



MINUTES
REGIONAL TRANSPORTATION AUTHORITY
JUNE 20, 2018

- I. CALL TO ORDER:** The regular meeting of the Regional Transportation Authority of Middle Tennessee (RTA) Board of Directors was held at the Bradley L. Barrett Training Center, TN Banking Association Office, 211 Athens Way, Nashville, Tennessee 37228 on Wednesday, June 20, 2018. A quorum was established, and the meeting was called to order at 9:35 a.m. by Chair Kim McMillan, City of Clarksville Mayor.

IN ATTENDANCE WERE:

BRENTWOOD	MAYOR JILL BURGIN
CHEATHAM COUNTY	MAYOR KERRY MCCARVER
CLARKSVILLE	MAYOR KIM MCMILLAN (CHAIR)
GALLATIN	MAYOR PAIGE BROWN
HENDERSONVILLE	MAYOR JAMIE CLARY
LEBANON	MAYOR BERNIE ASH
MONTGOMERY COUNTY	MAYOR JIM DURRETT
MURFREESBORO	ALTERNATE JIM KERR, JR., TRANSPORTATION DIRECTOR
PORTLAND	MAYOR KENNETH WILBER
SPRING HILL	ALTERNATE CHUCK DOWNHAM
SUMNER COUNTY	ALTERNATE KIM ARK
WESTMORELAND	MAYOR JERRY KIRKMAN
WHITE HOUSE	ALTERNATE GERALD HERMAN, CITY ADMINISTRATOR
WILLIAMSON COUNTY	MAYOR ROGERS ANDERSON
WILSON COUNTY	MAYOR RANDALL HUTTO (VICE CHAIR)
GOVERNOR APPOINTEES	ED COLE, DAVIDSON COUNTY LEE ZOLLER, SUMNER COUNTY KELLY DANNENFELSER, WILLIAMSON COUNTY KEN DAVIS, WILSON COUNTY

- II. APPROVAL OF MINUTES:** Chair McMillan entertained a motion to approve the minutes of the March 21, 2018 meeting. Proper motion was made and seconded, and the minutes were approved unanimously.
- III. PUBLIC COMMENTS:** Chair McMillan opened the floor for public comments. Jo Ann Graves, President and Chief Executive Officer of the Transit Alliance of Middle Tennessee (TAMT), reported the next set of Transit Citizens Leadership Academy (TCLA) classes would begin on September 5, 2018 and would run through October 10, 2018. The classes have been restructured and will be current and relevant.

TAMT is also developing a mobile class structure that will allow them to go out into the outlying communities and bring a shortened and abbreviated version of the TCLA classes to them. It is their intent to make sure that the communities have relevant information and are informed.

IV. **FINANCE REPORT:** Chief Financial Officer Ed Oliphant reported that the Finance Committee did meet; however, Finance Committee Chair Anthony Holt could not be at the RTA Board meeting and asked Mr. Oliphant to bring that committee report to the Board. Mr. Oliphant then reported on the following:

- a. **Monthly Financial Report Compared to Budget (D-18-005):** Mr. Oliphant reported that this report was reviewed and discussed by the Committee and everything was how it should be. Mr. Oliphant asked if there were any questions, and there were none.
- b. **Music City Star Liability Insurance Renewal (A-18-012):** Mr. Oliphant reported that for the past several months they had been working with RTA's insurance broker to go out into the insurance market for renewal of RTA's \$30 million liability insurance coverage for commuter rail which is due to expire July 1, 2018. The RTA provides the first \$1 million through their own supplemental insurance reserve account. The remaining \$29 million (per occurrence and \$58 million aggregate) excess policy is what RTA receives pricing for each year. The current policy with Aspen Specialty Insurance and Liberty International Insurance companies and has a total premium of \$468,037.

RTA's broker contacted all the insurance companies in the passenger rail insurance market, and RTA received the best pricing from Aspen Specialty Insurance as the primary, and Liberty Surplus Insurance Corporation as the second layer. Both companies continue to have an excellent bond rating. The \$29 million occurrence/\$58 million aggregate bid has been confirmed at a price of \$407,000, which is a 13% decrease over prior year. Aspen will be covering the primary layer of \$18 million/\$36 million aggregate, and Liberty Surplus Insurance Corporation has the second layer of \$11 million/\$22 million aggregate.

The Finance Committee recommended the Board approve this insurance policy for \$29 million of liability insurance coverage (with a \$58 million aggregate) for the policy year from July 1, 2018 through July 1, 2019 to be awarded to Aspen Specialty Insurance and Liberty Surplus Corporation for a total annual premium not to exceed \$407,000. RTA will continue to provide the supplemental insurance reserve of \$1 million, making RTA's total liability insurance coverage \$30 million.

Proper motion was made and seconded. There was no discussion, and the vote of approval was unanimous.

- c. **RTA/MTA Contract Renewal for Reginal Transit Services (A-18-013):** This contract for consideration is for the Nashville Metropolitan Transit Authority (Nashville MTA) to provide regional transit services for the southeast corridor and also the Route 93 shuttle that picks up at Riverfront Station. Nashville MTA had requested a 3% increase, and the Finance Committee had some very detailed

discussions about that and wanted to know more information in regard to what makes up the \$109 as opposed to the \$106. The Finance Committee recommended the Board approve a three-month extension of the current hourly contractual rate of \$106.28 for both Contract 1 and Contract 2 through September 30, 2018. The proposed contractual increase will be readdressed once management provides an analysis to the Committee for review before bringing it back before the RTA Board.

Proper motion was made and seconded, and the vote of approval was unanimous.

- d. **MTA/RTA Management Contract (A-18-014):** Mr. Oliphant asked the Chair that this become a discussion item. He explained that this was a five-year contract already in place and not an annual contract and did not need any action at that time. Chair McMillan asked that the minutes reflect that this action item was not actually an action item and did not need to be addressed at this time.
- e. **Fare Policy Adoption (A-18-015):** Mr. Oliphant stated that this was a result of the State Comptroller's Audit recommendation that RTA have a fare policy. The Finance Committee's recommendation is that we adopt this fare policy.

Chair McMillan noted that this policy does not specify any specific fares for any specific service; it is only a policy for which we could set fares.

Chief Executive Officer Steve Bland stated that basically this policy requires us to review the fare structure, at least on an annual basis, according to the criteria in the policy; and, to report as part of the budget process any recommended changes or any recommendations not to change on the basis of the review of the policy.

Chair McMillan stated for clarity that she wanted to summarize saying that the RTA had been doing this all along, but without a written policy. It was noted in the comptroller's report that no policy had been adopted. This policy is for compliance purposes and not to change anything that the RTA was doing.

Chair McMillan called for a vote, and the vote of approval was unanimous.

- f. **RTA/MTA Contract for State EasyRide Services (A-18-016):** Mr. Oliphant noted that the RTA and the Nashville MTA have established a positive working relationship over the years on regional transit programs.

For several years, the RTA along with the Nashville MTA have participated in the EasyRide program with the State of Tennessee where both agencies provide transit rides to State employees, and the State reimburses both the Nashville MTA and RTA on a cost per ride basis. The Nashville MTA has been the principle in this contract with the State of Tennessee, and RTA's portion of the rides provided is passed through via a separate agreement with the Nashville MTA. The State agreed to a new contract with the Nashville MTA for the EasyRide Program for July 1, 2018 through June 30, 2019 at a cost per ride set at a weighted average of \$2.50 per ride and a total contract not to exceed \$1.75 million.

An analysis of state employee ridership for both the Nashville MTA and RTA services was performed and it affirmed an effective rate of \$3.15 per ride should be passed through to RTA from the Nashville MTA since RTA's fares for regional bus service and train service are proportionately higher than the Nashville MTA's fares.

There were only two committee members present at the committee meeting and one of members needed to abstain from voting on this item due to being a related party to this proposed contract. Therefore, Finance Committee Chair Holt asked that this action item be presented to the Board for consideration to grant approval for RTA to enter into a contract with the Nashville MTA that calls for the Nashville MTA to reimburse RTA for EasyRide trips provided to State employees participating in the EasyRide program at a rate of \$3.15 per ride for a period of one year beginning July 1, 2018 and continuing through June 30, 2019.

Proper motion was made and seconded, and the vote of approval was unanimous.

- g. RY2019 RTA Proposed Budget (A-18-017):** Mr. Oliphant reported that the attached RTA budget had two components: Rideshare operations for regional bus services and Commuter Rail operations. In March of this year, a discussion item was brought before the Finance Committee to review key trends and assumptions as they entered into the planning phase of the budgeting process. One of their biggest concerns going into that discussion was the pending question of Congestion Mitigation and Air Quality (CMAQ) funding availability, which would have a significant impact on the required contribution amount from the local partners. Their expectation at that time was that the necessary information would be available any day, allowing management to prepare and present a more definitive budget proposal for the Board's approval. Unfortunately, the Tennessee Department of Transportation (TDOT) has still not made an announcement.

The tentative budget proposal for FY2019 has an overall increase of almost \$201,000 or 2.1% compared to our FY2018 approved budget. This represents an increase of approximately \$291,000 or 5.9% in the regional bus services budget. This is due primarily to contractual rate increases from Gray Line and the Nashville MTA, which are both 3% more than the prior year, as well as nominal route schedule adjustments to accommodate the ever-increasing traffic congestion throughout the region. In addition, it represents a decrease in the commuter rail budget of approximately \$90,000 or -1.9% due largely to favorable structural changes made to the contractual agreement with Transit Solutions Group allowing RTA to pay some overhead costs directly, thus reducing overall costs for the commuter rail services.

The Finance Committee recommended the Board approve a continuation budget based upon the current FY2018 Operating Budget until such time that all FY2019 Operating Budget revenues can be confirmed and a final budget operating budget be presented after these factors become known.

Further discussion clarified that this was not specific to RTA, that none of the CMAQ awards had been issued, that the CMAQ award would be for three years,

and that the RTA CMAQ awards go to the outer county bus services only and were not used for the Music City Star rail service.

There was no further discussion, and the item was adopted unanimously.

V. **OPERATIONS COMMITTEE REPORT:** Committee Chair and City of Portland Mayor Ken Wilber reported that the Committee did not have any action items and called upon Chief Operating Officer India Birdsong to present the following item:

- a. **Monthly Operating Statistics (D-18-006):** Ms. Birdsong reported that ridership was up overall in April 2018 due in part to one additional weekday and one additional Sunday. The rail itself was up about 15.6% and the bus service was down about 3%. The aggregate was about 12.8% over all for an uptick in ridership for RTA. Ms. Birdsong further reviewed ridership on other routes noting that spring break had impact on those. She reported that for the month of April, RTA was accident free for both rail and bus services. In closing, she noted that they were working with Gray Line to make sure that their on-time performance and bus allocation was accurate and per schedule.

There were no questions and that concluded the report.

VI. **CEO'S REPORT:** CEO Bland gave the following report:

- Mr. Bland asked that everyone please review the attendance sheet in the minutes and let the staff know if they find an error concerning their attendance last month. He also asked that they please make sure they signed in for today's meeting so staff can properly monitor Board attendance.
- The South Corridor study kick-off was last month and that study was now officially underway. A lot of data was being gathered, and they were also chatting with the MPO and the public information officers in the various cities and counties about outreach through the course of this study.
- Hamilton Springs Station was progressing well after a slow start and a wet spring, with opening on target for August. They were planning a formal ribbon cutting shortly after Labor Day to account for vacations and other summer activities.
- They were preparing a draft Capital Improvement Plan update for RTA that would be discussed with the Finance Committee in July.
- The joint development project at Donelson Station was still on hold pending Metro Council consideration of the approval of a Transit-Oriented Development Zone as allowed under Tennessee Law. Last night, it was scheduled on third reading but was deferred into July.
- They were developing solicitation documents for the rehabilitation of the locomotives on the Music City Star and examining options for the passenger coaches. Given their age, they will evaluate whether rehabilitation makes more sense, or acquiring used equipment, if appropriate equipment is available.
- They were advancing discussions with Gray Line to determine the impacts on RTA's operating agreement with them if RTA provides them with coaches to operate service.

- Finance was updating the cost allocation plan for the RTA Management agreement.
- The Music City Central rehab continues on schedule with work progressing on the first level of the terminal, and it should be ready along about October. However, because of its size and convenience for Board members, they will be talking with Greater Nashville Regional Council and the Nashville Area Metropolitan Planning Organization and the other groups about meeting in this facility for the long-term.

VII. CHAIR'S REPORT: Chair McMillan asked that should the meeting location be moved again that they be sure to let everyone know in plenty of time to adjust their schedules.

VIII. OTHER BUSINESS: Davidson County Governor's Appointee Ed Cole gave an update on the right-of-way for the northwest corridor rail project.

Mr. Bland asked if Mr. Cole and Cheatham County Mayor Kerry McCarver would be willing to give a regular quarterly update from the Cheatham County Rail Authority (CCRA) since the Board did officially adopt a policy as recommendation in the Northwest Corridor Study to work with CCRA to preserve right-of-way. It was agreed that they would.

IX. ADJOURNMENT: Proper motion was made and seconded to adjourn, and the meeting was adjourned at 10:35 a.m.

Respectfully submitted:

Ed Cole

Ed Cole, RTA Secretary &
Davidson County Governor Appointee