



MINUTES
EXECUTIVE COMMITTEE MEETING
REGIONAL TRANSPORTATION AUTHORITY
OCTOBER 16, 2019

- I. **Call to Order:** The Regional Transportation Authority of Middle Tennessee (RTA) Executive Committee meeting was held at the Baker Donelson Building, 211 Commerce Street, Nashville TN 37201 on Wednesday, October 16, 2019. A quorum was established, and the meeting was called to order at 9:38 a.m. by Chair Mayor Randall Hutto.

Executive Committee Members in Attendance:

Mayor Randall Hutto, Chair – Wilson County
Governor’s Appointee Ed Cole, Secretary – Davidson County
Mayor Jim Durrett – Montgomery county
Mayor Bob Rial – Dickson County
Mayor Ken Moore – City of Franklin
Mayor Bill Ketron – Rutherford County
Mayor Jerry Kirkman – City of Westmoreland
Governor’s Appointee Kelly Dannenfelser – Williamson County
Governor’s Appointee Ken Davis – Wilson County
Mayor Jeff Duncan – City of Goodlettsville

Others in Attendance:

Jim Kerr, Jr. – City of Murfreesboro (Alternate)
Victor Lay – City of Spring Hill (Alternate)
Mayor Rogers Anderson – Williamson County

II. **Approval of the September 18, 2019 Minutes**

Proper motion was made and seconded, and the minutes were approved unanimously.

III. **Public Comments:**

There were no public comments at this time.

IV. **Finance Committee Report:** Chief Financial Officer Ed Oliphant reported the following:

- a. **Monthly Financial Report Compared to Budget (EXC-D-19-012):** Chief Financial Officer Ed Oliphant reviewed the year-to-date data of the statement of operations for the month of August 2019 compared to the FY2019 budget and the balance sheet as of August 31, 2019. Chair Randall Hutto opened the floor for questions; there were none at this time.

V. **Operations Committee Report:** Mayor Jerry Kirkman reported the following:

- a. **RTA Monthly Operating Statistics (EXC-D-19-013):** Mayor Kirkman reviewed the RTA Monthly Operating Statistics through August 2019 with the Executive Committee. Director of Quality Service Dan Freudberg was present to answer any questions. There were none at this time.

- b. **WeGo Star Rail Car Purchase (EXC-A-19-016)**: Chief Administrative Officer Rita Roberts-Turner reported the following: Via the FY2018-19 Capital Improvement Plan (CIP) the RTA Board approved a reallocation of capital funds from the implementation of Positive Train Control (PTC) to other projects deemed more urgent for maintaining the WeGo Star in a state of good repair. Among these projects was the replacement or rehabilitation of the existing fleet of passenger coaches used in revenue service. Deferral of PTC was made possible through a granting of a Limited Service Exception by the Federal Railroad Administration (FRA).

In March 2019, staff reviewed the options considered for replacing the current fleet of passenger coaches with the RTA Board's Operations Committee. These options included:

- Overhaul of current rolling stock;
- Purchase of new railcars; and,
- Purchase of used fleet deemed to be in good condition and compatible with Star operating infrastructure.

The purchase of new railcars was found to be prohibitively expensive, based on a market survey of new commuter car purchases around the country. In addition, time for delivery could take four to five years.

The most viable option was the purchase of a used fleet deemed to be in good condition and compatible with Star operating infrastructure. Through a market assessment, compatible cars that have already undergone rehabilitation have been identified in the ownership of the Great Lakes Central Railroad (GLC) in Michigan. These cars are stainless steel in construction, bi-level in configuration, and compatible with Star operating infrastructure. They have been recently rehabilitated for similar commuter rail service in accordance with applicable FRA regulations. RTA commissioned a fair market value analysis that was conducted on the identified passenger cars; the price was determined fair and reasonable.

Because GLC has been identified as the only rail vendor with a fleet of compatible cars that have already been rehabilitated, this purchase is considered a sole source procurement under Federal Transit Administration (FTA) regulations. RTA published our intent to sole source the rail cars on May 16, 2019, September 12, 2019, and September 23, 2019 allowing any potential bidders the opportunity to offer RTA their compatible rail cars. No additional bids were received.

Staff recommended that the RTA Board approve a purchase contract in the amount of \$5,856,402 for the acquisition of eight passenger cars from the GLC, which includes \$200,000 for the installation of associated equipment and modifications necessary to commission this fleet into operation on the Star. Per the request of GLC, staff also recommends the RTA Board approve the daily late charge of .001% in the event the total purchase price is not paid within the agreed upon payment schedule.

This project is funded through Federal Section 5337 funds, funds made available from the Tennessee Department of Transportation (TDOT) through the Improve Act, and limited local funds.

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

VI. **Other Business:**

- a. **RTA Bylaws & Member Attendance (EXC-D-19-014)**: As a result of the 2017 Performance Audit Report by the State Comptroller and subsequent Committee hearing, an ad hoc committee of the RTA convened on November 29, 2017. The purpose of the ad hoc committee was to review and address concerns outlined in the Performance Audit Report

about Board oversight and management, member attendance, vacancies, and RTA Audit Committee duties and responsibilities.

The ad hoc committee subsequently made the following recommendations, which were adopted unanimously at the RTA Board's December 13, 2017 meeting.

- Quorum requirements for regular Board meetings will be increased from 30% to at least 50% of members to constitute a legal meeting.
- Individual members will be expected to attend a minimum of 50% of all regular Board Meetings in order to be considered a member in good standing with respect to attendance on a 12-month rolling basis.
- An Executive Committee will be appointed per Article 4 of the RTA bylaws. In order to remain as inclusive as possible, the Executive Committee will be composed of any interested members who have attended at least 50% of regularly scheduled Board meetings in 2017 and at least 50% of regularly scheduled Board meetings and Executive Committee meetings thereafter.
- Only those members who have attended at least 50% of the regularly scheduled RTA board meetings during the prior year would be eligible to serve on a future executive committee or hold an office on the Board.
- Annually, members will be advised of their attendance rate during the prior year and reminded of their ability to appoint an alternate representative if regular attendance is not possible. The appointment of an alternate representative is permissible for all members except those members appointed by the Governor. Tenn. Code Ann. § 64-8-204.
- Full RTA Board Meetings will be scheduled on a quarterly basis per Article 2, section 3(a) of the RTA bylaws; with Executive Committee meetings scheduled during each of the two months between full Board meetings. Executive Committee members must personally attend at least 50% of monthly Executive Committee meetings in lieu of a designee. Failure to attend regularly will result in removal from the Committee. All regular and ex-officio members of the Board would be welcome to attend any Executive Committee Meeting, and all members will receive Executive Committee agendas and minutes but would not be voting members of the committee unless appointed.
- Matters considered significant policy issues of the Authority (e.g., adoption of annual operating budget, adoption of annual and multi-year capital improvement plans, changes in fare policy, major service changes, etc.) will be reserved for full Board decision making and voting. Matters that do not meet these criteria will be delegated to the Executive Committee, with all members notified of Executive Committee actions at the first regular meeting of the full Board following such action.
- The current Finance and Audit Committee description will be amended to include responsibilities outlined in Tenn. Code Ann. § 4-35-105, which include: overseeing the financial reporting and related disclosures; evaluating contracted management's assessment of internal controls (risk assessment); formally reiterating to the Board, management, and staff their responsibility for preventing, detecting, and reporting fraud, waste, and abuse; informing the Comptroller of the Treasury of the results of the assessment and controls to reduce the risk of fraud; and serving as a facilitator of any audits or investigations of the body to which the audit committee is attached, including advising auditors and investigators of any information the audit committee may receive that is pertinent to audit or investigative matters. The Audit committee will also select the independent external auditor for RTA's financial statements.

- Within 30 days of notification by contracted management of an upcoming Board appointment expiration, the RTA Board Chair will notify the Governor's office. Please note that this notification has already occurred for seats that expired at the end of 2017.

As a result of the adopted recommendations, the following amendments to the RTA bylaws were also approved:

Article 2:

Section 1, Subsection (b): Amended to require Board Chair to notify the governor's office of an upcoming Board appointment expiration, within 30 days of notification by contracted management.

Section 3, Subsection (e): Amended to change the quorum requirement for RTAMT Board meetings for the purposes of doing business from 30% of the members of the Board to 50% of the members of the Board.

Amended to add new language requiring that, to serve as an officer of the Board or a member of the Executive Committee, a member must attend at least 50% of the regularly scheduled Board meetings.

Article 4:

Section 2: Amended to allow any interested Board member who attended at least 30% of regularly scheduled Board meetings in 2017 and attends at least 50% of regularly scheduled Board meetings thereafter to serve a member of the Executive Committee.

Section 5: Amended to require members of the Executive Committee to personally attend at least 50% of the monthly Committee meetings. Failure to attend the required number of meetings shall serve as grounds for removal from the Committee.

Following the referenced changes to the RTA structure and bylaws, a second sunset audit was performed by the State Comptroller and concluded in July 2019. The performance audit resulted in one finding and two observations, which were discussed at the Executive Committee meeting on September 11, 2019.

One specific observation was that the board had not yet performed its review of board member attendance or updated its bylaws to address board member attendance issues for regular board meetings.

Since the establishment of the Executive Committee in February 2018, there has been significant attention paid to addressing the importance of attendance for both the Executive Committee and RTA Board. Attendance records are reported in the minutes of both committee and board so that members can see who is and is not attending. Both the Executive Committee and full board meetings have reached a quorum, even with the change in the bylaws now requiring at least 50% attendance for a quorum. Recognizing that many local Mayors (who are automatically members of the RTA Board by virtue of their city's membership) are part-time mayors with full-time work responsibilities, all members were reminded of the ability of any Mayor to appoint an alternate to the Board, as allowed by the bylaws. To date, 28 of our 29 city and county members have done just that, helping to improve overall attendance.

While staff has made strides in accurately reporting attendance and the implementation of the Executive Committee has been instrumental in advancing city and county participation, a review of the following issues is beneficial to ensure a continued high level of participation:

1. The Election of Officers
 - Nomination and election process

2. Executive Committee
 - Power and authority
 - Participation by newly elected/appointed Board members
3. Methodology for tracking attendance at meetings
 - Roll call
 - Sign-in sheets

Additionally, some provisions in the current bylaws impact the ability to timely conduct necessary RTA business such as the election of officers. The Executive Committee should discuss whether additional amendments to the RTA bylaws should be explored.

Chief Executive Officer (CEO) Steve Bland stated the original Comptroller's Sunset Audit looked at how large this board was and said that it could be difficult to manage and recommended going down the road of the executive committee. Chair Randall Hutto and CEO Bland designed the committee in such a way where anyone of the sitting members can serve on the executive committee, as long as they meet three criteria: they are a member in good standing (pay their dues), they show interest, and meet attendance requirements.

Secretary Ed Cole asked if we had record of the executive committee attendance. CEO Bland stated that we do have the data and said that we've had outstanding attendance (well over 80%) with executive committee attendance, but when the full board meets, we struggle to meet the required attendance. Some board members have expressed that they would love to serve on the executive committee, but to come to Nashville for a 45-minute meeting is a bit much. With that being said, we want to explore making revisions to our current bylaws to expand the role of the Executive Committee to be able to approve such things as budgets, election of officers, etc.

If there are no objections in moving in this direction, Chief Administrative Officer Rita Roberts-Turner and our outside counsel, Attorney Junaid Odubeko will draft up revisions to present for the board's review.

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

- a. **Election of 2020 RTA board Officers (EXC-A-19-017)**: RTA officers are required per RTA bylaws to be elected at the first regular full Board meeting in each calendar year. The Executive Committee shall act as a nominating committee and submit a slate of candidates to the full Board one month prior to the election.

The officers of the RTA shall be Chair, Vice Chair, and Secretary and must include at least one appointed member and one elected official member. The following currently serve as 2019 officers:

Chair – Randall Hutto, Wilson County Mayor
Vice Chair – Paige Brown, City of Gallatin Mayor
Secretary – Ed Cole, Davidson County Governor Appointee

The next full RTA Board meeting is scheduled for November 20, 2019. If the Executive Committee acts at its' October 16, 2019 meeting to approve a slate of candidates for 2020, that slate will be presented to the Board in November for review. The Board will then be in position to elect officers at its first full meeting in 2020 which is expected to be in January.

There was no further discussion at this time.

VII. CEO's Report: CEO Bland gave the following report:

- Please make sure you sign in and check the attendance sheet in the minutes so we can make sure we have an accurate recording of attendance. Next month, we will be reviewing a summary of member attendance with the Executive Committee as part of our requirements under the Office of State Comptroller Performance Audit.
- Mayor Cooper announced the appointment of Faye DiMassimo to lead the Mayor's Office efforts on Transportation and Infrastructure. Ms. DiMassimo comes with extensive experience in regional transportation in the Atlanta region, most recently working as a consultant for Deloitte. We look forward to working with her.
- We received the first of our rehabilitated locomotives, and it is undergoing dynamic testing prior to entering revenue service in the next few weeks. Once that locomotive has been accepted, the second will be released to go through the process.
- HDR is finalizing a draft report examining the feasibility of various Star improvements. This report is being reviewed by RJ Corman for accuracy, after which time we will present to an RTA Board committee.
- We have begun very preliminary conversations with the developers of a proposed reconstruction of the Hickory Hollow Mall about incorporating a regional transit center and Park & Ride facility into this project. If built, this facility would serve both Nashville Metropolitan Transit Authority (Nashville MTA) and RTA services.
- Unfortunately, we were notified by Mayor McCarver that Cheatham County will not be renewing their membership in the RTA. Mayor McCarver indicated that the county did not have any specific issues with how the RTA works, but that he was not hearing any requests from his constituents for transit services. Cheatham County is the only member county that does not currently have any commuter bus or rail service.
- Nashville MTA completed its fare increase and service reductions over the past two months. To date, the transition has been fairly smooth given the magnitude of the changes. You will recall, with the cancellation of the downtown Circuit routes, the RTA is now picking up the shuttle from Riverfront Station to WeGo Central and the State Capitol Complex.
- Construction drawings and specifications for the Mt. Juliet Park & Ride expansion are complete and will be going out to bid in the next 30 days. We anticipate a January Board award for this project.

VIII. Chair's Report: Mayor Hutto thanked everyone for allowing him to serve as Board Chair. He stated that he appreciates everyone's efforts in attending these meetings, and knows that it can be tough navigating, especially when the location of the meetings change.

He stated that there have been recent conversations with Mayor Cooper concerning his thoughts around transit. Hutto thought it was positive. He said that he recently received confirmation at a TDOT meeting that they want to make a difference in transportation in the region. He thinks that as we continue to look at transportation, that it is important that we meet regularly and that we be innovative in our thinking, in different ways.

In closing, Mayor Randall allowed Mayor Jerry Kirkman to make the board aware of an accident that took place with the train yesterday, October 15, 2019. To his knowledge, the individual was not injured, but wanted this board to have knowledge of this accident.

IX. Adjournment: Proper motion was made and seconded to adjourn, and the meeting was adjourned at 10:29 a.m.

Respectfully submitted:

Ed Cole, RTA Secretary &
Davidson County Governor Appointee