



**MINUTES**  
**REGIONAL TRANSPORTATION AUTHORITY**  
**JUNE 21, 2017**

- I. CALL TO ORDER:** The regular meeting of the Regional Transportation Authority of Middle Tennessee (RTA) Board of Directors was held in the meeting room at Music City Central, 400 Charlotte Avenue, Nashville, Tennessee on Wednesday, June 21, 2017. A quorum was established, and the meeting was called to order at 10:06 a.m. by Chair Kim McMillan, City of Clarksville Mayor.
- II. APPROVAL OF MINUTES:** Chair McMillan entertained a motion to approve the minutes of the May 17, 2017 meeting. Proper motion was made and seconded, and the minutes were adopted unanimously.
- III. PUBLIC COMMENTS:** Chair McMillan opened the floor for public comments and recognized the following members of the public:

Cheryl Lewis, a frequent rider of the Music City Star, was recognized and stated her support of Transit Solutions Group's (TSG) management of the Music City Star and encouraged the Board to renew their management contract with TSG just as soon as possible for the long term.

Jo Ann Graves, President and CEO of the Transit Alliance of Middle Tennessee (TAMT) reported that the Community Outreach Program has started with these activities:

- Wilson County:
  - One hundred people registered for the June outreach in Wilson County. It was a good outreach.
  - A presentation was made to one of the rotary clubs in Mt. Juliet in June, and they will present to another Mt. Juliet area rotary club in July.
- Sumner County:
  - The Leadership 2 meeting was held yesterday (June 20) with a great turn-out from all parts of Sumner County.
  - The Mini-Summit will be held on July 27.
  - Plans are to reach out to civic organizations there as well.
- Rutherford County:
  - This will be the next county of focus.

Ms. Graves thanked everyone for their support and noted that their intention is to cover all of the counties in Middle Tennessee with the Community Outreach Program.

Franklin Mayor Ken Moore introduced Kristine Tallent to the Board, Franklin's new Chief Financial Officer and Assistant City Administrator.

There were no other public comments at this time.

**IV. FINANCE AND AUDIT REPORT:** Chair Sumner County Executive Anthony Holt reported that the Finance and Audit Committee met last week. He then presented the following items:

- a. Monthly Financial Report Compared to Budget (I-17-015):** Chair Holt noted that this report is included for the Board's review and information only and Chief Financial Officer Ed Oliphant is present to answer any questions the members might have. Williamson County Mayor Rogers Anderson asked why the account receivables were so low and Mr. Oliphant responded that it is just a matter of timing with some of the grants. There were no further questions.
- b. FY2018 RTA Proposed Budget (A-17-009):** This budget has two components: Rideshare operations for regional bus services and commuter rail operations. This proposed FY2018 budget for RTA is being presented as a tentative budget. We are going to have more input and direction from our staff to ensure that next year's annual budget is in balance, and we will also look at a three-year forecast.

The proposed Rideshare budget is decreasing approximately \$88,000, or 1.8%, to \$4.9 million compared to the prior year. The reason for the decrease is primarily due to fluctuations in the calculated regional bus corridor reserves for FY2018 compared to last year. The decrease in reserves was partially offset by a 2% to 3% contractual increase in the hourly rate by Gray Line and a 3% increase by the Nashville Metropolitan Transit Authority (Nashville MTA) to operate the regional bus services.

The proposed commuter rail budget is forecast to increase to approximately \$4.7 million from \$4.6 million in the prior year as a result of higher fuel prices related to our fuel-hedging program and assumed contractual increases related to the overall train operations. The train budget is based upon:

- a 13.1% increase in fuel costs (due to an increase in fuel hedging contracts);
- a 3% increase in the train shuttle contract hourly rate; and
- a 3% increase in the commuter rail operating expenses.

The assumptions have been made that

- the local governments will continue at the same or higher levels from FY2017 for their operating support;
- the State will continue support for the regional bus services; and
- that the Tennessee Department of Transportation (TDOT) will continue the support for the EasyRide program (payment for state employees to ride transit services).

This proposed budget also assumes that the \$1.5 million line of credit will be available for use throughout the fiscal year. This is for cash flow purposes only. The proposed FY2018 budget for regional bus service has been designed following the Board directive to hold all partners contributions at the same level as fiscal years 2016 and 2017 (with some limited exceptions) by utilizing Congestion Mitigation and Air Quality (CMAQ) federal funding and managing the “reserves” created the last two years to either cover shortfalls due to increased expenses or to have available for future years when the CMAQ is no longer available. The estimated overall reserve created in FY2018 is estimated to be approximately \$97,800.

The Finance and Audit Committee recommended to the Board the approval and adoption of the tentative FY2018 Budget totaling approximately \$4.9 million for regional bus services and the annual Music City Star commuter train operations totaling approximately \$4.7 million.

As this budget remains subject to final appropriation actions by various local governing bodies, the Committee also recommended that a final budget be presented after these factors become known.

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

- c. **RTA/MTA Contract Renewal for Regional Transit Services (A-17-010):** Each year, the RTA contracts with the Nashville MTA for regional transit services for Davidson/Rutherford County Relax & Ride services to Murfreesboro, Tennessee, as well as connecting bus services to support the Music City Star commuter train service in Nashville, Tennessee. Since there are different funding sources for the regional bus services and the connecting bus services, two separate contracts are required.

**Contract 1** – Under the first contract, which is for the regional bus service between Davidson and Rutherford Counties Routes 84X, 86X and 96X, the RTA will pay the Nashville MTA for up to 58.2 hours of daily service at a rate of \$106.28 per hour, or an amount not to exceed \$1,571,116, covering 254 days of weekday transit service contained in the contract. This represents a 3% increase in the contract price compared to the prior year as a result of Nashville MTA’s proposed increase in the hourly rate from \$103.18 to \$106.28 per hour.

**Contract 2** – Under the new contract for connecting bus services for the Davidson County service, the RTA will pay the Nashville MTA up to 6.23 hours of daily service at a rate of \$106.28 per hour, or \$168,180, covering the 254 days of weekday transit service contained in the contract. This represents a 3.7% net decrease in the overall contract compared to the prior year. This primarily is a result of a reduction in the hours of operation due to a reconfiguration of the route to improve the consistency getting passengers to the departing trains in the

afternoons. This decrease was partially offset by a proposed increase in the hourly rate by Nashville MTA from \$103.18 to \$106.28.

A fuel escalator clause will again be included in all the new contracts to protect the Nashville MTA should the average fuel prices escalate above \$1.65 per gallon. The clause stipulates that for every 25-cent increase in the monthly average per gallon cost of fuel, the hourly rate will increase \$1.50 per hour for that month going forward. This will cover the Nashville MTA's increase in operating cost due to increased fuel costs. This escalator is above and beyond the contracted amounts mentioned above. This will likely not be a factor for RTA since the Nashville MTA has hedged approximately 69% of projected diesel fuel consumption at a contract price of around \$1.64 per gallon.

The Finance and Audit Committee recommended to the Board the renewal of Contract 1 for regional bus services and Contract 2 for connecting bus services supporting commuter rail. Both of these contracts are for a period of one year beginning July 1, 2017 through June 30, 2018 for the following base amounts:

Contract 1 for a not-to-exceed amount of \$1,571,116 for regional bus service, and Contract 2 for \$168,180 for connecting buses supporting commuter rail.

Motion was made and seconded. Ed Cole, Davidson County Governor Appointee, asked in terms of planning services that the MTA planning staff perform on behalf of the RTA, are those costs included in this contract? How do they work out in the budget?

Chief Executive Officer Steve Bland replied that those services are covered in the management agreement. It is a separate contract in the operating budget but is not separate here because it is not changing and will continue another year at the same rate. However, with the bigger studies like the South Corridor or the Northwest Corridor where we are looking at outside consulting involvement, then we are identifying separate general and capital and planning funds to support those.

There was no further discussion and the vote of approval was unanimous.

- d. **RTA/MTA Contract for State EasyRide Services (A-17-011):** 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 has agreed to a new contract with the Nashville MTA for the EasyRide Program for July 1, 2017 through June 30, 2018 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.

The Finance and Audit Committee recommended to the Board the 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, 2017 through June 30, 2018.

Motion was made and seconded. There was no discussion and the vote of approval was unanimous.

- e. **Music City Star Liability Insurance Renewal (A-17-012):** For the past several months, we have been working with our insurance broker to go out into insurance market for renewal of our \$30 million liability insurance coverage for commuter rail which is due to expire June 30, 2017. The RTA provides the first \$1 million through our own supplemental insurance reserve account. The remaining \$29 million (per occurrence and \$58 million aggregate) excess policy is what we receive pricing for each year. The current policy with Aspen Specialty Insurance and Liberty International Insurance companies had a total premium of \$467,219.

Our broker contacted all the insurance companies in the passenger rail insurance market, and we received the best pricing from Aspen Specialty Insurance Company as the primary and Liberty International Insurance as the second layer at a flat renewal rate. Both companies continue to have an excellent bond rating. The Aspen/Liberty bid has been confirmed at a price of \$468,037, which is a .2% increase over prior year. Aspen will be covering the primary layer of \$18 million/\$36 million aggregate and Liberty as the second layer of \$11 million/\$22 million aggregate.

The Finance and Audit Committee recommended to the Board the approval of the insurance policy for \$29 million of liability insurance coverage (with a \$58 million aggregate) for the policy year from July 1, 2017 through July 1, 2018 to be awarded to Aspen Specialty Insurance and Liberty International for a total annual premium not to exceed \$468,037. RTA will continue to provide the supplemental insurance reserve of \$1 million, making our total liability insurance coverage \$30 million.

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

- f. **DBE 2018-2020 Program Goals (A-17-013):** RTA is required to submit three-year Disadvantaged Business Enterprise (DBE) goals to the Federal Transit Administration (FTA). The goals are established in part by reviewing anticipated public transit projects and census data for Tennessee businesses as well as meeting

with current DBE partners, prime contractors, and various community groups. Through this analysis, the 2018 through 2020 DBE goal was determined to be 2%.

Per FTA regulations, the calculated goal was advertised on RTA's website and in the *Nashville Scene* newspaper for a 45-day public comment period. We have received no comments, questions, or objections.

Based on staff's analysis and having received no comments or questions during the mandatory 45-day public comment period, the Finance and Audit Committee recommended to the Board approval of the 2% DBE goal for 2018 through 2020.

Motion was made and seconded. There was no discussion and the vote of approval was unanimous.

- g. **2017 Public Records Request Policy (A-17-014)**: Pursuant to state law, the governing authority of a governmental entity shall adopt a written public records policy no later than July 1, 2017, which includes:

1. The process for making requests to inspect public records or receive copies of public records and a copy of any required request form (Section II);
2. The process for responding to requests, including redaction practices (Section III);
3. A statement of any fees charged for copies of public records and the procedures for billing and payment (Sections V and VI); and
4. The name or title and the contact information of the individual or individuals within such governmental entity designated as the public records request coordinator (Section III).

In drafting this policy, legal counsel has reviewed the January 30, 2017 model policy of the Tennessee State Comptroller and the most recent 2017 legislative amendments to the public records laws. In addition, this proposed policy includes a Public Records Request-Exemptions list of examples of materials which may be confidential and preclude the release of records.

The Finance and Audit Committee recommended that the RTA Board adopt the attached public records policy in compliance with state law.

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

- V. **OPERATIONS COMMITTEE REPORT**: Westmoreland Mayor Jerry Kirkman reported that the Operations Committee met last week. He then presented the following items.
- a. **Monthly Operating Statistics (I-17-016)**: Mayor Kirkman noted that this report is included for the Board's review and information only, and Chief Operating Officer India Birdsong is present to answer any questions the members might have. There were no questions.

**b. Third-Party Operation & Maintenance for the Music City Star (A-17-015):**

Since the inception of the Music City Star in 2006, the RTA has operated in accordance with a 10-year contract awarded to TSG for the Operation and Maintenance of the commuter rail system. Originally produced as an initial five-year contract term with one five-year option for renewal, the RTA chose to exercise that option to continue rail service between Nashville and Lebanon stations. Upon the expiration of the contract, staff began the procurement process of securing a third-party contractor to manage the operation and maintenance of the Music City Star; a process which remains in the evaluation stages, leading to final award.

RTA currently has operation and maintenance services with TSG through June 30, 2017, based on previous Board approval to extend the purchase order.

The Operations Committee sought approval from the Board to provide the Chief Executive Officer authority to extend the current purchase order up to 12 months in a not-to-exceed amount of \$2,077,815.00 with a 90-day termination clause to complete the procurement and any necessary transition.

The funding source for this purchase order will be various grants and regional support.

Motion was made and seconded. The question was asked as to why this is a 12-month extension that is being considered. CEO Bland responded that in the course of the solicitation and proposals, we ran into underlying issues with the operating agreements that had to be addressed and that extended out the procurement period and the evaluation period. Consequently, we are back and forth with the FTA, and they are okay with this approach, but we have to complete a full evaluation with both proposers responding to like information.

Mr. Bland was asked to describe the underlying operating agreement issue. He responded the third-party agreement between the Nashville & Eastern Railroad Authority and the Nashville & Eastern Railroad Corporation, and the RTA was not fully understood by the other party, so they have to have that opportunity.

There were no further questions, and the motion passed.

**c. 2017 Track Maintenance & Rehabilitation (A-17-016): To ensure safety and quality of the Music City Star service and compliance with Federal Railroad Administration requirements for commuter rail operations, annual routine maintenance and rehabilitation work is required for the track, culverts, bridges, and at-grade crossings on the Nashville and Eastern Railroad line.**

Nashville and Eastern Railroad has identified key areas along the line for work to be completed in 2017. The RTA Engineering Department conducted site visits at all locations and has confirmed the proposed work and estimated cost of construction are within reasonable range for all services.

The total cost of the project is \$1,178,293.15, which includes a 10% contingency. Federal 5307 funds have been awarded for this project and local match has been secured. Upon award of the contract, the project would begin in July 2017 and would be completed by December 31, 2017.

The Operations Committee recommended to the Board the approval for RTA to enter into a contract with the Nashville and Eastern Railroad for 2017 track maintenance and rehabilitation at a cost not to exceed \$1,178,293.15.

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

**VI. CEO'S REPORT:** CEO Bland reported the following:

- Following groundbreaking on the Hamilton Springs Station several weeks ago, work is underway on the site, and we expect opening next spring.
- Supplemental train service ran for the three home Predators Stanley Cup Final games, with generous sponsorship by the Nashville Area Chamber of Commerce and the Nashville Convention and Visitors Corporation. Total ridership was about 2,200, and approximately \$9,400 was raised for the Country Music Association and Predators Foundations.
- We are actively working with the Cheatham County Rail Authority Board on their efforts to preserve the Northwest Corridor right of way for future passenger rail use, including investigating the feasibility of having the RTA assume ownership of the right-of-way.
- We are working closely with the City of Dickson on their plans to establish a new, permanent Park & Ride site. The Dickson service overall is one of our strongest performers in terms of ridership growth.
- We continue to collaborate with the Tennessee Department of Transportation (TDOT) in their I-24 Smart Corridor initiative, exploring multiple ways of improving throughput on that congested corridor, including support for a pending grant application TDOT has with the Federal Highway Administration.
- As of this morning, we've sold 348 tickets for the 4<sup>th</sup> of July train out of 700 available.
- Last month, I attended TDOT's Autonomous Vehicles Summit in Memphis. Cities, universities, and manufacturers/suppliers (including FedEx, GM, Nissan and Local Motors) gathered to discuss the future of autonomous vehicles.
- I'd like to introduce two of our four interns, Angel Trivedi and Timia Kennerly.

**VII. CHAIR'S REPORT:** Chair McMillan noted the work that was done today, particularly in the Finance and Audit Committee, citing that this is what RTA does. We make sure that we are properly funding all of the transportation options and opportunities that we have in all of our counties and cities in the Middle Tennessee Region. She thanked the Board for what they do to make sure that those transportation options continue to be available for our constituents.



**VIII. OTHER BUSINESS:** Vice Chair and Wilson County Mayor Randall Hutto introduced Glenda Davis, the wife of Governor Appointee Ken Davis and a long-time educator who was in attendance today. There was no other business to come before the Board.

**IX. ADJOURNMENT:** Motion was made to adjourn, and the meeting was adjourned at 10:43 a.m.

Respectfully,

*Paula Mansfield*

Governor's Appointee  
RTA Secretary