (revised 4/24/09)

1. Safekeeping Accounts - Securities purchased are delivered against payment and held in a custodian safekeeping account. Tri-party custodian agreements maintained with third party trust companies as well as the Federal Reserve Bank are acceptable. Hold-In-Custody repurchase agreements for fourteen days or less will be processed through special transaction control accounts. These accounts will be audited quarterly by

Internal Audit and the results reported through the Treasurer, to the Board of Commissioners.

2. Maturity Limitations - To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow requirement, no funds shall be invested for more than five years from the date of settlement. The weighted average maturity of the portfolio shall at no time exceed eighteen months.

For Securities that are subject to redemption (call) before final maturity, the final maturity date shall be used both for compliance with the five year limitation and in calculating the weighted average maturity.

3. Diversification –

- a. Unlimited investment in the following:

- U.S. Government obligations
- U. S. Government Agency obligations
- U. S. Government Instrumentality obligations
- Repurchase Agreements – secured by the 3 U. S. obligations noted immediately above.
- Money Market Funds – Institutional money market funds having over \$500 million in net assets and rated AAA by Standard & Poor's, Moody's and/or Fitch rating services.

- b. Investments not to exceed \$5.0 million par value from any one issuer:

- Bankers Acceptances
- Commercial Paper
- Negotiable Certificates of Deposit

- c. All investments must be paid for before they may be sold.

F. Authorized Individuals. (Rev. 01/04/08) The following individuals are authorized to conduct investment transactions for the Agency:

Chief Financial Officer  
Director of Treasury Services

Treasury Specialist  
Debt Analyst

G. Agency Debt. Agency debt may be incurred only by the specific authority of the Board of Commissioners through special action. Notwithstanding Sections B or E above, all funds under such debt resolutions or indentures of trust shall be controlled by the investment set forth in such documents.

**H. Check Signatories (rev. 01/04/08)**

**1. All General Operating Funds Including Self-insurance Fund**

- a. Under \$501 for insurance settlement drafts - One signature from the following:

Claims Adjuster	Manager of Claims
Supervisor of Claims	Director of Risk Management

- b. Under \$7,500 - One signature from the following:

Treasurer, Board of Commissioners (including facsimile signature)  
or in the event of a vacancy in the Treasurer's position,  
Secretary, Board of Commissioners (including facsimile signature)  
President & CEO                      Director of Treasury Services  
Chief Financial Officer            Director of Passenger Revenue  
Controller                          Treasury Specialist

- c. \$7,501 to \$100,000 - Two signatures from the following:

Treasurer, Board of Commissioners (including facsimile signature)  
or in the event of a vacancy in the Treasurer's position,  
Secretary, Board of Commissioners (including facsimile signature)  
President & CEO                      Treasury Specialist  
Chief Financial Officer            Director of Treasury Services  
Controller

- d. \$100,001 to \$500,000 - Two signatures from the following:

Chair, Board of Commissioners	Treasurer, Board of Commissioners
President & CEO	Director of Treasury Services
Chief Financial Officer	Treasury Specialist
	Controller

- e. \$500,001 to \$1,000,000 - Two signatures from the following:

Chair, Board of Commissioners	Treasurer, Board of Commissioners
President & CEO	Director of Treasury Services
Chief Financial Officer	Controller

- f. \$1,000,001 and above - Two signatures, one each from Group A and Group B:

<u>GROUP A</u>	<u>GROUP B</u>
Treasurer, Board of Commissioners President & CEO	Chair, Board of Commissioners Vice Chair, Board of Commissioners Secretary, Board of Commissioners

2. Employee Medical Self Insurance Account

- a. Under \$25,000 -- Approved Officer of Service Provider (including facsimile signature)
- b. \$25,001 to \$100,000 - Two Signatures, one each from Group A and Group B:

<u>GROUP A</u>	<u>GROUP B</u>
Approved Officer of Service Provider (including facsimile signature)	President & CEO Chief Financial Officer Director of Treasury Services Treasury Specialist Controller

- c. \$100,001 to \$500,000 - Two signatures, one each from Group A and Group B:

<u>GROUP A</u>	<u>GROUP B</u>
Approved Officer of Service Provider	Treasurer, Board of Commissioners President & CEO Chief Financial Officer Director of Treasury Services Controller Treasury Specialist

- d. \$500,001 to \$1,000,000 – Two signatures, one each from Group A and Group B:

<u>GROUP A</u>	<u>GROUP B</u>
Approved Officer of Service Provider	Treasurer, Board of Commissioners President & CEO Chief Financial Officer Director of Treasury Services Controller

**I. Wire Transfer Authority (rev. 01/04/08)**

1. Wire Transfers and Automated Clearing House Transactions (ACH) are authorized for the transfer of funds between checking, investment and

savings accounts, payment of services, equipment, construction in process, a well as payroll related expenditures that are authorized by and in the name of the Bi-State Development Agency.

2. Wire Transfer and Automated Clearing House Transactions (ACH) authority is limited to the below listed individuals. Wire transfers of a non-repetitive nature require the authority of any two of the below listed individuals:

Chief Financial Officer	Treasury Specialist
Director of Treasury Services	Controller
Manager of Accounts Payable	Debt Analyst

3. Authorization to create new repetitive Wire Transfers and Automated Clearing House Transactions (ACH) requires approval of any two of the following:

President & CEO  
 Chief Financial Officer  
 Chair, Vice Chair, Treasurer, Secretary, Board of Commissioners

J. Authorized Signatories for the Release of Pledged Collateral:

Chief Financial Officer	Director of Treasury Services
Treasury Specialist	Debt Analyst

K. Authorized Signatories for Self Insurance Related Letters of Credit Requests for Letters of Credit must be submitted to the Treasury Section. Treasury personnel will obtain the Letter of Credit and submit the application to one of the following for authorization.

\$49,999 and Below	-	Chief Financial Officer
\$99,990 and Below	-	President & CEO
\$100,000 and Above	-	Chair, Vice Chair, Treasurer of the Board of Commissioners

L. Authorized Agency Bank Accounts: (revised 8/15/07, 09/28/12)

<u>Bank</u>	<u>Account Numbers</u>	<u>Funds (Purpose)</u>
Bank of America	XXXXXXXXXXXX90 -	Operating (Payroll)
-	XXXXXXXXXXXX91 -	Transit Pass Revenue
-	XXXXXXXXXXXX21 -	Transit Operating, Sales Tax, & Internally Restricted
-	XXXXXXXXXXXX34 -	Transit Farebox Revenue

-	XXXXXXXXXXXX58 -	Arch Garage Operations & Maintenance
-	XXXXXXXXXXXX48 -	Transit MetroLink Revenue
-	XXXXXXXXXXXX62 -	Regular Self Insurance
-	XXXXXXXXXXXX96 -	Investment Transitory
-	XXXXXXXXXXXX17-	Transit Revenue (TVM credit card)
-	XXXXXXXXXXXX46-	Call-A-Ride Revenue
-	XXXXXXXXXXXX13-	Accounts Payable EFT
-	XXXXXXXXXXXX39-	Accounts Payable
-	XXXXXXXXXXXX26-	Regular Self Insurance Claims
Jefferson Bank & Trust	XXXXXXXXXXXX15 -	Non-Transit Repo
J.P. Morgan Chase	XXXXXXXXXXXX66-	Cigna Medical Self Insurance Claims (funded by Metro, admin. By Cigna)
PNC	XXXXXXXXXXXX74- XXXXXXXXXXXX66-	Arch Revenue Riverboat Revenue
UMB Bank	XXXXXXXXXXXX25 - XXXXXXXXXXXX28 -	Arch Garage Revenue Transit Operating
Regions Bank -	XXXXXXXXXXXX41 -	Airport Revenue
US Bank -	XXXXXXXXXXXX24 -	Metroride Store Revenue

## **Section 30.050                      Financial Reporting** (revised 09/25/09)

A.     Policy. It is the policy of the Agency to prepare the financial results of each operating company as required by specific agreement, but not less than quarterly. Financial statements for the Board of Commissioners shall be prepared quarterly, and include the following statements:

1.       Transmittal letter of noteworthy variations, including disclaimer
2.       Balance Sheet
3.       Statement of Revenue, Expense Income (Loss)
4.       Cash Receipts and Disbursement Schedule
5.       Capital Expenditures for Active Projects
6.       Statement of Cash Flows
7.       Aged Receivables

### **Disclaimer:**

The following disclaimer shall be included in each transmittal letter of noteworthy variance:

“These interim financial statements are not in conformity with U.S. Generally Accepted Accounting Principles (U.S. GAAP) due to the following reasons: Depreciation is not shown as an operating expense, but as other non-operating expense; capital contributions and total net assets are now shown on the Statement of Revenue, Expense, Income (Loss); and there are no accompanying footnote disclosure requirements or Management Discussion and Analysis (MD & A) sections included.”

## **Section 30.060                      Risk Management** (revised 2/25/2000 and 08/20/2021)

A.     General. One of the Agency's primary objectives is to provide safe, reliable, and cost-effective transportation services while complying with federal, state, and local laws. In support of that objective, the Agency will develop and maintain an effective, integrated risk management program. This policy applies to all exposures to risk of loss that are fortuitous and result from external causes. These exposures include, but are not limited to, fires, collisions, theft, windstorm, construction accidents, workers' compensation claims, and auto or general liability claims as well as associated lawsuits against the Agency.

B.     Authority and Responsibility. The Director of Risk Management is responsible for recommending the overall direction of the Agency's risk management program as specified in the Agency's Management Policies & Procedures.

C.     Self-Insurance (revised 08/20/21). The Agency will self-insure those routine risks associated with its core transit operations. Risk exposures above the self-insured retention will be covered by excess insurance if such excess insurance is available and affordable.

D. Third Party Administrator (revised 08/20/21). The Agency will contract with a third party adjusting firm to assist in administering claims handling (TPA). The Risk Management Department will monitor the TPA and hold quarterly claims reviews. An annual audit will be performed.

E. Insurance. Primary property and liability insurance will be purchased for unique or special risks of loss, for major construction projects, and when required by law or by contract. A Broker of Record will perform the insurance marketing function under the direction of the Director of Risk Management.

F. Self-Insurance Fund (revised 08/20/21). The Agency will maintain asset accounts, referred to as “Self-Insurance Funds”, as authorized by the Board of Commissioners on October 1, 1982, to support liabilities accrued as a result of its self-insured losses. The Chief Financial Officer of the Agency will maintain the Self-Insurance Fund, complying with prudent business practices and all applicable governmental pronouncements, and determine the amount of annual funding required. The fund is subject to following guidelines:

1. The current balance will be sufficient to pay estimated judgments, settlements, losses, and expenses for a three (3) year time period.
2. The amounts held in the Self Insurance Funds shall be used solely for the purpose of paying such liabilities and expenses.
3. The Chief Financial Officer, with concurrence of the President & CEO, is authorized to borrow amounts from the Self Insurance Funds to pay expenses of the Transit System in anticipation of routine operating subsidies and capital grants. All amounts borrowed from the Self Insurance Funds shall be reimbursed to such Fund as soon as possible with normal Agency revenues such as Farebox revenue, sales tax revenues, interest earnings and operating subsidy funds. The Board of Commissioners is to be notified, in writing, of any borrowing, outlining the amount borrowed.

G. Excess Judgment Fund (revised 08/20/21). The Agency will maintain an additional asset account, referred to as the “Excess Judgment Fund”, as authorized by the Board of Commissioners on July 7, 1989, to provide supplemental cash flow to the Self-Insurance Funds, in the event of a large or catastrophic loss that is greater than 50% of the Agency’s Self-Insured retention amount for that year. In addition, this fund will provide temporary or emergency funds for property losses that are equal or greater than \$500,000 and where the insurer has delayed payment or is questioning coverage under its policy. The Chief Financial Officer of the Agency will maintain the Excess Judgment Fund, complying with prudent business practices and all applicable governmental pronouncements. The fund is subject to following guidelines:

1. The goal is to attain and maintain a \$5,000,000 fund balance.
2. A minimum of \$250,000 shall be appropriated annually by the Board as part of the budget process until the fund goal of \$5,000,000 is reached.

3. Interest earned by monies in the fund shall inure exclusively to the fund on a cash basis until the fund goal of \$5,000,000 is reached.
4. Monies appropriated to the fund shall be deposited in the account at the beginning of the Fiscal Year, or as received from the funding jurisdictions.
5. This unencumbered balance of this fund may be used as collateral for short-term debt obligations.
6. The Chief Financial Officer, with concurrence of the President & CEO, is authorized to borrow amounts from the Excess Judgment Fund to pay expenses of the Transit System in anticipation of routine operating subsidies and capital grants. All amounts borrowed from the Excess Judgment Fund shall be reimbursed to such Fund as soon as possible with normal Agency revenues such as farebox revenue, sales tax revenues, interest earnings and operating subsidy funds. The Board of Commissioners is to be notified, in writing, of any borrowing, outlining the amount borrowed.

H. Claim Settlement Authorization (revised 08/20/21). The Board of Commissioners must approve defense settlements exceeding the Missouri sovereign immunity limit for any one person in a single accident or occurrence. The Claim Settlement Authorization, based upon the Missouri sovereign immunity limit, shall be adjusted annually as published by the Missouri Department of Insurance. Authorization granted by the Board of Commissioners is deemed to include an additional contingency amount, equal to 20% of the actual authorization granted, for extraordinary use by the President & CEO. This additional authorization may be granted by the President & CEO as trial approaches or during the actual trial. For settlement amounts over \$100,000 and up to the sovereign immunity limit, the President & CEO will approve and must notify and receive acknowledgement from the Board of Commissioner's Chair and Vice Chair. Settlements from \$20,000 to \$100,000 will require the approval of the Director of Risk Management who must notify and receive acknowledgement from the Agency's General Counsel.

I. Litigation Management and Board Notification (revised 08/20/21). In addition to requests for settlement, authorization, the Board of Commissioners will be notified by management about large claims or lawsuits that may significantly impact the Agency's financial stability, its assets, or its public image.

1. The Director of Risk Management will regularly provide informational briefs to the Board on claims and lawsuits that fall into the following classifications:
  - a. Fatalities & severely disabling injuries.
  - b. Jury verdict range or settlement range is expected to exceed \$100,000.
  - c. Other unusual or sensitive claims which may be of particular interest to the Commissioners.
  - d. Final results on claims where the Board has extended settlement authorization.

2. The briefing to the Board will contain:
  - a. Facts & background of the case.
  - b. Summary of injuries & special damages.
  - c. Assessment of liability and expected outcome.
  - d. Litigation history and status if in suit.
  - e. Opinion of legal counsel (if assigned).
  - f. Recommendations and strategy for an appropriate resolution.
3. The Director of Risk Management will maintain a written litigation management program, attorney billing guidelines, and procedures for selecting and retaining defense counsel as specified in more detail in the Agency's Management Policies & Procedures.

J. Review of Agency Contracts and Documents. The Director of Risk Management, in consultation with the Agency's General Counsel as needed, will review Agency contracts, leases, agreements, easements or other documents that transfer risk, specify indemnity obligations, or require specific insurance from one or more of the parties.

### **Section 30.070                      Hedging** (effective 2/23/2001; revised 11/20/15; revised 06/25/21)

A. General. Because of the nature of its responsibilities to the St. Louis Metropolitan region, the Bi-State Development Agency (Agency) manages financial risks attributed to the price variability of fuel usage. This risk can be managed effectively through the use of hedging techniques. The purpose of this policy is to generally outline how the Agency will manage these risks, what techniques will be employed, and the general guidelines to be followed.

B. Definition. A hedge is a financial tool used to reduce the risk associated with normal business activities of buying fuel. The purpose of this hedging program is not to make or lose money but to manage risk. This program is not an investment and should not be construed as such. Realized gains or losses will be considered as an element of fuel cost. A hedging program will:

- a. seek to decrease the volatility of fuel cost;
- b. seek to increase the likelihood that actual net fuel cost will remain below the budgeted cost;
- c. seek to increase the certainty of future fuel cost;
- d. seek to attain a lower overall cost of fuel in the long-term;
- e. seek to manage year-over-year changes in fuel cost.

#### C. Program Infrastructure.

- a. Instruments. The agency will maintain a futures account with a Futures Commission Merchant (Broker, which may be a separate entity from the Advisor. The Agency, through the management and direction of an

Advisor, acquires, holds, and disposes of fuel futures contracts in the operation of its program. The high correlation between the movement of the price that the Agency pays for its fuel and the movement of the value of the futures contracts produces the program's effectiveness as a hedge. Due to the liquidity of the futures contracts purchased, these contracts do not require an investment grade rating.

- b. **Maximum Hedge Ratio.** The Agency's volume of fuel consumption is predictable and without significant variability over time. Given this, the maximum hedge ratio will be limited to 95% of forecasted consumption.
- c. **Maximum Hedge Maturity.** To allow the establishment of cost certainty in current and future budget periods, the maximum maturity of the futures contracts taken in conjunction with the program is 36 months forward from the acquisition date.
- d. **Exiting Market Conditions.** The advisor will exit the futures contracts evenly through time to coincide with the fuel supply contract pricing mechanism. This even liquidation of futures hedges through time and the even purchase of fuel via the Agency's fuel supply process assures the effectiveness of the hedging process. Based on the difference between the hedge price (entry price) and the settlement price (exit price), there will be a realized gain/loss associated with the hedge that will appear in the futures account. Futures contracts will be held to maturity (exited when the corresponding fuel is purchased) and, in the normal operation of the program, there will be no interim trading or early exit allowed. Exceptions to this include situations where the volume of forecasted fuel consumption decreases in which case the hedge position may be adjusted to comply with the Maximum Hedge Ratio.

D. **Physical Supply.** The physical supply of fuel will be purchased according to the Agency's procurement policies, and will be priced according to the fuel supply contract.

E. **Strategy.** The Strategy is how the program's objectives are achieved. The strategy will utilize a process:

- a. that addresses market opportunities and market risks;
- b. that examines fundamental and technical market factors in the hedge decision-making process;
- c. that holds the risk of exceeding budget at or below an acceptable level;
- d. that uses historical pricing ranges as pricing parameters;
- e. that is continuously applied through time;
- f. that will take advantage of the inherent "dollar cost averaging" properties of a continuous hedging program;
- g. that mitigates transaction timing risk by making more numerous smaller volume transactions.

These things will be accomplished by the advisor executing the appropriate transactions at the appropriate times to create the desired effect within the constraints of the policy.

F. Risk Management. The Agency will engage only in financial hedge transactions that are related to the Agency's principal business, including the operation of diesel buses and vans. The Agency will only trade specific contracts as necessary to hedge for the pricing of fuel/energy costs, as related to these areas of business, and as advised by the Advisor.

G. Execution, Reporting and Oversight.

- a. The advisor will be responsible for the day to day execution of the program including the execution of transactions, generating reports on the program's status and results, and monitoring the program and the energy markets. The advisor will generate periodic updates on the status and results of the program.
- b. The Treasury Department will provide the Board of Commissioners with a summary of its activity through the quarterly Treasurer's Report.
- c. A Hedge Committee will oversee the activities of this program. The Committee shall include Chief Financial Officer, Director of Treasury, Assistant Executive Director Transit Assets, and the Vice President of Procurement, Inventory Management & Supplier Diversity. The role of the Hedge Committee will be to determine whether a proposed hedging strategy, transaction or group of transactions is consistent with this Hedge Policy and review the performance of the hedging activity on a periodic basis. The Hedge Committee will meet no less than quarterly, and meeting minutes and Committee decisions will be documented and approved by the Committee.

**Section 30.080 Debt Issuance and Administration** (revised 6/26/09)

A. The Agency. The Bi-State Development Agency of the Missouri-Illinois Metropolitan District (the "**Agency**") is a body corporate and politic created and existing by reason of a joint compact (the "**Compact**") between the States of Missouri and Illinois (Sections 70.370 *et seq.* of the Revised Statutes of Missouri, as amended, and Illinois Compiled Statutes, Chapter 45, Act 100, as amended) and approved by the United States Congress and the President.

B. Powers to Issue Debt. *RSMo Section 70.373; 45 ILCS 110/1 Ratified by Congress January 7, 1959; further amended and ratified by Congress January 3, 1985*

1. *To borrow money for any of the authorized purposes of the Agency and to issue the negotiable notes, bonds or other instruments in writing of the Agency in evidence of the sum or sums to be borrowed;*
2. *To issue negotiable refunding notes, bonds or other instruments in writing for the purpose of refunding, extending or unifying the whole or any part of its valid indebtedness from time to time outstanding, whether evidenced by notes, bonds or other instruments in writing;*

3. *To provide that all negotiable notes, bonds or other instruments shall be payable, both as to principal and interest, out of the revenues collected for the use of any facility or combination of facilities owned and operated by the Agency, or out of any other resources of the Agency, and may be further secured by a mortgage or deed of trust upon any property owned by the Agency. All notes, bonds or other instruments in writing issued by the Agency as herein provided shall mature in not to exceed thirty years from the date thereof, shall bear interest at a rate not exceeding fourteen percent per annum, and shall be sold for not less than ninety-five percent of the par value thereof. The Agency shall have the power to prescribe the details of such notes, bonds or other instruments in writing, and of the issuance and sale thereof, and shall have power to enter into covenants with the holders of such notes, bonds or other instruments in writing, not inconsistent with the powers herein granted to the Agency, without further legislative authority;*
4. *To issue bonds for industrial, manufacturing or commercial facilities located within the Bi-State metropolitan district upon the security of the revenue to be derived from such facilities; and, or upon any property held or to be held by it.*

C. Revenue Bonds.

**I. General Management Policies**

The Agency will provide for a periodic review of its financial performance, and review its performance relative to the financial policies outlined herein. These financial policies will be taken into account during the capital planning, budgeting and fare-setting process.

- A. In recognition of periodic changes in the cost of providing service to system users, service costs and fees will be reviewed annually and adjusted commensurately.
- B. The Agency will present any proposed adjustments to existing fares, rates, fees and charges at public meetings, and will consider recommendations and input from the public as it relates to such proposed changes.
- C. All Agency funds will be invested according to the Investment Policies of the Agency.
- D. Necessary appropriations for annual debt service requirements will be routinely included in the Agency's annual budget.
- E. The Agency will maintain proactive communication with the investment community, including rating agencies, credit enhancers and investors, to ensure future capital market access at the lowest possible rates.
- F. The Agency may appoint a special committee of local financial experts to assist management as it develops financial plans.

G. Fund co-mingling and inter-fund borrowing.

The transit system is presently comprised of the following funds:

- Revenue Fund
- Operating Fund
- Internally Restricted Fund (Special Sales Tax Capital Fund)
- Sales Tax Capital Fund
- Prop M Fund
- Self Insurance Fund
- Stabilization Fund

The Agency maintains one bank depository account for operational and working capital purposes, which is comprised of the Operating, Internally Restricted, Sales Tax Capital, and Stabilization Funds. While these funds are co-mingled in a single bank account, specific accounting is maintained on the Agency's books at the fund level.

Transit operations have little seasonality and are generally consistent throughout the year. The annual appropriation process for state, local and federal formula funding, which combined provides approximately 75% of the Agency's funding, commences after the fiscal year begins. Local appropriations are subject to the legislative process, and Federal appropriations can be delayed up to 12 months. Consequently, Agency staff is authorized to transfer (borrow) funds within the groups identified above in order to maintain operational liquidity and adequate working capital.

In the event the above funds are exhausted, temporary operating deficits may be funded by unencumbered Self Insurance and Prop M Funds. Staff shall inform the Board any time the local funding jurisdictions fail to provide funds within ninety days of the beginning of the fiscal year. Management shall recommend a course of action up to and including service interruption for the jurisdiction in question.

Furthermore, the Agency utilizes the Transit Operating Fund (Accounts Payable Account) as the single disbursement account for the payment of both transit and business enterprise obligations. Liability accounts shall be maintained for the recording of all payments made by Transit for Business Enterprises, and Business Enterprises shall reimburse Transit, in the following month, for any such payments.

**I. Financial Management Policies**

The Agency utilizes a comprehensive planning process to determine its long-term capital needs. The Agency evaluates each capital project in relation to established federal, state and local grants and assistance programs and levels of reserves, current rate structure, expected asset life/replacement timeline, and available revenue sources to ensure that adequate financial resources are available to support the Agency's financial obligations. The Agency's Debt and Financial Management, Investment, and Swap Policies are integrated into the decision-making framework utilized in the budgeting and capital improvement planning process. As such the following policies outline the Agency's approach to debt management:

- A. The Agency will evaluate financing for each capital project on a case-by-case basis. The Agency will seek to pay for all capital projects from current revenues, federal grants and assistance programs and available reserves prior to or in combination with the use of debt.
- B. The Agency will seek to issue debt only in the case where there is an identified source of repayment. Bonds will be issued to the extent that (i) projected fixed revenues are sufficient to pay for the proposed debt service together with all existing debt service covered by such fixed revenues, or (ii) additional projected revenues have been identified as a source of repayment in an amount sufficient to pay for the proposed debt.
- C. Debt issuance for a capital project will not be considered unless such issuance has been incorporated into the capital improvement plan (Long Range Financial Plan).
- D. The Agency may designate a pool of qualified investment banking firms (or underwriters). The pools may be used for designating underwriting syndicates for a period extending through April 30, 2014. The Finance Division may terminate or extend the pools at any time prior to this date. The Finance Division may also periodically update the pools of underwriters, including the addition of firms that may submit their qualifications after the initial deadline. In addition, the Finance Division may request additional information or additional qualifications at any time from firms in the pools of underwriters. Expiration of the underwriting pool will not affect any previously designated syndicate(s) with which there are active negotiations for a bond sale.

## **II. Debt and Capital Management Policies**

The following policies formally establish parameters for evaluating, issuing, and managing the Agency's debt. The policies outlined below are not intended to serve as a list of rules to be applied to the Agency's debt issuance process, but rather to serve as a set of guidelines to promote sound financial management.

In issuing debt, the Agency objectives will be to:

- 1. Achieve the lowest cost of capital;
- 2. Maintain high credit ratings and access to credit enhancement;
- 3. Preserve financial flexibility.

## **III. Standards for Use of Debt Financing**

When appropriate, the Agency will use long-term debt financing to: achieve an equitable allocation of capital costs/charges between current and future system users; to provide more manageable rates in the near and medium term; and to minimize rate volatility.

- A. For growth related projects, debt financing will be utilized, as needed, to better match the cost of anticipated facility needs with timing of expected new connections to the system.
- B. The Agency shall not construct or acquire a facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility throughout its expected life.
- C. Capital projects financed through debt issuance will not be financed for a term longer than the expected useful life of the project.
- D. Lease Agreements and Installment Sale Agreements shall be considered as an alternative to long-term debt. Although these forms of alternative financing are subject to annual appropriation, they shall be considered as long-term fixed rate debt for the purposes of this policy until maturity.

## **V. Financing Criteria**

Each debt issuance should be evaluated on an individual basis within the framework of the Agency's Long Range Financing Plan, as well as within the context of the Agency's overall financing objectives and current market conditions.

The Agency will evaluate alternative debt structures (and timing considerations) to ensure the most cost-efficient financing under prevailing market conditions.

- A. Credit Enhancement – The Agency will consider the use of credit enhancement on a case-by-case basis. Only when clearly demonstrable savings can be realized shall credit enhancement be utilized.
- B. Cash-Funded Reserve vs. Surety – The Agency may purchase a surety policy or replace an existing cash-funded Debt Service Reserve Fund when deemed prudent and advantageous.
- C. Call Provisions – In general, the Agency's securities should include optional call provisions. The Agency will generally avoid the sale of non-callable long-term fixed rate bonds, absent careful evaluation of the value of the call option.
- D. Additional Bonds Test/Rate Covenants - The amount and timing of debt will be planned to comply with the additional bonds tests and rate covenants outlined in the appropriate legal and financing documents, and these policies.
- E. Short-Term Debt – The Agency may utilize short-term borrowing to serve as a bridge for anticipated revenues, construction financing or future bonding capacity.

- F. Use of Variable Rate Debt - The Agency will not issue variable interest rate debt unless: the proposed debt is converted to a fixed rate or hedged (for an interim period or to maturity) by use of a put-type mode, swap agreement or hedging mechanism (e.g., interest rate cap); outstanding un-hedged variable rate debt, including any proposed new variable debt, does not exceed the Agency's "hedge position" (defined herein) in aggregate; or, interest is capitalized during the expected term that bonds will be outstanding in a variable rate mode. For this purpose, the Agency's hedge position will be calculated as the Agency's cash reserves multiplied by 125%. Notwithstanding the above, the Agency will refrain from issuing new variable rate debt (including synthetic variable rate debt), whether hedged or un-hedged, which exceeds 20 percent of the Agency's aggregate debt outstanding.
- G. Use of Swaps & Derivatives - The use of any swap agreement in conjunction with the issuance or management of debt instruments will be governed by the Agency's Swap Policy. The use of swaps to create synthetic fixed rate debt should generally be considered only such synthetic fixed rate debt would result in a 20% reduction in debt service vs. traditional fixed rate bonds.
- H. Investment of Bond Proceeds - Bond proceeds will be invested in accordance with the permitted investment language outlined in the bond documents for each transaction, unless further restricted or limited in the Agency's Investment Policy. The preservation of funds, notwithstanding, the Agency will seek to maximize investment earnings within the investment parameters set forth in each respective bond indenture. The reinvestment of bond proceeds will be incorporated into the evaluation of each financing decision; specifically addressing arbitrage/rebate position, and evaluating alternative debt structures and refunding savings on a "net" debt service basis, where appropriate.

## **VI. Refinancing Outstanding Debt**

The Agency shall have the responsibility to evaluate potential refunding opportunities presented by underwriting and/or financial advisory firms. The Agency will consider the following issues when analyzing potential refinancing opportunities:

- A. Debt Service Savings – The Agency shall establish a target savings level equal to 3% (current refunding) to 5% (advance refunding) of par refunded on a netpresent value (NPV) basis. These figures should serve only as a guideline, the Agency must evaluate each refunding opportunity on a case-by-case basis, and must take into consideration: the time to maturity, size of the issue, current interest rate environment, annual cash flow savings, and the value of the call option. Economic savings resulting from a refunding will generally be structured to occur on a level basis over the life of the refunding bonds. The decision to take all savings upfront or on a deferred basis must be explicitly approved by the Agency's Finance and Audit Committee and Board of Commissioners.

- B. Restructuring - The Agency may seek to refinance a bond issue on a non- economic basis in order to restructure debt, mitigate irregular debt service payments, accommodate revenue shortfalls, release reserve funds, comply with and/or eliminate rate/bond covenants, or terminate a swap.
- C. Term/Final Maturity – The Agency may consider the extension of the final maturity of the refunding bonds in order to achieve a necessary outcome, provided that such extension is permissible under the Agency’s Compact and Federal tax law. The term of the bonds should not extend beyond the reasonably expected useful life of the asset being financed. The Agency may also consider shortening the final maturity of the bonds. The remaining useful life of the assets and the concept of inter-generational equity should guide these decisions.
- D. Escrow Structuring - The Agency shall utilize the least costly securities available in structuring each escrow. A certificate will be required from a third party agent who is not acting as a broker-dealer, stating that the securities were purchased through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Series Securities (SLGS), and that the price paid was reasonable and within Federal guidelines. The Agency retains the right to use SLGS at any time in structuring its escrows.

When evaluating the economic viability of an economic versus legal defeasance, the Agency shall take into consideration both the financial impact on a net present value basis as well as the rating/credit impact. The Agency shall take all necessary steps to optimize its escrows and to avoid negative arbitrage in any refunding.

## **VII. Method of Issuance**

The Agency will determine, on a case-by-case basis, whether to sell its bonds competitively or through negotiation.

- A. Competitive Sale – In a competitive sale, the Agency’s bonds shall be awarded to the bidder providing the lowest true interest cost (“TIC”), as long as the bid adheres to requirements set forth in the official notice of sale.
- B. Negotiated Sale – Due to the unique nature of the Agency’s funding arrangements, the Agency recognizes that many of its transactions are best sold through negotiation. In consideration of a negotiated sale, the Agency shall assess the following circumstances that weigh toward the use of a negotiated sale:
  - 1. Issuance of variable rate or taxable bonds;
  - 2. Complex structure or credit considerations (such as non-rated bonds), which requires a strong pre-marketing effort;
  - 3. Significant par value, which may limit the number of potential bidders;

4. Unique/ proprietary financing mechanism (such as a financing pool), or specialized knowledge of financing mechanism or process;
  5. Market volatility, such that the Agency would be better served by flexibility in the timing of its sale in a changing interest rate environment;
  6. When an Underwriter has identified new financing opportunities or presented alternative structures that financially benefit the Agency;
  7. As a result of an Underwriter's familiarity with the project/financing, which enables the Agency to take advantage of efficiency and timing considerations.
- C. Private Placement – From time to time the Agency may elect to issue debt on a private placement basis. Such method shall generally be considered only if it is demonstrated to result in cost savings or provide other advantages relative to other methods of debt issuance, or if it is determined that access to the public market is unavailable and timing considerations require that a financing be completed.
- D. Conduit Issuance – The Agency may elect to enter into financing agreements with other issuers, including but not limited to the City of St. Louis, St. Louis County, and the Missouri Development Finance Board, to permit debt to be issued on the Agency's behalf. The Agency will consider this approach if such an arrangement is expected to produce lower borrowing costs, enhance the flexibility of the Agency, or provide other operational efficiencies.

### **VIII. Market Communication, Debt Administration and Reporting Requirements**

Rating Agencies and Investors – The Chief Financial Officer shall be responsible for maintaining the Agency's relationships with Moody's Investors Service, Standard & Poor's Ratings- Services, Fitch Ratings or any other nationally-recognized rating service. The Agency may, from time to time, choose to deal with fewer than all of these agencies as circumstances dictate.

In addition to general communication, the Chief Financial Officer shall: (1) meet with Credit Analysts at least once each fiscal year, and (2) prior to each competitive or negotiated sale, offer conference calls with Agency analysts in connection with the planned sale.

- A. Board Communication – The Chief Financial Officer shall include in an annual report to the Finance and Audit Committee and the Board of Commissioners feedback from rating agencies and/or investors regarding the Agency's financial strengths and weaknesses and recommendations for addressing any weaknesses.
- B. Continuing Disclosure – The Agency shall remain in compliance with Rule 15c2-12 or any successor rule or regulation by filing its annual financial statements and other financial and operating data for the benefit of its bondholders within 270 days of the close of the fiscal year. The inability to make timely filings must be disclosed and would be a negative reflection on the Agency. While also relying on a timely audit and preparation of the Agency's annual report, the Chief Financial

Officer will ensure the Agency's timely filing with each Nationally Recognized Municipal Securities Information Repository.

- C. **Record-Keeping** – A copy of all debt-related records shall be retained at the Agency's offices. At minimum, these records shall include all official statements, bid documents, bond documents / transcripts, resolutions, trustee statements, leases, and title reports for each Agency financing (to the extent available). To the extent possible, the Agency shall retain an electronic copy of each document - preferably in Adobe Acrobat-compatible or CD-ROM format.
- D. **Arbitrage Rebate** – The use of bond proceeds and their investments must be monitored to ensure compliance with all Internal Revenue Code arbitrage rebate requirements. The Chief Financial Officer shall ensure that all bond proceeds and investments are tracked in a manner which facilitates accurate calculation; and, if rebate is due, such payments are made.

### **Section 30.090                      Donation and Gift Policy** (NEW effective 11/19/21)

A. **Policy.** It is the policy of the Agency that gifts and donations to the Agency are welcomed and encouraged. Gifts and donations are valued as expressions of individual support for the Agency's mission and help to enhance its services, programs and facilities by supplementing federal, state, or contractual support.

B. **Types of Gifts.** The Agency accepts the following types of gifts and donations: cash, tangible personal property, publicly traded and recognizable securities, real estate, bequests, trust funds and annuities.

C. **Use of Gifts.** The President and CEO or Board of Commissioners will carefully consider the needs of the Agency and will use a gift where it determines it is most needed, so that all donations may directly and indirectly support the public purposes of the Agency. The Agency may choose not to accept a gift if the donor wishes to place limitations or restrictions on its use or disposal. The Agency may refuse any gift that does not sufficiently benefit the Agency, is in conflict with the Agency's mission, puts the reputation of the Agency at risk, or is prohibited by law.

D. **Acceptance of Gifts.** The President and CEO may accept any gift or donation of the types described in Section B on behalf of the Agency. Other types of gifts and donations will be evaluated on a case-by-case basis by the Board of Commissioners

When processing each gift, the Agency will follow generally accepted accounting principles. The Agency takes no responsibility for valuing gifts for tax purposes or for the tax consequences to the donor.

All accepted gifts and donations become the property of the Agency. The Agency reserves the right to sell or otherwise dispose of non-monetary gifts, if the Board of Commissioners or President and CEO, determines that such sale or disposition is advisable or necessary.

E. Documentation. The Agency will retain a written receipt of each donation and gift identifying the name of the donor, the amount and the date of the donation or gift, and the nature of restriction on the gift, if any. The Agency will acknowledge each donation by letter, thanking the donor. Donors who make a significant financial or material donation will receive a contemporaneous written acknowledgement of the donation from the Agency.

**A RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF THE BI-STATE DEVELOPMENT AGENCY OF  
THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT  
TO APPROVE REVISIONS TO BOARD POLICY,  
CHAPTER 30 – AUDIT, FINANCE AND BUDGET**

PREAMBLES:

*Whereas*, the Bi-State Development Agency of the Missouri-Illinois Metropolitan District (the "Agency"/ "BSD") is a body corporate and politic, created by an interstate compact between the states of Missouri and Illinois, acting by and through its Board of Commissioners (the "Board"); and

*Whereas*, the Agency is authorized by Mo. Rev. Stat. §§ 70.370 et seq. and 45 Ill. Comp. Stat. 100/1 et seq. jointly referred to herein as the "Compact"); to make suitable rules and regulations consistent with its mission and not inconsistent with the constitution or laws of either state, or any political subdivision thereof; and

*Whereas*, Article VI of the Bylaws – Board Policies of the Agency, provides that any action by the Board establishing policy, administrative, business, or otherwise, shall be known as "Board Policies" and that the Board may adopt, amend or repeal, in whole or in part, the Board Policies at any meeting of the Board, except that unless otherwise designated by the Chair, all Board Policies shall be tabled for a period of one month and shall become effective upon adoption by the Board; and

*Whereas*, Sections of Bi-State's Audit, Finance, and Budget policies, found in Chapter 30 of the Collected Board Policies of the Bi-State Development Agency, have been updated at various times throughout the years; and

*Whereas*, the following sections are presented with proposed changes for consideration including: a.) 30.005 Audit Committee Charter - The changes noted are primarily to reference best auditing standards, versus the reference to Government Auditing Standards, and to correct titles especially as it relates to the Chief Audit Executive; b.) 30.010 Annual Audit – The change includes a reference to hedging and correct reference to other titles; and c.) 30.020 Internal Audit - The changes noted are to correct the reference to internal audit and other titles especially as it relates to the Chief Audit Executive; and

*Whereas*, staff has recommended that these measures be implemented as soon as approved; therefore, requiring the Board to waive tabling the proposed revisions to the Policy as provided in Article VI of the Bylaws, so that they are effective upon Board approval; and

*Whereas*, it is feasible, necessary and in the public interest for the Board of Commissioners to approve and adopt revisions to Board Policy, Chapter 30 – Audit, Finance, and Budget, in accordance with the terms and conditions described herein.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1.     Findings. The Board of Commissioners hereby finds and determines those matters set forth in the preambles as fully and completely as if set out in full in this Section 1.

Section 2. Approval of Board Policy Revisions. The Board of Commissioners hereby approves and adopts revisions to Board Policy, Chapter 30 – Audit, Finance, and Budget, and waives tabling of the Chapter 30 – Audit, Finance, and Budget revisions, as provided in Article VI of the Bylaws, so that they are effective upon Board approval, under and pursuant to this Resolution and the Compact for the authorized Agency purposes set forth in the preambles hereof and subject to the conditions hereinafter provided.

Section 3. Form of the Board Policy, Chapter 30 – Audit, Finance, and Budget. The form of the Chapter 30 – Audit, Finance, and Budget revisions (as provided in the Attachments to the Briefing Paper and made a part hereof), substantially in the form presented to this meeting are hereby approved, and officers of the Agency, including without limitation, the President and CEO, are hereby authorized and directed to execute and deliver and attest, respectively, the Chapter 30 – Audit, Finance, and Budget revisions, with such changes, modifications, insertions and omissions as may be deemed necessary or desirable to affect the Chapter 30 – Audit, Finance, and Budget revisions with the necessity and desirability of such changes, modifications, insertions and omissions conclusively evidenced by their execution thereof.

Section 4. Actions of Officers Authorized. The officers of the Agency, including, without limitation, the President and CEO, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Resolution and the execution of such documents or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 5. Severability. It is hereby declared to be the intention of the Board of Commissioners that each and every part, section and subsection of this Resolution shall be separate and severable from each and every other part, section and subsection hereof and that the Board of Commissioners intends to adopt each said part, section and subsection separately and independently of any other part, section and subsection. In the event that any part, section or subsection of this Resolution shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, sections and subsections shall be and remain in full force and effect, unless the court making such finding shall determine that the valid portions standing alone are incomplete and are incapable of being executed in accordance with the intent of this Resolution.

Section 6. Rights Under Resolution Limited. No rights shall be conferred by this Resolution upon any person or entity other than the Agency, officers and employees.

Section 7. Governing Law. The laws of the State of Missouri shall govern this Resolution.

Section 8. No Personal Liability. No member of the Board of Commissioners, officer, employee or agent of the Agency shall have any personal liability for acts taken in accordance with this Resolution.

Section 9. Payment of Expenses. The Executive Vice President and CFO is hereby authorized and directed to pay or cause to be paid all costs, expenses and fees incurred in connection with or incidental to this Resolution.

Section 10. Effective Date. This Resolution shall be in full force and effect from and after its passage and approval.

**ADOPTED** by the Board of Commissioners of The Bi-State Development Agency of the Missouri-Illinois Metropolitan District this 24<sup>th</sup> day of June, 2022.

*In Witness Whereof*, the undersigned has hereto subscribed his signature and caused the Seal of the Agency to be affixed.

**THE BI-STATE DEVELOPMENT AGENCY OF THE  
MISSOURI-ILLINOIS METROPOLITAN DISTRICT**

By \_\_\_\_\_  
Its \_\_\_\_\_

[SEAL]

ATTEST:

By \_\_\_\_\_  
Deputy Secretary to the Board of Commissioners

**Bi-State Development Agency  
Board of Commissioners  
Open Session Agenda Item  
June 24, 2022**

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**From:** Taulby Roach, President & Chief Executive Officer  
**Subject:** **Law Enforcement Services Agreement between Bi-State Development Agency and St. Clair County, Illinois for services provided by the St. Clair County, Illinois Sheriff's Department**  
**Disposition:** Approval  
**Presentation:** Kevin Scott – General Manager of Security

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**Objective:**

To present to the Board of Commissioners for approval, a Law Enforcement Services Agreement between Bi-State Development and St. Clair County, Illinois for law enforcement services provided by the St. Clair County, Illinois Sheriff's Department.

**Background:**

The current Law Enforcement Services Agreement with St. Clair County, Illinois is termed as a one (1) year Agreement and expires on June 30, 2022. In preparation, please find our proposed renewal which will commence on July 1, 2022 and shall be for a term of eighteen (18) months, ending on December 31, 2023. Furthermore, the Agreement allows for an additional twelve (12) month term, to commence on January 1, 2024 and terminating on December 31, 2024. This new Agreement reflects no modifications in service levels from the current Agreement. The assigned personnel from the St. Clair County, Illinois Sheriff's Department provide dedicated law enforcement services for MetroLink operations in Illinois.

**Analysis:**

The engagement of law enforcement services is focused on the enforcement of laws and ordinances relating to MetroLink platforms and light rail vehicles in Illinois, and it is an imperative complement to our overall layered security structure.

**Previous Action:**

The Operations Committee recommended this item for approval at the June 10, 2022 meeting.

**Board Action Requested:**

The Operations Committee recommends that the Board of Commissioners accept the renewal of the Law Enforcement Services Agreement with St. Clair County, Illinois, as presented.

**Attachments:**

1. Law Enforcement Services Agreement between Bi-State Development and St. Clair County, Illinois for services provided by the St. Clair County, Illinois Sheriff's Department.
2. Exhibit A

**Funding Source:**

Bi-State Development General Operating Budget

## LAW ENFORCEMENT SERVICE AGREEMENT

THIS SERVICE AGREEMENT ("Agreement"), is made and entered into by and between THE BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT ("Bi-State"), and ST. CLAIR COUNTY, ILLINOIS for services provided by the ST. CLAIR COUNTY SHERIFF'S DEPARTMENT ("St. Clair County Sheriff's Department").

WHEREAS, Bi-State operates the MetroLink light rail system ("Metrolink System"), in St. Clair County, Illinois; the City of St. Louis, Missouri and St. Louis County, Missouri; and

WHEREAS, Bi-State is responsible for the operation of the St. Clair County MetroLink extension; and

WHEREAS, an integral part of Bi-State's operation is the security of its customers who ride upon the MetroLink System; and

WHEREAS, Bi-State desires to provide its MetroLink trains with additional law enforcement protection and presence; and

WHEREAS, the St. Clair County Sheriff's Department provides law enforcement service throughout St. Clair County, utilizing qualified and trained deputy sheriffs; and

WHEREAS, Bi-State has adopted ordinances regulating the behavior of its patrons on MetroLink trains and their attendant facilities; and

WHEREAS, the parties desire to enter into an Agreement whereby the St. Clair County Sheriff's Department will provide certain law enforcement services including the enforcement of such ordinances as Bi-State may adopt, and Bi-State will compensate the St. Clair County Sheriff's Department for such services; and

WHEREAS, Bi-State also desires to have such deputy sheriffs serve as good will ambassadors for Bi-State in the performance of their duties; and

NOW, THEREFORE, in consideration of the premises set forth hereunder, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bi-State and the St. Clair County Sheriff's Department hereby agree as follows:

### ARTICLE I -TERM

1.1 Term. This Agreement shall commence on July 1, 2022 and shall be for a term of eighteen (18) months, ending on December 31, 2023. This Agreement may be renewed for one additional one-year term, to commence January 1, 2024 and terminate December 31, 2024. The renewal term will be subject to the same terms and conditions as set-forth in this Agreement except compensation for the renewal term will be determined as provided under Section 2.1 of this Agreement.

1.2 Early Termination. Either party can terminate its rights and obligations under this Agreement, provided that sixty (60) days advance notice is given to the other party.

## ARTICLE II -COMPENSATION

2.1 Compensation. Bi-State agrees to pay St. Clair County Sheriff's Department, for services provided by the St. Clair County Sheriff's Department as enumerated in this Agreement and illustrated in Exhibit A, an amount not to exceed **\$2,650,086.00** for the period of July 1, 2022 to December 31, 2023. St. Clair County Sheriff's Department shall invoice Bi-State on a monthly basis at the rate outlined in Exhibit A, attached hereto and made a part hereof, provided that for the first month, St. Clair County Sheriff's Department shall provide Bi-State an initial estimate for the first monthly payment by June 1, 2022 so that Bi-State can provide the first monthly payment of that estimated amount in advance by July 1, 2022. Actual cost is at all times subject to verification by an independent outside auditor. Bi-State's auditors may meet semiannually with St. Clair County Sheriff's Department (November and May) to review and reconcile costs, with the necessary adjustments being made to the payment schedule. At least thirty (30) days prior to the commencement of the renewal term, St. Clair County Sheriff's Department shall provide Bi-State the annual deputy service costs for January 1, 2024 through December 31, 2024 in the format set forth in Exhibit A.

2.2 Time and Manner of Payment. Bi-State shall pay St. Clair County Sheriff's Department monthly in accordance with the terms and schedules attached hereto as Exhibit A, provided that Bi-State shall provide the first monthly payment in advance by July 1, 2022 in the amount of \$147,227.00 the initial estimate provided by St. Clair County Sheriff's Department in accordance with Section 2.1 above. In addition, the St. Clair County Sheriff's Department shall submit monthly invoices for the expenses incurred by the St. Clair County Sheriff's Department beyond normal or ordinary expenses or for expenses incurred in carrying out the duties prescribed hereunder other than during normal scheduled hours that have been discussed with and approved by Bi-State in advance and that are verified by written documentation regarding the amount, nature, and justification for same. The scheduled monthly payments are based upon each deputy sheriff being present for duty full time for two-hundred twenty (220) days annually at eight (8) hours per shift, or one-hundred forty-seven (147) days annually at twelve (12) hours per shift. The actual time on duty as documented pursuant to Section 3.1 of this Agreement shall be reviewed between the parties on a quarterly basis until the expiration of this Agreement. If, following the quarterly reviews and reconciliations, it is determined that the St. Clair County Sheriff's Department deputies did not work the appropriate number of hours based upon such rate of availability, then a proportionate adjustment to the compensation shall be made by a reduction in the next following month's scheduled payment. In the event, however, that there are no further payments due from the St. Clair County Sheriff's Department to Bi-State, or if any such remaining payments are insufficient to allow for such proportionate adjustment, then such adjustment, or any portion thereof not able to be adjusted against a remaining payment or payments, shall be reimbursed directly from the St. Clair County Sheriff's Department to Bi-State. If such an

adjustment(s) reduces the scheduled payment to the St. Clair County Sheriff's Department, and a subsequent review shows that the St. Clair County Sheriff's Department officers have, in fact, provided, in whole or in part, those work hours for which such prior adjustment was made, Bi-State shall then pay the St. Clair County Sheriff's Department the amount of said prior adjustment to the extent the cumulative hours subsequently worked shall have made up for such prior shortage of hours. In this manner a compensation adjustment in a prior period can be restored in a subsequent period such that the net adjustment shall be based upon the total hours worked over the entire term of this Agreement. Work time lost by St. Clair County deputies as a result of injuries incurred while performing duties for Bi-State pursuant to this Agreement will be reimbursed to St. Clair County Sheriff's Department consistent with the provisions of the Illinois Police Officer Disability and Workers Compensation Law.

2.3 Monthly Payment. St. Clair County Sheriff's Department will bill Bi-State \$147,227.00 monthly for the duration of this Agreement for the normal day-to-day operations of its deputy sheriffs assigned to Bi-State. Overtime will be billed by St. Clair County Sheriff's Department on a monthly basis, as it is approved and incurred, up to \$50,000.00 (see Exhibit A, attached hereto). Any amount over \$50,000.00 must be agreed upon and approved by Bi-State for the duration of this Agreement.

2.4 Average Holiday/Sick Buyout and Related Fringe Costs. St. Clair County Sheriff's Department will bill Bi-State for costs associated with Average Holiday/Sick Buyout and related fringe costs on a monthly basis as costs are incurred up to \$125,000.00 (see Exhibit A, attached hereto).

2.5 Extra Deputy Sheriff's. Bi-State may, from time to time, request that extra or additional Street Patrol Deputy Sheriff's from the St. Clair County Sheriff's Department be assigned to MetroLink for special events and other extra service. Such extra deputy sheriffs shall not be considered a part of the ordinary compensation set out in this Article II. The St. Clair County Sheriff's Department shall make its best efforts to supply such requested extra deputy sheriffs. Bi-State shall compensate the St. Clair County Sheriff's Department for such extra deputy sheriffs assigned to work overtime by paying to the St. Clair County Sheriff's Department the actual cost of wages (including any premiums paid for overtime) and other direct wage-related costs, for such additional deputy sheriffs. Payment by Bi-State shall be made within thirty (30) days after receipt of an invoice for such extra services.

2.6 Medical Costs. Bi-State agrees to renegotiate the provisions of this Agreement relating to compensation if the cost of medical insurance provided to deputy sheriffs hereunder by St. Clair County increases by more than five percent (5%) over the medical insurance costs projected in the term of this Agreement.

### ARTICLE III - SERVICES PROVIDED BY ST. CLAIR COUNTY SHERIFF'S DEPARTMENT

3.1 Deputy Sheriffs. The St. Clair County Sheriff's Department shall provide a total of fifteen (15) uniformed deputy sheriffs from the St. Clair County Sheriff's Department consisting of one (1) deputy sheriff of the rank of Lieutenant or rank of Master Sergeant, two (2) deputy sheriffs of the rank of Sergeant, and twelve (12) deputy sheriffs of the rank of Street Patrol Deputy. Such deputy sheriffs will work individually and will report to designated locations as determined by Bi-State. Work time will be determined by Bi-State in consultation with the St. Clair County Sheriff's Department. Such documentation of work time, location, and activities shall include: time and location of reporting to duty and when completing duty, activities while on duty, time away from the MetroLink alignment when on-duty, and such other matters relating to their MetroLink police duties, as shall be agreed upon by the St. Clair County Sheriff's Department and Bi-State. However, said deputy sheriffs shall at all times report to and be subject to the supervision of their superior officers of the St. Clair County Sheriff's Department and to the St. Clair County Sheriff's Department recognized chain of command. Said deputy sheriffs are not subordinates of or subject to the authority of Bi-State; however, will be immediately removed at Bi-State's request if it is determined that said deputy sheriff is not performing in accordance with this Agreement. The St. Clair County Sheriff's Department shall use its best efforts to cooperate with Bi-State in the performance of its duties hereunder.

3.2 Supervision. The administrative control of work assignments and deployment shall be the responsibility of Bi-State and operational command and control of the Sheriff's Deputies shall be the responsibility of the Sheriff's Unit Commander in consultation with Bi-State.

3.3 Status of Deputies. The deputy sheriffs performing services under the terms of this Agreement shall for all purposes be considered employees of the St. Clair County Sheriff's Department and not employees of Bi-State.

3.4 Duties of Deputies. The duties of each deputy sheriff providing services under the terms of this Agreement shall include, but not be limited to:

- a. Provision of "roving" police patrol duties consisting of being present on the MetroLink trains and within the premises of Bi-State used as stations to facilitate the transportation of its customers and said deputy sheriffs shall perform their normal and lawful duties as law enforcement officers sworn to uphold and enforce the laws of the State of Illinois, and the various ordinances within the deputy sheriffs' jurisdictions (including such jurisdictions as may be authorized pursuant to any joint or mutual aid services agreements). No officer, however, shall be required by this Agreement to perform any duties outside of the State of Illinois, except that the St. Clair County Sheriff's Department agrees that its deputy sheriffs may, in the course and scope of their

employment as MetroLink officers: i) enter the State of Missouri, under the conditions permitted by Illinois law, for the purpose of apprehending a suspect in the course of a fresh pursuit of an individual observed to commit or suspected of committing a felony offense under the laws of the State of Illinois, and ii) enter into the State of Missouri in order to monitor ongoing suspicious activity on a MetroLink conveyance and remain in the State of Missouri until an officer of the appropriate Missouri jurisdiction has responded to the scene.

- b. Actively and visibly patrolling MetroLink trains, stations, park-and-ride lots and other MetroLink customer facilities; interacting positively with MetroLink customers and providing appropriate assistance to customers; enforcement of the MetroLink fare system when on duty and not actively engaged in other police work; issuance of citations, including citations for fare violations; and arranging for the picking up, transporting and processing of offenders.
- c. Responding to subpoenas, court appearances and trials as required for violations.
- d. Enforcing the provisions of Regulations adopted by the Board of Commissioners of Bi-State pursuant to 45 ILCS 110/5 to the extent the provisions are not inconsistent with provisions of Illinois law. The Regulations are hereby incorporated in this Agreement by reference.
- e. Devoting 80% of their time to on train activity when not involved in an arrest or detail situation.

3.5 Charging Authority. For an offense committed on Bi-State facilities or conveyances, nothing in this Agreement shall be deemed to interfere with, impede, or in any way diminish the authority of St. Clair County Deputy Sheriffs, at their discretion, to charge any applicable offense under state law or local ordinance, provided that no citation for the same offense shall be issued pursuant to the Regulations.

3.6 Times of Service. Bi-State's Metro Public Safety Department Management is responsible for determining when and where deputies working through this Agreement will be assigned in consultation with the St. Clair County Sheriff's Department. The detail commander will be responsible for scheduling. The deputy sheriffs shall perform the agreed services, as scheduled, in accordance with the provisions of this Agreement seven (7) days a week throughout the St. Clair County service area of MetroLink. Such schedules shall be known as the MetroLink Deputy Sheriffs' Work Schedules.

3.7 Command Level Review Meetings. Command level review meetings between the St. Clair County Sheriff's Department and Bi-State shall be held at the request of either party, in order to discuss the services under this Agreement; personnel qualifications and complaints; work assignments and hours; reports made and/or needed by either party; and to discuss and resolve any other areas of mutual concern.

3.8 Reports. The St. Clair County Sheriff's Department will submit monthly reports of police work and crime statistics on MetroLink to Bi-State in a form acceptable to Bi-State in consultation with the St. Clair County Sheriff's Department.

#### ARTICLE IV -INDEMNIFICATION AND INSURANCE

4.1 Indemnification of Bi-State by St. Clair County. To the fullest extent permitted by applicable law and as between Bi-State and the St. Clair County Sheriff's Department only, St. Clair County shall indemnify, defend and hold harmless Bi-State, its Commissioners, officers, officials, agents and employees from and against any and all claims, suits, actions, judgments, fines, penalties, loss, damage, cost, or expense, whether direct or indirect, due to bodily injury or personal injury, death, sickness or property damage (including loss or use thereof) arising out of the activities of the St. Clair County Sheriff's Department or deputy sheriffs thereof, or resulting from the performance of service under this Agreement, to the extent that activities and performance of services are contrary to the terms of this Agreement or are otherwise attributable to the actions of the St. Clair County Sheriff's Department; provided, however, that such indemnification shall not apply to the extent any such claim shall result from the negligence or intentional acts of Bi-State or its employees, Commissioners, officers and agents (other than the St. Clair County Sheriff's Department or its employees).

4.2 Indemnification of St. Clair County by Bi-State. To the fullest extent permitted by applicable law, and as between Bi-State and the St. Clair County Sheriff's Department only, Bi-State shall indemnify, defend and hold harmless St. Clair County, its elected and appointed officials, agents and employees from and against any and all claims, suits, actions, judgments, fines, penalties, loss, damage, cost, or expense, whether direct or indirect, due to bodily injury or personal injury, death, sickness or property damage (including loss or use thereof) arising out of the activities of Bi-State, its officers, agents or employees acting within the scope of their employment, occasioned by an intentional act or the negligence of Bi-State, its officers, agent or employees, provided however, that such indemnification shall not apply to the extent that any such claim shall arise from the negligence or intentional act(s) of the St. Clair County Sheriff's Department or its agents or employees.

Bi-State and St. Clair County agree that, for the purposes of insurance and indemnification, the St. Clair County Sheriff's Deputies administering or implementing any responsibilities or duties relating to the "on- board fare" program of Bi-State, including but not limited to issuing "on-board fare" envelopes shall be considered agents of Bi-State, but only for action taken by deputy sheriffs within the scope of the "on-board fare" program contained in this Agreement, and that Bi-State shall indemnify and hold harmless St. Clair County, to the extent permitted by law, from and against any or all

claims, suits, actions, judgments, fines, penalties, loss, damage, cost or expense, whether direct or indirect, that arises or may arise from any action or activity taken by St. Clair County deputy sheriffs associated with the "onboard fare" program.

Such obligations shall not be construed to waive, negate, abridge, or reduce, other rights or obligations of indemnity, which would otherwise exist as to either the St. Clair County Sheriff's Department or Bi-State, nor shall this Articles 4.1 and 4.2 be construed or interpreted to waive, negate, abridge or reduce the sovereign immunity of the State of Illinois, St. Clair County, the St. Clair County Sheriff's Department, or Bi-State and the immunity of their agents, officers and employees.

4.3 Insurance and Self-Insurance. It is hereby understood and acknowledged that Bi-State, the St. Clair County Sheriff's Department, and St. Clair County are self-insured for purposes of general liability, commercial general, automobile liability, professional liability and workers' compensation/employer liability.

Bi-State shall provide to St. Clair County a current audited financial statement of its self-insurance fund and Certificates of Insurance for its excess liability coverage, including the self-insured retention for each coverage. St. Clair County shall provide to Bi-State a current audited financial statement of its self-insurance fund and Certificates of Insurance for its excess liability coverage, including the self-insured retention for each coverage.

## ARTICLE V -MISCELLANEOUS PROVISIONS

5.1 Notices. Any and all notices, communications and the like required or authorized hereunder, shall be deemed to be given if hand delivered or mailed by first class United States mail to the respective address of the parties listed below:

If to Bi-State:

Taulby Roach  
President and CEO  
Bi-State Development Agency  
211 North Broadway, Suite 700  
St. Louis, MO 63102-2759

If to the Sheriff's Department  
& St. Clair County:

Hon. Richard Watson  
Sheriff, St. Clair County  
700 North Fifth Street  
Belleville, IL 62220

With copy to:

Hon. Mark Kern, Chairman  
St. Clair County Board  
St. Clair County Courthouse  
#10 Public Square  
Belleville, IL 62220-1623

Either party may, by notice given hereunder, designate any further or different person or address to which subsequent notices and communication shall be sent.

5.2 Severability of Provisions. The parties agree that if any provisions of this Agreement shall be held invalid, unenforceable, void, or voidable for any reason whatsoever, by a court of competent jurisdiction, the finding or order or decree of which becomes final, the remaining provisions of this Agreement shall not be affected thereby if such remaining provisions could then continue to conform with the purposes, terms, and requirements of the Agreement or with applicable law.

5.3 Integration and Amendment. This Agreement, including the contents of any and all documents incorporated by reference or attached hereto, comprises the entire agreement between the parties. There are no promises, terms, conditions or obligations other than those contained herein, attached hereto or incorporated by reference hereunder. Any amendments, additions, supplements or deletions to this Agreement must be in writing, with the mutual consent of both parties and signed by both parties. No action shall be taken pursuant to any such amendment, addition, supplement or deletion prior to the execution of such written instrument.

5.4 Law. The laws of the State of Illinois shall govern this Agreement, its interpretation and any dispute arising out of its operation.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

BI-STATE DEVELOPMENT AGENCY  
OF THE MISSOURI-ILLINOIS  
METROPOLITAN DISTRICT

BY: \_\_\_\_\_  
Taulby Roach  
President & CEO

ATTEST:

\_\_\_\_\_  
Barbara Enneking  
General Counsel

Seal:

ST. CLAIR COUNTY, ILLINOIS  
ST. CLAIR COUNTY SHERIFF'S  
DEPARTMENT

BY: \_\_\_\_\_  
The Hon. Mark Kern  
Chairman, St. Clair County Board

BY: \_\_\_\_\_  
The Hon. Richard Watson  
Sheriff, St. Clair County

ATTEST:

\_\_\_\_\_  
Thomas Holbrook  
St. Clair County Clerk

Seal:

EXHIBIT A

Bi-State Development Agency  
Cost for Deputy Sheriffs Per Month  
July 1, 2022 through December 31, 2023

[St. Clair County to provide]

**Exhibit A**  
**Bi-State Development Agency**  
**Cost For Deputy Sheriffs per Month**  
**July 1, 2022 through December 31, 2023**

<b>Months of Service</b>	<b>Monthly Cost</b>
07/01/22 – 07/31/22	\$147,227.00
08/01/22 – 08/31/22	\$147,227.00
09/01/22 – 09/30/22	\$147,227.00
10/01/22 – 10/31/22	\$147,227.00
11/01/22 – 11/30/22	\$147,227.00
12/01/22 – 12/31/22	\$147,227.00
01/01/23 – 01/31/23	\$147,227.00
02/01/23 – 02/28/23	\$147,227.00
03/01/23 – 03/31/23	\$147,227.00
04/01/23 – 04/30/23	\$147,227.00
05/01/23 – 05/31/23	\$147,227.00
06/01/23 – 06/30/23	\$147,227.00
07/01/23-07/31/23	\$147,227.00
08/01/23-08/31/23	\$147,227.00
09/01/23-09/30/23	\$147,227.00
10/01/23-10/31/23	\$147,227.00
11/01/23-11/30/23	\$147,227.00
12/1/23-12/31/23	\$147,227.00
<b>Total Base Amount 2022-2023</b>	<b>\$2,650,086.00</b>

Overtime Budget	\$50,000.00
Average Holiday/Sick Buyout and Related Fringes	\$125,000.00
Total Base Amount	\$2,650,086.00
Total Law Enforcement Agreement Amount	\$2,825,086.00

- The Overtime and Related Fringes Costs estimated to be \$50,000.00 are included in the Total Law Enforcement Agreement Amount, but rather than including it in the monthly invoices, the overtime budget will be drawn down as overtime is incurred and approved.
- The Average Holiday/Sick Buyout and Related Fringes Costs estimated to be \$125,000.00 are also included in the Total Law Enforcement Agreement Amount but will be drawn down as charges are incurred.

**A RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF THE BI-STATE DEVELOPMENT AGENCY OF THE  
MISSOURI-ILLINOIS METROPOLITAN DISTRICT APPROVING  
A LAW ENFORCEMENT SERVICES AGREEMENT BETWEEN  
BI-STATE DEVELOPMENT AGENCY AND ST. CLAIR COUNTY, ILLINOIS  
FOR SERVICES PROVIDED BY THE  
ST. CLAIR COUNTY SHERIFF'S DEPARTMENT**

**PREAMBLES:**

**Whereas**, The Bi-State Development Agency of the Missouri-Illinois Metropolitan District (the "Agency"/"BSD") is a body corporate and politic, created by an interstate compact between the States of Missouri and Illinois, acting by and through its Board of Commissioners (the "Board of Commissioners"); and

**Whereas**, the Agency is authorized by Mo. Rev. Stat. §§ 70.370 et seq. and 45 Ill. Comp. Stat. 100/1 et seq. (jointly referred to herein as the "Compact") to purchase or lease, sell or otherwise dispose of, and to plan, construct, operate and maintain, or lease to others for operation and maintenance, passenger transportation facilities, and motor vehicle and other terminal or parking facilities; to contract with municipalities or other political subdivisions for the services or use of any facility owned or operated by the Agency, or owned or operated by any such municipality or other political subdivision; to contract and to be contracted with; and to perform all other necessary and incidental functions; and

**Whereas**, the Agency is authorized by Mo. Rev Stat. 70.378.1 and 45 Ill. Comp. Stat. 110/5 to employ or appoint personnel to maintain safety and order and to enforce rules and regulations of the Agency upon the public mass transportation system, passenger transportation facilities, conveyances, and other property that the Agency may own, lease, or operate; and

**Whereas**, Section 5 of the "Intergovernmental Cooperation Act", 5 Ill. Comp. State. 220/5 provides that any one or more public agencies may contract with any one or more public agencies to perform any governmental service, activity or undertaking or to combine, transfer, or exercise any powers, functions, privileges, or authority which any of the public agencies entering into the contract is authorized by law to perform, provided that such contract shall be authorized by the governing body of each party to the contract; and

**Whereas**, Board Policy, Chapter 90, Transit Operations. Section 90.020, *Fare Enforcement*, provides that to ensure that transit fares are collected for all modes of transportation, the Agency shall employ security personnel to enforce the collection of fares; and

**Whereas**, Board Policy, Chapter 90, Transit Operations. Section 90.030, *Regulation of Conduct on Conveyances and Facilities*, provides that the Agency shall employ security personnel to enforce state laws, local ordinances and Agency regulations pertaining to conduct upon Agency facilities, conveyances and other property of the Agency, and is empowered to adopt regulations for the conduct of persons upon facilities and conveyances of the Agency which have the force and effect provided by the laws of the signatory states; and

**Whereas**, the current Law Enforcement Services Agreement with St. Clair County, Illinois is termed as a one (1) year Agreement and expires on June 30, 2022; and

**Whereas**, the new Law Enforcement Services Agreement will commence on July 1, 2022 and shall be for a term of eighteen (18) months, ending on December 31, 2023, and will allow for an additional twelve (12) month term, to commence on January 1, 2024 and terminating on December 31, 2024; and

*Whereas*, the engagement of law enforcement services is focused on the enforcement of laws and ordinances relating to MetroLink platforms and light rail vehicles in Illinois, and it is an imperative complement to BSD overall layered security structure; and

*Whereas*, it is feasible, necessary and in the public interest for the Agency to authorize the President and CEO to execute a new Law Enforcement Services Agreement with St. Clair County, Illinois, Sheriff's Department to provide security service for the MetroLink system, in accordance with the terms and conditions described herein.

**NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

Section 1.        Findings. The Board of Commissioners hereby finds and determines those matters set forth in the preambles hereof as fully and completely as if set out in full in this Section 1.

Section 2.        Approval of Authorization to Execute Agreement. The Board of Commissioners hereby approves the authorization of the President and CEO to execute a new Law Enforcement Services Agreement with St. Clair County, Illinois, Sheriff's Department to provide security service for the MetroLink system, under and pursuant to this Resolution and the Compact for the authorized Agency purposes set forth in the preambles hereof and subject to the conditions hereinafter provided.

Section 3.        Form of the Agreement. The form of the Agreement (as provided in the Attachment to the Briefing Paper and made a part hereof), in substantially the form presented to this meeting is hereby approved, and officers of the Agency, including without limitation, the President and CEO, are hereby authorized and directed to execute and deliver and attest, respectively, the Agreement, with such changes, modifications, insertions and omissions as may be deemed necessary or desirable to effect the Agreement, with the necessity or desirability of such changes, modifications, insertions and omissions being conclusively evidenced by their execution thereof.

Section 4.        Actions of Officers Authorized. The officers of the Agency, including, without limitation, the President and CEO, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Resolution and the execution of such documents or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 5.        Severability. It is hereby declared to be the intention of the Board of Commissioners that each and every part, section and subsection of this Resolution shall be separate and severable from each and every other part, section and subsection hereof and that the Board of Commissioners intends to adopt each said part, section and subsection separately and independently of any other part, section and subsection. In the event that any part, section or subsection of this Resolution shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, sections and subsections shall be and remain in full force and effect, unless the court making such finding shall determine that the valid portions standing alone are incomplete and are incapable of being executed in accordance with the intent of this Resolution.

Section 6.        Payment of Expenses. The Executive Vice President and CFO is hereby authorized and directed to pay or cause to be paid all costs, expenses and fees incurred in connection with or incidental to this Resolution and the Agreement.

Section 7.        Rights under Resolution Limited. No rights shall be conferred by this Resolution upon any person or entity other than the Agency and the St. Clair County, Illinois, Sheriff's Department.

Section 8.        No Personal Liability. No member of the Board of Commissioners, officer, employee or agent of the Agency shall have any personal liability for acts taken in accordance with this Resolution.

Section 9.        Governing Law. The laws of the State of Missouri shall govern this Resolution.

Section 10.      Effective Date. This Resolution shall be in full force and effect from and after its passage and approval.

**ADOPTED** by the Board of Commissioners of The Bi-State Development Agency of the Missouri-Illinois Metropolitan District this 24<sup>th</sup> day of June, 2022.

***In Witness Whereof,*** the undersigned has hereto subscribed her signature and caused the Seal of the Agency to be affixed.

**THE BI-STATE DEVELOPMENT AGENCY OF THE  
MISSOURI-ILLINOIS METROPOLITAN DISTRICT**

By \_\_\_\_\_  
Title \_\_\_\_\_

[SEAL]

ATTEST:

By \_\_\_\_\_  
Deputy Secretary to the Board of Commissioners

**Bi-State Development Agency  
Board of Commissioners  
Open Session Agenda Item  
June 24, 2022**

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**From:** Taulby Roach, President and Chief Executive Officer  
**Subject:** **Cooperation Agreement for the Operation and Maintenance of Cortex MetroLink Plaza and Bike Path Located within the Brickline Greenway**  
**Disposition:** Approval  
**Presentation:** Charles A. Stewart, Jr., Executive Director Metro Transit

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**Objective:**

To present to the Board of Commissioners for approval, a Cooperation Agreement for the Operation and Maintenance of Cortex MetroLink Plaza and Bike Path Located within the Brickline Greenway with Cortex and Great Rivers Greenway District (GRG) (the “Agreement”).

**Background:**

Bi-State Development received a U.S. Department of Transportation (DOT) Transportation Investment Generating Economic Recovery Discretionary Grant (TIGER Grant) for the Central Corridor Transit Enhancement and Job Access Project (TIGER Grant Project). The TIGER Grant Project consisted of three major components: 1) construction of a new Boyle Avenue MetroLink station within the Cortex District; 2) expansion of the existing Central West End MetroLink station; and 3) extension of the GRG regional bikepath between Boyle Avenue and Sarah Street. Agency, Cortex and GRG entered into a Memorandum of Agreement, dated September 14, 2015, for the construction and funding of the Cortex Metrolink Station (the “Station”), the pedestrian plaza (the “Plaza”) and the first segment of the Brickline Greenway Bike Path (the “Greenway”).

**Analysis**

The construction of the Station, Plaza and Greenway were completed and opened for operations on July 31, 2018. The Agreement provides for the respective responsibilities of Agency, Cortex and GRG for the operation, maintenance, and capital repair of the Station, Plaza and Greenway. The Agency and Cortex will work together to facilitate the operation, maintenance and capital repair of the Plaza. The Agency shall be financially responsible for the operation, maintenance and capital repair of the Plaza. Cortex shall be responsible for contracting for the routine operation and maintenance of the Plaza in a manner which ensures the Plaza shall be kept open to the public. The Agency shall defray the expense for Plaza routine operation and maintenance managed by Cortex. The Agency shall be responsible for the operation, maintenance and capital repair of the Station.

**Previous Action:**

At the June 10, 2022, Operations Committee Meeting, the Committee postponed this item for review at the June 24, 2022 Board meeting.

**Board Action Requested:**

Management recommends that the Board of Commissioners approve the Cooperation Agreement for the Operation and Maintenance of Cortex MetroLink Plaza and Bike Path Located within the Brickline Greenway, with Cortex and the Great Rivers Greenway District, as presented.

Bi-State Development Agency  
Board of Commissioners  
Cooperation Agreement for Operation and Maintenance of Cortex MetroLink Plaza  
June 24, 2022  
Page 2

**Attachment:**

Cooperation Agreement for the Operation and Maintenance of Cortex MetroLink Plaza and Bike Path Located within the Brickline Greenway.

**COOPERATION AGREEMENT**  
**FOR THE**  
**OPERATION AND MAINTENANCE OF CORTEX METROLINK PLAZA AND BIKE**  
**PATH LOCATED WITHIN THE BRICKLINE GREENWAY**

**THIS COOPERATION AGREEMENT (“Agreement”)** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2022 by and among the **METROPOLITAN PARK AND RECREATION DISTRICT, d/b/a THE GREAT RIVERS GREENWAY DISTRICT** (hereinafter “**District**”), **CORTEX**, a Missouri nonprofit corporation, and **CORTEX STATION GREENWAY LLC**, a Missouri limited liability company (hereinafter together with CORTEX, “**Cortex**”) and **THE BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT** (hereinafter the “**Agency**”), (individually “**Party**” and collectively “**All Parties**”).

**WHEREAS**, the **District** is engaged in developing and constructing a series of Parks, trails and greenways in the City of St. Louis, St. Louis County and St. Charles County, Missouri; and

**WHEREAS**, **Agency** is authorized to plan, construct, operate and maintain a public transportation system; to contract with municipal or other political subdivisions for the services or use of any facility owned or operated by the **Agency** or owned or operated by such municipality or other political subdivision; to condemn any and all rights or property necessary for the purposes of the **Agency**; to receive for its lawful activities any contributions or moneys appropriated by municipalities, counties, states or other political subdivisions or agencies, or by the federal government or any agency or officer thereof; to disburse funds for its lawful activities; to contract and be contracted with; and to perform all other necessary and incidental functions; and

**WHEREAS**, **CORTEX** as an exempt organization under Section 501(c)(3) of the Internal Revenue Code, as amended, is organized and operated exclusively for charitable, scientific, and/or educational purposes to fight community deterioration and foster urban revitalization by serving as the strategic planning, guiding and motivating catalyst behind the successful acquisition, development, promotion, financing and marketing of multiple properties or tracts of land constituting in the aggregate approximately two hundred (200) acres in midtown St. Louis, Missouri (“Cortex District”); and

**WHEREAS**, Sections 70.210 and 70.220 RSMo., as amended, authorize municipalities and political subdivisions to contract and cooperate with other municipalities and political subdivisions for the planning, development, construction, acquisition or operation of any public improvement or facility; and

**WHEREAS**, Section 67.1742(2) RSMo. provides that a metropolitan park and recreation district shall have the power to “Contract with public and private entities or

individuals both within and without the state ... in furtherance of any of the purposes of the district;" and

**WHEREAS, All Parties** entered into a Memorandum of Agreement dated September 14, 2015 (the "**MOA**") for the construction and funding of the Cortex Metrolink Station (the "**Station**"), the pedestrian plaza (the "**Plaza**") and the first segment of the Brickline Greenway Bike Path and related landscaped and pedestrian walkway areas (the "**Greenway**"), located in the Cortex Development District and depicted on Exhibit A attached hereto; and

**WHEREAS**, the construction of the **Station, Plaza** and **Greenway** were completed and opened for operations on July 31, 2018 ("**Opening Date**"); and

**WHEREAS**, the **Plaza** and **Greenway** are to remain open to the public; and

**WHEREAS, All Parties** desire to memorialize the understanding of **All Parties** to document their respective responsibilities for the operation, maintenance, and capital repair of the **Station, Plaza** and **Greenway** during the term of this **Agreement** upon the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the foregoing and the following mutual covenants, terms and conditions, **All Parties** agree as follows:

1. **Purpose; Recitals.** This **Agreement** is entered into by the parties to provide for the operation, maintenance and capital repair of the **Station, Plaza** and **Greenway**. The recitals set forth above are incorporated into this **Agreement** as if first written herein.
2. **Representations of the District.** The **District** represents, warrants and covenants as follows:
  - a. The **District** has full power and authority to enter into this **Agreement** and to carry out its obligations hereunder, and by proper action has duly authorized the execution and delivery of this **Agreement** by its duly authorized officers.
  - b. Neither the execution and delivery of this **Agreement**, nor the fulfillment of or compliance with the terms and conditions hereof, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the **District** is now a party or by which the **District** is bound.
3. **Representations of the Agency.** The **Agency** represents, warrants and covenants as follows:

- a. The **Agency** has full power and authority to enter into this **Agreement** and to carry out its obligations hereunder, and by proper action has duly authorized the execution and delivery of this **Agreement** by its duly authorized officers.
  - b. Neither the execution and delivery of this **Agreement**, nor the fulfillment of or compliance with the terms and conditions hereof, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the **Agency** is now a party or by which the **Agency** is bound.
4. **Representations of Cortex.** **Cortex** represents, warrants and covenants as follows:
- a. **Cortex** has full power and authority to enter into this **Agreement** and to carry out its obligations hereunder, and by proper action has duly authorized the execution and delivery of this **Agreement** by its duly authorized officers.
  - b. Neither the execution and delivery of this **Agreement**, nor the fulfillment of or compliance with the terms and conditions hereof, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which **Cortex** is now a party or by which **Cortex** is bound.
5. **Access.** (A) **Agency** hereby grants to **Cortex** and the **District**, and their respective successors, assigns, contractors, representatives, agents, and employees, a non-exclusive right of access on, over, under and across, any and all land owned by **Agency** located within the **Plaza** for the purpose of operating, maintaining, and repairing the **Plaza** as contemplated by this **Agreement** (the "**Plaza Right Of Access**"), and for any other necessary purposes accessory thereto. The **Plaza Right Of Access** shall be in effect and enforceable during the term of this **Agreement**. Access that might interfere with the safe and efficient operation of MetroLink shall be requested and authorized as defined in MetroLink Standard Operating Procedures, specifically MetroLink SOP 101.17 Work Performed on MetroLink Right of Way dated April 8, 2009.
- (B) **Cortex** hereby grants to **Agency** and the **District**, and their respective successors, assigns, contractors, representatives, agents, and employees, a non-exclusive right of access on, over, under and across, any and all land owned by **Cortex** located within the **Greenway** for the purpose of operating, maintaining, and repairing the **Greenway** as contemplated by this **Agreement** (the "**Greenway Right of Access**"), and for any other necessary purposes accessory thereto. The **Greenway Right of Access** shall be in effect and enforceable during the term of this **Agreement**. Access that might interfere with the safe and efficient operation of MetroLink shall be requested

and authorized as defined in MetroLink Standard Operating Procedures, specifically MetroLink SOP 101.17 Work Performed on MetroLink Right of Way dated April 8, 2009.

6. **Obligations for Operations, Maintenance and Capital Repair.** The **Parties** agree to assume the responsibilities as detailed below for operations, maintenance, and capital repair or replacement of the **Greenway, Plaza, and Station.**

- a. **Greenway.** **Cortex** and the **District** shall work together to facilitate the operation, maintenance and capital repair of the **Greenway.** The **District** and **Cortex** hereby agree to each fund one-half of the total cost of regular operation and maintenance (except for snow and ice removal as provided in Section 6.a.ii.1) and capital repairs for the **Greenway,** in accordance with the procedure set forth in Section 7 herein.

Subject to the agreed upon budget and funding pursuant to Section 7 below, **Cortex** shall be responsible for contracting for the routine operation and maintenance of the **Greenway** to be performed to allow for safe and convenient public access, enjoyment and use, in a manner which ensures the **Greenway** shall be kept open to the public; provided, however, that **Cortex** may cause the temporary erection of barricades, and use other means of temporarily restricting access to the **Greenway,** as reasonably necessary to prevent a dedication or the accrual of any prescriptive rights to any third party in regard to the **Greenway** or for security, property protection, nuisance abatement, and/or safety purposes. It shall be the responsibility of **Cortex** to notify the **District** in advance if for any reason actually known to **Cortex,** including maintenance, hazardous conditions, or special events, the **Greenway** is planned to be closed.

- i. Subject to the terms and conditions of Section 6.a. above, **Cortex** shall contribute, and the **District** shall contribute an equal amount annually to an account to be held by Cortex in Cortex's name (the "Brickline Greenway Maintenance Fund") pursuant to the annual budget and funding procedure set forth in Section 7. The amount of **Cortex's** and the **District's** annual contributions to the Brickline Greenway Maintenance Fund shall be calculated after the application of all revenue, if any. **Cortex** will be responsible for administering these funds for approved expenditures for the routine maintenance of the **Greenway** and shall provide an annual statement of revenue, expenses and balance sheet to **District** as required by Section 7.

ii. Routine Maintenance Activities

This work consists of basic upkeep of the **Greenway** on a regular basis.

1. Hard surfaces, i.e. the trail, shall be cleared of debris, including rocks, sticks, litter, pet waste, lawn clippings, leaves, etc., as often as reasonably necessary to maintain safe surfaces for users. Snow and ice removal is not a standard operating procedure for greenways throughout the **District** jurisdiction. Snow and ice removal will be at the discretion of **Cortex**, without any financial support or responsibility from or by the **District**.
2. Mowing turf shall be conducted on a weekly or biweekly basis during the growing season or as needed to maintain a grass height no taller than 6". Hardscape surfaces, including trails and plaza, shall be swept or blown free of clippings and debris following each mowing cycle. Care shall be taken to avoid damaging **Greenway** amenities and features including light standards, trees, fencing and signs. String trimming will be necessary at the same time as each mowing activity and should also avoid damaging assets and amenities.
3. Planted vegetation or landscaping along the **Greenway** to be maintained in good health, free of weeds, and dead or diseased vegetation to be removed and replaced, all according to the landscape design. If replacement is substantially different from the original design installed, then the **District** and the **Agency** shall be consulted prior to work being conducted.
4. Site furnishings such as benches, trash cans, signage, lighting, bollards, fencing, etc. shall be maintained in safe, working condition and free of graffiti, tagging or posting. Non-capital repairs due to vandalism, accidents and natural wear shall be made as soon as possible. **District** will be made aware of needed repairs, when repairs are completed and if repairs are intended to be deferred to another time.
5. Soils to be stable on slopes including need for re-grading erosion rills and gullies, re-planting bare soil areas, repairing any damaged or degraded erosion and sediment control devices which are still in use or necessary to ensure vegetation establishment.

iii. Non-Routine Maintenance Activities

Non-routine maintenance activities include:

1. Capital repair and replacement of the **Greenway** including all site furnishings, landscaping, lighting, trail surface, signs, etc. shall be the responsibility of **Cortex** and the **District**. Subject to

the terms and conditions of Section 6.a. above, **Cortex** shall contribute, and the **District** shall contribute an equal amount annually to a capital repair and replacement fund to be held in an account to be held by Cortex in a separate bank account in Cortex's name for such needed repairs (the "Brickline Greenway Capital Repair Fund") pursuant to the annual budget and funding procedure set forth in Section 7. **Cortex** will be responsible for administering these funds for approved expenditures, with expenditure of funds authorized only after a certificate has been duly executed on behalf of **Cortex** and the **District** in the form attached hereto as Exhibit B.

- iv. Annual Review: An annual, onsite review of the **Greenway** by **All Parties** staff shall take place on a mutually agreed upon time. The intent of this review is to assess the current level of care and review the need for additional work or capital repair to be completed.
  - v. Modifications: **District** and **Cortex** shall work together when there is a desire to add, modify or eliminate amenities or assets included in the **Greenway** thirty (30) days prior to said actions being taken. **District** and **Cortex** shall work together to accommodate reasonable requests and come to a mutually agreed upon course of action.
  - vi. In connection with work performed on the **Greenway** by third parties, **Cortex** agrees to use good faith efforts to provide competitive opportunities for firms, including MBE/WBE firms, to bid for such work.
- b. **Plaza**. The **Agency** and **Cortex** shall work together to facilitate the operation, maintenance and capital repair of the **Plaza**. The **Agency** shall be financially responsible for the operation, maintenance and capital repair of the **Plaza**. **Cortex** shall be responsible for contracting for the routine operation and maintenance of the **Plaza** to allow for safe and convenient public access, enjoyment and use as set forth herein, in a manner which ensures the **Plaza** shall be kept open to the public. It shall be the responsibility of **Cortex** to notify the **Agency** in advance if for any reason actually known to **Cortex**, including maintenance, hazardous conditions, or special events, the **Plaza** is planned to be closed.
- i. The **Agency** shall contribute annually to an account to be held by Cortex in a bank account in Cortex's name (the "Cortex Metro Plaza Maintenance Fund") pursuant to the annual budget and funding procedure set forth in Section 7. **Cortex** will be responsible for administering these funds for approved expenditures for the routine maintenance of the **Plaza** and shall provide an annual

statement of revenue, expenses and balance sheet to the **Agency** as required by Section 7.

ii. Routine Maintenance Activities

This work consists of basic upkeep of the **Plaza** amenities on a regular basis.

1. Hard surfaces and sidewalks shall be cleared of debris, including rocks, sticks, litter, pet waste, lawn clippings, leaves, etc., as often as reasonably necessary to maintain safe surfaces for users. Snow and ice removal will be at the discretion of **Cortex** and the **Agency** and will be coordinated and funded accordingly and **Cortex** and **Agency** will agree on a written process memo that shall include contact information for each party and shall include the protocol for **Cortex** and **Agency** to make timely decisions regarding snow and ice removal. If either **Cortex** or the **Agency** elects not to fund snow and ice removal, then the other party may coordinate and fund snow and ice removal in its discretion.
2. Planted vegetation or landscaping in the **Plaza** to be maintained in good health, free of weeds, and dead or diseased vegetation to be removed and replaced, all according to the landscape design. If replacement is substantially different from the original design installed, then the **Agency** shall be consulted prior to work being conducted.
3. Site furnishings such as benches, trash cans, signage, lighting, bollards, fencing, etc. shall be maintained in safe, working condition and free of graffiti, tagging or posting. Non-capital repairs due to vandalism, accidents and natural wear shall be made as soon as possible. The **Agency** will be made aware of needed repairs, when repairs are completed and if repairs are intended to be deferred to another time. Costs associated with repair parts, or asset replacements shall be the responsibility of the **Agency**.

iii. Non-Routine Maintenance Activities

Non-routine maintenance activities include:

1. Capital repair and replacement of **Plaza** assets shall be the sole responsibility of the **Agency** and **Cortex** shall have no responsibilities or obligations with regard thereto. The **Agency** will fund capital repairs through a combination of grant and operating funds, per its grant funding policies and will be solely responsible for all contracting, supervising, constructing,

installing and completing the capital repairs and replacements in a safe and efficient manner.

- iv. Annual Review: An annual, onsite review of the **Plaza** by **All Parties** staff shall take place on a mutually agreed upon time. The intent of this review is to assess the current level of care and review the need for additional work or capital repair to be completed.
- v. Modifications: **Cortex** and the **Agency** shall work together when there is a desire to add, modify or eliminate amenities or assets included in the **Plaza** thirty (30) days prior to said actions being taken. **Cortex** and the **Agency** shall work together to accommodate reasonable requests and come to a mutually agreed upon course of action.
- c. **Station**. The **Station** includes the fence separating the **Greenway** and **Plaza** and all property to the south of said fence including, but not limited to, the **Station** tracks, platform, infrastructure and all assets therein. The **Agency** will be solely responsible for the control, ownership, operation, maintenance and capital repair of all assets in this portion of the project area, which the **Agency** shall keep in good, safe condition and repair. Neither **Cortex** nor the **District** shall have any rights, responsibilities or access to this portion of the project site.
- d. **WARRANTIES**. Any and all third party warranties for work performed and materials provided to construct, install, maintain, repair and/or replace the **Greenway** and/or the **Plaza** shall be made available and (if assignable) assigned over to the party performing any work pursuant to this **Agreement** that is covered by such warranty. The **PARTIES** agree to use commercially reasonable efforts to cooperate and pursue available rights and remedies under existing warranties.

## 7. Budget and Funding.

- a. **Greenway**. Within thirty (30) days after the effective date of this **Agreement** and then by September 1 of each successive calendar year commencing September 1, 2022, and provided that **Cortex** has received timely input from **District** upon request, **Cortex** will prepare a reasonably detailed budget for the Brickline Greenway Maintenance Fund and the Brickline Greenway Capital Repair Fund for the next calendar year. **District** acknowledges that the budgets may, at **Cortex's** election, include (i) reasonable contingency amounts for potential cost deviations and (ii) reasonable and actual management fees paid to a third-party unrelated property manager engaged by **Cortex** to coordinate and manage the operation, maintenance, and repair obligations regarding the **Greenway**. Upon request by **Cortex**, **District** shall promptly provide any information reasonably requested to prepare such budgets. **Cortex** and the **District**

shall have 45 days to review, provide feedback, and mutually agree upon and approve the final budgets.

- i. **Cortex** and, subject to annual appropriation by the District's Board, the **District** shall deposit the budgeted funds into the Brickline Greenway Maintenance Fund no later than January 5 of the following calendar year and deposit budgeted funds into the Brickline Greenway Capital Repair Fund no later than February 1 of the following calendar year. **Cortex** will monitor actual quarterly expenses for each fund and provide **District** notification should significant deviations occur between projected and actual expenses. Any such deviations between projected and actual expenses will be handled by mutual written agreement of **Cortex** and **District**. By July 30 of each calendar year and within sixty (60) days of the conclusion of each calendar year, **Cortex** will provide **District** with an accounting, including copies of all invoices for all expenditures, of the Brickline Greenway Maintenance Fund and the Brickline Greenway Capital Repair Fund. Any surplus funds in either the Brickline Greenway Maintenance Fund or Brickline Greenway Capital Repair Fund at the end of the calendar year shall be refunded equally back to **District** and **Cortex** within ninety (90) of the end of the calendar year unless otherwise agreed to by mutual written agreement of **District** and **Cortex**.
- ii. Notwithstanding anything in this Agreement to the contrary, the **District** shall not be obligated to furnish funds for the **Greenway** unless such funds have been appropriated by its Board, and neither **Cortex** nor **District** shall be obligated to furnish funds for the **Greenway** in excess of the amount actually funded by the other party in a year. By way of example, if funds actually appropriated by the **District** (or **Cortex**, as applicable) to the **Greenway** in a year are less than the **District's** (or **Cortex's**, as applicable) one-half portion of the total amount required pursuant to the agreed-upon annual budget and funding procedure set forth in Section 7 of this **Agreement**, then **Cortex** (or the **District** as applicable) shall have no obligation to fund more than the actual amount funded by the **District** (or **Cortex**, as applicable) in such year and **Cortex** (or the **District**, as applicable), in its reasonable discretion may adjust the budget accordingly to match the amount of funds actually available. If funds appropriated by a Party are less than that Party's budgeted share, the other Party shall have the right, but not the obligation, to fund any portion of such shortfall amount and request reimbursement from the shortfall Party as part of the next year's appropriation. The shortfall Party shall present to its Board for consideration the funding of such reimbursement request as part of a subsequent appropriation.

- b. **Plaza. Agency** has a fiscal year that commences on July 1 of each year and ends on June 30 of the following year (“**Fiscal Year**”). Within thirty (30) days after the effective date of this **Agreement**, and then by March 1 of each successive **Fiscal Year** commencing in 2023, and provided that **Cortex** has received timely input from the **Agency** upon request, **Cortex** will prepare a reasonably detailed budget for the Cortex Metro Plaza Maintenance Fund. The **Agency** acknowledges that the budget may, at **Cortex’s** election, include (i) a reasonable contingency amount for potential cost deviations and (ii) reasonable and actual management fees paid to a third-party property manager engaged by **Cortex** to coordinate and manage the operation, maintenance, and repair obligations regarding the **Plaza**. Upon request by **Cortex**, the **Agency** shall promptly provide any information reasonably requested to prepare such budget. The **Agency** and **Cortex** shall have 45 days to review, provide feedback, and approve said budget. The **Agency** shall deposit the budgeted funds into the Cortex Metro Plaza Maintenance Fund no later than July 10 of the following **Fiscal Year**. **Cortex** will monitor actual quarterly expenses for the fund and provide **Agency** with notification should significant deviations occur between projected and actual expenses. Any such deviations between projected and actual expenses will be handled by mutual agreement of **Cortex** and the **Agency**; provided that **Cortex** shall not be required to fund any shortfalls unless **Agency** agrees and funds such shortfall in advance. At the conclusion of the **Fiscal Year**, **Cortex** will provide **Agency** with an accounting of the Cortex Metro Plaza Maintenance Fund within ninety (90) days following the end of each **Fiscal Year**. Any surplus funds in the Cortex Metro Plaza Maintenance Fund at the end of the **Fiscal Year** may be transferred to the next **Fiscal Year** by mutual agreement of **Cortex** and the **Agency**.

8. **ALL PARTY Obligations.**

- a. **All Parties** shall require any contractor or subcontractors hired to construct improvements on the **Greenway** or **Plaza** to satisfy the requirements of Section 107.170, RSMo. 1986. In addition, **All Parties** will adhere to the requirements of Section 290.220 *et seq.* RSMo., concerning the payment of prevailing wage on public works projects.
- b. **All Parties** will maintain Workers’ Compensation and appropriate employer’s liability insurance covering any of its own employees engaged in activities relating to the **Greenway** and **Plaza**.
- c. The **Parties** will require that any outside contractor, equipment provider or other third party with which it enters into any agreements under this **Agreement**, to provide it with a certificate of insurance demonstrating insurance coverage in connection with the activities to be performed by such contractor in connection with the **Greenway** and **Plaza**, for personal

and property liability, medical benefits, as well as general liability insurance.

- d. **All Parties** and their contractors or subcontractors hired to provide maintenance or construction services that could encroach within 20 feet of the MetroLink tracks, must follow the requirements for right of access as defined in MetroLink SOP 101.17 Work Performed on MetroLink Right of Way dated April 8, 2009.

## 9. **Default and Remedies**

- a. **Events of Default.** If any one or more of the following events occurs and is continuing, it is hereby defined as and declared to be and to constitute an Event of Default:
  - i. Default in the due and punctual payment of any amounts required pursuant to this Agreement within five (5) days after said amount comes due;
  - ii. Default in the due observance or performance of any other covenant, agreement, obligation or provision of the Agreement on the part of a Party to be observed or performed, and continuance of such default for 30 days after the non-defaulting party has given the defaulting party written notice specifying such default, or such longer period as shall be reasonably required to cure such default, provided that (i) the defaulting party has commenced such cure within said 30-day period, and (ii) the defaulting party diligently prosecutes such cure to completion.
- b. **Remedies on Default.** If any Event of Default has occurred and is continuing, the non-defaulting Party, at such Party's election, may take any one or more of the following actions:
  - i. The non-defaulting Party may suspend, stop or terminate any work being performed as provided herein, and all costs, expenses, fees (excluding attorneys' fees), claims and damages associated therewith shall be paid for by the defaulting Party upon demand by the non-defaulting Party;
  - ii. By mandamus or other suit, action or proceeding at law or in equity, to enforce its rights against the defaulting Party, as applicable, and to require and compel duties and obligations required by the provisions of this Agreement; and
  - iii. Take any other action at law or equity to enforce this Agreement.

- c. **Rights and Remedies Cumulative.** The rights and remedies reserved by the parties hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. The Parties hereto shall be each entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions hereof, notwithstanding availability of an adequate remedy at law, and each Party hereby waives the right to raise such defense in any proceeding in equity.
- d. **Waiver of Breach.** No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement.

10. **Amendments, Changes and Modifications.** This **Agreement** may be amended, changed, modified, altered or terminated only by written agreement of the **District, Cortex** and the **Agency**.

11. **Notices.** All notices, invoices or other communication required or desired to be given hereunder shall be in writing and shall be deemed duly delivered and received (a) upon receipt or refusal of delivery, when delivered personally; (b) the day deposited with the U.S. Postal Service, when sent certified or registered mail (postage prepaid), return receipt requested; and (c) the day deposited with Federal Express or other overnight courier service (charges prepaid) when sent next-day delivery; and (d) as of the date of e-mail transmission during regular business hours if delivered by e-mail communication to the address as follows (or to such other addressee or address as shall be set forth in a notice given in the same manner):

**District** Metropolitan Park and Recreation District,  
d/b/a The Great Rivers Greenway District  
3745 Foundry Way, Suite 253 St. Louis, MO 63110  
Attention: CEO  
Telephone: (314) 436-7009  
E-Mail: [strautman@grgstl.org](mailto:strautman@grgstl.org)

With a Copy to: Husch Blackwell LLP  
190 Carondelet Plaza, Suite 600  
St. Louis, MO 63105  
Attention: David G. Richardson  
Telephone: (314) 480-1500  
E-Mail: [David.Richardson@huschblackwell.com](mailto:David.Richardson@huschblackwell.com)

**Cortex** Cortex  
4240 Forest Park Avenue, Suite 200  
St. Louis, MO 63110

Attention: President and CEO  
Telephone: (314) 531-4500  
Email: sfiorello@cortexstl.org

With a Copy to: Mike Bozovich, Chief Financial Officer  
Telephone: (314) 531-4500  
Email: mbozovich@cortexstl.org

With a Copy to: Lewis Rice, LLC  
600 Washington Avenue, Suite 2500  
St. Louis, MO 63101  
Attention: David B. Lemkemeier  
Telephone: (314) 444-7636  
E-Mail: dlemkemeier@lewisrice.com

**Agency**

The Bi-State Development Agency of the Missouri-Illinois  
Metropolitan District  
One Metropolitan Square  
211 North Broadway, Suite 700  
Attention: Executive Director, Metro Transit  
Telephone: (314) 982-1479  
E-Mail: troach@bistatedev.org

With a Copy to: Barbara Enneking, General Counsel  
Telephone: (314) 982-6455  
Email: baenneking@bistatedev.org

10. **Assignment.** No party may assign its right under this **Agreement** without the written consent of the other **PARTIES**.
11. **Waiver.** The failure of one party to require performance of any provision of this **Agreement** shall not affect that party's right to require performance at any time thereafter, nor shall a waiver of any breach or default of this **Agreement** constitute a waiver of any subsequent breach or default or a waiver of the provision itself.
12. **Controlling Law/Venue.** This **Agreement** shall be interpreted in accordance with the laws of the State of Missouri. Any action brought hereunder shall be brought in the Circuit Court of City of St. Louis, Missouri or in the event of Federal jurisdiction, in the United States District Court, Eastern District of Missouri.

13. **Integration.** This **Agreement** represents the entire integrated agreement between the **District, Cortex** and the **Agency**. This agreement in no way modifies the existing **MOA** that **All Parties** entered into, along with additional parties, which MOA shall continue in effect subject to and as modified by the terms of the Settlement and Mutual Release Agreement that was executed by All Parties and last dated November 19, 2021 ("**Settlement Agreement**").
14. **Term; Automatic Extension.** This **Agreement** shall be in effect from February 22, 2022, through February 29, 2032, and shall be automatically extended for additional ten (10) year periods. If any of the parties desire not to extend the Term of this Agreement for additional terms of ten (10) years, the party shall notify the other parties in writing at least 30 days prior to the end of the then current term of its election to not extend the Agreement for such additional terms.

**WHEREFORE**, the parties have set their hands the day and date first above written.

**CORTEX**

**METROPOLITAN PARK AND  
RECREATION DISTRICT d/b/a THE  
GREAT RIVERS GREENWAY  
DISTRICT**

By: \_\_\_\_\_  
Salvatore J. Fiorello, President & CEO

By: \_\_\_\_\_  
Susan Trautman, CEO

**Approved as to Form:**

\_\_\_\_\_  
Husch Blackwell LLP

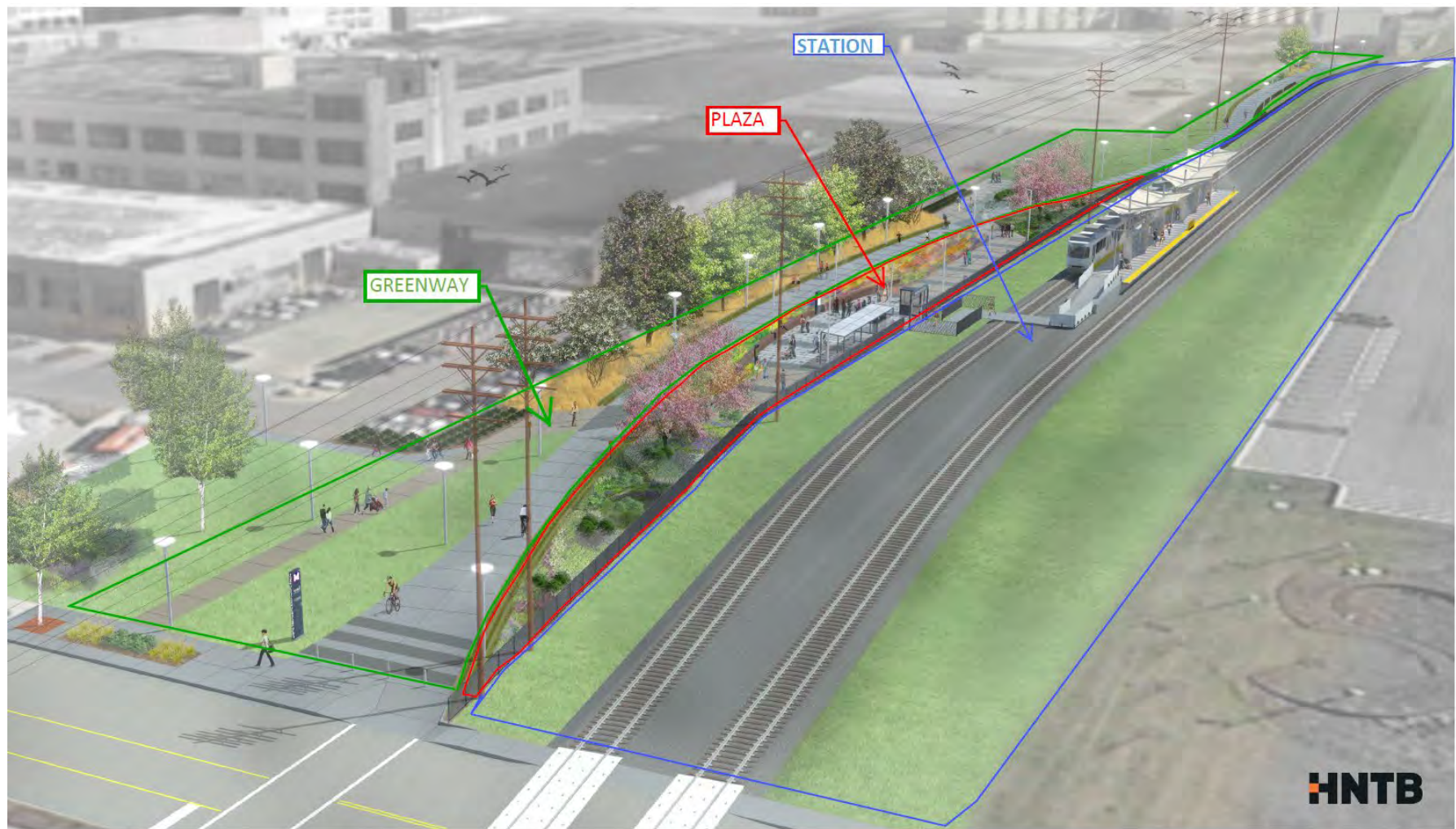
**BI-STATE DEVELOPMENT AGENCY OF  
THE MISSOURI-ILLINOIS METROPOLITAN  
DISTRICT**

By: \_\_\_\_\_  
Taulby Roach, President & CEO

**Approved as to Legal Form:**

\_\_\_\_\_  
Counsel for the Agency

**EXHIBIT A**  
**Greenway (outlined in green), Plaza (outlined in red) and Station (outlined in blue) Areas**



**Exhibit B**

**Certificate for Disbursement from the Brickline Greenway Capital Repair Fund**

**To File:**

Pursuant to the Cooperation Agreement dated as of \_\_\_\_\_, 2022 (the “Agreement”) by and among the Metropolitan Park and Recreation District, d/b/a The Great Rivers Greenway District, a body corporate and a political subdivision of the State of Missouri (the “District”), Cortex, a not-for-profit trust organized under the laws of the State of Missouri (Cortex), hereby states and certifies that (i) the names of the persons, firms or corporations to whom the payments requested hereby are due, the amounts to be paid and a brief description of the work performed and/or materials furnished are as set forth on Attachment I hereto, (ii) the Cortex and the District have approved the use of the funds for the purposes described on Attachment I hereto, (iii) the amounts requested either have been paid by Cortex, or are justly due to persons, firms or corporations (whose names and addresses are stated on Attachment I hereto) who have performed necessary and appropriate work or furnished necessary and appropriate materials for the maintenance of the Brickline Greenway in accordance with the terms of the Agreement, and are proper charges against the Brickline Greenway Capital Repair Fund, (iv) no part thereof has been or is being made the basis for the withdrawal of any moneys in any previous or pending request for payment, and (v) invoices, statements, vouchers or bills for the amounts requested are attached hereto.

**CORTEX**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**DISTRICT**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTACHMENT I

REQUEST NO.: \_\_\_\_\_ DATE: \_\_\_\_\_

SCHEDULE OF PAYMENTS REQUESTED

<u>Person, firm to whom payment is due</u>	<u>Amount to be paid</u>	<u>General description of payee</u>	<u>The Costs for which the obligation to be paid was</u>

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<sup>1</sup> For each obligation this should include a brief description of the nature of such cost.

**A RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF THE BI-STATE DEVELOPMENT AGENCY  
OF THE MISSOURI- ILLINOIS METROPOLITAN DISTRICT  
AUTHORIZING THE PRESIDENT AND CEO TO ENTER INTO A  
COOPERATION AGREEMENT FOR THE OPERATION AND  
MAINTENANCE OF CORTEX METROLINK PLAZA AND BIKE PATH  
LOCATED WITH THE BRICKLINE GREENWAY**

**PREAMBLES:**

**Whereas**, The Bi-State Development Agency of the Missouri-Illinois Metropolitan District (the "Agency") is a body corporate and politic, created by an interstate compact between the States of Missouri and Illinois, acting by and through its Board of Commissioners (the "Board of Commissioners"); and

**Whereas**, the Agency is authorized by Mo. Rev. Stat. § § 70.370 et seq. and 45 Ill. Comp. Stat. 100/1 et seq. jointly referred to herein as the "Compact") to acquire by gift, purchase or lease, sell or otherwise dispose of, and to plan, construct, operate and maintain, or lease to others for operation and maintenance, airports, wharves, docks, harbors, and industrial parks adjacent to and necessary and convenient thereto, bridges, tunnels, warehouses, grain elevators, commodity and other storage facilities, sewage disposal plants, passenger transportation facilities, and air, water, rail, motor vehicle and other terminal or parking facilities; to contract and to be contracted with; and to perform all other necessary and incidental functions; and

**Whereas**, no Board Policy applies; however, Missouri Revised Statutes, Section 70.220 and Section 70.230, require agreements between municipalities or other units of government be approved by the Governing Board of such entity; and

**Whereas**, The Bi-State Development Agency received a U.S. Department of Transportation (DOT) Transportation Investment Generating Economic Recovery Discretionary Grant (TIGER Grant) for the Central Corridor Transit Enhancement and Job Access Project (TIGER Grant Project), which consisted of three major components: 1) construction of a new Boyle Avenue MetroLink station within the Cortex District; 2) expansion of the existing Central West End MetroLink station; and 3) extension of the GRG regional bikepath between Boyle Avenue and Sarah Street; and

**Whereas**, the Agency, Cortex and GRG entered into a Memorandum of Agreement, dated September 14, 2015, for the construction and funding of the Cortex Metrolink Station (the "Station"), the pedestrian plaza (the "Plaza") and the first segment of the Brickline Greenway Bike Path (the "Greenway"); and

**Whereas**, construction of the Station, Plaza and Greenway were completed and opened for operations on July 31, 2018; and

**Whereas**, the proposed Agreement provides for the respective responsibilities of Agency, Cortex and GRG for the operation, maintenance, and capital repair of the Station, Plaza and Greenway, as follows: The Agency and Cortex will work together to facilitate the operation, maintenance and capital repair of the Plaza. The Agency shall be financially responsible for the operation, maintenance and capital repair of the Plaza. Cortex shall be responsible for contracting for the routine operation and maintenance of the Plaza in a manner which ensures the Plaza shall be kept open to the public. The Agency shall defray the expense for Plaza routine operation and maintenance managed by Cortex. The Agency shall be responsible for the operation, maintenance and capital repair of the Station; and

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Resolution #1215

Bi-State Development Agency Board of Commissioners

June 24, 2022

Cooperation Agreement for Operation and Maintenance of Cortex MetroLink Plaza

Page 1

**Whereas**, it is feasible, necessary and in the public interest for the Agency to authorize the President and CEO to execute a Cooperation Agreement for the Operation and Maintenance of Cortex MetroLink Plaza and Bike Path Located within the Brickline Greenway, with Cortex and the Great Rivers Greenway District, in accordance with the terms and conditions described herein.

**NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

Section 1.      Findings. The Board of Commissioners hereby finds and determines those matters set forth in the preambles hereof as fully and completely as if set out in full in this Section 1.

Section 2.      Approval of Authorization to Execute an Intergovernmental Agreement. The Board of Commissioners hereby authorizes the President and CEO to execute a Cooperation Agreement for the Operation and Maintenance of Cortex MetroLink Plaza and Bike Path Located within the Brickline Greenway, with Cortex and the Great Rivers Greenway District, under and pursuant to this Resolution and the Compact for the authorized Agency purposes set forth in the preambles hereof and subject to the conditions hereinafter provided.

Section 3.      Form of the Agreement. The form of the Cooperation Agreement (as provided in the Attachment to the Briefing Paper and made a part hereof), substantially in the form presented to this meeting is hereby approved, and officers of the Agency, including without limitation, the President and CEO, are hereby authorized and directed to execute and deliver and attest, respectively, the Cooperation Agreement, with such changes, modifications, insertions and omissions as may be deemed necessary or desirable to affect this Cooperation Agreement, with the necessity and desirability of such changes, modifications, insertions and omissions conclusively evidenced by their execution thereof.

Section 4.      Actions of Officers Authorized. The officers of the Agency, including, without limitation, the President and CEO, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Resolution and the execution of such documents or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 5.      Severability. It is hereby declared to be the intention of the Board of Commissioners that each and every part, section and subsection of this Resolution shall be separate and severable from each and every other part, section and subsection hereof and that the Board of Commissioners intends to adopt each said part, section and subsection separately and independently of any other part, section and subsection. In the event that any part, section or subsection of this Resolution shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, sections and subsections shall be and remain in full force and effect, unless the court making such finding shall determine that the valid portions standing alone are incomplete and are incapable of being executed in accordance with the intent of this Resolution.

Section 6.      Rights under Resolution Limited. No rights shall be conferred by this Resolution upon any person or entity other than the Agency, Cortex and Great Rivers Greenway, its officers and employees.

Section 7.      Governing Law. The laws of the State of Missouri shall govern this Resolution.

Section 8.      No Personal Liability. No member of the Board of Commissioners, officer, employee or agent of the Agency shall have any personal liability for acts taken in accordance with this Resolution.

Section 9.        Payment of Expenses. The Executive Vice President and CFO is hereby authorized and directed to pay or cause to be paid all costs, expenses and fees incurred in connection with or incidental to this Resolution.

Section 10.       Effective Date. This Resolution shall be in full force and effect from and after its passage and approval.

**ADOPTED** by the Board of Commissioners of The Bi-State Development Agency of the Missouri-Illinois Metropolitan District this 24<sup>th</sup> day of June, 2022.

*In Witness Whereof*, the undersigned has hereto subscribed her signature and caused the Seal of the Agency to be affixed.

**THE BI-STATE DEVELOPMENT AGENCY OF THE  
MISSOURI-ILLINOIS METROPOLITAN DISTRICT**

By \_\_\_\_\_  
Title \_\_\_\_\_

[SEAL]  
ATTEST:

By \_\_\_\_\_  
Deputy Secretary to the Board of Commissioners

**Bi-State Development Agency  
Board of Commissioners  
Open Session Agenda Item  
June 24, 2022**

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**From:** Taulby Roach, President and Chief Executive Officer  
**Subject:** **Contract Award: Audit Services - Bi-State Development (BSD) Pension Plans and 401(k) Retirement Savings Program**  
**Disposition:** Approval  
**Presentation:** Charles A. Stewart, Executive Director Metro Transit  
Thomas Curran, Executive Vice President – Administration

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**Objective:**

To present to the Board of Commissioners for approval, a request to authorize the President & CEO to award a contract to UHY LLP for Audit Services of the Bi-State Development (BSD) Agency Pension Plans and 401(k) Retirement Savings Program.

**Background:**

Bi-State Development's Benefits Administration Department is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Solicitation 22-SB-305074-CG – Audit Services for BSD's Pension Plans and 401(k) Retirement Savings Program was issued on January 26, 2022. The request for sealed bids was advertised in BSD's iSupplier Portal, the agency's web-based communication tool structured to allow interested bidders full and open access to view, communicate, and submit bids on active solicitations.

To encourage competitive bidding, communications were sent via online discussion to the below firms requesting status of their intentions to participate in bidding prior to the bid due date.

UHY LLP	Crowe LLP	Morgan Franklin Consulting	BKD
Clifton Larson Allen	Armanino LLP	Baker Tilly	KPMG LLP

**Analysis:**

In response to the solicitation, one (1) sealed bid was received from UHY LLP. The single bid was forwarded to the Benefits Department for review.

Upon review of the sealed bid received from UHY LLP, the following was determined.

- UHY LLP is ranked as one of the top firms in the country in terms of the number of benefit plans audited. Currently, the firm serve as the auditor to over 450 employee benefit plans on an annual basis, including a number of large defined contribution retirement plans, employee stock ownership plans, defined benefit plans, and health and welfare benefits plans.

*Board Policy Chapter 50.010.E - Purchasing requires Board approval of non-competitive procurements exceeding \$100,000.*

- UHY's sealed bid is responsive and demonstrates responsibility by conforming to the terms and conditions listed in the solicitation including the submission requirements of certifications and representations identified in the solicitation.

UHY's bid price was compared to the Independent Cost Estimate (**ICE**). Based on the below analysis, UHY's bid price is determined to be fair and reasonable.

<b>Audit Services for Pension Plans and 401(k) Retirement Plans</b>	<b>Estimated Hours Per Year</b>	<b>Estimated Average Blended Hourly Rate</b>	<b>Estimated Average Annual Cost Per Year</b>	<b>Estimated Total 5-Year Cost</b>
Independent Cost Estimate	500	\$125.00	\$61,285.00	\$305,000.00
UHY LLP Bid Form dated 02/22/22	495	\$122.20	\$60,489.00	\$302,445.00

Due to UHY being the only firm that participated in submitting pricing, the sealed bid method will be converted to a negotiated procurement.

**Funding Source:**

Pension Trust Accounts  
401(k) Administrative Cost

**Previous Action:**

The Audit, Finance and Administration Committee recommended approval of this item at the June 10, 2022 meeting.

**Board Action Requested:**

The Audit, Finance and Administration Committee recommends that the Board of Commissioners approve a request that the President & CEO enter into a five-year contract for Audit Services for BSD's Pension Plans and 401(k) Retirement Savings Program with UHY LLP, in the not-to-exceed amount of **\$302,445.00**.

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE  
BI-STATE DEVELOPMENT AGENCY  
OF THE MISSOURI - ILLINOIS METROPOLITAN DISTRICT  
AWARDING A SINGLE BID CONTRACT TO UHY, LLP FOR AUDIT SERVICES  
OF THE BI-STATE DEVELOPMENT PENSION PLANS  
AND 401(K) RETIREMENT SAVINGS PROGRAM**

**PREAMBLES:**

***Whereas***, The Bi-State Development Agency of the Missouri-Illinois Metropolitan District (the "Agency"/ "BSD") is a body corporate and politic, created by an interstate compact between the States of Missouri and Illinois, acting by and through its Board of Commissioners (the "Board of Commissioners"); and

***Whereas***, the Agency is authorized by Mo. Rev. Stat. §§ 70.370 et seq. and 45 Ill. Comp. Stat. 100/1 et seq. (jointly referred to herein as the "Compact") to acquire by gift, purchase or lease, sell or otherwise dispose of, and to plan, construct, operate and maintain, or lease to others for operation and maintenance, airports, wharves, docks, harbors, and industrial parks adjacent to and necessary and convenient thereto, bridges, tunnels, warehouses, grain elevators, commodity and other storage facilities, sewage disposal plants, passenger transportation facilities, and air, water, rail, motor vehicle and other terminal or parking facilities; to contract and to be contracted with; and to perform all other necessary and incidental functions; and

***Whereas***, Board Policy Chapter 50, §50.010 (E)(1)(b), requires Board approval of all Non-competitive ("sole source or single bid") Procurements exceeding \$100,000; and

***Whereas***, Solicitation 22-SB-305074-CG – Audit Services for BSD's Pension Plans and 401(k) Retirement Savings Program was issued on January 26, 2022, and the request for proposals was advertised in BSD's iSupplier Portal; and

***Whereas***, in response to the solicitation, one (1) proposal was received from UHY LLP, and the proposal was forwarded to the Benefits Department evaluation team; and

***Whereas***, upon review and evaluation of the proposal received from UHY LLP, it was determined that: 1) UHY LLP is ranked as one of the top firms in the country in terms of the number of benefit plans audited. Currently, the firm serve as the auditor to over 450 employee benefit plans on an annual basis, including a number of large defined contribution retirement plans, employee stock ownership plans, defined benefit plans, and health and welfare benefits plans, and 2) UHY's sealed bid is responsive and demonstrates responsibility by conforming to the terms and conditions listed in the solicitation including the submission requirements of certifications and representations identified in the solicitation; and

***Whereas***, UHY LLP's cost proposal was compared to the Independent Cost Estimate (ICE), and the firm's bid price was determined to be fair and reasonable; and

***Whereas***, it is feasible, necessary and in the public interest for the Agency to authorize the President & CEO to enter into a 5-year contract for Audit Services for BSD's Pension Plans and 401(k) Retirement Savings Program with UHY LLP, in the not-to-exceed amount of \$302,445.00, in accordance with the terms and conditions described herein.

**NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

Section 1.      Findings. The Board of Commissioners hereby finds and determines those matters set forth in the preambles hereof as fully and completely as if set out in full in this Section 1.

Section 2.      Approval of the Sole Source Contract. The Board of Commissioners hereby authorizes the President & CEO to enter into a 5-year contract for Audit Services for BSD's Pension Plans and 401(k) Retirement Savings Program with UHY LLP, in the not-to-exceed amount of \$302,445.00, under and pursuant to this Resolution and the Compact for the authorized Agency purposes set forth in the preambles hereof and subject to the conditions hereinafter provided.

Section 3.      Actions of Officers Authorized. The officers of the Agency, including, without limitation, the President and CEO, and Vice President of Procurement are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Resolution and the Contracts and the execution of such documents or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 4.      Severability. It is hereby declared to be the intention of the Board of Commissioners that each and every part, section and subsection of this Resolution shall be separate and severable from each and every other part, section and subsection hereof and that the Board of Commissioners intends to adopt each said part, section and subsection separately and independently of any other part, section and subsection. In the event that any part, section or subsection of this Resolution shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, sections and subsections shall be and remain in full force and effect, unless the court making such finding shall determine that the valid portions standing alone are incomplete and are incapable of being executed in accordance with the intent of this Resolution.

Section 5.      Rights under Resolution Limited. No rights shall be conferred by this Resolution upon any person or entity other than the Agency and UHY LLP.

Section 6.      Governing Law. The laws of the State of Missouri shall govern this Resolution.

Section 7.      No Personal Liability. No member of the Board of Commissioners, officer, employee or agent of the Agency shall have any personal liability for acts taken in accordance with this Resolution.

Section 8.      Payment of Expenses. The Executive Vice President and CFO is hereby authorized and directed to pay or cause to be paid all costs, expenses and fees incurred in connection with or incidental to this Resolution and the Contracts.

Section 9.      Effective Date. This Resolution shall be in full force and effect from and after its passage and approval.

**ADOPTED** by the Board of Commissioners of The Bi-State Development Agency of the Missouri-Illinois Metropolitan District this 24<sup>th</sup> day of June, 2022.

*In Witness Whereof*, the undersigned has hereto subscribed her signature and caused the Seal of the Agency to be affixed.

**THE BI-STATE DEVELOPMENT AGENCY OF THE  
MISSOURI-ILLINOIS METROPOLITAN DISTRICT**

By \_\_\_\_\_  
Title \_\_\_\_\_

[SEAL]

ATTEST:

By \_\_\_\_\_  
Deputy Secretary to the Board of Commissioners

**Bi-State Development Agency  
Board of Commissioners  
Open Session Agenda Item  
June 24, 2022**

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**From:** Taulby Roach, President and Chief Executive Officer  
**Subject:** **Collected Board Policies, Chapter 50 - Purchasing Revisions**  
**Disposition:** Approval  
**Presentation:** Thomas Curran, Executive Vice President - Administration

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**Objective:**

To present to the Board of Commissioners for approval, a request to incorporate revisions to the *Collected Board Policies of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District, Chapter 50, Purchasing*.

**Background:**

Bi-State's Purchasing policy, found in Chapter 50 of the *Collected Board Policies of the Bi-State Development Agency*, was last updated on May 23, 2014. Since that time, there have been dramatic changes in the economy that have affected the cost and availability of items and services necessary for Bi-State's regular operation. This briefing paper proposes updates to expenditure thresholds that require Board of Commissioners approval, the addition of specific language addressing single bid situations, and clean-up of spelling and title errors.

**Analysis**

Chapter 50 currently contains award authority language from 2014 requiring Board of Commissioners approval for Competitive Negotiation Procurements exceeding \$500,000 and Non-Competitive Procurements which exceed \$100,000. The President & CEO is authorized to approve all Competitive Bid Procurements, Competitive Negotiation Procurements which do not exceed \$500,000, and Non-Competitive Procurements of \$100,000 or below. As price inflation for materials has outpaced the general inflation rate and continues to do so, management is requesting that the Board of Commissioners approval thresholds be increased to contracts exceeding \$1,000,000 for Competitive Negotiation Contracts and \$200,000 for Non-Competitive Procurements. Competitive Bid Procurements would continue to be awarded by the authority of the President & CEO, regardless of cost.

*Chapter 50 - E.2 – Award Authority* presently states that the President & CEO is authorized to approve the following types of procurements:

- a. Competitive Bid Procurements
- b. Competitive Negotiation Procurements which do not exceed \$500,000
- c. Non-Competitive Procurements which do not exceed \$100,000

Currently, when only one bid/proposal is received as a result of a solicitation, the procurement is converted into a negotiated procurement, and Board of Commissioners' approval is obtained to award the contract to the single bidder/proposer. However, if adequate competition can be determined, Procurement is requesting the authority to treat the single proposal as a negotiated procurement, with the President & CEO having authority to approve up to \$1,000,000.

In addition to the requested changes regarding award authority cost thresholds and single bids, Chapter 50 also contains typographical and title errors that should be corrected. These involve missing capitalization of proper names, references to positions in the agency that no longer exist, and erroneous language.

**Previous Action:**

At the June 10, 2022, Audit, Finance & Administration Committee Meeting, the Committee postponed this item for review at the June 24, 2022 Board meeting.

**Board Action Requested:**

Management recommends that the Board of Commissioners approve a request to incorporate revisions to the *Collected Board Policies of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District, Chapter 50* as shown in the attached proposal. In addition, it is requested that the Chair of the Board of Commissioners designate that the proposed revision to Board Policies, Chapter 50 – Purchasing, not be tabled pursuant to Article VI (D) of the Board Policies, as it is in the best interest of the Agency that these revised Board Policies be approved at the Board Meeting on June 24, 2022.

**Attachments:**

- Chapter 50 – Purchasing
- Red-lined Version, Chapter 50, with Proposed Revisions
- Clean Copy, Chapter 50, with Proposed Revisions

**COLLECTED BOARD POLICIES**

**OF THE**

**BI-STATE DEVELOPMENT AGENCY**

**OF THE**

**MISSOURI-ILLINOIS METROPOLITAN DISTRICT**

**Chapter 50. Purchasing**

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**Section 50.010                      Procurement and Contract Administration** (effective 02/26/99; revised 08/14/09)

A.     **Definitions** (revised 08/14/09)

1.        “Competitive Bid Procurement” means a procurement method by which bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.
  
2.        “Competitive Negotiation Procurement” means a procurement method by which proposals are solicited from a number of qualified sources and the award is made to the responsible bidder or offeror whose proposal is most advantageous to the Agency with price and other factors considered.
  
3.        “DBE Plan” means the Agency’s plan for Disadvantaged Business Enterprises (as defined by federal law).
  
4.        “Chief Procurement Officer” means the Vice President of Procurement, Inventory management, and Supplier Diversity.

5. "President & CEO" means the President & CEO of the Agency or an authorized designee.
6. "Fair Market Value" means the value of an item as determined by the amount offered by the highest bidder.
7. "Independent Cost Estimate" means a process whereby the estimated cost of a good or service to be procured is established by Agency staff or Agency representatives prior to the procurement; and the resulting estimate is used to assess the fair and reasonableness of an offered price.
8. "Non-Competitive Procurement" means a method by which goods and/or services are procured from a single offeror.
9. "Procurement Department" means the Agency's Contracts and Procurement Department.
10. "Responsible" means a bidder or proposer who has all financial and technical capabilities to deliver materials or perform the work, i.e., adequate finances, capable of complying with required delivery, and has a satisfactory past performance.
11. "Responsive" means an offer which conforms in all material aspects to the requirements of the solicitation at the scheduled time of submission and does not require further discussions with the offeror.

B. General Policy (revised 08/14/09)

1. It is the policy of the Agency to procure all needed goods and services (exclusive of real property) at the lowest total end-use cost, maintaining acceptable quality standards, and in accordance with the Agency's DBE Plan. All procurement methods and processes shall be conducted in a manner that ensures fair and open competition among all qualified interested parties.
2. Contract administration methods shall be maintained to assure that goods and services received by the Agency meet the terms and conditions of the contract.
3. Procurement practices shall comply with laws, regulations and guidelines of the federal government, state governments and other political subdivisions or agencies and the provisions of grant or funding agreements, if applicable.
4. The Procurement Department shall direct the procurement and contract administration of all goods and services on behalf of the Agency except as

otherwise provided by Board Policy or as approved by the President & CEO.

C. Procurement Methods Generally, Agency procurement methods are dictated by provisions of federal law or grant or funding agreements entered into in connection with funding of particular procurements, projects or activities of the Agency. The Procurement Department shall conduct procurements in accordance with procedures required by applicable law, if any, and the provisions of applicable grant or funding agreements, if any. Where no procurement procedure is required by provisions of applicable law or grant or funding agreements, the Procurement Department shall establish procedures for such procurement, which are designed to meet the policies of the Agency as set forth in this Article.

D. Award Criteria

1. The following factors shall be considered in awarding procurement contracts:
  - a. conformance to solicitation requirements;
  - b. bidder's or offeror's previous record of performance and quality;
  - c. technical and financial capability of bidder or offeror to render satisfactory service; and
  - d. value, price or cost as determined by the Agency's independent cost estimate and price or cost analysis.
2. Prior to award, bids and proposals must be determined to be responsive and responsible to all Agency requirements. Cost or price must be determined to be fair and reasonable and there must be an independent cost estimate and analysis to support such a determination. The Agency reserves the right to reject any and all bids, waive minor informalities and contract in the best interest of the Agency.
3. Competitive Bid Procurement awards must be made to the lowest responsive, responsible bidder.

E. Award Authority

1. The Board of Commissioners shall approve the following procurements:
  - a. Competitive Negotiation Procurements which exceed \$500,000
  - b. Non-Competitive Procurements which exceed \$100,000
  - c. Procurements for a contract term, including options, which exceeds five (5) years
  - d. Procurements which exceed the amounts budgeted or otherwise approved by the Board of Commissioners for such project, function or service

2. The President & CEO shall approve the following procurements, without further authorization by the Board of Commissioners, provided that (i) the term of such contract, including options does not exceed five (5) years, and (ii) the amount of such contract (which shall be calculated including all options) is within the amounts budgeted or otherwise approved by the Board of Commissioners for such project, function or service:

- a. Competitive Bid Procurements
- b. Competitive Negotiation Procurements which do not exceed \$500,000
- c. Non-Competitive Procurements which do not exceed \$100,000

F. Contract Options

3. The President & CEO may exercise contract options if they have been evaluated and determined to be in the best interest of the Agency. The following factors shall be considered in making such evaluation and determination:
  - a. the continued need for the goods or services;
  - b. the performance of the contractor;
  - c. the fair and reasonableness of cost; and
  - d. the availability of sufficient funds to cover the option cost.

The option price may not exceed the option price set forth under the initial contract and cannot exceed the amount budgeted by or otherwise approved by the Board of Commissioners for such project, function or service.

G. Contract Modifications

1. The President & CEO may enter into modification(s) to contracts awarded pursuant to this Article if the cost of the modification is within (a) the amount budgeted or otherwise approved, for that contract, by the Board of Commissioners; or (b) is within the originally established contract contingency approved by the Board of Commissioners. Contract modifications which do not satisfy such parameters must be approved by the Board of Commissioners.
2. The President & CEO is authorized to extend contract performance periods up to 180 days in the aggregate beyond the original contract performance period; provided that no single extension shall exceed 90 days. Contract extensions in excess of 180 days must be approved by the Board of Commissioners.

H. Fuel and Energy Source Procurements (revised 8/14/09) In order to take advantage of fluctuations in the volatile commodities' markets and procure fuel and energy sources in the most timely, cost-effective manner, the Chief Procurement Officer is authorized to procure fuel and energy sources (e.g. diesel fuel, natural gas, electricity and gasoline, etc.) through a competitive process approved by the President & CEO without approval by the Board of Commissioners of specific purchases.

I. Unsolicited Proposals

1. It is the policy of the Agency to encourage the submission of new and innovative ideas. Where such submissions are not in response to Agency solicitations, they shall be considered unsolicited proposals and
2. Unsolicited proposals may be accepted if:
  - a. they have been thoroughly evaluated and determined to be in the best interest of the Agency;
  - b. their cost has been determined to be realistic;
  - c. there are sufficient funds to cover the cost; and
  - d. the award of such procurement complies with the Agency's procurement policy and practices set forth in this Article.

J. Sale and Disposition of Assets and Property (revised 09/03/99 and 8/14/09)

1. It is the policy of the Agency to sell and dispose of assets and property no longer needed for Agency purposes. Such sale and disposition shall be for fair market value or appraised value, unless otherwise approved by the Board.
2. The President & CEO is authorized to approve contracts disposing of assets (excluding real property) having a fair market or appraised value up to \$100,000. The Board of Commissioners shall approve all sales and dispositions in excess of \$100,000 fair market or appraised value.
3. The Chief Procurement Officer shall be responsible for establishing procedures regarding the sale and disposal of excess equipment, materials and supplies.

K. Code of Ethics and Conflict of Interest.

1. Any Agency officer, commissioner, employee, or agent involved in procurement matters shall adhere to the Agency's Code of Ethics and Conflict of Interest policies.

2. No Agency Commissioner, employee or agent shall at any time prior to award of a procurement contract reveal technical and price information, other than information resulting from a public opening or a public meeting of the Board of Commissioners or its Committees.

L. Conflicts in Policy. In the event of any conflict between this policy and the provisions of applicable grant or funding agreements, the President & CEO shall resolve such conflicts in such a manner that is in the best interest of the Agency. If such resolution would violate the provisions of this Article or other Board Policy, Board of Commissioner approval is required.

M. Waiver of Policy.

1. The President & CEO may waive this procurement policy, but only in an emergency. An emergency is any situation that requires immediate correction to avoid jeopardizing the health or safety of either the general public or Agency personnel, that jeopardizes public or private property, or which risks the interruption of service. The President & CEO shall immediately notify the Board Chair of any waiver of the provisions of this policy, which require approval by the Board of Commissioners.
2. Any employee who deviates from this policy without the prior, written approval of the President & CEO or Board of Commissioners is subject to appropriate disciplinary action, including release from employment.

N. Management Procedures. (revised 8/14/09)

1. All actions taken by the President & CEO and the Chief Procurement Officer shall be consistent with this policy.
2. The Chief Procurement Officer shall establish procedures to ensure compliance with all aspects of this policy.
3. The Chief Procurement Officer shall provide quarterly reports to the Board of Commissioners relating to procurement activities, which exceed \$100,000, including contract modifications and award of options.

O. Procurement Records (revised 8/14/09) The Chief Procurement Officer shall maintain records relating to procurements conducted by the Procurement Department, which shall include:

1. the rationale for the method of procurement,
2. the basis of and authority for the award,
3. the basis for the contract price, and

4. any other documentation required by law, regulation, or funding or grant agreement, if applicable.

#### **Section 50.020           Protests**

A. Policy (revised 8/14/09) It is the policy of the Agency to conduct all procurement and contracting actions in a fair and impartial manner. Consistent with this policy, the Agency has established a process to address protests in a timely manner. The procurement protest process, as detailed in the management procedures, provides for the presentation of facts by the protester, an initial decision by the Agency, an opportunity to appeal the decision and then a final decision by the Agency. The Agency shall publish its Protest Procedures in every solicitation package. The Chief Procurement Officer has the authority to issue the initial decision on all protests. The President & CEO has the authority to issue the final decision on all protests.

The President & CEO may request the Chairperson of the Board of Commissioners to review the appeal and issue the final decision when, in the President & CEO's opinion, it is in the best interest of the Agency. The Board of Commissioners may establish policies regarding circumstances under which the Board, a Committee thereof, or other persons designated by the Board will make the final decision for the Agency.

#### **Section 50.030           Disadvantaged Business Enterprises**

A. DBE Program. The disadvantaged business program has been developed to meet the requirements established by the United States Department of Transportation, the Federal Transit Administration, as identified in 49 CFR Part 23 and 26, and policies and the procedures of the Bi-State Development Agency.

B. DBE Plan. The Bi-State Development Agency recognizes its responsibilities to the communities it serves. It is the policy of the Agency to involve, to the greatest extent possible, socially and economically disadvantaged individuals in all phases of procurement activities. In order to honor this commitment, the Board reviews and approves a management-prepared, comprehensive DBE Plan every five years. Each year specific goals for participation are established, and accomplishments are assessed in an annual summary, which is reviewed by the Board.

C. Goals. In order to achieve its goals, the Agency encourages participation in its procurement activities, which includes consultant contracts, construction contracts and purchase of goods and services related to all projects of the Agency. Specific methods used include:

1. special efforts designed to aid disadvantaged firms in overcoming obstacles to their participation, and
2. encouragement of sub-contractual arrangements, joint ventures between disadvantaged firms and non-disadvantaged firms, and
3. other methods outlined in the full DBE Plan.

## **Section 50.040                      Concessions**

A.     Policy. It is the policy of the Agency to enter into revenue contracts with suppliers in order to provide customer amenities at strategic Agency locations, and to generate additional revenue for the ongoing operation of the Agency.

B.     Award of Concessions. The award of all concession contracts will follow standard Agency procurement methods and be consistent with all local, state and federal regulations. The level of authority will follow those outlined in the Board Policy on Purchasing.

C.     Regulation of Concessions. Concession examples are: pay telephones, newspaper honor boxes, vending machines, confectioneries, automatic teller machines (ATMs), overnight mail drop boxes, food carts and restaurants, video dispensers or rentals, photo processing, dry cleaners, shoe repair, souvenirs, bike lockers, key service, automotive services, bookstores, florists, etc.

Concession treatments/structures and/or location must be approved by the Agency in advance of their construction, installation, or operation. Treatments and structures will be designed to complement the architecture of the Agency's facilities and the flavor of the surrounding environment or community. Concession treatments/structures may not impede vehicular or pedestrian traffic, nor restrict the visibility of directional signs and information material, nor encroach on necessary sight lines.

Concessions must comply with local municipal ordinances and planning and zoning requirements.

Contracts may, at the Agency's discretion, contain terms to assure the concessionaire of adequate protection against loss of investment in structures, fixtures, improvements, equipment, supplies, and other tangible property provided by the Concessionaire for the purposes of the contracts. The Agency does not provide assurances against loss of anticipated profits resulting from the discretionary acts, policies, or decisions of the Agency occurring after the Concession Agreement's effective date, which may affect the Concessionaire's operations.

If the Concession contract involves the placement of structures or other property of the Concessionaire on Agency property, the Concessionaire maintains a possessory interest in all such structures, fixtures or improvements which are acquired or constructed pursuant to said Agreement, consisting of all incidents of ownership except legal title, which vests with the Agency.

Contracts or operations authorized thereby or controlling interests therein may not be transferred, sold, or assigned, or assets thereof encumbered in any manner, except with the written approval of the Agency.

D.     Revenues. Contracts must include the method of remittance of revenues to the Agency.

Revenue from the concession contracts is retained by the Agency and used to offset the need for public subsidy. Revenues pledged to a particular operation are accounted for in accordance with the regulatory requirements.

In lieu of revenue, the Agency may accept an equivalent value of goods and/or services, including but not limited to capital improvements, information services, and site maintenance.

E. Donations. Donation of a material item, product, or service is to be acquired under the same guidelines as those applicable to a concession contract for which competition exists if the donation provides an identifiable, material return or remuneration to the donor once accepted by the Agency.

**Section 50.050                      Jefferson National Expansion Memorial Projects** (added effective 05/23/14)

A. Proposed Request from the National Park Service. Proposals received by the Agency from the National Park Service for projects or improvements for the Jefferson national Expansion Memorial ("Memorial Projects") are required by the Services Agreement between the National Park Service and the Agency to describe the scope of work for each improvement or project; provide the estimated specified amount or amounts needed to fund each improvement or project; and describe how each improvement or project will benefit the Jefferson national Expansion Memorial.

B. Approval Authority.

1. The Board of Commissioners shall approve any Memorial Project with an estimated cost which exceeds \$500,000.
2. The President and CEO shall approve any Memorial Project with an estimated cost which is equal to or less than \$500,000.

C. Award Authority.

1. The Board of Commissioners shall approve: (a) the award of any competitive negotiated procurement for a Memorial Project with an estimated cost which exceeds \$500,000; and (b) any non-competitive procurement for a Memorial Project with an estimated cost which exceeds \$500,000.
2. The President and CEO shall approve: (a) the award of any competitive bid procurement for a Memorial Project; (b) any competitive negotiated procurement for a Memorial Project with an estimated cost equal to or less than \$500,000; and (c) any non-competitive procurement for a Memorial Project with an estimated cost equal to or less than \$500,000.

D. Funding Authority. The Senior Vice President and Chief Financial Officer shall create a special project account for each such Memorial project into which the Senior Vice

President and Chief Financial Officer shall transfer the funds requested for each improvement or project from the JNEM Beneficial Fund to be held until expended or until such time as the improvement or project is cancelled or completed, at which time any remaining funds will be re-deposited to the JNEM Beneficial Fund.

**COLLECTED BOARD POLICIES**

**OF THE**

**BI-STATE DEVELOPMENT AGENCY**

**OF THE**

**MISSOURI-ILLINOIS METROPOLITAN DISTRICT**

**Chapter 50. Purchasing**

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**Section 50.010                      Procurement and Contract Administration** (effective 02/26/99; revised 08/14/09)

A.     **Definitions** (revised 08/14/09)

1.        “Competitive Bid Procurement” means a procurement method by which bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.
  
2.        “Competitive Negotiation Procurement” means a procurement method by which proposals are solicited from a number of qualified sources and the award is made to the responsible bidder or offeror whose proposal is most advantageous to the Agency with price and other factors considered.
  
3.        “DBE Plan” means the Agency’s plan for Disadvantaged Business Enterprises (as defined by federal law).
  
4.        “Chief Procurement Officer” means the Vice President of Procurement, Inventory Management, and Supplier Diversity.

5. "President & CEO" means the President & CEO of the Agency or an authorized designee.
6. "Fair Market Value" means the value of an item as determined by the amount offered by the highest bidder.
7. "Independent Cost Estimate" means a process whereby the estimated cost of a good or service to be procured ~~is~~ established by Agency staff or Agency representatives prior to the procurement; and the resulting estimate is used to assess the fair and reasonableness of an offered price.
8. "Non-Competitive Procurement" means a method by which goods and/or services are procured from a single offeror.
9. "Procurement Department" means the Agency's ~~Contracts—~~and Procurement Department.
10. "Responsible" means a bidder or proposer who has all financial and technical capabilities to deliver materials or perform the work, i.e., adequate finances, capable of complying with required delivery, and ~~has—a~~ satisfactory past performance.
11. "Responsive" means an offer which conforms in all material ~~are~~spects to the requirements of the solicitation at the scheduled time of submission and does not require further discussions with the offeror.

B. General Policy (revised 08/14/09)

1. It is the policy of the Agency to procure all needed goods and services (exclusive of real property) at the lowest total end-use cost, maintaining acceptable quality standards, and in accordance with the Agency's DBE Plan. All procurement methods and processes shall be conducted in a manner that ensures fair and open competition among all qualified interested parties.
2. Contract administration methods shall be maintained to assure that goods and services received by the Agency meet the terms and conditions of the contract.
3. Procurement practices shall comply with laws, regulations and guidelines of the federal government, state governments and other political subdivisions or agencies and the provisions of grant or funding agreements, if applicable.
4. The Procurement Department shall direct the procurement and contract administration of all goods and services on behalf of the Agency except as

otherwise provided by Board Policy or as approved by the President & CEO.

C. Procurement Methods. Generally, Agency procurement methods are dictated by provisions of federal law or grant or funding agreements entered into in connection with funding of particular procurements, projects or activities of the Agency. The Procurement Department shall conduct procurements in accordance with procedures required by applicable law, if any, and the provisions of applicable grant or funding agreements, if any. Where no procurement procedure is required by provisions of applicable law or grant or funding agreements, the Procurement Department shall establish procedures for such procurement, which are designed to meet the policies of the Agency as set forth in this Article.

D. Award Criteria

1. The following factors shall be considered in awarding procurement contracts:
  - a. conformance to solicitation requirements;
  - b. bidder's or offeror's previous record of performance and quality;
  - c. technical and financial capability of bidder or offeror to render satisfactory service; and
  - d. value, price or cost as determined by the Agency's independent cost estimate and price or cost analysis.
2. Prior to award, bids and proposals must be determined to be responsive and responsible to all Agency requirements. Cost or price must be determined to be fair and reasonable and there must be an independent cost estimate and analysis to support such a determination. The Agency reserves the right to reject any and all bids, waive minor informalities and contract in the best interest of the Agency.
3. Competitive Bid Procurement awards must be made to the lowest responsive, responsible bidder.

E. Award Authority

1. The Board of Commissioners shall approve the following procurements:
  - a. Competitive Negotiation Procurements which exceed ~~\$500,000~~1,000,000
  - b. Non-Competitive Procurements which exceed ~~\$100,000~~200,000
  - c. Procurements for a contract term, including options, which exceeds ~~5~~ five (5) years

- d. Procurements which exceed the amounts budgeted or otherwise approved by the Board of Commissioners for such project, function or service
- 2. The President & CEO shall approve the following procurements, without further authorization by the Board of Commissioners, provided that (i) the term of such contract, including options does not exceed five (5) years, and (ii) the amount of such contract (which shall be calculated including all options) is within the amounts budgeted or otherwise approved by the Board of Commissioners for such project, function or service:
  - a. Competitive Bid Procurements
  - b. Competitive Negotiation Procurements which do not exceed ~~\$500,000~~1,000,000
  - c. Non-Competitive Procurements which do not exceed ~~\$100,000~~200,000
  - d. Single Bids where a review is conducted to verify that specifications were not unduly restrictive and to survey potential sources to determine why they chose not to submit a bid. In this instance, competition may be determined to be adequate, and the procurement will qualify as a valid Negotiated Procurement, with Negotiated Procurement Procedures to apply.

#### F. Contract Options

- 3. The President & CEO may exercise contract options if they have been evaluated and determined to be in the best interest of the Agency. The following factors shall be considered in making such evaluation and determination:
  - a. the continued need for the goods or services;
  - b. the performance of the contractor;
  - c. the fairness and reasonableness of cost; and
  - d. the availability of sufficient funds to cover the option cost.

The option price may not exceed the option price set forth under the initial contract and cannot exceed the amount budgeted by or otherwise approved by the Board of Commissioners for such project, function or service.

#### G. Contract Modifications

- 1. The President & CEO may enter into modification(s) to contracts awarded pursuant to this Article if the cost of the modification is within (a) the amount budgeted or otherwise approved, for that contract, by the Board of Commissioners; or (b) is within the originally established contract

contingency approved by the Board of Commissioners. Contract modifications which do not satisfy such parameters must be approved by the Board of Commissioners.

2. The President & CEO is authorized to extend contract performance periods up to 180 days in the aggregate beyond the original contract performance period<sup>5.2</sup> provided that no single extension shall exceed 90 days. Contract extensions in excess of 180 days must be approved by the Board of Commissioners.

H. Fuel and Energy Source Procurements (revised 8/14/09) In order to take advantage of fluctuations in the volatile commodities<sup>2</sup> markets and procure fuel and energy sources in the most timely, cost-effective manner, the Chief Procurement Officer is authorized to procure fuel and energy sources (e.g. diesel fuel, natural gas, electricity and gasoline, etc.) through a competitive process approved by the President & CEO without approval by the Board of Commissioners of specific purchases.

I. Unsolicited Proposals

1. It is the policy of the Agency to encourage the submission of new and innovative ideas. Where such submissions are not in response to Agency solicitations, they shall be considered unsolicited proposals and
2. Unsolicited proposals may be accepted if:
  - a. they have been thoroughly evaluated and determined to be in the best interest of the Agency;
  - b. their cost has been determined to be realistic;
  - c. there are sufficient funds to cover the cost; and
  - d. the award of such procurement complies with the Agency's procurement policy and practices set forth in this Article.

J. Sale and Disposition of Assets and Property (revised 09/03/99 and 8/14/09)

1. It is the policy of the Agency to sell and dispose of assets and property no longer needed for Agency purposes. Such sale and disposition shall be for fair market value or appraised value, unless otherwise approved by the Board.
2. The President & CEO is authorized to approve contracts disposing of assets (excluding real property) having a fair market or appraised value up to ~~\$100,000~~200,000. The Board of Commissioners shall approve all sales and dispositions in excess of ~~\$100,000~~200,000 fair market or appraised value.

3. The Chief Procurement Officer shall be responsible for establishing procedures regarding the sale and disposal of excess equipment, materials and supplies.

K. Code of Ethics and Conflict of Interest

1. Any Agency officer, commissioner, employee, or agent involved in procurement matters shall adhere to the Agency's Code of Ethics and Conflict of Interest policies.
2. No Agency Commissioner, employee or agent shall at any time prior to award of a procurement contract reveal technical and price information, other than information resulting from a public opening or a public meeting of the Board of Commissioners or its Committees.

L. Conflicts in Policy: In the event of any conflict between this policy and the provisions of applicable grant or funding agreements, the President & CEO shall resolve such conflicts in such a manner that is in the best interest of the Agency. If such resolution would violate the provisions of this Article or other Board Policy, Board of Commissioner approval is required.

M. Waiver of Policy

1. The President & CEO may waive this procurement policy, but only in an emergency. An emergency is any situation that requires immediate correction to avoid jeopardizing the health or safety of either the general public or Agency personnel, that jeopardizes public or private property, or which risks the interruption of service. The President & CEO shall immediately notify the Board Chair of any waiver of the provisions of this policy, which require approval by the Board of Commissioners.
2. Any employee who deviates from this policy without the prior, written approval of the President & CEO or Board of Commissioners is subject to appropriate disciplinary action, including release from employment.

N. Management Procedures (revised 8/14/09)

1. All actions taken by the President & CEO and the Chief Procurement Officer shall be consistent with this policy.
2. The Chief Procurement Officer shall establish procedures to ensure compliance with all aspects of this policy.

3. The Chief Procurement Officer shall provide quarterly reports to the Board of Commissioners relating to procurement activities, which exceed \$100,000, including contract modifications and award of options.

O. Procurement Records (revised 8/14/09). The Chief Procurement Officer shall maintain records relating to procurements conducted by the Procurement Department, which shall include:

1. the rationale for the method of procurement,
2. the basis of and authority for the award,
3. the basis for the contract price, and
4. any other documentation required by law, regulation, or funding or grant agreement, if applicable.

## **Section 50.020           Protests**

A. Policy (revised 8/14/09) It is the policy of the Agency to conduct all procurement and contracting actions in a fair and impartial manner. Consistent with this policy, the Agency has established a process to address protests in a timely manner. The procurement protest process, as detailed in the management procedures, provides for the presentation of facts by the protester, an initial decision by the Agency, an opportunity to appeal the decision and then a final decision by the Agency. The Agency shall publish its Protest Procedures in every solicitation package. The Chief Procurement Officer has the authority to issue the initial decision on all protests. The President & CEO has the authority to issue the final decision on all protests.

The President & CEO may request the Chairperson of the Board of Commissioners to review the appeal and issue the final decision when, in the President & CEO's opinion, it is in the best interest of the Agency. The Board of Commissioners may establish policies regarding circumstances under which the Board, a Committee thereof, or other persons designated by the Board will make the final decision for the Agency.

## **Section 50.030           Disadvantaged Business Enterprises**

A. DBE Program. The disadvantaged business program has been developed to meet the requirements established by the United States Department of Transportation, the Federal Transit Administration, as identified in 49 CFR Part 23 and 26, and policies and the procedures of the Bi-State Development Agency.

B. DBE Plan. The Bi-State Development Agency recognizes its responsibilities to the communities it serves. It is the policy of the Agency to involve, to the greatest extent possible, socially and economically disadvantaged individuals in all phases of procurement activities. In order to honor this commitment, the Board reviews and approves a management-prepared, comprehensive DBE Plan every five years. Each year specific goals for participation are established, and accomplishments are assessed in an annual summary, which is reviewed by the Board.

C. Goals. In order to achieve its goals, the Agency encourages participation in its procurement activities, which includes consultant contracts, construction contracts and purchase of goods and services related to all projects of the Agency. Specific methods used include:

1. special efforts designed to aid disadvantaged firms in overcoming obstacles to their participation, and
2. encouragement of sub-contractual arrangements, joint ventures between disadvantaged firms and non-disadvantaged firms, and
3. other methods outlined in the full DBE Plan.

## Section 50.040 Concessions

A. Policy. It is the policy of the Agency to enter into revenue contracts with suppliers in order to provide customer amenities at strategic Agency locations, and to generate additional revenue for the ongoing operation of the Agency.

B. Award of Concessions. The award of all concession contracts will follow standard Agency procurement methods and be consistent with all local, state and federal regulations. The level of authority will follow those outlined in the Board Policy on Purchasing.

C. Regulation of Concessions. Concession examples are: ~~pay—telephones, newspaper honor boxes,~~ vending machines, confectioneries, automatic teller machines (ATMs), overnight mail drop boxes, food carts and restaurants, video dispensers or rentals, ~~photo processing,~~ dry cleaners, shoe repair, souvenirs, bike lockers, key service, automotive services, bookstores, florists, etc.

Concession treatments/structures and ~~for~~ location must be approved by the Agency in advance of their construction, installation, or operation. Treatments and structures will be designed to complement the architecture of the Agency's facilities and the flavor of the surrounding environment or community. Concession treatments/structures may not impede vehicular or pedestrian traffic, nor restrict the visibility of directional signs and information material, nor encroach on necessary sight lines.

Concessions must comply with local municipal ordinances and planning and zoning requirements.

Contracts may, at the Agency's discretion, contain terms to assure the concessionaire of adequate protection against loss of investment in structures, fixtures, improvements, equipment, supplies, and other tangible property provided by the ~~c~~Concessionaire for the purposes of the contracts. The Agency does not provide assurances against loss of anticipated profits resulting from the discretionary acts, policies, or decisions of the Agency occurring after the Concession Agreement's effective date, which may affect the ~~c~~Concessionaire's operations.

If the Concession contract involves the placement of structures or other property of the ~~c~~Concessionaire on Agency property, the ~~c~~Concessionaire maintains a possessory interest in all such structures, fixtures or improvements which are acquired or constructed pursuant to said Agreement, consisting of all incidents of ownership except legal title, which vests with the Agency.

Contracts or operations authorized thereby or controlling interests therein may not be transferred, sold, or assigned, or assets thereof encumbered in any manner, except with the written approval of the Agency.

D. Revenues. Contracts must include the method of remittance of revenues to the Agency.

Revenue from the concession contracts is retained by the Agency and used to offset the need for public subsidy. Revenues pledged to a particular operation are accounted for in accordance with the regulatory requirements.

In lieu of revenue, the Agency may accept an equivalent value of goods and/or services, including but not limited to capital improvements, information services, and site maintenance.

E. Donations. Donation of a material item, product, or service is to be acquired under the same guidelines as those applicable to a concession contract for which competition exists if the donation provides an identifiable, material return or remuneration to the donor once accepted by the Agency.

**Section 50.050 Jefferson National Expansion Memorial Projects** (added effective 05/23/14)

A. Proposed Request from the National Park Service. Proposals received by the Agency from the National Park Service for projects or improvements for the Jefferson ~~h~~National Expansion Memorial ("Memorial Projects") are required by the Services Agreement between the National Park Service and the Agency to describe the scope of work for each improvement or project; provide the estimated specified amount or amounts needed to fund each improvement or project; and describe how each improvement or project will benefit the Jefferson ~~h~~National Expansion Memorial.

B. Approval Authority.

1. The Board of Commissioners shall approve any Memorial Project with an estimated cost which exceeds ~~\$500,000~~1,000,000.

2. The President and CEO shall approve any Memorial Project with an estimated cost which is equal to or less than ~~\$500,000~~1,000,000.

C. Award Authority.

1. The Board of Commissioners shall approve: (a) the award of any competitive negotiated procurement for a Memorial Project with an estimated cost which exceeds ~~\$500,000~~1,000,000; and (b) any non-competitive procurement for a Memorial Project with an estimated cost which exceeds ~~\$500,000~~1,000,000.

2. The President and CEO shall approve: (a) the award of any competitive bid procurement for a Memorial Project; (b) any competitive negotiated procurement for a Memorial Project with an estimated cost equal to or less than ~~\$500,000~~1,000,000; and (c) any non-competitive procurement for a Memorial Project with an estimated cost equal to or less than ~~\$500,000~~1,000,000.

D. Funding Authority. The ~~Senior~~Executive Vice President and Chief Financial Officer shall create a special project account for each such Memorial project into which the

Executive~~Senior~~ Vice President and Chief Financial Officer shall transfer the funds requested for each improvement or project from the JNEM Beneficial Fund to be held until expended or until such time as the improvement or project is cancelled or completed, at which time any remaining funds will be re-deposited to the JNEM Beneficial Fund.

**COLLECTED BOARD POLICIES**

**OF THE**

**BI-STATE DEVELOPMENT AGENCY**

**OF THE**

**MISSOURI-ILLINOIS METROPOLITAN DISTRICT**

**Chapter 50. Purchasing**

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**Section 50.010      Procurement and Contract Administration** (effective 02/26/99; revised 08/14/09)

A.      Definitions (revised 08/14/09)

1.      “Competitive Bid Procurement” means a procurement method by which bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.
  
2.      “Competitive Negotiation Procurement” means a procurement method by which proposals are solicited from a number of qualified sources and the award is made to the responsible bidder or offeror whose proposal is most advantageous to the Agency with price and other factors considered.
  
3.      “DBE Plan” means the Agency’s plan for Disadvantaged Business Enterprises (as defined by federal law).
  
4.      “Chief Procurement Officer” means the Vice President of Procurement, Inventory Management, and Supplier Diversity.

5. "President & CEO" means the President & CEO of the Agency or an authorized designee.
6. "Fair Market Value" means the value of an item as determined by the amount offered by the highest bidder.
7. "Independent Cost Estimate" means a process whereby the estimated cost of a good or service to be procured is established by Agency staff or Agency representatives prior to the procurement; and the resulting estimate is used to assess the fair and reasonableness of an offered price.
8. "Non-Competitive Procurement" means a method by which goods and/or services are procured from a single offeror.
9. "Procurement Department" means the Agency's Procurement Department.
10. "Responsible" means a bidder or proposer who has all financial and technical capabilities to deliver materials or perform the work, i.e., adequate finances, capable of complying with required delivery, and satisfactory past performance.
11. "Responsive" means an offer which conforms in all material respects to the requirements of the solicitation at the scheduled time of submission and does not require further discussions with the offeror.

B. General Policy (revised 08/14/09)

1. It is the policy of the Agency to procure all needed goods and services (exclusive of real property) at the lowest total end-use cost, maintaining acceptable quality standards, and in accordance with the Agency's DBE Plan. All procurement methods and processes shall be conducted in a manner that ensures fair and open competition among all qualified interested parties.
2. Contract administration methods shall be maintained to assure that goods and services received by the Agency meet the terms and conditions of the contract.
3. Procurement practices shall comply with laws, regulations and guidelines of the federal government, state governments and other political subdivisions or agencies and the provisions of grant or funding agreements, if applicable.
4. The Procurement Department shall direct the procurement and contract administration of all goods and services on behalf of the Agency except as

otherwise provided by Board Policy or as approved by the President & CEO.

C. Procurement Methods. Generally, Agency procurement methods are dictated by provisions of federal law or grant or funding agreements entered into in connection with funding of particular procurements, projects or activities of the Agency. The Procurement Department shall conduct procurements in accordance with procedures required by applicable law, if any, and the provisions of applicable grant or funding agreements, if any. Where no procurement procedure is required by provisions of applicable law or grant or funding agreements, the Procurement Department shall establish procedures for such procurement, which are designed to meet the policies of the Agency as set forth in this Article.

D. Award Criteria

1. The following factors shall be considered in awarding procurement contracts:
  - a. conformance to solicitation requirements;
  - b. bidder's or offeror's previous record of performance and quality;
  - c. technical and financial capability of bidder or offeror to render satisfactory service; and
  - d. value, price or cost as determined by the Agency's independent cost estimate and price or cost analysis.
2. Prior to award, bids and proposals must be determined to be responsive and responsible to all Agency requirements. Cost or price must be determined to be fair and reasonable and there must be an independent cost estimate and analysis to support such a determination. The Agency reserves the right to reject any and all bids, waive minor informalities and contract in the best interest of the Agency.
3. Competitive Bid Procurement awards must be made to the lowest responsive, responsible bidder.

E. Award Authority

1. The Board of Commissioners shall approve the following procurements:
  - a. Competitive Negotiation Procurements which exceed \$1,000,000
  - b. Non-Competitive Procurements which exceed \$200,000
  - c. Procurements for a contract term, including options, which exceed five (5) years
  - d. Procurements which exceed the amounts budgeted or otherwise approved by the Board of Commissioners for such project, function or service

2. The President & CEO shall approve the following procurements, without further authorization by the Board of Commissioners, provided that (i) the term of such contract, including options does not exceed five (5) years, and (ii) the amount of such contract (which shall be calculated including all options) is within the amounts budgeted or otherwise approved by the Board of Commissioners for such project, function or service:
  - a. Competitive Bid Procurements
  - b. Competitive Negotiation Procurements which do not exceed \$1,000,000
  - c. Non-Competitive Procurements which do not exceed \$200,000
  - d. Single Bids where a review is conducted to verify that specifications were not unduly restrictive and to survey potential sources to determine why they chose not to submit a bid. In this instance, competition may be determined to be adequate, and the procurement will qualify as a valid Negotiated Procurement, with Negotiated Procurement Procedures to apply.

F. Contract Options

3. The President & CEO may exercise contract options if they have been evaluated and determined to be in the best interest of the Agency. The following factors shall be considered in making such evaluation and determination:
  - a. the continued need for the goods or services;
  - b. the performance of the contractor;
  - c. the fairness and reasonableness of cost; and
  - d. the availability of sufficient funds to cover the option cost.

The option price may not exceed the option price set forth under the initial contract and cannot exceed the amount budgeted by or otherwise approved by the Board of Commissioners for such project, function or service.

G. Contract Modifications

1. The President & CEO may enter into modification(s) to contracts awarded pursuant to this Article if the cost of the modification is within (a) the amount budgeted or otherwise approved, for that contract, by the Board of Commissioners; or (b) is within the originally established contract contingency approved by the Board of Commissioners. Contract modifications which do not satisfy such parameters must be approved by the Board of Commissioners.

2. The President & CEO is authorized to extend contract performance periods up to 180 days in the aggregate beyond the original contract performance period, provided that no single extension shall exceed 90 days. Contract extensions in excess of 180 days must be approved by the Board of Commissioners.

H. Fuel and Energy Source Procurements (revised 8/14/09) In order to take advantage of fluctuations in the volatile commodities markets and procure fuel and energy sources in the most timely, cost-effective manner, the Chief Procurement Officer is authorized to procure fuel and energy sources (e.g. diesel fuel, natural gas, electricity and gasoline, etc.) through a competitive process approved by the President & CEO without approval by the Board of Commissioners of specific purchases.

I. Unsolicited Proposals

1. It is the policy of the Agency to encourage the submission of new and innovative ideas. Where such submissions are not in response to Agency solicitations, they shall be considered unsolicited proposals and
2. Unsolicited proposals may be accepted if:
  - a. they have been thoroughly evaluated and determined to be in the best interest of the Agency;
  - b. their cost has been determined to be realistic;
  - c. there are sufficient funds to cover the cost; and
  - d. the award of such procurement complies with the Agency's procurement policy and practices set forth in this Article.

J. Sale and Disposition of Assets and Property (revised 09/03/99 and 8/14/09)

1. It is the policy of the Agency to sell and dispose of assets and property no longer needed for Agency purposes. Such sale and disposition shall be for fair market value or appraised value, unless otherwise approved by the Board.
2. The President & CEO is authorized to approve contracts disposing of assets (excluding real property) having a fair market or appraised value up to \$200,000. The Board of Commissioners shall approve all sales and dispositions in excess of \$200,000 fair market or appraised value.
3. The Chief Procurement Officer shall be responsible for establishing procedures regarding the sale and disposal of excess equipment, materials and supplies.

K. Code of Ethics and Conflict of Interest

1. Any Agency officer, commissioner, employee, or agent involved in procurement matters shall adhere to the Agency's Code of Ethics and Conflict of Interest policies.
2. No Agency Commissioner, employee or agent shall at any time prior to award of a procurement contract reveal technical and price information, other than information resulting from a public opening or a public meeting of the Board of Commissioners or its Committees.

L. Conflicts in Policy: In the event of any conflict between this policy and the provisions of applicable grant or funding agreements, the President & CEO shall resolve such conflicts in such a manner that is in the best interest of the Agency. If such resolution would violate the provisions of this Article or other Board Policy, Board of Commissioner approval is required.

M. Waiver of Policy

1. The President & CEO may waive this procurement policy, but only in an emergency. An emergency is any situation that requires immediate correction to avoid jeopardizing the health or safety of either the general public or Agency personnel, that jeopardizes public or private property, or which risks the interruption of service. The President & CEO shall immediately notify the Board Chair of any waiver of the provisions of this policy, which require approval by the Board of Commissioners.
2. Any employee who deviates from this policy without the prior, written approval of the President & CEO or Board of Commissioners is subject to appropriate disciplinary action, including release from employment.

N. Management Procedures (revised 8/14/09)

1. All actions taken by the President & CEO and the Chief Procurement Officer shall be consistent with this policy.
2. The Chief Procurement Officer shall establish procedures to ensure compliance with all aspects of this policy.
3. The Chief Procurement Officer shall provide quarterly reports to the Board of Commissioners relating to procurement activities, which exceed \$100,000, including contract modifications and award of options.

O. Procurement Records (revised 8/14/09). The Chief Procurement Officer shall maintain records relating to procurements conducted by the Procurement Department, which shall include:

1. the rationale for the method of procurement,
2. the basis of and authority for the award,
3. the basis for the contract price, and
4. any other documentation required by law, regulation, or funding or grant agreement, if applicable.

#### **Section 50.020           Protests**

A. Policy (revised 8/14/09) It is the policy of the Agency to conduct all procurement and contracting actions in a fair and impartial manner. Consistent with this policy, the Agency has established a process to address protests in a timely manner. The procurement protest process, as detailed in the management procedures, provides for the presentation of facts by the protester, an initial decision by the Agency, an opportunity to appeal the decision and then a final decision by the Agency. The Agency shall publish its Protest Procedures in every solicitation package. The Chief Procurement Officer has the authority to issue the initial decision on all protests. The President & CEO has the authority to issue the final decision on all protests.

The President & CEO may request the Chairperson of the Board of Commissioners to review the appeal and issue the final decision when, in the President & CEO's opinion, it is in the best interest of the Agency. The Board of Commissioners may establish policies regarding circumstances under which the Board, a Committee thereof, or other persons designated by the Board will make the final decision for the Agency.

#### **Section 50.030           Disadvantaged Business Enterprises**

A. DBE Program. The disadvantaged business program has been developed to meet the requirements established by the United States Department of Transportation, the Federal Transit Administration, as identified in 49 CFR Part 23 and 26, and policies and the procedures of the Bi-State Development Agency.

B. DBE Plan. The Bi-State Development Agency recognizes its responsibilities to the communities it serves. It is the policy of the Agency to involve, to the greatest extent possible, socially and economically disadvantaged individuals in all phases of procurement activities. In order to honor this commitment, the Board reviews and approves a management-prepared, comprehensive DBE Plan every five years. Each year specific goals for participation are established, and accomplishments are assessed in an annual summary, which is reviewed by the Board.

C. Goals. In order to achieve its goals, the Agency encourages participation in its procurement activities, which includes consultant contracts, construction contracts and purchase of goods and services related to all projects of the Agency. Specific methods used include:

1. special efforts designed to aid disadvantaged firms in overcoming obstacles to their participation, and
2. encouragement of sub-contractual arrangements, joint ventures between disadvantaged firms and non-disadvantaged firms, and
3. other methods outlined in the full DBE Plan.

#### **Section 50.040                      Concessions**

A.     Policy. It is the policy of the Agency to enter into revenue contracts with suppliers in order to provide customer amenities at strategic Agency locations, and to generate additional revenue for the ongoing operation of the Agency.

B.     Award of Concessions. The award of all concession contracts will follow standard Agency procurement methods and be consistent with all local, state and federal regulations. The level of authority will follow those outlined in the Board Policy on Purchasing.

C.     Regulation of Concessions. Concession examples are: vending machines, confectioneries, automatic teller machines (ATMs), overnight mail drop boxes, food carts and restaurants, video dispensers or rentals, dry cleaners, shoe repair, souvenirs, bike lockers, key service, automotive services, bookstores, florists, etc.

Concession treatments/structures and location must be approved by the Agency in advance of their construction, installation, or operation. Treatments and structures will be designed to complement the architecture of the Agency's facilities and the flavor of the surrounding environment or community. Concession treatments/structures may not impede vehicular or pedestrian traffic, nor restrict the visibility of directional signs and information material, nor encroach on necessary sight lines.

Concessions must comply with local municipal ordinances and planning and zoning requirements.

Contracts may, at the Agency's discretion, contain terms to assure the concessionaire of adequate protection against loss of investment in structures, fixtures, improvements, equipment, supplies, and other tangible property provided by the concessionaire for the purposes of the contracts. The Agency does not provide assurances against loss of anticipated profits resulting from the discretionary acts, policies, or decisions of the Agency occurring after the Concession Agreement's effective date, which may affect the concessionaire's operations.

If the Concession contract involves the placement of structures or other property of the concessionaire on Agency property, the concessionaire maintains a possessory interest in all such structures, fixtures or improvements which are acquired or constructed pursuant to said Agreement, consisting of all incidents of ownership except legal title, which vests with the Agency.

Contracts or operations authorized thereby or controlling interests therein may not be transferred, sold, or assigned, or assets thereof encumbered in any manner, except with the written approval of the Agency.

D. Revenues. Contracts must include the method of remittance of revenues to the Agency.

Revenue from the concession contracts is retained by the Agency and used to offset the need for public subsidy. Revenues pledged to a particular operation are accounted for in accordance with the regulatory requirements.

In lieu of revenue, the Agency may accept an equivalent value of goods and/or services, including but not limited to capital improvements, information services, and site maintenance.

E. Donations. Donation of a material item, product, or service is to be acquired under the same guidelines as those applicable to a concession contract for which competition exists if the donation provides an identifiable, material return or remuneration to the donor once accepted by the Agency.

**Section 50.050                      Jefferson National Expansion Memorial Projects** (added effective 05/23/14)

A. Proposed Request from the National Park Service. Proposals received by the Agency from the National Park Service for projects or improvements for the Jefferson National Expansion Memorial ("Memorial Projects") are required by the Services Agreement between the National Park Service and the Agency to describe the scope of work for each improvement or project; provide the estimated specified amount or amounts needed to fund each improvement or project; and describe how each improvement or project will benefit the Jefferson National Expansion Memorial.

B. Approval Authority.

1. The Board of Commissioners shall approve any Memorial Project with an estimated cost which exceeds \$1,000,000.
2. The President and CEO shall approve any Memorial Project with an estimated cost which is equal to or less than \$1,000,000.

C. Award Authority.

1. The Board of Commissioners shall approve: (a) the award of any competitive negotiated procurement for a Memorial Project with an estimated cost which exceeds \$1,000,000; and (b) any non-competitive procurement for a Memorial Project with an estimated cost which exceeds \$1,000,000.

2. The President and CEO shall approve: (a) the award of any competitive bid procurement for a Memorial Project; (b) any competitive negotiated procurement for a Memorial Project with an estimated cost equal to or less than \$1,000,000; and (c) any non-competitive procurement for a Memorial Project with an estimated cost equal to or less than \$1,000,000.

D. Funding Authority. The Executive Vice President and Chief Financial Officer shall create a special project account for each such Memorial project into which the Executive Vice President and Chief Financial Officer shall transfer the funds requested for each improvement or project from the JNEM Beneficial Fund to be held until expended or until such time as the improvement or project is cancelled or completed, at which time any remaining funds will be re-deposited to the JNEM Beneficial Fund.

**A RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF THE BI-STATE DEVELOPMENT AGENCY OF  
THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT  
TO APPROVE REVISIONS TO BOARD POLICY,  
CHAPTER 50 - PURCHASING**

**PREAMBLES:**

**Whereas**, the Bi-State Development Agency of the Missouri-Illinois Metropolitan District (the "Agency"/ "BSD") is a body corporate and politic, created by an interstate compact between the states of Missouri and Illinois, acting by and through its Board of Commissioners (the "Board"); and

**Whereas**, the Agency is authorized by Mo. Rev. Stat. §§ 70.370 et seq. and 45 Ill. Comp. Stat. 100/1 et seq. jointly referred to herein as the "Compact"); to make suitable rules and regulations consistent with its mission and not inconsistent with the constitution or laws of either state, or any political subdivision thereof; and

**Whereas**, Article VI of the Bylaws – Board Policies of the Agency, provides that any action by the Board establishing policy, administrative, business, or otherwise, shall be known as "Board Policies" and that the Board may adopt, amend or repeal, in whole or in part, the Board Policies at any meeting of the Board, except that unless otherwise designated by the Chair, all Board Policies shall be tabled for a period of one month and shall become effective upon adoption by the Board; and

**Whereas**, Bi-State's Purchasing policy, found in Chapter 50 of the *Collected Board Policies of the Bi-State Development Agency*, was last updated on May 23, 2014, and since that time, there have been significant changes in the economy that have affected the cost and availability of items and services necessary for Bi-State's regular operation; and

**Whereas**, the proposed revisions include updates to expenditure thresholds that require Board of Commissioners approval, the addition of specific language addressing single bid situations, and clean-up of spelling and title errors, as outlined in the meeting materials; and

**Whereas**, staff has recommended that these measures be implemented as soon as approved; therefore, requiring the Board to waive tabling the proposed revisions to the Policy as provided in Article VI of the Bylaws, so that they are effective upon Board approval; and

**Whereas**, it is feasible, necessary and in the public interest for the Board of Commissioners to approve and adopt revisions to Board Policy, Chapter 50 - Purchasing, in accordance with the terms and conditions described herein.

**NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

Section 1. Findings. The Board of Commissioners hereby finds and determines those matters set forth in the preambles as fully and completely as if set out in full in this Section 1.

Section 2. Approval of Board Policy Revisions. The Board of Commissioners hereby approves and adopts revisions to Board Policy, Chapter 50 - Purchasing, and waives tabling of the Chapter 50 – Purchasing revisions, as provided in Article VI of the Bylaws, so that they are effective upon Board approval, under and pursuant to this Resolution and the Compact for the authorized Agency purposes set forth in the preambles hereof and subject to the conditions hereinafter provided.

Section 3. Form of the Board Policy Chapter 50 - Purchasing Revisions. The form of the Chapter 50 – Purchasing revisions (as provided in the Attachments to the Briefing Paper and made a part hereof), substantially in the form presented to this meeting are hereby approved, and officers of the Agency, including without limitation, the President and CEO, are hereby authorized and directed to execute and deliver and attest, respectively, the Chapter 50 – Purchasing revisions, with such changes, modifications, insertions and omissions as may be deemed necessary or desirable to affect the Chapter 50 – Purchasing revisions with the necessity and desirability of such changes, modifications, insertions and omissions conclusively evidenced by their execution thereof.

Section 4. Actions of Officers Authorized. The officers of the Agency, including, without limitation, the President and CEO, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Resolution and the execution of such documents or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 5. Severability. It is hereby declared to be the intention of the Board of Commissioners that each and every part, section and subsection of this Resolution shall be separate and severable from each and every other part, section and subsection hereof and that the Board of Commissioners intends to adopt each said part, section and subsection separately and independently of any other part, section and subsection. In the event that any part, section or subsection of this Resolution shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, sections and subsections shall be and remain in full force and effect, unless the court making such finding shall determine that the valid portions standing alone are incomplete and are incapable of being executed in accordance with the intent of this Resolution.

Section 6. Rights under Resolution Limited. No rights shall be conferred by this Resolution upon any person or entity other than the Agency, officers and employees.

Section 7. Governing Law. The laws of the State of Missouri shall govern this Resolution.

Section 8. No Personal Liability. No member of the Board of Commissioners, officer, employee or agent of the Agency shall have any personal liability for acts taken in accordance with this Resolution.

Section 9. Payment of Expenses. The Executive Vice President and CFO is hereby authorized and directed to pay or cause to be paid all costs, expenses and fees incurred in connection with or incidental to this Resolution.

Section 10. Effective Date. This Resolution shall be in full force and effect from and after its passage and approval.

**ADOPTED** by the Board of Commissioners of The Bi-State Development Agency of the Missouri-Illinois Metropolitan District this 24<sup>th</sup> day of June, 2022.

*In Witness Whereof*, the undersigned has hereto subscribed his signature and caused the Seal of the Agency to be affixed.

**THE BI-STATE DEVELOPMENT AGENCY OF THE  
MISSOURI-ILLINOIS METROPOLITAN DISTRICT**

By \_\_\_\_\_  
Its \_\_\_\_\_

[SEAL]

ATTEST:

By \_\_\_\_\_  
Deputy Secretary to the Board of Commissioners

**BI-STATE DEVELOPMENT  
BOARD OF COMMISSIONERS  
NOMINATING COMMITTEE MEETING  
(VIA PHONE CONFERENCE)  
OPEN SESSION MINUTES  
WEDNESDAY, MAY 25, 2022 AT 2:00 PM**

**Committee Members Participating via Zoom**

Rose Windmiller  
Fred Pestello  
Terry Beach  
Irma Golliday – Absent

**Other Commissioners Participating via Zoom**

Herbert Simmons  
Debra Moore

**Staff Participating via Zoom**

Myra Bennett, Manager of Board Administration  
Brenda Deertz, Administrator and Executive Assistant to the CEO

**Others Participating via Zoom**

Lisa Stump, Lashly & Baer

A meeting of the Nominating Committee of the Board of Commissioners of the Bi-State Development Agency was held at 2:00 p.m. on Wednesday, May 25, 2022, via Zoom, from Bi-State Development Headquarters, located at 211 North Broadway, 6<sup>th</sup> Floor, St. Louis, Missouri, 63102.

Pursuant to the By-Laws and Board Policies, the following members of the Board of Commissioners had previously been appointed by Chair, Rose Windmiller, to serve on the Nominating Committee: Irma Golliday (Illinois), Rose Windmiller (Missouri), Terry Beach (Illinois), and Fred Pestello (Missouri).

Nominating Committee Chair, Rose Windmiller, called the meeting to order at 2:00 p.m., and a roll call was taken, as noted above. Chair Windmiller noted that she will propose a slate of officers for 2022-2023; however, discussion will be held regarding any suggested alternative candidates.

Chair Windmiller offered the following nominations for consideration, as the proposed Slate of Officers for 2022-2023:

Commissioner Herbert Simmons, Chair  
Commissioner Sam Gladney, Vice-Chairman  
Commissioner Terry Beach, Treasurer  
Commissioner Nate Johnson, Secretary

Commissioner Windmiller asked if there were any other nominations or any further discussion needed. Being no other proposals or recommendations, Commissioner Moore moved that the proposed slate of officers be officially nominated for the offices indicated, and that the slate be forwarded to the full Board of Commissioners for approval at its next regular meeting on Friday, June 24, 2022, with the new slate of Officers to become effective immediately upon the adjournment of the meetings on June 24, 2022. The motion was seconded by Commissioner Pestello.

**Unanimous vote in favor was taken, and the motion passed.**

With no further business appearing before the Nominating Committee, Commissioner Beach moved that the meeting be adjourned. The motion was seconded by Commissioner Simmons. The motion passed, and the meeting was adjourned at 2:03 p.m.

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Deputy Secretary to the Board of Commissioners  
Bi-State Development Agency

**Bi-State Development Agency  
Board of Commissioners  
Open Session Agenda Item  
June 24, 2022**

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**From:** Taulby Roach, President & Chief Executive Officer  
**Subject:** **Riverboat Roof/HVAC Procurement Waiver of Policy**  
**Disposition:** Information  
**Presentation:** Mary Lamie, Executive Vice President of Multimodal Enterprises  
Tom Curran, Executive Vice President, Administration

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**Objective:**

To present to the Board of Commissioners a follow up report regarding the May 3<sup>rd</sup>, 2022 emergency procurement waiver for the Gateway Riverboat kitchen roof and HVAC repairs located on the dock barge moored along the Riverfront.

**Background:**

During the month of February 2022 the Gateway Riverboat kitchen roof on the dock barge developed significant water leakage during winter weather events. The leakage was located directly below air conditioning units mounted on top of the building. The initial scope for repairs focused on lifting seven HVAC units by an HVAC contractor in order to access the roof repair areas, repairing of the roof, and re-installing the seven units. After numerous on-site visits by roof and HVAC contractors, it was concluded re-installing the existing HVAC units, purchased in 1987, was not cost-effective based on the limited remaining useful life and the redundant cost to re-lift the existing units with a crane for future replacements. It was recommended that all seven HVAC units should be replaced along with the roof repairs. Due to the roof water leakage creating health and safety issues in the kitchen and with the summer operating season rapidly approaching, it was determined that the roof repairs and replacement of the HVAC units needed to be undertaken as quickly as possible

**Action:**

On May 3<sup>rd</sup> the President & CEO Taulby Roach approved an emergency procurement waiver for the roof repairs and the HVAC units pursuant to Board Policy, Purchasing, Section 50.010, Procurement and Contract Administration Section M. Part 1, Waiver of Procurement Policy in the event of an emergency, and as required under the policy, notified Chair Windmiller of the following:

- A leaking roof presents a threat to food safety and potentially a code violation by the St. Louis Department of Public Health. Additionally, a leaky roof can lead to a wet floors which could result in employee slip and fall incidents and the possible exposure to mold and building dampness that could be associated with respiratory symptoms and infections – all potential OSHA violations.
- The Dockside Café was unable to open as scheduled on April 1, 2022. Furthermore, food preparation for the Riverboat dinner cruises and private charters during these conditions became logistically complicated and labor intensive due to having to use the much smaller food preparation areas and galleys on the Riverboats.

- Two bids for the roofing repairs were obtained based on site visits. Three bids were obtained for curb adjustments required for the roof repair as well as replacing the seven (7) HVAC units. Two bids were a combined bid by a roofing and HVAC contractor and the third bid was a single HVAC contractor. The third bid by an HVAC contractor did not include roof repairs and exceeded the combined roofing/HVAC bids. The low bid of \$112,420 was selected. This bid was \$6,504 less than the other combined bid and \$7,320 less than the single HVAC bid with no roof repairs.

	St. Louis Roofing	Watkins Roofing		HVAC Hoffmann	HVAC Premier	HVAC IFS
Roof repair	\$ 10,000.00	\$ 16,504.00				
<b>sub total (roof)</b>	<b>\$ 10,000.00</b>	<b>\$ 16,504.00</b>				
Curb Adjustments				\$ 27,500.00	\$26,220.00	<b>\$101,000.00</b>
(2) 3 ton A/C units with gas heat				\$ 25,100.00		
(2) 5 ton A/C only units for the kitchen				\$ 26,430.00	\$67,050.00	
(3) 5 ton A/C units with gas heat				\$ 40,710.00		
<b>sub total (curbs+HVAC)</b>				<b>\$119,740.00</b>	\$ 93,270.00	
Hoisting				not included	\$9,150.00	
<b>sub total (hoisting)</b>					\$9,150.00	
					<b>\$102,420.00</b>	
<b>Roof + Curbs + HVAC + hoisting</b>	<b>\$ 112,420.00</b>	<b>\$ 118,924.00</b>				
Difference	\$ (6,504.00)				<b>(\$17,320.00)</b>	\$ (18,740.00)
						\$ (1,420.00)

- This procurement exceeded the \$100,000 limitation as indicated in Board Policy, Purchasing, Section 50.10 Procurement and Contract Administration Section E. Part 1. (b.) Non-Competitive Procurements exceeding \$100,000. Although three bids were secured, the bids were not secured through a formal RFP process that included an advertisement to suppliers. But the procurement was addressed through PM1000 - Emergency Procurements, of the Procurement & Contract Administration Procedure Manual, which states that procurement staff shall attempt to solicit offers or proposals from as many potential contractors as possible under an emergency condition.

Chair Windmiller requested that this procurement and an update regarding this expenditure be presented in a future Board meeting.

**Outcome:** The emergency procurement waiver reduced the procurement process by several weeks and allowed the contractor to place the order for the HVAC units, while facing supply chain disruptions, and to secure staff availability for installation and repairs. The roof repairs and curb adjustments were completed the week of May 23<sup>rd</sup> and the seven HVAC units are scheduled to be installed on June 28<sup>th</sup>. The Dockside Café held a soft opening June 17 and is expected to return to full operation July 1.

# NS - SS PROGRAM REVIEW



BI-STATE  
DEVELOPMENT



# **DEVELOP A UNIFIED APPROACH FOR METROLINK EXPANSION**



**CURRENT LPA IN 2018  
TODAY WE ARE PROPOSING A  
REVISED 2022 LPA ADOPTED by  
MPO AUGUST MEETING**

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**CLEAN ALIGNMENT WITH LITTLE TO NO ACQUISITION  
SIMPLE ALIGNMENT BISECTING THE METRO  
DIRECT ACCESS TO NEW INVESTMENTS  
STREET RUNNING LIGHT RAIL CONFIGURATION  
STRENGTHENS UNFILLED NORTH SOUTH CORRIDOR  
LIMITED ENVIRONMENTAL WITH ESTABLISHED ROW  
WITHIN EXISTING FINANCIAL CAPACITY**

