



Minutes

NASHVILLE METROPOLITAN TRANSIT AUTHORITY

BOARD OF DIRECTORS MEETING

June 25, 2015

- I. CALL TO ORDER:** The regular meeting of the Nashville Metropolitan Transit Authority Board of Directors was held in the Music City Central Meeting Room, 400 Charlotte Avenue, on June 25, 2015. Present were: Marian Ott, Chair; Lewis Lavine, Vice-Chair; Janet Miller, member; Thomas F. O’Connell, member; Gail Carr Williams, Member; Secretary Margaret Behm, and CEO Stephen G. Bland. A quorum was established and Chair Ott called the meeting to order at 1:30 p.m.
- II. APPROVAL OF MINUTES:** Proper motion was made to approve the minutes of the May 28, 2015 Board of Directors meeting. There were no additions or corrections and the vote of approval was unanimous.
- III. PUBLIC COMMENTS:** Chair Ott reminded us that public comments are kept to three minutes. She then recognized the following members of the public:

John Bull of Nashville:

Mr. Bull noted he has these three comments:

1. Related to safety and stress for bus drivers: Mr. Bull stated that he lives in mid-town and rides the bus four to ten times a day. Every two to three days, he will notice a really horrendous traffic situation in which the driver displays some really good motor vehicle operator skills. His suggestion is to send the video tapes from our bus cameras to the Metro Police Department to assist in cutting down on these incidences.
2. A minor thing, perhaps, but a bus driver stated that at the intersection of James Robertson Parkway and 5th Avenue, coming into the terminal, the turn signals aren’t quite right.
3. Mr. Bull saw the Automated Vehicle Locator (AVL) presentation at the committee meeting and thought it was spectacular.

Margo Chambers of Nashville:

Ms. Chambers stated that she has two requests:

1. She requests of the Board that free parking passes be given to the public who attend the MTA meetings at MCC.

2. She would like the grant number for the frequent bus service for the Broadway/West End corridor that was established in approximately 2011 to put more frequent buses up and down that corridor.

Steve Reiter of Nashville:

Mr. Reiter had the following comments:

1. He, too, would like to see that free parking passes be given to the public who attend the MTA meetings at MCC.
2. Mr. Reiter referred to a controversial issue in another city concerning that city's start-up of a street car line using FTA grant money. He suggested that they did not put in realistic numbers for expected ridership or operating expenses. He sees this as a trend everywhere and is hopeful that when MTA makes applications with the FTA that they will put down realistic numbers for ridership and operating expenses.

James Thomas of Nashville:

Mr. Thomas cited six issues with the #12 Nolensville bus. One issue was a no-show and the others were incidents of the bus being late by 20 – 30 minutes each time.

Peter O'Connor of Nashville:

Mr. O'Connor stated that he had three things to mention:

1. When he puts in a complaint with Customer Care, he may get a complaint number, but he does not get any type of follow-up.
2. Drivers on the bus are not enforcing the code of conduct concerning loud music.
3. The #12 Nolensville Pike on Sunday mornings is still arriving early.

There were no other public comments.

- IV. TRANSPORTATION COMMITTEE:** Committee member Janet Miller reported that this month the committee had two primary focuses. They had an in-depth discussion about the plans for improving AccessRide and they also received an update on the Automated Vehicle Locator (AVL) system.

The AccessRide demand has grown significantly over the last few years and there has been a lot of discussion about how we can improve AccessRide and respond to the increased demand. The Board has begun a deep analysis of AccessRide in hopes to address the issues that we are having with this service. At the committee meeting, Customer Care Director Zeda Riggs presented an in-depth report that included a map of the Davidson County MTA AccessRide active client base by Zip code. Knowing where this ridership resides is a very helpful piece. A great asset to working on these issues is the AccessRide Advisory Policy Committee (APAC) who is very dedicated to working on the issues.

Continuing, Ms. Miller stated that our process up front has been to get a consensus on what are the issues. They seem to be centered on the on-time performance, safety perceptions, how do we track complaints, scheduling, and long trips where people may have to have multiple stops.

The next step is coming to consensus on how we are going to measure if we are successful in gauging against these issues. Then, the next step will be to brain storm strategies to cure these issues. Following that, we will adopt a strategy with measures that we can see where we go.

The overall consensus of the committee and the Board is we feel great that a set process has been put in place for this and we are just beginning it now. This demand is not going to go away, and it is probably going to continue to trend upward. We feel that this is a really good use of this Board's time and of the organization's time to really understand the AccessRide program.

Responding to Ms. Miller's invitation for comments, Mr. Bland stated that certainly the trends are of concern from both a quality standpoint and a cost efficiency standpoint. He echoed Ms. Miller's remarks about the dedicated nature and the qualifications of the advisory committee and their desire to work together cooperatively to resolve issues.

The second focus of the committee meeting was the Automated Vehicle Locator (AVL) system. Scheduling Manager Dan Freudberg gave a presentation of the technical aspects and what the app will look like. We took a deep look at how this is actually going to function and we all got excited about that. The project is on budget, meets specifications for quality, and is on schedule.

Additionally, the committee was able to look at the product and app that is being developed in partnership with Vanderbilt. That is going to become a national best practice and is something that we really feel like we can adapt and use.

In closing, Ms. Miller also mentioned that the question presented itself in committee about how are we going to market this amazing product. At the August meeting the committee will focus on a marketing strategy and plan to promote and market this AVL system.

- V. **FINANCE COMMITTEE:** Chair Gail Carr Williams reported that the committee had a long discussion about the budget process and what that will look like for the upcoming year. They want to start earlier and have more strategic discussions, not strategic planning, but strategic budget discussions about how we plan the budget and about how we prepare for whatever the new administration might ask of us. We had a variety of scenarios that have been vetted thoroughly by the board as well as CFO Ed Oliphant and his staff and CEO Steve Bland. It was a good, healthy, discussion and a good way for us to move forward as we think about a budget process that is collective and as a whole that works.

Ms. Williams then presented the following action items for the Board's consideration:

- a. **FY 2016 Budget Adoption (A-15-006):** Chair Williams requested that the budget content of this item be include herewith for the record:

Metro Council adopted a FY 2016 budget (July 1, 2015 – June 30, 2016) that includes a \$40 million subsidy for Nashville MTA. This represents an increase of

\$3.6 million, or 10%, over last year’s subsidy of \$36.4 million. The subsidy increase primarily represents dollars to continue new Bus Rapid Transit Lite (BRT-Lite) along Charlotte Pike and implement new BRT-Lite service along the Nolensville Road corridor in the Spring of 2016. The overall operating budget as compared to last year is projected to increase approximately \$3.2 million, or 4.5%, to \$73.6 million in FY 2015 from \$70.4 million in the FY 2015 budget.

The following summary highlights the increases and decreases in revenues for this proposed budget compared to FY 2015:

Increase in Fare Revenue	\$ 631,000
Increase in Contract Revenues	\$ 62,000
Increase in Non-Transportation Revenue	\$ 41,000
Increase in JARC and New Freedoms	\$ 424,000
Decrease in CMAQ Funding	\$ (1,812,000)
Additional Federal Reimbursements	\$ 210,000
Increased Metro Subsidy	\$ 3,643,000
Total Revenue Increase	\$ 3,199,900

- The increase in passenger fares for bus and Access Ride to \$12.5 million represents a 5.3% increase over actual final FY 2015 fare revenues of \$11.8 million. The increase is primarily due to an assumed 3% to 5% ridership increase for FY 2016 related to the addition of new BRT-Lite services and the StrIDe program allowing high school students to ride at no cost to the student.
- The increase in Contract Revenues is primarily due to a 3% increase in the contractual rates for services provided to RTA.
- The increase in Other Non-Transportation Revenue is primarily from increased contractual parking operations in place with Premier Parking.
- The increase in Job Access and Reverse Commute (JARC) and New Freedom grant funding is primarily the result of increases in grant dollars that will be awarded and eligible for use on specific MTA bus services during FY 2016.
- Congestion Mitigation and Air Quality (CMAQ) funding is eligible to be used on projects up to three years. The decrease in CMAQ revenues for FY 2016 is due to some of MTA’s eligible services along Broadway and West End passing the three year mark.
- The anticipated increase in Federal Operating Reimbursements is based upon an estimate of preventive maintenance and paratransit operating expenses eligible for reimbursement. The balance of the remaining federal 5307 capital formula funds after the operating reimbursement will be utilized for capital purposes.

- The Local Metro operating assistance should be approved next week by the Metro Council.

The summary below details where the approximately \$3.2 million of increases impact expenses:

Wages & Fringes	\$ 1,779,500
100 Shelters Maintenance	\$ 395,600
Charlotte and Nolensville BRT-Lite	\$ 635,500
Health Insurance	\$ 134,400
Pension Expense	\$ 421,900
New Driver Recruitment Initiatives	\$ 161,000
Fuel	\$ (2,217,600)
Other Services	\$ 754,000
Parts, Materials, & Supplies	\$ 544,900
Utilities	\$ 107,300
Liability Insurance & Reserves	\$ 200,000
LOCAP & Internal Service fees	\$ 156,800
Other	\$ 125,700
Total Expense Increase	<u>\$ 3,199,000</u>

- Labor and fringe related costs are increasing partially as a result of contractually scheduled step wage increases and a 2% wage increase related to our labor union contract as well as a 2% increase in administrative wages. There are 4 additional administrative support positions included in this budget proposal. These positions are needed in building maintenance, our development department, and finance department in order to maintain both existing and new services.
- The Shelter Maintenance represents the necessary labor to maintain the new shelters added to our routes through the 100 new shelter initiative as well as the new shelters associated with the new Charlotte and Nolensville BRT-Lite shelters.
- The BRT-Lite increase is for driver labor to continue the new BRT-Lite service along Charlotte Pike for a full year compared to a partial year last fiscal year; and the new Nolensville Road BRT-Lite which is scheduled to be implemented with our Spring service changes in March 2016.
- Health Insurance is expected to increase at a smaller rate as we begin to see greater discounts for claims through our contract with Blue Cross Blue Shield of Tennessee.
- The increase in Pension expense represents an increase due to higher overall budgeted wages and anticipated actuarial increases.

- The increase for driver recruitment represents a necessary initiative to hire more qualified bus and paratransit drivers. The increase includes a new position in our training department to accommodate larger training class size as well as increased advertising for recruitment through newspaper, radio, television and social media.
- The decrease in Fuel expense is mainly due to our fuel hedging contract prices effective July 1, 2015 decreasing from approximately \$2.88 per gallon to \$1.73 for FY16. We hedge approximately 72% of our diesel consumption.
- The increase in Other Services is primarily due to increased paratransit overflow expenses related to the anticipated increases in Access Ride services. Additionally, there is a need to increase security costs to have full coverage at our Nestor facility. There are also additional costs associated with our armored car services related to fare collections, additional professional attorney fees for ongoing litigation, and implementation of a new 3rd party payroll processor.
- The increase in Parts, Material and Supplies is primarily the result of a growing overall fleet size as well as the overall fleet being another year older.
- The increase in utilities is due to anticipated increases in our electric and natural gas usage at our Myatt property as Metro General Services begins renovation of their unused space which is adjacent to our maintenance department. We currently share the utilities with Metro in that space.
- The increase in liability insurance relates to overall increases in the number of vehicles being covered under the policy.
- The LOCAP and Internal Service Fee expense is increasing based upon an allocation calculated and charged primarily by Metro IT for our internet services and the Metro Radio shop for support and maintenance of all our radio systems on our revenue vehicles and in our dispatch office.
- The Other Expense line item is the netting of all other budget line items.

Chair Williams reported it was the recommendation of the committee that the Board adopt the FY 2016 Budget as presented here. There was no discussion and the vote of approval was unanimous.

b. MTA-RTA Contract Renewal for Regional Transit Services (A-15-007):

The Finance Committee recommends 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, 2015 – June 30, 2016 for the following base amounts:

Contract #1 for \$1,550,761 for regional bus service to Murfreesboro from Davidson County

Contract #2 for \$158,511 for connecting buses supporting commuter rail

Chair Ott asked for discussion and member Freddie O'Connell asked whether or not this is the best overall operating arrangement between MTA and RTA for a commuter coach route. CEO Steve Bland replied that for the moment it certainly is. He noted that there is some ongoing conversation with the Rutherford County participants in the RTA about funding levels which may require some reduction in the number of trips. There was no further discussion and the vote of approval was unanimous.

- c. **MTA-RTA Contract for State EasyRide Services (A-15-008):** The Nashville MTA and the Regional Transportation Authority (RTA) have established a positive working relationship over the years on regional transit programs.

For several years, MTA along with the RTA have participated in an EasyRide program with the State of Tennessee where both agencies provide transit rides to State employees and the State reimburses both MTA and RTA on a cost per ride basis. As in the past, MTA continues to be the principle party in the contract with the State of Tennessee and, by separate agreement, passes through to RTA its portion of the of the contract revenue for the RTA rides provided.

The Finance Committee recommends to the Board the approval for MTA to enter into a contract with RTA that calls for MTA to reimburse RTA for EasyRide trips provided to State employees participating in the Easy Ride program at a rate of \$3.15 per ride for a period of one year, beginning July 1, 2015 through June 30, 2016. There was no discussion and the vote of approval was unanimous.

- d. **Armored Car and Cash Management Services (A-15-009):** The Nashville MTA has utilized Loomis Armored for the last two years to provide armored car and cash management services for its cash fare collections. The current contract is scheduled to expire July 28, 2015, so a Request for Bid (RFB 2015537) was issued on March 17, 2015 to solicit responses from vendors for these services.

Loomis was the only vendor to submit a bid on or before the April 1, 2015 due date. Loomis also submitted a Best and Final Offer on April 17, 2015, agreeing to Nashville MTA's request for a 3% annual increase instead of 4.5% annual increase.

The Finance Committee recommends that the Board give the Chief Executive Officer authorization to enter into a contract with Loomis for an initial two (2) year term for \$235,720.56 with three (3) additional one-year renewal options. This contract will not exceed \$616,489.20 over the five year period. There was no discussion and the vote of approval was unanimous.

- e. **Liability Insurance Renewal (A-15-010):** Every year MTA's insurance broker shops the insurance market for renewal of MTA's \$3 million liability policy. He

inquired of several different insurance companies and received two quotes for the upcoming policy year of July 1, 2015 – June 30, 2016.

The first one is from our current carrier, RLI. The second one is from National Interstate (“Nat. Int.”). Both will offer coverage with a \$3,000,000 limit and a \$100,000 deductible per occurrence. The per vehicle type annual rates for liability coverage compared to our current policy are as follows:

<u>Liability Coverage</u>	<u>Current (2014-15)</u>	<u>RLI (2015-16)</u>	<u>Nat'l. Int. (2015-16)</u>
Transit Bus	\$3,106	\$3,173	\$2,854
Transit Van	\$2,175	\$2,221	\$1,866
Service Vehicle	\$1,381	\$1,450	\$1,377

With the caveat that approval of this item is subject to the Board’s Legal Counsel Margaret Behm reviewing of the insurance policy, the Finance Committee recommends to the Board to authorize the CEO to enter into a contract with National Interstate for our liability coverage for the period July 1, 2015 to June 30, 2016 for \$3,000,000 in coverage with a \$100,000 deductible for a premium of approximately \$726,594 and a \$100,000 collateral deposit. There was no discussion and the vote of approval was unanimous.

- f. **Nestor Property Permanent Easement (A-15-011):** Over the years our Nestor property has experienced issues with sink holes that have had to be repaired. Part of the issue has been due to a Metro sewer line that runs east to west parallel to Nestor Street underneath our parking lots and the maintenance section of our building. Whenever we have had a repair, Metro Water has participated in the repairs as well as the expense. Metro Water Services has approached us with a plan to abandon their 48” sewer and associated current permanent utility easement that runs across our property. They are going to redirect the sewer line from the manhole on the far eastern side of our property where our service line connects to their line and construct a new sewer line that will run directly toward Nestor Street and then down Nestor Street totally by-passing our property. As a part of their project, they will fill in the abandoned sewer line to prevent any possibility of causing another sink hole due to collapsed piping along the old line underneath our property.

In order to redirect the sewer line to Nestor, Metro Water needs MTA to approve a new permanent 20’ utility easement and a 10’ temporary construction easement approximately 225’ feet in length from the manhole on our property out to Nestor Street. A schematic of the new easement is included with this action item.

The Finance Committee recommends that with the abandonment and repair of the present easement by Metro Water at Nestor Street, the Board approve the granting of a new permanent easement to Metro Water Services as described above to redirect their sewer line off of our property to Nestor Street. There was no discussion and the vote of approval was unanimous.

VI. PLANNING AND MARKETING COMMITTEE REPORT: Chair Lavine reported on the following action item:

- a. **nMotion 2015 Conceptual Design for High Capacity Transit Corridors (A-15-012)**: This was discussed in length at our committee meeting last week. This clarifies that there is a large part of the planning project, the Conceptual Corridor Study, which needs to be carried out by the consultant group. This will authorize us to permit that work.

Four proposals were received in response to the Request for Qualifications that was issued April 1, 2015. An evaluation team that included members from MTA, the Nashville Area MPO, and Metro Planning Department reviewed and scored proposals. The firm of Nelson\Nygaard received the highest ranked score

The Planning and Marketing Committee recommends to the Board that they authorize management to negotiate and enter into a contract with Nelson\Nygaard for the development of a Conceptual Corridor Study at a cost not to exceed \$400,000 for the duration of the contract. This work will be funded through Metro local capital funds and shall be completed within the timeframe of the Strategic Plan process.

Chair Ott opened the floor for discussion. For clarification, board member Freddie O'Connell stated that we have a strategic planning process underway that is visioning and this augments that by giving people some technical details to look at for a high capacity alternative on some of these corridors.

CEO Steve Bland concurred and reminded everyone that this was part of the reallocation of funds from Metro Council when they refocused some of the former Amp fund into a couple of particular pieces of our strategic plan including the Conceptual Corridor Analysis. There was no further discussion and the vote of approval was unanimous.

- VII. CHAIR'S REPORT**: Chair Ott stated that as we approach the new fiscal year for MTA (July 1), it is a good time to stop for a moment and reflect. It has been a very busy year for us and we have had a lot of changes. We started the year by welcoming our new CEO Steve Bland and we hired our permanent Director of Development Mark Sturtevant. At the beginning of the year, and part throughout the year, many of the staff had extra work because people were in transition and positions weren't filled or they were working with new people. She wants to acknowledge that and thank everybody for a really good year.

Continuing, Chair Ott added that some of our accomplishments for the year include that, despite the weather, our ridership this year will be better than that of last year; we were able to start the Charlotte BRT; we are well into the Mayor's 100 Shelter project; we are going to end the year within budget; we have made major advancements on the AVL project; and, we have launched the nMotion planning process.

Looking ahead, we are going to be welcoming someone else to the team, our new Chief Operating Officer, India Birdsong. We do have some challenges – AccessRide as we have already mentioned, and we continue to be concerned about service reliability. There is not one thing to be done to fix it, but a number of things that need

to be done, and we have identified some of them and look forward to getting some improvements with that as well as other things. The major focus of the year is going to be to continue the nMotion project.

In closing, Chair Ott noted that we are going to be very sad to see Mayor Dean leave office, he has been such an incredible supporter of transit in particular and the MTA as well. We are also happy that no matter who becomes mayor, each one of them has stated that transit is very important to the future of our city. We are looking forward to working with whoever our new mayor is going to be.

VIII. ELECTION OF OFFICERS: MTA Board Secretary and Counsel to the Board Margaret Behm reminded us that after Board Chair Jeff Yarbrow was elected to the State Senate in November, Marian Ott was elected Chair and Lewis Lavine was elected Vice-Chair and they have served this half year. She has spoken with both of them and they are willing to serve, if nominated. Ms. Behm then opened the floor for nominations and member Gail Carr Williams nominated Marian Ott to continue as the Nashville MTA Board Chair and Lewis Lavine to continue as the Nashville MTA Board Vice-Chair. Proper second was made. There were no other nominations and the vote of approval was unanimous.

Ms. Behm added that it is such an honor to be serving with this Board who spends a tremendous amount of time in service to the community in transit as volunteers.

IX. CEO'S REPORT: CEO Steve Bland reported that this year was his first opportunity to go through the budget session. He echoed Chair Ott's comments that Mayor Dean and his office, City Finance Director Rich Riebeling and the finance department, and the Metro City Council continue to be extremely supportive of transit in Nashville. We look forward to continuing our relationship with the new mayor and the new council.

Mr. Bland introduced to the Board the new Chief Operating Officer, India Birdsong. India comes to us after a very distinguished career with the Chicago Transit Authority. Ms. Birdsong thanked the Board for the opportunity to serve the community and the team under Steve.

Continuing, Mr. Bland stated that the prominence of transit as an issue in the community continues unabated and this month was no exception. Last week Cumberland Region Tomorrow (CRT) held their Power of 10 Summit with more than 600 people in attendance. Over the past month we have gotten a number of other groups active and have participated with a number of other stakeholder groups as the Chamber of Commerce begins their discussions on how to advance the transit mobility agenda over the next few years. It was great to have folks like the Road Builders Association, the MPO, and a number of other important stakeholders including CRT in the group with the Chamber to talk about how the private sector can mobilize and leverage their assets into this discussion.

Recounting other recent activities, Mr. Bland shared about his participation in the session the Transit Alliance held for the Transit Leadership Academy, his

conversations with the Tennessean Editorial Board, and his active engagement in conversations with the Tennessee Public Transit Association and its annual planned workshop here in Nashville. That topic was on overall statewide transit issues with Nashville as the epicenter of transit mobility and discussion and that will certainly play out in the industry over the next few years.

In closing, Mr. Bland echoed Chair Ott's comments of appreciation for Mayor Dean. Mayor Dean's leadership on pulling the Regional Transportation Authority together and considering the importance of regional approach to transportation really has been something spectacular to watch.

X. Other Business: There was no other business to come before the Board.

XI. Adjournment: The meeting was adjourned at 2:30 p.m.